IMPORTANT NOTICE

THIS DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBs (AS DEFINED BELOW) UNDER RULE 144A PROMULGATED UNDER THE SECURITIES ACT (AS DEFINED BELOW) OR (2) NON-U.S. PERSONS (AS DEFINED IN REGULATION S PROMULGATED UNDER THE SECURITIES ACT) LOCATED OUTSIDE OF THE UNITED STATES

IMPORTANT: You must read the following before continuing. 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 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 the Issuer (as defined in the Offering Circular) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF NOTES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES AND THE GUARANTEE (EACH AS DEFINED IN THE OFFERING CIRCULAR) HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN 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 SECURITIES LAWS.

THE 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. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES.

Notice to investors in Singapore: By accepting the 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 therein.

Confirmation of your representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the Notes, investors must be either (i) a qualified institutional buyer ("QIB") (within the meaning of Rule 144A under the Securities Act) or (ii) a non-U.S. person (within the meaning of Regulation S under the Securities Act) purchasing the Notes while located outside of the United States in an offshore transaction in reliance on Regulation S under the Securities Act. The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to the Issuer that (1) you and any customers you represent are either (a) QIBs or (b) non-U.S. persons located outside of the United States and (2) you consent to delivery of the Offering Circular and any amendments and supplements thereto by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the 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 authorised to, deliver the Offering Circular to any other person.

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 any of Australia and New Zealand Banking Group Limited, Crédit Agricole Corporate and Investment Bank, The Korea Development Bank, Morgan Stanley & Co. International plc and Standard Chartered Bank (collectively, the "Joint Lead Managers") or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Lead Manager or such affiliate on behalf of the Issuer in such jurisdiction.

The 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 neither the Joint Lead Managers nor any person who controls any of the Joint Lead Managers or any director, officer, employee or agent of it 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 Joint Lead Managers.

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.

OFFERING CIRCULAR

Hanwha Energy USA Holdings Corporation
(DBA 174 Power Global)

(a corporation incorporated under the laws of Delaware, United States)

US$400,000,000 4.375% Guaranteed Senior Unsecured Green Notes due 2028
Unconditionally and Irrevocably Guaranteed by

The Export-Import Bank of Korea

(a statutory juridical entity established under
The Export-Import Bank of Korea Act of 1969, as amended, in the Republic of Korea)

Issue Price: 99.900%

Hanwha Energy USA Holdings Corporation (the "Issuer") is offering US$400,000,000 in aggregate principal amount of its 4.375% Guaranteed Senior Unsecured Green Notes due 2028 (the "Notes") which will be unconditionally and irrevocably guaranteed by The Export-Import Bank of Korea (the "Bank" or the "Guarantor," and such guarantee, the "Guarantee"). Interest on the Notes will be payable semi-annually in arrear on 2 January and 2 July of each year, commencing on 2 January 2026 until redemption or maturity.

Unless previously redeemed, or purchased and cancelled, the Notes will mature on 2 July 2028 at their principal amount. The Notes are subject to redemption in whole, but not in part, at their principal amount, together with accrued interest, at the option of the Issuer at any time in the event of certain changes affecting taxes of the Relevant Jurisdiction (as defined herein). See "*Terms and Conditions of the Notes—Redemption and Purchase—Redemption for Taxation Reasons*." Each Noteholder (as defined herein) will have the right, at its option, to require the Issuer to redeem all, but not some only, of such Noteholder's Notes, at their principal amount, together with accrued interest, upon the occurrence of a Change of Control (as defined herein). See "*Terms and Conditions of the Notes—Redemption and Purchase—Change of Control Redemption*." Payments on the Notes will be made without deduction for or on account of taxes of the Relevant Jurisdiction to the extent described under "*Terms and Conditions of the Notes—Taxation*."

The Notes will be issued only in registered form in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer. The obligations under the Guarantee constitute direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor. See "*Terms and Conditions of the Notes*."

Approval in-principle has been received from 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 herein. 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 Notes, the Issuer or the Guarantor. There is currently no public market for the Notes. 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.

The Notes are expected to be rated "AA" by S&P Global Ratings, a division of S&P Global, Inc. ("S&P"). A rating 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 organisation.

The Notes are expected to be delivered in book-entry form only through the facilities of The Depository Trust Company ("DTC") for the accounts of its participants, including Euroclear Bank NV/SA ("Euroclear") and Clearstream Banking SA ("Clearstream") on or about 2 July 2025.

Neither the Notes nor the Guarantee has been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws of the United States, and they may not be offered or sold directly or indirectly within the United States or to or for the account or benefit of a U.S. person (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. Accordingly, the Notes are being offered and sold (i) in the United States only to qualified institutional buyers (as defined in Rule 144A ("Rule 144A") under the Securities Act) in reliance on Rule 144A and (ii) outside the United States to non-U.S. persons in reliance on Regulation S, in each case, in compliance with applicable laws, regulations and directives. Prospective investors are hereby notified that the seller of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. The Notes are not transferable except in accordance with the restrictions described under "*Notice to Investors*."

Joint Lead Managers and Bookrunners

ANZ
Crédit Agricole CIB
Korea Development Bank
Morgan Stanley
Standard Chartered Bank

The date of this Offering Circular is 23 June 2025.

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You should rely only on the information contained in this Offering Circular when making an investment decision. None of the Issuer, the Guarantor or any of the Joint Lead Managers (as defined in "*Subscription and Sale*") has authorised 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 when making an investment decision.

You should assume the information in this Offering Circular is accurate only as of the date of this Offering Circular. 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 or the Guarantor 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, which has not been separately verified by the Joint Lead Managers. No representation, undertaking or warranty, express or implied, is made by the Joint Lead Managers or any of their respective affiliates or advisers as to the accuracy or completeness of the information contained in this Offering Circular, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by the Joint Lead Managers or any of their respective affiliates or advisers. The Joint Lead Managers assume no responsibility for the accuracy 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 of the Notes or their distribution. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers or any of their respective affiliates or advisers in connection with investigation of the accuracy of such information or such person's investment decisions. To the fullest extent permitted by law, none of the Joint Lead Managers accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by any Joint Lead Manager or on its behalf in connection with the Issuer, the Guarantor, the Guarantee or the issue and offering of the Notes. The Joint Lead Managers accordingly disclaim any and all liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

Prospective investors should refer to the section entitled "Use of Proceeds" in this Offering Circular for information regarding the intended use of proceeds from the offering of the Notes and the Issuer's Green Financing Framework (as defined in "Use of Proceeds" in this Offering Circular). The Joint Lead Managers make no assurances as to (i) whether the Notes will meet investor criteria and expectations with regard to environmental impact and sustainability performance for any investors, (ii) whether the use of the net proceeds from this offering will be used for Eligible Green Projects (as defined in "Use of Proceeds" in this Offering Circular) or (iii) the characteristics of the Eligible Green Projects, including their environmental and sustainability criteria. None of the Joint Lead Managers makes any representation as to the suitability of the Notes to fulfil environmental and sustainability criteria required by prospective investors. See "*Risk Factors—Risk Relating to the Notes—The Notes may not be a suitable investment for all investors seeking exposure to green assets*." The Joint Lead Managers have not undertaken, nor are responsible for, any assessment of the eligibility of the Green Financing Framework or Eligible Green Projects, or the monitoring of the use of proceeds from the offering of the Notes.

This Offering Circular may only be used where it is legal to sell the Notes. None of the Issuer, the Guarantor or the Joint Lead 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.

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 acknowledgements, representations, warranties and agreements intended to restrict the resale or other transfer of the Notes, as set forth under "*Notice to Investors*" in this Offering Circular. As a prospective investor, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. See "*Subscription and Sale*" and "*Notice to Investors*."

In connection with this offering, each of the Joint Lead Managers (each a "Stabilisation Manager") or any of its affiliates (or any person acting on behalf of any of them) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Notes and 60 days after the date of the allotment of the relevant Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of Stabilisation Manager(s)) in accordance with all applicable laws and rules. For a description of these activities, see "*Subscription and Sale*."

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

THE NOTES HAVE NOT BEEN RECOMMENDED BY ANY U.S. FEDERAL OR STATE OR FOREIGN SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT REVIEWED OR PASSED ON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

This Offering Circular is only being distributed to and is only directed at (a) persons who are outside the UK or (b) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (c) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

NOTICE TO PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT

Prospective investors should be aware that certain intermediaries in the context of this offering of the Notes, including all of the Joint Lead 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 Joint Lead Manager, such prospective investor should so indicate when placing an order if it is for a fund or portfolio where the Joint Lead Manager or its group company has more than 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 Joint Lead Manager, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should so indicate to the relevant Joint Lead 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 Joint Lead 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.

ENFORCEABILITY OF CIVIL LIABILITIES

The Guarantor is a statutory juridical entity established in Korea pursuant to The Export-Import Bank of Korea Act of 1969, as amended (the "KEXIM Act"). All of the Guarantor's directors and officers reside in Korea, and all or a significant portion of the assets of the directors and officers and a substantial part of the Guarantor's assets are located in Korea.

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 against the Guarantor in U.S. courts judgments predicated upon the 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

To permit compliance with Rule 144A in connection with sales of the Notes, the Issuer will be required under the terms of the Notes and the Agency Agreement (as defined in this Offering Circular) to furnish upon request of a Noteholder, to such Noteholder and any prospective investor designated by such Noteholder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act unless at the time of the

request the Issuer is a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), or is exempt from the registration requirements of Section 12(g) of the Exchange Act (and therefore is required to publish on its website, in English, certain information pursuant to Rule 12g3-2(b) under the Exchange Act). In accordance with the Notes and the Agency Agreement, the Fiscal Agent (as defined in this Offering Circular) also will make available for inspection by Noteholders or, in certain cases, arrange for the mailing to such Noteholders, certain documents or communications received from the Issuer.

CERTAIN DEFINED TERMS AND CONVENTIONS

In this Offering Circular, all references to the "Issuer" are to Hanwha Energy USA Holdings Corporation and, unless otherwise specified or the context otherwise requires, its consolidated subsidiaries.

All references to the "Bank" or the "Guarantor" are to The Export-Import Bank of Korea. All references to "Korea" or the "Republic" are to The Republic of Korea. All references to the "Government" are to the government of Korea.

All references to "MWdc" are to megawatts in direct current. All references to "MWh" are to megawatt-hour.

Unless otherwise indicated, all references to "Won" or "₩" contained in this Offering Circular are to the currency of Korea, references to "U.S. dollars", "US$" or "USD" are to the currency of the United States of America, references to "Canadian Dollar" or "CAD" are to the currency of Canada, references to "Euro" or "EUR" are to the currency of the European Union, references to "Chinese Yuan" or "CNY" are to the currency of the People's Republic of China, references to "Singapore Dollar", "S$" or "SGD" are to the currency of Singapore, references to "Swiss Franc" or "CHF" are to the currency of Switzerland, references to "British Pound" or "GBP" are to the currency of the United Kingdom, references to "Hong Kong Dollar" or "HKD" are to the currency of Hong Kong, S.A.R., references to "New Zealand Dollar" or "NZD" are to the currency of New Zealand, references to "Thai Baht" or "THB" are to the currency of Thailand, references to "Australian Dollar" or "AUD" are to the currency of Australia, references to "Indonesian Rupiah" or "IDR" are to the currency of Indonesia, references to "Indian Rupee" or "INR" are to the currency of India, references to "South African Rand" or "ZAR" are to the currency of South Africa, references to "Norwegian Krone" or "NOK" are to the currency of Norway, references to "Brazilian Real" or "BRL" are to the currency of the Federative Republic of Brazil, references to "Mexican Peso" or "MXN" are to the currency of the United Mexican States, references to "Polish Zloty" or "PLN" are to the currency of Poland, references to "Philippine Peso" or "PHP" are to the currency of the Philippines, references to "Japanese Yen" or "JPY" are to the currency of Japan and references to "Peruvian Sol" or "PEN" are to the currency of Peru.

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.

PRESENTATION OF FINANCIAL INFORMATION

The Issuer's consolidated financial statements and information as of and for the years ended 31 December 2024 and 2023 included in this Offering Circular have been prepared in accordance with generally accepted accounting principles in the United States.

The Guarantor's separate financial statements and information as of and for the years ended 31 December 2024 and 2023 included in this Offering Circular have been prepared in accordance with International Financial Reporting Standards as adopted in Korea ("K-IFRS"). References in this Offering Circular to "separate" financial statements and information are to financial statements and information prepared on a non-consolidated basis. Unless specified otherwise, the Guarantor's financial and other information included in this Offering Circular is presented on a separate basis in accordance with K-IFRS and does not include such information with respect to its subsidiaries.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes future expectations, projections or "forward-looking statements", as defined in Section 27A of the Securities Act and Section 21E of the Exchange Act. The words "believe", "expect", "anticipate", "estimate", "project" and similar words identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular are forward-looking statements. Although the Issuer and the Guarantor believe that the expectations reflected in the forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. This Offering Circular discloses important factors that could cause actual results to differ materially from the Issuer's or the Guarantor's expectations, including factors that could adversely affect the future performance of the Korean economy, as described below (collectively, the "Cautionary Statements"). All subsequent written and oral forward-looking statements attributable to the Issuer or the Guarantor or persons acting on behalf of either of them are expressly qualified in their entirety by the Cautionary Statements.

Factors that could adversely affect the future performance of the Korean economy include:

- the ongoing economic and trade tensions between the United States and China, exacerbated by the protectionist policies implemented by the Trump administration;
- declines in consumer confidence and a slowdown in consumer spending in the Korean or global economy;
- rising inflationary pressures leading to increases in the costs of goods and services and a decrease in purchasing power;
- 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 deteriorating economic and trade relations between the United States and China and increased uncertainties in the global financial markets and industries;
- adverse changes or volatility in foreign currency reserve levels, commodity prices (including oil prices), exchange rates (including fluctuation of the U.S. dollar, the Euro or the Japanese Yen exchange rates or revaluation of the Chinese Yuan and the depreciation of the Won against such currencies), interest rates, inflation rates or stock 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;
- imposition of tariffs, quotas, trade barriers and other trade protection measures by various countries;
- continued volatility or deterioration in Korea's credit and capital markets;
- the occurrence of severe health epidemics, such as the COVID-19 pandemic, in Korea or other parts of the world;
- deterioration in economic, trade or diplomatic relations between Korea and its trading partners or allies, including deterioration resulting from territorial or trade disputes or disagreements in foreign policy;
- fiscal difficulties, political turbulence and increased sovereign default risk in select countries and the resulting adverse effects on the global financial markets;
- a deterioration in the financial condition or performance of small- and medium-sized enterprises and other companies in Korea due to the Government's policies to increase the minimum wage and limit working hours of employees;
- investigations of large Korean business groups and their senior management for possible misconduct;
- a continuing rise in the level of household debt and increasing delinquencies and credit defaults by retail and small- and medium-sized enterprise borrowers in Korea;
- laws, regulations or other government actions (financial, economic or otherwise) that fail to achieve desired policy objectives, produce adverse unintended consequences or otherwise constrain or distort sound economic activities;

- shortages of imported raw materials, natural resources, consumer goods, rare earth minerals or component parts, including semiconductors, due to disruptions to the global supply chain as a result of health epidemics, government policies and labour shortages;
- a rise in unemployment or stagnation of real wages;
- social and labour unrest;
- substantial changes in the market prices of Korean real estate market and uncertainties arising from construction companies' exposures to project financing loans;
- economic impact of any pending or future free trade agreements or changes in existing free trade agreements;
- political gridlock within the Government or in the legislature, which prevents or disrupts timely and effective policy-making;
- political scandal, including but not limited to, bribery, power abuse and illegal dealings by government officials;
- a substantial decrease in tax revenues and a substantial increase in the Government's expenditures for fiscal stimulus measures, unemployment compensation and other economic and social programmes that, together, would lead to an increased Government budget deficit as well as an increased Government debt;
- financial problems or lack of progress in the restructuring of Korean business groups, other large troubled companies, their suppliers or the financial sector;
- loss of investor confidence arising from corporate accounting irregularities or corporate governance issues concerning certain Korean companies;
- increases in social expenditures to support an ageing population in Korea or decreases in economic productivity due to the declining population size in Korea;
- geopolitical uncertainty and the risk of further attacks by terrorist groups around the world;
- political uncertainty or increasing strife among or within political parties in Korea;
- hostilities, political or social tensions involving Russia (including the invasion of Ukraine by Russia and the ensuing actions that the United States and other countries have taken or may take in the future, such as the imposition of sanctions against Russia) as well as the escalation of hostilities in the Middle East following the Israel-Hamas war and in other regions such as North Africa and any resulting adverse effects on the global supply of oil and other natural resources and the global financial markets;
- increased reliance on exports to service foreign currency debts, which could cause friction with Korea's trading partners;
- natural or man-made disasters that have a significant adverse economic or other impact on Korea or its major trading partners;
- an increase in the level of tensions or an outbreak of hostilities between North Korea and Korea or the United States;
- changes in financial regulations in Korea; and
- any other developments that have a material adverse effect on the global or Korean economy, such as geopolitical tensions, an act of war, or a terrorist act.

SUMMARY OF THE OFFERING

The following is a brief summary of certain terms of the Notes and the Guarantee, which are more fully described in the "Terms and Conditions of the Notes." The "Terms and Conditions of the Notes" prevail to the extent of any inconsistency with the summary description set out in this section. Terms used and not otherwise defined in this summary have the meaning given to them in the "Terms and Conditions of the Notes." Any decision to invest in the Notes should be based on a consideration of this Offering Circular as a whole.

Issuer	Hanwha Energy USA Holdings Corporation (Legal Entity Identifier: 549300VVIE7XDIYNIT55)
Guarantor	The Export-Import Bank of Korea (Legal Entity Identifier: 549300APVP4R32PI3Y06)
Offering	The US$400,000,000 4.375% Guaranteed Senior Unsecured Green Notes due 2028 (the "Notes") are being offered (i) in the United States to qualified institutional buyers ("QIBs") in reliance on Rule 144A and (ii) outside of the United States to non-U.S. persons in reliance on Regulation S. See "*Subscription and Sale*" and "*Notice to Investors*."
Guarantee	The Guarantor has unconditionally and irrevocably guaranteed to each Noteholder by way of continuing guarantee the due and punctual payment of all amounts payable by the Issuer on or in respect of the Notes as and when the same shall become due according to the Terms and Conditions of the Notes under the Guarantee.
Ranking	The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The obligations of the Guarantor under the Guarantee constitute direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Offering Price	99.900% of the principal amount of the Notes, plus accrued interest, if any, from 2 July 2025 (the "Issue Date").
Size of Offering	The aggregate principal amount of the Notes to be issued in this offering is US$400,000,000.
Denomination	The Notes will be issued in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof.
Interest	The Notes will bear interest at the rate of 4.375% per annum from the Issue Date to (but excluding) the due date for redemption of the

	Notes, payable semi-annually in arrear on 2 January and 2 July in each year (each an "Interest Payment Date"). The first Interest Payment Date will be 2 January 2026 in respect of the period from (and including) 2 July 2025 to (but excluding) 2 January 2026.
Withholding Tax and Additional Amounts	All payments in respect of the Notes by or on behalf of the Issuer or, as the case may be, the Guarantor shall be made without withholding or deduction for, or on account of, Taxes imposed or levied by or on behalf of the Relevant Jurisdiction unless the withholding or deduction of Taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantor may be required to pay certain additional amounts. See "*Terms and Conditions of the Notes—Taxation—Payment without Withholding*."
Redemption	Unless previously redeemed or purchased and cancelled as provided in the Terms and Conditions of the Notes, the Issuer will redeem the Notes at their principal amount on 2 July 2028.
Redemption for Taxation Reasons	The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time in the event of certain changes affecting Taxes of the Relevant Jurisdiction. See "*Terms and Conditions of the Notes—Redemption and Purchase—Redemption for Taxation Reasons*."
Change of Control Redemption	Each Noteholder will have the right, at its option, to require the Issuer to redeem all, but not some only, of such Noteholder's Notes, upon the occurrence of a Change of Control. See "*Terms and Conditions of the Notes—Redemption—Change of Control Redemption*."
Negative Pledge	The terms of the Notes contain a negative pledge provision with respect to the Guarantor. See "*Terms and Conditions of the Notes—Negative Pledge.*"
Form of the Notes	The Notes will be in registered form. The Notes sold in offshore transactions in reliance on Regulation S will be represented by one or more global note certificates (the "Unrestricted Global Note Certificates") issued to the DTC and registered in the name of Cede & Co. as nominee of DTC, and held in New York, New York for the accounts of DTC participants, including Euroclear and Clearstream. Notes sold in reliance on Rule 144A will be represented by one or more global note certificates (the "Restricted Global Note Certificates" and together with the Unrestricted Global Note Certificates, the "Global Note Certificates") issued to DTC and registered in the name of a nominee of DTC. See "*The Global Note Certificates*."
Fiscal Agent	Citicorp International Limited will act as the fiscal agent (the "Fiscal Agent") under the Agency Agreement for the Notes to be dated 2 July 2025 (the "Agency Agreement").

Registrar, Paying Agent and Transfer Agent	Citibank, N.A., London Branch will act as the Registrar, the Paying Agent and the Transfer Agent under the Agency Agreement.
Governing Law	The Notes and the related Deed of Covenant, the Guarantee and the Agency Agreement will be governed by English law.
Listing	Approval in-principle has been received from 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 intends to use the net proceeds from this offering ("Green Bond Proceeds") to refinance, in whole or in part, the existing projects related to renewable energy ("Eligible Green Projects") in accordance with the Issuer's Green Financing Framework, which is in alignment with the Green Bond Principles 2021 (with June 2022 Appendix I) published by the International Capital Markets Association ("ICMA Green Bond Principles").
Security Codes	Rule 144A ISIN: US41135WAC55 Regulation S ISIN: USU3821WAE76 Regulation S Temporary ISIN: USU3821WAF42 Rule 144A CUSIP: 41135W AC5 Regulation S CUSIP: U3821W AE7 Regulation S Temporary CUSIP: U3821W AF4 Rule 144A Common Code: 306058037 Regulation S Common Code: 306058045 Regulation S Temporary Common Code: 306058053

RISK FACTORS

The Notes may not be a suitable investment for all investors seeking exposure to green assets.

There is currently no clear definition of, nor market consensus as to what constitutes, a "green" or an equivalently-labelled project or as to what precise attributes are required for a particular project or series of notes to be defined as "green" or such other equivalent label, nor can any assurance be given that such a clear definition or consensus will develop over time. Therefore, no representation or assurance can be provided that the use of the Green Bond Proceeds will satisfy any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable laws or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental impact of any project. Although Eligible Green Projects will be selected in accordance with the Green Financing Framework and will be developed in accordance with relevant legislation and standards, there can be no guarantee that the projects will deliver the environmental benefits as anticipated, or that adverse environmental and/or social impacts will not occur during the design, construction, commissioning and operation of the projects. In addition, where any negative impacts are insufficiently mitigated, the projects may become controversial and/or may be criticised by activist groups or other stakeholders.

The Second Party Opinion (as defined in "Use of Proceeds" in this Offering Circular) may not reflect the potential impact of all risks related to the structure, marketability, trading price, or liquidity and other factors that may affect the value of the Notes. The Second Party Opinion is not a recommendation to buy, sell or hold any Notes and is only current as of the date that the Second Party Opinion was initially issued and is subject to certain disclaimers set out therein, and may be updated, suspended or withdrawn at any time. The Second Party Opinion is for information purposes only and none of the Issuer or the Joint Lead Managers accepts any form of liability for the substance of the Second Party Opinion and/or any liability for loss arising from the use of the Second Party Opinion and/or information provided therein.

Currently, the providers of second party opinions and providers of similar opinions, certifications and validations are not subject to any specific regulatory or other regime or oversight. Any such opinion, certification or validation is not, nor should be deemed to be, a recommendation by the Issuer or the Joint Lead Managers, any second-party opinion provider or any other person to buy, sell or hold the Notes. Noteholders have no recourse against the Issuer or any of the Joint Lead Managers or the provider of any such opinion, certification or validation for the contents of any such opinion, certification or validation, which is only current as at the date it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion, certification or validation and/or the information contained therein and/or the provider of such opinion, certification or validation for the purpose of any investment in the Notes. Any withdrawal of any such opinion, certification or validation or any such opinion, certification or validation attesting that the Issuer is not complying in whole or in part with any matters for which such opinion, certification or validation is opining on or certifying on may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

In addition, although the Issuer has agreed to certain reporting and use of proceeds obligations in connection with certain environmental criteria, the Issuer's failure to comply with such obligations does not constitute a breach or an event of default under the Notes. A withdrawal of the Second Party Opinion or any failure by the Issuer to use the Green Bond Proceeds on Eligible Green Projects or to meet or continue to meet the investment requirements of certain environmentally-focused investors with respect to such Notes does not constitute a breach or an Event of Default under the Notes and may have an adverse effect on the value of the Notes and/or may have adverse consequences for certain investors with portfolio mandates to invest in green assets. In the event that the Notes are included in any dedicated "green", "environmental", "social", "sustainable" or other equivalently-labelled index, no representation or assurance is given by the Issuer or any other person that such listing or admission, or inclusion in such index, satisfies any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own constitutive documents or other governing rules or investment portfolio mandates.

No assurance can be provided with respect to the suitability or reliability of the Second Party Opinion or that the Notes will fulfil the environmental criteria to qualify as green bonds. The Joint Lead Managers have not undertaken, nor are responsible for, any assessment of the eligibility of the Green Financing Framework, or Eligible Green Projects, or the monitoring of the use of the Green Bond Proceeds. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Circular regarding the use of proceeds and its purchase of the Notes should be based upon such investigation as it deems necessary. Therefore, the Notes may not be a suitable investment for all investors seeking exposure to green assets. The examples of Eligible Green Projects in the section entitled "Use of Proceeds" in this Offering Circular are for illustrative purposes only and subject to change, and no assurance can be provided that disbursements for projects with these specific characteristics will be made by the Issuer during the term of the Notes. The Green Financing Framework and the Second Party Opinion are not incorporated into, and do not form a part of, this Offering Circular.

Payments under the Guarantee may be restricted under certain circumstances.

Under the Foreign Exchange Transactions Act, if the Government deems that (i) it is inevitable due to certain emergency circumstances, such as natural calamities, war or grave and sudden changes in economic situations in or outside Korea or (ii) a serious difficulty in international balances of payments and international finance, or serious obstacles in implementing currency policies, exchange rate policies or other macroeconomic policies due to capital movements in and out of Korea have occurred or are likely to occur, the Ministry of Economy and Finance may impose any necessary restrictions on the remittance of payments out of Korea, such as temporary suspension, in whole or in part of payments or imposition of obligations to deposit of means of payments in or to The Bank of Korea, the foreign exchange equalisation fund or financial companies, etc. In addition, the Ministry of Economy and Finance may require any Korean resident who intends to make payment from Korea to a foreign country or to any non-Korean resident to obtain prior approval in case where it is inevitable for the faithful fulfilment of treaties executed by Korea and of generally recognised international laws and regulations or where it is necessary for especially contributing to international endeavour for the maintenance of international peace and security.

If the Guarantor is subject to the above-mentioned restrictions of payment or is required to but cannot obtain prior approval from the Ministry of Economy and Finance under the above-mentioned circumstances, the Guarantor may not be able to make any payments under the Guarantee.

The Notes and the Guarantee are subject to transfer restrictions.

The Notes and the Guarantee will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States except to QIBs in reliance on the exemption provided by Rule 144A, to certain persons in offshore transactions in reliance on Regulation S, or, if available, pursuant to another exemption from, or in another transaction not subject to, the registration requirements of the Securities Act and, in each case, in accordance with applicable state securities laws. In addition, subject to the conditions set forth in the Agency Agreement (as defined in Terms and Conditions of the Notes), a Note may be transferred only if the principal amount of Notes transferred is at least US$200,000. For a further discussion of the transfer restrictions applicable to the Notes, see "*Notice to Investors*."

The Notes may be redeemed or purchased under certain circumstances.

The Noteholders should be aware that the Notes may be redeemed at the option of the Issuer (in whole but not in part) at any time at their principal amount (together with interest accrued to but excluding the date of redemption) in case of certain tax reasons as further described in Condition 8.2 (Redemption for Taxation Reasons) of the Terms and Conditions of the Notes. In addition, the Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase the Notes in the open market or otherwise and at any price as further described in Condition 8.4 (Purchases) of the Terms and Conditions of the Notes.

The date on which the Notes are redeemed or purchased may not accord with the preference of individual Noteholders. This may be disadvantageous to the Noteholders in light of market conditions or the individual circumstances of the Noteholders. In addition, an investor may not be able to reinvest the redemption or sale proceeds in comparable securities at an effective interest rate at the same level as that of the Notes.

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

The Notes are expected to be rated "AA" by S&P. The ratings assigned to the Notes will be 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 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 judgement circumstances in the future so warrant. Neither the Issuer nor the Guarantor has an obligation to inform Noteholders 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 a Noteholder's ability 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 the 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 can be 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 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 Noteholders to sell their Notes or the price at which Noteholders will be able to sell their Notes. The Joint Lead 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 Joint Lead Managers.

The Notes contain provisions regarding meetings, modification, waivers and substitution which may affect the rights of Noteholders.

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

The Terms and Conditions of the Notes also provide that the Fiscal Agent may agree, without the consent of Noteholders, to any modification of any of the Terms and Conditions of the Notes or any of the provisions of the Agency Agreement either (i) for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest or proven error or any other defective provision contained therein or (ii) in any other manner which is, in the opinion of the Issuer and the Guarantor, not materially prejudicial to the interests of the Noteholders. Any such modifications will be binding on all current and future Noteholders.

Political and societal unrest surrounding the impeachment of former president Yoon Suk Yeol could adversely affect the Korean economy.

On 3 December 2024, then-president Yoon Suk Yeol declared martial law, citing an urgent need to protect the Republic. The National Assembly swiftly voted to rescind the declaration of martial law, which led to then-president Yoon's revocation of the decree just hours later. Such events prompted numerous public protests, both against and in support of then-president Yoon.

On 14 December 2024, the National Assembly voted in favour of then-president Yoon's impeachment, for his purported acts of insurrection, among others, which resulted in an immediate suspension of his presidential powers. On 4 April 2025, the Constitutional Court unanimously upheld the parliamentary vote to impeach then-president Yoon, triggering his immediate dismissal. A special election to elect a new president was held on 3 June 2025 and Lee Jae-Myung of the Democratic Party of Korea has been elected as the new President.

Although we believe that the Korean economy and society are resilient enough to withstand any temporary negative impact of such political developments or any potential ensuing societal unrest, there is no assurance that such developments would not have a material adverse effect on the Korean economy and public finances.

Changes in U.S. and international trade policies as well as governmental policies, including any reduction or elimination of governmental incentives that support renewable energy, may adversely impact the Issuer's business, financial condition and operating results.

In recent months, the U.S. government has made statements and taken actions that have led to, and may lead to, significant changes in U.S. and international trade policies. For example, since 1 February 2025, the U.S. government has announced and implemented several rounds of tariffs on imports, which initially targeted specific industries (including steel, aluminium and automobiles) and countries or regions (including China, Canada, Mexico and the European Union). In April 2025, the U.S. government additionally imposed a universal "reciprocal" tariff which applied to all imports from all countries (including those with free trade agreements with the United States), with a base rate of 10% and higher rates to be imposed on imports from certain enumerated countries (including Korea at 25%) on a country-by-country basis, subject to certain exceptions. In response to such actions, various countries have announced that they will implement, or have already implemented, retaliatory tariffs on U.S. goods.

Political tensions as a result of trade policies could reduce trade volume, investment, technological exchange and other economic activities between major international economies, resulting in a material adverse effect on global economic conditions and the stability of global financial markets. The recent tariffs imposed by the U.S. government, as well as any further tariffs imposed on a broader range of imports and any further retaliatory trade measures taken by impacted foreign countries in response to such tariffs, may increase the procurement costs on the Issuer's part and/or create uncertainties for solar energy developers including the Issuer, which may have a material adverse impact on the Issuer's business, financial condition and results of operations.

Additionally, the Issuer's renewable energy projects generally are eligible for the Investment Tax Credit ("ITC"), which provides a tax credit of 30% (increasing for certain projects up to 50%) on eligible project costs. The ITC substantially improves the economics of eligible projects, provides access to other sources of financing and reduces the amount of cash equity needed for project funding. As of the date of this Offering Circular, the Republican-controlled Congress has been working on a reconciliation bill to extend the 2017 Tax Cuts and Jobs Act. On 22 May 2025, the House of Representatives passed a bill that includes substantial cuts to the ITC. The Senate will consider the bill passed by the House of Representatives in the next several months and is expected to propose substantial changes. Both chambers will need to reach agreement on a single bill before that bill goes before the President to be signed into law. If the ITC were to expire or be reduced, project economics would be negatively impacted and sources of capital reduced. Reduced access to tax equity financing or increased reliance on equity funding due to changes in the ITC could adversely impact the Issuer's business, financial condition and results of operations.

The Issuer cannot predict what further changes to trade and governmental policies will be made by the U.S. government or other governments, nor can the Issuer predict the effects any such changes would have on the Issuer's business or the global economy.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes (the "Conditions") which (subject to modification and except for the paragraphs in italics) will be endorsed on the Note Certificates issued in respect of the Notes.

The U.S.$400,000,000 4.375 per cent. Guaranteed Senior Unsecured Green Notes due 2028 (the "Notes," which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 15 (*Further Issue*) and forming a single series with the Notes) are being issued by Hanwha Energy USA Holdings Corporation (the "Issuer"), and will be unconditionally and irrevocably guaranteed by The Export-Import Bank of Korea (the "Guarantor"), subject to and with the benefit of an agency agreement dated 2 July 2025 (such agreement as amended and/or supplemented and/or restated from time to time, the "Agency Agreement") made among the Issuer, the Guarantor, Citicorp International Limited as fiscal agent (the "Fiscal Agent") and Citibank, N.A., London Branch as registrar (the "Registrar"), paying agent (together with any other paying agents appointed from time to time, the "Paying Agents") and transfer agent (the "Transfer Agent" and, together with the Fiscal Agent, Registrar and Paying Agents, the "Agents," and each an "Agent").

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours by the holders of the Notes (the "Noteholders") appertaining to the Notes at the specified office of each of the Paying Agents. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. References in these Conditions to the Fiscal Agent, the Registrar, the Paying Agents, the Transfer Agent and the Agents shall include any successor appointed under the Agency Agreement.

Upon issue the Notes will be represented by one or more Global Note Certificates. The owners shown in the records of the Depository Trust Company ("DTC"), Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream"), as applicable, of book-entry interests in Notes are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them.

1. FORM, DENOMINATION AND TITLE

1.1. Form and Denomination

The Notes are issued in registered form in amounts of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof (referred to as the "principal amount" of a Note). A note certificate (each a "Note Certificate") will be issued to each Noteholder in respect of its registered holding of Notes. Each Note Certificate will be numbered serially with an identifying number which will be recorded on the relevant Note Certificate and in the register of Noteholders which the Issuer will procure to be kept by the Registrar.

The Notes are not issuable in bearer form.

1.2. Title

Title to the Notes passes only by registration in the register of Noteholders. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Note Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions "Noteholder" and (in relation to a Note) "holder" means the person in whose name a Note is registered in the register of Noteholders.

2. TRANSFERS OF NOTES AND ISSUE OF NOTE CERTIFICATES

2.1. Transfers

A Note may be transferred by depositing the Note 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 Registrar or the Transfer Agent.

2.2. Delivery of new Note Certificates

Each new Note Certificate to be issued upon transfer of Notes will, within five business days of receipt by the Registrar or the Transfer Agent of the duly completed form of transfer endorsed on the relevant Note 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. For the purposes of this Condition, "business day" shall mean a day on which commercial banks are open for business (including dealings in foreign currencies) in the city in which the specified office of the Transfer Agent with whom a Note Certificate is deposited in connection with a transfer is located.

Upon issue the Notes will be represented by one or more Global Note Certificates. Except in the limited circumstances described in the Agency Agreement, owners of interests in the Notes represented by Global Note Certificates will not be entitled to receive physical delivery of individual Note Certificates.

Where some but not all of the Notes in respect of which a Note Certificate is issued are to be transferred, a new Note Certificate in respect of the Notes not so transferred will, within five business days of receipt by the Registrar or the Transfer Agent of the original Note 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 of Noteholders or as specified in the form of transfer.

2.3. Formalities free of charge

Registration of transfer of Notes will be effected without charge by or on behalf of the Issuer or any Agent but upon payment (or the giving of such indemnity and/or security and/or pre-funded to its satisfaction as the Issuer or the Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

2.4. Closed Periods

No Noteholder 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 principal or interest on that Note.

2.5. Regulations

All transfers of Notes and entries on the register of Noteholders will be made subject to the detailed regulations concerning transfer and registration of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests one.

3. STATUS OF THE NOTES

The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

4. GUARANTEE

4.1. Guarantee

The Guarantor has unconditionally and irrevocably guaranteed to each Noteholder by way of continuing guarantee the due and punctual payment of all amounts payable by the Issuer on or in respect of the Notes as and when the same shall become due according to the Conditions under a deed of guarantee (the "Guarantee") dated 2 July 2025 executed by the Guarantor.

4.2. Status of the Guarantee

The obligations of the Guarantor under the Guarantee constitute direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future

unsecured and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The original of the Guarantee is held by the Fiscal Agent on behalf of, and copies are available for inspection by (upon satisfaction of proof of holding), the Noteholders at its specified office.

5. NEGATIVE PLEDGE

5.1. Negative Pledge

So long as any of the Notes remains outstanding, the Guarantor will not create or permit to subsist any Encumbrance upon the whole or any part of its assets, present or future, to secure any indebtedness, or to secure any guarantee of indebtedness, unless the Guarantee is secured equally and rateably therewith, except that the Guarantor may create or permit to arise or subsist:

(a) any Encumbrance over promissory notes or other commercial paper discounted or otherwise provided as security to or issued by the Guarantor where such Encumbrance is created in favour of The Bank of Korea in the normal operation of its discount facilities or its facilities for the funding of loans by the Guarantor to customers of the Guarantor; or

(b) any Encumbrance over or affecting any asset of the Guarantor which has been created or granted in relation to any of the Guarantor's transactions with The Bank of Korea; or

(c) any Encumbrance over any immovable property owned by the Guarantor as security for the repayment by the Guarantor to a tenant of that property of any security deposit paid by such tenant to the Guarantor upon taking a tenancy or lease of that property; or

(d) any Encumbrance or any other agreement or arrangement having a similar effect arising in connection with a sale and repurchase transaction entered under TBMA/ISMA Global Master Repurchase Agreement or any other substantially similar repurchase agreement or arrangement of such kind entered into, or created, or arising in the ordinary course of business of the Guarantor, provided that the amount of such transaction (when aggregated with the amount of any other such transactions) does not exceed 15 per cent. of the borrowing liabilities of the Guarantor as set out in the latest audited separate balance sheet of the Guarantor; or

(e) any Encumbrance over any loan or other indebtedness (the "Loan Asset") denominated in one currency (the "Denominated Currency") owed by a party (together with its subsidiaries, and related entities, the "Secured Counterparty") to the Guarantor, which is granted in favour of the Secured Counterparty in connection with (a) a loan or other indebtedness denominated in a currency other than the Denominated Currency of the Guarantor or any of its subsidiaries or related entities owed to the Secured Counterparty (the "Reciprocal Loan") and (b) the Guarantor or any of its subsidiaries or related entities having been granted the benefit of an Encumbrance over the Reciprocal Loan by the Secured Counterparty, and which transaction or arrangement described herein is commonly regarded as a parallel loan or back-to-back loan, provided that such transaction or arrangement is entered into in the ordinary course of business of the Guarantor and the aggregate outstanding principal amount of the Loan Assets of the Guarantor which are subject to such Encumbrance does not exceed 5 per cent. of the borrowing liabilities of the Guarantor as set out in the latest audited separate balance sheet of the Guarantor; or

(f) any statutory liens arising in the ordinary course of the Guarantor's business; or

(g) any Encumbrance arising or preference given under the law of The Republic of Korea ("Korea"), applicable generally to corporations established under the law of Korea, by virtue of a failure by the Guarantor to meet an obligation, provided that such Encumbrance does not subsist for more than 30 days; or

(h) any Encumbrance over any asset purchased by the Guarantor (or documents of title thereto) or arising in connection with improvements to any asset of the Guarantor as security for the unpaid balance of the purchase price thereof or costs of improvement thereto; or

(i) any Encumbrance constituted by any netting or set-off arrangement entered into by the Guarantor in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances; or

(j) any Encumbrance constituted in respect of any payment or close out netting or set-off arrangement pursuant to any hedging transaction entered into by the Guarantor for the purpose of:

(i) hedging any risk to which the Guarantor is exposed in its ordinary course of trading; or

(ii) its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes only, excluding, in any case, any Encumbrance under a credit support arrangement in relation to a hedging transaction; or

(k) any Encumbrance securing indebtedness the principal amount of which (when aggregated with the principal amount of any other indebtedness which has the benefit of an Encumbrance given by the Guarantor other than any permitted under paragraphs (a) to (g) above) does not exceed 1 per cent. of the net capital of the Guarantor based on the then most recent annual separate financial statements of the Guarantor.

5.2. Interpretation

For the purposes of these Conditions, "Encumbrance**"** means any mortgage, charge, encumbrance, pledge or other security interest.

6. INTEREST

6.1. Interest Rate and Interest Payment Dates

The Notes bear interest at the rate of 4.375 per cent. per annum from (and including) 2 July 2025 ("Issue Date") to (but excluding) the due date for redemption of the Notes, payable semi-annually in arrear on 2 January and 2 July in each year (each an "Interest Payment Date"). The first Interest Payment Date will be 2 January 2026 in respect of the period from (and including) 2 July 2025 to (but excluding) 2 January 2026.

6.2. Interest Accrual

Each Note will cease to bear interest from (and including) its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

6.3. Calculation of Interest

The amount of interest payable on each Interest Payment Date shall be U.S.$21.875 in respect of each Note of U.S.$1,000 denomination. If interest is required to be paid in respect of a Note on any other date, it shall be calculated 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 on the basis of a month of 30 days.

7. PAYMENTS

7.1. Payments in respect of Notes

Payment of principal and interest will be made by transfer to the registered account of the Noteholder. Payments of principal and payments of interest due otherwise than on an Interest Payment Date will only be made against surrender of the relevant Note Certificate at the specified office of any of the Agents. Interest on Notes due on an Interest Payment Date will be paid to the holder shown on the register of Noteholders at the close of business on the date (the "record date") being the fifteenth day before the due date for the payment of interest.

For the purposes of this Condition, a Noteholder's registered account means the U.S. Dollar account maintained by or on behalf of it with a bank that processes payments in New York City, details of which appear on the register of Noteholders at the close of business, in the case of principal on the second Business Day (as defined below) before the due date for payment and, in the case of interest, on the relevant record date, and a Noteholder's registered address means its address appearing on the register of Noteholders at that time.

Notwithstanding the foregoing, so long as the Global Note Certificate is held on behalf of DTC, Euroclear or any other clearing system, each payment in respect of the Global Note Certificate will be made to the person shown as the holder in the register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "Clearing System Business Day" means a day on which each clearing system for which the Global Note Certificate is being held is open for business.

7.2. Payments subject to Applicable Laws

Payments in respect of principal and interest on Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*).

7.3. No commissions

No commissions or expenses shall be charged to the Noteholders in respect of any payments made in accordance with this Condition.

7.4. Payment on Business Days

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 Business Day (as defined below), for value the first following day which is a Business Day) will be initiated on the Business Day preceding the due date for payment or, in the case of a payment of principal or a payment of interest due otherwise than on an Interest Payment Date, if later, on the Business Day on which the relevant Note Certificate is surrendered at the specified office of an Agent.

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day, if the Noteholder is late in surrendering its Note Certificate (if required to do so).

In this Condition, "Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in London, New York City, Seoul and, in the case of presentation of a Note Certificate, in the place in which the Note Certificate is presented.

7.5. Partial Payments

If the amount of principal or interest which is due on the Notes is not paid in full, the Registrar will annotate the register of Noteholders with a record of the amount of principal or interest in fact paid.

7.6. Agents

The names of the initial Agents and their initial specified offices are set out at the end of these Conditions. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that there will at all times be:

(a) a Fiscal Agent;

(b) an Agent having a specified office in Singapore, so long as the Notes are listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and the rules of SGX-ST so require;

(c) such other agents as may be required by the rules of any stock exchange on which the Notes are listed, if any other than the SGX-ST; and

(d) a Registrar.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 13 (*Notices*).

8. REDEMPTION AND PURCHASE

8.1. Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 2 July 2028.

8.2. Redemption for Taxation Reasons

If:

(a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 9 (*Taxation*)), or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 23 June 2025, on the next Interest Payment Date either the Issuer or, if a demand was made under the Guarantee, the Guarantor would be required to pay additional amounts as provided or referred to in Condition 9 (*Taxation*); and

(b) the requirement cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders (with a copy to the Fiscal Agent) in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer or, as the case may be, the Guarantor shall deliver to the Fiscal Agent a certificate signed by two of its directors stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of the change or amendment.

8.3. Change of Control Redemption

Upon the occurrence of a Change of Control, each Noteholder will have the right, at such holder's option, to require the Issuer to redeem all, but not some only, of such holder's Notes on the Change of Control Put Date at their principal amount, together with accrued interest up to, but excluding the Change of Control Put Date. To exercise such right, the holder of the relevant Note must deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (a "Change of Control Put Exercise Notice"), together with the Note Certificate evidencing the Notes to be redeemed by not later than 60 days following a Change of Control, or, if later, 60 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 13 (*Notices*). The "Change of Control Put Date" shall be the fourteenth day after the expiry of such period of 60 days as referred to above.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes that are the subject of the Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date. The Guarantor shall give notice to the Issuer by not later than seven days following the first day on which it becomes aware of the occurrence of a Change of Control. The Issuer shall give notice to Noteholders and the Fiscal Agent in accordance with Condition 13 (*Notices*) by not later than seven days following the date of receipt of such notice from the Guarantor of the occurrence of a Change of Control, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Notes pursuant to this Condition 8.3 (*Change of Control Redemption*).

The Agents shall not be required to monitor or to take any steps to ascertain whether a Change of Control or any event which could lead to the occurrence of Change of Control has occurred and shall not be liable to

Noteholders or any other person for not doing so. The Agents shall not be under any duty to determine, calculate or verify any amount payable under these Conditions (including redemption amount) and will not be responsible to Noteholders or any other person for not doing so.

In these Conditions:

(a) a "Change of Control" occurs when Korea ceases to control (directly or indirectly) the Guarantor or fails to provide financial support for the Guarantor as required under Article 37 of The Export-Import Bank of Korea Act of 1969, as amended as of the Issue Date; and

(b) "control" means the acquisition or control of a majority of the Guarantor's voting share capital or the right to appoint and/or remove all or the majority of the members of the Guarantor's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

8.4. Purchases

The Issuer, the Guarantor or any of their respective Subsidiaries (as defined in Condition 11 (*Events of Default*)) may at any time purchase Notes in any manner and at any price.

8.5. Cancellations

All Notes which are (a) redeemed or (b) purchased by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries will forthwith be cancelled, and accordingly may not be reissued or resold.

8.6. Notices Final

Upon the expiry of any notice as is referred to in paragraph 8.2 (*Redemption for Taxation Reasons*) or 8.3 (*Change of Control Redemption*) above the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph.

9. TAXATION

9.1. Payment without Withholding

All payments in respect of the Notes by or on behalf of the Issuer or, as the case may be, the Guarantor shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("Taxes") imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of Taxes is required by law. In that event, 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 Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note:

(a) held by, or by a third party on behalf of, a Noteholder which is liable to Taxes in respect of the Note by reason of its (or a fiduciary, settlor, member or shareholder, beneficiary of, or possessor of a power over, such Noteholder, if such Noteholder is an estate, trust, partnership or corporation) having some present or former connection with the Relevant Jurisdiction (including, without limitation, being or having been a citizen or resident of the Relevant Jurisdiction or being or having been engaged in trade or business or present therein having or having had a permanent establishment therein) other than the mere holding of the Note; or

(b) held by or on behalf of a Noteholder if the Noteholder or beneficial owner would not be liable for or subject to such withholding or deduction by (i) making a declaration of residence, non-residence or other similar claim for exemption to the relevant tax authority if, after having been requested to make such a declaration or claim, such Noteholder fails to do so or (ii) delivering a valid U.S. Internal Revenue Service From W-8 or W-9 or any successor or substitute form; or

(c) in respect of which the Note Certificate representing it is presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a Noteholder would have been

entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Business Day (as defined in Condition 7 (*Payments*)); or

(d) if such tax is (i) an estate, inheritance, gift, sales, transfer or personal property tax or any similar tax, assessment, or governmental charge, or (ii) payable otherwise than by withholding or deduction from a payment on the Notes; or

(e) held by or on behalf of a Noteholder or beneficial owner who does not qualify (or, with respect to the Noteholder or beneficial owner, it is not established that it qualifies) for the portfolio interest exemption under Sections 871(h) or 881(c) of the U.S. Internal Revenue Code of 1986, as amended (the "Code") or any successor provisions (including by failure of the Noteholder, beneficial owner or any intermediary to deliver appropriate valid U.S. Internal Revenue Service forms to the relevant withholding agent); or

(f) where such withholding or deduction is imposed pursuant to Sections 1471 through 1474 of the Code, U.S. Treasury regulations or administrative guidance promulgated thereunder or any law implementing an intergovernmental approach thereto; or

(g) held by or on behalf of a Noteholder that is a U.S. Person, in the case of taxes imposed by the United States; or

(h) to a Noteholder that is a fiduciary or partnership or any person other than the sole beneficial owner of such payment to the extent that a beneficiary or settlor of such fiduciary or partnership or beneficial owner would not have been entitled to such additional amounts had such beneficiary, settlor or beneficial owner been the Noteholder; or

(i) any combination of (a) through (h) above.

9.2. Interpretation

In these Conditions:

(a) "Relevant Date" means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal 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 Noteholders by the Issuer in accordance with Condition 13 (*Notices*);

(b) "Relevant Jurisdiction" means the United States (in the case of the Issuer) or Korea (in the case of the Guarantor) or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer or the Guarantor, as the case may be, becomes subject in respect of payments made by it of principal and interest on the Notes; and

(c) A "U.S. Person" is a person that is, for United States federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation, partnership or other business entity organised in or under the laws of the United States or its political subdivisions, (iii) a trust subject to the control of a U.S. person and the primary supervision of a U.S. court or (iv) an estate the income of which is subject to United States federal income taxation regardless of its source.

9.3. Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

10. PRESCRIPTION

Claims in respect of principal and interest will become prescribed unless made within 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date, as defined in Condition 9 (*Taxation*).

11. EVENTS OF DEFAULT

11.1. Events of Default

The holder of any Note may give 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:

(a) default in the payment of the principal of, or any interest on, any of the Notes when due and such failure continues for a period of fourteen (14) days (in the case of principal) or twenty-one (21) days (in the case of interest); or

(b) default in the performance of any other covenant, condition or provision contained in the Notes or the Guarantee and such default continues for thirty (30) days or more after written notice thereof shall have been given to the Fiscal Agent or the Registrar, as the case may be, by the holder of any Note; or

the Issuer's Events of Default:

(c) the validity of the Notes is contested by the Issuer or the Issuer shall deny any of the Issuer's obligations under the Notes or it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, the Deed of Covenant or the Agency Agreement or any of such obligations shall be or become unenforceable or invalid; or

(d) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Major Subsidiaries which exceeds U.S.$20,000,000, except where such distress, attachment, execution or other legal process is being contested in good faith or stayed within sixty (60) days of having been so levied, enforced or sued out; or

(e) the Issuer or any of its Major Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Major Subsidiaries; or

(f) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Major Subsidiaries, or the Issuer ceases or threatens to cease to carry on all or substantially all of its respective business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders or (ii) whereby the undertaking and assets of the Major Subsidiary are transferred to or otherwise vested in the Issuer or another of its Major Subsidiaries; or

(g) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs of above, (d) to (f);

the Guarantor's Events of Default:

(h) the Guarantee ceases to be in full force and effect; or

(i) the validity of the Guarantee is contested by the Guarantor or the Guarantor shall deny any of the Guarantor's obligations under the Guarantee or it is or will become unlawful for the Guarantor to perform or comply with any of its obligations under or in respect of the Guarantee, the Deed of Guarantee or the Agency Agreement or any of such obligations shall be or become unenforceable or invalid; or

(j) any External Indebtedness (as defined below) of the Guarantor in an aggregate principal amount of U.S.$10,000,000 or more either (i) becomes due and payable prior to the due date for payment thereof by reason of default by the Guarantor or (ii) is not repaid at maturity as extended by the period of grace, if any, applicable thereto, or any guarantee given by the Guarantor in respect of External Indebtedness of any other person in an aggregate principal amount of U.S.$10,000,000 or more is not honoured when due and called; or

(k) Korea declares a moratorium on the payment of any External Indebtedness (including obligations arising under guarantees) of Korea or Korea becomes liable to repay prematurely any sums in respect of such External Indebtedness (including obligations arising under guarantees) as a result of a default under, or breach of the terms applicable to, such External Indebtedness or such obligations, or the international monetary reserves of Korea become subject to any Encumbrance (as defined in Condition 5.2) or any segregation or other preferential arrangement (whether or not constituting an Encumbrance) for the benefit of any creditor or class of creditors; or

(l) 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.

11.2. Interpretation

For the purposes of this Condition:

(a) "External Indebtedness" means any obligation for the payment or repayment of money borrowed which is denominated in a currency other than the currency of Korea.

(b) "Major Subsidiary" means at any relevant time a Subsidiary of the Issuer:

(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 per cent. 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 Major Subsidiary, are transferred.

(c) "Subsidiary" means, any company or other business entity of which one person owns or controls (either directly or indirectly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the law, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person.

12. REPLACEMENT OF NOTE CERTIFICATES

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

13. NOTICES

13.1. Notices to the Noteholders

All notices to the Noteholders will be valid if mailed to them at their respective addresses in the register of Noteholders maintained by the Registrar and, in addition, for so long as any notes are listed on a stock exchange and the rules of that exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange and/or on the website of that stock exchange if permitted by such stock exchange. 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 Note Certificate and the Global Note Certificate is held on behalf of DTC or Euroclear or Clearstream or an alternative clearing system appointed in accordance with the terms of the Notes and the Agency Agreement, notices to Noteholders 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 DTC, Euroclear, Clearstream or an alternative clearing system as aforesaid.

13.2. Notices from the Noteholders

Notices to be given by any Noteholder to the Issuer and/or the Guarantor shall be in writing and given by lodging the same, together with the relative Note Certificate, with the Fiscal Agent or, if the Note Certificates are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedures.

14. MEETINGS OF NOTEHOLDERS AND MODIFICATION

14.1. Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or the Guarantee or any of the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that at any meeting the business of which includes the modification of certain of these Conditions the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting.

14.2. Modification

The Fiscal Agent may agree, without the consent of the Noteholders, to any modification of any of these Conditions or any of the provisions of the Agency Agreement either (i) for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest or proven error or any other defective provision contained herein or therein or, (ii) in any other manner which is, in the opinion of the Issuer and the Guarantor, not materially prejudicial to the interests of the Noteholders. Any determination as to material prejudice applying to the interests of the Noteholders pursuant to these Conditions (including this Condition 14.2 (*Modification*)) shall be made by the Issuer and the Guarantor and none of the Agents shall have any responsibility or liability whatsoever with respect to such determination. Any modification shall be binding on the Noteholders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13 (*Notices*).

15. FURTHER ISSUE

The Issuer may from time to time without the consent of the Noteholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes, provided, however, that any such issuance of notes shall be subject to the prior written consent of the Guarantor.

16. GOVERNING LAW AND SUBMISSION TO JURISDICTION

16.1. Governing Law

The Agency Agreement, the Guarantee and the Notes, and any non-contractual obligations arising out of or in connection with them, are governed by, and will be construed in accordance with, English law.

16.2. Jurisdiction of English courts

(a) Subject to Condition 16.2(b) below, the Issuer and the Guarantor irrevocably agree for the benefit of the Noteholders that the courts of England are to have exclusive jurisdiction to settle any dispute (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes and the Guarantee) which may arise out of or in connection with the Notes and accordingly any legal action or proceedings arising out of or in connection with any Notes ("Proceedings") may be brought in such courts and each of the Issuer and the Guarantor irrevocably submits to the exclusive jurisdiction of the English courts. The Issuer and the Guarantor have waived any objection to the courts of England on the grounds of venue or that they are an inconvenient or inappropriate forum.

(b) The Noteholders may take any Proceeding arising out of or in connection with the Notes (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes and the Guarantee) against the Issuer or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

16.3. Appointment of Process Agent

Each of the Issuer and the Guarantor hereby irrevocably and unconditionally appoints KEXIM Bank (UK) Limited at its registered office for the time being at 3rd Floor, Moorgate Hall, 155 Moorgate, London EC2M 6XB, United Kingdom as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of such agent ceasing so to act it will appoint another person as its agent for that purpose. Nothing herein shall affect the right to serve process in any other manner permitted by law.

16.4. Sovereign Immunity

To the fullest extent permitted by law, the Guarantor irrevocably and unconditionally:

(a) waives and agrees not to claim any sovereign or other immunity from jurisdiction of the English courts in relation to any Proceedings (including to the extent that such immunity may be attributed to it), and agrees to ensure that no such claim is made on its behalf;

(b) submits to the jurisdiction of the English courts and the courts of any other jurisdiction in relation to the recognition of any order or judgment of the English courts or courts of any other jurisdiction in relation to any Proceedings and waives and agrees not to claim any sovereign or other immunity from the jurisdiction of the English courts or the courts of any other jurisdiction in relation to the recognition of any such judgment or court order and agrees to ensure that no such claim is made on its behalf; and

(c) consents to the enforcement of any order or judgment made or given in connection with any Proceedings and the giving of any relief in the English courts and the courts of any other jurisdiction whether before or after final judgment including, without limitation: (i) relief by way of interim or final injunction or order for specific performance or recovery of any property; (ii) attachment of its assets; and (iii) enforcement or execution against any property, revenues or other assets whatsoever (irrespective of their use or intended use) and waives and agrees not to claim any sovereign or other immunity from the jurisdiction of the English courts or the courts of any other jurisdiction in relation to such enforcement and the giving of such relief (including to the extent that such immunity may be attributed to it), and agrees to ensure that no such claim is made on its behalf.

16.5. Other Documents

Each of the Issuer and the Guarantor has in the Agency Agreement and the Guarantee submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above. In addition, the Guarantor has, in such documents, waived any rights to sovereign immunity and other similar defences which it may have.

17. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term or Condition of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

THE GLOBAL NOTE CERTIFICATES

Capitalised terms used in this section and not otherwise defined shall have the meanings given to them in the "Terms and Conditions of the Notes."

Upon issuance, the Notes are expected to be represented by the Global Note Certificates in registered form. The Global Note Certificates will be deposited with or on behalf of DTC and registered in the name of a nominee of DTC. A Global Note Certificate may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or by DTC or any such nominee to a successor of or a nominee of such successor.

Notes that are offered and sold outside the United States to non-U.S. persons in reliance on Regulation S will initially be represented by a temporary unrestricted Global Note Certificate (the "Temporary Unrestricted Global Note Certificate"). On and after the date (the "Exchange Date") which is the later of (i) 40 days after the date on which any Temporary Unrestricted Global Note Certificate is issued and (ii) 40 days after the completion of the distribution of the relevant tranche, interests in such Temporary Unrestricted Global Note Certificate will be exchangeable (free of charge), in whole or in part, upon a request as described therein either for interests in a permanent unrestricted Global Note Certificate (the "Unrestricted Global Notes Certificate") against certification of beneficial ownership as described above and applicable U.S. securities laws in accordance with the terms of the Temporary Unrestricted Global Note Certificate. In no event shall the Temporary Unrestricted Global Note Certificate be exchanged by the Issuer for an unrestricted individual note 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 Unrestricted Global Note Certificate.

Upon the issuance of the Global Note Certificates, DTC will credit, on its book-entry registration and transfer system, the respective principal amounts of the Notes represented by such Global Note Certificates to the accounts of persons that have accounts with DTC ("participants"), including depositaries for Euroclear and Clearstream. The accounts to be initially credited shall be designated by the Joint Lead Managers participating in the initial offer and sale of the Notes. Ownership of beneficial interests in the Global Note Certificates will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in such Global Note Certificates will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC for such Global Note Certificates (with respect to interests of participants) or by participants or persons that hold through participants (with respect to interests of persons other than participants).

DTC or its nominee, as the case may be, as registered Noteholder of the Global Note Certificates will be considered the sole owner or Noteholder represented by each Global Note Certificate for all purposes under the Notes and the Agency Agreement.

Principal and interest payments on Notes represented by the Global Note Certificates registered in the name of DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner of such Global Note Certificates. None of the Issuer, the Guarantor, the Fiscal Agent or any paying agent for such Notes will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in such Global Note Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Issuer expects that DTC, upon receipt of any payment of principal or interest, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Note Certificates as shown on the records of DTC. The Issuer also expects that payments by participants to owners of beneficial interests in such Global Note Certificates held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the account of customers registered in "street names," and will be the responsibility of such participants.

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 a Global Note Certificate is exchanged for individual Note Certificates, the Issuer will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. In addition, in the event that a Global Note Certificate is exchanged for individual Note 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 individual Note Certificates, including details of the paying agent in Singapore.

USE OF PROCEEDS

This section sets out details of the Green Financing Framework (as defined below). None of the Joint Lead Managers is responsible for the assessment of the Green Financing Framework. The Green Financing Framework, the Second Party Opinion (as defined below) and any other similar opinion (including any content of websites or webpages referenced by hyperlinks included in this Offering Circular) does not form part of, nor is incorporated by reference in, this Offering Circular.

The aggregate gross proceeds from the offering of the Notes (before deducting a combined management and underwriting commission and estimated expenses related to the offering) is US$399,600,000.

Eligible Green Projects

The Issuer intends to use the net proceeds from this offering ("Green Bond Proceeds") to refinance, in whole or in part, the existing green projects which meet the eligibility criteria of the eligible green project categories ("Eligible Green Projects") in accordance with the Issuer's Green Bond Framework dated June 2025 ("Green Financing Framework"), which is in alignment with the Green Bond Principles 2021 (with June 2022 Appendix I) published by the International Capital Markets Association ("ICMA Green Bond Principles"). Examples of Eligible Green Projects include the (i) development, construction, installation, operation, maintenance or procurement of components and parts of solar energy production units, (ii) research and development, construction, manufacturing, installation, operation, maintenance and augmentation of energy storage systems ("ESS") and facilities, (iii) installation and operation of utility-scale batteries, (iv) production of green hydrogen using 100% renewable energy, (v) research and development, manufacturing, operation and maintenance of hydrogen charging systems to facilitate the development of hydrogen-fuelled mobility solutions, (vi) development, construction, installation, operation, maintenance, or procurement of energy systems that support new data centres that are designed to achieve an annualised Power Usage Effectiveness ("PUE") targets of 1.30 or below and (vii) development, construction, installation, operation, maintenance, or procurement of energy systems that support existing data centres that have an annualised design PUE of 1.30 or below.

The Issuer is committed to communicating refinancing look-back period prior to any issuance. A maximum 2-year look-back period would be applied for refinanced projects.

Project Evaluation and Selection Process

Eligible Green Projects will be selected, evaluated and approved by an investment committee (the "Investment Committee") led by the Issuer's business planning and strategy team and composed of representatives from the Issuer's development, engineering, operations & maintenance, legal and project financing teams. The Investment Committee shall utilise the following three-step approval process involving the following committees:

- The Pre-Deal Request Committee will evaluate the economic feasibility and environmental impacts of potential Eligible Green Projects.
- The Deal Review Committee will review and approve the main contractual arrangements of potential Eligible Green Projects, such as the interconnection and power purchase agreements ("PPAs").
- The Global Investment Committee will conduct the final reviews and approvals of Eligible Green Projects.

For project(s) which receive final approval to be earmarked as Eligible Green Project(s), the Issuer's business planning and strategy team will coordinate with the development team to continuously monitor and check whether the project developments remain in line with the Green Financing Framework.

Management of Proceeds

The allocation of Green Bond Proceeds will be recorded in a dedicated ledger (the "Ledger"), which shall contain details of the Notes issued for the purposes of funding Eligible Green Projects, allocation of Green Bond Proceeds to Eligible Green Projects and amount of unallocated Green Bond Proceeds. The Issuer's business planning and strategy team shall manage the Ledger.

Any proceeds temporarily unallocated will be placed in short-term liquid money instruments such as cash and market securities according to the Issuer's investment guidelines until allocation to Eligible Green Projects.

Reporting

On an annual basis until full allocation of proceeds to Eligible Green Projects and on a timely basis in case of material changes, the Issuer will provide allocation and impact reporting. When feasible, allocation reporting will include the amount and percentage of Green Bond Proceeds allocated to each Eligible Green Project and descriptive examples of the Eligible Green Projects. Impact reporting will include the environmental benefits of the Eligible Green Projects with certain impact indicators; in addition, reporting methodology and calculation assumptions will be disclosed.

S&P Global, an external consultant, issued an opinion dated 9 June 2025 regarding the alignment of the Issuer's Green Financing Framework with the ICMA Green Bond Principles (the "Second Party Opinion"). The Second Party Opinion and the Issuer's Green Financing Framework are publicly available on the Issuer's website: https://174powerglobal.com/resources, but are not incorporated into, and do not form a part of, this Offering Circular.

THE ISSUER

The Issuer is a leading developer of solar power projects and an independent power producer ("IPP") of solar power operating primarily in North America, with major project locations in Nevada, Texas, Arizona, Utah, Colorado, Hawaii, Oregon and California. The Issuer is wholly owned by Hanwha Energy Corporation, an IPP in Korea and a member company of the Hanwha Group, which is one of the largest conglomerates in Korea. The Issuer believes it, together with other affiliate companies in the Hanwha Group, is able to provide a fully-integrated photovoltaic ("PV") value chain to its customers. The Issuer acts as a key platform through which the Hanwha Group implements its global initiative to transition to safe, clean and renewable energy businesses. As of the date of this Offering Circular, the total installed capacity of solar power projects developed and sold by the Issuer is approximately 4,450 MWdc and of storage projects developed and sold by the Issuer is approximately 1,390 MWdc; the total installed capacity of solar power projects currently being developed is approximately 10,800 MWdc and of storage projects currently being developed is approximately 5,600 MWdc.

The Issuer was incorporated as Hanwha Energy Corporation America in the State of Delaware in the United States in December 2013. In August 2016, the Issuer changed its name to 174 Power Global Corporation, and in December 2018, to Hanwha Energy USA Holdings Corporation. However, the Issuer still maintains "174 Power Global" as its trade name.

The Issuer's registered address is 1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801, United States, and its business address is 400 Spectrum Center Drive, Suite 1400, Irvine, California 92618, United States.

Business

The Issuer's current business primarily consists of developing, project financing, constructing, selling (or owning, depending on the market conditions) and operating utility-scale solar projects. This entails (i) securing land and financing for the solar projects, (ii) negotiating and entering into offtake PPAs with local utility companies and constructing solar projects and (iii) installing solar modules. A solar project is typically financed by or sold to investors after an offtake PPA is entered into with a local utility company or a national corporate business but before the construction of such solar project commences. Solar projects may also include ESS, which allow solar projects to store excess electricity for sale to utility companies when there is greater demand. For certain projects that have been sold and have commenced commercial operations, the Issuer provides operation and maintenance services. The Issuer possesses in-house expertise in the solar development value chain across greenfield development, engineering, procurement, operation and maintenance and asset management services.

The following table sets forth certain details of the solar projects that the Issuer has developed and sold.

Projects	Region	Installed Capacity of Solar Modules (*MWdc*)	Installed Capacity of ESS (*MWh*)	Commencement of Commercial Operations (*actual or estimated*)
Minnesota 1	MN	9	—	December 2017
Wyoming 1	WY	100	—	December 2018
Texas A	TX	236	—	December 2018
Nevada A	NV	134	—	December 2018
Nevada B	NV	263	—	June 2019
South Dakota 1	SD	25	—	June 2019
South Dakota 2	SD	40	—	June 2019
Nevada C	NV	33	—	December 2020
Nevada D	NV	32	—	December 2020
Nevada E	NV	65	—	December 2020
Texas B	TX	194	—	June 2020
Texas C	TX	242	—	October 2022
Oregon A	OR	68	—	August 2023
Texas D	TX	250	—	December 2024

Projects	Region	Installed Capacity of Solar Modules (*MWdc*)	Installed Capacity of ESS (*MWh*)	Commencement of Commercial Operations (*actual or estimated*)
Virginia A	VA	79	—	March 2027
Virginia B	VA	79	—	March 2027
Nevada F	NV	84	240	Sep-2024
Texas E	TX	98	—	March 2023
Texas F	TX	140	—	December 2024
Virginia C	VA	195	208	March 2028
Arizona A	AZ	128	—	June 2025
Arizona B	AZ	375	600	June 2025
Arizona C	AZ	—	3,328	June 2025
Nevada G	NV	—	1,116	September 2024
Colorado A	CO	183	—	May 2025
Colorado B	CO	250	200	March 2026
Colorado C	CO	247	—	December 2026
Arizona D	AZ	242	—	February 2026
Arizona E	AZ	121	—	June 2026
Arizona F	AZ	272	—	June 2026
Arizona G	AZ	242	—	February 2026

The following table sets forth certain details of the solar projects that the Issuer has developed and are in operation but not sold. Percentages in parentheses in the following table reflect Issuer's ownership interest in projects held through a joint venture ("JV") discussed below.

Projects	Region	Installed Capacity of Solar Modules (*MWdc*)	Installed Capacity of ESS (*MWh*)	Commencement of Commercial Operations (*actual*)
Laguna Solar	MX	125	—	July 2019
Imeson Solar	FL	9	4	November 2019
Oberon 1B (50%)	TX	72	—	June 2020
Oberon 1A (50%)	TX	388	—	June 2020
Gerdau/Ellis (50%)	TX	98	—	October 2023
Rayos (50%)	TX	242	—	October 2022
Skysol (50%)	OR	66	—	December 2023

The following table sets forth certain details of the solar projects that the Issuer is currently developing.

Project	Region	Installed Capacity of Solar Modules (*MWdc*)	Installed Capacity of ESS (*MWh*)	Commencement of Commercial Operations (*estimated*)
Arizona 1	AZ	454	900	December 2027
Arizona 2	AZ	454	900	December 2027
Arizona 3	AZ	242	—	December 2027
Arizona 4	AZ	119	—	December 2027
California 1	CA	303	776	March 2029
California 2	CA	303	1,000	March 2029
California 3	CA	—	2,200	September 2030
California 4	CA	—	800	June 2032
California 5	CA	—	2,200	September 2030
Colorado 1	CO	500	400	September 2027
Hawaii 1	HI	83	208	June 2025
Idaho 1	ID	50	—	March 2028
Louisiana 1	LA	125	—	June 2027
Minnesota 1	MS	125	—	June 2027
New Mexico 1	NM	233	200	June 2029

Project	Region	Installed Capacity of Solar Modules (*MWdc*)	Installed Capacity of ESS (*MWh*)	Commencement of Commercial Operations (*estimated*)
New Mexico 2	NM	91	300	June 2029
New Mexico 3	NM	150	—	June 2030
Nevada 1	NV	—	800	June 2027
Nevada 2	NV	—	800	June 2027
Nevada 3	NV	200	511	June 2027
New York 1	NY	—	400	December 2026
New York 2	NY	—	320	December 2026
New York 3	NY	—	1,300	December 2028
New York 4	NY	—	1,200	December 2028
Oregon 1	OR	29	94	March 2028
Oregon 2	OR	50	—	March 2028
Texas 1	TX	375	300	June 2029
Texas 2	TX	127	—	July 2027
Texas 3	TX	250	—	June 2027
Texas 4	TX	125	—	July 2027
Texas 5	TX	—	400	June 2027
Utah 1	UT	605	—	June 2029
Utah 2	UT	50	—	March 2028
Utah 3	UT	342	—	December 2028
Utah 4	UT	125	—	March 2028
Wyoming 1	WY	248	796	June 2029

The following is a description of the principal projects that have been or are currently being developed by the Issuer:

- **Laguna (In Operation)**. The Issuer completed construction of a solar project located outside the city of Torreón in Coahuila, Mexico in June 2019, composed of approximately 364,000 solar modules with an aggregate installed capacity of approximately 125 MWdc. The project has a 15-year PPA with Comisión Federal de Electricidad, the national power company of Mexico. The project is expected to generate energy for 700,000 residents in Coahuila, Mexico.
- **Oberon 1B (In Operation)**. The Issuer completed construction of a solar project near Ector County, Texas, composed of approximately 3.4 million solar modules with an aggregate installed capacity of approximately 36 MWdc. Construction on the project started in December 2019 and commercial operation commenced in June 2020. Under the PPA for the project, the Issuer sells power at a fixed price to the Issuer's retail business.
- **Arizona 1-4 (Pre-Execution phase)**. The Issuer is developing solar and energy storage projects in La Paz County, Arizona, composed of approximately 1,269 MWdc of PV and 1,800 MWh of Battery Energy Storage System ("BESS") with the interconnection secured, permits issued and pre-Notice to Procced ("NTP") works initiated, targeting commercial operation between December 2027 and the third quarter of 2028. Although the project is located in Arizona, the project will deliver power to the larger California market via the Ten West Link transmission line.
- **Nevada 3 (Pre-Execution phase)**. The Issuer is developing a 200 MWdc of solar project and of 511 MWh of BESS in Boulder City, Nevada. The project has initiated pre-NTP works and is set to be fully operational by the second quarter of 2027, supplying power to 36,000 households in Nevada. Additionally, with the construction of ESS, it will contribute to the stable operation of Nevada's power system.
- **Hawaii 1 (Under Commissioning)**. The Issuer has developed a solar and energy storage project in Oahu, Hawaii, with a total installed capacity of approximately 83 MWdc of PV and 208 MWh of BESS. The project has recently completed construction and is currently undergoing commissioning, expecting to achieve its commercial operations date in June 2025. The generated power will be sold to Hawaiian Electric Company, Inc. under a 20-year PPA.

- **California 1-2 (Under Development)**. The Issuer is developing solar and energy storage projects in California with a total installed capacity of approximately 606 MWdc of PV and 1,776 MWh of BESS. PPA contracts with the California Independent System Operator (CAISO) customers for the project are currently being reviewed, with execution expected by May 2025. The project is targeting commercial operation by the second quarter of 2028.
- **New York 1 (Under Development)**. The Issuer is developing a 400 MWh battery storage facility in Astoria-Queens, New York, covering approximately 121,118 square feet, to enhance grid stability in central New York City. The project has secured full Engineering, Procurement, and Construction ("EPC") contracts, obtained all necessary permits, and commenced construction, targeting commercial operation by the end of 2026.
- **New York 2 (Under Development)**. The Issuer is developing a 320 MWh battery storage facility in South Bronx, New York. The project has executed a full interconnection service agreement with the New York Independent System Operator (NYISO) and is targeting commercial operation by 2029.

In January 2021, the Issuer entered into a 50:50 JV agreement with Total H Solar, LLC whereby the Issuer sold 100% of its interests in certain solar and ESS projects to the JV, which is subsequently developing such projects.

The following table sets forth certain details of these projects that the Issuer jointly owns with Total H Solar, LLC through the JV.

Project	Region	Installed Capacity of Solar Modules (*MWdc*)	Installed Capacity of ESS (*MWh*)	Commencement of Commercial Operations (*actual or estimated*)
JV Oregon 1*	OR	66	—	December 2023
JV Texas 1A*	TX	194	—	June 2020
JV Texas 1*	TX	242	—	June and October 2022
JV Texas 4*	TX	98	—	October 2023
JV Texas 6	TX	250	—	March 2028

* In Operation

- **JV Texas 1A (In Operation)**. The JV operates a solar farm near Ector County, Texas with an installed capacity of approximately 194 MWdc. The power generated by this solar farm is contracted to be sold to JPMorgan Chase Bank under a 7-year PPA. Commercial operation commenced in June 2020.
- **JV Texas 4 (In Operation)**. The JV operates a solar farm in Ellis County, Texas with an installed capacity of approximately 98 MWdc. The power generated by this solar farm is sold to Chaparral Steel Midlothian, LP under a 20-year PPA. Commercial operation of the project commenced in October 2023.
- **JV Oregon 1 (In Operation)**. The JV operates a solar farm in Klamath County, Oregon with an installed solar module capacity of approximately 68 MWdc. The power generated by this solar farm is sold to PacifiCorp under a PPA that terminates in August 2043. Commercial operation of the project commenced in December 2023.
- **JV Texas 1 (In Operation)**. The JV operates a solar farm in Texas with an installed capacity of approximately 242MWdc. The power generated by this farm is sold to ExGen under a 9-year PPA. Commercial operation commenced in two phases in June and October 2022.
- **JV Texas 6 (Under Development)**. The JV is currently developing a solar project in Texas with an installed capacity of approximately 250 MWdc.

Additionally, the Issuer expects to announce in July 2025 its intention to enter into a 50:50 joint venture agreement ("QCells JV") with Hanwha Q CELLS USA Corp. ("QCells"), another member of the Hanwha Group. If the required approvals and consents are obtained, QCells would contribute substantially all of its early- and mid-stage utility-scale solar development assets, as well as several small operating solar projects, to the QCells JV. The Issuer would contribute several of its operating solar projects, as well as several mid-stage solar

development assets, to the QCells JV. The Issuer and QCells would each own an equal 50% stake in the QCells JV, which would continue to develop and operate solar projects.

Subject to market conditions, the Issuer's plan in the medium- to long-term future is to develop solar and battery storage projects and sell those projects before construction begins. Opportunistically, the Issuer may decide to retain certain of those projects, owning and operating such projects as an IPP and selling energy in the retail market in North America.

In addition to the utility-scale solar business, the Issuer engages in other businesses including the following:

- **Energy Storage Systems**: The Issuer has been actively pursuing the integration of ESS as a standalone business as well as a complementary business to its solar energy solutions. ESS, when combined with solar, is eligible for federal investment tax credit incentives in the U.S. and, as a bundled system, can capture more value through flexible revenue streams. For short- to mid-term storage duration time, ESS is based on mature Li-ion technology, and the Issuer is currently engaged in active partnerships with several top tier Li-ion battery suppliers. The Issuer has commenced construction of a large-scale ESS project in Hawaii, with commercial operation expected soon. Additionally, the Issuer has contracted the largest ESS project in New York City and has sold several development-stage ESS projects. More large-scale ESS projects are under development or under contract in California. The Issuer believes that ESS will continue to play a vital and growing role in meeting the goal of decarbonisation by increasing the penetration of solar energy to the grid network in the United States.
- **Retail Energy:** The Issuer is active in the retail energy business through its subsidiary, which operates in the Texas market under the trade name Chariot Energy ("Chariot"). Residential, commercial and industrial energy consumers enter into agreements with Chariot under which Chariot commits to supplying electricity to them, under various time and usage arrangements. Chariot procures the energy needed to meet its energy delivery obligations from multiple sources, including the Issuer's solar project in Texas. The Issuer believes that retail energy will continue to offer substantial opportunities for additional markets for its solar and ESS projects and corresponding revenue growth, and is considering expansion into additional markets.
- **Green Hydrogen Generation:** As an early adopter of green hydrogen generation, the Issuer plans to partner with various stakeholders to build solar facilities and provide clean power for the generation of green hydrogen. The Issuer believes that green hydrogen is poised for significant growth and is expected to become a critical building block for the full decarbonisation of the economy. The Issuer also views green hydrogen as the most promising carbon-free energy source that can service various industrial sectors, such as long-haul transportation and shipping, which require more energy than what clean electricity alone can currently provide. The Issuer believes green hydrogen can also be used as industrial hydrogen feedstock for the production of steel and fertiliser and thermal energy sources for heating of buildings and residential homes. At the centre of the growth of green hydrogen is the need for affordable green energy, namely solar, to power the generation of clean hydrogen molecules by water electrolysis. Leveraging its strong foundation in the solar energy business, the Issuer is uniquely positioned to lead the green hydrogen market with its strategic advantage in the integration of solar energy with green hydrogen generation. The Issuer is currently developing a pilot green hydrogen generation project in Arizona.
- **Data Centre Development:** The Issuer noted the growing demand for data centres in the United States and is building a team that specialises in data centre development. This work entails (i) identifying appropriate locations for data centres, (ii) providing turnkey solutions of key utilities to position sites that enable rapid deployment and long-term scalability of data centres, (iii) securing the real estate needed to build data centres and (iv) procuring the energy needed to meet such data centres' needs. This energy may come from solar and/or ESS facilities developed by the Issuer or third-party suppliers. The Issuer believes that data centre development provides another opportunity to create additional markets for its solar and ESS projects and to generate significant revenue growth in the years to come.

For the Issuer's financial information, see the Issuer's audited consolidated financial statements as of and for the years ended 31 December 2024 and 2023 included in this Offering Circular.

Management

The Issuer's management includes the following individuals:

- Joo Yoon has served as Chief Executive Officer and President of the Issuer since February 2025. Mr. Yoon received a bachelor's degree in chemical engineering from Kyung Hee University. Mr. Yoon has worked for several Hanwha entities for over 30 years, and prior to joining the Issuer, Mr. Yoon served as President of Hanwha Japan and led the company to become the residential solar market share leader in Japan.
- AJ Ahn has served as Chief Financial Officer of the Issuer since March 2022. Mr. Ahn received a bachelor's degree in business administration from Korea University. Prior to joining the Issuer, Mr. Ahn served as Chief Financial Officer of QCells. Mr. Ahn is also a licensed CPA and has several years of experience working for major accounting firms.
- Jihyun Kim has served as Chief Operating Officer of the Issuer since February 2025. Mr. Kim received a bachelor's degree in mass communications from Korea University and an M.B.A. from the University of Chicago Booth School of Business. Prior to joining the Issuer, Mr. Kim held multiple senior leadership roles during his 20 years with the Hanwha Group. Most recently, he served as Chief Commercial Officer at QCells, leading EPC Sales.
- In Kyu Park has served as Chief Strategy Officer of the Issuer since February 2025. Mr. Park received his bachelor's degree in international economics from John Hopkins University and a master's degree in environmental policy and energy security from Columbia University. Prior to joining the Issuer, Mr. Park has held multiple senior leadership roles in his nearly 15 years with the Hanwha Group, including Senior Director of Hanwha Solutions and QCells.
- Rob Michalczak has served as Chief Development Officer of the Issuer since February 2025. Mr. Michalczak received his bachelor's degree in finance from Florida State University. Mr. Michalczak has nearly 25 years of experience in financial planning and renewables. Prior to joining the Issuer, he spent the past 15 years at NextEra Energy, where he held several senior leadership positions in the development and power marketing business units.
- Daniel Judge has served as General Counsel of the Issuer since 2023. Mr. Judge received a bachelor's degree from Stanford University and a J.D. from the University of California at Berkeley. Previously, Mr. Judge spent 15 years as general counsel at utility-scale solar/storage development companies, supporting financing, contracting and development issues relating to some of the largest solar projects in the world.

Parent Company

The Issuer is wholly owned by Hanwha Energy Corporation, an IPP in Korea and a member company of the Hanwha Group. The Hanwha Group is not a legal entity but a reference to a group of such affiliated companies for the purposes of the Monopoly Regulation and Fair Trade Act of Korea. The Hanwha Group is the seventh largest business group in Korea (excluding government-owned entities) by total assets as of 31 December 2024 according to a report published by the Korea Fair Trade Commission in May 2025.

The Issuer purchases most of the solar modules for its solar projects from QCells on an arm's-length basis.

Legal Proceedings

As of the date of this Offering Circular, there are no material investigations, charges, litigation or other pending or, to its knowledge, threatened proceedings in connection with the Issuer the adverse outcome of which may have a material adverse effect on the financial condition or results of operation of the Issuer.

THE GUARANTOR

Overview

The Guarantor was established in 1976 as a special governmental financial institution pursuant to the Export-Import Bank of Korea Act, as amended, or the KEXIM Act. Since the Guarantor's establishment, it has been promoting the export and competitiveness of Korean goods and services in international markets. To this end, the Guarantor has introduced financing facilities and implemented lending policies that are responsive to the needs of Korean exporters.

The Guarantor's primary purpose, as stated in the KEXIM Act, is to "promote the sound development of the national economy and economic cooperation with foreign countries by extending the financial aid required for export and import transactions, overseas investment and the development of natural resources abroad." Over the years, the Guarantor has developed various financing facilities and lending policies that are consistent with the Government's overall economic policies. In the latter part of the 1980s, as a result of changing trade conditions and the increased internationalisation of the Korean economy, overseas investment credits and import credits were promoted and began to constitute an important portion of the Guarantor's business. In recent years, the Guarantor has focused on the development of new financing facilities, including structured financing for ships and project financing for the construction of industrial plants and the development of natural resources abroad.

As of 31 December 2024, the Guarantor had ₩91,845 billion of outstanding loans, including ₩38,964 billion of outstanding export credits, ₩37,782 billion of outstanding overseas investment credits and ₩12,640 billion of outstanding import credits, as compared to ₩90,313 billion of outstanding loans, including ₩35,933 billion of outstanding export credits, ₩36,284 billion of outstanding overseas investment credits and ₩11,342 billion of outstanding import credits as of 31 December 2023.

Although the Guarantor's management has control of its day-to-day operations, its operations are subject to the close supervision of the Government. The Government's determination each fiscal year regarding the amount of financial support to extend to the Guarantor, in the form of contributions to capital or transfers of its income to reserves, plays an important role in determining its lending capacity. The Government has the power to appoint or dismiss the Guarantor's Chief Executive Officer, Deputy Chief Executive Officer, Senior Executive Director, Independent Directors and Auditor.

The Government supports the Guarantor's operations pursuant to Article 37 of the KEXIM Act. Article 37 of the KEXIM Act provides that "the annual net losses of the Export-Import Bank of Korea shall be offset each year by the reserve, and if the reserve be insufficient, the Government shall provide funds to cover the deficit." As a result of the KEXIM Act, the Government is generally responsible for the Guarantor's operations and is legally obligated to replenish any deficit that arises if the Guarantor's reserves, consisting of its surplus and capital surplus items, are insufficient to cover any of its annual net losses. In light of the above, if the Guarantor has insufficient funds to make any payment under any of its obligations, including the debt securities covered by this Offering Circular, the Government would take appropriate steps, such as by making a capital contribution, by allocating funds or by taking other action, to enable the Guarantor to make such payment when due. The provisions of Article 37 do not, however, constitute a direct guarantee by the Government of the Guarantor's obligations, and the provisions of the KEXIM Act, including Article 37, may be amended at any time by action of the National Assembly.

In January 2014, the Government amended the KEXIM Act to:

- increase the Guarantor's authorised capital from ₩8,000 billion to ₩15,000 billion;
- expand the Guarantor's operation scope that enables it, among other things, to invest in (i) funds intended to support export and import transactions by small- and medium-sized enterprises and (ii) special purpose companies that carry out value added overseas development projects in a flexible way; and
- reduce restrictions on the Guarantor's financing and investment activities by providing additional flexibility to it to cope with changes in market conditions.

In March 2016, the Government amended the KEXIM Act to strengthen its enforcement powers by allowing:

- the Minister of Economy and Finance to impose any necessary sanctions against the Guarantor's officers; and
- the Financial Services Commission to request the Minister of Economy and Finance to apply sanctions against the Guarantor's employees.

In March 2024, the Government amended the KEXIM Act to increase the Guarantor's authorised capital from ₩15,000 billion to ₩25,000 billion in order to increase its financing of overseas large-scale projects in line with the Government's policy objectives.

Capitalisation

As of 31 December 2024, the Guarantor's authorised capital was ₩25,000 billion and its capitalisation was as follows:

	31 December 2024[1] (billions of Won)
Long-Term Debt[2][3][4][5][6]:	
Borrowings in Korean Won	₩ —
Borrowings in Foreign Currencies	3,946
Export-Import Financing Debentures	59,658
Total Long-Term Debt	₩63,604
Capital and Reserves:	
Capital Stock[7]	₩16,873
Additional Paid-in Capital	—
Capital Adjustments	(154)
Retained Earnings	3,365
Legal Reserve[8]	612
Voluntary Reserve[8]	1,762
Regulatory Reserve for Loan Losses[9]	11
Unappropriated Retained Earnings	980
Other Components of Equity[10]	1,240
Total Capital and Reserves	₩21,325
Total Capitalisation	₩84,929

(1) Except as described in this Offering Circular, there has been no material adverse change in the Guarantor's capitalisation since 31 December 2024.

(2) Consists of borrowings and debentures with maturities of more than a year remaining.

(3) The Guarantor has translated borrowings in foreign currencies as of 31 December 2024 into Won at the rate of ₩1,470.00 to US$1.00, which was the market average exchange rate as announced by the Seoul Money Brokerage Services Ltd., on 31 December 2024.

(4) As of 31 December 2024, the Guarantor had contingent liabilities totalling ₩63,590 billion, which consisted of ₩49,007 billion under outstanding guarantees and acceptances and ₩14,583 billion under contingent guarantees and acceptances issued on behalf of the Guarantor's clients. For further information relating to the Guarantor's contingent liabilities under outstanding guarantees as of 31 December 2024, see "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended 31 December 2024 and 2023—Note 36."

(5) As of 31 December 2024, the Guarantor had entered into 681 interest rate-related derivative contracts with a notional amount of ₩84,563 billion and 527 currency-related derivative contracts with a notional amount of ₩34,677 billion in accordance with its policy to hedge interest rate and currency risks. See "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended 31 December 2024 and 2023—Note 20."

(6) See "—Description of Assets and Liabilities—Sources of Funding" for an explanation of these sources of funds. All of the Guarantor's borrowings, whether domestic or international, are unsecured and unguaranteed.
(7) As of 31 December 2024, the Guarantor's authorised ordinary share capital was ₩25,000 billion and issued fully-paid ordinary share capital was ₩16,873 billion. For more information, see "—Business—Government Support and Supervision."
(8) See "—Business—Government Support and Supervision" for a description of the manner in which annual net income is transferred to the legal reserve and may be transferred to the voluntary reserve.
(9) If the estimated allowance for credit loss determined by K-IFRS for accounting purposes is lower than that for regulatory purposes as required by Regulation of Supervision of Banking Business, the Guarantor reserves such difference as the regulatory reserve for loan losses. See "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended 31 December 2024 and 2023—Note 23."
(10) See "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended 31 December 2024 and 2023—Note 22."

Business

Purpose and Authority

The Guarantor was established in 1976 as a special governmental financial institution pursuant to the KEXIM Act. The KEXIM Act, the Enforcement Decree of the KEXIM Act, or the KEXIM Decree, and the Guarantor's Articles of Incorporation, or the By-laws, define and regulate its powers and authority. The Guarantor is treated as a special juridical entity under Korean law and is not subject to certain laws regulating the activities of commercial banks.

The Guarantor was established, as stated in the KEXIM Act, to "promote the sound development of the national economy and economic cooperation with foreign countries by extending the financial aid required for export and import transactions, overseas investment and the development of natural resources abroad." As an instrument in serving the Government's public policy objectives, the Guarantor does not seek to maximise its profits. The Guarantor does, however, strive to maintain an adequate level of profitability to strengthen its equity base in order to support the growth in the volume of its business.

The Guarantor's primary purpose has been the provision of loans and guarantees to facilitate Korean companies' exports and overseas investments and projects. Most of the Guarantor's activities have been carried out pursuant to this authority.

The Guarantor has the authority to undertake a range of financial activities. These fall into four principal categories:

- export credits;
- overseas investment credits;
- import credits; and
- guarantee facilities.

Export credits include loans to facilitate Korean exports of capital and non-capital goods and technical and non-technical services. Overseas investment credits consist of loans to finance Korean overseas investments and projects. Import credits include the extension of loans to finance Korean imports of essential materials and natural resources. Guarantee facilities are made available to support the obligations of Korean exporters and importers.

The Guarantor also has the authority to administer, on behalf of the Government, the Government's Economic Development Cooperation Fund, the Inter-Korean Cooperation Fund, formerly known as the South and North Korea Co-operation Fund, and the Supply Chain Resilience Fund.

The Guarantor may also undertake other business activities incidental to the foregoing, including currency and interest rate swap transactions.

Government Support and Supervision

The Government's determination each fiscal year, regarding the amount of financial support to extend to the Guarantor, plays an important role in determining the Guarantor's lending capacity. Such support has included contributions to capital, loans and transfers of its income to reserves.

The Guarantor's authorised capital was ₩30 billion when the Government enacted the KEXIM Act in 1969. The National Assembly amended the KEXIM Act and increased the Guarantor's authorised capital to ₩150 billion in 1974, ₩500 billion in 1977, ₩1,000 billion in 1986, ₩2,000 billion in January 1998, ₩4,000 billion in September 1998, ₩8,000 billion in January 2009, ₩15,000 billion in January 2014 and ₩25,000 billion in March 2024.

As of 31 December 1996, the capital contribution from the Government was approximately ₩686 billion, all in cash. Since 1997, the Government has made capital contributions not only in cash but also in the form of shares of common stock of Government-affiliated entities. Recent examples include the Government's contributions to the Guarantor's capital of (i) ₩578 billion, ₩110 billion, ₩29 billion, ₩160 billion, ₩25 billion and ₩100 billion in cash in July 2020, March 2021, April 2021, June 2021, June 2022 and March 2024, respectively, and (ii) ₩125 billion in the form of shares of Yeosu Gwangyang Port Authority in May 2017, ₩125 billion in the form of shares of Incheon Port Authority in May 2017, ₩1,167 billion in the form of shares of Korea Aerospace Industries Ltd. in June 2017 and ₩2,000 billion in the form of shares of Korea Land and Housing Corporation in each of March 2023 and May 2024. Taking into account these capital contributions, the Guarantor's total capital stock was ₩16,873 billion as of 31 December 2024. Most recently, in January 2025, the Government contributed ₩100 billion in cash to the Guarantor's capital.

Pursuant to the KEXIM Act, only the Government, The Korea Development Bank, The Bank of Korea, certain designated domestic banking institutions, exporters' associations and international financial organisations may contribute to the Guarantor's capital stock. As of 31 December 2024, the Government directly owned 76% of the Guarantor's capital stock and indirectly owned, through The Bank of Korea and The Korea Development Bank, 7% and 17%, respectively, of the Guarantor's capital stock. See "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended 31 December 2024 and 2023—Note 1."

In addition to contributions to the Guarantor's capital, the Government provides funding for the Guarantor's financing activities. The Government has made loans available to the Guarantor for its lending activities. See "—Description of Assets and Liabilities—Sources of Funding."

The Government also supports the Guarantor operation pursuant to Articles 36 and 37 of the KEXIM Act. Article 36 of the KEXIM Act and the By-laws provide that the Guarantor shall apply its net income earned during each fiscal year, after deduction of depreciation expense for such fiscal year, in the following manner and in order of priority:

- first, at least 10% of such net income is transferred to the Guarantor's legal reserve until the total amount of the Guarantor's legal reserve equals the total amount of the Guarantor's capital stock;
- second, if the Minister of Economy and Finance approves such distribution, the balance of any such net income, after such transfer to the legal reserve, is distributed to the institutions, other than the Government, that have contributed to the Guarantor's capital (up to a maximum 15% annual dividend rate); and
- third, the remaining balance of any such net income is distributed in whatever manner the Guarantor's Operations Committee determines and the Minister of Economy and Finance approves, such as additions to the Guarantor's voluntary reserve.

Article 37 of the KEXIM Act provides that "the annual net losses of the Export-Import Bank of Korea shall be offset each year by the reserve, and if the reserve be insufficient, the Government shall provide funds to cover the deficit." As a result of the KEXIM Act, the Government is generally responsible for the Guarantor's operations and is legally obligated to replenish any deficit that arises if the Guarantor's reserves are insufficient to cover any of the Guarantor's annual net losses. In light of this provision, if the Guarantor has insufficient

funds to make any payment under any of its obligations, the Government would take appropriate steps by making a capital contribution, by allocating funds or by taking other action to enable the Guarantor to make such payment when due. The provisions of Article 37 do not, however, constitute a direct guarantee by the Government of the Guarantor's obligations, and the provisions of the KEXIM Act, including Article 37, may be amended at any time by action of the National Assembly.

The Government closely supervises the Guarantor's operations including in the following ways:

- the President of the Republic appoints the Guarantor's Chief Executive Officer upon the recommendation of the Minister of Economy and Finance;
- the Minister of Economy and Finance appoints the Guarantor's Deputy Chief Executive Officer and the Senior Executive Director upon the recommendation of the Guarantor's Chief Executive Officer;
- the Minister of Economy and Finance appoints the Guarantor's Auditor;
- one month prior to the beginning of each fiscal year, the Guarantor must submit its proposed programme of operations and budget for the fiscal year to the Minister of Economy and Finance for his approval and immediately after the approval of the Minister of Economy and Finance, the Guarantor must report such programme to the National Assembly;
- the Minister of Economy and Finance must approve the Guarantor's operating manual, which sets out guidelines for all principal operating matters, including the range of permitted financings;
- the Board of Audit and Inspection, a Government department, examines the Guarantor's settlement of accounts annually;
- each of the Minister of Economy and Finance and the Financial Services Commission has broad authority to require reports from the Guarantor on any matter and to examine the Guarantor's books, records and other documents. On the basis of the reports and examinations, the Minister of Economy and Finance may issue any orders it deems necessary to enforce the KEXIM Act or delegate examinations to the Financial Services Commission;
- the Financial Services Commission may supervise the Guarantor's operations to ensure managerial soundness based upon the KEXIM Decree and the Supervisory Regulations of Banking Business legislated by the Financial Services Commission and may issue orders deemed necessary for such supervision;
- the Guarantor must submit its annual report to the Ministry of Economy and Finance within three months following the end of each fiscal year and, upon request from the National Assembly during its annual audit period, to the National Assembly within ten days from the date of the request from the National Assembly, outlining the Guarantor's operations and analysing its activities during the relevant fiscal year; and
- the Guarantor may amend its By-laws and operating manual only with the approval of the Minister of Economy and Finance.

Selected Financial Statement Data

Except where expressly indicated otherwise in this Offering Circular, loans in Won and loans in foreign currencies (each before deducting allowance for loan losses) are collectively referred to as "Loans"; bills bought, foreign exchange bought, advances for customers, call loans and interbank loans in foreign currencies (each before deducting allowance for loan losses) are collectively referred to as "Other Loans"; Loans and Other Loans are collectively referred to as "Loan Credits"; confirmed guarantees and acceptances are collectively referred to as "Guarantees"; and Loan Credits and Guarantees are collectively referred to as "Credit Exposure."

You should read the following selected financial statement data together with the Guarantor's separate financial statements and notes included in this Offering Circular.

	Year Ended 31 December		
	2022	2023	2024
	(billions of Won)		
Income Statement Data			
Total Interest Income	₩3,071	₩5,856	₩6,062
Total Interest Expense	2,118	4,971	5,299
Net Interest Income	952	885	764
Operating Income	569	1,061	1,333
Income before Income Tax	571	1,061	1,335
Income Tax Expense	184	339	356
Net Income	387	723	980

	As of 31 December	
	2023	2024
	(billions of Won)	
Balance Sheet Data		
Total Loan Credits[1]	₩ 90,313	₩ 91,845
Total Borrowings[2]	98,789	100,049
Total Assets	125,394	131,340
Total Liabilities	107,444	110,015
Total Shareholders' Equity	17,951	21,325

(1) Gross amount, including domestic usance bills, foreign currency bills bought, advance payments on acceptances and guarantees, call loans, interbank loans in foreign currency, private placement corporate bonds in local currency and others and before deducting allowance for loan losses and net deferred loan origination fees and costs. See "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended 31 December 2024 and 2023—Note 10."

(2) Includes debentures.

2024

The Guarantor had net income of ₩980 billion in 2024 compared to ₩723 billion in 2023. The principal factors for the increase in net income included:

- a change in net gain (loss) on foreign exchange transactions to a net gain of ₩1,627 billion in 2024 from a net loss of ₩1,063 billion in 2023, primarily due to continued volatility in exchange rates in 2024; and
- a change in net other operating income (expenses) to net income of ₩287 billion in 2024 from net expenses of ₩931 billion in 2023, primarily due to a change in net gain (loss) on fair value hedged items to a net gain of ₩266 billion in 2024 from a net loss of ₩928 billion in 2023 (see "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended 31 December 2024 and 2023—Note 30").

These factors were mostly offset by a change in net gain (loss) on hedging derivative assets to a net loss of ₩1,532 billion in 2024 from a net gain of ₩2,013 billion in 2023, due to an increase in losses on hedging instruments to ₩3,120 billion in 2024 from ₩843 billion in 2023 and a decrease in gains on hedging instruments to ₩1,589 billion in 2024 from ₩2,856 billion in 2023, which in turn were primarily due to continued volatility in exchange rates (including USD and BRL) and interest rates (including the USD 3- Month London Interbank Offered Rate, the Secured Overnight Financing Rate and the Euro 6-Month Interbank Offered Rate) in 2024 (see "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended 31 December 2024 and 2023—Note 28").

For a description of the Guarantor's strategies and policies on derivative products, which the Guarantor utilises primarily to hedge the Guarantor's risks relating to fluctuations in various foreign currencies and interest rates, see "—Description of Assets and Liabilities—Derivatives."

As of 31 December 2024, the Guarantor's total assets increased by 4.7% to ₩131,340 billion from ₩125,394 billion as of 31 December 2023, primarily due to a 25.4% increase in financial investments to ₩19,332 billion as of 31 December 2024 from ₩15,413 billion as of 31 December 2023, a 38.2% increase in financial assets at fair value through profit or loss to ₩5,137 billion as of 31 December 2024 from ₩3,716 billion as of 31 December 2023 and a 1.1% increase in loans at amortised cost to ₩88,726 billion as of 31 December 2024 from ₩87,777 billion as of 31 December 2023, the effects of which were offset in small part by an 88.4% decrease in hedging derivative assets to ₩71 billion as of 31 December 2024 from ₩612 billion as of 31 December 2023.

As of 31 December 2024, the Guarantor's total liabilities increased by 2.4% to ₩110,015 billion from ₩107,444 billion as of 31 December 2023, primarily due to a 23.9% increase in borrowings to ₩6,854 billion as of 31 December 2024 from ₩5,532 billion as of 31 December 2023, a 42.0% increase in financial liabilities at fair value through profit or loss to ₩3,014 billion as of 31 December 2024 from ₩2,123 billion as of 31 December 2023 and a 57.1% increase in hedging derivative liabilities to ₩2,378 billion as of 31 December 2024 from ₩1,514 billion as of 31 December 2023.

As of 31 December 2024, the Guarantor's total shareholders' equity increased by 18.8% to ₩21,325 billion from ₩17,951 billion as of 31 December 2023, primarily due to a 14.2% increase in capital stock to ₩16,873 billion as of 31 December 2024 from ₩14,773 billion as of 31 December 2023, a 27.5% increase in retained earnings to ₩3,365 billion as of 31 December 2024 from ₩2,639 billion as of 31 December 2023 and an 81.8% increase in other components of equity to ₩1,240 billion as of 31 December 2024 from ₩682 billion as of 31 December 2023.

2023

The Guarantor had net income of ₩723 billion in 2023 compared to ₩387 billion in 2022. The principal factors for the increase in net income included:

- a change in net gain (loss) on hedging derivative assets to a net gain of ₩2,013 billion in 2023 from a net loss of ₩3,224 billion in 2022, due to a decrease in losses on hedging instruments to ₩843 billion in 2023 from ₩3,716 billion in 2022 and an increase in gains on hedging instruments to ₩2,856 billion in 2023 from ₩492 billion in 2022, which in turn was primarily due to continued volatility in exchange rates (including USD and BRL) and interest rates (including the USD 3-Month London Interbank Offered Rate, the Secured Overnight Financing Rate and the Australia 3-Month Bank Bill Swap Rate) in 2023; and
- a change in net gain (loss) on financial assets at fair value through profit or loss to a net gain of ₩210 billion in 2023 from a net loss of ₩306 billion in 2022, primarily due to a change in valuation of trading derivatives to a net gain of ₩56 billion in 2023 from a net loss of ₩764 billion in 2022, which in turn resulted mainly from changes in exchange rates (including MXN, USD and EUR) and interest rates (including MXN TIIE 28D) between 2022 and 2023 that impacted the valuation of the Guarantor's various interest rate swap and cross-currency swap derivative products in 2023.

These factors were in large part offset by:

- a change in net other operating income (expenses) to net expenses of ₩931 billion in 2023 from net income of ₩3,173 billion in 2022, primarily due to change in net gain (loss) on fair value hedged items to a net loss of ₩928 billion in 2023 from a net gain of ₩3,165 billion in 2022; and
- a change in net gain (loss) on foreign exchange transactions to a net loss of ₩1,063 billion in 2023 from a net gain of ₩515 billion in 2022, primarily due to increased volatility in exchange rates in 2023.

In addition, a 58.8% decrease in additional impairment loss on credit to ₩279 billion in 2023 from ₩678 billion in 2022, mainly reflecting a general improvement in the overall asset quality of the Guarantor's loan portfolio in 2023, in particular with regard to its large refinery project in the Middle East, contributed to the increase in net income.

For a description of the Guarantor's strategies and policies on derivative products, which the Guarantor utilises primarily to hedge its risks relating to fluctuations in various foreign currencies and interest rates, see "—Description of Assets and Liabilities—Derivatives."

As of 31 December 2023, the Guarantor's total assets increased by 2.7% to ₩125,394 billion from ₩122,070 billion as of 31 December 2022, primarily due to a 26.8% increase in cash and due from financial institutions to ₩12,59 billion as of 31 December 2023 from ₩9,931 billion as of 31 December 2022 and a 15.3% increase in financial investments to ₩15,413 billion as of 31 December 2023 from ₩13,364 billion as of 31 December 2022, the effects of which were offset in part by a 1.7% decrease in loans at amortised cost to ₩87,777 billion as of 31 December 2023 from ₩89,300 billion as of 31 December 2022.

As of 31 December 2023, the Guarantor's total liabilities increased by 0.8% to ₩107,444 billion from ₩106,634 billion as of 31 December 2022, primarily due to a 6.2% increase in debentures to ₩93,257 billion as of 31 December 2023 from ₩87,792 billion as of 31 December 2022, the effect of which was largely offset by a 45.3% decrease in borrowings to ₩5,532 billion as of 31 December 2023 from ₩10,113 billion as of 31 December 2022.

As of 31 December 2023, the Guarantor's total shareholders' equity increased by 16.3% to ₩17,951 billion from ₩15,436 billion as of 31 December 2022, primarily due to a 15.7% increase in capital stock to ₩14,773 billion as of 31 December 2023 from ₩12,773 billion as of 31 December 2022 and a 28.7% increase in retained earnings to ₩2,639 billion as of 31 December 2023 from ₩2,051 billion as of 31 December 2022.

Operations

Loan Operations

The Guarantor's primary objective since its establishment has been to promote the export and competitiveness of Korean goods and services in international markets. To this end, the Guarantor has introduced various financing facilities and implemented lending policies that are responsive to the needs of Korean exporters and foreign importers. Over the years, the Guarantor has also developed financing facilities and lending policies that are consistent with the Government's overall economic policies. In the latter part of the 1980s, as a result of changing trade conditions and the increased internationalisation of the Korean economy, overseas investment credits and import credits were promoted and began to constitute an important portion of the Guarantor's business. The Guarantor's lending programmes include (1) export credits to Korean exporters or foreign buyers of Korean goods and services, (2) overseas investment credits to Korean firms and (3) import credits to Korean importers.

Before approving a credit, the Guarantor considers:

- economic benefits to the Republic;
- the industry's rank in the order of priorities established by the Government's export-import policy;
- credit risk associated with the loans to be extended; and
- the goal of diversifying the Guarantor's lending activities.

The KEXIM Act and the By-laws provide that the Guarantor may extend credit only where repayment "is considered probable." Accordingly, the Guarantor carefully investigates the financial position of each prospective borrower and the technical and financial aspects of the project to be financed, and a loan is made only if the Guarantor believes there is reasonable assurance of repayment. See "—Credit Policies, Credit Approval and Risk Management—Credit Approval."

In 2024, the Guarantor provided loans of ₩66,246 billion, an increase of 9% from the previous year, and the Guarantor's commitments of loans amounted to ₩61,876 billion, an increase of 1% from the previous year. The increase in disbursements of loans was primarily attributable to increased demand from the industrial plants industry and the increase in commitments for loans was primarily attributable to increased demand from the automotive industry.

The following table sets out the total amounts of the Guarantor's outstanding Loan Credits, categorised by type of credit:

	As of 31 December		As % of 2024 Total
	2023	2024	
	(billions of Won)		
Export Credits			
Industrial Plants	₩ 8,742	₩10,563	12%
Shipbuilding	7,020	8,841	10%
Ferrous & nonferrous metal products	1,642	1,240	1%
Petrochemical products	3,615	2,340	3%
Automobiles	2,632	2,641	3%
Electronic machineries	3,903	4,031	4%
Others[1]	8,379	9,310	10%
Sub-total	35,933	38,964	42%
Overseas Investment Credits	36,284	37,782	41%
Import Credits	11,342	12,640	14%
Others[2]	6,749	2,453	3%
Present Value Premium/Discount	5	5	0%
Total Loan Credits	₩90,313	₩91,845	100%

(1) Includes general machinery, service sector, etc.
(2) Includes call loans, loans for Inter-bank loans in foreign currency, advances for customers, etc.

Source: Internal accounting records

The following table sets out the Guarantor's new loan commitments, categorised by type of credit:

New Loan Credit Commitments by Type of Credit

	As of 31 December		As % of 2024 Total
	2023	2024	
	(billions of Won)		
Export Credits			
Industrial Plants	₩ 2,848	₩ 3,121	5%
Shipbuilding	5,112	5,289	9%
Ferrous & nonferrous metal products	2,471	1,790	3%
Petrochemical products	4,972	4,668	8%
Automobiles	2,898	3,352	5%
Electronic machineries	5,200	5,933	10%
Others[1]	13,173	8,473	14%
Sub-total	36,674	32,626	53%
Overseas Investment Credits	12,510	15,190	25%
Import Credits	11,953	14,061	23%
Others	0	0	0%
Total	₩61,137	₩61,876	100%

(1) Includes general machinery, service sector, etc.

Source: Internal accounting records

Export Credits

The Guarantor offers export credits to either domestic suppliers or foreign buyers to finance export transactions.

Export Credits to domestic suppliers include:

- export loans to Korean exporters that export capital goods such as ships, industrial plants and machinery;
- pre-shipment credit to Korean exporters or manufacturers producing export products;
- technical service credit to Korean companies that export technical services abroad, including overseas construction projects;
- short-term trade financing to Korean exporters that manufacture export goods under short-term export contracts;
- small business export credit to small- and medium-sized enterprises that manufacture export goods or supply materials needed by their primary exporters;
- rediscount on trade bills to domestic commercial banks for exporters;
- forfaiting to Korean exporters by discounting trade bills under the usance line of credit from export transactions on a non-recourse basis; and
- export factoring to Korean exporters by discounting trade receivables that occurs from open account export transactions on credit on a non-recourse basis.

Export credits to foreign buyers include:

- direct loans to foreign buyers that purchase Korean goods and services;
- project finance to foreign companies that intend to import industrial plants, facilities and technical services from Korea for large-scale projects, of which the cash flows from such projects are the main source for repayment;
- structured finance to foreign shipping companies that purchase ships from Korean shipyards, of which the repayment usually depends on the cash flows generated by the operation of ships; and
- interbank export loans to creditworthy banks in foreign countries to help foreign buyers obtain credit for the purchase of goods and services of Korean origin.

As of 31 December 2024, export credits in the amount of ₩38,964 billion represented 42% of the Guarantor's total outstanding Loan Credits. The Guarantor's disbursements of export credits in 2024 amounted to ₩37,077 billion, an increase of 10% from the previous year, and the Guarantor's new commitments of export credits in 2024 amounted to ₩32,626 billion, a decrease of 11% from the previous year.

The Guarantor offers export credits to Korean companies in order to provide them with the funds required for the manufacture or construction of capital and non-capital goods and readying of technical services designated in the Guarantor's operating manual for export. Capital goods eligible for export credit financings currently include ships, industrial plants, industrial machinery and overseas construction projects. With respect to eligible items supported by the Guarantor's export credits, ships as well as industrial plants have traditionally had some of the largest shares of the Guarantor's export credit operations.

The Guarantor offers export loans and technical service credits to domestic suppliers at fixed (no less than the Commercial Interest Reference Rate under the OECD Arrangement (as defined below)) or floating rates of interest with maturities of up to 12 years for ships and maturities of varying terms, from two to 22 years, for financings of other eligible items. The Guarantor typically requires a minimum down payment of 20% of the contract amount for ship export financings and a minimum down payment of 15% for financings of other eligible items. When the credit rating of a prospective borrower does not meet the Guarantor's internal rating criteria, these export credits are secured by promissory notes issued in connection with the relevant transaction, or letters of guarantees or letters of credit issued or confirmed by a creditworthy international bank or the importer's government or central bank. Other terms and conditions under such export credit facilities must be in accordance with the Arrangement on Guidelines for Officially Supported Export Credits by the Organisation for Economic Co-operation and Development, or the OECD Arrangement. The Guarantor offers direct loans to foreign buyers, project finance to project companies and structured finance for ships to foreign shipping companies under similar

terms and conditions as export credit financings to domestic suppliers. The Guarantor offers interbank export loans to overseas banks to facilitate imports by foreign importers of Korean manufactured goods. Interbank export loans are offered at fixed or floating rates of interest with maturities of up to 15 years.

Overseas Investment Credits

The Guarantor extends overseas investment credits to either Korean companies or foreign companies in which a Korean company has an equity share, to finance investments in eligible overseas businesses and projects. Such financing programmes include:

- overseas investment credit to Korean companies that invest abroad in the form of capital subscription, acquisition of stocks and long-term credit;
- overseas project credit to Korean companies or their overseas subsidiaries engaging in businesses outside Korea;
- major resources development credit to Korean companies for development of natural resources and acquisition of mining rights abroad; and
- overseas business credit to foreign companies in which Korean companies have an equity stake, in the form of funds for purchasing equipment or working capital.

As of 31 December 2024, overseas investment credits amounted to ₩37,782 billion, representing 41% of the Guarantor's total outstanding Loan Credits. The Guarantor's disbursements of overseas investment credits in 2024 amounted to ₩15,924 billion, an increase of 18% from the previous year, and the Guarantor's new commitments of overseas investment credits in 2024 amounted to ₩15,190 billion, an increase of 21% from the previous year.

Proposals for overseas investment credits to finance the acquisition of important materials or the development of natural resources for the Korean economy, as determined by the Government, are given priority, together with projects that promote the export of Korean goods and services. As a result, projects financed by the Guarantor's overseas investment credit programme have been mainly in the fields of manufacturing or development of natural resources.

The Guarantor offers overseas investment credits at either fixed or floating rates of interest with maturities up to 30 years. Such facilities may require security in the form of a bank guarantee, pledge or mortgage on the borrower's local assets. Depending upon the size of the project, the Guarantor will provide up to 100% of the financing required for the overseas investment project.

Import Credits

The Guarantor offers import credits to Korean companies that directly import essential materials, natural resources and high-technology materials whose stable and timely supply is required for the growth of the national economy, maintenance of financial stability and quality of life, and promotion of exports and employment, or to Korean companies that import such items after developing them overseas.

As of 31 December 2024, import credits in the amount of ₩12,640 billion represented 14% of the Guarantor's total outstanding Loan Credits. The Guarantor's disbursements of import credits in 2024 amounted to ₩13,245 billion, a decrease of 4% from the previous year, and the Guarantor's new commitments of import credits in 2024 amounted to ₩14,061 billion, an increase of 18% from the previous year.

The Guarantor offers import credits at either fixed or floating rates of interest with maturities up to ten years for equipment and machinery and shorter maturities of up to two years for other items, which may require security in the form of a bank guarantee, pledge or mortgage on the borrower's local assets. The Guarantor generally provides up to 80% of the import contract amount, but provides up to 90% of the import contract amount in the case of small- and medium-sized enterprises and up to 100% for transactions with a letter of credit opened by a bank.

Guarantee Operations

The Guarantor provides guarantees in favour of Korean commercial banks and foreign banks or foreign importers in respect of the obligations of Korean exporters in order to facilitate export and import financings. Such guarantee programmes for Korean exporters and importers include (1) financial guarantees to co-financing banks that provide loans for transactions that satisfy the Guarantor's eligibility requirements and (2) project-related guarantees to foreign importers for the performance of Korean exporters on eligible projects in the form of bid bonds, advance payment bonds, performance bonds and retention bonds. Guarantee commitments as of 31 December 2024 increased to ₩63,590 billion from ₩54,579 billion as of 31 December 2023. Of such commitments, guarantees the Guarantor had confirmed as of 31 December 2024 increased to ₩49,007 billion from ₩43,061 billion as of 31 December 2023.

The Guarantor mainly issues project-related guarantees, which include:

- advance payment guarantees that are issued to overseas importers of Korean goods and services to support obligations to refund down payments made to Korean exporters in the event of a failure to deliver the goods to be exported; and
- performance guarantees that are issued to foreign importers to support the performance by Korean exporters of their contractual obligations.

In 2024, the Guarantor issued project-related confirmed guarantees in the amount of ₩9,179 billion, a decrease of 0.03% from the previous year.

The Guarantor also issues letters of credit to foreign exporters to assist in the financing of projects approved in connection with import credit loans, and to Korean exporters to assist in the financing of projects approved in connection with export credit loans.

For further information regarding the Guarantor's guarantee and letter of credit operations, see "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended 31 December 2024 and 2023—Note 36."

Government Account Operations

Economic Development Cooperation Fund

In 1987, the Government established the Economic Development Cooperation Fund, or the EDCF, to provide loans, at concessional interest rates, to governments or agencies of developing countries for projects that contribute to industrial development or economic stabilisation of such countries. The Guarantor administers the EDCF on behalf of the Government and is responsible for project appraisal, documentation and administrative work relating to the EDCF Loans. The EDCF business accounts are maintained separately from the Guarantor's own account on behalf of the Government, and the Guarantor derives no separate income or expenditures from its operation of the EDCF business. Government contributions constitute the primary funding source of the EDCF. Loan disbursements by the EDCF in 2024 amounted to ₩1,849 billion for 152 projects in 36 countries, an increase of 32% from the previous year. As of 31 December 2024, the total outstanding loans extended by the EDCF was ₩13,710 billion, an increase of 16% from the previous year.

Inter-Korean Cooperation Fund

In 1991, the Government established the Inter-Korean Cooperation Fund, or the IKCF, to promote mutual exchanges and cooperation between the Republic and North Korea by engaging in funding and financing activities to support family reunions, cultural events, academic seminars, trade and economic cooperation between the two countries. The Guarantor administers the IKCF under the initiative and policy coordination of the Ministry of Unification. The IKCF accounts are maintained separately from the Guarantor's own account on behalf of the Government. Government contributions are the major funding source of the IKCF. The IKCF disbursements during 2024 amounted to ₩33 billion for 20 projects, and the cumulative total disbursements as of 31 December 2024 were ₩7,241 billion, an increase of 0.5% from ₩7,208 billion as of 31 December 2023.

Other Operations

Supply Chain Resilience Fund

In December 2023, the National Assembly passed the Framework Act on Supply Chain Stabilisation Support for Economic Security (the "Act"), which became effective in June 2024. The Act aims to bolster national level responses to the growing risks of supply chain disruptions in the global economy, which have been intensified by geo-political conflicts in recent years. The Act mandates that a master plan on supply chain stabilisation for economic security be established every three years to ensure the effective implementation of the Government's initiatives as they relate to the stabilisation of supply chains. In addition, the Government has established the Supply Chain Resilience Fund, or the SCRF, which the Guarantor currently administers and operates in accordance with the Act. By leveraging the Guarantor's expertise in international finance and export credit as well as its pre-existing commitment to supply chain stabilisation, the Guarantor plans to continue to coordinate closely with the Government to ensure the proper utilisation of the SCRF.

The Guarantor administers and operates the SCRF under the guidance and supervision of the Supply Chain Stabilisation Committee and the Ministry of Economy and Finance of Korea. Furthermore, pursuant to the Act, an independent steering committee, comprised of seven members designated by the Minister and the Deputy Prime Minister of the Ministry of Economy and Finance of Korea, deliberates on and determines the direction of management and operation of the SCRF, and makes financial decisions of the SCRF based on the members' extensive experience and knowledge in finance, economics and the relevant industries. The SCRF, whose account is maintained separately from the Guarantor's own account, will be funded primarily through the issuances of Won-denominated and foreign currency-denominated notes, which are to be guaranteed unconditionally and irrevocably by the Government. In December 2024, the National Assembly approved a Government guarantee limit of up to ₩10 trillion for the notes to be issued by the SCRF during the course of 2025.

Other Activities related to Financing

Other activities related to financing in which the Guarantor currently engages include:

- country information services performed by the Overseas Economic Research Institute, which conducts country studies and country risk evaluation to assist in the efficient utilisation of the Guarantor's financial resources;
- export credit advisory services, which are aimed at bringing about a larger share of overseas bidding by giving Korean exporters a wide range of knowledge on the country, industry, market and financial situation of the importing country in the early stage of the tendering process or contract negotiations;
- consulting services by in-house professionals including lawyers, accountants and regional experts who consult on international transactions; and
- management of Korea's foreign direct investment database.

Description of Assets and Liabilities

Total Credit Exposure

The Guarantor extends credits to support export and import transactions, overseas investment projects and other relevant products in various forms including loans and guarantees.

The following table sets out the Guarantor's Credit Exposure as of 31 December 2023 and 2024, categorised by type of exposure extended:

		As of 31 December			
		2023		2024	
		(billions of Won, except for percentages)			
A	Loans in Won	₩ 27,872	21%	₩ 28,277	20%
B	Loans in Foreign Currencies	54,350	41%	59,724	43%
C	**Loans (A+B)**	82,222	63%	88,001	64%
D	Other Loans	8,092	6%	3,844	3%
E	**Loan Credits (C+D)**	90,313	69%	91,845	66%
F	Allowances for Loan Losses	(2,051)	(2)%	(2,665)	(2)%
G	**Loan Credits including allowance for loan losses (E-F)**	88,262	67%	89,180	65%
H	Guarantees	43,061	33%	49,007	35%
I	**Credit Exposure (G+H)**	131,323	100%	138,187	100%

Loan Credits by Geographic Area

The following table sets out the total amount of the Guarantor's outstanding Loan Credits as of 31 December 2023 and 2024, categorised by geographic area [(1)]:

	As of 31 December[(1)]		As % of
	2023	2024	2024 Total
	(billions of Won)		
Asia[(2)]	₩79,827	₩77,717	85%
Europe	6,163	9,227	10%
America	3,260	3,167	3%
Africa	1,063	1,734	2%
Total	₩90,313	₩91,845	100%

(1) For purposes of this table, export credits have been allocated to the geographic areas in which the foreign buyers of Korean exports are located; overseas investment credits have been allocated to the geographic areas in which the overseas investments being financed are located; and import credits have been allocated to the geographic areas in which the sellers of the imported goods are located.

(2) Includes Australia and the Middle East.

Source: Internal accounting records

Economic Sanctions

The U.S. government, including the U.S. Department of the Treasury's Office of Foreign Assets Control, or OFAC, administers and enforces certain laws and regulations, or U.S. primary sanctions, that prohibit or restrict dealings with or related to certain designated countries and territories, governments, entities and individuals, and entities majority-owned by such parties, that take place within U.S. jurisdiction. U.S. primary sanctions include territorial sanctions that broadly prohibit transactions or dealings with or in designated countries and jurisdictions (currently, Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the so-called Donetsk People's Republic and the so-called Luhansk People's Republic); blocking sanctions that generally prohibit transactions or dealings with or involving blocked persons or the property or interests in property of a blocked person; and non-blocking sanctions that prohibit or restrict specific kinds of transactions or dealings, including, for example, dealings in debt or equity issued by certain designated parties. For example, Iran currently is and has been subject to U.S. territorial sanctions. In addition, as a result of the ongoing conflict involving Ukraine, the United States, along with the European Union, the United Kingdom, Korea, Singapore and other major jurisdictions, has adopted new, additional and/or enhanced sanctions on Russia. Although U.S. primary sanctions generally are not applicable to non-U.S. persons (although certain U.S. primary sanctions programmes do apply to the non-U.S. subsidiaries of U.S. companies), non-U.S. persons can be held liable for violations of U.S. primary sanctions to the extent they participate in prohibited transactions or dealings within U.S. jurisdiction (including, for example, transactions or dealings involving U.S. goods or services, U.S. persons, or U.S. dollar payments). Violations of U.S. primary sanctions can result in substantial civil or, in the case of wilful violations, criminal penalties.

In addition to U.S. primary sanctions, the United States maintains so-called "secondary sanctions" that authorise the U.S. government to impose a variety of sanctions, including blocking sanctions, on non-U.S. parties that engage in targeted activities, including, for example, certain dealings relating to Iran and Russia or blocked persons, outside of U.S. jurisdiction. The imposition of U.S. secondary sanctions is not automatic, and instead requires specific action by the U.S. government. In practice, U.S. secondary sanctions are highly discretionary and may be strongly influenced by political considerations, and accordingly, are difficult to predict. The Guarantor's business and reputation could be adversely affected, for example, if the U.S. government were to determine that the Guarantor's activities, or the activities of any of the Guarantor's counterparties, involve sanctionable activity under U.S. secondary sanctions.

In addition, the European Union, the United Kingdom, Korea, Singapore and other major jurisdictions administer and enforce their own sanctions programmes that target certain countries and territories, governments, entities and individuals in varying respects that the Guarantor or certain of its dealings may be subject to.

Furthermore, the Guarantor is aware, through press reports and other means, of initiatives by certain governmental entities and institutions in the United States, such as universities and pension funds, to adopt laws, regulations or policies prohibiting transactions with or investment in, or requiring divestment from, entities doing business with or related to certain countries, including Iran. For the reasons discussed below, it is possible that such initiatives may result in the Guarantor's being unable to gain or retain entities subject to such prohibitions as customers or as investors in the Guarantor's debt securities. In addition, the Guarantor's reputation may suffer due to its association with Iran and Russia. Such a result could have significant adverse effects on the Guarantor's business or the price of its debt securities.

The Guarantor currently has no active dealings related to Iran and did not have any loans outstanding to Iran as of 31 December 2022, 2023 and 2024. The Guarantor's business previously included activities related to Iran consisting solely of the extension of credit and financing provided in connection with the export of Korean goods and services to Iran and the disbursement of Iran-related credits directly to Korean suppliers or exporters. These transactions did not involve any U.S. jurisdictional nexus, and such transactions were subject to policies and procedures designed to ensure compliance with applicable Korean laws and regulations, including sanctions.

The Guarantor engages in limited business related to Russia, including dealings with the government of the Russian Federation under a legacy loan arrangement, the extension of credit to two Russian financial institutions that have been designated for U.S. (but not Singaporean) blocking sanctions and three guarantee arrangements involving three Russian companies that are currently subject to U.S. (but not Singaporean) sanctions.

As of 31 December 2024, the government of the Russian Federation owed the Guarantor approximately US$32 million pursuant to a legacy loan arrangement resulting from a commodity loan the Guarantor extended to Vnesheconombank, formerly the Bank for Foreign Economic Affairs of the Soviet Union and now the Russian Federation state development corporation, in the early 1990s. The loan was initially guaranteed by the government of the Soviet Union; the guarantee was subsequently assumed by the government of the Russian Federation. The Guarantor's dealings under the loan arrangement are formally with the Ministry of Finance of the Russian Federation, which has been designated for various sanctions, including U.S. sanctions. As of 31 December 2024, the government of the Russian Federation has paid back approximately 84.2% of the loan. The loan is classified as precautionary in terms of asset quality (based on previous repayment activity and the Guarantor's internal credit rating system). The provisioning level the Guarantor established for the credit exposure as of 31 December 2024 was 7.7%. Dealings with the government of the Russian Federation under the loan arrangement have historically included payments in U.S. dollars involving U.S. financial institutions. In February 2022, the Guarantor paused all dealings (including any payments under the loan arrangement) with the government of the Russian Federation. In December 2022, the Guarantor accepted payments in two instalments of an aggregate of US$10 million from the government of the Russian Federation under the loan arrangement that was specifically authorised by OFAC. Besides such payments, the Guarantor's dealings with the government of the Russian Federation remain paused. The Guarantor is continuing to evaluate the loan arrangement, including compliance with applicable sanctions.

The Guarantor's arrangements with two Russian financial institutions, which involve the extension of credit and have historically included dealings in U.S. dollars involving U.S. financial institutions, were all in place prior to February 2022. As of 31 December 2024, the two Russian financial institutions owed the Guarantor approximately

US$200 million. The provisioning level the Guarantor established for that credit exposure as of 31 December 2024 was 99.9%. In 2022, the Guarantor paused all dealings with the Russian financial institutions, and such dealings remain paused, meaning the Guarantor has not engaged in any additional dealings (including any payments under the credit arrangements) with the Russian financial institutions since 2022 and the Guarantor is currently unable to accept any payments from the Russian financial institutions under the credit arrangements. The Guarantor is continuing to evaluate these credit arrangements, including compliance with applicable sanctions.

The Guarantor entered into a guarantee arrangement in 2020 that involves a Russian company that became subject to U.S. blocking sanctions in 2023. To date, the Guarantor has made no payments to the Russian company under such guarantee arrangement, which expired in May 2025.

Similarly, the Guarantor has two legacy guarantee arrangements from 2020 and 2022 with non-sanctioned Japanese and Korean companies that involve Russian companies that subsequently became subject to U.S. blocking sanctions. The Guarantor's maximum liability under each guarantee arrangement is approximately US$350 million and US$353 million, respectively. To date, the Guarantor has made no payments to the Russian companies under either of the guarantee arrangements, and all transactions have been paused with respect to these agreements since the designation of the relevant Russian companies. The Guarantor is continuing to evaluate the above guarantee arrangements, including compliance with applicable sanctions.

The Guarantor believes that the above dealings have been conducted at all times in full compliance with applicable sanctions. The Guarantor does not have any other dealings with the government of the Russian Federation, any Russian Federation government stated-owned entities, or any other sanctioned Russian parties.

Individual Exposure

The KEXIM Decree imposes limits on the Guarantor's aggregate credits extended to a single person or business group, with which requirements the Guarantor is in compliance as of the date hereof. However, the Guarantor's large exposure to various business groups in Korea means that the Guarantor is also exposed to financial difficulties experienced by its borrowers as a result of, among other things, adverse economic conditions in Korea and globally. For example, the impact of the COVID-19 pandemic on the Korean economy, the Russia-Ukraine war and ensuing actions taken by the United States and other countries, fluctuations in policy interest rates globally (including Korea) to combat inflationary pressures, the hostilities in the Middle East following the Israel-Hamas war and, more recently, the political situation in Korea relating to the impeachment of former President Yoon in April 2025 following his declaration of martial law in December 2024, among others, have had, and may continue to have, an adverse impact on the business, activities and operations of many of the Guarantor's borrowers, including large business groups, which in turn could have an adverse impact on the ability of the Guarantor's borrowers to meet existing payment or other obligations to the Guarantor. See "The Republic of Korea—The Economy—Worldwide Economic and Financial Difficulties." A continued deterioration in the financial condition of the Guarantor's borrowers could result in a deterioration in the quality of the Guarantor's loan portfolio, which in turn could result in an increase in delinquency ratios, increased charge-offs and higher provisioning, as well as an increase in impairment losses on such loans, which could have a material adverse impact on the Guarantor's business, financial condition or results of operations.

As of 31 December 2024, the Guarantor's largest Credit Exposure was to Hanwha Ocean Co., Ltd. (formerly Daewoo Shipbuilding & Marine Engineering Co., Ltd., or DSME) in the amount of ₩8,080 billion. As of 31 December 2024, the Guarantor's second largest and third largest Credit Exposures, respectively, were to Samsung Heavy Industries Co., Ltd. in the amount of ₩4,057 billion and to HD Hyundai Heavy Industries Co., Ltd. in the amount of ₩3,650 billion.

The following table sets out the Guarantor's five largest Credit Exposures as of 31 December 2024[(1)]:

Rank	Name of Borrower	Loan Credits	Guarantees	Total
			(billions of Won)	
1	Hanwha Ocean Co., Ltd.	₩1,885	₩6,195	₩8,080
2	Samsung Heavy Industries Co., Ltd.	1,047	3,010	4,057
3	HD Hyundai Heavy Industries Co., Ltd.	—	3,650	3,650
4	HD Hyundai Samho Co., Ltd.	—	2,207	2,207
5	Hanwha Aerospace Co., Ltd.	127	1,796	1,923

(1) Excludes loans and guarantees extended to affiliates.
Source: Internal accounting records.

In recent years, DSME (now Hanwha Ocean Co., Ltd.), one of the largest shipbuilding and offshore construction companies in Korea, suffered from financial difficulties primarily due to significant losses incurred in connection with the construction of offshore plants resulting from a prolonged slowdown in the global shipbuilding industry. In October 2015, the Guarantor announced that it, along with The Korea Development Bank, plans to provide financial support to DSME, including provision of liquidity support of up to ₩4.2 trillion. In December 2016, in a bid to improve DSME's capital structure, the Guarantor exchanged a term loan in the amount of ₩1 trillion provided by it to DSME for perpetual bonds newly issued by DSME, while The Korea Development Bank engaged in debt-for-equity swaps amounting to ₩1.8 trillion. In March 2017, the Guarantor and The Korea Development Bank announced a second joint plan to provide an additional ₩2.9 trillion in financial support to DSME, which was approved by the other creditors in April 2017. Based on such plan, the Guarantor exchanged a term loan in the amount of ₩1.28 trillion provided by it to DSME for perpetual bonds issued by DSME and The Korea Development Bank provided additional debt-to-equity swaps of ₩0.3 trillion in June 2017. Other creditors also provided debt- to-equity swaps for up to 80% of their debt with DSME and rescheduled the maturities of the remainder. Subsequently, in March 2019, HHI entered into a definitive agreement with The Korea Development Bank to acquire DSME. In January 2022, however, the European Commission announced that it would not grant approval for such acquisition due to anti-competition concerns for LNG carriers. In December 2022, Hanwha Group entered into a definitive agreement with The Korea Development Bank to acquire a 49.3% equity stake in DSME for approximately ₩2 trillion, which has since received regulatory approval from all relevant jurisdictions. The acquisition closed in May 2023, upon which DSME became an affiliate of Hanwha Group and changed its name to Hanwha Ocean Co., Ltd.

Asset Quality

The Supervisory Regulation of Banking Business, or the Supervisory Regulation, legislated by the Financial Services Commission requires banks, including the Guarantor, to analyse and classify their credits into one of five categories as normal, precautionary, substandard, doubtful or estimated loss by taking into account borrowers' repayment capacity as well as a number of other factors including the financial position, profitability, transaction history of the relevant borrower and the value of any collateral or guarantee taken as security for the extension of credit. Categorisations are applied to all loans except call loans and interbank loans, which are classified as normal. Credit categorisations are as follows:

Normal	Credits extended to customers which, in consideration of their business and operations, financial conditions and future cash flows, do not raise concerns regarding their ability to repay the credits.
Precautionary	Credits extended to customers (1) which, in consideration of their business and operations, financial conditions and future cash flows, are judged to have potential risks with respect to their ability to repay the credits in the future, although there have not occurred any immediate risks of default in repayment; or (2) which are in arrears for one month or more but less than three months.
Substandard	(1) Credits extended to customers, which in consideration of their business and operations, financial conditions and future cash flows, are judged to have incurred considerable risks for default in repayment as the customers' ability to repay has deteriorated; or (2) that portion which is expected to be collected of total credits (a) extended to customers which have been in arrears for three months or more, (b) extended to customers which are judged to have incurred serious risks due to the occurrence of final refusal to pay their promissory notes, liquidation or bankruptcy proceedings, or closure of their businesses or (c) of "Doubtful Customers" or "Estimated-loss Customers" (each as defined below).
Doubtful	That portion of credits in excess of the amount expected to be collected of total credits extended to (1) customers, or Doubtful Customers, which, in consideration of their business and operations, financial conditions and future cash flows, are judged to have incurred serious risks of default in repayment due to noticeable deterioration

	in their ability to repay; or (2) customers which have been in arrears for three months or more but less than twelve months.
Estimated Loss	That portion of credits in excess of the amount expected to be collected of total credits extended to (1) customers, or Estimated-loss Customers, which, in consideration of their business and operations, financial conditions and future cash flows, are judged to have to be accounted as a loss as the inability to repay became certain due to serious deterioration in their ability to repay; (2) customers which have been in arrears for twelve months or more; or (3) customers which are judged to have incurred serious risks of default in repayment due to the occurrence of final refusal to pay their promissory notes, liquidation or bankruptcy proceedings, or closure of their businesses.

Under K-IFRS, the Guarantor establishes provisions for credit losses with respect to loans using either a case-by-case or collective approach. The Guarantor assesses individually significant loans on a case-by-case basis and other loans on a collective basis. In addition, if the Guarantor determines that no objective evidence of impairment exists for a loan, the Guarantor includes such loan in a group of loans with similar credit risk characteristics and assess them collectively for impairment regardless of whether such loan is significant. If there is objective evidence that an impairment loss has been incurred for individually significant loans, the amount of the loss is measured as the difference between the financial asset's carrying amount and the present value of the estimated future cash flows discounted at such asset's original effective interest rate. Future cash flows are estimated through a case-by-case analysis of individually assessed assets, which takes into account the benefit of any guarantee or other collateral held. The value and timing of future cash flow receipts are based on available estimates in conjunction with facts available at the time of review and reassessed on a periodic basis as new information becomes available. For collectively assessed loans, the Guarantor bases the level of provisions for credit losses on a portfolio basis in light of the homogenous nature of the assets included in each portfolio. The provisions are determined based on a quantitative review of the relevant portfolio, taking into account such factors as the level of arrears, the value of any security, and historical and projected cash recovery trends over the recovery period. For more detailed information regarding the Guarantor's loan loss provisioning policy, see "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended 31 December 2024 and 2023—Note 3(7)."

Asset Classifications

The following table provides information on the Guarantor's loan loss reserves:

	As of 31 December 2023		As of 31 December 2024	
	Loan Amount[1]	Loan Loss Reserve[2][3]	Loan Amount[1]	Loan Loss Reserve[2][3]
	(billions of Won)			
Normal	₩180,006	₩2,463	₩189,747	₩2,743
Precautionary	886	291	532	95
Sub-standard	1,138	773	940	726
Doubtful	13	13	159	143
Estimated Loss	230	213	286	270
Total	₩182,274	₩3,753	₩191,665	₩3,976

(1) These figures include loans (excluding interbank loans and call loans), domestic usance bills, bills bought, notes bought, advances for customers, confirmed and unconfirmed acceptances and guarantees and unused loan commitments, among others.

(2) Consists of (i) allowance for loan losses, (ii) provisions for confirmed and unconfirmed acceptances and guarantees and (iii) certain financial guarantee contract liabilities.

(3) These figures include present value discount.

Reserves for Credit Losses

Non-performing assets ("NPAs") are defined as assets that are classified as substandard or below.

The following table sets out the Guarantor's 10 largest NPAs as of 31 December 2024:

Borrower	Loans	Guarantees	Total
		(billions of Won)	
YEMEN LNG COMPANY LTD.	₩327	₩ 0	₩ 327
DAE SUN SHIPBUILDING & ENGINEERING CO., LTD.	201	88	289
ACWA GUC ELEKTRIK ISLETME VE YONETIM SANAYI VE TICARET ANONIM SIRKETI	147	0	147
PJSC SOVCOMBANK	146	0	146
CREDIT BANK OF MOSCOW	128	0	128
DYNATEC MADAGASCAR S.A.	5	85	90
TAEYOUNG ENGINEERING & CONSTRUCTION CO., LTD.	0	85	85
HYUNJIN MATERIALS CO., LTD.	15	0	15
LEEYOUNG INDUSTRIAL MACHINERY CO., LTD	11	0	11
CAPRO CORPORATION	10	0	10
Total	₩989	₩258	₩1,247

The Guarantor cannot provide any assurance that its current level of exposure to NPAs will continue in the future or that any of its borrowers (including its largest borrowers as described above) is not currently facing, or in the future will not face, material financial difficulties.

As of 31 December 2024, the amount of the Guarantor's NPAs was ₩1,386 billion, an increase of 0.4% from ₩1,381 billion as of 31 December 2023. As of 31 December 2024, the Guarantor's non-performing asset ratio was 0.7%, compared to 0.8% as of 31 December 2023.

The following table sets forth the Guarantor's reserves for possible credit losses as of 31 December 2023 and 2024:

	As of 31 December	
	2023	2024
	(billions of Won, except for percentages)	
Loan Loss Reserve (A)[1]	₩ 3,753	₩ 3,976
NPA (B)[2]	1,381	1,386
Total Shareholders' Equity (C)	17,951	21,325
Reserve to NPA (A/B)	272%	287%
Equity at Risk (B-A)/C	—	—

(1) Consists of allowance for loan losses and provisions for confirmed acceptances and guarantees, excluding the regulatory reserve for loans and guarantees.
(2) NPAs, which are defined as assets that are classified as substandard or below.

Source: Internal accounting records

The following table sets forth the Guarantor's actual loan loss reserve ratios as of 31 December 2023 and 2024:

Classification of Loans	Actual Reserve Coverage (as of 31 December 2023)	Actual Reserve Coverage (as of 31 December 2024)
Normal	1.4%	1.4%
Precautionary	32.8%	17.8%
Substandard	67.9%	77.2%
Doubtful	100.0%	89.4%
Estimated Loss	92.5%	94.3%

Investments

Under the KEXIM Decree, the Guarantor is not allowed to hold stocks or securities of more than three years' maturity in excess of 60% of its equity capital. However, investment in the following securities is not subject to this restriction:

- Government bonds;
- BOK currency stabilisation bonds;
- securities acquired via contributions by the Government; and
- securities acquired through investment approved by the Minister of Economy and Finance, for research related to the Guarantor's operations, for its financing or pursuant to Korean statutes.

As of 31 December 2024, the Guarantor's total investment in securities amounted to ₩21,413 billion, representing 16% of its total assets. The Guarantor's securities portfolio consists primarily of financial assets at fair value through other comprehensive income, or FVOCI. Financial assets at FVOCI mainly consist of marketable securities (including equity securities in Industrial Bank of Korea which was recapitalised by the Government through the Guarantor) and non-marketable securities (including equity securities in Korea Expressway Corporation and Korea Land & Housing Corporation).

The following table sets out the composition of the Guarantor's securities as of 31 December 2023 and 2024:

	As of 31 December 2023		As of 31 December 2024	
Type of Investment Securities	**Amount**	**%**	**Amount**	**%**
	(billions of Won, except for percentages)			
Financial Assets at FVOCI	₩13,615	78%	₩17,969	84%
Financial Assets at Amortised Cost	1,799	10	1,363	6
Investments in Associates	2,006	12	2,082	10
Total	₩17,420	100%	₩21,414	100%

For further information relating to the classification guidelines and methods of valuation of the Guarantor's financial instruments (including securities), see "—Financial Statements and the Auditors—Notes to separate financial statements and of and for the years ended 31 December 2024 and 2023—Notes 3 and 5."

Guarantees and Acceptances and Contingent Liabilities

The Guarantor has credit risk factors that are not reflected on the balance sheet, which include risks associated with guarantees and acceptances. Guarantees and acceptances do not appear on the balance sheet, but rather are recorded as an off-balance sheet item in the notes to the financial statements. Guarantees and acceptances include financial guarantees, project-related guarantees, such as bid bond, advance payment bond, performance bond or retention bond, and acceptances and advances relating to trade financings such as letters of credit or import freight. Contingent liabilities, for which the guaranteed amounts were not finalised, appear as unconfirmed guarantees and acceptance items in the notes to the financial statements as off-balance sheet items. The Guarantor's guarantees are classified as either confirmed or unconfirmed based on whether a determination of the amount of the "primary obligation" has been made, which refers to the amount of liability that the primary obligor bears to its counterparty in an agreement subject to the Guarantor's guarantee. The Guarantor's unconfirmed guarantees convert into confirmed guarantees once the primary obligation, such as an advance payment or disbursement of loans, among others, has taken place and the amount of the primary obligation has been determined and recorded as the amount of the Guarantor's confirmed guarantees, in accordance with the guidelines set forth by the Financial Services Commission of Korea. Both confirmed and unconfirmed guarantees are recorded as off-balance sheet items of contingent liabilities in "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended 31 December 2024 and 2023—Note 30."

As of 31 December 2024, the Guarantor had issued a total amount of ₩49,007 billion in confirmed guarantees and acceptances, of which ₩48,690 billion, representing 99.4% of the total amount, was classified as normal, ₩59 billion, representing 0.1% of the total amount, was classified as precautionary, and ₩259 billion, representing 0.5% of the total amount, was classified as substandard or below.

Derivatives

The objective in the Guarantor's strategy and policies on derivatives is to actively manage and minimise its foreign exchange and interest rate risks. It is the Guarantor's policy to hedge all currency and interest rate risks wherever possible (taking into consideration the cost of hedging).

The Guarantor uses various hedging instruments, including foreign exchange forwards and options, interest rate swaps, and cross currency swaps. These derivatives are classified as hedging instruments if hedge accounting method is applied, and if not, as trading derivatives for accounting purposes. See "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended 31 December 2024 and 2023—Note 20." Under the Guarantor's hedging policy, its net gain (loss) on hedging derivative assets, net gain (loss) on the trading derivative components included in net gain (loss) on financial assets at fair value through profit or loss, net gain (loss) on foreign exchange transaction and net gain (loss) on the fair value hedged items components included in net other operating income (expenses), all as shown in the separate statements of comprehensive income of the Guarantor's financial statements and the notes, generally offset one another to a substantial extent.

Under the Guarantor's internal trading rules that have been submitted to the Financial Supervisory Service, the Guarantor's policy is to engage in derivative transactions mainly for hedging its own position. As part of its total exposure management system, the Guarantor monitors its exposure to derivatives and may make real-time inquiries, which enables the Guarantor's Risk Management Department to check its exposure on a regular basis. Under the guidelines set by the Financial Supervisory Service, the Guarantor is required to submit reports on its derivatives exposure to the Financial Supervisory Service on a quarterly basis. As a measure to reduce the risk of intentional manipulation or error, the Guarantor has separated responsibility for different functions such as initiation, authorisation, approval, recording, monitoring and reporting to the Financial Supervisory Service. The Risk Management Department conducts regular reviews of derivative transactions to monitor any breach of compliance with the relevant regulatory requirements.

As of 31 December 2024, the Guarantor's outstanding loans made at floating rates of interest totalled ₩68,544 billion, whereas the Guarantor's outstanding borrowings made at floating rates of interest totalled ₩65,515 billion, including those raised in Australian Dollar, Euro and Hong Kong Dollar and swapped into U.S. dollar floating rate borrowings. As a result, the Guarantor is exposed to possible interest rate risks to the extent that the amount of its borrowings made at floating rates of interest exceeds the amount of its loans made at floating rates of interest. Foreign exchange risk arises because a majority of the Guarantor's assets and liabilities are denominated in non-Won currencies. In order to match its currency and interest rate structure, the Guarantor generally enters into swap transactions.

The following table shows the unsettled notional amounts and estimated fair values of derivatives the Guarantor held as of the dates indicated.

	As of 31 December					
	2023			2024		
	Unsettled Notional Amount	Fair Value of Assets	Fair Value of Liabilities	Unsettled Notional Amount	Fair Value of Assets	Fair Value of Liabilities
	(billions of Won)					
Currency forwards	₩ 16,836	₩ 160	₩ 249	₩ 6,779	₩ 297	₩ 193
Currency swaps	31,410	1,304	1,164	27,898	962	2,314
Interest rate swaps	73,694	824	2,225	84,563	1,037	2,869
Total	₩121,941	₩2,288	₩3,637	₩119,241	₩2,296	₩5,376

As of 31 December 2024, the Guarantor had entered into 527 currency-related derivative contracts with a notional amount of ₩34,677 billion and 681 interest rate-related derivative contracts with a notional amount of ₩84,563 billion in accordance with the Guarantor's policy to hedge interest rate and currency risks. See "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended 31 December 2024 and 2023—Note 20."

Sources of Funding

The Guarantor obtains funds primarily through borrowings from the issuance of bonds in both domestic and international capital markets, borrowings from domestic and foreign financial institutions, capital contributions and internally generated funds. Internally generated funds result from various activities the Guarantor carries on and include principal and interest payments on the Guarantor's loans, fees from guarantee operations and other services, and income from marketable securities the Guarantor holds.

The Guarantor raised a net total of ₩61,364 billion (new borrowings plus loan repayments by its clients less repayment of its existing debt) during 2024, a 5% decrease compared with the previous year's ₩64,893 billion. The total loan repayments, including prepayments by the Guarantor's clients, during 2024 amounted to ₩68,251 billion, an increase of 5% from ₩64,961 billion during 2023.

Since the Guarantor's establishment, the Government has, from time to time, provided the Guarantor with loans to support its lending to Korean exporters and provide liquidity to it. As of 31 December 2024, the Guarantor had no outstanding borrowings from the Government. The Guarantor also issued Won-denominated domestic bonds in the aggregate amounts of ₩24,810 billion, ₩24,800 billion and ₩26,270 billion during 2022, 2023 and 2024, respectively.

The Guarantor has diversified its funding sources by borrowing from various overseas sources and issuing long-term floating-rate notes and fixed-rate debentures in the international capital markets. These issues were in foreign currencies, including the U.S. dollar, Thai Baht, Australian Dollar, Euro, Hong Kong Dollar, Singapore Dollar, Swiss Franc, Brazilian Real, Mexican Peso, Peruvian Sol, Indian Rupee, Indonesian Rupiah, Chinese Yuan, New Zealand Dollar, Philippine Peso, South African Rand, Norwegian Krone, British Pound, Canadian Dollar, Japanese Yen and Polish Zloty and have original maturities ranging from one to thirty years.

During 2024, the Guarantor issued Eurobonds in the aggregate principal amount of US$2,366 million in various types of currencies under its existing medium-term notes programme, a 65% decrease from US$6,666 million in 2023. These bond issues consisted of offerings of US$390 million, HKD 300 million, BRL 6,369 million, CNY 310 million, AUD 135 million, EUR 100 million, GBP 300 million, INR 7,500 million, JPY 7,000 million and PLN 160 million. In addition, the Guarantor issued global bonds during 2024 in the aggregate amounts of US$4,500 million under its U.S. shelf registration statement, or the U.S. Shelf Programme, compared with US$5,500 million and EUR 500 million in 2023. As of 31 December 2024, the outstanding amounts of the Guarantor's notes and debentures were US$32,300 million, HKD 6,138 million, BRL 10,111 million, EUR 4,037 million, THB 3,580 million, CHF 600 million, AUD 4,120 million, INR 18,950 million, CNY 3,113 million, IDR 685,500 million, NZD 174 million, ZAR 2,615 million, NOK 750 million, GBP 336 million, CAD 65 million, MXN 13,000 million, PEN 68 million, PHP 2,400 million, JPY 114,745 million and PLN 160 million.

The Guarantor also borrows from foreign financial institutions in the form of loans that are principally made by syndicates of commercial banks at floating or fixed interest rates and in foreign currencies, with original maturities ranging from two to five years. As of 31 December 2024, the outstanding amount of such borrowings from foreign financial institutions was US$3,038 million.

The Guarantor's capital stock has increased from time to time since its establishment. From January 1998 to December 2024, the Government contributed ₩16,003 billion to the Guarantor's capital. As of 31 December 2024, the Guarantor's total capital stock amounted to ₩16,873 billion, and the Government, The Bank of Korea and The Korea Development Bank owned 76%, 7% and 17%, respectively, of the Guarantor's capital stock.

The KEXIM Act provides that the aggregate outstanding principal amount of all of the Guarantor's borrowings, including the total outstanding export-import financing debentures the Guarantor issued in accordance with the KEXIM Decree, may not exceed an amount equal to thirty times the sum of the Guarantor's capital stock plus its reserves. As of 31 December 2024, the aggregate outstanding principal amount of the Guarantor's borrowings (including export-import financing debentures), which was ₩100,049 billion, was equal to 17% of the authorised amount of ₩577,770 billion.

The Guarantor is not permitted to accept demand or time deposits.

Each year the Guarantor must submit to the Government for its approval an operating plan which includes the Guarantor's target levels for different types of funding. The following table is part of the operating plan dealing with fundraising for 2025:

Sources of Fund	(billions of Won)
Capital Contribution	—
Borrowings	42,300
Net Collection of Loans	16,200
Collection of Loans	53,100
Repayment of Debts	(36,900)
Others	—
Total	₩ 58,500

Debt

Debt Repayment Schedule

The following table sets out the principal repayment schedule for the Guarantor's outstanding debt (consisting of borrowings and debentures) as of 31 December 2024:

Debt Principal Repayment Schedule

	Maturing on or before 31 December				
Currency[1]	2025	2026	2027	2028	Thereafter
	(billions of Won)				
Won	₩20,700	₩ 7,440	₩ 50	₩ 200	₩ 1,030
Foreign[2]	18,626	16,260	12,946	7,083	19,668
Total Won Equivalent	₩39,326	₩23,700	₩12,996	₩7,283	₩20,698

(1) Borrowings and debentures in foreign currency have been translated into Won at the market average exchange rates on 31 December 2024, as announced by the Seoul Money Brokerage Services Ltd.
(2) This figure includes debentures, bank loans, commercial papers and repurchase agreements.

Normally the Guarantor determines the level of its foreign currency reserves based upon an estimate, at any given time, of aggregate loan disbursements to be made over the next two to three months. The Guarantor's average foreign currency reserves in 2023 and 2024 were approximately US$8,236 million and US$7,314 million, respectively.

Although the Guarantor currently believes that such reserves, together with additional borrowings available under its uncommitted short-term backup credit facilities and commercial paper programmes, will be sufficient to repay its outstanding debt as it becomes due, there can be no assurance that the Guarantor will continue to be able to borrow under such credit facilities, or that the devaluation of the Won will not adversely affect its ability to access funds sufficient to repay its foreign currency denominated indebtedness in the future. In addition to maintaining sufficient foreign currency reserves, the Guarantor monitors the maturity profile of its foreign currency assets and liabilities to ensure that there are sufficient maturing assets to meet its liabilities as they become due.

As of 31 December 2024, the Guarantor's foreign currency assets maturing within three months, six months and one year exceeded its foreign currency liabilities coming due within such periods by US$6,906 million, US$8,133 million and US$7,596 million, respectively. As of 31 December 2024, the Guarantor's total foreign currency liabilities exceeded its total foreign currency assets by US$2,096 million.

Internal and External Debt of the Bank

The following table summarises, as of December 31 of the years indicated, the outstanding internal debt of the Bank:

Internal Debt of the Bank

	(billions of Won)
2020	22,805
2021	22,910
2022	28,920
2023	29,600
2024	29,420

The following table sets out, by currency and the equivalent amount in U.S. dollars, the outstanding external debt of the Bank as of 31 December 2024:

External Debt of the Bank

	Amount in Original Currency		Equivalent Amount in U.S. dollars[1]
	(billions)		
US$	US$	35.6	US$ 35.6
Euro (EUR)	EUR	4.6	4.8
Brazilian real (BRL)	BRL	10.1	1.6
Australian Dollar (AUD)	AUD	4.9	3.0
British Pound (GBP)	GBP	0.3	0.4
Thai Baht (THB)	THB	3.6	0.1
Hong Kong Dollar (HKD)	HKD	6.1	0.8
Swiss Franc (CHF)	CHF	0.6	0.7
Indonesian Rupiah (IDR)	IDR	685.5	0.0
Chinese Yuan (CNY)	CNY	3.1	0.4
Norwegian Krone (NOK)	NOK	0.8	0.1
Mexican Peso (MXN)	MXN	13.0	0.6
New Zealand Dollar (NZD)	NZD	0.2	0.1
Indian Rupee (INR)	INR	19.0	0.2
South African Rand (ZAR)	ZAR	2.6	0.1
Peruvian Sol (PEN)	PEN	0.1	0.0
Canadian Dollar (CAD)	CAD	0.1	0.0
Polish Zloty (PLN)	PLN	0.2	0.0
Japanese Yen (JPY)	JPY	140.2	0.9
Philippine Peso (PHP)	PHP	2.4	0.0
			US$ 49.7

(1) Amounts expressed in currencies other than U.S. dollar are converted to U.S. dollar at the exchange rate announced by the Seoul Money Brokerage Services, Ltd. in effect on 31 December 2024 or the prevailing market rate on 31 December 2024.

The following table summarises, as of December 31 of the years indicated, the outstanding external debt of the Bank:

External Debt of the Bank

	(billions of Won)
2020	54,677
2021	59,144
2022	74,486
2023	71,195
2024	74,583

For further information on the outstanding indebtedness of the Bank, see "—Tables and Supplementary Information."

Debt Record

The Guarantor has never defaulted in the payment of principal of, or interest on, any of its obligations.

Credit Policies, Credit Approval and Risk Management

Credit Policies

The Credit Policy Department functions as the Guarantor's centralised policy-making and planning division with respect to its lending activities. The Credit Policy Department formulates and revises the Guarantor's internal regulations on loan programmes, sets basic lending guidelines on a country basis and gathers data from the Guarantor's various operating groups and produces various internal and external reports.

Credit Approval

The Guarantor has multiple levels of loan approval authority, depending on the loan amount and other factors such as the nature of the credit, the conditions of the transaction, and whether the loan is secured. The Guarantor's Board of Directors can approve loans of any amount. The Chief Executive Credit Committee, Credit Committee, Loan Officer Committee, Director Generals and Directors each have authority to approve loans up to a specified amount. The amount differs depending on the type of loan and certain other factors, for example, whether a loan is collateralised or guaranteed.

At each level of authority, loan applications are reviewed on the basis of the feasibility of the project from a technical, financial and economic point of view in addition to evaluating the probability of recovery. In conducting such a review, the following factors are considered:

- eligibility of the transaction under the Guarantor's financing criteria;
- country risk of the country of the borrower and the country in which the related project is located;
- credit risk of the borrower;
- a supplier's ability to perform under the related supply contract;
- legal disputes over the related project and supply contract; and
- availability of collateral.

Risk Management

The Guarantor's overall risk management policy is set by the Risk Management Committee, which meets on a quarterly basis and from time to time to establish tolerance limits for various exposures, whereas the overall risk management is overseen by the Risk Management Department, which is responsible for monitoring risk exposure.

The Risk Management Department reports the Guarantor's loan portfolio to the Financial Supervisory Service on a quarterly basis. The Risk Management Department also monitors the Guarantor's operating groups' compliance with internal guidelines and procedures. To manage liquidity risk, the Guarantor reviews the strategy for the sources and uses of funds, with each division submitting projected sources and uses to the Treasury Group. The Risk Management Department and the Treasury Group continually monitor the Guarantor's overall liquidity and the Treasury Group prepares both weekly and monthly cash flow forecasts. The Guarantor's policy is to maintain a liquidity level, which can cover loan disbursements for a period of two to three months going forward. The Guarantor protects itself from potential liquidity squeezes by maintaining sufficient amount of liquid assets with additional back-up of short-term credit lines.

The Guarantor's core lending activities expose it to market risk, mostly in the form of interest rate and foreign currency risks. The Risk Management Department reports interest rate and foreign exchange gap positions to the Risk Management Committee on a quarterly basis. The Guarantor also monitors changes in, and matches of, foreign currency assets and liabilities in order to reduce exposure to currency fluctuations. Recently, in light of the COVID-19 pandemic, the Russia-Ukraine war and ensuing actions taken by the United States and other countries, fluctuations in policy interest rates globally (including Korea) to combat inflationary pressures, the hostilities in the Middle East following the Israel-Hamas war and, more recently, the political situation in Korea relating to the impeachment of former President Yoon in April 2025 following his declaration of martial law in December 2024, among others, the Guarantor has closely monitored foreign currency risks that could result from the depreciation of the Won against major foreign currencies (including the U.S. dollar), which in turn may increase the Guarantor's cost in servicing its foreign currency denominated debt and result in foreign exchange losses.

The Risk Management Department monitors various market indicators related to foreign currency liquidity on a regular basis and has been cooperating with other departments including the Treasury Group to effectively address any potential liquidity risk which may be associated with the conflict involving Ukraine and Russia.

One of the key components of the Guarantor's risk management policy, which also affects the Guarantor's fundraising efforts, is to monitor matches of asset maturities and liability maturities. The average maturity as of 31 December 2024 for the Guarantor's Won- and foreign currency- denominated loans was 12 months and 44 months, respectively, and for Won- and foreign currency-denominated liabilities was 10 months and 37 months, respectively.

The Guarantor's Risk Management Department also monitors and manages various operational risks that the Guarantor faces from time to time.

In managing its risks, the Guarantor follows an overall risk management process where it:

- determines the risk management objectives;
- identifies key exposures;
- measures key risks; and
- monitors risk management results.

The Guarantor's risk management system is a continuous system that is frequently evaluated and updated on an ongoing basis.

Capital Adequacy

Under the Financial Supervisory Service's guidelines on risk-adjusted capital which were introduced in consideration of the standards set by the Bank for International Settlements, all banks in Korea, including the Guarantor, are required to maintain a capital adequacy ratio (Tier I and Tier II) of at least 10.5% on a consolidated basis. To the extent that the Guarantor fails to maintain this ratio, the Korean regulatory authorities may require corrective measures such as management improvement recommendations and disposal of assets.

The current capital adequacy requirements of the Financial Services Commission 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 Financial Services Commission promulgated a series of amended regulations implementing Basel III, pursuant to which Korean banks, including the Guarantor, were required to maintain a minimum ratio of Tier I common equity capital (which principally includes equity capital, capital surplus and retained earnings less reserve for credit losses) to risk-weighted assets of 3.5% and Tier I capital to risk-weighted assets of 4.5% from 1 December 2013, which minimum ratios were increased to 4.0% and 5.5%, respectively, from 1 January 2014 and increased further to 4.5% and 6.0%, respectively, from 1 January 2015. 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 of 8.0%, which remains unchanged. The amended regulations also require an additional capital conservation buffer of 2.5%, as well as a potential counter-cyclical capital buffer of up to 2.5%, which is determined on a quarterly basis by the Financial Services Commission. In May 2024, the counter-cyclical capital buffer increased from 0% to 1%. As of 31 December 2024, the Guarantor's capital adequacy ratio, on a consolidated basis, was 15.4%, an increase from 14.5% as of 31 December 2023, which was primarily due to the Guarantor's receipt of capital contributions from the Government.

The following table sets forth the Guarantor's capital base and capital adequacy ratios (on a consolidated basis) reported as of 31 December 2023 and 2024:

	As of 31 December	
	2023	2024
	(billions of Won, except for percentages)	
Tier I	₩ 17,805	₩ 21,293
Capital stock (including capital surplus and capital adjustments)	14,632	16,722
Retained Earnings(1)	2,803	3,587
Accumulated other comprehensive income	716	1,436
Others	2	1
Deductions from Tier I Capital	(348)	(452)
Capital Adjustments	—	—
Deferred Tax Asset	—	—
Others	(348)	(452)
Tier II (General Loan Loss Reserves)	2,205	2,287
Total Capital	20,010	23,580
Risk Adjusted Assets	138,260	153,597
Capital Adequacy Ratios		
Tier I common equity	12.9%	13.9%
Tier I	12.9%	13.9%
Tier I and Tier II	14.5%	15.4%

(1) Net amount after deducting regulatory reserve for loan losses.
Source: Internal accounting records

Overseas Operations

The Guarantor maintains an international presence through 25 overseas representative offices, which are located in New York City, Tokyo, Beijing, São Paolo, Paris, Washington D.C., Shanghai, New Delhi, Dubai, Moscow, Mexico City, Tashkent, Hanoi, Manila, Jakarta, Yangon, Bogota, Istanbul, Dar es Salaam, Dhaka, Accra, Phnom Penh, Addis Ababa, Colombo and Warsaw.

The Guarantor also has four wholly-owned subsidiaries: KEXIM Bank (UK) Ltd. in London, KEXIM (Asia) Ltd. in Hong Kong, KEXIM Vietnam Leasing Co., Ltd. in Ho Chi Minh City and KEXIM Global (Singapore) Ltd. in Singapore. These subsidiaries are engaged in the merchant banking and lease financing businesses, and assist the Guarantor in raising overseas financing. The Guarantor also owns 85% of P.T. Koexim Mandiri Finance, a subsidiary in Jakarta, which is primarily engaged in the business of lease financing.

The table below sets forth brief details of the Guarantor's subsidiaries as of 31 December 2024:

	Principal Place of Business	Type of Business	Book Value	Bank's Holding
			(billions of Won)	(%)
Kexim Bank (UK) Ltd.	United Kingdom	Commercial Banking	₩138	100%
KEXIM (Asia) Ltd.	Hong Kong	Commercial Banking	168	100
P.T. Koexim Mandiri Finance	Indonesia	Leasing and Factoring	90	85
KEXIM Global (Singapore) Ltd.	Singapore	Commercial Banking	373	100
Kexim Vietnam Leasing Co., Ltd.	Vietnam	Leasing and Lending	58	100

Property

The Guarantor's head office is located at 38 Eunhaeng-ro, Yeongdeungpo-gu, Seoul 07242, Korea, a 45,715 square metre building on a site of 9,110 square metres and owned by the Guarantor. In addition to the head office, the Guarantor owns a staff training centre located near Seoul on a site of 47,881 square metres and a marine finance centre, a 4,423 square metre building, located in Busan on a site of 556 square metres. The Guarantor also maintains 13 branches in Busan, Gwangju, Daegu, Changwon, Daejeon, Suwon, Incheon, Ulsan, Cheongju, Jeonju, Gumi, Yeosu and Wonju. The Guarantor's domestic branch offices and overseas representative offices are located in facilities held under long-term leases.

Management and Employees

Management

The Guarantor's governance and management is the responsibility of its Board of Directors, which has authority to decide important matters relating to the Guarantor's business. The Board of Directors is chaired by the Guarantor's Chief Executive Officer and is comprised of seven members: the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer, the Senior Executive Director and four Independent Directors. The Auditor may attend and state his/her opinion at the meetings of the Board of Directors. The President of Korea appoints the Guarantor's Chief Executive Officer upon the recommendation of the Minister of Economy and Finance. The Minister of Economy and Finance appoints the Deputy Chief Executive Officer, the Senior Executive Director and the Independent Directors upon the recommendation of the Guarantor's Chief Executive Officer. The Minister of Economy and Finance appoints the Auditor. All Board members and the Auditor serve for three years and are eligible for re-appointment for successive terms of office.

The members of the Board of Directors are currently as follows:

Name	Board Member Since	Position
Hee-sung Yoon	27 July 2022	Chairman and Chief Executive Officer
Jong-Hyuck Ahn	30 December 2023	Deputy Chief Executive Officer
Kiyeon Hwang	1 October 2023	Senior Executive Director
Yangho Ahn	2 October 2024	Independent Director
Haesun Park	2 October 2024	Independent Director
Chang Huh	10 April 2023	Independent Director
Hye Jeong Nam	10 April 2023	Independent Director

The Guarantor's basic policy guidelines for activities are established by the Operations Committee. According to the By-laws, the Operations Committee is composed of officials nominated as follows:

- Chief Executive Officer of KEXIM;
- official of the Ministry of Economy and Finance, nominated by the Minister of Economy and Finance;
- official of the Ministry of Foreign Affairs, nominated by the Minister of Foreign Affairs;
- official of the Ministry of Trade, Industry and Energy, nominated by the Minister of Trade, Industry and Energy;

- official of the Ministry of Land, Infrastructure and Transport, nominated by the Minister of Land, Infrastructure and Transport;
- official of the Ministry of Oceans and Fisheries, nominated by the Minister of Oceans and Fisheries;
- official of the Financial Services Commission, nominated by the Chairman of the Financial Services Commission;
- executive director of The Bank of Korea, nominated by the Governor of The Bank of Korea;
- executive director of the Korea Federation of Banks, nominated by the Chairman of the Korea Federation of Banks;
- representative of an exporters' association (Korea International Trade Association), nominated by the Minister of Economy and Finance after consultation with the Minister of Trade, Industry and Energy;
- executive director of the Korea Trade Insurance Corporation established under the Trade Insurance Act, nominated by the Chairman and President of the Korea Trade Insurance Corporation; and
- up to two persons who have extensive knowledge and experience in international economic cooperation work, recommended by the Guarantor's Chief Executive Officer and appointed by the Minister of Economy and Finance.

As of 31 December 2024, the members of the Operations Committee were as follows:

Name	Member Since	Position
Hee-sung Yoon	27 July 2022	Chairman and Chief Executive Officer of KEXIM
Ji-Young Choi	25 August 2023	Deputy Minister for International Affairs, Ministry of Economy and Finance
Hee-sang Kim	20 March 2024	Deputy Minister for Economic Affairs, Ministry of Foreign Affairs
Dae-ja Kim	30 September 2024	Deputy Minister for Trade and Investment, Ministry of Trade, Industry and Energy
Young-woo Nam	31 December 2024	Assistant Minister for Infrastructure Affairs, Ministry of Land, Infrastructure and Transport
Si-won Lee	8 April 2024	Director General of Shipping and Logistics Bureau, Ministry of Oceans and Fisheries
Dae Young Kwon	5 January 2024	Secretary General, Financial Services Commission
Jong Ryeol Lee	20 July 2022	Deputy Governor, The Bank of Korea
Tae Hoon Lee	7 June 2023	Senior Executive Director, Korea Federation of Banks
In-ho Lee	27 February 2024	Executive Vice Chairman, Korea International Trade Association
Jinsik Park	6 September 2024	Deputy President, Korea Trade Insurance Corporation
Ilkyung Moon	4 May 2023	Professor, Seoul National University
Junghoon Park	4 April 2024	Chief Executive Officer, Woori Finance Research Institute

Employees

As of 31 December 2024, the Guarantor had 1,263 employees, among whom 1,036 employees were members of the Guarantor's labour union. The Guarantor has never experienced a work stoppage of a serious nature. Every two years, the management and union negotiate and enter into a collective bargaining agreement. The most recent collective bargaining agreement was entered into in October 2024.

Tables and Supplementary Information

A. External Debt of the Bank

(1) External Bonds of the Bank

Currency	Original Principal Amount	Interest Rate (%)	Issue Date	Maturity Date	Principal Amount Outstanding as of 31 December 2024
USD	50,000,000	4.60	23 December 2024	23 December 2025	50,000,000
USD	50,000,000	4.51	16 December 2024	16 December 2025	50,000,000
USD	500,000,000	4.13	17 October 2024	17 October 2027	500,000,000
USD	500,000,000	USD SOFR ON+0.82	11 September 2024	11 September 2029	500,000,000
USD	700,000,000	4.00	11 September 2024	11 September 2027	700,000,000
USD	800,000,000	4.00	11 September 2024	11 September 2029	800,000,000
USD	40,000,000	0.00	26 July 2024	26 July 2054	40,000,000
USD	50,000,000	5.29	4 June 2024	4 June 2025	50,000,000
USD	400,000,000	4.63	11 January 2024	11 January 2034	400,000,000
USD	800,000,000	4.50	11 January 2024	11 January 2029	800,000,000
USD	800,000,000	4.63	11 January 2024	11 January 2027	800,000,000
USD	50,000,000	0.00	20 December 2023	20 December 2043	50,000,000
USD	50,000,000	USD SOFR ON+0.72	8 December 2023	8 December 2026	50,000,000
USD	50,000,000	USD SOFR ON+0.72	7 December 2023	7 December 2026	50,000,000
USD	500,000,000	USD SOFR ON+0.88	21 November 2023	21 November 2028	500,000,000
USD	50,000,000	6.03	26 October 2023	26 October 2043	50,000,000
USD	50,000,000	USD SOFR ON+0.45	13 October 2023	14 April 2025*	50,000,000
USD	20,000,000	5.00	5 October 2023	5 October 2026	20,000,000
USD	50,000,000	5.00	5 October 2023	5 October 2026	50,000,000
USD	500,000,000	5.13	18 September 2023	18 September 2033	500,000,000
USD	1,000,000,000	5.13	18 September 2023	18 September 2028	1,000,000,000
USD	500,000,000	5.38	18 September 2023	18 September 2025	500,000,000
USD	15,000,000	USD SOFR ON+0.75	8 August 2023	8 August 2026	15,000,000
USD	45,000,000	USD SOFR ON+0.75	7 August 2023	7 August 2026	45,000,000
USD	40,000,000	USD SOFR ON+0.75	1 August 2023	1 August 2026	40,000,000
USD	50,000,000	USD SOFR ON+0.80	23 June 2023	23 June 2026	50,000,000
USD	50,000,000	USD SOFR ON+0.80	22 June 2023	22 June 2026	50,000,000
USD	50,000,000	USD SOFR ON+0.80	21 June 2023	21 June 2026	50,000,000
USD	500,000,000	4.63	7 June 2023	7 June 2033	500,000,000
USD	50,000,000	USD Term SOFR 3M+0.90	19 April 2023	19 April 2028	50,000,000
USD	50,000,000	4.85	14 March 2023	14 March 2028	50,000,000
USD	50,000,000	5.13	11 January 2023	11 January 2033	50,000,000
USD	1,500,000,000	5.00	11 January 2023	11 January 2028	1,500,000,000
USD	950,000,000	5.13	11 January 2023	11 January 2033	950,000,000
USD	1,000,000,000	4.88	11 January 2023	11 January 2026	1,000,000,000
USD	50,000,000	USD SOFR ON+0.75	3 November 2022	3 November 2025	50,000,000
USD	40,000,000	USD SOFR ON+1.20	31 October 2022	31 October 2027	40,000,000
USD	50,000,000	5.24	28 October 2022	28 October 2032	50,000,000
USD	50,000,000	USD SOFR ON+1.06	29 September 2022	29 September 2027	50,000,000
USD	50,000,000	USD SOFR ON+1.06	29 September 2022	29 September 2027	50,000,000
USD	400,000,000	USD SOFR ON+1.06	29 September 2022	29 September 2027	400,000,000
USD	50,000,000	5.00	22 September 2022	22 September 2042	50,000,000
USD	50,000,000	USD SOFR ON+1.03	20 September 2022	20 September 2027	50,000,000
USD	50,000,000	3.96	15 September 2022	15 September 2025	50,000,000
USD	500,000,000	4.50	15 September 2022	15 September 2032	500,000,000
USD	1,000,000,000	4.25	15 September 2022	15 September 2027	1,000,000,000
USD	50,000,000	USD SOFR ON+0.82	22 July 2022	22 July 2027	50,000,000
USD	50,000,000	USD SOFR ON+0.82	21 July 2022	22 July 2027	50,000,000
USD	50,000,000	4.66	25 July 2022	22 July 2052	50,000,000
USD	200,000,000	2.45	10 February 2022	10 February 2034	200,000,000
USD	50,000,000	USD SOFR ON+0.47	8 February 2022	8 February 2027	50,000,000
USD	50,000,000	USD SOFR ON+0.47	8 February 2022	8 February 2027	50,000,000
USD	50,000,000	USD SOFR ON+0.47	8 February 2022	8 February 2027	50,000,000

Currency	Original Principal Amount	Interest Rate (%)	Issue Date	Maturity Date	Principal Amount Outstanding as of 31 December 2024
USD	700,000,000	1.63	18 January 2022	18 January 2027	700,000,000
USD	300,000,000	1.63	18 January 2022	18 January 2027	300,000,000
USD	1,000,000,000	2.13	18 January 2022	18 January 2032	1,000,000,000
USD	500,000,000	1.25	18 January 2022	18 January 2025*	500,000,000
USD	500,000,000	1.25	18 January 2022	18 January 2025*	500,000,000
USD	50,000,000	2.90	27 October 2021	27 October 2051	50,000,000
USD	300,000,000	1.75	19 October 2021	19 October 2028	300,000,000
USD	700,000,000	1.75	19 October 2021	19 October 2028	700,000,000
USD	50,000,000	2.80	1 October 2021	1 October 2051	50,000,000
USD	40,000,000	2.80	16 September 2021	16 September 2051	40,000,000
USD	50,000,000	1.13	10 September 2021	24 March 2026	50,000,000
USD	50,000,000	0.92	9 September 2021	9 September 2025	50,000,000
USD	50,000,000	1.38	13 July 2021	20 March 2025*	50,000,000
USD	500,000,000	2.50	29 June 2021	29 June 2041	500,000,000
USD	750,000,000	1.13	29 June 2021	29 December 2026	750,000,000
USD	50,000,000	2.95	10 June 2021	10 June 2051	50,000,000
USD	200,000,000	USD SOFR ON+0.47	6 May 2021	6 May 2026	200,000,000
USD	50,000,000	3.07	16 April 2021	16 April 2051	50,000,000
USD	300,000,000	1.13	24 March 2021	24 March 2026	300,000,000
USD	50,000,000	1.38	18 March 2021	20 March 2025*	50,000,000
USD	50,000,000	1.38	9 March 2021	20 March 2025*	50,000,000
USD	500,000,000	0.63	9 February 2021	9 February 2026	500,000,000
USD	300,000,000	1.38	9 February 2021	9 February 2031	300,000,000
USD	200,000,000	0.63	9 February 2021	9 February 2026	200,000,000
USD	50,000,000	2.60	7 December 2020	7 December 2050	50,000,000
USD	50,000,000	2.60	7 December 2020	7 December 2050	50,000,000
USD	50,000,000	2.30	15 December 2020	15 December 2050	50,000,000
USD	50,000,000	2.40	29 October 2020	29 October 2050	50,000,000
USD	500,000,000	1.25	21 September 2020	21 September 2030	500,000,000
USD	400,000,000	0.75	21 September 2020	21 September 2025	400,000,000
USD	100,000,000	1.33	5 June 2020	5 June 2025	100,000,000
USD	50,000,000	USD Term SOFR 3M+1.20	2 June 2020	2 June2025	50,000,000
USD	50,000,000	USD Term SOFR 3M+1.61	24 April 2020	24 July 2025	50,000,000
USD	425,000,000	1.38	20 March 2020	20 March 2025*	425,000,000
USD	500,000,000	1.88	12 February 2020	12 February 2025*	500,000,000
USD	50,000,000	3.92	5 February 2018	5 February 2048	50,000,000
USD	50,000,000	3.65	27 November 2017	27 November 2047	50,000,000
USD	50,000,000	3.65	17 November 2017	17 November 2047	50,000,000
USD	50,000,000	3.65	17 November 2017	17 November 2047	50,000,000
USD	50,000,000	3.55	8 November 2017	8 November 2037	50,000,000
USD	50,000,000	3.55	8 November 2017	8 November 2037	50,000,000
USD	50,000,000	3.65	25 October 2017	25 October 2047	50,000,000
USD	50,000,000	3.65	25 October 2017	25 October 2047	50,000,000
USD	200,000,000	4.10	11 October 2017	11 October 2047	200,000,000
USD	50,000,000	3.56	18 August 2017	18 August 2037	50,000,000
USD	50,000,000	3.58	17 August 2017	17 August 2037	50,000,000
USD	50,000,000	3.54	24 April 2017	26 April 2032	50,000,000
USD	50,000,000	3.25	24 April 2017	24 April 2029	50,000,000
USD	30,000,000	3.42	6 January 2017	6 January 2029	30,000,000
USD	30,000,000	3.42	6 January 2017	6 January 2029	30,000,000
USD	50,000,000	3.20	14 December 2016	14 December 2028	50,000,000
USD	50,000,000	3.23	12 December 2016	12 December 2028	50,000,000
USD	50,000,000	2.74	17 November 2016	17 November 2028	50,000,000
USD	700,000,000	2.38	21 October 2016	21 October 2027	700,000,000
USD	45,000,000	3.25	19 August 2016	19 August 2031	45,000,000
USD	30,000,000	2.27	16 August 2016	16 August 2026	30,000,000
USD	50,000,000	2.29	17 August 2016	17 August 2026	50,000,000
USD	50,000,000	2.29	3 August 2016	3 August 2026	50,000,000

Currency	Original Principal Amount	Interest Rate (%)	Issue Date	Maturity Date	Principal Amount Outstanding as of 31 December 2024
USD	50,000,000	3.09	2 August 2016	2 August 2031	50,000,000
USD	50,000,000	2.21	2 August 2016	2 August 2026	50,000,000
USD	50,000,000	2.09	22 July 2016	22 July 2026	50,000,000
USD	50,000,000	2.38	1 July 2016	1 July 2026	50,000,000
USD	1,000,000,000	2.63	26 May 2016	26 May 2026	1,000,000,000
USD	50,000,000	2.60	25 February 2016	25 February 2026	50,000,000
USD	50,000,000	2.60	25 February 2016	25 February 2026	50,000,000
USD	1,000,000,000	3.25	10 November 2015	10 November 2025	1,000,000,000
USD	50,000,000	3.32	3 September 2015	3 September 2030	50,000,000
USD	50,000,000	3.05	1 September 2015	1 September 2025	50,000,000
USD	50,000,000	3.45	4 August 2015	4 August 2030	50,000,000
USD	30,000,000	3.33	4 August 2015	4 August 2027	30,000,000
USD	400,000,000	3.25	30 June 2015	12 August 2026	400,000,000
USD	50,000,000	2.70	1 April 2015	1 April 2027	50,000,000
USD	40,000,000	3.09	10 March 2015	10 March 2030	40,000,000
USD	50,000,000	2.85	10 March 2015	10 March 2025*	50,000,000
USD	50,000,000	2.80	17 March 2015	17 March 2025*	50,000,000
USD	30,000,000	3.04	6 March 2015	6 March 2030	30,000,000
USD	30,000,000	3.04	6 March 2015	6 March 2030	30,000,000
USD	50,000,000	2.81	6 March 2015	6 March 2025*	50,000,000
USD	50,000,000	3.02	4 March 2015	4 March 2030	50,000,000
USD	50,000,000	3.02	4 March 2015	4 March 2030	50,000,000
USD	1,250,000,000	2.88	21 January 2015	21 January 2025*	1,250,000,000
USD	50,000,000	3.35	28 November 2014	28 November 2026	50,000,000
USD	50,000,000	3.50	25 November 2014	26 November 2029	50,000,000
USD	50,000,000	3.53	20 November 2014	20 November 2029	50,000,000
USD	50,000,000	3.50	19 November 2014	19 November 2029	50,000,000
USD	50,000,000	3.50	6 November 2014	6 November 2029	50,000,000
USD	30,000,000	3.46	31 October 2014	31 October 2029	30,000,000
USD	50,000,000	3.23	30 October 2014	30 October 2026	50,000,000
USD	50,000,000	3.40	29 October 2014	29 October 2029	50,000,000
USD	50,000,000	3.41	24 October 2014	24 October 2029	50,000,000
USD	50,000,000	3.41	24 October 2014	24 October 2029	50,000,000
USD	500,000,000	3.25	12 August 2014	12 August 2026	500,000,000
USD	40,000,000	4.04	19 February 2014	19 February 2026	40,000,000
USD	30,000,000	4.00	13 February 2014	13 February 2026	30,000,000
USD	30,000,000	4.00	18 February 2014	18 February 2026	30,000,000
USD	20,000,000	4.02	5 February 2014	5 February 2026	20,000,000
USD	50,000,000	4.07	4 February 2014	4 February 2026	50,000,000
USD	50,000,000	4.06	4 February 2014	4 February 2026	50,000,000
USD	50,000,000	4.14	3 February 2014	3 February 2026	50,000,000
USD	50,000,000	4.14	3 February 2014	3 February 2026	50,000,000
USD	50,000,000	4.14	28 January 2014	28 January 2026	50,000,000
USD	30,000,000	4.03	12 November 2013	12 November 2025	30,000,000
USD	20,000,000	4.03	8 November 2013	8 November 2025	20,000,000
USD	30,000,000	4.03	8 November 2013	8 November2025	30,000,000
USD	50,000,000	4.03	8 November 2013	8 November 2025	50,000,000
USD	50,000,000	3.91	7 November 2013	7 November 2025	50,000,000
USD	40,000,000	4.00	7 November 2013	7 November 2025	40,000,000
USD	50,000,000	3.87	6 November 2013	6 November 2025	50,000,000
USD	50,000,000	4.37	27 August 2013	27 February 2025*	50,000,000
USD	100,000,000	6.78	27 January 2012	27 January 2027	100,000,000
		Subtotal in Original Currency			USD 32,300,000,000
		Subtotal in Equivalent Amount of Won[1]			₩ 47,481,000,000,000
HKD	300,000,000	4.07	27 December 2024	27 December 2025	300,000,000
HKD	380,000,000	4.87	5 December 2023	5 December 2025	380,000,000
HKD	385,000,000	4.80	4 December 2023	4 December 2026	385,000,000

Currency	Original Principal Amount	Interest Rate (%)	Issue Date	Maturity Date	Principal Amount Outstanding as of 31 December 2024
HKD	390,000,000	4.60	22 November 2023	22 November 2026	390,000,000
HKD	375,000,000	5.00	1 November 2023	1 May 2025*	375,000,000
HKD	380,000,000	5.00	3 August 2023	3 February 2025*	380,000,000
HKD	390,000,000	4.90	15 March 2023	15 March 2026	390,000,000
HKD	390,000,000	4.84	14 March 2023	14 March 2026	390,000,000
HKD	224,000,000	5.18	28 October 2022	28 October 2032	224,000,000
HKD	224,000,000	5.18	27 October 2022	27 October 2032	224,000,000
HKD	390,000,000	5.00	27 October 2022	27 October 2025	390,000,000
HKD	320,000,000	1.00	19 August 2021	19 August 2026	320,000,000
HKD	320,000,000	0.98	18 August 2021	18 August 2026	320,000,000
HKD	345,000,000	0.90	13 August 2021	13 August 2026	345,000,000
HKD	310,000,000	0.97	21 July 2021	21 July 2026	310,000,000
HKD	310,000,000	0.70	20 July 2021	20 July 2025	310,000,000
HKD	385,000,000	2.22	14 April 2020	14 April 2025*	385,000,000
HKD	320,000,000	2.34	26 March 2020	26 March 2025*	320,000,000
		Subtotal in Original Currency			HKD 6,138,000,000
		Subtotal in Equivalent Amount of Won[2]			₩ 1,161,923,400,000
MXN	1,000,000,000	10.05	24 June 2022	28 April 2025*	1,000,000,000
MXN	5,000,000,000	TIIE 28D+0.20	26 January 2021	20 January 2026	5,000,000,000
MXN	7,000,000,000	7.93	8 August 2019	30 July 2026	7,000,000,000
		Subtotal in Original Currency			MXN 13,000,000,000
		Subtotal in Equivalent Amount of Won[3]			₩ 925,210,000,000
BRL	2,911,500,000	11.53	2 December 2024	2 December 2026	2,911,500,000
BRL	277,000,000	9.43	25 July 2024	30 December 2025	277,000,000
BRL	525,000,000	8.77	17 July 2024	17 July 2025	525,000,000
BRL	270,500,000	9.28	17 July 2024	30 December 2025	270,500,000
BRL	274,500,000	9.76	15 July 2024	6 January 2026	274,500,000
BRL	270,500,000	10.02	2 July 2024	2 July 2026	270,500,000
BRL	545,000,000	8.79	27 June 2024	27 June 2025	545,000,000
BRL	262,000,000	9.08	7 June 2024	8 June 2026	262,000,000
BRL	260,000,000	9.07	5 June 2024	5 June 2026	260,000,000
BRL	257,500,000	8.92	4 June 2024	2 June 2026	257,500,000
BRL	257,500,000	9.06	3 June 2024	3 June 2026	257,500,000
BRL	257,500,000	9.10	3 June 2024	3 June 2026	257,500,000
BRL	243,000,000	8.93	22 November 2023	19 November 2025	243,000,000
BRL	246,000,000	9.27	21 November 2023	19 November 2025	246,000,000
BRL	500,000,000	9.37	31 October 2023	30 October 2025	500,000,000
BRL	250,000,000	9.81	27 October 2023	27 October 2025	250,000,000
BRL	250,000,000	9.73	27 October 2023	27 October 2025	250,000,000
BRL	505,000,000	9.30	18 October 2023	2 October 2026	505,000,000
BRL	508,000,000	9.32	17 October 2023	1 October 2026	508,000,000
BRL	245,500,000	8.78	4 October 2023	1 October 2025	245,500,000
BRL	242,500,000	8.70	4 October 2023	19 September 2025	242,500,000
BRL	249,500,000	8.86	29 August 2023	20 August 2025	249,500,000
BRL	248,000,000	8.67	23 August 2023	14 August 2025	248,000,000
BRL	255,000,000	10.23	4 April 2023	21 March 2025*	255,000,000
		Subtotal in Original Currency			BRL 10,111,000,000
		Subtotal in Equivalent Amount of Won[4]			₩ 2,405,811,340,000
EUR	40,000,000	3.19	6 August 2024	6 August 2031	40,000,000
EUR	35,000,000	3.19	6 August 2024	6 August 2031	35,000,000
EUR	25,000,000	3.19	6 August 2024	6 August 2031	25,000,000
EUR	500,000,000	3.63	18 September 2023	18 September 2027	500,000,000
EUR	45,000,000	3.75	23 June 2023	23 June 2026	45,000,000
EUR	500,000,000	3.63	7 June 2023	7 June 2030	500,000,000

Currency	Original Principal Amount	Interest Rate (%)	Issue Date	Maturity Date	Principal Amount Outstanding as of 31 December 2024
EUR	850,000,000	3.62	7 June 2023	7 June 2026	850,000,000
EUR	50,000,000	1.38	11 November 2022	24 November 2025	50,000,000
EUR	50,000,000	1.38	11 November 2022	24 November 2025	50,000,000
EUR	950,000,000	1.38	24 May 2022	24 November 2025	950,000,000
EUR	45,000,000	2.63	25 April 2022	25 April 2052	45,000,000
EUR	700,000,000	0.83	27 April 2020	27 April 2025*	700,000,000
EUR	20,000,000	1.54	23 August 2018	23 August 2028	20,000,000
EUR	30,000,000	1.53	13 August 2018	13 August 2028	30,000,000
EUR	25,000,000	1.64	6 August 2018	6 August 2030	25,000,000
EUR	25,000,000	1.64	6 August 2018	6 August 2030	25,000,000
EUR	30,000,000	3.60	19 July 2012	19 July 2027	30,000,000
EUR	117,000,000	3.88	12 July 2012	12 July 2032	117,000,000
		Subtotal in Original Currency			EUR 4,037,000,000
		Subtotal in Equivalent Amount of Won[5]			₩ 6,171,483,010,000
THB	1,580,000,000	1.06	9 June 2020	9 June 2025	1,580,000,000
THB	500,000,000	4.78	31 July 2013	31 July 2025	500,000,000
THB	1,500,000,000	4.78	31 July 2013	31 July 2025	1,500,000,000
		Subtotal in Original Currency			THB 3,580,000,000
		Subtotal in Equivalent Amount of Won[6]			₩ 153,940,000,000
CHF	200,000,000	0.20	14 November 2023	14 November 2028	200,000,000
CHF	150,000,000	0.00	27 November 2019	27 May 2025	150,000,000
CHF	250,000,000	0.17	18 July 2017	18 July 2025	250,000,000
		Subtotal in Original Currency			CHF 600,000,000
		Subtotal in Equivalent Amount of Won[7]			₩ 975,828,000,000
AUD	75,000,000	5.30	18 December 2024	18 December 2039	75,000,000
AUD	60,000,000	5.49	3 June 2024	3 June 2039	60,000,000
AUD	300,000,000	5.25	20 May 2024	20 May 2031	300,000,000
AUD	300,000,000	4.80	20 May 2024	20 May 2031	300,000,000
AUD	400,000,000	4.80	20 May 2024	20 May 2031	400,000,000
AUD	75,000,000	6.22	4 December 2023	4 December 2038	75,000,000
AUD	77,000,000	6.00	27 November 2023	27 November 2043	77,000,000
AUD	63,000,000	5.70	6 October 2023	6 October 2043	63,000,000
AUD	60,000,000	5.56	8 August 2023	8 August 2038	60,000,000
AUD	73,500,000	5.55	2 August 2023	2 August 2043	73,500,000
AUD	350,000,000	BBSW 3M+1.00	26 June 2023	26 June 2028	350,000,000
AUD	375,000,000	BBSW 3M+0.85	26 June 2023	26 June 2026	375,000,000
AUD	125,000,000	5.10	26 June 2023	26 June 2026	125,000,000
AUD	70,000,000	5.40	14 March 2023	14 March 2038	70,000,000
AUD	65,000,000	5.46	21 February 2023	21 February 2038	65,000,000
AUD	40,000,000	5.90	4 November 2022	4 November 2037	40,000,000
AUD	450,000,000	BBSW 3M+1.0	7 April 2022	7 April 2027	450,000,000
AUD	200,000,000	3.55	7 April 2022	7 April 2025*	200,000,000
AUD	60,000,000	2.70	22 December 2021	22 December 2036	60,000,000
AUD	55,000,000	BBSW+0.80	22 November 2021	22 November 2031	55,000,000
AUD	65,000,000	2.65	7 April 2021	7 April 2036	65,000,000
AUD	208,000,000	3.00	14 April 2020	16 April 2035	208,000,000
AUD	142,900,000	2.51	6 December 2019	6 December 2049	142,900,000
AUD	60,000,000	3.98	10 October 2017	10 October 2027	60,000,000
AUD	100,000,000	4.00	14 February 2017	7 June 2027	100,000,000
AUD	50,000,000	4.00	15 December 2016	7 June 2027	50,000,000
AUD	200,000,000	4.00	7 December 2016	7 June 2027	200,000,000
AUD	21,000,000	5.15	24 November 2014	24 November 2029	21,000,000
		Subtotal in Original Currency			AUD 4,120,400,000
		Subtotal in Equivalent Amount of Won[8]			₩ 3,764,727,072,000

Currency	Original Principal Amount	Interest Rate (%)	Issue Date	Maturity Date	Principal Amount Outstanding as of 31 December 2024
INR	4,100,000,000	7.25	25 July 2024	25 July 2029	4,100,000,000
INR	3,400,000,000	6.80	22 July 2024	22 July 2025	3,400,000,000
INR	4,100,000,000	4.10	16 October 2023	16 October 2028	4,100,000,000
INR	4,100,000,000	4.10	16 October 2023	16 October 2030	4,100,000,000
INR	3,250,000,000	7.15	18 April 2018	18 April 2025*	3,250,000,000
		Subtotal in Original Currency			INR 18,950,000,000
		Subtotal in Equivalent Amount of Won[9]			₩ 325,750,500,000
CNY	310,000,000	3.16	3 June 2024	3 June 2034	310,000,000
CNY	355,000,000	3.00	7 August 2023	7 August 2026	355,000,000
CNY	300,000,000	3.01	26 June 2023	26 June 2026	300,000,000
CNY	300,000,000	2.95	21 June 2023	21 June 2026	300,000,000
CNY	300,000,000	2.97	20 June 2023	20 June 2026	300,000,000
CNY	340,000,000	3.27	13 March 2023	13 March 2025*	340,000,000
CNY	345,000,000	3.50	13 March 2023	13 March 2026	345,000,000
CNY	340,000,000	3.52	28 February 2023	28 February 2026	340,000,000
CNY	253,000,000	3.38	29 March 2022	29 March 2027	253,000,000
CNY	270,000,000	3.05	5 November 2020	5 November 2025	270,000,000
		Subtotal in Original Currency			CNY 3,113,000,000
		Subtotal in Equivalent Amount of Won[10]			₩ 626,553,510,000
IDR	685,500,000,000	6.50	7 March 2018	7 March 2025*	685,500,000,000
		Subtotal in Original Currency			IDR 685,500,000,000
		Subtotal in Equivalent Amount of Won[11]			₩ 62,449,050,000
PEN	13,600,000	7.15	4 November 2011	4 November 2041	13,600,000
PEN	54,500,000	7.25	25 October 2011	25 October 2041	54,500,000
		Subtotal in Original Currency			PEN 68,100,000
		Subtotal in Equivalent Amount of Won[12]			₩ 26,642,763,000
NZD	60,000,000	3.09	24 November 2021	24 November 2026	60,000,000
NZD	60,000,000	2.62	15 September 2021	15 September2031	60,000,000
NZD	54,000,000	2.65	8 June 2021	8 June 2031	54,000,000
		Subtotal in Original Currency			NZD 174,000,000
		Subtotal in Equivalent Amount of Won[13]			₩ 144,118,980,000
ZAR	715,000,000	8.05	28 September 2021	28 September 2031	715,000,000
ZAR	600,000,000	8.20	19 March 2020	19 March 2030	600,000,000
ZAR	600,000,000	8.43	27 November 2019	27 November 2026	600,000,000
ZAR	700,000,000	8.50	28 May 2019	28 May 2025	700,000,000
		Subtotal in Original Currency			ZAR 2,615,000,000
		Subtotal in Equivalent Amount of Won[14]			₩ 204,493,000,000
CAD	65,000,000	3.16	16 February 2017	16 February 2032	65,000,000
		Subtotal in Original Currency			CAD 65,000,000
		Subtotal in Equivalent Amount of Won[15]			₩ 66,557,400,000
GBP	50,000,000	4.63	21 May 2024	22 July 2027	50,000,000
GBP	250,000,000	4.63	21 May 2024	22 July 2027	250,000,000
GBP	36,000,000	1.93	7 March 2022	7 March 2029	36,000,000
		Subtotal in Original Currency			GBP 336,000,000
		Subtotal in Equivalent Amount of Won[16]			₩ 619,473,120,000
NOK	250,000,000	4.55	26 June 2013	26 June 2025	250,000,000
NOK	250,000,000	4.55	26 June 2013	26 June 2025	250,000,000

Currency	Original Principal Amount	Interest Rate (%)	Issue Date	Maturity Date	Principal Amount Outstanding as of 31 December 2024	
NOK	250,000,000	4.55	26 June 2013	26 June 2025		250,000,000
		Subtotal in Original Currency			NOK	750,000,000
		Subtotal in Equivalent Amount of Won[17]			₩	97,215,000,000
PLN	160,000,000	5.90	5 August 2024	5 August 2025		160,000,000
		Subtotal in Original Currency			PLN	160,000,000
		Subtotal in Equivalent Amount of Won[18]			₩	57,172,800,000
PHP	2,000,000,000	3.70	23 March 2021	23 March 2026		2,400,000,000
		Subtotal in Original Currency			PHP	2,400,000,000
		Subtotal in Equivalent Amount of Won[19]			₩	60,984,000,000
JPY	25,000,000,000	0.84	28 November 2024	26 November 2027		25,000,000,000
JPY	33,400,000,000	1.07	28 November 2024	28 November 2029		33,400,000,000
JPY	6,600,000,000	1.22	28 November 2024	28 November 2031		6,600,000,000
JPY	7,000,000,000	0.33	25 July 2024	25 July 2026		7,000,000,000
JPY	7,320,000,000	0.42	7 November 2022	7 November 2025		7,320,000,000
JPY	7,300,000,000	0.43	4 November 2022	4 November 2025		7,300,000,000
JPY	7,150,000,000	0.26	15 September 2022	15 September 2025		7,150,000,000
JPY	7,000,000,000	0.26	14 September 2022	14 September 2025		7,000,000,000
JPY	7,000,000,000	0.27	13 September 2022	13 September 2025		7,000,000,000
JPY	6,975,000,000	0.25	8 September 2022	8 September 2025		6,975,000,000
		Subtotal in Original Currency			JPY	114,745,000,000
		Subtotal in Equivalent Amount of Won[20]			₩	1,074,563,976,000
	Total External Bonds of the Bank in Equivalent Amount of Won				₩	**66,405,896,921,000**

* Repaid on the respective maturity dates.

(1) U.S. dollar amounts are converted to Won amounts at the rate of US$1.00 to Won 1,470.00, the market average exchange rate in effect on 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd.

(2) Hong Kong Dollar amounts are converted to Won amounts at the rate of HKD 1.00 to Won 189.30, the market average exchange rate in effect on 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd.

(3) Mexican Peso amounts are converted to Won amounts at the rate of MXN 1.00 to Won 71.17, the market average exchange rate in effect on 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd.

(4) Brazilian Real amounts are converted to Won amounts at the rate of BRL 1.00 to Won 237.94, the market average exchange rate in effect on 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd.

(5) Euro amounts are converted to Won amounts at the rate of EUR 1.00 to Won 1,528.73, the market average exchange rate in effect on 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd.

(6) Thai Baht amounts are converted to Won amounts at the rate of THB 1.00 to Won 43.00, the market average exchange rate in effect on 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd.

(7) Swiss Franc amounts are converted to Won amounts at the rate of CHF 1.00 to Won 1,626.38, the market average exchange rate in effect on 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd.

(8) Australian Dollar amounts are converted to Won amounts at the rate of AUD 1.00 to Won 913.68, the market average exchange rate in effect on 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd.

(9) Indian Rupee amounts are converted to Won amounts at the rate of INR 1.00 to Won 17.19, the market average exchange rate in effect 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd.

(10) Chinese Yuan amounts are converted to Won amounts at the rate of CNY 1.00 to Won 201.27, the prevailing market rate on 31 December 2024.

(11) Indonesian Rupiah amounts are converted to Won amounts at the rate of IDR 100.00 to Won 9.11, the market average exchange rate in effect on 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd.

(12) Peruvian Sol amounts are converted to Won amounts at the rate of PEN 1.00 to Won 391.23, the prevailing market rate on 31 December 2024.
(13) New Zealand Dollar amounts are converted to Won amounts at the rate of NZD 1.00 to Won 828.27, the market average exchange rate in effect on 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd.
(14) South African Rand amounts are converted to Won amounts at the rate of ZAR 1.00 to Won 78.20, the market average exchange rate in effect on 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd.
(15) Canadian Dollar amounts are converted to Won amounts at the rate of CAD 1.00 to Won 1,023.96, the market average exchange rate in effect on 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd.
(16) Great Britain Pound amounts are converted to Won amounts at the rate of GBP 1.00 to Won 1,843.67, the market average exchange rate in effect on 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd.
(17) Norwegian Krone amounts are converted to Won amounts at the rate of NOK 1.00 to Won 129.62, the market average exchange rate in effect on 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd.
(18) Polish Zloty amounts are converted to Won amounts at the rate of PLN 1.00 to Won 357.33, the market average exchange rate in effect on 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd.
(19) Philippine Peso amounts are converted to Won amounts at the rate of PHP 1.00 to Won 25.41, the market average exchange rate in effect on 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd.
(20) Japanese Yen amounts are converted to Won amounts at the rate of JPY 100.00 to Won 936.48, the market average exchange rate in effect on 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd.

(2) External Borrowings of the Bank

Lender	Classifications	Range of Interest Rates	Range of Years of Issue	Range of Years of Maturity	Principal Amount Outstanding as of 31 December 2024[1]
		(%)			(millions of Won)
MUFG	Borrowings from MUFG	3M Term SOFR+0.80	2023	2026	441,000
Bookook Securities	Borrowings from Bookook	3M Term SOFR+0.78	2022	2027	588,000
HSBC	Borrowings from	3M Term SOFR+0.59	2022	2025	147,000
	HSBC	3M Term SOFR+0.75	2023	2026	294,000
ANZ	Borrowings from ANZ	BBSY 3M+0.89	2022	2025	685,260
BofA	Borrowings from BofA	3M Term SOFR+0.83	2023	2026	220,500
Mizuho	Borrowings from	3M Term SOFR+0.75	2024	2029	735,000
	Mizuho	3M Term SOFR+0.62	2024	2027	441,000
ING	Borrowings from ING	Euribor 6M+0.30	2024	2026	305,746
Natixis	Borrowings from Natixis	Euribor 3M+0.25	2024	2026	281,286
Wells Fargo	Borrowings from Wells Fargo	3M Term SOFR+0.55	2024	2027	220,500
Long-term Borrowings from Foreign Financial Institution					₩4,359,292
Compulsory Loan					₩ 0
Foreign Currency CP		3.02~5.43	2024	2025	₩1,291,336
Others (including foreign banks and Credit Support Annexes)					₩2,004,291
Total External Borrowings of the Bank					₩7,654,919

(1) Converted to Won amounts at the relevant market average exchange rates in effect on 31 December 2024 as announced by Seoul Money Brokerage Services, Ltd.

B. Internal Debt of the Bank

Title	Range of Interest Rates	Range of Years of Issue	Range of Years of Original Maturity	Principal Amounts Outstanding as of 31 December 2024
	(%)			(millions of Won)
Bonds				
Short-term Won-denominated domestic bonds . .	2.94~3.66	2024	2025	₩15,390,000
Long-term Won-denominated domestic bonds . .	1.31~5.58	2015~2024	2025~2041	14,030,000
Total Bonds	1.31~5.58	2015~2024	2025~2041	29,420,000
Total Internal Debt				₩29,420,000

Financial Statements and the Auditors

The Minister of Economy and Finance appoints the Guarantor's internal Auditor who is responsible for examining the Guarantor's financial operations and auditing its financial statements and accounting records. The present internal Auditor is Soon-oh Cha, who was appointed for a three-year term on 15 July 2024.

The Guarantor prepares its financial statements annually for submission to the Minister of Economy and Finance, accompanied by an opinion of the Auditor. Although the Guarantor is not legally required to have financial statements audited by external auditors, an independent public accounting firm has audited the Guarantor's separate financial statements since 1983 and consolidated financial statements since 1998. As of the date of this Offering Circular, the Guarantor's independent auditor is KPMG Samjong Accounting Corp., located at 27th Floor, Gangnam Finance Centre, 152 Teheran-ro, Gangnam-gu, Seoul, 06236, Korea, which has audited the Guarantor's separate financial statements as of and for the years ended 31 December 2024 and 2023 included in this Offering Circular.

The Guarantor's separate financial statements and information included in this Offering Circular were prepared under K-IFRS. For a summary of financial statement preparation and significant accounting policies, see "—Notes to Separate Financial Statements as of and for the years ended 31 December 2024 and 2023—Note 2." These principles and procedures differ in certain material respects from generally accepted accounting principles in the United States.

THE REPUBLIC OF KOREA

Land and History

Territory and Population

Located generally south of the 38th parallel on the Korean peninsula, The Republic of Korea covers about 38,000 square miles, approximately one-fourth of which is arable. The Republic has a population of approximately 52 million people. The Republic's largest city and capital, Seoul, has a population of about 9 million people.

Map of the Republic of Korea



Political History

Dr. Rhee Seungman, who was elected President in each of 1948, 1952, 1956 and 1960, dominated the years after the Republic's founding in 1948. Shortly after President Rhee's resignation in 1960 in response to student-led demonstrations, a group of military leaders headed by Park Chung Hee assumed power by coup. The military leaders established a civilian government, and the Republic elected Mr. Park as President in October 1963. President Park served as President until his assassination in 1979 following a period of increasing strife between the Government and its critics. The Government declared martial law and formed an interim government under Prime Minister Choi Kyu Hah, who became the next President. After clashes between the Government and its critics, President Choi resigned, and General Chun Doo Hwan, who took control of the Korean army, became President in 1980.

In late 1980, the Republic approved, by national referendum, a new Constitution, providing for indirect election of the President by an electoral college and for certain democratic reforms, and shortly thereafter, in early 1981, re-elected President Chun.

Responding to public demonstrations in 1987, the legislature revised the Constitution to provide for direct election of the President. In December 1987, Roh Tae Woo won the presidency by a narrow plurality, after opposition parties led by Kim Young Sam and Kim Dae Jung failed to unite behind a single candidate. In February 1990, two opposition political parties, including the one led by Kim Young Sam, merged into President Roh's ruling Democratic Liberal Party.

In December 1992, the Republic elected Kim Young Sam as President. The election of a civilian and former opposition party leader considerably lessened the controversy concerning the legitimacy of the political regime. President Kim's administration reformed the political sector and deregulated and internationalised the Korean economy.

In December 1997, the Republic elected Kim Dae Jung as President. President Kim's party, the Millennium Democratic Party (formerly known as the National Congress for New Politics), formed a coalition with the United Liberal Democrats led by Kim Jong Pil, with Kim Jong Pil becoming the first prime minister in President Kim's administration. The coalition, which temporarily ended before the election held in April 2000, continued with the appointment of Lee Han Dong of the United Liberal Democrats as the Prime Minister in June 2000. The coalition again ended in September 2001.

In December 2002, the Republic elected Roh Moo Hyun as President. President Roh and his supporters left the Millennium Democratic Party in 2003 and formed a new party, the Uri Party, in November 2003. On 15 August 2007, 85 members of the National Assembly, previously belonging to the Uri Party, or the Democratic Party, formed the United New Democratic Party, or the UNDP. The Uri Party merged into the UNDP on 20 August 2007. In February 2008, the UNDP merged back into the Democratic Party. In December 2011, the Democratic Party merged with the Citizens Unity Party to form the Democratic United Party, which changed its name to the Democratic Party in May 2013.

In December 2007, the Republic elected Lee Myung-Bak as President. He commenced his term in February 2008. In April 2018, the Korean prosecutor's office indicted former President Lee on 16 counts of corruption, including bribery, abuse of power, embezzlement and other irregularities. In October 2018, a Seoul district court sentenced him to 15 years of prison term, which decision he subsequently appealed. In October 2020, the Supreme Court ruled against such appeal and sentenced him to 17 years of prison term. Subsequently, he was released from prison pursuant to a special presidential pardon in December 2022.

In December 2012, the Republic elected Park Geun-hye as President. She commenced her term in February 2013. In March 2017, the Constitutional Court unanimously upheld a parliamentary vote to impeach President Park, triggering her immediate dismissal, for a number of constitutional and criminal violations, including violation of the Constitution and abuse of power by allowing her confidant to exert influence on state affairs and allowing senior presidential aides to aid in her extortion from companies. After a series of trials, former President Park was sentenced to a combined 22 years of prison term and a fine of ₩21.5 billion. In light of her deteriorating health, however, former President Park was granted a special pardon by President Moon, her successor, and was released from prison in December 2021.

A special election to elect a successor to former President Park was held in May 2017 and the Republic elected Moon Jae-in as President. His term, which commenced on 10 May 2017, ended on 9 May 2022.

In March 2022, the Republic elected Yoon Suk-Yeol as President. His term commenced on 10 May 2022. On 3 December 2024, President Yoon declared martial law, citing an urgent need to protect the Republic. The National Assembly swiftly voted to rescind the declaration of martial law, which led to President Yoon's revocation of the decree hours later. On 14 December 2024, the National Assembly voted in favour of President Yoon's impeachment, for his purported acts of insurrection, among others, which resulted in an immediate suspension of his presidential powers, with the prime minister simultaneously taking over the role of acting President. These events have prompted numerous ongoing public protests, both against and in support of

President Yoon. On 4 April 2025, the Constitutional Court unanimously upheld the National Assembly's vote to impeach President Yoon, triggering his immediate dismissal. A special election to elect a new President was held on 3 June 2025 and Lee Jae-Myung of the Democratic Party of Korea has been elected as the new President. Although the Government believes that the Korean economy and society are resilient enough to withstand any temporary negative impact of such political developments or any potential ensuing societal unrest, there is no assurance that such developments would not have a material adverse effect on the Korean economy and public finances.

Government and Politics

Government and Administrative Structure

Governmental authority in the Republic is centralised and concentrated in a strong presidency. The President is elected by popular vote and can only serve one term of five years. The President chairs the State Council, which consists of the President, the prime minister, the deputy prime ministers, the respective heads of Government ministries and the ministers of state. The President can select the members of the State Council and appoint or remove all other Government officials, except for elected local officials.

The President can veto new legislation and take emergency measures in cases of natural disaster, serious fiscal or economic crisis, state of war or other similar circumstances. The President must promptly seek the concurrence of the National Assembly for any emergency measures taken and failing to do so automatically invalidates the emergency measures. In the case of martial law, the President may declare martial law without the consent of the National Assembly; provided, however, that the National Assembly may request the President to rescind such martial law.

The National Assembly exercises the Republic's legislative power. The Constitution and the Public Official Election Act provide for the direct election of about 84% of the members of the National Assembly and the distribution of the remaining seats proportionately among parties winning more than five seats in the direct election or receiving over 3% of the popular vote. National Assembly members serve four-year terms. The National Assembly enacts laws, ratifies treaties and approves the national budget. The executive branch drafts most legislation and submits it to the National Assembly for approval.

The Republic's judicial branch comprises the Supreme Court, the Constitutional Court and lower courts of various levels. The President appoints the Chief Justice of the Supreme Court and appoints the other Justices of the Supreme Court upon the recommendation of the Chief Justice. All appointments to the Supreme Court require the consent of the National Assembly. The Chief Justice, with the consent of the conference of Supreme Court Justices, appoints all the other judges in Korea. Supreme Court Justices serve for six years and all other judges serve for ten years. Other than the Chief Justice, justices and judges may be reappointed to successive terms.

The President formally appoints all nine judges of the Constitutional Court, but three judges must be designated by the National Assembly and three by the Chief Justice of the Supreme Court. Constitutional Court judges serve for six years and may be reappointed to successive terms.

Administratively, the Republic comprises six provinces (Gyeonggi, Chungbuk, Chungnam, Jeonnam, Gyeongbuk and Gyeongnam), three special autonomous provinces (Jeju, Gangwon and Jeonbuk), one special city (Seoul), six metropolitan cities (Busan, Daegu, Incheon, Gwangju, Daejeon and Ulsan) and one special autonomous city (Sejong). From 1961 to 1995, the national government controlled the provinces and the President appointed provincial officials. Local autonomy, including the election of provincial officials, was reintroduced in June 1995.

Political Parties

The 22nd legislative general election was held on 10 April 2024 and the term of the National Assembly members elected in the 22nd legislative general election commenced on 30 May 2024. Currently, there are three major political parties: The Democratic Party of Korea, or the DPK, the People Power Party, or the PPP, and the Rebuilding Korea Party, or the RKP.

As of 9 June 2025, the parties control the following number of seats in the National Assembly:

	DPK	PPP	RKP	Others	Total
Number of seats	167	107	12	10	296

Relations with North Korea

Relations between the Republic and North Korea have been tense over most of the Republic's history. The Korean War began with the invasion of the Republic by communist forces from the north in 1950, which was repelled by the Republic and the United Nations forces led by the United States. Following a military stalemate, an armistice was reached establishing a demilitarised zone monitored by the United Nations in the vicinity of the 38th parallel in 1953.

North Korea maintains a military force estimated at more than a million regular troops, mostly concentrated near the northern side of the demilitarised zone, and approximately 7.6 million reserves. The Republic's military forces, composed of approximately 500,000 regular troops and 3.1 million reserves, maintain a state of military preparedness along the southern side of the demilitarised zone. In addition, the United States has maintained its military presence in the Republic since the signing of the armistice and currently has approximately 28,500 troops stationed in the Republic. The Republic and the United States share a joint command structure over their military forces in Korea. In October 2014, the United States and the Republic agreed to implement a conditions-based approach to the dissolution of their joint command structure at an appropriate future date, which would allow the Republic to assume the command of its own armed forces in the event of war on the Korean peninsula. Over the years, the Republic and the United States have entered into a series of Special Measures Agreements, or SMAs, which cover the Republic's contribution to the cost of maintaining the U.S. military presence in the Republic. In March 2021, the Republic and the United States reached an agreement to enter into a new six-year SMA, under which the Republic would increase its share of the cost of the American military presence in the Republic, which became effective in September 2021 upon ratification by the National Assembly.

The level of tension between the two Koreas has fluctuated and may increase abruptly as a result of current and future events. In particular, since the death of Kim Jong-il in December 2011, there has been increased uncertainty with respect to the future of North Korea's political leadership and concern regarding its implications for political and economic stability in the region. Kim Jong-il's third son, Kim Jong-un, has assumed power as his father's designated successor.

In addition, there have been heightened security concerns in recent years stemming from North Korea's nuclear weapons, ballistic missile and satellite programmes as well as its hostile military and other actions against Korea. Some of the significant incidents in recent years include the following:

- From time to time, North Korea has conducted ballistic missile tests. In February 2016, North Korea launched a long-range rocket in violation of its agreement with the United States as well as United Nations sanctions barring it from conducting launches that use ballistic missile technology. Despite international condemnation, North Korea released a statement that it intends to continue its rocket launch programme and it conducted a series of ballistic missile tests in 2016 and 2017. In response, the United Nations Security Council issued unanimous statements condemning North Korea and agreeing to continue to closely monitor the situation and to take further significant measures, and in December 2017, unanimously passed a resolution extending existing sanctions that were imposed on North Korea. Despite such actions, North Korea increased the frequency of its military actions since the beginning of 2022, firing numerous ballistic missiles, including intercontinental ballistic missiles, and in November 2023, successfully launched its first spy satellite.
- North Korea renounced its obligations under the Nuclear Non-Proliferation Treaty in January 2003 and conducted three rounds of nuclear tests between October 2006 and February 2013. In January 2016, North Korea conducted a fourth nuclear test, claiming that the test involved its first hydrogen bomb. In September 2016, North Korea conducted a fifth nuclear test, claiming to have successfully detonated a nuclear warhead that could be mounted on ballistic missiles. In September 2017, North Korea announced that it successfully conducted its sixth nuclear test by detonating a hydrogen bomb designed to be mounted on an intercontinental ballistic missile, which resulted in increased tensions in the region

and elicited strong objections worldwide. In response to such tests (as well as North Korea's long-range ballistic missile programme), the United Nations Security Council unanimously passed several rounds of resolutions condemning North Korea's actions and significantly expanding the scope of the sanctions applicable to North Korea, while the United States and the European Union also imposed additional sanctions on North Korea.

- In August 2015, two Korean soldiers were injured in a landmine explosion near the Korean demilitarised zone. Claiming the landmines were set by North Koreans, the Korean army re-initiated its propaganda programme toward North Korea utilising loudspeakers near the demilitarised zone. In retaliation, the North Korean army fired artillery rounds on the loudspeakers, resulting in the highest level of military readiness for both Koreas.
- In March 2010, a Korean naval vessel was destroyed by an underwater explosion, killing many of the crewmen on board. The Government formally accused North Korea of causing the sinking, while North Korea denied responsibility. Moreover, in November 2010, North Korea fired more than one hundred artillery shells that hit Korea's Yeonpyeong Island near the Northern Limit Line, which acts as the de facto maritime boundary between Korea and North Korea on the west coast of the Korean peninsula, causing casualties and significant property damage. The Government condemned North Korea for the attack and vowed stern retaliation should there be further provocation.

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 the United States and North Korea in June 2018, February 2019 and June 2019, there can be no assurance that the level of tension on the Korean peninsula will not escalate in the future or that such escalation will not have a material adverse impact on the Republic's economy and the Issuer. Any further increase in tension, which may occur, for example, if North Korea experiences a leadership crisis, high-level contacts between the Republic and North Korea or between the United States and North Korea break down or further military hostilities occur, could have a material adverse effect on the Republic's economy and the Issuer. Over the longer term, reunification of the two Koreas could occur. Reunification may entail a significant economic commitment by the Republic.

Foreign Relations and International Organisations

The Republic maintains diplomatic relations with most nations of the world, most importantly with the United States with which it entered into a mutual defence treaty and several economic agreements. The Republic also has important relationships with Japan and China, its largest trading partners together with the United States.

The Republic belongs to a number of supranational organisations, including:

- United Nations;
- the International Monetary Fund, or the IMF;
- the World Bank;
- the Asian Development Bank, or the ADB;
- the Multilateral Investment Guarantee Agency;
- the International Finance Corporation;
- the International Development Association;
- the African Development Bank;
- the International Bank for Reconstruction and Development;
- the European Bank for Reconstruction and Development;
- the Bank for International Settlements;
- the World Health Organisation, or the WHO;

- the World Trade Organisation, or the WTO;
- the International Atomic Energy Agency, or the IAEA;
- the Inter-American Development Bank, or the IDB;
- the Organisation for Economic Co-operation and Development, or the OECD; and
- the Asian Infrastructure Investment Bank.

The Economy

The following table sets forth information regarding certain of the Republic's key economic indicators for the periods indicated.

	As of or for the year ended 31 December				
	2020	2021	2022	2023	2024
	(billions of U.S. dollars and trillions of Won, except percentages)				
GDP Growth (at current prices)	0.9%	7.9%	4.6%	3.3%	6.2%[7]
GDP Growth (at chained 2020 year prices)	(0.7)%	4.6%	2.7%	1.4%	2.0%[7]
Inflation[1]	0.5%	2.5%	5.1%	3.6%	2.3%[7]
Unemployment[2]	4.0%	3.7%	2.9%	2.7%	2.8%[7]
Trade Surplus (Deficit)[3]	$ 44.9	$ 29.3	$ (47.8)	$ (10.4)	$ 51.6[7]
Foreign Currency Reserves	$ 443.1	$ 463.1	$ 423.2	$ 420.1	$ 415.6
External Liabilities[4]	$ 550.6	$ 630.7	$ 673.3	$ 672.5	$ 670.0[7]
Fiscal Balance	₩ (71.2)	₩ (30.5)	₩ (64.6)	₩ (36.8)	₩ (43.5)[7]
Direct Internal Debt of the Government[5] (as % of GDP[6])	39.3%	43.1%	46.2%	48.2%	N/A[8]
Direct External Debt of the Government[5] (as % of GDP[6])	0.5%	0.5%	0.5%	0.5%	N/A[8]

(1) Measured by the year-on-year change in the consumer price index with base year 2020, as announced by The Bank of Korea.
(2) Average for year.
(3) Derived from customs clearance statistics on a C.I.F. basis, meaning that the price of goods includes insurance and freight cost.
(4) Calculated under the criteria based on the sixth edition of the Balance of Payment Manual published by the International Monetary Fund in December 2010.
(5) Does not include guarantees by the Government. See "—Debt—External and Internal Debt of the Government—Guarantees by the Government" for information on outstanding guarantees by the Government.
(6) At chained 2020 year prices.
(7) Preliminary.
(8) Not available.

Source: The Bank of Korea

Worldwide Economic and Financial Difficulties

In recent years, the global financial markets have experienced significant volatility as a result of, among other things:

- the occurrence of severe health epidemics, including the COVID-19 pandemic;
- hostilities, political or social tensions involving Russia (including the Russia-Ukraine war and ensuing actions that the United States and other countries have taken or may take in the future, such as the imposition of sanctions against Russia) and the resulting adverse effects on the global supply of oil and other natural resources and the global financial markets;
- rising inflationary pressures leading to increases in the costs of goods and services and a decrease in purchasing power;

- 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;
- disruptions in the global supply chain for raw materials, natural resources, consumer goods, rare earth minerals, component parts and other supplies, including as a result of health epidemics, government policies and labour shortages;
- 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;
- financial and social difficulties affecting many governments worldwide, in particular in Latin America and Europe;
- escalations in trade protectionism globally and geopolitical tensions in East Asia and the Middle East (including those resulting from the escalating hostilities in the Middle East following the Israel-Hamas war);
- the slowdown of economic growth in China and other major emerging market economies;
- political and social instability in various countries in the Middle East, including Iran, Iraq, Syria and Yemen; and
- fluctuations in oil and commodity prices.

There has been significant volatility in global financial markets resulting from, among others, the COVID-19 pandemic, the Russia-Ukraine war and ensuing sanctions against Russia, the escalating hostilities in the Middle East following the Israel-Hamas war, difficulties faced by several banks in the United States and Europe and significant fluctuations in policy interest rates globally, which has also led to significant volatility in the Korea Composite Stock Price Index in recent years. See "—The Financial System—Securities Markets". Declines in the index 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 and banks to raise capital. Moreover, the value of the Won relative to major foreign currencies in general and the U.S. dollar in particular has depreciated significantly in recent years. A depreciation of the Won generally increases the cost of imported goods and services and the required amount of the Won revenue for Korean companies to service foreign currency-denominated debt.

In light of the high level of interdependence of the global economy, any of the foregoing developments could have a material adverse effect on the Korean economy and financial markets. In addition, in the event of difficult conditions in the global credit markets or a deterioration of the global economy in the future, the Korean economy could be adversely affected and Korean banks may be forced to fund their operations at a higher cost or may be unable to raise as much funding as they need to support their lending and other activities.

In addition to the global developments, domestic developments that could lead to or contribute to a material adverse effect on the Korean economy include, among other things, the following:

- a slowdown in consumer spending and depressed consumer sentiment due to the outbreak of infectious diseases, such as the COVID-19 pandemic;
- increasing delinquencies and credit defaults by consumer and small- and medium-sized enterprise borrowers, which may occur due to, among others, higher levels of market interest rates;
- steadily rising household debt consisting of housing loans and merchandise credit, which increased to approximately Won 1,927.3 trillion as of 31 December 2024 from Won 843.2 trillion as of 31 December 2010, primarily due to increases in mortgage loans and purchases with credit cards;
- deterioration in economic or diplomatic relations between Korea and other countries resulting from territorial or trade disputes or disagreements in foreign policy;

- a substantial increase in the Government's expenditures for pension and social welfare programmes, due in part to an ageing population (defined as the population of people aged 65 years or older) that accounted for approximately 19.2% of the Republic's total population as of 31 December 2024, an increase from 7.2% as of 31 December 2000, and is expected to surpass 22.5% in 2027;
- decreases in the market prices of Korean real estate; and
- the occurrence of severe health epidemics that affect the livestock industry.

Gross Domestic Product

GDP measures the market value of all final goods and services produced within a country for a given period and reveals whether a country's productive output rises or falls over time. Economists present GDP in both current market prices and "real" or "inflation-adjusted" terms. In March 2009, the Republic adopted a method known as the "chain-linked" measure of GDP, replacing the previous fixed-base, or "constant" measure of GDP, to show the real growth of the aggregate economic activity, as recommended by the System of National Accounts 1993. GDP at current market prices values a country's output using the actual prices of each year, whereas the "chain-linked" measure of GDP is compiled by using "chained indices" linking volume growth between consecutive time periods. In March 2014, the Republic published a revised GDP calculation method by implementing the System of National Accounts 2008 and updating the reference year from 2005 to 2010 to align Korean national accounts statistics with the recommendations of the new international standards for compiling national economic accounts and to maintain comparability with other nations' accounts. The main components of these revisions include, among other things, (i) recognising expenditures for research and development and creative activity for the products of entertainment, literary and artistic originals as fixed investment, (ii) incorporating a wide array of new and revised source data such as the economic census, the population and housing census and 2010 benchmark input-output tables, which provide thorough and detailed information on the structure of the Korean economy, (iii) developing supply-use tables, which provide a statistical tool for ensuring consistency among the production, expenditure and income approaches to measuring GDP and (iv) recording merchandise trade transactions based on ownership changes rather than movements of goods across the national border. The Republic updated the reference year from 2010 to 2015 in July 2019, and from 2015 to 2020 in June 2024, to better align Korean national accounts statistics with the recommendations of the previously implemented System of National Accounts 2008, to accurately reflect recent economic structural changes, and to maintain comparability with other countries' accounts.

The following table sets out the composition of the Republic's GDP at current market and chained 2020 year prices and the annual average increase in the Republic's GDP.

Gross Domestic Product

	2020	2021	2022	2023	2024[1]	As % of GDP 2024[1]
	(billions of Won)					
Gross Domestic Product at Current Market Prices:						
Private	984,088.0	1,046,772.2	1,139,397.2	1,197,566.9	1,235,320.5	48.5
Government	349,586.2	378,268.2	409,866.5	423,133.2	439,502.7	17.2
Gross Capital Formation	648,928.8	721,964.5	774,411.5	774,563.6	774,314.5	30.4
Exports of Goods and Services	712,542.3	874,074.3	1,052,553.6	996,865.6	1,137,666.2	44.6
Less Imports of Goods and Services	(636,678.7)	(799,166.2)	(1,052,447.3)	(990,452.9)	(1,036,361.5)	(40.7)
Statistical Discrepancy	0.0	0.0	0.0	(487.1)	(1,321.8)	(0.1)
Expenditures on Gross Domestic Product	2,058,466.5	2,221,912.9	2,323,781.5	2,401,189.4	2,549,120.7	100.0
Net Factor Income from the Rest of the World	16,943.8	23,413.6	28,055.4	42,128.6	36,081.9	1.4
Gross National Income[2]	2,075,410.3	2,245,326.5	2,351,837.0	2,443,318.1	2,585,202.6	101.4
Gross Domestic Product at Chained 2020 Year Prices:						
Private	984,088.0	1,020,878.4	1,063,928.5	1,082,682.9	1,095,010.1	47.8
Government	349,586.2	369,293.7	384,235.8	389,091.8	395,805.2	17.3
Gross Capital Formation	648,928.8	675,845.0	676,282.5	681,957.7	667,836.6	29.2
Exports of Goods and Services	712,542.3	789,432.2	820,347.6	849,926.1	908,291.6	39.7
Less Imports of Goods and Services	(636,678.7)	(701,537.0)	(730,672.0)	(756,395.9)	(774,842.5)	(33.9)
Statistical Discrepancy	0.0	(489.4)	(842.9)	(886.5)	(1,154.6)	(0.1)
Expenditures on Gross Domestic Product[3]	2,058,466.5	2,153,422.9	2,212,158.9	2,243,220.4	2,288,923.2	100.0
Net Factor Income from the Rest of the World in the Terms of Trade	16,943.8	22,553.7	25,584.2	38,122.9	31,641.7	1.4
Trading Gains and Losses from Changes in the Terms of Trade	0.0	(21,620.0)	(94,623.4)	(91,400.4)	(53,939.1)	(2.4)
Gross National Income[4]	2,075,410.3	2,154,356.5	2,143,107.5	2,189,886.8	2,267,167.8	99.0
Percentage Increase (Decrease) of GDP over Previous Year						
At Current Prices	0.9	7.9	4.6	3.3	6.2	
At Chained 2020 Year Prices	(0.7)	4.6	2.7	1.4	2.0	

(1) Preliminary.
(2) GDP plus net factor income from the rest of the world is equal to the Republic's gross national income.
(3) Under the "chain-linked" measure of GDP, the components of GDP will not necessarily add up to the total GDP.
(4) Under the "chain-linked" measure of Gross National Income, the components of Gross National Income will not necessarily add up to the total Gross National Income.

Source: The Bank of Korea

The following table sets out the Republic's GDP by economic sector at current market prices:

Gross Domestic Product by Economic Sector
(at current market prices)

	2020	2021	2022	2023	2024[1]	As % of GDP 2024[1]
			(billions of Won)			
Industrial Sectors:	719,110.4	773,620.4	789,147.0	824,491.9	913,410.5	35.8
Agriculture, Forestry and Fishing	32,481.6	36,998.4	33,656.4	34,325.0	37,005.4	1.5
Manufacturing, Mining and Quarrying	530,768.1	585,053.1	617,557.4	617,134.7	686,690.3	26.9
Mining and Quarrying	1,737.2	1,843.5	1,807.8	2,261.3	2,091.1	0.1
Manufacturing	529,030.9	583,209.6	615,749.6	614,873.4	684,599.2	26.9
Electricity, Gas and Water Supply	45,605.3	37,579.5	16,493.8	42,538.6	60,363.7	2.4
Construction	110,255.4	113,989.4	121,439.4	130,493.6	129,351.1	5.1
Services:	1,171,665.8	1,264,275.9	1,349,454.4	1,405,368.8	1,455,704.3	57.1
Wholesale and Retail Trade, Accommodation and Food Services	214,871.3	227,253.6	248,366.2	265,510.1	271,703.1	10.7
Transportation and Storage	66,603.8	82,702.3	95,655.6	94,378.8	98,714.3	3.9
Finance and Insurance	110,016.4	124,021.2	136,404.4	138,566.4	139,357.4	5.5
Real Estate	161,030.1	162,658.9	158,314.6	160,025.3	167,658.9	6.6
Information and Communication	89,215.3	102,319.0	103,549.3	106,049.4	110,709.9	4.3
Business Activities	156,652.6	166,098.7	177,636.8	186,753.6	191,780.1	7.5
Public Administration, Defence and Social Security	129,850.9	138,688.7	149,078.6	155,208.6	162,164.1	6.4
Education	90,436.1	96,862.5	101,581.8	103,917.0	106,793.9	4.2
Human Health and Social Work	106,034.6	114,340.0	123,519.0	131,995.9	139,720.3	5.5
Cultural and Other Services	46,954.8	49,330.9	55,348.1	62,963.6	67,102.3	2.6
Taxes Less Subsidies on Products	167,690.3	184,016.7	185,180.2	171,328.7	180,005.8	7.1
Gross Domestic Product at Current Market Prices	2,058,466.5	2,221,912.9	2,323,781.5	2,401,189.4	2,549,120.7	100.0
Net Factor Income from the Rest of the World.	16,943.8	23,413.6	28,055.4	42,128.6	36,081.9	1.4
Gross National Income at Current Market Price	2,075,410.3	2,245,326.5	2,351,837.0	2,443,318.1	2,585,202.6	101.4

(1) Preliminary.
Source: The Bank of Korea

The following table sets out the Republic's GDP per capita:

Gross Domestic Product per capita
(at current market prices)

	2020	2021	2022	2023	2024[1]
GDP per capita (thousands of Won)	39,711	42,919	44,971	46,433	49,257
GDP per capita (U.S. dollar)	33,652	37,503	34,809	35,570	36,113
Average Exchange Rate (in Won per U.S. dollar)	1,180.1	1,144.4	1,292.0	1,305.4	1,364.0

(1) Preliminary.
Source: The Bank of Korea

The following table sets out the Republic's Gross National Income, or GNI, per capita:

Gross National Income per capita
(at current market prices)

	2020	2021	2022	2023	2024[1]
GNI per capita (thousands of Won)	40,038	43,372	45,514	47,248	49,955
GNI per capita (U.S. dollar)	33,929	37,898	35,229	36,194	36,624
Average Exchange Rate (in Won per U.S. dollar)	1,180.1	1,144.4	1,292.0	1,305.4	1,364.0

(1) Preliminary.
Source: The Bank of Korea

The following table sets out the Republic's GDP by economic sector:

Gross Domestic Product by Economic Sector
(at chained 2020 year prices)

	2020	2021	2022	2023	2024[1]	As % of GDP 2024[1]
			(billions of Won)			
Industrial Sectors:	719,110.4	754,589.3	771,177.9	782,080.7	804,949.7	35.2
Agriculture, Forestry and Fishing	32,481.6	33,598.5	33,866.3	32,972.5	33,183.1	1.4
Manufacturing, Mining and Quarrying.	530,768.1	565,269.6	579,036.4	588,841.5	612,180.8	26.7
Mining and Quarrying	1,737.2	1,974.8	1,785.3	1,808.5	1,647.0	0.1
Manufacturing	529,030.9	563,294.8	577,227.8	587,008.9	610,553.9	26.7
Electricity, Gas and Water Supply	45,605.3	46,403.2	48,020.4	46,648.8	48,964.8	2.1
Construction	110,255.4	109,318.0	110,254.8	113,617.9	110,621.0	4.8
Services:	1,171,665.8	1,222,603.2	1,269,070.6	1,295,453.4	1,316,497.5	57.5
Wholesale and Retail Trade, Accommodation and Food Services	214,871.3	219,693.4	231,974.4	228,939.2	225,657.3	9.9
Transportation and Storage	66,603.8	73,634.5	82,748.1	92,818.6	100,657.2	4.4
Finance and Insurance	110,016.4	117,411.7	120,645.5	121,705.1	126,001.9	5.5
Real Estate	161,030.1	163,741.0	160,447.8	160,758.7	164,385.6	7.2
Information and Communication	89,215.3	97,513.5	99,786.9	100,881.1	102,164.9	4.5
Business Activities	156,652.6	159,603.6	163,453.3	166,386.4	165,512.1	7.2
Public Administration, Defence and Social Security	129,850.9	134,868.3	139,003.2	142,043.4	144,685.9	6.3
Education	90,436.1	95,484.0	98,708.1	99,515.9	100,136.8	4.4
Human Health and Social Work	106,034.6	112,370.6	119,255.3	124,697.3	129,739.4	5.7
Cultural and Other Services	46,954.8	48,282.6	52,244.1	56,119.8	56,941.3	2.5
Taxes Less Subsidies on Products	167,690.3	176,230.4	172,134.2	164,486.4	167,118.6	7.3
Gross Domestic Product[2]	2,058,466.5	2,153,422.9	2,212,158.9	2,243,220.4	2,288,923.2	100.0

(1) Preliminary.
(2) Under the "chain-linked" measure of GDP, the components of GDP will not necessarily add up to the total GDP.
Source: The Bank of Korea

GDP in 2020 contracted by 0.7% at chained 2020 year prices, primarily due to a 4.6% decrease in private consumption expenditures and a 1.7% decrease in exports of goods and services, which were offset in significant

part by a 3.3% decrease in imports of goods and services, a 5.2% increase in general government consumption expenditures and a 2.8% increase in gross domestic fixed capital formation, each compared with 2019. The contraction of the Republic's GDP in 2020 was primarily due to the COVID-19 pandemic.

GDP growth in 2021 was 4.6% at chained 2020 year prices, as exports of goods and services increased by 10.8%, aggregate private and general government consumption expenditures increased by 4.2% and gross domestic fixed capital formation increased by 4.3%, which more than offset an increase in imports of goods and services by 10.2%, each compared with 2020.

GDP growth in 2022 was 2.7% at chained 2020 year prices, as aggregate private and general government consumption expenditures increased by 4.2% and exports of goods and services increased by 3.9%, which more than offset an increase in imports of goods and services by 4.2% and a decrease in gross fixed capital formation by 0.2%, each compared with 2021.

GDP growth in 2023 was 1.4% at chained 2020 year prices, as exports of goods and services increased by 3.6%, aggregate private and general government consumption expenditures increased by 1.6% and gross domestic fixed capital formation increased by 1.4%, which was offset in significant part by a 3.5% increase in imports of goods and services, each compared with 2022.

Based on preliminary data, GDP growth in 2024 was 2.0% at chained 2020 year prices, as exports of goods and services increased by 6.9% and aggregate private and general government consumption expenditures increased by 1.3%, which was offset in part by a 2.4% increase in imports of goods and services and a 0.6% decrease in gross domestic fixed capital formation, each compared with 2023.

Based on preliminary data, GDP in the first quarter of 2025 contracted by 0.1% at chained 2020 year prices, primarily due to a 4.1% decrease in gross domestic fixed capital formation and a 1.2% increase in imports of goods and services, the effects of which were offset in part by a 0.9% increase in aggregate private and general government consumption expenditures and a 0.6% increase in exports of goods and services, each compared with the corresponding period of 2024.

Principal Sectors of the Economy

Industrial Sectors

The following table sets out production indices for the principal industrial products of the Republic and their relative contribution to total industrial production:

Industrial Production
(2020 = 100)

	Index Weight[1]	2020	2021	2022	2023	2024[2]
Industries	10,000.0	100.0	108.2	108.8	108.8	113.2
Mining and Manufacturing	9,555.0	100.0	108.2	108.8	108.8	113.2
Mining	23.0	100.0	94.2	95.8	113.9	95.5
Manufacturing	9,532.0	100.0	108.2	108.8	108.8	113.2
Food Products	485.9	100.0	111.7	114.0	109.3	125.3
Beverage Products	102.0	100.0	93.0	91.4	77.7	75.3
Tobacco Products	44.7	100.0	88.4	93.2	100.9	114.2
Textiles	110.6	100.0	104.3	100.4	82.1	81.3
Wearing Apparel, Clothing Accessories and Fur Articles	83.2	100.0	137.3	117.6	114.0	73.6
Tanning and Dressing of Leather, Luggage and Footwear	17.6	100.0	92.0	78.7	49.4	36.0
Wood and Products of Wood and Cork (Except Furniture)	31.0	100.0	80.4	89.5	94.5	77.9
Pulp, Paper and Paper Products	133.8	100.0	97.5	95.1	93.7	102.3
Printing and Reproduction of Recorded Media	43.9	100.0	109.4	129.3	118.0	110.7
Coke, hard-coal and lignite fuel briquettes and Refined Petroleum Products	354.5	100.0	98.4	101.9	104.3	108.8
Chemicals and Chemical Products	756.8	100.0	105.9	93.6	91.0	96.3
Pharmaceuticals, Medicinal Chemicals and Botanical Products	288.9	100.0	96.2	111.7	141.2	157.3
Rubber and Plastic Products	414.8	100.0	104.5	110.9	112.8	120.3
Non-metallic Minerals	213.6	100.0	107.6	96.4	84.9	95.3
Basic Metals	600.2	100.0	101.0	95.5	97.5	97.2
Fabricated Metal Products	495.9	100.0	83.7	82.7	93.4	112.7
Electronic Components, Computer, Radio, Television and Communication Equipment and Apparatuses	2,402.9	300.0	342.5	316.7	329.7	335.2
Medical, Precision and Optical Instruments, Watches and Clocks	389.1	300.0	297.5	365.1	364.4	388.9
Electrical Equipment	478.2	100.0	113.4	138.3	120.8	94.4
Other Machinery and Equipment	776.7	100.0	116.6	113.4	108.6	100.3
Motor Vehicles, Trailers and Semitrailers	1,014.2	100.0	109.6	121.0	137.1	135.5
Other Transport Equipment	144.1	100.0	93.3	108.0	103.4	110.8
Furniture	43.1	100.0	72.9	64.1	52.4	50.7
Other Products	106.3	200.0	232.8	340.2	243.9	278.1
Electricity, Gas	445.0	100.0	104.9	107.5	103.5	105.1
Total Index	10,000.0	100.0	108.2	108.8	108.8	113.2

(1) Index weights were established on the basis of an industrial census in 2020 and reflect the average annual value added by production in each of the classifications shown, expressed as a percentage of total value added in the mining, manufacturing and electricity and gas industries in that year.

(2) Preliminary.

Source: The Bank of Korea; Korea National Statistical Office

Industrial production decreased by 0.3% in 2020, primarily due to decreased domestic consumption and exports resulting from the COVID-19 pandemic. Industrial production recovered and increased by 8.2% in 2021, primarily due to increased exports and domestic consumption. Industrial production increased by 0.6% in 2022, primarily due to increased exports and domestic consumption. Industrial production remained stable in 2023. Based on preliminary data, industrial production increased by 4.0% in 2024, primarily due to increased exports.

Manufacturing

The manufacturing sector decreased production by 0.4% in 2020, primarily due to decreased demand for automobiles. The manufacturing sector increased production by 8.2% in 2021, primarily due to increased demand for consumer electronics products, electronic components (including semiconductors) and machinery. The manufacturing sector increased production by 0.6% in 2022, primarily due to increased demand for electrical equipment and automobiles. Production levels for the manufacturing sector remained stable in 2023. Based on preliminary data, the manufacturing sector increased production by 4.0% in 2024, primarily due to increased demand for electronic components (including semiconductors) and pharmaceuticals.

Automobiles. In 2020, automobile production decreased by 11.2% and export sales volume recorded a decrease of 21.4%, compared with 2019, primarily due to a general decline in global demand for automobiles caused by the COVID-19 pandemic, which outpaced a 4.7% increase in domestic sales volume from 2019 to 2020, primarily due to increased domestic demand for automobiles. In 2021, automobile production decreased by 1.3% and domestic sales volume recorded a decrease of 8.5%, compared with 2020, primarily due to the global shortage of semiconductors amid the COVID-19 pandemic, but export sales volume recorded an increase of 8.6% compared with 2020, primarily due to an increase in the market share of domestic automobile manufacturers in the global automotive market. In 2022, automobile production increased by 8.5% and export sales volume recorded an increase of 12.7%, compared with 2021, primarily due to an increase in demand for Korean automobiles in the global automotive market as well as the gradual easing of the global shortage of automotive semiconductors in the second half of 2022, but domestic sales volume recorded a decrease of 3.2% compared with 2021, primarily due to the global shortage of automotive semiconductors during the first half of 2022. In 2023, automobile production increased by 13.0%, export sales volume recorded an increase of 20.3% and domestic sales volume recorded an increase of 3.3%, compared with 2022, primarily due to the continued easing of the global shortage of automotive semiconductors and increased global and domestic demand for environmentally-friendly automobiles. Based on preliminary data, in 2024, automobile production decreased by 2.7% and domestic sales volume recorded a decrease of 6.5%, compared with 2023, primarily due to a decrease in demand for automobiles following a deterioration in domestic economic conditions, but export sales volume recorded an increase of 0.6% compared with 2023, primarily due to an increase in demand for environmentally-friendly automobiles in the global automotive market.

Electronics. In 2020, electronics production amounted to ₩329,872 billion, an increase of 2.2% from the previous year, and exports of electronics amounted to US$183.5 billion, an increase of 3.7% from the previous year, primarily due to an increase in demand for semiconductors, computers and other electronic apparatuses. In 2020, export sales of semiconductor memory chips constituted approximately 19.5% of the Republic's total exports. In 2021, electronics production amounted to ₩370,907 billion, an increase of 12.4% from the previous year, and exports amounted to US$227.6 billion, an increase of 24.0% from the previous year, primarily due to an increase in demand for semiconductors, display panels, mobile devices, solid state drives and secondary cell batteries. In 2021, export sales of semiconductor memory chips constituted approximately 20.0% of the Republic's total exports. In 2022, electronics production amounted to ₩378,091 billion, an increase of 1.9% from the previous year, and exports amounted to US$233.2 billion, an increase of 2.5% from the previous year, primarily due to an increase in demand for semiconductors, display panels and secondary cell batteries. In 2022, export sales of semiconductor memory chips constituted approximately 19.1% of the Republic's total exports. Based on preliminary data, in 2023, electronics production amounted to ₩327,651 billion, a decrease of 13.3% from the previous year, and exports amounted to US$186.8 billion, a decrease of 19.9% from the previous year, primarily due to a decrease in demand for semiconductors, computers and other electronic apparatuses. In 2023, export sales of semiconductor memory chips constituted approximately 15.8% of the Republic's total exports. Based on preliminary data, in 2024, electronics production amounted to ₩373,322 billion, an increase of 13.9% from the previous year, and exports amounted to US$235.1 billion, an increase of 25.9% from the previous year,

primarily due to an increase in demand for semiconductors, computers and other electronic apparatuses. In 2024, export sales of semiconductor memory chips constituted approximately 20.8% of the Republic's total exports.

Iron and Steel. In 2020, crude steel production totalled 67.1 million tons, a decrease of 6.0% from 2019, primarily due to adverse conditions in the construction and shipbuilding industries in light of the COVID-19 pandemic, and export sales volume of iron and steel products decreased by 5.0%, primarily due to a decrease in global demand for crude steel products resulting from the COVID-19 pandemic. In 2021, crude steel production totalled 70.4 million tons, an increase of 4.9% from 2020, primarily due to an increase in domestic demand for crude steel products following a gradual economic recovery from the COVID-19 pandemic, but export sales volume of iron and steel products decreased by 6.1%, primarily due to an increase in the price of steel products coupled with a decrease in global demand for crude steel products resulting from the COVID-19 pandemic. In 2022, crude steel production totalled 65.8 million tons, a decrease of 6.5% from 2021, primarily due to disruptions in supply chain resulting from the Russia-Ukraine war and the temporary closure of steel production plants in Korea due to a typhoon during the course of 2022, and export sales volume of iron and steel products decreased by 5.3%, primarily due to a decrease in global demand for crude steel products resulting from the lingering effects of the COVID-19 pandemic and a general slowdown of the global economy. In 2023, crude steel production totalled 66.7 million tons, an increase of 1.3% from 2022, primarily due to the re-opening of steel production plants in Korea following the recovery from the damage caused by a typhoon during 2022, and export sales volume of iron and steel products increased by 6.5%, primarily due to an increase in demand for crude steel products from North America and Japan. Based on preliminary data, in 2024, crude steel production totalled 63.5 million tons, a decrease of 4.8% from 2023, primarily due to a decrease in domestic demand for crude steel products resulting from adverse conditions in the construction and shipbuilding industries, although export sales volume of iron and steel products increased by 3.7%, primarily due to an increase in demand for crude steel products from export destinations in Europe, Mexico and India.

Shipbuilding. In 2020, the Republic's shipbuilding orders amounted to approximately 8 million compensated gross tons, a decrease of 20.0% compared to 2019, primarily due to the adverse conditions in the domestic and global shipbuilding industry resulting from the COVID-19 pandemic. In 2021, the Republic's shipbuilding orders amounted to approximately 17 million compensated gross tons, an increase of 112.5% compared to 2020, primarily due to increased demand for container carriers and LNG carriers. In 2022, the Republic's shipbuilding orders amounted to approximately 16 million compensated gross tons, a decrease of 5.9% compared to 2021, primarily due to a decrease in demand for oil tankers and container carriers. In 2023, the Republic's shipbuilding orders amounted to approximately 10 million compensated gross tons, a decrease of 37.5% compared to 2022, primarily due to decreased demand for container carriers and LNG carriers. Based on preliminary data, in 2024, the Republic's shipbuilding orders amounted to approximately 11 million compensated gross tons, an increase of 9.1% compared to 2023, primarily due to an increase in demand for LNG carriers, oil tankers and container carriers.

Agriculture, Forestry and Fisheries

The Government's agricultural policy has traditionally focused on:

- grain production;
- development of irrigation systems;
- land consolidation and reclamation;
- seed improvement;
- mechanisation measures to combat drought and flood damage; and
- increasing agricultural incomes.

Recently, however, the Government has increased emphasis on cultivating profitable crops and strengthening international competitiveness as a result of the continued opening of the domestic agricultural market.

In 2020, rice production decreased 5.4% from 2019 to 3.5 million tons. In 2021, rice production increased 11.4% from 2020 to 3.9 million tons. In 2022, rice production decreased 2.6% from 2021 to 3.8 million tons. In

2023, rice production decreased 2.6% from 2022 to 3.7 million tons. In 2024, rice production decreased 2.7% from 2023 to 3.6 million tons. Due to limited crop yields resulting from geographical and physical constraints, the Republic depends on imports for certain basic foodstuffs.

The Government is seeking to develop the fishing industry by encouraging the building of large fishing vessels and modernising fishing equipment, marketing techniques and distribution outlets.

In 2020, the agriculture, forestry and fisheries industry decreased by 6.7% compared to 2019, primarily due to a decrease in farming and livestock production. In 2021, the agriculture, forestry and fisheries industry increased by 3.4% compared to 2020, primarily due to an increase in farming and fisheries production. In 2022, the agriculture, forestry and fisheries industry increased by 0.8% compared to 2021, primarily due to an increase in livestock production. Based on preliminary data, in 2023, the agriculture, forestry and fisheries industry decreased by 2.6% compared to 2022, primarily due to a decrease in farming and livestock production. Based on preliminary data, in 2024, the agriculture, forestry and fisheries industry increased by 0.8% compared to 2023, primarily due an increase in farming and livestock production.

Construction

In 2020, the construction industry decreased by 0.4% compared to 2019, primarily due to a decrease in the construction of residential buildings. In 2021, the construction industry decreased by 0.9% compared to 2020, primarily due to a decrease in the construction of residential buildings. In 2022, the construction industry increased by 0.9% compared to 2021, primarily due to an increase in the construction of commercial buildings. Based on preliminary data, in 2023, the construction industry increased by 3.1% compared to 2022, primarily due to an increase in the construction of commercial buildings. Based on preliminary data, in 2024, the construction industry decreased by 2.8% compared to 2023, primarily due to a decrease in the construction of residential buildings.

Electricity and Gas

The following table sets out the Republic's dependence on imports for energy consumption:

Dependence on Imports for Energy Consumption

	Total Primary Energy Supply	Imports	Imports Dependence Ratio
	(millions of tons of oil equivalents[1], except ratios)		
2020	285.6	271.3	95.0
2021	300.6	285.0	94.8
2022	304.0	287.0	94.4
2023[2]	297.6	279.4	93.9
2024[2]	303.5	284.1	93.6

(1) Conversion to tons of oil equivalents was calculated based on energy conversion factors under the Energy Act Enforcement Decree as amended in July 2017.
(2) Preliminary.
Source: Korea Energy Economics Institute; Korea National Statistical Office

Korea has almost no domestic oil or gas production and depends on imported oil and gas to meet its energy requirements. Accordingly, the international prices of oil and gas significantly affect the Korean economy. Any significant long-term increase in the prices of oil and gas will increase inflationary pressures in Korea and adversely affect the Republic's balance of trade.

To reduce its dependence on oil and gas imports, the Government has encouraged energy conservation and energy source diversification emphasising nuclear energy. The following table sets out the principal primary sources of energy supplied in the Republic, expressed in oil equivalents and as a percentage of total energy consumption.

Primary Energy Supply by Source

	Coal		Gas		Oil		Nuclear		Others[1]		Total	
	Quantity	%	Quantity	%	Quantity	%	Quantity	%	Quantity	%	Quantity	%
	(millions of tons of oil equivalents[2], except percentages)											
2020	75,983	26.6	53,956	18.9	107,971	37.8	34,119	11.9	13,524	4.7	285,553	100.0
2021	76,968	25.6	59,628	19.8	115,205	38.3	33,657	11.2	15,092	5.0	300,550	100.0
2022	75,869	25.0	59,203	19.5	114,676	37.7	37,500	12.3	16,732	5.5	303,980	100.0
2023[3]	73,700	24.8	56,648	19.0	111,036	37.3	38,445	12.9	17,769	6.0	297,598	100.0
2024[3]	69,682	23.0	60,900	20.1	113,888	37.5	40,205	13.2	18,859	6.2	303,534	100.0

(1) Includes hydro-electric power, biofuels and waste-based energy, geothermal and solar power and heat.
(2) Conversion to tons of oil equivalents was calculated based on energy conversion factors under the Energy Act Enforcement Decree as amended in July 2017.
(3) Preliminary.
Source: Korea Energy Economics Institute; The Bank of Korea

The Republic's first nuclear power plant went into full operation in 1978 with a rated generating capacity of 587 megawatts. As of 31 December 2024, the Republic had 26 nuclear plants with a total estimated nuclear power installed generating capacity of 26,050 megawatts and four nuclear plants under construction.

In February 2025, the Government announced the Eleventh Basic Plan of Long-Term Electricity Supply and Demand for the period from 2024 to 2038, which focuses on, among other things, (i) promoting the use of scientific methods to estimate and calculate future electricity demand, (ii) pursuit of energy mix that prioritises supply stability, efficiency and carbon neutrality, (iii) expansion of carbon-free energy sources instead of converting ageing coal-fired generation plants into LNG power plants, (iv) expansion of power grid systems that take into account the construction of new facilities for renewable energy and (v) effective utilisation of the energy market to enhance supply stability and energy distribution. Furthermore, the Eleventh Basic Plan includes the following implementation measures: (i) continued utilisation of nuclear power as a carbon-free energy source, (ii) systematic expansion of renewable energy sources while attaining greenhouse gas reduction goals, (iii) expansion of clean hydrogen- and ammonia-based power generation and (iv) incorporation of district energy systems into the national electricity supply and demand management framework.

Services Sector

In 2020, the service industry decreased by 0.7% compared to 2019 as the arts, sports and recreation related services sector decreased by 31.9%, the accommodation and food service activities sector decreased by 17.9% and the transportation and storage sector decreased by 12.4%, each compared with 2019. In 2021, the service industry increased by 8.8% compared to 2020 as the arts, sports and recreation related services sector increased by 18.8%, the information and communications sector increased by 14.6% and the transportation and storage sector increased by 11.9%, each compared with 2020. In 2022, the service industry increased by 11.6% compared to 2021 as the arts, sports and recreation related services sector increased by 48.5%, the transportation and storage sector increased by 30.5% and the accommodation and food services sector increased by 25.6%, each compared with 2021. In 2023, the service industry increased by 4.8% compared to 2022 as the arts, sports and recreation related services sector increased by 9.8%, the membership organisations, repair and other personal services sector increased by 8.9% and the financial and insurance activities sector increased by 8.1%, each compared with 2022. Based on preliminary data, in 2024, the service industry increased by 3.2% compared to 2023 as the transportation and storage sector increased by 7.6%, the information and communications sector increased by 6.5% and the arts, sports and recreation related services sector increased by 3.7%, each compared with 2023.

Prices, Wages and Employment

The following table shows selected price and wage indices and unemployment rates:

	Producer Price Index[1]	Increase (Decrease) Over Previous Year	Consumer Price Index[1]	Increase (Decrease) Over Previous Year	Wage Index[1][2]	Increase (Decrease) Over Previous Year	Unemployment Rate[1][3]
	(2020=100)	(%)	(2020=100)	(%)	(2015=100)	(%)	(%)
2020	100.0	(0.5)	100.0	0.5	115.5	(0.6)	4.0
2021	106.4	6.4	102.5	2.5	123.5	6.9	3.7
2022	115.3	8.4	107.7	5.1	130.7	5.8	2.9
2023	117.1	1.6	111.6	3.6	134.9	3.2	2.7
2024	119.1	1.7	114.2	2.3	N/A[4]	N/A[4]	2.8

(1) Average for the year.
(2) Nominal wage index of average earnings in the manufacturing industry.
(3) Expressed as a percentage of the economically active population.
(4) Not available.
Source: The Bank of Korea; Korea National Statistical Office

In 2020, the inflation rate increased to 0.5%, primarily due to increases in agricultural and livestock product prices. In 2021, the inflation rate increased to 2.5%, primarily due to increases in agricultural and livestock product prices and oil prices. In 2022, the inflation rate increased to 5.1%, primarily due to increases in agricultural and livestock product prices and oil prices. In 2023, the inflation rate decreased to 3.6%, primarily due to a slower rate of increase in the prices of agricultural and livestock products and oil. Based on preliminary data, in 2024, the inflation rate decreased to 2.3% despite increases in agricultural and livestock product prices, primarily due to a slower rate of increase in the prices of personal services, electricity, gas, water and processed goods and, to a lesser extent, a decrease in oil prices. Based on preliminary data, the inflation rate was 2.1% in the first quarter of 2025.

In 2020, the unemployment rate increased to 4.0%, primarily due to the COVID-19 pandemic. In 2021, the unemployment rate decreased to 3.7%, reflecting a gradual recovery of the Korean economy from the COVID-19 pandemic. In 2022, the unemployment rate decreased to 2.9%, reflecting a gradual recovery of the Korean economy from the COVID-19 pandemic. In 2023, the unemployment rate decreased to 2.7%, primarily due to an increase in the number of workers employed in the service industry. Based on preliminary data, in 2024, the unemployment rate increased to 2.8%, primarily due to a decrease in the number of workers employed in the manufacturing and construction sectors. Based on preliminary data, the unemployment rate was 3.4% in the first quarter of 2025.

From 1992 to 2009, the economically active population of the Republic increased by approximately 24.8% to 24.3 million, while the number of employees increased by approximately 23.7% to 23.5 million. The economically active population over 15 years old as a percentage of the total over-15 population has remained between 62% and 65% over the past decade. Literacy among workers under 50 is almost universal. As of 31 December 2024, the economically active population of the Republic was 29.4 million and the number of employees was 28.6 million.

The following table shows selected employment information by industry and by gender:

	2020	2021	2022	2023	2024
	(all figures in percentages, except as indicated)				
Labour force (in thousands of persons)	26,904	27,273	28,089	28,416	28,576
Employment by Industry:					
Agriculture, Forestry and Fishing	5.4	5.3	5.4	5.3	5.2
Mining and Manufacturing	16.3	16.1	16.1	15.7	15.6
S.O.C & Services	78.3	78.6	78.5	79.0	79.2
Electricity, Transport, Communication and Finance	11.8	12.3	12.4	12.5	12.9
Business, Private & Public Service and Other Services	38.0	38.6	39.0	39.4	39.6
Construction	7.5	7.7	7.6	7.4	7.2
Wholesale & Retail Trade, Hotels and Restaurants	21.0	20.0	19.6	19.6	19.4
Total Employed	100.0	100.0	100.0	100.0	100.0
Employment by Gender:					
Male	57.2	57.0	56.7	56.1	55.7
Female	42.8	43.0	43.3	43.9	44.3
Total Employed	100.0	100.0	100.0	100.0	100.0

Source: The Bank of Korea

Pursuant to certain amendments to the Labour Standards Act that became effective on 1 July 2018, the maximum working hours of employees have been reduced from 68 hours per week to 52 hours per week, and the number of special industries that are exempt from restrictions on maximum working hours will be significantly reduced. This new maximum working hours restriction under the amended Labour Standards Act is in effect for workplaces with 300 or more workers from 1 July 2018, and has been extended to workplaces with 50 or more but fewer than 300 workers from 1 January 2020, and has been further extended to workplaces with five or more but fewer than 50 workers from 1 July 2021.

Labour unrest in connection with demands by unionised workers for better wages and working conditions and greater job security occurs from time to time in the Republic. Some of the significant incidents in recent years include the following:

- In October, November and December 2020, unionised workers at GM Korea went on partial strikes during wage and collective agreement negotiations.
- In November and December 2020, unionised workers at Kia went on partial strikes demanding higher wages, performance-based incentives and other benefits.
- In November and December 2021, unionised workers at Hankook Tire & Technology, one of Korea's largest tyre makers, went on a full strike demanding higher wages and performance-based incentive payments.
- In 2021, unionised workers at CJ Logistics, one of Korea's largest freight transportation companies, went on a series of partial strikes and demonstrations, demanding higher wages commensurate with increases in parcel delivery fees.
- In June and November 2022, unionised truck drivers across various industries went on nationwide strikes demanding that a minimum pay system based on freight rates be made permanent and expanded in scope.
- In 2022, subcontracted workers of Daewoo Shipping and Marine Engineering went on a full strike demanding higher wages.
- In September 2023, the National Railroad Workers' Union went on strike demanding improved pay and working conditions and an expansion of the KTX bullet train services.
- In November 2023, unionised Seoul subway workers went on strike in protest of the city-run Seoul Metro's bid to downsize its workforce.

- In early 2024, thousands of doctors went on strike to protest the Government's plans to increase the number of medical school admissions, and to demand higher pay and reductions in their workload, among others.
- In December 2024, the National Railroad Workers' Union and Seoul Subway Workers' Union went on strike demanding increased pay and improved working conditions.

Actions such as these by labour unions may hinder implementation of the labour reform measures and disrupt the Government's plans to create a more flexible labour market. Although much effort is being expended to resolve labour disputes in a peaceful manner, there can be no assurance that further labour unrest will not occur in the future. Continued labour unrest in key industries of the Republic may have an adverse effect on the economy.

In 1997, the Korean Confederation of Trade Unions organised a political alliance, which led to the formation of the Democratic Labour Party in January 2000. The Democratic Labour Party merged with The New People's Participation Party and changed its name to The Unified Progressive Party, or the UPP, in December 2011. In October 2012, the UPP split and seven UPP members of the National Assembly and their supporters formed a new party, the Progressive Justice Party, which changed its name to the Justice Party in July 2013. In December 2014, the Constitutional Court ordered the dissolution of the UPP and the removal of the party's five lawmakers from the National Assembly for violating the Republic's Constitution after certain of its members were convicted of trying to instigate an armed rebellion and supporting North Korea. In the legislative general election held on 13 April 2016, the Justice Party won six seats in the National Assembly, and the members-elect began their four-year terms on 30 May 2016. As of 31 December 2024, the Justice Party did not hold any seat in the National Assembly.

Population and Birthrate

Both the population and birthrate in the Republic have been declining for most of the recent past. The population has decreased by 1.2% from 2020 to 2024, and the birthrate has decreased by 10.7% over the same period.

The following table shows the population and birthrate of the Republic:

	2020	2021	2022	2023	2024
Population (in thousands of persons)	51,829	51,639	51,439	51,325	51,217
Birthrate (percentage)[1]	0.84	0.81	0.78	0.72	0.75[2]

(1) Represents the average number of children a woman gives birth to over her lifetime.
(2) Preliminary.
Source: Ministry of the Interior and Safety; Korea National Statistical Office

The Financial System

Structure of the Financial Sector

The Republic's financial sector includes the following categories of financial institutions:

- The Bank of Korea;
- banking institutions;
- non-bank financial institutions; and
- other financial entities, including:
  - financial investment companies;
  - credit guarantee institutions;
  - venture capital companies; and
  - miscellaneous others.

To increase transparency in financial transactions and enhance the integrity and efficiency of the financial markets, Korean law requires that financial institutions confirm that their clients use their real names when transacting business. The Government also strengthened confidentiality protection for private financial transactions.

In July 2007, the Korean National Assembly passed the Financial Investment Services and Capital Markets Act (the "FSCMA"), under which various industry-based capital markets regulatory systems were consolidated into a single regulatory system. The FSCMA, which became effective in February 2009, expands the scope of permitted investment-related financial products and activities through expansive definitions of financial instruments and function-based regulations that allow financial investment companies to offer a wider range of financial services, as well as strengthening investor protection and disclosure requirements.

Prior to the effective date of the FSCMA, separate laws regulated various types of financial institutions depending on the type of the financial institution (for example, securities companies, futures companies, trust business companies and asset management companies) and subjected financial institutions to different licensing and ongoing regulatory requirements (for example, under the Securities and Exchange Act, the Futures Trading Act and the Indirect Investment Asset Management Business Act). By applying one uniform set of rules to financial businesses having the same economic function, the FSCMA attempts to improve and address issues caused by the previous regulatory system under which the same economic function relating to capital markets-related business were governed by multiple regulations. To this end, the FSCMA categorises capital markets-related businesses into six different functions as follows:

- investment dealing (trading and underwriting of financial investment products);
- investment brokerage (brokerage of financial investment products);
- collective investment (establishment of collective investment schemes and the management thereof);
- investment advice;
- discretionary investment management; and
- trusts (together with the five businesses set forth above, the Financial Investment Businesses).

Accordingly, all financial businesses relating to financial investment products are classified as one or more of the Financial Investment Businesses described above, and financial institutions are subject to the regulations applicable to their relevant Financial Investment Businesses, irrespective of what type of financial institution it is. For example, under the FSCMA, derivative businesses conducted by securities companies and future companies are subject to the same regulations, at least in principle.

The banking business and the insurance business are not subject to the FSCMA and will continue to be regulated under separate laws; provided, however, that they are subject to the FSCMA if their activities involve any Financial Investment Businesses requiring a licence based on the FSCMA.

Banking Industry

The banking industry comprises commercial banks and specialised banks. Commercial banks serve the general public and corporate sectors. They include nationwide banks, regional banks and branches of foreign banks. Regional banks provide services similar to nationwide banks, but operate in a geographically restricted region. Branches of foreign banks have operated in the Republic since 1967 but provide a relatively small proportion of the Republic's banking services. As of 31 December 2024, there were seven nationwide banks, five regional banks, three internet-only banks and 33 foreign banks with branches operating in the Republic.

Specialised banks meet the needs of specific sectors of the economy in accordance with Government policy; they are organised under, or chartered by, special laws. Specialised banks include (i) The Korea Development Bank, (ii) The Export-Import Bank of Korea, (iii) Industrial Bank of Korea, (iv) SuHyup Bank and (v) NongHyup Bank. The Government has made capital contributions to three of these specialised banks as follows:

- **The Korea Development Bank**: the Government owns directly all of its paid-in capital and has made capital contributions since its establishment in 1954. Recent examples include the Government's

contributions to its capital of ₩2,103 billion in 2020, ₩1,121 billion in 2021, ₩1,265 billion in 2022, ₩775 billion in 2023 and ₩2,185 billion in 2024. Taking into account these capital contributions, its total paid-in capital was ₩26,317 billion as of 31 December 2024.

- **The Export-Import Bank of Korea**: the Government owns, directly and indirectly, all of its paid-in capital and has made capital contributions since its establishment in 1976. Recent examples include the Government's contributions to its capital of ₩578 billion in 2020, ₩299 billion in 2021, ₩25 billion in 2022, ₩2,000 billion in 2023 and ₩2,100 billion in 2024. Taking into account these capital contributions, its total paid-in capital was ₩16,873 billion as of 31 December 2024.
- **Industrial Bank of Korea**: the Government directly owned 59.5% of its total shares (including common and preferred shares) as of 31 December 2024. The Government had owned all of the issued share capital of Industrial Bank of Korea until 1994, but the Government's minimum share ownership requirement was repealed in 1997, and the Government has since periodically adjusted its ownership percentage in Industrial Bank of Korea through transactions involving the purchase and sale of its common shares. In 2020, Industrial Bank of Korea issued an aggregate of 161,507,381 new common shares to the Government for a total of ₩1,266 billion in cash. In November 2020, Industrial Bank of Korea acquired from the Government and cancelled an aggregate of 44,847,038 perpetual preferred shares that it had previously issued to the Government. In May 2021, Industrial Bank of Korea issued and sold 5,636,227 new ordinary shares to the Government for an aggregate consideration of ₩49 billion in cash. Taking into account such transactions, its total paid-in capital was ₩4,211 billion as of 31 December 2024.

The economic difficulties in 1997 and 1998 caused an increase in Korean banks' non-performing assets and a decline in capital adequacy ratios of Korean banks. From 1998 through 2002, the Financial Services Commission amended banking regulations several times to adopt more stringent criteria for non-performing assets that more closely followed international standards.

The following table sets out the total loans (including loans in Won and loans in foreign currencies) and non-performing assets of Korean banks as of the dates indicated.

	Total Loans	Non-Performing Assets[1]	Percentage of Total
	(trillions of Won)		(percentage)
31 December 2020	2,171.7	13.9	0.6
31 December 2021	2,371.9	11.8	0.5
31 December 2022	2,532.4	10.1	0.4
31 December 2023	2,629.0	12.5	0.5
31 December 2024[2]	2,799.1	14.8	0.5

(1) Assets classified as substandard or below.
(2) Preliminary.
Source: Financial Supervisory Service

In 2020, these banks posted an aggregate net profit of ₩12.1 trillion, compared to an aggregate net profit of ₩13.9 trillion in 2019, primarily due to increased loan loss provisions. In 2021, these banks posted an aggregate net profit of ₩16.9 trillion, compared to an aggregate net profit of ₩12.1 trillion in 2020, primarily due to the significant amount of gains recognised by The Korea Development Bank in connection with the exercise of its right to convert its convertible bonds issued by HMM Company Limited into common shares, which took place in June 2021, and to a lesser extent, increased net interest income and decreased loan loss provisions. In 2022, these banks posted an aggregate net profit of ₩18.5 trillion, compared to an aggregate net profit of ₩16.9 trillion in 2021, primarily due to increased net interest income reflecting the rise in interest rates during 2022. In 2023, these banks posted an aggregate net profit of ₩21.2 trillion, compared to an aggregate net profit of ₩18.5 trillion in 2022, primarily due to an increase in net interest income, which was offset in part by an increase in loan loss provisions. Based on preliminary data, in 2024, these banks posted an aggregate net profit of ₩22.4 trillion, compared to an aggregate net profit of ₩21.2 trillion in 2023, primarily due to a decrease in loan loss provisions, which was offset in part by an increase in non-operating expenses.

Non-Bank Financial Institutions

Non-bank financial institutions include:

- savings institutions, including trust accounts of banks, mutual savings banks, credit unions, mutual credit facilities, community credit cooperatives and postal savings;
- life insurance institutions; and
- credit card companies.

As of 31 December 2024, 79 mutual savings banks, 22 life insurance institutions, which include joint venture life insurance institutions and wholly-owned subsidiaries of foreign life insurance companies, and eight credit card companies operated in the Republic.

Money Markets

In the Republic, the money markets consist of the call market and markets for a wide range of other short-term financial instruments, including treasury bills, monetary stabilisation bonds, negotiable certificates of deposits, repurchase agreements and commercial paper.

Securities Markets

On 27 January 2005, the Korea Exchange was established pursuant to the now repealed Korea Securities and Futures Trading Act by consolidating the Korea Stock Exchange, the Korea Futures Exchange, the KOSDAQ Stock Market, Inc., or the KOSDAQ, and the KOSDAQ Committee of the Korea Securities Dealers Association, which had formerly managed the KOSDAQ. There are three major markets operated by the Korea Exchange: the KRX KOSPI Market, the KRX KOSDAQ Market, and the KRX Derivatives Market. The Korea Exchange has two trading floors located in Seoul, one for the KRX KOSPI Market and one for the KRX KOSDAQ Market, and one trading floor in Busan for the KRX Derivatives Market. The Korea Exchange is a joint stock company with limited liability, the shares of which are held by (i) financial investment companies that were formerly members of the Korea Futures Exchange or the Korea Stock Exchange and (ii) the stockholders of the KOSDAQ. Currently, the Korea Exchange is the only stock exchange in Korea and is operated by membership, having as its members Korean financial investment companies and some Korean branches of foreign financial investment companies.

The Korea Exchange publishes the Korea Composite Stock Price Index every ten seconds, which is an index of all equity securities listed on the Korea Exchange. The Korea Composite Stock Price Index is computed using the aggregate value method, whereby the market capitalisations of all listed companies are aggregated, subject to certain adjustments, and this aggregate is expressed as a percentage of the aggregate market capitalisation of all listed companies as of the base date, 4 January 1980.

The following table shows the value of the Korea Composite Stock Price Index as of the dates indicated:

30 December 2020	2,873.5
29 January 2021	2,976.2
26 February 2021	3,013.0
31 March 2021	3,061.4
30 April 2021	3,147.9
31 May 2021	3,203.9
30 June 2021	3,296.7
30 July 2021	3,202.3
31 August 2021	3,199.3
30 September 2021	3,068.8
29 October 2021	2,970.7
30 November 2021	2,839.0
30 December 2021	2,977.7
28 January 2022	2,663.3
28 February 2022	2,699.2
31 March 2022	2,757.7
29 April 2022	2,695.1
31 May 2022	2,685.9
30 June 2022	2,332.6
29 July 2022	2,451.5
31 August 2022	2,472.1
30 September 2022	2,155.5
31 October 2022	2,293.6
30 November 2022	2,472.5
29 December 2022	2,236.4
31 January 2023	2,425.1
28 February 2023	2,412.9
31 March 2023	2,476.9
28 April 2023	2,501.5
31 May 2023	2,577.1
30 June 2023	2,564.3
31 July 2023	2,632.6
31 August 2023	2,556.3
27 September 2023	2,465.1
31 October 2023	2,278.0
30 November 2023	2,535.3
28 December 2023	2,655.3
31 January 2024	2,497.1
29 February 2024	2,642.4
29 March 2024	2,746.6
30 April 2024	2,692.1
31 May 2024	2,636.5
28 June 2024	2,797.8
31 July 2024	2,770.7
30 August 2024	2,674.3
30 September 2024	2,593.3
31 October 2024	2,556.2
29 November 2024	2,455.9
30 December 2024	2,399.5
31 January 2025	2,517.4
28 February 2025	2,532.8
31 March 2025	2,481.1
30 April 2025	2,556.6
30 May 2025	2,697.7

Over the years, liquidity and credit concerns and volatility in the global financial markets have led to fluctuations in the stock prices of Korean companies. In recent years, there was significant volatility in the stock prices of Korean companies due to deteriorating market conditions domestically and abroad. The index was 2,855.8 on 9 June 2025.

Supervision System

The Office of Bank Supervision, the Securities Supervisory Board, the Insurance Supervisory Board and all other financial sector regulatory bodies merged in January 1999 to form the Financial Supervisory Service. The Financial Services Commission deliberates on and determines important matters concerning financial supervision, including financial supervisory policies and the licensing of financial institutions, while the Financial Supervisory Service implements the decisions of the Financial Services Commission and examines and supervises financial institutions. The Financial Services Commission reports to, but operates independently of, the Prime Minister's office.

The Ministry of Economy and Finance focuses on financial policy and foreign currency regulations. The Bank of Korea manages monetary policy focusing on price stabilisation.

Deposit Insurance System

The Republic's deposit insurance system insures amounts on deposit with banks, non-bank financial institutions, securities companies and life insurance companies.

Since January 2001, deposits at any single financial institution are insured only up to ₩50 million per person regardless of the amount deposited, although such limit is expected to be increased to ₩100 million per person through an amendment to the Depositor Protection Act of Korea and the Presidential Decree thereof, which is expected to become effective by September 2025.

The Government excluded certain deposits, such as repurchase agreements, from the insurance scheme, expanded the definition of insured financial institutions to which the insurance scheme would apply and gradually increased the insurance premiums payable by insured financial institutions.

Monetary Policy

The Bank of Korea

The Bank of Korea was established in 1950 as Korea's central bank and the country's sole currency issuing bank. A seven-member Monetary Policy Committee, chaired by the Governor of The Bank of Korea, formulates and controls monetary and credit policies.

Inflation targeting is the basic system of operation for Korean monetary policy. The consumer price index is used as The Bank of Korea's target indicator. To achieve its established inflation target, the Monetary Policy Committee of The Bank of Korea determines and announces the "Bank of Korea Base Rate", the reference rate applied in transactions such as repurchase agreements between The Bank of Korea and its financial institution counterparts. The Bank of Korea uses open market operations as its primary instrument to keep the call rate in line with the Monetary Policy Committee's target rate. In addition, The Bank of Korea is able to establish policies regarding its lending to banks in Korea and their reserve requirements.

Interest Rates

The Bank of Korea lowered its policy rate to 1.5% from 1.75% on 18 July 2019 and to 1.25% from 1.5% on 16 October 2019 to address the sluggishness of the global and domestic economy. On 16 March 2020, The Bank of Korea further lowered its policy rate to 0.75% from 1.25%, which was further lowered to 0.5% on 28 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 Bank of Korea raised its policy rate from 0.50% to 0.75% on 26 August 2021, 1.00% on 25 November 2021 and 1.25% on 14 January 2022. Subsequently, in response to rising levels of household debt and inflationary pressures, The Bank of Korea continued to raise its policy rate, to 1.50% on 14 April 2022,

1.75% on 26 May 2022, 2.25% on 13 July 2022, 2.50% on 25 August 2022, 3.00% on 12 October 2022, 3.25% on 24 November 2022 and 3.50% on 13 January 2023. More recently, however, The Bank of Korea began to lower its policy rate, to 3.25% on 11 October 2024, 3.00% on 28 November 2024, 2.75% on 25 February 2025 and 2.50% on 29 May 2025 in response to weak economic conditions in the Republic.

With the deregulation of interest rates on banks' demand deposits on 2 February 2004, The Bank of Korea completed the interest rate deregulation based upon the "Four-Stage Interest Rate Liberalisation Plan" announced in 1991. The prohibition on the payment of interest on ordinary checking accounts was, however, maintained.

Money Supply

The following table shows the volume of the Republic's money supply:

	31 December				
	2020	**2021**	**2022**	**2023**	**2024**
			(billions of Won)		
Money Supply (M1)[(1)]	1,197,828.9	1,372,336.6	1,236,983.3	1,246,196.4	1,297,881.8
Quasi-money[(2)]	2,002,006.8	2,241,351.0	2,521,252.2	2,658,356.2	2,862,473.9
Money Supply (M2)[(3)]	3,199,835.7	3,613,687.6	3,758,235.5	3,904,552.6	4,160,355.7
Percentage Increase Over Previous Year	9.8%	12.9%	4.0%	3.9%	6.6%

(1) Consists of currency in circulation and demand and instant access savings deposits at financial institutions.
(2) Includes time and instalment savings deposits, marketable instruments, yield-based dividend instruments and financial debentures, excluding financial instruments with a maturity of more than two years.
(3) Money Supply (M2) is the sum of Money Supply (M1) and quasi-money.
Source: The Bank of Korea

Exchange Controls

Authorised foreign exchange banks, as registered with the Ministry of Economy and Finance, handle foreign exchange transactions. The ministry has designated other types of financial institutions to handle foreign exchange transactions on a limited basis.

Korean laws and regulations generally require a report to either the Ministry of Economy and Finance, The Bank of Korea or authorised foreign exchange banks, as applicable, for issuances of international bonds and other instruments, overseas investments and certain other transactions involving foreign exchange payments.

In 1994 and 1995, the Government relaxed regulations of foreign exchange position ceilings and foreign exchange transaction documentation and created free Won accounts which may be opened by non-residents at Korean foreign exchange banks. The Won funds deposited into the free Won accounts may be converted into foreign currencies and remitted outside Korea without any governmental approval. In December 1996, after joining the OECD, the Republic freed the repatriation of investment funds, dividends and profits, as well as loan repayments and interest payments. The Government continues to reduce exchange controls in response to changes in the world economy, including the new trade regime under the WTO, anticipating that such foreign exchange reform will improve the Republic's competitiveness and encourage strategic alliances between domestic and foreign entities.

In September 1998, the National Assembly passed the Foreign Exchange Transactions Act, which became effective in April 1999 and has subsequently been amended numerous times. In principle, most currency and capital transactions, including, among others, the following transactions, have been liberalised:

- the investment in real property located overseas by Korean companies and financial institutions;
- the establishment of overseas branches and subsidiaries by Korean companies and financial institutions;
- the investment by non-residents in deposits and trust products having more than one year maturities; and
- the issuance of debentures by non-residents in the Korean market.

To minimise the adverse effects from further opening of the Korean capital markets, the Ministry of Economy and Finance is authorised to introduce a variable deposit requirement system to restrict the influx of short-term speculative funds.

The Government has also embarked on a second set of liberalisation initiatives starting in January 2001, under which ceilings on international payments for Korean residents have been eliminated, including overseas travel expenses, overseas inheritance remittances and emigration expenses. Overseas deposits, trusts, acquisitions of foreign securities and other foreign capital transactions made by residents and the making of deposits in Korean currency by non-residents have also been liberalised. In line with the foregoing liberalisation, measures will also be adopted to curb illegal foreign exchange transactions and to stabilise the foreign exchange market.

Effective as of 1 January 2006, the Government liberalised the regulations governing "capital transactions". The regulations provide that no regulatory approvals are required for any capital transactions. The capital transactions previously subject to approval requirements are now subject only to reporting requirements.

In January 2010, the Financial Supervisory Service released *FX Derivative Transactions Risk Management Guideline* to prevent over-hedging of foreign exchange risk by corporate investors. According to the guideline as amended in October 2023, if a corporate investor, other than a financial institution or a public enterprise, wishes to enter into a currency forward, currency option, foreign exchange swap or currency swap agreement with a bank, the bank is required to verify whether the corporate investor's assets, liabilities or contracts face foreign exchange risks that could be mitigated by a currency forward, currency option, foreign exchange swap or currency swap agreement. In addition, the bank is required to ensure that the corporate investor's risk hedge ratio, which is the ratio of the aggregate notional amount to the aggregate amount of risk, does not exceed 100%.

Foreign Exchange

The following table shows the exchange rate between the Won and the U.S. Dollar (in Won per U.S. Dollar) as announced by the Seoul Money Brokerage Services, Ltd. as of the dates indicated:

	Won/U.S. Dollar Exchange Rate
31 December 2020	1,088.0
29 January 2021	1,114.6
26 February 2021	1,108.4
31 March 2021	1,133.5
30 April 2021	1,119.4
31 May 2021	1,116.0
30 June 2021	1,130.0
30 July 2021	1,147.4
31 August 2021	1,164.4
30 September 2021	1,184.9
29 October 2021	1,171.7
30 November 2021	1,193.4
31 December 2021	1,185.5
28 January 2022	1,202.4
28 February 2022	1,202.7
31 March 2022	1,210.8
29 April 2022	1,269.4
31 May 2022	1,245.8
30 June 2022	1,299.4
29 July 2022	1,304.0
31 August 2022	1,347.5
30 September 2022	1,434.8
31 October 2022	1,419.3

	Won/U.S. Dollar Exchange Rate
30 November 2022	1,331.5
30 December 2022	1,267.3
31 January 2023	1,228.7
28 February 2023	1,317.4
31 March 2023	1,303.8
28 April 2023	1,339.9
31 May 2023	1,322.2
30 June 2023	1,312.8
31 July 2023	1,280.0
31 August 2023	1,321.4
27 September 2023	1,344.8
31 October 2023	1,352.8
30 November 2023	1,289.0
29 December 2023	1,289.4
31 January 2024	1,330.6
29 February 2024	1,334.0
29 March 2024	1,346.8
30 April 2024	1,378.1
31 May 2024	1,376.5
28 June 2024	1,389.2
31 July 2024	1,384.6
30 August 2024	1,335.3
30 September 2024	1,319.6
31 October 2024	1,383.3
29 November 2024	1,394.7
31 December 2024	1,470.0
31 January 2025	1,433.3
28 February 2025	1,439.6
31 March 2025	1,466.5
30 April 2025	1,438.5
30 May 2025	1,381.4

During the period from 2 January 2008 through 16 April 2009, the value of the Won relative to the U.S. dollar declined by approximately 29.9%, due primarily to adverse economic conditions resulting from liquidity and credit concerns and volatility in the global credit and financial markets and repatriations by foreign investors of their investments in the Korean stock market. The exchange rate between the Won and the U.S. Dollar has fluctuated since then. In recent years, the value of the Won relative to the U.S. dollar depreciated significantly, due primarily to the COVID-19 pandemic, the Russia-Ukraine war and ensuing sanctions against Russia, the escalating hostilities in the Middle East following the Israel-Hamas war and, more recently, the political situation in Korea relating to the impeachment of former President Yoon in April 2025 following his declaration of martial law in December 2024, among others. The market average exchange rate was Won 1,359.0 to US$1.00 on 9 June 2025.

Balance of Payments and Foreign Trade

Balance of Payments

Balance of payments figures measure the relative flow of goods, services and capital into and out of the Republic as represented in the current balance and the capital balance. The current balance tracks a country's trade in goods and services and transfer payments and measures whether a country is living within its income from trading and investments. The capital balance covers all transactions involving the transfer of capital into and out of the Republic, including loans and investments. The overall balance represents the sum of the current and capital balances. An overall balance surplus indicates a net inflow of foreign currencies, thereby increasing demand for and strengthening the local currency. An overall balance deficit indicates a net outflow of foreign currencies, thereby decreasing demand for and weakening the local currency. The financial account mirrors the overall balance. If the overall balance is positive, the surplus, which represents the nation's savings, finances the

overall deficit of the country's trading partners. Accordingly, the financial account will indicate cash outflows equal to the overall surplus. If, however, the overall balance is negative, the nation has an international deficit which must be financed. Accordingly, the financial account will indicate cash inflows equal to the overall deficit.

The following table sets out certain information with respect to the Republic's balance of payments:

Balance of Payments[1]

Classification	2020	2021	2022	2023	2024[4]
	(millions of U.S. dollars)				
Current Account	75,902.2	85,228.2	25,828.6	32,821.7	99,042.9
Goods	80,604.8	75,730.9	15,620.0	37,657.7	100,126.9
Exports[2]	517,909.3	649,475.2	694,324.1	643,577.2	696,196.1
Imports[2]	437,304.5	573,744.3	678,704.1	605,919.5	596,069.2
Services	(14,670.1)	(5,286.7)	(7,253.1)	(26,824.1)	(23,701.6)
Income	13,486.9	19,444.9	20,347.1	26,249.3	26,619.3
Current Transfers	(3,519.4)	(4,660.9)	(2,885.4)	(4,261.2)	(4,001.7)
Capital and Financial Account	80,996.4	78,335.3	27,063.2	32,129.1	95,512.1
Capital Account	(386.3)	(155.3)	0.7	47.1	303.3
Financial Account[3]	81,382.7	78,490.6	27,062.5	32,082.0	95,208.8
Net Errors and Omissions	5,866.8	(6,582.3)	1,233.2	(786.8)	(4,137.4)

(1) Figures are prepared based on the sixth edition of the Balance of Payment Manual published by International Monetary Fund in December 2010 and implemented by the Government in December 2013. In December 2018, The Bank of Korea revised the Republic's balance of payments information to capture new economic activities and reflect the changes in raw data.
(2) These entries are derived from trade statistics and are valued on a free on board basis, meaning that the insurance and freight costs are not included.
(3) Includes borrowings from the IMF, syndicated bank loans and short-term borrowings.
(4) Preliminary.
Source: The Bank of Korea

The current account surplus in 2023 increased to US$32.8 billion in 2023 from the current account surplus of US$25.8 billion in 2022, primarily due to an increase in surplus from the goods account, as well as an increase in surplus from the income account, the effects of which were offset in part by an increase in deficit from the services account. Based on preliminary data, the current account surplus in 2024 increased to US$99.0 billion in 2024 from the current account surplus of US$32.8 billion in 2023, primarily due to an increase in surplus from the goods account and a decrease in deficit from the services account. Based on preliminary data, the Republic's current account surplus in the first quarter of 2025 increased to US$19.3 billion from the current account surplus of US$16.5 billion in the corresponding period of 2024, primarily due to an increase in surplus from the income account, which was offset in small part by a decrease in surplus from the goods account.

Foreign Direct Investment

Since 1960, the Government has adopted a broad range of related laws, administrative rules and regulations that provide a framework for the conduct and regulation of foreign investment activities. In September 1998, the Government promulgated the Foreign Investment Promotion Act, or the FIPA, which replaced previous foreign direct investment related laws, rules and regulations, to promote inbound foreign investments by providing incentives to, and facilitating investment activities in the Republic by, foreign nationals. The FIPA prescribes, among others, procedural requirements for inbound foreign investments, incentives for foreign investments such as tax reductions, and requirements relating to designation and development of foreign investment target regions. The Government believes that providing a stable and receptive environment for foreign direct investment will accelerate the inflow of foreign capital, technology and management techniques.

The following table sets forth information regarding annual foreign direct investment in the Republic for the periods indicated.

Foreign Direct Investment

	2020	2021	2022	2023	2024[2]
	(billions of U.S. dollars)				
Contracted and Reported Investment					
Greenfield Investment[1]	14.5	18.1	22.3	23.5	26.7
Merger & Acquisition	6.2	11.4	8.1	9.2	7.9
Total	20.7	29.5	30.4	32.7	34.6
Actual Investment	11.5	17.9	18.2	19.5	14.8

(1) Includes building new factories and operational facilities.
(2) Preliminary.
Source: Ministry of Trade, Industry and Energy

In 2023, the contracted and reported amount of foreign direct investment in the Republic increased to US$32.7 billion from US$30.4 billion in 2022, primarily due to an increase in foreign investment in the services sector to US$17.8 billion in 2023 from US$16.6 billion in 2022.

Based on preliminary data, in 2024, the contracted and reported amount of foreign direct investment in the Republic increased to US$34.6 billion from US$32.7 billion in 2023, primarily due to an increase in foreign investment in the manufacturing sector to US$14.5 billion in 2024 from US$11.9 billion in 2023.

The following table sets forth information regarding the source of foreign direct investment by region and country for the periods indicated:

Foreign Direct Investment by Region and Country

	2020	2021	2022	2023	2024
	(billions of U.S. dollars)				
North America					
U.S.A.	5.3	5.3	8.7	6.1	5.2
Others	3.5	1.6	5.8	6.5	5.5
	8.8	6.9	14.5	12.6	10.7
Asia					
Japan	0.8	1.2	1.5	1.3	6.1
Hong Kong	1.1	0.6	0.4	1.2	1.0
Singapore	2.3	4.2	3.2	2.7	2.4
China	2.0	1.9	1.5	1.6	5.8
Others	0.4	1.2	0.5	1.8	1.0
	6.6	9.1	7.1	8.6	16.3
European Union					
Ireland	0.0	1.8	0.1	0.0	0.0
Netherlands	0.6	1.0	4.9	1.1	0.9
Germany	0.5	2.8	0.5	0.2	0.3
France	0.2	0.2	0.2	1.2	0.9
Others	2.7	6.2	1.8	3.7	3.0
	4.0	12.0	7.5	6.2	5.1
Other regions and countries	1.3	1.5	1.3	5.3	2.5
Total	20.7	29.5	30.4	32.7	34.6

Source: Ministry of Trade, Industry and Energy

Trade Balance

Trade balance figures measure the difference between a country's exports and imports. If exports exceed imports, the country has a trade balance surplus while if imports exceed exports, the country has a deficit. A deficit, indicating that a country's receipts from abroad fall short of its payments to foreigners, must be financed, rendering the country a debtor nation. A surplus, indicating that a country's receipts exceed its payments to foreigners, allows the country to finance its trading partners' net deficit to the extent of the surplus, rendering the country a creditor nation.

The following table summarises the Republic's trade balance for the periods indicated:

Trade Balance

	Exports[1]	As % of GDP[2]	Imports[1]	As % of GDP[2]	Balance of Trade	Exports as % of Imports
	(billions of U.S. dollars, except percentages)					
2020	512.5	29.4%	467.6	26.8%	44.9	109.6%
2021	644.4	33.2%	615.1	31.7%	29.3	104.8%
2022	683.6	38.0%	731.4	40.7%	(47.8)	93.5%
2023	632.2	34.4%	642.6	34.9%	(10.4)	98.4%
2024[3]	683.7	36.6%	632.1	33.8%	51.6	108.2%

(1) These entries are derived from customs clearance statistics on a C.I.F. basis, meaning that the price of goods includes insurance and freight cost.
(2) At current market prices.
(3) Preliminary.
Source: The Bank of Korea; Korea Customs Service

The Republic, due to its lack of natural resources, relies on extensive trading activity for growth. The Republic meets virtually all domestic requirements for petroleum, wood and rubber with imports, as well as much of its coal and iron needs. Exports consistently represent a high percentage of GDP and, accordingly, the international economic environment is of crucial importance to the Republic's economy. See "—The Economy—Worldwide Economic and Financial Difficulties".

The following tables give information regarding the Republic's exports and imports by major commodity groups:

Exports by Major Commodity Groups (C.I.F.)[1]

	2020	As % of 2020 Total	2021	As % of 2021 Total	2022	As % of 2022 Total	2023	As % of 2023 Total	2024[2]	As % of 2024 Total[2]
	(billions of U.S. dollars, except percentages)									
Foods & Consumer Goods	8.6	1.7	9.8	1.5	10.4	1.5	10.7	1.7	11.6	1.7
Raw Materials and Fuels	32.1	6.3	51.4	8.0	75.1	11.0	62.6	9.9	60.9	8.9
Petroleum & Derivatives	24.7	4.8	38.8	6.0	63.3	9.3	52.4	8.3	50.7	7.4
Others	7.4	1.4	12.6	2.0	11.8	1.7	10.2	1.6	10.2	1.5
Light Industrial Products	32.4	6.3	35.3	5.5	35.2	5.1	33.4	5.3	34.2	5.0
Heavy & Chemical Industrial Products	439.3	85.7	547.9	85.0	563.0	82.4	525.5	83.1	577.0	84.4
Electronic & Electronic Products	178.5	34.8	221.8	34.4	224.2	32.8	181.1	28.6	231.0	33.8
Chemicals & Chemical Products	66.6	13.0	91.9	14.3	98.0	14.3	86.6	13.7	83.6	12.2
Metal Goods	39.6	7.7	52.6	8.2	55.3	8.1	49.8	7.9	48.2	7.0
Machinery & Precision Equipment	63.4	12.4	70.9	11.0	70.9	10.4	72.6	11.5	72.5	10.6
Transport Equipment	77.6	15.1	94.2	14.6	98.4	14.4	118.2	18.7	120.6	17.6
Passenger Cars	35.6	6.9	44.3	6.9	51.7	7.6	68.3	10.8	68.3	10.0
Ships & Boats	19.2	3.7	22.4	3.5	17.6	2.6	20.8	3.3	24.5	3.6
Others	22.8	4.4	27.5	4.3	29.2	4.3	29.1	4.6	27.8	4.1
Others	13.6	2.7	16.6	2.6	16.1	2.4	17.2	2.7	21.2	3.1
Total	512.5	100.0	644.4	100.0	683.6	100.0	632.2	100.0	683.7	100.0

(1) These entries are derived from customs clearance statistics. C.I.F. means that the price of goods includes insurance and freight costs.
(2) Preliminary.
Source: The Bank of Korea; Korea Customs Service

Imports by Major Commodity Groups (C.I.F.)[1]

	2020	As % of 2020 Total	2021	As % of 2021 Total	2022	As % of 2022 Total	2023	As % of 2023 Total	2024[2]	As % of 2024 Total[2]
	(billions of U.S. dollars, except percentages)									
Industrial Materials and Fuels	206.3	44.1	302.6	49.2	393.8	53.8	328.4	51.1	308.3	48.8
Crude Petroleum	44.5	9.5	67.0	10.9	106.0	14.5	86.2	13.4	85.4	13.5
Mineral	21.4	4.6	33.3	5.4	31.3	4.3	27.1	4.2	25.9	4.1
Chemicals	46.4	9.9	60.4	9.8	70.2	9.6	64.8	10.1	55.5	8.8
Iron & Steel Products	15.2	3.3	22.2	3.6	22.7	3.1	21.3	3.3	20.5	3.2
Non-ferrous Metal	11.7	2.5	18.4	3.0	19.5	2.7	15.9	2.5	15.9	2.5
Others	67.1	14.3	101.3	16.5	144.1	19.7	113.1	17.6	105.1	16.6
Capital Goods	177.1	37.9	212.8	34.6	228.9	31.3	211.5	32.9	222.3	35.2
Machinery & Precision Equipment	57.9	12.4	70.0	11.4	68.6	9.4	66.1	10.3	67.8	10.7
Electric & Electronic Machines	105.1	22.5	127.6	20.7	144.8	19.8	129.3	20.1	135.7	21.5
Transport Equipment	11.9	2.5	13.0	2.1	13.2	1.8	13.7	2.1	16.3	2.6
Others	2.3	0.5	2.2	0.4	2.3	0.3	2.4	0.4	2.5	0.4
Consumer Goods	84.2	18.0	99.6	16.2	108.7	14.9	102.7	16.0	101.4	16.0
Cereals	7.1	1.5	8.9	1.4	11.3	1.5	9.8	1.5	8.7	1.4
Goods for Direct Consumption	22.3	4.8	25.7	4.2	29.0	4.0	27.5	4.3	27.7	4.4
Durable Consumer Goods	34.9	7.5	42.2	6.9	42.8	5.9	40.7	6.3	40.4	6.4
Nondurable Consumer Goods	20.0	4.3	22.8	3.7	25.6	3.5	24.7	3.8	24.6	3.9
Total	467.6	100.0	615.1	100.0	731.4	100.0	642.6	100.0	632.1	100.0

(1) These entries are derived from customs clearance statistics. C.I.F. means that the price of goods includes insurance and freight costs.
(2) Preliminary.
Source: The Bank of Korea; Korea Customs Service

In 2020, the Republic recorded a trade surplus of US$44.9 billion. Exports decreased by 5.5% to US$512.5 billion in 2020 from US$542.2 billion in 2019, primarily due to a slowdown of the global economy resulting from the COVID-19 pandemic. Imports decreased by 7.1% to US$467.6 billion in 2020 from US$503.3 billion in 2019, primarily due to a decrease in oil prices, which also led to decreased unit prices of other major raw materials, as well as decreased domestic consumption, which were mainly attributed to the COVID-19 pandemic.

In 2021, the Republic recorded a trade surplus of US$29.3 billion. Exports increased by 25.7% to US$644.4 billion in 2021 from US$512.5 billion in 2020, primarily due to a recovery of the global economy from the COVID-19 pandemic. Imports increased by 31.5% to US$615.1 billion in 2021 from US$467.6 billion in 2020, primarily due to an increase in domestic consumption as well as an increase in oil prices, which also led to increased unit prices of other major raw materials.

In 2022, the Republic recorded a trade deficit of US$47.8 billion. Exports increased by 6.1% to US$683.6 billion in 2022 from US$644.4 billion in 2021, primarily due to an improvement in the domestic economic conditions of the Republic's major trading partners. Imports increased by 18.9% to US$731.4 billion in 2022 from US$615.1 billion in 2021, primarily due to an increase in energy and commodity prices, which also led to increased unit prices of other major raw materials.

In 2023, the Republic recorded a trade deficit of US$10.4 billion. Exports decreased by 7.5% to US$632.2 billion in 2023 from US$683.6 billion in 2022, primarily due to a deterioration in the domestic economic conditions of the Republic's major trading partners and a downturn in the semiconductor industry. Imports decreased by 12.1% to US$642.6 billion in 2023 from US$731.4 billion in 2022, primarily due to a decrease in energy and commodity prices, which also led to decreased unit prices of other major raw materials.

Based on preliminary data, in 2024, the Republic recorded a trade surplus of US$51.6 billion. Exports increased by 8.1% to US$683.7 billion in 2024 from US$632.2 billion in 2023, primarily due to a substantial growth in demand for semiconductor products globally and a general improvement in the domestic economic conditions of the Republic's major trading partners. Imports decreased by 1.6% to US$632.1 billion in 2024 from US$642.6 billion in 2023, primarily due to a decrease in oil prices, which also led to decreased unit prices of other major raw materials.

Based on preliminary data, the Republic recorded a trade surplus of US$7.3 billion in the first quarter of 2025. Exports decreased by 2.1% to US$159.8 billion in the first quarter of 2025 from US$163.3 billion in the corresponding period of 2024, primarily due to a deterioration in the domestic economic conditions of the Republic's major trading partners. Imports decreased by 1.4% to US$152.6 billion in the first quarter of 2025 from US$154.8 billion in the corresponding period of 2024, primarily due to a decrease in energy and commodity prices, which also led to decreased unit prices of other major raw materials.

The following table sets forth the Republic's exports trading partners:

Exports

	2020	As % of 2020 Total	2021	As % of 2021 Total	2022	As % of 2022 Total	2023	As % of 2023 Total	2024[2]	As % of 2024 Total[2]
	(millions of U.S. dollars, except percentages)									
China	132,565.4	25.9	162,913.0	25.3	155,789.4	22.8	124,817.7	19.7	133,036.3	19.5
United States	74,115.8	14.5	95,902.0	14.9	109,765.7	16.1	115,696.3	18.3	127,786.5	18.7
Japan	25,097.7	4.9	30,061.8	4.7	30,606.3	4.5	29,000.6	4.6	29,606.7	4.3
Hong Kong	30,653.8	6.0	37,467.1	5.8	27,651.2	4.0	25,193.6	4.0	35,022.8	5.1
Singapore	9,828.4	1.9	14,148.5	2.2	20,205.4	3.0	18,752.0	3.0	18,216.1	2.7
Vietnam	48,510.6	9.5	56,728.5	8.8	60,963.7	8.9	53,479.5	8.5	58,321.3	8.5
Taiwan	16,465.4	3.2	24,285.3	3.8	26,198.2	3.8	20,178.8	3.2	33,960.9	5.0
India	11,937.3	2.3	15,603.3	2.4	18,870.1	2.8	17,949.6	2.8	18,695.7	2.7
Indonesia	6,312.9	1.2	8,550.3	1.3	10,215.9	1.5	9,140.2	1.4	7,944.0	1.2
Mexico	8,241.0	1.6	11,290.2	1.8	12,654.2	1.9	12,222.0	1.9	13,607.2	2.0
Australia	6,188.5	1.2	9,750.5	1.5	18,753.0	2.7	17,791.4	2.8	15,593.1	2.3
Germany	9,576.1	1.9	11,109.9	1.7	10,067.7	1.5	10,317.1	1.6	9,037.9	1.3
Others[2]	133,005.1	26.0	166,590.0	25.9	181,844.0	26.6	177,687.0	28.1	182,863.1	26.7
Total	512,498.0	100.0	644,400.4	100.0	683,584.8	100.0	632,225.8	100.0	683,691.6	100.0

(1) Preliminary.
(2) Includes more than 200 countries and regions.
Source: The Bank of Korea; Korea Customs Service

The following table sets forth the Republic's imports trading partners:

Imports

	2020	As % of 2020 Total	2021	As % of 2021 Total	2022	As % of 2022 Total	2023	As % of 2023 Total	2024[2]	As % of 2024 Total[2]
	(millions of U.S. dollars, except percentages)									
China	108,884.6	23.3	138,628.1	22.5	154,576.3	21.1	142,857.3	22.2	139,867.8	22.1
Japan	46,023.0	9.8	54,642.2	8.9	54,711.8	7.5	47,656.5	7.4	47,898.7	7.6
United States	57,492.2	12.3	73,213.4	11.9	81,784.7	11.2	71,272.0	11.1	72,121.4	11.4
Saudi Arabia	15,979.6	3.4	24,271.3	3.9	41,640.3	5.7	32,762.5	5.1	31,502.2	5.0
Qatar	7,562.1	1.6	11,611.1	1.9	16,567.2	2.3	14,998.9	2.3	14,211.0	2.2
Australia	18,707.1	4.0	32,918.0	5.4	44,929.4	6.1	32,823.0	5.1	29,956.3	4.7
Germany	20,680.9	4.4	21,996.3	3.6	23,614.9	3.2	23,611.2	3.7	22,301.0	3.5
Kuwait	5,827.9	1.2	8,253.9	1.3	12,401.9	1.7	9,659.0	1.5	8,786.8	1.4
Taiwan	17,837.0	3.8	23,485.8	3.8	28,274.6	3.9	24,370.6	3.8	30,222.5	4.8
United Arab Emirates	5,692.7	1.2	7,318.7	1.2	15,492.8	2.1	16,422.8	2.6	17,988.2	2.8
Indonesia	7,594.7	1.6	10,725.1	1.7	15,734.9	2.2	12,145.9	1.9	12,569.0	2.0
Malaysia	8,892.6	1.9	10,456.2	1.7	15,249.1	2.1	15,237.1	2.4	13,982.0	2.2
Others[2]	146,458.4	31.3	197,573.3	32.1	226,391.8	31.0	198,755.3	30.9	190,693.1	30.2
Total	467,632.8	100.0	615,093.4	100.0	731,369.7	100.0	642,572.1	100.0	632,100.0	100.0

(1) Preliminary.
(2) Includes more than 200 countries and regions.
Source: The Bank of Korea; Korea Customs Service

In recent years, the value of the Won relative to the U.S. dollar has depreciated significantly, in particular due to the impact of the COVID-19 pandemic, the Russia-Ukraine war and ensuing sanctions against Russia and the escalating hostilities in the Middle East following the Israel-Hamas war and, more recently, the political situation in Korea relating to the impeachment of former

President Yoon in April 2025 following his declaration of martial law in December 2024, among others. See "—The Economy—Worldwide Economic and Financial Difficulties". An appreciation of the Won against the U.S. dollar increases the Won value of the Republic's export sales and diminishes the price-competitiveness of export goods in foreign markets in U.S. dollar terms. However, it also decreases the cost of imported raw materials in Won terms and the cost in Won of servicing the Republic's U.S. dollar-denominated debt. In general, when the Won appreciates, export dependent sectors of the Korean economy, including automobiles, electronics and shipbuilding, suffer from the resulting pressure on the price-competitiveness of export goods, which may lead to reduced profit margins and loss in market share, more than offsetting a decrease in the cost of imported raw materials. If the export dependent sectors of the Korean economy suffer reduced profit margins or a net loss, it could result in a material adverse effect on the Korean economy.

Since the Government announced its plans to pursue free trade agreements, or FTAs, in 2003, the Republic has entered into FTAs with key trading partners. The Republic has had bilateral FTAs in effect with Chile since 2004, Singapore since 2006, India since 2010, Peru since 2011, the United States since 2012, Turkey since 2013, Australia since 2014, Canada, China, New Zealand and Vietnam since 2015, Colombia since July 2016, the United Kingdom since January 2021, Israel and Cambodia since December 2022, Indonesia since January 2023 and the Philippines since 2024. The Republic is currently in negotiations with a number of other key trading partners. In addition, the Republic has had regional FTAs in effect with the European Free Trade Association since 2006, the Association of Southeast Asian Nations since 2009, the European Union since 2011, with each of Panama, Costa Rica, Guatemala, Honduras, El Salvador and Nicaragua since 2021 and with the Regional Comprehensive Economic Partnership since 2022, and is currently negotiating additional regional FTAs. The Republic and Turkey have completed revisions to their bilateral FTA, which became effective in August 2018. The Republic and the United States have also completed revisions to their bilateral FTA, which became effective in January 2019.

Non-Commodities Trade Balance

The Republic had non-commodities trade deficits of US$4.7 billion in 2020, non-commodities trade surpluses of US$9.5 billion in 2021 and US$10.2 billion in 2022, and non-commodities trade deficits of US$4.8 billion in 2023. Based on preliminary data, the Republic had non-commodities trade deficits of US$1.1 billion in 2024.

Foreign Currency Reserves

The foreign currency reserves are external assets that are readily available to and controlled by monetary authorities for meeting balance of payments financing needs and for other related purposes. The following table shows the Republic's total official foreign currency reserves:

Total Official Reserves

	31 December				
	2020	2021	2022	2023	2024
	(millions of U.S. dollars)				
Gold	$ 4,794.8	$ 4,794.8	$ 4,794.8	$ 4,794.8	$ 4,794.8
Foreign Exchange[(1)]	430,117.2	438,319.2	399,043.1	395,643.3	391,889.9
Total Gold and Foreign Exchange	434,912.0	443,114.0	403,837.9	400,438.1	396,684.7
Reserve Position at IMF	4,815.3	4,634.9	4,489.5	4,627.8	4,204.9
Special Drawing Rights	3,370.8	15,369.5	14,836.3	15,082.1	14,714.1
Total Official Reserves	$443,098.1	$463,118.4	$423,163.7	$420,147.9	$415,603.8

(1) More than 95% of the Republic's foreign currency reserves are comprised of convertible foreign currencies.
Source: The Bank of Korea; International Monetary Fund

The Government's foreign currency reserves increased to US$262.2 billion as of 31 December 2007 from US$8.9 billion as of 31 December 1997, primarily due to continued balance of trade surpluses and capital inflows. In 2008, the Government's foreign currency reserves decreased, falling to US$201.2 billion as of 31 December 2008, partially as a result of the Government's use of the foreign currency reserve to provide foreign currency liquidity to Korean financial institutions. The Government's foreign currency reserves increased to US$443.1 billion as of 31 December 2020 and US$463.1 billion as of 31 December 2021, primarily due to continued trade surpluses and capital inflows. The Government's foreign currency reserves decreased to US$423.2 billion as of 31 December 2022, US$420.1 billion as of 31 December 2023 and US$415.6 billion as of 31 December 2024, however, primarily in relation to the depreciation of the Won against the U.S. dollar. The amount of the Government's foreign currency reserve was US$404.7 billion as of 30 April 2025.

Government Finance

The Ministry of Economy and Finance prepares the Government budget and administers the Government's finances.

The Government's fiscal year commences on 1 January. The Government must submit the budget, which is drafted by the Minister of Economy and Finance and approved by the President of the Republic, to the National Assembly not later than 120 days prior to the start of the fiscal year and may submit supplementary budgets revising the original budget at any time during the fiscal year.

2023 budgeted revenues increased by 13.7% to ₩588.6 trillion from ₩517.7 trillion in 2022, led by an increase in budgeted tax revenues (including taxes on income, profits and capital gains). 2023 budgeted expenditures and net lending increased by 5.2% to ₩601.6 trillion from ₩571.8 trillion in 2022, led by increases in budgeted expenditures on revitalisation of the economy. The 2023 budget anticipated a ₩13.1 trillion budget deficit.

2024 budgeted revenues decreased by 2.6% to ₩573.3 trillion from ₩588.6 trillion in 2023, led by a decrease in budgeted tax revenues (including taxes on income, profits and capital gains). 2024 budgeted expenditures and net lending increased by 2.7% to ₩617.7 trillion from ₩601.6 trillion in 2023, led by increases in budgeted expenditures on revitalisation of the economy. The 2024 budget anticipated a ₩44.4 trillion budget deficit.

2025 budgeted revenues increased by 6.3% to ₩609.4 trillion from ₩573.3 trillion in 2024, led by increases in budgeted tax revenues (including taxes on income, profits and capital gains). 2025 budgeted expenditures and net lending increased by 2.2% to ₩631.1 trillion from ₩617.7 trillion in 2024, led by increases in budgeted expenditures on revitalisation of the economy. The 2025 budget anticipated a ₩21.7 trillion budget deficit.

Beginning in March 2020, the National Assembly approved a series of supplementary budgets as part of the Government's efforts to mitigate adverse effects on the Korean economy resulting from the COVID-19 pandemic. See "—The Economy—Worldwide Economic and Financial Difficulties". These supplementary budgets, which amounted to ₩66.8 trillion in 2020, ₩49.8 trillion in 2021 and ₩78.9 trillion in 2022, were some of the largest of their kind drawn up in response to an outbreak of an infectious disease in Korea. The supplementary budgets were funded through the issuance of treasury bonds by the Government, The Bank of Korea's unappropriated surplus and other surplus funds available to the Government, among others.

Any significant increase in additional spending measures may lead to a budget deficit for 2025, which could result in a deterioration in the Government's fiscal position and an increase in borrowings.

The following table shows consolidated Government revenues and expenditures:

Consolidated Central Government Revenues and Expenditures

	Actual					Budget		
	2020	2021	2022	2023	2024[1]	2023	2024	2025[1]
	(billions of Won)							
Total Revenues	446,628	537,619	588,332	543,586	560,088	588,577	573,261	609,351
Current Revenues	443,694	534,999	585,325	539,887	556,112	584,672	569,507	601,063
Total Tax Revenues	360,129	422,182	479,384	432,989	429,335	486,573	459,643	478,925
Taxes on income, profits and capital gains	148,622	184,509	232,319	196,253	179,929	236,860	203,425	215,074
Social security contributions	74,583	78,104	83,444	88,918	92,802	86,116	92,329	96,496
Tax on property	22,735	31,392	27,696	25,311	24,243	27,815	24,149	22,473
Taxes on goods and services	91,047	99,840	105,828	97,008	105,610	107,760	110,503	115,619
Taxes on international trade and transaction	7,059	8,227	10,324	7,288	6,972	10,724	8,907	8,409
Other tax	16,084	20,110	19,773	18,211	19,778	17,299	20,330	20,855
Non-Tax Revenues	83,565	112,818	105,941	106,898	126,787	98,099	109,864	122,138
Operating surpluses of departmental enterprise sales and property income	33,571	56,664	47,459	42,537	56,969	36,492	41,432	51,959
Administration fees & charges and non-industrial sales	9,929	10,865	11,434	12,428	12,787	12,470	13,357	13,913
Fines and forfeits	23,583	26,993	28,276	29,752	32,997	27,816	30,829	31,107
Contributions to government employee pension fund	13,876	14,918	16,348	18,149	19,988	18,480	20,322	21,196
Current revenue of non-financial public enterprises	2,606	3,378	2,425	4,032	4,046	2,842	3,925	3,964
Capital Revenues	2,934	2,620	3,007	3,700	3,966	3,905	3,754	8,288
Total Expenditures and Net Lending	517,781	568,113	652,902	580,354	603,609	601,629	617,664	631,091
Total Expenditures	489,966	538,034	622,997	559,707	580,113	584,587	593,643	615,040
Current Expenditures	455,098	502,191	585,593	523,270	542,859	545,493	553,669	576,081
Expenditure on goods and service	79,460	88,144	89,759	90,389	93,217	94,966	98,053	97,971
Interest payment	14,452	15,431	18,481	22,362	26,310	21,726	24,968	27,530
Subsidies and other current transfers	357,295	395,826	473,661	405,733	417,643	424,353	425,078	445,013
Current expenditure of non-financial public enterprises	3,891	2,790	3,692	4,785	5,688	4,449	5,570	5,567
Capital Expenditures	34,868	35,842	37,404	36,437	37,254	39,094	39,974	38,959
Net Lending	27,815	30,079	29,905	20,647	23,496	17,042	24,021	16,051

(1) Preliminary.

Source: Ministry of Economy and Finance; The Bank of Korea; Korea National Statistical Office

The consolidated Government account consists of a General Account, Special Accounts (including a non-financial public enterprise special account) and Public Funds. The Government segregates the accounts of certain functions of the Government into Special Accounts and Public Funds for more effective administration and fiscal control. The Special Accounts and Public Funds relate to business type activities, such as economic development, road and railway construction and maintenance, monopolies, and communications developments and the administration of loans received from official international financial organisations and foreign governments.

Revenues derive mainly from national taxes and non-tax revenues. Taxes in Korea can be roughly classified into the following types:

- income tax and capital gains tax,
- property tax,
- value-added tax,
- customs duty tax, and
- other taxes.

Income tax and capital gains tax are imposed on income derived from labour, business operation and ownership of assets and profits derived from capital appreciation. Income tax and capital gains tax, depending on the type of taxpayer, can be further classified into corporate income tax and individual income tax. Property tax is imposed on exchange or ownership of property and includes inheritance tax and gift tax. Value-added tax is imposed on value added to goods and services. Customs duty tax is imposed on imported goods. Other taxes include tax on certain securities transactions and a stamp tax for certain documents.

Expenditures include general administration, national defence, community service, education, health, social security, certain annuities and pensions and local finance, which involves the transfer of tax revenues to local governments.

For 2020, the Republic recorded total revenues of ₩446.6 trillion and total expenditures and net lending of ₩517.8 trillion. The Republic had a fiscal deficit of ₩71.2 trillion in 2020.

For 2021, the Republic recorded total revenues of ₩537.6 trillion and total expenditures and net lending of ₩568.1 trillion. The Republic had a fiscal deficit of ₩30.5 trillion in 2021.

For 2022, the Republic recorded total revenues of ₩588.3 trillion and total expenditures and net lending of ₩652.9 trillion. The Republic had a fiscal deficit of ₩64.6 trillion in 2022.

For 2023, the Republic recorded total revenues of ₩543.6 trillion and total expenditures and net lending of ₩580.4 trillion in 2023. The Republic had a fiscal deficit of ₩36.8 trillion in 2023.

Based on preliminary data, the Republic recorded total revenues of ₩560.1 trillion and total expenditures and net lending of ₩603.6 trillion in 2024. The Republic had a fiscal deficit of ₩43.5 trillion in 2024.

Debt

The Government estimates that the total outstanding debt of the Government (including guarantees by the Government) as of 31 December 2022 amounted to approximately ₩1,044.0 trillion, an increase of 9.9% over the previous year.

The Government estimates that the total outstanding debt of the Government (including guarantees by the Government) as of 31 December 2023 amounted to approximately ₩1,102.1 trillion, an increase of 5.6% over the previous year.

The Ministry of Economy and Finance administers the national debt of the Republic.

External and Internal Debt of the Government

The following table sets out, by currency and the equivalent amount in U.S. dollars, the estimated outstanding direct external debt of the Government as of 31 December 2023:

Direct External Debt of the Government

	Amount in Original Currency	Equivalent Amount in U.S. Dollars[1]
	(millions)	
US$	US$ 6,025.0	US$ 6,025.0
Euro (EUR)	EUR 2,150.0	US$ 2,378.8
Total		US$ 8,403.8

(1) Amounts expressed in currencies other than US$ are converted to US$ at the arbitrage rate announced by the Seoul Money Brokerage Services, Ltd. in effect on 29 December 2023.

The following table summarises, as of 31 December of the years indicated, the outstanding direct internal debt of the Republic:

Direct Internal Debt of the Government

	(billions of Won)
2019	690,524.1
2020	808,941.0
2021	927,865.2
2022	1,021,574.4
2023	1,080,844.4

The following table sets out all guarantees by the Government of indebtedness of others:

Guarantees by the Government

	31 December				
	2019	2020	2021	2022	2023
	(billions of Won)				
Domestic	14,760.0	12,490.0	10,930.0	10,620.0	10,460.0
External[1]	—	—	—	—	—
Total	14,760.0	12,490.0	10,930.0	10,620.0	10,460.0

(1) Converted to Won at foreign exchange banks' telegraphed transfer selling rates to customers or the market average exchange rates in effect on 31 December of each year.

For further information on the outstanding indebtedness, including guarantees, of the Republic, see "—Tables and Supplementary Information".

External Liabilities

The following tables set out certain information regarding the Republic's external liabilities calculated under the criteria based on the sixth edition of the Balance of Payment Manual published by the International Monetary Fund in December 2010 and implemented by the Government in December 2013. Under BPM6, in

particular, prepayments received in connection with the construction of ships are excluded from the external liabilities.

	31 December				
	2020	2021	2022	2023	2024[1]
	(billions of U.S. dollars)				
Long-term Liabilities	390.6	465.6	499.3	531.9	523.2
General Government	119.4	144.4	153.2	170.8	160.6
Monetary Authorities	15.0	35.9	25.0	22.5	23.4
Banks	112.2	128.1	146.8	147.6	137.0
Other Sectors	144.0	157.2	174.2	190.9	202.1
Short-term Liabilities	160.1	165.1	174.0	140.7	146.9
General Government	2.1	1.6	3.9	1.6	2.5
Monetary Authorities	10.8	9.7	4.7	3.9	3.3
Banks	122.0	124.3	129.7	101.9	107.3
Other Sectors	25.2	29.6	35.6	33.3	33.8
Total External Liabilities	550.6	630.7	673.3	672.5	670.0

(1) Preliminary.

Commitments to Assume Treasury Obligations

The Government may, if deemed necessary for recovery from disasters and calamities, make commitments to assume treasury obligations to the extent resolved by the National Assembly each fiscal year. In such cases, such commitments shall be executed in accordance with the procedures for spending reserve funds within general accounts.

Debt Record

The Government has always paid when due the full amount of principal of, interest on, and amortisation of sinking fund requirements of, all of its indebtedness.

Tables and Supplementary Information

A. External Debt of the Government

(1) External Bonds of the Government

Series	Issue Date	Maturity Date	Interest Rate (%)	Currency	Original Principal Amount	Principal Amount Outstanding as of 31 December 2024
2005-001	2 November 2005	3 November 2025	5.625	USD	400,000,000	400,000,000
2014-001	10 June 2014	10 June 2044	4.125	USD	1,000,000,000	1,000,000,000
2017-001	19 January 2017	19 January 2027	2.750	USD	1,000,000,000	1,000,000,000
2018-001	20 September 2018	20 September 2028	3.500	USD	500,000,000	500,000,000
2018-002	20 September 2018	20 September 2048	3.875	USD	500,000,000	500,000,000
2019-001	19 June 2019	19 June 2029	2.500	USD	1,000,000,000	1,000,000,000
2020-001	16 September 2020	16 September 2030	1.000	USD	625,000,000	625,000,000
2020-002	16 September 2020	16 September 2025	0.000	EUR	700,000,000	700,000,000
2021-001	15 October 2021	15 October 2026	0.000	EUR	700,000,000	700,000,000
2021-002	15 October 2021	15 October 2031	1.750	USD	500,000,000	500,000,000
2024-001	3 July 2024	3 July 2029	4.500	USD	1,000,000,000	1,000,000,000
Total External Bonds in Original Currencies						USD 7,925,000,000 EUR 1,400,000,000
Total External Bonds in Equivalent Amount of Won[1]						₩13,789,930,000,000

(1) U.S. dollar amounts are converted to Won amounts at the rate of US$1.00 to ₩1,470.0, the market average exchange rate in effect on 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd. Euro amounts are converted to Won amounts at the rate of EUR 1.00 to ₩1,528.7, the market average exchange rate in effect on 31 December 2024, as announced by Seoul Money Brokerage Services, Ltd.

(2) External Borrowings of the Government

None.

B. External Guaranteed Debt of the Government

None.

C. Internal Debt of the Government

Title	Range of Interest Rates	Range of Years of Issue	Range of Years of Original Maturity	Principal Amounts Outstanding as of 31 December 2023
	(%)			(billions of Won)
1. Bonds				
Interest-Bearing Treasury Bond for Treasury Bond Management Fund	0.750-5.750	2006-2023	2024-2072	998,003.4
Interest-Bearing Treasury Bond for National Housing I	1.00-2.00	2019-2023	2024-2029	81,624.2
Interest-Bearing Treasury Bond for National Housing II	0.0-3.0	2014-2020	2024-2030	2.4
Interest-Bearing Treasury Bond for National Housing III	—	—	—	0
Non-interest-Bearing Treasury Bond for Contribution to International Organisations(1)	0	1968-1985	—	9.4
Total Bonds				1,079,639.4
2. Borrowings				
Borrowings from The Bank of Korea	—	—	—	0
Borrowings from the Sports Promotion Fund	1.870-3.665	2022-2023	2024-2025	960.0
Borrowings from The Korea Foundation Fund	—	—	—	0
Borrowings from the Labour Welfare Promotion Fund	3.665-3.975	2023	2024	50.0
Borrowings from Korea Technology Finance Corporation	3.135-3.585	2022	2024	195.0
Borrowings from the Credit Guarantee Fund for Agriculture, Forestry and Fisheries Suppliers	—	—	—	0
Borrowings from the Government Employees' Pension Fund	—	—	—	0
Borrowings from the Film Industry Development Fund	—	—	—	0
Borrowings from the Korea Credit Guarantee Fund	—	—	—	0
Borrowings from the Housing Finance Credit Guarantee Fund	—	—	—	0
Borrowings from the Korea Infrastructure Credit Guarantee Fund	—	—	—	0
Total Borrowings				1,205.0
Total Internal Funded Debt				1,080,844.4

(1) Interest Rates and Years of Original Maturity not applicable.

D. Internal Guaranteed Debt of the Government

Title	Range of Interest Rates (%)	Range of Years of Issue	Range of Years of Original Maturity	Principal Amounts Outstanding as of 31 December 2023 (billions of Won)
1. Bonds of Government-Affiliated Corporations				
Korea Deposit Insurance Corporation	—	—	—	0
Korea Student Aid Foundation	1.07-5.48	2011-2023	2024-2043	9,980.0
Key Industry Stabilisation Fund	1.08-2.19	2020-2021	2024-2025	480.0
Total Internal Guaranteed Debt				10,460.0

E. Others

Commitments to Assume Treasury Obligations

The Government may, if deemed necessary for recovery from disasters and calamities, make commitments to assume treasury obligations to the extent resolved by the National Assembly each fiscal year. In such cases, such commitments shall be executed in accordance with the procedures for spending reserve funds within general accounts.

TAXATION

United States Taxation

The following is a summary of certain U.S. federal income tax considerations of the purchase, ownership and disposition of the Notes as of the date of this Offering Circular. This summary deals only with Notes held as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Code"), by Noteholders who purchase the Notes for cash upon original issuance in this offering at the issue price (i.e., the first price at which a substantial amount of the Notes is sold for cash to investors, including sales to bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers).

As used herein, a "U.S. Noteholder" means a beneficial owner of the Notes that is, for U.S. federal income tax purposes, any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation) that is created or organised under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (i) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (ii) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

The term "non-U.S. Noteholder" means a beneficial owner of the Notes (other than an entity treated as a partnership for U.S. federal income tax purposes) that is not a U.S. Noteholder.

If an entity classified as a partnership for U.S. federal income tax purposes holds Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership or a partner in a partnership considering an investment in the Notes, you should consult your own tax adviser.

This summary does not represent a detailed or a full description of the U.S. federal income tax consequences applicable to you if you are subject to special tax treatment under the U.S. federal income tax laws, including, without limitation:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- a tax-exempt organisation;
- an insurance company;
- a person holding the Notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, or other risk-reduction transactions;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person liable for the alternative minimum tax;
- a partnership or other pass-through entity (or an investor in such an entity);
- a person whose "functional currency" is not the U.S. dollar;
- a person required for U.S. federal income tax purposes to conform the timing of income accruals with respect to the Notes to its financial statements under Section 451(b) of the Code;

- a “controlled foreign corporation”;
- a “passive foreign investment company”; or
- a U.S. expatriate or former long-term resident of the United States.

This summary is based on the Code, U.S. Treasury regulations, administrative rulings and judicial decisions as of the date hereof. Those authorities may be changed, possibly on a retroactive basis, or interpreted differently by the U.S. Internal Revenue Service (“IRS”) or the courts so as to result in U.S. federal income tax consequences different from those summarised below. The Issuer has not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance that the IRS will not take positions concerning the tax consequences of the purchase, ownership or disposition of the Notes that are different from those discussed below.

This summary does not represent a detailed or a full description of the U.S. federal income tax consequences to you in light of your particular circumstances and does not address the effects of any U.S. federal tax consequences other than income taxes and does not address state, local or non-U.S. tax laws, gift or estate tax laws, or the Medicare tax on net investment income. It is not intended to be, and should not be construed to be, legal or tax advice to any particular purchaser or holder of the Notes. If you are considering the purchase of the Notes, you should consult your own tax adviser concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of the Notes, as well as the consequences to you arising under other U.S. federal tax laws and the laws of any other taxing jurisdiction.

U.S. Noteholders

Stated Interest. Stated interest on the Notes will generally be taxable as ordinary interest income when accrued or received by a U.S. Noteholder, in accordance with the U.S. Noteholder’s regular method of accounting for U.S. federal income tax purposes. It is expected, and this discussion assumes, that the Notes will be issued without original issue discount for U.S. federal income tax purposes.

Additional Amounts. In addition to interest payments on the Notes, a U.S. Noteholder will be required to include in income any additional amounts and any Korean tax withheld from payments under the Guarantee notwithstanding that such U.S. Noteholder in fact did not receive such withheld tax. A U.S. Noteholder may not be entitled to deduct or credit this tax pursuant to recently issued U.S. Treasury regulations. Interest income on a Note (including any additional amounts and any Korean tax withheld from payments under the Guarantee) generally will be considered United States source income for purposes of the United States foreign tax credit. The rules governing the foreign tax credit are complex. U.S. Noteholders are urged to consult their own tax advisers regarding the availability of the foreign tax credit under their particular circumstances.

Sale, Exchange and Retirement of the Notes. Upon the sale, exchange, retirement or other taxable disposition of a Note, a U.S. Noteholder will generally recognise gain or loss equal to the difference between the amount realised upon the sale, exchange, retirement or other taxable disposition (less an amount equal to any accrued and unpaid interest, which will be taxable as such) and the U.S. Noteholder’s adjusted tax basis in the Note. A U.S. Noteholder’s adjusted tax basis in a Note will generally be the cost for that Note. Such gain or loss will be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange, retirement or other taxable disposition, the Note has been held for more than one year. Capital gains of individuals derived with respect to capital assets held for more than one year are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding. Information reporting requirements generally apply in connection with payments on the Notes to, and the proceeds from a sale or other disposition of the Notes by, non-corporate U.S. Noteholders. A U.S. Noteholder will be subject to backup withholding on these payments if the U.S. Noteholder fails to provide its taxpayer identification number to the paying agent or comply with certain certification procedures or otherwise establish an exemption from backup withholding. Backup withholding is not an additional tax. Any amount paid as backup withholding may be creditable against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

Non-U.S. Noteholders

Stated Interest. Subject to the discussions of backup withholding and FATCA below, a non-U.S. Noteholder will not generally be subject to U.S. federal income tax or U.S. federal withholding tax with respect to any payment of interest on the Notes under the "portfolio interest rule," provided that:

- interest paid on the Notes is not effectively connected with the non-U.S. Noteholder's conduct of a trade or business in the United States;
- the non-U.S. Noteholder does not actually (or constructively) own 10% or more of the total combined voting power of all classes of the Issuer's voting stock within the meaning of the Code and applicable U.S. Treasury regulations;
- the non-U.S. Noteholder is not a "controlled foreign corporation" (as defined in Section 957 of the Code) that is related to the Issuer, directly or indirectly, through stock ownership;
- the non-U.S. Noteholder is not a "bank" whose receipt of interest on the Notes is described in Section 881(c)(3)(A) of the Code; and
- either (i) the non-U.S. Noteholder provides its name and address on an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable form), and certifies, under penalties of perjury, that it is not a "United States person" as defined under the Code, or (ii) the non-U.S. Noteholder holds its Notes through certain foreign intermediaries and satisfies the certification requirements of applicable U.S. Treasury regulations. Special certification rules apply to non-U.S. Noteholders that are pass-through entities rather than corporations or individuals.

If the non-U.S. Noteholder cannot satisfy the requirements described above, payments of interest made to the holder will be subject to a 30% U.S. federal withholding tax, unless the Noteholder provides the applicable withholding agent with a properly executed:

- IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable form) certifying an exemption from or reduction in withholding under the benefit of an applicable income tax treaty; or
- IRS Form W-8ECI (or other applicable form) certifying that interest paid on the Notes is not subject to withholding tax because it is effectively connected with such Noteholder's conduct of a trade or business in the United States (as discussed below).

If a non-U.S. Noteholder is engaged in a trade or business in the United States and interest on the Notes is effectively connected with the conduct of that trade or business (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the non-U.S. Noteholder), the Noteholder will not be subject to withholding tax, but will be subject to U.S. federal income tax on that interest on a net income basis in generally the same manner as if the non-U.S. Noteholder were a United States person as defined under the Code. If a non-U.S. Noteholder is eligible for the benefits of an income tax treaty between the United States and its country of residence, any interest income that is effectively connected with a U.S. trade or business will be subject to U.S. federal income tax in the manner specified by the treaty and generally will only be subject to such tax if such income is attributable to a permanent establishment (or a fixed base in the case of an individual) maintained by the non-U.S. Noteholder in the United States. In addition, a non-U.S. Noteholder that is treated as a foreign corporation may be subject to a branch profits tax equal to 30% (or a lower applicable income tax treaty rate) of its effectively connected earnings and profits, subject to adjustments. Payments under the Guarantee may be subject to U.S. federal withholding tax. No additional amounts, however, will be payable with respect to any U.S. withholding taxes imposed, if any, on payments under the Guarantee.

Sale, Exchange and Retirement of the Notes. Subject to the discussions of backup withholding and FATCA below, any gain realised on the sale or other taxable disposition of a Note by a non-U.S. Noteholder generally will not be subject to U.S. federal income tax unless:

- the gain is effectively connected with the non-U.S. Noteholder's conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment), in which case such gain will be subject to U.S. federal income tax in generally the same manner as effectively connected interest is taxed; or
- the non-U.S. Noteholder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met, in which case, unless an applicable income tax treaty provides otherwise, such non-U.S. Noteholder will be subject to a flat 30% U.S. federal income tax on the gain derived from the sale or other taxable disposition, which may be offset by certain U.S.-source capital losses.

Information Reporting and Backup Withholding. If required, the applicable reporting agent will report to the IRS and to each non-U.S. Noteholder the amount of any interest paid on the Notes in each calendar year, and the amount of U.S. federal income tax withheld, if any, with respect to these payments. Copies of the information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which a non-U.S. Noteholder resides under the provisions of an applicable income tax treaty.

In general, a non-U.S. Noteholder will not be subject to backup withholding with respect to payments of interest on the Notes, provided that the applicable withholding agent does not have actual knowledge or reason to know that the Noteholder is a United States person as defined under the Code, and the applicable withholding agent has received the required certification that the Noteholder is a non-U.S. Noteholder described above in the fifth bullet point under "—Non-U.S. Noteholders—Stated interest."

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale or other taxable disposition of the Notes within the United States or be conducted through certain U.S.-related financial intermediaries, unless the non-U.S. Noteholder certifies to the payor under penalties of perjury that it is a non-U.S. Noteholder (and the payor does not have actual knowledge or reason to know that the Noteholder is a U.S. person as defined under the Code), or the Noteholder otherwise establishes an exemption. Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the Noteholder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

Payments to Certain Foreign Entities. Under the Foreign Account Tax Compliance Act, commonly known as "FATCA", a 30% withholding tax is imposed on interest on, and (subject to the proposed Treasury Regulations described below) gross proceeds from the sale or other disposition of, debt instruments paid to a foreign financial institution or to a non-financial foreign entity (including in some instances, where the foreign financial institution or non-financial foreign entity is acting as an intermediary for another party), unless (1) the foreign financial institution undertakes certain diligence and reporting, (2) the non-financial foreign entity either certifies it does not have any substantial United States owners or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. An intergovernmental agreement between the United States and the applicable jurisdiction may modify these requirements. In December 2018, the IRS and the Treasury Department issued proposed regulations that would exclude gross proceeds from the sale or other disposition of debt instruments from the FATCA withholding tax requirements; taxpayers may rely on these proposed regulations until final regulations are issued. Prospective Noteholders are encouraged to consult their own tax advisers regarding the possible implications of FATCA on their investments in the Notes.

THE DISCUSSION OF TAX MATTERS SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A NOTEHOLDER'S PARTICULAR SITUATION. NOTEHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISERS WITH RESPECT TO THE TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP, AND DISPOSITION OF THE NOTES, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL OR OTHER TAX LAWS.

Korean Taxation

The following summary of Korean tax considerations applies to non-Korean resident individuals and corporations ("Non-Residents") having no permanent establishment (as defined under Korean law and applicable tax treaty) in Korea to which the relevant income is attributable or with which such income is effectively connected. Non-Residents with such a permanent establishment are taxed under different rules.

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 or non-taxation (tax exemption) as applicable under the relevant tax treaty between Korea and the country of tax residence of the Non-Resident Noteholder, given that the Non-Resident holder is a beneficial owner of the payments. Payment of any interest on the Notes under the Guarantee by the Guarantor to a Non-Resident Noteholder may be subject to withholding tax in Korea. If this is the case, the Guarantor shall pay such additional amounts, in accordance with the terms of the Notes, as may be necessary to ensure that the Noteholders receive the amounts guaranteed under the Guarantee that would otherwise have been receivable in the absence of such deduction or withholding, subject to certain exceptions. See Condition 9 of the Terms and Conditions of the Notes.

SUBSCRIPTION AND SALE

Australia and New Zealand Banking Group Limited, Crédit Agricole Corporate and Investment Bank, The Korea Development Bank, Morgan Stanley & Co. International plc and Standard Chartered Bank (the "Joint Lead Managers") are acting as joint lead managers and bookrunners in this offering. Subject to the terms and conditions set forth in a subscription agreement dated as of 23 June 2025 (the "Subscription Agreement") among the Issuer, the Guarantor and the Joint Lead Managers, the Issuer has agreed to sell to the Joint Lead Managers, and each of the Joint Lead Managers has agreed, severally and not jointly, to purchase from the Issuer, the principal amount of the Notes set forth opposite its name below.

Joint Lead Managers	**Principal Amount of the Notes**
	(US$)
Australia and New Zealand Banking Group Limited	80,000,000
Crédit Agricole Corporate and Investment Bank	80,000,000
The Korea Development Bank	80,000,000
Morgan Stanley & Co. International plc	80,000,000
Standard Chartered Bank	80,000,000
Total	**400,000,000**

The Korea Development Bank has agreed to offer and sell the Notes only outside the United States to non-U.S. persons.

Subject to the terms and conditions set forth in the Subscription Agreement, the Joint Lead Managers have agreed, severally and not jointly, to purchase all of the Notes sold under the Subscription Agreement if any of the Notes are purchased. If a Joint Lead Manager defaults, the Subscription Agreement provides that the purchase commitments of the non-defaulting Joint Lead Managers may be increased or the Subscription Agreement may be terminated.

The Issuer has agreed to indemnify the Joint Lead Managers against certain liabilities in connection with this offering, including in respect of any taxes, levies, imports, duties, fees, assessments or other charges of whatever nature imposed by the United States, or by any department, agency or other political subdivision or taxing authority thereof or therein, and all interest, penalties or similar liabilities with respect thereto.

The Joint Lead Managers are offering the Notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of certain legal matters by counsel, including the validity of the Notes, and other conditions contained in the Subscription Agreement, such as the receipt by the Joint Lead Managers of officer's certificates and legal opinions.

The purchase price for the Notes will be the offering price set forth on the cover page of this Offering Circular net of underwriting commissions. After the initial offering, the offering price or any other term of the offering may be changed.

The Notes and the Guarantee have not been, and will not be, registered under the Securities Act or any state securities laws of the United States. The Joint Lead Managers propose to offer the Notes and the Guarantee for resale in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A and Regulation S. The Joint Lead Managers will not offer or sell the Notes except to persons they reasonably believe to be QIBs or pursuant to offers and sales to non-U.S. persons that occur outside of the United States without the directed selling efforts in compliance with Regulation S. In addition, until 40 days following the commencement of this offering, an offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act. Each purchaser of the Notes will be deemed to have made acknowledgments, representations and agreements as described under "*Notice to Investors*."

The Notes are a new issue of securities with no established trading market. The Joint Lead Managers have advised the Issuer and the Guarantor that they presently intend to make a market for the Notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. Accordingly, no assurances can be made as to the liquidity of the trading market for the Notes. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, the operating performance and financial condition of the Guarantor, general economic conditions and other factors. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Lead Manager or such affiliate on behalf of the Issuer in such jurisdiction.

Delivery of the Notes is expected on or about 2 July 2025. Purchasers who wish to trade the Notes prior to the delivery of the Notes will be required to specify an alternative settlement arrangement at the time of any such trade to prevent a failed settlement. Noteholders who wish to trade the Notes prior to the date of delivery should consult their advisers.

The Issuer has agreed with each of the Joint Lead Managers that until the expiration of 60 days after the date of the closing, the Issuer shall not issue any debt securities having an original tenor of more than one year (other than the Notes) in a registered or unregistered offering pursuant to Rule 144A and/or Regulation S without the prior consent from the Joint Lead Managers.

Short Positions and Stabilising Transactions

In connection with the offering, each of the Joint Lead Managers as a Stabilisation Manager, may purchase and sell the Notes in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilising purchases. Short sales involve the sale by a Stabilisation Manager of a greater principal amount of the Notes than they are required to purchase in the offering. A Stabilisation Manager must close out any short position by purchasing the Notes in the open market. A short position is more likely to be created if the Joint Lead Managers are concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilising transactions involve bids to purchase the Notes so long as the stabilising bids do not exceed a specified maximum.

Similar to other purchase transactions, a Stabilisation Manager's purchases to cover the syndicate short sales and stabilising purchases may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market.

None of the Issuer, the Guarantor or any of the Joint Lead Managers makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, none of the Issuer, the Guarantor or any of the Joint Lead Managers makes any representation that the Joint Lead Managers will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice at any time. No assurance can be given as to the liquidity of, or the trading market for, the Notes.

Other Relationships

The Joint Lead Managers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. The Joint Lead Managers and certain of their affiliates may have performed, and may in the future perform, certain investment banking and advisory services for the Issuer, the Guarantor and/or their respective affiliates from time to time for which they have received or may receive customary fees and commissions and may, from time to time, engage in transactions with and perform services for the Issuer, the Guarantor and/or their respective affiliates in the ordinary course of their business. The Joint Lead Managers or certain of their affiliates may purchase the Notes

and be allocated the Notes for asset management and/or proprietary purposes whether or not with a view to distribution. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Joint Lead Managers or their respective affiliates may purchase 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 purchasers of the Notes).

Each of the Issuer and the Guarantor has been advised by the Joint Lead Managers that they may offer and sell the Notes to or through any of their respective affiliates and any such affiliate may offer and sell the Notes purchased by it to or through any Joint Lead Manager.

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 Joint Lead 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 Joint Lead 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 Joint Lead Manager(s) (if any) to categorise 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); and
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to: hkbondsyndicate@anz.com; HKG-Syndicate@ca-cib.com; kdbdcm@kdb.co.kr; omnibus_debt@morganstanley.com; synhk@sc.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 it 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 Joint Lead 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 Joint Lead 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 (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable state securities laws of the United States. In addition, until 40 days after the commencement of this offering, an offer or sale of the Notes within the United States by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

The Joint Lead Managers, through their respective affiliates, acting as selling agents where applicable, propose to offer the Notes to certain persons in offshore transactions in reliance on Regulation S and in accordance with applicable law and propose to offer the Notes to QIBs in the United States pursuant to Rule 144A. Each of the Joint Lead Managers has agreed with the Issuer and the Guarantor that, except as permitted under the Subscription Agreement, it will not offer, sell or deliver the Notes within the United States. Any offer or sale of the Notes in the United States in reliance on Rule 144A will be made by broker-dealers who are registered as such under the Exchange Act. Terms used in this paragraph have the meanings given to them by Regulation S. Transfer of the Notes will be restricted as described under "*Notice to Investors*."

United Kingdom

Each Joint Lead 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.

Korea

Each Joint Lead Manager has represented and agreed that the Notes have not been and will not be registered with the Financial Services Commission of Korea under the Financial Investment Services and Capital Markets Act of Korea, as amended. Accordingly, each Joint Lead Manager has represented and agreed that the Notes have not been and will not be offered, sold, delivered or transferred directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as defined in the Foreign Exchange Transactions Law of Korea and its Enforcement Decree) or to others for re-offering or resale, except as otherwise permitted by 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 (as such term is defined in the Foreign Exchange Transaction Act of Korea and the Enforcement Decree thereof) other than a qualified institutional buyer (or a "Korean QIB," as defined in the Regulation on Issuance, Public Disclosure, etc. of Securities of Korea) registered with the Korea Financial Investment Association (the "KOFIA") as a Korean QIB, provided that (a) the Notes are denominated, and the principal and interest payments thereunder are made, in a currency other than Won, (b) 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 (limited to acquisition from the Issuer or the Joint Lead Managers at the time of issuance), (c) the Notes are listed on one of the major overseas securities markets designated by the Financial Supervisory Service of Korea, or certain procedures, such as registration or report with a foreign financial investment regulator of the country in which any major overseas securities market is established, have been completed for offering of the Notes, (d) the one-year restriction on offering, delivering or selling of the Notes to a Korean resident other than a Korean QIB is expressly stated in the Notes, the relevant underwriting agreement, the Subscription Agreement, and this Offering Circular and (e) the Issuer and the Joint Lead Managers shall individually or collectively keep the evidence of fulfilment of conditions (a) through (d) above after having taken necessary actions therefor.

Singapore

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted 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.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Hong Kong

Each Joint Lead 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 (i) 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 (ii) 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 the 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 Joint Lead 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 organised 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.

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment or supplement thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("NI 33-105"), the Joint Lead Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

NOTICE TO INVESTORS

Because of the following restrictions, investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes.

Neither the Notes nor the Guarantee has been or will be registered under the Securities Act or the securities laws of any state of the United States and, subject to certain exceptions, the Notes may not be offered or sold directly or indirectly within the United States or to or for the account or benefit of U.S. persons, as defined in Regulation S. Accordingly, the Notes are being offered and sold only (i) in the United States to QIBs within the meaning of, and in compliance with, Rule 144A or (ii) in offshore transactions within the meaning of, and in compliance with, Regulation S.

Each Noteholder hereunder will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or in Regulations S are used herein as defined therein):

(1) it is purchasing the Notes for its own account or an account with respect to which it exercises sole investment discretion, and it and any such account (i) is a QIB and is aware that the sale to it is being made in reliance on Rule 144A or (ii) is purchasing the Notes in an "offshore transaction" without any "directed selling efforts" (as such terms are defined in Regulation S) pursuant to Regulation S;

(2) it acknowledges that 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 jurisdiction and that the Notes may not be offered or sold within the United States except as set forth below;

(3) it understands and agrees that if in the future it decides to sell, pledge or otherwise transfer any Notes or any beneficial interest in any Notes, such Notes may be offered, resold, pledged or transferred only (A)(i) to the Issuer, (ii) to a person whom the seller reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (iii) in an offshore transaction meeting the requirements of Rule 904 of Regulation S, (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 under the Securities Act (if available) or (v) pursuant to another exemption from the Securities Act, provided that, as a condition to the registration of the transfer thereof, the Issuer or the Fiscal Agent may require the delivery of any documents, including an opinion of counsel, that it, in its sole discretion, may deem necessary or appropriate to evidence compliance with such exemption, or (B) pursuant to an effective registration statement under the Securities Act, and in each of such cases in accordance with any applicable securities laws of any state of the United States;

(4) it agrees to, and each subsequent Noteholder is required to, notify any purchaser of the Notes from it of the resale restrictions referred to in clause (3)(A) above, if then applicable;

(5) it understands and agrees that the Notes initially offered in the United States to QIBs will be represented by one or more Restricted Global Note Certificates and that the Notes initially offered outside of the United States in reliance on Regulation S will be represented by one or more Unrestricted Global Note Certificates;

(6) it understands that the Restricted Global Note Certificates will, until the expiration of the applicable holding period with respect to the Notes set forth in Rule 144 of the Securities Act, unless otherwise agreed by the Issuer, bear a legend substantially to the following effect:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE NOTEHOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF HANWHA ENERGY USA HOLDINGS CORPORATION (THE "ISSUER") THAT PRIOR TO THE DATE THAT IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS NOTE, THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A)(i) TO THE ISSUER, (ii) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER, AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (iii) IN AN OFFSHORE TRANSACTION WITHOUT ANY DIRECTED SELLING EFFORTS

MEETING THE REQUIREMENTS OF RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (iv) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (v) PURSUANT TO ANOTHER EXEMPTION FROM THE SECURITIES ACT, PROVIDED THAT, AS A CONDITION TO THE REGISTRATION OF THE TRANSFER THEREOF, THE ISSUER OR THE FISCAL AGENT MAY REQUIRE THE DELIVERY OF ANY DOCUMENTS, INCLUDING AN OPINION OF COUNSEL THAT IT, IN ITS SOLE DISCRETION, MAY DEEM NECESSARY OR APPROPRIATE TO EVIDENCE COMPLIANCE WITH SUCH EXEMPTION, OR (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE NOTEHOLDER AGREES TO, AND EACH SUBSEQUENT NOTEHOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THE NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE, IF THEN APPLICABLE."

(7) if it holds an interest in the Unrestricted Global Note Certificates and decides to resell or otherwise transfer such interest prior to the expiration of 40 days after the later of the commencement of this offering and the completion of the distribution of the Notes, it will do so only (A)(i) to a non-U.S. person located outside of the United States in compliance with Rule 904 of Regulation S or (ii) to a QIB in compliance with Rule 144A and (B) in accordance with any applicable securities laws of any state of the United States; and it understands that the Unrestricted Global Note Certificates will, unless otherwise agreed by the Issuer, bear a legend substantially to the following effect:

"THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON UNTIL 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTE AND THE DATE OF ORIGINAL ISSUANCE OF THE NOTE, EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT."

(8) it acknowledges that prior to any proposed transfer of any Notes in certificated form or of beneficial interests in the Global Note Certificates (other than pursuant to an effective registration statement), the Noteholder or the holder of beneficial interests in the Global Note Certificates, as the case may be, may be required to provide certificates and other documentation relating to the manner of such transfer and submit such certifications and other documentation as provided in the Agency Agreement; and

(9) it acknowledges that the Issuer, the Guarantor, the Joint Lead Managers, the Fiscal Agent and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of such acknowledgments, representations or warranties deemed to have been made by virtue of its purchase of the Notes are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

(10) 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 UNDER THE FOREIGN EXCHANGE TRANSACTION ACT OF KOREA AND ITS ENFORCEMENT DECREE) OR TO OTHERS FOR RE-OFFERING OR RESALE, EXCEPT AS OTHERWISE PERMITTED UNDER APPLICABLE KOREAN LAWS AND REGULATIONS.

IN ADDITION, DURING THE FIRST YEAR AFTER THE ISSUANCE OF THE NOTES, THE NOTES MAY NOT BE TRANSFERRED TO ANY RESIDENT OF KOREA OTHER THAN A KOREAN QIB WHO IS REGISTERED WITH THE KOFIA AS A KOREAN QIB AND SUBJECT TO THE REQUIREMENT OF MONTHLY REPORTS WITH THE KOFIA OF ITS HOLDING OF

KOREAN QIB BONDS AS DEFINED IN THE REGULATION ON ISSUANCE, PUBLIC DISCLOSURE, ETC. OF SECURITIES OF KOREA, PROVIDED THAT (A) THE NOTES ARE DENOMINATED, AND THE PRINCIPAL AND INTEREST PAYMENTS THEREUNDER ARE MADE, IN A CURRENCY OTHER THAN KOREAN WON, (B) THE AMOUNT OF THE NOTES ACQUIRED BY SUCH KOREAN QIBS IN THE PRIMARY MARKET IS LIMITED TO NOT MORE THAN 20% OF THE AGGREGATE PRINCIPAL AMOUNT OF THE NOTES (LIMITED TO ACQUISITION FROM THE ISSUER OR THE JOINT LEAD MANAGERS AT THE TIME OF ISSUANCE), (C) THE NOTES ARE LISTED ON ONE OF THE MAJOR OVERSEAS SECURITIES MARKETS DESIGNATED BY THE FINANCIAL SUPERVISORY SERVICE OF KOREA, OR CERTAIN PROCEDURES, SUCH AS REGISTRATION OR REPORT WITH A FOREIGN FINANCIAL INVESTMENT REGULATOR OF THE COUNTRY IN WHICH ANY MAJOR OVERSEAS SECURITIES MARKET IS ESTABLISHED, HAVE BEEN COMPLETED FOR OFFERING OF THE NOTES, (D) THE ONE-YEAR RESTRICTION ON OFFERING, DELIVERING OR SELLING OF NOTES TO A KOREAN RESIDENT OTHER THAN A KOREAN QIB IS EXPRESSLY STATED IN THE NOTES, THE RELEVANT UNDERWRITING AGREEMENT, SUBSCRIPTION AGREEMENT AND OFFERING CIRCULAR AND (E) THE ISSUER AND THE JOINT LEAD MANAGERS SHALL INDIVIDUALLY OR COLLECTIVELY KEEP THE EVIDENCE OF FULFILMENT OF CONDITIONS (A) THROUGH (D) ABOVE AFTER HAVING TAKEN NECESSARY ACTIONS THEREFOR.

LEGAL MATTERS

Certain legal matters relating to the issue and sale of the Notes will be passed upon by Paul Hastings LLP as to matters of U.S. and English law for the Issuer, Linklaters LLP as to matters of U.S. and English law for the Joint Lead Managers and Shin & Kim LLC as to matters of Korean law for the Issuer and the Guarantor. Paul Hastings LLP and Linklaters LLP may rely as to all matters of Korean law on the opinion of Shin & Kim LLC, and Shin & Kim LLC may rely as to all matters of U.S. and English law on the opinion of Paul Hastings LLP.

INDEPENDENT AUDITORS

The Issuer's consolidated financial statements as of and for the years ended 31 December 2024 and 2023 have been audited by Aprio, LLP, independent auditors, as stated in their reports appearing herein. Aprio, LLP, the Issuer's independent auditor, has not been engaged to perform and has not performed, since the date of its reports included herein, any procedures on the financial statements addressed in those reports. Aprio, LLP also has not performed any procedures relating to this Offering Circular.

The Guarantor's separate financial statements as of and for the years ended 31 December 2024 and 2023 have been audited by KPMG Samjong Accounting Corp., independent auditors, as stated in their reports appearing herein. KPMG Samjong Accounting Corp., the Guarantor's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. KPMG Samjong Accounting Corp. also has not performed any procedures relating to this Offering Circular.

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Passionate for what's next®

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholder
Hanwha Energy USA Holdings Corporation and Subsidiaries

Opinion
We have audited the accompanying consolidated financial statements of Hanwha Energy USA Holdings Corporation (a Delaware Corporation) and Subsidiaries, which comprise the consolidated balance sheet as of December 31, 2024, and the related consolidated statements of income and comprehensive income, changes in stockholder's equity and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Hanwha Energy USA Holdings Corporation and Subsidiaries as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 required to be independent of Hanwha Energy USA Holdings Corporation and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hanwha Energy USA Holdings Corporation and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- 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 Hanwha Energy USA Holdings Corporation and Subsidiaries' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

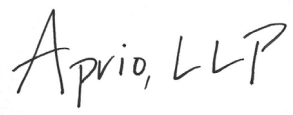
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hanwha Energy USA Holdings Corporation and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Changes in Accounting Principle
As discussed in Notes 2 and 8 to the consolidated financial statements, the Company changed its method of accounting for crypto assets during the year ended December 31, 2024 by adopting ASU 2023-08, Intangibles - Goodwill and Other - Crypto Assets (Topic 350-60): Accounting for and Disclosure of Crypto Assets, effective January 1, 2024, using the modified retrospective method.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on Pages 45 to 50 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Atlanta, Georgia
March 31, 2025

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2024

ASSETS

CURRENT ASSETS	
Cash	$ 19,285,686
Restricted cash	1,202,096
Accounts receivable - trade	
(net of allowance for credit losses of $3,640,513)	10,654,447
Receivable from related parties	159,675,132
Notes receivable	487,392
Other receivable	2,570,745
Tax receivable	856,237
Accrued revenue	16,088,784
Project assets	133,565,620
Derivative assets	2,558,011
Prepaid expenses and other current assets	4,813,455
Total current assets	351,757,605
NONCURRENT ASSETS	
Restricted cash	2,542,794
Accounts receivable - trade	32,784,000
Receivable from related parties	175,919,840
Property and equipment, net	299,962,918
Photovoltaic (PV) system, net	135,807,583
Operating lease right-of-use assets, net	52,624,878
Intangible assets - crypto assets	51,304,413
Intangible assets - customer contracts and software, net	9,036,133
Investment in unconsolidated affiliates	218,614,835
Investment at fair value	32,811,896
Long-term deposits	258,059
Project assets	89,616,733
Deferred tax assets	76,976
Derivative assets	4,395,146
Other noncurrent assets	19,964,661
Total noncurrent assets	1,125,720,865
TOTAL ASSETS	$ 1,477,478,470

See notes to the consolidated financial statements.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2024

LIABILITIES AND EQUITY

CURRENT LIABILITIES	
Accounts payable - trade	$ 22,247,486
Payable to related parties	2,525,156
Note payable to related party	30,000,000
Short-term borrowings (net of debt issuance costs of $2,754,727)	573,245,273
Current portion of long-term debt	57,607,672
Bond payable (net of bond discounts and debt issuance costs of $3,143,902)	296,856,098
Accrued interest	6,608,751
Current portion of long-term operating lease liabilities	4,137,428
Accrued expenses and other current liabilities	36,183,994
Total current liabilities	1,029,411,858
NONCURRENT LIABILITIES	
Long-term debt, net of current portion (net of debt issuance costs of $2,957,464)	133,009,886
Asset retirement obligation	1,244,553
Operating lease liabilities, net of current portion	60,925,556
Deferred tax liabilities	5,889,534
Derivative liabilities	223,633
Accrued expenses and other noncurrent liabilities	12,692,253
Total noncurrent liabilities	213,985,415
TOTAL LIABILITIES	1,243,397,273

See notes to the consolidated financial statements.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2024

EQUITY	
Stockholder's equity:	
Common stock, par value $1,000 per share; 355,201 shares authorized, 355,201 shares issued and outstanding (1 share issued with no par value)	$ 355,200,000
Additional paid-in capital	(1,830,714)
Accumulated deficit	(123,460,137)
Accumulated other comprehensive loss	(8,923,657)
Stockholder's equity attributable to the Company	220,985,492
Noncontrolling interest	13,095,705
TOTAL EQUITY	234,081,197
TOTAL LIABILITIES AND EQUITY	$ 1,477,478,470

See notes to the consolidated financial statements.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

REVENUE	$ 381,222,413
COST OF REVENUE	199,030,043
GROSS PROFIT	182,192,370
OPERATING EXPENSES	53,603,701
GAIN FROM DISPOSAL OF LONG-LIVED ASSETS	185,412
INCOME FROM OPERATIONS	128,774,081
OTHER INCOME (EXPENSES)	
Interest income	1,887,776
Interest expense	(42,359,951)
Guarantee fees	(663,339)
Loss on investment in unconsolidated affiliates	(15,269,609)
Gain on valuation of investments at fair value	4,369,993
Unrealized gain on crypto assets	27,939,282
Gain on derivatives, net	3,949,357
Foreign currency loss	(11,492,692)
Other income (expenses), net	4,028,819
Total other income (expenses), net	(27,610,364)
INCOME BEFORE BENEFIT FROM INCOME TAXES	101,163,717
BENEFIT FROM INCOME TAXES	6,297,064
NET INCOME	107,460,781
LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	(516,778)
INCOME ATTRIBUTABLE TO THE COMPANY	107,977,559
OTHER COMPREHENSIVE LOSS	
Foreign currency translation loss, net of income tax benefit from $1,810,950	(6,812,622)
COMPREHENSIVE INCOME	$ 101,164,937

See notes to the consolidated financial statements.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

	Common Stock		Additional	Accumulated	Accumulated Other Comprehensive	Total Stockholder's	Noncontrolling	Total
	Shares	Amount	Paid-in Capital	Deficit	Loss	Equity	Interest	Equity
BALANCE AT December 31, 2023	355,201	$ 355,200,000	$ 2,014,598	$ (240,381,484)	$ (2,111,035)	$ 114,722,079	$ 10,444,119	$ 125,166,198
Cumulative effect adjustment on valuation of crypto assets net of income tax expense of $2,665,875				8,943,788		8,943,788		8,943,788
Net Income (Loss)				107,977,559		107,977,559	(516,778)	107,460,781
Purchase of membership interest from noncontrolling interest			(3,845,312)			(3,845,312)	3,168,364	(676,948)
Foreign currency translation loss net of income tax benefit of $1,810,950					(6,812,622)	(6,812,622)		(6,812,622)
BALANCE AT December 31, 2024	355,201	$ 355,200,000	$ (1,830,714)	$ (123,460,137)	$ (8,923,657)	$ 220,985,492	$ 13,095,705	$ 234,081,197

See notes to the consolidated financial statements.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES		
Income attributable to the Company	$	107,977,559
Loss attributable to noncontrolling interest		(516,778)
Net income		107,460,781
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation expense		12,111,667
Amortization expense		14,271,200
Provision expense for legal settlements		(192,616)
Provision for credit losses		2,441,459
Foreign currency translation loss		12,106,812
Loss on investment in unconsolidated affiliate		15,269,609
Gain on valuation of investments at fair value		(4,369,993)
Gain from disposal of long-lived assets		(185,412)
Unrealized gain on crypto assets		(27,939,282)
Gain on derivatives, net		(3,949,357)
Deferred income taxes		(6,426,857)
Changes in assets and liabilities:		
Accounts receivable - trade		(6,634,597)
Receivable from related parties		(130,248,736)
Other receivable		(2,450,593)
Notes receivable		(192,600)
Prepaid expenses and other current assets		99,037
Accrued revenue		(13,359,912)
Acquisition of intangible assets - crypto assets		(1,164,014)
Project assets including capitalized interest		(34,054,789)
Tax receivable		607,281
Other noncurrent assets		(5,201,187)
Accounts payable - trade		(4,819,104)
Accrued expenses and other liabilities		(8,435,260)
Payable to related parties		(1,388,404)
Lease liabilities		(2,710,329)
Total adjustments		(196,815,977)
Net cash used in operating activities		(89,355,196)

See notes to the consolidated financial statements.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in unconsolidated affiliate	$	(17,909,791)
Investment at fair value		(8,301,014)
Capital expenditures for property, and equipment including capitalized interest		(65,161,838)
Acquisition of derivative assets		(1,270,000)
Acquisition of Intangible assets - customer contracts and software		(8,666,995)
Purchase of membership interest from noncontrolling interest		(676,949)
Distribution income from investment in unconsolidated affiliates		27,772,615
Net cash used in investing activities		(74,213,972)
CASH FLOWS FROM FINANCING ACTIVITIES		
Debt issuance costs		(5,759,054)
Proceeds from notes payable to related party		80,000,000
Repayment of notes payable to related party		(50,000,000)
Proceeds from short-term debt		310,000,000
Repayment of long-term debt		(7,910,775)
Repayment of short-term debt		(189,000,000)
Net cash provided by financing activities		137,330,171
FOREIGN CURRENCY TRANSLATION ADJUSTMENT		(220,219)
DECREASE IN CASH AND RESTRICTED CASH		(26,459,216)
CASH AND RESTRICTED CASH AT BEGINNING OF YEAR		49,489,792
CASH AND RESTRICTED CASH AT END OF YEAR	$	23,030,576

See notes to the consolidated financial statements.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Cash paid during the year for:	
Interest, including capitalized interest	$62,899,107
Income tax	$738,000
SUPPLEMENTAL DISCLOSURES OF NONCASH TRANSACTIONS	
Increase in operating lease right-of-use assets	$ 18,220,900
Increase in operating lease liabilities	$ 18,220,900
Lease remeasurement due to the changes in estimated useful lives of its PV systems	$ 6,972,831
ARO remeasurement due to the changes in estimated useful lives of its PV systems	$ 1,719,384
Adjustment in retained earnings due to the adoption of ASC 2023-08	$ 11,609,663
Conversion of noncash assets into investment in unconsolidated affiliates	$ 8,626,851
Net of payable and receivable in investment in unconsolidated affiliates	$ 14,609,109
Reclass from project assets to other assets	$ 871,534
Capitalized lease expense in project assets	$ 5,036,760
Reclass from long-term debt to current portion of long-term debt	$ 33,607,672
Reclass from bond payable to current portion of bond payable	$ 294,599,778

See notes to the consolidated financial statements.

1. NATURE OF BUSINESS

Hanwha Energy USA Holdings Corporation is a wholly owned subsidiary of Hanwha Energy Corporation (the Parent), located in Korea. The Company was incorporated as Hanwha Energy Corporation America in the state of Delaware in December 2013, changed its name to 174 Power Global Corporation in August 2016, and in December 2018 changed its name to Hanwha Energy USA Holdings Corporation.

The accompanying consolidated financial statements are comprised of the accounts of Hanwha Energy USA Holdings Corporation and its wholly owned and majority-owned subsidiaries (the Company).

The Company engages primarily in the development of solar power projects on utility-scale or commercial sites in the United States and Latin America, along with providing electricity to the retail utility market in Texas. In 2022, the Company launched a new business focused on developing digital infrastructure to support data centers and hosting facilities with electricity and other essential services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Principles of Consolidation

The accompanying consolidated financial statements reflect the accounts and operations of the Company and those of its subsidiaries. The typical condition for a controlling financial interest is holding a majority of the voting interests of an entity. However, a controlling financial interest may also exist in entities, such as variable interest entities (VIEs), through arrangements that do not involve controlling voting interests. In accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 810 (ASC 810) *Consolidation*, the Company consolidates any VIE of which it is the primary beneficiary. The primary beneficiary, as defined in ASC 810, is the party that has (1) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance, and (2) the obligation to absorb the losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The Company evaluates its relationships with its VIEs on an ongoing basis to determine whether it continues to be the primary beneficiary. The consolidated financial statements reflect the assets and liabilities of VIEs that are consolidated. All intercompany transactions and balances have been eliminated in consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Use of Estimates
The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant accounting estimates reflected in the Company's consolidated financial statements include revenue recognition for sales of solar power projects, allowance for credit losses, accounts receivable, provision for contingent liabilities, possible impairment of long-lived assets, intangible assets, project assets, the estimated useful lives of long-lived assets, discount rates used to measure operating lease liabilities, asset retirement obligation, fair value estimate of financial instruments, accrual for uncertain tax positions, valuation allowances for deferred tax assets and applying acquisition method of accounting to business acquisitions.

Cash and Cash Equivalents
For the purpose of the statements of cash flows, the Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Restricted cash represents amounts held by banks, which are not available for the Company's general use, as security for issuance of letters of credit, short-term notes payable and bank borrowings. Upon maturity of the letters of credit, repayment of short-term notes payable or bank borrowings, the deposits are released by the bank and become available for general use by the Company.

Accounts Receivable
Accounts receivable represents unconditional rights to consideration arising from performance under contracts with customers. The carrying value of such receivables, net of the allowance for credit losses, represents their estimated net realizable value.

At contract inception, the Company does not adjust the promised amount of consideration for the effects of a significant financing component when it is expected that the period between transfer of a promised product or service to a customer and when the customer pays for that product or service will be one year or less. The Company typically does not include extended payment terms in contracts with customers.

Allowance for Credit Losses
The Company monitors trade and other receivable balances and contract assets and estimates the allowance for lifetime expected credit losses. Estimates of expected credit losses are based on historical collection experience and other factors, including current market factors, and forecasted economic conditions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Interest Capitalization
The interest cost associated with a major development and construction project is capitalized and included in the cost of the project assets. Interest capitalization ceases once a project is substantially complete or is no longer undergoing construction activities to prepare it for its intended use. When no debt is specifically identified as being incurred in connection with a construction project, the Company capitalizes interest on amounts expended on the project at the Company's weighted-average cost of borrowed money. Total interest capitalized in 2024 was $32,627,145.

Project Assets
Project assets primarily consist of costs related to solar power projects in various stages of development that are capitalized prior to the completion of the sale of the project, including projects that may have begun commercial operation under Power Purchase Agreements (PPAs) and are actively marketed and intended to be sold. These project related costs include costs for land, development, and construction of a Photovoltaic (PV) solar power system. Development costs may include legal, consulting, permitting, transmission upgrade, interconnection and other similar costs. The Company typically classifies project assets as noncurrent due to the nature of solar power projects (long-lived assets) and the time required to complete all activities to develop, construct and sell projects, which is typically longer than 12 months. Project assets are classified as current when the Company intends to sell within 12 months. The Company presents all expenditures related to the development and construction of project assets, whether fully or partially owned, as a component of cash flows from operating activities.

The Company reviews project assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company considers a project commercially viable or recoverable if it is anticipated to be sold for a profit once it is either fully developed or fully constructed. The Company considers a partially developed or partially constructed project commercially viable or recoverable if the anticipated selling price is higher than the carrying value of the related project assets. The Company examines a number of factors to determine if the project is expected to be recoverable, including whether there are any changes in environmental, ecological, permitting, market pricing or regulatory conditions that may impact the project. Such changes could cause the costs of the project to increase or the selling price of the project to decrease. If a project is not considered recoverable, the Company impairs the respective project assets and adjusts the carrying value to the estimated fair value, with the resulting impairment recorded within operating expense. The Company performed an impairment test as of December 31, 2024, and no impairment loss was recognized which was primarily due to the change in scope and assumptions in the development projects resulting in a negative impact on the outlook of projects.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property and Equipment
Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to thirty-five years. Leasehold improvements are amortized over the shorter of the useful life of the related assets or the lease term. Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

Investments in Unconsolidated Affiliates
The Company accounts for unconsolidated affiliates depending upon whether the Company has the ability to exercise significant influence over the affiliate. As part of this evaluation, the Company considers participation and protective rights in the affiliate. The Company uses the equity method of accounting for investments when the Company has the ability to significantly influence, but not control, the operations or financial activities of the investee.

If the Company does not have the ability to significantly influence the operations or financial activities of the investee, unconsolidated affiliates with readily determinable fair values are measured at fair value. Unconsolidated affiliates without readily determinable fair values are measured at cost with adjustments for observable changes in price or impairments (referred to as the measurement alternative). The Company performs a qualitative assessment at each reporting period and recognizes an impairment if there are sufficient indicators that the fair value of the investment is less than carrying value. Changes in value are recorded in other income (expense), net. The Company records any distributions received from the net accumulated earnings of such investments as income. Distributions received in excess of their earnings are considered returns of investment and are recorded as reductions in the cost of the investments.

Impairment of Long-lived Assets
The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that carrying amounts of such assets may not be recoverable. When these events occur, the Company evaluates impairment by comparing the carrying amount of the assets to the future undiscounted net cash flows expected to result from the use of the assets and their eventual disposition. If the sum of the expected undiscounted cash flows is less than the carrying amount of the assets, the Company would recognize an impairment loss based on the excess of the carrying amount of the asset over its fair value. The Company performed an impairment test as of December 31, 2024, and no impairment loss was recognized for long-lived assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Intangible Assets – customer contracts and software
Intangible assets, other than crypto assets, consist primarily of customer contracts and software. Intangible assets of customer contracts and software are recorded at cost less impairment, and intangible assets with definite useful lives are amortized over the estimated useful lives of the assets which range from three to five years. Intangible assets with indefinite useful lives are not amortized but are assessed for impairment annually, or more frequently, when events or changes in circumstances occur indicating that it is more likely than not that the indefinite-lived asset is impaired. Impairment exists when the carrying amount exceeds its fair value. In testing for impairment, the Company has the option to first perform a qualitative assessment to determine whether it is more likely than not that an impairment exists. If it is determined that it is not more likely than not that an impairment exists, a quantitative impairment test is not necessary. If the Company concludes otherwise, it is required to perform a quantitative impairment test. To the extent an impairment loss is recognized, the loss establishes the new cost basis of the asset.

Subsequent reversal of impairment losses is not permitted. The Company performed an impairment test as of December 31, 2024, and no impairment loss was recognized.

Intangible assets - crypto assets
Following the adoption of ASU 2023-08 effective January 1, 2024, the Company measures crypto assets at fair value with changes recognized in other income in the Consolidated Statement of Comprehensive Income.

Concentration of Risk
Assets that potentially subject the Company to significant concentration of credit risk are primarily cash and cash equivalents.

The Company maintains cash and cash equivalents in accounts that are in excess of the Federal Deposit Insurance Corporation (FDIC) insured limits of $250,000. As of December 31, 2024, approximately $19.9 million in cash and cash equivalents was uninsured based upon the FDIC insurance coverage limits.

The Company mitigates its risk of loss by continuing to monitor the financial strength of the financial institutions in which it makes deposits.

Fair Value Measurement
The Company measures certain assets and liabilities at fair value, which is defined as the price that would be received from the sale of an asset or paid to transfer a liability (i.e., an exit price) on the measurement date in an orderly transaction between market participants in the principal or most advantageous market for the asset or liability. The Company uses the following hierarchy for fair value measurement, which prioritizes valuation inputs based on the extent to which the inputs are observable in the market.

Level 1 – Valuation techniques in which all significant inputs are unadjusted quoted prices from active markets for assets or liabilities that are identical to the assets or liabilities being measured.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair Value Measurement – Continued
Level 2 – Valuation techniques in which significant inputs include quoted prices from active markets for assets or liabilities that are similar to the assets or liabilities being measured and/or quoted prices for assets or liabilities that are identical or similar to the assets or liabilities being measured from markets that are not active. Also, model-derived valuations in which all significant inputs are observable in active markets are Level 2 valuation techniques.

Level 3 – Valuation techniques in which one or more significant inputs are unobservable. Such inputs reflect estimate of assumptions that market participants would use to price an asset or liability.

Fair Value of Financial Instruments
The carrying amounts reported in the consolidated balance sheet for cash, restricted cash, accounts receivable, other receivables, short-term notes receivable, accrued revenue, crypto assets, derivative assets, prepaid expenses and other current assets, accounts payable, notes payable, accrued expenses and other current liabilities, short-term borrowings and current portion of long-term debt approximate fair value because of the short-term maturity of those financial instruments. The carrying amount reported for certain long-term debt in the consolidated financial statements approximates fair value due to the variable rate of these borrowings.

Derivative Instruments
The Company accounts for derivative financial instruments under ASC 815, Derivative and Hedging, which requires the Company to record all derivatives on the consolidated balance sheet at fair value.

ASC 815-10 requires that an entity recognizes all derivative instruments as either assets or liabilities at fair value in the accompanying balance sheet. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in the statement of income and comprehensive income. The Company offsets amount in the consolidated balance sheet for derivative instruments executed with the same counterparty where the Company has a master netting arrangement.

The Company holds derivative instruments that are not for trading purposes and are not designated as hedges for accounting purposes. Changes in the fair value of and amounts realized upon settlement of derivative instruments not held for trading purposes are recognized as a component of other income or expense.

The Company elected an accounting policy to classify economic hedging cash flows in the same category in the consolidated statement of cash flows as the category for the cash flows from hedged items.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Contingencies
Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. If a potential material loss contingency is not probable but is reasonably possible, or is probable but the amount cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, is disclosed. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Foreign Currency Translation
The United States dollar (U.S. dollars or $), the currency in which a substantial amount of the Company's transactions are denominated, is used as the functional and reporting currency.

The Company translates assets and liabilities of its foreign operations into the reporting currency at the exchange rates in effect at the balance sheet date. The Company translates income and expense items of such foreign operations into the reporting currency at the average exchange rate during the year. The resulting translation adjustments are recorded in other comprehensive loss. The Company operates internationally and is exposed to potentially adverse movements in currency exchange rates.

Debt Issuance Costs
Financing costs are amortized over the term of the related debt and the amortization of debt issuance cost is included with interest.

Leases
At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset the Company assesses whether:

(a) The contract involves the use of an identified asset.
(b) The Company has the right to obtain substantially all of the economic benefits from the use of the asset.
(c) The Company has the right to direct the use of the asset.

The Company recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, plus any initial direct costs incurred. The lease liability is initially measured at the present value of the lease payments, discounted using the Company's credit risk free rate.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases with terms of 12 months or less. The Company accounts for the lease and non-lease components as a single lease component. Additionally, the Company applies a portfolio approach to effectively account for right-of-use assets and lease liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Leases – Continued
The Company assesses ROU assets for impairment. When events or circumstances indicate the carrying value may not be recoverable, the Company evaluates the net book value of the asset for impairment by comparison to the projected undiscounted future cash flows. If the carrying value of the asset is determined to not be recoverable and is in excess of the estimated fair value, the Company recognizes an impairment charge in asset impairments on its consolidated statements of income and comprehensive income. The Company performed an impairment test as of December 31, 2024, and no impairment loss was recognized for ROU assets.

Revenue Recognition
The Company applies ASC 606 '*Revenue from Contracts with Customers*'. According to the standard, revenue is recognized by applying a five-step revenue model to all types of contracts.

- Identify the contract with the customer
- Identify the performance obligations
- Determine the transaction price
- Allocate the transaction price
- Recognize revenue when (or as) the entity satisfies a performance obligation

The Company derives its revenue from several businesses described below.

Development
Revenue for the sale of a development project or a completed system is recognized when the Company enters into a sales contract with the customer and transfers control of the related assets, in an amount that reflects the consideration the Company expects to receive in exchange for those assets. The Company's primary performance obligation is the transfer of control of a project entity, which is a separate legal entity formed for the special purpose of constructing a solar power project or photovoltaic (PV) system. The Company applies guidance under ASC 810 to determine whether deconsolidation of the project entity is required upon the transfer of equity interest to the customer. Once deconsolidation is confirmed, the Company applies guidance under ASC 606 for revenue recognition, recognizing revenue when the title and ownership of the project entity are transferred to the customer.

Cost of revenue includes all direct material and labor costs and those indirect costs related to development and construction of a solar power system. Development costs include legal, consulting, permitting and other similar costs. Selling, general and administrative costs are charged to expense as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue Recognition – Continued

Retail business in Texas
The Company enters into contracts with customers for the sale of electricity, establishing enforceable rights and obligations. The Company's primary performance obligation is the delivery of electricity to the customer's meter. Revenue for electricity sales is recognized upon delivery of electricity to the customer's meter. Electric services not billed by month-end are accrued based upon estimated deliveries to customers as tracked and recorded by the Company multiplied by the Company's average billing rate per kilowatt hour (kwh) in effect at the time. The Company uses a revenue estimation process by using its settlement statements to determine the volumes and associated estimated revenue for a month.

Operation and Maintenance (O&M), and Development (DSA) Services
O&M services provide ongoing maintenance and operational support to customers. *DSA* services provide all technical, professional, supervisorial, managerial, administrative and other personnels as are reasonably necessary to perform the development services of the utility projects.

The Company enters into service agreements with customers for the provision of O&M and DSA services. O&M and DSA services are transferred over time when customers receive and consume the benefits provided by the Company's performance under the terms of service arrangements. Revenues from O&M and DSA services are recognized over time based on the terms of service arrangements.

Electricity Revenue
The Company generates electricity revenue primarily through long-term Power Purchase Agreements (PPAs) and performance-based energy incentives. These contracts establish enforceable rights and obligations. The Company's primary performance obligation is the delivery of electricity to the grid as specified in the PPAs. Revenue is recognized at a point in time when control is transferred, which occurs when electricity is generated and transmitted to the grid in accordance with the terms of the PPAs. The solar power plants that generate this revenue stream may be sold to potential buyers.

Crypto Assets
The Company participates in arrangements with the crypto asset network, whereby the Company provides computing power to verify transactions on the network. The Company's sole performance obligation is to provide computing power for transaction verification services. The consideration received, if any, is non-cash in the form of crypto assets. The fair value of the crypto assets is measured at the time of receipt, and is not materially different from the fair value at the time the Company has earned the award. All consideration is considered variable. Revenue is recognized at a point in time when the Company successfully provides computing power that verifies a transaction, and the corresponding crypto asset award is received. The fair value of the crypto asset award received is determined using the average U.S. dollar spot rate of the related crypto assets at the time of receipt. Expenses associated with operating the crypto asset mining business, including rent, electricity, depreciation, and other related costs, are recorded as cost of revenues.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Assets Retirement Obligation
Certain jurisdictions in which the Company's project assets are located or certain land lease agreements require the removal of the PV systems when the system is decommissioned. Assets retirement obligation ("ARO") for the estimated costs of decommissioning associated with PV systems at a future date are accounted for in accordance with ASC 410-20, *Asset Retirement Obligations* ("ASC 410-20"). ASC 410-20 requires an entity to recognize the fair value of a liability for an ARO in the period in which it is incurred and a reasonable estimate of fair value can be made. Upon initial recognition of a liability for an ARO, the asset retirement cost is capitalized by increasing the carrying amount of the related long-lived asset by the same amount. Over time, the liability is accreted to its expected future value, while the capitalized cost is depreciated over the useful life of the related asset.

Advertising and Promotion Costs
The costs of advertising, promotional, sales and marketing programs are charged to operations when incurred and are included as sales and marketing expenses in the accompanying consolidated statement of income and comprehensive income. Advertising, promotional, sales and marketing costs totaled $958,592 for the year ended December 31, 2024.

Income Taxes and Uncertain Tax Positions
The Company is a C corporation and pays income taxes on its federal and state taxable income.

Provision for income taxes is based on taxes payable or refundable for the current year and deferred taxes on temporary differences between the amount of taxable income and pretax financial income and between the tax bases of assets and liabilities and their reported amounts in the consolidated financial statements. Deferred tax assets and liabilities are included in the consolidated financial statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes.

The Company follows the accounting guidance for uncertainty in income taxes using the provisions of FASB ASC 740. Using that guidance, tax provisions are initially recognized in the consolidated financial statements when it is more-likely-than-not the provisions will be sustained upon examination by the tax authorities.

The Internal Revenue Service ("IRS") and State taxing authorities have accepted the Company's Federal and/or State income tax returns through 2023. However, the Company's federal and/or state income tax returns for 2021 - 2023 are subject to examination by the IRS and/or State taxing authorities, generally for three years after they were filed. The Company recognizes tax benefits only to the extent that the Company believes it is "more likely than not" that its tax positions will be sustained upon IRS examination. As of December 31, 2024, the Company had no material uncertain tax positions, or interest and penalties that qualify for either recognition or disclosure in the consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Noncontrolling Interests and Redeemable Noncontrolling Interests
The Company attributes income and loss to the noncontrolling interests and redeemable noncontrolling interests for tax equity investors using the hypothetical liquidation at book value (HLBV) method.

Under the HLBV method, the amounts of income and loss attributed to the noncontrolling interests and redeemable noncontrolling interests in the consolidated statement of income and comprehensive income reflect changes in the amounts the investors would hypothetically receive at each balance sheet date under the liquidation provisions of the contractual agreements of these arrangements, which are based on the investors' tax capital accounts, assuming the net assets of these funding structures were liquidated at recorded amounts. The Company's initial calculation of the investor's noncontrolling interest in the results of operations of these funding arrangements is determined as the difference in the noncontrolling interests' claim under the HLBV method at the start and end of each reporting period, after taking into account any capital transactions, such as contributions or distributions, between the investors.

Recently Adopted Accounting Guidance
Effective January 1, 2024, the Company adopted Accounting Standards Update (ASU) 2023-08, Accounting for Crypto Assets, issued by the Financial Accounting Standards Board (FASB). This update requires certain crypto assets to be measured at fair value, with changes recognized in net income, rather than applying the historical cost model with impairment testing. The Company holds crypto assets that meet the criteria outlined in ASU 2023-08. As a result of this change, the Company's crypto assets are now reported at fair value, with unrealized gains and losses reflected in the consolidated statements of income.

3. CASH AND RESTRICTED CASH

At December 31, 2024, restricted cash consists of deposits held by various banks to secure certain letters of credit and other deposits designated for the construction or operation of systems projects as well as the payment of amounts related to project specific debt financings.

Cash	$ 19,285,686
Restricted cash - current portion	1,202,096
Restricted cash - non-current	2,542,794
Cash and restricted cash as shown on statement of cash flows	$ 23,030,576

4. ALLOWANCE FOR CREDIT LOSSES

An analysis of allowances for accounts receivable for the year ended December 31, 2024, is as follows:

Beginning of the year	$	1,797,014
Allowances made (reversed) during the year, net		2,441,459
Accounts receivable written-off against credit losses		(597,960)
End of the year	$	3,640,513

The beginning of the year balances for Development and Retail services are $597,960 and $1,199,054 respectively. Allowances were made for each service line by $0 and $2,441,459 respectively during the year. The allowance for each service line by $597,960 and $0 were written off. The end of the year balances for each service line are $0 and $3,640,513 respectively.

5. CHANGE IN ACCOUNTING ESTIMATE

The Company conducted a review of the estimated useful lives of its photovoltaic (PV) systems and their salvage value. Based on the updated information and changes in the expected life of solar panels, management determined that adjustments were necessary to better reflect the economic benefits derived from these assets.

As a result, effective as of January 1, 2024, the Company revised:

- The estimated useful life of PV system from twenty-five years to thirty-five years.
- The lease period for ROU Asset from twenty-five years to thirty-five years, considering updates in lease renewal expectations.
- The Asset Retirement Obligation (ARO) Balance due to changes in expected settlement timing.

The monetary impact of these changes is approximately $2.9 million, which primarily affects depreciation expense, and accretion expense of these assets. These changes were recorded in accordance with ASC 410-20 and have been applied prospectively as a change in accounting estimate, and prior-period consolidated financial statements have not been restated.

6. PROPERTY AND EQUIPMENT

At December 31, 2024, property and equipment consists of the following major classifications:

Land	$ 6,852,561
Leasehold improvement	88,578
Tools, furniture and fixtures	252,780
Computer and software	25,070,021
Office equipment	28,530
Construction In progress	290,947,302
	323,239,772
Less, accumulated depreciation	(23,276,854)
Total property and equipment, net	$ 299,962,918

Depreciation expense totaled $8,217,693 for the year ended December 31, 2024. The Company is committed to pay $4.7 million for its construction in progress.

7. PHOTOVOLTAIC (PV) SYSTEMS

The Company completed construction of several PV systems, solar generating facilities, in Mexico and the U.S. in 2019 and 2020. Electricity is now being generated from these facilities.

At December 31, 2024, PV systems is summarized as below:

Photovoltaic (PV) system	$ 165,376,602
Less, accumulated depreciation	(29,569,019)
	$ 135,807,583

Depreciation expense totaled $ 3,907,581 for the year ended December 31, 2024.

8. INTANGIBLE ASSETS

At December 31, 2024, intangible assets are comprised of crypto assets, customer contracts and software. The Company records crypto assets at fair value, and customer contracts and software at cost less any impairment. Customer contracts are amortized at service periods which vary from 1 to 3 years. Software is amortized over its estimated useful lives ranging from 3 to 5 years. Impairment for intangible asset exists when the carrying amount exceeds its fair value.

Crypto Assets
The Company adopted ASU 2023-08 and recorded its crypto assets at fair value. At December 31, 2024, the Company held approximately 549 Bitcoins, and Bitcoin was the only cryptocurrency in possession by the Company. The Company has not sold any Bitcoins since its business has started.

The changes in the carrying amount of intangible assets (crypto assets) in 2024 are summarized as below:

Crypto assets, net of amortization beginning balance at December 31, 2023	$	10,591,454
Cumulative effect of the adoption of ASU 2023-08 before tax		11,609,663
Adjusted beginning balance at January 1, 2024		22,201,117
Acquisition of crypto assets		1,164,014
Unrealized gain on crypto assets		27,939,282
Crypto assets at fair value at December 31, 2024	$	51,304,413

The Company recorded unrealized gain of $27,939,282 for the year ended December 31, 2024.

Customer Contracts
The Company acquired customer contracts from a third party in 2024 for its retail business. The changes in the carrying amount of customer contracts in 2024 are summarized as below:

Intangible assets - customer contracts, beginning of the year	$	-
Acquisition of customer contracts		9,825,000
Amortization of customer contracts		(1,538,562)
Intangible assets - customer contracts, end of the year	$	8,286,438

Amortization expense for customer contracts for the year ended December 31, 2024 was $1,538,562.

8. INTANGIBLE ASSETS – CONTINUED

Software
The changes in the carrying amount of software in 2024 are summarized as below:

Intangible assets - software, beginning of the year	$	493,174
Acquisition of software		881,995
Disposal of software		(493,174)
Accumulated amortization of software		(132,300)
Intangible assets - software, end of the year	$	749,695

Amortization expense for intangible assets (software) for the year ended December 31, 2024 was $324,089.

9. INVESTMENTS AT FAIR VALUE

Since April 2020, the Company has invested $14,664,000 in Juxtapose Ventures II L.P. representing 10% of Class A membership interest and invested $1,800,000 in NoHo Holdings II, LLC representing 2.8% of Class B membership interest. Accumulated unrealized gains from these investments were $3,384,428 and $36,889 as of December 31, 2024. During 2024, unrealized gains from these investments of $3,859,561 and $194,686 were recorded in the change in fair value of investment in the consolidated statement of income and comprehensive income. The fair value of each investment was $18,048,428 and $1,836,889 as of December 31, 2024. The remaining committed capital amount is $13.5million.

Since April 2022, the Company has invested $12,444,556 in ZIP Fund I, LP representing 19.28% of limited partner commitment. Accumulated unrealized loss from this investment was $563,758 as of December 31, 2024. During 2024, unrealized gain from the investment of $315,747 was recorded in the change in fair value of investment in the consolidated statement of income and comprehensive income. The fair value of investment was $11,880,798 as of December 31, 2024. The remaining committed capital amount is $7.6million.

Since November 2021, the Company has invested $1,567,502 in Navier, Inc., representing 7.6% of common stock. Accumulated unrealized loss from this investment was $521,721 as of December 31, 2024. The fair value of the investment was $1,045,781 as of December 31, 2024.

10. INVESTMENT IN UNCONSOLIDATED AFFILIATES

Hanwha Total Solar, LLC, Hanwha Total Solar II, LLC, HT Solar Holdings, LLC, HT Solar Holdings II, LLC and HT Solar Holdings III, LLC

In January 2021, the Company and TOTAL H SOLAR, LLC (TOTAL) signed an agreement to form two 50/50 joint ventures to develop 12 industrial-scale solar energy storage projects with combined capacity of 1.6GW cumulative capacity in the United States. The Company invested $146,078,649 in Hanwha Total Solar, LLC and Hanwha Total Solar II, LLC representing 50% of the total equity contributed.

In return for this investment, the Company acquired 50% of membership interest which represents a 50% voting interest. The investment is accounted for using the equity method of accounting since the Company does not have voting control but can exercise significant influence in major operating decisions under the terms of the operating agreement. The rate for distribution and allocation of income or loss is prorated in accordance with membership interest.

In March 2022, a project holding entity which owns a project entity with a PV asset under Hanwha Total Solar II, LLC entered into a membership interest purchase agreement with a subsidiary of HT Solar Holdings, LLC which is jointly owned and controlled by the Company and TOTAL.

In December 2022, the Company entered into a distribution agreement with Hanwha Total Solar II, LLC and received 50% of membership interests for $12,351,690 in three early-stage project entities.

In March 2023, the Company entered into a distribution agreement with Hanwha Total Solar II, LLC and received a 50% membership interest for $18,297,518 of a project entity.

In December 2023, Hanwha Total Solar II, LLC transferred a project entity, ready for full commercial operation, to HT Solar Holdings III, LLC which is jointly owned and controlled by the Company and TOTAL.

In January 2024, Hanwha Total Solar II, LLC transferred a project entity, ready for full commercial operation, to HT Solar Holdings II, LLC which is jointly owned and controlled by the Company and TOTAL.

The following represents the summarized financial information for Hanwha Total Solar, LLC, Hanwha Total Solar II, LLC, HT Solar Holdings, LLC, HT Solar Holdings II, LLC and HT Solar Holdings III, LLC. (collectively, JV) as of and for the year ended December 31, 2024:

The Company’s loss from the investment was $15,269,609 for the year ended December 31, 2024. The Company made contributions of $ 26,536,642 and received distributions of $27,772,615 for the year ended December 31, 2024. The Company’s investment at December 31, 2024 was $218,614,835.

10. INVESTMENT IN UNCONSOLIDATED AFFILIATES – CONTINUED

Hanwha Total Solar, LLC, Hanwha Total Solar II, LLC, HT Solar Holdings, LLC, HT Solar Holdings II, LLC and HT Solar Holdings III, LLC – Continued

Assets:	
Cash and cash equivalents	$ 18,420,432
Account receivable	2,475,142
Prepaid expenses and other current assets	5,536,045
Fixed assets, net	665,732,630
Right of use assets	35,799,753
Project assets	19,681,849
Other noncurrent assets	7,805,023
Total assets	$ 755,450,873
Liabilities and members' equity:	
Accounts payable	$ 8,451,398
Current portion of long term borrowings	20,938,330
Long term borrowings	136,907,952
Lease liabilities	26,496,863
Accrued liabilities and others	24,919,788
Members' equity	537,736,542
Total liabilities and members' equity	$ 755,450,873
Revenues	$ 28,953,806
Expenses	61,193,203
Net loss	$ (32,239,397)
Loss attributable to noncontrolling interest	$ (3,729,190)
Loss attributable to the JV	$ (28,510,207)

11. SHORT-TERM BORROWINGS

The Company maintains fourteen term loan agreements with seven banks amounting to $576 million:

a) Bank A with a borrowing limit of $30 million and interest charged at three-month Secured Overnight Financing Rate (SOFR) plus 1.40% per annum (6.09% at December 31, 2024), and matures in October 2025. The outstanding balance is $30 million, and the interest is paid every three months. The loan is collateralized by the irrevocable Stand-by Letter of Credit (an aggregate amount of $30 million) issued by Kookmin Bank, Seoul, Korea, and guaranteed by Hanwha Energy Corporation.

b) Bank A with a borrowing limit of $30 million and interest charged at three-month SOFR plus 1.45% per annum (6.14% at December 31, 2024), and matures in January 2025, and has been renewed to January 2026. The outstanding balance is $30 million, and the interest is paid every three months. The loan is collateralized by the irrevocable Stand-by Letter of Credit (an aggregate amount of $30 million) issued by Kookmin Bank, Seoul, Korea, and guaranteed by Hanwha Energy Corporation.

c) Bank B with a borrowing limit of $45 million and interest charged at three-month SOFR plus 1.25% per annum (5.94% at December 31, 2024), and matures in January 2025, and has been renewed to January 2026. The outstanding balance is $45 million, and the interest is paid every three months. The loan is guaranteed by Hanwha Energy Corporation.

d) Bank C with a borrowing limit of $70 million and interest charged at one-month SOFR plus 2.10% per annum (6.63% at December 31, 2024), and matures in April 2025. The outstanding balance is $70 million, and the interest is paid every month. The loan is guaranteed by Hanwha Energy Corporation.

e) Bank C with a borrowing limit of $50 million and interest charged at one-month SOFR plus 2.10% per annum (6.63% at December 31, 2024), and matures in April 2025. The outstanding balance is $50 million, and the interest is paid every month. The loan is guaranteed by Hanwha Energy Corporation.

f) Bank D with a borrowing limit of $70 million and interest charged at three-month SOFR plus 1.60% per annum (6.29% at December 31, 2024), and matures in February 2025, and has been renewed to February 2026. The outstanding balance is $70 million, and the interest is paid every three months. The loan is guaranteed by Hanwha Energy Corporation.

g) Bank D with a borrowing limit of $40 million and interest charged at three-month SOFR plus 1.85% per annum (6.54% at December 31, 2024), and matures in October 2025. The outstanding balance is $40 million, and the interest is paid every three months. The loan is guaranteed by Hanwha Energy Corporation.

11. SHORT-TERM BORROWINGS - CONTINUED

h) Bank E with a borrowing limit of $20 million and interest charged at three-month SOFR plus 1.30% per annum (5.99% at December 31, 2024), and matures in September 2025. The outstanding balance is $20 million, and the interest is paid every three months. The loan is collateralized by the irrevocable Stand-by Letter of Credit (an aggregate amount of $20 million) issued by KEB Hana Bank, Seoul, Korea.

i) Bank E with a borrowing limit of $50 million and interest charged at three-month SOFR plus 1.10% per annum (5.79% at December 31, 2024), and matures in February 2025, and has been renewed to February 2026. The outstanding balance is $50 million, and the interest is paid every three months. The loan is collateralized by the irrevocable Stand-by Letter of Credit (an aggregate amount of $50 million) issued by KEB Hana Bank, Seoul, Korea.

j) Bank E with a borrowing limit of $40 million and interest charged at three-month SOFR plus 1.30% per annum (5.99% at December 31, 2024), and matures in October 2025. The outstanding balance is $40 million, and the interest is paid every three months. The loan is collateralized by the irrevocable Stand-by Letter of Credit (an aggregate amount of $40 million) issued by Hana Bank, Seoul, Korea, and guaranteed by Hanwha Energy Corporation.

k) Bank F with a borrowing limit of $15 million and interest charged at three-month SOFR plus 1.40% per annum (6.09% at December 31, 2024), and matures in November 2025. The outstanding balance is $15 million, and the interest is paid every three months. The loan is guaranteed by Hanwha Energy Corporation.

l) Bank G with a borrowing limit of $20 million and interest charged at three-month SOFR plus 1.65% per annum (6.34% at December 31, 2024), and matures in March 2025, and has been renewed to March 2026. The outstanding balance is $20 million, and the interest is paid every three months. The loan is guaranteed by Hanwha Energy Corporation.

m) Bank H with a borrowing limit of $46 million and interest charged at three-month SOFR plus 1.60% per annum (6.29% at December 31, 2024), and matures in November 2025. The outstanding balance is $46 million, and the interest is paid every three months. The loan is guaranteed by Hanwha Energy Corporation.

n) Bank H with a borrowing limit of $50 million and interest charged at three-month SOFR plus 1.65% per annum (6.34% at December 31, 2024), and matures in April 2025. The outstanding balance is $50 million, and the interest is paid every three months. The loan is guaranteed by Hanwha Energy Corporation.

As of December 31, 2024, the outstanding balance of these short-term loans was $576 million and unamortized debt issuance costs were $2.7 million.

12. NOTE PAYABLE TO RELATED PARTY

In December 2024, the Company entered into a loan agreement of $30,000,000, with a related party. The loan bears interest at a rate of 7.10% per annum which matured and paid in March 2025. As of December 31, 2024, the unpaid principal balance is $30,000,000.

13. LONG-TERM DEBT

At December 31, 2024, long-term debt consists of the following:

The Company entered into its term loan agreement of $24 million with Woori Bank in April 2024, maturing in April 2027. The loan bears interest at three-month SOFR plus 1.65% per annum (6.28% at December 31, 2024). The principal amount of the loan is repaid in quarterly installments of $3 million commencing in July 2025. The loan is guaranteed by Hanwha Energy Corporation.

The Company entered into a credit agreement in September 2018 with Banco Nacional De Comercio Exterior, Sociedad Nacional de Credito, Institucion de Banca de Desarrollo (Bancomext) and Korea Development Bank (KDB) for a construction term loan of $73,785,599. The credit agreement allows monthly loan draws during the defined construction period. The credit facility is comprised of three tranches:

- Tranche A Commitment for $47,960,640 – Tranche A is provided by Bancomext at a fixed interest rate of 5.17% per annum. The company is required to pay an average of approximately $710,000 in every three months according to repayment schedule. As of December 31, 2024, the outstanding balance was $41,676,135. Tranche A has a final maturity of June 2038.

- Tranche B Commitment for $24,595,199 – Tranche B is provided by KDB and bears interest at three-month SOFR plus 2.50%, including 0.15% CSA (7.81% at December 31, 2024). The company is required to pay an average of approximately $440,000 in every three months according to repayment schedule. The outstanding balance of Tranche B, which has a final maturity of September 2034, was $16,968,368 as of December 31, 2024.

- The Tranche C Commitment is $1,229,760. Tranche C is provided by Bancomext and bears interest at three-month SOFR plus 2.55%, including 0.15% CSA (8.16% at December 31, 2024). The company is required to pay an average of approximately $19,000 in every three months according to repayment schedule. The outstanding balance of Tranche C was $1,068,619 as of December 31, 2024. Tranche C is co-terminus with Tranche A.

All three loans above are collateralized by the PV generating facility located in Mexico.

13. LONG-TERM DEBT – CONTINUED

The Company entered into a Credit Agreement in October 2020 with Korea Development Bank (KDB) for a construction term loan of $19,298,560. The company is required to pay an average of approximately $690,000 in every six months according to repayment schedule. The outstanding balance as of December 31, 2024, is $14,861,900. The interest is set at a fixed rate of 2.45% and is payable semi-annually. The loan has a maturity of June 2035. The loan contains a financial ratio test to permit distributions to the Parent company. As of December 31, 2024, the Company did not meet that ratio and therefore distributions out of the Company were prohibited. The loan is collateralized by real and personal property of the project entity located in Texas.

The Company entered into a term loan facility agreement of up to $95 million with Standard Chartered Bank and Landesbank Baden-Wurttemberg (LBBW) in August 2022 with the maturity date of August 2026. The Company had four separate loan drawdowns of $10M, $64M, $11M, and $10M between September and December of 2022 at six-month SOFR plus 1.20% with fixed interest rates in the range of 5.55 – 5.93%. The outstanding balance as of December 31, 2024 is $95 million and the principal amount of the loan is repaid in semi-annual installments of $23.75 million commencing in February 2025. The loan is guaranteed by Hanwha Energy Corporation. The loan contains certain financial covenants. As of December 31, 2024, the Company was not in violation of any financial covenants.

Long-term debt is summarized as below:

Current portion of long-term debt	$ 57,607,672
Long-term debt	135,967,350
Less, debt issuance cost	(2,957,464)
	$ 190,617,558

13. LONG-TERM DEBT – CONTINUED

Maturities of long-term debt for each of the next five years and thereafter are as follows:

2025	$ 57,607,672
2026	63,802,276
2027	10,464,358
2028	3,558,663
2029	2,292,843
Thereafter	55,849,210
	193,575,022
Less, current portion	(57,607,672)
Less, debt issuance cost	(2,957,464)
Non-current portion	$ 133,009,886

14. BOND PAYABLE

In July 2022, the Company entered into an agreement to issue Green Bond (the Bond) through the Singapore Exchange Securities Trading Limited in the amount of $300 million maturing July 2025. The Bond is used to finance new or existing renewable energy projects related to renewable energy. The Bond is guaranteed by Export-Import Bank of Korea (EXIM Bond) and Hanwha Energy Corporation. The fiscal agent of the Bond is Citicorp International Limited. The Bond's issue price was 99.688% of the offering amount and bears interest at the rate of 4.125% per annum from the issue date to its maturity date. The interest is payable semi-annually in arrears on January 5 and July 5 in each year starting January 5, 2023. Amortization expense of the Bond discount and the debt issuance cost are $318,280 and $5,100,212, respectively, for the year ended December 31, 2024.

The Bond is summarized as below:

The offering amount of the Bond	$ 300,000,000
Less, bond discount	(167,748)
Less, debt issuance cost	(2,976,154)
	$ 296,856,098

15. ASSET RETIREMENT OBLIGATION (ARO)

The Company has a legal obligation to decommission its PV system following the expiration of the land leases. To estimate its decommissioning obligation related to its PV system for financial accounting and reporting purposes, the Company uses a probability-weighted, discounted cash flow model which, on a unit-by-unit basis, considers multiple outcome scenarios that include significant estimates and assumptions, and are based on decommissioning cost studies, cost escalation rates, probabilistic cash flow models and discount rates. The Company updates its ARO annually unless circumstances warrant more frequent updates, based on its review of updated cost studies and its annual evaluation of cost escalation factors and probabilities assigned to various scenarios.

Following is a summary of the obligation at December 31, 2024:

Beginning of the year	$ 2,910,378
Accretion expense	53,559
Remeasurement due to the changes in estimated useful lives of its PV systems	(1,719,384)
End of the year	$ 1,244,553

16. REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table presents the disaggregation of revenue from contracts with customers for the year ended December 31, 2024.

Category:	
Development	$ 240,819,007
Retail business in Texas	112,919,961
Electricity revenue	24,956,932
O&M and DSA services	1,348,223
Crypto assets	1,178,290
	$ 381,222,413

16. REVENUE FROM CONTRACTS WITH CUSTOMERS – CONTINUED

A significant customer is defined as one from whom at least 10% of annual revenue is derived. The Company had sales of $240.8 million which is in excess of 63% of annual revenue from one related party in 2024. The accounts receivable balance included approximately $168.8 million associated with the customer, which accounted for approximately 44% of the gross accounts receivable as of December 31, 2024.

Accounts receivable and receivables from related parties are $47,078,960 and $335,594,972, respectively at December 31, 2024 and $39,300,343 and $228,582,196 respectively at December 31, 2023. Accrued revenue associated with retail sales and electricity revenue is $16,088,784 at December 31, 2024 and $2,646,267 at December 31, 2023. Deferred revenue is $4,131 at December 31, 2024 and $22,672 at December 31, 2023.

17. FAIR VALUE MEASUREMENT

The Company's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with the fair value provisions of the ASC. The ASC defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. See Note 2 for a discussion of the Company's policies regarding the hierarchy.

As of December 31, 2024, the Company's financial assets and liabilities were measured at fair value on a recurring basis in periods subsequent to their initial recognition all using the significant other observable inputs, which are Level 2 inputs.

The Company and Standard Chartered Bank entered into an Interest rate swap agreement to hedge risk exposure in interest rate for the term loan facility agreement up to $95 million. The underlying base rate, which is the variable six-month SOFR per the loan agreement, is converted to the following fixed rates locked through the swap agreement:

- Drawdown #1 Commitment for $10,000,000 – Drawdown #1 is provided by Standard Chartered Bank at fixed interest rate of 3.55% per annum.

- Drawdown #2 Commitment for $64,000,000 – Drawdown #2 is provided by Standard Chartered Bank at fixed interest rate of 3.73% per annum.

- Drawdown #3 Commitment for $11,000,000 – Drawdown #3 is provided by Standard Chartered Bank at fixed interest rate of 3.65% per annum.

- Drawdown #4 Commitment for $10,000,000 – Drawdown #4 is provided by Standard Chartered Bank at fixed interest rate of 3.64% per annum.

17. FAIR VALUE MEASUREMENT – CONTINUED

The swap agreement is recorded at fair value in the consolidated balance sheet. The changes in fair value of the interest rate swaps were recognized in other income in the consolidated statement of income and comprehensive income.

The Company and Oberon Solar IA, LLC (Oberon) entered into a floor contract to manage the risk of the fluctuation in price of energy (Commodity) produced from the Oberon Solar Facility on August 22, 2019 (Trade Date). The floor contract includes an upfront premium of $2.98 million which is required to be paid by Oberon to the Company, and the Company is contractually obligated to pay Oberon the difference between the floor price of $23.23 and the floating price multiplied by the notional quantity set forth in the floor contract. The term of this floor contract is from April 1, 2020, through December 31, 2032. The floor contract is recorded at fair value in the consolidated balance sheet. The changes in fair value of both the floor contract and the portion of the underlying advance receipt were recognized in other income in the consolidated statement of income and comprehensive income.

The Company and Oberon Solar IA, LLC (Oberon) entered into a basis swap agreement to hedge the price of energy (Commodity) produced from the Oberon Solar Facility on May 4, 2020 (Trade Date). The term of this basis swap agreement is from January 1, 2021, through December 31, 2027. The basis swap agreement is recorded at fair value in the consolidated balance sheet. The changes in fair value of both the basis swaps and the portion of the underlying liability were recognized in other income in the consolidated statement of income and comprehensive income.

The Company and two trading companies entered into weather and temperature contingent commodity call and put options to hedge the price of energy in any unexpected weather events for 2024 on September 2, 2024 and October 11, 2024 (Trade Date). The terms of these agreements are ranged from December 1, 2024, through February 28, 2025. These agreements are recorded at fair value in the consolidated balance sheet. The changes in fair value of these options were recognized in other income in the consolidated statement of income and comprehensive income.

The Company and Banco Nacional de Mexico, S.A. entered into an interest rate option cap agreement on October 18, 2018, to manage interest rate risk exposure. The term of this agreement ends on June 30, 2028. Under the agreement, the Company will receive a payment from the counterparty if the market interest rates exceed the strike rate of 3.0%. The Company generally does not need to notify the counterparty to exercise a cap, as the cap will be automatically exercised if the interest rate exceeds the strike. Each caplet is settled in cash at the end of each quarter. The option agreement is recorded at fair value in the consolidated balance sheet in other assets and/or other liabilities. The changes in fair value of the interest rate option cap were recognized in other expense in the consolidated statement of income and comprehensive income.

17. FAIR VALUE MEASUREMENT - CONTINUED

The Company recorded assets (liabilities) for the fair value of its derivatives on its consolidated balance sheet as follows at December 31, 2024:

Derivative Not Designated as Hedging Instruments	Amount
Interest rate swap agreement - Standard Chartered Bank	$ 497,826
Floor contract - Oberon Solar IA, LLC	(223,633)
Basis swap agreement - Oberon Solar IA, LLC	5,134,808
Weather and temperature contingent commodity call and put options - two trading companies	1,270,000
Interest rate option CAP - Banco Nacional De Mexico, S. A	50,523
	$ 6,729,524

The Company recorded (gain) or loss on the change in its assets (liabilities) relating to derivatives as follows for the year ended December 31, 2024:

Derivative Not Designated as Hedging Instruments	Amount
Interest rate swap agreement - Standard Chartered Bank	$ (219,404)
Floor Contract - Oberon Solar IA, LLC	(104,045)
Basis Swap Agreement - Oberon Solar IA, LLC	(4,964,125)
Weather and temperature contingent commodity call and put options - two trading companies	-
Interest Rate Option CAP - Banco Nacional De Mexico, S. A	1,338,217
	$ (3,949,357)

18. ACCRUED EXPENSES AND OTHER LIABILITIES

At December 31, 2024, accrued expenses and other liabilities consist of the following major classifications:

Accrued bonus and vacation	$ 7,337,097
Accrued cost of energy and transmission	12,736,262
Taxes payable	784,598
Accrued expense to Electric Reliability Council of Texas (ERCOT)	9,038,933
Accrued expense to Centro Nacional de Control De Energia (CENACE)	6,069,381
Provision for expected losses in contracts	6,505,245
Others	6,404,731
	48,876,247
Less current portion	(36,183,994)
	$ 12,692,253

19. LEASES

Lease arrangements include land for solar energy systems, corporate and administrative offices, vehicles, and office equipment. These leases expire on various dates through 2059 and include extension options before the end of the cancellable lease term. Renewal options are included in the measurement of the lease to the extent that the Company is reasonably certain to exercise the options.

The following table presents certain quantitative information related to lease arrangements for the year ended December 31, 2024:

Operating lease cost	$ 6,144,170
Other information:	
Payments included in the measurement of operating lease liabilities	$ 2,710,329
Weighted-average remaining lease term — operating leases	29.96 years
Weighted-average discount rate — operating leases	6.30%

19. LEASES – CONTINUED

The future lease payments required under operating lease agreements are as follows:

2025	$ 4,424,657
2026	5,800,269
2027	4,547,623
2028	4,641,678
2029	4,279,555
Thereafter	128,081,036
Total	151,774,818
Less, effects of discounting	(86,711,834)
Lease liabilities recognized	$ 65,062,984

20. INCOME TAXES

For the year ended December 31, 2024, the income before income taxes consists of the following components:

United States	$	118,162,247
Mexico		(16,998,530)
Income before income taxes	$	101,163,717

The benefit from income taxes consists of the following:

Current:		
Federal	$	-
State and local		29,809
Foreign		99,985
Total current income taxes		129,794
Deferred:		
Federal		326,507
State and local		340,843
Foreign		(7,094,207)
Total deferred income taxes		(6,426,857)
Total benefit from income taxes	$	(6,297,063)

The benefit from income taxes differs from that computed by applying federal statutory rates to income before income taxes. The primary differences result from providing for changes in valuation allowances, deducting certain expenses for consolidated financial statement purposes but not for federal income tax purposes, and state taxes.

20. INCOME TAXES – CONTINUED

The temporary differences at December 31, 2024, which give rise to deferred tax assets and liabilities, were as follows:

Deferred Tax Assets:	**U.S.**	**Mexico**
Intangible assets	527,102	-
Bad debts	1,327,031	-
Other accrued expenses	70,461	2,483,869
Accrued bonus	1,465,436	-
Accrued vacation	268,931	-
163(j) adjustments	9,231,934	-
Lease liabilities	2,074,952	-
ARO liabilities	294,540	-
Provision liabilities	1,331,033	-
Impairment loss	2,092,046	432,046
Net operating losses	72,017,465	21,033,725
Charitable contribution limitation	81,926	-
Investment tax credit	16,630,931	
Prepaid expenses	-	81,448
Valuation allowance	(41,114,882)	(1,483,087)
Total deferred tax assets	66,298,906	22,548,001
Deferred Tax Liabilities:	**U.S.**	**Mexico**
Fixed assets	(44,186,974)	(25,027,335)
Investment basis	(21,410,820)	-
Right of use assets	(1,924,507)	-
Asset retirement obligation	(97,713)	-
Derivative	(1,753,608)	-
State tax	(258,508)	-
Total deferred tax liabilities	(69,632,130)	(25,027,335)
Net deferred tax assets/(liabilities)	$ (3,333,224)	$ (2,479,334)

20. INCOME TAXES – CONTINUED

The deferred tax assets and liabilities based on applicable tax-paying entities and tax jurisdictions are presented on the consolidated balance sheet as follows:

Deferred tax assets - Foreign	$	76,976
Deferred tax liabilities - Domestic		(3,333,224)
Deferred tax liabilities - Foreign		(2,556,310)
Deferred tax liabilities - Combined		(5,889,534)

Net operating losses for federal and state income tax reporting were approximately $316.7 million and $309 million respectively as of December 31, 2024. The federal and state net operating tax losses are available to carry forward to offset taxable income generated in future years.

Net operating losses for Mexico income tax reporting was approximately $70 million as of December 31, 2024 that is available to offset future taxable income. Each annual loss has a carryforward period of 10 years. The loss carryforwards as of December 31, 2024, will expire in range from 2027 to 2034.

U.S. Internal Revenue Code §48 "Energy credits" provides a federal Investment Tax Credit (ITC) to incentivize investment into clean energy property and accelerate the country’s transition to renewable energy. The ITC is a nonrefundable dollar-for-dollar credit against tax liability, and under the Inflation Reduction Act of 2022, the credits have a carry back period of 3 years and carry forward period of 22 years. Additionally, ITCs generated beginning 2023 are transferable to third parties.

ITCs generated prior to 2023 are nonrefundable, nontransferable credits and only realizable if the Company has a sufficient amount income tax liability to utilize the credits. As a result, ITCs generated prior to 2023 are accounted for under Topic 740, and the Company recognizes the ITC income tax benefit in the year the credit arises.

As of December 31, 2024, the total nonrefundable, nontransferable ITC carryforward was $16,630,931 as follows:

Tax Year Credit Claimed		ITC Available
2019	$	4,586,888
2020		11,590,791
2021		453,252
Total ITC available	$	16,630,931

21. 401(k) RETIREMENT PLAN

Eligible employees may participate in the Company's 401(k) plan, qualified under Section 401(k) of the Internal Revenue Code of 1986. Under the plan, employees who have met certain service requirements may contribute a certain portion of their eligible compensation each year, subject to certain limitations and Internal Revenue Service regulations. The Company matches contributions equal to 100% of the first 3% and then 50% of 2% of the employee's contributions. The employer contributions are vested immediately. Contributions made by the Company in 2024 were $661,070.

22. COMMITMENTS AND CONTINGENCIES

Oberon IA Solar, LLC which is a subsidiary of Hanwha Total Solar, LLC and Oberon IB Solar, LLC are involved in multi-district litigation (MDL) in connection with power outages that occurred during winter storm, Uri in 2021. The defendants involved in the MDL include Texas natural gas entities, power generators, co-generators and public power utilities. The defendants have filed motions to dismiss, which were recently granted in part and denied in part. The portions that have been denied will be appealed. No trial dates have been set yet. While the ultimate outcome of this matter is not presently determinable, it is the opinion of management that the resolution will not have a material adverse effect on the financial position or the operations of the Company.

23. GOING CONCERN

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplates a continuation of the Company as a going concern.

The Company has accumulated deficits of $123 million as of December 31, 2024. The Parent has informed the Company of its intention and ability to provide the Company with financial support necessary to maintain the financial viability of the Company and sustain its operations through at least one year from the issuance of consolidated financial statement, including providing financing support and guarantees as needed.

24. RELATED PARTY TRANSACTIONS

Transactions with related parties as of December 31, 2024, and for the year ended are summarized as follows:

Outsourcing service received	$	384,893
Outsourcing service provided	$	1,489,695
Gain from derivatives	$	4,964,125
Loss from derivatives	$	20,046
Interest expense	$	8,490,417
Guarantee fee	$	699,001
Revenue from sale of solar projects	$	240,819,007
Cost of sale of sale of solar projects	$	33,797,760
Other income	$	2,840,916
Other expense	$	540,065
Notes payable to related parties	$	30,000,000
Receivable from related parties	$	335,594,972
Payable to related parties	$	2,525,156

25. SUBSEQUENT EVENTS

The Company evaluated subsequent events through March 31, 2025, when these consolidated financial statements were available to be issued. Management is not aware of any significant events occurred subsequent to the balance sheet date, but prior to the issuance of this report, that would have an material impact on the consolidated financial statements.

SUPPLEMENTARY INFORMATION

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEETS
DECEMBER 31, 2024

	Hanwha Energy USA Holdings Corportation	174 Power Global LLC	174 Green Digital Tech, Inc.	174 PG Element 1 Corporation	174 PG ZIP, LLC	174 Power Global Climate Infra LLC	174 Power Global Retail Corporation	174 Power Global Retail TX, LLC	174 Power Global Retail Resource, LLC	Pumpjack Power, LLC	Intermountain HoldCo, LLC	Intermountain Solar Plant, LLC	Imeson Solar Farm, LLC	SweetWater Solar HoldCo, LLC	Boulder Solar III, LLC
CURRENT ASSETS															
Cash	$ 6,590,443	$ 55,864	$ 5,427	$ 1	$ -	$ -	$ 1,332,690	$ 3,385,855	$ -	$ 151,255	$ -	$ -	$ 152,951	$ -	$ 422,234
Restricted cash	-	-	-	-	-	-	-	-	-	1,202,096	-	-	-	-	-
Accounts receivable - trade (net of allowance for credit losses)	4,945,647	-	-	-	-	-	-	1,451,114	-	3,773,971	-	-	65,089	-	-
Receivable from related parties	28,921,235	130,608,153	-	-	-	-	-	145,744	-	-	-	-	-	-	-
Notes receivable	400,492	-	-	-	-	-	-	86,900	-	-	-	-	-	-	-
Other receivable	1,973,654	572,747	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax receivable	509,828	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued revenue	-	-	-	-	-	-	-	6,751,957	-	8,591,355	-	-	-	-	-
Project assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative assets	1,288,011	-	-	-	-	-	-	1,270,000	-	-	-	-	-	-	-
Prepaid expenses and other current assets	892,458	-	1,621,201	833	-	-	-	475,439	-	-	-	-	25,963	-	-
Total current assets	45,521,768	131,236,764	1,626,628	834	-	-	1,332,690	13,567,009	-	13,718,677	-	-	244,003	-	422,234
NONCURRENT ASSETS															
Restricted cash	-	-	-	-	-	-	-	2,395,759	-	-	-	-	-	-	-
Accounts receivable - trade	31,658,062	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivable from related parties	49,849,087	126,070,753	-	-	-	-	-	-	-	-	-	-	-	-	-
Property and equipment, net	981,496	-	1,992,141	-	-	-	-	1,208,945	-	-	-	-	-	-	-
Photovoltaic (PV) system, net	-	-	-	-	-	-	-	-	-	-	-	-	13,206,229	-	-
Operating lease right-of-use assets, net	2,478,229	37,907,512	-	-	-	-	-	1,449,044	-	-	-	-	2,853,223	-	-
Intangible assets - crypto assets	-	-	51,304,413	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets - customer contracts and software, net	-	-	-	-	-	-	-	749,695	-	-	-	-	-	-	-
Investment in unconsolidated affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment at fair value	19,885,317	-	1,045,781	-	11,880,798	-	-	-	-	-	-	-	-	-	-
Intercompany receivables	421,248,721	36,469,555	217,580	16,727	-	-	13,120,000	8,209,362	-	-	-	-	-	-	200,844
Investment in subsidiaries	573,869,870	18,045,676	-	-	-	-	155,026,803	-	9,825,000	-	445,646	-	-	-	-
Long-term deposits	70,772.00	-	-	-	-	-	-	105,280.00	-	-	-	-	-	-	-
Project assets	69,002,596	133,036,194	-	403,308	-	-	-	-	-	-	-	1,100,594	-	-	4,952,847
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative assets	4,344,623	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other noncurrent assets	17,792,174	-	-	-	-	-	-	33,281	-	-	-	-	-	-	-
Total noncurrent assets	1,191,180,947	351,529,690	54,559,915	420,035	11,880,798	-	168,146,803	14,151,366	9,825,000	-	445,646	1,100,594	16,059,452	-	5,153,691
TOTAL ASSETS	**$ 1,236,702,715**	**$ 482,766,454**	**$ 56,186,543**	**$ 420,869**	**$ 11,880,798**	**$ -**	**$ 169,479,493**	**$ 27,718,375**	**$ 9,825,000**	**$ 13,718,677**	**$ 445,646**	**$ 1,100,594**	**$ 16,303,455**	**$ -**	**$ 5,575,925**

See independent auditors' report.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEETS
DECEMBER 31, 2024

	Oberon Solar, LLC	Oberon Solar 1B, LLC	Hanwha 174PG JV Holdings, LLC	174 MEXICO HOLDINGS, S. DE R.L. DE C.V.	174 Power Global Mexico O&M, S. de R.L. de C.V.	Ho Ohana Solar 1, LLC	FCHQC Development, LLC	174 PG Torreon, S. de R.L. de C.V.	HEC GUAM A, LLC	174 PG Fluvanna, LLC	Wiley Property CA, LLC	Diamond Solar, LLC	TOTAL	EJE	Consolidated
CURRENT ASSETS															
Cash	$ -	$ 292,809	$ -	$ 53,873	$ 130,168	$ 3,462	$ -	$ 6,462,041	$ -	$ 246,614	$ -	$ -	$ 19,285,686	$ -	$ 19,285,686
Restricted cash	-	-	-	-	-	-	-	-	-	-	-	-	1,202,096	-	1,202,096
Accounts receivable - trade (net of allowance for credit losses)	-	-	-	-	-	-	-	418,626	-	-	-	-	10,654,447	-	10,654,447
Receivable from related parties	-	-	-	-	-	-	-	-	-	-	-	-	159,675,132	-	159,675,132
Notes receivable	-	-	-	-	-	-	-	-	-	-	-	-	487,392	-	487,392
Other receivable	-	-	-	-	-	-	-	24,345	-	-	-	-	2,570,745	-	2,570,745
Tax receivable	-	-	-	211,926	100,178	-	-	34,304	-	-	-	-	856,237	-	856,237
Accrued revenue	-	-	-	-	-	1,257	-	744,216	-	-	-	-	16,088,784	-	16,088,784
Project assets	-	-	-	-	-	-	-	-	-	-	-	-	-	133,565,620	133,565,620
Derivative assets	-	-	-	-	-	-	-	-	-	-	-	-	2,558,011	-	2,558,011
Prepaid expenses and other current assets	-	139,200	-	-	52,031	1,300,000	-	306,330	-	-	-	-	4,813,455	-	4,813,455
Total current assets	-	432,009	-	265,799	282,377	1,304,719	-	7,989,862	-	246,614	-	-	218,191,985	133,565,620	351,757,605
NONCURRENT ASSETS															
Restricted cash	-	147,035	-	-	-	-	-	-	-	-	-	-	2,542,794	-	2,542,794
Accounts receivable - trade	-	-	1,125,938	-	-	-	-	-	-	-	-	-	32,784,000	-	32,784,000
Receivable from related parties	-	-	-	-	-	-	-	-	-	-	-	-	175,919,840	-	175,919,840
Property and equipment, net	-	-	-	-	-	-	-	4,741,331	-	2,111,229	-	-	11,035,142	288,927,776	299,962,918
Photovoltaic (PV) system, net	-	33,841,658	-	-	-	-	-	88,595,980	-	-	-	-	135,643,868	163,715	135,807,583
Operating lease right-of-use assets, net	-	1,362,479	-	-	-	6,574,391	-	-	-	-	-	-	52,624,878	-	52,624,878
Intangible assets - crypto assets	-	-	-	-	-	-	-	-	-	-	-	-	51,304,413	-	51,304,413
Intangible assets - customer contracts and software, net	-	-	-	-	-	-	-	-	-	-	-	-	749,695	8,286,438	9,036,133
Investment in unconsolidated affiliates	-	-	218,614,835	-	-	-	-	-	-	-	-	-	218,614,835	-	218,614,835
Investment at fair value	-	-	-	-	-	-	-	-	-	-	-	-	32,811,896	-	32,811,896
Intercompany receivables	-	119,970	-	6,644	1,833	-	-	365,596	-	-	-	-	479,976,832	(479,976,832)	-
Investment in subsidiaries	3,649,900	-	-	65,851,236	-	-	3,364,104	-	-	-	-	-	830,078,235	(830,078,235)	-
Long-term deposits	-	-	-	-	-	-	-	82,007	-	-	-	-	258,059	-	258,059
Project assets	-	-	-	-	-	276,718,090	-	-	11,176,315	-	10,305,576	1,995,751	508,691,270	(419,074,537)	89,616,733
Deferred tax assets	-	-	-	-	76,976	-	-	-	-	-	-	-	76,976	-	76,976
Derivative assets	-	43,086	-	-	-	-	-	50,523	-	-	-	-	4,438,232	(43,086)	4,395,146
Other noncurrent assets	-	-	-	-	-	881,084	-	1,258,122	-	-	-	-	19,964,661	-	19,964,661
Total noncurrent assets	3,649,900	35,514,228	219,740,773	65,857,880	78,809	284,173,565	3,364,104	95,093,559	11,176,315	2,111,229	10,305,576	1,995,751	2,557,515,626	(1,431,794,761)	1,125,720,865
TOTAL ASSETS	**$ 3,649,900**	**$ 35,946,237**	**$ 219,740,773**	**$ 66,123,679**	**$ 361,186**	**$ 285,478,284**	**$ 3,364,104**	**$ 103,083,421**	**$ 11,176,315**	**$ 2,357,843**	**$ 10,305,576**	**$ 1,995,751**	**$ 2,775,707,611**	**$ (1,298,229,141)**	**$ 1,477,478,470**

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HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEETS
DECEMBER 31, 2024

	Hanwha Energy USA Holdings Corportation	174 Power Global LLC	174 Green Digital Tech, Inc.	174 PG Element 1 Corporation	174 PG ZIP, LLC	174 Power Global Climate Infra LLC	174 Power Global Retail Corporation	174 Power Global Retail TX, LLC	174 Power Global Retail Resource, LLC	Pumpjack Power, LLC	Intermountain HoldCo, LLC	Intermountain Solar Plant, LLC	Imeson Solar Farm, LLC	SweetWater Solar HoldCo, LLC	Boulder Solar III, LLC
LIABILITIES AND EQUITY															
CURRENT LIABILITIES															
Accounts payable - trade	$ 3,827,389	$ 3,180,170	$ (67,346)	$ 9,999	$ -	$ -	$ -	$ 2,514,744	$ 2,040,000	$ 3,795,836	$ -	$ 28,268	$ 102,187	$ -	$ 501,275
Payable to related parties	1,397,313	857,797	-	-	-	-	-	-	-	-	-	-	31,053	-	-
Note payable to related party	30,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term borrowings (net of debt issue cost)	573,245,273	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of long-term debt	53,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond payable (net of bond discounts and debt issuance cost)	296,856,098	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interest	6,608,749	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of long-term operating lease liabilities	550,680	2,831,759	-	-	-	-	-	-	-	-	-	-	198,263	-	-
Current portion of derivative liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other current liabilities	9,361,565	-	9,300	-	-	-	-	10,656,287	-	4,144,401	-	-	-	-	10,200
Total current liabilities	975,347,067	6,869,726	(58,046)	9,999	-	-	-	13,171,031	2,040,000	7,940,237	-	28,268	331,503	-	511,475
NONCURRENT LIABILITIES															
Long-term debt, net of current portion (net of debt issue cost)	62,542,536	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asset retirement obligation	-	-	-	-	-	-	-	-	-	-	-	-	246,426	-	-
Operating lease liabilities, net of current portion	2,180,057	44,440,910	-	-	-	-	-	1,663,009	-	-	-	-	2,730,601	-	-
Deferred tax liabilities	-	-	3,333,224	-	-	-	-	-	-	-	-	-	-	-	-
Derivative liabilities	266,720	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany payables	23,961,839	30,175,216	27,713,972	2,104,747	12,880,012	300	452,593	19,454,257	7,785,000	326,860	2,968	675,643	31,538	800	15,637,668
Accrued expenses and other noncurrent liabilities	1,863,707	-	-	-	-	-	-	9,726,229	-	1,102,317	-	-	-	-	-
Total noncurrent liabilities	90,814,859	74,616,126	31,047,196	2,104,747	12,880,012	300	452,593	30,843,495	7,785,000	1,429,177	2,968	675,643	3,008,565	800	15,637,668
TOTAL LIABILITIES	1,066,161,926	81,485,852	30,989,150	2,114,746	12,880,012	300	452,593	44,014,526	9,825,000	9,369,414	2,968	703,911	3,340,068	800	16,149,143
EQUITY															
Stockholder's equity:															
Common stock	355,200,000	104,399,986	1	1	-	-	155,026,803	155,026,803	-	-	450,520	397,075	14,190,275	523,682	1,979,286
Preferred Stock	-	-	-	-	-	-	14,117,640	-	-	-	-	-	-	-	-
Additional paid-in capital	3,396,969	-	14,999,999	-	-	-	-	-	-	-	(4,874)	-	-	-	-
Accumulated deficit	(188,056,180)	296,880,616	10,197,393	(1,693,878)	(999,214)	(300)	(117,543)	(171,322,954)	-	4,349,263	(2,968)	(392)	(1,226,888)	(524,482)	(12,552,504)
Accumulated other comprehensive loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stockholder's equity attributable to the Company	170,540,789	401,280,602	25,197,393	(1,693,877)	(999,214)	(300)	169,026,900	(16,296,151)	-	4,349,263	442,678	396,683	12,963,387	(800)	(10,573,218)
Noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY (DEFICIT)	170,540,789	401,280,602	25,197,393	(1,693,877)	(999,214)	(300)	169,026,900	(16,296,151)	-	4,349,263	442,678	396,683	12,963,387	(800)	(10,573,218)
TOTAL LIABILITIES AND EQUITY	**$ 1,236,702,715**	**$ 482,766,454**	**$ 56,186,543**	**$ 420,869**	**$ 11,880,798**	**$ -**	**$ 169,479,493**	**$ 27,718,375**	**$ 9,825,000**	**$ 13,718,677**	**$ 445,646**	**$ 1,100,594**	**$ 16,303,455**	**$ -**	**$ 5,575,925**

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HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEETS
DECEMBER 31, 2024

	Oberon Solar, LLC	Oberon Solar 1B, LLC	Hanwha 174PG JV Holdings, LLC	174 MEXICO HOLDINGS, S. DE R.L. DE C.V.	174 Power Global Mexico O&M, S. de R.L. de C.V.	Ho Ohana Solar 1, LLC	FCHQC Development, LLC	174 PG Torreon, S. de R.L. de C.V.	HEC GUAM A, LLC	174 PG Fluvanna, LLC	Wiley Property CA, LLC	Diamond Solar, LLC	TOTAL	EJE	Consolidated
LIABILITIES AND EQUITY															
CURRENT LIABILITIES															
Accounts payable - trade	$ -	$ 349,955	$ -	$ 5,547	$ 2,597	$ 5,795,695	$ -	$ 159,059	$ 2,113	$ -	$ -	$ -	$ 22,247,486	$ -	$ 22,247,486
Payable to related parties	-	238,994	-	-	-	-	-	-	-	-	-	-	2,525,156	-	2,525,156
Note payable to related party	-	-	-	-	-	-	-	-	-	-	-	-	30,000,000	-	30,000,000
Short-term borrowings (net of debt issue cost)	-	-	-	-	-	-	-	-	-	-	-	-	573,245,273	-	573,245,273
Current portion of long-term debt	-	1,235,753	-	-	-	-	-	2,871,919	-	-	-	-	57,607,672	-	57,607,672
Bond payable (net of bond discounts and debt issuance cost)	-	-	-	-	-	-	-	-	-	-	-	-	296,856,098	-	296,856,098
Accrued interest	-	-	-	-	-	-	-	-	-	-	-	-	6,608,751	-	6,608,751
Current portion of long-term operating lease liabilities	-	83,468	-	-	-	473,258	-	-	-	-	-	-	4,137,428	-	4,137,428
Current portion of derivative liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other current liabilities	-	17,000	-	-	25,016	881,084	-	6,167,449	4,624,161	287,531	-	-	36,183,994	-	36,183,994
Total current liabilities	-	1,925,170	-	5,547	27,613	7,150,037	-	9,198,427	4,626,274	287,531	-	-	1,029,411,858	-	1,029,411,858
NONCURRENT LIABILITIES															
Long-term debt, net of current portion (net of debt issue cost)	-	13,626,147	-	-	-	-	-	56,841,203	-	-	-	-	133,009,886	-	133,009,886
Asset retirement obligation	-	998,127	-	-	-	-	-	-	-	-	-	-	1,244,553	-	1,244,553
Operating lease liabilities, net of current portion	-	1,374,252	-	-	-	8,536,727	-	-	-	-	-	-	60,925,556	-	60,925,556
Deferred tax liabilities	-	-	-	-	-	-	-	2,556,310	-	-	-	-	5,889,534	-	5,889,534
Derivative liabilities	-	-	-	-	-	-	-	-	-	-	-	-	266,720	43,087	223,633
Intercompany payables	300	24,246,634	401	365,596	-	266,427,027	-	4,301,833	29,085,018	2,111,529	10,306,077	1,929,005	479,976,833	479,976,833	-
Accrued expenses and other noncurrent liabilities	-	-	-	-	-	-	-	-	-	-	-	-	12,692,253	-	12,692,253
Total noncurrent liabilities	300	40,245,160	401	365,596	-	274,963,754	-	63,699,346	29,085,018	2,111,529	10,306,077	1,929,005	694,005,335	480,019,920	213,985,415
TOTAL LIABILITIES	300	42,170,330	401	371,143	27,613	282,113,791	-	72,897,773	33,711,292	2,399,060	10,306,077	1,929,005	1,723,417,193	480,019,920	1,243,397,273
EQUITY															
Stockholder's equity:															
Common stock	3,649,900	3,649,900	210,529,659	79,000,037	-	3,364,104	3,364,104	65,851,236	54,989	-	-	67,707	1,156,726,068	801,526,068	355,200,000
Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	14,117,640	14,117,640	-
Additional paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	18,392,094	20,222,808	(1,830,714)
Accumulated deficit	(300)	(9,873,993)	9,210,713	(4,402,913)	266,297	389	-	(35,519,244)	(22,589,966)	(41,217)	(501)	(962)	(128,021,728)	(4,561,591)	(123,460,137)
Accumulated other comprehensive loss	-	-	-	(8,844,588)	67,276	-	-	(146,344)	-	-	-	-	(8,923,657)	-	(8,923,657)
Stockholder's equity attributable to the Company	3,649,600	(6,224,093)	219,740,372	65,752,536	333,573	3,364,493	3,364,104	30,185,648	(22,534,977)	(41,217)	(501)	66,745	1,052,290,417	831,304,925	220,985,492
Noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,095,705)	13,095,705
TOTAL EQUITY (DEFICIT)	3,649,600	(6,224,093)	219,740,372	65,752,536	333,573	3,364,493	3,364,104	30,185,648	(22,534,977)	(41,217)	(501)	66,745	1,052,290,417	818,209,220	234,081,197
TOTAL LIABILITIES AND EQUITY	**$ 3,649,900**	**$ 35,946,237**	**$ 219,740,773**	**$ 66,123,679**	**$ 361,186**	**$ 285,478,284**	**$ 3,364,104**	**$ 103,083,422**	**$ 11,176,315**	**$ 2,357,843**	**$ 10,305,576**	**$ 1,995,750**	**$ 2,775,707,611**	**$ 1,298,229,140**	**$ 1,477,478,470**

See independent auditors' report.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	Hanwha Energy USA Holdings Corportation	174 Power Global LLC	174 Green Digital Tech, Inc.	174 PG Element 1 Corporation	174 PG ZIP, LLC	174 Power Global Climate Infra LLC	174 Power Global Retail Corporation	174 Power Global Retail TX, LLC	174 Power Global Retail Resource, LLC	Pumpjack Power, LLC	Intermountain HoldCo, LLC	Intermountain Solar Plant, LLC	Imeson Solar Farm, LLC	SweetWater Solar HoldCo, LLC	Boulder Solar III, LLC
REVENUE	$ 273,125	$ 241,963,046	$ 1,178,289	$ -	$ -	$ -	$ -	$ 77,127,807	$ -	$ 35,792,154	$ -	$ -	$ 685,185	$ -	$ -
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COST OF REVENUE	685,007	64,993,621	9,095,570	-	-	-	-	67,855,003	-	30,814,896	-	-	990,517	-	-
GROSS PROFIT (LOSS)	(411,882)	176,969,425	(7,917,281)	-	-	-	-	9,272,804	-	4,977,258	-	-	(305,332)	-	-
OPERATING EXPENSES	32,724,121	13,967	872,463	636,503	140,306	300	-	15,739,150	-	627,994	1,120	18	62,864	800	12,005
GAIN FROM DISPOSAL OF LONG-LIVED ASSETS	185,412	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INCOME (LOSS) FROM OPERATIONS	**(32,950,591)**	**176,955,458**	**(8,789,744)**	**(636,503)**	**(140,306)**	**(300)**	**-**	**(6,466,346)**	**-**	**4,349,264**	**(1,120)**	**(18)**	**(368,196)**	**(800)**	**(12,005)**
OTHER INCOME (EXPENSES)															
Interest income	723,026	-	-	-	-	-	333,097	80,428	-	-	-	-	-	-	-
Interest expense	(38,284,933)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantee fees	(643,911)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on investment in unconsolidated affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on valuation of investments at fair value	4,054,246	-	-	-	315,747	-	-	-	-	-	-	-	-	-	-
Unrealized gain on crypto assets	-	-	27,939,282	-	-	-	-	-	-	-	-	-	-	-	-
Gain on derivatives, net	5,307,620	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income (expenses), net	(3,292,799)	(1,168,622)	(521,721)	-	-	-	-	249,191	-	-	-	-	-	-	-
Total other income (expenses), net	(32,136,751)	(1,168,622)	27,417,561	-	315,747	-	333,097	329,619	-	-	-	-	-	-	-
INCOME (LOSS) BEFORE BENEFIT FROM INCOME TAXES	(65,087,342)	175,786,836	18,627,817	(636,503)	175,441	(300)	333,097	(6,136,727)	-	4,349,264	(1,120)	(18)	(368,196)	(800)	(12,005)
BENEFIT FROM INCOME TAXES	352,926	-	(600,909)	3,086	-	-	(452,258)	-	-	-	-	-	-	-	-
NET INCOME (LOSS)	(64,734,416)	175,786,836	18,026,908	(633,417)	175,441	(300)	(119,161)	(6,136,727)	-	4,349,264	(1,120)	(18)	(368,196)	(800)	(12,005)
INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTEREST	-	-	-	-	-	-	(17,874)	(920,509)	-	652,390	-	-	-	-	-
INCOME (LOSS) ATTRIBUTABLE TO THE COMPANY	**$ (64,734,416)**	**$ 175,786,836**	**$ 18,026,908**	**$ (633,417)**	**$ 175,441**	**$ (300)**	**$ (101,287)**	**$ (5,216,218)**	**$ -**	**$ 3,696,874**	**$ (1,120)**	**$ (18)**	**$ (368,196)**	**$ (800)**	**$ (12,005)**

See independent auditors' report.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	Oberon Solar, LLC	Oberon Solar 1B, LLC	Hanwha 174PG JV Holdings, LLC	174 MEXICO HOLDINGS, S. DE R.L. DE C.V.	174 Power Global Mexico O&M, S. de R.L. de C.V.	Ho Ohana Solar 1, LLC	FCHQC Development, LLC	174 PG Torreon, S. de R.L. de C.V.	HEC GUAM A, LLC	174 PG Fluvanna, LLC	Wiley Property CA, LLC	Diamond Solar, LLC	TOTAL	EJE	Consolidated
REVENUE	$ -	$ 2,223,779	$ -	$ -	$ 920,114	$ -	$ -	$ 24,210,038	$ -	$ -	$ -	$ -	$ 384,373,537	$ (3,151,124)	$ 381,222,413
	-	-	-	-	-	-	-	-	-	-	-	-			
COST OF REVENUE	-	2,457,707	-	-	940,569	-	-	24,340,057	-	-	-	-	202,172,947	(3,142,904)	199,030,043
GROSS PROFIT (LOSS)	-	(233,928)	-	-	(20,455)	-	-	(130,019)	-	-	-	-	182,200,590	(8,220)	182,192,370
OPERATING EXPENSES	-	57,063	401	341,980	35,254	349	-	769,198	5,475	21,877	501	300	52,064,009	1,539,692	53,603,701
GAIN FROM DISPOSAL OF LONG-LIVED ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	185,412	-	185,412
INCOME (LOSS) FROM OPERATIONS	-	(290,991)	(401)	(341,980)	(55,709)	(349)	-	(899,217)	(5,475)	(21,877)	(501)	(300)	130,321,993	(1,547,912)	128,774,081
OTHER INCOME (EXPENSES)															
Interest income	-	-	-	-	-	1,257	-	749,968	-	-	-	-	1,887,776	-	1,887,776
Interest expense	-	(393,697)	-	-	-	-	-	(3,681,321)	-	-	-	-	(42,359,951)	-	(42,359,951)
Guarantee fees	-	-	-	-	-	-	-	(19,428)	-	-	-	-	(663,339)	-	(663,339)
Loss on investment in unconsolidated affiliates	-	-	(15,269,609)	-	-	-	-	-	-	-	-	-	(15,269,609)	-	(15,269,609)
Gain on valuation of investments at fair value	-	-	-	-	-	-	-	-	-	-	-	-	4,369,993	-	4,369,993
Unrealized gain on crypto assets	-	-	-	-	-	-	-	-	-	-	-	-	27,939,282	-	27,939,282
Gain on derivatives, net	-	(20,046)	-	-	-	-	-	(1,338,217)	-	-	-	-	3,949,357	-	3,949,357
Foreign currency loss	-	-	-	(183)	(7,210)	-	-	(11,485,299)	-	-	-	-	(11,492,692)	-	(11,492,692)
Other income (expenses), net	-	-	-	(582,675)	(4,520)	750	-	667,261	-	(1,699)	-	-	(4,654,834)	8,683,653	4,028,819
Total other income (expenses), net	-	(413,743)	(15,269,609)	(582,858)	(11,730)	2,007	-	(15,107,036)	-	(1,699)	-	-	(36,294,017)	8,683,653	(27,610,364)
INCOME (LOSS) BEFORE BENEFIT FROM INCOME TAXES	-	(704,734)	(15,270,010)	(924,838)	(67,439)	1,658	-	(16,006,253)	(5,475)	(23,576)	(501)	(300)	94,027,976	7,135,741	101,163,717
BENEFIT FROM INCOME TAXES	-	-	-	-	(79,740)	-	-	7,073,960	-	-	-	-	6,297,064	-	6,297,064
NET INCOME (LOSS)	-	(704,734)	(15,270,010)	(924,838)	(147,179)	1,658	-	(8,932,293)	(5,475)	(23,576)	(501)	(300)	100,325,040	7,135,741	107,460,781
INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTEREST	-	-	-	-	-	-	-	-	-	-	-	-	-	(516,778)	(516,778)
INCOME (LOSS) ATTRIBUTABLE TO THE COMPANY	$ -	$ (704,734)	$ (15,270,010)	$ (924,838)	$ (147,179)	$ 1,658	$ -	$ (8,932,293)	$ (5,475)	$ (23,576)	$ (501)	$ (300)	$ 100,325,040	$ 7,652,519	$ 107,977,559

See independent auditors' report.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholder
Hanwha Energy USA Holdings Corporation and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Hanwha Energy USA Holdings Corporation (a Delaware Corporation) and Subsidiaries, which comprise the consolidated balance sheet as of December 31, 2023, and the related consolidated statements of income and comprehensive income, changes in stockholder's equity and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Hanwha Energy USA Holdings Corporation and Subsidiaries as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hanwha Energy USA Holdings Corporation and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hanwha Energy USA Holdings Corporation and Subsidiaries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- 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 Hanwha Energy USA Holdings Corporation and Subsidiaries' internal control. Accordingly, no such opinion is expressed.

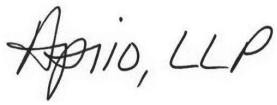
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hanwha Energy USA Holdings Corporation and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on Pages 43 to 48 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Atlanta, Georgia
March 31, 2024

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2023

ASSETS

CURRENT ASSETS		
Cash	$	45,447,887
Restricted cash		2,000,000
Accounts receivable - trade, net of allowance for doubtful accounts of $1,797,014		1,681,903
Receivables from related parties		112,821,102
Notes receivable		294,792
Other receivables		119,674
Tax refundable, net of allowance for doubtful accounts of $1,994,761		1,463,517
Accrued revenue		2,728,872
Project assets		147,610,618
Prepaid expenses and other current assets		4,849,361
Total current assets		319,017,726
NONCURRENT ASSETS		
Restricted cash		2,041,905
Accounts receivable		37,618,440
Receivables from related parties		115,761,094
Property and equipment, net		245,123,488
Photovoltaic (PV) system, net		159,350,091
Operating lease right-of-use assets, net		70,878,547
Intangible assets, net		10,783,244
Investment in unconsolidated affiliate		235,120,416
Investment at fair value		20,140,888
Long-term deposits		122,204
Project assets		35,940,219
Deferred tax assets		70,417
Derivative assets		2,250,436
Other noncurrent assets		14,962,466
Total noncurrent assets		950,163,855
TOTAL ASSETS	$	1,269,181,581

See notes to the consolidated financial statements.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2023

LIABILITIES AND EQUITY

CURRENT LIABILITIES		
Short-term borrowings (net of debt issuance costs of $2,281,936)	$	452,718,064
Current portion of long-term debt (net of debt issuance costs of $66,268)		31,844,507
Accounts payable		24,566,339
Payable to related parties		3,913,560
Accrued interest		5,895,811
Current portion of long-term operating lease liabilities		4,742,646
Provision liabilities		41,204,466
Current portion of derivative liabilities		290,896
Accrued expenses and other current liabilities		21,271,406
Total current liabilities		586,447,695
NONCURRENT LIABILITIES		
Long-term debt (net of debt issuance costs of $3,883,075)		165,691,946
Bond payable (net of bond discounts and debt issuance costs of $8,550,591)		291,444,409
Asset retirement obligation		2,910,378
Operating lease liabililties		75,670,043
Deferred tax liability		10,730,884
Derivative liabilities		327,678
Accrued expenses and other noncurrent liabilities		10,792,350
Total noncurrent liabilities		557,567,688
TOTAL LIABILITIES		1,144,015,383

See notes to the consolidated financial statements.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2023

EQUITY		
Stockholder's equity:		
Common stock, par value $1,000 per share; 355,201 shares authorized, 355,201 shares issued and outstanding (1 share issued with no par value)	$	355,200,000
Additional paid-in capital		2,014,598
Accumulated deficit		(240,381,484)
Accumulated other comprehensive loss		(2,111,035)
Stockholder's equity attributable to the Company		114,722,079
Noncontrolling interest		10,444,119
TOTAL EQUITY		125,166,198
TOTAL LIABILITIES AND EQUITY	$	1,269,181,581

See notes to the consolidated financial statements.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

REVENUE	$	410,283,644
COST OF REVENUE		252,852,279
GROSS PROFIT		157,431,365
OPERATING EXPENSES		77,637,320
LOSS FROM DISPOSAL OF LONG-LIVED ASSETS		(15,703,619)
INCOME FROM OPERATIONS		64,090,426
OTHER INCOME (EXPENSE)		
Interest income		6,408,434
Interest expense		(38,484,118)
Guarantee fees		(757,065)
Loss on investment in unconsolidated affiliate		(13,347,826)
Foreign currency gain		14,747,281
Loss on derivatives		(315,516)
Gain on disposal of investment in unconsolidated affiliate		1,753,913
Gain on valuation of investments at fair value		6,146,565
Impairment loss from investment in unconsolidated affiliate		(15,420,390)
Provision expenses		(14,609,110)
Other non-operating income, net		5,770,925
Total other income (expense)		(48,106,907)
INCOME BEFORE PROVISION FROM INCOME TAXES		15,983,519
PROVISION FOR INCOME TAXES		2,920,381
NET INCOME		13,063,138
LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST		(511,201)
INCOME ATTRIBUTABLE TO THE COMPANY		13,574,339
OTHER COMPREHENSIVE INCOME		
Foreign currency translation gain, net of income tax expense of $97,063		365,140
COMPREHENSIVE INCOME	$	13,939,479

See notes to the consolidated financial statements.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

	Common Stock		Additional	Accumulated	Accumulated Other	Stockholder's Equity	Noncontrolling	Total
	Shares	Amount	Paid-in Capital	Deficit	Comprehensive Income (Loss)	attributable to the Company	Interest	Equity
BALANCE AT DECEMBER 31, 2022	355,201	$ 355,200,000	$ (24,520)	$ (253,955,823)	$ (2,476,175)	$ 98,743,482	$ (3,162,320)	$ 95,581,162
Net income (loss)	-	-	-	13,574,339	-	13,574,339	(511,201)	13,063,138
Contribution	-	-	-	-	-	-	-	-
Distribution	-	-	-	-	-	-	-	-
Gain from transaction between entities under common control	-	-	2,039,118	-	-	2,039,118	-	2,039,118
Contribution from noncontrolling interest	-	-	-	-	-	-	14,117,640	14,117,640
Foreign currency translation gain, net of income tax expense of $97,063	-	-	-	-	365,140	365,140	-	365,140
BALANCE AT DECEMBER 31, 2023	355,201	$ 355,200,000	$ 2,014,598	$ (240,381,484)	$ (2,111,035)	$ 114,722,079	$ 10,444,119	$ 125,166,198

See notes to the consolidated financial statements.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES		
Income attributable to the Company	$	13,574,339
Loss attributable to noncontrolling interest		(511,201)
Net income		13,063,138
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation expense		14,970,217
Amortization expense		13,401,098
Impairment of intangible assets		606,247
Provision expense		15,509,110
Impairment loss from investment in unconsolidated affiliate		15,420,390
Bad debt expense		4,679,703
Project impairment loss		19,940,371
Foreign currency translation gain		(16,243,986)
Loss on investment in unconsolidated affiliate		11,593,913
Gain on valuation of investments at fair value		(6,146,565)
Loss from disposal of long-lived assets		15,703,619
Loss on derivative		315,516
Deferred income taxes		2,920,381
Changes in assets and liabilities:		
Accounts receivable		2,168,417
Receivables from related parties		(133,847,219)
Notes receivable		72,886,833
Prepaid expenses and other current assets		(351,328)
Accrued revenue		(623,285)
Acquisition of intangible assets		(6,704,462)
Project assets		(96,699,783)
Prepaid income taxes		(760,180)
Value-added tax receivables		(15,752)
Other assets		14,295,589
Accounts payable		15,676,103
Accrued expenses and other current liabilities		(27,878,358)
Payable to related parties		(8,075,124)
Lease liabilities		(4,774,991)
Total adjustments		(82,033,526)
Net cash used in operating activities		(68,970,386)

See notes to the consolidated financial statements.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM INVESTING ACTIVITIES	
Investment in unconsolidated affiliate	$ (135,269,047)
Investment at fair value	(7,976,963)
Capital expenditures for property, and equipment	(272,925)
Disposal of investment in unconsolidated affiliate	3,313,337
Disposal of a subsidiary	1,881,212
Disposal of investment at fair value	23,548,000
Distribution income	7,659,676
Settlment of derivative	(1,962,270)
Net cash used in investing activities	(109,078,980)
CASH FLOWS FROM FINANCING ACTIVITIES	
Capital contributions from noncontrolling interest	14,117,640
Debt issuance costs	(5,826,583)
Proceeds from short-term debt	265,000,000
Repayment of bond payable	(31,600,569)
Repayment of short-term debt	(200,000,000)
Repayment of long-term debt	(16,149,075)
Net cash provided by financing activities	25,541,413
FOREIGN CURRENCY TRANSLATION ADJUSTMENT	365,140
DECREASE IN CASH AND RESTRICTED CASH	(152,142,813)
CASH AND RESTRICTED CASH AT BEGINNING OF YEAR	201,632,605
CASH AND RESTRICTED CASH AT END OF YEAR	$ 49,489,792

See notes to the consolidated financial statements.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Cash paid during the year for:	
Interest, including capitalized interest	$ 49,431,653
Income tax	$ 1,342,566
SUPPLEMENTAL DISCLOSURES OF NONCASH TRANSACTIONS	
Decrease in operating lease right-of-use assets	$ (2,457,903)
Decrease in operating lease liabilities	$ (2,457,903)
Reclass interest rate cap premium from PV system to derivative asset	$ 198,957
Reclass from PV system to property and equipment	$ (226,851,641)
Reclass from project assets to other assets	$ 2,111,229
Capitalized interest in project assets	$ 22,995,888
Capitalized lease expense in project assets	$ 4,864,870
Reclass from long-term debt to short-term debt	$ (170,000,000)
Project asset distribution from investment in unconsolidated affiliate	$ (11,878,650)

See notes to the consolidated financial statements.

1. NATURE OF BUSINESS

Hanwha Energy USA Holdings Corporation is a wholly owned subsidiary of Hanwha Energy Corporation (the Parent), located in Korea. The Company was incorporated as Hanwha Energy Corporation America in the state of Delaware in December 2013, changed its name to 174 Power Global Corporation in August 2016, and in December 2018 changed its name to Hanwha Energy USA Holdings Corporation.

The accompanying consolidated financial statements are comprised of the accounts of Hanwha Energy USA Holdings Corporation and its wholly owned and majority-owned subsidiaries (the Company).

The Company engages primarily in the development of solar power projects on utility-scale or commercial sites in the United States and Latin America, along with providing electricity to the retail utility market in Texas. In 2022, the Company launched its new business of developing digital infrastructure hosting facilities that provides electricity and other infrastructural services to data centers or any similar kinds of activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Principles of Consolidation

The accompanying consolidated financial statements reflect the accounts and operations of the Company and those of its subsidiaries. The typical condition for a controlling financial interest is holding a majority of the voting interests of an entity. However, a controlling financial interest may also exist in entities, such as variable interest entities (VIEs), through arrangements that do not involve controlling voting interests. In accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 810 (ASC 810) *Consolidation*, the Company consolidates any VIE of which it is the primary beneficiary. The primary beneficiary, as defined in ASC 810, is the party that has (1) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance, and (2) the obligation to absorb the losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The Company evaluates its relationships with its VIEs on an ongoing basis to determine whether it continues to be the primary beneficiary. The consolidated financial statements reflect the assets and liabilities of VIEs that are consolidated. All intercompany transactions and balances have been eliminated in consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant accounting estimates reflected in the Company's consolidated financial statements include revenue recognition for sales of solar power projects, allowance for doubtful accounts receivable, provision for contingent liability, impairment of long-lived assets, intangible assets, project assets, the estimated useful lives of long-lived assets, discount rates used to measure operating lease liabilities, asset retirement obligation, fair value estimate of financial instruments, accrual for uncertain tax positions, valuation allowances for deferred tax assets and applying acquisition method of accounting to business acquisitions.

Cash and Cash Equivalents
For the purpose of the statements of cash flows, the Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Restricted cash represents amounts held by banks, which are not available for the Company's general use, as security for issuance of letters of credit, short-term notes payable and bank borrowings. Upon maturity of the letters of credit, repayment of short-term notes payable or bank borrowings, the deposits are released by the bank and become available for general use by the Company.

Accounts Receivable
Accounts receivable represents unconditional rights to consideration arising from performance under contracts with customers. The carrying value of such receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value.

At contract inception, the Company does not adjust the promised amount of consideration for the effects of a significant financing component when it is expected that the period between transfer of a promised product or service to a customer and when the customer pays for that product or service will be one year or less. The Company typically does not include extended payment terms in contracts with customers.

Allowance for Doubtful Receivables
The Company monitors trade and other receivable balances and contract assets and estimates the allowance for lifetime expected credit losses. Estimates of expected credit losses are based on historical collection experience and other factors, including current market factors, and forecasted economic conditions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Interest Capitalization
The interest cost associated with a major development and construction project is capitalized and included in the cost of the project assets. Interest capitalization ceases once a project is substantially complete or is no longer undergoing construction activities to prepare it for its intended use. When no debt is specifically identified as being incurred in connection with a construction project, the Company capitalizes interest on amounts expended on the project at the Company's weighted-average cost of borrowed money. Total interest capitalized in 2023 was $22,995,888.

Project Assets
Project assets primarily consist of costs related to solar power projects in various stages of development that are capitalized prior to the completion of the sale of the project, including projects that may have begun commercial operation under Power Purchase Agreements (PPAs) and are actively marketed and intended to be sold. These project related costs include costs for land, development, and construction of a Photovoltaic (PV) solar power system. Development costs may include legal, consulting, permitting, transmission upgrade, interconnection and other similar costs. The Company typically classifies project assets as noncurrent due to the nature of solar power projects (long-lived assets) and the time required to complete all activities to develop, construct and sell projects, which is typically longer than 12 months. Project assets are classified as current when the Company intends to sell within 12 months. The Company presents all expenditures related to the development and construction of project assets, whether fully or partially owned, as a component of cash flows from operating activities.

The Company reviews project assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company considers a project commercially viable or recoverable if it is anticipated to be sold for a profit once it is either fully developed or fully constructed. The Company considers a partially developed or partially constructed project commercially viable or recoverable if the anticipated selling price is higher than the carrying value of the related project assets. The Company examines a number of factors to determine if the project is expected to be recoverable, including whether there are any changes in environmental, ecological, permitting, market pricing or regulatory conditions that may impact the project. Such changes could cause the costs of the project to increase or the selling price of the project to decrease. If a project is not considered recoverable, the Company impairs the respective project assets and adjusts the carrying value to the estimated fair value, with the resulting impairment recorded within operating expense. The Company performed an impairment test as of December 31, 2023, and an impairment loss of $19,940,371 was recognized which was primarily due to the change in scope and assumptions in the development projects resulting in a negative impact on the outlook of projects.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property and Equipment
Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to twenty-five years. Leasehold improvements are amortized over the shorter of the useful life of the related assets or the lease term. Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

Investments in Unconsolidated Affiliates
The Company accounts for unconsolidated affiliates depending upon whether the Company has the ability to exercise significant influence over the affiliate. As part of this evaluation, the Company considers participation and protective rights in the affiliate. The Company uses the equity method of accounting for investments when the Company has the ability to significantly influence, but not control, the operations or financial activities of the investee.

If the Company does not have the ability to significantly influence the operations or financial activities of the investee, unconsolidated affiliates with readily determinable fair values are measured at fair value. Unconsolidated affiliates without readily determinable fair values are measured at cost with adjustments for observable changes in price or impairments (referred to as the measurement alternative). The Company performs a qualitative assessment at each reporting period and recognizes an impairment if there are sufficient indicators that the fair value of the investment is less than carrying value. Changes in value are recorded in other income (expense), net. The Company records any distributions received from the net accumulated earnings of such investments as income. Distributions received in excess of their earnings are considered returns of investment and are recorded as reductions in the cost of the investments.

Impairment of Long-lived Assets
The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that carrying amounts of such assets may not be recoverable. When these events occur, the Company evaluates impairment by comparing the carrying amount of the assets to the future undiscounted net cash flows expected to result from the use of the assets and their eventual disposition. If the sum of the expected undiscounted cash flows is less than the carrying amount of the assets, the Company would recognize an impairment loss based on the excess of the carrying amount of the asset over its fair value. The Company performed an impairment test as of December 31, 2023, and no impairment loss was recognized for long-lived assets other than project assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Intangible Assets
Intangible assets consist primarily of digital currencies and software. Intangible assets are recorded at cost less impairment, and an intangible asset with an indefinite useful life is not amortized but assessed for impairment annually, or more frequently, when events or changes in circumstances occur indicating that it is more likely than not that the indefinite-lived asset is impaired. Impairment exists when the carrying amount exceeds its fair value. In testing for impairment, the Company has the option to first perform a qualitative assessment to determine whether it is more likely than not that an impairment exists. If it is determined that it is not more likely than not that an impairment exists, a quantitative impairment test is not necessary. If the Company concludes otherwise, it is required to perform a quantitative impairment test. To the extent an impairment loss is recognized, the loss establishes the new cost basis of the asset. Subsequent reversal of impairment losses is not permitted. The Company performed an impairment test as of December 31, 2023, and an impairment loss of $606,247 was recognized.

Concentration of Risk
Assets that potentially subject the Company to significant concentration of credit risk are primarily cash and cash equivalents.

The Company maintains cash and cash equivalents in accounts that are in excess of the Federal Deposit Insurance Corporation (FDIC) insured limits of $250,000. As of December 31, 2023, approximately $46.4 million in cash and cash equivalents was uninsured based upon the FDIC insurance coverage limits.

The Company mitigates its risk of loss by continuing to monitor the financial strength of the financial institutions in which it makes deposits.

Fair Value Measurement
The Company measures certain assets and liabilities at fair value, which is defined as the price that would be received from the sale of an asset or paid to transfer a liability (i.e., an exit price) on the measurement date in an orderly transaction between market participants in the principal or most advantageous market for the asset or liability. The Company uses the following hierarchy for fair value measurement, which prioritizes valuation inputs based on the extent to which the inputs are observable in the market.

Level 1 – Valuation techniques in which all significant inputs are unadjusted quoted prices from active markets for assets or liabilities that are identical to the assets or liabilities being measured.

Level 2 – Valuation techniques in which significant inputs include quoted prices from active markets for assets or liabilities that are similar to the assets or liabilities being measured and/or quoted prices for assets or liabilities that are identical or similar to the assets or liabilities being measured from markets that are not active. Also, model-derived valuations in which all significant inputs are observable in active markets are Level 2 valuation techniques.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair Value Measurement – Continued
Level 3 – Valuation techniques in which one or more significant inputs are unobservable. Such inputs reflect estimate of assumptions that market participants would use to price an asset or liability.

The cost approach is based on the amount that would currently be required to replace an asset.

Fair Value of Financial Instruments
The carrying amounts reported in the consolidated balance sheet for cash, restricted cash, accounts receivable, other receivables, short-term notes receivable, prepaid expenses and other current assets, accounts payable, notes payable, accrued expenses and other current liabilities, short-term borrowings and current portion of long-term debt approximate fair value because of the short-term maturity of those financial instruments. The carrying amount reported for certain long-term debt in the consolidated financial statements approximates fair value due to the variable rate of these borrowings.

Derivative Instruments
The Company accounts for derivative financial instruments under ASC 815, Derivative and Hedging, which requires the Company to record all derivatives on the consolidated balance sheet at fair value unless they qualify for a normal purchase and normal sales ("NPNS") exception.

ASC 815-10 requires that an entity recognizes all derivative instruments as either assets or liabilities at fair value in the accompanying balance sheet. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in the statements of income and comprehensive income. The Company offsets amounts in the consolidated balance sheet for derivative instruments executed with the same counterparty where the Company has a master netting arrangement.

The Company holds derivative instruments that are not for trading purposes and are not designated as hedges for accounting purposes. Changes in the fair value of and amounts realized upon settlement of derivative instruments not held for trading purposes are recognized as a component of other income or expense.

Revenue and expenses on contracts that qualify for the NPNS exception are recognized when the underlying physical transaction is delivered. While these contracts are considered derivative financial instruments under ASC 815, they are not recorded at fair value, but on the accrual basis of accounting.

The Company elected an accounting policy to classify economic hedging cash flows in the same category in the consolidated statement of cash flows as the category for the cash flows from hedged items.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Contingencies
Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. If a potential material loss contingency is not probable but is reasonably possible, or is probable but the amount cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, is disclosed. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Foreign Currency Translation
The United States dollar (U.S. dollars or $), the currency in which a substantial amount of the Company's transactions are denominated, is used as the functional and reporting currency.

The Company translates assets and liabilities of its foreign operations into the reporting currency at the exchange rates in effect at the balance sheet date. The Company translates income and expense items of such foreign operations into the reporting currency at the average exchange rate during the year. The resulting translation adjustments are recorded in other comprehensive loss. The Company operates internationally and is exposed to potentially adverse movements in currency exchange rates.

Debt Issuance Costs
Financing costs are amortized over the term of the related debt and the amortization of debt issuance cost is included with interest.

Leases
At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset the Company assesses whether:

(a) The contract involves the use of an identified asset.
(b) The Company has the right to obtain substantially all of the economic benefits from the use of the asset.
(c) The Company has the right to direct the use of the asset.

The Company recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, plus any initial direct costs incurred. The lease liability is initially measured at the present value of the lease payments, discounted using the Company's credit risk free rate.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases with terms of 12 months or less. The Company accounts for the lease and non-lease components as a single lease component. Additionally, the Company applies a portfolio approach to effectively account for right-of-use assets and lease liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Leases – Continued
The Company assesses ROU assets for impairment. When events or circumstances indicate the carrying value may not be recoverable, the Company evaluates the net book value of the asset for impairment by comparison to the projected undiscounted future cash flows. If the carrying value of the asset is determined to not be recoverable and is in excess of the estimated fair value, the Company recognizes an impairment charge in asset impairments on its consolidated statements of loss and comprehensive loss.

Revenue Recognition
The Company applies ASC 606 '*Revenue from Contracts with Customers*'. According to the standard, revenue is recognized by applying a five-step revenue model to all types of contracts.

- Identify the contract with the customer
- Identify the performance obligations
- Determine the transaction price
- Allocate the transaction price
- Recognize revenue when (or as) the entity satisfies a performance obligation

The Company derives its revenue from several businesses described below.

Development
Revenue for the sale of a development project or for the sale of a completed system is recognized when the Company enters into the associated sales contract with the customer. Revenue from contracts with customers is recognized when control of promised goods and services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

The solar power projects or PV systems are often held in separate legal entities which are formed for the special purpose of constructing the solar power projects, which the Company refers to as "project entities". The Company applies guidance under ASC 810 to determine deconsolidation of the project companies upon transfer of equity interest to the customers, and then applies guidance under ASC 606 for revenue recognition. The revenue is recognized when the title and the ownership of a project entity is transferred to the customer.

Cost of revenue includes all direct material and labor costs and those indirect costs related to development and construction of a solar power system. Development costs include legal, consulting, permitting and other similar costs. Selling, general and administrative costs are charged to expense as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue Recognition – Continued

Retail
Revenue for electricity sales is recognized upon delivery of electricity to the customer's meter. Electric services not billed by month-end are accrued based upon estimated deliveries to customers as tracked and recorded by the Company multiplied by the Company's average billing rate per kilowatt hour (kwh) in effect at the time.

The Company uses a revenue estimation process by using its settlement statements to determine the volumes and associated estimated revenue for a month. Supplies delivered to customers for the month provides the basis for revenues.

Operation and Maintenance (O&M) Services
O&M services are transferred over time when customers receive and consume the benefits provided by the Company's performance under the terms of service arrangements. Revenues from O&M services are recognized over time based on the the terms of service arrangements.

Electricity Revenue
Electricity revenue is generated primarily by the Company's solar power plants under long-term PPAs and performance-based energy incentives. For electricity sold under PPAs, the Company recognizes electricity revenue based on the price stated in the PPAs when electricity has been generated and transmitted to the grid. The solar power plants that generate this revenue stream may be sold to potential buyers.

Digital Currencies
Providing computing power in crypto asset transaction verification services to the network is the only performance obligation under our arrangements with the network. The transaction consideration the Company receives, if any, is noncash consideration, which the Company measures at fair value on the date received, which is not materially different than the fair value at the time the Company has earned the award. The consideration is all variable. Fair value of the digital currency award received is determined using the average U.S. dollar spot rate of the related digital currency at the time of receipt. Expenses associated with running the digital currency mining business, such as rent, and electricity cost are also recorded as cost of revenues. Depreciation on digital currency mining equipment is recorded as a component of cost of revenues.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Assets Retirement Obligation
Certain jurisdictions in which the Company's project assets are located or certain land lease agreements require the removal of the PV systems when the system is decommissioned. Assets retirement obligation ("ARO") for the estimated costs of decommissioning associated with PV systems at a future date are accounted for in accordance with ASC 410-20, *Asset Retirement Obligations* ("ASC 410-20"). ASC 410-20 requires an entity to recognize the fair value of a liability for an ARO in the period in which it is incurred and a reasonable estimate of fair value can be made. Upon initial recognition of a liability for an ARO, the asset retirement cost is capitalized by increasing the carrying amount of the related long-lived asset by the same amount. Over time, the liability is accreted to its expected future value, while the capitalized cost is depreciated over the useful life of the related asset.

Advertising and Promotion Costs
The costs of advertising, promotional, sales and marketing programs are charged to operations when incurred and are included as sales and marketing expenses in the accompanying consolidated statement of income and comprehensive income. Advertising, promotional, sales and marketing costs totaled $481,137 for the year ended December 31, 2023.

Income Taxes and Uncertain Tax Positions
The Company is a C corporation and pays income taxes on its federal and state taxable income.

Provision for income taxes is based on taxes payable or refundable for the current year and deferred taxes on temporary differences between the amount of taxable income and pretax financial income and between the tax bases of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are included in the consolidated financial statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes.

The Company follows the accounting guidance for uncertainty in income taxes using the provisions of FASB ASC 740. Using that guidance, tax provisions are initially recognized in the consolidated financial statements when it is more-likely-than-not the provisions will be sustained upon examination by the tax authorities.

As of December 31, 2023, the Company had no material uncertain tax positions, or interest and penalties that qualify for either recognition or disclosure in the consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Noncontrolling Interests and Redeemable Noncontrolling Interests
The Company attributes income and loss to the noncontrolling interests and redeemable noncontrolling interests for tax equity investors using the hypothetical liquidation at book value (HLBV) method.

Under the HLBV method, the amounts of income and loss attributed to the noncontrolling interests and redeemable noncontrolling interests in the consolidated statement of income and comprehensive income reflect changes in the amounts the investors would hypothetically receive at each balance sheet date under the liquidation provisions of the contractual agreements of these arrangements, which are based on the investors' tax capital accounts, assuming the net assets of these funding structures were liquidated at recorded amounts. The Company's initial calculation of the investor's noncontrolling interest in the results of operations of these funding arrangements is determined as the difference in the noncontrolling interests' claim under the HLBV method at the start and end of each reporting period, after taking into account any capital transactions, such as contributions or distributions, between the investors.

Recently Adopted Accounting Guidance
In June 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326), or CECL, which prescribes an impairment model for most financial instruments based on expected losses rather than incurred losses. Under this model, an estimate of expected credit losses over the contractual life of the instrument is to be recorded as of the end of a reporting period as an allowance to offset the amortized cost basis, resulting in a net presentation of the amount expected to be collected on the financial instrument. For most instruments, entities must apply the standard using a cumulative-effect adjustment to the beginning equity as of the beginning of the fiscal year of adoption.

The Company adopted CECL effective January 1, 2023, using the required modified retrospective approach. The adoption of CECL resulted in no adjustment to equity as of January 1, 2023. Financial assets and liabilities held by the Company subject to the "expected credit loss" model prescribed by CECL include trade and other receivables as well as contract assets. Expected credit loss is described as bad debt and allowance for doubtful account in the financial statements.

Recently Issued Accounting Standards
In December 2023, the FASB issued ASU 2023-08, which addresses the accounting for and disclosure of crypto assets. The new guidance requires entities to subsequently measure certain crypto assets at fair value, with changes in fair value recorded in net income in each reporting period. The ASU are effective starting from fiscal year 2025 with early adoption in 2023 or 2024 is permitted. The Company did not opt for early adoption in the fiscal year 2023. The Company is unable to predict the impact that any new standards, legislation, or regulations may have on the business as of report date.

3. CASH AND RESTRICTED CASH

At December 31, 2023, restricted cash consists of deposits held by various banks to secure certain letters of credit and other deposits designated for the construction or operation of systems projects as well as the payment of amounts related to project specific debt financings.

Cash	$	45,447,887
Restricted cash - current portion		2,000,000
Restricted cash - non-current		2,041,905
Cash and restricted cash as shown on statement of cash flows	$	49,489,792

4. ALLOWANCE FOR DOUBTFUL ACCOUNTS

An analysis of allowances for accounts receivable for the year ended December 31, 2023, is as follows:

Beginning of the year	$	4,413,852
Allowances made (reversed) during the year, net		3,952,967
Accounts written-off against allowances		(6,569,805)
End of the year	$	1,797,014

The beginning of the year balances for Development and Retail services are $2,900,000 and $1,513,852 respectively. Allowances were made for each service line by $2,637,357 and $1,315,610 respectively during the year. The allowance for each service line by $4,939,397 and $1,630,408 were written off. The end of the year balances for each service line are $597,960 and $1,199,054 respectively.

An analysis of allowances for tax receivable for the year ended December 31, 2023, is as follows:

Beginning of the year	$	-
Allowances made (reversed) during the year, net		726,736
Reclassification		1,268,025
Accounts written-off against allowances		-
End of the year	$	1,994,761

5. PROPERTY AND EQUIPMENT

At December 31, 2023, property and equipment consists of the following major classifications:

Land	$	7,799,732
Leasehold improvement		88,578
Tools, furniture and fixtures		198,130
Computer and software		25,068,662
Construction in progress		227,124,566
		260,279,668
Less accumulated depreciation		(15,156,180)
Total property and equipment, net	$	245,123,488

Depreciation expense totaled $8,250,882 for the year ended December 31, 2023.

6. PHOTOVOLTAIC (PV) SYSTEMS

The Company completed construction of several PV systems, solar generating facilities, in Mexico and the U.S. in 2019 and 2020. Electricity is now being generated from these facilities.

At December 31, 2023, PV systems is summarized as below:

Photovoltaic (PV) system	$	188,930,423
Less accumulated depreciation		(29,580,332)
	$	159,350,091

Depreciation expense totaled $6,719,335 for the year ended December 31, 2023.

7. DISPOSITION

In February 2023, the Company entered into a membership interest purchase agreement with Hanwha Convergence USA Corp. (formerly known as SIT Tech Co., Ltd) and sold all of its membership interests in 174 Power Global O&M, LLC in exchange for the sale price of $3.8 million. The gain on sale, $2 million, was recorded under Additional Paid in Capital as it met the definition of a transaction under common control.

8. INTANGIBLE ASSETS

At December 31, 2023, intangible assets are comprised of software and digital currencies. The Company records intangible assets at cost less any impairment. Software is amortized over its estimated useful life, 3 years. Impairment for intangible asset exists when the carrying amount exceeds its fair value.

Amortization expense for intangible assets and impairment loss for the year ended December 31, 2023 was $164,391 and $606,247, respectively.

The changes in the carrying amount of intangible assets in 2023 are summarized as below:

Intangible assets, beginning of the year	$	7,411,537
Acquisition of digital currencies		6,704,462
Accumulated amortization of software		(301,384)
Accumulated impairment loss from digital currencies		(3,031,371)
End of the year	$	10,783,244

At December 31, 2023, the Company held approximately 525 bitcoins, and Bitcoin was the only cryptocurrency type in possession by the Company.

9. INVESTMENTS AT FAIR VALUE

Since April 2020, the Company has invested $9,870,000 in Juxtapose Ventures II L.P. (Juxtapose) representing 10% of Class A membership interest and invested $1,800,000 in NoHo Holdings II, LLC representing 2.8% of Class B membership interest. Accumulated unrealized losses from these investments were $475,132 and $157,797. Unrealized losses from these investments of $4,204,137 and $927,102 were recorded in the change in fair value of investment in the consolidated statement of income and comprehensive income. The fair value of each investment was $9,394,868 and $1,642,203 as of December 31, 2023.

Since 2022, the Company has invested $9,305,965 in Sandbrook Carry Vehicle I LLC representing 40% of carried interest and invested $1,563,005 in Sandbrook Sponsor Commitment Vehicle I LLC representing 80% of general partner commitment. In August 2023, Sandbrook Carry Vehicle I LLC and Sandbrook Sponsor Commitment Vehicle I LLC were sold to a related party and gain from the sale of $12,679,030 was recorded as a gain on changes in fair value of equity securities in the consolidated statement of income and comprehensive income.

9. INVESTMENTS AT FAIR VALUE – CONTINUED

Since April 2022, the Company has invested $8,937,542 in ZIP Fund I, LP representing 19.28% of limited partner commitment. Unrealized losses from the investment of $879,505 were recorded in the change in fair value of investment in the consolidated statement of income and comprehensive income. The fair value of investment was $8,058,037.

The Company has invested $1,567,502 in Navier, Inc., representing 7.62% of common stock as of December 31, 2023. Unrealized losses from the investment of $521,721 were recorded in the change in fair value of investment in the consolidated statement of income and comprehensive income. The fair value of the investment was $1,045,781.

10. INVESTMENT IN UNCONSOLIDATED AFFILIATES

Green Nikola Holdings, LLC
In October 2019, the Company invested $49,000,000 in Green Nikola Holdings, LLC (GNH) representing 49% of the total equity contributed. GNH was formed to invest in Nikola Corporation, which designs and manufactures hydrogen-powered semi-trucks.

In return for this investment, the Company acquired 49% of membership interest in GNH which represents a 49% voting interest. The investment is accounted for using the equity method of accounting since the Company does not have voting control but can exercise significant influence in major operating decisions under the terms of the operating agreement.

GNH was dissolved in December 2023 and issued liquidated distributions to members. The Company received distributions for $4,512,335 and recognized a loss of $7,177,475 for the year ended December 31, 2023.

Hanwha Total Solar, LLC, Hanwha Total Solar II, LLC, HT Solar Holdings, LLC and HT Solar Holdings III, LLC
In January 2021, the Company and TOTAL H SOLAR, LLC (TOTAL) signed an agreement to form two 50/50 joint ventures to develop 12 industrial-scale solar energy storage projects with combined capacity of 1.6GW cumulative capacity in the United States. The Company invested $146,078,649 in Hanwha Total Solar, LLC and Hanwha Total Solar II, LLC representing 50% of the total equity contributed.

In return for this investment, the Company acquired 50% of membership interest which represents a 50% voting interest. The investment is accounted for using the equity method of accounting since the Company does not have voting control but can exercise significant influence in major operating decisions under the terms of the operating agreement. The rate for distribution and allocation of income or loss is prorated in accordance with membership interest.

In March 2022, a project holding entity which owns a project entity with a PV asset under Hanwha Total Solar II, LLC entered into a membership interest purchase agreement with a subsidiary of HT Solar Holdings, LLC which is jointly owned and controlled by the Company and TOTAL.

10. INVESTMENT IN UNCONSOLIDATED AFFILIATES – CONTINUED

Hanwha Total Solar, LLC, Hanwha Total Solar II, LLC, HT Solar Holdings, LLC and HT Solar Holdings III, LLC – Continued

In December 2022, the Company entered into a distribution agreement with Hanwha Total Solar II, LLC and received 50% of membership interests for $12,351,690 in three early-stage project entities.

In March 2023, the Company entered into a distribution agreement with Hanwha Total Solar II, LLC and received a 50% membership interest for $18,297,518 of a project entity.

In December 2023, Hanwha Total Solar II, LLC transferred a project entity, ready for full commercial operation, to HT Solar Holdings III, LLC which is jointly owned and controlled by the Company and TOTAL.

The following represents the summarized financial information for Hanwha Total Solar, LLC, Hanwha Total Solar II, LLC, HT Solar Holdings, LLC and HT Solar Holdings III, LLC. (collectively, JV) as of and for the year ended December 31, 2023:

Assets:		
Cash and cash equivalents	$	99,321,023
Accounts receivable		44,413,560
Prepaid expenses and other current assets		3,665,593
Fixed assets, net		566,761,026
Right of use assets		23,682,789
Project assets		156,737,993
Other Noncurrent Assets		7,706,876
Total assets	$	902,288,860
Liabilities and members' equity:		
Accounts payable	$	72,356,577
Short-term borrowings		98,000,000
Current portion of long-term borrowings		2,713,595
Long-term borrowings		135,837,981
Lease liabilities		26,395,760
Accrued liabilities and others		25,892,178
Members' equity		541,092,769
Total liabilities and members' equity	$	902,288,860

10. INVESTMENT IN UNCONSOLIDATED AFFILIATES – CONTINUED

Revenues	$	25,204,959
Expenses		44,133,621
Net loss	$	(18,928,662)
Loss attributable to noncontrolling interest	$	(10,891,025)
Loss attributable to the JV	$	(8,037,637)

The Company's loss from the investment was $4,018,818 for the year ended December 31, 2023. The Company made contributions of $140,694,523 and received distributions of $26,870,335 for the year ended December 31, 2023. In addition, the Company recognized a loss of $1,022,940 from amortization of unrealized profits and impairment loss of $15,420,390 for the year ended December 31, 2023. The Company's investment at December 31, 2023 was $235,120,416.

11. SHORT-TERM BORROWINGS

The Company maintains twelve term loan agreements with six banks amounting to $455 million:

a) Bank A with a borrowing limit of $70 million and interest charged at three-month SOFR(Secured Overnight Financing Rate) plus 2.6% per annum (7.99% at December 31, 2023), and matures in April 2024. The outstanding balance is $70 million, and the interest is paid every three months. The loan is guaranteed by Hanwha Energy Corporation.

b) Bank A with a borrowing limit of $50 million and interest charged at three-month SOFR plus 2.66% per annum (7.99% at December 31, 2023), and matures in December 2024. There is no outstanding balance. The loan is guaranteed by Hanwha Energy Corporation.

c) Bank B with a borrowing limit of $70 million and interest charged at three-month SOFR plus 1.78% per annum (7.11% at December 31, 2023), and matures in April 2024. The outstanding balance is $70 million, and the interest is paid every three months. The loan is guaranteed by Hanwha Energy Corporation.

d) Bank B with a borrowing limit of $50 million and interest charged at three-month SOFR plus 1.78% per annum (7.11% at December 31, 2023), and matures in November 2024. The outstanding balance is $50 million, and the interest is paid every three months. The loan is guaranteed by Hanwha Energy Corporation.

e) Bank C with a borrowing limit of $20 million and interest charged at three-month SOFR plus 1.85% per annum (7.18% at December 31, 2023), and matures in March 2024, and has been renewed to March 2025. The outstanding balance is $20 million, and the interest is paid every three months. The loan is guaranteed by Hanwha Energy Corporation.

11. SHORT-TERM BORROWINGS - CONTINUED

f) Bank D with a borrowing limit of $30 million and interest charged at three-month SOFR plus 1.40% per annum (6.73% at December 31, 2023), and matures in October 2024. The outstanding balance is $30 million, and the interest is paid every three months. The loan is collateralized by the irrevocable Stand-by Letter of Credit (an aggregate amount of $30 million) issued by Kookmin Bank, Seoul, Korea, and guaranteed by Hanwha Energy Corporation.

g) Bank D with a borrowing limit of $30 million and interest charged at three-month SOFR plus 1.60% per annum (6.93% at December 31, 2023), and matures in January 2024, and has been renewed to January 2025. The outstanding balance is $30 million, and the interest is paid every three months. The loan is collateralized by the irrevocable Stand-by Letter of Credit (an aggregate amount of $30 million) issued by Kookmin Bank, Seoul, Korea, and guaranteed by Hanwha Energy Corporation.

h) Bank E with a borrowing limit of $15 million and interest charged at three-month SOFR plus 1.50% per annum (6.83% at December 31, 2023), and matures in November 2024. The outstanding balance is $15 million, and the interest is paid every three months. The loan is guaranteed by Hanwha Energy Corporation.

i) Bank F with a borrowing limit of $70 million and interest charged at three-month SOFR plus 1.6% per annum (6.93% at December 31, 2023), and matures in February 2024, and has been renewed to February 2025. The outstanding balance is $70 million, and the interest is paid every three months. The loan is guaranteed by Hanwha Energy Corporation.

j) Bank F with a borrowing limit of $40 million and interest charged at three-month SOFR plus 1.50% per annum (6.83% at December 31, 2023), and matures in October 2024. The outstanding balance is $40 million, and the interest is paid every three months. The loan is collateralized by the irrevocable Stand-by Letter of Credit (an aggregate amount of $40 million) issued by Hana Bank, Seoul, Korea, and guaranteed by Hanwha Energy Corporation.

k) Bank F with a borrowing limit of $40 million and interest charged at three-month SOFR plus 1.90% per annum (7.23% at December 31, 2023), and matures in October 2024. The outstanding balance is $40 million, and the interest is paid every three months. The loan is guaranteed by Hanwha Energy Corporation.

l) Bank F with a borrowing limit of $20 million and interest charged at three-month SOFR plus 1.50% per annum (6.83% at December 31, 2023), and matures in September 2024. The outstanding balance is $20 million, and the interest is paid every three months. The loan is collateralized by the irrevocable Stand-by Letter of Credit (an aggregate amount of $20 million) issued by Hana Bank, Seoul, Korea.

As of December 31, 2023, the outstanding balance of these short-term loans was $455 million and debt issuance costs was $2.3 million.

12. LONG-TERM DEBT

At December 31, 2023, long-term debt consists of the following:

The Company entered into a term loan agreement of $40 million with Woori Bank in April 2021, maturing in April 2024. The loan bears interest at three-month SOFR plus 1.70% per annum (7.09% at December 31, 2023). The principal amount of the loan is payable semi-annually per the payment schedule in the agreement. Repayment of the loan is guaranteed by Hanwha Energy Corporation. During 2023, $8 million in loan principal was repaid and the outstanding balance as of December 31, 2023, was $28 million.

The Company entered into a credit agreement in September 2018 with Banco Nacional De Comercio Exterior, Sociedad Nacional de Credito, Institucion de Banca de Desarrollo (Bancomext) and Korea Development Bank (KDB) for a construction term loan of $73,785,599. The credit agreement allows monthly loan draws during the defined construction period. The credit facility is comprised of three tranches:

- Tranche A Commitment for $47,960,640 – Tranche A is provided by Bancomext at a fixed interest rate of 5.17% per annum. The company is required to pay an average of approximately $710,000 in every three months according to repayment schedule. As of December 31, 2023, the outstanding balance was $42,897,643. Tranche A has a final maturity of June 2038.

- Tranche B Commitment for $24,595,199 – Tranche B is provided by KDB and bears interest at three-month SOFR plus 2.65%, including 0.15% CSA (7.98% at December 31, 2023). The company is required to pay an average of approximately $440,000 in every three months according to repayment schedule. The outstanding balance of Tranche B, which has a final maturity of September 2034, was $18,450,507 as of December 31, 2023.

- The Tranche C Commitment is $1,229,760. Tranche C is provided by Bancomext and bears interest at three-month SOFR plus 2.70%, including 0.15% CSA (8.03% at December 31, 2023). The company is required to pay an average of approximately $19,000 in every three months according to repayment schedule. The outstanding balance of Tranche C was $1,099,939 as of December 31, 2023. Tranche C is co-terminus with Tranche A.

All three loans above are collateralized by the PV generating facility located in Mexico.

The Company entered into a Credit Agreement in October 2020 with Korea Development Bank (KDB) for a construction term loan of $19,298,560. The company is required to pay an average of approximately $690,000 in every six months according to repayment schedule. The outstanding balance as of December 31, 2023, is $16,037,707. Interest is due at a fixed rate of 2.45% as of December 31, 2023. The loan has a maturity of June 2035. The loan contains certain financial covenants. As of December 31, 2023, the Company was not in violation of any financial covenants. The loan is collateralized with real and personal property of the project entity located in Texas.

12. LONG-TERM DEBT – CONTINUED

The Company entered into a term loan facility agreement of up to $95 million with Standard Chartered Bank and Landesbank Baden-Wurttemberg (LBBW) in August 2022 with the maturity date of August 2026. The Company had four separate loan drawdowns of $10M, $64M, $11M, and $10M between September and December of 2022 at six-month SOFR plus 1.20% with fixed interest rates in the range of 4.75 – 4.93%. The outstanding balance as of December 31, 2023 is $95 million and is payable in 2026 per the payment schedule in the agreement. The loan is guaranteed by Hanwha Energy Corporation. The loan contains certain financial covenants. As of December 31, 2023, the Company was not in violation of any financial covenants.

Long-term debt is summarized as below:

Current portion of long-term debt	$	31,910,775
Long-term debt		169,575,021
Less debt issuance cost		(3,949,343)
	$	197,536,453

Maturities of long-term debt for each of the next five years and thereafter are as follows:

2024	$	31,910,775
2025		51,607,672
2026		51,802,274
2027		4,464,358
2028		3,558,663
Thereafter		58,142,054
		201,485,796
Less current portion of long-term debt		(31,910,775)
Less debt issuance cost of long-term debt		(3,883,075)
Non-current portion	$	165,691,946

13. BOND PAYABLE

In July 2022, the Company entered into an agreement to issue Green Bond (the Bond) through the Singapore Exchange Securities Trading Limited in the amount of $300 million maturing July 2025. The Bond is used to finance new or existing renewable energy projects related to renewable energy. The Bond is guaranteed by Export-Import Bank of Korea (EXIM Bond) and Hanwha Energy Corporation. The fiscal agent of the Bond is Citicorp International Limited. The Bond's issue price was 99.688% of the offering amount and bears interest at the rate of 4.125% per annum from the issue date to its maturity date. The bond is payable semi-annually in arrears on January 5 and July 5 in each year starting January 5, 2023. Amortization expense of the Bond discount and the debt issuance cost are $305,213 and $5,093,407, respectively, for the year ended December 31, 2023.

The Bond is summarized as below:

The offering amount of the Bond	$	300,000,000
Less bond discount		(486,029)
Less bond issuance cost		(8,069,562)
	$	291,444,409

14. ASSET RETIREMENT OBLIGATION (ARO)

The Company has a legal obligation to decommission its PV system following the expiration of the land leases. To estimate its decommissioning obligation related to its PV system for financial accounting and reporting purposes, the Company uses a probability-weighted, discounted cash flow model which, on a unit-by-unit basis, considers multiple outcome scenarios that include significant estimates and assumptions, and are based on decommissioning cost studies, cost escalation rates, probabilistic cash flow models and discount rates. The Company updates its ARO annually unless circumstances warrant more frequent updates, based on its review of updated cost studies and its annual evaluation of cost escalation factors and probabilities assigned to various scenarios.

Following is a summary of the obligation at December 31, 2023:

Beginning of the year	$	2,785,165
Accretion expense		125,213
End of the year	$	2,910,378

15. REVENUE FROM CONTRACTS WITH CUSTOMERS

The primary sources of revenue are substantially from the following: sale of development projects in the United States, electricity sale to the retail market in Texas, revenue from sale of electricity, O&M service, and other services.

The following table presents the disaggregation of revenue from contracts with customers for the year ended December 31, 2023.

Category:		
Development	$	338,597,362
Retail sales in Texas		38,763,455
Electricity revenue		25,054,011
O&M services		1,107,530
Others		6,761,286
	$	410,283,644

A significant customer is defined as one from whom at least 10% of annual revenue is derived. The Company had sales of $326 million which is in excess of 79% of annual revenue from one related party in 2023. The accounts receivable balance included approximately $109 million associated with the customer, which accounted for approximately 41% of the gross accounts receivable as of December 31, 2023.

Accounts receivable and receivables from related parties are $39,300,343 and $228,582,196, respectively at December 31, 2023 and $42,803,409 and $7,989,571 respectively at December 31, 2022. Accrued revenue associated with retail sales and electricity revenue is $2,646,267 at December 31, 2023 and $2,105,588 at December 31, 2022. Deferred revenue is $22,672 at December 31, 2023 and $0 at December 31, 2022.

16. FAIR VALUE MEASUREMENT

The Company's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with the fair value provisions of the ASC. The ASC defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. See Note 2 for a discussion of the Company's policies regarding the hierarchy.

As of December 31, 2023, the Company's financial assets and liabilities were measured at fair value on a recurring basis in periods subsequent to their initial recognition all using the significant other observable inputs, which are Level 2 inputs.

16. FAIR VALUE MEASUREMENT - CONTINUED

The Company and Standard Chartered Bank entered into a foreign exchange forward contract to hedge its foreign currency risk exposure in regards of issuing Arirang Bond in 2020 which expired in 2023. In July 2023, the forward contract has been terminated and settled as the underlying debt was paid off at maturity. The gain of $1.2 million was recognized at settlement in the consolidated statement of income and comprehensive income.

The Company and Fifth Third Bank entered into an Interest rate swap agreement to hedge risk exposure in interest rate. The interest rate swap has been terminated and settled as the underlying debt was paid off in June 2023. The loss of $22,357 was recognized at settlement in the consolidated statement of income and comprehensive income.

The Company and Standard Chartered Bank entered into an Interest rate swap agreement to hedge risk exposure in interest rate. The underlying base rate, which is the variable six-month SOFR per the loan agreement, is converted to the following fixed rates locked through the swap agreement:

- Drawdown #1 Commitment for $10,000,000 – Drawdown #1 is provided by Standard Chartered Bank at fixed interest rate of 3.55% per annum.

- Drawdown #2 Commitment for $64,000,000 – Drawdown #2 is provided by Standard Chartered Bank at fixed interest rate of 3.73% per annum.

- Drawdown #3 Commitment for $11,000,000 – Drawdown #3 is provided by Standard Chartered Bank at fixed interest rate of 3.65% per annum.

- Drawdown #4 Commitment for $10,000,000 – Drawdown #4 is provided by Standard Chartered Bank at fixed interest rate of 3.64% per annum.

The swap agreement is recorded at fair value in the consolidated balance sheet. The changes in fair value of the interest rate swaps were recognized in other income in the consolidated statement of income and comprehensive income.

The Company and Oberon Solar IA, LLC (Oberon) entered into a floor contract to manage the risk of the fluctuation in price of energy (Commodity) produced from the Oberon Solar Facility on August 22, 2019 (Trade Date). The floor contract includes an upfront premium of $2.98 million which is required to be paid by Oberon to the Company, and the Company is contractually obligated to pay Oberon the difference between the floor price of $23.23 and the floating price multiplied by the notional quantity set forth in the floor contract. The term of this floor contract is from April 1, 2020, through December 31, 2032. The floor contract is recorded at fair value in the consolidated balance sheet. The changes in fair value of both the floor contract and the portion of the underlying advance receipt both were recognized in other expense in the consolidated statement of income and comprehensive income.

16. FAIR VALUE MEASUREMENT - CONTINUED

The Company and Oberon Solar IA, LLC (Oberon) entered into a basis swap agreement to hedge the price of energy (Commodity) produced from the Oberon Solar Facility on May 4, 2020 (Trade Date). The term of this basis swap agreement is from January 1, 2021, through December 31, 2027. The basis swap agreement is recorded at fair value in the consolidated balance sheet. The changes in fair value of both the basis swaps and the portion of the underlying liability both were recognized in other expense in the consolidated statement of income and comprehensive income.

The Company and Banco Nacional de Mexico, S.A. entered into an interest rate option cap agreement on October 18, 2018, to manage interest rate risk exposure. The term of this agreement ends on June 30, 2028. Under the agreement, the Company will receive a payment from the counterparty if the market interest rates exceed the strike rate of 3.0%. The Company generally does not need to notify the counterparty to exercise a cap, as the cap will be automatically exercised if the interest rate exceeds the strike. Each caplet is settled in cash at the end of each quarter. The option agreement is recorded at fair value in the consolidated balance sheet in other assets and/or other liabilities. The changes in fair value of the interest rate option cap were recognized in other income in the consolidated statement of income and comprehensive income.

The Company recorded assets (liabilities) for the fair value of its derivatives on its consolidated balance sheets as follows at December 31, 2023:

Derivative Not Designated as Hedging Instruments		Amount
Interest rate swap agreement - Standard Chartered Bank	$	278,421
Floor contract - Oberon Solar IA, LLC		(327,678)
Basis swap agreement - Oberon Solar IA, LLC		170,684
Interest rate option cap - Banco Nacional De Mexico, S. A		1,510,435
	$	1,631,862

16. FAIR VALUE MEASUREMENT - CONTINUED

The Company recorded (gain) or loss on the change in its assets (liabilities) relating to derivatives as follows for the year ended December 31, 2023:

Derivative Not Designated as Hedging Instruments		Amount
Foreign exchange forward contract - Standard Chartered Bank	$	343,238
Interest rate swap agreement - Fifth Third Bank		16,434
Interest rate swap agreement - Standard Chartered Bank		(430,075)
Floor contract - Oberon Solar IA, LLC		72,541
Basis swap agreement - Oberon Solar IA, LLC		556,262
Interest rate option cap - Banco Nacional De Mexico, S. A		(1,251,784)
	$	(693,384)

17. ACCRUED EXPENSES AND OTHER LIABILITIES

At December 31, 2023, accrued expenses and other liabilities consist of the following major classifications:

Accrued bonus and vacation	$	7,007,850
Accrued cost of energy and transmission		6,313,718
Taxes payable		412,234
Accrued expense to Electric Reliability Council of Texas (ERCOT)		9,287,874
Accrued debt issuance costs		5,405,500
Others		3,636,580
		32,063,756
Less current portion		(21,271,406)
	$	10,792,350

18. LEASES

Lease arrangements include land for solar energy systems, corporate and administrative offices, vehicles, and office equipment. These leases expire on various dates through 2053 and include extension options before the end of the cancellable lease term. Renewal options are included in the measurement of the lease to the extent that the Company is reasonably certain to exercise the options.

The following table presents certain quantitative information related to lease arrangements for the year ended December 31, 2023:

Operating lease cost	$	8,007,659
Other information:		
Payments included in the measurement of operating lease liabilities	$	4,774,991
Weighted-average remaining lease term — operating leases		28.39 years
Weighted-average discount rate — operating leases		5.70%

The future lease payments required under operating lease agreements are as follows:

2024	$	4,910,123
2025		4,724,828
2026		4,721,526
2027		4,800,031
2028		4,886,376
Thereafter		142,770,470
Total		166,813,354
Less effects of discounting		(86,400,665)
Lease liabilities recognized	$	80,412,689

19. INCOME TAXES

For the year ended December 31, 2023, the income before income taxes consists of the following components:

United States	$	10,801,633
Mexico		5,181,886
Income before income taxes	$	15,983,519

The provision for income taxes consists of the following:

Current:		
Federal	$	-
State and local		534,050
Foreign		2,792
Total current income taxes		536,842
Deferred:		
Federal		-
State and local		-
Foreign		2,383,539
Total deferred income taxes		2,383,539
Total provision for income taxes	$	2,920,381

The provision for income taxes differs from that computed by applying federal statutory rates to income before income taxes. The primary differences result from providing for changes in valuation allowances, deducting certain expenses for financial statement purposes but not for federal income tax purposes, and state taxes.

19. INCOME TAXES – CONTINUED

The temporary differences at December 31, 2023, which give rise to deferred tax assets and liabilities, were as follows:

Deferred Tax Assets:	**U.S.**	**Mexico**
Intangible assets	$ 181,504	$ -
Bad debts	869,031	-
Other accrued expenses	71,311	1,082,362
Accrued bonus	1,374,443	-
Accrued vacation	236,293	-
163(j) adjustments	10,516,169	-
Lease liabilities	1,799,624	-
ARO liabilities	670,239	-
Provision liabilities	4,866,842	-
Impairment loss	11,574,029	700,164
NOLs	47,442,532	12,895,844
Charitable contribution limitation	79,721	-
Investment tax credit	16,630,931	-
Prepaid expenses	-	4,183
Valuation allowance	(68,904,980)	(1,715,092)
Total deferred tax assets	27,407,689	12,967,461
Deferred Tax Liabilities:		
Fixed assets	(10,474,965)	(23,627,928)
Investment basis	(12,735,177)	-
Right of use assets	(1,855,947)	-
Asset retirement obligation	(494,178)	-
Derivative	(488,716)	-
State tax	(1,358,706)	-
Total deferred tax liabilities	(27,407,689)	(23,627,928)
Net deferred tax assets/(liabilities)	$ -	$ (10,660,467)

19. INCOME TAXES – CONTINUED

The deferred tax assets and liabilities based on tax jurisdictions are presented on the consolidated balance sheet as follows:

Deferred tax assets	$	70,417
Deferred tax liabilities		(10,730,884)
Net deferred tax liability	$	(10,660,467)

Net operating losses for federal and state income tax reporting were approximately $202,802,000 and $213,360,000 respectively as of December 31, 2023. The federal and state net operating tax losses are available to carry forward to offset taxable income generated in future years.

Net operating losses for Mexico income tax reporting was approximately $42,990,000 as of December 31, 2023. The net operating tax losses are available to carry forward to offset taxable income generated in future years in Mexico.

20. PROVISION LIABILITIES

The Company recorded liabilities related to obligation under potential termination of power purchase agreements, and other contracts. Provision expense of $15,509,110 was recognized in the consolidated statement of income and comprehensive income. The total amount recorded is below:

Current portion	$	41,204,466
Non-current portion		-
	$	41,204,466

21. 401(k) RETIREMENT PLAN

Eligible employees may participate in the Company's 401(k) plan, qualified under Section 401(k) of the Internal Revenue Code of 1986. Under the plan, employees who have met certain service requirements may contribute a certain portion of their eligible compensation each year, subject to certain limitations and Internal Revenue Service regulations. The Company matches contributions equal to 100% of the first 3% and then 50% of 2% of the employee's contributions. The employer contributions are vested immediately. Contributions made by the Company in 2023 were $484,619.

22. COMMITMENTS AND CONTINGENCIES

Oberon IA Solar, LLC which is a subsidiary of Hanwha Total Solar, LLC and Oberon IB Solar, LLC are involved in multi-district litigation (MDL) in connection with power outages that occurred during winter storm, Uri in 2021. The defendants involved in the MDL include Texas natural gas entities, power generators, co-generators and public power utilities. The defendants have filed motions to dismiss, which were recently granted in part and denied in part. The portions that have been denied will be appealed. No trial dates have been set yet. While the ultimate outcome of this matter is not presently determinable, it is the opinion of management that the resolution will not have a material adverse effect on the financial position or the operations of the Company.

23. RELATED PARTY TRANSACTIONS

Transactions with related parties as of December 31, 2023, and for the year ended are summarized as follows:

Outsourcing services received	$ 1,046,213
Outsourcing services provided	$ 426,688
Loss from derivatives	$ 628,803
Interest expense	$ 4,539,512
Interest income	$ 296,615
Guarantee fee	$ 304,321
Purchase of fixed assets	$ 1,961,594
Revenue from sale of a subsidiary	$ 3,420,944
Revenue from sale of solar projects	$ 326,116,453
Loss from disposal of tangible assets	$ 17,530,654
Other income	$ 3,432,126
Other expense	$ 5,779
Receivable from related parties	$ 228,582,196
Payable to related parties	$ 3,913,560

24. GOING CONCERN

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplates a continuation of the Company as a going concern.

The Company has accumulated deficits of $240 million as of December 31, 2023. The Parent has informed the Company of its intention and ability to provide the Company with financial support necessary to maintain the financial viability of the Company and sustain its operations through at least one year from the issuance of financial statement, including providing financing support and guarantees as needed.

25. SUBSEQUENT EVENTS

The Company evaluated subsequent events through March 31, 2024, when these financial statements were available to be issued. Management is not aware of any significant events occurred subsequent to the balance sheet date, but prior to the issuance of this report, that would have an material impact on the financial statements.

SUPPLEMENTARY INFORMATION

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEETS
DECEMBER 31, 2023

	Hanwha Energy USA Holdings Corporation	174 Power Global LLC	174 Green Digital Tech, Inc.	174 PG DI X1, LLC	174 PG DI X2, LLC	174 PG Element 1 Corporation	174 PG ZIP, LLC	174 Power Global Climate Infra LLC	174 Power Global Retail Corporation	174 PG Retail TX LLC	Intermountain HoldCo, LLC	Intermountain Solar, LLC	Imeson Solar Farm LLC	Kupehau	SweetWater HoldCo, LLC	Techren HoldCo, LLC
CURRENT ASSETS																
Cash	$ 14,358,632	$ 604,157	$ 14,562	$ -	$ -	$ 1	$ -	$ -	$ 14,119,593	$ 4,159,218	$ -	$ -	$ 1,666,716	$ 92,017	$ -	$ -
Restricted cash	2,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable - trade, net of allowance for doubtful accounts	253,600	-	-	-	-	-	-	-	-	895,472	-	-	99,752	-	-	-
Receivable from related parties	56,952,492	35,468,610	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Notes receivable	294,792	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax refundable, net of allowance for doubtful accounts	1,030,780	-	17,283	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued revenue	82,605	-	-	-	-	-	-	-	-	1,933,265	-	-	-	-	-	-
Project assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other current assets	1,262,844	-	2,752,263	-	-	5,625	-	-	-	199,923	-	-	24,237	-	-	-
Total current assets	76,235,745	36,072,767	2,784,108	-	-	5,626	-	-	14,119,593	7,187,878	-	-	1,790,705	92,017	-	-
NONCURRENT ASSETS																
Restricted cash	-	-	-	-	-	-	-	-	-	1,652,707	-	-	-	-	-	-
Accounts receivable	36,492,502	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivable from related parties	63,023,612	52,737,482	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property and equipment, net	46,464	-	10,122,551	-	-	-	-	-	-	303,100	-	-	-	-	-	-
Photovoltaic (PV) system, net	-	-	-	-	-	-	-	-	-	-	-	-	13,830,387	-	-	-
Operating lease right-of-use assets, net	552,106	58,565,215	-	-	-	-	-	-	-	-	-	-	2,859,865	-	-	-
Intangible assets, net	191,790	-	10,591,454	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in unconsolidated affiliate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment at fair value	11,037,070	-	-	1,045,781	-	-	8,058,037	-	-	-	-	-	-	-	-	-
Intercompany receivables	330,143,864	22,259,736	1,711,832	-	-	13,641	-	-	-	121,224	-	-	2,980,000	-	-	748
Investment in subsidiaries	553,356,667	18,945,676	-	-	-	-	-	-	155,026,803	-	445,646	-	-	-	-	-
Long-term deposits	12,774	-	-	-	-	-	-	-	-	109,430	-	-	-	-	-	-
Project assets	76,855,071	103,055,700	39,306	-	-	-	-	-	-	-	-	774,439	-	-	-	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative assets	740,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other noncurrent assets	11,027,126	-	-	-	-	-	-	-	-	74,906	-	-	-	-	-	-
Total noncurrent assets	1,083,479,046	255,563,809	22,465,143	1,045,781	-	13,641	8,058,037	-	155,026,803	2,261,367	445,646	774,439	19,670,252	-	-	748
TOTAL ASSETS	**$ 1,159,714,791**	**$ 291,636,576**	**$ 25,249,251**	**$ 1,045,781**	**$ -**	**$ 19,267**	**$ 8,058,037**	**$ -**	**$ 169,146,396**	**$ 9,449,245**	**$ 445,646**	**$ 774,439**	**$ 21,460,957**	**$ 92,017**	**$ -**	**$ 748**

See independent auditors' report.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEETS
DECEMBER 31, 2023

	Boulder Solar III_ LLC	Oberon Solar LLC	Oberon 1B LLC	Hanwha 174PG JV Holdings_ LLC	174PG MX Holding	174PG Solar III	174 O&M_MX	Ho Ohana Solar 1 LLC	FCHQC Development	174PG Torreon	HEC GUAM A LLC	Fluvanna	Diamond Solar	KEAWE Solar	EJE	Consolidated
CURRENT ASSETS																
Cash	$ 1,063,590	$ -	$ 331,266	$ 2,870,955	$ 18,586	$ 44,217	$ 240,848	$ 84,940	$ -	$ 5,774,258	$ -	$ 4,332	$ -	$ -	$ -	$ 45,447,887
Restricted cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000,000
Accounts receivable - trade, net of allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	433,078	-	-	-	-	-	1,681,903
Receivable from related parties	-	-	-	20,400,000	-	-	-	-	-	-	-	-	-	-	-	112,821,102
Notes receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	294,792
Other receivable	-	-	-	-	-	-	-	-	-	119,674	-	-	-	-	-	119,674
Tax refundable, net of allowance for doubtful accounts	-	-	-	-	201,348	5	214,101	-	-	-	-	-	-	-	-	1,463,517
Accrued revenue	-	-	-	-	-	-	-	-	-	713,002	-	-	-	-	-	2,728,872
Project assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	147,610,618	147,610,618
Prepaid expenses and other current assets	-	-	220,532	-	-	-	58,210	-	-	325,728	-	-	-	-	-	4,849,361
Total current assets	1,063,590	-	551,798	23,270,955	219,934	44,222	513,159	84,940	-	7,365,740	-	4,332	-	-	147,610,618	319,017,726
NONCURRENT ASSETS																
Restricted cash	-	-	389,198	-	-	-	-	-	-	-	-	-	-	-	-	2,041,905
Accounts receivable	-	-	-	1,125,938	-	-	-	-	-	-	-	-	-	-	-	37,618,440
Receivable from related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	115,761,094
Property and equipment, net	-	-		-	-	-	-	-	-	5,688,503	-	2,111,229	-	-	226,851,641	245,123,488
Photovoltaic (PV) system, net	-	-	36,236,603	-	-	-	-	-	-	109,111,166	-	-	-	-	171,935	159,350,091
Operating lease right-of-use assets, net	-	-	1,312,642	-	-	-	-	7,588,718	-	-	-	-	-	-	-	70,878,547
Intangible assets, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,783,244
Investment in unconsolidated affiliate	-	-	-	235,120,416	-	-	-	-	-	-	-	-	-	-	-	235,120,416
Investment at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,140,888
Intercompany receivables	-	-	139,412	-	4,699	-	3,089	-	-	-	-	-	-	-	(357,378,246)	-
Investment in subsidiaries	-	3,649,900	-	-	79,682,439	-	-	-	3,364,104	-	-	-	-	-	(814,471,234)	-
Long-term deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	122,204
Project assets	745,373	-	-	-	-	-	-	216,769,973	-	-	6,889,450	-	1,854,307	-	(371,043,399)	35,940,219
Deferred tax assets	-	-	-	-	-	-	70,417	-	-	-	-	-	-	-	-	70,417
Derivative assets	-	-	63,132	-	-	-	-	-	-	1,510,435	-	-	-	-	(63,132)	2,250,436
Other noncurrent assets	-	-	-	-	-	-	-	-	-	3,860,433	-	-	-	-	-	14,962,466
Total noncurrent assets	745,373	3,649,900	38,140,987	236,246,354	79,687,138	-	73,506	224,358,691	3,364,104	120,170,537	6,889,450	2,111,229	1,854,307	-	(1,315,932,435)	950,163,855
TOTAL ASSETS	**$ 1,808,963**	**$ 3,649,900**	**$ 38,692,785**	**$ 259,517,309**	**$ 79,907,072**	**$ 44,222**	**$ 586,665**	**$ 224,443,631**	**$ 3,364,104**	**$ 127,536,277**	**$ 6,889,450**	**$ 2,115,561**	**$ 1,854,307**	**$ -**	**$ (1,168,321,817)**	**$ 1,269,181,581**

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HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEETS
DECEMBER 31, 2023

	Hanwha Energy USA Holdings Corporation	174 Power Global LLC	174 Green Digital Tech, Inc.	174 PG DI X1, LLC	174 PG DI X2, LLC	174 PG Element 1 Corporation	174 PG ZIP, LLC	174 Power Global Climate Infra LLC	174 Power Global Retail Corporation	174 PG Retail TX LLC	Intermountain HoldCo, LLC	Intermountain Solar, LLC	Imeson Solar Farm LLC	Kupehau	SweetWater HoldCo, LLC	Techren HoldCo, LLC
LIABILITIES AND EQUITY																
CURRENT LIABILITIES																
Short-term borrowings (net of unamortized debt issue cost)	$ 452,718,064	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Current portion of long-term debt (net of unamortized debt issue cost)	27,933,732	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable	12,750,878	1,273,469	530,381	-	-	-	1,928,965	-	-	1,144,549	-	-	50,847	-	-	-
Payable to related parties	2,794,118	922,582	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interest	5,895,811	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of long-term operating lease liabilities	407,741	3,679,154	-	-	-	-	-	-	-	-	-	-	78,010	-	-	-
Provision liabilities	1,900,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of derivative liabilities	290,896	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other current liabilities	13,368,285	-	10,500	-	-	-	-	-	-	7,632,231	-	-	-	-	-	-
Total current liabilities	518,059,525	5,875,205	540,881	-	-	-	1,928,965	-	-	8,776,780	-	-	128,857	-	-	-
NONCURRENT LIABILITIES																
Long-term debt (net of unamortized debt issue cost)	91,116,925	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond payable (net of unamortized debt issue cost)	291,444,409	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asset retirement obligation	-	-	-	-	-	-	-	-	-	-	-	-	468,382	-	-	-
Operating lease liabilities	155,608	62,362,975	-	-	-	-	-	-	-	-	-	-	2,845,667	-	-	-
Deferred tax liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative liabilities	390,810	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany Payables	22,186,260	30,880,465	26,481,671	1,567,802	300	1,079,728	7,303,727	-	335	1,125,591	1,848	377,738	3,786,467	411,010	-	3,617,917
Accrued expenses and other noncurrent liabilities	1,086,050	-	-	-	-	-	-	-	-	9,706,299	-	-	-	-	-	-
Total noncurrent liabilities	406,380,062	93,243,440	26,481,671	1,567,802	300	1,079,728	7,303,727	-	335	10,831,890	1,848	377,738	7,100,516	411,010	-	3,617,917
TOTAL LIABILITIES	**924,439,587**	**99,118,645**	**27,022,552**	**1,567,802**	**300**	**1,079,728**	**9,232,692**	**-**	**335**	**19,608,670**	**1,848**	**377,738**	**7,229,373**	**411,010**	**-**	**3,617,917**
EQUITY																
Stockholder's equity:																
Common stock	355,200,000	71,424,152	1	-	-	1	-	-	155,026,803	155,026,803	450,520	397,075	15,090,275	-	523,682	2,859,113
Preferred Stock									14,117,640							
Additional paid-in capital	3,396,969	-	14,999,999	-	-	-	-	-	-	-	(4,874)	-	-	-	-	(415,100)
Accumulated deficit	(123,321,765)	121,093,779	(16,773,301)	(522,021)	(300)	(1,060,462)	(1,174,655)	-	1,618	(165,186,228)	(1,848)	(374)	(858,691)	(318,993)	(523,682)	(6,061,182)
Accumulated other comprehensive loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stockholder's equity attributable to the Company	235,275,204	192,517,931	(1,773,301)	(522,021)	(300)	(1,060,461)	(1,174,655)	-	169,146,061	(10,159,425)	443,798	396,701	14,231,584	(318,993)	-	(3,617,169)
Noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY (DEFICIT)	**235,275,204**	**192,517,931**	**(1,773,301)**	**(522,021)**	**(300)**	**(1,060,461)**	**(1,174,655)**	**-**	**169,146,061**	**(10,159,425)**	**443,798**	**396,701**	**14,231,584**	**(318,993)**	**-**	**(3,617,169)**
TOTAL LIABILITIES AND EQUITY	**$ 1,159,714,791**	**$ 291,636,576**	**$ 25,249,251**	**$ 1,045,781**	**$ -**	**$ 19,267**	**$ 8,058,037**	**$ -**	**$ 169,146,396**	**$ 9,449,245**	**$ 445,646**	**$ 774,439**	**$ 21,460,957**	**$ 92,017**	**$ -**	**$ 748**

See independent auditors' report.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEETS
DECEMBER 31, 2023

	Boulder Solar III_ LLC	Oberon Solar LLC	Oberon 1B LLC	Hanwha 174PG JV Holdings_ LLC	174PG MX Holding	174PG Solar III	174 O&M_MX	Ho Ohana Solar 1 LLC	FCHQC Development	174PG Torreon	HEC GUAM A LLC	Fluvanna	Diamond Solar	KEAWE Solar	EJE	Consolidated
LIABILITIES AND EQUITY																
CURRENT LIABILITIES																
Short-term borrowings (net of unamortized debt issue cost)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 452,718,064
Current portion of long-term debt (net of unamortized debt issue cost)	-	-	1,175,807	-	-	-	-	-	-	2,734,968	-	-	-	-	-	31,844,507
Accounts payable	163,741	-	25,000	-	11,020	-	26,100	6,091,704	-	308,786	260,895	-	-	-	-	24,566,339
Payable to related parties	29,760	-	151,061	-	-	-	-	-	-	16,040	-	-	-	-	-	3,913,560
Bond payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,895,811
Current portion of long-term operating lease liabilities	-	-	82,169	-	-	-	-	495,572	-	-	-	-	-	-	-	4,742,646
Provision liabilities	12,156,389	-	-	14,609,110	-	-	-	-	-	7,914,806	4,624,162	-	-	-	-	41,204,466
Current portion of derivative liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	290,896
Accrued expenses and other current liabilities	9,500	-	17,000	-	4,148	-	900	-	-	223,362	-	5,480	-	-	-	21,271,406
Total current liabilities	12,359,390	-	1,451,037	14,609,110	15,168	-	27,000	6,587,276	-	11,197,962	4,885,057	5,480	-	-	-	586,447,695
NONCURRENT LIABILITIES																
Long-term debt (net of unamortized debt issue cost)	-	-	14,861,900	-	-	-	-	-	-	59,713,122	-	-	-	-	-	165,691,946
Bond payable (net of unamortized debt issue cost)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	291,444,409
Asset retirement obligation	-	-	2,441,996	-	-	-	-	-	-	-	-	-	-	-	-	2,910,378
Operating lease liabilities	-	-	1,298,888	-	-	-	-	9,006,905	-	-	-	-	-	-	-	75,670,043
Deferred tax liability	-	-	-	-	-	-	-	-	-	10,730,884	-	-	-	-	-	10,730,884
Derivative liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(63,132)	327,678
Intercompany Payables	10,786	300	24,158,322	-	2,074	-	-	205,486,615	-	1,285	24,533,895	2,127,722	1,787,263	449,123	(357,378,246)	-
Accrued expenses and other noncurrent liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,792,350
Total noncurrent liabilities	10,786	300	42,761,106	-	2,074	-	-	214,493,520	-	70,445,291	24,533,895	2,127,722	1,787,263	449,123	(357,441,378)	557,567,688
TOTAL LIABILITIES	**12,370,176**	**300**	**44,212,143**	**14,609,110**	**17,242**	**-**	**27,000**	**221,080,796**	**-**	**81,643,253**	**29,418,952**	**2,133,202**	**1,787,263**	**449,123**	**(357,441,378)**	**1,144,015,383**
EQUITY																
Stockholder's equity:																
Common stock	1,979,286	3,649,900	3,649,900	220,427,476	79,000,037	650,318	-	3,364,104	3,364,104	79,032,121	54,989	-	67,706	382,650	(796,421,015)	355,200,000
Preferred Stock															(14,117,640)	-
Additional paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,962,397)	2,014,598
Accumulated deficit	(12,540,499)	(300)	(9,169,258)	24,480,723	(3,478,075)	(533,153)	413,477	(1,269)	-	(26,586,950)	(22,584,491)	(17,641)	(662)	(831,773)	5,176,494	(240,381,484)
Accumulated other comprehensive loss	-	-	-	-	4,367,868	(72,943)	146,188	(0)	-	(6,552,147)	-	-	-	-	-	(2,111,035)
Stockholder's equity attributable to the Company	(10,561,213)	3,649,600	(5,519,358)	244,908,199	79,889,830	44,222	559,665	3,362,835	3,364,104	45,893,024	(22,529,502)	(17,641)	67,044	(449,123)	(821,324,558)	114,722,079
Noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,444,119	10,444,119
TOTAL EQUITY (DEFICIT)	**(10,561,213)**	**3,649,600**	**(5,519,358)**	**244,908,199**	**79,889,830**	**44,222**	**559,665**	**3,362,835**	**3,364,104**	**45,893,024**	**(22,529,502)**	**(17,641)**	**67,044**	**(449,123)**	**(810,880,439)**	**125,166,198**
TOTAL LIABILITIES AND EQUITY	**$ 1,808,963**	**$ 3,649,900**	**$ 38,692,785**	**$ 259,517,309**	**$ 79,907,072**	**$ 44,222**	**$ 586,665**	**$ 224,443,631**	**$ 3,364,104**	**$ 127,536,277**	**$ 6,889,450**	**$ 2,115,561**	**$ 1,854,307**	**$ -**	**$ (1,168,321,817)**	**$ 1,269,181,581**

See independent auditors' report.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

	Hanwha Energy USA Holdings Corporation	174PG LLC	174 Green Digital Tech, Inc.	174 PG DI X1, LLC	174 PG DI X2, LLC	174 PG Element 1 Corporation	174 PG ZIP, LLC	174 Power Global Climate Infra LLC	174 Power Global Retail Corporation	174 PG Retail TX LLC	Intermountain HoldCo, LLC	Intermountain Solar, LLC	Imeson Solar Farm LLC	Kupehau Solar LLC	SweetWater HoldCo, LLC	Techren HoldCo, LLC
REVENUE	$ 12,726,807	$ 190,573,945	$ 6,761,286	$ -	$ -	$ -	$ -	$ -	$ -	$ 38,763,455	$ -	$ -	$ 862,099	$ -	$ -	$ -
COST OF REVENUE	2,641,113	60,481,433	14,292,471	-	-	-	-	-	-	38,229,291	-	-	1,184,895	-	-	-
GROSS PROFIT (LOSS)	10,085,694	130,092,512	(7,531,185)	-	-	-	-	-	-	534,164	-	-	(322,796)	-	-	-
OPERATING EXPENSES	63,100,898	231,945	1,300,831	300	300	766,603	140,300	674	-	9,944,415	1,848	374	2,879	1,048	-	768
LOSS FROM DISPOSAL OF LONG-LIVED ASSETS	(15,883,619)	180,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INCOME (LOSS) FROM OPERATIONS	**(68,898,823)**	**130,040,567**	**(8,832,016)**	**(300)**	**(300)**	**(766,603)**	**(140,300)**	**(674)**	**-**	**(9,410,251)**	**(1,848)**	**(374)**	**(325,675)**	**(1,048)**	**-**	**(768)**
OTHER INCOME (EXPENSE)																
Interest income	4,834,778	-	-	-	-	-	-	12,057	1,953	241,000	-	-	-	-	-	-
Interest expense	(34,372,826)	-	-	-	-	-	-	-	-	-	-	-	(91,569)	-	-	-
Guarantee fees	(752,765)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on investment in unconsolidated affiliate	(7,177,475)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency gain (loss)	(37,403)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on derivatives	(555,942)	-	-	-	-	-	-	-	-	(1,008,900)	-	-	(16,434)	-	-	-
Gain on disposal of investment in unconsolidated affiliate	(26,327)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain(loss) on valuation of investments at fair value	(5,131,240)	-	-	(521,721)	-	-	(879,505)	12,679,030	-	-	-	-	-	-	-	-
Impairment loss from investment in unconsolidated affiliate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-operating income, net	16,043,644	-	-	-	-	-	-	-	-	2,406,886	-	-	-	-	-	-
Total other income (expense)	(27,175,556)	-	-	(521,721)	-	-	(879,505)	12,691,087	1,953	1,638,986	-	-	(108,003)	-	-	-
INCOME BEFORE PROVISION FROM INCOME TAXES	(96,074,379)	130,040,567	(8,832,016)	(522,021)	(300)	(766,603)	(1,019,805)	12,690,413	1,953	(7,771,265)	(1,848)	(374)	(433,678)	(1,048)	-	(768)
PROVISION FOR INCOME TAXES	671,301	-	(123,945)	-	-	(13,641)	-	-	335	-	-	-	-	-	-	-
NET INCOME (LOSS)	(96,745,680)	130,040,567	(8,708,071)	(522,021)	(300)	(752,962)	(1,019,805)	12,690,413	1,618	(7,771,265)	(1,848)	(374)	(433,678)	(1,048)	-	(768)
LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	-	-	-	-	-	-	-	-	242	(505,400)	-	-	-	-	-	-
INCOME (LOSS) ATTRIBUTABLE TO THE COMPANY	**$ (96,745,680)**	**$ 130,040,567**	**$ (8,708,071)**	**$ (522,021)**	**$ (300)**	**$ (752,962)**	**$ (1,019,805)**	**$ 12,690,413**	**$ 1,376**	**$ (7,265,865)**	**$ (1,848)**	**$ (374)**	**$ (433,678)**	**$ (1,048)**	**$ -**	**$ (768)**

See independent auditors' report.

HANWHA ENERGY USA HOLDINGS CORPORATION
AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

	Boulder Solar III_ LLC	Oberon Solar LLC	Oberon 1B LLC	Hanwha 174PG JV Holdings_ LLC	174PG MX Holding	174PG Solar III	174 O&M_MX	Ho Ohana Solar 1 LLC	FCHQC Development	174 PG Torreon	HEC GUAM A LLC	Fluvanna	Diamond Solar	KEAWE Solar	EJE	Consolidated
REVENUE	$ -	$ -	$ 2,271,211	$ 136,170,108	$ -	$ -	$ 937,841	$ -	$ -	$ 24,082,771	$ -	$ -	$ -	$ -	$ (2,865,879)	$ 410,283,644
COST OF REVENUE	-	-	3,018,768	104,654,108	-	-	855,804	-	-	30,383,535	-	-	-	-	(2,889,140)	252,852,279
GROSS PROFIT (LOSS)	-	-	(747,557)	31,516,000	-	-	82,037	-	-	(6,300,764)	-	-	-	-	23,261	157,431,365
OPERATING EXPENSES	20,145	300	106,359	300	570,730	358	13,894	1,192	-	564,165	2,618	31,641	662	831,773	-	77,637,320
LOSS FROM DISPOSAL OF LONG-LIVED ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,703,619)
INCOME (LOSS) FROM OPERATIONS	**(20,145)**	**(300)**	**(853,916)**	**31,515,700**	**(570,730)**	**(358)**	**68,143**	**(1,192)**	**-**	**(6,864,929)**	**(2,618)**	**(31,641)**	**(662)**	**(831,773)**	**23,261**	**64,090,426**
OTHER INCOME (EXPENSE)																
Interest income	-	-	-	1,191,534	-	-	-	-	-	127,112	-	-	-	-	-	6,408,434
Interest expense	-	-	(416,005)	-	-	-	-	-	-	(3,603,719)	-	-	-	-	-	(38,484,118)
Guarantee fees	-	-	-	-	-	-	-	-	-	(4,300)	-	-	-	-	-	(757,065)
Loss on investment in unconsolidated affiliate	-	-	-	(6,170,351)	-	-	-	-	-	-	-	-	-	-	-	(13,347,826)
Foreign currency gain (loss)	-	-	-	-	12,226	(34,920)	(113,915)	-	-	14,921,293	-	-	-	-	-	14,747,281
Loss on derivatives	-	-	13,976	-	-	-	-	-	-	1,251,784	-	-	-	-	-	(315,516)
Gain on disposal of investment in unconsolidated affiliate	-	-	-	1,780,240	-	-	-	-	-	-	-	-	-	-	-	1,753,913
Gain(loss) on valuation of investments at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,146,565
Impairment loss from investment in unconsolidated affiliate	-	-	-	(15,420,390)	-	-	-	-	-	-	-	-	-	-	-	(15,420,390)
Provision expenses	-	-	-	(14,609,110)	-	-	-	-	-	-	-	-	-	-	-	(14,609,110)
Other non-operating income, net	-	-	-	2,194	351	-	-	-	-	(6,151)	-	14,000	-	-	(12,689,998)	5,770,925
Total other income (expense)	-	-	(402,029)	(33,225,883)	12,577	(34,920)	(113,915)	-	-	12,686,019	-	14,000	-	-	(12,689,998)	(48,106,907)
INCOME BEFORE PROVISION FROM INCOME TAXES	(20,145)	(300)	(1,255,945)	(1,710,183)	(558,153)	(35,278)	(45,772)	(1,192)	-	5,821,090	(2,618)	(17,641)	(662)	(831,773)	(12,666,737)	15,983,519
PROVISION FOR INCOME TAXES	-	-	-	-	-	-	(11,024)	-	-	2,397,355	-	-	-	-	-	2,920,381
NET INCOME (LOSS)	(20,145)	(300)	(1,255,945)	(1,710,183)	(558,153)	(35,278)	(34,748)	(1,192)	-	3,423,735	(2,618)	(17,641)	(662)	(831,773)	(12,666,737)	13,063,138
LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	(6,043)	-	-	-	-	-	-	-	-	-	-	-	-	-		(511,201)
INCOME (LOSS) ATTRIBUTABLE TO THE COMPANY	**$ (14,102)**	**$ (300)**	**$ (1,255,945)**	**$ (1,710,183)**	**$ (558,153)**	**$ (35,278)**	**$ (34,748)**	**$ (1,192)**	**$ -**	**$ 3,423,735**	**$ (2,618)**	**$ (17,641)**	**$ (662)**	**$ (831,773)**	**$ (12,666,737)**	**$ 13,574,339**

See independent auditors' report.

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Independent Auditors' Report

(Based on a report originally issued in Korean)

The Board of Directors and shareholders of
The Export-Import Bank of Korea:

Opinion

We have audited the accompanying separate financial statements of the Export-Import Bank of Korea (the "Bank"), which comprise the separate statements of financial position as of December 31, 2024 and 2023, the separate statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Bank as of December 31, 2024 and 2023, and its separate financial performance and its separate cash flows for the years then ended in accordance with Korean International Financial Reporting Standards ("K-IFRS").

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 Separate Financial Statements* section of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the separate 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.

Other Matter

The procedures and practices utilized in the Republic of Korea to audit such separate financial statements may differ from those generally accepted and applied in other countries.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with K-IFRS, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Bank'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 Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 Bank's internal control.

- Evaluate the appropriateness of accounting policies used in the preparation of the separate 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 Bank'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 separate 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 Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

KPMG Samjong Accounting Corp.

KPMG Samjong Accounting Corp.
Seoul, Korea
March 31, 2025

This report is effective as of March 31, 2025, 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 separate 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.

THE EXPORT-IMPORT BANK OF KOREA
SEPARATE STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023

	December 31, 2024	December 31, 2023
	(Korean won in millions)	
ASSETS:		
Cash and due from financial institutions (Notes 4, 5 and 7)	₩ 12,915,754	₩ 12,591,124
Financial assets at fair value through profit or loss ("FVTPL") (Notes 4, 5, 8 and 20)	5,137,067	3,715,536
Hedging derivative assets (Notes 4, 5 and 20)	71,450	611,960
Loans at amortized cost (Notes 4, 5, 10 and 37)	88,726,118	87,777,261
Financial investments (Notes 4, 5 and 9)	19,332,216	15,413,465
Investments in associates and subsidiaries (Note 11)	2,081,780	2,005,626
Tangible assets, net (Note 12)	326,046	292,735
Intangible assets, net (Note 13)	58,554	46,337
Deferred tax assets (Note 34)	1,018,291	987,104
Retirement benefit assets, net (Note 18)	27,561	28,431
Other assets (Notes 4, 5, 14 and 37)	1,645,071	1,924,867
	₩ 131,339,908	₩ 125,394,449
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Financial liabilities at FVTPL (Notes 4, 5 and 20)	₩ 3,013,553	₩ 2,122,804
Hedging derivative liabilities (Notes 4, 5 and 20)	2,377,955	1,514,208
Borrowings (Notes 4, 5, 15 and 35)	6,853,985	5,532,198
Debentures (Notes 4, 5, 16 and 35)	93,194,917	93,256,543
Provisions (Note 17)	1,175,940	1,489,976
Other liabilities (Notes 4, 5, 19 and 37)	3,398,740	3,527,917
	110,015,090	107,443,644
SHAREHOLDERS' EQUITY:		
Capital share (Note 1 and 21)	16,873,254	14,773,254
Capital adjustments	(153,539)	(143,446)
Other components of equity (Notes 20 and 22)	1,239,756	682,285
Retained earnings (Note 23) (Regulatory reserve for loan losses as of December 31, 2024 and 2023: ₩11,365 million and ₩275,620 million)	3,365,347	2,638,712
	21,324,818	17,950,805
	₩ 131,339,908	₩ 125,394,449

See accompanying notes to separate financial statements.

THE EXPORT-IMPORT BANK OF KOREA
SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
	(Korean won in millions)	
OPERATING INCOME:		
Net interest income (Notes 24 and 37):		
Interest income	₩ 6,062,221	₩ 5,856,490
Interest expenses	(5,298,548)	(4,971,276)
	763,673	885,214W
Net commission income (Notes 25 and 37):		
Commission income	466,110	464,744
Commission expenses	(32,950)	(30,189)
	433,160	434,555
Dividend income (Note 26)	75,691	61,970
Net gain on financial assets at FVTPL (Note 27)	77,253	209,808
Net gain (loss) on hedging derivative assets (Notes 20 and 28)	(1,531,544)	2,013,401
Net gain (loss) on financial investments (Note 29)	(804)	726
Net gain (loss) on foreign exchange transaction	1,627,388	(1,062,884)
Net other operating income (expenses) (Note 30)	287,186	(931,214)
Additional impairment loss on credit (Note 31 and 37)	(96,160)	(279,070)
General and administrative expenses (Note 32)	(302,553)	(271,357)
Total operating income	1,333,290	1,061,149
NON-OPERATING INCOME (Note 33):		
Net gain on investments in associates and subsidiaries	12,935	7,177
Net other non-operating income (expenses)	(11,018)	(6,982)
	1,917	195
PROFIT BEFORE INCOME TAX	1,335,207	1,061,344
INCOME TAX EXPENSES (Note 34)	(355,609)	(338,592)
PROFIT FOR THE YEAR	979,598	722,752
(Profit for the year adjusted for regulatory reserve for loan losses for the years ended December 31, 2024 and 2023: ₩977,236 million and ₩987,007 million) (Note 23)		
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR (Note 22)		
Items not reclassified subsequently to profit or loss:		
Net gain (loss) on equity securities at FVOCI	846,729	(146,524)
Remeasurement of net defined benefit liabilities	(17,404)	(10,329)
Income tax effect	(191,574)	37,512
Items that are or may be reclassified subsequently to profit or loss:		
Net gain (loss) on debt securities at FVOCI	(35,814)	63,073
Net gain (loss) on valuation of cash flow hedge	(68,581)	11,177
Income tax effect	24,115	(17,380)
	557,471	(62,471)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	₩ 1,537,069	₩ 660,281

See accompanying notes to separate financial statements.

THE EXPORT-IMPORT BANK OF KOREA
SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

			Other components of equity					
	Capital share	Capital adjustments	Gain (loss) on valuation of financial assets at FVOCI	Gain (loss) on valuation of cash-flow hedge	Remeasurement, net of defined benefit liabilities	Gain (loss) on disposal of financial assets at FVOCI	Retained earnings	Total
	(Korean won in millions)							
January 1, 2023	₩ 12,773,254	₩ (133,840)	₩ 662,320	₩ 38,805	₩ 37,454	₩ 6,177	₩ 2,051,379	₩15,435,549
Payment of dividends	-	-	-	-	-	-	(135,419)	(135,419)
Paid-in Capital Increase	2,000,000	(9,606)	-	-	-	-	-	1,990,394
Total comprehensive Income								660,281
Profit for the year	-	-	-	-	-	-	722,752	722,752
Other comprehensive income (loss):								(62,471)
Net loss on valuation of financial assets at FVOCI, net of tax	-	-	(276,705)	-	-	-	-	(276,705)
Net gain on valuation of cash flow hedge, net of tax	-	-	-	8,646	-	-	-	8,646
Remeasurement elements of defined benefit plans, net of tax	-	-	-	-	(7,894)	-	-	(7,894)
Net gain on disposal of financial assets at FVOCI, net of tax	-	-	-	-	-	213,482	-	213,482
December 31, 2023	₩ 14,773,254	₩ (143,446)	₩ 385,615	₩ 47,451	₩ 29,560	₩ 219,659	₩ 2,638,712	₩17,950,805
January 1, 2024	₩ 14,773,254	₩ (143,446)	₩ 385,615	₩ 47,451	₩ 29,560	₩ 219,659	₩ 2,638,712	₩17,950,805
Payment of dividends	-	-	-	-	-	-	(252,963)	(252,963)
Paid-in Capital Increase	2,100,000	(10,093)	-	-	-	-	-	2,089,907
Total comprehensive Income								1,537,069
Profit for the year	-	-	-	-	-	-	979,598	979,598
Other comprehensive income (loss):								557,471
Net gain on valuation of financial assets at FVOCI, net of tax	-	-	598,430	-	-	-	-	598,430
Net loss on valuation of cash flow hedge, net of tax	-	-	-	(52,739)	-	-	-	(52,739)
Remeasurement elements of defined benefit plans, net of tax	-	-	-	-	(13,384)	-	-	(13,384)
Net gain on disposal of financial assets at FVOCI, net of tax	-	-	-	-	-	25,164	-	25,164
December 31, 2024	₩ 16,873,254	₩ (153,539)	₩ 984,045	₩ (5,288)	₩ 16,176	₩ 244,823	₩ 3,365,347	₩21,324,818

See accompanying notes to separate financial statements.

THE EXPORT-IMPORT BANK OF KOREA
SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
	(Korean won in millions)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the year	₩ 979,598	₩ 722,752
Adjustments for:		
Income tax expense	355,609	338,591
Interest income	(6,062,221)	(5,856,490)
Interest expenses	5,298,548	4,971,276
Dividend and distribution income	(100,181)	(91,254)
Dividend received from subsidiaries and associates	(12,935)	(7,177)
Loss on financial assets at FVTPL	33,310	27,367
Loss on financial assets at FVOCI	885	532
Transfer to derivatives' credit risk provision	3,548	11,738
Loss on foreign exchange transactions	1,241,909	2,678,304
Impairment loss on credit	96,160	279,070
Loss on fair value hedged items	578,635	1,210,415
Depreciation and amortization	22,803	20,672
Loss on disposals of tangible, intangible and other assets	4	5
Loss on valuation of derivative assets for trading	1,731,683	563,390
Loss on valuation of derivative assets for hedging	1,477,956	85,975
Increase in other provisions	-	6
Retirement benefits	8,771	6,262
Gain on financial assets at FVTPL	(101,892)	(106,707)
Gain on financial assets at FVOCI	(81)	(1,258)
Reversal of derivatives' credit risk provision	(15,331)	(13,834)
Gain on foreign exchange transactions	(2,869,297)	(1,615,429)
Gain on fair value hedged items	(844,847)	(282,391)
Gain on valuation of derivative assets for trading	(1,374,715)	(618,916)
Gain on valuation of derivative assets for hedging	(146,425)	(910,713)
Gain on disposals of tangible, intangible and other assets	(23)	(44)
	(678,127)	689,390
Changes in operating assets and liabilities:		
Due from financial institutions	(382,489)	855,184
Financial assets and liabilities at FVTPL	(819,196)	199,438
Hedging derivative net assets	15,928	(287,439)
Loans at amortized cost	6,058,420	2,965,877
Other assets	(246,101)	(111,967)
Provisions	9,221	7,399
Payment of retirement benefits	(25,305)	119
Other liabilities	(327,781)	(1,000,867)
	4,282,697	2,627,744
Payment of income tax	(7,454)	(97,220)
Interest received	5,978,723	4,523,143
Interest paid	(4,691,933)	(3,021,996)
Dividend received	113,116	98,431
Net cash provided by operating activities	5,976,620	5,542,244

THE EXPORT-IMPORT BANK OF KOREA
SEPARATE STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
	(Korean won in millions)	
CASH FLOWS FROM INVESTING ACTIVITIES:		
Disposal of financial investments	₩ 3,111,883	₩ 3,870,084
Disposal of investments in associates and subsidiaries	-	2,145
Disposal of tangible assets	138	82
Acquisition of financial investments	(3,688,603)	(2,608,149)
Acquisition of investments in associates and subsidiaries	(76,154)	(71,902)
Acquisition of tangible assets	(45,655)	(30,050)
Acquisition of intangible assets	(22,794)	(13,920)
Net cash provided by (used in) investing activities	(721,185)	1,148,290
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	6,678,099	1,807,700
Proceeds from debentures	36,391,597	41,971,865
Paid-in capital increase	100,000	-
Increase in deposits	13	-
Decrease in call money	-	(45,745)
Repayment of borrowings	(6,024,070)	(6,632,506)
Repayment of debentures	(43,396,369)	(39,864,259)
Expense related to paid-in capital increases	(10,093)	(9,607)
Payment of dividends	(252,964)	(135,419)
Net cash used in financing activities	(6,513,787)	(2,907,971)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,258,352)	3,782,563
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	8,265,319	4,781,957
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS IN FOREIGN CURRENCIES	850,307	(299,201)
CASH AND CASH EQUIVALENTS, END OF THE YEAR (Note 7 and 35)	₩ 7,857,274	₩ 8,265,319

See accompanying notes to separate financial statements.

THE EXPORT-IMPORT BANK OF KOREA
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

1. GENERAL:

(1) Summary of the Export-Import Bank of Korea

The Export-Import Bank of Korea (the "Bank") was established in 1976 as a special financial institution under The Export-Import Bank of Korea Act (the "EXIM Bank Act") to grant financial facilities for overseas trade (i.e., export and import), investments and resources development activities. As of December 31, 2024, the Bank operates a head office in Seoul, ten domestic branches, three domestic offices, a domestic subsidiary, five overseas subsidiaries and twenty-five overseas offices.

The Bank's authorized capital is ₩25,000,000 million, and through numerous capital increases since the establishment, its paid-in capital is ₩16,873,254 million as of December 31, 2024. The Government of the Republic of Korea (the "Government"), the Bank of Korea("BOK"), and the Korea Development Bank hold 76.38%, 6.90%, 16.72%, respectively, of the ownership of the Bank as of December 31, 2024.

The Bank, as a trustee of the Government, has managed the Economic Development Cooperation Fund ("EDCF") since June 1987 and the Inter-Korean Cooperation Fund ("IKCF") since March 1991. Additionally, the Bank has been managing and operating The Supply Chain Resilience Fund("SCRF") since September 2024. The funds are accounted for separately and are not included in separate financial statements of The Export-Import Bank of Korea. The Bank receives fees from the Government for the trustee services related to EDCF and IKCF. For the management and operation of SCRF, the Bank receives certain costs incurred from the respective fund.

(2) Summary of subsidiaries

1) The subsidiaries of the Bank as of December 31, 2024, and December 31, 2023, are as follows:

(December 31, 2024)

Subsidiaries	Location	Capital share		Main business	Number of shares owned	Percentage of owner-ship (%)	Financial statements as of
KEXIM Bank UK Limited	United Kingdom	GBP	81mil.	Finance	81,283,897	100.00	Dec. 31, 2024
PT.KOEXIM Mandiri Finance.(*1)	Indonesia	IDR	806,433mil.	Finance	3,065	97.52	Dec. 31, 2024
KEXIM Vietnam Leasing Co. (*2)	Vietnam	USD	53mil.	Finance	-	100.00	Dec. 31, 2024
KEXIM Asia Limited	Hong Kong	USD	130mil.	Finance	130,000,000	100.00	Dec. 31, 2024
KEXIM Global(Singapore) Ltd.	Singapore	USD	300mil.	Finance	300,000,000	100.00	Dec. 31, 2024
EXIM PLUS Co., Ltd.	Korea	KRW	950mil.	Service	190,000	100.00	Dec. 31, 2024

(December 31, 2023)

Subsidiaries	Location	Capital share		Main business	Number of shares owned	Percentage of owner-ship (%)	Financial statements as of
KEXIM Bank UK Limited	United Kingdom	GBP	81mil.	Finance	81,283,897	100.00	Dec. 31, 2023
PT.KOEXIM Mandiri Finance. (*1)	Indonesia	IDR	806,433mil.	Finance	3,065	97.52	Dec. 31, 2023
KEXIM Vietnam Leasing Co. (*2)	Vietnam	USD	53mil.	Finance	-	100.00	Dec. 31, 2023
KEXIM Asia Limited	Hong Kong	USD	130mil.	Finance	130,000,000	100.00	Dec. 31, 2023
KEXIM Global(Singapore) Ltd.	Singapore	USD	300mil.	Finance	300,000,000	100.00	Dec. 31, 2023
EXIM PLUS Co., Ltd.	Korea	KRW	950mil.	Service	190,000	100.00	Dec. 31, 2023

(*1) This includes convertible loans recognized as capital for the Indonesian subsidiary located in Indonesia.
(*2) This entity does not issue share certificates.

2) Associates of the Bank as of December 31, 2024 and 2023, are as follows (Korean won in millions):

(December 31, 2024)

Associates	Location	Issued capital		Main business	Number of shares owned	Percentage of owner-ship (%)	Date of financial statements
Credit Guarantee and Investment Fund	Philippines	USD	1,158mil.	Financial service	171,400,000	14.80	Dec. 31, 2024
KTB Newlake Global Healthcare PEF	Korea	KRW	13,350mil.	Financial service	3,336,768,385	24.99	Dec. 31, 2024
Korea Aerospace Industries. Ltd.	Korea	KRW	487,376mil.	Manufacturing	25,745,964	26.41	Dec. 31, 2024
KB-Badgers Future Mobility ESG Fund Ⅰ	Korea	KRW	43,198mil.	Financial service	10,045,000,000	22.73	Dec. 31, 2024
WWG Green New Deal Fund	Korea	KRW	39,700mil.	Financial service	9,925,000,000	25.00	Dec. 31, 2024
Corporate Structure Innovation PEF IV	Korea	KRW	94,815mil.	Financial service	21,048,977,120	22.20	Dec. 31, 2024
HANGUK INVESTMENT SEMAINBEROBOTIKSEU SAMO INVESTMENT LIMITED PARTNERSHIP	Korea	KRW	106,000mil.	Financial service	25,000,000,000	23.58	Dec. 31, 2024
STIC K-Growth Private Equity Fund	Korea	KRW	39,487mil.	Financial service	8,517,500,000	21.57	Dec. 31, 2024
Wonik M&A 2024 Private Equity Fund	Korea	KRW	35,800mil.	Financial service	8,950,000,000	25.00	Dec. 31, 2024
Corporate Structure Innovation PEF V	Korea	KRW	4,318mil.	Financial service	950,926,775	22.02	Dec. 31, 2024

(December 31, 2023)

Associates	Location	Issued capital		Main business	Number of shares owned	Percentage of owner-ship (%)	Date of financial statements
Credit Guarantee and Investment Fund	Philippines	USD	1,158mil.	Financial service	171,400,000	14.80	Dec. 31, 2023
KTB Newlake Global Healthcare PEF	Korea	KRW	13,350mil.	Financial service	3,336,768,385	24.99	Dec. 31, 2023
Korea Aerospace Industries. Ltd.	Korea	KRW	487,376mil.	Manufacturing	25,745,964	26.41	Dec. 31, 2023
KB-Badgers Future Mobility ESG Fund Ⅰ	Korea	KRW	18,766mil.	Financial service	4,265,000,000	22.73	Dec. 31, 2023
WWG Green New Deal Fund	Korea	KRW	13,900mil.	Financial service	3,475,000,000	25.00	Dec. 31, 2023
Corporate Structure Innovation PEF IV	Korea	KRW	2,450mil.	Financial service	543,900,000	22.20	Dec. 31, 2023

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES:

(1) Basis of Financial Statement Presentation

The Bank's separate financial statements are prepared under Korean International Financial Reporting Standards ("K-IFRS").

The Bank's financial statements are separate financial statements in accordance with K-IFRS No. 1027 'Separate Financial Statements'.

(2) Basis of measurement

The separate financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

- Derivative financial instruments measured at fair value
- Financial assets measured at fair value through profit or loss
- Financial assets measured at fair value through other comprehensive income
- Financial assets and liabilities designated as hedged items in a fair value hedge accounting of which changes in fair value attributable to the hedged risk are recognized in profit or loss
- Liabilities for defined benefit plans, which are recognized as net of the total present value of defined benefit obligations less the fair value of plan assets

(3) Functional and presentation currency

These separate financial statements are presented in Korean won, which is the currency of the primary economic environment in which the Bank operates.

(4) Significant Estimates and Judgments

The preparation of separate financial statements requires the application of accounting policies and certain critical accounting estimates and assumptions may have a significant impact on assets (liabilities) and income (expenses). The management's estimate may differ from the actual outcome if the management's estimate and assumption based on its best judgment at the reporting date are different from an actual environment.

Estimates and assumptions are continually evaluated and the change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or the period of the change and future periods, if the change affects both.

Uncertainty in estimates and assumptions with significant risk that will result in material adjustment are as follows:

1) Fair value of financial instruments
The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. Financial instruments that are not actively traded in the market and with less transparent market price, will have less objective fair value and will require judgment in liquidity, concentration, uncertainty in market factors and assumption in price determination and other risks.

As described in the significant accounting policies 'Recognition and Measurement of Financial Instruments' diverse valuation techniques are used to determine the fair value of financial instruments, from general market accepted valuation model to internally developed valuation model that incorporates various types of assumptions and variables.

2) Provision of credit losses (allowances for loan losses, provisions for acceptances and guarantees, financial guarantee contracts and unused loan commitments)
The Bank recognizes credit loss allowance for expected credit losses on debt instruments, loans and receivables that are measured at amortized cost, loan commitments and financial guarantee contracts in accordance with K-IFRS No. 1109 'Financial Instruments'. The allowance is determined by techniques, assumptions and input variables used by the Bank to measure expected future cash flows of individual financial instruments and to measure expected credit losses in a collective manner.

3) Defined benefit obligation
The present value of defined benefit obligations is measured by the independent actuaries using projected unit credit method. It is determined by actuarial assumptions and variables such as future increases in salaries, rate of retirement, discount rate and others.

4) Income taxes
The Bank has recognized current and deferred taxes that reflect tax consequences based on the best estimates in which the Bank expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. However, actual income taxes in the future may not be identical to the recognized deferred tax assets and liabilities, and this difference can affect current and deferred tax at the period when the final tax effect is determined.

5) Hedging relationship
The Bank expects a high hedge effectiveness throughout the hedging period in designating the hedging relationship and it is probable that the hedged transaction will be highly probable in the cash flow hedge.

(5) Changes in Accounting Policies

The Bank has adopted the same accounting policies that applied to the separate financial statements as of and for the year ended December 31, 2023, except for the application of the amended standards first effective from January 1, 2024, which are explained below.

1) Amendments to K-IFRS No. 1001 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise right to defer settlement of the liability or the expectations of management. Also, the settlement of liability includes the transfer of the entity's own equity instruments, however, it would be excluded if an option to settle them by the entity's own equity instruments if compound financial instruments is met the definition of equity instruments and recognized separately from the liability. The amendments do not have a significant impact on the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(1) General

The significant accounting policies applied in the preparation of these separate financial statements after transition to K-IFRS are set out below.

(2) Investments in subsidiaries and associates

The accompanying separate financial statements have been prepared on a stand-alone basis in accordance with K-IFRS No.1027, 'Separate Financial Statements'. The Bank's investments in subsidiaries and associates are recorded at cost in accordance with K-IFRS No.1027. Dividend received from its subsidiaries and associates is recognized in profit or loss when the Bank is entitled to receive the dividend.

(3) Foreign Currency

1) Foreign currency transactions
In preparing the separate financial statements of the Bank, transactions in currencies other than the Bank's functional currency (foreign currencies) are recorded by applying the rates of exchange at the dates of the transactions.

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 spot exchange rates at the date when the fair value was determined and non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss in the period in which they arise. When gains or losses on a non-monetary item are recognized in other comprehensive income, any exchange component of those gains or losses are recognized in other comprehensive income. Conversely, when gains or losses on a non-monetary item are recognized in profit or loss, any exchange component of those gains or losses are recognized in profit or loss.

2) Foreign operations

The results and financial position of all foreign operations, whose functional currency differs from the Bank's presentation currency, are translated into the Bank's presentation currency using the following procedures;

Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position. Income and expenses for statement of comprehensive income presented are translated at average exchange rates for the period.

Any fair value adjustments to the carrying amounts of assets and liabilities arising from 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, are reclassified from equity to profit or loss (as a reclassification adjustment) when the gains or losses on disposal are recognized. On the partial disposal of a subsidiary that includes a foreign operation, the Bank reattributes 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 Bank reclassifies to profit or loss only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income.

(4) Cash and cash equivalents

Cash and cash equivalents include cash on hand, foreign currency, and highly liquid short-term investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value.

(5) Non-derivative Financial Assets

Financial assets are recognized when the Bank becomes a party to the contractual provisions of the instrument. In addition, a regular way purchase or sale (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 market concerned) is recognized on the trade date.

A financial asset is measured initially at its fair value plus, for an item not at Fair Value Through Profit or Loss ("FVTPL"), transaction costs that are directly attributable to its acquisition of the financial asset. Transaction costs on the financial assets at FVTPL that are directly attributable to the acquisition are recognized in profit or loss as incurred.

1) Financial assets designated at FVTPL

Financial assets can be irrevocably designated as measured at FVTPL despite of classification standards stated below, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognizing the gains or losses on them on different bases.

2) Equity instruments

For the equity instruments that are not held for trading, at initial recognition, the Bank may make an irrevocable election to present subsequent changes in fair value in other comprehensive income. Equity instruments that are not classified as financial assets at Fair Value through Other Comprehensive Income ("FVOCI") are classified as financial assets at FVTPL.

The Bank subsequently measures all equity investments at fair value. Valuation gains or losses of the equity instruments that are classified as financial assets at FVOCI previously recognized as other comprehensive income is not reclassified as profit or loss on derecognition. The Bank recognizes dividends in profit or loss when the Bank's right to receive payments of the dividend is established.
Valuation gains or losses due to changes in fair value of the financial assets at FVTPL are recognized as gains or losses on financial assets at FVTPL. Impairment loss (reversal) on equity instruments at FVOCI is not recognized separately.

3) Debt instruments

Subsequent measurement of debt instruments depends on the Bank's business model in which the asset is managed and the contractual cash flow characteristics of the asset. Debt instruments are classified as financial assets at amortized cost, at FVOCI, or at FVTPL. Debt instruments are reclassified only when the Bank's business model changes.

① Financial assets at amortized cost

Assets that are held within a business model whose objective is to hold assets to collect contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Impairment losses, and gains or losses on derecognition of the financial assets at amortized cost are recognized in profit or loss. Interest income on the effective interest method is included in the 'Interest income' in the separate statement of comprehensive income.

② Financial assets at FVOCI

Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Other than impairment losses, interest income amortized using effective interest method and foreign exchange differences, gains or losses of the financial assets at FVOCI are recognized as other comprehensive income in equity. On derecognition, gains or losses accumulated in other comprehensive income are reclassified to profit or loss. The interest income on the effective interest method is included in the 'Interest income' in the separate statement of comprehensive income. Foreign exchange differences and impairment losses are included in the 'Net foreign currency transaction gain' and 'Impairment loss on credit' in the separate statement of comprehensive income, respectively.

③ Financial assets at FVTPL

Debt securities other than financial assets at amortized costs or FVOCI are classified at FVTPL. Unless hedge accounting is applied, gains or losses from financial assets at FVTPL are recognized as profit or loss and are included in 'Net gain (loss) on financial assets at FVTPL' in the separate statement of comprehensive income.

4) Embedded derivatives

Financial assets with embedded derivatives are classified regarding the entire hybrid contract, and the embedded derivatives are not separately recognized. The entire hybrid contract is considered when it is determined whether the contractual cash flows represent solely payments of principal and interest.

5) Derecognition of financial assets

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Bank is recognized as a separate asset or liability. If the Bank retains substantially all the risks and rewards of ownership of the transferred financial assets, the Bank continues to recognize the transferred financial assets and recognizes financial liabilities for the consideration received.

6) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the separate statement of financial position only when the Bank currently has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(6) Derivative Financial Instruments

Derivatives are initially recognized at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

1) Hedge accounting

The Bank holds forward exchange contracts, interest rate swaps, currency swaps and other derivative contracts to manage interest rate risk and foreign exchange risk. The Bank designated derivatives as hedging instruments to hedge the risk of changes in the fair value of assets, liabilities or firm commitments (a fair value hedge) and foreign currency risk of highly probable forecasted transactions or firm commitments (a cash flow hedge).

On initial designation of the hedge, the Bank formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship.

① Fair value hedge

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognized in profit or loss. The gain or loss from remeasuring the hedging instrument at fair value for a derivative hedging instrument and the gain or loss on the hedged item attributable to the hedged risk are recognized in the separate statement of comprehensive income, in net gain (loss) on hedging derivative assets and net other operating income (expenses), respectively.

The Bank discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, or if the hedge no longer meets the criteria. Any adjustment arising from gain or loss on the hedged item attributable to the hedged risk is amortized to profit or loss from the date the hedge accounting is discontinued.

② Cash flow hedge

When a derivative is designated to hedge the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income, net of tax, and presented in gain(loss) on valuation of cash flow hedge in equity. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in net gain (loss) on hedging derivative assets.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss on the hedging instrument that has been recognized in other comprehensive income is reclassified to net gain (loss) on hedging derivative assets in the periods during which the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, then the balance in other comprehensive income is recognized immediately in net gain (loss) on hedging derivative assets.

③ Net investment hedge

The portion of the change in fair value of a financial instrument designated as a hedging instrument that meets the requirements for hedge accounting for a net investment in a foreign operation is recognized in other comprehensive income and the ineffective portion of the hedge is recognized in profit or loss. The portion recognized as other comprehensive income that is effective as a hedge is recognized in the statement of comprehensive income as a result of reclassification adjustments in accordance with K-IFRS No. 1021, 'Effect of Changes in Foreign Exchange Rates' at the time of disposing of its overseas operations or disposing of a portion of its overseas operations to profit or loss.

④ Risk Management Strategy

At the inception of the hedge relationship, the Bank 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 Bank designates the exposure of hedged item opposite the exposure of hedging instruments in order to meet the economic relationship requirement.

The Bank designates the hedge relationship at a one-on-one ratio between the notional 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, liquidity or market conditions and others) or other differences between the hedging instrument and the hedged item that the Bank accepts in order to achieve a cost-effective hedging relationship.

2) Other derivative financial instruments

Changes in the fair value of other derivative financial instrument not designated as a hedging instrument are recognized immediately in net gain on financial assets at FVTPL.

3) Unobservable valuation differences at initial recognition

Any difference between the fair value of over the counter derivatives at initial recognition and the amount that would be determined at that date using a valuation technique in a situation in which the valuation is dependent on unobservable parameters is not recognized in profit or loss but is recognized on a straight-line basis over the life of the instrument or immediately when the fair value becomes observable.

(7) Impairment: Financial assets

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

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. The Bank measures expected credit losses by reflecting reasonable and supportable information that is reasonably available at the reporting date without undue cost or effort, including information about past events, current conditions and forecasts of future economic conditions.

The Bank uses the following two measurement techniques in accordance with K-IFRS:

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

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

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

- more than 30 days past due;
- decline in credit rating at period end by more than certain notches as compared to that at initial recognition;

- the soundness of the assets is under precautionary from the grade table by Korean Financial Supervisory service

The Bank generally deems one or more of the following items credit-impaired:

- no less than 90 days past due
- legal proceedings related to collection
- a borrower that has received a credit-warning from Korea Credit Information Services
- corporate borrowers that are considered impaired (internally rating S, D, or F)
- a borrower with the external auditor's opinion that is qualified or disclaimer
- negative capital and
- debt restructuring.

1) Forward-looking information
The Bank uses forward-looking information, when it measures expected credit losses.

The Bank assumes that the probability of default (PD), one of the risk components, has a certain correlation with the business cycle, and calculates the expected credit loss by reflecting forward-looking information based on the assessment of an internal expert group that monitors macroeconomic developments.

2) Measuring expected credit losses on financial assets at amortized cost
The amount of the loss on financial assets at amortized cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

The Bank estimates expected future cash flows for financial assets that are quantitative and qualitative significant (individual assessment of impairment).

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

① Individual assessment of impairment
Individual assessment of impairment losses is calculated using management's best estimate on present value of expected future cash flows. The Bank uses all the available information including operating cash flow of the borrower and net realizable value of any collateral held.

② Collective assessment of impairment
Collective assessment of loss allowance involves historical loss experience along with incorporation of forward-looking information. Such process incorporates factors such as type of collateral, product and borrowers, credit rating, size of portfolio and recovery period and applies 'probability of default'(PD) on a group of assets and 'loss given default'(LGD) by type of recovery method. Also, the expected credit loss model involves certain assumption to determine input based on loss experience and forward-looking information. These models and assumptions are periodically reviewed to reduce gap between loss estimate and actual loss experience.

Lifetime expected credit loss as of the end of the reporting period is calculated by product based on the carrying amount net of expected repayment, PD for each period and LGD adjusted by change in carrying amount.

3) Measuring expected credit losses on financial assets at fair value through other comprehensive income
Measuring method of expected credit losses on financial assets at fair value through other comprehensive income is equal to the method of financial assets at amortized cost, except for loss allowances that are recognized as other comprehensive income. Amounts recognized in other comprehensive income for sale or repayment of financial assets at fair value through other comprehensive income are reclassified to profit or loss.

(8) Tangible assets

1) Recognition and measurement
All property and equipment that qualify for recognition as an asset are measured at their cost and subsequently carried at their 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 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. If part of an item of an asset has a useful life different from that of the entire asset, it is recognized as a separate asset.

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 Bank. The depreciable amount of an asset is determined after deducting its residual value.

The depreciation method is straight-line and estimated useful lives of the assets are as follows.

Property and equipment	Estimated useful lives
Buildings and structures	10–60 years
Leasehold Improvements	5 years
Vehicles	4 years
Tools, furniture and fixtures	4–20 years

The residual value, the useful life and the depreciation method applied to an asset are reviewed at least at each financial year-end and, if expectations differ from previous estimates or if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the changes are accounted for as a change in an accounting estimate.

(9) Intangible assets

Intangible assets are measured initially at cost and subsequently carried at its cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets are amortized using the straight-line method with no residual value over their estimated useful economic life since the assets are available for use.

Intangible assets	Estimated useful lives
Software	5 years
System development costs	5 years

The amortization period and the amortization method for intangible assets with a definite useful life are reviewed at least at each financial year-end. The useful life of an intangible asset that is not being amortized is reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If there is any change, it is accounted for as a change in an accounting estimate.

(10) Impairment of non-financial assets

The Bank assesses at the end of each reporting period whether there is any indication that a non-financial asset, except for deferred tax assets, assets arising from employee benefits and non-current assets (or group of assets to be sold) classified as held for sale, may be impaired. If any such indication exists, the Bank estimates the recoverable amount of the asset. However, irrespective of whether there is any indication of impairment, the Bank tests goodwill acquired in a business combination, an intangible asset with an indefinite useful life and an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its 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 Bank determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and such impairment loss is recognized immediately in profit or loss.

(11) Financial liabilities at FVTPL

Financial liabilities at FVTPL include contingent consideration that may be paid by an acquirer as part of a business combination to which K-IFRS No.1103, 'Business Combination' applies, short-term financial liabilities and financial liabilities recognized as financial liabilities at FVTPL initially. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Otherwise, the transaction cost is recognized in current profit or loss.

(12) Provisions

A provision is recognized if the Bank has a present obligation (legal or constructive) as a result of the 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. The risks and uncertainties that inevitably surround many events and circumstances are taken into account in reaching the best estimate of a provision, and where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.
Provisions on confirmed and unconfirmed acceptances and guarantees, and unused credit line of corporate loans are recognized using valuation model that applies the credit conversion factor, default rates, and loss given default. 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.

(13) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer (the Bank) 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 are amortized over the life of the contract. After initial recognition, financial guarantee contracts are measured at the greater of:

- The amount determined in accordance with K-IFRS No.1109, 'Financial Instruments' and
- The initial amount recognized, less, when appropriate, cumulative amortization recognized in accordance with K-IFRS No.1115, 'Revenue from Contracts with Customers'

(14) Equity and Reserve

Equity and Reserve are any contract or agreement that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

(15) Interest income and expenses

Interest income and expenses are recognized using the effective interest method. Effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or groups of financial assets or financial liabilities) and of allocating the interest income or interest expenses 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 net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. In those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the Bank uses the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

(16) Fee and commission income

The Bank recognizes financial service fee in accordance with the accounting standard of the financial instrument related to the fees earned.

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. 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 measured at amortized cost. However, fees relating to the creation or acquisition of a financial asset at FVTPL are recognized as revenue immediately.

2) Fees earned as services are provided
Such fees are recognized as revenue as the services are provided.

3) Fees that are earned on the execution of a significant act
Such fees are recognized as revenue when the significant act has been completed.

(17) Dividend income

Dividend income is recognized in profit or loss when the right to receive payment is established. Dividend income from financial assets at FVTPL and financial investments is recognized in profit or loss as part of dividend income in the separate statements of comprehensive income.

(18) Employee compensation and benefits

1) Defined contribution plans
When employees render service related to defined contribution plans, contributions related to employees services are recognized in current profit or loss without contributions included in cost of assets. Contributions which are supposed to be paid are recognized in accrued expenses after deducting any amount already paid. Also, if contributions already paid exceed contributions which would be paid at the end of period, the amount of excess is recognized in prepaid expenses.

2) Defined benefit plans
The Bank's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Bank, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Bank determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Bank recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3) Short-term employee benefits
Short-term employee benefits are employee benefits that are due to be settled within 12 months after the end of the period in which the employees render the related service.

Short-term employee benefits are recognized in current profit and loss when employees render the related service. Short-term employee benefits are not discounted.

(19) Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax and is recognized as profit or loss, except for taxes directly adjusted in equity or other comprehensive income and loss and for taxes that arise from business combination.

1) Current tax

Current income tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. The difference between the taxable profit and accounting profit may arise when income or expenses are included in accounting profit in one period, but is included in taxable profit in a different period, and if there is revenue that is exempt from taxation, expenses that are not deductible in determining taxable profit (tax loss). Current income tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Bank offsets current income tax assets and current income tax liabilities if, and only if, the Bank has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2) Deferred tax

Deferred tax is recognized, using the asset-liability method, on temporary differences arising between the tax base amount of assets and liabilities and their carrying amount in the financial statements. Deferred tax liabilities are recognized for all taxable temporary differences and deferred 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 tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except for deferred tax liabilities which the timing of the reversal of the temporary difference is controlled by the Bank and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. The Bank reduces the carrying amount of a deferred 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 the deferred tax asset to be utilized.

Deferred 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 tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Bank expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

(20) New standards and interpretations not yet adopted

The following new standards and amendments to existing standards have been published and are mandatory for the Bank to adopt for annual periods beginning on or after January 1, 2024, and the Bank has not early adopted them.

The following new standards and amendments to existing standards are not expected to significantly affect the Bank:

1) Amendments to K-IFRS No. 1021 'The Effects of Changes in Foreign Exchange Rates' and K-IFRS No.1101 'First-time Adoption of International Financial Reporting Standards' – Lack of Exchangeability

The amendment defines situations where a currency is exchangeable into another currency for accounting purposes and specifies the assessment of the exchangeability between two currencies, estimation for spot exchange rates in the absence of exchangeability and disclosure requirements. If exchange into another currency is not possible, the spot exchange rate must be estimated at the measurement date, and observable exchange rates without adjustments or other estimation techniques should be used. These amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted. The Bank is in review for the impact of these amendments on the financial statements.

2) Amendments to K-IFRS No. 1109 Financial Instruments, K-IFRS No. 1107 Financial Instruments - Classification and Measurement of Financial Instruments

These amendments clarify the conditions related to the settlement of financial liabilities before the settlement date when using electronic payment systems, the interest and contingent event characteristics to be considered when assessing whether contractual cash flows are consistent with basic lending arrangements, the characteristics of financial assets with non-recourse features, and the characteristics of contractually linked financial instruments. They also include additional disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and contractual terms that can change the timing or amount of contractual cash flows. The amendments should be applied retrospectively for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Bank is in review for the impact of these amendments on the financial statements.

3) Annual Improvements to K-IFRS

Annual Improvements to K-IFRS-Volume 11 should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Bank does not expect the amendments to have a significant impact on the financial statements.

- K-IFRS No.1109 Financial Instruments: Derecognition of lease liabilities and definition of transaction price
- K-IFRS No.1110 Financial Statements: Determination of a 'de facto agent'
- K-IFRS No.1101 First-time Adoption of International Financial Reporting Standards: Hedge accounting
- K-IFRS No.1107 Financial Instruments: Disclosures: Gain or loss on derecognition
- K-IFRS No.1007 Statement of Cash Flows: Cost method

4. RISK MANAGEMENT:

4-1. Summary

(1) Overview of Risk Management Policy

The financial risks that the Bank is exposed to are credit risk, market risk, liquidity risk, operational risk, interest risk, credit concentration risk, strategy/reputational risk, outsourcing risk, settlement risk and others. Credit risk, market risk, liquidity risk, and operational risk have been recognized as the Bank's key risks.

The Bank's risk management system focuses on increasing transparency, developing risk management environment and preemptive response to risks due to rapid changes in financial environment to support the Bank's long-term strategy and business decision efficiently.

The note regarding financial risk management provides information about the risks that the Bank is exposed to, the objective, policies and process for managing the risk, the methods used to measure the risk and capital adequacy. Additional quantitative information is disclosed throughout the separate financial statements.

(2) Risk Management Group

1) Risk Management Committee

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

2) Risk Management Council

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

3) Risk Management Practices Committee

The Risk Management Practices Committee assists the Risk Management Committee and the Risk Management Council. It performs practical work process relating to risk management plan, including targeted Bank for International Settlements ("BIS") ratio, risk management strategy, risk measurement, risk analysis, economic capital limit and others.

4-2. Credit risk

(1) Overview of Credit Risk

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

(2) Credit Risk Management

The Bank controls the credit concentration risk exposure by applying and managing total exposure limits to prevent the excessive risk concentration to specific industry and specific borrowers. The Bank maintains allowances for loan losses associated with credit risk on loans and receivables to manage its credit risk.

(3) Maximum exposure to credit risk

The Bank's maximum exposure of financial instruments to credit risk as of December 31, 2024 and 2023, is as follows (Korean won in millions):

	Dec. 31, 2024		Dec. 31, 2023	
Cash and due from financial institutions	₩	12,915,754	₩	12,591,124
Financial assets at FVTPL		5,137,067		3,715,536
Hedging derivative assets		71,450		611,960
Loans at amortized cost (*1)		88,726,176		87,779,980
Financial investments		6,226,542		4,788,893
Other financial assets		1,590,204		1,852,213
Acceptances and guarantee contracts		63,589,805		54,579,410
Commitments (*2)		38,687,977		44,137,856
Total	₩	216,944,975	₩	210,056,972

(*1) Loans at amortized cost exclude loans valuation adjustment related to fair value hedging and allowances for loan losses.
(*2) Commitments exclude commitments on purchase of beneficiary certificates which are included in other commitments in Note 36.

(4) Credit risk of loans

The Bank maintains allowances for loan losses associated with credit risk on loans to manage its credit risk. Impairment loss on loans can be directly from the carrying amount of the asset or deducted using an allowance account.

The Bank measures the credit risk inherent in financial assets classified as loans and presents it in financial statements as Allowance for loan losses in the form of deduction from the carrying amount of the assets. The Bank writes off on non-profitable loans, non-recoverable loans, loans classified as estimated loss by asset quality category, loans requested to be written off by Financial Supervisory Service ("FSS") and others upon approval of Loan Management Committee.

Loans categorized as of December 31, 2024 and 2023 are as follows (Korean won in millions):

(December 31, 2024)

	12 months expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Collective assessment:				
Best	₩ 27,005,545	₩ 253,787	₩ 2,880	₩ 27,262,212
Outstanding	35,329,426	-	9,000	35,338,426
Good	24,242,016	976,576	4,566	25,223,158
Below normal	17,640	36,197	358,310	412,147
Subtotal	86,594,627	1,266,560	374,756	88,235,943
Individual assessment:				
Best	-	-	73,100	73,100
Outstanding	-	-	5,000	5,000
Good	423,864	2,063,133	114,800	2,601,797
Below normal	-	714,477	215,125	929,602
Subtotal	423,864	2,777,610	408,025	3,609,499
Total	₩ 87,018,491	₩ 4,044,170	₩ 782,781	₩ 91,845,442
Net deferred loan origination fees and costs				(453,954)
Allowances				(2,665,312)
Total				₩ 88,726,176

(December 31, 2023)

	12 months expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Collective assessment:				
Best	₩ 27,846,916	₩ 4,679	₩ 1,870	₩ 27,853,465
Outstanding	35,466,990	-	10,038	35,477,028
Good	23,292,100	928,795	4,046	24,224,941
Below normal	-	41,847	333,669	375,516
Subtotal	86,606,006	975,321	349,623	87,930,950
Individual assessment:				
Best	-	-	4,341	4,341
Outstanding	-	-	-	-
Good	-	1,124,100	65,600	1,189,700
Below normal	-	1,009,968	178,036	1,188,004
Subtotal	-	2,134,068	247,977	2,382,045
Total	₩ 86,606,006	₩ 3,109,389	₩ 597,600	₩ 90,312,995
Net deferred loan origination fees and costs				(481,624)
Allowances				(2,051,391)
Total				₩ 87,779,980

The above carrying amount exclude loan valuation adjustment related to fair value hedging amounting to ₩(58) million and ₩(2,719) million as of December 31, 2024 and 2023, respectively.

(5) Credit quality of securities

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

(December 31, 2024)

	12 months expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Grade 1	₩ 6,226,542	₩ -	₩ -	₩ 6,226,542
Grade 2	-	-	-	-
Grade 3	-	-	-	-
Grade 4	-	-	-	-
Grade 5	-	-	-	-
Total	₩ 6,226,542	₩ -	₩ -	₩ 6,226,542

(December 31, 2023)

	12 months expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Grade 1	₩ 4,788,893	₩ -	₩ -	₩ 4,788,893
Grade 2	-	-	-	-
Grade 3	-	-	-	-
Grade 4	-	-	-	-
Grade 5	-	-	-	-
Total	₩ 4,788,893	₩ -	₩ -	₩ 4,788,893

(6) Concentration of credit risk

The amounts disclosed below exclude loan valuation adjustment related to fair value hedging amounting to ₩(58) million and ₩(2,719) million as of December 31, 2024 and 2023, respectively.

1) Loans by country where the credit risk belongs to as of December 31, 2024 and 2023 are as follows (Korean won in millions):

(December 31, 2024)

	Loans in local currency	Loans in foreign currencies	Others	Total	Ratio (%)	Deferred loan origination fees	Allowances
Asia:							
Korea	₩ 28,277,489	₩ 23,441,969	₩ 1,037,393	₩ 52,756,851	57.44	₩ (40,870)	₩ (1,420,336)
China	-	210,810	359,908	570,718	0.62	(793)	(3,555)
Saudi Arabia	-	2,076,970	19,922	2,096,892	2.28	(24,910)	(137,304)
India	-	4,001,687	26,815	4,028,502	4.39	(24,086)	(4,000)
Indonesia	-	2,771,303	2,849	2,774,152	3.02	(84,373)	(13,072)
Vietnam	-	2,411,036	1,129	2,412,165	2.63	(18,414)	(120,512)
Australia	-	684,774	1,066	685,840	0.75	(14,863)	(1,413)
Philippines	-	-	2,639	2,639	-	-	(2)
Qatar	-	979,258	380	979,638	1.07	(13,944)	(4,835)
Singapore	-	1,076,317	92,585	1,168,902	1.27	(2,082)	(3,110)
Oman	-	903,903	-	903,903	0.98	(11,047)	(9,835)
Hong Kong	-	209,678	6,190	215,868	0.24	-	(84)
The United Arab Emirates	-	4,351,801	-	4,351,801	4.74	(29,546)	(5,218)
Uzbekistan	-	911,033	-	911,033	0.99	(5,917)	(14,145)
Others	-	2,592,534	1,265,261	3,857,795	4.20	(60,418)	(340,170)
Subtotal	28,277,489	46,623,073	2,816,137	77,716,699	84.62	(331,263)	(2,077,591)
Europe:							
Russia	-	339,157	-	339,157	0.37	(202)	(295,951)
United Kingdom	-	1,656,316	-	1,656,316	1.80	(5,313)	(6,284)
France	-	383,914	297,982	681,896	0.74	(4,719)	(245)
Netherlands	-	235,200	49,382	284,582	0.31	(94)	(1,040)
Malta	-	402,638	-	402,638	0.44	(3,341)	(816)
Greece	-	1,433,827	-	1,433,827	1.56	(7,666)	(1,420)
Turkiye	-	1,039,457	4,407	1,043,864	1.14	(7,480)	(46,901)
Germany	-	60,500	-	60,500	0.07	(68)	(304)
Others	-	3,276,327	48,316	3,324,643	3.62	(28,859)	(131,184)
Subtotal	-	8,827,336	400,087	9,227,423	10.05	(57,742)	(484,145)
America:							
Panama	-	70,166	583,229	653,395	0.71	(216)	(906)
United States	-	48,989	44,053	93,042	0.10	(227)	(839)
Mexico	-	171,467	-	171,467	0.19	(2,222)	(1,337)
Bermuda	-	65,836	-	65,836	0.07	(152)	(1,280)
Brazil	-	958,789	-	958,789	1.04	(65)	(2,432)
Others	-	1,224,614	-	1,224,614	1.33	(10,072)	(5,219)
Subtotal	-	2,539,861	627,282	3,167,143	3.44	(12,954)	(12,013)
Africa:							
Nigeria	-	494,614	-	494,614	0.54	(2,599)	(19,976)
Others	-	1,239,563	-	1,239,563	1.35	(49,396)	(71,587)
Subtotal	-	1,734,177	-	1,734,177	1.89	(51,995)	(91,563)
Total	₩ 28,277,489	₩ 59,724,447	₩ 3,843,506	₩ 91,845,442	100.00	₩ (453,954)	₩ (2,665,312)

(December 31, 2023)

	Loans in local currency	Loans in foreign currencies	Others	Total	Ratio (%)	Deferred loan origination fees	Allowances
Asia:							
Korea	₩ 27,871,602	₩ 24,901,341	₩ 2,380,121	₩ 55,153,064	61.07	₩ (46,311)	₩ (941,677)
China	-	346,385	697,606	1,043,991	1.16	(914)	(3,353)
Saudi Arabia	-	1,857,355	24,116	1,881,471	2.08	(17,988)	(13,316)
India	-	3,082,098	34,700	3,116,798	3.45	(28,032)	(3,773)
Indonesia	-	2,661,021	3,376	2,664,397	2.95	(95,464)	(9,932)
Vietnam	-	2,342,618	201,773	2,544,391	2.82	(20,840)	(147,608)
Australia	-	596,348	229	596,577	0.66	(15,470)	(1,213)
Philippines	-	-	522	522	-	-	-
Qatar	-	540,505	-	540,505	0.60	(14,341)	(2,796)
Singapore	-	896,531	81,025	977,556	1.08	(2,868)	(2,688)
Oman	-	881,832	-	881,832	0.98	(10,724)	(10,859)
Hong Kong	-	238,539	777,455	1,015,994	1.12	-	(90)
The United Arab Emirates	-	3,151,234	7,245	3,158,479	3.50	(29,515)	(1,561)
Uzbekistan	-	913,823	-	913,823	1.01	(6,980)	(22,757)
Others	-	2,550,512	2,787,471	5,337,983	5.91	(69,163)	(281,507)
Subtotal	27,871,602	44,960,142	6,995,639	79,827,383	88.39	(358,610)	(1,443,130)
Europe:							
Russia	-	297,490	-	297,490	0.33	(252)	(261,360)
United Kingdom	-	1,554,713	-	1,554,713	1.72	(9,333)	(9,103)
France	-	70,332	395,569	465,901	0.52	(1,283)	(4)
Netherlands	-	206,304	13,044	219,348	0.24	(304)	(726)
Malta	-	16,602	-	16,602	0.02	(447)	(103)
Greece	-	1,404,934	-	1,404,934	1.56	(6,303)	(234)
Turkiye	-	1,152,396	29,112	1,181,508	1.31	(9,326)	(172,170)
Germany	-	47,772	258,196	305,968	0.34	(103)	-
Others	-	664,068	52,300	716,368	0.79	(23,885)	(11,759)
Subtotal	-	5,414,611	748,221	6,162,832	6.83	(51,236)	(455,459)
America:							
Panama	-	68,935	320,566	389,501	0.43	(229)	(744)
United States	-	52,961	23,928	76,889	0.09	(318)	(595)
Mexico	-	196,255	-	196,255	0.22	(2,655)	(471)
Bermuda	-	152,413	-	152,413	0.17	(772)	(2,708)
Brazil	-	1,142,503	3,146	1,145,649	1.26	-	(3,826)
Others	-	1,299,137	-	1,299,137	1.43	(21,324)	(11,788)
Subtotal	-	2,912,204	347,640	3,259,844	3.60	(25,298)	(20,132)
Africa:							
Nigeria	-	40,654	-	40,654	0.05	(2,737)	(1,325)
Others	-	1,022,282	-	1,022,282	1.13	(43,743)	(131,345)
Subtotal	-	1,062,936	-	1,062,936	1.18	(46,480)	(132,670)
Total	₩ 27,871,602	₩ 54,349,893	₩ 8,091,500	₩ 90,312,995	100.00	₩ (481,624)	₩ (2,051,391)

2) Loans by industry as of December 31, 2024 and 2023 are as follows (Korean won in millions):

(December 31, 2024)

	Loans in local currency	Loans in foreign currencies	Others	Total	Ratio (%)	Deferred loan origination fees	Allowances
Manufacturing	₩ 14,306,105	₩ 26,434,377	₩ 356,173	₩ 41,096,655	44.75	₩ (224,860)	₩ (2,130,440)
Transportation	1,215,064	7,410,700	620,075	9,245,839	10.07	(53,509)	(75,449)
Financial institutions	10,208,659	9,967,761	2,686,632	22,863,052	24.89	(27,977)	(307,744)
Wholesale and retail	990,290	1,310,559	180,626	2,481,475	2.70	(437)	(30,300)
Real estate	-	695,310	-	695,310	0.76	(1,688)	(45,082)
Construction	627,863	2,372,605	-	3,000,468	3.27	(24,131)	(18,199)
Public sector and others	929,508	11,533,135	-	12,462,643	13.56	(121,352)	(58,098)
Total	₩ 28,277,489	₩ 59,724,447	₩ 3,843,506	₩ 91,845,442	100.00	₩ (453,954)	₩ (2,665,312)

(December 31, 2023)

	Loans in local currency	Loans in foreign currencies	Others	Total	Ratio (%)	Deferred loan origination fees	Allowances
Manufacturing	₩ 14,351,677	₩ 26,750,238	₩ 509,226	₩ 41,611,141	46.07	₩ (242,246)	₩ (1,283,291)
Transportation	1,433,190	5,658,223	418,897	7,510,310	8.32	(49,148)	(244,919)
Financial institutions	9,435,219	7,891,197	7,021,834	24,348,250	26.96	(28,189)	(271,822)
Wholesale and retail	1,084,170	1,548,102	106,469	2,738,741	3.03	(1,469)	(13,426)
Real estate	2,200	631,802	-	634,002	0.70	(1,945)	(73,463)
Construction	515,860	2,215,012	2,371	2,733,243	3.03	(26,095)	(18,501)
Public sector and others	1,049,286	9,655,319	32,703	10,737,308	11.89	(132,532)	(145,969)
Total	₩ 27,871,602	₩ 54,349,893	₩ 8,091,500	₩ 90,312,995	100.00	₩ (481,624)	₩ (2,051,391)

3) Concentration of credit risk of financial assets at FVTPL and financial investments (debt securities) by industry as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	Dec. 31, 2024		Dec. 31, 2023	
	Amount	Ratio (%)	Amount	Ratio (%)
Financial Assets at FVTPL				
Government and government sponsored institutions	₩ 319,857	6.84	₩ 225,955	6.63
Banking and insurance	4,215,624	90.19	3,132,157	91.92
Others	138,555	2.97	49,263	1.45
Subtotal	4,674,036	100.00	3,407,375	100.00
Financial Assets at FVOCI				
Government and government sponsored institutions	2,040,960	41.96	1,517,635	50.76
Banking and insurance	2,368,667	48.70	1,023,574	34.23
Others	453,940	9.34	448,784	15.01
Subtotal	4,863,567	100.00	2,989,993	100.00
Securities at amortized cost				
Government and government sponsored institutions	1,005,200	73.75	1,193,865	66.37
Banking and insurance	185,783	13.63	454,204	25.25
Others	171,992	12.62	150,831	8.38
Subtotal	1,362,975	100.00	1,798,900	100.00
Hedging derivative assets				
Banking and insurance	71,450	100.00	611,960	100.00
Total	₩ 10,972,028		₩ 8,808,228	

4) Concentration of credit risk of financial assets at FVTPL and financial investments (debt securities) by country as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	Dec. 31, 2024		Dec. 31, 2023	
	Amount	Ratio (%)	Amount	Ratio (%)
Financial Assets at FVTPL				
Korea	₩ 4,493,125	96.13	₩ 3,135,028	92.01
Others	180,911	3.87	272,347	7.99
Subtotal	4,674,036	100.00	3,407,375	100.00
Financial Assets at FVOCI				
Korea	2,455,218	50.48	1,371,957	45.88
United States	1,579,534	32.48	1,234,828	41.30
Others	828,815	17.04	383,208	12.82
Subtotal	4,863,567	100.00	2,989,993	100.00
Securities at amortized cost				
Korea	331,752	24.34	865,270	48.10
United States	811,944	59.57	752,178	41.81
Others	219,279	16.09	181,452	10.09
Subtotal	1,362,975	100.00	1,798,900	100.00
Hedging derivative assets				
Korea	46,677	65.33	249,248	40.72
France	20,004	28.00	177,698	29.04
United States	1,209	1.69	132,093	21.59
Others	3,560	4.98	52,922	8.65
Subtotal	71,450	100.00	611,960	100.00
Total	₩ 10,972,028		₩ 8,808,228	

5) Credit enhancement and its financial effect as of December 31, 2024 and 2023 are as follows (Korean won in millions):

(December 31, 2024)

	Loans (*1)	Acceptances and guarantees	Unused loan commitments	Total	Ratio (%)
Maximum exposure to credit risk	₩ 88,726,176	₩ 63,589,805	₩ 38,687,977	₩ 191,003,958	100.00
Credit enhancement:					
Deposits and savings	229,512	52,490	9,060	291,062	0.15
Export guarantee insurance	283,107	1,186,649	-	1,469,756	0.77
Guarantee	3,396,224	5,676,315	1,885,058	10,957,597	5.74
Securities	7,881	39,527	-	47,408	0.02
Real estate	2,633,063	423,015	92,072	3,148,150	1.65
Ships	672,725	77,530	-	750,255	0.39
Aircraft	673,800	271,396	-	945,196	0.49
Others	8,110	-	-	8,110	-
Subtotal	7,904,422	7,726,922	1,986,190	17,617,534	9.21
Exposure to credit risk after deducting credit enhancement	₩ 80,821,754	₩ 55,862,883	₩ 36,701,787	₩ 173,386,424	90.79

(December 31, 2023)

	Loans (*1)	Acceptances and guarantees	Unused loan commitments	Total	Ratio (%)
Maximum exposure to credit risk	₩ 87,779,980	₩ 54,579,410	₩ 44,137,856	₩ 186,497,246	100.00
Credit enhancement:					
Deposits and savings	148,574	50,317	11,517	210,408	0.11
Export guarantee insurance	298,148	1,053,986	-	1,352,134	0.73
Guarantee	1,526,158	1,475,565	3,479,564	6,481,287	3.48
Securities	14,114	38,658	-	52,772	0.03
Real estate	2,463,160	271,351	152,462	2,886,973	1.55
Ships	394,972	70,287	-	465,259	0.24
Aircraft	682,569	324,664	-	1,007,233	0.54
Others	25,775	-	-	25,775	0.01
Subtotal	5,553,470	3,284,828	3,643,543	12,481,841	6.69
Exposure to credit risk after deducting credit enhancement	₩ 82,226,510	₩ 51,294,582	₩ 40,494,313	₩ 174,015,405	93.31

(*1) Loans exclude loan valuation adjusted related to fair value hedging.

4-3. Liquidity risk

(1) Overview of liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations arising from financial liabilities as they become due. The Bank discloses all financial asset, financial liabilities and off-balance-sheet items, such as loan commitments, and analysis of the contractual maturity, which are related to liquidity risk, into seven categories. The cash flows disclosed in the maturity analysis are undiscounted contractual amounts, including principal and future interest, which resulted in disagreement with the discounted cash flows included in the separate statements of financial position. However, for derivatives, each discounted cash flow consisting of current fair value is presented.

(2) Principles of the liquidity risk management

1) Liquidity risk is managed with integration. The Bank measures, reports and controls liquidity risk by quantification with reasonable method.

2) Liquidity risk reflects financing plans and fund using plans, and the Bank reports the liquidity risk with preciseness, timeliness and consistency.

3) The Bank establishes liquidity risk managing strategy by analyzing liquidity maturity, liquidity gap structure and market environment.

(3) Liquidity risk management

Risk management department monitors changes by liquidity risk sources and compliance of risk limits. It notifies related departments to prepare countermeasures in case the measured liquidity risk is close to risk limits. Also, it analyzes crisis situations and effects of the crisis situations, and reports to the Risk Management Committee on a regular basis. Each related department monitors changes of liquidity risk sources and compliance of risk limits by itself, and if exposure to new risk is expected, it discusses the matter with the head of risk management department.

(4) Measurement of liquidity risk

The Bank measures liquidity ratio, liquidity gap ratio and others for local currency and foreign currency, and simulates analysis reflecting market environment, product features and the Bank’s strategies.

(5) Analysis on remaining contractual maturity of financial liabilities and off-balance-sheet items

Remaining contractual maturity and amount of financial liabilities and off-balance-sheet items as of December 31, 2024 and 2023 are as follows (Korean won in millions):

(December 31, 2024)

	On demand	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 year to 5 years	Over 5 years	Total
Financial liabilities:								
Financial liabilities at FVTPL	₩ 3,013,553	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 3,013,553
Hedging derivative liabilities	-	953	34,759	141,621	252,684	775,199	1,172,739	2,377,955
Borrowings	-	509,244	822,632	97,403	1,235,697	3,821,808	423,885	6,910,669
Debentures	-	5,150,157	6,481,352	9,188,134	17,448,602	49,776,876	18,201,916	106,247,037
Other financial liabilities	2,104	1,607,875	477	-	4,280	265,466	796,276	2,676,478
Total	₩ 3,015,657	₩ 7,268,229	₩ 7,339,220	₩ 9,427,158	₩ 18,941,263	₩ 54,639,349	₩ 20,594,816	₩ 121,225,692
Off-balance sheet items (*1):								
Commitments	₩ 38,687,977	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 38,687,977
Financial guarantee contracts	18,170,585	-	-	-	-	-	-	18,170,585
Total	₩ 56,858,562	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 56,858,562

(December 31, 2023)

	On demand	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 year to 5 years	Over 5 years	Total
Financial liabilities:								
Financial liabilities at FVTPL	₩ 2,122,804	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 2,122,804
Hedging derivative liabilities	-	20,714	54,928	17,989	97,956	476,186	846,435	1,514,208
Borrowings	-	242,972	523,874	1,375,352	834,734	2,405,711	374,816	5,757,459
Debentures	-	1,929,332	6,931,707	10,978,525	18,213,418	50,349,703	16,481,654	104,884,339
Other financial liabilities	-	1,888,986	64	2,239	1,718	164,052	₩ 834,443	2,891,502
Total	₩ 2,122,804	₩ 4,082,004	₩ 7,510,573	₩ 12,374,105	₩ 19,147,826	₩ 53,395,652	₩ 18,537,348	₩ 117,170,312
Off-balance sheet items (*1):								
Commitments	₩ 44,137,856	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 44,137,856
Financial guarantee contracts	14,372,468	-	-	-	-	-	-	14,372,468
Total	₩ 58,510,324	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 58,510,324

(*1) Although financial guarantees and loan commitments provided by the Bank have maturities, the Bank should fulfill the obligation immediately when the counter party requests payments.

4-4. Market risk

(1) Overview of market risk

1) Definition of market risk

Market risk is the risk of possible losses that arise from the changes of market factors, such as interest rate, share price, foreign exchange rate, commodity value. The Bank classifies exposures to market risk into either foreign exchange rate risk or interest rate risk. Foreign exchange risk is the possible losses on assets and liabilities denominated in foreign currencies due to changes of foreign exchange rate. Interest rate risk is the possible losses on assets and liabilities due to changes of interest rate.

2) Market risk management group

The Bank operates the Risk Management Committee and the Risk Management Council for managing risks and risk limits. The Risk Management Practices Committee assists the Risk Management Committee and the Risk Management Council for practical matters, such as managing adequate assets and liabilities by analyzing foreign exchange risk, interest rate risk, liquidity risk and effects by initiating new product. Market risk is managed by product and currency for minimizing segments exposed to changes of foreign exchange, interest rate and securities' price. Foreign exchange risk is measured by definite method. Interest rate risk is measured by IRRBB standards, definite method and probabilistic method and definite method is used for limits management. Meanwhile, the Bank performs financial crisis analysis supposing exceptional, but possible events for evaluating latent weakness. The analysis is used for important decision making, such as risk mitigation, emergency plan development and limit setup. The results of the analysis are reported to the board of directors and management on a quarterly basis.

(2) Foreign exchange risk

1) Management of foreign exchange risk

Foreign exchange risk management limit is set up and a risk management division head monitors changes of foreign exchange risk by source and compliance of risk limits regularly. A finance division head also monitors changes of foreign exchange risk by source and compliance of risk limits. The finance division head needs to cooperate with the risk management division head in case it is expected that the Bank will be exposed to a new risk. The risk management division head orders related divisions to prepare countermeasures in case it is apprehended that foreign exchange risk exceeds risk limit. If foreign exchange risk exceeds the risk limit, the risk management division head orders related divisions to prepare countermeasures and reports to Risk Management Committee after resolving the exceeded limit problem.

2) Measurement of foreign exchange risk

Foreign exchange risk is managed by foreign exchange VaR and foreign exchange position. Foreign exchange VaR is measured on a monthly basis and foreign exchange position is measured on a daily basis. It is measured separately by currency for assets and liabilities denominated in foreign currencies exceeding 5% of total assets and liabilities denominated in foreign currencies.

3) Measurement method

① Value at Risk (VaR)

The Bank uses a yearly VaR to measure market risk. The yearly VaR is a statistically estimated maximum amount of loss that could occur in one year under normal distribution of financial variables. The Bank calculates VaR using equal weighted-average method based on historical changes in market rates, prices and volatilities over the previous five years data and measures VaR at a 99% single tail confidence level.VaR is a commonly used market risk management technique. However, the method has some shortcomings.

VaR estimates possible losses over a certain period at a particular confidence level using past market movement data. Past market movement, however, is not necessarily a good indicator of future events, as there may be conditions and circumstances in the future that the model does not anticipate. As a result, the timing and magnitude of the actual losses can be different, depending on the assumptions made at the time of calculation. In addition, the time periods used for the model, generally one day or 10 days are assumed to be a sufficient holding period before liquidating the relevant underlying positions. If these holding periods are not sufficient, or too long, the VaR results may understate or overstate the potential loss.

② Stress testing
The stress testing is carried out to analyze the abnormal market situation reflecting intrinsic volatility of foreign exchange that has significant influent on the value of portfolio.

③ Results of measurement
Results of foreign exchange VaR as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	Dec. 31, 2024				Dec. 31, 2023			
	Average	Minimum	Maximum	Ending	Average	Minimum	Maximum	Ending
Foreign exchange risk	₩ 132,114	₩ 94,371	₩ 175,454	₩ 123,618	₩ 86,924	₩ 2,153	₩ 141,081	₩ 76,774

(3) Interest rate risk

1) Management of interest rate risk
Interest rate risk management limit is set up and included in internal capital management limit. A risk management division head monitors changes of interest rate risk by source and compliance of risk limits regularly. A finance division head also monitors changes of interest rate risk by source and compliance of risk limits. The finance division head needs to cooperate with the risk management division head in case it is expected that the Bank will be exposed to a new risk. The risk management division head orders related divisions to prepare countermeasures in case it is apprehended that interest rate risk exceeds risk limit. If interest rate risk exceeds the risk limit, the risk management division head orders related divisions to prepare countermeasures and reports to Risk Management Committee after resolving the exceeded limit problem.

2) Measurement of interest rate risk
Interest rate risk is managed by measuring ΔNII (Change in Net Interest Income) and ΔEVE (Change in Economic Value of Equity) and uses interest rate sensitivity gap and duration gap as supplementary index. ΔNII and ΔEVE are measured on a monthly basis, and interest rate sensitivity gap and duration gap are measured on a daily basis. The Bank simulates analysis reflecting market environment, product features and the Bank's strategies.

3) Measurement method

① Change in Economic Value of Equity (ΔEVE)
The Bank uses a yearly ΔEVE to measure interest rate risk. The yearly ΔEVE is the maximum amount of loss that could occur in one year under normal distribution of financial variables. The Bank calculates the yearly ΔEVE by using variance-covariance method at a 99% single tail confidence level based on the previous five years data using equal weighted-average method.

ΔEVE estimates possible losses over a certain period at a particular confidence level using past market movement data. Past market movement, however, is not necessarily a good indicator of future events, as there may be conditions and circumstances in the future that the model does not anticipate. As a result, the timing and magnitude of the actual losses can be different depending on the assumptions made at the time of calculation.

② Stress testing
The stress testing is carried out to analyze the abnormal market situation reflecting intrinsic volatility of interest rate that has significant influence on the value of portfolio and is performed at least once in every quarter.

③ Results of measurement
Results of interest rate VaR as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	Dec. 31, 2024				Dec. 31, 2023			
	Average	Minimum	Maximum	Ending	Average	Minimum	Maximum	Ending
Interest rate risk	₩ 240,683	₩ 195,428	₩ 297,483	₩ 297,483	₩ 200,874	₩ 127,582	₩ 266,083	₩ 224,214

4-5. Capital risk

The Bank follows the standard of capital adequacy established by the Financial Services Commission. The standard is based on Basel III, which was established by Basel Committee on Banking Supervision in BIS. In Korea, this standard has been followed since December 2013. According to the standard, the Bank should maintain at least 8% or above of BIS capital ratio for risk-weighted asset, and quarterly report BIS capital ratio to the FSS.

According to Korean Banking Supervision rules for operations, the Bank's capitals are mainly divided into two categories:

1) Tier 1 capital (basic capital): Basic capital is composed of capital share-common and other basic capital. Capital share-common includes common share satisfied with qualifications, capital surplus, retained earnings, accumulated other comprehensive income, other reserves and non-controlling interests among the common share of consolidated subsidiaries. Other basic capital includes securities and capital surplus satisfied with qualifications.

2) Tier 2 capital (supplementary capital): Supplementary capital is composed of the securities and capital surplus satisfied with qualifications, non-controlling interests among the securities of consolidated subsidiaries and the amounts of less than below 1.25% of credit risk-weighted asset like allowance for credit losses in respect of credits classified as normal or precautionary.

The risk-weighted asset includes intrinsic risks in total assets, errors of internal operation processes and loss risk from external events. It indicates a size of assets reflecting the level of risks that the Bank bears. The Bank computes the risk-weighted asset by risks (credit risk, market risk and operational risk) and uses it for calculation of BIS capital ratio.

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES:

5-1. Classification and fair value

(1) Carrying amount and fair values of financial instruments as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	Dec. 31, 2024		Dec. 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Cash and due from financial institutions	₩ 12,915,754	₩ 12,915,754	₩ 12,591,124	₩ 12,591,124
Financial assets at FVTPL	5,137,067	5,137,067	3,715,536	3,715,536
Hedging derivative assets	71,450	71,450	611,960	611,960
Loans at amortized cost	88,726,118	88,201,375	87,777,261	87,738,349
Financial assets at FVOCI	17,969,241	17,969,241	13,614,565	13,614,565
Securities at amortized cost	1,362,975	1,285,980	1,798,900	1,714,544
Other financial assets	1,590,204	1,590,204	1,852,213	1,852,213
	₩ 127,772,809	₩ 127,171,071	₩ 121,961,559	₩ 121,838,291
Financial liabilities:				
Financial liabilities at FVTPL	₩ 3,013,553	₩ 3,013,553	₩ 2,122,804	₩ 2,122,804
Hedging derivative liabilities	2,377,955	2,377,955	1,514,208	1,514,208
Borrowings	6,853,985	6,485,001	5,532,198	5,401,602
Debentures	93,194,917	89,525,350	93,256,543	89,014,363
Other financial liabilities	2,676,478	2,676,478	2,891,502	2,891,502
	₩ 108,116,888	₩ 104,078,337	₩ 105,317,255	₩ 100,944,479

Fair value is the amount at which the assets could be exchanged, or the liabilities could be settled in transection between knowledgeable and willing independent parties. For each class of financial assets and financial liabilities, the Bank discloses the fair value of that class of assets and liabilities in a way that permits them to be compared with their carrying amount at the end of each reporting period. The best estimated fair value is the published price quotation in an active market.

Methods for measuring fair value of financial instruments are as follows:

Financial instruments	Method of measuring fair value
Loans and receivables	As demand deposits and transferable deposits do not have maturity and are readily convertible to cash, the carrying amounts of these deposits approximate their fair values. Fair values of the deposits with the maturity of more than one year are determined by discounted cash flow model ("DCF model"). DCF model is also used to determine the fair value of loans. Fair value is determined by discounting the cash flows expected from each contractual period by applying the discount rates for each period.
Investment securities	Financial assets and liabilities at FVTPL and financial assets at FVOCI are measured at fair value using a quoted market price in an active market. If a quoted market price is not available, they are measured by using a price quoted by a third party, such as a pricing service or broker with the DCF model.
Derivatives	For exchange traded derivative, quoted price in active market is used to determine fair value and for OTC derivative, fair value is determined primarily using valuation techniques. The Bank uses internally developed valuation models using valuation techniques that are widely used by market participants to determine fair value of plain OTC derivatives including option, interest rate swap and currency swap based on observable market parameters. However, some complex financial instruments are valued using the results of independent pricing services, where part or all of the inputs are not observable in the market.
Borrowings	Fair value is determined using DCF model discounting contractual future cash flows by appropriate discount rate.
Debentures	Fair value of debentures denominated in local currency is determined by using the valuation of independent third-party pricing services in accordance with the market prices that are quoted in active markets. Fair value of debentures denominated in foreign currencies is determined by DCF model.

Fair values of financial assets and financial liabilities classified as fair value Level 3 of the fair value hierarchy are determined by using the valuation of independent third-party pricing services. Meanwhile, carrying amounts of other financial assets and financial liabilities are regarded as an approximation of fair values.

(2) Fair value hierarchy

1) The Bank classifies financial instruments as three level of fair value hierarchy as below:

Level 1: Financial instruments measured at quoted prices from active markets are classified as fair value Level 1. This level includes listed equity securities, derivatives, and government bonds traded in an active exchange market.

Level 2: Financial instruments measured using valuation techniques where all significant inputs are observable market data are classified as Level 2. This level includes the majority of debt and general OTC derivatives such as swap, futures and options.

Level 3: Financial instruments measured using valuation techniques where one or more significant inputs are not based on observable market data are classified as Level 3. This level includes unlisted equity securities, structured bonds and OTC derivatives.

2) Fair value hierarchy of financial assets and liabilities, which are not measured at fair value as of December 31, 2024 and 2023 are as follows. Fair value information for cash and deposits, whose carrying amount is a reasonable approximation of fair value, is not included as they are not measured at fair value. (Korean won in millions):

(December 31, 2024)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans at amortized cost	₩ -	₩ -	₩ 88,201,375	₩ 88,201,375
Securities at amortized cost	120,758	1,165,222	-	1,285,980
Other financial assets	-	-	1,590,204	1,590,204
Total	₩ 120,758	₩ 1,165,222	₩ 89,791,579	₩ 91,077,559
Financial liabilities:				
Borrowings	₩ -	₩ 6,485,001	₩ -	₩ 6,485,001
Debentures	-	89,525,350	-	89,525,350
Other financial liabilities	-	-	2,676,478	2,676,478
Total	₩ -	₩ 96,010,351	₩ 2,676,478	₩ 98,686,829

(December 31, 2023)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans at amortized cost	₩ -	₩ -	₩ 87,738,349	₩ 87,738,349
Securities at amortized cost	667,623	1,046,921	-	1,714,544
Other financial assets	-	-	1,852,213	1,852,213
Total	₩ 667,623	₩ 1,046,921	₩ 89,590,562	₩ 91,305,106
Financial liabilities:				
Borrowings	₩ -	₩ 5,401,602	₩ -	₩ 5,401,602
Debentures	-	89,014,363	-	89,014,363
Other financial liabilities	-	-	2,891,502	2,891,502
Total	₩ -	₩ 94,415,965	₩ 2,891,502	₩ 97,307,467

3) Fair value hierarchy of financial assets and liabilities measured at fair value as of December 31, 2024 and 2023, are as follows (Korean won in millions):

(December 31, 2024)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL	₩ -	₩ 3,502,030	₩ 1,635,037	₩ 5,137,067
Hedging derivative assets	-	71,183	267	71,450
Financial assets at FVOCI	2,419,164	2,853,793	12,696,284	17,969,241
Total	₩ 2,419,164	₩ 6,427,006	₩ 14,331,588	₩ 23,177,758
Financial liabilities:				
Financial liabilities at FVTPL	₩ -	₩ 2,252,591	₩ 760,962	₩ 3,013,553
Hedging derivative liabilities	-	1,586,327	791,628	2,377,955
Total	₩ -	₩ 3,838,918	₩ 1,552,590	₩ 5,391,508

(December 31, 2023)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL	₩ -	₩ 2,455,663	₩ 1,259,873	₩ 3,715,536
Hedging derivative assets	-	602,861	9,099	611,960
Financial assets at FVOCI	1,409,087	1,990,185	10,215,293	13,614,565
Total	₩ 1,409,087	₩ 5,048,709	₩ 11,484,265	₩ 17,942,061
Financial liabilities:				
Financial liabilities at FVTPL	₩ -	₩ 1,535,489	₩ 587,315	₩ 2,122,804
Hedging derivative liabilities	-	944,482	569,726	1,514,208
Total	₩ -	₩ 2,479,971	₩ 1,157,041	₩ 3,637,012

4) The valuation techniques and input variables of Level 2 financial instruments subsequently not measured at fair value as of December 31, 2024 and 2023 are as follows (Korean won in millions):

(December 31, 2024)

	Fair value	Valuation techniques	Input variables
Financial assets			
Financial assets at amortized cost			
Debt securities	₩ 1,165,222	DCF Model	Discount rate
Financial liabilities			
Borrowings	₩ 6,485,001	DCF Model	Discount rate
Debentures	89,525,350	DCF Model	Discount rate

(December 31, 2023)

	Fair value	Valuation techniques	Input variables
Financial assets			
Financial assets at amortized cost			
Debt securities	₩ 1,046,921	DCF Model	Discount rate
Financial liabilities			
Borrowings	₩ 5,401,602	DCF Model	Discount rate
Debentures	89,014,363	DCF Model	Discount rate

5) The valuation techniques and input variables of Level 3 financial instruments subsequently not measured at fair value as of December 31, 2024 and 2023 are as follows (Korean won in millions):

(December 31, 2024)

	Fair value	Valuation techniques	Input variables
Financial assets			
Loans at amortized cost	₩ 88,201,375	DCF Model	Discount rate
Other financial assets	1,590,204	Carrying amounts	-
Financial liabilities			
Other financial liabilities	₩ 2,676,478	Carrying amounts	-

(December 31, 2023)

	Fair value	Valuation techniques	Input variables
Financial assets			
Loans at amortized cost	₩ 87,738,349	DCF Model	Discount rate
Other financial assets	1,852,213	Carrying amounts	-
Financial liabilities			
Other financial liabilities	₩ 2,891,502	Carrying amounts	-

6) The valuation techniques and input variables of Level 2 financial instruments subsequently measured at fair value, as of December 31, 2024 and 2023 are as follows (Korean won in millions):

(December 31, 2024)

	Fair value	Valuation techniques	Input variables
Financial assets			
Financial assets at FVTPL:			
Debt securities	₩ 2,037,855	DCF Model	Discount rate
Derivative assets for trading	1,464,175	DCF Model	Discount rate
Hedging derivative assets	71,183	DCF Model	Discount rate
Financial assets at FVOCI:			
Debt securities	2,853,793	DCF Model	Discount rate
Financial liabilities			
Financial liabilities at FVTPL:			
Derivative liabilities for trading	₩ 2,252,591	DCF Model	Discount rate
Hedging derivative liabilities	1,586,327	DCF Model	Discount rate

(December 31, 2023)

	Fair value	Valuation techniques	Input variables
Financial assets			
Financial assets at FVTPL:			
Debt securities	₩ 1,393,663	DCF Model	Discount rate
Derivative assets for trading	1,062,000	DCF Model	Discount rate
Hedging derivative assets	602,861	DCF Model	Discount rate
Financial assets at FVOCI:			
Debt securities	1,990,185	DCF Model	Discount rate
Financial liabilities			
Financial liabilities at FVTPL:			
Derivative liabilities for trading	₩ 1,535,489	DCF Model	Discount rate
Hedging derivative liabilities	944,482	DCF Model	Discount rate

7) The valuation techniques and significant unobservable input variables of Level 3 financial instruments subsequently measured at fair value as of December 31, 2024 and 2023 are as follows (Korean won in millions):

(December 31, 2024)

	Fair value (Korean won in million)	Valuation techniques	Significant unobservable input factors	Range	Relationship between unobservable input factors and fair value estimates
Financial assets at FVTPL:					
Unlisted share	₩ 58,205				
Beneficiary certificates	417,337	NAV Methods	-	-	-
Paid-in capital	404,826				
Derivatives	754,670	Hull-White Model	Correlation	-0.8 ~ 1.0	If correlation is increased(decreased), fair value is increased (decreased).
Hedging derivative assets					
Derivatives	₩ 267	Hull-White Model	Correlation	-0.8 ~ 1.0	If correlation is increased(decreased), fair value is increased (decreased).
Financial assets at FVOCI:					
Unlisted share	₩ 12,666,427	DCF Model Binomial Model NAV Methods Discounted Shareholder Cash Flow Methods	Discount rate Growth rate Volatility	6.54% ~ 13.26% 0.00% 44.63%	If discount rate is decreased (increased)/ if growth rate is increased (decreased)/ if volatility is increased(decreased), fair value is increased (decreased).
Paid-in capital	29,857	NAV Methods	-	-	-
Financial liabilities at FVTPL:					
Derivatives	₩ 760,962	Hull-White Model	Correlation	-0.8 ~ 1.0	If correlation is increased(decreased), fair value is increased (decreased).
Hedging derivative liabilities					
Derivatives	₩ 791,628	Hull-White Model	Correlation	-0.8 ~ 1.0	If correlation is increased(decreased), fair value is increased (decreased).

(December 31, 2023)

	Fair value (Korean won in million)	Valuation techniques	Significant unobservable input factors	Range	Relationship between unobservable input factors and fair value estimates
Financial assets at FVTPL:					
Beneficiary certificates	₩ 359,283	NAV Methods	-	-	-
Paid-in capital	308,161				
Loans	3,703	T-F Model	Volatility Risk free rate Risk rate	25.84% 3.50% 9.64%	If volatility is increased(decreased)/ if discount rate is decreased (increased), fair value is increased (decreased).
Derivatives	588,727	Hull-White Model	Correlation	-0.8 ~ 1.0	If correlation is increased(decreased), fair value is increased (decreased).
Hedging derivative assets					
Derivatives	₩ 9,099	Hull-White Model	Correlation	-0.8 ~ 1.0	If correlation is increased(decreased), fair value is increased (decreased).
Financial assets at FVOCI:					
Unlisted share	₩ 10,187,197	DCF Model Binomial Model CCA Methods NAV Methods	Discount rate	10.21% ~ 17.24%	If discount rate is decreased (increased)/ if growth rate is increased (decreased)/ if volatility is increased(decreased), fair value is increased (decreased).
			Growth rate	0.00%	
			Volatility	19.99% ~ 48.44%	
Paid-in capital	28,096	NAV Methods	-	-	-
Financial liabilities at FVTPL:					
Derivatives	₩ 587,315	Hull-White Model	Correlation	-0.8 ~ 1.0	If correlation is increased(decreased), fair value is increased (decreased).
Hedging derivative liabilities					
Derivatives	₩ 569,726	Hull-White Model	Correlation	-0.8 ~ 1.0	If correlation is increased(decreased), fair value is increased (decreased).

① Changes in Level 3 financial assets that are measured at fair value for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

(2024)

	Beginning balance	Profit (Loss)	Other comprehen-sive income (loss)	Purchases/ Issues	Sales/ Settlements	Ending balance
Financial assets						
Securities at FVTPL	₩ 667,444	₩ 20,814	₩ -	₩ 261,942	₩ (69,833)	₩ 880,367
Loans at FVTPL	3,703	-	-	-	(3,703)	-
Derivative assets for trading	588,726	163,041	-	10,872	(7,969)	754,670
Hedging derivative assets	9,099	(8,832)	-	-	-	267
Financial assets at FVOCI	10,086,177	-	784,085	2,000,962	(174,940)	12,696,284
Total	₩ 11,355,149	₩ 175,023	₩ 784,085	₩ 2,273,776	₩ (256,445)	₩ 14,331,588
Financial liabilities						
Derivative liabilities for trading	₩ 587,315	₩ 183,626	₩ -	₩ -	₩ (9,979)	₩ 760,962
Hedging derivative liabilities	569,726	222,288	-	-	(386)	791,628
Total	₩ 1,157,041	₩ 405,914	₩ -	₩ -	₩ (10,365)	₩ 1,552,590

(2023)

	Beginning balance	Profit (Loss)	Other comprehen-sive income (loss)	Purchases/ Issues	Sales/ Settlements	Transfers from Level 3 to Level 1	Ending balance
Financial assets							
Securities at FVTPL	₩ 616,601	₩ 16,313	₩ -	₩ 156,215	₩ (121,685)	₩ -	₩ 667,444
Loans at FVTPL	3,565	138	-	-	-	-	3,703
Derivative assets for trading	673,143	(84,988)	-	1,414	(843)	-	588,726
Hedging derivative assets	522	341	-	8,236	-	-	9,099
Financial assets at FVOCI	8,482,756	-	(230,250)	2,000,107	(26,002)	(140,434)	10,086,177
Total	₩ 9,776,587	₩ (68,196)	₩ (230,250)	₩ 2,165,972	₩ (148,530)	₩ (140,434)	₩ 11,355,149
Financial liabilities							
Derivative liabilities for trading	₩ 673,143	₩ (85,816)	₩ -	₩ -	₩ (12)	₩ -	₩ 587,315
Hedging derivative liabilities	628,623	(53,518)	-	(5,379)	-	-	569,726
Total	₩ 1,301,766	₩ (139,334)	₩ -	₩ (5,379)	₩ (12)	₩ -	₩ 1,157,041

② In relation to changes in Level 3 of the fair value hierarchy, total gains or losses recognized in profit or loss for the year and total gains or losses for financial instruments held at the end of the reporting period in the separate statement of comprehensive income for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	Net gain (loss) from financial investments	
	2024	2023
Total gains (losses) on financial assets held at the end of year	₩ 175,024	₩ (68,196)
Total gains (losses) on financial liabilities held at the end of year	405,914	(139,333)
Total gains (losses) included in profit or loss for the year	(230,890)	71,137

③ The sensitivity of fair value analysis for the Level 3 financial instruments

The Bank performed the sensitivity analysis for the Level 3 financial instruments for which fair value would be measured differently upon reasonably possible alternative assumptions. The Bank classified the effect from changes upon the alternative assumptions into favorable effect and unfavorable effect and presented the most favorable effect or the most unfavorable effect in the table hereunder. Shares are the financial instruments subject to sensitivity analysis, which are classified as Level 3 and of which changes in fair value are recognized as other comprehensive income. Meanwhile, equity instruments, which are recognized as cost among the financial instruments and are classified as Level 3 are excluded from the sensitivity analysis.

Sensitivity analysis details per market risk variable of each Level 3 financial instrument held and measured at fair value as of December 31, 2024 and 2023 are as follows (Korean won in millions):

(December 31, 2024)

Details(*1)	Profit or loss		Other comprehensive income(loss)	
	Favorable	Unfavorable	Favorable	Unfavorable
Financial assets:				
Financial assets at FVOCI (*2,3)	₩ -	₩ -	₩ 80,231	₩ (61,498)

(December 31, 2023)

Details(*1)	Profit or loss		Other comprehensive income(loss)	
	Favorable	Unfavorable	Favorable	Unfavorable
Financial assets:				
Loans at FVTPL (*2)	₩ 19	₩ (19)	₩ -	₩ -
Financial assets at FVOCI (*2,3)	-	-	73,851	(55,275)
Total	₩ 19	₩ (19)	₩ 73,851	₩ (55,275)

(*1) The above level 3 financial instruments exclude which are practically impossible to perform sensitivity analysis effected by input variables amounting to ₩6,558,310 million and ₩4,563,485 million as of December 31, 2024 and 2023, respectively.

(*2) Changes in fair value are computed by increasing or decreasing the volatility of the underlying asset by 10%, which are unobservable inputs.

(*3) Changes in fair value of shares are computed by increasing or decreasing growth rate by 0.5% and discount rate by 1%, which are unobservable inputs.

5-2. Classification by categories of financial instruments

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

(December 31, 2024)

	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Financial assets fair value through other comprehensive income	Hedging derivative assets	Total
Financial assets:					
Cash and due from financial institutions	₩ -	₩ 12,915,754	₩ -	₩ -	₩ 12,915,754
Financial assets at fair value through profit or loss	5,137,067	-	-	-	5,137,067
Hedging derivative assets	-	-	-	71,450	71,450
Loans at amortized cost	-	88,726,118	-	-	88,726,118
Financial investments	-	1,362,975	17,969,241	-	19,332,216
Other financial assets	-	1,590,204	-	-	1,590,204
Total	₩ 5,137,067	₩ 104,595,051	₩ 17,969,241	₩ 71,450	₩ 127,772,809

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Hedging derivative liabilities	Total
Financial liabilities:				
Financial liabilities at fair value through profit or loss	₩ 3,013,553	₩ -	₩ -	₩ 3,013,553
Hedging derivative liabilities	-	-	2,377,955	2,377,955
Borrowings	-	6,853,985	-	6,853,985
Debentures	-	93,194,917	-	93,194,917
Other financial liabilities	-	2,676,478	-	2,676,478
Total	₩ 3,013,553	₩ 102,725,380	₩ 2,377,955	₩ 108,116,888

(December 31, 2023)

	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Financial assets fair value through other comprehensive income	Hedging derivative assets	Total
Financial assets:					
Cash and due from financial institutions	₩ -	₩ 12,591,124	₩ -	₩ -	₩ 12,591,124
Financial assets at fair value through profit or loss	3,715,536	-	-	-	3,715,536
Hedging derivative assets	-	-	-	611,960	611,960
Loans at amortized cost	-	87,777,261	-	-	87,777,261
Financial investments	-	1,798,900	13,614,565	-	15,413,465
Other financial assets	-	1,852,213	-	-	1,852,213
Total	₩ 3,715,536	₩ 104,019,498	₩ 13,614,565	₩ 611,960	₩ 121,961,559

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Hedging derivative liabilities	Total
Financial liabilities:				
Financial liabilities at fair value through profit or loss	₩ 2,122,804	₩ -	₩ -	₩ 2,122,804
Hedging derivative liabilities	-	-	1,514,208	1,514,208
Borrowings	-	5,532,198	-	5,532,198
Debentures	-	93,256,543	-	93,256,543
Other financial liabilities	-	2,891,502	-	2,891,502
Total	₩ 2,122,804	₩ 101,680,243	₩ 1,514,208	₩ 105,317,255

5-3. Offset of financial instruments

The Bank holds the financial instruments which grant it the rights to offset in case of default, insolvency, or bankruptcy of the counterparties though it does not meet the criteria for offsetting of K-IFRS No. 1032. Cash collaterals do not meet the offsetting criteria in K-IFRS No. 1032, but they can be set off with net amounts of financial instruments, receivable and payable spot exchange.

The effects of netting agreements as of December 31, 2024 and 2023, are as follows (Korean won in millions):

(December 31, 2024)

	Gross amounts of recognized financial assets (liabilities)	Gross amounts of recognized financial liabilities (assets) to be setoff	Net amounts of financial assets (liabilities) presented in the separate statement of financial position	Amount that is not offset in the separate statement of financial position		Net amount
				Financial instruments	Cash collateral	
Financial assets:						
Derivatives	₩ 2,295,528	₩ -	₩ 2,295,528	₩ (185,989)	₩ -	₩ 2,109,539
Financial investments	540,710	-	540,710	(521,767)	-	18,943
Total	₩ 2,836,238	₩ -	₩ 2,836,238	₩ (707,756)	₩ -	₩ 2,128,482
Financial liabilities:						
Derivatives	₩ 5,375,843	₩ -	₩ 5,375,843	₩ (185,989)	₩ (790,077)	₩ 4,399,777
Securities sold under repurchase agreement	521,767	-	521,767	(521,767)	-	-
Total	₩ 5,897,610	₩ -	₩ 5,897,610	₩ (707,756)	₩ (790,077)	₩ 4,399,777

(December 31, 2023)

	Gross amounts of recognized financial assets (liabilities)	Gross amounts of recognized financial liabilities (assets) to be setoff	Net amounts of financial assets (liabilities) presented in the separate statement of financial position	Amount that is not offset in the separate statement of financial position		Net amount
				Financial instruments	Cash collateral	
Financial assets:						
Derivatives	₩ 2,261,272	₩ -	₩ 2,261,272	₩ (1,108,583)	₩ -	₩ 1,152,689
Financial investments	547,471	-	547,471	(471,791)	-	75,680
Total	₩ 2,808,743	₩ -	₩ 2,808,743	₩ (1,580,374)	₩ -	₩ 1,228,369
Financial liabilities:						
Derivatives	₩ 3,637,011	₩ -	₩ 3,637,011	₩ (1,108,583)	₩ (654,640)	₩ 1,873,788
Securities sold under repurchase agreement	471,791	-	471,791	(471,791)	-	-
Total	₩ 4,108,802	₩ -	₩ 4,108,802	₩ (1,580,374)	₩ (654,640)	₩ 1,873,788

5-4. Transfer of financial assets

The Bank continues to recognize the financial assets related to repurchase agreements on the separate statement of financial position since those transactions are not qualified for derecognition even though the Bank transfers the financial assets. Since financial assets sold under repurchase agreements is sold to be repurchased at fixed prices, the Bank retains substantially all the risks and rewards of ownership of the asset.

Details of carrying amounts of assets transferred and relevant liabilities as of December 31, 2024 and 2023, are as follows (Korean won in millions):

	Dec. 31, 2024		Dec. 31, 2023	
	Carrying amount of transferred assets	Carrying amount of relevant liabilities	Carrying amount of transferred assets	Carrying amount of relevant liabilities
Securities sold under repurchase agreement	₩ 540,710	₩ 521,767	₩ 547,471	₩ 471,791

6. OPERATING SEGMENT:

Though the Bank conducts business activities related to financial services, in accordance with relevant laws, such as The Export-Import Bank of Korea Act, it does not report separate segment information, as management considers the Bank to be operating under one core business.

7. CASH AND DUE FROM FINANCIAL INSTITUTIONS:

(1) Cash and cash equivalents as of December 31, 2024 and 2023, are as follows (Korean won in millions):

Detail	Dec. 31, 2024	Dec. 31, 2023
Due from financial institutions in local currency	₩ 1,720,557	₩ 3,031,852
Due from financial institutions in foreign currencies	11,195,198	9,559,272
Subtotal	12,915,755	12,591,124
Restricted due from financial institutions	(3,358,479)	(2,225,805)
Due from financial institutions with original maturities of more than three months at acquisition date	(1,700,000)	(2,100,000)
Subtotal	(5,058,479)	(4,325,805)
Total (*1)	₩ 7,857,274	₩ 8,265,319

(*1) It is equal to the due from financial institutions as presented in the separate statements of cash flows.

(2) Details of due from financial institutions as of December 31, 2024 and 2023, are as follows (Korean won in millions):

Detail	Dec. 31, 2024		Dec. 31, 2023	
	Amount	Interest (%)	Amount	Interest (%)
Due from financial institutions in local currency:				
Demand deposits	₩ 1,566	0.00~0.10	₩ 978	0.00~1.00
Time deposits	1,700,000	3.35~3.73	3,000,000	4.00~4.47
Others	5,900	1.65	6,000	1.65
Margin for derivatives	13,091	0.00	24,874	0.00
Subtotal	1,720,557		3,031,852	
Due from financial institutions in foreign currencies:				
Demand deposits	43,623	0.00	29,430	0.00
On demand	7,340,428	0.00~5.38	7,173,939	0.00~5.14
Offshore demand deposits	465,759	0.00~5.38	154,972	0.00~5.14
Others	2,565,498	5.33	1,270,138	5.33~5.38
Margin for derivatives	765,322	0.00	878,160	0.00
Margin for repurchase agreement	14,568	0.00	52,633	0.00
Subtotal	11,195,198		9,559,272	
Total	₩ 12,915,755		₩ 12,591,124	

(3) Restricted due from financial institutions as of December 31, 2024 and 2023, are as follows (Korean won in millions):

Detail	Financial Institution	Dec. 31, 2024	Dec. 31, 2023	Reason for restriction
Others	DEUTSCHE BANK TRUST COMPANY AMERICAS and others	₩ 3,358,479	₩ 2,225,805	Credit Support Annex (CSA) for derivative transactions

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:

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

	Dec. 31, 2024	Dec. 31, 2023
Securities at fair value through profit or loss		
Debt securities in local currency		
Paid-in capital	₩ 392,843	₩ 296,760
Beneficiary certificates	2,356,883	1,588,964
Subtotal	2,749,726	1,885,724
Debt securities in foreign currencies		
Debentures	24,857	116,735
Paid-in capital	11,982	11,401
Beneficiary certificates	73,453	47,246
Subtotal	110,292	175,382
Equity securities in foreign currencies		
Shares	58,205	-
Loans at fair value through profit or loss		
Privately placed corporate bonds	-	3,703
Derivative assets for trading		
Shares related	9,374	1,415
Interest rates related	1,033,970	814,175
Foreign currencies related	1,175,500	835,137
Subtotal	2,218,844	1,650,727
Total	₩ 5,137,067	₩ 3,715,536

9. FINANCIAL INVESTMENTS:

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

	Dec. 31, 2024	Dec. 31, 2023
Financial assets at fair value through other comprehensive income		
Debt securities in local currency		
National and municipal bonds	₩ 715,502	₩ 530,264
Financial bonds	1,294,272	469,544
Subtotal	2,009,774	999,808
Equity securities in local currency		
Shares (*1)	13,075,817	10,596,476
Paid-in capital	29,857	28,096
Subtotal	13,105,674	10,624,572
Debt securities in foreign currencies		
Corporate bonds and etc. (*2)	2,853,792	1,990,185
Securities at amortized cost		
Debt securities in local currency		
National bond	29,992	168,710
Financial bonds	90,430	498,897
Subtotal	120,422	667,607
Debt securities in foreign currencies		
Corporate bonds and etc. (*2)	1,242,554	1,131,293
Total	₩ 19,332,216	₩ 15,413,465

(*1) The fair value option through other comprehensive income was exercised for certain equity securities due to strategic holding requirements. The cumulative gains and losses from disposals amounted to ₩244,823 million and ₩219,659 million for the years ended December 31, 2024 and 2023, respectively. No reclassifications affecting cumulative gains or losses occurred during the years ended December 31, 2024 and 2023.

(*2) It includes debt securities, which are pledged as collateral amounting to ₩782,836 million and ₩719,666 million as of December 31, 2024 and 2023, respectively.

10. LOANS AT AMORTIZED COST:

Loans as presented below exclude loan valuation adjustment related to fair value hedging amounting to ₩(58) million and ₩(2,719) million as of December 31, 2024 and 2023, respectively.

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

	Detail	Dec. 31, 2024	Dec. 31, 2023
Loans in local currency			
	Loans for export	₩ 16,816,859	₩ 18,040,407
	Loans for foreign investments	2,101,491	2,241,255
	Loans for import	7,470,711	6,720,707
	Troubled debt Restructuring	1,866,073	694,579
	Others	22,355	174,654
	Subtotal	28,277,489	27,871,602
Loans in foreign currencies			
	Loans for export	22,194,532	18,182,694
	Loans for foreign investments	30,123,583	29,365,332
	Loans for rediscounted trading notes	499,800	1,276,506
	Loans for import	4,995,337	4,456,500
	Overseas funding loans	1,041,416	797,836
	Loans for foreign economic cooperation	861,494	245,255
	Others	8,285	25,770
	Subtotal	59,724,447	54,349,893
Others			
	Domestic usance bills	162,044	154,619
	Foreign-currency bills bought	1,177,430	1,044,469
	Advance payments on acceptances and guarantees	18,784	45,687
	Call loans	2,286,900	5,270,315
	Interbank loans in foreign currencies	167,148	1,482,810
	Privately placement corporate bonds in local currency	31,200	93,600
	Subtotal	3,843,506	8,091,500
	Total	91,845,442	90,312,995
Net deferred origination fees and costs		(453,954)	(481,624)
Allowance for doubtful account		(2,665,312)	(2,051,391)
	Total	₩ 88,726,176	₩ 87,779,980

(2) Loans classified by type of customers as of December 31, 2024 and 2023, are as follows (Korean won in millions):

(December 31, 2024)

	Detail	Loans in local currency	Loans in foreign currencies	Others	Total	Ratio (%)
Customer	Large enterprise	₩ 10,814,081	₩ 33,950,210	₩ 287,260	₩ 45,051,551	60.40
	Small and medium sized enterprise	7,465,206	6,679,690	286,385	14,431,281	19.35
	Public sector and others	3,930,636	10,337,358	833,229	15,101,223	20.25
	Subtotal	22,209,923	50,967,258	1,406,874	74,584,055	100.00
	Net deferred loan origination fees and costs	(7,216)	(438,242)	-	(445,458)	
	Allowance for loan losses	(1,052,831)	(1,286,426)	(24,959)	(2,364,216)	
	Subtotal	21,149,876	49,242,590	1,381,915	71,774,381	
Financial institution	Bank	5,857,566	2,528,989	2,223,508	10,610,063	61.47
	Others	210,000	6,228,200	213,124	6,651,324	38.53
	Subtotal	6,067,566	8,757,189	2,436,632	17,261,387	100.00
	Net deferred loan origination fees and costs	(283)	(8,213)	-	(8,496)	
	Allowance for loan losses	(707)	(300,244)	(145)	(301,096)	
	Subtotal	6,066,576	8,448,732	2,436,487	16,951,795	
	Total	₩ 27,216,452	₩ 57,691,322	₩ 3,818,402	₩ 88,726,176	

(December 31, 2023)

	Detail	Loans in local currency	Loans in foreign currencies	Others	Total	Ratio (%)
Customer	Large enterprise	₩ 10,227,038	₩ 31,697,520	₩ 558,825	₩ 42,483,383	58.99
	Small and medium sized enterprise	8,005,879	6,044,689	163,434	14,214,002	19.74
	Public sector and others	4,223,731	10,301,931	797,407	15,323,069	21.27
	Subtotal	22,456,648	48,044,140	1,519,666	72,020,454	100.00
	Net deferred loan origination fees and costs	(6,494)	(466,478)	-	(472,972)	
	Allowance for loan losses	(592,264)	(1,147,188)	(44,770)	(1,784,222)	
	Subtotal	21,857,890	46,430,474	1,474,896	69,763,260	
Financial institution	Bank	5,354,954	3,215,519	5,346,343	13,916,816	76.08
	Others	60,000	3,090,234	1,225,491	4,375,725	23.92
	Subtotal	5,414,954	6,305,753	6,571,834	18,292,541	100.00
	Net deferred loan origination fees and costs	(111)	(8,541)	-	(8,652)	
	Allowance for loan losses	(536)	(266,450)	(183)	(267,169)	
	Subtotal	5,414,307	6,030,762	6,571,651	18,016,720	
	Total	₩ 27,272,197	₩ 52,461,236	₩ 8,046,547	₩ 87,779,980	

(3) Changes in allowance for doubtful account for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

(2024)

	12 months expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Beginning balance	₩ 325,201	₩ 1,272,952	₩ 453,238	₩ 2,051,391
- Transfer to 12 months expected credit losses	167,220	(167,200)	(20)	-
- Transfer to lifetime expected credit losses	(13,466)	14,279	(813)	-
- Transfer to credit-impaired financial assets	(657)	(335)	992	-
Written-off	-	-	(9,921)	(9,921)
Collection	-	-	9,245	9,245
Loan-for-equity swap	-	-	(118,292)	(118,292)
Unwinding effect	-	-	(1,031)	(1,031)
Foreign exchange translation	14,915	101,774	41,325	158,014
Additional provisions (reversal of provisions)	(59,944)	399,839	236,011	575,906
Ending balance	₩ 433,269	₩ 1,621,309	₩ 610,734	₩ 2,665,312

(2023)

	12 months expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Beginning balance	₩ 372,510	₩ 751,731	₩ 888,670	₩ 2,012,911
- Transfer to 12 months expected credit losses	7,129	(6,170)	(959)	-
- Transfer to lifetime expected credit losses	(3,727)	571,009	(567,282)	-
- Transfer to credit-impaired financial assets	4,506	(1,904)	(2,602)	-
Written-off	-	-	(3,797)	(3,797)
Collection	-	-	9,137	9,137
Loan-for-equity swap	-	-	(10,649)	(10,649)
Others	44,948	(26,025)	(17,508)	1,415
Unwinding effect	-	-	(2,220)	(2,220)
Foreign exchange translation	3,268	20,217	4,074	27,559
Additional provisions (reversal of provisions)	(103,433)	(35,906)	156,374	17,035
Ending balance	₩ 325,201	₩ 1,272,952	₩ 453,238	₩ 2,051,391

11. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES:

(1) Details of investments in subsidiaries and associates as of December 31, 2024 and 2023, are as follows (Korean won in millions):

(December 31, 2024)

Company	Detail	Location	Business	Year-end	Ownership (%)	Net asset (*1)	Carrying amount
KEXIM Bank UK Limited	Subsidiary	United Kingdom	Financial service	December	100.00	₩ 193,206	₩ 138,312
PT.KOEXIM Mandiri Finance	Subsidiary	Indonesia	Financial service	December	97.52	97,411	90,076
KEXIM Vietnam Leasing Co.	Subsidiary	Vietnam	Financial service	December	100.00	94,776	57,755
KEXIM Asia Limited	Subsidiary	Hong Kong	Financial service	December	100.00	262,662	167,839
KEXIM Global(Singapore) Ltd.	Subsidiary	Singapore	Financial service	December	100.00	458,180	372,510
EXIM PLUS Co., Ltd.	Subsidiary	Korea	Service	December	100.00	1,809	950
Credit Guarantee and Investment Fund (*2)	Associate	Philippines	Financial service	December	14.80	294,882	197,820
KTB Newlake Global Healthcare PEF	Associate	Korea	Financial service	December	24.99	2,642	3,337
Korea Aerospace Industries. Ltd.	Associate	Korea	Manufacturing	December	26.41	450,565	968,743
KB-Badgers Future Mobility ESG Fund Ⅰ	Associate	Korea	Financial service	December	22.73	7,284	10,045
WWG Green New Deal PEF	Associate	Korea	Financial service	December	25.00	9,268	9,925
Corporate Structure Innovation PEF IV	Associate	Korea	Financial service	December	22.20	20,679	21,049
HANGUK INVESTMENT SEMAINBEROBOTIKSEUSAMO INVESTMENT LIMITED PARTNERSHIP	Associate	Korea	Financial service	December	23.58	24,853	25,000
STIC K-Growth Private Equity Fund	Associate	Korea	Financial service	December	21.57	7,882	8,518
Wonik M&A 2024 Private Equity Fund	Associate	Korea	Financial service	December	25.00	8,588	8,950
Corporate Structure Innovation PEF V	Associate	Korea	Financial service	December	22.02	864	951
Total							₩ 2,081,780

(December 31, 2023)

Company	Detail	Location	Business	Year-end	Ownership (%)	Net asset (*1)	Carrying amount
KEXIM Bank UK Limited	Subsidiary	United Kingdom	Financial service	December	100.00	₩ 165,156	₩ 138,312
PT.KOEXIM Mandiri Finance	Subsidiary	Indonesia	Financial service	December	97.52	85,965	90,076
KEXIM Vietnam Leasing Co.	Subsidiary	Vietnam	Financial service	December	100.00	82,158	57,755
KEXIM Asia Limited	Subsidiary	Hong Kong	Financial service	December	100.00	219,460	167,839
KEXIM Global(Singapore) Ltd.	Subsidiary	Singapore	Financial service	December	100.00	388,676	372,510
EXIM PLUS Co., Ltd.	Subsidiary	Korea	Service	December	100.00	1,549	950
Credit Guarantee and Investment Fund (*2)	Associate	Philippines	Financial service	December	14.80	248,575	197,820
KTB Newlake Global Healthcare PEF	Associate	Korea	Financial service	December	24.99	2,654	3,337
Korea Aerospace Industries. Ltd.	Associate	Korea	Manufacturing	December	26.41	427,990	968,743
KB-Badgers Future Mobility ESG Fund Ⅰ	Associate	Korea	Financial service	December	22.73	3,393	4,265
WWG Green New Deal PEF	Associate	Korea	Financial service	December	25.00	3,014	3,475
Corporate Structure Innovation PEF IV	Associate	Korea	Financial service	December	22.20	422	544
Total							₩ 2,005,626

(*1) In cases of associates, the amounts represent net asset after taking into account percentage of ownership.
(*2) As of December 31, 2024 and 2023, the entity is classified into an associate because the Bank has significant influence in the way of representation on the board of directors or equivalent governing body of the investee.

(2) Changes in investments in subsidiaries and associates for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

(2024)

Company	Detail	Beginning balance	Acquisitions	Disposals	Impairment loss	Ending balance
KEXIM Bank UK Limited	Subsidiary	₩ 138,312	₩ -	₩ -	₩ -	₩ 138,312
PT.KOEXIM Mandiri Finance	Subsidiary	90,076	-	-	-	90,076
KEXIM Vietnam Leasing Co.	Subsidiary	57,755	-	-	-	57,755
KEXIM Asia Limited	Subsidiary	167,839	-	-	-	167,839
KEXIM Global(Singapore) Ltd.	Subsidiary	372,510	-	-	-	372,510
EXIM PLUS Co., Ltd.	Subsidiary	950	-	-	-	950
Credit Guarantee and Investment Fund	Associate	197,820	-	-	-	197,820
KTB Newlake Global Healthcare PEF	Associate	3,337	-	-	-	3,337
Korea Aerospace Industries. Ltd.	Associate	968,743	-	-	-	968,743
KB-Badgers Future Mobility ESG Fund Ⅰ	Associate	4,265	5,780	-	-	10,045
WWG Green New Deal PEF	Associate	3,475	6,450	-	-	9,925
Corporate Structure Innovation PEF IV	Associate	544	20,505	-	-	21,049
HANGUK INVESTMENT SEMAINBEROBOTIKSEUSAMO INVESTMENT LIMITED PARTNERSHIP	Associate	-	25,000	-	-	25,000
STIC K-Growth Private Equity Fund	Associate	-	8,518	-	-	8,518
Wonik M&A 2024 Private Equity Fund	Associate	-	8,950	-	-	8,950
Corporate Structure Innovation PEF V	Associate	-	951	-	-	951
Total		₩ 2,005,626	₩ 76,154	₩ -	₩ -	₩ 2,081,780

(2023)

Company	Detail	Beginning balance	Acquisitions	Disposals	Impairment loss	Ending balance
KEXIM Bank UK Limited	Subsidiary	₩ 138,312	₩ -	₩ -	₩ -	₩ 138,312
PT.KOEXIM Mandiri Finance	Subsidiary	25,270	64,806	-	-	90,076
KEXIM Vietnam Leasing Co.	Subsidiary	57,755	-	-	-	57,755
KEXIM Asia Limited	Subsidiary	167,839	-	-	-	167,839
KEXIM Global(Singapore) Ltd.	Subsidiary	372,510	-	-	-	372,510
EXIM PLUS Co., Ltd.	Subsidiary	950	-	-	-	950
Credit Guarantee and Investment Fund	Associate	197,820	-	-	-	197,820
KTB Newlake Global Healthcare PEF	Associate	5,482	-	(2,145)	-	3,337
Korea Aerospace Industries. Ltd.	Associate	968,743	-	-	-	968,743
KB-Badgers Future Mobility ESG Fund Ⅰ	Associate	1,188	3,077	-	-	4,265
WWG Green New Deal PEF	Associate	-	3,475	-	-	3,475
Corporate Structure Innovation PEF IV	Associate	-	544	-	-	544
Total		₩ 1,935,869	₩ 71,902	₩ (2,145)	₩ -	₩ 2,005,626

(3) Summarized financial information of subsidiaries and associates as of December 31, 2024 and 2023, are as follows (Korean won in millions):

(December 31, 2024)

Company	Assets	Liabilities	Operating income (loss)	Profit (loss) for the year	Total comprehensive income (loss)
KEXIM Bank UK Limited	₩ 1,080,734	₩ 887,528	₩ 6,809	₩ 5,055	₩ 28,054
PT.KOEXIM Mandiri Finance	262,145	164,734	5,018	3,525	11,436
KEXIM Vietnam Leasing Co.	216,837	122,062	1,496	1,030	12,618
KEXIM Asia Limited	1,355,010	1,092,348	8,307	6,987	43,202
KEXIM Global(Singapore) Ltd.	886,621	428,442	17,124	14,284	69,502
EXIM PLUS Co., Ltd.	2,976	1,167	135	260	260
Credit Guarantee and Investment Fund	2,167,526	175,077	66,690	66,690	425,224
KTB Newlake Global Healthcare PEF	10,571	1	(48)	(48)	(48)
Korea Aerospace Industries. Ltd.	8,018,594	6,291,418	240,718	170,895	155,974
KB-Badgers Future Mobility ESG Fund Ⅰ	32,051	-	(8,304)	(8,304)	(8,304)
WWG Green New Deal PEF	37,266	194	(783)	(783)	(783)
Corporate Structure Innovation PEF IV	94,166	1,017	(1,118)	(1,118)	(1,118)
HANGUK INVESTMENT SEMAINBEROBOTIKSEUSAMO INVESTMENT LIMITED PARTNERSHIP	105,752	377	(625)	(625)	(625)
STIC K-Growth Private Equity Fund	37,894	1,354	(2,948)	(2,948)	(2,948)
Wonik M&A 2024 Private Equity Fund	34,821	467	(1,446)	(1,446)	(1,446)
Corporate Structure Innovation PEF V	4,318	396	(396)	(396)	(396)

(December 31, 2023)

Company	Assets	Liabilities	Operating income (loss)	Profit (loss) for the year	Total comprehensive income (loss)
KEXIM Bank UK Limited	₩ 860,604	₩ 695,448	₩ 5,335	₩ 3,657	₩ 21,823
PT.KOEXIM Mandiri Finance	213,998	128,033	755	6	(990)
KEXIM Vietnam Leasing Co.	207,723	125,565	3,599	2,977	4,297
KEXIM Asia Limited	997,964	778,504	5,266	4,295	15,108
KEXIM Global(Singapore) Ltd.	463,540	74,865	6,045	4,735	11,668
EXIM PLUS Co., Ltd.	2,615	1,066	97	197	197
Credit Guarantee and Investment Fund	1,788,935	109,533	58,633	57,428	124,163
KTB Newlake Global Healthcare PEF	10,619	1	2,649	2,649	2,649
Korea Aerospace Industries. Ltd.	7,148,026	5,527,642	247,510	221,844	191,536
KB-Badgers Future Mobility ESG Fund Ⅰ	15,600	672	(2,219)	(2,219)	(2,219)
WWG Green New Deal PEF	12,309	254	(1,096)	(1,096)	(1,096)
Corporate Structure Innovation PEF IV	2,450	549	(549)	(549)	(549)

12. PROPERTY, PLANT AND EQUIPMENT:

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

(December 31, 2024)

Detail	Acquisition cost	Accumulated depreciation	Government grants	Carrying amount
Lands	₩ 192,598	₩ -	₩ -	₩ 192,598
Buildings	107,000	(47,975)	(17)	59,008
Leasehold improvements	2,425	(1,281)	-	1,144
Vehicles	4,847	(4,119)	(66)	662
Furniture and fixture	84,502	(57,109)	-	27,393
Construction in progress	45,241	-	-	45,241
Total	₩ 436,613	₩ (110,484)	₩ (83)	₩ 326,046

(December 31, 2023)

Detail	Acquisition cost	Accumulated depreciation	Government grants	Carrying amount
Lands	₩ 191,259	₩ -	₩ -	₩ 191,259
Buildings	102,514	(45,972)	(17)	56,525
Leasehold improvements	1,670	(916)	-	754
Vehicles	4,763	(3,654)	(100)	1,009
Furniture and fixture	72,212	(48,904)	-	23,308
Construction in progress	19,880	-	-	19,880
Total	₩ 392,298	₩ (99,446)	₩ (117)	₩ 292,735

(2) Changes in property, plant and equipment for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

(2024)

Detail	Beginning balance	Acquisitions	Disposals	Depreciation	Others	Ending balance
Lands	₩ 191,259	₩ 1,339	₩ -	₩ -	₩ -	₩ 192,598
Buildings	56,525	4,486	-	(2,003)	-	59,008
Leasehold improvements	754	755	-	(365)	-	1,144
Vehicles	1,009	150	-	(497)	-	662
Furniture and fixture	23,308	13,564	(1)	(9,478)	-	27,393
Construction in progress	19,880	25,361	-	-	-	45,241
Total	₩ 292,735	₩ 45,655	₩ (1)	₩ (12,343)	₩ -	₩ 326,046

(2023)

Detail	Beginning balance	Acquisitions	Disposals	Depreciation	Others	Ending balance
Lands	₩ 190,807	₩ 452	₩ -	₩ -	₩ -	₩ 191,259
Buildings	56,722	1,736	-	(1,933)	-	56,525
Leasehold improvements	1,085	2	-	(333)	-	754
Vehicles	1,128	565	-	(599)	(85)	1,009
Furniture and fixture	17,542	13,220	(3)	(7,451)	-	23,308
Construction in progress	5,719	14,161	-	-	-	19,880
Total	₩ 273,003	₩ 30,136	₩ (3)	₩ (10,316)	₩ (85)	₩ 292,735

13. INTANGIBLE ASSETS:

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

(December 31, 2024)

Detail	Acquisition cost	Accumulated amortization	Accumulated impairment losses	Carrying amount
Computer software	₩ 48,665	₩ (34,210)	₩ -	₩ 14,455
System development fees	105,532	(65,281)	-	40,251
Memberships	4,014	-	(166)	3,848
Total	₩ 158,211	₩ (99,491)	₩ (166)	₩ 58,554

(December 31, 2023)

Detail	Acquisition cost	Accumulated amortization	Accumulated impairment losses	Carrying amount
Computer software	₩ 41,603	₩ (30,481)	₩ -	₩ 11,122
System development fees	90,108	(58,550)	-	31,558
Memberships	3,823	-	(166)	3,657
Total	₩ 135,534	₩ (89,031)	₩ (166)	₩ 46,337

(2) Changes in intangible assets for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

(2024)

Detail	Beginning balance	Acquisitions	Disposals	Amortization	Ending balance
Computer software	₩ 11,122	₩ 7,062	₩ -	₩ (3,729)	₩ 14,455
System development fees	31,558	15,424	-	(6,731)	40,251
Memberships	3,657	309	(118)	-	3,848
Total	₩ 46,337	₩ 22,795	₩ (118)	₩ (10,460)	₩ 58,554

(2023)

Detail	Beginning balance	Acquisitions	Disposals	Amortization	Ending balance
Computer software	₩ 12,602	₩ 2,200	₩ -	₩ (3,680)	₩ 11,122
System development fees	26,539	11,695	-	(6,676)	31,558
Memberships	3,672	25	(40)	-	3,657
Total	₩ 42,813	₩ 13,920	₩ (40)	₩ (10,356)	₩ 46,337

14. OTHER ASSETS:

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

	Dec. 31, 2024	Dec. 31, 2023
Other financial assets:		
Guarantee deposits	₩ 45,468	₩ 47,565
Accounts receivable	110,781	492,520
Accrued income	1,446,172	1,326,049
Receivable spot exchange	61	59
Allowance for doubtful account on other assets	(12,278)	(13,980)
Subtotal	1,590,204	1,852,213
Other assets:		
Advance payments	258	1
Prepaid expenses	24,103	40,812
Current income tax asset	1,859	1,925
Sundry assets	28,647	29,916
Subtotal	54,867	72,654
Total	₩ 1,645,071	₩ 1,924,867

(2) Changes in allowance for doubtful account on other assets for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Beginning balance	₩ 13,980	₩ 24,994
Written-off	(24)	-
Effects of foreign exchange rate changes	-	238
Reversal of provisions	(1,678)	(11,252)
Ending balance	₩ 12,278	₩ 13,980

15. BORROWINGS:

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

(December 31, 2024)

Detail	Lender	Interest rate (%)	Amount
Securities sold under repurchase agreement:			
Securities sold under repurchase agreement	ING BANK	4.79	₩ 521,767
Borrowings in foreign currencies:			
Long-term borrowings from foreign financial institutions	MUFG BANK SEOUL BRANCH (JP) and others	EURIBOR 3M+0.25 ~ USD Term SOFR 3M+0.83	4,778,564
Commercial papers denominated in foreign currencies	JPMORGAN CHASE BANK, N.A.(US) and others	4.58 ~ 4.63	220,500
Offshore commercial papers denominated in foreign currencies	CITIGROUP GLOBAL MARKETS LIMITED(US) and others	3.02 ~ 5.43	1,126,010
Others (Foreign banks)	THE HONGKONG AND SHANGHAI BANKING CORPORATION and others	0.09 ~ 0.70	162,044
Others (CSA)	UBS and others	0.00 ~ 5.33	45,100
Subtotal			6,332,218
Total			₩ 6,853,985

(December 31, 2023)

Detail	Lender	Interest rate (%)	Amount
Securities sold under repurchase agreement:			
Securities sold under repurchase agreement	ING BANK	5.61	₩ 471,791
Borrowings in foreign currencies:			
Borrowings from Government	MINISTRY OF STRATEGY AND FINANCE	LIBOR 3M+0.7	193,410
Long-term borrowings from foreign financial institutions	MUFG BANK SEOUL BRANCH (JP) and others	JPY TONA ON+0.29 ~ USD Term SOFR 3M+0.83	2,968,052
Commercial papers denominated in foreign currencies	CITIBANK N.A., HONG KONG(US) and others	5.30 ~ 5.90	992,838
Offshore commercial papers denominated in foreign currencies	CITIGROUP GLOBAL Markets LIMITED(US) and others	3.61 ~ 5.93	619,737
Others (Foreign banks)	DBS BANK LTD. and others	0.06 ~ 0.80	154,619
Others (CSA)	UBS and others	5.31 ~ 5.33	131,751
Subtotal			5,060,407
Total			₩ 5,532,198

(2) Details of the borrowings from other financial institutions as of December 31, 2024 and 2023, are as follows (Korean won in millions):

(December 31, 2024)

Type	Call money	Securities sold under repurchase agreement	Borrowings in foreign currencies	Total
Commercial banks	₩ -	₩ 521,767	₩ 6,332,218	₩ 6,853,985

(December 31, 2023)

Type	Call money	Securities sold under repurchase agreement	Borrowings in foreign currencies	Total
Commercial banks	₩ -	₩ 471,791	₩ 4,866,997	₩ 5,338,788

16. DEBENTURES:

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

	Dec. 31, 2024		Dec. 31, 2023	
Detail	Interest rate (%)	Amount	Interest rate (%)	Amount
Local currency:				
Floating rate	31-DayCD+0.11~ 31-DayCD+0.35	₩ 4,560,000	31-DayCD+0.04~ 31-DayCD+0.35	₩ 6,120,000
Fixed rate	1.11~ 7.80	24,860,000	1.11 ~ 7.80	23,480,000
Subtotal		29,420,000		29,600,000
Fair value hedging adjusting		(2,357,334)		(105,724)
Discount on debentures		(104,803)		(136,598)
Subtotal		26,957,863		29,357,678
Foreign currencies:				
Floating rate	AUD BBSW 3M+0.8~MXN TIIE 28D+0.2	5,654,576	MXN TIIE 28D+0.2 ~ USD Term SOFR 3M + 1.61	7,397,267
Fixed rate	0.00 ~ 11.90	60,751,479	0.00 ~ 12.26	58,659,207
Subtotal		66,406,055		66,056,474
Fair value hedging adjusting		43		(1,988,082)
Discount on debentures		(169,044)		(169,527)
Subtotal		66,237,054		63,898,865
Total		₩ 93,194,917		₩ 93,256,543

17. PROVISIONS:

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

	Dec. 31, 2024	Dec. 31, 2023
Provisions for acceptances and guarantees	₩ 1,009,329	₩ 914,742
Provisions for unused loan commitments	141,584	550,207
Provisions for others	25,027	25,027
Total	₩ 1,175,940	₩ 1,489,976

(2) Changes in provisions for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

(2024)

	Acceptances and guarantees			
	12 month expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Beginning balance	₩ 57,076	₩ 717,864	₩ 139,802	₩ 914,742
- Transfer to 12 month expected credit losses	7,050	(7,050)	-	-
- Transfer to lifetime expected credit losses	-	-	-	-
- Transfer to credit-impaired financial assets	(681)	-	681	-
Foreign exchange translation	5,249	66,982	10,721	82,952
Additional provisions (reversal of provisions)	(2,899)	(40,393)	54,927	11,635
Ending balance	₩ 65,795	₩ 737,403	₩ 206,131	₩ 1,009,329

	Unused loan commitments			
	12 month expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Beginning balance	₩ 90,094	₩ 446,576	₩ 13,537	₩ 550,207
- Transfer to 12 month expected credit losses	39,825	(39,825)	-	-
- Transfer to lifetime expected credit losses	(1)	5	(4)	-
- Transfer to credit-impaired financial assets	-	-	-	-
Foreign exchange translation	4,104	-	-	4,104
Reversal of provisions	(45,269)	(358,519)	(8,939)	(412,727)
Ending balance	₩ 88,753	₩ 48,237	₩ 4,594	₩ 141,584

(2023)

	Acceptances and guarantees			
	12 months expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Beginning balance	₩ 73,774	₩ 513,109	₩ 10,195	₩ 597,078
- Transfer to 12 months expected credit losses	9,709	(90)	(9,619)	-
- Transfer to lifetime expected credit losses	-	-	-	-
- Transfer to credit-impaired financial assets	(1,287)	-	1,287	-
Foreign exchange translation	1,058	7,150	17	8,225
Additional provisions (reversal of provisions)	(26,178)	197,695	137,922	309,439
Ending balance	₩ 57,076	₩ 717,864	₩ 139,802	₩ 914,742

	Unused loan commitments			
	12 months expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Beginning balance	₩ 56,929	₩ 410,079	₩ 175	₩ 467,183
- Transfer to 12 months expected credit losses	4	(4)	-	-
- Transfer to lifetime expected credit losses	(828)	828	-	-
- Transfer to credit-impaired financial assets	-	(18)	18	-
Foreign exchange translation	853	47	-	900
Additional provisions	33,136	35,644	13,344	82,124
Ending balance	₩ 90,094	₩ 446,576	₩ 13,537	₩ 550,207

18. POST-EMPLOYMENT BENEFIT PLAN:

The Bank operates both defined benefit plan and defined contribution plan.

(1) Defined benefit plan

The Bank operates defined benefit plans that have the following characteristics:

- The entity has the obligation to pay the agreed benefits to all its current and past employees.
- The entity is liable for actuarial risk (excess of actual payment against expected amount) and investment risk. If actuarial or investment experience are worse than expected, the entity's obligation may be increased.

The present value of the defined benefit obligation recognized in the separate statements of financial position is calculated annually by independent actuaries in accordance with actuarial valuation method. The present value of the defined benefit obligation is calculated using the PUC (Projected Unit Credit) method. The data used in the PUC, such as discount rates, future salary increase rate, mortality rate, consumer price index and expected return on plan assets, is based on observable market data and historical data, which are annually updated.

Actuarial assumptions may differ from actual results due to change in the market, economic trend and mortality trend which may affect defined benefit obligation liabilities and future payments. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in the period incurred through other comprehensive income or loss.

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

	Dec. 31, 2024	Dec. 31, 2023
Present value of defined benefit obligations	₩ 142,655	₩ 116,681
Fair value of plan assets	(170,216)	(145,112)
Net defined benefit assets	₩ (27,561)	₩ (28,431)

(3) Changes in net defined benefit liabilities (assets) for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

(2024)

	Present value of the defined benefit obligations	Plan assets	Net defined benefit liabilities (assets)
Beginning balance	₩ 116,681	₩ (145,112)	₩ (28,431)
Contributions from the employer	-	(24,600)	(24,600)
Current-service cost	10,061	-	10,061
Interest expense (income)	5,671	(7,141)	(1,470)
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	11,034	1,250	12,284
Actuarial gains and losses arising from experience adjustments	5,120	-	5,120
Management fees on plan assets	-	180	180
Benefits paid	(5,912)	5,207	(705)
Ending balance	₩ 142,655	₩ (170,216)	₩ (27,561)

(2023)

	Present value of the defined benefit obligations	Plan assets	Net defined benefit liabilities (assets)
Beginning balance	₩ 99,458	₩ (144,600)	₩ (45,142)
Contributions from the employer	-	-	-
Current-service cost	8,788	-	8,788
Interest expense (income)	5,625	(8,354)	(2,729)
Actuarial gains and losses arising from changes in demographic assumptions	100	-	100
Actuarial gains and losses arising from changes in financial assumptions	10,558	291	10,849
Actuarial gains and losses arising from experience adjustments	(620)	-	(620)
Management fees on plan assets	-	203	203
Benefits paid	(7,228)	7,348	120
Ending balance	₩ 116,681	₩ (145,112)	₩ (28,431)

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

	Dec. 31, 2024	Dec. 31, 2023
Debt instruments	₩ 170,216	₩ 4,584
Others	-	140,528
Total	₩ 170,216	₩ 145,112

(5) Actuarial assumptions used in retirement benefit obligations assessment as of December 31, 2024 and 2023 are as follows:

	Dec. 31, 2024	Dec. 31, 2023
Discount rate	4.62%	5.12%
Expected wage growth rate	5.14%	4.80%

(6) Assuming that all the other assumptions remain unchanged, the effect of changes in the significant actuarial assumptions which were made within the reasonable limit on retirement benefit obligations as of December 31, 2024 and 2023 are as follows (Korean won in millions):

(December 31, 2024)

Detail	1% p Increase	1% p Decrease
Change of discount rate by 1%p	₩ (12,838)	₩ 14,946
Change of future salary increase rate by 1%p	15,256	(13,307)

(December 31, 2023)

Detail	1% p Increase	1% p Decrease
Change of discount rate by 1%p	₩ (10,335)	₩ 9,887
Change of future salary increase rate by 1%p	12,366	(12,135)

The above sensitivity analysis does not present any actual changes in the retirement benefit obligations as there is no change in actuarial assumptions which is independently made due to the correlation among the assumptions. In addition, the actuarial present value of promised retirement benefits in the sensitivity analysis is determined using the projected unit credit method, which is used in the calculation of the retirement benefit obligations in the separate financial statements.

(7) Post-employment benefit costs incurred from the defined contribution plan as of December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Post-employment benefits	₩ 1,046	₩ 1,129

19. OTHER LIABILITIES:

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

	Dec. 31, 2024	Dec. 31, 2023
Other financial liabilities:		
Financial guarantee contract liabilities	₩ 1,069,272	₩ 1,002,162
Foreign exchanges payable	94,411	133,410
Accounts payable	102,440	479,138
Accrued expenses	1,409,987	1,276,439
Guarantee deposit received	368	353
Subtotal	2,676,478	2,891,502
Other liabilities:		
Allowance for deferred day 1 profit or loss in derivatives	5,260	8,988
Unearned income	295,896	194,050
Current tax payable	413,735	428,862
Sundry liabilities	7,371	4,515
Subtotal	722,262	636,415
Total	₩ 3,398,740	₩ 3,527,917

(2) Changes in financial guarantee contract liabilities for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Beginning balance	₩ 1,002,162	₩ 1,161,253
Foreign exchange translation	102,093	32,529
Reversal of financial guarantee contract liabilities	(77,179)	(118,023)
Others(*1)	42,196	(73,597)
Ending balance	₩ 1,069,272	₩ 1,002,162

(*1) Others are the effects of the change due to newly occurrence and the arrival of maturity of financial guarantee contracts evaluated by fair value the first time and the changes in discount rates.

20. DERIVATIVES:

The Bank operates derivatives for trading and hedging instruments. Derivatives held for trading purpose are included in financial assets and liabilities at fair value through profit or loss.

(1) Fair value hedge

Fair value hedge is a hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss. When applying fair value hedge, the gain or loss on the hedged item attributable to the hedged risk shall adjust the carrying amount of the hedged item and be recognized in profit or loss.

The Bank shall discontinue prospectively the fair value hedge if the hedging instrument expires or is sold, terminated or exercised; the hedge no longer meets the criteria for hedge accounting; or the Bank revokes the designation. Any adjustment arising from the gain or loss on the hedged item attributable to the hedged risk to the carrying amount of a hedged financial instrument for which the effective interest method is used shall be amortized to profit or loss.

The Bank uses interest rate swaps for hedging changes of fair values in hedged items arising from changes in interest rates. The Bank also uses currency swaps for hedging changes in fair values of hedged items arising from changes in foreign exchange rates.

(2) Cash flow hedge

Cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable-rate debt) or a highly probable forecast transaction and could affect profit or loss. When applying cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized in other comprehensive income and the ineffective portion of the gain or loss on the hedging instrument are recognized in profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the same period or periods during which the hedged forecast cash flows affect profit or loss.

The Bank shall discontinue prospectively the cash flow hedge if hedging instrument expires or is sold, terminated or exercised; the hedge no longer meets the criteria for hedge accounting; or the Bank revokes the designation. If the forecasted transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognized in other comprehensive income from the period when the hedge was effective are reclassified from equity to profit or loss as a reclassification adjustment.

The Bank uses interest rate swaps for hedging changes of cash flows in hedged items arising from changes in interest rates. The Bank also uses currency swaps for hedging changes in cash flows of hedged items arising from changes in foreign exchange rates.

(3) Details of derivative assets and liabilities as of December 31, 2024 and 2023, are as follows (Korean won in millions):

(December 31, 2024)

		Derivative assets(*1)			
Detail	Notional	Fair value hedge	Cash flow hedge	Trading	Total
Interest:					
Interest rate swaps	₩ 84,563,319	₩ 2,577	₩ -	₩ 1,033,970	₩ 1,036,547
Currency:					
Currency forwards	6,779,397	-	-	296,732	296,732
Currency swaps	27,897,849	83,481	-	878,768	962,249
Subtotal	34,677,246	83,481	-	1,175,500	1,258,981
Share:					
Share options	2,295,088	-	-	9,374	9,374
Total	₩ 121,535,653	₩ 86,058	₩ -	₩ 2,218,844	₩ 2,304,902

(*1) Credit risk adjustment amount related to derivatives is excluded.

		Derivative liabilities			
Detail	Notional	Fair value hedge	Cash flow hedge	Trading	Total
Interest:					
Interest rate swaps	₩ 84,563,319	₩ 1,044,231	₩ -	₩ 1,824,342	₩ 2,868,573
Currency:					
Currency forwards	6,779,397	-	-	193,003	193,003
Currency swaps	27,897,849	1,325,406	8,318	980,543	2,314,267
Subtotal	34,677,246	1,325,406	8,318	1,173,546	2,507,270
Share:					
Share options	2,295,088	-	-	15,665	15,665
Total	₩ 121,535,653	₩ 2,369,637	₩ 8,318	₩ 3,013,553	₩ 5,391,508

(December 31, 2023)

Detail	Notional	Derivative assets(*1)			
		Fair value hedge	Cash flow hedge	Trading	Total
Interest:					
Interest rate swaps	₩ 73,694,116	₩ 10,002	₩ -	₩ 814,175	₩ 824,177
Currency:					
Currency forwards	16,836,450	-	-	159,979	159,979
Currency swaps	31,410,141	567,592	60,757	675,157	1,303,506
Subtotal	48,246,591	567,592	60,757	835,136	1,463,485
Share:					
Share options	1,397	-	-	1,415	1,415
Total	₩ 121,942,104	₩ 577,594	₩ 60,757	₩ 1,650,726	₩ 2,289,077

(*1) Credit risk adjustments related to derivatives are excluded.

Detail	Notional	Derivative liabilities			
		Fair value hedge	Cash flow hedge	Trading	Total
Interest:					
Interest rate swaps	₩ 73,694,116	₩ 899,097	₩ -	₩ 1,325,699	₩ 2,224,796
Currency:					
Currency forwards	16,836,450	-	-	248,563	248,563
Currency swaps	31,410,141	615,111	-	548,542	1,163,653
Subtotal	48,246,591	615,111	-	797,105	1,412,216
Share:					
Share options	1,397	-	-	-	-
Total	₩ 121,942,104	₩ 1,514,208	₩ -	₩ 2,122,804	₩ 3,637,012

(4) Gains and losses from fair value hedging instruments and hedged items attributable to the hedged risk for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Fair value hedge – hedged items	₩ 266,212	₩ (928,023)
Fair value hedge – hedging instruments	(1,531,050)	2,013,401

(5) As a result of cash flow hedge, the Bank recognized ₩(68,581) million and ₩11,177 million as other comprehensive income (loss) (before tax effect) for the years ended December 31, 2024 and 2023, respectively. The Bank recognized ₩(494) million as ineffectiveness in relation to cash flow hedge for the year ended December 31, 2024, and there is no ineffectiveness for the year ended December 31, 2023.

(6) Hedge accounting

1) Purpose and strategy of risk avoidance

The Bank transacts with derivative financial instruments to hedge its interest rate risk and currency risk arising from the assets and liabilities of the Bank. The Bank applies the fair value hedge accounting which uses interest rate swaps and currency swaps for the changes in the market interest rates and the exchange rate of debentures in foreign currencies and Korean won, and loans in foreign currencies. The Bank also applies cash flow hedge accounting for currency swaps to hedge currency risk of debentures in foreign currencies.

2) Notional values and average hedge ratio for derivatives as of December 31, 2024 and 2023, are as follows (Korean won in millions):

(December 31, 2024)

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Fair value hedges							
Nominal amount of hedged items	₩ 13,739,074	₩ 12,308,751	₩ 7,939,172	₩ 5,713,543	₩ 3,228,338	₩ 12,658,392	₩ 55,587,270
Notional amount of hedging instruments	12,636,574	12,308,751	8,968,172	5,713,543	3,228,338	13,501,207	56,356,585
Average hedge ratio	91.98%	100.00%	112.96%	100.00%	100.00%	106.66%	101.38%
Cash flow hedges							
Nominal amount of hedged items	₩ 685,260	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 685,260
Notional amount of hedging instruments	685,260	-	-	-	-	-	685,260
Average hedge ratio	100.00%	-	-	-	-	-	100.00%

(December 31, 2023)

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Fair value hedges							
Nominal amount of hedged items	₩ 14,231,762	₩ 12,018,460	₩ 10,357,727	₩ 4,427,957	₩ 5,205,413	₩ 11,997,397	₩ 58,238,716
Notional amount of hedging instruments	14,244,231	11,018,710	10,357,727	4,427,957	5,205,413	12,075,933	57,329,971
Average hedge ratio	100.09%	91.68%	100.00%	100.00%	100.00%	100.65%	98.44%
Cash flow hedges							
Nominal amount of hedged items	₩ 113,211	₩ 653,137	₩ -	₩ -	₩ -	₩ -	₩ 766,348
Notional amount of hedging instruments	113,211	653,137	-	-	-	-	766,348
Average hedge ratio	100.00%	100.00%	-	-	-	-	100.00%

3) Effect of hedge accounting on separate statement of financial position, separate statement of comprehensive income, separate statement of changes in equity

① Effects of hedging instruments on separate statement of financial position, separate statement of comprehensive income, separate statement of changes in equity as of December 31, 2024 and 2023, are as follows (Korean won in millions):

(December 31, 2024)

Detail	Notional amount	Separate statement of financial position (*1)		Changes of fair value in the year
		Carrying amount of assets	Carrying amount of liabilities	
Fair value hedges				
Interest swap	₩ 43,210,206	₩ 2,577	₩ 1,044,231	₩ (82,111)
Currency swap	13,146,379	83,481	1,325,406	(110,144)
Subtotal	56,356,585	86,058	2,369,637	(192,255)
Cash flow hedges	685,260	-	8,318	(69,074)
Total	₩ 57,041,845	₩ 86,058	₩ 2,377,955	₩ (261,329)

(*1) Credit risk adjustment amount related to derivatives is excluded.

(December 31, 2023)

Detail	Notional amount	Separate statement of financial position (*1)		Changes of fair value in the year
		Carrying amount of assets	Carrying amount of liabilities	
Fair value hedges				
Interest swap	₩ 41,327,475	₩ 10,002	₩ 899,097	₩ 919,829
Currency swap	16,002,496	567,592	615,111	168,970
Subtotal	57,329,971	577,594	1,514,208	1,088,799
Cash flow hedges	766,348	60,757	-	11,177
Total	₩ 58,096,319	₩ 638,351	₩ 1,514,208	₩ 1,099,976

(*1) Credit risk adjustment amount related to derivatives is excluded.

② Effects of fair value hedged items on separate statement of financial position, separate statement of comprehensive income, separate statement of changes in equity as of December 31, 2024 and 2023, are as follows (Korean won in millions):

(December 31, 2024)

	Separate statement of financial position		Accumulated adjustment of fair value hedging		
Detail	Loan	Debenture	Asset	Liability	Changes of fair value in the year
Interest:					
Debentures in local currency	₩ -	₩ -	₩ -	₩ (93,296)	₩ (15,589)
Debentures in foreign currencies	-	41,748,294	-	(2,022,157)	357,867
Subtotal	-	41,748,294	-	(2,115,453)	342,278
Currency:					
Discontinuation of risk hedging loans in foreign currencies	4,148	-	(1)	-	33
Debentures in foreign currencies	-	13,838,977	-	(240,374)	68,244
Discontinuation of risk hedging debentures in foreign currencies	-	21,322	-	(1,644)	98
Subtotal	4,148	13,860,299	(1)	(242,018)	68,375
Total	₩ 4,148	₩ 55,608,593	₩ (1)	₩ (2,357,471)	₩ 410,653

(December 31, 2023)

	Separate statement of financial position		Accumulated adjustment of fair value hedging		
Detail	Loan	Debenture	Asset	Liability	Changes of fair value in the year
Interest:					
Debentures in local currency	₩ -	₩ 874,906	₩ -	₩ (105,724)	₩ (64,906)
Debentures in foreign currencies	-	42,095,686	-	(1,787,353)	(723,648)
Subtotal	-	42,970,592	-	(1,893,077)	(788,554)
Currency:					
Loans in foreign currencies	158,155	-	(2,629)	-	5,732
Discontinuation of risk hedging loans in foreign currencies	11,372	-	(34)	-	33
Debentures in foreign currencies	-	16,077,655	-	(199,166)	(179,132)
Discontinuation of risk hedging debentures in foreign currencies	-	19,105	-	(1,743)	97
Subtotal	169,527	16,096,760	(2,663)	(200,909)	(173,270)
Total	₩ 169,527	₩ 59,067,352	₩ (2,663)	₩ (2,093,986)	₩ (961,824)

③ Effects of cash flow hedged items on separate statement of financial position, separate statement of comprehensive income, separate statement of changes in equity as of December 31, 2024 and 2023, are as follows (Korean won in millions):

(December 31, 2024)

Detail	Separate statement of financial position	Accumulated adjustment of cash flow hedging	Changes of fair value in the year
Currency:			
Debentures in foreign currencies	₩ 685,260	₩ (5,288)	₩ 68,737

(December 31, 2023)

Detail	Separate statement of financial position	Accumulated adjustment of cash flow hedging	Changes of fair value in the year
Currency:			
Debentures in foreign currencies	₩ 766,348	₩ 47,451	₩ (10,717)

4) Gains (losses) on hedged items and hedging instruments attributable to the hedged ineffectiveness for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

(2024)

	Gains on hedged items	Losses on hedging instruments	Hedge ineffectiveness recognized in profit (loss)
Fair value hedges	₩ 410,522	₩ (192,255)	₩ 218,267
Cash flow hedges	68,737	(69,074)	(494)
Total	₩ 479,259	₩ (261,329)	₩ 217,773

(2023)

	Gains (Losses) on hedged items	Gains (Losses) on hedging instruments	Hedge ineffectiveness recognized in profit
Fair value hedges	₩ (961,954)	₩ 1,088,799	₩ 126,845
Cash flow hedges	(10,717)	11,177	-
Total	₩ (972,671)	₩ 1,099,976	₩ 126,845

21. ISSUED CAPITAL:

As of December 31, 2024, the authorized capital and issued capital of the Bank are ₩25,000,000 million and ₩16,873,254 million, respectively. The Bank does not issue share certificates.

Changes in issued capital for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Beginning balance	₩ 14,773,254	₩ 12,773,254
Paid-in capital increase	2,100,000	2,000,000
Ending balance	₩ 16,873,254	₩ 14,773,254

22. OTHER COMPONENTS OF EQUITY:

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

	Dec. 31, 2024	Dec. 31, 2023
Gain on equity securities at fair value through other comprehensive income	₩ 1,422,091	₩ 770,956
Loss on debt securities at fair value through other comprehensive income	(193,223)	(165,682)
Gain (loss) on valuation of cash flow hedge	(5,288)	47,451
Remeasurement of net defined benefit liabilities	16,176	29,560
Total	₩ 1,239,756	₩ 682,285

(2) Changes in other components of equity for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

(2024)

	Beginning balance	Increase (decrease)	Tax effect	Ending balance
Gain (loss) on equity securities at fair value through other comprehensive income	₩ 770,956	₩ 846,729	₩ (195,594)	₩ 1,422,091
Gain (loss) on debt securities at fair value through other comprehensive income	(165,682)	(35,814)	8,273	(193,223)
Gain (loss) on valuation of cash flow hedge	47,451	(68,581)	15,842	(5,288)
Remeasurement of net defined benefit liabilities	29,560	(17,404)	4,020	16,176
Total	₩ 682,285	₩ 724,930	₩ (167,459)	₩ 1,239,756

(2023)

	Beginning balance	Increase (decrease)	Tax effect	Ending balance
Gain (loss) on equity securities at fair value through other comprehensive income	₩ 882,404	₩ (146,524)	₩ 35,076	₩ 770,956
Gain (loss) on debt securities at fair value through other comprehensive income	(213,907)	63,073	(14,848)	(165,682)
Gain (loss) on valuation of cash flow hedge	38,805	11,177	(2,531)	47,451
Remeasurement of net defined benefit liabilities	37,454	(10,329)	2,435	29,560
Total	₩ 744,756	₩ (82,603)	₩ 20,132	₩ 682,285

23. RETAINED EARNINGS:

(1) Details of retained earnings as of December 31, 2024 and 2023, are as follows (Korean won in millions):

	Dec. 31, 2024	Dec. 31, 2023
Legal reserve(*1)	₩ 611,957	₩ 539,682
Voluntary reserve(*2)	1,762,427	1,100,658
Regulatory reserve for loan losses	11,365	275,620
Unappropriated retained earnings	979,598	722,752
Total	₩ 3,365,347	₩ 2,638,712

(*1) Pursuant to the EXIM Bank Act, the Bank appropriates 10% of separate profit for the year for each accounting period as legal reserve, until the accumulated reserve equals to its paid-in capital.
(*2) The Bank appropriates the remaining balance of profit for the year, after the appropriation of regulatory reserve for loan losses and declaration of dividends, to voluntary reserve.

(2) Changes in retained earnings for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Beginning balance	₩ 2,638,712	₩ 2,051,379
Profit for the year	979,598	722,752
Dividends	(252,963)	(135,419)
Ending balance	₩ 3,365,347	₩ 2,638,712

(3) Details of dividends for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	2024	2023
The Government	₩ 173,879	₩ 93,083
Bank of Korea	23,117	12,375
Korea Development Bank	55,967	29,961
Total	₩ 252,963	₩ 135,419

(4) Statements of appropriations of retained earnings for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

	2024 (Expected date of appropriation: April 1, 2025)		2023 (Date of appropriation: March 25, 2024)	
I. Retained earnings before appropriations:	₩	979,598	₩	722,752
1. Unappropriated retained earnings carried over from prior years	-		-	
2. Profit for the year	979,598		722,752	
II. Other reserve transferred		-		264,255
III. Appropriations:		979,598		987,007
1. Legal reserve	97,960		72,275	
2. Dividend	370,288		252,963	
3. Other reserve	508,988		661,769	
4. Regulatory reserve for loan losses	2,362		-	
IV. Unappropriated retained earnings at the end of the year		-		-

(5) Regulatory reserve for loan losses

Regulatory reserve for loan losses is calculated and disclosed according to Article 29 (1) and (2), Regulation on Supervision of Banking Business. In accordance with Regulation on Supervision of Banking Business, etc., if the estimated allowance for credit loss determined by K-IFRS for the accounting purpose is lower than that for the regulatory purpose required by Regulation on Supervision of Banking Business, the Bank should reserve such difference as the regulatory reserve for loan losses. Due to the fact that regulatory reserve for loan losses is a voluntary reserve, the amounts that exceed the existing regulatory reserve for loan losses over the compulsory regulatory reserve for loan losses at the year-end date are reversed in profit. In case of accumulated deficit, the Bank should recommence setting aside regulatory reserve for loan losses at the time when accumulated deficit is reduced to zero.

1) Regulatory reserve for loan losses

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

	Dec. 31, 2024	Dec. 31, 2023
Regulatory reserve for loan losses	₩ 11,365	₩ 275,620
Provision for (Reversal of) regulatory reserve for loan losses	2,362	(264,255)
Expected regulatory reserve for loan losses	₩ 13,727	₩ 11,365

2) Provision for (Reversal of) regulatory reserve for loan losses and profit for the year after adjusting regulatory reserve for loan losses

Details of provision for (reversal of) regulatory reserve for loan losses and profit for the year after adjusting the reserve for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Profit for the year	₩ 979,598	₩ 722,752
Provision for (Reversal of) regulatory reserve for loan losses	2,362	(264,255)
Profit after adjusting the regulatory reserve for loan losses (*1)	₩ 977,236	₩ 987,007

(*1) Adjusted profit considering regulatory reserve for loan losses as above is not a figure based on K-IFRS and is calculated by assuming that the provision in regulatory reserve for loan losses before income tax is reflected in profit for the year.

24. NET INTEREST INCOME:

Net interest income is the amount after deduction of interest expenses from interest income, and the details are as follows:

(1) Details of interest income for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Interest of due from financial institutions:		
Due from financial institutions in local currency	₩ 85,421	₩ 74,776
Due from financial institutions in foreign currencies	491,004	381,513
Subtotal	576,425	456,289
Interest of financial assets at fair value through profit or loss:		
Interest of securities at fair value through profit or loss	333	1,520
Interest of financial investments:		
Interest of securities at fair value through other comprehensive income	151,533	78,068
Interest of securities at amortized cost	28,116	45,570
Subtotal	179,649	123,638
Interest of loans:		
Interest of loans in local currency	1,208,277	1,202,939
Interest of loans in foreign currencies	3,847,012	3,818,865
Interest of bills bought	59,406	54,917
Interest of Purchases and Discount	353	1,669
Interest of call loans	154,922	157,386
Interest of interbank loans	35,793	39,268
Subtotal	5,305,763	5,275,044
Other interest income	51	-
Total	₩ 6,062,221	₩ 5,856,491

(2) Details of interest expenses for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Interest of borrowings:		
Interest of borrowings in foreign currencies	₩ 316,388	₩ 312,981
Interest of securities sold under repurchase agreements	5,971	17,906
Subtotal	322,359	330,887
Interest of call-money	155	225
Interest of debentures:		
Interest of debentures in local currency	1,118,706	1,009,991
Interest of debentures in foreign currencies	3,857,328	3,632,008
Subtotal	4,976,034	4,641,999
Other interest expense	-	(1,835)
Total	₩ 5,298,548	₩ 4,971,276

25. NET COMMISSION INCOME:

Net commission income is the amount after deduction of commission expenses from commission income, and the details are as follows:

(1) Details of commission income for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Commission income in local currency:		
Commission income on management of EDCF (*1)	₩ 22,929	₩ 22,057
Commission income on management of IKCF (*2)	2,626	2,182
Sundry commissions received from local currency revenue	2,300	815
Subtotal	27,855	25,054
Commission income in foreign currencies:		
Commission income on letters of credit	1,915	2,452
Commission income on loan commitments	80,976	57,540
Management fees	-	23
Arrangement fees	2,167	6,438
Advisory fees	221	483
Cancellation fees	-	96
Advance redemption fees	8,229	19,676
Sundry commission income on foreign exchange	250	119
Brokerage fee for foreign currencies exchange funds	95	68
Sundry commissions received from foreign currencies revenue	81	25,412
Subtotal	93,934	112,307
Others:		
Other commission income	26,272	13,561
Guarantee fees in foreign currencies:		
Guarantee fees in foreign currencies	187,918	189,333
Premium for guarantee	130,131	124,489
Subtotal	318,049	313,822
Total	₩ 466,110	₩ 464,744

(*1) Economic Development Cooperation Fund
(*2) Inter Korean Cooperation Fund

(2) Details of commission expenses for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Commission expenses in local currency:		
Commission expenses on domestic transactions	₩ 600	₩ 958
Commission expenses in foreign currencies:		
Commission expenses on borrowings in foreign currencies	12,665	3,795
Sundry commission expenses on foreign exchange	8,426	15,270
Subtotal	21,091	19,065
Others:		
Other commission expenses	11,259	10,166
Total	₩ 32,950	₩ 30,189

26. DIVIDEND INCOME:

Details of dividend income for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Financial assets at fair value through profit or loss	₩ -	₩ 60
Financial assets at fair value through other comprehensive income	75,691	61,910
Investments in associates (*1)	12,935	7,177
Total	₩ 88,626	₩ 69,147

(*1) Classified as gain on investments in associates.

27. GAIN (LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:

Details of gain (loss) on financial assets at fair value through profit or loss for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Securities at fair value through profit or loss:		
Gain on valuation	₩ 33,124	₩ 35,945
Loss on valuation	(18,954)	(19,413)
Gain on disposal	55,298	70,623
Loss on disposal	(14,356)	(7,953)
Others	24,490	29,284
Subtotal	79,602	108,486
Loans at fair value through profit or loss:		
Gain on valuation	-	138
Gain on disposal	147	-
Subtotal	147	138
Trading derivatives:		
Gain on valuation	1,374,715	618,916
Loss on valuation	(1,731,683)	(563,390)
Gain on transaction	1,570,556	1,646,358
Loss on transaction	(1,216,083)	(1,600,700)
Subtotal	(2,495)	101,184
Total	₩ 77,254	₩ 209,808

28. GAIN (LOSS) ON HEDGING DERIVATIVES:

Details of gain (loss) on hedging derivatives for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Gain on hedging instruments	₩ 1,588,884	₩ 2,856,110
Loss on hedging instruments	(3,120,428)	(842,709)
Total	₩ (1,531,544)	₩ 2,013,401

29. GAIN (LOSS) ON FINANCIAL INVESTMENTS:

Details of gain (loss) on financial investments for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Financial assets at fair value through other comprehensive income:		
Gain on disposal	₩ 81	₩ 1,258
Loss on disposal	(885)	(532)
Total	₩ (804)	₩ 726

30. OTHER OPERATING INCOME (EXPENSES):

Details of other operating income (expenses) for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Other operating income:		
Gain on sale of loans	₩ 10	₩ -
Gain on redemption of loans	13,324	-
Gain on fair value hedged items	844,847	282,391
Others	16,706	14,513
Subtotal	874,887	296,904
Other operating expenses:		
Loss on fair value hedged items	(578,635)	(1,210,415)
Contribution to miscellaneous funds	(3,612)	(4,876)
Transfer of other provisions	-	(6)
Others	(5,454)	(12,821)
Subtotal	(587,701)	(1,228,118)
Total	₩ 287,186	₩ (931,214)

31. ADDITIONAL (REVERSAL OF) IMPAIRMENT LOSS ON CREDIT:

Details of additional (reversal of) impairment loss on credit for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Loans at amortized cost	₩ 575,906	₩ 17,035
Other financial assets	(1,678)	(11,252)
Guarantees	11,635	309,438
Unused loan commitments	(412,727)	82,123
Financial guarantee contract	(77,179)	(118,023)
Financial assets at fair value through other comprehensive income	382	(311)
Securities at amortized cost	(179)	60
Total	₩ 96,160	₩ 279,070

32. GENERAL AND ADMINISTRATIVE EXPENSES:

Details of general and administrative expenses for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	Detail	2024	2023
General and administrative			
Other expenses in financing department	Short-term salaries	₩ 130,125	₩ 123,858
	Office expenses	96,415	88,928
	Subtotal	226,540	212,786
Office expenses of EDCF (*1)		2,323	2,419
General and administrative - Others			
	Post-employment benefit (defined contributions)	1,046	1,129
	Post-employment benefit (defined benefits)	8,771	6,262
	Depreciation of property, plant and equipment	12,343	10,316
	Amortization of intangible assets	10,460	10,356
	Taxes and duties	39,545	26,089
	Donations and contributions	1,525	2,000
	Subtotal	73,690	56,152
	Total	₩ 302,553	₩ 271,357

(*1) Economic Development Cooperation Fund

33. NON-OPERATING INCOME (EXPENSES):

Details of non-operating income (expenses) for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	Detail	2024	2023
Gain on investments in Subsidiaries and associates	Dividend income	₩ 12,935	₩ 7,177
Other incomes			
	Gain on disposal of property, plant and equipment	23	44
	Rent income	506	531
	Damages paid for breach of contracts	2	-
	Interest on other loans	164	221
	Revenue on research project	5,346	10,379
	Other miscellaneous income	2,665	1,578
	Subtotal	8,706	12,753
Other expenses			
	Loss on disposal of property, plant and equipment	(1)	(1)
	Loss on disposal of intangible assets	(3)	(4)
	Expenses for donation	(14,164)	(9,455)
	Court cost	(207)	(243)
	Expenses on research project	(4,899)	(9,970)
	Other miscellaneous expenses	(450)	(62)
	Subtotal	(19,724)	(19,735)
	Total	₩ (11,018)	₩ (6,982)

34. INCOME TAX EXPENSE:

(1) Details of income tax expenses for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Current income tax payable	₩ 554,254	₩ 374,282
Adjustment recognized in the period for current tax of prior years	(2,604)	7,432
Changes in deferred income taxes due to temporary differences	(28,582)	(127,266)
Changes in deferred income taxes directly reflected in equity	(167,459)	84,144
Income tax expense	₩ 355,609	₩ 338,592

(2) Changes in temporary differences and deferred income tax assets (liabilities) for the years ended December 31, 2024 and 2023 are as follows (Korean won in millions):

(2024)

Detail	Temporary differences			Deferred tax assets (liabilities)
	Beginning balance	Increase (decrease)	Ending balance	
Depreciation	₩ 178	56	234	54
Fair value hedging loss	(2,091,087)	(266,147)	(2,357,234)	(544,521)
Financial guarantee contract liability	838,420	29,132	867,552	200,405
Loans	(5,323)	692	(4,631)	(1,070)
Allowance for loan losses	1,008,419	538,222	1,546,641	357,274
Unused commitment provisions	550,207	(408,623)	141,584	32,706
Net deferred loan origination fees and costs	481,624	(27,670)	453,954	104,863
Long-term income in advance	(1,206)	432	(774)	(179)
Provisions for acceptances and guarantees	914,744	94,585	1,009,329	233,155
Loan-for-equity swap	260,229	100,160	360,389	83,250
Losses on valuation of derivatives	108,858	(1,154,170)	(1,045,312)	(241,467)
Gains on valuation of derivatives	1,333,611	1,734,086	3,067,697	708,638
Derivatives' credit risk provision	26,390	(11,783)	14,607	3,374
Defined benefit liability	(13,847)	30,857	17,010	3,929
Accrued interest receivables and payables related to swap transaction	(211,030)	198,706	(12,324)	(2,847)
Tangible assets	(176,100)	(107)	(176,207)	(40,704)
Others	1,837,541	(31,216)	1,806,325	417,261
Subtotal	₩ 4,861,628	827,212	5,688,840	1,314,121
Deferred income tax liabilities directly adjusted in equity				(295,830)
Total				₩ 1,018,291

(2023)

Detail	Temporary differences			Deferred tax assets (liabilities)
	Beginning balance	Increase (decrease)	Ending balance	
Depreciation	₩ 144	34	178	41
Fair value hedging income (loss)	(3,188,331)	1,097,244	(2,091,087)	(483,041)
Financial guarantee contract liability	970,255	(131,835)	838,420	193,675
Loans	(5,672)	349	(5,323)	(1,230)
Allowance for loan losses	749,617	258,802	1,008,419	232,945
Unused commitment provisions	467,183	83,024	550,207	127,098
Net deferred loan origination fees and costs	403,461	78,163	481,624	111,255
Long-term income in advance	(1,715)	509	(1,206)	(279)
Provisions for acceptances and guarantees	597,078	317,666	914,744	211,306
Loan-for-equity swap	1,396,195	(1,135,966)	260,229	60,113
Losses on valuation of derivatives	(792,034)	900,892	108,858	25,146
Gains on valuation of derivatives	2,741,608	(1,407,997)	1,333,611	308,064
Derivatives' credit risk provision	-	26,390	26,390	6,096
Defined benefit liability	(6,969)	(6,878)	(13,847)	(3,199)
Accrued interest receivables and payables related to swap transaction	(305,055)	94,025	(211,030)	(48,748)
Tangible assets	(176,005)	(95)	(176,100)	(40,679)
Others	1,837,069	472	1,837,541	424,472
Subtotal	₩ 4,686,829	174,799	4,861,628	1,123,035
Deferred income tax liabilities directly adjusted in equity				(135,931)
Total				₩ 987,104

(3) Details of the reconciliation between profit before income tax expense and income tax expense for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Profit before income tax expense	₩ 1,335,207	₩ 1,061,344
Income tax calculated at statutory tax rate (9.9% up to ₩200 million, 20.9% over ₩200 million to ₩20 billion and 23.1% over ₩20 billion to ₩300 billion, and 26.4% over ₩300 billion)	342,133	269,834
Adjustments:		
Effect on non-taxable income	(80,899)	(19,880)
Effect on non-deductible expense	66,645	73,076
Effect on tax deduction	-	(9,601)
Others	30,334	17,733
Subtotal	16,080	61,328
Adjustment recognized in the period for current tax of prior years	(2,604)	7,430
Income tax expense	₩ 355,609	₩ 338,592
Effective tax rate from operations	26.63%	31.90%

(4) Details of deferred tax relating to items that are recognized directly in equity as of December 31, 2024 and 2023 are as follows (Korean won in millions):

Detail	Dec. 31, 2024	Dec. 31, 2023
Loss on valuation of financial investments	₩ (295,597)	₩ (115,835)
Gain (loss) on valuation of cash flow hedge	1,588	(14,254)
Remeasurement of net defined benefit liability	(4,859)	(8,879)
Total	₩ (298,868)	₩ (138,968)

(5) Unrecognized deferred tax assets and liabilities

The Bank does not recognize deferred tax liabilities for taxable temporary difference of ₩53,036 million related to investments in associates and subsidiaries as of December 31, 2024 because the Bank 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 Bank also does not recognize deferred tax assets for deductible temporary differences of ₩4,469 million related to impairment loss of financial investments as of December 31, 2024 because the realizable period has already passed.

(6) Global Minimum Tax

In accordance with Global Minimum Tax legislation under the International Tax Adjustment Act, which applies starting in 2024, the Group is liable to pay additional taxes for the difference between the effective tax rate per jurisdiction and the 15% minimum tax rate. However, most jurisdictions either pass the transitional exemption regulations or have effective tax rates above 15%, so significant additional taxes are not expected. Therefore, the Group has not recognized any current tax expense related to the Global Minimum Tax. Additionally, the Group has applied the exception to the recognition and disclosure of deferred tax assets and liabilities related to the Global Minimum Tax, and thus has not recognized and disclosed information on deferred tax assets and liabilities related to the Global Minimum Tax.

35. SEPARATE STATEMENTS OF CASH FLOWS:

(1) Details of significant non-cash flow transactions for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

	2024	2023
Written-off	₩ 9,921	₩ 3,797
Gain on valuation of financial assets at fair value through other comprehensive income	598,430	276,705
Loan-for-equity swap of loans	118,292	10,649
Remeasurement of net defined benefit obligation	(17,404)	(10,329)
Investment in kind	2,000,000	2,000,000

(2) Changes in liabilities arising from financing activities for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

(2024)

Detail	Borrowings	Debentures	Total
Beginning balance	₩ 5,532,198	₩ 93,256,543	₩ 98,788,741
Change in cash flows	654,029	(7,004,773)	(6,350,744)
Amortization of discount	-	409,587	409,587
Foreign exchange transaction	667,758	6,797,144	7,464,902
Change in fair value hedged items	-	(263,584)	(263,584)
Ending balance	₩ 6,853,985	₩ 93,194,917	₩ 100,048,902

(2023)

Detail	Borrowings	Debentures	Total
Beginning balance	₩ 10,112,740	₩ 87,791,623	₩ 97,904,363
Change in cash flows	(4,870,550)	2,107,605	(2,762,945)
Amortization of discount	-	413,826	413,826
Foreign exchange transaction	290,008	2,009,734	2,299,742
Change in fair value hedged items	-	933,755	933,755
Ending balance	₩ 5,532,198	₩ 93,256,543	₩ 98,788,741

36. CONTINGENT LIABILITIES AND COMMITMENTS:

(1) Details of contingent liabilities and commitments as of December 31, 2024 and 2023, are as follows (Korean won in millions):

	Detail	Dec. 31, 2024	Dec. 31, 2023
Guarantees			
	Confirmed	₩ 49,007,121	₩ 43,061,482
	Unconfirmed	14,582,684	11,517,928
	Subtotal	63,589,805	54,579,410
Loan commitments			
	Local currency, foreign currencies, offshore loan commitments	38,427,669	41,917,506
	Others	968,575	2,900,321
	Subtotal	39,396,244	44,817,827
	Total	₩ 102,986,049	₩ 99,397,237

(2) Details of guarantees that have been provided for others as of December 31, 2024 and 2023, are as follows (Korean won in millions):

	Detail	Dec. 31, 2024	Dec. 31, 2023
Confirmed guarantees			
	Local currency:		
	Performance of contracts	₩ 29,648	₩ 45,714
	Repayment of advances	34,289	44,115
	Others	5,556	24,311
	Subtotal	69,493	114,140
	Foreign currencies:		
	Performance of contracts	8,198,183	8,219,273
	Repayment of advances	21,428,505	19,186,524
	Acceptances of import letter of credit	10,469	64,670
	Foreign liabilities	15,334,784	11,595,947
	Others	3,965,687	3,880,928
	Subtotal	48,937,628	42,947,342
Unconfirmed guarantees			
	Foreign liabilities	3,302,853	1,688,469
	Repayment of advances	11,228,674	9,772,701
	Issuance of import letter of credit	51,122	56,722
	Others	35	36
	Subtotal	14,582,684	11,517,928
	Total	₩ 63,589,805	₩ 54,579,410

(3) Details of guarantees classified by country as of December 31, 2024 and 2023, are as follows (Korean won in millions):

(December 31, 2024)

Detail		Confirmed guarantees		Unconfirmed guarantees		Total	
		Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Asia							
	Korea	₩ 34,444,129	70.28	₩ 11,781,636	80.79	₩ 46,225,765	72.69
	China	33,923	0.07	-	-	33,923	0.05
	Saudi Arabia	874,774	1.78	-	-	874,774	1.38
	India	745,905	1.52	-	-	745,905	1.17
	Indonesia	1,470,512	3.00	76,273	0.52	1,546,785	2.43
	Vietnam	1,364,403	2.78	205,372	1.41	1,569,775	2.47
	Australia	142,497	0.29	-	-	142,497	0.22
	Qatar	156,290	0.32	-	-	156,290	0.25
	Singapore	66,150	0.13	-	-	66,150	0.10
	Oman	354,328	0.72	23,871	0.16	378,199	0.59
	Uzbekistan	193,623	0.40	-	-	193,623	0.30
	Others	2,482,009	5.07	124,533	0.86	2,606,542	4.11
	Subtotal	42,328,543	86.36	12,211,685	83.74	54,540,228	85.76
Europe							
	United Kingdom	303,385	0.62	-	-	303,385	0.48
	Belgium	12,690	0.03	7,753	0.05	20,443	0.03
	France	448,761	0.92	-	-	448,761	0.71
	Netherlands	205,800	0.42	-	-	205,800	0.32
	Others	3,780,979	7.72	2,190,302	15.02	5,971,281	9.40
	Subtotal	4,751,615	9.71	2,198,055	15.07	6,949,670	10.94
America							
	United States	44,615	0.09	19,110	0.13	63,725	0.10
	Mexico	315,918	0.64	-	-	315,918	0.50
	Others	866,357	1.77	145,211	1.00	1,011,568	1.59
	Subtotal	1,226,890	2.50	164,321	1.13	1,391,211	2.19
Africa							
	Mozambique	580,821	1.19	-	-	580,821	0.91
	Others	119,252	0.24	8,623	0.06	127,875	0.20
	Subtotal	700,073	1.43	8,623	0.06	708,696	1.11
	Total	₩ 49,007,121	100.00	₩ 14,582,684	100.00	₩ 63,589,805	100.00

(December 31, 2023)

Detail		Confirmed guarantees		Unconfirmed guarantees		Total	
		Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Asia							
	Korea	₩ 32,149,504	74.67	₩ 10,165,628	88.25	₩ 42,315,132	77.53
	China	46,809	0.11	-	-	46,809	0.09
	Saudi Arabia	957,326	2.22	-	-	957,326	1.75
	India	359,894	0.84	-	-	359,894	0.66
	Indonesia	1,280,567	2.97	291,415	2.53	1,571,982	2.88
	Vietnam	1,249,081	2.90	240,363	2.09	1,489,444	2.73
	Australia	158,823	0.37	-	-	158,823	0.29
	Qatar	172,174	0.40	-	-	172,174	0.32
	Singapore	58,023	0.13	-	-	58,023	0.11
	Oman	363,441	0.84	1,032	0.01	364,473	0.67
	Uzbekistan	228,409	0.53	-	-	228,409	0.42
	Others	2,273,845	5.28	121,953	1.06	2,395,798	4.39
	Subtotal	39,297,896	91.26	10,820,391	93.94	50,118,287	91.84
Europe							
	United Kingdom	400,400	0.93	-	-	400,400	0.73
	France	228,903	0.53	-	-	228,903	0.42
	Netherlands	180,516	0.42	-	-	180,516	0.33
	Others	1,344,118	3.12	571,946	4.97	1,916,064	3.51
	Subtotal	2,153,937	5.00	571,946	4.97	2,725,883	4.99
America							
	United States	48,232	0.11	16,762	0.15	64,994	0.12
	Mexico	10,315	0.02	-	-	10,315	0.02
	Others	787,707	1.84	108,829	0.94	896,536	1.64
	Subtotal	846,254	1.97	125,591	1.09	971,845	1.78
Africa							
	Madagascar	95,317	0.22	-	-	95,317	0.17
	Others	668,078	1.55	-	-	668,078	1.22
	Subtotal	763,395	1.77	-	-	763,395	1.39
	Total	₩ 43,061,482	100.00	₩ 11,517,928	100.00	₩ 54,579,410	100.00

(4) Details of guarantees classified by industry as of December 31, 2024 and 2023, are as follows (Korean won in millions):

(December 31, 2024)

	Confirmed guarantees		Unconfirmed guarantees		Total	
Detail	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Manufacturing	₩ 30,745,306	62.74	₩ 11,609,150	79.61	₩ 42,354,456	66.61
Transportation	2,520,523	5.14	512,477	3.51	3,033,000	4.77
Financial institution	3,030,797	6.18	1,843,195	12.64	4,873,992	7.66
Wholesale and retail	1,715,742	3.50	1,431	0.01	1,717,173	2.70
Real estate business	61,557	0.13	-	-	61,557	0.10
Construction	3,638,050	7.42	82,967	0.57	3,721,017	5.85
Public sector and others	7,295,146	14.89	533,464	3.66	7,828,610	12.31
Total	₩ 49,007,121	100.00	₩ 14,582,684	100.00	₩ 63,589,805	100.00

(December 31, 2023)

	Confirmed guarantees		Unconfirmed guarantees		Total	
Detail	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Manufacturing	₩ 27,349,344	63.51	₩ 10,232,081	88.84	₩ 37,581,425	68.85
Transportation	2,217,735	5.15	586,553	5.09	2,804,288	5.14
Financial institution	878,641	2.04	3,683	0.03	882,324	1.62
Wholesale and retail	1,753,614	4.07	26,265	0.23	1,779,879	3.26
Real estate business	54,275	0.13	4,641	0.04	58,916	0.11
Construction	4,598,227	10.68	81,846	0.71	4,680,073	8.57
Public sector and others	6,209,646	14.42	582,859	5.06	6,792,505	12.45
Total	₩ 43,061,482	100.00	₩ 11,517,928	100.00	₩ 54,579,410	100.00

(5) Global Medium-Term Note Program and CP programs

The Bank has been establishing the following programs regarding the issue of foreign currencies bonds and CPs:

1) Established on August 1, 1991, initially, and annually renewed, U.S. Shelf Registration to issue foreign bonds under the Securities and Exchange Commission rule of the United States of America with an issuance limit of USD 70 billion.

2) Established on May 14, 1997, and May 16, 1997, initially, and annually renewed, Euro and US CP programs to issue CPs with issuance limits of USD 10 billion and USD 2 billion, respectively.

3) Established on November 6, 1997, initially, and annually renewed, Global Medium-Term Note Program to issue mid-to-long-term foreign currencies bonds with an issuance limit of USD 35 billion.

4) Established in 1995, initially, and renewed every two years, Yen Shelf Registration to issue Samurai bond with an issuance limit of JPY 500 billion.

5) Established on May 31, 2010, Australian Domestic Debt Issuance Program to issue Kangaroo bond with limit of AUD 6 billion.

6) Established on January 17, 2011, initially, and renewed every two years, Uridashi Shelf Registration to issue Uridashi bond with an issuance limit of JPY 500 billion.

(6) Litigations

As of December 31, 2024, 4 lawsuits (aggregated claim amount: ₩4,304 million) were filed as a plaintiff and 2 pending litigations as a defendant were filed (aggregated claim amount: ₩24,586 million). The Bank's management expects that there is no significant impact on the separate financial statements due to these lawsuits but it is possible to make additional loss to the Bank due to the results of future litigation.

(7) Written-off loans

The Bank manages written-off loans that have claims on debtors due to the statute of limitations, uncollected after write-off, etc. The written-off loans as of December 31, 2024 and 2023, are ₩1,637,615 million and ₩1,739,567 million, respectively. The contractual uncollected amount of financial assets, which were written off during the 2024, but are still subject to collection, is ₩9,921 million.

37. TRANSACTIONS AND BALANCES WITH RELATED PARTIES:

Related parties consist of entities related to the Bank, postemployment benefits, a key management personnel and a close member of that person's family, an entity controlled or jointly controlled and an entity influenced significantly.

(1) Details of related parties as of December 31, 2024, are as follows:

Detail	Relationship	Ownership-percentage (%)
Parent:		
Korean government	Parent	76.38
Subsidiaries and Associates:		
KEXIM Bank UK Limited	Subsidiary	100.00
PT.KOEXIM Mandiri Finance	Subsidiary	97.52
KEXIM Vietnam Leasing Co.	Subsidiary	100.00
KEXIM Asia Limited	Subsidiary	100.00
KEXIM Global(Singapore) Ltd.	Subsidiary	100.00
EXIM PLUS Co., Ltd.	Subsidiary	100.00
Credit Guarantee and Investment Fund	Associate	14.80
KTB Newlake Global Healthcare PEF	Associate	24.99
Korea Aerospace Industries. Ltd.	Associate	26.41
KB-Badgers Future Mobility ESG Fund Ⅰ	Associate	22.73
WWG Green New Deal Fund	Associate	25.00
Corporate Structure Innovation PEF IV	Associate	22.20
HANGUK INVESTMENT SEMAINBEROBOTIKSEUSAMO INVESTMENT LIMITED PARTNERSHIP	Associate	23.58
STIC K-Growth Private Equity Fund	Associate	21.57
Wonik M&A 2024 Private Equity Fund	Associate	25.00
Corporate Structure Innovation PEF V	Associate	22.02

(2) Significant balances of receivables, payables and guarantees between the Bank and related parties

1) Receivables and payables between the Bank and related parties as of December 31, 2024 and 2023, are as follows (Korean won in millions):

(December 31, 2024)

Detail	Receivables	Allowance / Provisions	Payables
Subsidiaries:			
KEXIM Bank UK Limited	₩ 334,101	₩ -	₩ -
PT.KOEXIM Mandiri Finance	158,989	321	-
KEXIM Vietnam Leasing Co.	81,935	161	-
KEXIM Asia Limited	210,096	133	-
KEXIM Global(Singapore) Ltd.	257,690	-	-
Subtotal	1,042,811	615	-
Associates:			
Korea Aerospace Industries. Ltd.	-	1,380	286
Total	₩ 1,042,811	₩ 1,995	₩ 286

(December 31, 2023)

Detail	Receivables	Allowance / Provisions	Payables
Subsidiaries:			
KEXIM Bank UK Limited	₩ 269,384	₩ -	₩ -
PT.KOEXIM Mandiri Finance	121,958	212	-
KEXIM Vietnam Leasing Co.	105,733	157	-
KEXIM Asia Limited	240,647	127	-
KEXIM Global(Singapore) Ltd.	65,163	-	-
Subtotal	802,885	496	-
Associates:			
Korea Aerospace Industries. Ltd.	-	1,431	-
Total	₩ 802,885	₩ 1,927	₩ -

2) Guarantees provided to the related parties as of December 31, 2024 and 2023, are as follows (Korean won in millions):

(December 31, 2024)

Detail	Confirmed guarantees	Unconfirmed guarantees	Loan commitments	Other commitments
Subsidiaries:				
KEXIM Bank UK Limited	₩ -	₩ -	₩ 511,085	₩ -
PT.KOEXIM Mandiri Finance	-	-	61,740	-
KEXIM Vietnam Leasing Co.	-	-	205,635	-
KEXIM Asia Limited	-	-	307,759	-
KEXIM Global(Singapore) Ltd.	-	-	483,579	-
Subtotal	-	-	1,569,798	-
Associates:				
Korea Aerospace Industries. Ltd.	1,319,561	-	-	-
Total	₩ 1,319,561	₩ -	₩ 1,569,798	₩ -

(December 31, 2023)

Detail	Confirmed guarantees	Unconfirmed guarantees	Loan commitments	Other commitments
Subsidiaries:				
KEXIM Bank UK Limited	₩ -	₩ -	₩ 411,623	₩ -
PT.KOEXIM Mandiri Finance	-	-	7,736	-
KEXIM Vietnam Leasing Co.	-	-	148,042	-
KEXIM Asia Limited	-	-	219,611	-
KEXIM Global(Singapore) Ltd.	-	-	335,789	-
Subtotal	-	-	1,122,801	-
Associates:				
Korea Aerospace Industries. Ltd.	1,375,403	-	-	-
Total	₩ 1,375,403	₩ -	₩ 1,122,801	₩ -

(3) Profit and loss transactions between the Bank and related parties

Profit and loss transactions between the Bank and related parties for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

(2024)

Detail	Revenue	Bad debt expenses	Expenses
Subsidiaries:			
KEXIM Bank UK Limited	₩ 23,561	₩ -	₩ -
PT.KOEXIM Mandiri Finance	8,522	108	-
KEXIM Vietnam Leasing Co.	4,974	-	-
KEXIM Asia Limited	14,500	1	-
EXIM PLUS Co., Ltd.	-	-	7,173
KEXIM Global(Singapore) Ltd.	3,844	-	-
Subtotal	55,401	109	7,173
Associates:			
Korea Aerospace Industries. Ltd.	4,067	-	-
Subtotal	4,067	-	-
Total	₩ 59,468	₩ 109	₩ 7,173

(2023)

Detail	Revenue	Bad debt expenses	Expenses
Subsidiaries:			
KEXIM Bank UK Limited	₩ 16,369	₩ -	₩ -
PT.KOEXIM Mandiri Finance	5,768	(63)	-
KEXIM Vietnam Leasing Co.	6,378	(12)	-
KEXIM Asia Limited	10,810	39	-
EXIM PLUS Co., Ltd.	-	-	6,818
KEXIM Global(Singapore) Ltd.	792	-	-
Subtotal	40,117	(36)	6,818
Associates:			
Hanwha Ocean Co., Ltd. (formerly, Daewoo Shipbuilding & Marine Engineering Co., Ltd.) (*1)	53,642	(6,545)	44
Korea Aerospace Industries. Ltd.	4,663	(36)	-
Subtotal	58,305	(6,581)	44
Total	₩ 98,422	₩ (6,617)	₩ 6,862

(*1) Profit and loss transactions before being excluded from the related parties for the year ended December 31, 2023.

(4) Loans transactions between the Bank and related parties

Loan transactions between the Bank and related parties for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

(2024)

Detail	Financing transaction		Investing transaction	
	Loan	Collection	Increase	Decrease
Subsidiaries:				
KEXIM Bank UK Limited	₩ 1,990,818	₩ 1,972,275	-	-
PT.KOEXIM Mandiri Finance	563,560	546,566	-	-
KEXIM Vietnam Leasing Co.	330,409	365,532	-	-
KEXIM Asia Limited	900,247	965,272	-	-
KEXIM Global(Singapore) Ltd.	454,873	278,077	-	-
Total	₩ 4,239,907	₩ 4,127,722	-	-

(2023)

Detail	Financing transaction		Investing transaction	
	Loan	Collection	Increase	Decrease
Subsidiaries:				
KEXIM Bank UK Limited	₩ 785,350	₩ 778,143	₩ -	₩ -
PT.KOEXIM Mandiri Finance	242,707	265,698	64,805	-
KEXIM Vietnam Leasing Co.	401,130	432,696	-	-
KEXIM Asia Limited	154,673	132,489	-	-
KEXIM Global(Singapore) Ltd.	69,387	4,534	-	-
Associates:				
Hanwha Ocean Co., Ltd. (formerly, Daewoo Shipbuilding & Marine Engineering Co., Ltd.) (*1)	460,000	461,467	-	-
Total	₩ 2,113,247	₩ 2,075,027	₩ 64,805	₩ -

(*1) Profit and loss transactions before being excluded from the related parties for the year ended December 31, 2023.

(5) Details of compensation for key executives for the years ended December 31, 2024 and 2023, are as follows (Korean won in millions):

Detail	2024	2023
Short-term employee benefits	₩ 3,415	₩ 3,321
Post-employment benefits	259	241
Total	₩ 3,674	₩ 3,562

38. APPROVAL OF SEPARATE FINANCIAL STATEMENTS:

The separate financial statements of the Bank were approved by board of directors on March 19, 2025 and were finally approved by the Operations Committee on March 21, 2025.

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