OFFERING CIRCULAR



Industrial Bank of Korea

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

U.S.$8,000,000,000
Global Medium Term Note Programme

This Offering Circular replaces and supersedes the offering circular dated 9 May 2025 describing the Programme (as defined below). Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes issued before the date of this Offering Circular.

Under this U.S.$8,000,000,000 Global Medium Term Note Programme (the **Programme**), Industrial Bank of Korea (the **Issuer** or the **Bank**), acting through its principal office in Korea, Hong Kong Branch or London Branch, may from time to time issue senior notes (the **Senior Notes**) and subordinated notes (the **Subordinated Notes** and, together with the Senior Notes, the **Notes**) in bearer and/or registered form (respectively, **Bearer Notes** and/or **Registered Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.$8,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase, as described herein.

In relation to any Tranche (as defined under **Terms and Conditions of the Notes**) of Notes, the Issuer may act through its principal office in Korea, Hong Kong Branch or London Branch, in each case as indicated in the applicable Pricing Supplement (as defined below).

The Notes may be issued on a continuing basis to one or more of the Dealers specified on page 3 and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and, together, the **Dealers**) which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the **Singapore Stock Exchange**) in connection with the Programme and application will be made for the listing and quotation of Notes that may be issued pursuant to the Programme and which are agreed, at or prior to the time of issue thereof, to be so listed on the Singapore Stock Exchange. Such permission will be granted when such Notes have been admitted for listing and quotation on the Singapore Stock Exchange. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined on page 33) of Notes will be set out in a pricing supplement (the **Pricing Supplement**), a copy of which, with respect to Notes to be listed and quoted on the Singapore Stock Exchange, will be submitted to the Singapore Stock Exchange before the date of listing of the Notes of such Tranche.

The Singapore Stock Exchange 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 the listing and quotation of any Notes on, the Singapore Stock Exchange are not to be taken as an indication of the merits of the Issuer, the Programme or the Notes.

The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer, The Law Debenture Trust Corporation p.l.c. (the **Trustee**) and the relevant Dealer. The Issuer may also issue unlisted Notes. See "*Investment Considerations*" for a further discussion of certain factors to be considered in connection with an investment in the Notes.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the Securities Act), and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. Accordingly, the Notes will be offered and sold (a) in the United States, only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) or to "accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that are institutions and (b) in "offshore transactions" to persons other than "U.S. persons" (each as defined in Regulation S under the Securities Act). See "*Form of the Notes*" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer. The Notes will be subject to certain other restrictions on transfer described in "*Subscription and Sale and Transfer and Selling Restrictions*".

The Issuer and the Trustee may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed and quoted on the Singapore Stock Exchange) a supplementary offering circular or further offering circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Arranger

Citigroup

Dealers

ANZ	**BNP PARIBAS**	**BofA Securities**
Citigroup	**Crédit Agricole CIB**	**HSBC**
IBK Securities Co., Ltd.	**J.P. Morgan**	**Mizuho**
MUFG	**Natixis**	**NOMURA**
Société Générale Corporate & Investment Banking	**Standard Chartered Bank**	**UBS**

Wells Fargo Securities

The date of this Offering Circular is 8 May 2026.

The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains or incorporates all information which is material in the context of the issuance and offering of the Notes, that the information contained or incorporated in this Offering Circular is true and accurate in all material respects and is not misleading in any material respect, that the opinions and intentions expressed in this Offering Circular are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions, and that there are no other facts, the omission of which would, in the context of the issue and offering of the Notes, make this Offering Circular as a whole or any information or the expression of any opinions or intentions expressed in this Offering Circular misleading in any material respect. The Issuer accepts responsibility accordingly.

This Offering Circular is to be read in conjunction with all documents that are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

The Offering Circular is based on information provided by the Issuer and by other sources the Issuer believes are reasonable. Accordingly, no representation, warranty or undertaking, express or implied, is made and, to the fullest extent permitted by law, no responsibility or liability is accepted by the Dealers, the Agents or the Trustee or any director, officer, agent or affiliate of any such person or any of them as to the accuracy or completeness of the information contained or incorporated in this Offering Circular, any other information provided by the Issuer in connection with the Programme or for any other statement made or purported to be made by any Dealer, the Agents or the Trustee or any director, officer, agent or affiliate of any such person or any of them or on its behalf in connection with the Issuer, the Programme or the issue and offering of the Notes. The Dealers, the Agents and the Trustee accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Offering Circular or any such statement. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer under the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied by or on behalf of the Issuer in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Trustee, any of the Agents or any of the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Agents, the Trustee or any of the Dealers or any director, officer, agent or affiliate of any such person or any of them that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, and the terms of the Notes being offered, including the merits and risks involved. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Trustee, any of the Agents or any of the Dealers to any person to subscribe for or to purchase any Notes in any jurisdiction where such an offer would be prohibited.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers, the Agents and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the

Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, inter alia, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue based on prevailing market conditions.

Any websites referred to within this Offering Circular or any relevant Pricing Supplement do not form part of this this Offering Circular or any relevant Pricing Supplement. Information appearing on such website does not form part of this Offering Circular or any relevant Pricing Supplement and none of the Issuer, the Arranger or the Dealers accepts any responsibility whatsoever that any such information is accurate and/or up-to-date. Any such information should not form the basis of any investment decision by an investor to purchase or deal in the Notes issued under the Programme.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the regulations promulgated thereunder.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of the Notes may be restricted by law in certain jurisdictions. The Issuer, the Trustee, the Agents and the Dealers do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Agents, the Trustee or the Dealers that would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of the Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area, the United Kingdom, the People's Republic of China (the **PRC**, which, for purposes of this Offering Circular, excludes the Hong Kong Special Administrative Region of the PRC (**Hong Kong**), the Macao Special Administrative Region of the PRC and Taiwan), Hong Kong, Korea, Japan and Singapore. For a description of these and certain further restrictions on offers and sales of the Notes and distribution of this Offering Circular, see "*Subscription and Sale and Transfer and Selling Restrictions*".

IMPORTANT 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 certain offerings of the Notes pursuant to the Program (each such offering, a **CMI Offering**), including certain Dealers, may be "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 a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (an **Association**) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI 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 the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI 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). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer 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 the relevant CMI 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 relevant Dealer, 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 Dealer 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 the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI 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 relevant Dealer and/or any other third parties as may be required by the SFC Code, including to the Issuer, 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 the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

Product classification pursuant to Section 309B of the Securities and Futures Act 2001 of Singapore – The Pricing Supplement in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of

the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the **SFA**). If applicable, the Issuer will make a determination about the classification of the Notes being offered for the purposes of section 309B(1)(a) and section 309B(1)(c) of the SFA. Any such legend included in the relevant Pricing Supplement will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. None of the Dealers or the Issuer makes any representation to any investor regarding the legality of its investment in the Notes under any applicable laws. The contents of this Offering Circular should not be construed as providing legal, business, accounting or tax advice. Any investor should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

U.S. INFORMATION

The Notes have not been registered with or approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have any of the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is a criminal offense.

This Offering Circular is being submitted on a confidential basis in the United States to a limited number of **QIBs** or **Institutional Accredited Investors** (each as defined under "*Form of the Notes*") for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Notes may be offered and sold outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act (**Regulation S**). Registered Notes may be offered or sold within the United States only to QIBs or to Institutional Accredited Investors, in either case in transactions exempt from registration under the Securities Act. Each U.S. purchaser of the Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act (**Rule 144A**).

Purchasers of **Definitive IAI Registered Notes** (as defined under "*Form of the Notes*") will be required to execute and deliver an IAI Investment Letter (as defined under "*Terms and Conditions of the Notes*"). Each purchaser or holder of Definitive IAI Registered Notes, Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together **Legended Notes**) will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Notes*".

IMPORTANT – UK RETAIL INVESTORS

If the final terms (or Pricing Supplement, as the case may be) in respect of any Series (as defined under "*Terms and Conditions of the Notes*") of Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes of any such Series are not intended to be offered, sold, distributed or otherwise made available and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom. For these purposes: (a) a **retail investor** means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as

it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA)**; or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 (the **POATRs)**. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook (**DISC**) for offering, selling or distributing the Notes or otherwise making them available to retail investors in the United Kingdom will be prepared and, therefore, offering, selling or distributing the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

UK MIFIR PRODUCT GOVERNANCE

The final terms (or Pricing Supplement, as the case may be) in respect of any Series (as defined under "*Terms and Conditions of the Notes*") of Notes may include a legend titled "UK MiFIR Product Governance," which will outline the target market assessment in respect of the Notes of any such Series and which channels for distribution of the Notes are appropriate. If such a legend is included, any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) will be responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining the appropriate distribution channels.

For the purpose of the UK MiFIR Product Governance Rules, each of the Arranger and Dealers will be deemed not to be a manufacturer unless determined otherwise, the determination of which will be made in relation to each issue of Notes with respect to the Arranger and each Dealer.

NOTICE TO PERSONS IN THE UNITED KINGDOM

This Offering Circular is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (e) of the Order (all such persons together being referred to as **relevant persons**). The Notes will only be 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 Offering Circular or any of its contents.

IMPORTANT – EEA RETAIL INVESTORS

If the final terms (or Pricing Supplement, as the case may be) in respect of any Series (as defined under "*Terms and Conditions of the Notes*") of Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors," the Notes of any such Series are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a **retail investor** means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the **Prospectus Regulation**). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA will be prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE

The final terms (or Pricing Supplement, as the case may be) in respect of any Series (as defined under "*Terms and Conditions of the Notes*") of Notes may include a legend titled "MiFID II Product Governance," which will outline the target market assessment in respect of the Notes of any such Series and which channels for distribution of the Notes are appropriate. If such a legend is included, any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II will be responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining the appropriate distribution channels.

For the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), each of the Arranger and Dealers will be deemed not to be a manufacturer unless determined otherwise, the determination of which will be made in relation to each issue of Notes with respect to the Arranger and each Dealer.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, the Issuer will furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the Issuer is neither a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the **Exchange Act**), nor exempt from reporting pursuant to Rule 12g3–2(b) thereunder.

SERVICE OF PROCESS, ENFORCEMENT OF CIVIL LIABILITIES AND CHOICE OF GOVERNING LAW

The Issuer is a corporation organised under the laws of the Republic of Korea. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Issuer and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside Korea upon the Issuer or such persons, or to enforce judgments against them obtained in courts outside Korea predicated upon civil liabilities of the Issuer or such directors and officers under laws other than Korean law, including any judgment predicated upon U.S. federal securities laws. The Issuer has been advised by Shin & Kim LLC, its counsel as to Korean law, that there is doubt as to the enforceability in Korea in original actions or in actions for enforcement of judgments of U.S. courts of civil liabilities predicated solely upon the U.S. federal securities laws.

The **Trust Deed,** the **Agency Agreement**, the **Notes**, the **Receipts** and the **Coupons** (each as defined under "*Terms and Conditions of the Notes*" below) and any non-contractual obligations arising out of or in connection therewith are governed by, and shall be construed in accordance with, English law except that Condition 3(b) is governed by, and shall be construed in accordance with, Korean law. However, if a claim relating to any non-contractual obligations arising out of or in connection with any of the Trust Deed, the Agency Agreement, the Notes, the Receipts or the Coupons is brought to a court in Korea, Korean courts may not recognise English law as the governing law of such claim.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Issuer maintains its financial books and records and prepares its financial statements in Won in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (**K-IFRS**), which differ in certain significant respects from generally accepted accounting principles in other countries, including generally accepted accounting principles in the United States (**U.S. GAAP**). The Issuer has made no attempt to identify or quantify the impact of differences between K-IFRS and U.S. GAAP.

Unless otherwise indicated, the financial information included in this Offering Circular as of and for the years ended 31 December 2024 and 2025 is derived from the Issuer's audited separate financial statements as of and for the years ended 31 December 2025 and 2024 appearing elsewhere in this Offering Circular, which have been prepared in accordance with K-IFRS.

Unless the context otherwise requires, all references to the Bank or the Issuer are to Industrial Bank of Korea, excluding its subsidiaries.

All references in this document to **Korea** and the **Republic** refer to the Republic of Korea, those to the **Government** refer to the government of Korea, those to **won**, **Won** and **₩** refer to Korean Won, those to **dollars**, **U.S. dollars**, **U.S.$**, **US$**, and **$** refer to United States dollars, those to **Japanese Yen**, **¥** and **Yen** refer to the Japanese Yen, those to **S$** refer to Singapore dollars, those to **Sterling** and **£** refer to British pounds sterling, those to **€** and **Euro** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, and those to **Renminbi**, **RMB** and **CNY** refer to the lawful currency of the PRC. References in this document to billions are to thousands of millions.

FORWARD-LOOKING STATEMENTS

This Offering Circular, including the documents incorporated into this Offering Circular by reference, includes forward-looking statements. These forward-looking statements include all statements other than statements of historical facts and the current status contained or incorporated by reference in this Offering Circular, including statements regarding the Issuer's future financial position, its business strategy, and the plans and objectives of management for future operations.

Words such as "aim", "anticipate", "assume", "believe", "contemplate", "continue", "estimate", "expect", "future", "goal", "intend", "may", "objective", "plan", "positioned", "predict", "project", "risk", "seek to", "shall", "should", "will", "will likely result", "will pursue", and words and terms of similar substance used in connection with any discussion of future operating or financial performance identify forward-looking statements.

All forward-looking statements are management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. In addition to the risks related to the Issuer, which are discussed under "*Investment Considerations*" in this Offering Circular, other factors could cause actual results to differ materially from those described in the forward-looking statements. These factors include, but are not limited to:

- the Issuer's ability to implement its strategy successfully;
- the Issuer's growth and expansion;
- future levels of non-performing loans;

- the adequacy of allowance for credit and investment losses;
- technological changes;
- interest rates;
- availability of funding and liquidity;
- the Issuer's exposure to market risks; and
- adverse market and regulatory conditions.

In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in or incorporated by reference into this Offering Circular could include, but are not limited to:

- the occurrence of severe health epidemics (including the outbreak of the COVID-19 pandemic) in Korea or other parts of the world;
- general economic and political conditions in Korea or other countries which have an impact on the Issuer's business activities or investments;
- the monetary and interest rate policies of Korea and elsewhere;
- inflation or deflation;
- foreign exchange rates;
- prices and yields of equity and debt securities;
- the performance of the financial markets in Korea and globally;
- changes in domestic and foreign laws, regulations and taxes;
- changes in competition and the pricing environment in Korea; and
- regional or general changes in asset valuations.

In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Offering Circular or in documents incorporated by reference herein may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. These statements are based on information available to the Issuer on the date hereof, and the Issuer does not assume any obligation to update such forward-looking statements.

For further discussion of the factors that could cause actual results to differ, see "*Investment Considerations*" in this Offering Circular. The Issuer cautions you not to place undue reliance on forward-looking statements, which speak only as of the date of this Offering Circular. Except as required by law, the Issuer is not under any obligation, and expressly disclaims any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent forward-looking statements attributable to the Issuer or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

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In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement 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 can be no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of 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 Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Offering Circular:

(a) the most recently published audited consolidated and separate annual financial statements and the most recently published unaudited consolidated and separate interim financial statements (if any) of the Issuer; and

(b) all supplements or amendments to this Offering Circular circulated by the Issuer from time to time,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its registered office set out at the end of this Offering Circular. In addition, such documents will be available from the principal office of Deutsche Bank AG, Hong Kong Branch (the **Issuing and Principal Paying Agent**) for any Notes listed on the Singapore Stock Exchange.

The Issuer will, in connection with the listing of the Notes on the Singapore Stock Exchange, so long as the rules of the Singapore Stock Exchange so require, in the event of any material change which is not reflected in this Offering Circular, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of the Notes to be listed on the Singapore Stock Exchange.

If the terms of the Programme are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading, a new offering circular will be prepared.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer, acting through its principal office in Korea, Hong Kong Branch or London Branch, may from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, as more fully described under "*Form of the Notes*" below.

This Offering Circular and any supplement will only be valid for the issue of Notes in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed U.S.$8,000,000,000 or its equivalent in other currencies. For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

(a) the U.S. dollar equivalent of Notes denominated in another Specified Currency (as specified in the applicable Pricing Supplement in relation to the Notes, described under "*Form of the Notes*") shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Notes or on the first preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the U.S. dollar against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation;

(b) the U.S. dollar equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Pricing Supplement in relation to the Notes, described under "*Form of the Notes*") shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and

(c) the U.S. dollar equivalent of Zero Coupon Notes (as specified in the applicable Pricing Supplement in relation to the Notes, described under "*Form of the Notes*") and other Notes issued at a discount or premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.

SUMMARY OF THE PROGRAMME AND TERMS AND CONDITIONS OF THE NOTES

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" below shall have the same meanings in this summary.

Issuer:	Industrial Bank of Korea, acting through its principal office in Korea, Hong Kong Branch or London Branch, in each case as indicated in the applicable Pricing Supplement.
Description:	Global Medium Term Note Programme
Arranger:	Citigroup Global Markets Inc.
Dealers:	Australia and New Zealand Banking Group Limited BNP PARIBAS Citigroup Global Markets Inc. Crédit Agricole Corporate and Investment Bank The Hongkong and Shanghai Banking Corporation Limited IBK Securities Co., Ltd. J.P. Morgan Securities plc Merrill Lynch International Mizuho Securities Asia Limited MUFG Securities EMEA plc Natixis Nomura Singapore Limited Société Générale Standard Chartered Bank UBS AG Hong Kong Branch Wells Fargo Securities, LLC and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale and Transfer and Selling Restrictions*" below).
Trustee:	The Law Debenture Trust Corporation p.l.c.
Issuing and Principal Paying Agent, Exchange Agent, Transfer Agent and Calculation Agent:	Deutsche Bank AG, Hong Kong Branch

U.S. Transfer Agent, U.S. Paying Agent and U.S. Registrar:	Deutsche Bank Trust Company Americas
Registrar and Paying Agent:	Deutsche Bank AG, Hong Kong Branch
CMU Lodging Agent:	Deutsche Bank AG, Hong Kong Branch
Programme Size:	Up to U.S.$8,000,000,000 (or its equivalent in other currencies calculated as described under "*General Description of the Programme*") outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Euro, Sterling, U.S. dollars, Yen, Renminbi and, subject to any applicable legal or regulatory restrictions, any other currency as may be agreed between the Issuer and the relevant Dealer.
Maturities:	Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency provided that, at the date of this Offering Circular, Subordinated Notes shall have a minimum maturity of five years.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes may be in bearer form and/or registered form. Bearer Notes will be in bearer form and will on issue be represented by a temporary bearer global Note. Temporary bearer global Notes will be exchangeable either for (i) interests in a permanent bearer global Note or (ii) for definitive bearer Notes as indicated in the applicable Pricing Supplement. Permanent bearer global Notes will be exchangeable for definitive bearer Notes upon either (a) not less than 60 days' written notice from (in the case of Notes held by a common depositary for Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**)) Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent bearer global Note) to the Issuing and Principal Paying Agent as described therein and/or (in the case of Notes held through the CMU Service (as defined herein)) the relevant accountholders therein to the CMU Lodging Agent as described therein or (b) only upon the occurrence of an Exchange Event as described under "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and vice versa.

Fixed Rate Notes:

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined either:

(i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

(ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or

(iii) on such other basis as may be agreed between the Issuer and the relevant Dealer.

The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each series of Floating Rate Notes.

In the event of the discontinuation of a reference rate applicable to a Series of Floating Rate Notes specified in the applicable Pricing Supplement, then (a) Condition 5(h) of the "Terms and Conditions of the Notes" shall apply if Benchmark Discontinuation (General) is specified in the applicable Pricing Supplement; (b) Condition 5(i) of the "Terms and Conditions of the Notes" shall apply if Benchmark Discontinuation (SOFR) is specified in the applicable Pricing Supplement; or (c) as otherwise provided in the applicable Pricing Supplement.

Index Linked Notes:

Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.

Other provisions relating to Floating Rate Notes and Index Linked Interest Notes:

Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of the relevant Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of late payment.
Redemption:	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments (see below), if applicable, or for taxation reasons or following an Event of Default or, in the case of Subordinated Notes, for regulatory reasons and in the case of Tier I Subordinated Notes, for tax non-deductibility reasons) or that such Notes will be redeemable at the option of the Issuer and/or (except in the case of Subordinated Notes) the Noteholders upon giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as may be agreed between the Issuer and the relevant Dealer. Under applicable laws and regulations at the date of this Offering Circular, Subordinated Notes may not be redeemed less than five years or prior to the stated maturity after the relevant Issue Date except for taxation reasons or following an Event of Default or regulatory reasons and in the case of Tier I Subordinated Notes, for tax non-deductibility reasons. The applicable Pricing Supplement may provide that Notes may be repayable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement.
Loss Absorption upon a Trigger Event in respect of Subordinated Notes:	The Subordinated Notes will be subject to Write-off upon the occurrence of a Trigger Event, as provided in Condition 8. See *"Investment Considerations — Risks relating to the Notes — The Notes that are Subordinated Notes may be fully written off upon the occurrence of a Trigger Event, in which case holders of the Notes will lose all of their investment"*.
Denomination of Notes:	Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. Unless otherwise stated in the applicable Pricing Supplement, the minimum denomination of each Definitive IAI Registered Note will be U.S.$500,000 or its approximate equivalent in other Specified Currencies.

Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed within Korea, subject as provided in Condition 9. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 9, be required to pay additional amounts to cover the amounts so deducted. *In making an investment decision, each prospective investor is strongly recommended to consult its own professional advisers in respect of the tax implications of holding the Notes. See "Taxation".*
Negative Pledge:	The terms of the Senior Notes will contain a negative pledge provision as further described in Condition 4.
Cross Acceleration:	The terms of the Senior Notes will contain a cross-acceleration provision as further described in Condition 11.
Status of the Senior Notes:	The Senior Notes will constitute direct, unconditional and (subject to Condition 4) unsecured obligations of the Issuer which will rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured (subject to Condition 4) and unsubordinated obligations of the Issuer, save for such as may be preferred by mandatory provisions of applicable law.
Status of the Subordinated Notes:	The Subordinated Notes will constitute direct, general, unsecured and subordinated obligations of the Issuer. The rights of holders of Subordinated Notes will be subordinated in right of payment in the manner provided in Condition 3(c).
Listing:	Approval in-principle has been received from the Singapore Stock Exchange in connection with the Programme and application will be made for the listing and quotation of Notes that may be issued under the Programme and which are agreed, at or prior to the time of issue thereof, to be so listed on the Singapore Stock Exchange. Such permission will be granted when such Notes have been admitted for listing and quotation on the Singapore Stock Exchange. For so long as any Notes are listed on the Singapore Stock Exchange and the rules of the Singapore Stock Exchange so require, such Notes, if traded on the Singapore Stock Exchange, will be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies). The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer, the Trustee and the relevant Dealer in relation to each Series. Unlisted Notes may also be issued. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed or admitted to trading and, if so, on which stock exchange(s).
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed

	in accordance with, English law except for Conditions 3(b) ("*Status of the Subordinated Notes*") and 3(c) ("*Subordination*") which will be governed by, and construed in accordance with, Korean law. The Issuer has in the Trust Deed irrevocably agreed to the exclusive benefit of the Trustee, the Noteholders, the Receiptholders and Couponholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Agency Agreement, the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection therewith) and that accordingly any suit, action or proceedings arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes, the Receipts and the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection therewith) may be brought in such courts.
Selling Restrictions:	There are selling restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area, the United Kingdom, the PRC, Hong Kong, Korea, Japan and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Subscription and Sale and Transfer and Selling Restrictions*" below.
U.S. Selling Restrictions:	Regulation S, Category 2, Rule 144A and Section 4(2), TEFRA C or D, as specified in the Pricing Supplement.
Meetings of Noteholders:	The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interest, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of the Notes, the Receipts, the Coupons, these Terms and Conditions or any of the provisions of the Trust Deed or the Agency Agreement. See "*Terms and Conditions of the Notes — Condition 16 (Meetings of Noteholders, Modification and Waiver)*".

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or another available exemption from the registration requirements of the Securities Act.

Bearer Notes

Each Tranche of Bearer Notes will be initially issued in the form of either a temporary bearer global note (a **Temporary Bearer Global Note**) or a permanent bearer global note (a **Permanent Bearer Global Note** and, together with a Temporary Bearer Global Note, a **Bearer Global Note**) as indicated in the applicable Pricing Supplement, which, in either case, will be delivered on or prior to the original issue date of the Tranche to either (i) a common depositary (the **Common Depositary**) for Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**) or (ii) a sub-custodian for the Hong Kong Monetary Authority (the **HKMA**) as operator of the Central Moneymarkets Unit Service (the **CMU Service**). Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, and Euroclear and/or Clearstream, Luxembourg and/or the CMU Lodging Agent (as defined under "*Terms and Conditions of the Notes*"), as applicable, has given a like certification (based on the certifications it has received) to the Issuing and Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same series or (ii) for definitive Bearer Notes of the same series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement) in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The CMU Service may require that any such exchange for a Permanent Bearer Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as shown in the records of the CMU Service) or any other relevant notification supplied to the CMU Lodging Agent by the CMU Service) have provided certification of beneficial ownership as described above. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification, beyond the initial non-U.S. beneficial ownership certification as described above. In respect of a Bearer Global Note held through the CMU Service, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Bearer Global Note are credited (as set out in a relevant notification supplied to the CMU Lodging Agent by the CMU Service) and save in the case of a final payment, no presentation of the relevant Bearer Global Note shall be required for such purpose.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 days' written notice from (in the case of Notes held by a Common Depositary for Euroclear and/or Clearstream, Luxembourg) Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Issuing and Principal Paying Agent as described therein and/or (in the case of Notes held through the CMU Service) the relevant accountholders therein to the CMU Lodging Agent as described therein, or (b) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been or, in the case of Notes held through the CMU Service, the CMU Service has been, closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have or has announced an intention permanently to cease business or have or has in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 8 which would not be required were the Notes represented by the Permanent Bearer Global Note in definitive form (provided that, in certain circumstances where the Notes are held through Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, such adverse tax consequences are as a result of a change in, or amendment to, the laws or regulations (taxation or otherwise) in, or of, Korea). The Issuer will promptly give notice to the Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (x) in the case of Notes held by a Common Depositary for Euroclear and/or Clearstream, Luxembourg, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee, and/or (y) in the case of Notes held through the CMU Service, the relevant accountholders therein or the Trustee, may give notice to the Issuing and Principal Paying Agent or, as the case may be, the CMU Lodging Agent, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Issuing and Principal Paying Agent or the CMU Lodging Agent, as the case may be, requesting exchange. Any such exchange following an Exchange Event shall occur not later than 45 days after the date of receipt of the first relevant notice by the Issuing and Principal Paying Agent or the CMU Lodging Agent, as the case may be.

All Notes will be issued pursuant to the Trust Deed and the Agency Agreement.

The following legend will appear on all Bearer Notes which have an original maturity of more than 365 days and on all talons, receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE".

The sections referred to provide that U.S. holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable, and payment in respect of them will only be made, in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, or the CMU Service, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a

Regulation S Global Note). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions (i) to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act (**QIBs**) or (ii) to "accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act that are institutions (**Institutional Accredited Investors**) who agree to purchase the Notes for their own account and not with a view to the distribution thereof. The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a **Rule 144A Global Note** and, together with a Regulation S Global Note, the **Registered Global Notes**).

Registered Global Notes will be deposited with (i) a custodian for, and registered in the name of a nominee of, DTC for the accounts of its participants, including Euroclear and Clearstream, Luxembourg, (ii) a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, or (iii) a sub-custodian for the HKMA as operator of the CMU Service, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof (**Definitive IAI Registered Notes**). Unless otherwise set forth in the applicable Pricing Supplement, Definitive IAI Registered Notes will be issued only in minimum denominations of U.S.$500,000 and integral multiples of U.S.$1,000 in excess thereof (or the approximate equivalents in the applicable Specified Currency). Definitive IAI Registered Notes will be subject to the restrictions on transfer set forth therein and will bear the restrictive legend described under "*Subscription and Sale and Transfer and Selling Restrictions*". Institutional Accredited Investors that hold Definitive IAI Registered Notes may elect to hold such Notes through DTC, but transferees acquiring the Notes in transactions exempt from Securities Act registration pursuant to Regulation S or Rule 144A under the Securities Act (if available) may do so upon satisfaction of the requirements applicable to such transfer as described under "*Subscription and Sale and Transfer and Selling Restrictions*". The Rule 144A Global Note and the Definitive IAI Registered Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 1) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6(b)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for Registered Notes in definitive form without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has

notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act, (iii) in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available, (iv) in the case of Notes held through the CMU Service, the Issuer has been notified that the CMU Service has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and, in any such case, no successor clearing system is available or (v) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 8 which would not be required were the Notes represented by the Registered Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) in the case of Notes registered in the name of a nominee for DTC, DTC, (b) in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) and/or (c) in the case of Notes held through the CMU Service, the relevant accountholders therein, may give notice to the Registrar or the CMU Lodging Agent, as the case may be, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (v) above, the Issuer may also give notice to the Registrar or the CMU Lodging Agent, as the case may be, requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar or the CMU Lodging Agent, as the case may be.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note or in the form of a Definitive IAI Registered Note, and Definitive IAI Registered Notes may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such Notes in the form of an interest in a Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear, Clearstream, Luxembourg and the CMU Service, in each case to the extent applicable. Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions. See "*Subscription and Sale and Transfer and Selling Restrictions*".

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Issuing and Principal Paying Agent or the Registrar, as the case may be, shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number or CMU instrument number which are different from the common code, ISIN, CUSIP and CINS or CMU instrument number assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period applicable to the Notes of such Tranche and, for Notes subject to the certification requirements under U.S. Treasury regulations, until at least the Temporary Global Note is exchanged for the Permanent Global Note.

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, each person (other than Euroclear or Clearstream, Luxembourg or the CMU Service) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or of the CMU Service as the holder of a particular nominal amount of such Notes (in which regard

any certificate or other document issued by Euroclear or Clearstream, Luxembourg or the CMU Service as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant global Note and the Trust Deed and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. Payment in respect of Notes represented by a global Note will only be made, in accordance with the rules and procedures for the time being of DTC, Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be. Notwithstanding the above, if a Note is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with the rules of the CMU Service (**CMU Rules**) at the relevant time as notified to the CMU Lodging Agent by the CMU Service through a relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error).

So long as DTC or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and such Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10. In such circumstances, where any Note is still represented by a global Note and the global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the global Note then holders of interests in such global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the CMU Service, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg, DTC and/or the CMU Service on and subject to the terms of the relevant global Note and the Trust Deed. In addition, holders of interests in such global Note credited to their accounts with DTC may require DTC to deliver definitive Notes in registered form in exchange for their interest in such global Note in accordance with DTC's standard operating procedures.

For so long as any Notes are listed on the Singapore Stock Exchange and the rules of the Singapore Stock Exchange so require, in the event that a global Note representing such Notes is exchanged for definitive Notes, the Issuer shall appoint and maintain a paying agent in Singapore, where such definitive Notes may be presented or surrendered for payment or redemption. In addition, in the event that a global Note representing such Notes is exchanged for definitive Notes, an announcement of such exchange will be made by or on behalf of the Issuer through the Singapore Stock Exchange and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

SUMMARY OF PROVISIONS RELATING TO DEFINITIVE REGISTERED NOTES

Registered Notes of a Series that are initially offered and sold in the United States pursuant to Section 4(2) of the Securities Act in private placement transactions exempt from registration under the Securities Act to Institutional Accredited Investors who execute and deliver to the Registrar an IAI Investment Letter substantially in the form attached to the Agency Agreement will be issued only as Definitive Registered Notes, registered in the name of the purchaser thereof or its nominee. Unless otherwise set forth in the applicable Pricing Supplement, such Definitive Registered Notes will be issued only in minimum denominations of U.S.$500,000 and integral multiples of U.S.$1,000 in excess thereof (or the approximate equivalents in the applicable Specified Currency). Such Definitive Registered Notes issued to Institutional Accredited Investors will be subject to the restrictions on transfer set forth therein and in the Agency Agreement and will bear the applicable legend regarding such restrictions set forth under "*Subscription and Sale and Transfer and Selling Restrictions*" below. Institutional Accredited Investors that hold Definitive Registered Notes may not elect to hold such Notes through DTC, but transferees acquiring such Notes in transactions exempt from registration under the Securities Act pursuant to Rule 144A, Regulation S or Rule 144 under the Securities Act (if available) may take delivery thereof in the form of an interest in a Restricted Global Note or a Regulation S Global Note, as the case may be, representing Notes of the same Series.

FORM OF APPLICABLE PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

[Date]

Industrial Bank of Korea

(acting through its [principal office in Korea]/[●] Branch)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.$8,000,000,000
Global Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of notes described herein (the **Notes**).

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 8 May 2026. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [*original date*]. This Pricing Supplement constitutes the final terms of the Notes and must be read in conjunction with the Offering Circular dated 8 May 2026, save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto.]

[*The following legend is to be inserted unless the pricing supplement in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable":*

IMPORTANT – UK RETAIL INVESTORS / PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom. For these purposes: (a) a **retail investor** means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 (the **POATRs**). Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook (**DISC**) for offering, selling or distributing the Notes or otherwise making them available to retail investors in the United Kingdom will be prepared and, therefore, offering, selling or distributing the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.]

[The following legend is to be inserted if the syndicate includes a UK MiFIR manufacturer:

UK MIFIR PRODUCT GOVERNANCE

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

NOTICE TO PERSONS IN THE UNITED KINGDOM

This Pricing Supplement is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (e) of the Order (all such persons together being referred to as **relevant persons**). The Notes will only be 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 Pricing Supplement or any of its contents.

[*The following legend is to be inserted if the pricing supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable":*

[IMPORTANT – EEA RETAIL INVESTORS / PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**). For these purposes, a **retail investor** means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the **Prospectus Regulation**). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA will be prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

This Pricing Supplement has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area (each, a **Relevant State**) will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant State of Notes which are the subject of an offering contemplated in this Pricing Supplement may only do so in circumstances in which no obligation arises for the Issuer or any of

the Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor the Managers have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or the Managers to publish or supplement a prospectus for such offer.

For the purposes of this provision, an **offer to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Notes to be offered so as to enable an investor to decide to purchase or subscribe for any Notes, and **Prospectus Regulation** means Regulation (EU) 2017/1129.]

[*The following legend is to be inserted if the syndicate includes a MiFID II manufacturer:*

MIFID II PRODUCT GOVERNANCE

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

[The following legend is to be inserted if the Notes will be offered in Singapore to institutional investors and accredited investors only:

Notice to investors in Singapore: By accepting this Pricing Supplement, 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 in the Offering Circular.]

[The following legend is to be inserted if the Notes will be offered in Singapore to investors other than institutional investors and accredited investors. If so, the Issuer is to determine the relevant classification of the Notes pursuant to Section 309B of the SFA prior to the launch of the offer:

Singapore Securities and Futures Act Product Classification – Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the SFA) – The Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products [OR] capital markets products other than prescribed capital markets products][*] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and [Excluded Investment Products [OR] Specified Investment Products][*] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).[*To delete accordingly]]

A REGISTRATION STATEMENT FOR THE OFFERING AND SALE OF THE NOTES HAS NOT BEEN FILED AND WILL NOT BE FILED WITH THE FINANCIAL SERVICES COMMISSION OF KOREA.

[*] To delete accordingly.

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 AND REGULATIONS THEREUNDER), EXCEPT AS OTHERWISE PERMITTED BY APPLICABLE KOREAN LAWS AND REGULATIONS. FURTHERMORE, A HOLDER OF THE NOTES SHALL BE PROHIBITED FROM OFFERING, DELIVERING OR SELLING ANY NOTES, DIRECTLY OR INDIRECTLY, IN KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA, EXCEPT AS OTHERWISE PERMITTED BY APPLICABLE KOREAN LAWS AND REGULATIONS.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.*]

1.	Issuer:		Industrial Bank of Korea (acting through its [**principal office in Korea]/[●] Branch**)
2.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●] *(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
3.	Specified Currency or Currencies:		[●][**]
4.	Aggregate Nominal Amount:		
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
5.	(i)	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (if applicable)]
	(ii)	Net Proceeds: *(Required only for listed issues)*	[●]
6.	(i)	Specified Denominations: *(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)*	[●] *(N.B. Pursuant to the Prospectus Regulation, Notes to be admitted to trading on a regulated market within the EEA must have a minimum denomination of €100,000 (or equivalent) in order to benefit from Transparency Directive exemptions in respect of wholesale securities and the wholesale exemption set out in Article 1(4) of the Prospectus Regulation. If an issue of Notes is (i) not*

[**] In respect of Notes denominated in Renminbi, purchasers of the Notes should note that Renminbi is not freely convertible at present. All payments in respect of such Notes shall be made solely by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong in accordance with applicable laws and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or by transfer to a bank account in the PRC).

admitted to trading on an EEA exchange and (ii) only offered in the EEA in circumstances where a prospectus is not required to be published under the Prospectus Regulation, the €100,000 minimum denomination is not required.)

(N.B. Pursuant to paragraph 4 of Schedule 1 to the POATRs, Notes with a minimum denomination of £50,000 (or equivalent) benefit from an exception to the general prohibition on offers to the public set out in Regulation 12 of the POATRs. If an issue of Notes is made under other circumstances falling within Part 1 of Schedule 1 to the POATRs, the £50,000 minimum denomination is not required.)

(N.B. Where Bearer Notes with multiple denominations above U.S.$200,000 or equivalent are being used, the following sample wording should be followed:

"U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof up to and including U.S.$399,000. No Notes in definitive form will be issued with a denomination above U.S.$399,000".)

(ii) Calculation Amount: [●]

(If there is only one Specified Denomination, insert that Specified Denomination. If there is more than one Specified Denomination, insert the highest common factor. N.B. there must be a common factor in the case of two or more Specified Denominations)

7. (i) Issue Date: [●]

(ii) Interest Commencement Date: [*Specify*/Issue Date/Not Applicable]

(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example, Zero Coupon Notes)

8. Maturity Date: [*Fixed rate* — specify date/*Floating rate* — Interest Payment Date falling in or nearest to [*specify month and year*]][*]

(N.B. Subordinated Notes shall have a minimum maturity of five years)

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[*] Note that for Hong Kong dollar or Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification, it will be necessary to set the Maturity Date to an Interest Payment Date falling in or nearest to a specific month and year rather than a specific date.

9.	Interest Basis:	[[●] per cent. Fixed Rate] [[SOFR/EURIBOR/HIBOR] +/- [●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [*specify other*] (further particulars specified below)
10.	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*]
11.	Change of Interest Basis or Redemption/ Payment Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Interest Reset Date: *(Applicable to Subordinated Notes)*	[●]
	(ii) Base Rate: *(Applicable to Subordinated Notes)*	[●]
	(iii) Spread: *(Applicable to Subordinated Notes)*	[●] per cent.
12.	Put/Call Options:	[Investor Put] [Issuer Call] (further particulars specified below) [*(N.B. Investor Put not possible for Subordinated Notes; Issuer Call for Subordinated Notes will be subject to satisfaction of regulatory conditions)*]
13.	(i) Status of the Notes:	[Senior/Tier I Subordinated/Tier II Subordinated]
	(ii) Date of Board approval for issuance of Notes obtained:	[●] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

14. Listing:	[Singapore Exchange Securities Trading Limited*/ *specify other*/None] *(N.B Notes under this Programme cannot be admitted to trading on an E.U. regulated market without the preparation of a prospectus compliant with the disclosure requirements under the E.U. Prospectus Regulation)*
15. Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i) Rate(s) of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/other (*specify*)] in arrears] *(If payable other than annually, consider amending Condition 5)*
(ii) Interest Payment Date(s):	[[●] in each year up to and including the Maturity Date]/[*specify other*]** *(NB: This will need to be amended in the case of long or short coupons)*
(iii) Fixed Coupon Amount(s): *(Applicable to Notes in definitive form)*	[●] per Calculation Amount***
(iv) Broken Amount(s): *(Applicable to Notes in definitive form)*	[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]
(v) Day Count Fraction:	[30/360 or Actual/Actual (ICMA) *or specify other*]

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* For listing on the Singapore Stock Exchange: If audited annual financial statements of the Issuer that are more recent than those included in the Offering Circular are available, the pricing supplement shall append in full such latest audited annual financial statements.

** Note that for certain Hong Kong dollar or Renminbi denominated Fixed Rate Notes the Interest Payment Dates are subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, **Business Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong and [●]".

*** For Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following wording is appropriate: "Each Fixed Coupon Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the actual number of days in the Accrual Period (as defined in Condition 5) divided by 365 and rounding the resultant figure to the nearest HK$0.01, HK$0.005 being rounded upwards". For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following wording should be used: "Each Fixed Coupon Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the actual number of days in the Accrual Period (as defined in Condition 5(a)(i)) divided by 365 and rounding the resultant figure to the nearest CNY0.01, CNY0.005 being rounded upwards".

(vi)	Determination Date(s):	[●] in each year [*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.] (NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration. NB: Only relevant where Day Count Fraction is Actual/ Actual (ICMA))*
(vii)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]]
(viii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]
17. Floating Rate Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Specified Period(s)/Specified Interest Payment Dates:	[●]
(ii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ [*specify other*]]
(iii)	Business Centre(s) / applicable Business Centre(s):	[●]
(iv)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/ *specify other*]
(v)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[●]
(vi)	Screen Rate Determination:	
	– Reference Rate:	[●] (Either EURIBOR, HIBOR, SOFR Benchmark or other, although additional information is required if other – including fallback provisions in the Agency Agreement)
	– Interest Determination Date(s):	[●] *(First day of each Interest Period if HIBOR and the second day on which the T2 System is open prior to the start of each Interest Period if EURIBOR)*

– Relevant Screen Page: [●]
(In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

– SOFR Benchmark: [Not Applicable/Compounded Daily SOFR/SOFR Index] *(Only applicable where the Reference Rate is SOFR Benchmark)*

– Compounded Daily SOFR: [Not Applicable/SOFR Lag/SOFR Observation Shift] *(Only applicable in the case of Compounded Daily SOFR)*

– Lookback Days: [Not Applicable/[●] U.S. Government Securities Business Day(s)] *(Only applicable in the case of SOFR Lag)*

– SOFR Observation Shift Days: [Not Applicable/[●] U.S. Government Securities Business Day(s)] *(Only applicable in the case of SOFR Observation Shift or SOFR Index)*

– SOFR $\text{Index}_{\text{Start}}$: [Not Applicable/[●] U.S. Government Securities Business Day(s)] *(Only applicable in the case of SOFR Index)*

– SOFR $\text{Index}_{\text{End}}$: [Not Applicable/[●] U.S. Government Securities Business Day(s)] *(Only applicable in the case of SOFR Index)*

(vii) ISDA Determination:

– Floating Rate Option: [●]

– Designated Maturity: [●]

– Reset Date: [●]

(viii) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation] (specify for each short or long interest period)

(ix) Margin(s): [+/-] [●] per cent. per annum

(x) Minimum Rate of Interest: [●] per cent. per annum

(xi) Maximum Rate of Interest: [●] per cent. per annum

(xii)	Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed)* Actual/365 (sterling) Actual/360 30/360 30E/360 30E/360 (ISDA) Other] *(See Condition 5 for alternatives)*
(xiii)	Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
18. Zero Coupon Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub- paragraphs of this paragraph)*
(i)	Accrual Yield:	[●] per cent. per annum
(ii)	Reference Price:	[●]
(iii)	Any other formula/basis of determining amount payable:	[●]
(iv)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 7(e)(iii) and (j) apply/*specify other*] *(Consider applicable day count fraction if not U.S. dollar denominated)*
19. Index Linked Interest Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Index/Formula:	[*give or annex details*]
(ii)	Calculation Agent:	[●]
(iii)	Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Issuing and Principal Paying Agent):	[●]
(iv)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
(v)	Specified Period(s)/Specified Interest Payment Dates:	[●]

* Applicable to Hong Kong dollar denominated Fixed Rate Notes and Renminbi denominated Fixed Rate Notes.

(vi)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ *specify other*]
(vii)	Business Centre(s) / applicable Business Centre(s):	[●]
(viii)	Minimum Rate of Interest:	[●] per cent. per annum
(ix)	Maximum Rate of Interest:	[●] per cent. per annum
(x)	Day Count Fraction:	[●]
20.	Dual Currency Interest Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub- paragraphs of this paragraph)*
(i)	Rate of Exchange/method of calculating Rate of Exchange:	[*give details*]
(ii)	Party, if any, responsible for calculating the principal and/or interest payable due (if not the Issuing and Principal Paying Agent):	[●]
(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
(iv)	Person at whose option Specified Currency(ies) is/are payable:	[●]

PROVISIONS RELATING TO REDEMPTION

21.	Issuer Call:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub- paragraphs of this paragraph)*
(i)	Optional Redemption Date(s):	[●] *(N.B. Subordinated Notes may not be redeemed within five years of their issuance date)*
(ii)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/*specify other*/see Appendix]
(iii)	If redeemable in part:	
(a)	Minimum Redemption Amount:	[●]
(b)	Maximum Redemption Amount:	[●]

(iv)	Notice period (if other than as set out in the Conditions):	[●] *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or the Trustee)*
22. Investor Put:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub- paragraphs of this paragraph)*
(i)	Optional Redemption Date(s):	[●]
(ii)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/*specify other*/see Appendix]
(iii)	Notice period (if other than as set out in the Conditions):	[●] *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or the Trustee)*
23.	Final Redemption Amount:	[[●] per Calculation Amount/*specify other*/see Appendix]
24.	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)):	[[●] per Calculation Amount/*specify other*/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:	[Bearer Notes: Classic Global Note ("CGN")] [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Temporary Bearer Global Note exchangeable for definitive Notes on and after the Exchange Date.]

[Permanent Bearer Global Note exchangeable for definitive Notes [on 60 days' notice given at any time/ only upon an Exchange Event]]*

*(Ensure that this is consistent with the wording in the "*Form of the Notes*" section in the Offering Circular and the Notes themselves.*

N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect:

"U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof up to and including U.S.$399,000. No Notes in definitive form will be issued with a denomination above U.S.$399,000".

Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for definitive Notes.)]

[Registered Notes:

Regulation S Global Note (U.S.$[●] nominal amount) [registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]/held through the CMU Service] /Rule 144A Global Note (U.S.$[●] nominal amount) [registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]/held through the CMU Service]/ Definitive IAI Registered Notes (*specify nominal amounts*)]

26. Financial Centre(s) / applicable Financial Centre(s) or other special provisions relating to Payment Dates:

[Not Applicable/*give details*]

For the avoidance of doubt, Financial Centre(s) are [*list out all applicable Financial Centre(s)*]

(*Note that this item relates to the place of payment and not Interest Period end dates to which items 17(iii) and 19(vii) relate*)

27. Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature):

[Yes/No. If yes, give details]

* May not be used if TEFRA D applies.

28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details. NB: a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues.]*
29. Details relating to Instalment Notes:	
(i) Instalment Amount(s):	[Not Applicable/*give details*]
(ii) Instalment Date(s):	[Not Applicable/*give details*]
30. Redenomination applicable:	Redenomination [not] applicable [*(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))] [(if Redenomination is applicable, specify the terms of the redenomination in an Annex to the Pricing Supplement)*]
31. Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

32. (i) If syndicated, names of Managers:	[Not Applicable/*give names*]
(ii) Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
33. If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
34. U.S. Selling Restrictions:	[Reg. S Compliance Category [1/2][*]/Rule 144A] [TEFRA D/TEFRA C/TEFRA not applicable (for Bearer Notes with a maturity of one year or less (including unilateral rollovers and extensions) or Registered Notes)][**]
35. Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]
36. Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable]
37. Additional selling restrictions:	[Not Applicable/*give details*]
38. Ratings:	[Not Applicable / The Notes to be issued are expected to be assigned the following ratings: *give details*]
39. RMB Currency Event:	[Not Applicable/*give details*]
40. Alternate Settlement Rate (if different from that set out in Condition 6(f)):	[Not Applicable/*give details*]

[*] The Bank is a Category 2 issuer.

[**] Where TEFRA D is applicable, a Note must be issued in the form of a Temporary Bearer Global Note exchangeable upon U.S. tax certification for a Permanent Bearer Global Note or for Definitive Notes.

41. Party responsible for calculating the Alternate Settlement Rate:	[*Give name* (the **Alternate Settlement Rate Determination Agent**)]
42. Relevant Currency (if different from that set out in Condition 6(f)):	[Not Applicable/*give details*]

HONG KONG SFC CODE OF CONDUCT

42. Rebates:	[Not Applicable / A rebate of [●] bps is being offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]
43. Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	[Not Applicable/*give details*] (*N.B. If applicable, include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent*)
44. Marketing and investor target strategies:	[As stated in the Offering Circular/*give details*] *(To be specified if different from the Offering Circular)*

OPERATIONAL INFORMATION

45. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[CMU Service/Not Applicable/give name(s) and number(s)]
46. Delivery:	Delivery [against/free of] payment
47. Additional Paying Agent(s) (if any):	[●]
48. Use of Proceeds:	[●] (To be specified if different from the use of proceeds specified in the Offering Circular)

ISIN:	[●]
Common Code:	[●]
CMU Instrument Number:	[●]
LEI:	988400RBIWE3YA18PK12 ([principal office / [●] Branch])
(insert here any other relevant codes such as CUSIP and CINS codes)	

LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of the Notes described herein pursuant to the U.S.$8,000,000,000 Global Medium Term Note Programme of Industrial Bank of Korea, acting through its [[principal office in Korea]/[●] Branch].

The Singapore Stock Exchange assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Pricing Supplement. Approval in-principle from, admission to the Official List of, and listing and quotation of any Notes on, the Singapore Stock Exchange are not to be taken as an indication of the merits of the Issuer, the Programme or the Notes.

[Application will be made for the Notes to be recognized under the SGX Sustainable Fixed Income initiative on the Singapore Stock Exchange. There is no guarantee that such application for recognition under the SGX Sustainable Fixed Income initiative will be approved. Recognition under the SGX Sustainable Fixed Income initiative does not guarantee that the Notes will satisfy any investor's expectations or requirements on its sustainability-related performance or impact. If approved, the Singapore Stock Exchange may remove the recognition from the Notes at its discretion. The latest list of fixed income securities that have been granted recognition under the SGX Sustainable Fixed Income initiative is available at the website of the Singapore Stock Exchange.*]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: _____

Duly authorised

[If the applicable Pricing Supplement specifies any modification to the Terms and Conditions of the Notes as described herein, it is envisaged that, to the extent that such modification relates only to Conditions 1, 2, 5, 6, 7 (except Condition 7(b)), 12, 13, 14, 15 (insofar as such Notes are not listed or admitted to trade on any stock exchange), 17 and 18, they will not necessitate the preparation of a supplement to this Offering Circular. If the Terms and Conditions of the Notes of any Series are to be modified in any other respect, a supplement to this Offering Circular will be prepared, if appropriate.]

* For Singapore Stock Exchange listing – To include this paragraph if the Notes are green/social/sustainability Notes and the Issuer intends to apply for recognition under SGX's Sustainable Fixed Income initiative.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes to be issued by the Issuer which will be incorporated by reference into each global Note and each definitive Note, in the latter case only if permitted by the relevant stock exchange (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each global Note and definitive Note. Reference should be made to "Form of the Notes" above for a description of the content of Pricing Supplements which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Industrial Bank of Korea (the **Issuer**) constituted by a Trust Deed dated 11 April 1997 as supplemented by supplemental trust deeds including the Fifteenth Supplemental Trust Deed dated 11 April 2023 (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) and made between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee (the **Trustee**, which expression shall include any successor trustee). The applicable Pricing Supplement will indicate whether the Issuer is acting through its principal office in Korea, Hong Kong Branch or London Branch. References herein to the Notes shall be references to the Notes of this Series and shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Bearer Notes issued in exchange (or part exchange) for a global Note, (iii) any global Note, (iv) in relation to any Notes represented by Definitive IAI Registered Notes, units of the lowest Specified Denomination in the Specified Currency, and (v) any Definitive IAI Registered Notes. The Notes, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an Issue and Paying Agency Agreement dated 29 April 2005 as supplemented by supplemental agency agreements including the Seventh Supplemental Agency Agreement dated 13 May 2024 (such Issue and Paying Agency Agreement as modified and/or supplemented and/or restated from time to time, the **Agency Agreement**) and made between the Issuer, the Trustee, Deutsche Bank AG, Hong Kong Branch, as issuing and principal paying agent (the **Issuing and Principal Paying Agent**, which expression shall include any successor issuing and principal paying agent), as exchange agent (the **Exchange Agent**, which expression shall include any successor exchange agent), as transfer agent (the **Transfer Agent** and, together with Deutsche Bank Trust Company Americas, the **Transfer Agents**, which expressions shall include any successor to any of Deutsche Bank AG, Hong Kong Branch or Deutsche Bank Trust Company Americas in their capacities as such and any substitute or any additional transfer agents appointed in accordance with the Agency Agreement) and as calculation agent (the **Calculation Agent**, which expression shall include any successor calculation agent), Deutsche Bank AG, Hong Kong Branch as registrar (the **Registrar** and, together with Deutsche Bank Trust Company Americas (the **U.S. Registrar**), the **Registrars**, which expressions shall include any successor registrar) and Deutsche Bank AG, Hong Kong Branch as CMU lodging agent (the **CMU Lodging Agent**, which expression shall include any successor CMU lodging agent) (together with the Issuing and Principal Paying Agent, the **Paying Agents**, which expression shall, unless the context otherwise requires, include any successors in their capacities as such and any substitute or any additional paying agents appointed in accordance with the Agency Agreement). For the purposes of these Terms and Conditions, all references to the Issuing and Principal Paying Agent shall, with respect to a Series of Notes to be held in the CMU Service (as defined below), be deemed to be a reference to the CMU Lodging Agent and all such references shall be construed accordingly.

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Pricing Supplement) have interest coupons (**Coupons**) and, if indicated in the applicable Pricing Supplement, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in

instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Definitive Registered Notes do not have Receipts or Coupons attached on issue.

The Pricing Supplement for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References to the **applicable Pricing Supplement** are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders of the Notes (the **Noteholders**, which expression shall, in relation to any Notes represented by a global Note, be construed as provided below), the holders of the Receipts (the **Receiptholders**) and the holders of any Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of any Talons), all in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed, the Agency Agreement and the Pricing Supplement applicable to this Note are available for inspection during normal business hours at the specified office of each of the Paying Agents, the Registrar, the Transfer Agents and the Trustee save that, if this Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be available for inspection by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Trustee, the Registrar or the relevant Paying Agent or Transfer Agent, as the case may be, as to its holding of Notes and as to its identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Pricing Supplement which are applicable to them.

Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the Trust Deed, the Trust Deed will prevail and, in the event of inconsistency between the Agency Agreement or the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1. Form, Denomination and Title

The Notes may be in bearer form (**Bearer Notes**) and/or in registered form (**Registered Notes**) and, in the case of definitive Notes, will be serially numbered, in the Specified Currency and the Specified Denomination(s). Save as provided in Condition 2, Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, a Dual Currency Note or a Partly Paid Note or a combination of any of the foregoing, depending upon the Interest/Payment Basis shown in the applicable Pricing Supplement.

A Tranche of Bearer Notes may initially be represented by a temporary global Note without Receipts, Coupons or Talons (each, a **Temporary Global Note**) which will be delivered to a common depositary for

Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**) and/or a sub-custodian for the Central Moneymarkets Unit Service (the **CMU Service**) operated by the Hong Kong Monetary Authority (the **HKMA**). On or after the date which is 40 days after the Issue Date, beneficial interests in a Temporary Global Note will be exchangeable upon a request as described therein either for interests in a permanent global Note without Receipts, Coupons or Talons (each, a **Permanent Global Note**) or for definitive Bearer Notes (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification to the effect that the beneficial owner of interests in such Temporary Global Note is not a U.S. person or a person who has purchased for resale to any U.S. person, as required by U.S. Treasury regulations. The applicable Pricing Supplement will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 days' written notice from (in the case of Notes held by a Common Depositary for Euroclear and/or Clearstream, Luxembourg) Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Issuing and Principal Paying Agent and/or (in the case of Notes held through the CMU Service) the relevant accountholders therein to the CMU Lodging Agent, or (b) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 11) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been or, in the case of Notes held through the CMU Service, the CMU Service has been, closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have or has announced an intention permanently to cease business or have or has in fact done so and no alternative clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 9 which would not be required were the Notes represented by the Permanent Global Note in definitive form (provided that, in certain circumstances where the Notes are held through Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, such adverse tax consequences are as a result of a change in, or amendment to, the laws or regulations (taxation or otherwise) in, or of, Korea). The Issuer will promptly give notice to the Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (x) in the case of Notes held by a Common Depositary for Euroclear and/or Clearstream, Luxembourg, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee and/or (y) in the case of Notes held through the CMU Service, the relevant accountholders therein or the Trustee, may give notice to the Issuing and Principal Paying Agent or, as the case may be, the CMU Lodging Agent, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Issuing and Principal Paying Agent or the CMU Lodging Agent, as the case may be, requesting exchange. Any such exchange following an Exchange Event shall occur not later than 45 days after the date of receipt of the first relevant notice by the Issuing and Principal Paying Agent or the CMU Lodging Agent, as the case may be.

Bearer Notes in definitive form are issued with Coupons and (if applicable) Receipts and Talons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Unless otherwise provided with respect to a particular series of Registered Notes, Registered Notes of each Tranche sold outside the United States in reliance on Regulation S (**Regulation S**) under the U.S. Securities Act of 1933, as amended, (the **Securities Act**) will be represented by a permanent global Registered Note, without Receipts, Coupons or Talons, (each, a **Regulation S Global Note**), deposited with (i) a custodian for, and registered in the name of a nominee of, The Depository Trust Company (**DTC**) for the accounts of its participants, including Euroclear and Clearstream, Luxembourg, (ii) a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, or (iii) a sub-custodian for the HKMA as operator of the CMU Service, as specified in the applicable Pricing Supplement. Notes in definitive registered form (**Definitive Registered Notes**) issued in exchange for Regulation S Global Notes or otherwise

sold or transferred in reliance on Regulation S under the Securities Act, together with the Regulation S Global Notes, are referred to herein as **Regulation S Notes**. With respect to all offers or sales of an unsold allotment or subscription and in any case prior to expiry of the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer, in the case of a non-syndicated issue, or by the Lead Manager, in the case of a syndicated issue (the **Distribution Compliance Period**), beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person (save as otherwise provided in Condition 2). After expiry of such Distribution Compliance Period, beneficial interests in a Regulation S Note may be held through DTC directly by a participant in DTC or indirectly through a participant in DTC.

Registered Notes of each Tranche sold in private transactions in reliance upon Rule 144A under the Securities Act to qualified institutional buyers within the meaning of Rule 144A under the Securities Act (**QIBs**) will, unless otherwise specified in the applicable Pricing Supplement, be represented by a permanent global Registered Note, without Receipts, Coupons or Talons (each, a **Restricted Global Note** and, together with any Regulation S Global Note, the **Registered Global Notes**) deposited with a custodian for, and registered in the name of a nominee of, DTC. Notes in definitive form issued in exchange for Restricted Global Notes or otherwise sold or transferred in accordance with the requirements of Rule 144A under the Securities Act, together with the Restricted Global Notes, are referred to herein as **Restricted Notes**.

Registered Notes of each Tranche sold to accredited investors (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) (**Institutional Accredited Investors**) pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act who agree to purchase the Notes for their own account and not with a view to the distribution thereof will be issued as Definitive Registered Notes only, registered in the name of the holder thereof and will not be represented by a global Note and Notes.

Definitive Registered Notes issued to Institutional Accredited Investors and Restricted Notes shall bear a legend specifying certain restrictions on transfer (each, a **Legend**), such Notes being referred to herein as **Legended Notes**. Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of a Legend, the Registrar shall (save as provided in Condition 2(d)) deliver only Legended Notes or refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Subject as otherwise provided in Condition 2, Definitive Registered Notes may be exchanged or transferred in whole or in part in the Specified Denominations for one or more Definitive Registered Notes of like aggregate nominal amount.

Each Definitive Registered Note will be numbered serially with an identifying number which will be recorded in the register (the **Register**) which the Issuer shall procure to be kept by the Registrar.

Notes are issued in the Specified Denomination(s) set out in the applicable Pricing Supplement which, in the case of Registered Notes sold other than pursuant to Regulation S, shall be the Authorised Denomination (as defined below) and, in the case of Notes having a maturity of 183 days or less, the Specified Denomination shall be at least U.S.$500,000 (or the equivalent in any other currency or currencies).

Authorised Denomination means:

(i) in the case of a Restricted Note U.S.$100,000 (or its equivalent rounded upwards as specified in the relevant Pricing Supplement) and higher integral multiples of U.S.$1,000, or the higher denomination or denominations specified in the applicable Pricing Supplement; and

(ii) in the case of a Definitive Registered Note which is initially offered and sold to Institutional Accredited Investors pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act, U.S.$500,000 (or its equivalent rounded upwards as specified in the applicable Pricing Supplement) and higher integral multiples of U.S.$1,000, or the higher denomination or denominations specified in the applicable Pricing Supplement.

Any minimum Authorised Denomination required by any law or directive or regulatory authority in respect of the currency of issue of any Note shall be such as applied on or prior to the date of issue of such Note.

Subject as set out below, title to Bearer Notes, Receipts and Coupons will pass by delivery. Title to Registered Notes will pass upon registration of transfers in the books of the Registrar in New York City. The Issuer, the Trustee, the Issuing and Principal Paying Agent, any Paying Agent, the Registrar and any Transfer Agent may deem and treat the bearer of any Bearer Note, Receipt or Coupon and any person in whose name a Registered Note is registered as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, each person (other than Euroclear or Clearstream, Luxembourg or the CMU Service) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or of the CMU Service as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or the CMU Service as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, any Paying Agent, the Registrar and any Transfer Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the bearer global Note or registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Trustee, any Paying Agent, the Registrar and any Transfer Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note and the Trust Deed and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. Payment in respect of Notes represented by a global Note will only be made in accordance with the rules and procedures for the time being of DTC, Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be.

Notwithstanding the above, if a Note is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with the rules of the CMU Service (the **CMU Rules**) at the relevant time as notified to the CMU Lodging Agent by the CMU Service through a relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) (**CMU Accountholders**) and such payments shall discharge the obligation of the Issuer in respect of that payment under such Note.

So long as DTC or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and such Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, the CMU Service or DTC, as the case

may be. References to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Trustee and the Issuing and Principal Paying Agent and specified in the applicable Pricing Supplement.

2. Exchange and Transfers of Registered Notes

(a) *Exchange of interests in Registered Global Notes for Definitive Registered Notes*

Interests in any Registered Global Note will be exchangeable for Definitive Registered Notes, if (i) Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, notifies the Issuer that it is unwilling or unable to continue as depositary for such Registered Global Note, (ii) if applicable, DTC ceases to be a **Clearing Agency** registered under the U.S. Securities Exchange Act of 1934 (the **Exchange Act**) or Euroclear or Clearstream, Luxembourg or, in the case of Notes held through the CMU Service, the CMU Service is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention permanently to cease business, and a successor depositary or alternative clearing system satisfactory to the Issuer and the Trustee is not available, (iii) an Event of Default (as defined in Condition 11) has occurred and is continuing with respect to such Notes, or (iv) the holder of a beneficial interest in the Restricted Global Note notifies the Registrar in writing that it is transferring such beneficial interest to an Institutional Accredited Investor who is required to hold its beneficial interest in the Definitive Registered Notes. Upon the occurrence of any of the events described in the preceding sentence, the Issuer will cause the appropriate Definitive Registered Notes to be delivered, provided that, notwithstanding the above, no Definitive Registered Notes will be issued until expiry of the applicable Distribution Compliance Period.

(b) *Transfers of Registered Global Notes*

Transfers of any Registered Global Note shall be limited to transfers of such Registered Global Note, in whole but not in part, to a nominee of DTC or to a successor of DTC or such successor's nominee.

(c) *Transfers of interests in Regulation S Notes*

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Note to a transferee in the United States will only be made:

(i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a Transfer Certificate), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or

(ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In the case of (i) above, such transferee may take delivery through a Legended Note in global or definitive form and, in the case of (ii) above, such transferee may take delivery only through a Legended Note in definitive

form. After expiry of the applicable Distribution Compliance Period (a) beneficial interests in Regulation S Notes may be held through DTC directly by a participant in DTC or indirectly through a participant in DTC and (b) such certification requirements will no longer apply to such transfers.

(d) *Transfers of interests in Legended Notes*

Transfers of Legended Notes or beneficial interests therein may be made:

(i) to a transferee who takes delivery of such interest through a Regulation S Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S; or

(ii) to a transferee who takes delivery of such interest through a Legended Note:

(A) where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(B) where the transferee is an Institutional Accredited Investor, subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed investment letter from the relevant transferee substantially in the form set out in the Agency Agreement (an **IAI Investment Letter**); or

(iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Notes transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC, Euroclear, Clearstream, Luxembourg or the CMU Service, as appropriate, and the Registrar will arrange for any Notes which are the subject of such a transfer to be represented by the appropriate Registered Global Note, where applicable.

(e) *Exchanges and transfers of Registered Notes generally*

Registered Notes may not be exchanged for Bearer Notes and vice versa.

Holders of Definitive Registered Notes, other than Institutional Accredited Investors, may exchange such Definitive Registered Notes for interests in a Registered Global Note of the same type at any time.

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be, and, in turn, by participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will be transferable and exchangeable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in accordance with the rules and operating procedures for the time being of DTC, Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be.

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement) by the holder or holders surrendering the Definitive Registered Note for registration of the transfer of the Definitive Registered Note (or the relevant part of the Definitive Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and upon the Registrar or, as the case may be, the relevant Transfer Agent, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar, or as the case may be, the relevant Transfer Agent may with the prior approval of the Trustee prescribe, including any restrictions imposed by the Issuer on transfers of Definitive Registered Notes originally sold to a U.S. person. Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new Definitive Registered Note of a like aggregate nominal amount to the Definitive Registered Note (or the relevant part of the Definitive Registered Note) transferred. In the case of the transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Definitive Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Exchanges or transfers by a holder of a Definitive Registered Note for an interest in, or to a person who takes delivery of such Note through, a Registered Global Note will be made no later than 60 days after the receipt by the Registrar or, as the case may be, the relevant Transfer Agent of the Definitive Registered Note to be so exchanged or transferred and, if applicable, upon receipt by the Registrar of a written certification from the transferor.

(f) *Registration of transfer upon partial redemption*

In the event of a partial redemption of Notes under Condition 7(c), the Issuer shall not be required:

(i) to register the transfer of Registered Notes (or parts of Registered Notes) during the period beginning on the 15th day before the date of the partial redemption and ending on the date on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive); or

(ii) to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(g) *Closed Periods*

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

(h) *Costs of exchange or registration*

Registration of transfers will be effected without charge by or on behalf of the Issuer, the Registrar or the relevant Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to it provided that the Issuer shall not be responsible for any documentary stamp tax payable

on the transfer of Notes effected in the Republic of Korea (Korea) unless the Issuer is the counterparty directly liable for that documentary stamp tax.

3. Status of the Notes

(a) *Status of the Senior Notes*

The Notes that are not Subordinated Notes (the **Senior Notes**) constitute direct, unconditional and (subject to Condition 4) unsecured obligations of the Issuer which rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured (subject to Condition 4) and unsubordinated obligations of the Issuer, save for such as may be preferred by mandatory provisions of applicable law.

(b) *Status of the Subordinated Notes*

(i) Tier II Subordinated Notes

This Condition 3(b)(i) applies only to Notes specified in the applicable Pricing Supplement as "Tier II Subordinated Notes".

The Notes that are specified in the applicable Pricing Supplement as Tier II Subordinated (the **Tier II Subordinated Notes**) and any relative Receipts and Coupons constitute direct, general, unsecured and subordinated (as described in Condition 3(c)) obligations of the Issuer which (subject to the provisions of Condition 8) rank (x) junior to the Senior Indebtedness of the Issuer (as defined in Condition 3(c)), (y) *pari passu* among themselves and with all other subordinated obligations of the Issuer which do not rank or are not expressed by their terms to rank junior or senior to the Tier II Subordinated Notes (collectively, the **Tier II Obligations**) and (z) senior to, and in priority to claims of holders of, (A) the Tier I Obligations (as defined in Condition 3(b)(ii)), (B) all obligations of the Issuer which rank or are expressed by their terms to rank junior to the Tier II Subordinated Notes and (C) all classes of equity of the Issuer (other than equity that constitutes Tier II capital of the Issuer under applicable Korean laws and regulations).

(ii) Tier I Subordinated Notes

This Condition 3(b)(ii) applies only to Notes specified in the applicable Pricing Supplement as "Tier I Subordinated Notes".

The Notes that are specified in the applicable Pricing Supplement as Tier I Subordinated (the **Tier I Subordinated Notes**) and any relative Receipts and Coupons constitute direct, general, unsecured and subordinated (as described in Condition 3(c)) obligations of the Issuer which (subject to the provisions of Conditions 5(f) and 8) rank (x) junior to the Senior Indebtedness of the Issuer (as defined in Condition 3(c)), (y) *pari passu* among themselves and with all other subordinated obligations of the Issuer which either constitute additional Tier I capital of the Issuer under applicable Korean laws and regulations or otherwise rank or are expressed by their terms to rank *pari passu* with the Tier I Subordinated Notes (collectively, the **Tier I Obligations**) and (z) senior to, and in priority to claims of holders of, all classes of equity of the Issuer (other than equity that constitutes Tier II capital of the Issuer under applicable Korean laws and regulations) and all obligations of the Issuer which rank or are expressed by their terms to rank junior to the Tier I Subordinated Notes. In addition, in the case of a Bankruptcy Event (as defined in Condition 3(c)), the Tier I Subordinated Notes shall be deemed not to constitute liabilities for purposes of determining whether the Issuer's liabilities exceed its assets.

(c) *Subordination*

This Condition 3(c) applies only to Tier I Subordinated Notes and Tier II Subordinated Notes (together, the **Subordinated Notes**).

(i) If, on or prior to the Maturity Date or at any time while any amount is due and outstanding under any Subordinated Notes, a Bankruptcy Event (as defined below) occurs and so long as it continues, any amounts which become due then or thereafter under the Subordinated Notes (including overdue amounts) shall not be payable unless and until the total amount of any and all Senior Indebtedness of the Issuer which is listed on the distribution list (as amended, if such be the case) for final distribution submitted to the court in the bankruptcy proceedings is paid in full or provided to be paid in full in such bankruptcy proceedings.

(ii) If, on or prior to the Maturity Date or at any time while any amount is due and outstanding under any Subordinated Notes, a Rehabilitation Event (as defined below) occurs and so long as it continues, any amounts which become due then or thereafter under the Subordinated Notes (including overdue amounts) shall not be payable unless and until the total amount of any and all Senior Indebtedness of the Issuer which is listed on the rehabilitation plan of the Issuer at the time when the court's approval of such plan becomes final and conclusive shall have been paid in full or paid in the rehabilitation proceedings to the extent of the original amount thereof (without regard to any adjustment of such amount in the approved rehabilitation plan).

(iii) If, on or prior to the Maturity Date or at any time while any amount is due and outstanding under any Subordinated Notes, a Liquidation Event (as defined below) occurs and so long as it continues, any amounts which become due then or thereafter under the Subordinated Notes (including overdue amounts) shall not be payable unless and until the total amount of any and all Senior Indebtedness of the Issuer which is reported during the claims reporting period or is required by the laws or regulations of Korea to be paid during the liquidation process is paid in full or provided to be paid in full.

(iv) If, on or prior to the Maturity Date or at any time while any amount is due and outstanding under any Subordinated Notes, a Foreign Event (as defined below) occurs and so long as it continues, any amounts which become due then or thereafter under the Subordinated Notes (including overdue amounts) shall only become payable upon conditions equivalent to those enumerated in the above three paragraphs having been fulfilled; provided that notwithstanding any provision herein to the contrary if the imposition of any such conditions is not allowed under such proceedings, any amounts which become due under the Subordinated Notes shall become payable in accordance with the terms herein provided and not subject to such conditions.

(v) A holder of a Subordinated Note by its acceptance thereof or its interest therein, thereby agrees that (i) if any payment in respect of such Note is made to such holder after the occurrence of a Subordination Event and the amount of such payment exceeds the amount, if any, that should have been paid to such holder upon the proper application of these subordination provisions, the payment of such excess amount shall be deemed null and void and such holder (without the Registrar or any Paying Agent having any obligation or liability with respect thereto, save to the extent that the Registrar or such Paying Agent shall return to the Issuer any such excess amount which remains held by it at the time of the notice next referred to) shall be obliged to return the amount of the excess payment within ten days of receiving notice from the Issuer of the excess payment and (ii) upon the occurrence of a Subordination Event and so long as such Subordination Event continues, such holder shall not exercise any right to set off any liabilities of the Issuer under such Note which become so payable on or after the date on which the Subordination Event occurs against any liabilities of such

holder owed to the Issuer unless, until and only in such amount as the liabilities of the Issuer under such Note become payable pursuant to the proper application of these subordination provisions.

In addition, a holder of a Subordinated Note by its acceptance thereof or its interest therein shall be deemed to have waived, and agreed not to exercise, any right as a creditor to require the Issuer to redeem such Subordinated Note or provide collateral with respect thereto that may arise pursuant to Paragraph 2 of Article 439, Paragraph 3 of Article 527-5, Paragraph 4 of Article 530-9 or Paragraph 2 of Article 530-11 and Article 232 of the Korean Commercial Code in connection with a merger, capital reduction and/or corporate split-off of the Issuer.

Nothing in these Terms and Conditions shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights of the Trustee in respect thereof, all of which shall accordingly remain unsubordinated to the extent permitted under applicable laws and regulations.

In these Conditions:

Bankruptcy Event shall mean a court of competent jurisdiction in Korea having adjudicated the Issuer to be bankrupt pursuant to the provisions of the Debtor Rehabilitation and Bankruptcy Law or any successor legislation thereto;

Foreign Event shall mean in any jurisdiction other than Korea, the Issuer having become subject to bankruptcy, rehabilitation or other equivalent proceedings pursuant to any applicable law of any jurisdiction other than Korea;

Liquidation Event shall mean the liquidation process of the Issuer having commenced by any reason other than a Bankruptcy Event or Rehabilitation Event pursuant to the Korean Commercial Code or other applicable laws;

Rehabilitation Event shall mean a court of competent jurisdiction in Korea having adjudicated the Issuer to be subject to the rehabilitation proceedings pursuant to the provisions of the Debtor Rehabilitation and Bankruptcy Law or any successor legislation thereto;

Senior Indebtedness of the Issuer shall mean (1) in the case of Tier II Subordinated Notes, all deposits and other liabilities of the Issuer (other than the Tier II Obligations and the Tier I Obligations) and (2) in the case of Tier I Subordinated Notes, all deposits and other liabilities of the Issuer (other than the Tier I Obligations), all equity that constitutes Tier II capital of the Issuer under applicable Korean laws and regulations and any other obligations that rank or are expressed by their terms to rank senior to the Tier I Obligations; and

Subordination Event shall mean any Bankruptcy Event, Liquidation Event, Rehabilitation Event or Foreign Event.

4. Negative Pledge (Senior Notes Only)

So long as any Senior Note remains outstanding (as defined in the Trust Deed) or any amount is due under or in respect of any Senior Note or otherwise under the Trust Deed, the Issuer will not create or permit to subsist any mortgage, charge, pledge or other security interest upon or over the whole or any part of its property, assets or revenues (whether present or future) to secure for the benefit of the holders of any International Investment Securities (as defined below) any:

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

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

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

without, in any such case and at the same time, according to the holders of the Senior Notes either the same security as is granted to or is outstanding in respect of such International Investment Securities, guarantee, indemnity or other like obligation or such other security as (A) the Trustee shall in its absolute discretion deem to be not materially less beneficial to the interests of the holders of the Senior Notes or (B) as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the holders of the Senior Notes.

In these Terms and Conditions:

International Investment Securities means notes, bonds, debentures, certificates of deposit or investment securities of any person which:

(i) by their terms either are payable, or confer a right to receive payment, in any currency other than Won or are denominated in Won and more than 50 per cent. of the aggregate principal amount of which is initially distributed outside Korea; and

(ii) are for the time being, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market outside Korea; provided that Covered Bonds (as defined below) in the aggregate outstanding principal amount not exceeding an amount equal to 10 per cent. of the total consolidated assets as shown on the most recent consolidated accounts of the Issuer shall not constitute International Investment Securities.

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

5. Interest

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Issue Date (or, if otherwise specified in the applicable Pricing Supplement, the Interest Commencement Date) at the rate(s) per annum equal to the Fixed Rate(s) of Interest payable in arrears on the Interest Payment Date(s) in each year and on the Maturity Date if that does not fall on an Interest Payment Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are represented by a global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

In these Terms and Conditions:

Day Count Fraction means, in respect of the calculation of an amount of interest, in accordance with this Condition 5(a):

(i) if **Actual/Actual (ICMA)** is specified in the applicable Pricing Supplement;

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of;

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(ii) if **30/360** is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and

(iii) if **Actual/365 (Fixed)** is specified in the applicable Pricing Supplement, the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date divided by 365.

In these Terms and Conditions:

Determination Period means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Euro, means one cent.

(b) *Interest on Floating Rate Notes and Index Linked Interest Notes*

(i) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrears on either:

(A) the Interest Payment Date(s) (each an **Interest Payment Date**) in each year specified in the applicable Pricing Supplement; or

(B) if no express Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, each an **Interest Period**).

If a business day convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day then, if the business day convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below of this subparagraph (1) shall apply mutatis mutandis or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day which is both:

(A) a day on which commercial banks and foreign exchange markets settle payments in London and any Business Centre specified in the applicable Pricing Supplement; and

(B) (1) in relation to interest payable in a Specified Currency other than Euro and RMB, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively) or (2) in relation to any sum payable in Euro, a day on which the real time gross settlement system operated by the Eurosystem or any successor system (**T2**) is open for settlement of payments in euro or (3) in relation to any sum payable in RMB, a day (other than a Saturday, Sunday or public holiday) on which (i) commercial banks and foreign exchange markets are open for business in Hong Kong and (ii) commercial banks in Hong Kong are open for business and settlement of RMB payments.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Notes will be determined in the manner specified in the applicable Pricing Supplement.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant **ISDA Rate** plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (A), ISDA Rate for an Interest Period means a rate equal to the Floating Rate that would be determined by the Issuing and Principal Paying Agent under an interest rate swap transaction if the Issuing and Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes, (the **ISDA Definitions**) and under which:

(1) the Floating Rate Option is as specified in the applicable Pricing Supplement;

(2) the Designated Maturity is a period specified in the applicable Pricing Supplement; and

(3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the Euro-zone interbank offered rate (**EURIBOR**) or on the Hong Kong interbank offered rate (**HIBOR**) or on the Secured Overnight Financing Rate (**SOFR**), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (A), (i) **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions, (ii) the definition of **Banking Day** in the ISDA Definitions shall be amended to insert after the words "are open for" in the second line the word "general" and (iii) **Euro-zone** means the region which comprises Member States of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.

When this sub-paragraph (A) applies, in respect of each relevant Interest Period the Issuing and Principal Paying Agent will be deemed to have discharged its obligations under Condition 5(b)(iv) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (A).

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate Notes

(1) Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum), for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11:00 a.m. (Brussels time, in the case of EURIBOR, Hong Kong time, in the case of HIBOR, or New York City time, in the case of SOFR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Issuing and Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Issuing and Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

(2) If the Issuer or its designee has determined that a Benchmark Transition Event (as defined below) has occurred and Benchmark Transition Event is specified in the applicable Pricing Supplement, then the provisions of Condition 5(h) shall apply.

(3) If the preceding paragraph does not apply and the Relevant Screen Page is not available or, if in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph the Issuing and Principal Paying Agent shall request each of the Reference Banks (as defined below) to provide the Issuing and Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11:00 a.m. (Brussels time, in the case of EURIBOR, Hong Kong time, in the case of HIBOR, or New York City time, in the case of SOFR) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Issuing and Principal Paying Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Issuing and Principal Paying Agent.

(4) If on any Interest Determination Date one only or none of the Reference Banks provides the Issuing and Principal Paying Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Issuing and Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Issuing and Principal Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately 11:00 a.m. (Brussels time, in the case of EURIBOR, Hong Kong time, in the case of HIBOR, or New York City time, in the case of SOFR) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), Hong Kong inter-bank market (if the Reference Rate is HIBOR) or New York inter-bank market (if the Reference Rate is SOFR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Issuing and Principal Paying Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately 11:00 a.m. (Brussels time, in the case of EURIBOR, Hong Kong time, in the case of HIBOR, or New York City time, in the case of SOFR) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Issuing and Principal Paying Agent it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), Hong Kong inter-bank market (if the Reference Rate is HIBOR) or New York inter-bank market (if the Reference Rate is SOFR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

(5) **Reference Banks** means, in the case of (A) above, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and, in the case of (B) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

(6) If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than EURIBOR, HIBOR or SOFR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(C) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SOFR Benchmark

Where Screen Rate Determination is specified as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified as SOFR Benchmark in the applicable Pricing

Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus the Margin (if any), all as determined by the Calculation Agent on the relevant Interest Determination Date.

The "**SOFR Benchmark**" will be determined based on Compounded Daily SOFR or SOFR Index, as follows (subject in each case to Condition 5(i) as further specified hereon):

(1) If Compounded Daily SOFR is specified in the applicable Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant Interest Period (where SOFR Lag is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR) or the SOFR Observation Period (where SOFR Observation Shift is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR).

Compounded Daily SOFR shall be calculated by the Calculation Agent in accordance with one of the formulas referenced below depending upon which is specified in the applicable Pricing Supplement:

(a) SOFR Lag:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_{i\,-\times USBD}\ \times\ n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_{i\text{-}xUSBD}$**" for any U.S. Government Securities Business Day "**i**" in the relevant Interest Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day "**i**";

"**Lookback Days**" means such number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement, which shall not be less than five U.S. Government Securities Business Days;

"**d**" means the number of calendar days in the relevant Interest Period;

"**d_o**" for any Interest Period, means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period; and

"**n_i**" for any U.S. Government Securities Business Day "**i**" in the relevant Interest Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day "**i**" up to (but excluding) the following U.S. Government Securities Business Day for which $SOFR_{i\text{-}xUSBD}$ applies.

(b) SOFR Observation Shift:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_i$**" for any U.S. Government Securities Business Day "**i**" in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day "**i**";

"**SOFR Observation Period**" means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Payment Date for such Interest Period;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement, which shall not be less than five U.S. Government Securities Business Days;

"**d**" means the number of calendar days in the relevant SOFR Observation Period;

"**d_o**" for any SOFR Observation Period, means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period; and

"**n_i**" for any U.S. Government Securities Business Day "**i**" in the relevant SOFR Observation Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day "**i**" up to (but excluding) the following U.S. Government Securities Business Day for which $SOFR_i$ applies.

The following defined terms shall have the meanings set out below for the purpose of this Condition 5(b)(ii)(C)(1):

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "**SOFRRATE**" or any successor page or service;

"**Reuters Page USDSOFR=**" means the Reuters page designated "**USDSOFR=**" or any successor page or service;

"**SOFR**" means, in respect of a U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provisions:

a. the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;

b. if the reference rate specified in a. above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or

c. if the reference rate specified in a. above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 5(i) shall apply as specified in the applicable Pricing Supplement;

"**SOFR Determination Time**" means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day.

(2) If SOFR Index is specified in the applicable Pricing Supplement, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Calculation Agent as follows:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR Index**" means, in respect of a U.S. Government Securities Business Day, the SOFR Index value as published on the SOFR Administrator's Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, provided that:

(A) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the "**SOFR Index**" shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the Compounded Daily SOFR formula described above in Condition 5(b)(ii)(C)(1)(b). "**SOFR Observation Shift**," and the term "**SOFR Observation Shift Days**" shall mean five U.S. Government Securities Business Days; or

(B) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 5(i) shall apply as specified in the applicable Pricing Supplement;

"**SOFR Index$_{End}$**" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Pricing Supplement prior to the Interest Payment Date for such Interest Period (or in the final Interest Period, the Maturity Date), which shall not be less than five U.S. Government Securities Business Days;

"**SOFR Index$_{Start}$**" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Pricing Supplement prior to the first day of such Interest Period;

"**SOFR Index Determination Time**" means, in respect of a U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

"**SOFR Observation Period**" means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Payment Date for such Interest Period;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement; and

"**d_c**" means the number of calendar days in the applicable SOFR Observation Period.

The following defined terms shall have the meanings set out below for the purpose of this Condition 5(b)(ii)(C):

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, the date specified as such in the applicable Pricing Supplement or, if none is so specified, the second U.S. Government Securities Business Day prior to the last day of each Interest Period;

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, or any successor source;

"**SOFR Benchmark Replacement Date**" means the date of occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark;

"**SOFR Benchmark Transition Event**" means the occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(D) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified in the relevant Pricing Supplement as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified in the relevant Pricing Supplement as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period, with the resulting rate rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards; provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall calculate such rate at such time and by reference to such sources as it determines appropriate.

"**Applicable Maturity**" means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(iii) Minimum and/or Maximum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) Determination of Rate of Interest and Calculation of Interest Amounts

The Issuing and Principal Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Issuing and Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Issuing and Principal Paying Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a global Note, the aggregate outstanding nominal amount of the Notes represented by such global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub- unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding. For the avoidance of doubt, this Condition 5(b)(iv) shall not apply if a Benchmark Transition Event (as defined below) has occurred and Condition 5(h) becomes effective.

Day Count Fraction means, in respect of the calculation of an amount of interest for any Interest Period:

(1) if **Actual/Actual (ISDA)** or **Actual/Actual** is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(2) if **Actual/365 (Fixed)** is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;

(3) if **Actual/365 (Sterling)** is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(4) if **Actual/360** is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;

(5) if **30/360, 360/360** or Bond Basis is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{D_1}$ is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(6) if **30E/360** or **Eurobond Basis** is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(7) if **30E/360 (ISDA)** is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and D_2 will be 30.

(v) Notification of Rate of Interest and Interest Amounts

The Issuing and Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Issuer, each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression **Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London or, if the Specified Currency is RMB, Hong Kong. For the avoidance of doubt, this Condition 5(b)(v) shall not apply if a Benchmark Transition Event (as defined below) has occurred and Condition 5(h) becomes effective.

(vi) Determination or Calculation by Trustee

If for any reason the Issuing and Principal Paying Agent or, where applicable, the Calculation Agent at any time after the Issue Date defaults in its obligation to determine the Rate of Interest or calculate any Interest Amount in accordance with sub-paragraph (ii) or (iii) above, as the case may be, and, in each case, sub-paragraph (iv) above, the Trustee, or an Agent on their behalf, shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Issuing and Principal Paying Agent or, where applicable, the Calculation Agent. The Trustee shall have no liability to any person in connection with any determination or calculation it is required to make pursuant to this Condition 5(b)(vi). For the avoidance of doubt, this Condition 5(b)(vi) shall not apply if a Benchmark Transition Event (as defined below) has occurred and Condition 5(h) becomes effective.

(vii) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b), whether by the Trustee, the Issuing and Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuing and Principal Paying Agent, the Trustee, the Registrar, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Trustee, the Issuing and Principal Paying Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Dual Currency Notes*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

(d) *Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(e) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

(f) *Special Provisions Relating to Interest on Tier I Subordinated Notes*

Notwithstanding any provisions to the contrary in these Terms and Conditions, the following will apply with respect to interest on the Tier I Subordinated Notes:

(i) Interest on the Tier I Subordinated Notes will be paid only out of the amount legally available under applicable Korean law for payment of dividends on equity of the Issuer (the **Dividend Reserve**). To the extent that the sum of (x) the amount of interest payable on any Series of Tier I Subordinated Notes on any Interest Payment Date and (y) the aggregate amount of interest and other distributions payable by the Issuer on the other Tier I Obligations during the fiscal quarter in which such Interest Payment Date falls exceeds the Dividend Reserve as of the date of, and as calculated based on, the Issuer's latest available audited or reviewed separate statement of financial position, the aggregate amount of such interest and other distributions payable on such Tier I Subordinated Notes and the other Tier I Obligations (to the fullest extent permitted by their respective terms and conditions) will be reduced on a pro rata basis by the amount of such excess.

(ii) The Issuer may, in its sole discretion, elect not to pay, in whole or in part, any interest payable on any Series of Tier I Subordinated Notes on any Interest Payment Date.

(iii) The Tier I Subordinated Notes will not bear any interest during an Interest Cancellation Period (as defined below), and any interest payable on the Tier I Subordinated Notes on any Interest Payment Date falling within an Interest Cancellation Period will not be paid.

(iv) Interest on the Tier I Subordinated Notes is non-cumulative. All amounts of such interest not paid in whole or in part pursuant to the preceding paragraphs will be deemed irrevocably cancelled, without the need for the consent of the holders of the Tier I Subordinated Notes, and will not be restored in any circumstances. For the avoidance of doubt, (A) any non-payment of interest, in whole or in part, by the Issuer pursuant to the preceding paragraphs will not constitute an Event of Default under the Notes, (B) holders of the Tier I Subordinated Notes will not have any claim or entitlement to any amount of such unpaid interest, and (C) any and all amounts of such unpaid interest may be applied by the Issuer for any purpose, including without limitation for the satisfaction of its other obligations that are due and payable.

(v) In the event that (x) any interest payable on any Series of Tier I Subordinated Notes on any Interest Payment Date will not be paid in whole or in part pursuant to the preceding paragraphs or (y) an Interest Cancellation Period has commenced or terminated, the Issuer will, no later than ten Business Days prior to the relevant Interest Payment Date or five Business Days after the commencement or termination of an Interest Cancellation Period, as applicable, provide notice of such non-payment or commencement/termination to the Paying Agents and to the holders of such Tier I Subordinated Notes in accordance with Condition 15, stating the reason for such non-payment (and specifying the amount of interest payable that will not be paid) or commencement/termination; provided, however, that the failure of the Issuer to provide such notice shall not affect the effectiveness of the cancellation of the applicable interest amounts.

As used herein:

Interest Cancellation Period means any of the following: (x) the period during which any measure as set out in Article 97 of the Regulation on Supervision of Banking Business has been imposed by the Financial Services Commission of Korea (the **FSC**) against the Issuer and is pending; or (y) the period during which "emergency measures" have been imposed by the FSC or its chairman against the Issuer pursuant to Article 38 of the Regulation on Supervision of Banking Business and are pending.

(g) *Interest Rate Reset*

If Interest Rate Reset is specified in the applicable Pricing Supplement, the Rate of Interest applicable to the Notes will be reset to the Reset Interest Rate (as defined below) effective as of each Interest Reset Date (as specified in the applicable Pricing Supplement), such that the Notes will bear interest at the Reset Interest Rate during each period from (and including) an Interest Reset Date to (but excluding) the next succeeding Interest Reset Date or, if earlier, the date of redemption (each a **Reset Interest Period**).

The Issuing and Principal Paying Agent will, on the Calculation Date (as defined below) for each Reset Interest Period, calculate the Reset Interest Rate for such Reset Interest Period and cause such Reset Interest Rate and the relevant Interest Reset Date to be notified to the Issuer and any stock exchange on which the Notes are for the time being listed, and the Issuer will cause notice to the Noteholders of such Reset Interest Rate and Interest Reset Date to be published in accordance with Condition 15 as soon as possible after such Calculation Date but in no event later than the fourth New York Business Day (as defined below) thereafter.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(g) by the Issuing and Principal Paying Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Issuing and Principal Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

As used herein, unless otherwise specified in the applicable Pricing Supplement:

Base Rate means the U.S. Treasury Rate or such other rate as specified in the applicable Pricing Supplement;

Calculation Date means, in relation to a Reset Interest Period, the fifth New York Business Day (as defined below) preceding the Interest Reset Date on which such Reset Interest Period commences;

Comparable Treasury Issue means the U.S. Treasury security having a maturity comparable to the Reset Interest Period and selected by the Issuer as the one that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities with a maturity comparable to the Reset Interest Period;

Comparable Treasury Price means, with respect to a Calculation Date, the average of the three Reference Treasury Dealer Quotations (as defined below) for such Calculation Date;

New York Business Day means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business (including dealing in foreign exchange and foreign currency deposits) in New York City;

Reference Treasury Dealer Quotations means, with respect to a Calculation Date, the average, as determined by the Issuing and Principal Paying Agent, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Issuing and Principal Paying Agent at 5:00 p.m. New York time on such Calculation Date by each of the three nationally recognised investment banking firms selected by the Issuer that are primary U.S. government securities dealers;

Reset Interest Rate means, in relation to a Reset Interest Period, a fixed percentage rate per annum equal to the sum of (x) the Base Rate for such Reset Interest Period and (y) the Spread (as specified in the applicable Pricing Supplement); and

U.S. Treasury Rate means, in relation to a Reset Interest Period, the percentage rate per annum equal to the yield, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication that is published weekly by the Board of Governors of the U.S. Federal Reserve System (available on the website thereof at http://www.federalreserve.gov/releases/h15/current/default.htm, or any successor site), within the column that presents the average yields for the week ending immediately prior to the Calculation Date for such Reset Interest Period, under the caption "U.S. government securities—Treasury constant maturities—Nominal," for U.S. Treasury securities having a maturity comparable to the Reset Interest Period. If such release (or any successor release) is not published during the week preceding such Calculation Date or does not contain such yield, **U.S. Treasury Rate** means the percentage rate per annum equal to the semi-annual or quarterly (as applicable) equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Calculation Date.

(h) *Benchmark Discontinuation (General)*

The following provisions shall apply if Benchmark Discontinuation (General) is specified in the applicable Pricing Supplement:

(i) Independent Adviser

If the Issuer or its designee determines that a Benchmark Transition Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(h)(ii) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with 5(h)(iv)). In making

such determination, the Independent Adviser appointed pursuant to this Condition 5(h) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith, gross negligence, wilful misconduct or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents, the Trustee or the Noteholders for any determination made by it, pursuant to this Condition 5(h).

If (i) the Issuer is unable to appoint an Independent Adviser, or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(h)(i) prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to Floating Rate Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest determined using the Original Reference Rate last displayed on the Relevant Screen Page prior to the relevant Interest Determination Date. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5(h)(i).

(ii) Successor Rate or Alternative Rate

If the Independent Adviser determines that:

(A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on Floating Rate Notes (subject to the operation of this Condition 5(h)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on Floating Rate Notes (subject to the operation of this Condition 5(h)).

(iii) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(h) and the Independent Adviser determines (i) that amendments to these Conditions, the Agency Agreement and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "Benchmark Amendments"), and (ii) the terms of the

Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(h)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Calculation Agent, the Paying Agents and the Trustee of a certificate signed by two directors of the Issuer pursuant to Condition 5(h)(v), the Calculation Agent, the Paying Agents or the Trustee shall be obliged to concur with the Issuer or the Independent Adviser in using their reasonable endeavours to effect any Benchmark Amendments as contemplated under this Condition 5(h). Notwithstanding any other provision of this Condition 5(h), none of the Calculation Agent, the Paying Agents or the Trustee shall be obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 5(h) which, in the opinion of the Calculation Agent, the relevant Paying Agent or the Trustee, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent, the relevant Paying Agent or the Trustee (as applicable) in the Agency Agreement or the Trust Deed (including, for the avoidance of doubt, any supplements thereto) and/or these Conditions.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5(h) will be notified at least 10 business days prior to the relevant Interest Determination Date by the Issuer to the Calculation Agent, the Paying Agents, the Trustee and, in accordance with Condition 15, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Noteholders of the same, the Issuer shall deliver to the Calculation Agent, the Paying Agents and the Trustee a certificate signed by two directors of the Issuer:

(A) confirming (i) that a Benchmark Transition Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5(h); and

(B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Calculation Agent, the Paying Agents and the Trustee shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Calculation Agent's, the Paying Agents' or the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Calculation Agent, the Paying Agents, the Trustee and the Noteholders.

Notwithstanding any other provision of this Condition 5(h), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's sole opinion there is any uncertainty between two or more alternative courses of action

in making any determination or calculation under this Condition 5(h), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, willful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, willful default or fraud) shall not incur any liability for not doing so.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 5(h)(i), Condition 5(h)(ii), Condition 5(h)(iii) and Condition 5(h)(iv), the Original Reference Rate and the fallback provisions provided for in Condition 5(b)(ii) will continue to apply unless and until a Benchmark Transition Event has occurred.

(vii) Definitions

As used in this Condition 5(h):

Adjustment Spread means either (x) a spread (which may be positive, negative or zero) or (y) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(B) if no such recommendation has been made, or in the case of an Alternative Rate, the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(C) if the Independent Adviser determines that no such spread is customarily applied, the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

Alternative Rate means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5(h)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Floating Rate Notes;

Benchmark Amendments has the meaning given to it in Condition 5(h)(iv);

Benchmark Replacement Conforming Changes means, with respect to the Benchmark Amendments, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Amendments in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice

is not administratively feasible or if the Issuer or its designee determine that no market practice for use of the Benchmark Amendments exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

Benchmark Transition Event means:

(A) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

(B) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(C) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(D) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Floating Rate Notes; or

(E) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

(F) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholders using the Original Reference Rate,

provided that the Benchmark Transition Event shall be deemed to occur (i) in the case of sub-paragraphs (B) and (C) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (ii) in the case of sub-paragraph (D) above, on the date of the prohibition of use of the Original Reference Rate and (iii) in the case of sub-paragraph (E) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Transition Event shall be determined by the Issuer and promptly notified to the Calculation Agent, the Paying Agents and the Trustee. For the avoidance of doubt, none of the Calculation Agent, the Paying Agents or the Trustee shall have any responsibility for making such determination;

designee means a designee as selected and separately appointed by the Issuer in writing;

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(h)(i);

Original Reference Rate means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Floating Rate Notes;

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable):

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof; and

Successor Rate means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body. In connection with the implementation of the Benchmark Amendments, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes (as defined herein) from time to time.

(i) Benchmark Discontinuation (SOFR)

The following provisions shall apply if Benchmark Discontinuation (SOFR) is specified in the applicable Pricing Supplement:

(i) Benchmark Replacement

If the Issuer or its designee determines that a Benchmark Event (as defined herein) and its related Benchmark Replacement Date (as defined herein) have occurred on or prior to the Reference Time (as defined herein) with respect to the then-current Benchmark (as defined herein), the Benchmark Replacement (as defined herein) will replace the then-current Benchmark for all purposes relating to the applicable Notes in respect of all determinations on such date and all determinations on all subsequent dates.

(ii) SOFR Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make SOFR Benchmark Replacement Conforming Changes (as defined herein) from time to time. For the avoidance of doubt, the Agents and the Trustee shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement, the Trust Deed and these Conditions as may be required to give effect to this Condition 5(i). Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by the Agents (if required). Further, none of the Calculation Agent, the Paying Agents, the Registrars, the Transfer Agents or the Trustee shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(iii) Decisions and Determinations

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 5(i), including any determination with respect to a tenor, rate or adjustment or of the

occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (A) will be conclusive and binding absent manifest error, (B) will be made in the sole discretion of the Issuer or its designee, as applicable, and (C) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(iv) Certain Defined Terms

As used in this Condition 5(i):

Benchmark means, initially, the relevant SOFR Benchmark specified in the applicable Pricing Supplement; provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement;

Benchmark Event means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(A) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(B) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(C) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

Benchmark Replacement means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(A) the sum of:

(1) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and

(2) the Benchmark Replacement Adjustment;

(B) the sum of:

(1) the ISDA Fallback Rate; and

(2) the Benchmark Replacement Adjustment; or

(C) the sum of:

(1) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated Floating Rate Notes at such time; and

(2) the Benchmark Replacement Adjustment;

Benchmark Replacement Adjustment means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(A) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(B) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(C) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Floating Rate Notes at such time;

Benchmark Replacement Date means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(A) in the case of sub-paragraph (A) or (B) of the definition of "Benchmark Event," the later of:

(1) the date of the public statement or publication of information referenced therein; and

(2) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(B) in the case of sub-paragraph (C) of the definition of "Benchmark Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

designee means a designee as selected and separately appointed by the Issuer in writing;

ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

ISDA Fallback Adjustment means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

ISDA Fallback Rate means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

Reference Time with respect to any determination of the Benchmark means (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Simple SOFR Average or Compounded Daily SOFR is specified as applicable hereon) or SOFR Index Determination Time (where SOFR Index is specified as applicable hereon), or (2) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the SOFR Benchmark Replacement Conforming Changes;

Relevant Governmental Body means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

SOFR Benchmark Replacement Conforming Changes means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary); and

Unadjusted Benchmark Replacement means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

6. Payments

(a) *Method of Payment*

Subject as provided below:

(i) payments in a Specified Currency other than Euro and RMB will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne or Wellington, respectively);

(ii) payments in Euro will be made by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee or, at the option of the payee, by a Euro cheque; and

(iii) payments in RMB will be made by (a) transfer to the registered RMB account of the Noteholder maintained by or on behalf of it with a bank in Hong Kong and (b) if a Registered Note representing the Notes is lodged with the CMU Service, payments will be made to the registered RMB account of the person(s) maintained by or on behalf of it with a bank in Hong Kong for whose account(s) interests in the relevant Registered Note are credited as being held with the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging Agent by the CMU Service through a relevant notification by the CMU Service, which notification shall be conclusive evidence of the records of the CMU Service (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 and (ii) any deduction or withholding required pursuant to FATCA (as defined in Condition 9). References to **Specified Currency** will include any successor currency under applicable law.

(b) *Presentation of Notes, Receipts and Coupons*

(i) Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against surrender of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Notwithstanding the foregoing, if any amount of principal and/or interest in respect of any Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of the Bearer Notes may be made at the specified office of a Paying Agent in the United States if:

(A) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents will be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(B) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(C) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer (it being understood that under current U.S. federal income tax law, such payment would only be permitted, if at all, where exchange controls or other similar restrictions have been imposed that prevent the full payment or receipt of interest in U.S. dollars through Paying Agents outside the United States).

In respect of definitive Bearer Notes, payments of instalments of principal (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above

against surrender of the relevant Receipt. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against surrender of the relevant Bearer Note. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes or Index Linked Redemption Amount Notes) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter. Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note or Index Linked Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

Notwithstanding the foregoing, in the case of definitive Bearer Notes held in the CMU Service, payment will be made at the direction of the bearer to the CMU Accountholders and such payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

If the due date for redemption of any definitive Bearer Note is not a Fixed Interest Date or an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Fixed Interest Date or Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

(ii) Payments of principal and interest (if any) in respect of Bearer Notes represented by any bearer global Note will (subject as provided below) be made in the manner provided in paragraph (a) above and otherwise in the manner specified in the relevant bearer global Note (A) in the case of a bearer global Note lodged with the CMU Service, at the direction of the bearer to the CMU Accountholders or (B) in the case of a bearer global Note not lodged with the CMU Service, against presentation or surrender, as the case may be, of such bearer global Note at the specified office of any Paying Agent. A record of each payment made against presentation or surrender of such bearer global Note, distinguishing between any payment of principal and any payment of interest, will be made on such bearer global Note by such Paying Agent and such record shall be prima facie evidence that the payment in question has been made.

(iii) Payments of principal (other than instalments of principal (if any) prior to the final instalment) in respect of Registered Notes (whether in definitive or global form) will be made in the manner specified in paragraph (a) to the persons in whose name such Registered Notes are registered at the close of business on the business day (being for this purpose a day on which banks are open for business in the city where the

Registrar is located) immediately prior to the relevant payment date against presentation and surrender (or, in the case of part payment only of any sum due, endorsement) of such Registered Notes at the specified office of the Registrar.

Payments of interest due on a Registered Note (whether in definitive or global form) and payments of instalments of principal (if any) due on a Registered Note (other than the final instalment) will be made in the manner specified in paragraph (a) to the person in whose name such Note is registered (A) where in global form, at the close of business day (being for this purpose, in respect of Notes clearing through Euroclear and Clearstream, Luxembourg, a day on which Euroclear and Clearstream, Luxembourg are open for business, in respect of Notes clearing through the CMU Service, a day on which the CMU Service is open for business and in respect of Notes clearing through the DTC, a day on which DTC is open for business) immediately preceding the relevant due date and (B) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) (the **Record Date**)) prior to such due date. In the case of payments by cheque, cheques will be mailed to the holder (or the first named of joint holders) at such holder's registered address on the business day (as described above) immediately preceding the due date.

If payment in respect of any Registered Notes is required by credit or transfer as referred to in paragraph (a) above, application for such payment must be made by the holder to the Registrar not later than the relevant Record Date.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency or conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

(iv) The holder of a global Note (or, as provided in the Trust Deed, the Trustee) if the global Note is not lodged with the CMU Service or, the CMU Accountholder if the global Note is lodged with the CMU Service, shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note (or as provided in the Trust Deed, the Trustee) in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, DTC or the CMU Service as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear, Clearstream, Luxembourg, DTC or the CMU service, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Note (or, as provided in the Trust Deed, the Trustee). No person other than the holder of such global Note (or, as provided in the Trust Deed, the Trustee) shall have any claim against the Issuer in respect of any payments due on that global Note.

(c) *Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which is:

(i) a day on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation;

(ii) a Business Day (as defined in Condition 5(b)(i)); and

(iii) in relation to Notes payable in Euro, a day on which the T2 System is open for the settlement of payments in euro.

(d) *Interpretation of Principal and Interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 9 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) in relation to Notes redeemable in instalments, the Instalment Amounts;

(vi) in relation to Zero Coupon Notes, the Amortised Face Amount; and

(vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

(e) *Payment in Renminbi*

All payments in Renminbi will be made solely by credit to an RMB account maintained by the payee at a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong).

(f) *RMB Currency Event*

If "RMB Currency Event" is specified in the applicable Pricing Supplement and an RMB Currency Event, as determined by the Issuer acting in good faith, exists on a date for payment of any amount in respect of any Note, Receipt or Coupon, the Issuer's obligation to make a payment in Renminbi under the terms of the Notes may be replaced by an obligation to pay such amount in the Relevant Currency (selected by the Issuer, if applicable, and converted at the Alternate Settlement Rate as of a time selected by the Alternate Settlement Rate Determination Agent as specified in the applicable Pricing Supplement).

Upon the occurrence of an RMB Currency Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 15 stating the occurrence of the RMB Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

For the purposes of this Condition 6(f) and unless stated otherwise in the applicable Pricing Supplement:

Alternate Settlement Rate means the spot rate, determined by the Alternate Settlement Rate Determination Agent, between RMB and the Relevant Currency, taking into consideration all available information which the Alternate Settlement Rate Determination Agent deems relevant (including, but not limited to, the pricing information obtained from the RMB non-deliverable market outside the PRC and/or the RMB exchange market within the PRC);

Governmental Authority means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

Relevant Currency means United States dollars or such other currency as may be specified in the applicable Pricing Supplement;

RMB Currency Events means any one of RMB Illiquidity, RMB Non-Transferability and RMB Inconvertibility;

RMB Illiquidity means the general CNY exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient CNY in order to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the Notes, as determined by the Issuer acting in good faith and in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the CNY exchange market in Hong Kong;

RMB Inconvertibility means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the general CNY exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond the control of the Issuer, to comply with such law, rule or regulation); and

RMB Non-Transferability means the occurrence of any event that makes it impossible for the Issuer to deliver CNY between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong or from an account outside Hong Kong to an account inside Hong Kong (including where the RMB clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer due to an event beyond the control of the Issuer, to comply with such law, rule or regulation).

7. Redemption and Purchase

(a) *At Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

Notwithstanding any provisions to the contrary in these Terms and Conditions, the following will apply with respect to the redemption of the Tier I Subordinated Notes:

(i) The Tier I Subordinated Notes are undated perpetual securities and shall have no fixed Maturity Date. Subject to Condition 3(c), the principal amount of the Tier I Subordinated Notes will become due and payable by the Issuer on the date on which voluntary or involuntary winding up proceedings are instituted in respect of the Issuer in accordance with, as the case may be, (1) a resolution passed at a shareholders' meeting of the Issuer, (2) any provision of the Issuer's articles of incorporation or (3) any applicable law or any decision of any judicial or administrative authority.

(ii) The Tier I Subordinated Notes may not be redeemed at any time without the prior approval of the Financial Supervisory Service of Korea (the **FSS**) or such other relevant regulatory authorities in Korea, to the extent such approval is necessary.

(b) *Redemption for Tax Reasons*

The Notes may be redeemed at the option of the Issuer (in the case of Subordinated Notes, subject to prior approval of the FSS pursuant to regulations in effect at the applicable time relating to, including without limitation, capital adequacy ratio and replacement capital) in whole, but not in part, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note), on giving not less than 30 nor more than 60 days' notice to the Issuing and Principal Paying Agent (and the CMU Lodging Agent if applicable) and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

(i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of Korea or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including the cessation of tax exemptions presently applicable) or any execution of, or amendment to, any treaty or treaties affecting taxation to which Korea is a party, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and

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

provided that (1) in the case of Subordinated Notes, the prior approval of the FSS or such other relevant regulatory authorities in Korea shall have been obtained, if necessary, and (2) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by two authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. The Trustee shall be entitled to accept the certificate and opinion of independent legal advisers as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above, in which event it shall be conclusive and binding on the Noteholders.

Notes redeemed pursuant to this Condition 7(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) *Redemption at the Option of the Issuer*

If the Issuer is specified in the applicable Pricing Supplement as having an option to redeem, the Issuer shall, having given:

(i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15; and

(ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Issuing and Principal Paying Agent (and the CMU Lodging Agent if applicable) and the Trustee;

(which notices shall be irrevocable), redeem all or some of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date provided, however, that in the case of Subordinated Notes, (1) such redemption may not occur within five years of the Issue Date and (2) such redemption shall be subject to the prior approval of the FSS pursuant to FSS regulations in effect at the applicable time relating to, *inter alia*, capital adequacy ratios, replacement capital and interest rates. Any such redemption must be of a nominal amount equal to the Minimum Redemption Amount or a Higher Redemption Amount. In the case of a partial redemption of Notes, (or, as the case may be, parts of Registered Notes), the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or the CMU Service and/or DTC, as the case may be, in the case of Redeemed Notes represented by a global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least 5 days prior to the Selection Date.

(d) *Redemption of the Senior Notes at the Option of the Noteholders*

If the holders of Senior Notes are specified in the applicable Pricing Supplement as having an option to redeem with respect to any Series of Senior Notes only, upon the holder of any Senior Note giving the Issuer in accordance with Condition 15 not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Pricing Supplement the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, in whole (but not in part), such Senior Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of a Senior Note the holder of such Senior Note must deliver a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent, Transfer Agent or the Registrar (a **Put Notice**) accompanied by, if the

Senior Note is in definitive form, the definitive Senior Note, to the specified office of any Paying Agent, in the case of Bearer Notes, or of any Transfer Agent or the Registrar in the case of Registered Notes, at any time within the notice period during normal business hours of such Paying Agent, Transfer Agent or the Registrar. In the Put Notice the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition.

(e) *Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 11, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

(i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(ii) in the case of Notes (other than Zero Coupon Notes but including Instalment Notes and Partly Paid Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, if no such amount or manner is so specified in the Pricing Supplement, at their nominal amount; or

(iii) in the case of Zero Coupon Notes, at an amount (the **Amortised Face Amount**) equal to the sum of:

(A) the Reference Price; and

(B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each or such other calculation basis as may be specified in the applicable Pricing Supplement.

(f) *Instalments*

If the Notes are repayable in instalments, they will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

(g) *Partly Paid Notes*

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

(h) *Purchases, Etc.*

The Issuer may at any time purchase Senior Notes at any price (provided that, in the case of Bearer Notes in definitive form, these are purchased together with all unmatured Receipts, Coupons and Talons appertaining thereto) in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation. In the case of the Subordinated Notes, the Issuer and any person or entity over which the Issuer exercises substantial control, including any affiliated

company or subsidiary of the Issuer (each such party, an **Issuer Related Party**) shall not purchase the Subordinated Notes nor provide, directly or indirectly, funds to acquire the Subordinated Notes by providing any collateral, guarantee or loan in favour of the person or entity which will acquire such Notes. In addition, neither the Issuer nor any Issuer Related Party shall enhance, legally or economically, the payment seniority of the Subordinated Notes, nor provide, directly or indirectly through its affiliated company or subsidiary, any collateral or guarantee in favour of the person or entity which acquires such Subordinated Notes.

(i) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (h) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Issuing and Principal Paying Agent (and the CMU Lodging Agent if applicable), which shall notify the Registrar of such cancelled Notes in the case of Registered Notes, and cannot be reissued or resold.

(j) *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

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

(ii) the date on which the full amount of the moneys payable has been received by the Issuing and Principal Paying Agent, the CMU Lodging Agent, the Registrar or the Trustee, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 15.

(k) *Obligation to Redeem*

Upon the expiry of any notice as is referred to in paragraph (b), (c) or (d) above, the Issuer shall be bound to redeem the Notes to which the notice referred at the relevant redemption price applicable at the date of such redemption together with, if appropriate, interest accrued to (but excluding) the relevant redemption date.

(l) *Redemption of Subordinated Notes for Tax Non-deductibility or Regulatory Reasons*

Any Series of Tier I Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Issuing and Principal Paying Agent (and the CMU Lodging Agent if applicable) and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), if either a Tax Non-deductibility Event or a Regulatory Event (each as defined below) has occurred and is continuing; provided that (1) the prior approval of the FSS or such other relevant regulatory authorities in Korea shall have been obtained, if necessary and (2) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which (x) the Issuer would cease to be able to claim the relevant tax deduction pursuant to such Tax Non-deductibility Event or (y) such Series of Tier I Subordinated Notes would cease to qualify (in whole or in part) as additional Tier I capital pursuant to such Regulatory Event, as applicable.

Any Series of Tier II Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Issuing and Principal Paying Agent (and the CMU Lodging Agent if applicable) and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), if a Regulatory Event (as defined below) has occurred and is continuing; provided that (1) the prior approval of the FSS or such other relevant regulatory authorities in Korea shall have been obtained, if necessary and (2) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which such Series of Tier II Subordinated Notes would cease to qualify (in whole or in part) as Tier II capital pursuant to such Regulatory Event.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Issuing and Principal Paying Agent (1) a certificate signed by two duly authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent legal advisers or tax advisers (with respect to a Tax Non-deductibility Event) of recognised standing to the effect that such Tax Non-deductibility Event or Regulatory Event, as applicable, has occurred and is continuing.

Notes redeemed pursuant to this Condition will be redeemed at their Final Redemption Amount, together (subject to Condition 5(f)) with interest accrued to (but excluding) the date of redemption.

As used herein:

Regulatory Event means, (A) with respect to any Series of Tier I Subordinated Notes, such Notes (after having qualified as such at the time of their issuance) will no longer qualify (in whole or in part) as additional Tier I capital of the Issuer under applicable Korean laws and regulations, or (B) with respect to any Series of Tier II Subordinated Notes, such Notes (after having qualified as such at the time of their issuance) will no longer qualify (in whole or in part) as Tier II capital of the Issuer under applicable Korean laws and regulations, in the case of either (A) or (B) as a result of a change in or amendment to, or a change in the application or official interpretation of, such laws or regulations; provided, however, that such change or amendment was not pending or foreseeable at the time of issuance of such Notes; and

Tax Non-deductibility Event means, with respect to any Series of Tier I Subordinated Notes, the Issuer (after having been entitled to claim such a deduction at the time of issuance of such Notes) will no longer be entitled to claim a deduction in respect of interest paid on such Notes for purposes of Korean corporation tax under applicable Korean laws and regulations, as a result of a change in or amendment to, or a change in the application or official interpretation of, such laws or regulations; provided, however, that such tax non-deductibility cannot be avoided by the Issuer taking reasonable measures available to it.

8. Loss Absorption Upon a Trigger Event in Respect of Subordinated Notes

(a) *Write-off on a Trigger Event*

Effective as of the third Korean Business Day from the occurrence of a Trigger Event, each Subordinated Note, including the then outstanding principal amount thereof and any accrued but unpaid interest thereon, shall be irrevocably cancelled in whole, without the need for the consent of the holders of the Subordinated Notes (such cancellation being referred to herein as a **Write-off**, and **Written-off** shall be construed accordingly). Once the principal amount of, and any accrued but unpaid interest under, the Subordinated Notes has been Written-off, such amounts will not be restored in any circumstances, including where the Trigger Event ceases to continue.

The Issuer shall provide a Trigger Event Notice to the holders of the Subordinated Notes, but such Write-off shall be effective irrespective of whether the Issuer has provided such Trigger Event Notice.

For the avoidance of doubt, any Write-off pursuant to this Condition 8(a) will not constitute an Event of Default or Potential Event of Default (as defined in the Trust Deed) or any other insolvency events of the Issuer.

(b) *Definitions*

In these conditions and unless stated otherwise in the applicable Pricing Supplement:

Korean Business Day means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in Seoul, Korea;

Trigger Event means the designation of the Issuer as an "insolvent financial institution" pursuant to the Act on the Structural Improvement of the Financial Industry of Korea; and

Trigger Event Notice means the notice specifying that a Trigger Event has occurred, which shall be issued by the Issuer not more than two Korean Business Days after the occurrence of a Trigger Event, to the holders of the Subordinated Notes in accordance with Condition 15, with copies to the Trustee and the Issuing and Paying Agents for informational purposes, and which shall state in reasonable detail the date and nature of the relevant Trigger Event. Notwithstanding any provisions of Condition 15 to the contrary, any such notice shall be effective as of the date of its issuance by the Issuer.

9. Taxation

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Korea or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(i) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection (including, without limitation, by reason of a permanent establishment) with Korea other than the mere holding of such Note, Receipt or Coupon; or

(ii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or

(iii) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or

(iv) presented for payment by or on behalf of a holder of such Note, Receipt or Coupon who, at the time of such presentation, is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption and does not make such declaration or claim; or

(v) with respect to any tax, assessment or other governmental charge that would not have been imposed but for a failure by the holder or beneficial owner (or any financial institution through which the

holder or beneficial owner holds any Note, Receipt or Coupon through which payment on the Note, Receipt or Coupon is made) to comply with any certification, information, identification, documentation or other reporting requirements (including entering into and complying with an agreement with the U.S. Internal Revenue Service) imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code as in effect on the date of issuance of the Notes (or any regulations thereunder or official interpretations thereof) or any successor or amended version of these provisions (to the extent such successor or amended version is not materially more onerous than these provisions as enacted on such date), or any intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (collectively, **FATCA**); or

(vi) any combination of (i), (ii), (iii), (iv) or (v) above.

The obligation of the Issuer to pay additional amounts in respect of taxes, duties, assessments and governmental charges shall not apply to (a) any estate, inheritance, gift, sales, transfer, personal property or any similar tax, assessment or other governmental charge, (b) any tax, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments of principal of or interest on the Notes, or (c) a payment on a Note to a holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to the additional amount had such beneficiary, settlor, member or beneficial owner been the holder of such Note.

As used herein, the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Issuing and Principal Paying Agent, the CMU Lodging Agent, the Registrar or the Trustee, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15.

10. Prescription

The Notes, Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

11. Events of Default

(a) *Events of Default applicable to Senior Notes only*

If any of the following events occurs and is continuing (each, an Event of Default), the Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), (but, in the case of the happening of any of the events referred to in paragraphs (ii) to (vi) (other than the winding up or dissolution of the Issuer) and (viii) to (xii) of this Condition, only if the Trustee shall have first certified that, in its opinion, such event is materially prejudicial to the interests of the Noteholders), by written notice to the Issuer declare that the Notes are, and they

shall thereupon become, immediately due and repayable, at their Early Redemption Amount (as described in Condition 7(e)) together with accrued interest as provided in the Trust Deed:

(i) *Non-payment*: default is made in the payment of any amount of principal or interest in respect of any of the Senior Notes on the due date for payment thereof and such default remains unremedied for, in the case of default in the payment of principal, seven days, or, in the case of default in the payment of interest, 14 days thereafter;

(ii) *Breach of other obligations*: default is made in the performance or observance of any other obligation of the Issuer under or in respect of the Senior Notes, the Trust Deed or the Agency Agreement and (except in any case where, in the opinion of the Trustee, such default is incapable of remedy when no such continuation or notice as is hereafter mentioned will be required) such default remains unremedied for 30 days (or such longer period as the Trustee may agree) after written notice thereof has been delivered to the Issuer by the Trustee;

(iii) *Cross-acceleration*: (1) any Indebtedness (as defined below) of the Issuer in aggregate exceeding U.S.$10,000,000 (or its equivalent in one or more currencies) is not paid when due or, as the case may be, within any originally applicable grace period, (2) any such Indebtedness becomes due and payable prior to its stated maturity as a result of a default in respect of the terms thereof or (3) the Issuer fails to pay on the expiry of any originally applicable grace period any amount payable by it under any Surety (as defined below);

(iv) *Enforcement proceedings*: a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out upon or against the whole or a material part of the assets or revenues of the Issuer and is not discharged or stayed within 30 days;

(v) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a material part of the undertaking, assets and revenues of the Issuer;

(vi) *Insolvency, etc.*: (1) the Issuer becomes insolvent or is unable to pay its debts as they fall due, (2) an administrator or liquidator of the Issuer or the whole or any part of the undertaking, assets and revenues of the Issuer is appointed (or application for any such appointment is made (or documents filed with a court) and is not withdrawn within 30 days thereafter), (3) the Issuer takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Surety given by it, (4) the Issuer ceases or threatens to cease to carry on all or any substantial part of its business or (5) the Issuer ceases to be a foreign exchange bank with a general banking licence in Korea;

(vii) *Winding-up*, *etc.*: an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Issuer;

(viii) *Analogous event*: any event occurs which under the laws of Korea has an analogous effect to any of the events referred to in paragraphs (iv) to (vii) above;

(ix) *Failure to take action, etc.*: any action, condition or thing at any time required to be taken, fulfilled or done in order (1) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Senior Notes, the Trust Deed and the Agency Agreement, (2) to ensure that those obligations are legal, valid, binding and enforceable and (3) to make the Senior Notes, the Trust Deed and the Agency Agreement admissible in evidence in the courts of Korea (other than their translation into the Korean language) is not taken, fulfilled or done;

(x) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under or in respect of any of the Senior Notes, the Trust Deed or the Agency Agreement;

(xi) *Government intervention*: (1) all or any substantial part of the undertaking, assets and revenues of the Issuer is condemned, seized or otherwise appropriated by any person acting or purporting to act under the authority of any national, regional or local government of Korea or (2) the Issuer is prevented by any such person from exercising normal control over all or any material part of its undertaking, assets and revenues; or

(xii) *Article 43*: Korea has neither ownership (directly or indirectly) of at least 50.0 per cent. plus one share of the issued share capital of the Issuer nor control (as defined in the Trust Deed) (directly or indirectly) of the Issuer or for any reason fails to provide the financial support to the Issuer stipulated by Article 43 of the Industrial Bank of Korea Act 1961 as amended (**Article 43**) or Article 43 is amended, modified or supplemented in a manner which prejudices the interests of the Noteholders as determined by an independent investment bank active in the Korean bond market selected by the Issuer and previously approved in writing by the Trustee, or is repealed.

In these Terms and Conditions:

Indebtedness means all obligations created, incurred or assumed by any Persons for the payment or repayment of moneys relating to or in connection with (a) any indebtedness of any Persons in respect of moneys borrowed by it; (b) any indebtedness of any Persons under acceptance or documentary credit facilities; (c) any indebtedness of any Persons under bills, bonds, debentures, notes or similar instruments on which the Issuer is liable; (d) any obligations of any Persons under leases which in accordance with accounting principles generally accepted in Korea are required to be capitalised for financial reporting purposes; (e) any indebtedness of any Persons (whether actual or contingent) for moneys owing under any instrument entered into by any Persons in respect of the acquisition cost of assets payment of which is deferred for a period in excess of six months after acquisition thereof; and (f) indebtedness of any Persons (actual or contingent) under guarantees, security, indemnities or other commitments designed to assure any creditors in respect of the payment of any indebtedness of any other person;

Person means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state, agency of a state or other entity, whether or not having a separate legal personality; and

Surety means any obligation of any Person to pay any Indebtedness of another Person including, without limitation, (l) any obligation to purchase such Indebtedness, (2) any obligation to lend or give money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness, (3) any indemnity against the consequences of a default in the payment of such Indebtedness and (4) any other agreement to be responsible for such Indebtedness.

(b) *Events of Default applicable to Subordinated Notes only*

(i) If any Bankruptcy Event or the liquidation of the Issuer shall occur and be continuing (and provided that a Trigger Event has not occurred and is continuing), the only action the Trustee on behalf of the Subordinated Noteholders may take in Korea against the Issuer in connection with acceleration of the Subordinated Notes is to prove claims in the liquidation or other applicable proceedings in respect of the Issuer in Korea (subject to the satisfaction of the relevant requirements of applicable laws).

(ii) In the event that the Issuer fails to pay the principal of Subordinated Notes when such principal becomes due in accordance with the terms of the Subordinated Notes and the Trust Deed (whether at

maturity, upon acceleration or redemption or otherwise) or fails to pay any interest or other amounts in respect of the Subordinated Notes within seven days after any such amount becomes due in accordance with the terms of the Subordinated Notes and the Trust Deed, there is no right of acceleration of the payment of principal of the Subordinated Notes. In such event, and provided that no Trigger Event has occurred or is continuing, the Trustee, on behalf of the Subordinated Noteholders, may pursue any other rights that a Subordinated Noteholder may have at law or equity with respect to sums due and unpaid, including the right to prove claims in the liquidation or other applicable proceedings in respect of the Issuer in Korea (subject to the satisfaction of the relevant requirements of applicable laws).

(iii) No Subordinated Noteholder will have any right to institute any proceeding unless such holder has previously given written notice to the Trustee of continuation of an event specified above.

12. Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issuing and Principal Paying Agent or the Paying Agent in Singapore (in the case of Bearer Notes, Receipts, Coupons and Talons) or of the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13. Issuing and Principal Paying Agent, Registrar, Exchange Agent, Paying and Transfer Agents

The names of the initial Issuing and Principal Paying Agent, the other initial Paying Agents, the initial Exchange Agent, the initial Registrar and the other initial Transfer Agents and their initial specified offices are set out below.

The Issuer is, with the prior written approval of the Trustee, entitled to vary or terminate the appointment of any Paying Agent, the Exchange Agent, Registrar or Transfer Agent and/or appoint additional or other Paying Agents, Exchange Agents, Registrars or Transfer Agents and/or approve any change in the specified office through which any of the same acts, provided that:

(i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent and, if appropriate, a Registrar and Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;

(ii) so long as the Notes are listed on the Singapore Stock Exchange and the rules of the Singapore Stock Exchange so require, if the Notes are issued in definitive form, there will at all times be a Paying Agent in Singapore unless the Issuer obtains an exemption from the Singapore Stock Exchange;

(iii) there will at all times be a Registrar and a Transfer Agent each having a specified office in New York City;

(iv) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City; and

(v) there will at all times be an Issuing and Principal Paying Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the second paragraph of Condition 6(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 15.

In acting under the Agency Agreement, the Issuing and Principal Paying Agent, the Exchange Agent, the Registrar, the Paying Agents and the Transfer Agents act solely as agents of the Issuer and, in certain limited circumstances, of the Trustee and do not assume any obligation or trust for or with any Noteholders.

14. Exchange of Talons

On and after the Fixed Interest Date or the Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Bearer Note to which it appertains) a further Talon, subject to the provisions of Condition 10. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Fixed Interest Date or the Interest Payment Date (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

15. Notices

Notices to holders of Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an overseas address) by air mail to them at their respective addresses as recorded in the Register and will be deemed to have been validly given on the fourth day after the date of such mailing.

All notices regarding Bearer Notes shall be published in a leading English language daily newspaper of general circulation in London (which is expected to be the *Financial Times*) or, if the Bearer Notes are held through the CMU Service, a leading English language daily newspaper of general circulation in Hong Kong (which is expected to be the *South China Morning Post*). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication in one or both such newspapers (as applicable).

Until such time as any Notes in definitive form are issued, there may (provided that, in the case of Notes listed on a stock exchange, the stock exchange agrees), so long as the Note(s) in global form is or are held in its/their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or the CMU Service and/or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or the CMU Service and/or DTC for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or the CMU Service and/or DTC.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issuing and Principal Paying Agent. Whilst any of the Notes are represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, such notice may be given by any holder of a Note to the Issuing and Principal Paying Agent via Euroclear and/or Clearstream, Luxembourg and/or DTC and/or, in the case of Notes lodged with the CMU Service, by delivery by such holder of such notice to the CMU Lodging Agent, as the case may be, in such manner as the Issuing and Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the CMU Service, as the case may be, may approve for this purpose.

16. Meetings of Noteholders, Modification and Waiver

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons, these Terms and Conditions or any of the provisions of the Trust Deed or the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons) or the Trust Deed, the quorum shall be one or more persons holding or representing not less than 75 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing a clear majority, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Trustee and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

(i) any modification (except as mentioned above) of any of the provisions of the Notes, the Receipts, the Coupons, these Terms and Conditions, the Trust Deed or the Agency Agreement which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders; or

(ii) any modification of the Notes, the Receipts, the Coupons, these Terms and Conditions, the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

The Trustee may also, without the consent of the Noteholders, Receiptholders or Couponholders:

(i) agree to the authorisation or waiver of any proposed breach or breach of any of the provisions of the Notes, the Receipts, the Coupons, these Terms and Conditions, the Trust Deed or the Agency Agreement which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders; or

(ii) determine that any Event of Default or Potential Event of Default shall not be treated as such provided that the Trustee is satisfied that so to do will not be materially prejudicial to the interests of the Noteholders.

In addition, the Trustee shall (at the expense of the Issuer) be obliged to concur with the Issuer in using its reasonable endeavours to effect any Benchmark Replacement Conforming Changes (including, inter alia, by amending or supplementing the Agency Agreement and the Trust Deed) in the circumstances and as otherwise set out in Condition 5(h), without the consent of the Noteholders, Receiptholders and Couponholders, provided that the Trustee shall not be obliged so to concur if, in the opinion of the Trustee, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Terms and Conditions, the Agency Agreement or the Trust Deed (including, for the avoidance of doubt, any supplements thereto) in any way.

Any such modification, authorisation, waiver or determination shall be binding on the Noteholders, the Receiptholders and the Couponholders and, unless the Trustee agrees otherwise, any such modification, authorisation, waiver or determination shall be notified to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers or discretions (including, without limitation, any modification, authorisation, waiver or determination), the Trustee shall have regard to the interests of the Noteholders as a class and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 9 and/or any undertaking given in addition to, or in substitution for, Condition 9 pursuant to the Trust Deed.

17. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes, provided that, in the case of Senior Notes that are Registered Notes, such further issuance constitutes a qualified reopening of the original Series, is otherwise treated as part of the same "issue" of debt instruments, as the original Series or is issued with less than a *de minimis* amount of original issue discount, in each case for U.S. federal income tax purposes.

18. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified to its satisfaction.

19. Enforcement

(a) Subject in the case of Subordinated Notes to the provisions of Condition 11(b)(iii), the Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least 25 per cent. in nominal amount of the Notes then outstanding, and (ii) it shall have been indemnified to its satisfaction.

(b) No Noteholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

20. Provision of Information

For so long as any Notes remain outstanding and are **restricted securities** (as defined in Rule 144(a)(3) under the Securities Act), the Issuer shall, during any period in which it is neither subject to Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, make

available to any Noteholder of, or beneficial owner of an interest in, such Notes in connection with any resale thereof and to any prospective purchaser designated by such Noteholder or beneficial owner, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

21. Contracts (Rights of Third Parties) Act 1999

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

22. Governing Law and Submission to Jurisdiction

(a) The Trust Deed, the Agency Agreement, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection therewith are governed by, and shall be construed in accordance with, English law except that Conditions 3(b) and 3(c) are governed by, and shall be construed in accordance with, Korean law.

(b) The Issuer has in the Trust Deed irrevocably agreed for the exclusive benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Agency Agreement, the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection therewith) and that accordingly any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes, the Receipts and the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection therewith) may be brought in such courts. The Issuer has in the Trust Deed irrevocably waived any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction. Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not. The Issuer has in the Trust Deed appointed Industrial Bank of Korea London Branch, at its registered office at Leaf B 38th Floor, Tower 42, 25 Old Broad Street, London EC2N 1HQ, United Kingdom, as its agent for service of process in connection with any Proceedings, and undertakes that, in the event of it ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law. The Issuer has in the Trust Deed irrevocably and unconditionally waived with respect to the Trust Deed, the Agency Agreement, the Notes, the Receipts and/or the Coupons any right to claim immunity from jurisdiction or execution and any similar defence and has irrevocably and unconditionally consented to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes.

INVESTMENT CONSIDERATIONS

Prospective purchasers of the Notes should carefully consider all of the information contained in this Offering Circular, including the Bank's separate and consolidated financial statements and related notes, in addition to the following investment considerations. In particular, investors should pay attention to the fact that the Bank is subject to the legal and regulatory environment of Korea which in many respects differs from that which prevails in other countries.

Risks relating to the Bank's corporate credit portfolio

The Bank has significant exposure to small- and medium-sized enterprises, and any financial difficulties experienced by companies in this segment may result in a deterioration of the Bank's asset quality and have an adverse impact on the Bank's operating results and financial condition.

The Bank was established by the Government as a specialist bank serving the public policy objectives of providing development finance and related banking services to small- and medium-sized enterprises in Korea. Many small- and medium-sized enterprises represent sole proprietorships or very small businesses dependent on a relatively limited number of suppliers or customers and are highly sensitive to fluctuations in the Korean economy. In addition, small- and medium-sized enterprises often maintain less sophisticated or reliable financial records than large corporate borrowers. Therefore, it is generally more difficult for the Bank to judge the level of risk inherent in lending to small- and medium-sized enterprises, as compared to large corporations. Financial difficulties experienced by small- and medium-sized enterprises as a result of, among other things, adverse economic conditions in Korea and globally, have led to a deterioration in the asset quality of the Bank's loans to this segment in the past, and such factors may lead to a deterioration of asset quality in the future. The Bank's loans to small- and medium-sized enterprises increased from ₩247,192 billion as of 31 December 2024 to ₩261,879 billion as of 31 December 2025, representing 82.2 per cent. and 83.0 per cent., respectively, of the Bank's Won and foreign currency loan portfolio. The Bank's delinquency ratio for such loans (calculated as the ratio of (1) the outstanding balance of such loans in respect of which either principal or interest payments are overdue by one month or more to (2) the aggregate outstanding balance of such loans) increased from 0.8 per cent as of 31 December 2024 to 0.9 per cent as of December 2025. The Bank's loans to small- and medium-sized enterprises that were classified as substandard or below based on the asset classification criteria (referred to as non-performing loans) of the Financial Services Commission (the **FSC**) decreased from ₩3,912 billion, representing 1.5 per cent. of the Bank's total loans to those enterprises, as of 31 December 2024 to ₩3,754 billion, representing 1.5 per cent. of the Bank's total loans to those enterprises, as of 31 December 2025. The Bank's write-offs in respect of the Bank's loans to small- and medium-sized enterprises increased from ₩751 billion in 2024 to ₩1,046 billion in 2025.

Although the Bank has a diversified loan portfolio with limited direct exposure to Korea's largest *chaebols*, the Bank has significant credit exposure to small- and medium-sized enterprises as a group, many of which have close business relationships with *chaebols*, primarily as suppliers. As a result, financial difficulties of *chaebols* may hurt the performance and financial condition of the Bank's small- and medium-sized enterprise customers, including those to which the Bank has exposure, which may result in an impairment of their ability to repay loans and may more generally have a material adverse impact on the Korean economy as a whole, which also could adversely affect the Bank's results of operations and financial condition.

The Government has historically introduced policies and initiatives intended to encourage Korean banks to provide financial support to small- and medium-sized enterprise borrowers. For example, pursuant to a financial support program announced by the Government in December 2023, participating Korean banks, including the Bank, provided a significant amount of liquidity support to small business owners and those in vulnerable sectors over the past few years. In December 2024, the Korea Federation of Banks, in line with similar initiatives of the

Government, announced that 20 participating banks, including the Bank, would collectively provide approximately ₩600 billion to ₩700 billion annually in various forms of financial support to small business owners over the next three years to help them overcome the prevailing adverse economic conditions in Korea. The Bank's participation in such Government-led initiatives has led and may continue to lead the Bank to extend credit to small- and medium-sized enterprise borrowers that it would not otherwise extend, or offer terms for such credit that it would not otherwise offer, in the absence of such initiatives. Furthermore, there is no guarantee that the financial condition and liquidity position of the Bank's small- and medium-sized enterprise borrowers benefiting from such initiatives will improve sufficiently for them to service their debt on a timely basis, or at all. Accordingly, increases in the Bank's exposure to small- and medium-sized enterprise borrowers resulting from such Government-led initiatives may have a material adverse effect on the Bank's financial condition and results of operations.

As a result of the difficult conditions and volatility in the Korean and global economies, the uncertainty surrounding the global credit and financial markets and other factors, the outlook for the Korean economy in 2026 and for the foreseeable future remains uncertain. In particular, financial difficulties experienced by small- and medium-sized enterprises as a result of, among other things, adverse economic conditions in Korea and globally, as well as aggressive marketing and competition among banks to lend to this segment, have led, and may in the future lead, to a deterioration in the asset quality of the Bank's loans to this segment in the future. Any deterioration in the asset quality of the Bank's loans would result in increased charge-offs and higher provisioning and reduced interest and fee income, which would have a material adverse impact on the Bank's results of operations and financial condition.

The Bank has significant exposure, through its lending and other activities, to a number of troubled industries, and financial difficulties of any Korean companies within these industries may adversely impact the Bank.

Many Korean companies, including some of the Bank's borrowers, have been facing financial difficulties due to the adverse economic conditions in Korea beginning in the second half of 2008. In particular, the Bank's borrowers in the following industries (as classified by the Korea National Statistical Office) have been facing financial difficulties: construction, shipbuilding, shipping and automotive.

The construction industry in Korea has undergone significant fluctuations in recent years. After undergoing a period of prosperity from 2015 to 2018, the construction industry experienced stagnation from 2019 to 2020, caused mainly by the uncertainty resulting from the Government's strengthening of mortgage and other lending regulations to control the rising real property prices, as well as temporary suspensions in construction projects due to the COVID-19 pandemic. After a brief period of recovery, the construction industry has experienced a rapid downturn starting in the second half of 2022, caused by a rise in interest rates and the resulting decline in demand for residential property throughout Korea, adverse changes in the price and availability of construction materials due to disruptions in global supply chains caused by, among others, the Russia-Ukraine war, and financing difficulties faced by construction companies as investors became reluctant to invest in real estate. Such downturn in the construction industry, which continued through 2025, has also resulted in a similar downturn for the real estate project financing industry in Korea. The prospects for these industries remain uncertain, among others, due to the decline in the number of new construction projects. The shipbuilding industry in Korea has also fluctuated significantly in recent years, with a long period of severe downturn followed by rapid growth since 2022, which continued through 2025 and beyond, resulting from an increase in demand for large container ships and high-priced environmentally friendly ships, as well as liquefied natural gas carriers. Such growth is expected to continue in 2026 as its backlog of orders is converted into actual revenue, aided by high ship prices and a depreciation of the Won. While recent shipbuilding initiatives by the United States and the geopolitical tensions between the United States and China have contributed to a favorable near-term outlook, the long-term prospects for this industry remain uncertain. Factors such as a potential "peak-out" in demand for new ships, rising

shipbuilding costs, ongoing competition from shipbuilding companies in China and escalations in trade protectionism continue to pose significant risks to the industry's sustained growth. Shipping companies in Korea have also experienced significant fluctuations in recent years. The shipping industry experienced a severe downturn in 2020 resulting from the COVID-19 pandemic and the ensuing global lockdown. Following a brief period of recovery as consumer spending and global trade returned to pre-pandemic levels, it has again experienced a downturn since 2022 arising from, among others, a deteriorating global economy, escalations in trade protectionism, an increase in global military conflicts, decreases in shipping volume and freight rates and the strengthening of international shipping regulations. The automotive industry in Korea is cyclical and economic slowdowns in the past have adversely affected the automotive and related industries. Korean automotive manufacturers face increasing competition from global automakers, including electric vehicle manufacturers in China, as well as potential trade restrictions and regulatory changes in key export markets. For example, certain governmental policies, such as the United States Inflation Reduction Act of 2022, which provides tax benefits to certain electric vehicles assembled within North America, as well as the One Big Beautiful Bill Act, which promotes manufacturing and supply chains in the United States, may affect the competitiveness of vehicles produced in Korea. In addition, given the automotive industry's high level of integration with the global economy, unfavorable changes in global financial markets, including high interest rates and inflation, may negatively affect the automotive industry in Korea.

Most of the Bank's exposure to Korean companies in the construction, shipbuilding, shipping and automotive industries is in the form of loans to small- and medium-sized enterprises. As of 31 December 2025, the Bank's loan exposure to small- and medium-sized enterprises in such industries amounted to ₩16,227 billion or 5.1 per cent. of the Bank's total loan exposures. In addition, the Bank has significant exposures to companies in the food and beverage, hotel, real estate and rental industries, which have experienced volatility in recent years due to changes in consumer demand and broader macroeconomic uncertainties. As of 31 December 2025, the Bank's loan exposure to small- and medium-sized enterprises in such industries amounted to ₩27,708 billion or 10.3 per cent. of the Bank's total loan exposures. While the Bank has established related provisions in advance, the timeline for recovery of companies in such industries remains uncertain, and additional provisions may be required.

The provisions that the Bank has established against its loan and guarantee exposures to companies involved in the above described industries may be insufficient to cover all future losses arising from these and other exposures. If the asset quality of the Bank's exposures to such Korean companies declines, the Bank may be required to take substantial additional loan loss provisions, which could adversely impact its results of operations and financial condition. Furthermore, although a portion of the Bank's loans to such Korean companies may be secured by collateral, such collateral may be insufficient to cover uncollectible amounts in respect of such loans.

The Bank has exposure to companies that are currently or may in the future be put in restructuring, and the Bank may suffer losses as a result of charge-offs or additional loan loss provisions required or the adoption of restructuring plans with which the Bank does not agree.

As of 31 December 2025, the Bank's loan exposure to companies that were in workout, restructuring or rehabilitation proceedings amounted to ₩1,297 billion or 0.4 per cent. of the Bank's total loan exposures, ₩673 billion of which was classified as non-performing. As of the same date, the Bank's provision for impairment of loan receivables at amortized cost on these loan exposures amounted to ₩303 billion, or 23.4 per cent. of these loans. These provisions may not be sufficient to cover all future losses arising from the Bank's exposure to these companies. Furthermore, the Bank has other exposure to such companies, in the form of guarantees extended for the benefit of such companies and debt and equity securities of such companies held by the Bank (including equity securities the Bank acquired as a result of debt-to-equity conversions). In addition, in the case of borrowers that are or become subject to workout, the Bank may be forced to restructure its credits

pursuant to restructuring plans approved by other creditor financial institutions of the borrower and the court, or to dispose of its credits to other creditors on unfavourable terms, which may adversely affect the Bank's results of operations and financial condition.

Risks relating to the Bank's retail credit and credit card portfolios

The Bank may not be able to sustain or improve the asset quality of its retail credit and credit card portfolios, which may have an adverse impact on the Bank.

The Bank's portfolios of retail loans and outstanding credit card receivables amounted to ₩42,722 billion and ₩3,307 billion, respectively, as of 31 December 2024 and ₩43,047 billion and ₩3,397 billion, respectively, as of 31 December 2025. The Bank's portfolios of retail loans and outstanding credit card receivables combined represented 14.0 per cent. of the Bank's total loans as of 31 December 2024 and 13.6 per cent. of the Bank's total loans as of 31 December 2025. The Bank had approximately 7.1 million cardholders as of 31 December 2024 and approximately 6.9 million cardholders as of 31 December 2025.

The Bank's credit card business, which generally offers higher margins than other lending activities, and retail lending business have contributed to increases in the Bank's interest income in recent years. However, there are various factors that limit growth in these segments, including Government-imposed limits on retail lending, increasing market saturation, competition and government regulation in the retail lending and credit card industries, as well as changes in consumer confidence levels or spending patterns or in the public perception of consumer debt and credit card usage.

The Bank's impaired loans to retail customers amounted to ₩212 billion, or 0.5 per cent. of the Bank's loans in Won to retail customers, as of 31 December 2024 and ₩398 billion, or 0.9 per cent. of the Bank's loans in Won to retail customers, as of 31 December 2025. The Bank's provision for impairment of loan receivables at amortized cost in respect of its retail loan portfolio increased from ₩170 billion, or 0.4 per cent. of the Bank's total retail loan portfolio, as of 31 December 2024 to ₩187 billion, or 0.4 per cent. of the Bank's total retail loan portfolio, as of 31 December 2025.

In the credit card segment, outstanding balances overdue by 30 days or more decreased from ₩62 billion as of 31 December 2024 to ₩35 billion as of 31 December 2025. The outstanding balances overdue by 30 days or more, as a percentage of total outstanding credit card balances, decreased from 1.9 per cent. as of 31 December 2024 to 1.0 per cent. as of 31 December 2025. Delinquencies may increase further in the future as a result of, among other things, adverse economic developments in Korea, including as a result of future increases in interest rates, a rise in unemployment rates, difficulties experienced by other credit card companies that adversely affect the Bank's customers, additional government regulations or the inability of Korean consumers to manage increased household debt, as reflected, for example, in the practice among some credit card holders of obtaining multiple credit cards and using cash advances from one card to make payments due on others.

A deterioration of the asset quality of the Bank's retail loan and credit card portfolios would require the Bank to record increased provisions for credit loss and charge-offs and adversely affect the Bank's financial condition and results of operations. In addition, the Bank's increased exposure to consumer debt means that it is more exposed to changes in economic conditions affecting Korean consumers. For example, the prolonged impact of the global and domestic increases in interest rates, along with the COVID-19 pandemic, on Korea's economy disrupted the business, activities and operations of the Bank's customers, which in turn resulted in the inability of the Bank's customers to meet existing payment or other obligations to the Bank, as well as a significant decrease in the number of financial transactions. See "*– Other risks relating to the Bank's business – Any possible recurrence of COVID-19 or the outbreak of any other types of widespread infectious diseases may adversely affect the Bank's business, financial condition or results of operations*" and "*– Risks relating to*

Korea – Unfavourable financial and economic developments in Korea may have an adverse effect on the Bank". Accordingly, economic difficulties in Korea that hurt those consumers could result in further deterioration in the asset quality of the Bank's retail loan and credit card portfolios. In addition, a rise in unemployment or an increase in interest rates in Korea could adversely affect the ability of consumers to make payments and increase the likelihood of potential defaults, while reducing demand for retail loans and credit card spending.

A downturn in the Korean real estate market may have an adverse effect on the Bank's retail banking operations, in particular mortgage and home equity lending operations.

The Korean real estate market has fluctuated significantly in recent years. From the second half of 2016 to 2021, the Government introduced various measures to tighten regulations on mortgage and other lending and housing subscription in response to the rapid growth in consumer debt and concerns over speculative investments in real estate in certain areas. The Government subsequently relaxed some of these measures by introducing a number of policy measures that seek to sustain housing prices and activity levels in the Korean real estate market, in light of an overall decrease in housing prices over the course of 2022. However, in recent years, the Government began tightening regulations again in response to the continued rise in the level of consumer debt, most recently in October 2025. Housing prices in Korea fluctuated throughout 2025, with prices increasing in certain areas while decreasing in others. Any sudden changes in housing prices, including as a result of the implementation of such measures, together with the high levels of consumer debt and interest rates, could result in declines in consumer spending and reduced economic growth, which may lead to an increase in the delinquency level of the Bank's retail loan portfolio, which in turn may have a negative impact on the Bank's retail banking operations. See "– *Other risks relating to the Bank's business – A decline in the value of the collateral securing the Bank's loans and its inability to realise full collateral value may adversely affect the Bank's credit portfolio*".

Risks relating to the Bank's securities portfolio

The Bank may experience declines in the value of its securities portfolio.

As of 31 December 2025, the Bank's portfolio of securities (which consists of financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and securities at amortized cost) accounted for 16.8 per cent. of the Bank's total assets. As of the same date, the Bank held Won currency securities in the aggregate amount of ₩70,365 billion and foreign currency securities in the aggregate amount of ₩6,534 billion in the Bank's bank accounts. There can be no assurance that the issuers of these and other securities will not default on payments of interest or principal on such securities, including as a result of future declines in the Korean economy or difficult conditions in the global credit and financial markets that adversely affect the financial condition of such issuers. Furthermore, since the secondary market in Korea for corporate bonds and commercial paper is not fully developed, the market value of many of these securities is determined by reference to suggested prices posted by Korean rating agencies or the Korea Financial Investment Association. These valuations, however, may differ significantly from the actual value that the Bank could realise in the event that it elects to sell these securities. As a result, the Bank may not be able to realise the full book value at the time of any such sale of these securities and thus may incur losses.

The values of the debt securities in the Bank's portfolio fluctuate, including as a result of changes in prevailing market interest rates and volatility in domestic and global financial markets. The values of the equity securities in the Bank's portfolio, which consist largely of equity securities of Korean companies, have been and are expected to remain volatile due to the uncertainties in the financial prospects of Korean companies and the Korean economy in general. No assurance can be given that the Bank will not experience future significant declines in the value of the Bank's securities portfolio, which may adversely affect its results of operations and financial condition.

Risks relating to Government regulations

The Bank cannot assure investors that the Government will not cease to support any losses the Bank may incur by enacting changes to Article 43 of the IBK Act or adopt other amendments to the IBK Act that may adversely affect the Bank's financial condition.

Under Article 43 of the Industrial Bank of Korea Act (the **IBK Act**), the Bank is required to cover any net loss incurred during a given fiscal year with its reserves, and if the reserves are insufficient, the Government is legally obligated to provide funds to cover the deficit. In light of this provision, if the Bank had insufficient funds to make payment under any of its obligations, the Government would take appropriate steps by contributing capital, allocating funds or by taking other appropriate action to enable it to make such payment when due. The provisions of Article 43 do not, however, constitute a direct guarantee by the Government of the Bank's obligations, and the holders of the Notes do not have any right of recourse against the Government in the event that the Bank fails to satisfy its payment obligations on a due date as required under the Notes. Any amendment to the provisions of the IBK Act, including Article 43, would require legislative action by the National Assembly. The Bank cannot assure investors that the Government will not enact changes to the IBK Act, including changes that may result in the cessation of Government support for its losses, or adopt other amendments to the IBK Act that may adversely affect the Bank's financial condition.

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

The Financial Consumer Protection Act of Korea (the **FCP Act**) became effective in March 2021. The FCP Act aims to enhance measures to protect financial consumers and to establish a sound market order in the financial product sales and advisory businesses. The FCP Act consolidates existing regulations relating to the sale of financial products and consumer protection stipulated in other laws governing the financial sector, such as the Financial Investment Services and Capital Markets Act of Korea (the **FSCMA**), the Banking Act and the Insurance Business Act and will be applied to the financial industry on a cross-sectoral basis.

All financial products that are classified as (i) deposit products, (ii) loan products, (iii) investment products or (iv) indemnity products are subject to the FCP Act. These types of products encompass most of the products covered by the Banking Act, the FSCMA and the Insurance Business Act. Financial products offered by credit unions, peer-to-peer (P2P) lending firms and registered credit service providers will also be regulated by the FCP Act.

The FCP Act consolidates previously scattered regulations regarding financial business operations into six uniform standards that cover the following principles: (i) suitability, (ii) appropriateness, (iii) duty to explain, (iv) unfair business activities, (v) improper solicitation and (vi) advertisements. In July 2023, the FCP Act was amended (effective as of October 2023) to incorporate an additional standard regulating (vii) "matters to be observed in relation to door-to-door sales and telemarketing." Among these seven principles, suitability, appropriateness, duty to explain, and matters to be observed in relation to door-to-door sales and telemarketing apply only to "general financial consumers," although "professional financial consumers" may elect to be treated as "general financial consumers," in which case all seven principles would apply to them.

The FCP Act requires sellers of financial products to have adequate internal control standards to protect consumers. The Enforcement Decree to the FCP Act sets forth the details of certain internal control standards as follows:

- Establishment of the authority and responsibilities of the decision maker, such as the representative director or a director, in the implementation of internal control measures;

- Development of an organizational structure and designation of personnel responsible for consumer protection matters, including the establishment of a financial consumer protection committee;

- Implementation of (i) inter-departmental consultation procedures for the development and sale of financial products, (ii) processes for internal deliberations and the incorporation of opinions from independent third party advisors, (iii) standards for vetting advertisements, (iv) mandatory training requirements for officers and employees and implementation of qualification requirements, (v) standards for the prevention of conflicts of interest, (vi) proper management of confidential information, and (vii) disclosure obligations in the event of potential harm to consumers; and

- Establishment of standards for performance-based compensation of officers and employees in charge of sales of financial products.

Under the FCP Act, consumers will have the right to withdraw subscriptions, allowing them to receive a refund during a statutory cooling-off period following the execution of the relevant subscription agreement. This right generally applies to all types of financial products with the exception of deposit products, although in the case of investment products, the right to withdraw applies only to highly complex funds and trusts. Consumers also have the right to terminate a contract if the sellers violate the FCP Act in relation to the sales process. The right to terminate contracts applies to long-term contracts but such right must be exercised within one year from the time that the customer becomes aware that the financial product was sold in violation of the regulatory requirements.

In the event of a violation of the principles regarding the duty to explain, unfair business activities, improper solicitation and advertisements, sellers will be subject to a punitive penalty of up to half the "amount equivalent to the revenue of the contract," (which would be the deposit amount for deposit products, loan amount for loan products, investment amount for investment products, and insurance premium amount for insurance products) depending on the severity of the violation of the FCP Act.

Following the enactment of the FCP Act, financial regulators have published subordinate regulations to such Act, including the Enforcement Decree, Supervisory Regulations and Enforcement Rules to the Supervisory Regulations governing consumer protection within the financial industry. However, there remain uncertainties regarding the interpretation and application of the Act.

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

Any merger, privatisation or restructuring involving the Bank or its competitors may have an adverse impact on the Bank.

In September 2007, the Korean Ministry of Finance and Economy (the **MOFE**) released the "Restructuring Plan for Policy Banks", which described the desirable future for some policy banks including the Bank, and the MOFE released a further update to such plan in August 2013. In March 2013, the MOFE announced that it would continue to maintain a controlling interest in the Bank, and in January 2014, the MOFE re-designated the Bank as a public institution. If the Government were to consider any merger, privatisation or restructuring involving the Bank, such action would require an amendment to the provisions of the IBK Act by the National Assembly. Mergers or restructurings involving the Bank or its competitors may have an adverse impact on the Bank's business, results of operations and financial condition.

Other risks relating to the Bank's business

Any possible recurrence of COVID-19 or the outbreak of any other types of widespread infectious diseases may adversely affect the Bank's business, financial condition or results of operations.

The outbreak of any infectious diseases, such as COVID-19, could expose the Bank to a number of risks, including but not limited to:

- an increase in defaults on loan payments from the Bank's customers that are particularly affected by the disease, who may not be able to meet payment obligations, which may lead to an increase in delinquency ratios and a deterioration in asset quality;

- significant changes in interest rates worldwide (see "– *Significant changes in interest rates could adversely affect the Bank's business, financial condition and results of operations*");

- depreciation of the Won against major foreign currencies, which in turn may increase the Bank's cost in servicing its foreign currency denominated debt and result in foreign exchange losses (see "– *Unfavourable changes in the global financial markets could adversely affect the Bank's results of operations and financial condition*");

- disruption in the normal operations of the Bank's business resulting from contraction of infectious diseases by its employees, which may necessitate such employees to be quarantined and/or the Bank's offices to be temporarily shut down;

- disruption resulting from the necessity for social distancing, including, for example, temporary arrangements for employees to work remotely, which may lead to a reduction in labour productivity; and

- impairments in the fair value of the Bank's investments in companies that may be adversely affected by the pandemic.

In the event that a future recurrence of COVID-19 or other types of widespread infectious diseases cannot be effectively and timely contained, the Bank's business, financial condition and results of operations will likely be adversely affected.

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

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

- escalations in trade protectionism globally and geopolitical tensions in East Asia and the Middle East (including those resulting from the military conflicts between Iran and other countries, including the United States and Israel);

- the occurrence of severe health epidemics, such as the COVID-19 pandemic;

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

- interest rate fluctuations as well as perceived or actual changes in policy rates, or other monetary and fiscal policies set forth, by the U.S. Federal Reserve and other central banks;

- a rise in inflation rates and volatility in stock markets and exchange rates worldwide;

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

- increased uncertainties in the global financial markets and industry, including difficulties faced by several banks in the United States and Europe;

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

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

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

In light of the high level of interdependence of the global economy, any of the foregoing developments could have a material adverse effect on the Korean economy and financial markets, and in turn on the Bank's business, financial condition and results of operations.

The Bank is also exposed to adverse changes and volatility in the global and Korean financial markets as a result of its liabilities and assets denominated in foreign currencies and its holdings of trading and investment securities. The value of the Won relative to major foreign currencies in general and the U.S. dollar in particular has fluctuated significantly in recent years and has been subject to significant volatility as a result of the COVID-19 pandemic, the Russia-Ukraine war and the ensuing sanctions against Russia, the hostilities in the Middle East following the military conflicts between Iran and other countries, including the United States and Israel, the difference in policy rates between the United States and Korea and, more recently, the political instability in Korea relating to the impeachment of former President Yoon in April 2025 following his declaration of martial law in December 2024, among others. A depreciation of the Won will increase the Bank's cost of servicing its foreign currency-denominated debt, while continued exchange rate volatility may also result in foreign exchange losses for the Bank. Furthermore, as a result of the deterioration in global and Korean economic conditions, there have been significant fluctuations in securities prices in recent years, including the stock prices of Korean and foreign companies in which the Bank holds an interest. Such developments may lead to trading and valuation losses on the Bank's trading and investment securities portfolio as well as impairment losses on its investments accounted for under the equity method.

Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, could adversely affect the Bank's results of operations and financial condition.

In early 2023, difficulties at several banks in the United States and Europe have caused uncertainty for financial services companies, in particular the banking sector, and fear of instability in the global financial system generally, including in Korea. Such difficulties were caused, among others, by rising levels of inflation rates and rapid increases in interest rates, which have led to declines in the values of previously issued government securities held by such banks. Although the relevant financial authorities have intervened directly and indirectly in notable cases, there is a risk that other financial institutions could face difficulties, including from contagion disconnected from market fundamentals or for other reasons, and it is unclear what steps

regulators would take, if any, in the event of further bank difficulties or continuing (or increasing) market distress. Many financial institutions have experienced volatile stock prices and significant losses in their equity value, and there is concern that depositors have withdrawn, or could withdraw in the future, significant sums from their accounts at these institutions. Any negative perceptions resulting from such developments concerning the soundness of savings banks, Internet-only banks or the banking system generally in Korea could impact where customers choose to maintain deposits, which could lead certain banks in Korea to experience closure or other significant distress. If any such events occur in the future, the Government has in the past and may in the future require us, to intervene, which could strain our resources, divert our management's attention and have an adverse impact on our results of operations and financial condition.

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

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

The Bank seeks to monitor and manage its risk exposure through a standardized risk management system, which encompasses a multi-tiered risk management governance structure under its Risk Management Department, its credit risk management system, reporting and monitoring systems, early warning systems and other risk management infrastructure, using a variety of risk management strategies and techniques. See "*Description of Assets and Liabilities of the Bank – Asset and Liability Management*". However, there can be no assurance that the Bank's risk management efforts will be effective in mitigating its risk and loss, especially since such risk management strategies and techniques employed by the Bank and the judgments that accompany their application cannot anticipate the economic and financial outcome in all market environments, and many of its risk management strategies and techniques have a basis in historical market behavior that may limit the effectiveness of such strategies and techniques in times of significant market stress or other unforeseen circumstances. Furthermore, the Bank's risk management strategies may not be effective in a difficult or less liquid market environment, as other market participants may be attempting to use the same or similar strategies as the Bank to deal with such market conditions. In such circumstances, it may be difficult for the Bank to reduce its risk positions due to the activity of such other market participants.

The Bank also seeks to identify and manage its exposure to operational risk, which it defines as the risk of loss resulting from inadequate internal processes, human behaviour or external events, primarily through its system of comprehensive policies and control framework, including internal audits and inspections. In addition to its internal audits and inspections, the FSS conducts general annual audits of the Bank's operations, as well as special audits and investigations as the need arises on particular aspects of the Bank's operations, such as risk

management, internal control, credit monitoring and liquidity. Pursuant to certain amendments made to the Act on the Corporate Governance of Financial Companies aimed at strengthening the internal control systems of financial companies in Korea, which became effective in July 2024, the Bank established an internal control committee under its board of directors in October 2024. Such committee is responsible for establishing and amending the Bank's policies, strategies and standards relating to internal control and overseeing their proper implementation, among others. In the ordinary course of its audits or investigations, the FSS routinely issues warning notices where it determines that a regulated financial institution or such institution's employees have failed to comply with the applicable laws or rules, regulations and guidelines of the FSS. The Bank has in the past received, and may in the future receive, such notices, and it has taken and will continue to take appropriate actions in response to such notices. While the Bank intends to fully cooperate with the FSS in its audits and investigations and take any remedial measures as necessary, no assurance can be given that these remedial measures would be sufficient to prevent similar or more adverse operational risks from materializing.

The Bank is a specialised bank serving public policy objectives, and the Government could cause the Bank to take actions or pursue policy objectives that may be against its best interests.

As a specialised bank serving the public policy objectives of the Government to promote the growth and development of small- and medium-sized enterprises in Korea, the Bank seeks to maintain an overall level of profitability that will permit the Bank both to strengthen its financial condition and support growth in the volume of the Bank's business with small- and medium-sized enterprises. As such, the Bank may not necessarily seek to maximise its profits.

In addition, as of the date of this Offering Circular, the Government owned, directly or indirectly, 68.5 per cent. of the Bank's outstanding shares (including convertible preferred shares) and, as a result of its public functions mandated in the IBK Act, has the ability to exercise control over the Bank's management, policies and operations. As a result, the Bank may be influenced to conduct business operations in a manner in which the Bank otherwise would not in the absence of such Government influence, and this may adversely affect the Bank's results of operations and financial condition. Furthermore, irrespective of the Government's ownership level, under the IBK Act, the Government has the ability to appoint or dismiss the Bank's Board of Directors and statutory auditor.

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

As of 31 December 2025, 63.6 per cent. of the Bank's outstanding loans were secured by real estate or securities, the values of which may fluctuate or decline due to factors such as developments affecting the Korean economy and the Government's initiatives to curb real estate speculation. While it is the Bank's general policy to lend between 20.0 per cent. and 80.0 per cent. of the appraised value of real estate (other than residential real estate collateral, for which the Bank may lend up to a maximum of 68.9 per cent. of the appraised value thereof depending on the location of the real estate collateral) or securities collateral, depending on the nature of the collateral and the type of loan, a downturn in the Korean real estate and securities markets, may result in a decline in the value of collateral securing a number of loans to levels below the outstanding principal balance of such loans. The Bank cannot assure investors that collateral values will not decline in the future, in particular as a result of adverse domestic and global economic conditions and various government measures, or that they will be sufficient to cover amounts that cannot be collected in respect of its secured loans. Any future declines in the value of the Bank's collateral or inability to obtain additional collateral may require the Bank to reclassify the relevant loans and take additional loan loss provisions.

In Korea, foreclosure on collateral generally requires submitting a written petition to a court. Foreclosure procedures may be subject to delays and administrative requirements that may result in lower levels of recovery

on collateral compared to its value. In addition, other factors such as defects in the perfection of the Bank's security interests and fraudulent transfers by borrowers may impair its ability to recover on collateral. Accordingly, the Bank's failure to realise the full value of its collateral could expose the Bank to potential losses.

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

Interest rates in Korea have been subject to significant fluctuations in the past. For example, amid rising concerns of a potential global recession as a result of the COVID-19 pandemic, the Bank of Korea (the **BOK**) reduced its policy rate to 0.75 per cent. in March 2020 and 0.50 per cent. in May 2020. However, as the economy began to show signs of recovery from the COVID-19 pandemic starting from the second half of 2021, the BOK gradually raised its policy rate to pre-pandemic levels of 1.25 per cent. from August 2021 through January 2022. Subsequently, in response to rising levels of household debt and inflation in Korea as well as globally, the BOK continued to raise its policy rate to 3.50 per cent. from April 2022 through January 2023. More recently, however, the BOK lowered its policy rate to 3.25 per cent. in October 2024, 3.00 per cent. in November 2024, 2.75 per cent. in February 2025 and 2.50 per cent. in May 2025 in response to weak economic conditions in Korea. All else being equal, increases in interest rates could lead to a decline in the value of traded debt securities in the Bank's portfolio. A sustained increase in interest rates will also raise the Bank's funding costs, while reducing loan demand, especially among retail consumers and small- and medium-sized enterprises. Rising interest rates may therefore require the Bank to re-balance its assets and liabilities in order to minimise the risk of potential mismatches and maintain its profitability. In addition, rising interest rate levels may adversely affect the Korean economy and the financial condition and repayment ability of the Bank's corporate and retail borrowers (including holders of its credit cards), which in turn may lead to a deterioration in the Bank's credit portfolio. Since most of the Bank's retail and corporate loans bear interest at rates that adjust periodically based on prevailing market rates, a sustained increase in interest rate levels will increase the interest costs of the Bank's retail and corporate borrowers and will adversely affect their ability to make payments on their outstanding loans.

On the other hand, a decrease in interest rates may reduce the Bank's net interest spread, as the average duration of the Bank's interest-bearing liabilities is typically longer than the average duration of its interest-earning assets, resulting in an earlier adjustment of interest rates on interest-earning assets. In addition, while a sustained decrease in interest rates may lead to an increase in loan demand among the Bank's customers and a reduction in its funding costs as well as an appreciation of the value of its debt securities, it would also lead to decreases in the interest rates the Bank charges on its loan products. If the effects of a decrease in the interest rates the Bank charges on its loan products outweigh the combined effects of increases in loan demand and the value of the its debt securities and a decrease in funding costs, the Bank's business, financial condition and results of operations would be adversely affected.

The Bank's provisions with respect to payment guarantees may not be sufficient to cover its actual losses relating to these financing instruments, which may adversely affect the Bank.

As part of the Bank's lending activities, the Bank provides guarantees with respect to payment obligations of its customers in return for fees and commissions. Although the Bank's contingent liabilities with respect to such guarantees are recorded as off-balance sheet items in its financial statements, they are subject to risks similar to those relating to other types of credit. As of 31 December 2025, the aggregate amount of its confirmed payment guarantees was ₩6,412 billion, of which less than 1 per cent. represented confirmed payment guarantees classified as impaired.

As of 31 December 2025, the Bank had an additional ₩1,471 billion of contingent obligations in respect of unconfirmed payment guarantees. As of 31 December 2025, the Bank had established provisions in respect of 0.84 per cent. of its unconfirmed payment guarantees. There can be no assurances that such provisions will be

sufficient to cover the Bank's actual losses in respect of payment guarantees. Such insufficiency may adversely affect the Bank's results of operations and financial condition.

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

The current capital adequacy requirements of the FSC are derived from a set of bank capital measures (**Basel III**) which the Basel Committee on Banking Supervision initially introduced in 2009 and began phasing in starting from 2013. Commencing in July 2013, the FSC promulgated a series of amended regulations implementing Basel III, which went into effect from 1 December 2013, pursuant to which Korean banks were required to maintain a minimum ratio of common equity Tier I capital (which principally includes (i) capital from the issuance of common stock (and similar equity securities), (ii) capital surplus from the issuance of common stock, (iii) other capital surplus (excluding capital surplus from the issuance of equity securities other than common stock), (iv) earned surplus and (v) other accumulated comprehensive income) to risk-weighted assets of 3.5 per cent. and Tier I capital to risk-weighted assets of 4.5 per cent. from 1 December 2013, which minimum ratios were increased to 4.0 per cent. and 5.5 per cent., respectively, from 1 January 2014 and increased further to 4.5 per cent. and 6.0 per cent., 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 per cent., which remains unchanged. The amended regulations also require an additional capital conservation buffer of 2.5 per cent., as well as a potential counter-cyclical capital buffer of up to 2.5 per cent., which is determined on a quarterly basis by the FSC and is set at 1.0 per cent. as of the date of this Offering Circular. In addition, while the FSC announced in September 2024 the introduction of a stress buffer capital regulation — which may require commercial banks and their holding companies to accumulate up to an additional 2.5 per cent. of capital (in addition to, and separate from, the aforementioned minimum capital ratios). However, the FSC has excluded the Bank, along with KDB and KEXIM, from the scope of the stress buffer capital regulation, given their limited ability to independently raise capital and the Government's obligation to cover their losses in the event of a crisis, thereby exempting the Bank from the regulation. The implementation of Basel III in Korea may have a significant effect on the capital requirements of Korean financial institutions, including the Bank.

Pursuant to the capital adequacy requirements of the FSC as outlined above, as of the date of this Offering Circular, the Bank is required to maintain a total minimum common equity Tier I capital adequacy ratio of 8.0 per cent., Tier I capital adequacy ratio of 9.5 per cent. and combined Tier I and Tier II capital adequacy ratio of 11.5 per cent., on a consolidated basis. As of 31 December 2025, the Bank's common equity Tier I capital and Tier I capital adequacy ratios, on a consolidated basis, were 11.48 per cent. and 13.26 per cent., respectively, and its combined Tier I and Tier II capital adequacy ratio was 14.78 per cent., all of which exceeded the minimum levels required by the FSC. However, the Bank's capital base and capital adequacy ratio may deteriorate in the future if its results of operations or financial condition deteriorates for any reason, including as a result of any future deterioration in the asset quality of the Bank's retail loans and loans to small- and medium-sized enterprises, or if it is not able to deploy the Bank's funding into suitably low-risk assets.

In addition, as of 31 December 2025, ₩2,710 billion, or 67.5 per cent., of the Bank's Tier II capital consisted of subordinated debentures issued by it. Subordinated debentures that qualify for Tier II capital treatment are generally subject to amortisation of such capital treatment commencing five years prior to the applicable maturity date of such debentures. Such amortisation will have the effect of reducing the Bank's regulatory capital and capital adequacy ratio.

The Bank may be required to obtain additional capital in the future in order to remain in compliance with more stringent capital adequacy and other regulatory requirements. The Bank's ability to obtain additional capital at any time may be constrained to the extent that banks or other financial institutions in Korea or from other

Asian countries are seeking to raise capital at the same time. There can be no assurance that the Bank will be able to obtain additional capital on favourable terms, or at all. To the extent that the Bank fails to comply with applicable capital adequacy ratio or other regulatory requirements in the future, Korean regulatory authorities may impose penalties ranging from a warning to suspension or revocation of its licence. For a description of the capital adequacy requirements of the FSC, see "*Management's Discussion and Analysis of Financial Condition and Results of Operation — Capital Adequacy*".

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

A substantial portion of the Bank's funding requirements are met through short-term funding sources, primarily customer deposits. As of 31 December 2025, 29.5 per cent. of the Bank's Won and foreign currency deposits had remaining maturities of one year or less or were payable on demand. In the past, a substantial portion of such customer deposits was rolled over upon maturity or maintained with the Bank (in the case of deposits payable on demand). No assurance can be given, however, that customers will continue to roll over or maintain their deposits with the Bank.

As of 31 December 2025, the Bank had a liquidity coverage ratio, defined as the stock of highly-liquid assets divided by total net cash outflows over a 30 calendar day period, of 104.5 per cent. The FSS requires Korean banks, including the Bank, to maintain a minimum liquidity coverage ratio of 100.0 per cent. from 1 January 2019, which coverage ratio has temporarily been lowered to 95.0 per cent. until 30 June 2024 and to 97.5 per cent. until 31 December 2024, pursuant to decisions by the FSC in November 2023 and November 2024. Since 1 January 2025, the minimum liquidity coverage ratio has been restored to 100.0 percent, and the Bank is accordingly required to maintain a liquidity coverage ratio above this level. If a substantial number of the Bank's customers fail to roll over their deposits upon maturity or withdraw their deposits from the Bank, the Bank's liquidity position could be adversely affected, and the Bank may be required to seek funding from more expensive sources. In addition, the FSS may require the Bank to take measures to improve its liquidity position to levels maintained by Korean commercial banks, or impose certain restrictions on its operations, which may constrain its lending and funding activities.

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

The Bank has pursued a strategy of enhancing its margins by maintaining relatively low interest rates on its deposit products while charging relatively higher interest rates on loans. The Bank may need to adjust such strategy, however, if there are any changes in the competitive landscape or government regulations, in order to comply with such government regulations or pursue a more effective competition strategy in order to minimize customer attrition.

For example, the successive increases in interest rates in Korea from August 2021 to the first quarter of 2023 led to a significant increase in the net interest spreads (the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities) reported by many Korean banks, including the Bank, as the rise in interest rates for loans outpaced the rise in interest rates for deposit products due to the relatively shorter repricing cycle of loans compared to that of deposits. Although the BOK began lowering its policy rate in October 2024, the net interest spreads of Korean banks remain relatively high. See "— *Significant changes in interest rates could adversely affect the Bank's business, financial condition and results of operations.*" As such increase in net interest spreads and the high levels of profits realized by Korean banks became a point of public interest, the Government and the FSC have pursued various measures to increase competition among financial institutions in Korea. Such measures could force the Bank to compete to a greater extent based on interest rates, which could lead to a decrease in its net interest margins. In addition, if other

banks and financial institutions adopt a strategy of expanding market share through interest rate competition, the Bank may suffer customer attrition due to rate sensitivity. See "— *Competition in the Korean financial industry is intense, and the Bank may lose market share and experience declining margins as a result*."

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

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

Competition in the Korean financial market has been and is likely to remain intense. Some of the financial institutions with which the Bank competes are or may become significantly larger in terms of asset size and customer base and have greater financial resources or more specialised capabilities than the Bank. In addition, in the area of the Bank's core banking operations, most Korean banks have been focusing on targeting small- and medium-sized enterprises and retail customers in recent years as well as developing fee income businesses, including investment products, as increasingly important sources of revenue. Over the past few years, some banks have also begun to increase their exposure to large corporate borrowers. In the area of credit cards, Korean banks and credit card companies have in the past engaged in aggressive marketing activities and made significant investments in recent years, contributing to some extent to lower profitability and asset quality problems previously experienced with respect to credit card receivables. The competition and market saturation resulting from this common focus may make it more difficult for the Bank to secure small- and medium-sized enterprises and retail customers with the credit quality and on credit terms necessary to maintain or increase the Bank's income and profitability.

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

Furthermore, there have been several general regulatory reforms in the Korean financial industry that increased competition among banks and other financial institutions in Korea. For example, in April 2019, the FSC approved a financial regulatory sandbox, a framework set up to allow financial services providers to test new business models in a less regulated environment, as part of its efforts to work closely with the fintech sector and provide support to facilitate its development. In August 2020, the Credit Information Use and Protection Act of Korea was amended to establish a framework for MyData services in Korea, which allows financial institutions (including both traditional financial institutions and fintech firms) to collect customers' personal credit information from credit information providers/users or public institutions upon the customer's request so

that customers may access such collected personal credit information in whole or in part. Overall, the Bank expects that such measures may not only intensify competition among traditional financial institutions in Korea, but also allow new market participants such as fintech firms to potentially gain market share in certain areas in which it operates.

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

Moreover, the Korean financial industry is undergoing significant consolidation through which the number of nationwide commercial banks in Korea has significantly decreased since the financial crisis in Korea in the late 1990s. A number of significant mergers and acquisitions in the financial industry have also taken place in Korea in recent years, including the merger of Hana Bank into Korea Exchange Bank in 2015, KB Financial Group's acquisition of Hyundai Securities Co., Ltd. in 2016 and the subsequent merger of Hyundai Securities with and into KB Investment & Securities Co., Ltd., and Mirae Asset Securities Co., Ltd.'s acquisition in 2016 of a 43 per cent. interest in KDB Daewoo Securities Co., Ltd., which subsequently merged with and into Mirae Asset Securities. In 2020, Hana Financial Group acquired The-K Non-Life Insurance Co., Ltd. to form Hana Insurance Co., Ltd. and Orange Life Insurance, Ltd. (formerly known as ING Life Insurance Korea, Ltd.) became a wholly-owned subsidiary of Shinhan Financial Group following the acquisition of equity interests by Shinhan Financial Group in February 2019 and January 2020, which subsequently merged with and into Shinhan Life Insurance Co., Ltd. in July 2021. In 2020, KB Financial Group acquired The Prudential Life Insurance Company of Korea Ltd., which merged with KB Life Insurance in January 2023, with the surviving entity's name changed to KB Life Insurance Co., Ltd. In July 2025, Woori Financial Group acquired a 75 per cent. interest in TONGYANG Life Insurance Co., Ltd. and a 100 per cent. interest in ABL Life Insurance Co., Ltd.

The Bank expects that consolidation in the financial industry will continue. The financial institutions resulting from such consolidation may, by virtue of their increased size and business scope, provide greater competition for the Bank. Increased competition and continuing consolidation may lead to decreased margins, resulting in a material adverse impact on the Bank's future profitability. Accordingly, the Bank's results of operations and financial condition may suffer as a result of increasing competition in the Korean financial industry.

The Bank must comply with various sanctions regimes, which may limit its ability to maintain commercial relationships with certain counterparties; the Bank has been subject to enforcement actions in connection with its compliance with U.S. anti-money laundering laws and regulations and sanctions, and additional enforcement actions or a finding by regulatory authorities that the Bank's compliance efforts are inadequate or deficient could adversely affect the Bank's business, reputation, financial condition and prospects, and in turn, investors in the Notes.

The U.S. Department of the Treasury's Office of Foreign Assets Control (**OFAC**) administers and enforces certain laws and regulations (**OFAC Sanctions**) that impose prohibitions or restrictions on transactions or dealings within U.S. jurisdiction with certain countries, governments, entities and individuals that are subject to OFAC Sanctions, including Iran. Non-U.S. persons are required to comply with OFAC Sanctions to the extent they engage in transactions or dealings that are undertaken within U.S. jurisdiction (such as, for example,

transactions or dealings that involve a U.S. person or are conducted in U.S. dollars and clear through a U.S. financial institution). The European Union (the **EU**) also enforces certain laws and regulations (**EU Sanctions**) that impose prohibitions or restrictions on nationals and entities of, and business conducted in, EU member states with respect to transactions or dealings with certain countries, governments, entities and individuals that are subject to EU Sanctions, including designated entities in Iran. The United Kingdom and other jurisdictions, as well as the United Nations Security Council, also impose similar sanctions. Violations of OFAC Sanctions, EU Sanctions, and other applicable sanctions can result in substantial civil/administrative or criminal penalties.

The United States also maintains secondary sanctions pursuant to which the U.S. government can impose sanctions on non-U.S. persons that engage in targeted activities outside of U.S. jurisdiction. U.S. secondary sanctions target, among other activities, financial and banking transactions with Iranian banks and financial institutions (including accounts opened by the Central Bank of Iran (**CBI**)), the Iranian energy sector, certain dealings with Iranian parties subject to OFAC Sanctions, certain dealings with U.S.-sanctioned persons in Russia, North Korea and elsewhere, as well as transactions or services involving Russia's military-industrial base, including foreign financial institutions that knowingly or unknowingly facilitate transactions or provide services relating to Russia's military-industrial base, such as the sale, supply or transfer into Russia of certain critical items or transacting with certain blocked persons. U.S. secondary sanctions have been of increasing importance in recent years. A range of sanctions may be imposed on non-U.S. persons that engage in targeted activities, including U.S. blocking sanctions that broadly prohibit dealings with designated persons or their property. Financial institutions engaging in targeted activities could become subject to sanctions that terminate or restrict their ability to maintain correspondent or payable-through accounts in the United States. The imposition of secondary sanctions is not automatic, and instead requires specific action by the U.S. government often based on political considerations.

The EU has also introduced the possibility of imposing a transaction ban on non-EU entities, in particular, on those involved with the Russian energy sector or the financial sector. For example, the transaction ban could apply to credit and other financial institutions that support transactions related to any vessel that is listed under relevant EU Sanctions, or that are involved in transactions that facilitate, directly or indirectly, the circumvention of prohibitions on provision of maritime services concerning Russian crude oil and petroleum products sold above the established price cap. In addition, the transaction ban could apply to persons that use the System for Transfer of Financial Messages of the Central Bank of Russia or equivalent specialized financial messaging services set up by the Central Bank of Russia or the Russian government, or any systems of the Central Bank of Russia and any systems provided by any other Russian entity that include a financial messaging functionality, including the Fast Payment System (SBP) and Mir, or to credit and financial institutions and entities providing crypto assets services to blocked persons or otherwise significantly frustrating the purpose of the sanctions regulations. The transaction ban only applies to credit or financial institutions that are based outside the EU and are specifically listed in the regulations as subject to the ban. Any such listing (as with any amendments to the EU sanctions regulations) requires unanimous approval from all EU member states. Subsidiaries of blocked Russian banks registered in third countries, including Kazakhstan and Belarus, have been listed in connection with their use of financial messaging systems of the Central Bank of Russia and a number of banks registered in Tajikistan and China have been listed in connection with providing crypto assets services. Once entities are listed, EU persons and any individuals involved in transactions within EU jurisdiction are prohibited from directly or indirectly engaging in any transactions with these listed persons, as well as with legal persons, entities, or bodies acting on behalf of or under the direction of such listed persons.

Korea also maintains a sanctions programme targeting Iran in accordance with a series of relevant resolutions adopted by the United Nations Security Council. In particular, in September 2010, the Government announced broad sanctions implementation guidelines covering financial, trade, transportation and energy-related activities with Iran, which also included a proposal to facilitate legitimate trade between Korea and Iran through Won-denominated settlement accounts to be opened by CBI at certain Korean banks for such purpose. In December 2011, the Government announced expanded sanctions against Iran, including the addition of

99 entities and six individuals that are related to Iran's nuclear programme to the Government's sanctioned party list with respect to Iran.

The Bank operated certain restricted accounts (the **Accounts**) for CBI, which were opened at the Bank by CBI pursuant to a service agreement entered into by the Bank and CBI in September 2010 to facilitate trade between Korea and Iran. Commencing on 2 May 2019, the Bank suspended all financial activities under the Accounts and the provision of trade financing in connection with Korean exports to and imports from Iran, except for certain limited activities relating to humanitarian trades with Iran from July 2019 to September 2019, in light of the termination of applicable exemptions from U.S. secondary sanctions as a result of the Trump administration's withdrawal from the Iran nuclear accords. As of the date of this Offering Circular, other than activity specifically authorised by the Government, activity in the Accounts continues to remain suspended, but a balance remains in the Accounts. The Accounts may be used in the future in connection with additional humanitarian trades with Iran, subject to prior consultation with appropriate Korean authorities.

In April 2020, the U.S. Department of Justice and the Office of the United States Attorney for the Southern District of New York (collectively, the **DOJ**) announced criminal charges against the Bank for violating the Currency and Foreign Transactions Reporting Act (commonly known as the Bank Secrecy Act) by failing to establish, implement and maintain an adequate anti-money laundering programme at the Bank's New York branch (**IBKNY**) from 2011 to 2014, which permitted the processing of approximately $1 billion in transactions through the Accounts, including fraudulent trade transactions conducted by a third party, in violation of applicable OFAC Sanctions. As part of a deferred prosecution agreement executed on 13 April 2020 between the Bank and the DOJ (the **Deferred Prosecution Agreement**), the DOJ agreed to defer prosecution for two years, after which time it would seek to dismiss the charges. Under the Deferred Prosecution Agreement, the Bank acknowledged and admitted wrongdoing of its current and former officers and employees in connection with the matter described above, agreed to cooperate with all governmental authorities designated by the DOJ in connection with such matter, and was required to pay a civil forfeiture in the amount of US$51 million to the United States. In addition, the Bank entered into a non-prosecution agreement with the New York State Office of the Attorney General (the **NYAG**) relating to the above matter on 14 April 2020 (the **Non-Prosecution Agreement**). Furthermore, the Bank agreed to pay a US$35 million penalty to the New York State Department of Financial Services (the **NYSDFS**) pursuant to a consent order issued by the NYSDFS as an enforcement action against IBKNY with respect to a series of examinations conducted by the NYSDFS on IBKNY's operations that identified significant deficiencies in its anti-money laundering compliance programmes. The terms of the settlements with the DOJ, the NYAG and the NYSDFS required the Bank to adhere to various obligations with regard to improving its sanctions and anti-money laundering controls. On 2 December 2022, the Federal Reserve Board terminated its enforcement action against the Bank and all related charges in connection with the Bank's violations have since been dismissed.

The Bank has to date fully complied with the terms of the above-mentioned Deferred Prosecution Agreement and Non-Prosecution Agreement, and as of the date of this Offering Circular, it has no further obligations under such agreements. With respect to the above-mentioned consent order, the Bank has to date fully complied and plans to continue to fully comply with its terms. However, there can be no assurance that the resolution of this matter will not adversely affect the business or reputation of the Bank. The Bank's business and reputation could also be adversely affected if the relevant U.S. agency or agencies were to determine that the Bank was not in compliance with the terms of one or more of the foregoing settlements.

The Bank also has a representative office in Vladivostok that is not in operation and is used for marketing purposes only. The current geopolitical situation relating to Ukraine has resulted in a significant expansion of OFAC Sanctions, EU Sanctions, and other sanctions targeting Russia, as well as regulatory restrictions and countermeasures implemented by the Russian government. Although the situation remains fluid and it is difficult to predict the extent to which further sanctions will be imposed or enforced, additional sanctions or

countermeasures could adversely affect the Bank's business. In addition, the Bank's business and reputation could be adversely affected if the U.S. government were to determine that the Bank's past or future activities relating to Iran, Russia, or other jurisdictions or parties violated OFAC Sanctions, to the extent such violation was not contemplated by the foregoing settlements or involved targeted activities under U.S. secondary sanctions, or if any other government were to determine that the Bank's activities violate other applicable sanctions. Any prohibition or conditions placed on the Bank's use of U.S. correspondent accounts could effectively eliminate the Bank's access to the U.S. financial system, including U.S. dollar clearing transactions, which would adversely affect the Bank's business, and any other sanctions or civil or criminal penalties imposed could also adversely affect the Bank's business. Listing the Bank as a person subject to the transaction ban under EU Sanctions would effectively eliminate the Bank's access to the EU financial system, which would also adversely affect the Bank's business.

Investors in the Notes may also be adversely affected if OFAC Sanctions are imposed on the Bank, resulting in their investment in the Notes being restricted. If blocking sanctions are imposed on the Bank under OFAC Sanctions, U.S. persons generally would be prohibited from receiving any payments from the Bank, including payments under the Notes, and from selling the Notes.

Furthermore, some of the Bank's U.S. investors may be required to divest their investments in the Bank under the laws of certain U.S. states or under internal investment policies relating to companies doing business with Iran or may decide for reputational reasons to divest such investments, and some U.S. institutional investors may forego the purchase of the Notes. The Bank is aware of initiatives by U.S. governmental entities and U.S. institutional investors, such as pension funds, to adopt or consider adopting laws, regulations, or policies prohibiting transactions with or investment in, or requiring divestment from, entities doing business with countries identified as state sponsors of terrorism. There can be no assurance that the foregoing will not occur or that such occurrence will not have a material adverse effect on the market value of the Notes.

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

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

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

The Bank may be exposed to potential claims for unpaid wages and become subject to additional labor costs arising from the Supreme Court of Korea's interpretation of ordinary wages.

Under the Labor Standards Act, an employee's "ordinary wage" is used as the basis for calculating various statutory benefits. In December 2013, the Supreme Court of Korea ruled that regularly paid bonuses, including those that are paid other than on a monthly basis, are included in the scope of employees' ordinary wages if these bonuses are paid (i) "regularly," (ii) "uniformly" and (iii) on a "fixed basis," notwithstanding differential amounts based on seniority. However, in December 2024, the Supreme Court of Korea reversed its prior ruling

and excluded "fixed basis" from the attributes of ordinary wage and redefined the concept and judgment criteria of what constitutes ordinary wage. According to the Supreme Court of Korea's decision in December 2024, a wage determined to be paid regularly and uniformly in exchange for prescribed work constitutes ordinary wage regardless of the existence or fulfillment of conditions attached to it. According to such decision, wages based on tenure or on the number of working days are recognized as ordinary wages, but performance wages paid according to work performance are not recognized as ordinary wages in principle. In order to minimize confusion resulting from this change, the Supreme Court of Korea also ruled that the revised legal principle will apply to ordinary wage calculations starting from the date of the ruling, which is 19 December 2024.

Under this decision, any provision of a collective bargaining agreement or other agreements that attempt to exclude such regular bonuses from employees' ordinary wages will be deemed void for violation of the mandatory provisions of Korean law.

The Ministry of Employment and Labor subsequently revised the 'Guidelines for Labor-Management Guidance on Ordinary Wage' in February 2025 (the **Guidelines**). The new legal principle on ordinary wages is effective for ordinary wage calculations starting from 19 December 2024. While the Bank is currently assessing the impact of the Supreme Court of Korea's decision and the Guidelines on its regular bonuses paid in the past, if the Bank is nonetheless determined to have underpaid employees by under-calculating their ordinary wages in the past, the Bank may be liable for additional payments reflecting the expanded scope of employees' ordinary wages. Any such additional payments may have an adverse effect on the Bank's financial condition and results of operations.

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

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

Risks relating to Korea

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

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

In addition, the future growth of the Korean economy is subject to many factors beyond the Bank's control, including developments in the global economy. In recent years, adverse conditions and volatility in the worldwide financial markets, fluctuations in oil and commodity prices, supply chain disruptions and the increasing weakness of the global economy, mainly due to the Russia-Ukraine war and the ensuing sanctions against Russia, difficulties faced by several banks in the United States and Europe, the hostilities in the Middle East following the military conflicts between Iran and other countries, including the United States and Israel, significant fluctuations in policy interest rates globally and, more recently, the political situation in Korea following the declaration of martial law by former President Yoon Suk-yeol in December 2024 that led to his impeachment and subsequent removal in April 2025 and the election of Mr. Lee Jae-myung as President in June 2025, have contributed to the uncertainty of global economic prospects in general and have adversely affected, and may continue to adversely affect, the Korean economy. See "*— Other risks relating to the Bank's business — Difficult conditions in the global financial markets could adversely affect the Bank's results of operations and financial condition*".

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

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

- declines in consumer confidence and a slowdown in consumer spending in the Korean or global economy, including as a result of the global COVID-19 pandemic and higher levels of market interest rates;

- political uncertainty or increasing strife among or within political parties in Korea following the declaration of martial law by former President Yoon Suk-yeol in December 2024 that led to his impeachment and subsequent removal in April 2025 and the election of Mr. Lee Jae-myung as President in June 2025;

- the imposition of significant tariffs on Korea's exports by any of its major export markets, including the United States, as well as any countermeasures or policy responses adopted by the Government that may entail significant costs;

- hostilities or political or social tensions involving countries in the Middle East (including those resulting from the military conflicts between Iran and other countries, including the United States and Israel) and Northern Africa and any material disruption in the global supply of oil or sudden increase in the price of oil;

- rising inflationary pressures leading to increases in the costs of goods and services and a decrease in purchasing power;

- the occurrence of severe health pandemics, such as the COVID-19 pandemic, in Korea or other parts of the world;

- deterioration in economic or diplomatic relations between Korea and its trading partners or allies, including deterioration resulting from territorial or trade disputes or disagreements in foreign policy;

- adverse conditions or developments in the economies of countries and regions that are important export markets for Korea, such as China, the United States, Europe and Japan, or in emerging market economies in Asia or elsewhere, including as a result of the deterioration of economic and trade relations among such countries (including escalations of tariffs) and increased uncertainties in the global financial markets and industry;

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

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

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

- a deterioration in the financial condition or performance of small- and medium-sized enterprises and other companies in Korea;

- a continuing rise in the level of household debt and increasing delinquencies and credit defaults by retail or small- and medium-sized enterprise borrowers in Korea;

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

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

- social and labour unrest;

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

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

- financial problems or lack of progress in the restructuring of Korean conglomerates, other large troubled companies (including those in the construction, shipbuilding, shipping and real estate project financing sectors as well as the hotel, leisure and transportation sectors), their suppliers or the financial sector;

- loss of investor confidence arising from corporate accounting irregularities or corporate governance issues at certain Korean business groups;

- increases in social expenditures to support an aging population in Korea or decreases in economic productivity due to the declining population size in Korea;

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

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

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

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

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

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

- changes in financial regulations in Korea.

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

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

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

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

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

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

An increase in unemployment may adversely affect the Bank's operations.

An economic downturn in Korea and the associated increase in the number of corporate reorganisations and bankruptcies may cause layoffs and increase unemployment in Korea. These factors could lead to social unrest and substantially increase government expenditures for unemployment compensation and other costs for social programmes. According to statistics from the Korea National Statistical Office, the unemployment rate was 2.8 per cent. in each of 2024 and 2025. Increases in unemployment and any resulting labour unrest could adversely affect the Bank's operations, as well as the operations of many of its customers and their ability to repay their loans, and could adversely affect the financial conditions of Korean companies in general, depressing the price of their securities. These developments would likely have an adverse effect on the Bank's financial condition and results of operations.

Risks relating to the Notes

The Notes are subject to transfer restrictions.

The Notes will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to qualified institutional buyers in reliance on the exemption provided by Rule 144A, to certain persons in offshore transactions in reliance on Regulation S, or pursuant to another exemption from, or in another transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable state securities laws. In addition, interests in Bearer Notes are offered under the restrictions of TEFRA C or D, as specified in the applicable Pricing Supplement, and accordingly, investors will be required to provide non-U.S. beneficial ownership certifications in certain circumstances. Furthermore, a registration statement for the offering and sale of the Notes has not been filed with the FSC, and under currently applicable laws and regulations of Korea, such Notes may not be offered, sold or delivered, directly or indirectly, in Korea or to any resident of Korea except as otherwise permitted by applicable Korean law and regulations. For a further discussion of the transfer restrictions applicable to the Notes, see "*Subscription and Sale and Transfer and Selling Restrictions*" and "*Form of the Notes — Bearer Notes*".

The Notes may have limited liquidity.

Any Notes issued under the Programme will constitute a new issue of securities for which there is no existing market. Approval in-principle has been received from the Singapore Stock Exchange in connection with the Programme and application will be made for the listing and quotation of Notes that may be issued under the Programme and which are agreed, at or prior to the time of issue thereof, to be so listed on the Singapore Stock Exchange. Such permission will be granted when such Notes have been admitted for listing and quotation on the Singapore Stock Exchange. The offer and sale of the Notes is not conditional on obtaining a listing of the Notes on the Singapore Stock Exchange or any other exchange.

No assurance can be given as to the liquidity of, or the development and continuation of an active trading market for, the Notes. If an active trading market for the Notes does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the price at which the Notes are issued depending on many factors, including:

- prevailing interest rates;
- the Bank's results of operations and financial condition;
- political and economic developments in and affecting Korea and other regions;
- the market conditions for similar securities; and
- the financial condition and stability of the Korean financial sector and other parts of the world.

Interest based on SOFR will only be capable of being determined near the end of the relevant interest period.

The applicable Pricing Supplement of any Floating Rate Notes that reference SOFR (as defined in Condition 5(b) of the "*Terms and Conditions of the Notes*") may specify that the calculation methodology will be weighted average or compounded daily using a formula or using SOFR index values.

The amount of interest payable with respect to any such Floating Rate Notes for a given Interest Period (as defined in Condition 5(b) of the "*Terms and Conditions of the Notes*") will be determined on the relevant Interest Determination Date (as defined in Condition 5(b) of the "*Terms and Conditions of the Notes*") for such Interest Period. Because each such date will be near the end of such Interest Period, Noteholders (as defined in "*Terms and Conditions of the Notes*") will not know the amount of interest payable on such Floating Rate Notes with respect to a given Interest Period until shortly prior to the related Interest Payment Date (as defined in Condition 5(b) of the "*Terms and Conditions of the Notes*"). In addition, it may be difficult for Noteholders to estimate reliably the amount of interest that will be payable on each such Interest Payment Date. As a result, some investors may be unable or unwilling to trade such Floating Rate Notes without changes to their information technology systems, which could adversely impact the liquidity and trading price of any such Floating Rate Notes. Further, if Floating Rate Notes referencing SOFR become due and payable as a result of an event of default, or are otherwise redeemed early on a date other than an Interest Payment Date, the rate of interest payable for the final Interest Period in respect of such Floating Rate Notes will only be determined immediately or shortly prior to the date on which the Floating Rate Notes become due and payable and shall not be reset thereafter.

To permit a reasonable amount of time to make payment arrangements after the amount of interest is determined, the applicable Pricing Supplement of any Floating Rate Notes that reference SOFR may specify observation methods such as lookback, shift or payment delay. Conventions regarding observation methods for SOFR rates used for debt securities continue to evolve and may differ materially from observation method conventions used for other financial products, such as interest rate swaps or syndicated loans. Investors should carefully consider how any mismatches in observation method conventions in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Floating Rate Notes that reference SOFR.

The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Notes linked to or referencing such "benchmarks."

Interest rates and indices which are deemed to be or used as "benchmarks" (which include EURIBOR and SOFR) are the subject of recent international regulatory guidance and proposals for reform. Some of these

reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a benchmark.

International benchmark regulation and reform could have a material impact on any Notes linked to or referencing a benchmark. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark.

More broadly, any of the international reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark; or (iii) lead to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international reforms, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by international regulation and reform of benchmarks in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The Notes may be represented by Global Notes and holders of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System(s) (as defined below).

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg and/or a sub-custodian for the HKMA as operator of the CMU and/or DTC (each of Euroclear, Clearstream, Luxembourg, the CMU and DTC, a **Clearing System**). Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive Definitive Notes. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes, the Bank will discharge its payment obligations under the Notes by making payments to the relevant Clearing System for distribution to their account holders.

A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. The Bank has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Notes issued as Green Bonds, Social Bonds or Sustainability Bonds may not be a suitable investment for all investors seeking exposure to green assets, social assets or sustainability assets.

The Bank may issue Notes under the Programme which are specified to be "Green Bonds," "Social Bonds" or "Sustainability Bonds" in the applicable Pricing Supplement. In such case, the Issuer will allocate an amount equivalent to the aggregate net proceeds from the issuance of such Notes to finance and/or refinance, in whole or in part, eligible projects that fall within the eligible categories in accordance with its sustainability financing framework, which is available on the Bank's website and may be updated from time to time (the **Sustainability Financing Framework**) and is in alignment with the 2021 Green Bond Principles, the 2021 Social Bond

Principles, the 2021 Sustainability Bond Guidelines published by the International Capital Markets Association as well as the 2023 Green Loan Principles and the 2023 Social Loan Principles jointly published by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association. In connection with any issue of green bonds, social bonds or sustainability bonds, the Bank may request a sustainability rating agency or sustainability consulting firm to issue an independent opinion (a **Second Party Opinion**) confirming that any such green bonds, social bonds or sustainability bonds are in compliance with the applicable principles or guidelines.

There is currently no clear definition of, nor market consensus on, what precise attributes are required for a particular project or series of notes to be defined as "green," "social" or "sustainable," and therefore no representation or assurance can be provided to investors that selected eligible projects will meet any present or future investor expectations or requirements regarding 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 environmental and social impact of any project. Although the eligible projects will be selected in accordance with the categories recognized under the Bank's Sustainability 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 or social benefits as anticipated, or that adverse environmental or social impact will not occur during the design, construction, commissioning and operation of the projects. In addition, where any negative impact is insufficiently mitigated, the projects may become controversial and may be criticized by activist groups or other stakeholders.

A Second Party Opinion may not reflect the potential impact of all risks related to the structure, marketability, trading price, liquidity and other factors that may affect the price or value of the Notes. The Second Party Opinion is not a recommendation to buy, sell or hold securities 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. The Second Party Opinion is for information purposes only, and none of the Bank or the Dealers accept 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 in them.

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, and should not be deemed to be, a recommendation by the Bank or the Dealers, any second-party opinion provider or any other person, to buy, sell or hold the Notes. Noteholders have no recourse against the Bank or any of the Dealers 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 of 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.

In addition, although the Bank may agree to certain reporting and use of proceeds obligations in connection with certain "green," "environmental," "social" or "sustainable" criteria, its failure to comply with such obligations will not constitute a breach or an event of default under the Notes. A withdrawal of the Second Party Opinion or any failure by the Bank to use an amount equivalent to the aggregate net proceeds from the issuance of the Notes on eligible projects or to meet or continue to meet the investment requirements of certain environmentally or socially-focused investors with respect to the Notes may affect the value of the Notes and may have consequences for certain investors with portfolio mandates to invest in sustainability 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 Bank 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 of the Second Party Opinion or that the Notes will fulfil the criteria required to qualify as sustainability bonds. Each potential purchaser of Notes should determine for itself the relevance of the information contained in the applicable Pricing Supplement and the Offering Circular regarding the use of the aggregate net proceeds from the issuance of the Notes, and its purchase of Notes should be based upon such investigation as it deems necessary. The examples of eligible projects provided in the Bank's Sustainability Financing Framework are for illustrative purposes only and no assurance can be provided that disbursements for projects with these specific characteristics will be made by the Bank during the term of the Notes. The Bank's Sustainability Financing Framework and the Second Party Opinion are not incorporated into, and do not form a part of, any Pricing Supplement or the Offering Circular.

The Notes may be redeemed by the Bank in certain circumstances.

The Notes may be redeemable at the option of the Bank, in whole but not in part, on any of the optional redemption dates specified in the applicable Pricing Supplement at their outstanding principal amount together (if applicable) with interest accrued to (but excluding) the date of redemption. Furthermore, the Notes may be redeemable at the option of the Bank, in whole but not in part, at their outstanding principal amount together (if applicable) with interest accrued to (but excluding) the date of redemption, upon the occurrence of certain changes in applicable tax laws and regulations which (i) require the Bank to pay additional amounts on payments of principal and interest in respect of the Notes due to withholding or deduction required by law or (ii) in the case of Notes that are Tier I Subordinated Notes, cause the Bank to no longer be entitled to claim a deduction in respect of interest paid on the Tier I Subordinated Notes for purposes of Korean corporation tax. In addition, Notes that are Tier I or Tier II Subordinated Notes may be redeemed by the Bank, in whole but not in part, at their outstanding principal amount together (if applicable) with interest accrued to (but excluding) the date of redemption, upon the occurrence of a regulatory event that would cause the Tier I or Tier II Subordinated Notes to no longer qualify as additional Tier I or Tier II capital of the Bank. Such redemptions at the option of the Bank are subject to necessary prior approval by the FSS or such other relevant regulatory authorities in Korea. See "*Terms and Conditions of the Notes — Condition 7 (Redemption and Purchase)*".

Accordingly, holders of the Notes should not rely on being able to hold the Notes until their maturity date. The date on which the Bank elects to redeem the Notes may not align with the preference of holders of the Notes, and such election by the Bank may be disadvantageous to holders of the Notes in light of market conditions or the individual circumstances of such holders. In addition, if the Notes are redeemed prior to their maturity date, there can be no assurance that the holders of the Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as the investment in the redeemed Notes.

The Notes are unsecured obligations.

Because the Notes are unsecured obligations, their repayment may be compromised if:

- the Bank enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under the Bank's future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Bank's indebtedness.

If any of these events occurs, the Bank's assets may not be sufficient to pay amounts due on any of the Notes.

The Notes that are Subordinated Notes are subordinated and have only limited rights of acceleration.

The relevant Pricing Supplement may specify that the Notes will be Tier I Subordinated Notes or Tier II Subordinated Notes, as the case may be (as described in "*Terms and Conditions of the Notes — Condition 3 (Status of the Notes) — (b) Status of the Subordinated Notes*"), which will be subordinated obligations of the Bank. Tier I Subordinated Notes are subordinated obligations that rank junior to Senior Indebtedness of the Bank, including all deposits and other liabilities of the Bank (other than the Tier I Obligations) and all equity that constitutes Tier II capital of the Bank under applicable Korean laws and regulations. Tier II Subordinated Notes are subordinated obligations that rank junior to Senior Indebtedness of the Bank, including all deposits and other liabilities of the Bank (other than the Tier II Obligations and the Tier I Obligations). Payments on the Subordinated Notes will be subordinated in right of payment upon the occurrence of a Subordination Event (as defined in "*Terms and Conditions of the Notes — Condition 3 (Status of the Notes) — (c) Subordination*") to the prior payment in full of any and all such Senior Indebtedness of the Bank. As a consequence of these subordination provisions, if any of such events should occur, the holders of the Subordinated Notes may recover proportionately less than the holders of the Bank's deposit liabilities or the holders of its other Senior Indebtedness.

Only those events described herein regarding the Bank's bankruptcy or liquidation will permit a holder of a Subordinated Note to accelerate payment of the Subordinated Notes. In such event, the only action the holder may take in Korea against the Bank is to prove claims in the Bank's liquidation or other applicable proceedings. Furthermore, if the Bank's indebtedness were to be accelerated, its assets may be insufficient to repay in full borrowings under its debt instruments, including the Subordinated Notes.

In addition, subject to complying with applicable regulatory requirements in respect of the Bank's leverage and capital ratios, there is no restriction on the amount or type of other securities or indebtedness that the Bank may issue or incur, as the case may be, that rank senior to, or *pari passu* with, the Subordinated Notes. The issue of any such other securities or the incurrence of any such other indebtedness may reduce the amount, if any, recoverable by holders of the Subordinated Notes on a liquidation or winding-up of the Bank and may increase the likelihood of a non-payment or reduction of interest on the Subordinated Notes. The issue of any such other securities or the incurrence of any such other indebtedness might also have an adverse impact on the market price of the Subordinated Notes and the ability of holders to sell the Subordinated Notes.

Holders of Notes that are Subordinated Notes will have no creditor objection rights in connection with any future merger, capital reduction, split-off or merger-after-split-off of the Bank.

Under the Korean Commercial Code, a Korean company that has resolved to merge with another entity is required to provide notice of the impending merger to its creditors and, if any creditor raises an objection to the merger during the applicable creditor objection period, to either repay the relevant debt owed to such creditor or provide adequate collateral to secure such debt. In addition, similar creditor objection rights are also applicable in the case of a capital reduction, split-off (only where the entity to be incorporated after such split-off will not be jointly liable for the pre-existing debt of the company following such split-off) or merger-after-split-off of a Korean company under the Korean Commercial Code. However, pursuant to Condition 3(c) of the Terms and Conditions of the Notes, holders of Subordinated Notes will be deemed to have waived, and agreed not to exercise, any such creditor objection rights that may arise in connection with a merger, capital reduction, split-off or merger after split-off of the Bank. Accordingly, holders of Subordinated Notes will have no creditor objection rights in connection with any future merger, capital reduction, split-off or merger-after-split-off of the Bank.

The Notes that are Subordinated Notes may be fully written off upon the occurrence of a Trigger Event, in which case holders of the Subordinated Notes will lose all of their investment.

The Subordinated Notes will be subject to loss absorption provisions pursuant to which the Bank will irrevocably effect a full write-off of the outstanding principal amount and accrued but unpaid interest on the

Subordinated Notes (without the need for the consent of the holders) upon the occurrence of a Trigger Event, which would occur upon the designation of the Bank as an "insolvent financial institution" pursuant to the Act on Structural Improvement of the Financial Industry of Korea.

Under Article 2 of the Act on Structural Improvement of the Financial Industry of Korea, an "insolvent financial institution" is defined as a financial institution that is:

- determined by the FSC or the Deposit Insurance Committee established within the KDIC (the **DIC**), based on an actual survey of such financial institution's business operations as (i) having liabilities that exceed its assets, or (ii) facing apparent difficulty in its normal operations because its liabilities exceed its assets as a result of the occurrence of a major financial scandal or the accrual of non-performing loans;

- subject to a suspension of payment of claims (including deposits) or repayment of money borrowed from other financial institutions; or

- determined by the FSC or the DIC to be unable to make payments of claims (including deposits) or repayments of money borrowed, without external support or additional borrowings (other than borrowings accruing from ordinary course financial transactions).

In the event that the Subordinated Notes are written off, any written-off amount will be irrevocably lost and will not be restored under any circumstances, including where the Trigger Event ceases to continue, and holders of the Subordinated Notes will cease to have any claims for any principal amount and accrued but unpaid interest on the Subordinated Notes. See "*Terms and Conditions of the Notes — Condition 8 (Loss Absorption upon a Trigger Event in Respect of Subordinated Notes)*".

Potential investors should consider the risk that, due to the existence of such loss absorption features, a holder of Subordinated Notes may lose all of its investment in such Subordinated Notes in the event that a Trigger Event occurs.

The applicable Korean laws and regulations relating to the trigger event and loss absorption features of capital instruments like the Subordinated Notes are relatively new and have yet to be tested. There is considerable uncertainty as to the circumstances under which the relevant Korean regulatory authorities will decide to effect a trigger event with respect to a particular financial institution. The occurrence of a Trigger Event with respect to the Bank is therefore inherently unpredictable and is subject to factors that are outside the control of the Bank, which will make it difficult for investors to anticipate when, if at all, a write-off of the Subordinated Notes will take place. Accordingly, the trading behaviour with respect to the Subordinated Notes may not follow trading behaviour associated with other types of securities of the Bank or other issuers. Any indication that the Bank is trending towards a possible Trigger Event could have a material adverse effect on the market price of the Subordinated Notes. A potential investor should not invest in the Subordinated Notes unless it has knowledge and expertise to evaluate how the Subordinated Notes will perform under changing market conditions and the resulting effect on the likelihood of a write-off and on the market value of the Subordinated Notes.

Prior to the occurrence of a Trigger Event, which would lead to a write-off of Subordinated Notes, it is possible that the Bank may receive financial assistance from the Government pursuant to the IBK Act (as described herein), or from the KDIC or the Government pursuant to the Depositor Protection Act of Korea or the Act on Structural Improvement of the Financial Industry of Korea.

Under Article 38 of the Depositor Protection Act of Korea, the KDIC (upon a resolution by the DIC) may provide financial assistance to an insured financial company (such as the Bank) that becomes an "insolvent or

similar financial company" (including an "insolvency-threatened financial company"), where (i) an application for financial assistance has been made to the KDIC under Article 37 of the Depositor Protection Act of Korea (by an entity intending to acquire, merge with, acquire the business of or succeed to the rights and obligations under the financial transactions of, such an "insolvent or similar financial company"), (ii) it is deemed necessary for the smooth acquisition of, merger with, acquisition of the business of, or succession to the rights and obligations under the financial transactions of such company, or (iii) the improvement of the financial structure of such company is deemed necessary for the protection of depositors and the preservation of order in credit transactions. An insolvency-threatened financial company is defined under Article 2 of the Depositor Protection Act of Korea as a financial company determined by the DIC as having a high possibility of becoming an "insolvent financial company" due to its weak financial standing. The definition of "insolvent financial company" under the Depositor Protection Act of Korea is identical to the definition of an "insolvent financial institution" under the Act on Structural Improvement of the Financial Industry of Korea, as discussed above. The financial assistance to be provided can take the form of a loan or deposit of funds, a purchase of assets, a guarantee or assumption of obligations or an equity injection or contribution.

Furthermore, under Article 8 of the Act on Structural Improvement of the Financial Industry of Korea, if a financially challenged financial institution not yet designated as an insolvent financial institution voluntarily merges with another financial institution for the improvement of its financial structure, the Government may provide financial assistance to the merged financial institution through: (i) the KDIC, (ii) the purchase by the Government's Public Capital Management Fund of certain securities held or issued by the merged financial institution (such as bonds issued by the Government or local governments or bonds guaranteed by the Government or subordinated notes issued by the merged financial institution), and (iii) a capital injection by the Government of state-owned assets into the merged financial institution.

In addition to the measures described above, in light of the size and scale of the Bank and its relative importance to the Korean banking system, it is possible that, prior to the occurrence of a Trigger Event, which would lead to a write-off of the Subordinated Notes, the KDIC may decide to provide financial assistance to the Bank, or that the Government may decide to intervene and provide other forms of financial assistance or capital support to the Bank. However, since the provision of any such financial assistance or capital support (as is the case with any financial assistance provided under Article 38 of the Depositor Protection Act of Korea or Article 8 of the Act on Structural Improvement of the Financial Industry of Korea as described above) would be at the discretion of the KDIC or the Government, as the case may be, there can be no assurance that the Bank will receive any such financial assistance or capital support prior to the occurrence of a Trigger Event or that any such financial assistance or capital support received by the Bank will be sufficient to prevent the occurrence of a Trigger Event leading to a write-off of the Subordinated Notes.

Pursuant to Condition 8 of the Terms and Conditions of the Notes, the Bank will issue a Trigger Event Notice not more than two Korean Business Days after the occurrence of a Trigger Event, confirming that a Trigger Event has occurred. Although the Bank will notify the Trustee, the Issuing and Paying Agents and the holders of the Subordinated Notes not more than two Korean Business Days after the occurrence of a Trigger Event, there may be a delay between a Trigger Event and the time that the clearing systems and the holders of the Subordinated Notes are notified of the occurrence of the relevant Trigger Event. Such delay may exceed several days during which trading and settlement in the Subordinated Notes may continue. Any such delay will not change or delay the effect of a Trigger Event or the Bank's obligations under the Subordinated Notes or the rights of the Noteholders.

The clearing systems are expected to suspend all clearance and settlement of transfers of the Subordinated Notes by the Noteholders following receipt of a Trigger Event Notice, and any transfer of the Subordinated Notes which are scheduled to settle after commencement of such suspension is expected to be rejected by clearing systems and will not be settled within the clearing systems.

It is possible that transfers that are initiated prior to any suspension following receipt by the clearing systems of a Trigger Event Notice and scheduled to settle on a date before the clearing systems commence such suspension will be settled through the clearing system even though such transfers were initiated after the Trigger Event. In such circumstances, transferees of the Subordinated Notes may be required to pay consideration through the clearing systems even though, upon the occurrence of a Trigger Event, no amounts under the Notes will thereafter become due, and such transferees will have no rights whatsoever under the Conditions or the Subordinated Notes to take any action or enforce any rights whatsoever against the Bank. The settlement of the Subordinated Notes following a Trigger Event will be subject to procedures of the clearing system for the time being in effect.

The Notes that are Tier I Subordinated Notes have no fixed maturity date and holders of the Tier I Subordinated Notes have no right to call for redemption of the Tier I Subordinated Notes.

The Tier I Subordinated Notes are undated perpetual securities and accordingly have no fixed final maturity date. Subject to the subordination provisions of Condition 3(c) of the Terms and Conditions of the Notes, the principal amount of the Tier I Subordinated Notes will become due and payable by the Bank on the date on which voluntary or involuntary winding-up proceedings are instituted in respect of the Bank in accordance with, as the case may be, (i) a resolution passed at a shareholders' meeting of the Bank, (ii) any provision of the Bank's articles of incorporation or (iii) any applicable law or any decision of any judicial or administrative authority. In addition, the holders of Tier I Subordinated Notes have no right to call for the redemption of the Tier I Subordinated Notes. Although the Bank may redeem the Tier I Subordinated Notes at its option on any of the optional redemption dates specified in the applicable Pricing Supplement or at any time for certain tax or regulatory reasons, there are limitations on redemption of the Tier I Subordinated Notes, including a requirement to obtain the necessary prior approval of the FSS or such other relevant regulatory authorities in Korea. See "*Terms and Conditions of the Notes — Condition 7 (Redemption and Purchase)*". Accordingly, there can be no assurance as to whether or when the Tier I Subordinated Notes will be redeemed.

Interest payments on the Notes that are Tier I Subordinated Notes are discretionary and are not cumulative.

The rate of interest applicable to the Tier I Subordinated Notes may be subject to reset periodically, based on the prevailing base rate plus the spread as specified in the applicable Pricing Supplement. Furthermore, interest on Tier I Subordinated Notes may not be paid in full, or at all. The Bank may elect, in its sole discretion, to not pay any interest, or to pay only partial interest, on Tier I Subordinated Notes on any interest payment date for any reason. In addition, Tier I Subordinated Notes will not bear any interest, and any interest payable on Tier I Subordinated Notes on any interest payment date will not be paid, during an interest cancellation period, which will be triggered upon the imposition of measures as set out in Article 97 of the Regulation on Supervision of Banking Business, or the imposition of emergency measures under Article 38 of the Regulation on Supervision of Banking Business, by the FSC against the Bank.

As a specialised bank established by the Government under the IBK Act, the Bank is not subject to management improvement recommendations, management improvement requirements or management improvement orders applicable to other banks, as respectively set out in Articles 34, 35 and 36 of the Regulation on Supervision of Banking Business of Korea. Pursuant to Article 97 of the Regulation on Supervision of Banking Business, the FSS evaluates the managerial soundness of the Bank separately and, based on the results of such evaluation, the FSC may impose certain measures against the Bank after consultation with the relevant Minister where:

- the Bank's combined Tier I and Tier II capital adequacy ratio is less than 8.0 per cent., its Tier I common equity capital ratio is less than 4.5 per cent., or its Tier I capital adequacy ratio is less than 6.0 per cent.;

- the overall managerial soundness evaluation rating of the Bank is classified as Grade 4 or 5, or the asset quality of the Bank is classified as Grade 4 or 5 while its overall evaluation rating is classified as Grade 1, 2 or 3; or

- it is apparent that the Bank is expected to fall below the above-listed standards as a result of the occurrence of a major financial accident the accrual of non-performing loans.

Such measures may include (i) improvement of operation of the organisation, (ii) restrictions on investment in fixed assets or new investments, (iii) mandatory dispositions of non-performing assets, (iv) capital increases or reductions, (v) restrictions on payment of dividends, (vi) establishment of special reserve for credit loss, etc., (vii) restrictions on the retention of high-risk assets and mandatory dispositions of assets, (viii) restrictions on the level of deposit interest rates and (ix) mandatory dispositions of subsidiaries as set out in Article 92, Paragraph 8 of the Regulation on Supervision of Banking Business.

However, the FSC has discretion to forbear the imposition of such measures for a limited time period if it determines that the Bank will improve beyond the above-listed standards in a short period of time through an increase in capital or disposition of assets, or if a comparable reason is recognised to exist. As the Government is legally obligated to replenish any deficit that arises if the Bank's reserves are insufficient to cover any of its annual net losses pursuant to Article 43 of the IBK Act, even if the Bank were to fall below the standards that would otherwise trigger the imposition of corrective measures, it is possible that the FSC may determine that the Bank would be able to emerge beyond such standards in a relatively short period of time, and decide to forbear the imposition of such corrective measures which would otherwise trigger an interest cancellation period.

Article 38 of the Regulation on Supervision of Banking Business provides that the FSC or its chairman shall impose emergency measures on a bank where:

- a drastic deterioration in the liquidity of the bank causes it to experience, among others, shortages of reserves and assets for repayment of deposits or an inability to repay its external debts;

- it becomes impracticable or impossible for the bank to conduct normal business operations due to the occurrence of events such as, among others, a strike, work stoppage, labour dispute or a run on its deposits; or

- there is a manifest risk of bankruptcy or insolvency of the bank or the bank is unable to repay its deposits.

Such emergency measures may include (i) restrictions on acceptance of deposits and provision of loans by the bank; (ii) a suspension on repayment of all or any part of the bank's deposits; (iii) a prohibition on repayment of debts by the bank; and (iv) mandatory dispositions of the bank's assets.

Furthermore, interest on Tier I Subordinated Notes will be paid only out of such amounts legally available to the Bank from time to time under applicable Korean law for payment of dividends on equity of the Bank. Under the Korean Commercial Code, the Bank may pay an annual dividend only out of the excess of its net assets, on a non-consolidated basis, over the sum of (i) its stated capital (i.e., paid-in capital), (ii) the total amount of its capital surplus reserve and legal reserve accumulated up to the end of the relevant dividend period, (iii) the earned surplus reserve to be set aside for the annual dividend and (iv) any increase in net assets caused by the valuation of assets and liabilities performed in accordance with Korean accounting principles, against which no unrealised loss is set off. Depending on the ability of the Bank to meet certain capital ratios, such amounts legally available to the Bank under the Korean Commercial Code are subject to further restrictions pursuant to Article 26 of the Regulation on Supervision of Banking Business, which sets forth upper limits on the amounts a bank may

use from its legally available amounts under the Korean Commercial Code to pay discretionary dividends, including discretionary interest payments on capital securities such as the Tier I Subordinated Notes. Specifically, the Bank would be able to use only a certain percentage (ranging from 0 per cent. to 60 per cent., depending on the degree of the shortfall in the applicable capital adequacy ratios) of its annual consolidated net profit (attributable to the controlling shareholder) as stated in its latest audited financial report after deducting the regulatory reserve for credit loss (attributable to the controlling shareholder) if its Tier I common equity capital ratio, Tier I capital adequacy ratio or combined Tier I and Tier II capital adequacy ratio were to fall below 7.0 per cent., 8.5 per cent. or 10.5 per cent., respectively, in each case subject to the application of a potential counter-cyclical capital buffer of up to 2.5 per cent., which is determined by the FSC on a quarterly basis and is set at 1.0 per cent. as of the date of this Offering Circular.

To the extent the aggregate amount of interest and other distributions payable on Tier I Subordinated Notes and other Tier I obligations exceed such amounts legally available to the Bank, the aggregate amount of such interest and other distributions would be reduced on a pro rata basis by the amount of such excess. Moreover, because the Bank is entitled to not pay interest on any interest payment date in its sole discretion, it may choose to do so even if amounts are legally available for payment of dividends. See "*Terms and Conditions of the Notes — Condition 5 (Interest) — (f) Special Provisions Relating to Interest on Tier I Subordinated Notes*".

Interest payments on the Tier I Subordinated Notes are not cumulative. Accordingly, if interest is not paid or is reduced on any interest payment date as a result of any of the foregoing, such unpaid interest will be irrevocably lost, and holders of Tier I Subordinated Notes will not be entitled to receive such unpaid interest on any subsequent interest payment date or any other date, whether or not funds are, or subsequently become, available. Any non-payment of interest by the Bank will not constitute an event of default under the Tier I Subordinated Notes. Due to these interest cancellation features, the trading behaviour with respect to the Tier I Subordinated Notes may not follow trading behaviour associated with other types of securities of the Bank or other issuers. A potential investor should not invest in Tier I Subordinated Notes unless it has knowledge and expertise to evaluate how the Tier I Subordinated Notes will perform under changing market conditions and the resulting effect on the likelihood of an interest cancellation and on the market value of the Tier I Subordinated Notes.

Non-payment of interest may adversely affect the trading price of the Notes that are Tier I Subordinated Notes.

If interest is not paid on the Tier I Subordinated Notes on any interest payment date, the Tier I Subordinated Notes may trade at a price which is lower than the issue price or the prevailing market price prior to such interest payment date. The sale of the Tier I Subordinated Notes during any period of non-payment of interest thereon may result in the holder receiving lower returns on the investment than a holder who continues to hold the Tier I Subordinated Notes until the interest payments resume (if at all). In addition, because of the interest cancellation provisions applicable to the Tier I Subordinated Notes, the market price of the Tier I Subordinated Notes may be more volatile than that of other securities that are not subject to such provisions.

Investors should consider the U.S. federal income tax treatment of an investment in the Subordinated Notes.

No statutory, judicial or administrative authority directly addresses the U.S. federal income tax characterisation of the Subordinated Notes or instruments with a similar write-off feature. As a result, significant aspects of the U.S. federal income tax consequences of an investment in such Notes are uncertain. The Bank believes, however, that notwithstanding their legal form as debt, the Tier I Subordinated Notes will be, and the Tier II Subordinated Notes should be, treated as equity for U.S. federal income tax purposes, and the Bank intends, absent a change in law, to so treat the Subordinated Notes. If the U.S. Internal Revenue Service were to treat the Subordinated Notes as debt for U.S. federal income tax purposes, this characterisation would be

potentially adverse to United States holders. See "*Taxation — U.S. Tax Considerations — Taxation of U.S. Holders of Subordinated Notes*". Prospective investors are urged to consult their tax advisers concerning the U.S. federal income tax consequences of an investment in the Subordinated Notes.

Risks relating to Notes denominated in Renminbi

Renminbi is not freely convertible and this may adversely affect the liquidity of the Notes and the Bank's ability to source Renminbi outside the PRC to service the Notes.

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies despite the significant reduction over the years by the PRC government of its control over routine foreign exchange transactions under current accounts. The People's Bank of China (the **PBOC**) has established a Renminbi clearing and settlement system for participating banks in Hong Kong pursuant to a Settlement Agreement (the **Settlement Agreement**) relating to the clearing of Renminbi business between the PBOC and Bank of China (Hong Kong) Limited. However, the current size of Renminbi and Renminbi-denominated financial assets outside the PRC is limited, and its growth is subject to many constraints which are directly affected by PRC laws and regulations on foreign exchange and may adversely affect the liquidity of the Notes. There can be no assurance that new PRC laws and regulations will not be promulgated or the settlement agreement will not be terminated or amended in the future in a way that will have the effect of restricting the availability of Renminbi offshore. To the extent the Bank is required to source Renminbi in the offshore market to service the Notes, there can be no assurance that the Bank will be able to source such Renminbi on satisfactory terms, or at all.

Payments in respect of the Notes will only be made in accordance with prevailing rules and regulations in the manner specified in the Notes.

Except in limited circumstances, all payments of Renminbi under the Notes will be made solely by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations for such payments and in accordance with the terms and conditions of the Notes. The Bank cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

If "RMB Currency Event" is specified in the applicable Pricing Supplement and it becomes impossible to convert Renminbi from/to another freely convertible currency, or transfer Renminbi between accounts in Hong Kong, or the general Renminbi exchange market in Hong Kong becomes illiquid, or any Renminbi clearing and settlement system for participating banks in Hong Kong is disrupted or suspended, the Bank may make any payment of Renminbi under the Notes in another currency selected by the Bank using an exchange rate determined by the Alternate Settlement Rate Determination Agent or an exchange rate specified in the applicable Pricing Supplement.

Renminbi is subject to exchange rate risk.

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. The Bank will make all Renminbi payments under the Notes in Renminbi unless otherwise specified. As a result, the value of such payments in Renminbi (in U.S. dollars or other applicable foreign currency terms) may vary with the prevailing exchange rates in the marketplace. If the value of the Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of a Noteholder's investment in U.S. dollars or other applicable foreign currency terms will decline.

EXCHANGE RATES

The table below sets out, for the periods and dates indicated, information concerning the base rate published by Seoul Money Brokerage Services, Ltd. for U.S. dollars against the Won (the **Market Average Exchange Rate**), which is rounded to the nearest tenth of one Won. No representation is made that the Won or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or Won, as the case may be, at any particular rate, or at all.

Year ended 31 December	Low	High	Average[(1)]	Period-end
		(Won per U.S.$1.00)		
2021	1,083.1	1,199.1	1,144.4	1,185.5
2022	1,185.5	1,436.6	1,292.0	1,267.3
2023	1,219.3	1,360.6	1,305.4	1,289.4
2024	1,289.4	1,474.1	1,364.0	1,470.0
2025	1,352.6	1,483.4	1,422.2	1,434.9
2026 (through 7 May)	1,424.5	1,530.5	1,471.2	1,456.8
January	1,427.0	1,477.5	1,456.5	1,427.0
February	1,424.5	1,470.3	1,449.3	1,424.5
March	1,435.4	1,513.4	1,486.6	1,513.4
April	1,470.8	1,530.5	1,487.4	1,476.1
May (through 7 May)	1,456.8	1,484.8	1,470.7	1,456.8

Note:

(1) Represents the average of the daily Market Average Exchange Rate over the relevant period.

Source: Seoul Money Brokerage Services, Ltd.

CAPITALISATION OF THE BANK

Separate Capitalisation of the Bank

The following table sets forth the Bank's separate capitalisation as of 31 December 2025. This information has been extracted from the Bank's audited separate financial statement as of 31 December 2025 included elsewhere in this Offering Circular.

	As of 31 December 2025
	Outstanding
	(in billions of Won)
Borrowings and debentures (including current portion)	
Borrowings	₩ 44,156
Debentures	193,349
Total borrowings and debentures	₩237,505
Equity	
Share capital[(1)]	₩ 4,211
Hybrid capital instruments	4,683
Capital surplus	1,162
Capital adjustment	(1)
Accumulated other comprehensive income	1,035
Retained earnings[(2)]	22,370
Total equity	₩ 33,460
Total capitalisation[(3)]	₩270,965

Notes:

(1) Authorised share capital: 2 billion shares (par value: ₩5,000); issued and outstanding ordinary shares: 797,425,869 ordinary shares.

(2) Includes regulatory reserve for credit losses of ₩3,393 billion. Pursuant to the guidelines of the FSS, if the Bank's provisions for credit losses are deemed insufficient for regulatory purposes, the Bank compensates for the difference by recording a regulatory reserve for credit losses and segregating such reserve within retained earnings. See Note 25 of the notes to the Bank's audited separate financial statements appearing elsewhere in this Offering Circular.

(3) Represents the sum of borrowings and debentures and equity.

Except as set forth herein, there has been no material change in the Bank's capitalisation since 31 December 2025.

Consolidated Capitalisation of the Bank

The following table sets forth the Bank's consolidated capitalisation as of 31 December 2025. This information has been extracted from the Bank's audited consolidated financial statement as of 31 December 2025 included elsewhere in this Offering Circular.

	As of 31 December 2025
	Outstanding
	(in billions of Won)
Borrowings and debentures (including current portion)	
Borrowings	₩ 50,380
Debentures	203,390
Total borrowings and debentures	₩253,770
Equity	
Share capital[(1)]	₩ 4,211
Hybrid capital instruments	4,683
Capital surplus	1,179
Capital adjustment	(1)
Accumulated other comprehensive income	986
Retained earnings[(2)]	25,396
Non-controlling interest equity	401
Total equity	₩ 36,856
Total capitalisation[(3)]	₩290,626

Notes:

(1) Authorised share capital: 2 billion shares (par value: ₩5,000); issued and outstanding ordinary shares: 797,425,869 ordinary shares.

(2) Includes regulatory reserve for credit losses of ₩3,567 billion. Pursuant to the guidelines of the FSS, if the Bank's provisions for credit losses are deemed insufficient for regulatory purposes, the Bank compensates for the difference by recording a regulatory reserve for credit losses and segregating such reserve within retained earnings. See Note 26 of the notes to the Bank's audited consolidated financial statements appearing elsewhere in this Offering Circular.

(3) Represents the sum of borrowings and debentures and equity.

Except as set forth herein, there has been no material change in the Bank's capitalisation since 31 December 2025.

SELECTED FINANCIAL INFORMATION

The following tables set forth selected separate and consolidated financial information of the Bank. The selected separate financial information of the Bank as of and for the years ended 31 December 2024 and 2025 has been derived from the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024 included in this Offering Circular. The selected consolidated financial information of the Bank as of and for the years ended 31 December 2024 and 2025 has been derived from the Bank's audited consolidated financial statements as of and for the years ended 31 December 2025 and 2024 included in this Offering Circular.

Separate Financial Information of the Bank

The following table sets forth selected separate financial information of the Bank as of and for the years ended 31 December 2024 and 2025. The separate financial information of the Bank set forth below presents only the banking accounts of the Bank.

The selected separate financial information as of and for the years ended 31 December 2024 and 2025 below has been derived from, and should be read in conjunction with, the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024 prepared in accordance with K-IFRS and included elsewhere in this Offering Circular. References in this section or elsewhere in this Offering Circular to "separate" financial statements and information are to financial statements and information prepared on a non-consolidated basis.

	For the year ended 31 December	
	2024	2025
	(in billions of Won, except per share data)	
Separate Statements of Comprehensive Income		
Net interest income		
Interest income	₩ 17,287	₩16,139
Interest expense	(10,011)	(8,934)
	7,276	7,205
Net fee and commission income		
Fee and commission income	679	639
Fee and commission expense	(344)	(357)
	335	282
Net gains on financial instruments at fair value through profit or loss	284	681
Net gains on derivative financial instruments for hedge accounting	13	60
Gains on disposal of financial assets at amortized cost	150	166
Net gains on financial assets at fair value through other comprehensive income	125	141
Net gains on foreign currency transactions	40	97
Gross operating profit	8,223	8,633
Impairment losses on financial assets[(1)]	(1,589)	(1,620)
Net operating profit	6,635	7,013
Employee-related expenses	(1,429)	(1,658)
Other general administrative expenses	(1,213)	(1,367)
Net other operating expenses	(703)	(666)
Operating profit	3,289	3,322
Non-operating income (expenses)	(41)	(116)
Profit before income tax	3,248	3,206
Income tax expense	(820)	(820)

	For the year ended 31 December	
	2024	2025
	(in billions of Won, except per share data)	
Profit for the year[2]	2,428	2,386
Other comprehensive income (loss) for the year, net of tax	275	313
Total comprehensive income for the year	2,703	2,699
Earnings per share (Korean won)		
Basic and diluted earnings per share[3]	₩ 2,835	₩ 2,775

Notes:

(1) Includes provision for impairment of loan receivables at amortized cost of ₩1,587 billion and ₩1,645 billion, for the years ended 31 December 2024 and 2025, respectively. See Note 7 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024, appearing elsewhere in this Offering Circular. Pursuant to the guidelines of the FSS, if the Bank's provisions for credit losses are deemed insufficient for regulatory purposes, the Bank compensates for the difference by recording a regulatory reserve for credit losses and segregating such reserve within retained earnings. For the years ended 31 December 2024 and 2025, the Bank's estimated amount of reserve for credit losses was ₩237 billion and ₩482 billion, respectively. See Note 25 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024, appearing elsewhere in this Offering Circular.

(2) The Bank's adjusted profit for the years ended 31 December 2024 and 2025 after deducting provisions of regulatory reserve for credit losses, was ₩2,191 billion and ₩1,904 billion, respectively. See Note 25 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024, appearing elsewhere in this Offering Circular.

(3) The Bank's adjusted earnings per share for the years ended 31 December 2024 and 2025, after deducting provisions of reserve for credit losses, were ₩2,537 and ₩2,171, respectively. See Note 25 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024, appearing elsewhere in this Offering Circular.

	As of 31 December	
	2024	2025
	(in billions of Won)	
Separate Statements of Financial Position		
Assets:		
Cash and due from banks	₩ 15,900	₩ 21,472
Financial assets at fair value through profit or loss	15,576	16,848
Financial assets at fair value through other comprehensive income	25,277	30,148
Securities at amortized cost[1]	33,487	33,002
Loan receivables at amortized cost[1] [2]	324,892	337,718
Derivative financial assets for hedge accounting	72	29
Investments in subsidiaries and associates	3,655	4,099
Investment properties[1]	67	67
Property and equipment[1]	2,411	2,394
Intangible assets[1]	205	296
Net defined benefit assets	23	243
Deferred tax assets	2	1
Other assets	9,711	10,841
Total assets	₩431,278	₩457,158
Liabilities:		
Financial liabilities at fair value through profit or loss	₩ 3,861	₩ 2,909
Deposits	151,141	160,531
Borrowings	38,130	44,156
Debentures	183,968	193,349
Derivative financial liabilities for hedge accounting	179	141
Provisions	875	838
Deferred tax liabilities	458	623
Other liabilities	21,252	21,152
Total liabilities	₩399,864	₩423,698

	As of 31 December	
	2024	2025
	(in billions of Won)	
Equity:		
Share capital	₩ 4,211	₩ 4,211
Hybrid capital instruments	4,313	4,682
Capital surplus	1,162	1,162
Capital adjustment	(0)	(1)
Accumulated other comprehensive income	832	1,035
Retained earnings(3)	20,896	22,370
Total equity	₩ 31,415	₩ 33,460
Total liabilities and equity	₩431,278	₩457,158

Notes:

(1) The figures for securities at amortized cost, loan receivables at amortized cost, investment properties, property and equipment and intangible assets represent net amounts.

(2) After adding deferred loan origination fees and costs of ₩697 billion and ₩738 billion, and deducting provisions for impairment of loan receivables of ₩4,812 billion and ₩4,585 billion, as of 31 December 2024 and 2025, respectively. See Note 7 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024, appearing elsewhere in this Offering Circular.

(3) Includes regulatory reserve for credit losses of ₩3,156 billion and ₩3,393 billion, as of 31 December 2024 and 2025, respectively. Pursuant to the guidelines of the FSS, if the Bank's provisions for credit losses are deemed insufficient for regulatory purposes, the Bank compensates for the difference by recording a regulatory reserve for credit loss and segregating such reserve within retained earnings. See Note 25 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024, appearing elsewhere in this Offering Circular.

Consolidated Financial Information of the Bank

The following table sets forth selected consolidated financial information of the Bank as of and for the years ended 31 December 2024 and 2025.

The selected consolidated financial information as of and for the years ended 31 December 2024 and 2025 below has been derived from, and should be read in conjunction with, the Bank's audited consolidated financial statements as of and for the years ended 31 December 2025 and 2024 prepared in accordance with K-IFRS and included elsewhere in this Offering Circular.

	For the year ended 31 December	
	2024	2025
	(in billions of Won, except per share data)	
Consolidated Statements of Comprehensive Income		
Net interest income		
Interest income	₩ 18,955	₩ 17,764
Interest expense	(11,063)	(10,015)
	7,892	7,749
Net fee and commission income		
Fee and commission income	864	841
Fee and commission expense	(392)	(409)
	472	432
Net gains on financial instruments at fair value through profit or loss	449	992
Net gains (losses) on financial instruments designated at fair value through profit and loss	(76)	(84)
Net gains (losses) on derivative financial instruments for hedge accounting	(134)	96
Gains on disposal of financial assets at amortized cost	160	180
Net gains from financial assets at fair value through other comprehensive income	132	120
Insurance gains and losses	30	52
Net gains on foreign currency transactions	270	130
Gross operating profit	9,195	9,668
Impairment losses on financial assets[(1)]	(1,720)	(1,774)
Net operating profit	7,475	7,894
Employee-related expenses	(1,641)	(1,875)
Other general administrative expenses	(1,172)	(1,307)
Net other operating expenses	(1,068)	(1,055)
Overlay adjustment	—	—
Operating profit	3,594	3,656
Non-operating income (expenses)	(27)	9
Profit before income tax	3,568	3,665
Income tax expense	(913)	(946)
Profit for the year[(2)]	2,654	2,719
Other comprehensive gains (losses) for the year, net of tax	421	435
Total comprehensive income for the year	₩ 3,076	₩ 3,154
Earnings per share (Korean won)		
Basic and diluted earnings per share[(3)]	₩ 3,106	₩ 3,183

Notes:

(1) Includes provision for impairment of loan receivables at amortized cost of ₩1,717 billion and ₩1,800 billion, for the years ended 31 December 2024 and 2025, respectively. Pursuant to the guidelines of the FSS, if the Bank's provisions for credit losses are deemed insufficient for regulatory purposes, the Bank compensates for the difference by recording a regulatory reserve for credit losses and segregating such reserve within retained earnings. For the years ended 31 December 2024 and 2025, the Bank's estimated amount of reserve for credit losses was ₩223 billion and ₩483 billion. See Note 26 of the notes to the Bank's audited consolidated financial statements as of and for the years ended 31 December 2025 and 2024, appearing elsewhere in this Offering Circular.

(2) The Bank's adjusted profit for the years ended 31 December 2024 and 2025, after deducting provisions of regulatory reserve for credit losses, was ₩2,431 billion and ₩2,236 billion, respectively. See Note 26 of the notes to the Bank's audited consolidated financial statements as of and for the years ended 31 December 2025 and 2024, appearing elsewhere in this Offering Circular.

(3) The Bank's adjusted earnings per share for the years ended 31 December 2024 and 2025, after deducting provisions of reserve for credit losses, were ₩2,826 and ₩2,577, respectively. See Note 26 of the notes to the Bank's audited consolidated financial statements as of and for the years ended 31 December 2025 and 2024, appearing elsewhere in this Offering Circular.

	As of 31 December	
	2024	2025
	(in billions of Won)	
Consolidated Statements of Financial Position		
Assets:		
Cash and due from banks	₩ 18,083	₩ 24,259
Financial assets at fair value through profit or loss	26,358	27,876
Financial assets at fair value through other comprehensive income	32,924	38,625
Securities at amortized cost(1)	35,424	34,694
Loan receivables at amortized cost(1) (2)	343,900	357,806
Derivative financial assets for hedge accounting	72	32
Investments in associates	2,052	2,575
Investment properties(1)	86	85
Property and equipment(1)	2,480	2,463
Intangible assets(1)	348	400
Net defined benefit assets	33	259
Deferred tax assets	102	62
Other assets	10,358	11,559
Total assets	₩472,220	₩500,693
Liabilities:		
Financial liabilities at fair value through profit and loss	₩ 5,455	₩ 4,356
Financial liabilities designated at fair value through profit and loss	1,492	2,111
Deposits	158,256	168,163
Borrowings	44,777	50,380
Debentures	193,151	203,390
Derivative financial liabilities for hedge accounting	295	210
Insurance contract liabilities	7,853	7,959
Provisions	902	859
Deferred tax liabilities	456	619
Other liabilities	25,352	25,789
Total liabilities	₩437,989	₩463,837
Equity:		
Share capital	₩ 4,211	₩ 4,211
Hybrid capital instruments	4,313	4,683
Capital surplus	1,170	1,179
Capital adjustment	(0)	(1)
Accumulated other comprehensive income	659	986
Retained earnings(3)	23,593	25,396
Non-controlling interest equity	284	401
Total equity	₩ 34,231	₩ 36,856
Total liabilities and equity	₩472,220	₩500,693

Notes:

(1) The figures for securities at amortized cost, loan receivables at amortized cost, investment properties, property and equipment and intangible assets represent net amounts.

(2) After adding deferred loan origination fees and costs of ₩692 billion and ₩754 billion, and deducting provisions for impairment of loan receivables of ₩5,081 billion and ₩4,893 billion, as of 31 December 2024 and 2025, respectively. See Note 7 of the notes to the Bank's audited consolidated financial statements as of and for the years ended 31 December 2025 and 2024, appearing elsewhere in this Offering Circular.

(3) Includes regulatory reserve for credit losses of ₩3,344 billion and ₩3,567 billion, as of 31 December 2024 and 2025, respectively. Pursuant to the guidelines of the FSS, if the Bank's provisions for credit losses are deemed insufficient for regulatory purposes, the Bank compensates for the difference by recording a regulatory reserve for credit losses and segregating such reserve within retained earnings. See Note 26 of the notes to the Bank's audited consolidated financial statements as of and for the years ended 31 December 2025 and 2024, appearing elsewhere in this Offering Circular.

Selected Financial Ratios

Except as otherwise indicated, the following ratios are calculated based on the Bank's separate financial statements prepared in accordance with K-IFRS as of the dates or for the years indicated.

	As of or for the year ended 31 December	
	2024	2025
Average return on assets[1]	0.6%	0.5%
Average return on equity[2]	8.3	7.5
Cost-to-income ratio[3]	32.1	35.0
Cost-to-average-assets ratio[4]	0.6	0.7
Net interest margin[5]	1.9	1.8
Equity/total assets[6]	7.3	7.3
Provision for impairment/total loans[7]	1.5	1.3

Notes:

(1) Defined as profit for the year divided by the daily average balance of total assets (calculated in accordance with FSS reporting guidelines) for the years ended 31 December 2024 and 2025.

(2) Defined as profit for the year divided by the daily average balance of total equity (calculated in accordance with FSS reporting guidelines) for the years ended 31 December 2024 and 2025.

(3) Defined as the sum of employee-related expenses and other general administrative expenses divided by gross operating profit for the years ended 31 December 2024 and 2025.

(4) Defined as the sum of employee-related expenses and other general administrative expenses divided by the daily average balance of total assets (calculated in accordance with FSS reporting guidelines) for the years ended 31 December 2024 and 2025.

(5) Defined as net interest income divided by the daily average balance of interest-earning assets for the years ended 31 December 2024 and 2025.

(6) Represents the ratio of total equity to total assets as of 31 December 2024 and 2025.

(7) Represents the ratio of provision for impairment to total loans outstanding as of 31 December 2024 and 2025.

Capital Adequacy Ratios

The following table sets forth the capital adequacy ratios of the Bank on a consolidated basis as of 31 December 2025.

	As of 31 December 2025
Common equity Tier I capital adequacy ratio[1]	11.48%
Tier I capital adequacy ratio[2]	13.26
Tier II capital adequacy ratio[3]	1.52
Total risk-based capital adequacy ratio[4]	14.78

Notes:

(1) Represents the ratio of common equity Tier I capital to risk-weighted assets on a consolidated basis (calculated in accordance with FSS reporting guidelines).

(2) Represents the ratio of Tier I capital to risk-weighted assets on a consolidated basis (calculated in accordance with FSS reporting guidelines).

(3) Represents the ratio of Tier II capital to risk-weighted assets on a consolidated basis (calculated in accordance with FSS reporting guidelines).

(4) Represents the ratio of the sum of Tier I and Tier II capital to risk-weighted assets on a consolidated basis (calculated in accordance with FSS reporting guidelines).

SELECTED STATISTICAL DATA

Average Balances, Interest and Rates

The following table sets forth, on a separate basis, the Bank's average balances of assets and liabilities for the years ended 31 December 2024 and 2025 and, for interest-earning assets and interest-bearing liabilities, provides the amount of interest earned or paid and the average yield or cost, in each case on a separate basis under K-IFRS. For the purposes of this table, average balances have been determined based upon daily average balances. The average yield on interest-earning assets is the ratio of interest income to average interest-earning assets and the average cost on interest-bearing liabilities is the ratio of interest expense to average interest-bearing liabilities.

	For the year ended 31 December					
	2024			2025		
	Average balance	Interest income	Average yield	Average balance	Interest income	Average yield
	(in billions of Won, except percentages)					
Assets:						
Cash and due from banks	₩ 5,720	₩ 166	2.90%	₩ 6,788	₩ 171	2.52%
Securities						
Financial assets at fair value through profit or loss[1]	3,785	143	3.78	4,239	123	2.90
Financial assets at fair value through other comprehensive income	24,212	809	3.34	25,236	821	3.25
Securities at amortized cost	34,264	977	2.85	33,993	969	2.85
Total securities	62,261	1,929	3.10	63,468	1,913	3.01
Loan receivables						
Won	287,090	13,646	4.75	304,344	12,674	4.16
Foreign currency	4,496	277	6.16	5,181	279	5.39
Inter-bank loans	4,854	278	5.73	2,431	117	4.81
Credit card receivables	3,436	512	14.90	3,621	520	14.36
Others	7,941	228	2.87	9,224	254	2.75
Total loan receivables[2]	307,817	14,941	4.85	324,801	13,844	4.26
Other assets	597	251	42.04	626	210	33.55
Total average interest-earning assets	376,395	17,287	4.59	395,683	16,138	4.08
Total average non-interest-earning assets	37,209	—	—	42,399	—	—
Total average assets	₩413,604	17,287	4.18%	₩438,082	16,138	3.68%

	For the year ended 31 December					
	2024			2025		
	Average balance	Interest expense	Average cost	Average balance	Interest expense	Average cost
	(in billions of Won, except percentages)					
Liabilities and Equity:						
Deposits						
Won	₩126,488	₩ 1,612	1.27%	₩131,833	₩1,458	1.11%
Foreign currency	16,224	365	2.25	18,063	364	2.02
Total deposits	142,712	1,977	1.39	149,896	1,822	1.22
Borrowings and debentures						
Borrowings						
Borrowings from Government and the BOK	32,346	737	2.28	32,623	590	1.81
Foreign currency	4,803	193	4.02	5,394	186	3.45
Other	2,589	103	3.98	4,306	132	3.07
Debentures						
SMIF Bonds in Won	171,479	6,470	3.77	182,331	5,729	3.14
Foreign currency	5,246	285	5.43	5,331	280	5.25
Total borrowings and debentures	216,463	7,788	3.60	229,985	6,917	3.01
Other liabilities	6,527	246	3.77	6,734	195	2.90
Total average interest-bearing liabilities	365,702	10,011	2.74	386,615	8,934	2.31
Total average non-interest-bearing liabilities	18,563	—	—	19,722	—	—
Total average liabilities	384,265	10,011	2.61	406,337	8,934	2.20
Total equity	29,339	—	—	31,745	—	—
Total average liabilities and equity	₩413,604	₩10,011	2.42%	₩438,082	₩8,934	2.04%

Notes:

(1) Includes loan receivables at fair value through profit or loss.

(2) Includes provision for impairment and loan origination fees and costs.

Analysis of Changes in Interest Income and Interest Expense – Volume and Rate Analysis

The following table provides, on a separate basis, an analysis of changes in interest income, interest expense and net interest income under K-IFRS based on changes in volume and changes in rates for the year ended 31 December 2024 compared to the year ended 31 December 2025. Volume and rate variances have been calculated on the movement in average balances and the change in the interest rates on average interest-earning assets and average interest-bearing liabilities in proportion to absolute volume and rate change. The variance caused by the change in both volume and rate has been allocated in proportion to absolute volume and rate change.

	2025 vs. 2024 Increase/(Decrease) Due to		
	Change in Average Volume	Change in Average Rate	Net Change
	(in billions of Won)		
Interest income from:			
Cash and due from banks	₩ 28	₩ (23)	₩ 5
Securities			
Financial assets at fair value through profit or loss[1]	16	(36)	(20)
Financial assets at fair value through other comprehensive income	34	(22)	12
Securities at amortized cost	(8)	0	(8)
Total securities	42	(58)	(16)
Loan receivables			
Won	788	(1,760)	(972)
Foreign currency	39	(37)	2
Inter-bank loans	(122)	(39)	(161)
Credit card receivables	27	(19)	8
Other	36	(10)	26
Total loan receivables[2]	768	(1,865)	(1,097)
Other assets	12	(53)	(41)
Total interest income	850	(1,999)	(1,149)
Interest expense on:			
Deposits			
Won	63	(217)	(154)
Foreign currency	39	(40)	(1)
Total deposits	102	(257)	(155)
Borrowings and debentures			
Borrowings			
Borrowings from Government and the BOK	6	(153)	(147)
Foreign currency	22	(29)	(7)
Other	57	(28)	29
Debentures			
SMIF Bonds in Won	390	(1,131)	(741)
Foreign currency	5	(10)	(5)
Total borrowings and debentures	480	(1,351)	(871)
Other liabilities	8	(59)	(51)
Total interest expense	590	(1,667)	(1,077)
Net interest income	₩ 260	₩ (332)	₩ (72)

Notes:

(1) Includes loan receivables at fair value through profit or loss.

(2) Includes provision for impairment and loan origination fees and costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is based on the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024. This discussion and analysis of the Bank's financial condition and results of operations should be read in conjunction with the Bank's audited separate financial statements and accompanying notes that appear elsewhere in this Offering Circular. This discussion contains forward-looking statements that involve risks and uncertainties and reflects the Bank's current plans, estimates and beliefs with respect to future events and financial performance. Actual results may differ materially from those discussed in these forward-looking statements due to a number of factors, including those discussed in "Investment Considerations" and elsewhere in this Offering Circular.

The Bank's separate financial statements and accompanying notes have been prepared in accordance with K-IFRS. All financial information set forth herein, unless stated otherwise, is presented on a separate basis.

Overview

The Bank was established in 1961 pursuant to the IBK Act by the Government to provide development finance and related banking services to small- and medium-sized enterprises in Korea. As a specialised bank serving the public policy objectives of the Government, the Bank also seeks to maintain an overall level of profitability that will enable it to strengthen its equity base and support growth in the volume of its business. Under the IBK Act, the Bank is treated as a special juridical entity and thus is not subject to certain laws regulating the banking activities of commercial banks.

The Government, under the IBK Act, is generally responsible for the Bank's operations and has the ability to exercise control over the Bank's management, policies and operations, irrespective of the level of its ownership. The Government's determination each fiscal year regarding the amount of financial support to extend to the Bank, in the form of loans, guarantees or contributions to capital, and the broad areas of the economy to which the Bank should lend, plays an important role in determining the Bank's lending capacity and policy. Pursuant to the IBK Act, the Government is legally obligated to replenish any deficit that arises if the Bank's reserves are insufficient to cover any of its annual net losses. In light of this provision, if the Bank has insufficient funds to make payment under any of its obligations, the Government would take appropriate steps by contributing capital, allocating funds or by taking other appropriate action to enable the Bank to make such payment when due. This does not, however, constitute a direct guarantee by the Government of the Bank's obligations. The Government also provides direct and indirect financial support for the Bank's financing activities. The Government lends funds, including through the BOK and other governmental entities, to the Bank for it to re-lend. Under the IBK Act, the Bank is the only financial institution in Korea that may borrow Government funds for the benefit of small- and medium-sized enterprises and issue Small and Medium Industry Finance Bonds (the **SMIF Bonds**).

Until 1994, the Bank's entire issued share capital was held by the Government. Pursuant to the amendments to the IBK Act that were effected in November 1997, the Government's minimum share ownership requirement was repealed to permit the Bank to increase its capital base. As of 31 December 2025, the Government directly held 59.5 per cent. and indirectly held 9.0 per cent. of the Bank's common and preferred shares. See "*Capitalisation of the Bank*" and "*Business of the Bank – Relationship with the Government*".

The Bank is subject to the authority and review of the FSC, which has direct authority under the IBK Act to supervise the Bank and review the Bank's operations, and the National Assembly, which reviews and inspects the Bank's operations in September of each year.

The Bank had total assets of ₩457,158 billion and ₩431,278 billion as of 31 December 2025 and 2024, respectively. As of 31 December 2025, the Bank had 140 consolidated subsidiaries, including 131 consolidated subsidiaries located in Korea and one located in each of China, Myanmar, Indonesia and Poland, and 215 associates accounted for using the equity method. As of that date, the Bank had 629 branches (including 31 depositary offices) in Korea and 11 overseas offices.

As of 31 December 2025, the Bank's common equity Tier I capital and Tier I capital adequacy ratios, on a consolidated basis, were 11.48 per cent. and 13.26 per cent., respectively, and its combined Tier I and Tier II capital adequacy ratio was 14.78 per cent. The Bank's separate profit for the years ended 31 December 2025 and 2024 was ₩2,386 billion and ₩2,428 billion, respectively.

Basis of Presentation

The Bank maintains its accounting records in Won and has prepared statutory financial statements in the Korean language (*Hangul*) in conformity with K-IFRS. Certain accounting principles applied by the Bank that conform with financial accounting standards and accounting principles under K-IFRS may not conform with generally accepted accounting principles in other countries. Accordingly, the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024 are intended for use by those who are informed about K-IFRS. The Bank's separate financial statements appearing elsewhere in this Offering Circular have been condensed, restructured and translated into English (with certain expanded descriptions) from the Korean language financial statements. Certain information included in the Korean language financial statements, but not required for a fair presentation of the Bank's financial position, results of operations, changes in equity or cash flows, is not presented in the Bank's separate financial statements appearing elsewhere in this Offering Circular. In the event of any differences in interpreting the financial statements or the independent auditor's report, the Korean version, which is used for regulatory reporting purposes, shall prevail.

In the Bank's separate financial statements appearing elsewhere in this Offering Circular, investments in subsidiaries, associates and joint ventures are accounted for by using the cost method. The Bank's separate statements of comprehensive income contained elsewhere in this Offering Circular include dividend income from, gain or loss on disposal of and impairment loss on, the Bank's investments in subsidiaries, associates and joint ventures in "non-operating income and expenses". See Notes 3 and 34 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024, appearing elsewhere in this Offering Circular. The Bank's separate statements of financial position appearing elsewhere in this Offering Circular include the acquisition values of all of the subsidiaries, associates and joint ventures under "investments in subsidiaries and associates". See Notes 3 and 9 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024, appearing elsewhere in this Offering Circular. Accordingly, potential investors should take into consideration this information in making an investment decision.

Factors Affecting the Bank's Financial Condition and Results of Operations

The Bank's loan portfolio, financial condition and results of operations, and the comparability of the Bank's financial results over successive periods have been and will continue to be influenced by a number of external factors, many of which are outside the Bank's control, including general Korean and global economic conditions, changes in securities values, the Bank's exposure to exchange rates and interest rates relating to its positions, the loan loss provisioning requirements under K-IFRS, and Basel III. For a further description of these factors and certain other factors affecting the Bank's financial performance, see "*Investment Considerations*".

Trends in the Korean and Global Economies

The Bank's financial position and results of operations have been and will continue to be significantly affected by the financial and economic conditions in Korea. Substantial growth in lending in Korea to small- and

medium-sized enterprises in recent years, and financial difficulties experienced by such enterprises as a result of, among other things, adverse changes in economic conditions in Korea and globally, may lead to increasing delinquencies and deterioration in the overall asset quality in the credit exposures of Korean banks to small- and medium-sized enterprises. The Bank's loans to small- and medium-sized enterprises increased from ₩247,192 billion as of 31 December 2024 to ₩261,879 billion as of 31 December 2025, representing 82.2 per cent. and 83.0 per cent., respectively, of the Bank's Won and foreign currency loan portfolio. The Bank's write-offs in respect of the Bank's loans to small- and medium-sized enterprises increased from ₩751 billion in 2024 to ₩1,046 billion in 2025. The Government has historically introduced policies and initiatives intended to encourage Korean banks to provide financial support to small- and medium-sized enterprise borrowers. For example, the Government implemented various emergency aid initiatives involving Korean banks, including the Bank, to provide liquidity assistance to small- and medium-sized enterprise borrowers adversely affected by the COVID-19 pandemic. Such initiatives included the provision of new loans to borrowers with low credit ratings, extension of maturity dates for existing loans and suspension of interest payment obligations for an extended period of time. See "*Investment Considerations – Risks relating to the Bank's corporate credit portfolio – The Bank has significant exposure to small- and medium-sized enterprises, and any financial difficulties experienced by companies in this segment may result in a deterioration of the Bank's asset quality and have an adverse impact on the Bank's operating results and financial condition*" and "*Investment Considerations – Other risks relating to the Bank's business – Any possible recurrence of COVID-19 or the outbreak of any other types of widespread infectious diseases may adversely affect the Bank's business, financial condition or results of operations*".

In recent years, commercial banks, credit card companies, consumer finance companies and other financial institutions in Korea have also made significant investments and engaged in aggressive marketing in consumer lending (including credit cards and mortgage and home equity loans), leading to substantially increased competition in this segment. From the second half of 2016 to 2021, the Government introduced various measures to tighten regulations on mortgage and other lending and housing subscription in response to the rapid growth in consumer debt and concerns over speculative investments in real estate in certain areas. The Government subsequently relaxed some of these measures by introducing a number of policy measures that seek to sustain housing prices and activity levels in the Korean real estate market, in light of an overall decrease in housing prices over the course of 2022. However, in recent years, the Government began tightening regulations again in response to the continued rise in the level of consumer debt. Housing prices in Korea fluctuated throughout 2024, with prices increasing in certain areas while decreasing in others. A decrease in housing prices, together with the high level of consumer debt and higher interest rate levels, could result in declines in consumer spending and reduced economic growth, which may lead to an increase in the delinquency level of the Bank's retail loan portfolio, which in turn may have a negative impact on the Bank's retail banking operations. In addition, the Bank's increased exposure to consumer debt means that it is more exposed to changes in economic conditions affecting Korean consumers. Accordingly, economic difficulties in Korea that hurt consumers could result in reduced growth and deterioration in the asset quality of the Bank's retail loan and credit card portfolios. For example, a rise in unemployment or an increase in interest rates in Korea could adversely affect the ability of consumers to make payments and increase the likelihood of potential defaults, while reducing demand for retail loans and credit card spending. The Bank's non-performing loans to retail customers amounted to ₩212 billion, or 0.5 per cent. of the Bank's loans in Won to retail customers, as of 31 December 2024 and ₩253 billion, or 0.6 per cent. of the Bank's loans in Won to retail customers, as of 31 December 2025. In the credit card segment, outstanding balances overdue by 30 days or more decreased from ₩27 billion as of 31 December 2024 to ₩18 billion as of 31 December 2025. The outstanding balances overdue by 30 days or more, as a percentage of total outstanding credit card balances, increased from 0.1 per cent. as of 31 December 2024 to 0.5 per cent. as of 31 December 2025. See "*Investment Considerations – Risks relating to the Bank's retail credit and credit card portfolios – The Bank may not be able to sustain or improve the asset quality of its retail credit and credit card portfolios, which may have an adverse impact on the Bank*" and "*– A downturn in the Korean real estate market may have an adverse effect on the Bank's retail banking operations, in particular mortgage and home equity lending operations*".

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

- escalations in trade protectionism globally and geopolitical tensions in East Asia and the Middle East (including those resulting from the military conflicts between Iran and other countries, including the United States and Israel);
- the occurrence of severe health pandemics, such as the COVID-19 pandemic;
- hostilities, political or social tensions involving Russia (including the Russia-Ukraine war and the ensuing sanctions against Russia) and the resulting adverse effects on the global supply of oil and other natural resources and the global financial markets;
- interest rate fluctuations as well as perceived or actual changes in policy rates, or other monetary and fiscal policies set forth, by the U.S. Federal Reserve and other central banks;
- a rise in inflation rates and volatility in stock markets and exchange rates worldwide;
- financial and social difficulties affecting many countries worldwide, in particular in Latin America and Europe;
- increased uncertainties in the global financial markets and industry, including difficulties faced by several banks in the United States and Europe;
- a deterioration in economic and trade relations between the United States and its trading partners, including as a result of the imposition of significant tariffs by the United States on its trading partners, which has been followed by retaliatory tariffs in some cases;
- the slowdown of economic growth in China and other major emerging market economies; and
- political and social instability in various countries in the Middle East, including Yemen, Iran, Syria and Iraq.

In light of the high level of interdependence of the global economy, unfavourable changes in the global financial markets, including as a result of any of the foregoing developments could have a material adverse effect on the Korean economy and financial markets, and in turn on the Bank's business, financial condition and results of operations.

Future events involving limited liquidity, defaults, non-performance or other adverse developments that affect the financial services industry generally or financial institutions, transactional counterparties or other companies in the financial services industry, or concerns or rumours about any events of these kinds or other similar risks, may lead to market-wide liquidity problems or increase the Bank's risk in various dealings with its counterparties, among others. See "*Risk Factors – Other risks relating to the Bank's business – Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, could adversely affect the Bank's results of operations and financial condition*."

In addition, the interest rates on the Bank's interest-earning assets and interest-bearing liabilities, and therefore its net interest income, are affected by the BOK's policy rates. Amid rising concerns of a potential global recession as a result of the COVID-19 pandemic, the BOK had reduced its policy rate to 0.75 per cent. in March 2020 and 0.50 per cent. in May 2020. However, as the economy began to show signs of recovery from the COVID-19 pandemic starting from the second half of 2021, the BOK gradually raised its policy rate to

pre-pandemic levels of 1.25 per cent. from August 2021 through January 2022. Furthermore, in response to rising levels of household debt and inflation in Korea as well as globally, the BOK continued to raise its policy rate to 3.50 per cent. from April 2022 through January 2023. More recently, however, the BOK lowered its policy rate to 3.25 per cent. in October 2024, 3.00 per cent. in November 2024, 2.75 per cent. in February 2025 and 2.50 per cent. in May 2025 in response to weak economic conditions in Korea.

The Bank is also exposed to adverse changes and volatility in the global and Korean financial markets as a result of its liabilities and assets denominated in foreign currencies and its holdings of trading and investment securities. The value of the Won relative to major foreign currencies in general and the U.S. dollar in particular has fluctuated significantly in recent years and has been subject to significant volatility as a result of the COVID-19 pandemic, the Russia-Ukraine war and the ensuing sanctions against Russia, the hostilities in the Middle East following the military conflicts between Iran and other countries, including the United States and Israel, the difference in policy rates between the United States and Korea and, more recently, the political instability in Korea relating to the impeachment of former President Yoon in April 2025 following his declaration of martial law in December 2024, among others. A depreciation of the Won will increase the Bank's cost of servicing its foreign currency-denominated debt, while continued exchange rate volatility may also result in foreign exchange losses for the Bank. Furthermore, as a result of the deterioration in global and Korean economic conditions, there have been fluctuations in securities prices, including the stock prices of Korean and foreign companies in which the Bank holds an interest, which have resulted in and may lead to further trading and valuation losses on the Bank's trading and investment securities portfolio as well as impairment losses on its investments accounted for under the equity method.

As a result of volatile conditions in the Korean and global economies and financial markets, as well as factors such as fluctuations in oil and commodity prices, high inflation rates, difficulties faced by several banks in the United States and Europe, increased uncertainties resulting from geopolitical tensions, interest and exchange rate fluctuations, higher unemployment, lower consumer confidence, stock market volatility, changes in fiscal and monetary policies and continued tensions with North Korea, the economic outlook for the financial services sector in Korea in 2026 and for the foreseeable future remains highly uncertain. See "*Investment Considerations – Other risks relating to the Bank's business – Unfavourable changes in the global financial markets could adversely affect the Bank's results of operations and financial condition*" and "*Investment Considerations – Risks relating to Korea*".

Changes in Securities Values, Exchange Rates and Interest Rates

Fluctuations of exchange rates, interest rates and stock prices affect, among other things, the demand for the Bank's products and services, the value of and rate of return on the Bank's assets, the availability and cost of funding and the financial condition of the Bank's customers. The following table shows, for the dates indicated, the stock price index of all equities listed on the KRX KOSPI Market (formerly known as the Stock Market Division of the Korea Exchange) as published in KOSPI, the Won to U.S. dollar exchange rates and benchmark Won borrowing interest rates.

	31 December	
	2024	**2025**
KOSPI	2,399.5	4,214.2
₩/U.S.$ exchange rate[1]	₩1,470.0	₩1,434.9
Corporate bond rate[2]	3.3%	3.5%
Treasury bond rate[3]	2.6%	3.0%

Notes:

(1) Represents the Market Average Exchange Rate in effect on such dates.

(2) Measured by the yield on three-year Korean corporate bonds rated as AA- by the Korean credit rating agencies.

(3) Measured by the yield on three-year treasury bonds issued by the MOFE.

Critical Accounting Policies, Estimates and Judgments

The Bank's separate financial statements included in this Offering Circular have been prepared in accordance with K-IFRS. The preparation of these financial statements requires the Bank to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses as well as the disclosure of contingent assets and liabilities. See Notes 2 and 3 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024, appearing elsewhere in this Offering Circular for a summary of the Bank's accounting policies that are critical to the portrayal of the Bank's financial condition because they require management to make difficult, complex or subjective judgments, some of which may relate to inherently uncertain matters, and because of the possibility that future events affecting the estimates may differ significantly from management's current judgment.

Recent Accounting Changes and Pronouncements

For information regarding recent changes to K-IFRS and the Bank's accounting policies and their effect on its separate financial statements, see Note 2.2 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024, appearing elsewhere in this Offering Circular.

Results of Operations

Net Interest Income

The following table sets forth the principal components of the Bank's interest income and expense for the years ended 31 December 2025 and 2024, as well as changes in these components over comparable periods in percentage terms.

	Year ended 31 December		Percentage Change
	2024	2025	2024/2025
	(in billions of Won)		(per cent.)
Interest income			
Cash and due from banks	₩ 166	₩ 171	3.0%
Financial assets at fair value through profit or loss	143	123	(14.0)
Financial assets at fair value through other comprehensive income	809	821	1.5
Securities at amortised cost	977	969	(0.8)
Securities	1,929	1,913	(0.8)
Loan receivables at amortised cost	14,942	13,844	(7.3)
Others	250	210	(16.0)
Total interest income	17,287	16,139	(6.6)
Interest expense			
Deposit liabilities	1,977	1,822	(7.8)
Borrowings	1,033	908	(12.1)
Debentures	6,755	6,009	(11.0)
Others	247	195	(21.1)
Total interest expense	10,011	8,934	(10.8)
Net interest income	₩ 7,276	₩ 7,205	(1.0)

Comparison of 2025 to 2024

Interest Income

Interest income decreased 6.6 per cent. from ₩17,287 billion in 2024 to ₩16,139 billion in 2025, primarily due to a 7.3 per cent. decrease in interest on loan receivables at amortised cost. The average yield on the Bank's interest-earning assets decreased by 51 basis points from 4.59 per cent. in 2024 to 4.08 per cent. in 2025, which was driven mainly by a decrease in the average yield on loan receivables at amortised cost. The effect of this decrease was partially offset by a 5.1 per cent. increase in the average balance of interest-earning assets from ₩376,395 billion in 2024 to ₩395,683 billion in 2025, principally due to growths in the Bank's loan portfolio.

The 7.3 per cent. decrease in interest on loan receivables at amortised cost from ₩14,942 billion in 2024 to ₩13,844 billion in 2025 was primarily due to a 59 basis point decrease in the average yield on loans in Won, which by far comprised the largest portion of the Bank's loan receivables at amortised cost, from 4.75 per cent. in 2024 to 4.16 per cent. in 2025. The effect of this decrease was offset in part by a 6.0 per cent. increase in the average balance of loans in Won from ₩287,090 billion in 2024 to ₩304,344 billion in 2025. The decrease in the average yield on loans in Won mainly reflected the lower overall level of interest rates prevailing in Korea in 2025 compared to 2024. The increase in the average balance of loans in Won mainly reflected continued efforts by the Bank to increase loans to small- and medium-sized enterprises pursuant to the Government's policy of supporting such enterprises.

Interest Expense

Interest expense decreased 10.8 per cent. from ₩10,011 billion in 2024 to ₩8,934 billion in 2025, primarily due to an 11.0 per cent. decrease in interest expense on debentures, a 7.8 per cent. decrease in interest expense on deposit liabilities and a 12.1 per cent. decrease in interest expense on borrowings. The average cost of interest-bearing liabilities decreased by 43 basis points from 2.74 per cent. in 2024 to 2.31 per cent. in 2025, which was driven mainly by decreases in the average costs of debentures, deposit liabilities and borrowings. The effect of this decrease was partially offset by a 5.7 per cent. increase in the average balance of interest-bearing liabilities from ₩365,702 billion in 2024 to ₩386,615 billion in 2025, due to increases in the average balances of debentures, deposit liabilities and borrowings.

The 11.0 per cent. decrease in interest expense on debentures from ₩6,755 billion in 2024 to ₩6,009 billion in 2025 resulted primarily from an 11.5 per cent. decrease in interest expense on SMIF Bonds in Won from ₩6,470 billion in 2024 to ₩5,729 billion in 2025. The decrease in interest expense on SMIF Bonds in Won was due to a 63 basis point decrease in the average cost of such bonds from 3.77 per cent. in 2024 to 3.14 per cent. in 2025, which was offset in part by a 6.3 per cent. increase in the average balance of such bonds from ₩171,479 billion in 2024 to ₩182,331 billion in 2025. The decrease in the average cost of SMIF Bonds in Won mainly reflected the lower overall level of interest rates prevailing in Korea in 2025 compared to 2024, while the increase in the average balance of such bonds mainly reflected an increase in the Bank's funding needs, which arose from the Bank's efforts to increase loans to small- and medium-sized enterprises pursuant to the Government's policy of supporting such enterprises as discussed above.

The 7.8 per cent. decrease in interest expense on deposit liabilities from ₩1,977 billion in 2024 to ₩1,822 billion in 2025 was primarily due to a 9.6 per cent. decrease in interest expense on deposit liabilities in Won from ₩1,612 billion in 2024 to ₩1,458 billion in 2025. Such decrease in interest expense on deposit liabilities in Won resulted from a 16 basis point decrease in the average cost of such deposit liabilities from 1.27 per cent. in 2024 to 1.11 per cent. in 2025, which was offset in part by a 4.2 per cent. increase in the average balance of such deposit liabilities from ₩126,488 billion in 2024 to ₩131,833 billion in 2025. The decrease in

the average cost of deposit liabilities in Won was mainly due to the lower overall level of interest rates prevailing in Korea in 2025 compared to 2024, while the increase in the average balance of such deposits was primarily due to an increase in the Bank's time and savings deposits, which in turn mainly reflected customers' continuing preference for low-risk products and institutions in Korea in light of the continuing uncertainty in financial markets.

The 12.1 per cent. decrease in interest expense on borrowings from ₩1,033 billion in 2024 to ₩908 billion in 2025 was primarily due to a 20.0 per cent. decrease in interest expense on borrowings from the Government and the BOK from ₩737 billion in 2024 to ₩590 billion in 2025. The decrease in interest expense on borrowings from the Government and the BOK was due to a 47 basis point decrease in the average cost of such borrowings from 2.28 per cent. in 2024 to 1.81 per cent. in 2025, which was slightly offset by a 0.9 per cent. increase in the average balance of such borrowings from ₩32,346 billion in 2024 to ₩32,623 billion in 2025. The decrease in the average cost of borrowings from the Government and the BOK mainly reflected the lower overall level of interest rates prevailing in Korea in 2025 compared to 2024, while the increase in the average balance of such borrowings mainly reflected an increase in the Bank's funding needs, which arose from the Bank's efforts to increase loans to small- and medium-sized enterprises pursuant to the Government's policy of supporting such enterprises as discussed above.

Net Interest Margin

Net interest margin represents the ratio of net interest income to average interest-earning assets. The Bank's overall net interest margin decreased from 1.93 per cent. in 2024 to 1.82 per cent. in 2025, as the 1.0 per cent. decrease in the Bank's net interest income from ₩7,276 billion in 2024 to ₩7,205 billion in 2025 was enhanced by a 5.1 per cent. increase in the average balance of its interest-earning assets from ₩376,395 billion in 2024 to ₩395,683 billion in 2025. The growth in average interest-earning assets was accompanied by a 5.7 per cent. increase in average interest-bearing liabilities from ₩365,702 billion in 2024 to ₩386,615 billion in 2025, while the amount of decrease in interest income outpaced the amount of decrease in interest expense, resulting in the decrease in net interest income. Moreover, the Bank's net interest spread, which represents the difference between the average yield on the Bank's interest-earning assets and the average cost of its interest-bearing liabilities, decreased from 1.85 per cent. in 2024 to 1.77 per cent. in 2025. The decrease in net interest spread resulted from a larger decrease in the average yield on interest-earning assets compared to the decrease in the average cost of interest-bearing liabilities between the two periods.

Impairment Losses on Financial Assets

Impairment losses on financial assets include impairment losses on loan receivables at amortised cost, impairment losses on financial assets at fair value through other comprehensive income, impairment losses on securities at amortised cost and impairment losses on other financial assets.

If the Bank's provisions for credit losses are deemed insufficient for regulatory purposes, the Bank is required to compensate for the difference by recording a regulatory reserve for credit losses, which is segregated within the Bank's retained earnings.

Comparison of 2025 to 2024

Impairment losses on financial assets increased by 2.0 per cent. from ₩1,589 billion in 2024 to ₩1,620 billion in 2025, primarily due to an increase in impairment loss for loan receivables at amortised cost from ₩1,587 billion in 2024 to ₩1,645 billion in 2025. See Note 7 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024 appearing elsewhere in this Offering Circular.

The Bank's loan write-offs, net of recoveries, increased by 43.1 per cent. from ₩837 billion in 2024 to ₩1,198 billion in 2025, primarily due to an increase in the amount of loans to small- and medium-sized enterprises that were written-off. See Note 7 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024 appearing elsewhere in this Offering Circular.

The Bank's provision of reserve for credit losses increased by 103.4 per cent. from ₩237 billion in 2024 to ₩482 billion in 2025. See Note 25 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024 appearing elsewhere in this Offering Circular.

Net Non-Interest Expenses

The following table sets forth the components of the Bank's net non-interest expenses for the years ended 31 December 2024 and 2025, as well as changes in these components over comparable periods in percentage terms.

	Year ended 31 December		Percentage Change
	2024	2025	2024/2025
	(in billions of Won)		(per cent.)
Net fee and commission income	₩ 335	₩ 282	(15.8)%
Net gains on financial instruments at fair value through profit or loss	284	681	139.8
Net gains (losses) on derivative financial instruments for hedge accounting	13	60	361.5
Gains on disposal of financial assets at amortised cost	150	166	10.7
Net gains on financial assets at fair value through other comprehensive income	125	141	12.8
Net gains on foreign currency transactions	40	97	142.5
Employee-related expenses	(1,429)	(1,658)	16.0
Other general administrative expenses	(1,213)	(1,367)	12.7
Net other operating expenses	(703)	(666)	(5.3)
Non-operating income (expenses)	(41)	(116)	182.9
Total net non-interest expenses[(1)]	₩(2,440)	₩(2,379)	(2.5)

Note:

(1) Excludes impairment losses on financial assets.

Comparison of 2025 to 2024

Net non-interest expense decreased by 2.5 per cent. from ₩2,440 billion in 2024 to ₩2,379 billion in 2025. This decrease was mainly attributable to a 139.8 per cent. increase in net gain on financial instruments at fair value through profit or loss from ₩284 billion in 2024 to ₩681 billion in 2025 and, to a smaller extent, a 142.5 per cent. increase in net gain on foreign currency transactions from ₩40 billion in 2024 to ₩97 billion in 2025. These impacts were in large part offset by a 16.0 per cent. increase in employee-related expenses from ₩1,429 billion in 2024 to ₩1,658 billion in 2025 and a 12.7 per cent. increase in other general administrative expenses from ₩1,213 billion in 2024 to ₩1,367 billion in 2025.

The increase in net gains on financial instruments at fair value through profit or loss from ₩284 billion in 2024 to ₩681 billion in 2025 was primarily due to an increase in net gain realised on beneficiary securities held by the Bank as well as net gain realised on derivative instruments held by the Bank in 2025 compared to net loss realised on derivative instruments held by the Bank in 2024. See Note 28 of the notes to the Bank's audited

separate financial statements as of and for the years ended 31 December 2025 and 2024 appearing elsewhere in this Offering Circular. Such impact was further enhanced by a 142.5 per cent. increase in net gain on foreign currency transactions from ₩40 billion in 2024 to ₩97 billion in 2025, which was primarily due to foreign exchange volatility. The Bank uses derivative instruments to hedge its foreign currency exposure.

The increase in employee-related expenses from ₩1,429 billion in 2024 to ₩1,658 billion in 2025 was mainly due to an increase in salaries. See Note 30 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024 appearing elsewhere in this Offering Circular.

The increase in other general administrative expenses from ₩1,213 billion in 2024 to ₩1,367 billion in 2025 mainly reflected an increase in depreciation on property and equipment relating to administrative facilities.

Income Tax Expense

The Bank's income tax expense is calculated by adding or subtracting changes in deferred income tax liabilities and assets to tax amounts actually paid or accrued for the relevant period. The Bank recognises deferred income tax assets for all deductible temporary differences as of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, to the extent that taxable income is expected to be available against which the deductible temporary differences can be utilised.

Comparison of 2025 to 2024

Income tax expense remained the same at ₩820 billion in each of 2024 and 2025. The top statutory tax rate was 26.4 per cent. in both 2024 and 2025. The Bank's effective tax rate was 25.24 per cent. in 2024 and 25.58 per cent. in 2025. See Note 13 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024 appearing elsewhere in this Offering Circular.

Profit for the year

Comparison of 2025 to 2024

Due to the factors described above, the Bank's profit for the year decreased by 1.7 per cent. from ₩2,428 billion in 2024 to ₩2,386 billion in 2025.

Financial Condition

Assets

The following table sets forth the principal components of the Bank's assets as of 31 December 2024 and 2025, as well as changes in these components between such dates in percentage terms.

	As of 31 December		Percentage Change
	2024	2025	2024/2025
	(in billions of Won)		(per cent.)
Cash and due from banks	₩ 15,900	₩ 21,472	35.0%
Financial assets at fair value through profit or loss	15,576	16,848	8.2
Financial assets at fair value through other comprehensive income	25,277	30,148	19.3
Securities at amortised cost	33,487	33,002	(1.4)
Loan receivables at amortised cost, net:			
Loans in Won	298,704	313,949	5.1
Loans in foreign currencies	5,073	5,631	11.0
Bills bought in Won	5	3	(40.0)
Bills bought in foreign currencies	1,017	1,332	31.0
Bonds purchased under repurchase agreements	13,473	10,248	(23.9)
Interbank loans	2,419	2,453	1.4
Domestic import usance bills	2,951	2,700	(8.5)
Payment on guarantees	23	23	0.0
Credit card receivables	3,307	3,397	2.7
Call loans	1,078	1,068	(0.9)
Privately placed bonds	966	770	(20.3)
	329,015	341,574	3.8
Plus (less):			
Deferred loan origination fees and costs	697	738	5.9
Present value discount	(8)	(9)	12.5
Provision for impairment	(4,812)	(4,585)	(4.7)
Total loan receivables at amortised cost, net	324,892	337,718	3.9
Investments in subsidiaries and associates	3,655	4,099	12.1
Property and equipment	2,411	2,394	(0.7)
Others	10,080	11,476	13.8
Total assets	₩431,278	₩457,158	6.0

Comparison of 2025 to 2024

The Bank's assets increased by 6.0 per cent. from ₩431,278 billion as of 31 December 2024 to ₩457,158 billion as of 31 December 2025, principally due to a 5.1 per cent. increase in loans in Won from ₩298,704 billion as of 31 December 2024 to ₩313,949 billion as of 31 December 2025, which in turn was primarily attributable to an increase in loans to small- and medium-sized enterprises. Such increase was further enhanced by a 35.0 per cent. increase in cash and due from banks from ₩15,900 billion as of 31 December 2024 to ₩21,472 billion as of 31 December 2025, which in turn was primarily due to an increase in reserve deposits, as well as a 19.3 per cent. increase in financial assets at fair value through other comprehensive income from ₩25,277 billion as of 31 December 2024 to ₩30,148 billion as of 31 December 2025, which in turn primarily reflected an increase in government and public bonds held by the Bank. The effect of such increases were offset

in part by a 23.9 per cent. decrease in bonds purchased under repurchase agreements from ₩13,473 billion as of 31 December 2024 to ₩10,248 billion as of 31 December 2025, as bonds purchased under repurchase agreements had temporarily increased at year-end in 2024 due to relatively higher margins offered at the time.

For further information on the Bank's assets, see "*Description of Assets and Liabilities of the Bank*".

Liabilities and Equity

The following table sets forth the principal components of the Bank's liabilities as well as the Bank's equity as of 31 December 2024 and 2025, as well as changes in these components between such dates in percentage terms.

	As of 31 December		Percentage Change
	2024	2025	2024/2025
	(in billions of Won)		(per cent.)
Liabilities:			
Deposit liabilities	₩151,141	₩160,531	6.2%
Borrowings	38,130	44,156	15.8
Debentures	183,968	193,349	5.1
Others	26,625	25,663	(3.6)
Total liabilities	399,864	423,698	6.0
Equity:			
Share capital	4,211	4,211	0.0
Hybrid capital instruments	4,313	4,683	8.6
Capital surplus	1,162	1,162	0.0
Capital adjustment	(0)	(1)	N/A
Accumulated other comprehensive income	832	1,035	24.4
Retained earnings	20,896	22,370	7.1
Total equity	31,415	33,460	6.5
Total liabilities and equity	₩431,278	₩457,158	6.0

Notes:

(1) NA means not applicable.

Comparison of 2025 to 2024

The Bank's total liabilities increased by 6.0 per cent. from ₩399,864 billion as of 31 December 2024 to ₩423,698 billion as of 31 December 2025, as a result of a 6.2 per cent. increase in deposit liabilities from ₩151,141 billion as of 31 December 2024 to ₩160,531 billion as of 31 December 2025 and a 5.1 per cent. increase in debentures from ₩183,968 billion as of 31 December 2024 to ₩193,349 billion as of 31 December 2025. Borrowings also increased by 15.8 per cent. from ₩38,130 billion as of 31 December 2024 to ₩44,156 billion as of 31 December 2025. The increase in deposit liabilities was due primarily to an increase in time and savings deposits in Won. The increase in debentures was primarily attributable to an increase in SMIF Bonds in Won based on the Bank's funding needs, which arose from the Bank's efforts to increase loans to small- and medium-sized enterprises pursuant to the Government's policy of supporting such enterprises as discussed above, while the increase in borrowings was primarily attributable to an increase in borrowings in Won.

The Bank's total equity increased by 6.5 per cent. from ₩31,415 billion as of 31 December 2024 to ₩33,460 billion as of 31 December 2025. This increase resulted primarily from a 7.1 per cent. increase in retained earnings from ₩20,896 billion as of 31 December 2024 to ₩22,370 billion as of 31 December 2025, which was attributable mainly to an increase in voluntary reserve other than recapitalization.

For further information on the Bank's liabilities, see "*Description of Assets and Liabilities of the Bank*".

Cash Flows

The following table sets forth the Bank's cash flows for the years ended 31 December 2024 and 2025:

	Year ended 31 December	
	2024	2025
	(in billions of Won)	
Net cash flows used in operating activities	₩(18,812)	₩(2,644)
Net cash flows used in investing activities	(2,858)	(6,124)
Net cash flows provided by financing activities	10,966	14,142
Effects of exchange rate changes on cash and equivalents	746	210
Net increase (decrease) in cash and cash equivalents	(9,958)	5,584
Cash and cash equivalents at the beginning of the year	24,901	14,944
Cash and cash equivalents at the end of the year	14,944	20,528

Cash Flows from Operating Activities

The Bank recorded net cash flows used in operating activities of ₩2,644 billion for 2025. The Bank's net cash flows used in operating activities during the year primarily reflects interests paid of ₩8,908 billion, changes in operating assets and liabilities of ₩6,743 billion and adjustments in expenses and revenues of ₩5,074 billion. These impacts were significantly offset by cash flows provided from interests received, which amounted to ₩16,033 billion and profit for the year, which amounted to ₩2,386 billion.

The Bank recorded net cash flows used in operating activities of ₩18,812 billion for 2024. The Bank's net cash flows used in operating activities during the year primarily reflects changes in operating assets and liabilities of ₩23,598 billion, interests paid of ₩9,854 billion and adjustments in expenses and revenues of ₩4,613 billion. These impacts were offset in part by cash flows provided from interests received, which amounted to ₩17,396 billion and profit for the year, which amounted to ₩2,428 billion.

Cash Flows from Investing Activities

The Bank recorded net cash flows used in investing activities of ₩6,124 billion for 2025. The Bank's net cash flows used in investing activities during the year reflects net decrease in financial assets at fair value through other comprehensive income of ₩4,296 billion and net decrease in financial assets at fair value through profit or loss of ₩1,458 billion. These impacts were partially offset by net increase in securities at amortised cost of ₩486 billion.

The Bank recorded net cash flows used in investing activities of ₩2,858 billion for 2024. The Bank's net cash flows used in investing activities during the year reflects net decrease in financial assets at fair value through profit or loss of ₩1,667 billion and net decrease in financial assets at fair value through other comprehensive income of ₩1,417 billion. These impacts were partially offset by net increase in securities at amortised cost of ₩922 billion.

Cash Flows from Financing Activities

The Bank recorded net cash flows provided by financing activities of ₩14,142 billion for 2025. The Bank's net cash flows provided by financing activities during the year primarily reflects net increase in debentures of ₩8,911 billion and net increase in borrowings of ₩5,949 billion. These impacts were slightly offset by dividends paid of ₩849 billion.

The Bank recorded net cash flows provided by financing activities of ₩10,966 billion for 2024. The Bank's net cash flows provided by financing activities during the year primarily reflects net increase in debentures of ₩10,428 billion and net increase in borrowings of ₩1,380 billion. These impacts were slightly offset by dividends paid of ₩785 billion.

Liquidity

The Bank's primary sources of funding have historically been and continue to be deposits and issuances of debentures, particularly SMIF Bonds. Deposits amounted to ₩151,141 billion as of 31 December 2024 and ₩160,531 billion as of 31 December 2025, which represented 40.5 per cent. and 40.3 per cent. of the Bank's total funding (which is the sum of deposits, borrowings and debentures), respectively. Although the majority of deposits are short-term, it has been the Bank's experience that the majority of its depositors generally roll over their deposits at maturity, thus providing the Bank with a stable source of funding. Debentures in Won and foreign currencies amounted to ₩183,968 billion as of 31 December 2024 and ₩193,349 billion as of 31 December 2025, which represented 49.3 per cent. and 48.6 per cent. of the Bank's total funding, respectively.

The Bank also obtains funding through borrowings, particularly borrowings in Won and foreign currencies, to meet a portion of its liquidity needs. Borrowings amounted to ₩38,130 billion as of 31 December 2024 and ₩44,156 billion as of 31 December 2025, which represented 10.2 per cent. and 11.1 per cent. of the Bank's total funding, respectively.

The Bank's liquidity risks arise from maturities of its debentures and borrowings and withdrawals of deposits, as well as the Bank's need to fund its lending, trading and investment activities and to manage its trading positions. The Bank's goal in managing its liquidity is to be able, even under adverse conditions, to meet all of its liability repayments on time and to fund all investment opportunities. For a discussion of how the Bank manages its liquidity risk, see "*Description of Assets and Liabilities of the Bank — Asset and Liability Management — Liquidity Management*" and Note 43 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024 appearing elsewhere in this Offering Circular.

The FSC requires each Korean bank to maintain specific Won and foreign currency liquidity ratios. These ratios require the Bank to keep its ratio of liquid assets to liquid liabilities above certain minimum levels. For a description of these requirements, see "*Description of Assets and Liabilities of the Bank — Asset and Liability Management — Liquidity Management*".

Credit-related Commitments and Other Off-Balance Sheet Arrangements

The Bank has various credit-related commitments that are not reflected on its balance sheet, which primarily consist of confirmed and unconfirmed payment guarantees, bills endorsed with recourse and commitments. Payment guarantees include financial guarantee contracts, letters of guarantees for importers and customer's liability on letters of credit. Commitments include those for loans, purchases of securities and credit lines.

The following table sets forth the Bank's credit-related commitments as of the dates indicated.

	As of 31 December	
	2024	2025
	(in billions of Won)	
Confirmed payment guarantees		
Won		
Financial guarantee contracts	₩ 1,882	₩ 1,882
Others	581	683
	₩ 2,463	₩ 2,565
Foreign currencies		
Financial guarantee contracts	903	834
Letters of guarantees for importers	71	61
Others	3,238	2,952
	₩ 4,212	₩ 3,847
Unconfirmed payment guarantees		
Customer's liability on letters of credit	1,866	1,471
	₩ 1,866	₩ 1,471
Commitments		
Commitments on loans in Won	₩53,095	₩52,789
Commitments on loans in foreign currencies	15,452	14,602
Others	13,084	12,952
	₩81,631	₩80,343

The Bank analyses its off-balance sheet legally binding credit-related commitments for possible losses associated with such commitments, and establishes provisions in a manner similar to provisions that the Bank would establish with respect to a loan granted under the terms of the applicable commitment. See Note 22 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024 appearing elsewhere in this Offering Circular. These provisions include provisions for payment guarantees and unused loan commitments, which are reflected as part of "provisions" in the Bank's balance sheet. As of 31 December 2025, the Bank had established provisions of ₩276 billion with respect to its credit-related commitments. See Note 19 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024 appearing elsewhere in this Offering Circular.

Capital Adequacy

The Bank's capital management policies are to diversify its sources of capital, to allocate capital efficiently and to maintain a prudent relationship between its capital and the risks of its underlying business. In determining its capital requirements, the Bank projects business growth, capital investment plans, earnings and reserve requirements.

The FSC's capital adequacy guidelines derive from standards established by the Bank for International Settlements (the **BIS**). In May 2013, the FSC announced that major Asian countries have already implemented Basel III in the first quarter of 2013 and that the proposed Basel III measures relating to stricter minimum capital ratio requirements would be implemented in Korea starting from 1 December 2013. See *"Investment Considerations — Other risks relating to the Bank's business — The Bank may be required to raise additional capital if its capital adequacy ratio deteriorates or the applicable capital requirements change in the future, but it may not be able to do so on favourable terms or at all"*.

Commencing in July 2013, the FSC promulgated a series of amended regulations implementing Basel III, which went into effect from 1 December 2013, pursuant to which Korean banks were required to maintain a minimum ratio of common equity Tier I capital (which principally includes (i) capital from the issuance of common stock (and similar equity securities), (ii) capital surplus from the issuance of common stock, (iii) other capital surplus (excluding capital surplus from the issuance of equity securities other than common stock), (iv) earned surplus and (v) other accumulated comprehensive income) to risk-weighted assets of 3.5 per cent. and Tier I capital to risk-weighted assets of 4.5 per cent. from 1 December 2013, which minimum ratios were increased to 4.0 per cent. and 5.5 per cent., respectively, from 1 January 2014 and increased further to 4.5 per cent. and 6.0 per cent., 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 per cent., which remains unchanged. The amended regulations have also required an additional capital conservation buffer of 2.5 per cent., as well as a potential counter-cyclical capital buffer of up to 2.5 per cent., which is determined on a quarterly basis by the FSC and is set at 1.0 per cent. as of the date of this Offering Circular. The implementation of Basel III in Korea may have a significant effect on the capital requirements of Korean financial institutions, including the Bank. Furthermore, since 2016, certain Korean banks have been designated on an annual basis as domestic systemically important banks for the subsequent year by the FSC, which subjects those banks to an additional capital requirement of 1.0% from 1 January 2019. However, the Bank has not been designated as a domestic systemically important bank mainly because the Government is legally obligated to provide funds to cover any deficit of the Bank that may not be covered by the Bank's reserves under Article 43 of the IBK Act, and therefore will not be subject to such additional capital requirements. See *"Investment Considerations — Risks relating to Government regulations — The Bank cannot assure investors that the Government will not cease to support any losses the Bank may incur by enacting changes to Article 43 of the IBK Act or adopt other amendments to the IBK Act that may adversely affect the Bank's financial condition"*. As of 31 December 2025, the Bank's common equity Tier I capital and Tier I capital adequacy ratios, on a consolidated basis, were 11.48 per cent. and 13.26 per cent., respectively, and its combined Tier I and Tier II capital adequacy ratio was 14.78 per cent.

Under the FSC's guidelines, the capital adequacy ratio of a bank is the ratio, in percentage, of its equity capital constituted by its total Tier I and Tier II capital (less any capital deductions), calculated on a consolidated basis, to its risk weighted assets. Tier I capital includes common equity Tier I capital and other Tier I capital (which principally includes (i) capital and capital surplus from the issuance of other Tier I capital and (ii) hybrid bonds and other capital securities which meet standards prescribed by the Governor of the FSS under Article 26(2) of the FSC's guidelines). Tier II capital includes, among other items, (i) capital and capital surplus from issuance of Tier II capital, (ii) provisions for credit losses on credits classified as "normal" or "precautionary" and (iii) subordinated debt and other capital securities which meet standards prescribed by the Governor of the FSS under Article 26(2) of the FSC's guidelines.

The following table sets out a summary of the Bank's consolidated capital base and its capital adequacy ratios as of 31 December 2025. See Note 26 of the notes to the Bank's audited consolidated financial statements as of and for the years ended 31 December 2025 and 2024 appearing elsewhere in this Offering Circular.

	As of 31 December 2025 (in billions of Won, except percentages)
Tier I capital	
Common equity Tier I capital	
Share capital	₩ 3,987
Reserves	1,179
Capital adjustment of common equity	224
Retained earnings	25,396
Other comprehensive income	986
Non-controlling interest equity	8
Deductions	(1,462)
Total common equity Tier I capital	30,318
Additional Tier I capital	
Hybrid capital instruments	4,690
Non-controlling interest equity	28
Others	(7)
Total additional Tier I capital	4,710
Total Tier I capital	35,029
Tier II capital	
Subordinated bond with maturity	2,710
Provision for impairment	223
Excess provision for expected loss	1,072
Non-controlling interest equity	9
Total Tier II capital	4,014
Total equity capital	₩ 39,043
Credit risk-weighted assets	₩242,160
Market risk-weighted assets	6,835
Operational risk-weighted assets	15,092
Total risk-weighted assets	₩264,086
Capital adequacy ratios	
Common equity Tier I capital	11.48%
Tier I capital	13.26%
Tier II capital	1.52%
Tier I and Tier II capital adequacy ratio	14.78%

Purpose and Authority

The Bank was established in 1961 pursuant to the IBK Act by the Government to provide development finance and related banking services to small- and medium-sized enterprises in Korea. As a specialised bank serving the public policy objectives of the Government, the Bank also seeks to maintain an overall level of profitability that will enable it to strengthen its equity base and support growth in the volume of its business. Under the IBK Act, the Bank is treated as a special juridical entity and thus is not subject to certain laws regulating the banking activities of commercial banks.

Under the IBK Act, the Bank's primary purpose is to "promote independent economic activities of small- and medium-sized enterprises and to enhance their economic position in the Korean economy".

The Bank's principal authority under the IBK Act has been to discount bills for, and to make loans to, small- and medium-sized enterprises. Most of the Bank's activities have been carried out pursuant to this authority. In keeping with the Bank's public purpose and functions, once a small- and medium-sized enterprise customer reaches a certain level of growth in terms of average revenue over the preceding three years and total assets, the Bank is generally not permitted to provide further financing. However, the Bank will provide a three-year grace period before terminating its lending activities to any small- and medium-sized enterprise that ceases to qualify as a small- and medium-sized enterprise, and the Bank will honour the maturity dates of any of their existing financing obligations to it. In addition to the Bank's primary public purpose, the Bank provides banking services to individuals and households and other non-small- and medium-sized enterprises, including lending, deposit taking, credit card issuance and servicing, trust account management, and research and advisory services.

In 2003, the Government amended the IBK Act (the **2003 Amendments**) in order to enable the Bank to compete more effectively with other commercial banks in the competitive market for lending to small- and medium-sized enterprises. The 2003 Amendments include the repeal of Government approval requirements for the Bank to conduct the following activities:

- investment in the equity or debt securities of small- and medium-sized enterprises;
- use of surplus;
- borrowing of foreign capital; and
- setting of the budget for general and administrative expenditures other than labour costs.

In anticipation of the implementation of Basel II in Korea in 2008, the Bank made certain amendments to its Articles of Incorporation in April 2005 so as to allow it to raise different types of capital. The amendments to the Bank's Articles of Incorporation include the following:

- providing additional flexibility to the Bank to cope with changes in market conditions by allowing it to issue non-participating or cumulative preferred shares, in addition to previously permitted participating and non-cumulative preferred shares; and
- removing the maturity limitation (inclusive of any grace period) on its bonds of 15 years so as to allow the Bank to issue perpetual hybrid securities.

In June 2006, the Enforcement Decree of the IBK Act (the **Decree**) was further amended to allow the Bank to increase its credits to borrowers that are not small- and medium-sized enterprises. Pursuant to the amendments to the Decree, which became effective on 1 July 2006, the limit on the aggregate amount of the Bank's credits to

borrowers that are not small- and medium-sized enterprises increased from 20.0 per cent. to 30.0 per cent. of the Bank's deposits plus the outstanding amount of the SMIF Bonds, net of the Bank's legal reserves. In addition, in April 2009, the Bank's Articles of Incorporation was amended to allow the Bank to raise capital by issuing redeemable preferred shares.

Following the implementation of Basel III in Korea, the shareholders of the Bank approved certain amendments to its Articles of Incorporation in October 2014 to allow issuance of amortizable contingent capital securities that are bonds for which the Bank's obligation to pay the principal and interest accrued thereon is exempted or reduced upon the designation of the Bank as an "insolvent financial institution" pursuant to the Act on the Structural Improvement of the Financial Industry of Korea in a total amount not exceeding the lower of 20 times the Bank's issued capital plus its reserves and ₩10 trillion.

Relationship with the Government

Government Support

The Bank's operations are supported by the Government pursuant to Articles 42 and 43 of the IBK Act. Article 42 provides that the Bank's annual profit, after adequate allowances are made for depreciation in assets, shall be applied each fiscal year as follows: (1) 25 per cent. or more of the net profits shall be transferred to the legal reserve until such reserve equals the Bank's issued capital; and (2) the net profits remaining after the transfer specified in (1) above shall be applied in accordance with resolutions of the Bank's Board of Directors; provided that if dividends are paid to the Bank's shareholders, shareholders other than the Government may be given priority.

Article 43 provides that "the Bank shall cover any net loss incurred during a particular fiscal year with its reserves, and if the reserves are insufficient, the Government shall provide funds to cover the deficit". As a result of the IBK Act, the Government is generally responsible for the Bank's operations and is legally obligated to replenish any deficit that arises if the Bank's reserves are insufficient to cover any of its annual net losses. In light of this provision, if the Bank has insufficient funds to make payment under any of its obligations, the Government would take appropriate steps by contributing capital, allocating funds or by taking other appropriate action to enable the Bank to make such payment when due. By the terms of Article 43 and under Korean law, the Government's obligations thereunder are not dependent upon the Government owning at least 50 per cent. of the Bank's issued share capital. The provisions of Article 43 do not, however, constitute a direct guarantee by the Government of the Bank's obligations. Any amendment to the provisions of the IBK Act, including Article 43, would require legislative action by the National Assembly.

The Government also provides direct and indirect financial support for the Bank's financing activities. The Government lends funds, including through the BOK and other governmental entities, to the Bank for it to re-lend. Under the IBK Act, the Bank is the only financial institution in Korea that may borrow government funds for the benefit of small- and medium-sized enterprises and issue the SMIF Bonds. In addition, the Bank has a low cost funding advantage over other banks due to the BOK regulations that require all banks operating in Korea to extend to small- and medium-sized enterprises a certain minimum percentage of any monthly increase in their Won currency lending. Currently, this minimum percentage is 50 per cent. in the case of nationwide banks, 50 per cent. in the case of regional banks and, subject to certain exceptions, 35 per cent. in the case of Korean branches of foreign banks. The purchase of debentures issued by the Bank is classified as loans to small- and medium-sized enterprises for regulatory calculation purposes. As a result, some financial institutions, in particular foreign banks and insurance companies, prefer to hold the Bank's debentures to meet such minimum loan exposure requirements with respect to small- and medium-sized enterprises. Under the IBK Act, the outstanding amount of SMIF Bonds and debentures may not exceed 20 times the sum of the Bank's issued capital and reserves.

The Government's determination each fiscal year regarding the amount of financial support to extend to the Bank, in the form of loans, guarantees or contributions to capital, and the broad areas of the economy to which the Bank should lend, plays an important role in determining the Bank's lending capacity and policy.

Government Ownership and Control

Until 1994, the Bank's entire issued share capital was held by the Government. In 1994, the Bank issued new shares to the public and to the Bank's employees, which issuance then reduced the Government's share ownership to 64.5 per cent. Under the IBK Act, as amended effective December 1964, the Government was required to own at least 50 per cent. of the Bank's issued share capital. The IBK Act was amended effective November 1997 (the **1997 Amendments**) in order to permit the Bank to increase its management efficiency while pursuing its public function. Under the 1997 Amendments, the Government's minimum share ownership requirement was repealed to permit the Bank to increase its capital base. In addition, pursuant to an amendment to the IBK Act approved by the National Assembly in January 2009, the Bank's authorised share capital was increased to ₩10 trillion effective from 6 February 2009.

Pursuant to the IBK Act, the Government is required to cover the Bank's net losses that are in excess of its reserves. From 1998 to 1999, the Bank received from the Government an aggregate of ₩1.8 trillion of capital in the form of cash and shares of state-owned companies. In December 1999, the Government transferred 57,405,282 of the Bank's ordinary shares to the Korea Development Bank (**KDB**) amounting, in the aggregate, to ₩400 billion in market value at that time, and KDB converted 46,915,282 of the Bank's ordinary shares into convertible preferred shares. In 2000, pursuant to the Government's plan to rehabilitate the investment trust company sector, The Export-Import Bank of Korea (**KEXIM**) injected an aggregate of ₩367 billion in cash and shares of a state-owned company into the Bank in exchange for newly issued shares. In 2003, KEXIM converted 56,200,000 of the Bank's convertible preferred shares into ordinary shares and disposed of 23,000,000 of such converted ordinary shares in connection with a public offering in Korea concurrent with the listing of the Bank's ordinary shares on the Korea Exchange. In 2005, the Minister of Planning and Budget announced that the Government may sell a portion of its equity stake in government-owned entities to meet a potential deficit in the Government's budget and KEXIM subsequently disposed of 32,000,000 shares of the Bank.

However, in light of the volatility in the international financial markets in 2008 adversely impacting the stock prices of Korean companies including the Bank, the Government made capital injections of ₩500 billion in the aggregate into the Bank as part of its policy to aid the Korean financial institutions in exchange for the Bank's ordinary shares and perpetual preferred shares. Since 2009, the Government has periodically adjusted its ownership percentage in the Bank through transactions involving the purchase and sale of common and preferred shares of the Bank. Such transactions conducted between the Government and the Bank during the last few years include the following:

- in April 2020, in two separate transactions, the Bank issued an aggregate of 86,902,391 new ordinary shares to the Government for ₩676 billion in cash;
- in June 2020, the Bank issued an aggregate of 12,412,204 new ordinary shares to the Government for ₩107 billion in cash;
- in July 2020, the Bank issued an aggregate of 62,192,786 new ordinary shares to the Government for ₩483 billion in cash;
- in November 2020, the Bank acquired from the Government and cancelled an aggregate 44,847,038 of perpetual preferred shares that it had previously issued to the Government; and
- in May 2021, the Bank issued and sold 5,636,227 new ordinary shares to the Government for an aggregate consideration of ₩49.1 billion.

The Government made capital injections of approximately ₩1.3 trillion in the aggregate into the Bank in 2020 and 2021 in furtherance of its policy to support small- and medium-sized enterprises in light of the COVID-19 pandemic.

As a result of the foregoing transactions, the Government directly held 59.5 per cent. and 59.5 per cent. of the Bank's total shares (including common and preferred shares) as of 31 December 2025 and as of the date of this Offering Circular, respectively. See *"Capitalisation of the Bank"* and *"— Shareholders"*.

Irrespective of the level of its ownership, the Government, under the IBK Act, has the ability to exercise control over the Bank's management, policies and operations. Under the IBK Act, the Government has the absolute right to appoint or remove the Bank's entire Board of Directors, including the chairman and chief executive officer. The Government also has the power to appoint or dismiss the Bank's statutory auditor who has the duty to oversee the Bank's operations and financial matters. The Bank's Articles of Incorporation may only be amended with the approval of the FSC. In addition, by November of each year, the Bank is required to submit to the FSC for its approval the Bank's proposed programme of operations for the following year. The Bank must also report to the FSC the Bank's Operations Manual, which sets forth guidelines on all of the Bank's principal operating matters.

Pursuant to the 2003 Amendments, the Government's oversight of the Bank's general and administrative expenditures was lifted commencing from fiscal year 2004, allowing the Bank to independently set its budget for all general and administrative expenditures other than labour costs (which must still be approved by the FSC). However, the FSC has direct authority under the IBK Act to supervise the Bank, and the Bank's operations may be reviewed by the FSC. Such reviews and examinations are conducted to confirm the accuracy of the Bank's transactions but do not constitute an audit of its financial statements. The Bank must also submit an annual report to the National Assembly and the FSC within four months after the end of each fiscal year outlining the Bank's operations and the Government's major financial policies toward small- and medium-sized enterprises and analysing the Bank's activities during such fiscal year. The Bank must also submit a settlement of accounts to the FSC within three months after the end of each fiscal year. Under the Inspection and Investigation of State Administration Act, the Bank is listed as an organisation subject to review and inspection by the National Assembly and, accordingly, the Bank's operations are reviewed and inspected in September of each year.

The FSC may require the Bank to report on such matters as are deemed necessary and may examine the Bank's books, records and other necessary documents. The FSC may issue to the Bank such orders concerning its business as it deems necessary for the enforcement of the IBK Act.

On 29 December 2009, the Government selected four public institutions, including the Bank, to grant expanded managerial autonomy on a trial basis. As a result, the Bank entered into a memorandum of understanding with the FSC on 31 December 2009 (the **2009 FSC MOU**), pursuant to which the Bank's chief executive officer was granted the authority to increase the number of employees at the Bank by up to 10 per cent. and also determine the positions and rank of the Bank's employees. In addition, the 2009 FSC MOU set forth certain target achievement levels for net income per employee, delinquency ratio, outstanding loans per employee and funding to small- and medium- sized enterprises. On 3 January 2011, the Bank entered into a new memorandum of understanding with the FSC (the **2011 FSC MOU**), pursuant to which the Bank's managerial autonomy has been extended and the target achievement levels in the 2009 FSC MOU have been adjusted. In addition, the 2011 FSC MOU provides for certain financial benefits for the Bank's employees in the event that such adjusted target achievement levels are exceeded by a certain margin. Under the FSC MOUs, the Bank is required to submit to the FSC on an annual basis the Bank's plans regarding use of its managerial autonomy. The Bank's performance under the FSC MOUs is evaluated by the FSC on an annual basis and the scope and duration of the Bank's managerial autonomy may be adjusted based upon such evaluations.

The Bank's ordinary shares are currently listed on the Korea Exchange. In December 2003, the Bank delisted its ordinary shares from the Korean Securities Dealers Automated Quotation market and conducted a public offering of ordinary shares in Korea concurrent with a listing on the Korea Exchange. The Bank also has issued global depositary securities (**GDS**s), which represent the Bank's ordinary shares, as a result of the disposal of the Bank's ordinary shares by Korea Investors Service Co., Ltd. (**KIS**) in an international offering in December 2003, and these GDSs are currently listed on the Luxembourg Stock Exchange.

Domestic Banking and Other Activities

The Bank is a nationwide provider of financial services to small- and medium-sized enterprises in Korea. Building upon the Bank's core competence in small- and medium-sized enterprise banking, the Bank has expanded its domestic operations to cover retail banking, credit card operations and trust account management, primarily by leveraging its extensive network of branches and by effectively marketing its electronic banking system. The following table summarises the composition of the Bank's Won and foreign currency loan portfolio according to customer segment as of the dates indicated.

	As of 31 December			
Bank Accounts	**2024**		**2025**	
	(in billions of Won, except percentages)			
Small- and medium-sized enterprises[1]	₩247,192	82.2%	₩261,879	83.0%
Individuals	42,722	14.2	43,048	13.7
Large corporations	9,345	3.1	9,519	3.0
Others[2]	1,325	0.5	932	0.4
Total[3]	₩300,584	100.0	₩315,632	100.0

Notes:

(1) Includes companies that were small- and medium-sized enterprises when loans were made but no longer qualify as small-and medium-sized enterprises.

(2) Includes local governments and non-profit organisations.

(3) Includes loans, bills bought in Won and foreign currencies (excluding offshore loans and loans extended from overseas branches).

In general, the Bank sets interest rates for its new loans in Won based on the Korea Inter-Bank Offered Rate (**KORIBOR**). The spread charged with respect to loans varies depending on a number of factors such as the maturity and use of proceeds, the credit quality of the borrower as determined by the Bank and the extent to which collateral or a guarantee is available. The Bank determines the annual interest rate by taking into account the expected bankruptcy rate, which is determined based on credit rating, business size and sector of a borrower and the expected recovery rate of the underlying collateral. As of 31 December 2025, the average annual interest rate on an outstanding loan in Won, which represents the ratio of interest income to daily average balance of interest-earning loans in Won, was 4.16 per cent.

Small- and Medium-sized Enterprise Banking

Small- and medium-sized enterprise banking has been and will remain the Bank's core business. The Bank provides a full range of banking services to small- and medium-sized enterprises, including extending loans and discounting bills, underwriting debt and equity securities issued by small- and medium-sized enterprises, issuing payment guarantees and letters of credit, trade financing, foreign exchange services and payment remittances. As of 31 December 2025, the Bank had 479,028 small- and medium-sized enterprise customers and total loan volume with respect to small- and medium-sized enterprises of ₩261,879 billion. According to a report by the BOK, the Bank had a domestic market share of approximately 24.4 per cent. as of 31 December 2025, in terms of loan volume with respect to small- and medium-sized enterprises.

The term "small- and medium-sized enterprises" as used in the IBK Act is defined in the Small and Medium Industry Basic Act and related regulations. Under the Small and Medium Industry Basic Act and related regulations, an enterprise must meet each of the following criteria in order to meet the definition of a small- and medium-sized enterprise: (i) total assets at the end of the immediately preceding fiscal year must be less than ₩500 billion, (ii) the average annual sales amount for the most recent three fiscal years must not exceed the standards as prescribed by the Enforcement Decree of the Small and Medium Industry Basic Act that are applicable to the enterprise's primary business and (iii) the standards of management independence as prescribed by the Enforcement Decree of the Small and Medium Industry Basic Act must be met. Further, a certified social enterprise (as defined in the Social Enterprise Promotion Act of Korea) that satisfies certain criteria similar to criteria (i) through (iii) above may also qualify as a small- and medium-sized enterprise, and a cooperative, a federation of cooperatives, a social cooperative or a social federation of cooperatives (each as defined in the Framework Act on Cooperatives of Korea) that satisfies criteria similar to criteria (i) through (iii) above may also qualify as a small- and medium-sized enterprise. In addition, a cooperative, a federation of cooperatives or a national federation of cooperatives (each as defined in the Consumer Cooperatives Act of Korea) that satisfies criteria similar to criteria (i) through (iii) above may also qualify as a small- and medium-sized enterprise, and a cooperative, industrial cooperative, or a federation of business cooperatives (each as defined in the Small and Medium Enterprise Cooperatives Act of Korea) that satisfies criteria similar to criteria (i) through (iii) above may also qualify as a small- and medium-sized enterprise.

If a company "controls" or "is controlled" by another company within the meaning of the Small and Medium Industry Basic Act, the average annual sales amount of both companies are taken into consideration for purposes of classification. The Small and Medium Industry Basic Act applies the following test for determining whether a company "controls" or "is controlled" by another company:

- the controlling company must be a listed company which is responsible for preparing consolidated financial statements under the Act on External Audit of Stock Companies, Etc.; or

- the controlling company must directly or indirectly hold 30 per cent. or more of the voting shares of the controlled company and be the largest shareholder of the controlled company.

Once it is established that a company is a controlling company or a controlled company, the average annual sales amount of both related companies are taken into account to determine whether such company meets the definition of a small- and medium-sized enterprise. The key methods of calculation to determine whether such a company meets the definition of a small- and medium-sized enterprise are as follows:

- if the controlling company holds 50 per cent. or more of the voting shares of the controlled company and directly manages the controlled company, the average annual sales amount of both companies will be combined for the purposes of classification; and

- if the controlling company holds less than 50 per cent. of the voting shares of the controlled company and directly manages the controlled company, (a) the average annual sales amount of the controlled company, multiplied by the ratio of the voting shares held by the controlling company over the controlled company, will be combined with the average annual sales amount of the controlling company, and (b) the average annual sales amount of the controlling company, multiplied by the ratio of the voting shares held by the controlling company over the controlled company, will be combined with the average annual sales amount of the controlled company.

A main small- and medium-sized banking product offered by the Bank is the "Co-development Cooperation Loan", which is a loan secured by receivables under a sub-contract between a small- and medium-sized enterprise and a large corporation. Once a small- and medium-sized enterprise enters into a

sub-contract, the Co-development Cooperation Loan provides immediate funds equal to a discounted amount of the receivables under the sub-contract, thereby alleviating some of the financing burdens faced by small- and medium-sized enterprises under a traditional deferred payment schedule of a sub-contracted transaction. As of 31 December 2025, the Bank had 50,198 small- and medium-sized enterprises under contract for Co-development Cooperation Loans and the aggregate loan amount provided was ₩27,808 billion.

The Bank also offers a small- and medium-sized banking product named the "Successful Start-up Company Loan", which is a loan provided to certain start-up companies with viable business prospects and strong technological capabilities to support such companies' technology development and business growth. In particular, the Bank preferentially provides loans to (i) initial stage start-up companies that have been established within the past three years; (ii) companies recommended by the Center for Creative Economy and Innovation and (iii) companies that have obtained excellent ratings from the Technology Credit Bureau of Korea. As of 31 December 2025, the Bank had 122,929 small- and medium-sized enterprises under contract for Successful Start-Up Company Loans and the aggregate loan amount provided was ₩32,290 billion.

The Bank has also introduced a variety of banking products and services relating to the environment, social responsibility and corporate governance (**ESG**). In February 2022, the Bank in collaboration with the Korea Chamber of Commerce and Industry introduced a sustainability-linked loan product for small- and medium-sized enterprises, under which the Bank adjusts the interest rate of the loan based on the borrower's level of ESG management, including the borrower's achievement of its ESG-related goals. The Bank also launched an ESG self-diagnosis programme under the Bank's Business Operation eXpert (BOX) platform and created an ESG consulting team to offer ESG-related consulting services to certain customers in need of special assistance. As part of the Bank's efforts to support the expansion of small- and medium-sized enterprises' ESG-focused management, the Bank plans to increase the proportion of ESG-related loans to 13% of its total loan portfolio by 2030.

In addition to providing innovative banking products, the Bank strives to provide a wide range of business solution services to its small- and medium-sized enterprise customers. Since launching its small- and medium-sized enterprise consulting centre in 2003, the Bank has expanded the scope of its service. The Bank provides the following services:

- the Self-Business Check-Up Programme — a self-diagnostic and examination solution;
- the Small- and Medium-sized Enterprise Business Centre — a business facility designated exclusively for small- and medium-sized enterprise customers;
- the IBK Consulting Centre — a centre designated to provide consultation in management, tax, finances and corporate succession to small- and medium-sized enterprise customers;
- the IBK Sihwa Industrial Complex Business Centre — a centre designated to advise small- and medium-sized enterprises with a risk of potential insolvency on debt management, property and equipment sales and liquidation. It also advises small- and medium-sized enterprises on mergers and acquisitions, tax and initial public offerings.
- the IBK "Carbon Bank" Programme — a programme designed to promote procedural support to small- and medium-sized enterprises seeking to earn and sell carbon emission credits upon successfully implementing and maintaining Government-approved energy conservation projects.
- IBK ChangGong — a consulting service platform designed to support small- and medium-sized enterprises and start-up companies through the provision of customised investment and loan products as well as mentoring and consulting programmes.

- the Special Support Programme for Small and Self-Employed Businesses — a programme designed to provide loans with low interest rates to small business owners, self-employed businesses and start-up companies that meet certain eligibility criteria established by the Bank.

- Business Operation eXpert (BOX) — a digital service platform designed to provide the Bank's small- and medium-sized enterprise customers with a wide range of services relating to finance, accounting, marketing and ESG through online and mobile channels.

- IBK 1st Lab — an open innovation test bed to apply innovative technologies and ideas of financial technology firms to the Bank's products and services, which includes a dedicated office area with cloud-based test environment at the Bank's headquarters in Seoul. Financial technology firms are also generally eligible to apply for special loans with lower interest rates and direct and indirect forms of investment from the Bank, in connection with which the Bank has allocated ₩3 trillion in funding for loans and ₩50 billion for direct and indirect investments.

- Special Support Programme for Innovative Growth — a programme designed to provide special guaranteed loans to start-up companies in certain innovative growth industries (such as cutting-edge manufacturing, information services, health diagnosis, cultural contents, etc.).

- "Boom-Up" Capital Investment Programme — a temporary programme to offer loans with low interest rates to small- and medium-sized enterprises for capital expenditures in order to promote capital investment and economic growth.

In August 2017, the Bank launched its "Co-up Financing" initiative, aimed at taking a more proactive role in supporting the long-term growth and development of small- and medium-sized enterprises. Through Co-up Financing, the Bank offers various programmes and resources tailored to small- and medium-sized businesses at different stages of their growth: (i) the "scale-up" stage, during which the Bank assists with facilitating the relevant businesses' core growths; (ii) the "level-up" stage, during which the Bank helps such businesses to expand globally; and (iii) the eventual "cycle-up" stage, during which the Bank assists with fulfilling such businesses' exit strategies.

The following table sets forth a summary of the Bank's local and foreign currency loans from its bank accounts to small- and medium-sized enterprises in Korea as of the dates indicated.

	As of 31 December			
Bank Accounts	**2024**		**2025**	
	(in billions of Won, except percentages)			
Loans in local currency:				
Working capital loans	₩123,408	49.9%	₩127,361	48.6%
Facilities loans	122,713	49.7	133,564	51.0
Sub-total	246,121	99.6	260,926	99.6
Loans in foreign currencies[(1)]	1,071	0.4	953	0.4
Total[(1)]	247,192	100.0%	261,879	100.0%

Note:

(1) Does not include syndicated loans in which the Bank participated.

The Bank's principal loan products for its small- and medium-sized enterprise customers are working capital loans and facilities loans. Working capital loans are provided to finance working capital requirements and

include notes discounted and trade financing. Facilities loans are provided to finance the purchase of equipment and the establishment of manufacturing assembly plants. Working capital loans generally have a maturity of one year but may be extended at the option of the borrower on an annual basis for an aggregate term of up to five years. Facilities loans have a maximum maturity of three years for loans that are subject to bullet repayment and fifteen years for loans that are subject to instalment repayment. As of 31 December 2025, working capital loans accounted for 46.6 per cent. of the Bank's total small- and medium-sized enterprise loans in Won. As of 31 December 2025, facilities loans accounted for 53.0 per cent. of the Bank's total small- and medium-sized enterprise loans in Won.

When evaluating the extension of loans, the Bank reviews the customer's creditworthiness and ability to generate cash. Loans may be secured by real estate, deposits or securities or be unsecured. The Bank also takes personal guarantees and credit guarantee letters from other financial institutions. Based on an analysis of these and other factors, the Bank sets individual credit limits and interest rates for each small- and medium-sized enterprise.

All assets taken as collateral for secured loans or other credit are subject to appraisal and loan-to-value limits. Loan-to-value ratios measure the amount of loan exposure to the appraised value of the security collateralising the loan. Collateral appraisal is conducted by a qualified bank officer or a third-party professional appraisal company. In the case of collateral in the form of commercial property, such as land, factories or equipment, the Bank provides loans up to 80.0 per cent. of the appraised value of such collateral. The maximum loan-to-value limit for residential real estate, principally apartments, is no more than 70.0 per cent. (except in areas of high speculation designated by the Government where such limit is 40.0 per cent.). In the case of collateral in the form of securities, corporate bonds and deposits, the Bank generally requires that the initial amount of the loan being provided not exceed 60.0 per cent., 90.0 per cent. and 100.0 per cent., respectively, of the market value of the securities, corporate bonds or the amount deposited. With respect to third-party guarantees provided by financial institutions, the Bank generally requires that the amount of the guarantee equal 100.0 per cent. of the initial amount of the loan. Collateral in the form of equity securities are revalued on a quarterly basis. All other securities are revalued yearly.

As of 31 December 2025, secured loans accounted for 84.1 per cent. of the Bank's small- and medium-sized enterprise loans. Of the secured loans to small- and medium-sized enterprises, 83.3 per cent. were secured by commercial property and securities and 16.7 per cent. were secured by third-party guarantees, in each case, as of 31 December 2025.

The Government has in the past provided and may continue to provide policy loans that encourage lending by financial institutions to particular types of borrowers. It has generally done this by identifying sectors of the economy it wishes to promote and making low-interest funding available to financial institutions that, in some cases, may lend to these sectors. Pursuant to such government policies, the Bank has provided policy loans intended to promote technology development, component manufacturing, small enterprise formation, female entrepreneurship and productivity improvement. As of 31 December 2024 and 2025, the outstanding balance of the Bank's key policy loans was ₩20,111 billion and ₩20,482 billion, respectively.

The Bank provides deposit-taking services to small- and medium-sized enterprise customers, which accounted for 29.3 per cent., or ₩96,273 billion, of the Bank's deposits in Won, debentures in Won, certificates of deposit, bills sold and certain bonds sold under repurchase agreements, as of 31 December 2025. The Bank currently offers its small- and medium-sized enterprise customers several types of corporate deposit products. These products can be divided into two general categories: demand deposits that have no restrictions on deposits or withdrawals, but which offer a relatively low interest rate; and deposits from which withdrawals are restricted for a period of time, but offer higher interest rates. The Bank also offers certificates of deposit and repurchase instruments. See "— *Retail Banking*" below for a detailed description of the Bank's various deposit products.

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

The Depositor Protection Act of Korea provides for a deposit insurance system where the KDIC guarantees to depositors the repayment of their eligible bank deposits. Following an amendment to the Depositor Protection Act of Korea in January 2025, the KDIC insures a maximum of ₩100 million per individual for deposits and interest in a single financial institution, regardless of when the deposits were made or the size of the deposits.

Retail Banking

In certain circumstances specified in the IBK Act, the Decree and the Bank's Articles of Incorporation, the Bank may provide limited lending services to borrowers that are not small- and medium-sized enterprises. Under the IBK Act, the Bank may discount bills for and make loans to such borrowers, including individuals and households, insofar as such business does not obstruct the Bank's principal business of discounting bills for and making loans to small- and medium-sized enterprises. Pursuant to amendments to the IBK Act and the Decree, which became effective in January 1998 and further amendments to the Decree, which became effective in July 2006, credits to borrowers that are not small- and medium-sized enterprises, in the aggregate, cannot exceed 30 per cent. of the Bank's deposits plus the outstanding amount of the SMIF Bonds (net of reserve requirements). As of 31 December 2025, this ratio in respect of credits extended by the Bank to borrowers that are not small- and medium-sized enterprises, which include individuals, large corporations and public entities, was 17.0 per cent.

The Bank believes that these amendments to the IBK Act have enabled it to attract more deposits from retail customers by increasing loans to individuals and households using its extensive network of branches. The Bank uses target marketing to attract individual customers with superior credit status, and by drawing deposits from such customers, the Bank is able to acquire a valuable source of low-cost funds for its small- and medium-sized enterprise lending operations. The Bank believes that the increase in the volume of its customer deposits enables the Bank to provide expanded and improved banking services to small- and medium-sized enterprises. In addition, the Bank has continued to enhance its retail banking offerings by developing targeted products and services tailored to specific customer segments, including military personnel, young customers and individual business owners, as part of its efforts to strengthen its competitiveness in the retail banking market.

The Bank provides deposit, loan, money transfer and other services to retail customers, comprising individuals and households, and to other non-small- and medium-sized enterprises, which consist primarily of local governments and non-profit organisations. The Bank offers various types of deposit accounts, each targeting the needs of customers with varying financial profiles, which fall into four general categories:

- time deposits, which generally require a customer to maintain a deposit for a fixed term during which interest accrues at a fixed or floating rate. Early withdrawals require penalty payments. The term for time deposits typically ranges from one month to five years;

- demand deposits, which either do not accrue interest or accrue interest at a lower rate than time or savings deposits. The customer may deposit and withdraw funds at any time and, if the deposits are interest bearing, they accrue interest at a fixed or variable rate depending on the period and/or amount of deposit;

- savings deposits, which allow the customer to deposit and withdraw funds at any time and accrue interest at a fixed rate set by the Bank depending upon the period and amount of deposit; and

- certificates of deposit, which are sold in a variety of denominations and maturities and are negotiable, require an initial deposit of a fixed amount for a fixed term during which interest accrues at a fixed rate. Certificates of deposit may be sold at face value or at a discount with the face amount payable at maturity. Early withdrawals require penalty payment.

The Bank establishes interest rates on its deposit products based on, among other factors, interest rates offered by the Bank's competitors, the rate of return on its interest earning assets and its average funding costs. Interest rates have been deregulated by the Government in recent years with respect to all deposit products. As of 31 December 2025, deposits by individual and household customers accounted for 28.9 per cent. of the Bank's total Won currency deposits, which included demand deposits, time and savings deposits and certificates of deposit.

As of 31 December 2025, the Bank made loans to individuals and households in an aggregate amount of ₩43,048 billion, representing 13.6 per cent. of loans in local and foreign currencies from the Bank's bank accounts made to customers in Korea. Of the total amount of loans made to individuals and households as of 31 December 2025, 84.2 per cent. were loans secured by collateral in the form of property, deposits and others, which comprised 57.2 per cent., 1.6 per cent. and 25.5 per cent., respectively. All assets taken as collateral for secured loans are subject to appraisal and loan-to-value limits. Collateral appraisal is conducted by a qualified bank officer. In the case of collateral in the form of real estate, which for retail loans is principally apartments, the Bank requires that the initial amount of the loan being provided does not exceed a maximum limit of 70.0 per cent. (except in areas of high speculation designated by the Government where such limit is 40.0 per cent.). The Bank also requires that, in general, the ratio of the total amount of debt of a borrower that is due and payable in a given year to such borrowers' total annual income must not exceed 70.0 per cent. (except in areas of high speculation designated by the Government where such limit is 40.0 per cent.). The Bank's policy is in line with the FSC and the FSS guidelines with respect to loan-to-value ratios and debt-to-income ratios applied to mortgage loans secured by the real estate which is located in metropolitan areas. In the case of collateral in the form of securities, the Bank generally requires that the initial amount of the loan being provided does not exceed 60.0 per cent. of the market value of the securities. With respect to third-party guarantees, the Bank generally requires that the amount of the guarantee equals 100.0 per cent. of the initial amount of the loan.

Private Banking Operations

The Bank's private banking operations currently aim to service its high net worth retail customers who individually maintain a monthly average total "relationship balance" (which includes deposits, trust accounts and securities) of at least ₩100 million with the Bank. As of 31 December 2025, the Bank had 233,922 customers who qualified for private banking services, representing about 1.2 per cent. of its total retail customer base. Of the Bank's total retail customer relationship balance of ₩282,960 billion as of 31 December 2025, high net worth retail customers accounted for 61.1 per cent. Through its private bankers, the Bank provides financial and real estate advisory services to its high net worth retail customers. It also markets differentiated investment and banking products and services to these segments, including beneficiary certificates, overseas mutual fund products, specialised bank accounts and credit cards.

As of 31 December 2025, the Bank had 20 dedicated private banking centres and 221 branches that offered private banking services. As of the same date, these centres and branches were staffed by 262 private bankers and almost all such centres and branches were located in metropolitan areas, including Seoul.

Credit Cards

The Bank uses an internally developed credit scoring system to assess the credit risk of credit card applicants on two fronts. The first stage of the system, known as the "application scoring system", involves

grading an applicant along various potential risk indicators to determine eligibility for card issuance and initial credit limit. Factors taken into account include credit history, occupation, job title and income of the applicant. Once a credit card has been issued, the Bank utilises the "behaviour scoring system" to track credit card usage patterns and the customer's payment history. This allows the Bank to closely monitor and assess risk of delinquency and changes to credit limits. This integrated approach to credit assessment helps the Bank to manage its credit risks.

The following table sets forth certain data relating to the Bank's credit card operations as of the dates indicated.

	For the year ended and as of 31 December	
	2024	2025
	(in billions of Won, except number of credit card holders and ratios)	
Number of credit card holders (thousands)	7,100	7,037
Active ratio[1]	59.2%	59.0%
Credit card fee income[2]	₩ 680	₩ 680
Charge volume[3]	₩49,836	₩50,444
Outstanding balance[4]	₩ 3,307	₩ 3,397
Delinquency ratio[4][5]	1.7%	0.9%
Write-offs[4]	₩ 111	₩ 170

Notes:

(1) Represents the ratio of accounts charged within the last six months to total accounts as of year-end.

(2) Includes interest and non-interest income.

(3) Represents the aggregate cumulative amount charged on the Bank's credit cards during the year.

(4) Based on the amounts managed by the Bank, which includes data in respect of credit card receivables that were disposed through asset-backed transactions.

(5) Represents the ratio of balances past due by 30 days or more to outstanding balances as of year-end.

The Bank is a member of BC Card Co., Ltd. (**BC Card**) which was established in 1982 by five nationwide banks and is currently owned by Korean financial institutions and other companies. BC Card issues credit cards under the names of its members, substantially all of which are licensed to use MasterCard, Visa or the Japan Credit Bureau. The Bank uses these brands through a fee-based system and, as a result, the Bank's customers are able to use their credit cards outside of Korea. BC Card provides a number of services for the Bank's credit card operations including issuing cards and providing billing services. The Bank plans to remain in the BC Card consortium. As of 31 December 2025, the Bank owned 4.95 per cent. of BC Card.

As of 31 December 2025, the Bank had approximately 7.0 million cardholders. Of the credit cards outstanding as of 31 December 2025, 59.0 per cent. were active, meaning that the cards had been used within the last six months. In determining this activity rate, the Bank does not consider cards that have been issued for less than six months as active.

In contrast to the system in the United States and many other countries, where most credit cards are revolving cards that allow outstanding amounts to be rolled over from month to month so long as a required minimum percentage is repaid, credit card holders in Korea are generally required to pay the entire amount of their purchases within 15 to 45 days after the date of purchase depending on their payment cycle. Except in the case of instalment purchases and revolving payments, accounts that remain unpaid after this period are deemed to be delinquent. A cardholder's overdue balance is generally written off by the Bank after six months. As of 31 December 2025, delinquent credit card receivables, which were one month past due, amounted to 0.9 per cent. (including re-aged loans) of the Bank's credit card receivables.

Revenues from the Bank's credit card operations consist principally of merchant fees paid by retail and service establishments (a portion of which is allocated to BC Card), cash advance fees, instalment purchase fees, fees on late payment and annual membership fees paid by cardholders. For the years ended 31 December 2024 and 2025, the Bank's credit card charge volumes were ₩49,836 billion and ₩50,444 billion, respectively, while the outstanding balance as of 31 December 2024 and 2025 on the Bank's credit card receivables were ₩3,307 billion and ₩3,397 billion, respectively. For the years ended 31 December 2024 and 2025, the Bank generated ₩680 billion and ₩680 billion, respectively, in credit card fees.

Trust Account Management

The Bank provides trust account management services in respect of assets deposited in trust by its customers. Trust funds managed by the Bank consist primarily of money trusts and, to a lesser extent, investment trusts. The Bank receives fees for its trust account management services consisting of basic fees that are based upon a percentage of the net asset value of the assets under management and, for certain types of trust account operations, performance fees that are based upon the performance of the trust account operations. The Bank also receives penalty payments when customers terminate their trust deposit prior to the original maturity. As of 31 December 2024 and 2025, the Bank's trust business recorded assets of ₩53,383 billion and ₩57,349 billion, respectively, and the Bank's trust account fees and commissions in the years ended 31 December 2024 and 2025 amounted to ₩162 billion and ₩180 billion, respectively.

The Bank's trust account business is not subject to the IBK Act or the Decree and is governed by the Trust Act of Korea and the FSCMA, as is the case with commercial banks in Korea. Under Korean law, assets accepted in trust by a bank are segregated from other assets of the bank and are not available to satisfy the claims of the depositors of the bank accounts or other creditors of the bank. Accordingly, in the Bank's financial statements, trust accounts are accounted for and reported separately from its bank accounts. Trust accounts that guarantee the principal and a fixed rate of interest or that guarantee the principal only are, however, included in the consolidated financial statements of the Bank.

Bancassurance

The term "bancassurance" generally refers to the marketing and sale by commercial banks of insurance products developed by them directly or by third-party insurance companies. The Bank currently markets a wide range of life- and non-life-bancassurance products developed by third-party insurance companies and its wholly-owned subsidiary, IBK Insurance.

The Bank's fee income from its bancassurance business amounted to ₩9 billion and ₩10 billion, respectively, for the years ended 31 December 2024 and 2025. The Bank plans to offer a range of bancassurance products, including additional specialised and exclusive bancassurance products.

Retirement and Pension Insurance

The Bank provides retirement and pension insurance products through its wholly-owned subsidiary, IBK Insurance, which it established in July 2010. IBK Insurance seeks to become a leading insurance company in Korea that specialises in retirement and pension insurance products by utilising the Bank's distribution and marketing network and large customer base of small- and medium-sized enterprises.

International Banking

The Bank expanded into international banking since 1967 and currently provides a full range of international banking services, targeting primarily small- and medium-sized enterprises. The units responsible for conducting international banking activities are the International Trade Business Department, the Treasury

Department, the Trading Department, the Investment Banking Division, the Global Business Department, the Global Operation Support Department and 629 domestic branches (including 31 depositary offices) as of 31 December 2025, which offer banking services for a range of international transactions.

The International Trade Business Department oversees international money transfers and trade services and the Treasury Department manages international funding and foreign currency deposits/loans, correspondent banking, overseas branch management and comprehensive trade advisory services. As of 31 December 2025, the Bank's foreign currency deposit amounted to ₩20,182 billion.

The Trading Department handles derivatives transactions, such as foreign exchange forward trading for its clients' trading books as well as its own book. The Bank believes that it has competitive derivatives engineering capabilities, with the ability to offer structured products tailored to meet the diverse needs of clients. For the years ended 31 December 2024 and 2025, the Bank's total outstanding contract amount of derivative transactions were ₩8,035 billion and ₩6,066 billion, respectively. The Bank hedges its exposure on transactions with its clients on a book basis.

The Investment Banking Division participates in various financial transactions, including, among others, issue of asset-backed securities, mergers and acquisitions, establishment and operation of private equity funds, international investments, venture financing and project financing.

The Global Business Department oversees correspondent banking and overseas branch management.

In June 2009, the Bank incorporated a banking unit, Industrial Bank of Korea (China) Limited (**IBK China**), in China currently with eight local branches and eight sub-branches across China. In order to expand its scope of business and create synergy between its branch network in China and the Bank's branch network in Korea, IBK China currently conducts RMB retail banking, develops deposit and loan products customised for local businesses. As of 31 December 2025, IBK China's assets and liabilities amounted to ₩6,161 billion and ₩5,435 billion, respectively.

As part of its efforts to expand its international banking services globally, the Bank acquired 95.79 per cent. and 71.68 per cent., respectively, of the shares of two local Indonesian banks, PT Bank Agris Tbk and PT Bank Mitraniaga Tbk, in January 2019. In September 2019, the Bank merged these two entities and renamed the merged entity PT BANK IBK INDONESIA TBK (**IBK Indonesia**). In January 2022, the Bank invested an additional ₩83 billion in IBK Indonesia in order to meet the new minimum capital requirement for banks set by the Financial Services Authority of Indonesia. IBK Indonesia provides a variety of banking and other financial services to a wide range of customers, including small- and medium-sized enterprises, in Indonesia. As of 31 December 2025, the Bank owned 91.5 per cent. of the outstanding shares of IBK Indonesia, which had total assets of ₩2,032 billion and total liabilities of ₩1,524 billion as of such date.

The Bank also has nine other overseas branches in New York, Tokyo, Hong Kong, London, Ho Chi Minh City, Hanoi, New Delhi, Manila and Phnom Penh and two representative offices in Vladivostok and Poland. The primary activities of the Bank's overseas branches are to support the overseas trading and investment activities of Korean small- and medium-sized enterprises, many of which have relocated parts of their operations to China and Southeast Asia, and to manage correspondent banking relationships with foreign banks.

For the years ended 31 December 2024 and 2025, the combined net gain of the Bank's overseas branches amounted to ₩86 billion and ₩94 billion.

Branch Network and Distribution Channels

The Bank provides products and services to customers through its extensive network of branches. The Bank's domestic branch network, which is one of the largest of the Korean banks, is spread across Korea and is particularly well represented in key areas. Specifically, Seoul, Incheon and Gyeonggi Province are considered to be attractive markets due to the number of small- and medium-sized enterprises and affluent individuals concentrated in these areas.

The Bank seeks to continually expand its market presence by opening new branches and sub-branches in Korea, especially in satellite cities surrounding the Seoul metropolitan area. The Bank opened four new branches in 2024 and two new branches in 2025. The Bank plans to open one depositary office in 2026, subject to market conditions.

The following table shows the number of the Bank's domestic branches and sub-branches by region as of 31 December 2025.

Region	Number of Branches	Percentage
Seoul	198	31.5%
Incheon and Gyeonggi Province	236	37.5
Busan, Ulsan and Gyeongnam Province	73	11.6
Daegu and Gyeongbuk Province	42	6.7
Daejeon, Sejong and Chungcheong Province	40	6.3
Gwangju and Jeolla Province	30	4.8
Gangwon Province	7	1.1
Jeju Province	3	0.5
Total	629	100.0%

As of 31 December 2025, the Bank operated 127 cash dispensers and 3,306 ATMs in its 629 domestic branches (including 31 depositary offices) and at various unmanned outlets throughout Korea. The Bank has actively promoted the use of these distribution outlets in order to provide convenient service to customers as well as to reduce employee costs and improve profitability.

The Bank's customers can also use ATMs and cash dispensers operated by certain commercial banks in Korea, allowing them to access a nationwide network of ATMs and cash dispensers. The Bank also enables customers to carry out transactions on their accounts by utilising the Bank's phone-banking or Internet banking services.

Digital Banking

The Bank offers a variety of financial services through its main mobile banking system, i-ONE Bank, which also functions as an effective distribution channel for the Bank to market its financial products. Internet banking services provided by the Bank include fund transfers, balance and transaction inquiries, credit card transaction inquiries, pre-set automatic transfers and product inquiries. In addition, the Bank can process and approve, on a limited basis, on-line loan applications. In order to ensure the privacy of the Bank's customers, the Bank offers an electronic certification system that permits Internet users to authenticate transactions on a confidential basis through digital signatures.

The digital finance market has experienced significant growth, driven by the rise of fintech firms and the rapid digital transformations of the Bank's competitors. The Bank has actively engaged in these trends and continues to do so through the implementation of innovative initiatives. Notably, in December 2021, it launched "i-ONE asset management", a personal wealth management service within i-ONE Bank, the Bank's main mobile banking application, based on MyData. i-ONE asset management offers a range of personalised asset management services, including those tailored to small and medium-sized enterprises.

The Bank has also continued to upgrade its digital platforms to enhance user experience and customer engagement. In particular, the Bank has undertaken a comprehensive revamp of its mobile banking application for individual customers and has introduced new digital features and products designed to increase customer interaction and accessibility across its mobile channels. These efforts include the development of dedicated mobile applications and enhancements to existing digital services.

In December 2024, as part of the Bank's strategy to strengthen its digital marketing capabilities and enhance the competitiveness of its card services, it launched the IBK Card mobile application, a platform designed to help users manage their credit and debit cards. The app offers a variety of features, including quick access to usage history, card benefits, and the ability to earn and redeem IBK points. It is available to all individual customers, including those without an existing banking account with the Bank, and supports customized card service management tailored to various types of customers, such as individual business owners and customers under the age of 18. Additionally, the app includes IBK ONE Banking Global, providing users with access to banking services, product enrollment and asset management.

Subsidiaries and Other Related Companies

The table below sets forth brief details of some of the Bank's consolidated subsidiaries (including tiered subsidiaries) as of 31 December 2025. For a full list of the Bank's consolidated subsidiaries (including tiered subsidiaries) and associates, see Note 9 of the notes to the Bank's audited consolidated financial statements as of and for the years ended 31 December 2025 and 2024 appearing elsewhere in this Offering Circular.

	Principal place of business	Type of business	Acquisition value	Ownership interest
			(in billions of Won)	(%)
Consolidated subsidiaries				
IBK Capital Corporation	Korea	Financial services	₩265	100.0%
IBK Asset Management Co., Ltd.	Korea	Asset management	24	100.0
IBK Credit Information Corp	Korea	Credit information services	3	100.0
IBK Securities Co., Ltd.	Korea	Securities investments	600	87.8
IBK System Co., Ltd.	Korea	Financial system management	2	55.6
Industrial Bank of Korea (China) Limited	China	Financial services	355	100.0
IBK Insurance Co., Ltd.	Korea	Life insurance (pension)	490	100.0
IBK Savings Bank Co., Ltd.	Korea	Mutual savings bank	194	100.0
IBK Services Co., Ltd.	Korea	Maintenance and management services	3	100.0
PT BANK IBK INDONESIA TBK	Indonesia	Financial services	503	91.5

Competition

The Bank competes principally with nationwide commercial banks in Korea but also faces competition from a number of additional sources including regional banks, development banks, specialised banks and

branches of foreign banks operating in Korea. The Bank also competes for customer funds with other types of financial service institutions, including savings institutions (such as mutual savings and finance companies and credit unions and credit co-operatives), investment institutions (such as merchant banking corporations) and life insurance companies. Competition in the domestic banking industry is generally based on the types and quality of the products and services offered, including the size and location of retail networks, the level of automation and interest rates charged and paid.

In the area of the Bank's core banking operations, most Korean banks have been focusing on targeting small- and medium-sized enterprises and retail customers in recent years as well as developing fee income businesses, including bancassurance and investment products, as increasingly important sources of revenue. Over the past few years, some banks have also begun to increase their exposure to large corporate borrowers. In the area of credit cards, Korean banks and credit card companies have in the past engaged in aggressive marketing activities and made significant investments in recent years, contributing to some extent to lower profitability and asset quality problems previously experienced with respect to credit card receivables. The competition and market saturation resulting from this common focus may make it more difficult for the Bank to secure small- and medium-sized enterprises and retail customers with the credit quality and on credit terms necessary to maintain or increase the Bank's income and profitability.

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

Furthermore, there have been several general regulatory reforms in the Korean financial industry that increased competition among banks and other financial institutions in Korea. For example, in April 2019, the FSC approved a financial regulatory sandbox, a framework set up to allow financial services providers to test new business models in a less regulated environment, as part of its efforts to work closely with the fintech sector and provide support to facilitate its development. In August 2020, the Credit Information Use and Protection Act of Korea was amended to establish a framework for MyData services in Korea, which allows financial institutions (including both traditional financial institutions and fintech firms) to collect customers' personal credit information from credit information providers/users or public institutions upon the customer's request so that customers may access such collected personal credit information in whole or in part. Overall, the Bank expects that such measures may not only intensify competition among traditional financial institutions in Korea, but also allow new market participants such as fintech firms to potentially gain market share in certain areas in which it operates.

In addition, the Bank believes that various structural changes to the Korean financial investment industry in recent years are likely to lead to increased competition among financial institutions in Korea. For example, an increase in foreign investments made by Korean investors and the emergence of alternative trading systems in recent years have been reshaping the Korean financial investment market, as well as the competitive strategies of

financial institutions. An increase in the overall trading volumes of these investments in recent years has prompted certain securities firms to offer very low commission rates on foreign investments to capitalize on such increase, thereby further intensifying competition. In March 2025, Nextrade emerged as the first alternative to the Korea Exchange, offering extended trading hours and lower fees, although its operations remain subject to certain regulatory restrictions.

Moreover, the Korean financial industry is undergoing significant consolidation through which the number of nationwide commercial banks in Korea has significantly decreased since the financial crisis in Korea in the late 1990s. A number of significant mergers and acquisitions in the financial industry have also taken place in Korea in recent years, including the merger of Hana Bank into Korea Exchange Bank in 2015, KB Financial Group's acquisition of Hyundai Securities Co., Ltd. in 2016 and the subsequent merger of Hyundai Securities with and into KB Investment & Securities Co., Ltd., and Mirae Asset Securities Co., Ltd.'s acquisition in 2016 of a 43 per cent. interest in KDB Daewoo Securities Co., Ltd., which subsequently merged with and into Mirae Asset Securities. In 2020, Hana Financial Group acquired The-K Non-Life Insurance Co., Ltd. to form Hana Insurance Co., Ltd. and Orange Life Insurance, Ltd. (formerly known as ING Life Insurance Korea, Ltd.) became a wholly-owned subsidiary of Shinhan Financial Group following the acquisition of equity interests by Shinhan Financial Group in February 2019 and January 2020, which subsequently merged with and into Shinhan Life Insurance Co., Ltd. in July 2021. In 2020, KB Financial Group acquired The Prudential Life Insurance Company of Korea Ltd., which merged with KB Life Insurance in January 2023, with the surviving entity's name changed to KB Life Insurance Co., Ltd. In July 2025, Woori Financial Group acquired a 75 per cent. interest in TONGYANG Life Insurance Co., Ltd. and a 100 per cent. interest in ABL Life Insurance Co., Ltd.

The Bank expects that consolidation in the financial industry will continue. The financial institutions resulting from such consolidation may, by virtue of their increased size and business scope, provide greater competition for the Bank. Increased competition and continuing consolidation may lead to decreased margins, resulting in a material adverse impact on the Bank's future profitability. Accordingly, the Bank's results of operations and financial condition may suffer as a result of increasing competition in the Korean financial industry.

Information Technology

The Bank has a fully integrated information technology (**IT**) system that provides information to all offices and branches. Currently, the Bank's head office functions as a back-up centre on a real- time basis. Through its multi-host information system, the Bank believes that it is able to conduct its operations without material interruption in the event of an internal system failure or cyber-attacks. The integrity of the Bank's electronic systems, and their ability to withstand potential catastrophic events (such as natural calamities, internal system failures or cyber-attacks), is crucial to the Bank's continuing operations. In the event of a system failure, the Bank's disaster recovery system is designed to prioritise the recovery process by first re-establishing the Bank's account information, followed by non-account-related information and lastly non-critical information. In order to further upgrade its IT systems in 2026, the Bank has budgeted approximately ₩445 billion.

Principal Properties

The Bank's principal properties are its headquarters building and the IBK Finance Tower, each located in central Seoul, with total floor areas of approximately 68,088 and 47,965 square metres, respectively. The Bank owns the headquarters building, the IBK Finance Tower, the IT Centre building and 190 branches. As of 31 December 2025, the total book value of the land and buildings owned by the Bank amounted to ₩2,548 billion. See Note 11 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024 appearing elsewhere in this Offering Circular.

Legal Proceedings

The Bank is subject to various legal proceedings and regulatory actions in the ordinary course of business, which may include lawsuits or claims related to contracts, employment matters or other aspects of its business. As of 31 December 2025, on a consolidated basis, the Bank was a plaintiff in 163 legal cases involving ₩106 billion and a defendant in 265 legal cases involving ₩132 billion.

In June 2014, 11,202 employees of the Bank raised a claim against it for the payment of allegedly unpaid ordinary wages re-calculated in accordance with the amended ordinary wage payment standard under the Labor Standard Act of Korea, in the aggregate amount of approximately Won 78 billion. In May 2016, the Seoul Central District Court decided in favour of the employees and the Bank appealed such decision. In May 2017, the Seoul High Court overruled the district court's decision. In January 2025, the Supreme Court of Korea ruled in favour of the employees, determining that regular bonuses should be included in ordinary wages, and remanded the case to the Seoul High Court. As a result, the Bank is expected to recalculate and pay allowances and severance payments in accordance with the revised criteria; however, it is currently difficult to estimate the amount to be paid, as the final court decision has not yet been rendered. The Bank has established a dedicated task force to handle the ordinary wage litigation and is in the process of coordinating the specific details related to the payment obligations.

In April 2020, the Bank entered into the Deferred Prosecution Agreement with the DOJ, pursuant to which the Bank agreed to pay a civil forfeiture of US$51 million to the United States, and a non-prosecution agreement with the NYAG, in connection with certain criminal charges against the Bank for violating the Currency and Foreign Transactions Reporting Act (commonly known as the Bank Secrecy Act) by failing to establish, implement and maintain an adequate anti-money laundering programme at IBKNY from 2011 to 2014 in violation of OFAC Sanctions. Furthermore, the Bank agreed to pay a US$35 million penalty to the NYSDFS pursuant to a consent order issued by the NYSDFS as an enforcement action against IBKNY with respect to a series of examinations conducted by the NYSDFS on IBKNY's operations that identified significant deficiencies in its anti-money laundering compliance programmes. The terms of the settlements with the DOJ, the NYAG and the NYSDFS required the Bank to adhere to various obligations with regard to improving its sanctions and anti-money laundering controls. On 2 December 2022, the Federal Reserve Board terminated its enforcement action against the Bank and all related charges in connection with the Bank's violations have since been dismissed.

The Bank has to date fully complied with the terms of the above-mentioned Deferred Prosecution Agreement and Non-Prosecution Agreement, and as of the date of this Offering Circular, it has no further obligations under such agreements. With respect to the above-mentioned consent order, the Bank has to date fully complied and plans to continue to fully comply with its terms. See "*Risk Factors — Other risks relating to the Bank's business — The Bank must comply with various sanctions regimes, which may limit its ability to maintain commercial relationships with certain counterparties; the Bank has been subject to enforcement actions in connection with anti-money laundering and sanctions-related laws and regulations of the United States, and additional enforcement actions or a finding by regulatory authorities that the Bank's compliance efforts are deficient, among others, could adversely affect the Bank's business, reputation, financial condition and prospects, and in turn, investors in the Notes*".

In February 2020, the Seoul Southern District Prosecutors' Office commenced an investigation into the management of certain fund products by Lime Asset Management Co. which may have resulted in significant losses to certain customers who purchased such products from banks and securities companies in Korea, including the Bank. Following a recommendation by the dispute settlement committee of the FSS in February 2021, the Bank has refunded an aggregate amount of ₩12.1 billion to 211 customers that had purchased such fund products from the Bank. While the Bank intends to fully cooperate with any relevant investigations by government authorities, including the Seoul Southern District Prosecutors' Office, it is not possible to predict the final outcome of such investigations at this time. There can be no assurance that such investigations will not

result in an unfavorable outcome, including the imposition of monetary damages, fines and other penalties against the Bank, which, if significant, may adversely affect its results of operations, cash flows and reputation.

In June 2020, the FSS commenced an investigation into past sales by the Bank and other banks in Korea of two fund products designed by Discovery Asset Management, which may have resulted in significant losses to certain customers who purchased such products. Such products of Discovery Asset Management were managed by a U.S.-based asset management company, Direct Lending Investments, which had its assets frozen amid a lawsuit filed by the Securities and Exchange Commission of the United States in March 2020 for allegedly inflating its assets and returns, trigger suspension of the redemption of such fund products. In June 2020, the Bank voluntarily decided to reimburse up to 50% of the related losses to most of its customers who purchased such fund products from the Bank. In April 2021, certain customers filed for class dispute mediation with the FSS claiming a full refund of their investments. Following a recommendation by the dispute settlement committee of the FSS in May 2021, the Bank reimbursed an aggregate amount of ₩19.0 billion to 202 accountholders that had purchased such fund products from the Bank. In February 2022, the FSC announced its decision to impose on the Bank a fine of approximately ₩4.7 billion and a one-month ban on private fund sales activities. In addition, sanctions have also been imposed against certain of the Bank's executive officers and employees. On 24 August 2023, the FSS announced its decision to conduct additional investigations into various banks in Korea, including the Bank, regarding such fund products managed by Discovery Asset Management. As of the date of this Offering Circular, the Bank has set aside provisions of approximately 30% to 50% of the expected losses relating to such fund products. While the Bank intends to fully cooperate with any relevant investigations by government authorities, it is not possible to predict the final outcome of such investigations at this time. There can be no assurance that such investigations (as well as any similar investigations by other government authorities, and private claims by customers, to which the Bank may become subject) will not adversely affect the Bank's results of operations, cash flows and reputation.

In March 2023, the FSS conducted a regular anti-money laundering compliance inspection on the Bank. Based on its findings, the FSS issued a notice of sanctions in July 2024, notifying the Bank that it had violated certain provisions under the Act on Reporting and Using Specified Financial Transaction Information of Korea on the grounds that it had failed to (i) report or timely report certain high-value cash payment transactions to the Director of the Korea Financial Intelligence Unit within 30 days of such transactions, (ii) conduct certain customer identity-related verification procedures required for financial transactions and (iii) appropriately perform certain risk assessment procedures, including those relating to money laundering activities, on several new financial products and services prior to offering them to its customers. In July 2024, the Bank received a notice on managerial cautions from the FSS, which included various remedial measures the Bank had to undertake in order to improve its internal controls. The Bank has since taken appropriate actions in response to such notice to prevent the future occurrence of similar financial incidents, and the FSS has since concluded all related inspections.

In January 2024, the FSS commenced inspections into certain major commercial banks in Korea that sold some of the largest amounts of certain high-risk equity-linked securities products tied to the performance of the Hang Seng China Enterprise Index for alleged violation of, among others, the FCP Act, which resulted in significant losses upon maturity for certain customers who purchased such products. The Bank sold approximately ₩20.4 billion of such products, which accounted for one of the smallest amounts sold among all banks in Korea that engaged in such sales, and was not subject to such inspections. As of the date of this Offering Circular, the Bank has not received any notices from the FSS relating to this matter.

In January 2025, the Bank became aware of a series of embezzlements and improper loan transactions committed by certain current and former employees between June 2022 and November 2024 and reported the matter to the relevant government authorities. The Bank initially identified approximately ₩24 billion in potential exposure; however, following an on-site inspection by the FSS, the amount of allegedly improper loans associated with the matter was determined to be approximately ₩88.2 billion. The FSS subsequently referred the

matter to the Seoul Central District Prosecutors' Office, which has initiated criminal proceedings and related investigations against certain current and former employees of the Bank. The incident involves allegations that a former employee conspired with certain current employees and external parties in order to improperly secure loans that were processed across several branches of the Bank. The Bank is fully cooperating with all relevant investigations by government authorities, including those by the Seoul Central District Prosecutors' Office, but it is not possible to predict the final outcome of such investigations at this time

Except as may otherwise be stated herein, the Bank believes that neither the Bank nor any of its subsidiaries is involved in any litigation, arbitration or administrative proceedings relating to claims which are material to the Bank's business and, so far as the management is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

Employees

As of 31 December 2025, the Bank had 10,211 full-time employees and 2,156 part-time or contract-based employees. The Bank implemented performance-based salaries for its staff beginning in 2001.

As of 31 December 2025, the Bank had 10,708 employees who are members of unions. The Bank currently has two labour unions, consisting of a primary union with 9,580 members and a secondary union with 1,128 members. The Bank has never experienced a work stoppage of a serious nature. Every year the union and management negotiate and enter into a new collective bargaining agreement that has a one-year duration. The Bank considers labour relations with the Bank's employees to be generally amicable.

In accordance with the Korean National Pension Law, the Bank contributes an amount equal to 4.5 per cent. of employee wages, and each employee contributes 4.5 per cent. of his or her wages into each employee's personal pension account, as of the date of this Offering Circular. Such rates, however, are scheduled to gradually increase to 6.5 per cent. by 2033. Furthermore, in accordance with Bank policy and the Employee Retirement Benefit Security Act, employees with one year or more of services are entitled, upon termination of employment, to receive a lump sum severance payment comprising the average of the last three months' wages and accrued bonuses for the last 12 months. The Bank makes provisions for defined benefit obligations, which are calculated annually by independent actuaries using the project unit credit method. As of 31 December 2025, the present value of the defined benefit obligations of the Bank was ₩1,456 billion. As of that date, 117.5 per cent. of the provisions for defined benefit obligations was deposited with insurance companies, securities companies and banks. Under Korean law, the Bank may not terminate the employment of full-time employees except under certain circumstances.

Management

The Bank's Board of Directors is responsible for its governance and management and oversees the Bank's operations through several governing bodies. The Bank's Board of Directors meets on a regular basis to discuss the Bank's overall operations. Additional extraordinary meetings can also be convened by the president by giving notice to Board members and the statutory auditor.

The Bank's Board of Directors consists of one president (who is also the Bank's chief executive officer and chairman of the Board of Directors), one deputy chief executive officer, four outside directors and one statutory auditor. The president represents the Bank and is responsible for the Bank's general supervision and direction. The president is appointed by the President of Korea upon the recommendation of the commissioner of the FSC. The deputy chief executive officer assists the president and acts for the president in his absence. Each executive director assists the president and the deputy chief executive officer and is responsible for certain of the Bank's operations. The deputy chief executive officer and directors are appointed by the FSC upon the recommendation of the Bank's president.

The term of office for each member of the Bank's Board of Directors is three years and is subject to reappointment. In case of a vacancy, a new member of the Board of Directors will be appointed. However, if the vacancy does not affect the minimum number of members as stipulated in the Bank's Articles of Incorporation and the remaining members are capable of executing their assigned duties, the new member of the Board of Directors need not be appointed.

The statutory auditor has the duty to oversee the Bank's operation and financial matters. The statutory auditor is appointed or dismissed by the FSC.

The business address of all of the members of the Bank's Board of Directors is the Bank's registered office, which is at 79, Eulji-ro, Jung-gu, Seoul, Korea.

The current members of the Bank's Board of Directors and the statutory auditor as of the date of this Offering Circular are as follows:

Name	Title	Other Activities	Year of Birth
Kim, Seong-Tae	Chairman & Chief Executive Officer	None	1962
Kim, Hyung-Il	Deputy Chief Executive Officer & Senior Executive Vice President	None	1964
Lee, Kyun-Kyong	Outside Director	None	1950
Lee, Jung-Soo	Outside Director	Professor, Seoul National University School of Law	1977
Seok, Byoung-Hoon	Outside Director	Professor of Economics, Ewha Womans University	1977
Jeon, Byung-Mok	Statutory Auditor	None	1967

Brief descriptions of the business experience of each member of the Bank's Board of Directors are set out below:

Mr. Kim, Seong-Tae was appointed to the Board of Directors of the Bank on 20 March 2020. He is currently the Chairman & Chief Executive Officer of the Bank. He holds a bachelor's degree in business administration from Chung-nam University and a master's degree in economics from Helsinki School of Economics. He started his career at the Bank in 1989 as a bank officer and held positions of Head of the Consumer Protection Group from January 2016 to January 2017 and Head of the Management Strategy Group from January 2017 to February 2019. From February 2019 to March 2020, he served as Chief Executive Officer of IBK Capital Corporation.

Mr. Kim, Hyung-Il was appointed to the Board of Directors of the Bank on 21 March 2023. He is currently the Deputy Chief Executive Officer & Senior Executive Vice President of the Bank, and also serves as Head of the Bank's Business Support Group. He holds a bachelor's degree in international business from Seoul National University. He started his career at the Bank in 1992 as a bank officer and previously served as General Manager of the Strategy Planning Department, General Manager of the Global Business Department and Head of the Innovative Financing Group.

Mr. Lee, Kyun-Kyong was appointed as an Outside Director of the Bank on 28 March 2023. He holds a bachelor's degree in economics from Seoul National University, a master's degree in development economics

from Williams College and a doctorate degree in business from Sogang University. He previously served as an assistant vice minister of the Ministry of Finance and Economy and chairman of the Korea Technology Finance Corporation.

Mr. Lee, Jung-Soo was appointed as an Outside Director of the Bank on 28 February 2025. He holds a bachelor's degree in economics from Seoul National University, a master's degree in law from Northwestern University and a doctorate degree in law from Seoul National University. He is currently a professor at Seoul National University School of Law and previously served as a member of the Financial Development Review Committee of the Financial Services Commission.

Mr. Seok, Byoung-Hoon was appointed as an Outside Director of the Bank on 28 February 2025. He holds a bachelor's degree in economics from Seoul National University and master's and doctorate degrees in economics from the University of Rochester. He is currently a professor in economics at Ewha Womans University and previously served as a consultant of the Asian Development Bank.

Mr. Jeon, Byung-Mok was appointed as the Statutory Auditor of the Bank on 14 December 2023. He holds a bachelor's degree and a master's degree in resources engineering from Seoul National University as well as a master's degree and a doctorate degree in economics from Rice University. He was formerly a senior research fellow at the Korea Institute of Public Finance and an advisor for the Presidential Transition Committee.

Board Committees

The Bank currently has five committees, each comprised of members of the Board of Directors, that serve under the Board of Directors: the Steering Committee; the Management Compensation Committee; the Risk Management Committee; the Internal Control Committee and the ESG Committee.

Steering Committee

The Steering Committee currently consists of four members: Kim, Seong-Tae, Kim, Hyung-Il, Lee, Kyun-Kyong and Lee, Jung-Soo. The Steering Committee is responsible for discussion and review of overall matters with respect to the governance of the Bank, promoting efficiency and active function of the Board, coordination and discussion of the Bank's management, and evaluation of the Board of Directors, committees and non-executive directors. The Steering Committee holds regular meetings every quarter or as necessary.

Management Compensation Committee

The Management Compensation Committee currently consists of two members: Lee, Jung-Soo and Seok, Byoung-Hoon. The Management Compensation Committee is responsible for evaluation and assessment of compensation levels of the members of the Bank's Board of Directors and the management of the Bank. The Management Compensation Committee holds regular meetings every six months or as necessary.

Risk Management Committee

The Risk Management Committee currently consists of three members: Lee, Kyun-Kyong, Kim, Hyung-Il and Seok, Byoung-Hoon. The Risk Management Committee is responsible for overseeing and making determinations on all issues relating to the Bank's comprehensive risk management function. In order to ensure the stability of the Bank's financial condition and to maximise its profit, the Risk Management Committee monitors its overall risk exposure and reviews its compliance with risk policies and risk limits. In addition, the Risk Management Committee reviews risk and control strategies and policies, evaluates whether each risk is at an adequate level, establishes or restructures risk management divisions, reviews risk-based capital allocations. The Risk Management Committee holds regular meetings every quarter.

Internal Control Committee

The Bank established the committee in October 2024 in accordance with amendments to the Act on the Corporate Governance of Financial Companies, which provides for the establishment of an internal control committee as a means of enhancing the internal control systems of financial companies in Korea. The Internal Control Committee currently consists of three members: Lee, Jung-Soo, Kim, Hyung-Il and Lee, Kyun-Kyong. The Internal Control Committee is responsible for establishing and amending the Bank's policies, strategies and standards relating to internal control. It ensures that the Bank's management takes appropriate actions to effectively implement internal control, in line with their respective responsibilities outlined in a "Responsibilities Map" prepared by the Bank in accordance with the amended rules. Additionally, the Internal Control Committee oversees steps to address any deficiencies identified in the Bank's internal control systems. The Internal Control Committee holds regular meetings every six months or as necessary.

ESG Committee

The ESG Committee currently consists of three members: Seok, Byoung-Hoon, Kim, Hyung-Il and Chun, Hyun-Bae. The ESG committee is mainly responsible for establishing ESG-related policies and overseeing the direction of ESG management strategies. The ESG Committee holds regular meetings every quarter.

Compensation of Directors and Executive Officers

The aggregate remuneration, performance bonuses and retirement benefits paid by the Bank to its two executive directors, four non-executive directors and one internal auditor was ₩1.1 billion in 2024 and ₩1.1 billion in 2025. As of 31 December 2025, there were no loans granted by the Bank to any of its directors or executive officers. The Bank does not have service contracts with any of its directors or executive officers.

Interests of Directors and Executive Officers

As of 31 December 2025, there were no outstanding transactions other than in the ordinary course of business undertaken by the Bank in which its directors or executive officers were interested parties.

Certain of the Bank's directors and executive officers have direct or indirect beneficial interests in the common shares, but none of them holds more than 5 per cent. of the outstanding common shares.

Shareholders

As of 31 December 2025, the Bank's issued capital was ₩4,211 billion with 797,425,869 ordinary shares and no convertible preferred shares outstanding. As of 31 December 2025, the Bank's shareholders were as follows:

	Ordinary shares		Preferred shares		Total	
Shareholder	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
	(in thousands, except percentages)					
Korean government	474,431	59.5%	—	—	474,431	59.5%
KDB[1]	57,405	7.2	—	—	57,405	7.2
National Pension Fund[2]	43,373	5.4	—	—	43,373	5.4
KEXIM[3]	14,711	1.8	—	—	14,711	1.8
Others	207,506	26.1	—	—	207,506	26.1
	797,426	100.0%	—	—	797,426	100.0%

Notes:

(1) The Government, directly and through Ministry of Land, Infrastructure and Transport, held a 100.0 per cent. equity interest in KDB as of 31 December 2025.

(2) Based on information in the Bank's shareholder registry as of 31 December 2025.

(3) The Government, directly and through the BOK and KDB, held a 100.0 per cent. equity interest in KEXIM as of 31 December 2025.

Each preferred share of the Bank may be converted into one ordinary share of the Bank at any time. The Bank's preferred shares are non-voting shares and the holder of such shares is entitled to receive a minimum dividend payment of 0.3 per cent. of par value per annum. On 20 December 2022, all outstanding 53,125,282 preferred shares issued by the Bank were converted into ordinary shares of the Bank at a ratio of 1:1, resulting in 53,125,282 additional ordinary shares.

Other than as set forth above, no other person or entity known by the Bank to be acting in concert, directly or indirectly, jointly or separately, owned 5.0 per cent. or more of the Bank's outstanding ordinary shares or exercised control or could exercise control over the Bank as of 31 December 2025.

The Bank's common shares are currently listed on the Korea Exchange. In December 2003, the Bank delisted its common shares from the Korean Securities Dealers Automated Quotation market and conducted a public offering of common shares in Korea concurrent with a listing on the Korea Exchange. GDSs, which represent the Bank's common shares, were issued as a result of the disposal of the Bank's common shares by KIS in an international offering in December 2003, and these GDSs are currently listed on the Luxembourg Stock Exchange.

DESCRIPTION OF ASSETS AND LIABILITIES OF THE BANK

The following discussion describes the assets and liabilities of the bank accounts of the Bank. Unless otherwise indicated, the assets and liabilities of the trust accounts of the Bank are discussed only under the headings "— *Asset Quality*" and "— *Assets and Liabilities of the Trust Accounts*".

Loan Portfolio

Although the Government broadly supervises the Bank's lending operations, the Bank has the autonomy to determine specific credit policies. From time to time in providing financial support to the Bank, the Government may specify areas of the economy in which the Bank should focus its lending activities. The Bank may provide lending to these specified areas at below market interest rates. In the case of borrowers with weaker credit, the Bank will receive guarantees from certain government-related entities or third party credit guarantee institutions. In most circumstances of policy lending, the Government provides preferential funding to the Bank.

The Bank provides loans (including in the form of purchases of bills and privately placed bonds, and call loans) primarily to domestic small- and medium-sized enterprises in a wide range of industries, as well as to customers (including in the form of credit card receivables). As of 31 December 2025, loans denominated in Won amounted to ₩313,949 billion, representing 91.9 per cent. of total gross loans.

The following table summarises the composition of the Bank's total credit portfolio according to type of loan as of the dates indicated:

	As of 31 December			
	2024		2025	
	Amount	% of Total	Amount	% of Total
	(in billions of Won, except percentages)			
Loans in Won	₩298,704	90.8%	₩313,949	91.9%
Loans in foreign currencies	5,073	1.5	5,631	1.6
Bills bought in Won	5	IM(1)	3	IM(1)
Bills bought in foreign currencies	1,017	0.3	1,332	0.4
Bonds purchased under repurchase agreements	13,473	4.1	10,248	3.0
Interbank loans	2,419	0.7	2,453	0.7
Domestic import usance bills	2,951	0.9	2,700	0.8
Payment on guarantees	23	IM(1)	23	IM(1)
Credit card receivables	3,307	1.0	3,397	1.0
Call loans	1,078	0.3	1,068	0.3
Privately-placed bonds	966	0.3	770	0.2
Total gross loans	₩329,015	100.0%	₩341,574	100.0%
Provision for impairment	₩ (4,812)	1.5%	₩ (4,585)	1.4%
Present value discount	(8)	IM(1)	(9)	IM(1)
Deferred loan origination fees and costs	697	0.2	738	0.2
Total loans	₩324,892		₩337,718	

Note:
(1) IM means immaterial.

As of 31 December 2025, loans in Won extended to small- and medium-sized enterprises amounted to ₩261,563 billion, or 82.9 per cent. of total loans in Won. of the total loans in Won to enterprises, working

capital loans accounted for 48.8 per cent. and facility loans comprised 51.2 per cent. Facility loans generally have maturities of three to 15 years, while working capital loans typically have maturities of one year, and extended up to five years on an annual basis.

To serve the Government's public policy objective of promoting the growth and development of small- and medium-sized enterprises in Korea, the Bank has implemented a number of measures in recent years. For example, the Bank implemented a programme in October 2008 to extend loans to small- and medium-sized enterprises experiencing financial difficulty. Under this programme, the Bank has committed to extend loans in an aggregate amount of up to ₩1,000 billion to small- and medium-sized enterprises. In 2020, due to economic difficulties caused by the COVID-19 pandemic, the Bank increased the aggregate amount of the Bank's commitment under its existing special loans programme for small and self-employed businesses with low interest rates to ₩7,800 billion. The applications for these small- and medium-sized enterprise loans are evaluated by the Bank and these loans are extended only to those small- and medium-sized enterprises with growth and development potential and that have secured a guarantee by either Korea Credit Guarantee Fund (**KCGF**) or Korea Technology Credit Guarantee Fund (**KTCGF**). Borrowers under such programme must also have secured a guarantee by one of KCGF, KTCGF or a regional credit guarantee foundation.

The Bank's lending and other credit-providing activities are subject to credit analysis and approval in accordance with the Bank's internal policies and procedures. The Bank maintains a diversified loan portfolio in order to limit its exposure to particular borrowers and industries.

Loan Concentration by Industrial Sector

The Bank's corporate loan portfolio represents a broad range of industries, but is concentrated in particular in the manufacturing sector, which accounted for 44.6 per cent. as of 31 December 2025. However, within this broad category, loans are well diversified into a wide range of manufacturing sub-sectors.

The following table sets forth the composition of the Bank's Won and foreign currency loan portfolio according to the industrial sector in which the borrower operates as of the dates indicated.

	As of 31 December			
	2024		2025	
	Amount	% of Total	Amount	% of Total
	(in billions of Won, except percentages)			
Manufacturing	₩ 134,959	44.9%	₩140,750	44.6%
Construction	7,743	2.6	8,188	2.6
Wholesale and retail	40,287	13.4	42,645	13.5
Transportation, storage and communication	5,609	1.9	5,955	1.9
Real estate, lease and rental	30,178	10.1	33,615	10.7
Public and personal services	8,312	2.8	8,898	2.8
Loans to households	42,722	14.2	43,048	13.7
Other	30,467	10.1	32,245	10.2
Total credits(1)	₩ 300,277	100.0%	₩315,343	100.0%

Note:

(1) Includes loans in Won and loans in foreign currency (excluding offshore loans and loans extended from overseas branches and credit card loans).

Loan Concentration by Borrower

Under the Banking Act of Korea, the Bank's aggregate credit exposures to single individuals, juridical persons or business groups that exceed 10.0 per cent. of the sum of its Tier I and Tier II capital (less any capital deductions) when totalled must not exceed five times the sum of the Bank's Tier I and Tier II capital (less any capital deductions), subject to certain exceptions. In addition, subject to certain exceptions, the Bank is not permitted to extend credit (including loans, guarantees, purchases of securities (only in the nature of a credit) and such other transactions that directly or indirectly create credit risk) in excess of 20.0 per cent. of the sum of its Tier I and Tier II capital (less any capital deductions) to any single individual or juridical person, and the Bank may not grant credit in excess of 25.0 per cent. of the sum of its Tier I and Tier II capital (less any capital deductions) to any single group of companies that belong to the same conglomerate as defined in the Monopoly Regulations and Fair Trade Act.

Furthermore, under the IBK Act, the Bank's credit exposure to local governments, non-profit corporations and entities or borrowers that are not small- and medium-sized enterprises may not exceed 30.0 per cent. of the amount calculated by deducting the Bank's legal reserves from the total amount of its deposits, securities and other debt instruments and SMIF Bonds.

Loan Analysis

Maturity Analysis

The following table sets out the scheduled maturities of the Bank's loan portfolio (excluding loans classified as impaired) as of 31 December 2025. The amounts disclosed are before deduction of provision for impairment.

	1 year or less[1]	Over 1 year but not more than 5 years[1]	Over 5 years but not more than 15 years[1]	Over 15 years[1]	Total
			(in billions of Won)		
Loans in Won	₩204,898	₩74,406	₩14,602	₩20,042	₩313,949
Loans in foreign currencies	953	401	401	40	1,394
Total[2]	₩205,851	₩74,807	₩15,003	₩20,083	₩315,343

Notes:

(1) Represents the time period between origination date and maturity date of the loans.

(2) Includes loans in Won and loans in foreign currency (excluding offshore loans and loans extended from overseas branches and credit card loans).

Interest Rates

As of 31 December 2025, 49.2 per cent. of the loans made by the Bank were at variable rates of interest generally based upon its benchmark lending rate. As of the same date, 50.8 per cent. of the loans made by the Bank were at fixed rates of interest. The Bank determines the annual interest rate with respect to companies taking into account their expected bankruptcy rate and the expected recovery rate of the underlying collateral. In the case of loans funded by the Government or governmental agencies, annual interest rates typically vary between 0.0 per cent. and 8.8 per cent.

The interest rates on loans in foreign currency had generally been determined by reference to LIBOR. However, in light of the discontinuation of all LIBOR-related settings in June 2023, the Bank has transitioned its

existing loans in foreign currency that were indexed to LIBOR to alternative benchmark interest rates, including SOFR. Beginning in August 2006, the Bank implemented a benchmark lending rate linked to KORIBOR for its new loans in Won. For loans in Won with a maturity of less than one year, the lending rate is linked to KORIBOR, while for loans in Won with a maturity of over one year, the lending rate is linked to the distribution yield of SME financing bonds.

The following table shows, as of 31 December 2025, the total amount of loans, which have fixed interest rates and variable or adjustable interest rates.

	As of 31 December 2025
	(in billions of Won)
Fixed rate[1]	₩160,655
Variable or adjustable rates[2]	155,089
Total[3]	₩315,744

Notes:

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

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

(3) Includes loans in Won and loans in foreign currency (excluding offshore loans, loans extended from overseas branches, credit card loans and loans funded by the Government or governmental agencies).

Past Due Accruing Loans

The Bank generally places loans on "accruing but past due 90 days" status when payments of interest and/or principal become past due by 90 days. The Bank continues to accrue interest on all its loans, including loans that are fully secured by cash on deposit or on which there are financial guarantees from the Government, KDIC or certain financial institutions.

The following table shows, at the dates indicated, the amount of accruing loans which were past due 90 days or more.

	2024	2025
	(in billions of Won)	
Accruing loans which are contractually past due 90 days or more as to principal		
Corporate	₩2,179	₩2,606
Consumer	212	253
Others	10	16
Total	₩2,401	₩2,875

Net Charge-Offs. The following table presents information regarding the Bank's ratios of net charge-offs to average loans outstanding for each of the years indicated:

	Year ended 31 December					
	2024			2025		
	Average loans	Net charge-offs	Net charge-offs/Average loans	Average loans	Net charge-offs	Net charge-offs/Average loans
	(in billions of Won)					
Loans in Won	₩291,048	₩787.2	0.27%	₩308,366	₩1,068.7	0.35%
Loans in foreign currencies	4,626	—	—	5,313	—	—
Bills bought in Won	2	0.1	5.45	2	0.1	5.73
Bills bought in foreign currencies	1,202	—	—	1,199	—	—
Bonds purchased under repurchase agreements	1,272	—	—	2,127	—	—
Interbank loans	4,854	—	—	2,431	—	—
Domestic import usance bills	2,903	—	—	2,829	—	—
Payment on guarantees	26	30.5	115.52	34	54.5	158.61
Credit card receivables	3,439	—	—	3,623	—	—
Call loans	1,790	—	—	2,246	—	—
Privately-placed bonds	765	0.7	0.09	777	2.6	0.33
Total net charge-offs	₩311,927	₩818.5	0.26%	₩328,946	₩1,125.9	0.34%

Collateral and Guarantees

As of 31 December 2025, 82.7 per cent. of the Bank's domestic loans, which amounted to ₩260,888 billion, were secured either by collateral or guarantees. Assets taken as collateral for secured loans, which consist primarily of developed real estate, are generally subject to appraisal and loan-to-value limits. The Bank's loan-to-value limit depends on the type and location of collateral, and the type and credit rating of borrowers, with a maximum of 80.0 per cent.

The following table shows the distribution of the Bank's total domestic loans by type of security as of the dates indicated:

	As of 31 December			
	2024		2025	
	Amount	% of Total	Amount	% of Total
	(in billions of Won, except percentages)			
Secured by collateral[1]	₩197,338	65.6%	₩211,997	67.2%
Secured by guarantees[2]	50,364	16.8	48,891	15.5
Unsecured loans	52,882	17.6	54,735	17.3
Total[3]	₩300,584	100.0%	₩315,623	100.0%

Notes:

(1) Includes guarantees with collateral.

(2) Includes guarantees from KCGF and KTCGF.

(3) Includes loans, bills bought in Won and foreign currencies (excluding offshore loans and loans extended from overseas branches).

Securities Investment

The Bank invests in and trades Won and foreign currency securities for its own account, for purposes of maintaining the stability and diversification of its asset base and adequate sources of back-up liquidity, as well as

generating additional interest and dividend income and capital gains to supplement income from the Bank's core lending activities.

For accounting purposes, securities held by the Bank are required to be classified as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income or securities at amortized cost. The applicable valuation method differs for financial assets at fair value through profit or loss and investment financial assets (which consist of financial assets at fair value through other comprehensive income and securities at amortized cost) and for different types of equity and debt securities included in each such classification.

As of 31 December 2025, the Bank's total securities portfolio (which consists of financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and securities at amortized cost) had a stated value of ₩76,899 billion, representing 16.8 per cent. of its total assets. The Bank's investment financial assets portfolio consists primarily of government and public bonds, bank bonds and corporate bonds in Won.

For a discussion of the Bank's classification of its investment financial assets, see Note 3.5 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024 appearing elsewhere in this Offering Circular.

Book Value and Market Value

The net unrealised gains or losses on the valuation of financial assets at fair value through other comprehensive income are presented as gains or losses, as the case may be, on valuation of financial assets at fair value through other comprehensive income in accumulated other comprehensive income. Accumulated other comprehensive income for gains on valuation of the Bank's financial assets at fair value through other comprehensive income amounted to ₩860 billion and ₩972 billion, as of 31 December 2024 and 2025, respectively.

In making securities investments, the Bank's principal objectives are to maintain the stability of its assets and obtain consistent, stable returns on its investment. The Bank takes into account a number of factors, including macroeconomic trends, industrial analysis and credit evaluation.

Under the IBK Act, the Bank may subscribe to and/or underwrite equity securities or bonds issued by small- and medium-sized enterprises or guarantee bonds issued by small- and medium-sized enterprises; provided, however, that the amount of equity securities underwritten by the Bank shall not exceed its paid-in capital.

In addition, under the IBK Act and the Decree, the Bank may not invest an amount exceeding 60 per cent. of its Tier I and Tier II capital (less any capital deductions) in stocks or other securities with a remaining maturity of over three years. However, this stipulation does not apply to:

(1) bonds issued by the Government or local governments, corporations incorporated under special laws of Korea and funds established pursuant to the National Finance Act;

(2) Monetary Stabilisation Bonds;

(3) securities acquired through investment by the Government; and

(4) stock acquired pursuant to debt-for-equity swaps in connection with corporate restructuring.

For more information on the book value and market value of the Bank's securities, see Notes 4, 5 and 6 of the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024, appearing elsewhere in this Offering Circular.

Credit Policies and Approval Procedure

The Bank's credit policies have been developed from the Bank's own prudential policies and banking experience with small- and medium-sized enterprises since 1961. The Bank's credit policies are formulated by the Bank's Board of Directors. The Bank's principal strategy has been to reduce credit risk through a thorough credit analysis of loan applicants, strict adherence to the Bank's credit evaluation and approval procedures, and a diversified and balanced loan portfolio.

All loan applicants and guarantors are subject to credit review except governmental entities and applicants with loans fully secured by deposits with the Bank. The credit review process includes an interview with the applicant, a review of the business, its prospects and debt servicing capacity, an assessment of the applicant's past history with the Bank and a detailed credit analysis. The credit analysis includes due diligence investigations, searches of bankruptcy or other court records and a "credit score" based on the one of the Bank's credit rating models. The Bank uses different credit rating models depending on the borrower and type of credit extended. As part of the credit investigation process, the Bank also conducts an appraisal of the value of any collateral being provided.

Credit analysis is generally performed by a credit analysis team at the Bank's headquarters or branches depending upon the size of the loan being considered. Loan approval authority is held by a senior credit committee, credit committee, branch loan committee or the general manager of the branch, depending upon the size of the loan being considered. For the consideration of loans where two or more approval bodies have the same credit approval limits, the lower approval body will consider the credit.

Asset Quality

Provision for Impairment Loss

The Bank establishes a provision for impairment loss with respect to its loans to absorb such losses based on expected credit losses. The provision for impairment loss required to be established with respect to a loan is the amount of the 12-month expected credit loss (where there has been no significant risk in credit risk after initial recognition of the loan) or the lifetime expected credit loss (where there has been a significant increase in credit risk after initial recognition of the loan or where the loan is credit-impaired). If additions or changes to the provision for impairment loss for loans are required, then such additions or changes are included in impairment losses on financial instruments and treated as charges against current income. Loan exposures that the Bank deems to be uncollectible, including actual loan losses, net of recoveries of previously charged-off amounts, are charged directly against the provision for impairment loss for loans. See Note 3.6 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024, appearing elsewhere in this Offering Circular.

The table below summarises the changes in the Bank's provision for impairment of loan receivables at amortized cost for the years indicated.

	For the year ended 31 December	
	2024	2025
	(in billions of Won, except percentages)	
Beginning balance	₩4,492	₩ 4,812
Sale or repurchase	(404)	(616)
Collection of previously written-off loans	91	95
Loans written off	(928)	(1,293)
Unwinding effect	(45)	(56)
Foreign exchange translation	18	(2)
	3,224	2,940
Impairment loss	1,587	1,645
Ending balance	₩4,812	₩ 4,585

The following table presents information regarding the asset quality of the Bank's loans by type of borrower and the allocation of provision for impairment of loan receivables at amortized cost.

	As of 31 December 2025					
	Corporate loans in Won	Retail loans in Won	Loans in foreign currencies	Credit card receivables	Others	Total
	(in billions of Won)					
Unimpaired loans	₩266,434	₩42,650	₩8,285	₩3,363	₩15,877	₩336,609
Impaired loans	4,467	398	46	34	21	4,966
	270,901	43,048	8,331	3,397	15,898	341,574
Provisions	4,109	187	113	141	26	4,585
Book value	₩266,792	₩42,861	₩8,208	₩3,256	₩15,872	₩336,989

	As of 31 December 2024					
	Corporate loans in Won	Retail loans in Won	Loans in foreign currencies	Credit card receivables	Others	Total
	(in billions of Won)					
Unimpaired loans	₩251,736	₩42,322	₩7,997	₩3,247	₩18,958	₩324,260
Impaired loans	4,245	400	28	60	22	4,755
	255,981	42,722	8,025	3,307	18,980	329,015
Provisions	4,308	163	123	175	43	4,812
Book value	₩251,673	₩42,559	₩7,902	₩3,132	₩18,937	₩324,203

The Bank's provision for impairment of loan receivables at amortized cost compared to total loans as of 31 December 2024 and 2025 was as follows:

	Total Loans	Provision for Impairment Loss	Percentage
	(in billions of Won, except percentages)		
31 December 2024	324,892	4,812	1.5
31 December 2025	337,718	4,585	1.4

Regulatory Reserve for Credit Losses

If the Bank's provisions for credit losses are deemed insufficient for regulatory purposes, the Bank is required to compensate for the difference by recording a regulatory reserve for credit losses, which is segregated within the Bank's retained earnings. The level of regulatory reserve for credit losses required to be recorded is equal to the amount by which the Bank's provisions for credit losses under K-IFRS are less than the greater of (x) the amount of expected loss calculated using the internal ratings-based approach under Basel II and as approved by the FSS and (y) the required amount of credit loss reserve calculated based on the guidelines prescribed by the FSC.

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

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

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

Loan classifications	Corporate	Consumer	Credit card balances[1]	Credit card loans[2]
Normal	0.85% or above	1% or above	1.1% or above	2.5% or above
Precautionary	7% or above	10% or above	40% or above	50% or above
Substandard	20% or above	20% or above	60% or above	65% or above
Doubtful	50% or above	55% or above	75% or above	75% or above
Estimated loss	100%	100%	100%	100%

Notes:
(1) Applicable for credit card balances from general purchases.
(2) Applicable for cash advances, credit card loans and revolving credit card assets.

Credits classified as substandard or below are considered to be "non-performing" credits. The FSC allows banks some degree of discretion in the specific application of these guidelines. In classifying the Bank's credits into the five asset quality categories, the Bank applies both historical criteria and forward-looking criteria (in the case of corporate borrowers), in accordance with the FSC guidelines.

Non-performing Loan Strategy

One of the Bank's primary objectives is to prevent loans from becoming non-performing. The Bank has instituted an early remedial management process to identify potential problem loans even though interest and principal payments are not yet in arrears. A loan is identified as a potential problem loan if serious doubt exists as to the ability of the borrower to comply with repayment terms in the near future. The Bank regularly performs credit analyses of non-government companies in order to identify potential problem loans. Companies placed on the watch-list or potential problem list as a result of such analyses receive a more stringent general quarterly review and credit review in respect of any extension of credit to such companies.

Through the Bank's information system, the Bank produces weekly reports containing arrears information from its headquarters and branches. The Bank also utilises its computer system to identify borrowers who have received a "yellow" or "red" warning of arrears exceeding three months and six months, respectively, from any Korean bank branch located in Korea. The Bank monitors a daily report derived from a computer network system originating from the Korea Financial Telecommunications and Clearing Institute, which includes borrowers who have declared bankruptcy.

The head office of the Bank conducts a general examination of all borrowers using the Bank's early warning system (the **EWS**), which allows the Bank to automatically conduct daily searches for signs of troubled

borrowers. Through a computerised method, the head office reviews various information on each borrower, including, among others, payment delinquencies, the amount of loans in arrears and financial statements. Once the head office identifies borrowers that require further examination, the relevant branch conducts a detailed examination on each of those borrowers. The relevant branch conducts an examination of certain qualitative information that cannot be electronically processed, including, among others, labour problems, pending lawsuits and changes in the borrower's place of business. Once the results of these examinations are consolidated, the Bank classifies the borrowers into the following five categories: normal, attention, preliminary caution, caution, and warning. For those borrowers that are classified as "preliminary caution", "caution" or "warning", the Bank monitors their financial and operating conditions on a quarterly, bi-monthly and monthly basis, respectively. In addition, for those borrowers that are categorised as "caution" or "warning", the Bank takes appropriate remedial measures, including, among others, reducing the amount of available credit and enhancing the quality of the credit by requiring the borrower to provide collateral and/or secure third-party guarantee.

Notwithstanding the above, if a loan becomes non-performing, the Bank will undertake measures to reduce the level of non-performing loans by selling non-performing loans to third parties or by entering into asset securitisation transactions.

Credit Exposures to Companies in Workout, Restructuring or Rehabilitation

Workout is a voluntary procedure through which the Bank, together with a borrower and other creditors, restructures the borrower's credit terms. In December 2023, the National Assembly enacted a new Corporate Restructuring Promotion Act of Korea, which will remain effective until 2026. Under the Corporate Restructuring Promotion Act of Korea, creditors of a financially troubled borrower may participate in a creditors' committee, which is authorized to prohibit such creditors from exercising their rights against the borrower, commence workout procedures and approve or make revisions to a reorganization plan prepared by the lead creditor bank, the borrower and external experts. In principle, any decision of the creditors' committee requires the approval of financial creditors holding interests as creditor in 75 per cent. or more of the total debt outstanding of a borrower; provided that, if 75 per cent. or more of the total debt outstanding of a borrower is held by a single financial creditor, then any decision by the creditors' committee will require the approval of at least 40 per cent. of the total number of financial creditors who constitute such creditors' committee, including such single financial creditor holding 75 per cent. or more of the total debt outstanding. Approval of financial creditors holding interests as creditor in 75 per cent. or more of the secured debt is required with respect to the borrower's debt restructuring. Once approved, any decision made by the creditors' committee is binding on all the financial creditors of the borrower. Financial creditors that voted against commencement of workout, establishment of or amendment to a corporate restructuring plan, debt restructuring, granting of new credit or extension of management procedures have the right to request the main creditor financial institution to purchase their claims at a mutually agreed price, and the financial creditors that voted in favour of such matters shall jointly purchase such claims within six months of such request. In the event that the parties are not able to agree on the terms of purchase, the mediation committee for financial creditors (the **Mediation Committee**) consisting of experts would determine the terms. The financial creditors that oppose a decision made by the Mediation Committee may request a court to change such decision.

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

A portion of the Bank's loans to corporate customers are currently in workout, restructuring or rehabilitation. As of 31 December 2025, ₩1,297 billion, or 0.4 per cent., of the Bank's total loans were in workout, restructuring or rehabilitation. As of the same date, the Bank's provisions for impairment loss on these loan exposures amounted to ₩303 billion, or 23.4 per cent. of these loans. Upon approval of a workout or restructuring plan, a credit exposure is initially classified as precautionary or lower and thereafter cannot be

classified higher than precautionary with limited exceptions. If a corporate borrower is in workout, restructuring or rehabilitation, the Bank takes the status of the borrower into account in valuing its loans to and collateral from that borrower for purposes of establishing the Bank's provisions for impairment loss.

The following table sets forth certain information regarding the Bank's ten largest credits, which were or had previously been subject to workout, restructuring, composition or reorganisation as of 31 December 2025.

	Total Outstanding Credits	Provision for Credit Losses	Coverage Ratio[1]
	(in billions of Won, except percentages)		
Total for ten largest credits	₩195	₩53	27.2%

Note:
(1) Ratio of provision for credit losses to total credits.

Funding

The Bank's sources of funding include deposits and other borrowed funds. Deposits include demand deposits, time and savings deposits and certificates of deposit. The Bank's other sources of funding consist principally of repurchase instruments, borrowings from the Government, the BOK and other banks and the issuance of SMIF Bonds. Debentures and deposit liabilities are the Bank's significant source of funding, constituting 48.7 per cent. and 40.2 per cent. of the Bank's total funding, respectively, as of 31 December 2025. See "*Business of the Bank — Domestic Banking and Other Activities — Retail Banking*".

The table below sets forth a summary of the Bank's deposits and other borrowed funds by type as of the dates indicated.

	As of 31 December			
	2024		2025	
	(in billions of Won, except percentages)			
Demand deposits in Won	₩ 55,608	14.9%	₩ 56,450	14.2%
Demand deposits in foreign currencies	8,170	2.2	9,695	2.4
Time and savings deposits in Won	74,586	20.0	78,608	19.7
Time and savings deposits in foreign currencies	8,399	2.3	10,487	2.6
Certificates of deposit	1,806	0.5	3,102	0.8
Others	2,572	0.7	2,187	0.5
SMIF Bonds in Won	179,090	48.0	187,826	47.3
SMIF Bonds in foreign currencies	4,878	1.3	5,523	1.4
Borrowings in Won	31,497	8.4	31,978	8.0
Borrowings in foreign currencies	5,443	1.4	5,407	1.4
Other borrowings[1]	1,190	0.3	6,771	1.7
Total	₩373,239	100.0%	₩398,034	100.0%

Note:
(1) Includes bills sold, call money, bonds sold under repurchase agreements and deferred liabilities origination costs.

Deposits

The Bank determines the rate of interest that it pays on Won deposits, the majority of which are fixed rates, according to prevailing market conditions, except for demand deposits and certain savings deposit interest rates, which are fixed by the Monetary Board of the BOK from time to time. Interest on savings deposits is paid at

variable rates of interest, while interest on certificates of deposit is generally paid at fixed rates of interest. Interest rates on foreign currency deposits had generally been determined by reference to LIBOR. However, in light of the discontinuation of all LIBOR-related settings in June 2023, the Bank has transitioned its foreign currency deposits that were indexed to LIBOR to alternative benchmark interest rates, including SOFR. As of 31 December 2025, 89.2 per cent. of the Bank's deposits and other borrowed funds was denominated in Won and the remainder was denominated principally in U.S. Dollars.

The Bank attracts deposits from small- and medium-sized enterprises and individuals principally through its extensive branch network. In respect of the depositors, the Bank competes with commercial banks and other financial institutions in Korea. The Bank also borrows funds from the Government at rates of interest below market rates, which it may utilise only to make loans to small- and medium-sized enterprises in certain industrial or other sectors identified by the Government as requiring support on favourable terms or the growth of which the Government wishes to encourage (such as start-up companies and advanced technology companies). The Bank believes SMIF Bonds provide a stable source of funding because SMIF Bonds, unlike bonds issuable by commercial banks, are, among other things, high quality liquid assets with the low risk profile of government bonds.

As of 31 December 2025, ₩48,576 billion in deposits, representing 30.3 per cent. of the Bank's deposits, had a remaining maturity of less than one year. However, deposits are generally rolled over at maturity at the prevailing rates of interest, providing the Bank with a stable source of funding.

The Depositor Protection Act of Korea provides for a deposit insurance system where the KDIC guarantees to depositors the repayment of their eligible bank deposits. Following an amendment to the Depositor Protection Act of Korea in January 2025, the KDIC insures a maximum of ₩100 million per individual for deposits and interest in a single financial institution, regardless of when the deposits were made or the size of the deposits.

Uninsured Time Deposits

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

	As of 31 December 2025
	(in billions of Won)
Maturing within three months	₩ 3,293
After three but within six months	1,366
After six but within 12 months	4,090
After 12 months	6,773
Total	₩15,522

Borrowing Liabilities

The Bank's borrowing liabilities comprise borrowings (including from other financial institutions, the BOK, other Government-affiliated funds and entities and other lenders, call money, bonds sold under repurchase agreements and bills sold) and debentures (including senior and subordinated debentures).

The aggregate amount of contractual maturities of the Bank's borrowing liabilities as of 31 December 2025 was as follows:

	As of 31 December 2025
	(in billions of Won)
Due through 31 December 2026	₩195,899
Thereafter[(1)]	42,163
Gross borrowing liabilities	238,062
Less: present value discount on debentures	(557)
Borrowing liabilities, net	₩237,505

Note:

(1) Includes structured SMIF bonds and present value discount on debentures.

For additional information regarding the Bank's borrowing liabilities, see Notes 16 and 17 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024 appearing elsewhere in this Offering Circular.

Asset and Liability Management

Organisation

The Bank's Board of Directors and three administrative units assume principal responsibility for managing risk. The Risk Management Committee is the senior administrative and policy-making unit. Under the supervision of the Risk Management Committee, the Risk Management Division and the Asset and Liability Management Committee enforce policy decisions.

The Risk Management Committee is an independent, policy-making body that reports directly to the Bank's Board of Directors. The Risk Management Committee is responsible for creating and reviewing risk policy, taking into account both on- and off-balance-sheet sources of risk. The Risk Management Committee allocates exposure limits by department and type of risk, assesses risk levels, monitors management processes, sets standards and establishes internal controls to prevent unauthorised activities on the part of operational departments. In addition, the Risk Management Committee oversees capital adequacy ratios and supervises asset and liability management practices. Major policy changes require approval of the Bank's Board of Directors.

The Risk Management Division monitors compliance with the standards and implements the Risk Management Committee's policy decisions on a bank-wide basis. The Risk Management Division oversees the daily management of risk and reports any significant developments to senior management. The Risk Management Division comprises the following:

- the Risk Management General Manager — supervises the daily affairs of the Risk Management Division;

- the Risk Management Department — establishes and manages risk management plans, classifies the Bank's loans and other credits into relevant asset quality categories, determines the appropriate amount of loss reserves, manages market risk, researches and develops credit evaluation models,

manages the consolidated credit system, the EWS, credit limits and accumulation of credit information and manages credit limits, including total credit exposures, prepares credit risk related reports and manages the operating risks under the Basel III; and

- the Risk Review Department — manages the Bank's capital adequacy ratio and reviews credit risks.

The Asset and Liability Management Committee develops and revises the Bank's financing plans and advises on the management of loan and deposit interest rates.

Liquidity Management

The Bank manages its liquidity in order to meet its financial liabilities arising from the withdrawal of deposits, the withdrawal and cancellation of trust funds and the repayment on maturity of borrowed funds. The Bank also requires sufficient liquidity to fund loans and extend other forms of credit, as well as to make investments in securities. The Bank's principal sources of liquidity are deposits, the call loan market (a short-term loan market for loans with maturities of less than one month), repayments of loans and sales of short-term securities. Liquidity is maintained by holding sufficient quantities of assets that can be liquidated to meet actual or potential demands for funds from depositors and others. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds the Bank believes it can generate within such period.

The Bank manages liquidity risk by establishing separate limits and target ratios for funds in domestic currency, foreign currencies and trust accounts. Contingency plans have been prepared for use in an actual crisis. The Bank determines its current funding status by reviewing monthly and quarterly data and overnight money positions. The Bank also monitors its liquidity status to monitor compliance with the FSS guidelines for liquid asset ratios. The Bank is required to submit monthly reports to the FSS regarding its liquidity position and to maintain a liquidity coverage ratio of 97.5 per cent. or higher, by holding a stock of highly-liquid assets with a value equal to or greater than the Banks' total net cash outflows over a 30 calendar day period.

As of 31 December 2025, the one-month liquidity coverage ratio was 104.5 per cent., well above the FSS standard of 100.0 per cent. applicable to the Bank for assets and liabilities maturing within one month.

The following table sets forth amounts of the Bank's Won and foreign currency liquid assets and liabilities and liquidity ratios as of 31 December 2025.

	As of 31 December 2025
	(In billions of Won or millions of US$, except percentages)
Won	
Liquid assets[1]	₩ 120,477
Liquid liabilities[2]	92,304
Liquidity gap	28,173
Liquidity ratio	130.5%
Foreign Currency	
Liquid assets[3]	US$ 29,934
Liquid liabilities[4]	28,819
Liquidity gap	1,115
Liquidity ratio	103.9%

Notes:

(1) Includes cash due from banks, securities, loans and factoring recoverables with a duration of less than one month.

(2) Includes deposits, borrowings and debentures with a duration of less than one month.

(3) Includes cash, cash due from banks, securities, call loans, bills bought in foreign currencies and shares assets with a duration of less than three months.

(4) Includes deposits, borrowings, borrowings due to the BOK, call money, debenture and other liabilities with a duration of less than three months.

Pursuant to the Regulation on Supervision of Banking Business issued by the FSC (the **Guidelines**), the Bank is required to maintain a minimum "mid- to long-term foreign exchange funding ratio" of 100 per cent. "Mid-to long term foreign exchange funding ratio" refers to the ratio of (1) the total outstanding amount of foreign exchange borrowing with a maturity of more than one year to (2) the total outstanding amount of foreign exchange lending with a maturity of one year or more. However, this requirement does not apply if the outstanding amount of the Bank's foreign currency-denominated loans is less than USD 50 million.

Interest Rate Risk Management

A key component of the Bank's asset and liability management policy is the management of interest rate sensitivity, which is the exposure of the Bank's net interest income to changes in market interest rates. The Bank's interest rate sensitivity for a given period is affected by the "maturity gap" for such period, which is the difference between the amounts of rate-sensitive interest earning assets and interest bearing liabilities maturing or repricing during such period. If the maturity gap for a given period is positive (i.e., if there is an excess of interest earning assets over interest bearing liabilities maturing or repricing during such period), a decline in market interest rates would normally have a negative effect on net interest income while an increase in interest rates would have a positive effect on net interest income. The Bank seeks to manage its assets and liabilities to minimise the maturity gap for future periods and thereby reduce its interest rate sensitivity. The Bank performs gap analysis in respect of such imbalance every month and estimates the future net interest income effect of changes in market rates of interest.

Interest Rate Risk on Won Currency Assets and Liabilities

Won-currency deposits generally bear fixed rates of interest for fixed time periods. The interest on such Won-currency deposits is generally adjusted upon the rollover of such deposits. As of 31 December 2025, 29.5 per cent. of the Bank's deposits had current maturity of one year or less.

As of 31 December 2025, 49.2 per cent. of the loans made by the Bank were at variable rates of interest generally based upon its benchmark lending rate. As of the same date, 50.8 per cent. of the loans made by the Bank were at fixed rates of interest. Under the Bank's benchmark lending rate system, the Bank adjusts its benchmark lending rate according to KORIBOR. Any such adjustments in the Bank's benchmark lending rate has an immediate effect. As a result, the Bank believes that its interest rate sensitivity is limited.

The following table sets forth the repricing maturities for the Bank's Won-denominated interest earning assets and interest bearing liabilities, as defined pursuant to the FSC guidelines, as of 31 December 2025.

	Interest earning assets[1]	Interest bearing liabilities[2]	Maturity gap	Cumulative maturity gap	Cumulative maturity gap as a percentage of total assets
	(in billions of Won, except percentages)				
3 months or less	₩184,897	₩160,194	₩ 24,703	₩24,703	6.25%
3 to 6 months	49,065	55,504	(6,439)	18,264	4.62
6 months to 1 year	58,891	69,126	(10,235)	8,029	2.03
1 to 3 years	69,619	64,599	5,020	13,049	3.30
More than 3 years	32,684	27,418	5,266	18,315	4.63
Total	₩395,156	₩376,841	₩ 18,315		

Notes:

(1) Includes principally loans, debt securities and due from banks (excluding reserve deposits with the BOK).

(2) Includes principally deposits, borrowings and debentures.

Interest Rate Risk on Foreign Currency Assets and Liabilities

The following table sets forth the repricing maturities for the Bank's foreign currency-denominated interest earning assets and interest bearing liabilities, as defined pursuant to the FSC guidelines, as of 31 December 2025.

	Interest earning assets[1]	Interest bearing liabilities[2]	Maturity gap	Cumulative maturity gap	Cumulative maturity gap as a percentage of total assets
	(in billions of Won, except percentages)				
3 months or less	₩22,497	₩22,106	₩ 391	₩ 391	1.18%
3 to 6 months	1,720	3,730	(2,010)	(1,619)	(4.89)
6 months to 1 year	1,285	3,385	(2,100)	(3,719)	(11.24)
1 to 3 years	2,658	3,501	(843)	(4,562)	(13.79)
More than 3 years	4,933	4,211	722	(3,840)	(11.60)
Total	₩33,093	₩36,933	₩(3,840)		

Notes:

(1) Includes principally loans, securities, due from banks, interest swaps and currency swaps.

(2) Includes deposits, borrowings, debentures, interest swaps and currency swaps.

As with most Korean banks, the Bank's foreign currency lending is primarily in the form of floating rate loans and is funded principally with foreign currency deposits and borrowings. The majority of the Bank's foreign currency deposits and borrowings bear interest at a floating rate. In addition, a portion of the Bank's foreign currency deposits originate from the BOK and are loaned by the Bank at a pre-determined spread over the interest rate payable by the Bank on such deposits. Most of the Bank's loans in foreign currency earn interest at a spread above a specified benchmark reference rate that are subject to rates that reset periodically.

Credit Risk Management

The Bank manages credit risk by establishing credit risk limits, assessing current risk levels and monitoring compliance with risk limits. The current level of credit risk is determined by using expected and unexpected loss levels at a confidence level of 99.9 per cent. The expected loss level is calculated by using historical data regarding the probability of insolvency. The unexpected loss level incorporates the possibility of fluctuations in the expected loss level. The volatility of bankruptcy ratio and recovery ratio relative to collateral are used in this calculation.

The Bank's credit evaluation models take into account a variety of evaluation criteria in order to standardise credit decisions by focusing on the quality of borrowers rather than the volume of loans. The models include both quantitative and qualitative factors based on the borrower's financial and other data, and quantitative and qualitative factors based on the judgment of the Bank's credit analysts. Reflecting standards established by the BIS, the Bank has 10 credit evaluation models that are differentiated by customer segment and type of transaction. For the Bank's corporate customers, there are six credit evaluation models: (i) large-enterprise credit evaluation model; (ii) mid-sized enterprise credit evaluation model for small- and medium-sized enterprises with a total asset size of at least ₩1 billion, total asset size of less than ₩1 billion and to which the Bank has an exposure of less than ₩500 million or annual sales of over ₩60 billion; (iii) receivables finance credit evaluation model for companies with exposure to settlement risk and a total asset size of less than ₩1 billion and to which the Bank has an exposure of less than ₩500 million; (iv) overseas company credit evaluation model for small- and medium- sized enterprise customers of the Bank's overseas branches; (v) low default portfolio credit evaluation model for governmental and other public institutions and non-profit organisations; and (vi) structured finance credit evaluation model for various structured finance transactions, including project finance and real estate finance. For the Bank's retail customers, there are four credit evaluation models: (w) small-sized enterprise credit evaluation model for small- and medium-sized enterprises without exposure to settlement risk and with a total asset size of less than ₩1 billion and to which the Bank has an exposure of less than ₩500 million; (x) corporate card credit evaluation model; (y) retail loan credit evaluation model; and (z) retail card credit evaluation model.

For corporate borrowers, financial evaluation factors include financial variables and ratios. Non-financial evaluation factors include the industry in which the borrower operates, its competitive position in its industry, its operating and funding capabilities, its financial prospects and the quality of its management. For retail borrowers, the Bank takes into consideration factors such as the borrower's income, assets, profession, age, transaction history with the Bank and other financial institutions and other relevant credit information.

The Bank monitors and improves the effectiveness of its credit evaluation models by continually updating its comprehensive database.

The Bank stations qualified credit analysts at its branches to perform objective evaluations of loan applicants' creditworthiness. These analysts, who are the Bank's employees, also perform periodic credit research on borrowers to minimise loan defaults.

The Bank also has an early warning system for the monitoring of credit risk and a credit evaluation model for mortgage loans.

Mid-Sized Enterprise Credit Evaluation Model

The Bank's mid-sized enterprise credit evaluation model enhances the Bank's ability to predict potential defaults and analyse implications of major changes in financial conditions and other factors. This system focuses on small- and medium-sized enterprises with a total asset size of at least ₩1 billion or annual sales of over ₩60 billion or to which the Bank has an exposure of at least ₩500 million. The mid-sized enterprise credit

evaluation model is comprised of four sub-models according to asset size and financial evaluation factors, non-financial evaluation factors and performance factors, which are weighted at 30 to 60 per cent., 30 to 40 per cent. and zero to 40 per cent. respectively, depending on asset size.

By conducting statistical analyses of various financial data accumulated over the past decade or so, the Bank selected multiple financial indices to help determine the level of stability, profitability, productivity, growth potential and cash flow of companies. The system is designed to evaluate both quantitative and qualitative information, with an emphasis on the borrower's repayment ability in the short-run, going concern, financial condition, business growth, profitability and competitive position in the industry in which it operates. The system also takes into account the industry in which the borrower operates and the total assets of the borrower. Based on the results of the credit assessment using such system, the Bank determines the borrower's non-payment probability, based on which the borrower is assigned a credit rating. There are 20 levels of credit ratings, from AAA+ to D, with AAA+ being the highest rating. All loan applicants and guarantors are subject to credit review, except government entities and applicants with loans fully secured by deposits.

Small-Sized Enterprise Credit Evaluation Model

The Bank's small-sized enterprise credit evaluation model focuses on small- and medium-sized enterprises without exposure to settlement risk and with a total asset size of less than ₩1 billion and to which the Bank has an exposure of less than ₩500 million. The Bank's credit scoring system is comprised of an applicant scoring system model and a behaviour scoring system model. The applicant scoring system model evaluates the applicant's financial and non-financial information to determine the appropriate amount and pricing for the loan and the preliminary terms and conditions of the loan. The behaviour scoring system model automatically evaluates a borrower's payment history on a monthly basis to determine the borrower's credit rating and the appropriate amendments to the terms and conditions of a loan, including an extension of loan maturity. There are 14 levels of credit ratings, from AAA to D, with AAA being the highest rating.

Retail Loan Credit Evaluation Model

The Bank's retail loan credit scoring system is an automated credit approval system, which is comprised of an applicant scoring system model and a behaviour scoring system model. The major benefits of using an automated credit scoring system are that it yields uniform results and can be updated easily to reflect changing market conditions by changing how each of the factors is weighted. The applicant scoring system model evaluates the applicant's financial and non-financial information to determine the appropriate amount and pricing for the loan and the preliminary terms and conditions of the loan. The behaviour scoring system model automatically evaluates a borrower's payment history on a monthly basis to determine the borrower's credit rating and the appropriate amendments to the terms and conditions of a loan, including an extension of loan maturity.

Corporate Card Credit Evaluation Model

The Bank's corporate card credit evaluation model is comprised of an applicant scoring system model and a behaviour scoring system model. The applicant scoring system model is used for new corporate card customers and evaluates the applicant's financial information, transaction history and other credit information to determine the terms and conditions of the card and the limitations on card usage. The behaviour scoring system model is used for existing cardholders and periodically evaluates the cardholder's credit rating, based on which the Bank revises the limitations on card usage. There are 11 levels of credit ratings, from AAA to D, with AAA being the highest rating.

Loan Portfolio Management

The Bank manages its loan portfolios in order to strengthen its risk management capabilities by preventing disproportionate structural imbalances and controlling loan exposure to high-risk industries. The Bank conducts financial analysis on 204 business types and categorises them into 18 industries according to segment and loan ratios, setting loan limits by industry. The Bank reviews these limits on a monthly basis in conjunction with a comprehensive review of the outlook, financial soundness and profitability of each industry.

Market Risk Management

Commencing in 2023, the Bank replaced the use of Value at Risk (**VaR**) with Basel III's revised standardized model to measure market risk. Under this model, the Bank measures its market risk capital by aggregating (i) sensitivity risk capital, (ii) default risk capital and (iii) residual risk capital:

- sensitivity risk capital represents the linear and non-linear losses that can result from adverse changes in interest rates, credit spreads, equity prices, foreign exchange rates and commodity prices;
- default risk capital represents the losses that can result from any unexpected default of an entity not contemplated under the method of calculating sensitivity risk capital; and
- residual risk capital represents any other losses that are not contemplated under the method of calculating sensitivity risk capital or risk capital.

The following table shows the Bank's market risk capital for each category of market risk as of 31 December 2025:

Risk categories		Risk Capital
		(in billions of Won)
Sensitivity Risk	Interest rate risk	₩23.2
	Stock price risk	1.6
	General product risk	0.4
	Foreign exchange risk	156.8
	Non-securitized credit spread risk	68.9
	Credit spread risk: securitizations (non-correlation trading portfolio)	—
	Credit spread risk: securitizations (correlation trading portfolio)	—
Default Risk	Non-securitized default	29.1
	Liquidity-adjusted default (non-correlation trading portfolio)	—
	correlation trading portfolio default	—
Residual Risk		0.2
Total		₩280.3

Operational Risk Management

The Bank minimises the risk of loss resulting from inadequate internal control procedures, human behaviour or external events through a set of controls established by its operational risk policies. These controls

are regularly reviewed as business circumstances change and new sources of risk emerge. Losses due to external events are insured and losses from human behaviour and inadequate internal processes are mitigated through internal auditing.

Individual business units are primarily responsible for managing operational risk under the framework of established policies. They are required to report to the Risk Management Department on a regular basis.

The Risk Management Department quantifies the level of overall exposure by consolidating each business unit's operational risk profile. The Risk Management Department also advises business units on the methodologies of operational risk management and ensures that each unit strictly follows management policies.

Foreign Exchange Management

The Bank manages its foreign exchange risks principally through close monitoring and matching of its foreign currency assets and liabilities. In the Bank's foreign exchange dealings, counterparties are restricted to domestic financial institutions participating in the foreign exchange market and international banks ranked among the top 1,000 banks worldwide. Foreign exchange dealing is primarily in the Won/U.S. dollar market and is subject to what the Bank believes to be conservative daily and closing limits and daily and monthly stop loss limits.

The following table sets forth information concerning the Bank's foreign currency assets and liabilities as of 31 December 2025. As of such date, the ratio of the Bank's net foreign currency liabilities to its shareholders' equity was 10.6 per cent. See note 43.6 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024 appearing elsewhere in this Offering Circular.

	As of 31 December 2025	
	Assets	Liabilities
	(in millions of US$)	
Dollars	$19,219	$20,799
Yen[(1)]	924	1,699
Others[(2)]	1,838	1,966
Total[(3)]	$21,981	$24,464

Notes:

(1) Yen amounts are derived by initially converting the Yen amounts to Won amounts at the rate of ¥100 to ₩917.6, the market average exchange rate in effect on 31 December 2025, and then further converting such Won amounts to U.S. dollar amounts at the rate of US$1.00 to ₩1,434.9, the market average exchange rate in effect on 31 December 2025. The market average exchange rates are based on rates announced by the Seoul Money Brokerage Services, Ltd.

(2) Includes Euro, Sterling, Hong Kong dollars and Chinese Yuan. Euro amounts are derived by initially converting the Euro amounts to Won amounts at the rate of €1.00 to ₩1,685.7, the market average exchange rate in effect on 31 December 2025, and then further converting such Won amounts to U.S. dollar amounts at the rate of US$1.00 to ₩1,434.9, the market average exchange rate in effect on 31 December 2025. Sterling amounts are derived by initially converting the Sterling amounts to Won amounts at the rate of £1.00 to ₩1,932.3, the market average exchange rate in effect on 31 December 2025, and then further converting such Won amounts to U.S. dollar amounts at the rate of US$1.00 to ₩1,434.9, the market average exchange rate in effect on 31 December 2025. Hong Kong dollar amounts are derived by initially converting the Hong Kong dollar amounts to Won amounts at the rate of HK$1.00 to ₩184.4, the market average exchange rate in effect on 31 December 2025, and then further converting such Won amounts to U.S. dollar amounts at the rate of US$1.00 to ₩1,434.9, the market average exchange rate in effect on 31 December 2025. Chinese Yuan amounts are derived by initially converting the Chinese Yuan amounts to Won amounts at the rate of ¥1.00 to ₩204.8, the market average exchange rate in effect on 31 December 2025, and then further converting such Won amounts to U.S. dollar amounts at the rate of US$1.00 to ₩1,434.9, the market average exchange rate in effect on 31 December 2025. The market average exchange rates are based on rates announced by the Seoul Money Brokerage Services, Ltd.

(3) U.S. dollar amounts are converted to Won amounts at the rate of US$1.00 to ₩1,434.9, the market average exchange rate in effect on 31 December 2025, as announced by Seoul Money Brokerage Services, Ltd.

For the years ended 31 December 2024 and 2025, the Bank recorded foreign exchange trading gains of ₩2,099 billion and ₩2,282 billion, respectively, and foreign exchange trading losses of ₩2,059 billion and ₩2,184 billion, respectively.

Under Korea's Foreign Exchange Transaction Regulation, the Bank's overpurchased and oversold positions are each limited to 50 per cent. of the Bank's Tier I and Tier II capital as of the end of the prior month.

Derivatives

Foreign exchange banks, under the Foreign Exchange Transaction Regulation, are generally allowed to engage in derivative transactions, but are required to report their monthly derivatives trading performance to the BOK. Moreover, if the derivative transactions involve credit-linked derivatives or credit derivatives-linked securities, foreign exchange banks are required to report the trading performance to the BOK within five business days from the trading date.

Except within the open position limits applicable to its foreign exchange dealings, the Bank generally does not engage in unmatched speculative trading of derivative instruments for its own account and enters into interest rate and currency derivative transactions such as swaps, options and forward contracts either on behalf of customers or for the purpose of hedging interest rate and foreign exchange mismatches. The Bank's exposure in connection with such transactions is therefore generally limited to the credit risk with respect to its transaction counterparties.

Assets and Liabilities of the Trust Accounts

Under Korean law, assets accepted in trust by a bank are segregated from other assets of the bank and are not available to satisfy the claims of the depositors or other creditors of the bank. Accordingly, the Bank's separate financial statements do not include its trust accounts. For additional information on the composition of the Bank's trust accounts, see Note 22 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2025 and 2024, appearing elsewhere in this Offering Circular.

DESCRIPTION OF THE BANK'S HONG KONG BRANCH

The Bank opened its overseas branch in Hong Kong in November 1993. The branch provides a full range of commercial banking services to corporate customers, institutional investors and financial institutions. The core businesses of the branch are, amongst others, corporate banking, SME financing, investment banking and trade finance. The branch also services the Bank's branches in Korea and the Bank's clients in Korea for their foreign exchange operations, including but not limited to inward remittances and letters of credit. The branch had a total of 28 employees as of 31 December 2025 and its address is Suite 3113, 31st Floor, Two Pacific Place, 88 Queensway, Hong Kong.

REGULATION OF THE HONG KONG BRANCH

Regulation under the laws of Hong Kong

The Bank's Hong Kong Branch was registered as a full licensed bank with the Hong Kong Monetary Authority with effect from 14 May 2008. The Bank's Hong Kong Branch is supervised and regulated by the Hong Kong Monetary Authority.

Regulation under Korean Law

The Bank's Hong Kong branch is supervised and regulated by the FSC of Korea under the Foreign Exchange Transaction Act of Korea and the Regulation on the Overseas Expansion of Financial Companies of Korea.

DESCRIPTION OF THE BANK'S LONDON BRANCH

The Bank opened its overseas branch in London, United Kingdom in November 2006. The branch provides a full range of commercial banking services to corporate customers, institutional investors and financial institutions. The core businesses of the branch are, amongst others, corporate banking and investment banking. The branch also services the Bank's branches in Korea and the Bank's clients in Korea for their foreign exchange operations, including but not limited to inward remittances and letters of credit. The branch had a total of 16 employees as of 31 December 2025 and its address is Leaf B 38th Floor, Tower 42, 25 Old Broad Street, London EC2N 1HQ, United Kingdom.

REGULATION OF THE LONDON BRANCH

Regulation under the laws of England

The Bank is registered with the Financial Conduct Authority (**FCA**) and is dual regulated by the FCA and the Prudential Regulatory Authority (**PRA**). Both the FCA and PRA are independent organisations responsible for regulating financial services within the United Kingdom.

Regulation under Korean Law

The Bank's London branch is supervised and regulated by the FSC of Korea under the Foreign Exchange Transaction Act of Korea and the Regulation on the Overseas Expansion of Financial Companies of Korea.

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 country'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 country 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 country 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 country 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 internationalized the Korean economy.

In December 1997, the country 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 country 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 August 15, 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 August 20, 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 country 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 country 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 country elected Moon Jae-in as President. His term, which commenced on May 10, 2017, ended on May 9, 2022.

In March 2022, the country elected Yoon Suk-yeol as President. His term commenced on May 10, 2022. On December 3, 2024, President Yoon declared martial law, citing an urgent need to protect the country. 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 December 14, 2024, the National Assembly voted in favor 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. On April 4, 2025, the Constitutional Court unanimously upheld the National Assembly's vote to impeach President Yoon, triggering his immediate dismissal. Subsequently, in February 2026, former President Yoon was sentenced to life imprisonment by the Seoul Central District Court for charges of leading an insurrection, abuse of power, obstruction of justice and other crimes relating to his declaration of martial law in December 2024.

A special election to elect a successor to former President Yoon was held in June 2025 and the country elected Lee Jae-myung as President for a five-year term. His term commenced on June 4, 2025.

Government and Politics

Government and Administrative Structure

Governmental authority in the Republic is centralized 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 President must notify the National Assembly without delay, and if the National Assembly, by a majority vote of its total members, requests the lifting of martial law, the President is constitutionally required to comply with such request.

The National Assembly exercises the country'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, although the provision requiring over 3% of the popular vote has been ruled unconstitutional by the Constitutional Court and is currently awaiting legislative amendment by the National Assembly. 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 country'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). On July 1, 2026, the Jeonnam Province and Gwangju Metropolitan City will be consolidated into Jeonnam-Gwangju Integrated Special City. 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 April 10, 2024 and the term of the National Assembly members elected in the 22nd legislative general election commenced on May 30, 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 March 31, 2026, the parties control the following number of seats in the National Assembly:

	DPK	PPP	RKP	Others	Total
Number of seats	161	107	12	15	295

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 demilitarized 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 demilitarized 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 demilitarized 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. Political, military and security developments on the Korean Peninsula remain unpredictable and may adversely affect regional stability. Kim Jong-un, who assumed power in December 2011 following the death of his father, Kim Jong-il, continues to consolidate his authority, and the long-term direction of North Korea's political leadership, military posture and economic policies remains uncertain.

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

- In August 2015, two Korean soldiers were injured in a landmine explosion near the Korean demilitarized zone. Claiming the landmines were set by North Koreans, the Korean army re-initiated its propaganda program toward North Korea utilizing loudspeakers near the demilitarized 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 us. 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 us. 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 Organizations

The Republic maintains diplomatic relations with most nations of the world, most importantly with the United States with which it entered into a mutual defense 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 organizations, 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 Organization, or the WHO;
- the World Trade Organization, or the WTO;
- the International Atomic Energy Agency, or the IAEA;
- the Inter-American Development Bank, or the IDB;
- the Organization for Economic Cooperation 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 December 31,				
	2021	**2022**	**2023**	**2024**	**2025**
	(billions of dollars and trillions of Won, except percentages)				
GDP Growth (at current prices)	7.9%	4.6%	3.7%	6.2%[7]	4.2%[7]
GDP Growth (at chained 2020 year prices)	4.6%	2.7%	1.6%	2.0%[7]	1.0%[7]
Inflation[1]	2.5%	5.1%	3.6%	2.3%	2.1%[7]
Unemployment[2]	3.7%	2.9%	2.7%	2.8%	2.8%[7]
Trade Surplus (Deficit)[3]	$ 29.3	$ (47.8)	$ (10.3)	$ 51.8	$ 77.4[7]
Foreign Currency Reserves	$ 463.1	$ 423.2	$ 420.1	$ 415.6	$ 428.1
External Liabilities[4]	$ 630.7	$ 673.3	$ 677.3	$ 672.9	$ 766.9[7]
Fiscal Balance	₩ (30.5)	₩ (64.6)	₩ (36.8)	₩ (43.5)	₩ (46.7)[7]
Direct Internal Debt of the Government[5] (as % of GDP[6])	43.1%	46.2%	48.1%	49.2%[7]	N/A[8]
Direct External Debt of the Government[5] (as % of GDP[6])	0.5%	0.5%	0.5%	0.5%[7]	0.6[7]

(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:

- escalations in trade protectionism globally and geopolitical tensions in East Asia and the Middle East (including those resulting from the military conflicts between Iran and other countries, including the United States and Israel) and Northern Africa and any material disruption in the global supply of oil or sudden increase in the price of oil;

- 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;

- 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 labor shortages;

- interest rate fluctuations as well as perceived or actual changes in policy rates, or other monetary and fiscal policies set forth, by the U.S. Federal Reserve and other central banks;

- a 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;

- increased uncertainties in the global financial markets and industry, including difficulties faced by several banks in the United States and Europe;

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

- the occurrence of severe health epidemics, such as the COVID-19 pandemic;

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

- fluctuations in oil and commodity prices.

There has been significant volatility in global financial markets resulting from, among others, the escalating hostilities in the Middle East (including those resulting from the military conflicts between Iran and other countries, including the United States and Israel), the Russia-Ukraine war and ensuing sanctions against Russia, 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 1,978.8 trillion as of December 31, 2025 from Won 843.2 trillion as of December 31, 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 programs, due in part to an aging population (defined as the population of people aged 65 years or older) that accounted for approximately 20.3% of the Republic's total population as of December 31, 2025, an increase from 7.2% as of December 31, 2000, and is expected to surpass 23.6% in 2028;
- 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) recognizing 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

	2021	2022	2023	2024[1]	2025[1]	As % of GDP 2025[1]
	(billions of Won)					
Gross Domestic Product at Current Market Prices:						
Private	1,046,772.2	1,139,397.2	1,203,106.7	1,239,725.4	1,278,989.4	48.0
Government	378,268.2	409,866.5	428,148.6	447,056.5	470,017.8	17.6
Gross Capital Formation	721,964.5	774,411.5	768,159.8	766,388.6	775,861.6	29.1
Exports of Goods and Services	874,074.3	1,052,553.6	995,305.3	1,134,176.9	1,218,826.5	45.8
Less Imports of Goods and Services	(799,166.2)	(1,052,447.3)	(986,033.0)	(1,030,011.0)	(1,081,278.8)	(40.6)
Statistical Discrepancy	0.0	0.0	0.0	(479.1)	926.1	0.0
Expenditures on Gross Domestic Product	2,221,912.9	2,323,781.5	2,408,687.4	2,556,857.4	2,663,342.6	100.0
Net Factor Income from the Rest of the World	23,413.6	28,055.4	34,674.5	36,904.7	45,758.4	1.7
Gross National Income[2]	2,245,326.5	2,351,837.0	2,443,361.9	2,593,762.0	2,709,101.0	101.7
Gross Domestic Product at Chained 2020 Year Prices:						
Private	1,020,878.4	1,063,928.5	1,085,426.6	1,097,036.0	1,111,481.8	48.0
Government	369,293.7	384,235.8	391,677.5	400,082.5	411,921.6	17.8
Gross Capital Formation	675,845.0	676,282.5	677,134.3	661,465.3	649,988.9	28.1
Exports of Goods and Services	789,432.2	820,347.6	848,332.6	906,303.1	944,563.0	40.8
Less Imports of Goods and Services	(701,537.0)	(730,672.0)	(752,696.6)	(771,407.8)	(801,057.4)	(34.6)
Statistical Discrepancy	(489.4)	(842.9)	(221.4)	220.2	1,302.8	0.1
Expenditures on Gross Domestic Product[3]	2,153,422.9	2,212,158.9	2,247,177.7	2,292,202.4	2,315,285.3	100.0
Net Factor Income from the Rest of the World in the Terms of Trade	22,553.7	25,584.2	31,083.4	32,301.5	39,522.2	1.7
Trading Gains and Losses from Changes in the Terms of Trade	(21,620.0)	(94,623.4)	(91,660.0)	(51,879.6)	(32,711.7)	(1.4)
Gross National Income[4]	2,154,356.5	2,143,107.5	2,186,579.3	2,272,601.1	2,322,060.1	100.3
Percentage Increase (Decrease) of GDP over Previous Year:						
At Current Prices	7.9	4.6	3.7	6.2	4.2	
At Chained 2020 Year Prices	4.6	2.7	1.6	2.0	1.0	

(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)

	2021	2022	2023	2024[1]	2025[1]	As % of GDP 2025[1]
			(billions of Won)			
Industrial Sectors:	773,620.4	789,147.0	818,260.2	904,125.1	953,326.3	35.8
Agriculture, Forestry and Fishing	36,998.4	33,656.4	34,871.5	37,285.4	38,998.6	1.5
Manufacturing, Mining and Quarrying	585,053.1	617,557.4	615,334.3	682,814.6	732,398.4	27.5
Mining and Quarrying	1,843.5	1,807.8	2,199.5	2,231.0	1,941.2	0.1
Manufacturing	583,209.6	615,749.6	613,134.8	680,583.6	730,457.2	27.4
Electricity, Gas and Water Supply	37,579.5	16,493.8	43,159.0	61,455.6	69,242.3	2.6
Construction	113,989.4	121,439.4	124,895.4	122,569.5	112,687.0	4.2
Services:	1,264,275.9	1,349,454.4	1,418,346.5	1,470,206.0	1,524,167.7	57.2
Wholesale and Retail Trade, Accommodation and Food Services	227,253.6	248,366.2	257,714.3	264,793.9	278,206.4	10.4
Transportation and Storage	82,702.3	95,655.6	99,398.5	103,383.0	104,881.0	3.9
Finance and Insurance	124,021.2	136,404.4	138,480.1	139,729.3	142,416.6	5.3
Real Estate	162,658.9	158,314.6	161,757.8	168,109.5	172,537.9	6.5
Information and Communication	102,319.0	103,549.3	109,212.6	114,001.9	119,135.2	4.5
Business Activities	166,098.7	177,636.8	195,980.4	200,094.9	203,354.8	7.6
Public Administration, Defense and Social Security	138,688.7	149,078.6	155,941.9	164,768.8	173,134.3	6.5
Education	96,862.5	101,581.8	105,710.7	109,857.9	113,764.0	4.3
Human Health and Social Work	114,340.0	123,519.0	129,825.3	137,316.8	145,841.7	5.5
Cultural and Other Services	49,330.9	55,348.1	64,324.9	68,150.0	70,895.9	2.7
Taxes Less Subsidies on Products	184,016.7	185,180.2	172,080.7	182,526.4	185,848.6	7.0
Gross Domestic Product at Current Market Prices	2,221,912.9	2,323,781.5	2,408,687.4	2,556,857.4	2,663,342.6	100.0
Net Factor Income from the Rest of the World	23,413.6	28,055.4	34,674.5	36,904.7	45,758.4	1.7
Gross National Income at Current Market Price	2,245,326.5	2,351,837.0	2,443,361.9	2,593,762.0	2,709,101.0	101.7

(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)

	2021	2022	2023	2024[1]	2025[1]
GDP per capita (thousands of Won)	42,919	44,971	46,578	49,407	51,531
GDP per capita (U.S. dollar)	37,503	34,809	35,681	36,223	36,233
Average Exchange Rate (in Won per U.S. dollar)	1,144.4	1,292.0	1,305.4	1,364.0	1,422.2

(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)

	2021	2022	2023	2024[1]	2025[1]
GNI per capita (thousands of Won)	43,372	45,514	47,249	50,120	52,416
GNI per capita (U.S. dollar)	37,898	35,229	36,195	36,745	36,855
Average Exchange Rate (in Won per U.S. dollar)	1,144.4	1,292.0	1,305.4	1,364.0	1,422.2

(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)

	2021	2022	2023	2024[1]	2025[1]	As % of GDP 2025[1]
	(billions of Won)					
Industrial Sectors:	754,589.3	771,177.9	777,094.3	799,717.0	802,138.9	34.6
Agriculture, Forestry and Fishing	33,598.5	33,866.3	33,239.9	33,452.8	33,936.3	1.5
Manufacturing, Mining and Quarrying	565,269.6	579,036.4	587,525.2	612,533.6	624,722.4	27.0
Mining and Quarrying	1,974.8	1,785.3	1,748.2	1,620.8	1,475.9	0.1
Manufacturing	563,294.8	577,227.8	585,750.1	610,925.5	623,301.2	26.9
Electricity, Gas and Water Supply	46,403.2	48,020.4	46,767.1	48,309.2	48,084.8	2.1
Construction	109,318.0	110,254.8	109,562.1	105,421.4	95,395.4	4.1
Services:	1,222,603.2	1,269,070.6	1,303,096.2	1,324,200.8	1,347,266.1	58.2
Wholesale and Retail Trade, Accommodation and Food Services	219,693.4	231,974.4	225,315.5	222,021.2	224,754.0	9.7
Transportation and Storage	73,634.5	82,748.1	96,656.7	105,152.6	107,610.5	4.6
Finance and Insurance	117,411.7	120,645.5	121,470.6	125,704.2	132,357.0	5.7
Real Estate	163,741.0	160,447.8	161,591.7	164,810.0	165,196.1	7.1
Information and Communication	97,513.5	99,786.9	104,404.3	104,960.0	107,164.8	4.6
Business Activities	159,603.6	163,453.3	170,792.4	169,644.0	168,916.5	7.3
Public Administration, Defense and Social Security	134,868.3	139,003.2	141,575.3	144,757.3	147,981.0	6.4
Education	95,484.0	98,708.1	99,980.4	101,155.4	101,528.1	4.4
Human Health and Social Work	112,370.6	119,255.3	122,755.8	127,459.8	133,819.9	5.8
Cultural and Other Services	48,282.6	52,244.1	56,689.6	57,543.0	57,273.7	2.5
Taxes Less Subsidies on Products	176,230.4	172,134.2	165,969.0	168,062.9	166,180.6	7.2
Gross Domestic Product[2]	2,153,422.9	2,212,158.9	2,247,177.7	2,292,202.4	2,315,285.3	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 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 1.6% at chained 2020 year prices, as exports of goods and services increased by 3.4% and aggregate private and general government consumption expenditures increased by 2.0%, which was offset in significant part by a 3.0% 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 6.8% and aggregate private and general government consumption expenditures increased by 1.4%, which was offset in part by a 2.5% increase in imports of goods and services and a 0.8% decrease in gross domestic fixed capital formation, each compared with 2023.

Based on preliminary data, GDP growth in 2025 was 1.0% at chained 2020 year prices, as exports of goods and services increased by 4.2% and aggregate private and general government consumption expenditures increased by 1.8%, which were offset in part by a 3.8% increase in imports of goods and services and a 3.2% decrease in gross domestic fixed capital formation, each compared with 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]	2021	2022	2023	2024[2]	2025[2]
Industries	10,000.0	107.8	108.5	109.0	113.1	119.1
Mining and Manufacturing	9,582.7	107.8	108.5	109.0	113.1	119.1
Mining	23.7	94.2	95.8	113.9	94.7	74.6
Manufacturing	9,559.0	107.8	108.5	109.0	113.1	119.1
Food Products	623.0	111.8	114.3	109.3	122.7	126.9
Beverage Products	131.0	93.0	91.4	76.5	74.4	74.4
Tobacco Products	37.3	88.4	93.2	100.9	114.3	96.2
Textiles	111.5	104.3	100.4	82.1	80.5	78.6
Wearing Apparel, Clothing Accessories and Fur Articles	77.7	150.2	139.3	142.6	92.4	105.9
Tanning and Dressing of Leather, Luggage and Footwear	16.9	92.0	78.7	49.5	39.4	36.4
Wood and Products of Wood and Cork (Except Furniture)	32.3	78.4	89.1	91.5	77.2	101.7
Pulp, Paper and Paper Products	157.7	97.6	95.5	94.1	104.1	109.3
Printing and Reproduction of Recorded Media	45.7	109.6	128.1	112.3	100.7	112.9
Coke, hard-coal and lignite fuel briquettes and Refined Petroleum Products	251.8	97.9	101.6	104.2	108.5	109.1
Chemicals and Chemical Products	696.5	105.9	93.6	91.0	95.8	95.8
Pharmaceuticals, Medicinal Chemicals and Botanical Products	329.9	95.3	111.6	141.3	158.0	194.4
Rubber and Plastic Products	446.8	104.5	110.8	112.9	120.5	118.6
Non-metallic Minerals	243.9	107.8	96.7	85.5	92.1	101.4
Basic Metals	655.4	101.0	95.5	97.1	96.9	95.3

	Index Weight[1]	2021	2022	2023	2024[2]	2025[2]
Fabricated Metal Products	550.8	83.8	82.9	93.9	114.1	108.1
Electronic Components, Computer, Radio, Television and Communication Equipment and Apparatuses	1,794.2	340.0	314.5	330.0	335.4	364.0
Medical, Precision and Optical Instruments, Watches and Clocks	370.3	299.2	364.0	360.7	381.7	411.6
Electrical Equipment	453.3	112.6	136.8	120.4	94.7	92.3
Other Machinery and Equipment	825.1	117.1	113.8	109.3	102.3	111.1
Motor Vehicles, Trailers and Semitrailers	1,321.9	109.2	120.6	136.6	135.1	135.5
Other Transport Equipment	233.3	93.3	108.0	103.5	125.7	158.1
Furniture	38.3	88.9	79.9	65.7	59.3	47.8
Other Products	114.4	232.8	340.1	244.0	287.8	545.1
Electricity, Gas	417.3	104.9	107.5	103.5	104.7	105.6
Total Index	10,000.0	107.8	108.5	109.0	113.1	119.1

(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 increased by 7.8% in 2021, primarily due to increased exports and domestic consumption. Industrial production increased by 0.7% in 2022, primarily due to increased exports and domestic consumption. Industrial production increased by 0.5% in 2023, primarily due to increased exports. Industrial production increased by 4.1% in 2024, primarily due to increased exports. Based on preliminary data, industrial production increased by 6.0% in 2025, primarily due to increased exports.

Manufacturing

The manufacturing sector increased production by 7.8% in 2021, primarily due to increased demand for consumer electronics products, electronic components (including semiconductors) and machinery. The manufacturing sector increased production by 0.7% in 2022, primarily due to increased demand for electrical equipment and automobiles. The manufacturing sector increased production by 0.5% in 2023, primarily due to increased demand for automobiles and pharmaceuticals. The manufacturing sector increased production by 4.1% in 2024, primarily due to increased demand for electronic components (including semiconductors) and pharmaceuticals. Based on preliminary data, the manufacturing sector increased production by 6.0% in 2025, primarily due to increased demand for semiconductors and other transport equipment.

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. 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. Based on preliminary data, in 2025, automobile production decreased by 0.6% and export sales volume recorded a decrease of 1.7%, compared with 2024, primarily due to a decrease in automotive parts and increased overseas production, but domestic sales volume recorded an increase of 3.3%, compared with 2024, primarily due to increased domestic demand for environmentally-friendly automobiles.

Electronics. 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. In 2023, electronics production amounted to ₩352,540 billion, a decrease of 6.8% 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 ₩406,215 billion, an increase of 15.2% 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. Based on preliminary data, in 2025, electronics production amounted to ₩434,808 billion, an increase of 7.0% from the previous year, and exports amounted to US$264.3 billion, an increase of 12.4% from the previous year, primarily due to an increase in demand for semiconductors, computers, other electronic apparatuses and telecommunications equipment. In 2025, export sales of semiconductor memory chips constituted approximately 24.4% of the Republic's total exports.

Iron and Steel. In 2021, crude steel production totaled 70.4 million tons, an increase of 5.0% 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 totaled 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 totaled 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. In 2024, crude steel production totaled 63.7 million tons, a decrease of 4.5% 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. Based on preliminary data, in 2025, crude steel production totaled 62.2 million tons, a decrease of 2.4% from 2024, primarily due to a decrease in global demand for crude steel products as well as a decrease in domestic demand resulting from adverse conditions in the construction and real estate industries.

Shipbuilding. 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. 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;
- mechanization 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 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. In 2025, rice production decreased 2.8% from 2024 to 3.5 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 modernizing fishing equipment, marketing techniques and distribution outlets.

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. In 2023, the agriculture, forestry and fisheries industry decreased by 1.8% 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 0.6% compared to 2023, primarily due to an increase in farming and livestock production. Based on preliminary data, in 2025, the agriculture, forestry and fisheries industry increased by 1.4% compared to 2024, primarily due to an increase in farming, livestock and fisheries production.

Construction

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. In 2023, the construction industry decreased by 0.6% compared to 2022, primarily due to a decrease in the construction of residential buildings. Based on preliminary data, in 2024, the construction industry decreased by 3.8% compared to 2023, primarily due to a decrease in the construction of residential buildings. Based on preliminary data, in 2025, the construction industry decreased by 9.5% compared to 2024, primarily due to decreases in both residential and commercial 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)		
2021	300.4	284.8	94.8
2022	303.8	286.8	94.4
2023	298.1	279.3	93.7
2024[2]	304.3	284.2	93.4
2025[2]	298.8	277.6	92.9

(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 (including as a result of the ongoing military conflict between Iran and other countries, including the United States and Israel, which has resulted in higher oil prices to date) 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 emphasizing 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)											
2021	76,818	25.6	59,594	19.8	115,205	38.4	33,657	11.2	15,091	5.0	300,365	100.0
2022	75,803	25.0	59,096	19.5	114,676	37.7	37,500	12.3	16,732	5.5	303,807	100.0
2023	73,507	24.7	56,718	19.0	111,036	37.2	38,445	12.9	18,432	6.2	298,138	100.0
2024[3]	69,664	22.9	60,871	20.0	113,861	37.4	40,205	13.2	19,654	6.5	304,255	100.0
2025[3]	68,481	22.9	60,961	20.4	108,985	36.5	39,340	13.2	20,994	7.0	298,761	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 December 31, 2025, 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 prioritizes supply stability, efficiency and carbon neutrality, (iii) expansion of carbon-free energy sources instead of converting aging 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 utilization of the energy market to enhance supply stability and energy distribution. Furthermore, the Eleventh Basic Plan includes the following implementation measures: (i) continued utilization 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 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 4.9% compared to 2022 as the arts, sports and recreation related services sector increased by 9.8%, the membership organizations, repair and other personal services sector increased by 9.6% and the financial and insurance activities sector increased by 8.8%, each compared with 2022. In 2024, the service industry increased by 3.3% compared to 2023 as the transportation and storage sector increased by 7.6%, the arts, sports and recreation related services sector increased by 3.8% and the human health and social work activities sector increased by 5.7%, each compared with 2023. Based on preliminary data, in 2025, the service industry increased by 3.3% compared to 2024 as the human health and social work activities sector increased by 6.9%, the information and communications sector increased by 4.6% and the financial and insurance activities sector increased by 4.2%, each compared with 2024.

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)	(%)	(%)
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	138.4	2.6	2.8
2025	120.5	1.2	116.6	2.1	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 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. 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, in 2025, the inflation rate decreased to 2.1%, primarily due to a slower rate of increase in the prices of agricultural and livestock product prices and oil prices.

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. 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, in 2025, the unemployment rate remained stable at 2.8%.

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 December 31, 2025, the economically active population of the Republic was 29.6 million and the number of employees was 28.8 million.

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

	2021	2022	2023	2024	2025
	(all figures in percentages, except as indicated)				
Labor force (in thousands of persons)	27,273	28,089	28,416	28,576	28,769
Employment by Industry:					
Agriculture, Forestry and Fishing	5.3	5.4	5.3	5.2	4.8
Mining and Manufacturing	16.1	16.1	15.7	15.6	15.3
S.O.C & Services	78.6	78.5	79.0	79.2	79.9
Electricity, Transport, Communication and Finance	12.2	12.3	12.4	12.8	13.1
Business, Private & Public Service and Other Services	38.8	39.1	39.5	39.7	40.9
Construction	7.7	7.6	7.4	7.2	6.7
Wholesale & Retail Trade, Hotels and Restaurants	20.0	19.6	19.6	19.4	19.2
Total Employed	100.0	100.0	100.0	100.0	100.0
Employment by Gender:					
Male	57.0	56.7	56.1	55.7	55.4
Female	43.0	43.3	43.9	44.3	44.6
Total Employed	100.0	100.0	100.0	100.0	100.0

Source: The Bank of Korea

Pursuant to certain amendments to the Labor Standards Act that became effective on July 1, 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 was significantly reduced. This maximum working hours restriction under the amended Labor Standards Act is in effect for workplaces with 300 or more workers from July 1, 2018, and has been extended to workplaces with 50 or more but fewer than 300 workers from January 1, 2020, and has been further extended to workplaces with five or more but fewer than 50 workers from July 1, 2021.

Labor unrest in connection with demands by unionized 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 November and December 2021, unionized workers at Hankook Tire & Technology, one of Korea's largest tire makers, went on a full strike demanding higher wages and performance-based incentive payments.

- In 2021, unionized 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, unionized 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, unionized 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.

- In September and October 2025, unions representing airport workers across multiple airports in the Republic conducted coordinated strikes demanding improved pay, job security and working conditions.

- In December 2025 unionized workers at Korea Railroad Corporation and Seoul Metro went on a strike demanding increased pay, improved working conditions and staffing levels.

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

In 1997, the Korean Confederation of Trade Unions organized a political alliance, which led to the formation of the Democratic Labor Party in January 2000. The Democratic Labor 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 April 13, 2016, the Justice Party won six seats in the National Assembly, and the members-elect began their four-year terms on May 30, 2016. As of December 31, 2025, 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 following table shows the population and birthrate of the Republic:

	2021	2022	2023	2024	2025
Population (in thousands of persons)	51,639	51,439	51,325	51,217	51,117
Birthrate (percentage)[1]	0.81	0.78	0.72	0.75	0.80[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, or 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 categorizes 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 futures 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 license based on the FSCMA.

Banking Industry

The banking industry comprises commercial banks and specialized 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 country's banking services. As of December 31, 2025, there were seven nationwide banks, five regional banks, three internet-only banks and 33 foreign banks with branches operating in the Republic.

Specialized banks meet the needs of specific sectors of the economy in accordance with Government policy; they are organized under, or chartered by, special laws. Specialized 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 specialized 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 ₩1,121 billion in 2021, ₩1,265 billion in 2022, ₩775 billion in 2023, ₩2,390 billion in 2024 and ₩855 billion in 2025. Taking into account these capital contributions, its total paid-in capital was ₩27,258 billion as of December 31, 2025.
- **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 ₩299 billion in 2021, ₩25 billion in 2022, ₩2,000 billion in 2023, ₩2,100 billion in 2024 and ₩300 billion in 2025. Taking into account these capital contributions, its total paid-in capital was ₩17,173 billion as of December 31, 2025.
- **Industrial Bank of Korea**: the Government directly owned 59.5% of its total shares (including common and preferred shares) as of December 31, 2025. 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 December 31, 2025.

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)
December 31, 2021	2,371.9	11.8	0.5
December 31, 2022	2,532.4	10.1	0.4
December 31, 2023	2,629.0	12.5	0.5
December 31, 2024	2,799.1	15.0	0.5
December 31, 2025[2]	2,905.8[2]	16.6[2]	0.6[2]

(1) Assets classified as substandard or below.

(2) Preliminary.

Source: Financial Supervisory Service

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 recognized 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 ₩21.7 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. In 2024, these banks posted an aggregate net profit of ₩22.2 trillion, compared to an aggregate net profit of ₩21.7 trillion in 2023, primarily due to a decrease in loan loss provisions, which was offset in part by an increase in non-operating expenses. Based on preliminary data, in 2025, these banks posted an aggregate net profit of ₩24.1 trillion, compared to an aggregate net profit of ₩22.2 trillion in 2024, primarily due to a significant rise in foreign exchange and derivatives-related gains driven by heightened volatility in interest rates and exchange rates during 2025.

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 December 31, 2025, 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 stabilization bonds, negotiable certificates of deposits, repurchase agreements and commercial paper.

Securities Markets

On January 27, 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 capitalizations of all listed companies are aggregated, subject to certain adjustments, and this aggregate is expressed as a percentage of the aggregate market capitalization of all listed companies as of the base date, January 4, 1980.

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

December 30, 2021	2,977.7
January 28, 2022	2,663.3
February 28, 2022	2,699.2
March 31, 2022	2,757.7
April 29, 2022	2,695.1
May 31, 2022	2,685.9
June 30, 2022	2,332.6
July 29, 2022	2,451.5
August 31, 2022	2,472.1
September 30, 2022	2,155.5
October 31, 2022	2,293.6
November 30, 2022	2,472.5
December 29, 2022	2,236.4
January 31, 2023	2,425.1
February 28, 2023	2,412.9
March 31, 2023	2,476.9
April 28, 2023	2,501.5
May 31, 2023	2,577.1
June 30, 2023	2,564.3
July 31, 2023	2,632.6
August 31, 2023	2,556.3
September 27, 2023	2,465.1
October 31, 2023	2,278.0
November 30, 2023	2,535.3
December 28, 2023	2,655.3
January 31, 2024	2,497.1
February 29, 2024	2,642.4
March 29, 2024	2,746.6
April 30, 2024	2,692.1
May 31, 2024	2,636.5
June 28, 2024	2,797.8
July 31, 2024	2,770.7
August 30, 2024	2,674.3
September 30, 2024	2,593.3
October 31, 2024	2,556.2
November 29, 2024	2,455.9
December 30, 2024	2,399.5
January 31, 2025	2,517.4
February 28, 2025	2,532.8
March 31, 2025	2,481.1
April 30, 2025	2,556.6
May 30, 2025	2,697.7
June 30, 2025	3,071.7
July 31, 2025	3,245.4
August 29, 2025	3,186.0
September 30, 2025	3,424.6
October 31, 2025	4,107.5
November 28, 2025	3,926.6

December 30, 2025	4,214.2
January 30, 2026	5,224.4
February 27, 2026	6,224.1
March 31, 2026	5,052.5
April 30, 2026	6,598.9

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 geopolitical uncertainties, exchange rate fluctuations and changes in domestic economic conditions. The index was 7,490.1 on May 7, 2026.

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 Supervisory Service acts as the executive body of the Financial Services Commission. The Financial Services Commission reports to, but operates independently of, the Prime Minister's office.

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

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.

The Depositor Protection Act of Korea provides for a deposit insurance system where the Korea Deposit Insurance Corporation guarantees to depositors the repayment of their eligible bank deposits. The deposit insurance system insures up to a total of ₩100 million per depositor per bank, which limit increased from ₩50 million through an amendment to the Presidential Decree to the Depositor Protection Act of Korea that became effective in 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 premium rates applicable to 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 July 18, 2019 and to 1.25% from 1.5% on October 16, 2019 to address the sluggishness of the global and domestic economy. On March 16, 2020, The Bank of Korea further lowered its policy rate to 0.75% from 1.25%, which was further lowered to 0.5% on May 28, 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 August 26, 2021, 1.00% on November 25, 2021 and 1.25% on January 14, 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 April 14, 2022, 1.75% on May 26, 2022, 2.25% on July 13, 2022, 2.50% on August 25, 2022, 3.00% on October 12, 2022, 3.25% on November 24, 2022 and 3.50% on January 13, 2023. More recently, however, The Bank of Korea began to lower its policy rate, to 3.25% on October 11, 2024, 3.00% on November 28, 2024, 2.75% on February 25, 2025 and 2.50% on May 29, 2025 in response to weak economic conditions in the Republic.

With the deregulation of interest rates on banks' demand deposits on February 2, 2004, The Bank of Korea completed the interest rate deregulation based upon the "Four-Stage Interest Rate Liberalization 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:

	December 31,				
	2021	**2022**	**2023**	**2024**	**2025**
			(billions of Won)		
Money Supply (M1)[(1)]	1,378,591.0	1,243,808.2	1,247,774.9	1,294,069.8	1,384,025.4
Quasi-money[(2)]	2,006,660.3	2,395,782.7	2,487,393.0	2,602,452.9	2,715,715.6
Money Supply (M2)[(3)]	3,385,251.3	3,639,590.9	3,735,167.9	3,896,522.7	4,099,741.0
Percentage Increase Over Previous Year	11.7%	7.5%	2.6%	4.3%	5.2%

(1) Consists of currency in circulation and demand and instant access savings deposits at financial institutions.

(2) Includes time and installment 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

Authorized foreign exchange banks, as registered with the Ministry of Finance and Economy, 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 Finance and Economy, The Bank of Korea or authorized foreign exchange banks, as applicable, for issuances of international bonds and other instruments, overseas investments and certain other transactions involving foreign exchange payments.

In 1993, 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 liberalized:

- 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 minimize the adverse effects from further opening of the Korean capital markets, the Ministry of Finance and Economy is authorized 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 liberalization 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 liberalized. In line with the foregoing liberalization, measures will also be adopted to curb illegal foreign exchange transactions and to stabilize the foreign exchange market.

Effective as of January 1, 2006, the Government liberalized 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 introduced the Standards for Risk Management of Foreign Exchange Derivatives Transactions to the Enforcement Rules for Supervision of Banking Business to prevent over-hedging of foreign exchange risk by corporate investors. According to the standards as amended in June 2025, 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 125%.

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
December 31, 2021	1,185.5
January 28, 2022	1,202.4
February 28, 2022	1,202.7
March 31, 2022	1,210.8
April 29, 2022	1,269.4
May 31, 2022	1,245.8
June 30, 2022	1,299.4
July 29, 2022	1,304.0
August 31, 2022	1,347.5
September 30, 2022	1,434.8
October 31, 2022	1,419.3
November 30, 2022	1,331.5
December 30, 2022	1,267.3
January 31, 2023	1,228.7
February 28, 2023	1,317.4
March 31, 2023	1,303.8
April 28, 2023	1,339.9
May 31, 2023	1,322.2
June 30, 2023	1,312.8
July 31, 2023	1,280.0
August 31, 2023	1,321.4
September 27, 2023	1,344.8
October 31, 2023	1,352.8
November 30, 2023	1,289.0
December 29, 2023	1,289.4
January 31, 2024	1,330.6
February 29, 2024	1,334.0
March 29, 2024	1,346.8
April 30, 2024	1,378.1
May 31, 2024	1,376.5
June 28, 2024	1,389.2
July 31, 2024	1,384.6
August 30, 2024	1,335.3
September 30, 2024	1,319.6
October 31, 2024	1,383.3
November 29, 2024	1,394.7
December 31, 2024	1,470.0
January 31, 2025	1,433.3
February 28, 2025	1,439.6
March 31, 2025	1,466.5
April 30, 2025	1,438.5
May 30, 2025	1,381.4
June 30, 2025	1,356.4

	Won/ U.S. Dollar Exchange Rate
July 31, 2025	1,382.9
August 29, 2025	1,388.6
September 30, 2025	1,402.2
October 31, 2025	1,423.2
November 28, 2025	1,464.8
December 31, 2025	1,434.9
January 30, 2026	1,427.0
February 27, 2026	1,424.5
March 31, 2026	1,513.4
April 30, 2026	1,476.1

During the period from January 2, 2008 through April 16, 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 (including those resulting from the military conflicts between Iran and other countries, including the United States and Israel) and the political situation in Korea following the declaration of martial law by former President Yoon in December 2024 that led to his impeachment and subsequent removal in April 2025 and the election of Mr. Lee Jae-myung as President in June 2025, among others. The market average exchange rate was Won 1,456.8 to US$1.00 on May 7, 2026.

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 country 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 country, 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	2021	2022	2023	2024	2025[4]
			(millions of dollars)		
Current Account	83,879.1	23,238.4	32,530.2	99,973.5	123,053.8
Goods	79,659.1	18,334.7	44,630.5	110,910.0	138,073.2
Exports[2]	655,640.1	697,755.1	642,117.2	703,974.8	718,942.5
Imports[2]	575,981.0	679,420.4	597,486.7	593,064.8	580,869.3
Services	(8,994.4)	(10,750.7)	(30,742.5)	(29,428.4)	(34,519.4)
Income	19,305.8	19,784.8	25,208.5	26,779.5	27,918.9
Current Transfers	(6,091.4)	(4,130.4)	(6,566.3)	(8,287.6)	(8,418.9)
Capital and Financial Account	78,335.3	27,063.2	32,129.1	97,150.9	120,021.5
Capital Account	(155.3)	0.7	47.1	282.9	258.0
Financial Account[3]	78,490.6	27,062.5	32,082.0	96,868.0	119,763.5
Net Errors and Omissions	(5,233.2)	3,823.4	(495.3)	(3,388.4)	(3,548.3)

(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 2024 increased to US$100.0 billion in 2024 from the current account surplus of US$32.5 billion in 2023, primarily due to an increase in surplus from the goods account, an increase in surplus from the income account and a decrease in deficit from the services account. Based on preliminary data, the current account surplus in 2025 increased to US$123.1 billion in 2025 from the current account surplus of US$100.0 billion in 2024, primarily due to an increase in surplus from the goods account and 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.

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, although certain foreign investments that may implicate national security are subject to review and may be restricted or conditioned, and in such cases, regulatory approvals may be withheld pending completion of such review.

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

Foreign Direct Investment

	2021	2022	2023	2024	2025[2]
	(billions of dollars)				
Contracted and Reported Investment					
Greenfield Investment[1]	18.1	22.3	23.5	26.7	28.6
Merger & Acquisition	11.4	8.1	9.2	7.9	7.5
Total	29.5	30.4	32.7	34.6	36.1
Actual Investment	17.9	18.2	20.0	15.4	18.0

(1) Includes building new factories and operational facilities.

(2) Preliminary.

Source: Ministry of Trade, Industry and Resources

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.

Based on preliminary data, in 2025, the contracted and reported amount of foreign direct investment in the Republic increased to US$36.1 billion from US$34.6 billion in 2024, primarily due to an increase in foreign investment in the manufacturing sector to US$15.8 billion in 2025 from US$14.5 billion in 2024.

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

	2021	2022	2023	2024	2025
	(billions of dollars)				
North America					
U.S.A.	5.3	8.7	6.1	5.2	9.8
Others	1.6	5.8	6.5	5.5	5.3
	6.9	14.5	12.6	10.7	15.1
Asia					
Japan	1.2	1.5	1.3	6.1	4.4
Hong Kong	0.6	0.4	1.2	1.0	0.3
Singapore	4.2	3.2	2.7	2.4	2.5
China	1.9	1.5	1.6	5.8	3.6
Others	1.2	0.5	1.8	1.0	1.0
	9.1	7.1	8.6	16.3	11.8
European Union					
Ireland	1.8	0.1	0.0	0.0	0.0
Netherlands	1.0	4.9	1.1	0.9	0.8
Germany	2.8	0.5	0.2	0.3	0.6
France	0.2	0.2	1.2	0.9	3.8
Others	6.2	1.8	3.7	3.0	1.7
	12.0	7.5	6.2	5.1	6.9
Other regions and countries	1.5	1.3	5.3	2.5	2.3
Total	29.5	30.4	32.7	34.6	36.1

Source: Ministry of Trade, Industry and Resources

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 summarizes 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 dollars, except percentages)					
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	34.3%	642.6	34.8%	(10.4)	98.4
2024	683.6	36.5%	631.8	33.7%	51.8	108.2
2025[3]	709.3	37.9%	631.9	33.7%	77.4	112.2

(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 country 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]

	2021	As % of 2021 Total	2022	As % of 2022 Total	2023	As % of 2023 Total	2024	As % of 2024 Total	2025[2]	As % of 2025 Total[2]
	(billions of dollars, except percentages)									
Foods & Consumer Goods	9.8	1.5	10.4	1.5	10.7	1.7	11.6	1.7	12.3	1.7
Raw Materials and Fuels	51.4	8.0	75.1	11.0	62.6	9.9	60.9	8.9	55.9	7.9
Petroleum & Derivatives	38.8	6.0	63.3	9.3	52.4	8.3	50.7	7.4	46.0	6.5
Others	12.6	2.0	11.8	1.7	10.2	1.6	10.2	1.5	9.9	1.4
Light Industrial Products	35.3	5.5	35.2	5.1	33.4	5.3	34.2	5.0	35.3	5.0

	2021	As % of 2021 Total	2022	As % of 2022 Total	2023	As % of 2023 Total	2024	As % of 2024 Total	2025(2)	As % of 2025 Total(2)
	(billions of dollars, except percentages)									
Heavy & Chemical Industrial Products	547.9	85.0	563.0	82.4	525.5	83.1	576.9	84.4	605.9	85.4
Electronic & Electronic Products	221.8	34.4	224.2	32.8	181.1	28.6	231.0	33.8	261.6	36.9
Chemicals & Chemical Products	91.9	14.3	98.0	14.3	86.6	13.7	83.6	12.2	78.3	11.0
Metal Goods	52.6	8.2	55.3	8.1	49.8	7.9	48.2	7.0	46.0	6.5
Machinery & Precision Equipment	70.9	11.0	70.9	10.4	72.6	11.5	72.4	10.6	69.9	9.9
Transport Equipment	94.2	14.6	98.4	14.4	118.2	18.7	120.6	17.6	127.0	17.9
Passenger Cars	44.3	6.9	51.7	7.6	68.3	10.8	68.3	10.0	68.5	9.7
Ships & Boats	22.4	3.5	17.6	2.6	20.8	3.3	24.5	3.6	30.4	4.3
Others	27.5	4.3	29.2	4.3	29.1	4.6	27.8	4.1	28.1	4.0
Others	16.6	2.6	16.1	2.4	17.2	2.7	21.2	3.1	23.1	3.3
Total	644.4	100.0	683.6	100.0	632.2	100.0	683.6	100.0	709.3	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)

	2021	As % of 2021 Total	2022	As % of 2022 Total	2023	As % of 2023 Total	2024	As % of 2024 Total	2025(2)	As % of 2025 Total(2)
	(billions of dollars, except percentages)									
Industrial Materials and Fuels	302.6	49.2	393.8	53.8	328.4	51.1	308.3	48.8	285.6	45.2
Crude Petroleum	67.0	10.9	106.0	14.5	86.2	13.4	85.4	13.5	75.3	11.9
Mineral	33.3	5.4	31.3	4.3	27.1	4.2	25.9	4.1	28.0	4.4
Chemicals	60.4	9.8	70.2	9.6	64.8	10.1	55.5	8.8	54.5	8.6
Iron & Steel Products	22.2	3.6	22.7	3.1	21.3	3.3	20.5	3.2	18.2	2.9
Non-ferrous Metal	18.4	3.0	19.5	2.7	15.9	2.5	15.9	2.5	16.8	2.7
Others	101.3	16.5	144.1	19.7	113.1	17.6	105.1	16.6	92.8	14.7
Capital Goods	212.8	34.6	228.9	31.3	211.5	32.9	222.1	35.1	237.5	37.6
Machinery & Precision Equipment	70.0	11.4	68.6	9.4	66.1	10.3	67.8	10.7	75.1	11.9
Electric & Electronic Machines	127.6	20.7	144.8	19.8	129.3	20.1	135.4	21.4	143.8	22.8
Transport Equipment	13.0	2.1	13.2	1.8	13.7	2.1	16.3	2.6	15.9	2.5
Others	2.2	0.4	2.3	0.3	2.4	0.4	2.5	0.4	2.7	0.4
Consumer Goods	99.6	16.2	108.7	14.9	102.7	16.0	101.4	16.1	108.7	17.2
Cereals	8.9	1.4	11.3	1.5	9.8	1.5	8.7	1.4	7.9	1.2
Goods for Direct Consumption	25.7	4.2	29.0	4.0	27.5	4.3	27.7	4.4	29.1	4.6
Durable Consumer Goods	42.2	6.9	42.8	5.9	40.7	6.3	40.4	6.4	47.6	7.5
Nondurable Consumer Goods	22.8	3.7	25.6	3.5	24.7	3.8	24.6	3.9	24.1	3.8
Total	615.1	100.0	731.4	100.0	642.6	100.0	631.8	100.0	631.9	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 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.

In 2024, the Republic recorded a trade surplus of US$51.8 billion. Exports increased by 8.1% to US$683.6 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 1.7% to US$631.8 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, in 2025, the Republic recorded a trade surplus of US$77.4 billion. Exports increased by 3.8% to US$709.3 billion in 2025 from US$683.6 billion in 2024, primarily due to substantial growth in demand for semiconductor products globally. Imports increased slightly to US$631.9 billion in 2025 from US$631.8 billion in 2024, primarily due to an increase in imports of semiconductor manufacturing equipment.

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

Exports

	2021	As % of 2021 Total	2022	As % of 2022 Total	2023	As % of 2023 Total	2024	As % of 2024 Total	2025[1]	As % of 2025 Total[1]
	(millions of dollars, except percentages)									
China	162,913.0	25.3	155,789.4	22.8	124,817.7	19.7	133,011.4	19.5	130,781.5	18.4
United States	95,902.0	14.9	109,765.7	16.1	115,696.3	18.3	127,761.4	18.7	122,850.9	17.3
Japan	30,061.8	4.7	30,606.3	4.5	29,000.6	4.6	29,607.2	4.3	28,307.9	4.0
Hong Kong	37,467.1	5.8	27,651.2	4.0	25,193.6	4.0	35,021.6	5.1	34,831.5	4.9
Singapore	14,148.5	2.2	20,205.4	3.0	18,752.0	3.0	18,224.2	2.7	19,552.9	2.8
Vietnam	56,728.5	8.8	60,963.7	8.9	53,479.5	8.5	58,323.0	8.5	62,775.1	8.8
Taiwan	24,285.3	3.8	26,198.2	3.8	20,178.8	3.2	33,969.1	5.0	49,070.1	6.9
India	15,603.3	2.4	18,870.1	2.8	17,949.6	2.8	18,696.1	2.7	19,230.7	2.7
Indonesia	8,550.3	1.3	10,215.9	1.5	9,140.2	1.4	7,948.3	1.2	6,994.7	1.0
Mexico	11,290.2	1.8	12,654.2	1.9	12,222.0	1.9	13,604.2	2.0	12,056.3	1.7
Australia	9,750.5	1.5	18,753.0	2.7	17,791.4	2.8	15,597.9	2.3	14,173.6	2.0
Germany	11,109.9	1.7	10,067.7	1.5	10,317.1	1.6	9,037.0	1.3	9,273.7	1.3
Others[2]	166,590.0	25.9	181,844.0	26.6	177,687.0	28.1	182,808.1	26.7	199,431.1	28.1
Total	644,400.4	100.0	683,584.8	100.0	632,225.8	100.0	683,609.5	100.0	709,330.0	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

	2021	As % of 2021 Total	2022	As % of 2022 Total	2023	As % of 2023 Total	2024	As % of 2024 Total	2025[1]	As % of 2025 Total[1]
	(millions of dollars, except percentages)									
China	138,628.1	22.5	154,576.3	21.1	142,857.3	22.2	139,878.5	22.1	141,951.0	22.5
Japan	54,642.2	8.9	54,711.8	7.5	47,656.5	7.4	47,593.8	7.5	48,908.5	7.7
United States	73,213.4	11.9	81,784.7	11.2	71,272.0	11.1	72,132.3	11.4	73,366.0	11.6
Saudi Arabia	24,271.3	3.9	41,640.3	5.7	32,762.5	5.1	31,449.8	5.0	27,431.8	4.3
Qatar	11,611.1	1.9	16,567.2	2.3	14,998.9	2.3	14,208.3	2.2	9,923.5	1.6
Australia	32,918.0	5.4	44,929.4	6.1	32,823.0	5.1	29,954.7	4.7	32,091.0	5.1
Germany	21,996.3	3.6	23,614.9	3.2	23,611.2	3.7	22,292.2	3.5	21,629.1	3.4
Kuwait	8,253.9	1.3	12,401.9	1.7	9,659.0	1.5	8,849.7	1.4	7,924.1	1.3
Taiwan	23,485.8	3.8	28,274.6	3.9	24,370.6	3.8	30,224.9	4.8	32,324.4	5.1
United Arab Emirates	7,318.7	1.2	15,492.8	2.1	16,422.8	2.6	17,930.8	2.8	14,116.6	2.2
Indonesia	10,725.1	1.7	15,734.9	2.2	12,145.9	1.9	12,564.3	2.0	11,303.9	1.8
Malaysia	10,456.2	1.7	15,249.1	2.1	15,237.1	2.4	13,981.2	2.2	15,512.7	2.5
Others[2]	197,573.3	32.1	226,391.8	31.0	198,755.3	30.9	190,706.7	30.2	195,412.8	30.9
Total	615,093.4	100.0	731,369.7	100.0	642,572.1	100.0	631,767.2	100.0	631,895.4	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 (including those resulting from the military conflicts between Iran and other countries, including the United States and Israel), and the political situation in Korea following the declaration of martial law by former President Yoon in December 2024 that led to his impeachment and subsequent removal in April 2025 and the election of Mr. Lee Jae-myung as President in June 2025, among others. 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 surpluses of US$4.2 billion in 2021 and US$4.9 billion in 2022, and non-commodities trade deficits of US$12.1 billion in 2023 and US$10.9 billion in 2024. Based on preliminary data, the Republic had non-commodities trade deficits of US$15.0 billion in 2025.

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

	December 31,				
	2021	**2022**	**2023**	**2024**	**2025**
	(millions of dollars)				
Gold	$ 4,794.8	$ 4,794.8	$ 4,794.8	$ 4,794.8	$ 4,794.9
Foreign Exchange[(1)]	438,319.2	399,043.1	395,643.3	391,889.9	402,997.4
Total Gold and Foreign Exchange	443,114.0	403,837.9	400,438.1	396,684.7	407,792.3
Reserve Position at IMF	4,634.9	4,489.5	4,627.8	4,204.9	4,372.5
Special Drawing Rights	15,369.5	14,836.3	15,082.1	14,714.1	15,889.8
Total Official Reserves	$463,118.4	$423,163.7	$420,147.9	$415,603.8	$428,054.6

(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 December 31, 2007 from US$8.9 billion as of December 31, 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 December 31, 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$463.1 billion as of December 31, 2021, primarily due to continued trade surpluses and capital inflows. The Government's foreign currency reserves decreased to US$423.2 billion as of December 31, 2022, US$420.1 billion as of December 31, 2023 and US$415.6 billion as of December 31, 2024, however, primarily in relation to the depreciation of the Won against the U.S. dollar. The Government's foreign currency reserves increased to US$428.1 billion as of December 31, 2025, primarily due to continued balance of trade surpluses and capital inflows. The amount of the Government's foreign currency reserve was US$423.7 billion as of March 31, 2026.

Government Finance

Effective January 2, 2026, the responsibility of preparing the Government budget and administering the Government's finances has been transferred from the Ministry of Economy and Finance (re-named to the Ministry of Finance and Economy in February 2026) to the Ministry of Planning and Budget, a new ministry established under the Prime Minister's Office.

Under the National Finance Act, the Government's fiscal year commences on January 1. The Government must submit the budget, which is drafted by the Minister of Planning and Budget 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.

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 revitalization of the economy. The 2024 budget anticipated a ₩44.4 trillion budget deficit.

2025 budgeted revenues increased by 4.7% to ₩600.3 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 7.0% to ₩661.1 trillion from ₩617.7 trillion in 2024, led by increases in budgeted expenditures on revitalization of the economy, including through supplementary budgets. The 2025 budget anticipated a ₩60.8 trillion budget deficit.

Based on preliminary data, 2026 budgeted revenues increased by 5.6% to ₩633.9 trillion from ₩600.3 trillion in 2025, led by increases in budgeted tax revenues (including taxes on income, profits and capital gains). 2026 budgeted expenditures and net lending increased by 3.8% to ₩686.6 trillion from ₩661.1 trillion in 2025, led by increases in budgeted expenditures on revitalization of the economy. The 2026 budget anticipated a ₩52.7 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 2026, 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	2024	2025	2026[1]
				(billions of Won)				
Total Revenues	446,628	537,619	588,332	543,586	560,088	573,261	600,296	633,871
Current Revenues	443,694	534,999	585,325	539,887	556,122	569,507	592,008	629,053
Total Tax Revenues	360,129	422,182	479,384	432,989	429,335	459,643	468,581	492,274
Taxes on income, profits and capital gains	148,622	184,509	232,319	196,253	179,929	203,425	210,386	218,568
Social security contributions	74,583	78,104	83,444	88,918	92,802	92,329	96,496	102,040
Tax on property	22,735	31,392	27,696	25,311	24,243	24,149	23,411	27,015
Taxes on goods and services	91,047	99,840	105,828	97,008	105,610	110,503	109,288	115,596
Taxes on international trade and transaction	7,059	8,227	10,324	7,288	6,972	8,907	8,409	7,221
Other tax	16,084	20,110	19,773	18,211	19,778	20,330	20,591	21,833
Non-Tax Revenues	83,565	112,818	105,941	106,898	126,787	109,864	123,427	136,780
Operating surpluses of departmental enterprise sales and property income	33,571	56,664	47,459	42,537	56,969	41,432	53,223	61,679
Administration fees & charges and non-industrial sales	9,929	10,865	11,434	12,428	12,787	13,357	13,913	15,062
Fines and forfeits	23,583	26,993	28,276	29,752	32,997	30,829	31,132	34,422
Contributions to government employee pension fund	13,876	14,918	16,348	18,149	19,988	20,322	21,196	22,010
Current revenue of non-financial public enterprises	2,606	3,378	2,425	4,032	4,046	3,925	3,964	3,607
Capital Revenues	2,934	2,620	3,007	3,700	3,966	3,754	8,288	4,818
Total Expenditures and Net Lending	517,781	568,113	652,902	580,354	603,609	617,664	661,124	686,564
Total Expenditures	489,966	538,034	622,997	559,707	580,113	593,643	639,168	665,473
Current Expenditures	455,098	502,191	585,593	523,270	542,859	553,669	598,070	623,402
Expenditure on goods and service	79,460	88,144	89,759	90,389	93,217	98,053	99,743	104,783
Interest payment	14,452	15,431	18,481	22,362	26,310	24,968	27,961	31,751
Subsidies and other current transfers	357,295	395,826	473,661	405,733	417,643	425,078	464,799	481,748
Current expenditure of non-financial public enterprises	3,891	2,790	3,692	4,785	5,688	5,570	5,567	5,119
Capital Expenditures	34,868	35,842	37,404	36,437	37,254	39,974	41,099	42,071
Net Lending	27,815	30,079	29,905	20,647	23,496	24,021	21,955	21,092

(1) Preliminary.

Source: Ministry of Finance and Economy; 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 organizations 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 labor, 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 defense, 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. The Republic had a fiscal deficit of ₩36.8 trillion in 2023.

For 2024, the Republic recorded total revenues of ₩560.1 trillion and total expenditures and net lending of ₩603.6 trillion. 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 December 31, 2023 amounted to approximately ₩1,102.1 trillion, an increase of 5.6% over the previous year.

The Government estimates that the total outstanding debt of the Government (including guarantees by the Government) as of December 31, 2024 amounted to approximately ₩1,150.9 trillion, an increase of 4.4% over the previous year.

Effective January 2, 2026, the responsibility of administering the national debt of the Republic has been transferred from the Ministry of Finance and Economy to the Ministry of Planning and Budget.

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 December 31, 2025:

Direct External Debt of the Government

	Amount in Original Currency	Equivalent Amount in U.S. Dollars[1]
	(millions)	
US$	US$7,125.0	US$7,125.0
Euro (EUR)	EUR2,100.0	2,467.1
Total		US$9,592.1

(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 December 31, 2025.

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

Direct Internal Debt of the Government

	(billions of Won)
2020	808,941.0
2021	927,865.2
2022	1,021,574.4
2023	1,080,844.4
2024	1,128,191.5

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

Guarantees by the Government

	December 31,				
	2020	2021	2022	2023	2024
	(billions of Won)				
Domestic	12,490.0	10,930.0	10,620.0	10,460.0	10,960.0
External[1]	–	–	–	–	–
Total	12,490.0	10,930.0	10,620.0	10,460.0	10,960.0

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

	December 31,				
	2021	2022	2023	2024	2025[1]
	(billions of dollars)				
Long-term Liabilities	465.6	499.3	535.9	526.4	587.8
General Government	144.4	153.2	170.8	160.6	199.8
Monetary Authorities	35.9	25.0	22.5	23.4	24.9
Banks	128.1	146.8	147.6	137.0	136.4
Other Sectors	157.2	174.2	194.9	205.3	226.8
Short-term Liabilities	165.1	174.0	141.5	146.5	179.0
General Government	1.6	3.9	1.6	2.5	9.3
Monetary Authorities	9.7	4.7	3.9	3.3	4.2
Banks	124.3	129.7	102.6	107.3	123.5
Other Sectors	29.6	35.6	33.4	33.5	42.1
Total External Liabilities	630.7	673.3	677.3	672.9	766.9

(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 amortization 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 December 31, 2025
2014-001	June 10, 2014	June 10, 2044	4.125	USD	1,000,000,000	1,000,000,000
2017-001	January 19, 2017	January 19, 2027	2.750	USD	1,000,000,000	1,000,000,000
2018-001	September 20, 2018	September 20, 2028	3.500	USD	500,000,000	500,000,000
2018-002	September 20, 2018	September 20, 2048	3.875	USD	500,000,000	500,000,000
2019-001	June 19, 2019	June 19, 2029	2.500	USD	1,000,000,000	1,000,000,000
2020-001	September 16, 2020	September 16, 2030	1.000	USD	625,000,000	625,000,000
2021-001	October 15, 2021	October 15, 2026	0.000	EUR	700,000,000	700,000,000
2021-002	October 15, 2021	October 15, 2031	1.750	USD	500,000,000	500,000,000
2024-001	July 3, 2024	July 3, 2029	4.500	USD	1,000,000,000	1,000,000,000
2025-001	July 3, 2025	July 3, 2028	2.250	EUR	700,000,000	700,000,000
2025-002	July 3, 2025	July 3, 2032	2.875	EUR	700,000,000	700,000,000
2025-003	October 29, 2025	October 29, 2030	3.625	USD	1,000,000,000	1,000,000,000
Total External Bonds in Original Currencies						USD 7,125,000,000
						EUR 2,100,000,000
Total External Bonds in Equivalent Amount of Won[(1)]						₩13,763,632,500,000

(1) U.S. dollar amounts are converted to Won amounts at the rate of US$1.00 to ₩1,434.9, the market average exchange rate in effect on December 31, 2025, as announced by Seoul Money Brokerage Services, Ltd. Euro amounts are converted to Won amounts at the rate of EUR 1.00 to ₩1,685.7, the market average exchange rate in effect on December 31, 2025, 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 December 31, 2024
	(%)			(billions of Won)
1. Bonds				
Interest-Bearing Treasury Bond for Treasury Bond Management Fund	0.750-5.750	2006-2024	2025-2074	1,047,874.2
Interest-Bearing Treasury Bond for National Housing I	1.000-1.750	2015-2024	2020-2029	79,100.9
Interest-Bearing Treasury Bond for National Housing II	0.0	2009-2017	2019-2029	1.9
Interest-Bearing Treasury Bond for National Housing III	–	–	–	0
Non-interest-Bearing Treasury Bond for Contribution to International Organizations[1]	0	1967-1985	–	9.4
Total Bonds				1,126,986.5
2. Borrowings				
Borrowings from The Bank of Korea	–	–	–	0
Borrowings from the Sports Promotion Fund	2.875-3.665	2023-2024	2025-2029	960.0
Borrowings from The Korea Foundation Fund	–	–	–	0
Borrowings from the Labor Welfare Promotion Fund	2.920-2.935	2024	2025	50.0
Borrowings from Korea Technology Finance Corporation	2.870-3.100	2024	2026	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				1,128,191.5

(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 December 31, 2024
	(%)			(billions of Won)
1. Bonds of Government-Affiliated Corporations				
Korea Deposit Insurance Corporation	–	–	–	0
Korea Student Aid Foundation	1.230-5.480	2011-2024	2025-2044	10,350.0
Supply Chain Resilience Fund	2.820-2.960	2024	2026-2027	400.0
Key Industry Stabilization Fund	1.450-2.190	2020-2021	2025	210.0
Total Internal Guaranteed Debt				10,960.0

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

Korean Taxation

The information provided below does not purport to be a complete summary of Korean tax law and practice currently applicable. Prospective investors who are in any doubt as to their tax position should consult with their own professional advisers.

The taxation of non-resident individuals and non-Korean corporations (**Non-Residents**) depends on whether they have a **Permanent Establishment** (as defined under Korean law and applicable tax treaty) in Korea to which the relevant Korean source income is attributable or with which such income is effectively connected. Non-Residents without such a Permanent Establishment in Korea are taxed in the manner described below. Non-Residents with such Permanent Establishments are taxed in accordance with different rules.

Tax on Interest

In principle, interest paid to a Non-Resident by a Korean company is subject to withholding of Korean income tax or corporation tax unless exempted by relevant laws or tax treaties.

The Special Tax Treatment Control Law (the **STTCL**) exempts interest on bonds or notes (including the Notes) denominated in a foreign currency issued outside of Korea by a Korean corporation (excluding payments to a Korean resident, Korean corporation or a Permanent Establishment of a foreign corporation) from Korean income tax or corporation tax. The local income tax referred to below is also therefore eliminated. The term "bonds or notes denominated in a foreign currency issued outside of Korea" in this context is not defined under the STTCL. However, pursuant to an authoritative interpretation released in 2019 by the Korean tax authorities, "overseas issuance" under the STTCL constitutes a series of actions, including the filing and acceptance of investment reports, payment procedures, investment recommendations, public offerings, private placements, public sales, subscriptions, solicitation of bonds and execution of agreements, taken place overseas in connection with the issuance of foreign currency denominated bonds, where the investors of the bonds are Non-Residents.

Accordingly, if not exempt under the STTCL, interest on the Notes will be subject to withholding of Korean income tax or corporation tax at the rate of 14 per cent. for a Non-Resident. In addition, a local income tax is imposed at the rate of 10 per cent. of the income tax or corporation tax (raising the total tax rate to 15.4 per cent.).

Tax is withheld by the payer of the interest and a Non-Resident who had suffered the withholding of Korean tax is entitled to claim a refund of any over-withheld tax directly from the Korean tax authorities with satisfactory evidence within five years from the eleventh day of the month following the month in which the payments of interest have been made.

Tax rates may be reduced or exempted by applicable tax treaties, conventions or agreements between Korea and the country of the recipient of the interest. The relevant tax treaties are summarised below.

For a Non-Resident to obtain the benefits of treaty-reduced tax rates on Korean source interest under an applicable tax treaty, Korean tax law requires such Non-Resident (or its agents) to submit to the payer of such interest an application for entitlement to reduced tax rates together with the documents proving the beneficial owner of such Korean source income, including such evidence of the Non-Resident's tax residence as the Korean tax authorities may require in support of the claim for treaty protection prior to receipt of such Korean source income. Subject to certain exceptions, an overseas investment vehicle (which is defined as an organisation established in a foreign jurisdiction that manages funds collected through investment solicitation by way of

acquiring, disposing or otherwise investing in proprietary targets and then distributes the outcome of such management to investors) must collect from each of its beneficial owners an application for entitlement to reduced tax rates and submit a report of overseas investment vehicle to the payer of the interest, together with a detailed statement on the beneficial owner of the income and its beneficial owners' application for entitlement to reduced tax rate. The payer (or withholding agent) is required to submit such application (together with the report of overseas investment vehicle and a detailed statement on the beneficial owner of the income in the case of income paid to an overseas investment vehicle) to the relevant district tax office by the end of February of the year following the year in which the relevant income payment date falls.

Further, in order to obtain a benefit of tax exemption available under an applicable tax treaty, a Non-Resident should submit an application for tax exemption to the payer of Korean source interest, which payer should in turn submit such application for tax exemption to the relevant Korean tax authority by the ninth day of the month following the month in which the first payment occurred together with the documents proving the beneficial owner of such Korean source income, including a certificate of the Non-Resident's tax residence issued by a competent authority of the Non-Resident's residence country. If the amount of tax reduction or exemption (including the amount of reduction or exemption within the period of one year retroactively from the last day of the month in which the interest payment date falls) for a non-resident corporation is 1 billion Won or more, such non-resident corporation must additionally submit (i) the names and addresses of the members of its board of directors, (ii) personal details and current equity holdings of its shareholders and (iii) its financial statements (including the documents attached to its financial statements), tax returns or audit reports for the past three years, in each case submitted to the tax authorities of its country of residence (or, if the entity has been in existence for less than three years, such documents since incorporation). These documents must generally be submitted along with a Korean translation, unless the Korean tax authority approves submission of the original documents in English. Subject to certain exceptions, an overseas investment vehicle must collect from each of its beneficial owners an application for tax exemption, together with the documents proving the beneficial owner of such Korean source income, including a certificate of tax residence of the beneficial owner and submit a report of overseas investment vehicle to the payer of the interest, together with a detailed statement on the beneficial owner of the income and its beneficial owners' applications for tax exemption. However, this requirement does not apply to any exemption under Korean tax law.

In addition, starting from January 1, 2020, if such overseas investment vehicle is deemed as a beneficial owner, it is required to submit to the payer of such Korean source income a report of overseas investment vehicle including a schedule of investors in each country, together with the aforementioned application (i.e., application for entitlement to reduced tax rates or application for tax exemption) and the certificate of tax residence in order to receive the benefit of treaty-reduced tax rates or tax exemption pursuant to an applicable tax treaty. Further, starting from January 1, 2022, an overseas investment vehicle is deemed to be a beneficial owner of the Korean source income if (i) under the applicable tax treaty, the overseas investment vehicle bears tax liabilities in the country where it is established, or the overseas investment vehicle is deemed to be the beneficial owner of the Korean source income; and (ii) the Korean source income is eligible for the treaty benefits under the tax treaty. The benefits under a tax treaty between Korea and the country of such overseas investment vehicle's residence will apply with respect to the relevant income paid to such overseas investment vehicle, subject to certain application requirements as prescribed by Korean tax laws.

Tax on Capital Gains

Korean tax laws currently exclude from Korean taxation gains made by a Non-Resident without a Permanent Establishment in Korea from the sale of Notes to Non-Residents (unless the sale is to the Non-Resident's Permanent Establishment in Korea). In addition, capital gains earned by Non-Residents from the transfer of Notes taking place outside of Korea are currently exempt from taxation by virtue of the STTCL provided that the offering of the Notes is deemed to be an overseas issuance under the STTCL.

If the exclusion or exemption from Korean taxation referred to above ceases to be in effect, in the absence of an applicable treaty or any other special tax laws reducing or eliminating capital gains tax, the applicable rate of tax would be the lower of 11 per cent. (including local income tax) of the gross realisation proceeds (the **Gross Realisation Proceeds**) or (subject to the production of satisfactory evidence of the acquisition cost and certain direct transaction costs of the relevant Korean securities) 22 per cent. (including local income tax) of the gain made. The gain is calculated as the Gross Realisation Proceeds less the acquisition cost and certain direct transaction costs. There is no provision under relevant Korean law for offsetting gains and losses or otherwise aggregating transactions for the purpose of computing the net gain attributable to sales of Korean securities. Unless the seller can claim the benefit of an exemption or a reduced rate of tax under an applicable treaty or in the absence of the seller producing satisfactory evidence of its acquisition cost and certain direct transaction costs in relation to the Korean securities being sold, the purchaser or the securities company, as applicable, must withhold an amount equal to 11 per cent. (including local income tax) of the Gross Realisation Proceeds. Any withheld tax must be paid no later than the tenth day of the month following the month in which the payment for the purchase of the relevant Korean securities occurred. Failure to timely transmit the withheld tax to the Korean tax authorities technically subjects the purchaser or the securities company to penalties under Korean tax law.

In order to obtain the benefit of reduced rates of withholding tax under an applicable tax treaty, a Non-Resident seller should submit to the purchaser prior to or at the time of payment an application for entitlement to reduced tax rates together with the documents proving the beneficial owner of such Korean source income, including such evidence of tax residence of the seller as the Korean tax authorities may require in support of the claim for treaty protection. Subject to certain exceptions, an overseas investment vehicle must collect from each of its beneficial owners an application for entitlement to reduced tax rates and submit a report of overseas investment vehicle to the purchaser, together with a detailed statement on the beneficial owner of the income and its beneficial owners' application for entitlement to reduced tax rates. The payer (or withholding agent) is required to submit such application (together with the report of overseas investment vehicle and a detailed statement on the beneficial owner of the income in the case of income paid to an overseas investment vehicle) to the relevant district tax office by the end of February of the year following the year in which the relevant income payment date falls. Further, Korean tax law requires a Non-Resident seller to submit to the purchaser or the securities company, as applicable, the application for tax exemption with the documents proving the beneficial owner of such Korean source income, including a certificate of tax residence of the Non-Resident seller issued by a competent authority of the Non-Resident seller's country of residence. Such purchaser or securities company should in turn submit such application for tax exemption to the relevant Korean tax authority by the ninth day of the month following the month in which the first payment occurred in order to obtain the benefit of a tax treaty exemption. Subject to certain exceptions, an overseas investment vehicle must collect from each of its beneficial owners an application for tax exemption, together with the documents proving the beneficial owner of such Korean source income, including a certificate of tax residence of the beneficial owner and submit a report of overseas investment vehicle to the purchaser or the securities company, as the case may be, together with a detailed statement on the beneficial owner of the income and its beneficial owners' applications for tax exemption. However, this requirement will not be applied to the exemption under Korean tax law.

In addition, starting from January 1, 2020, if such overseas investment vehicle is deemed as a beneficial owner, it is required to submit to the payer of such Korean source income a report of overseas investment vehicle including a schedule of investors in each country, together with the aforementioned application (i.e., application for entitlement to reduced tax rates or application for exemption) and the certificate of tax residence in order to receive the benefit of treaty-reduced tax rates or tax exemption pursuant to an applicable tax treaty. Further, starting from January 1, 2022, an overseas investment vehicle is deemed to be a beneficial owner of the Korean source income if (i) under the applicable tax treaty, the overseas investment vehicle bears tax liabilities in the country where it is established, or the overseas investment vehicle is deemed to be the beneficial owner of the Korean source income; and (ii) the Korean source income is eligible for the treaty benefits under the tax treaty. The benefits under a tax treaty between Korea and the country of such overseas investment vehicle's residence

will apply with respect to the relevant income paid to such overseas investment vehicle, subject to certain application requirements as prescribed by Korean tax laws.

Inheritance Tax and Gift Tax

Korean inheritance tax is imposed upon (1) all assets (wherever located) of the deceased if at the time of death the deceased was domiciled or resided in Korea for at least 183 days immediately prior to death and (2) all property located in Korea which passes on death (irrespective of the domicile of the deceased). Gift tax is imposed in similar circumstances to the above. The taxes are imposed if the value of the relevant property is above a certain limit and the tax amount varies from the rate of 10 to 50 per cent. according to the value of the relevant property and the identity of the persons involved. At present, Korea has not entered into any tax treaties regarding its inheritance or gift taxes.

Under Korean inheritance and gift tax laws, notes issued by Korean corporations are deemed located in Korea irrespective of where they are physically located or by whom they are owned.

Stamp Duty

No stamp, issue or registration duties will be payable in Korea by the holders of the Notes in connection with the issue of the Notes except for a nominal amount of stamp duty on certain documents executed in Korea. No securities transaction tax will be imposed on the transfer of the Notes.

Tax Treaties

At the date of this Offering Circular, Korea has tax treaties with, inter alia, Albania, Algeria, Australia, Austria, Azerbaijan, Bangladesh, Belarus, Belgium, Brazil, Bulgaria, Canada, Chile, China, Croatia, the Czech Republic, Denmark, Egypt, Estonia, Fiji, Finland, France, Germany, Greece, Hungary, Iceland, India, Indonesia, Iran, Ireland, Israel, Italy, Japan, Jordan, Kazakhstan, Kuwait, the Lao People's Democratic Republic, Latvia, Lithuania, Luxembourg, Malaysia, Malta, Mexico, Mongolia, Morocco, Myanmar, Nepal, the Netherlands, New Zealand, Norway, Oman, Pakistan, Panama, Papua New Guinea, the Philippines, Poland, Portugal, Qatar, Romania, Russia, Saudi Arabia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Thailand, Tunisia, Turkey, Ukraine, the United Arab Emirates, the United Kingdom, the United States of America, Uruguay, Uzbekistan, Venezuela and Vietnam. Under these treaties, the rate of withholding tax on interest generally is reduced to a rate ranging from 5 per cent. to 16.5 per cent. (including local income tax) and the tax on capital gains is often eliminated.

Each holder of the Notes should inquire whether he or she is entitled to the benefit of a tax treaty with Korea with respect to any transaction involving the Notes. It is the responsibility of the party claiming the benefits of a tax treaty in respect of interest payments to file with the Company, the purchaser or the securities company, as applicable, a certificate as to his or her tax residence. In the absence of sufficient proof, the Company, the purchaser or the securities company, as applicable, must withhold taxes in accordance with the above discussion.

United Kingdom Taxation

The comments below are of a general nature and are not intended to be exhaustive. They assume that there will be no substitution of the Bank and do not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the terms and conditions of the Notes). Any holders of the Notes who are in doubt as to their own tax position should consult their professional advisers.

Additionally, the comments in this section are based on current United Kingdom tax law and HM Revenue & Customs published practice (which may not be binding on HM Revenue & Customs), in each case as at the latest practicable date before the date of this Offering Circular.

References in this section to "interest" shall mean amounts that are treated as interest for the purposes of United Kingdom taxation.

Interest on the Notes

The Notes will constitute "quoted Eurobonds" within the meaning of Section 987 Income Tax Act 2007 ("ITA") provided that they carry a right to interest and are, and continue to be, listed on a recognised stock exchange, within the meaning of Section 1005 ITA, such that payments of interest by the Bank acting through its London Branch may be made without withholding or deducting for or on account of United Kingdom income tax. The Singapore Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the Singapore Stock Exchange if they are both admitted to trading on the Singapore Stock Exchange and are officially listed on the Main Board or Bond Market of Singapore Exchange Securities Trading Limited.

Payments of interest by the Bank acting through its London Branch may be made without withholding or deducting for or on account of United Kingdom income tax provided that it is, and continues to be, a bank within the meaning of Section 991 ITA, and the interest on the Notes is paid in the ordinary course of its business within the meaning of Section 878 ITA.

In all other cases, interest paid by the Bank acting through its London Branch will generally be paid under deduction of United Kingdom income tax at the basic rate (currently 20%, due to rise to 22% with effect from April 2027), subject to the availability of other reliefs under domestic law or to any direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

Hong Kong Taxation

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(i) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;

(ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;

(iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the **IRO**)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Pursuant to the Exemption from Profits Tax (Interest Income) Order, interest income accruing to a person other than a financial institution, on deposits (denominated in any currency and whether or not the deposit is evidenced by a certificate of deposit) placed with, inter alia, an authorized institution in Hong Kong (within the meaning of section 2 of the Banking Ordinance (Cap. 155) of Hong Kong) is exempt from the payment of Hong Kong profits tax. This exemption does not apply, however, to deposits that are used to secure or guarantee money borrowed in certain circumstances. Based on the definition of "deposit" in the Banking Ordinance (Cap. 155) of Hong Kong and provided no prospectus involving the issue of the Notes is registered under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, the issue of the Notes by the Bank is likely to constitute a deposit to which the above exemption from payment will apply.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

In addition, with effect from 1 January 2024, pursuant to various foreign-sourced income exemption legislation in Hong Kong (the **FSIE Amendments**), certain specified foreign-sourced income (including interest, dividend, disposal gain (but excluding gains arising from the redemption of debt instruments) and intellectual property income, in each case, arising in or derived from a territory outside Hong Kong) accrued to an MNE entity (as defined in the FSIE Amendments) carrying on a trade, profession or business in Hong Kong may be regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong unless one of the applicable statutory exemptions is satisfied. The FSIE Amendments also provide for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

Stamp duty will not be payable on the issue of Bearer Notes provided that either:

(i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (the **SDO**)).

If stamp duty is payable, it is payable by the Bank on the issue of Bearer Notes at a rate of 3% of the market value of the Bearer Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes provided that either:

(i) such Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) such Registered Notes constitute loan capital (as defined in the SDO).

Notwithstanding the above, no stamp duty is payable on the transfer of a regulatory capital security (as defined in Section 17A of the IRO.

With effect from 17 November 2023, if stamp duty applies to the transfer of Registered Notes required to be registered in Hong Kong and which are not otherwise exempt it will be payable at the rate of 0.2% (of which 0.1% is payable by the seller and 0.1% is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

U.S. Tax Considerations

General

The following is a general summary of certain U.S. federal income tax considerations that may be relevant with respect to the purchase, ownership and disposition of the Notes by a U.S. Holder (as defined below). This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the **Code**), U.S. Treasury regulations and judicial and administrative interpretations thereof, in each case as in effect or available on the date of this Offering Circular. All of the foregoing is subject to change, and any such change may apply retroactively and could affect the tax consequences described below. In general, this summary assumes that holders acquire the Notes at original issuance and will hold the Notes as capital assets. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase Notes. In particular, it does not discuss special tax considerations that may apply to certain types of taxpayers, including, without limitation, the following: (i) financial institutions; (ii) insurance companies; (iii) dealers or traders in stocks, securities, notional principal contracts or currencies; (iv) tax-exempt entities; (v) real estate investment trusts; (vi) regulated investment companies; (vii) persons that will hold the Notes as part of a "hedging" or "conversion" transaction or as a position in a "straddle" or as part of a "synthetic security" or other integrated transaction for U.S. federal income tax purposes; (viii) persons that own (or are deemed to own) 10 per cent. or more of the voting shares or the total value of all of the shares of the Issuer; (ix) partnerships, pass-through entities, or persons that hold Notes through partnerships or pass-through entities; (x) persons that have a "functional currency" other than the U.S. dollar; and (xi) certain U.S. expatriates and former long-term residents of the United States. In addition, this summary does not address alternative minimum tax consequences or the indirect effects on the holders of interests in a holder of Notes. This summary also does not describe any tax consequences arising under the laws of any taxing jurisdiction other than the U.S. federal government, and does not address consequences arising

under state, local or foreign tax laws, the Medicare tax on net investment income or the special timing rules prescribed under section 451(b) of the Code. Investors should consult their own tax advisers in determining the tax consequences to them of holding Notes under such tax laws, as well as the application to their particular situation of the U.S. federal income tax considerations discussed below.

Each prospective investor should consult its own tax adviser with respect to the U.S. federal, state, local and foreign tax consequences of acquiring, owning or disposing of the Notes.

As used in this section, the term **U.S. Holder** means a beneficial owner of Notes that is a citizen or resident of the United States or a domestic corporation or that otherwise is subject to United States federal income taxation on a net income basis in respect of the Notes. If a partnership holds Notes, the tax treatment of a partner generally will depend upon the status of the partner and upon the activities of the partnership. Partners of partnerships holding Notes should consult their own tax advisers.

This summary should be read in conjunction with the discussion of U.S. tax consequences to holders in the applicable Pricing Supplement. To the extent there is any inconsistency in the discussion of U.S. tax consequences to holders between this Offering Circular and the applicable Pricing Supplement, holders should rely on the tax consequences described in the applicable Pricing Supplement instead of this Offering Circular. ***Any special U.S. federal income tax considerations relevant to a particular issue of Notes, including any Index Linked Notes, Dual Currency Notes, Notes denominated in a currency other than the U.S. dollar, Notes with maturities of one year or less, Subordinated Notes (including Tier I Subordinated Notes and Tier II Subordinated Notes) and Notes issued at a discount (including original issue discount) or a premium, or treated as such for U.S. federal income tax purposes, will be provided in the applicable Pricing Supplement.***

This summary assumes that the Issuer will issue the Notes through its principal office in Korea. If the Issuer issues Notes through a non-U.S. branch outside Korea, certain additional U.S. federal income tax considerations relevant to the particular issue of Notes may be addressed in the applicable Pricing Supplement. If the Issuer issues Notes through a U.S. branch, the tax considerations relevant to United States holders and non-United States holders will be addressed in the applicable Pricing Supplement. The Issuer will not issue Bearer Notes through a U.S. branch.

Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Code. Because Bearer Notes cannot be offered or sold in connection with their initial distribution to U.S. citizens or residents (or to other persons located in the United States), this summary does not address the U.S. federal income tax consequences of investing in Bearer Notes.

Taxation of U.S. Holders of the Senior Notes

This section deals only with Senior Notes that are treated as debt for U.S. federal income tax purposes with a term of 30 years or less. Any material U.S. federal income tax consequences of owning Senior Notes with a term longer than 30 years or Senior Notes that are or may be treated as equity for U.S. federal income tax purposes will be discussed in the applicable Pricing Supplement.

Payments of Interest

Interest paid on a Senior Note will be taxable to a U.S. Holder as ordinary interest income at the time it is received or accrued, depending on the U.S. Holder's method of accounting for U.S. federal income tax purposes. Interest income on the Senior Notes and payments of additional amounts (if any) will be treated as foreign source income for U.S. federal income tax purposes, which may be relevant in calculating a U.S. Holder's foreign tax credit limitation for U.S. federal income tax purposes. The U.S. foreign tax credit limitation is calculated separately with respect to specific categories of income.

Additional Amounts and Foreign Tax Credits

Although interest payments to a U.S. Holder are generally currently exempt from Korean taxation unless such U.S. Holder has a permanent establishment in Korea, (see "– Korean Taxation" above) if the Korean law providing for the exemption is repealed or otherwise limited with respect to the Senior Notes held by such U.S. Holder, then in addition to interest on the Senior Notes, such U.S. Holder would be required to include in income any additional amounts received and any tax withheld from interest payments, notwithstanding that such tax withheld is not in fact received by such U.S. Holder. Subject to generally applicable limitations and conditions, Korean interest withholding tax paid at the appropriate rate applicable to the U.S. Holder may be eligible for credit against such U.S. Holder's U.S. federal income tax liability. These generally applicable limitations and conditions include requirements adopted by the IRS in regulations promulgated in December 2021 and any Korean tax will need to satisfy these requirements in order to be eligible to be a creditable tax for a U.S. Holder. In the case of a U.S. Holder that consistently elects to apply a modified version of these rules under temporary guidance and complies with specific requirements set forth in such guidance, the Korean tax on interest will be treated as meeting the requirements and therefore as a creditable tax. In the case of all other U.S. Holders, the application of these requirements to the Korean tax on interest is uncertain and the Bank has not determined whether these requirements have been met. If the Korean interest tax is not a creditable tax or the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes, the U.S. Holder may be able to deduct the Korean tax in computing such U.S. Holder's taxable income for U.S. federal income tax purposes. Interest and additional amounts will constitute income from sources without the United States and, for U.S. Holders that elect to claim foreign tax credits, generally will constitute "passive category income" for foreign tax credit purposes.

The availability and calculation of foreign tax credits and deductions for foreign taxes depend on a U.S. Holder's particular circumstances and involve the application of complex rules to those circumstances. The temporary guidance discussed above also indicates that the Treasury and the IRS are considering proposing amendments to the December 2021 regulations and that the temporary guidance can be relied upon until additional guidance is issued that withdraws or modifies the temporary guidance. U.S. Holders should consult their own tax advisors regarding the application of these rules to their particular situations.

Sale, Exchange or Other Disposition

A U.S. Holder's tax basis in a Senior Note will generally equal its cost. A U.S. Holder will generally recognise gain or loss on the sale, exchange or other disposition of a Senior Note in an amount equal to the difference between the amount realised on the sale, exchange or other disposition (less any accrued interest, which will be taxable as such) and the tax basis in the Senior Note. Any gain or loss recognised by a U.S. Holder on the sale, exchange or other disposition of a Senior Note will generally be U.S.-source capital gain or loss. Prospective investors should consult their own tax advisers with respect to the treatment of capital gains (which may be taxed at lower rates than ordinary income for taxpayers who are individuals, trusts or estates that hold the Senior Notes for more than one year) and capital losses (the deductibility of which is subject to limitations).

A U.S. Holder generally will not be entitled to credit any Korean tax imposed on the sale or other disposition of the Senior Notes against such U.S. Holder's U.S. federal income tax liability, except in the case of a U.S. Holder that consistently elects to apply a modified version of the U.S. foreign tax credit rules that is permitted under temporary guidance and complies with the specific requirements set forth in such guidance. Additionally, capital gain or loss recognized by a U.S. Holder on the sale or other disposition of the Senior Notes generally will be U.S. source gain or loss for U.S. foreign tax credit purposes. Consequently, even if the withholding tax qualifies as a creditable tax, a U.S. Holder may not be able to credit the tax against its U.S. federal income tax liability unless such credit can be applied (subject to generally applicable conditions and limitations) against tax due on other income treated as derived from foreign sources. If the Korean tax is not a

creditable tax, the tax would reduce the amount realized on the sale or other disposition of the Senior Notes even if the U.S. Holder has elected to claim a foreign tax credit for other taxes in the same year. The temporary guidance discussed above also indicates that the Treasury and the IRS are considering proposing amendments to the December 2021 regulations and that the temporary guidance can be relied upon until additional guidance is issued that withdraws or modifies the temporary guidance. U.S. Holders should consult their own tax advisors regarding the application of the foreign tax credit rules to a sale or other disposition of the Senior Notes and any Korean tax imposed on such sale or disposition.

Taxation of U.S. Holders of Subordinated Notes

Characterisation of the Subordinated Notes

No statutory, judicial or administrative authority directly addresses the characterisation of the Tier I or Tier II Subordinated Notes or instruments similar to the Subordinated Notes for U.S. federal income tax purposes (specifically, debt instruments with a write-off feature). As a result, significant aspects of the U.S. federal income tax consequences of an investment in the Subordinated Notes are uncertain. The Issuer believes, however, that notwithstanding their legal form as debt, the Tier I Subordinated Notes will be, and the Tier II Subordinated Notes should be, characterised as equity for U.S. federal income tax purposes (and not as debt), and the Issuer intends, absent a change in law, to so treat the Subordinated Notes. In general, under the Code, the characterisation of an instrument for U.S. federal income tax purposes as debt or equity of a corporation by its issuer as of the time of issuance is binding on a holder unless the holder discloses on its tax return that it is taking an inconsistent position. The Issuer's characterisation, however, is not binding on the U.S. Internal Revenue Service.

Payments of Interest

Subject to the discussion below under "– PFIC Rules," payments of stated interest on the Subordinated Notes (including any tax withheld and additional amounts paid in respect thereof) will be treated as distributions on stock of the Issuer and as dividends to the extent paid out of the current or accumulated earnings and profits of the Issuer, as determined under U.S. federal income tax principles. Because the Issuer does not expect to be able to determine its earnings and profits under U.S. federal income tax principles, it is expected that distributions paid to U.S. Holders generally will be reported as dividends. Payments received by a U.S. Holder that are treated as dividends generally will not be eligible for the dividends received deduction, and will be includable in gross income on the day actually or constructively received.

Additional Amounts and Foreign Tax Credits

Although interest payments to a U.S. Holder are generally currently exempt from Korean taxation unless such U.S. Holder has a permanent establishment in Korea, (see "– Korean Taxation" above) if the Korean law providing for the exemption is repealed or otherwise limited with respect to the Subordinated Notes held by such U.S. Holder, then, subject to the discussion above under "– Payments of Interest," in addition to interest on the Subordinated Notes, such U.S. Holder would be required to include in income any additional amounts received and any tax withheld from interest payments, notwithstanding that such tax withheld is not in fact received by such U.S. Holder. Subject to generally applicable limitations and conditions, Korean interest withholding tax paid at the appropriate rate applicable to the U.S. Holder may be eligible for credit against such U.S. Holder's U.S. federal income tax liability. These generally applicable limitations and conditions include requirements adopted by the IRS in regulations promulgated in December 2021 and any Korean tax will need to satisfy these requirements in order to be eligible to be a creditable tax for a U.S. Holder. In the case of a U.S. Holder that consistently elects to apply a modified version of these rules under temporary guidance and complies with specific requirements set forth in such guidance, the Korean tax on interest will be treated as meeting the

requirements and therefore as a creditable tax. In the case of all other U.S. Holders, the application of these requirements to the Korean tax on interest is uncertain and the Bank has not determined whether these requirements have been met. If the Korean interest tax is not a creditable tax or the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes, the U.S. Holder may be able to deduct the Korean tax in computing such U.S. Holder's taxable income for U.S. federal income tax purposes.

The availability and calculation of foreign tax credits and deductions for foreign taxes depend on a U.S. Holder's particular circumstances and involve the application of complex rules to those circumstances. The temporary guidance discussed above also indicates that the Treasury and the IRS are considering proposing amendments to the December 2021 regulations and that the temporary guidance can be relied upon until additional guidance is issued that withdraws or modifies the temporary guidance. U.S. Holders should consult their own tax advisors regarding the application of these rules to their particular situations.

Sale, Exchange, Redemption or Write-off of the Subordinated Notes

Subject to the discussion below under "– PFIC Rules," a U.S. Holder will recognise capital gain or loss upon the sale, exchange, Write-off or redemption of Subordinated Notes in an amount equal to the difference between the amount realised on such disposition (or zero in the case of a Write-off) and the U.S. Holder's adjusted tax basis in the Subordinated Notes. A U.S. Holder's tax basis in a Subordinated Note generally will be the price it paid for the Note. Any capital gain or loss will be long term if the Subordinated Notes have been held for more than one year. The deductibility of capital losses is subject to limitations.

A U.S. Holder generally will not be entitled to credit any Korean tax imposed on the sale or other disposition of the Subordinated Notes against such U.S. Holder's U.S. federal income tax liability, except in the case of a U.S. Holder that consistently elects to apply a modified version of the U.S. foreign tax credit rules that is permitted under recently issued temporary guidance and complies with the specific requirements set forth in such guidance. Additionally, capital gain or loss recognized by a U.S. Holder on the sale or other disposition of the Subordinated Notes generally will be U.S. source gain or loss for U.S. foreign tax credit purposes. Consequently, even if the withholding tax qualifies as a creditable tax, a U.S. Holder may not be able to credit the tax against its U.S. federal income tax liability unless such credit can be applied (subject to generally applicable conditions and limitations) against tax due on other income treated as derived from foreign sources. If the Korean tax is not a creditable tax, the tax would reduce the amount realized on the sale or other disposition of the Subordinated Notes even if the U.S. Holder has elected to claim a foreign tax credit for other taxes in the same year. The temporary guidance discussed above also indicates that the Treasury and the IRS are considering proposing amendments to the December 2021 regulations and that the temporary guidance can be relied upon until additional guidance is issued that withdraws or modifies the temporary guidance. U.S. Holders should consult their own tax advisors regarding the application of the foreign tax credit rules to a sale or other disposition of the Subordinated Notes and any Korean tax imposed on such sale or disposition.

PFIC Rules

Special U.S. federal income tax rules apply to U.S. Holders owning shares of a "passive foreign investment company," or "PFIC". If the Issuer is treated as a PFIC for any year, U.S. Holders may be subject to adverse tax consequences upon a sale, exchange, or other disposition of the Subordinated Notes, or upon the receipt of certain "excess distributions" in respect of the Subordinated Notes. Dividends paid by a PFIC are not qualified dividends eligible to be taxed at preferential rates. Based on the Issuer's financial statements and relevant market data, and current expectations regarding the value and nature of its assets, and the sources and nature of its income, the Issuer does not believe that it was a PFIC for its most recently completed taxable year, and does not anticipate becoming a PFIC for its 2026 taxable year. Because the PFIC determination must be made annually, the Issuer can make no assurance that it will not be considered a PFIC for any given taxable year. Investors

should consult their own tax advisers regarding the application of the PFIC rules to Subordinated Notes and their implications for the investor's particular circumstances.

Possible Alternative Treatment of the Subordinated Notes

As discussed above, significant aspects of the U.S. federal income tax consequences of an investment in the Tier II Subordinated Notes are uncertain. The U.S. Internal Revenue Service could assert that the Tier II Subordinated Notes should be characterised as debt for U.S. federal income tax purposes. If the Tier II Subordinated Notes were so treated, interest on the Tier II Subordinated Notes would be ordinary income. Moreover, in that event, the Tier II Subordinated Notes may be treated as a contingent payment debt instrument, with the consequences, among others, that (i) a U.S. Holder would be required to accrue interest on the Tier II Subordinated Notes even if it otherwise uses the cash method of accounting for U.S. federal income tax purposes, (ii) the amount of interest that must be accrued in any period may differ from the amount of stated interest accruing in that period, and (iii) gain from the sale, exchange or redemption of the Tier II Subordinated Notes would be ordinary income. Prospective investors should consult their tax advisers as to the tax consequences to them if the Tier II Subordinated Notes were characterised as debt for U.S. federal income tax purposes.

Reporting Provisions

Backup Withholding and Information Reporting

Backup withholding and information reporting requirements may apply to certain payments on the Notes and proceeds of the sale, exchange or other disposition of the Notes to a holder that is a United States person (as defined in the Code). A holder that is a United States person may be subject to backup withholding if it fails to furnish (usually on IRS Form W-9) such holder's taxpayer identification number, to certify that such holder is not subject to backup withholding, or to otherwise comply with the applicable requirements of the backup withholding rules. Certain United States persons are not subject to the backup withholding and information reporting requirements. Holders who are not United States persons may be required to comply with applicable certification procedures (usually on the applicable IRS Form W-8) to establish that they are exempt from the application of such information reporting requirements and backup withholding. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a holder generally may be refunded or claimed as a credit against such holder's U.S. federal income tax liability, provided that the required information is timely furnished to the U.S. Internal Revenue Service. Prospective investors in the Notes should consult their own tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Information Reporting with Respect to Foreign Financial Assets

Individual U.S. Holders that own "specified foreign financial assets" with an aggregate value in excess of U.S.$50,000 on the last day of the taxable year or U.S.$75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on IRS Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which may include Notes issued in certificated form) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. Holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Prospective investors should consult their own tax advisers concerning the application of these rules to their investment in the Notes, including the application of the rules to their particular circumstances.

Tax Account Reporting Compliance

Pursuant to FATCA, holders and beneficial owners of the Notes may be required to provide to a financial institution in the chain of payments on the Notes information and tax documentation regarding their identities, and in the case of a holder that is an entity, the identities of their direct and indirect owners, and this information may be reported to relevant tax authorities, including the U.S. Internal Revenue Service. Moreover, the Bank, the Paying Agents, and other financial institutions through which payments are made, may, in the future, be required to withhold U.S. tax at a 30% rate on "foreign passthru payments" (a term not yet defined) paid to an investor who does not provide information sufficient for the institution to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the institution, or to an investor that is, or holds the Notes directly or indirectly through, a non-U.S. financial institution that is not in compliance with FATCA. Under a grandfathering rule, this withholding tax will not apply unless the Notes that are not treated as equity for U.S. federal income tax purposes are issued or materially modified after the date that is six months after the date on which final United States Treasury Regulations defining the term "foreign passthru payments" are filed with the United States Federal Register. Neither the Issuer nor the Paying Agent will pay any additional amounts on account of any such withholding tax.

The Republic of Korea has signed an intergovernmental agreement with the United States relating to FATCA which may require the Bank to comply with certain reporting requirements. Certain holders of the Notes therefore may be required to provide information and tax documentation regarding their identities, as well as that of their direct and indirect owners, and this information may be reported to the Government and ultimately to the U.S. Internal Revenue Service.

The Republic of Korea has also signed, along with over 90 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (**CRS**). CRS requires financial institutions to identify, and report information in respect of, specified persons who are resident in the jurisdictions that sign and implement the CRS. Each owner of an interest in Notes may be required to provide the Issuer information necessary to comply with CRS and potential obligations under local law.

The Republic of Korea may enter into additional agreements with other countries in the future, and additional countries may adopt the CRS, which is likely to further increase the reporting obligations of the Issuer. As the OECD initiative develops, further intergovernmental agreements may be entered into by the Republic of Korea.

Prospective investors should consult their own tax advisers regarding the potential implications of FATCA, CRS and other similar systems for collecting and reporting account information as well as how FATCA and CRS may apply to their investment in the Notes.

THE U.S. FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A HOLDER'S PARTICULAR SITUATION. PROSPECTIVE INVESTORS IN THE NOTES 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.

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear, Clearstream, Luxembourg or the CMU Service (together, the **Clearing Systems**) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (**Participants**) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants**).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the **Rules**), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system (**DTC Notes**) as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission of the United States. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (**Owners**) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note (**Beneficial Owner**) is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

CMU Service

The CMU Service is a central depositary service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service (the **CMU Members**) of capital markets instruments (the **CMU Instruments**) which are specified in the CMU Service Reference Manual as capable of being held within the CMU Service. CMU Instruments may be denominated in Hong Kong dollars or other currencies.

The CMU Service is only available for CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU Service is open to all members of the Hong Kong Capital Markets Association and "authorised institutions" under the Banking Ordinance (Cap. 155 of the Laws of Hong Kong).

Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU Service is limited. In particular (and unlike the European clearing systems), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, CMU Instruments. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Instruments are credited, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The lodging CMU Member will collect such certificates from the relevant CMU Members.

An investor holding an interest through an account with either Euroclear or Clearstream, Luxembourg in any CMU Notes will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU Service.

Book-entry Ownership of and Payments in respect of DTC Notes

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its

nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Issuing and Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear, Clearstream, Luxembourg and/or the CMU Service will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Fiscal Agent and any custodian (**Custodian**) with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg, Euroclear and the CMU Service and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Transfers of interests in the respective Registered Global Notes will be effected through the Registrar, the Fiscal Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of such cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg, Euroclear and the CMU Service have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg, Euroclear and the CMU Service. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg, Euroclear or the CMU Service or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have in an amended and restated programme agreement dated 29 April 2005 as supplemented by supplemental programme agreements including the Eighteenth Supplemental Programme Agreement dated 13 May 2024 (as amended and/or supplemented from time to time, the **Programme Agreement**) agreed with the Issuer a basis upon which they or any of them may from time to time agree to subscribe or procure subscribers for Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*" above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

In order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may, to the extent permitted by applicable laws and regulations, engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time. Stabilisation activities are subject to certain prescribed time limits in certain jurisdictions.

The Dealers 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 Dealers and their affiliates may, from time to time, engage in transactions with and perform services for the Issuer, its subsidiaries, affiliates, jointly controlled entities and/or associated companies in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. It is expected that the Dealers and their respective affiliates will continue to provide such services to, and enter into such transactions with, the Issuer and its subsidiaries and affiliates in the future. The Dealers or certain of their affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution.

The Dealers or their respective affiliates may purchase Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to Notes and/or other securities of the Issuer or its subsidiaries, jointly controlled entities or associates, including Notes issued under the Programme, at the same time as the offer and sale of 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 Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers, holders or sellers of Notes).

Accordingly, references herein to Notes being offered should be read as including any offering of Notes to the Dealers and/or their affiliates acting in such capacity. 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.

Important Notice to CMIs (including private banks) pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct

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 the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI 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 and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

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 relevant 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. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

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 Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Manager(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

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 orders should be sent to the Managers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, 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 the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers 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 Dealer with such evidence within the timeline requested.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Dealers that it is not a Sanctions Restricted Person. A "Sanctions Restricted Person" means an individual or entity (a "Person"): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/sdnlist.pdf) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/fse/fselist.pdf) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of the following (i) - (vi) to the extent that it will not result in violation of any sanctions by the CMIs: (i) their inclusion in the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf) (the **SSI List**), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the **EU Annexes**), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce's Bureau of Industry and Security ("BIS") under

which BIS has restricted exports, re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled "Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China" (known as the Non-SDN Chinese Military- Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled "Addressing the threat from Securities Investments that Finance Chinese Military Companies"; or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons; or (c) that is located, organized or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the Donetsk's People's Republic or Luhansk People's Republic. "Sanctions Authority" means: (a) the United Nations; (b) the United States; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) the People's Republic of China; (f) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (g) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce, H.M. Treasury and the Foreign, Commonwealth & Development Office.

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(i) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (b) it is an Institutional Accredited Investor which has delivered an IAI Investment Letter or (c) it is outside the United States and is not a U.S. person;

(ii) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(iii) that, unless it holds an interest in a Regulation S Global Note and is either a person located outside the United States or not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is one year after the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;

(iv) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iii) above, if then applicable;

(v) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes, that Notes offered to Institutional Accredited Investors will be in the form of Definitive IAI Registered Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;

(vi) that the Notes, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS (1) A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS OR (2) AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN **INSTITUTIONAL ACCREDITED INVESTOR**); (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS

ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON)";

(vii) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only (a)(i) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. state securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART"; and

(viii) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it 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 acknowledgements, representations and agreements on behalf of each such account.

Institutional Accredited Investors who purchase Registered Notes in definitive form offered and sold in the United States in reliance upon the exemption from registration provided by Regulation D of the Securities Act are required to execute and deliver to the Registrar an IAI Investment Letter. Upon execution and delivery of an IAI Investment Letter by an Institutional Accredited Investor, Notes will be issued in definitive registered form, see "*Form of the Notes*".

The IAI Investment Letter will state, among other things, the following:

(i) that the Institutional Accredited Investor has received a copy of the Offering Circular and such other information as it deems necessary in order to make its investment decision;

(ii) that the Institutional Accredited Investor understands that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Offering Circular and the Notes (including those set out above) and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with, such restrictions and conditions and the Securities Act;

(iii) that, in the normal course of its business, the Institutional Accredited Investor invests in or purchases securities similar to the Notes;

(iv) that the Institutional Accredited Investor is an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Notes, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment for an indefinite period of time;

(v) that the Institutional Accredited Investor is acquiring the Notes purchased by it for its own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which it exercises sole investment discretion and not with a view to any distribution of the Notes, subject, nevertheless, to the understanding that the disposition of its property shall at all times be and remain within its control; and

(vi) that, in the event that the Institutional Accredited Investor purchases Notes, it will acquire Notes having a minimum purchase price of at least U.S.$500,000 (or the approximate equivalent in another Specified Currency).

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.$100,000 (or its foreign currency equivalent) principal amount or, in the case of sales to Institutional Accredited Investors, U.S.$500,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.$100,000 (or its foreign currency equivalent) or, in the case of sales to Institutional Accredited Investors, U.S.$500,000 (or its foreign currency equivalent) principal amount of Registered Notes.

Selling Restrictions

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S (**Regulation S Notes**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Regulation S Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.$100,000 (or the approximate equivalent thereof in any other currency). To the extent that the Issuer is not subject to or does not comply with the reporting requirements of Section 13 or Section 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

  (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the **Prospectus Regulation**); and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

No Public Offer under the Prospectus Regulation

If the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public

in relation to each Member State of the European Economic Area (each, a **Relevant State**) except that it may make an offer of Notes to the public in that Relevant State:

(a) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is either one (or both) of the following:

  (i) not a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended, the **EUWA**); or

  (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes.

No Public Offer

If the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer:

(a) at any time to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;

(b) at any time to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) as permitted under the UK Prospectus Regulation, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Part 1 of Schedule 1 to the POATRs.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes and the expression "**POATRs**" means the Public Offers and Admissions to Trading Regulations 2024.

United Kingdom (other regulatory restrictions)

Each Dealer has represented, warranted and agreed that and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

(a) in relation to any Notes having a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;

(b) 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 FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer were not an authorised person, apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

PRC

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell any Notes, directly or

indirectly, in the PRC (for such purposes, not including the Hong Kong and Macao Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold, and will not offer or sell, in Hong Kong Special Administrative Region of the People's Republic of China (**Hong Kong**), by means of any document, any Notes (except for Notes which are a **structured product** as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to **professional investors** as defined in the Securities and Futures Ordinance and any rules made under that Ordinance 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 or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to **professional investors** as defined in the Securities and Futures Ordinance of Hong Kong and any rules made under that Ordinance.

Taiwan

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the offer of the Notes has not been and will not be registered with the Financial Supervisory Commission of the Republic of China (**ROC**) pursuant to relevant securities laws and regulations and may not be sold, issued or offered within the ROC through a public offering or in a circumstance which constitutes an offer within the meaning of the Securities and Exchange Act of the ROC that requires a registration or approval of the Financial Supervisory Commission of the ROC. No person or entity in the ROC has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of any Notes in the ROC.

Korea

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes subscribed by it will be subscribed by it as principal and that it will not, directly or indirectly, offer, sell or deliver any Notes in Korea or to any resident of Korea (as defined in the Foreign Exchange Transaction Act of Korea, its enforcement degree and the regulations thereunder) or to others for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except as otherwise permitted under applicable Korean laws and regulations.

Each Dealer has undertaken, and each further Dealer appointed under the Programme will be required to undertake, to ensure that any securities dealer to which it sells Notes confirms that it is purchasing such Notes as principal and agrees with such Dealer that it will comply with the restrictions described above.

Japan

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the **FIEA**). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended)) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, 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.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefor.

If a jurisdiction requires that any offering of Notes under the Programme be made by a licensed broker or dealer and any Dealer or any affiliate of a Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Dealer or such affiliate on behalf of the Issuer in such jurisdiction.

Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer(s) shall agree and as shall be set out in the applicable Pricing Supplement.

GENERAL INFORMATION

Authorisation

The establishment of the Programme has been duly authorised by a resolution of the Board of Directors of the Issuer dated 24 February 1997.

The Issuer filed a report of the establishment of the Programme with the MOFE under the Foreign Exchange Transaction Act of Korea and the MOFE has accepted such report. A report with the MOFE will also be required for each tranche of Notes issued in an amount exceeding U.S.$50 million and having a maturity exceeding one year. Moreover, an additional report will be required in the event that the Notes of any tranche are redenominated. Such reports by the Issuer are a formality and in no way will restrict the issuance of the affected tranche(s).

No other governmental approval is necessary for the subscription and issue of any Notes in Korea or for their sale and purchase in the secondary market outside Korea.

Legal Entity Identifier

The legal entity identifier ("LEI") of the Bank is 988400RBIWE3YA18PK12.

Listing of Notes on the Singapore Stock Exchange

Approval in-principle has been received from the Singapore Stock Exchange in connection with the Programme and application will be made for the listing and quotation of Notes that may be issued under the Programme and which are agreed, at or prior to the time of issue thereof, to be so listed on the Singapore Stock Exchange. Such permission will be granted when such Notes have been admitted for listing and quotation on the Singapore Stock Exchange. For so long as any Notes are listed on the Singapore Stock Exchange and the rules of the Singapore Stock Exchange so require, such Notes, if traded on the Singapore Stock Exchange, will be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies).

Documents Available

So long as any Notes are outstanding or capable of being issued under the Programme, copies of the following documents will, when published, be available from the registered office of the Issuer and from the specified office of the Issuing and Principal Paying Agent in Hong Kong:

(i) the constitutional documents (together with an English translation) of the Issuer;

(ii) the audited separate financial statements and audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2024 and 2025 (together with English translations);

(iii) the most recently published audited separate and consolidated annual financial statements of the Issuer and the most recently published unaudited interim separate and consolidated financial statements (if any) of the Issuer (together with English translations);

(iv) the Programme Agreement, Trust Deed, the Agency Agreement, the forms of the Temporary Global Notes, the Permanent Global Notes, the Definitive Bearer Notes, the Receipts, the Coupons, the Talons and the Regulation S Global Notes, the Restricted Global Notes and the Definitive Registered Notes;

(v) a copy of this Offering Circular;

(vi) any future prospectuses, supplementary listing particulars, offering circulars, information memoranda and supplements (including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuing and Principal Paying Agent as to the identity of such holder)) to this Offering Circular and any other documents incorporated herein or therein by reference; and

(vii) in the case of each issue of listed Notes subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

Clearing Systems

The Bearer Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. In addition, the Issuer may make an application for any Registered Notes to be accepted for trading in book-entry form by DTC or for any Notes to be accepted for clearance through the CMU Service. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN, common code and/or CMU instrument number, will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Pricing Supplement.

Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer or any of its subsidiaries taken as a whole since 31 December 2025, being the date of the last financial year of the Issuer and there has been no material adverse change in the financial position or prospects of the Issuer or any of its subsidiaries taken as a whole since the date of the last financial year end of the Issuer.

Litigation

Neither the Issuer nor any of its subsidiaries is, or has been, involved in any legal, arbitration, administrative or other proceedings (nor is the Issuer aware of such proceedings pending or threatened), the results of which may have or have had during the 12 months prior to the date hereof a significant effect on the financial position or the operations of the Issuer or any of its subsidiaries taken as a whole.

Independent Auditor

The separate and consolidated financial statements of the Issuer as of and for the year ended 31 December 2025 and 2024 included elsewhere in this Offering Circular have been audited by Samil PricewaterhouseCoopers, independent auditor, as stated in its reports appearing herein.

Certificate/Report

The Trust Deed provides that the Trustee may rely on any certificate or report of the Independent Auditors or any other person called for by or provided in accordance with the provisions of the Trust Deed as sufficient evidence of the facts stated therein whether or not such certificate or report and/or any engagement letter or other document entered into by the Trustee in connection therewith contains a monetary or other limit on the liability of the Independent Auditors or such other person in respect thereof.

The Independent Auditors are not a party to the Trust Deed and have no obligations to issue any certificates or reports to the Trustee. The Trust Deed provides that the Issuer shall cause to be prepared and certified by the Independent Auditors in respect of each financial accounting period accounts in such form as will comply with all relevant legal and accounting requirements and all requirements for the time being of the Singapore Stock Exchange. The Trustee will have no recourse to the Independent Auditors in respect of such certificates or reports unless the Independent Auditors have agreed to address such certificates or reports to the Trustee.

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Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

To the Shareholders and Board of Directors of
Industrial Bank of Korea

Opinion
We have audited the separate financial statements of Industrial Bank of Korea (the Bank), which comprise the separate statement of financial position as at December 31, 2025 and 2024, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the years then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Bank as at December 31, 2025 and 2024, and its separate financial performance and its separate cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

We also have audited, in accordance with Korean Standards on Auditing, the Bank's Internal Control over Financial Reporting as of December 31, 2025, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*, and our report dated March 11, 2026 expressed an unqualified opinion.

Basis for Opinion
We conducted our audit in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Allowance for Expected Credit Losses on Loans Measured at Amortized Cost

Reason why the matter was determined to be a Key Audit Matter:

The impairment guidance under Korean IFRS No.1109 *Financial Instruments* requires the determination of significant increases in credit risk and measurement of expected credit losses using forward-looking information and others. Accordingly, the Bank developed a new measurement model utilizing various types of information, which requires a higher level of management's interpretation and judgment.

The Bank measures expected credit losses on loans measured at amortized cost based on individual or collective assessment. Both assessments of expected credit losses are performed based on estimates of future forecast cash flow and involve various and complex inputs and assumptions that require management's estimates and judgments. Due to these facts, expected credit losses of loans measured

at amortized costs are determined as a key audit matter. As described in Note 7, loans measured at amortized cost subject to individual or collective assessments amount to ₩341,574,404 million, with allowances for credit losses of ₩4,585,444 million as of December 31, 2025.

How our audit addressed the Key Audit Matter:

(1) Assessment of expected credit losses on an individual basis
We obtained an understanding and validated the processes and controls relating to the assessment of expected credit losses on an individual basis. In particular, we focused on the reasonableness of the assumptions used in estimating future cash flows. We evaluated whether management's estimation on the key assumptions in the cash flow projection and collateral valuation was reasonable and thoroughly reviewed. As part of these procedures, we assessed whether sales growth rate, operating income ratio, and assumptions on investment activities used in estimating the future cash flow were consistent with historical operating performance and current market conditions. Furthermore, we assessed the appropriateness of collateral valuation by conducting our own research on recent property prices and engaged independent appraisal specialists in assessing reasonableness of appraisal reports, models and methodologies used by management.

(2) Assessment of expected credit losses on a collective basis
We obtained an understanding of and validated the processes and controls relating to management's calculation of expected credit losses on a collective basis in accordance with impairment requirements under Korean IFRS No.1109 *Financial Instruments*. Based on the management's credit ratings assessment, lifetime expected credit losses are recognized for loans with significant increase in credit risk and impaired loans. Other than these cases, management recognizes 12-months of expected credit losses. To calculate all expected credit losses, management has applied estimates on the basis of various assumptions including forward-looking information, possible multiple scenarios, probability of default and loss given default through its established processes and controls.

We verified that relevant control procedures were implemented for the credit ratings results to reasonably reflect the qualitative and quantitative information considered in the management assessment of credit ratings. Our testing over the accuracy and reliability of the information included agreeing qualitative and quantitative information with relevant evidence.

We reviewed the appropriateness of Bank's accounting policies to determine significant increases in credit risk, and tested reasonableness of expected credit loss model applied by each of the three stages (Stages 1, 2 and 3) depending on the significance of increase in credit risk.

We engaged risk specialists in verifying the reasonableness and probability of forward-looking information and multiple scenarios produced by management. Risk specialists were also engaged in statistical analysis of the correlation between forward-looking information and probability of default and loss given default. Based on this, we assessed the appropriateness of methodologies adjusting the probability of default and loss given default to reflect forward-looking information in estimating the expected credit losses. We further tested the reasonableness and mathematical accuracy of the information through recalculation and inspection of supporting evidence.

We reviewed the methodologies used by management to verify that probability of default and loss given default were calibrated using sufficient and reasonable historical data. We determined that the default and loss data used were appropriately gathered and applied in accordance with internal control procedures. In addition, we assessed the reasonableness and accuracy of probability of default and loss given default through procedures including recalculation, and validated the accuracy of calculations regarding default and loss data used by management through agreeing them with relevant evidence.

Other Matter
Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

Auditor's Responsibilities for the Audit of the 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sun-Geun Jin, Certified Public Accountant.

/s/ Samil PricewaterhouseCoopers

Seoul, Korea
March 11, 2026

This report is effective as of March 11, 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying separate financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Industrial Bank of Korea
Separate Statements of Financial Position
as of December 31, 2025 and 2024
(In millions of Korean won)

	Notes	December 31, 2025	December 31, 2024
Assets			
Cash and due from banks	23,41,42	₩ 21,472,149	₩ 15,900,295
Financial assets at fair value through profit or loss	4,8,23,42	16,848,108	15,576,217
Financial assets at fair value through other comprehensive income	5,23,42	30,147,793	25,277,195
Securities at amortized cost, net	6,23,42	33,002,387	33,487,156
Loans receivables at amortized cost, net	7,23,42	337,717,939	324,891,656
Derivative financial assets for hedge accounting	8,23,42	29,146	71,809
Investments in subsidiaries and associates	9	4,098,789	3,655,006
Investment properties, net	10	66,565	67,368
Property and equipment, net	11,21	2,394,393	2,410,591
Intangible assets, net	12	296,313	204,688
Net defined benefit assets	18	242,720	23,153
Deferred tax assets	13	1,018	2,066
Other assets	14,23,42	10,840,501	9,711,252
Total assets		₩ 457,157,821	₩ 431,278,452
Liabilities			
Financial liabilities at fair value through profit or loss	4,8,23,42	₩ 2,909,114	₩ 3,861,344
Deposit liabilities	15,23,42	160,530,506	151,140,888
Borrowings	16,23,42	44,156,091	38,130,259
Debentures	17,23,42	193,348,518	183,967,602
Derivative financial liabilities for hedge accounting	8,23,42	140,838	178,810
Provisions	19	837,993	875,034
Deferred tax liabilities	13	623,365	457,913
Other liabilities	20,21,23,42	21,151,534	21,252,081
Total liabilities		423,697,959	399,863,931
Equity			
Issued capital	24,42	4,211,365	4,211,365
Hybrid capital instruments	24,42	4,682,585	4,313,231
Capital surplus	24,42	1,161,597	1,161,597
Capital adjustment	24,42	(617)	(275)
Accumulated other comprehensive income	24,42	1,034,591	832,425
Retained earnings	25,42	22,370,341	20,896,178
(Regulatory reserve for credit loss December 31, 2025: ₩ 3,393,250 million December 31, 2024: ₩ 3,155,910 million)			
(Regulatory reserve for credit loss estimated to be appropriated December 31, 2025: ₩ 481,581 million December 31, 2024: ₩ 237,340 million)			
Total equity		33,459,862	31,414,521
Total liabilities and equity		₩ 457,157,821	₩ 431,278,452

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

Industrial Bank of Korea
Separate Statements of Comprehensive Income
For The Years Ended December 31, 2025 and 2024
(In millions of Korean won)

	Notes	2025	2024
Interest income:		₩ 16,138,828	₩ 17,287,025
Interest income on financial assets at fair value through profit or loss		122,679	142,523
Interest income on financial assets at fair value through other comprehensive income and at amortized cost		16,016,149	17,144,502
Interest expenses		(8,933,828)	(10,010,935)
Net interest income	26,40	7,205,000	7,276,090
Fee and commission income		639,385	679,417
Fee and commission expense		(357,457)	(344,077)
Net fee and commission income	27,40	281,928	335,340
Net gains on financial instruments at fair value through profit or loss	28	680,837	283,706
Net gains on derivative financial instruments for hedge accounting	8	60,386	13,203
Gains on disposal of financial assets at amortized cost		166,454	150,110
Net gains on financial assets at fair value through other comprehensive income	29	141,252	124,690
Net gains on foreign currency transactions		97,243	40,103
Gross operating profit		8,633,100	8,223,242
Impairment losses on financial assets	5,6,7,14,40	(1,620,182)	(1,588,634)
Net operating profit		7,012,918	6,634,608
General and administrative expenses	30	(3,025,142)	(2,642,574)
Other operating income	31	244,449	250,224
Other operating expenses	32	(910,445)	(953,233)
Operating profit		3,321,780	3,289,025
Non-operating income	33	(115,816)	(41,166)
Profit before income tax		3,205,964	3,247,859
Income tax expense	13	(820,118)	(819,776)
Profit for the year	25	2,385,846	2,428,083
(Adjusted profit after provision of regulatory reserve for credit losses December 31, 2025 : ₩1,904,265 million) December 31, 2024 : ₩2,190,743 million)			
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss:			
Changes in valuation of equity securities at fair value through other comprehensive income	5,24	376,047	161,709
Remeasurements of net defined benefit liabilities (assets)	18,24	120,387	(91,013)
Items that may be subsequently reclassified to profit or loss:			
Changes in valuation of debt securities at fair value through other comprehensive income	5,24	(153,023)	150,873
Exchange differences on translation of foreign operations	24	(40,090)	96,991
Changes in valuation of hedges of net investment in foreign operations	8,24	9,706	(43,641)
Other comprehensive income for the year, net of tax		313,027	274,919
Total comprehensive income for the year		₩ 2,698,873	₩ 2,703,002
Earnings per share (Korean won)	36		
Basic earnings per share		₩ 2,775	₩ 2,835
Diluted earnings per share		₩ 2,775	₩ 2,835

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

Industrial Bank of Korea

Separate Statements of Changes in Equity

For The Years Ended December 31, 2025 and 2024

(In millions of Korean won)

	Notes	Issued capital	Hybrid capital instruments	Capital surplus	Capital adjustment	Accumulated other comprehensive income	Retained earnings	Total equity
Balance as of January 1, 2024		₩ 4,211,365	₩ 4,133,457	₩ 1,161,597	₩ (309)	₩ 561,101	₩ 19,417,241	₩ 29,484,452
Comprehensive income								
Profit for the year		-	-	-	-	-	2,428,083	2,428,083
Other comprehensive income for the year								
Gain on valuation of debt securities at fair value through other comprehensive income	5,24	-	-	-	-	150,873	-	150,873
Exchange differences on translation of foreign operations	24	-	-	-	-	96,991	-	96,991
Changes in valuation of hedges of net investment in foreign operations	8,24	-	-	-	-	(43,641)	-	(43,641)
Changes in valuation of equity securities at fair value through other comprehensive income	5,24	-	-	-	-	161,709	-	161,709
Transfer of realized gains or losses on equity investment at fair value through other comprehensive income	5,24	-	-	-	-	(3,595)	3,595	-
Remeasurement of net defined benefit assets	18,24	-	-	-	-	(91,013)	-	(91,013)
Total comprehensive income		-	-	-	-	271,324	2,431,678	2,703,002
Transactions with owners								
Cash dividends	37	-	-	-	-	-	(784,667)	(784,667)
Dividends for hybrid capital instruments	37	-	-	-	-	-	(167,765)	(167,765)
Issuance of hybrid capital instruments	24	-	399,400	-	-	-	-	399,400
Repayment of hybrid capital instruments	24	-	(219,626)	-	(275)	-	-	(219,901)
Others		-	-	-	309	-	(309)	-
Total transactions with owners		-	179,774	-	34	-	(952,741)	(772,933)
Balance as of December 31, 2024		₩ 4,211,365	₩ 4,313,231	₩ 1,161,597	₩ (275)	₩ 832,425	₩ 20,896,178	₩ 31,414,521
Balance as of January 1, 2025		₩ 4,211,365	₩ 4,313,231	₩ 1,161,597	₩ (275)	₩ 832,425	₩ 20,896,178	₩ 31,414,521
Comprehensive income								
Profit for the year		-	-	-	-	-	2,385,846	2,385,846
Other comprehensive income for the year								
Loss on valuation of debt securities at fair value through other comprehensive income	5,24	-	-	-	-	(153,023)	-	(153,023)
Exchange differences on translation of foreign operations	24	-	-	-	-	(40,090)	-	(40,090)
Changes in valuation of hedges of net investment in foreign operations	8,24	-	-	-	-	9,706	-	9,706
Changes in valuation of equity securities at fair value through other comprehensive income	5,24	-	-	-	-	376,047	-	376,047
Transfer of realized gains or losses on equity investment at fair value through other comprehensive income	5,24	-	-	-	-	(110,861)	110,861	-
Remeasurement of net defined benefit assets	18,24	-	-	-	-	120,387	-	120,387
Total comprehensive income		-	-	-	-	202,166	2,496,707	2,698,873
Transactions with owners								
Cash dividends	37	-	-	-	-	-	(849,259)	(849,259)
Dividends for hybrid capital instruments	37	-	-	-	-	-	(173,010)	(173,010)
Issuance of hybrid capital instruments	24	-	988,515	-	-	-	-	988,515
Repayment of hybrid capital instruments	24	-	(619,161)	-	(617)	-	-	(619,778)
Others		-	-	-	275	-	(275)	-
Total transactions with owners		-	369,354	-	(342)	-	(1,022,544)	(653,532)
Balance as of December 31, 2025		₩ 4,211,365	₩ 4,682,585	₩ 1,161,597	₩ (617)	₩ 1,034,591	₩ 22,370,341	₩ 33,459,862

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

Industrial Bank of Korea

Separate Statements of Cash Flows

For The Years Ended December 31, 2025 and 2024

(In millions of Korean won)

	Notes	2025	2024
Cash flows from operating activities			
Profit for the year		₩ 2,385,846	₩ 2,428,083
Adjustments in expenses and revenues	41	(5,073,807)	(4,612,659)
Changes in operating assets and liabilities	41	(6,743,116)	(23,598,327)
Interests received		16,033,423	17,395,560
Interests paid		(8,907,982)	(9,853,555)
Dividends received		310,117	272,586
Income taxes paid		(648,777)	(844,119)
Net cash flows used in operating activities		(2,644,296)	(18,812,431)
Cash flows from investing activities			
Increase in financial assets at fair value through profit or loss		(111,563,117)	(47,040,173)
Decrease in financial assets at fair value through profit or loss		110,105,497	45,373,554
Increase in financial assets at fair value through other comprehensive income		(31,318,003)	(29,815,260)
Decrease in financial assets at fair value through other comprehensive income		27,022,301	28,398,444
Increase in securities at amortized cost		(14,105,000)	(11,004,962)
Decrease in securities at amortized cost		14,590,768	11,926,628
Proceeds from disposal of investments in subsidiaries		41,981	48,290
Proceeds from disposal of investments in associates		67,266	50,405
Acquisition of investments in subsidiaries		(337,544)	(161,627)
Acquisition of investments in associates		(299,982)	(235,825)
Proceeds from disposal of property and equipment and investment properties		1,028	1,677
Acquisition of property and equipment and investment properties		(164,604)	(302,470)
Proceeds from disposal of intangible assets		1,176	1,715
Acquisition of intangible assets		(166,274)	(98,331)
Acquisition of government grants		124	-
Net cash flows used in investing activities		(6,124,383)	(2,857,935)
Cash flows from financing activities			
Net increase in borrowings		5,949,212	1,379,829
Increase in debentures		217,396,565	216,291,446
Decrease in debentures		(208,485,084)	(205,863,902)
Repayment of lease liabilities		(66,456)	(68,149)
Proceeds in hybrid capital instruments		988,515	399,400
Repayment of hybrid capital instruments		(619,778)	(219,901)
Payment of dividends of hybrid capital instruments		(171,673)	(167,564)
Dividends paid		(849,259)	(784,667)
Net cash flows provided by financing activities		14,142,042	10,966,492
Effects of exchange rate changes on cash and cash equivalents		210,459	746,301
Net increase (decrease) in cash and cash equivalents		5,583,822	(9,957,573)
Cash and cash equivalents at the beginning of the year		14,943,762	24,901,335
Cash and cash equivalents at the end of the year	41	₩ 20,527,584	₩ 14,943,762

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

1. The Bank

The Industrial Bank of Korea (the "Bank") was established in 1961 under the Industrial Bank of Korea Act to promote independent economic activities of small and medium-sized companies and to enhance their economic status by establishing an efficient credit system for the small and medium-sized companies.

On May 15, 1992, the Bank converted its equity into shares in accordance with the Industrial Bank of Korea Act, as amended on December 31, 1991. On November 30, 1994, the Bank's ordinary shares were listed on KOSDAQ market, which operated as the over-the-counter market at that time. Subsequently, on December 24, 2003, the Bank transferred its listing from KOSDAQ to Korea Exchange market in order to broaden its investor base. In addition, on December 19, 2003, the Bank listed 48.53 million shares in the form of Global Depositary Shares, and on April 22, 2014, issued an additional 26.20 million ordinary shares, which were listed on the Luxembourg Stock Exchange.

As of December 31, 2025, the Bank's ordinary shares and preferred shares amount to ₩3,987.1 billion and ₩224.2 billion, respectively. The Korean government owns 59.50% of the Bank's ordinary shares. The head office of the Bank is located at 79, Euljiro, Jung-gu, Seoul, Korea. The Bank has 598 branches and 31 depositary offices in Korea, and 9 branches and 2 offices overseas.

2. Basis of Preparation

2.1 Application of K-IFRS

The separate financial statements of the Bank have been prepared in accordance with Korean International Financial Reporting Standards ("K-IFRS").
K-IFRS comprise standards and interpretations issued by the International Accounting Standards Board ("IASB") that have been adopted by the Republic of Korea.

K-IFRS allows the use of certain critical accounting estimates in the preparation of financial statements and requires management to exercise judgment in applying accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 2.2.5 'Material Accounting Estimates and Assumptions'.

2.2 Changes in Accounting Policies and Disclosures

2.2.1 New and amended standards adopted by the Bank

The Bank has applied the following standards and amendments for the first time in the annual reporting period beginning on January 1, 2025.

Amendments to K-IFRS No. 1021 and K-IFRS No. 1101: ***The effects of Changes in Foreign Exchange Rates and First-time Adoption of K-IFRS – Lack of Exchangeability***

The amendments define when a currency is considered exchangeable for another currency for accounting purposes, provide guidance on how to assess exchangeability, and clarify requirements for estimating the spot exchange rate and related disclosures when a currency is not exchangeable. When exchangeability is lacking, an entity is required to estimate the spot exchange rate at the measurement date using either an observable rate without adjustment or another estimation technique. The amendments do not have a material impact on the separate financial statements.

Amendments to K-IFRS No. 1117: *Insurance Contracts*

The amendment requires disclosure when the estimation techniques for inputs used to measure insurance contracts differ from the principle-based estimation techniques required by insurance law and regulation, if the nature of those differences and their effect on the financial statements are judged to be material and relevant to users of financial statements. The amendment do not have an impact on the financial statements.

2.2.2 New and amended standards not adopted by the Bank

The accounting standard that has been enacted or published but has not yet become effective for annual reporting period beginning on or after January 1, 2025 and has not been early adopted by the Bank is as follows:

Amendments to K-IFRS No. 1109 and K-IFRS No. 1107: *Financial Instruments and Disclosures – Classification and Measurement of Financial Instruments*

The amendments clarify the assessment of settlement conditions prior to the settlement date of financial liabilities when using electronic payment systems, interest rate features and contingent events that must be considered when determining whether the contractual cash flows are consistent with a basic lending arrangement, non-recourse financial assets and features of contractually linked instruments.
The amendments also introduce additional disclosure requirements for equity investments designated at fair value through other comprehensive income (FVOCI) and contractual terms that may change the timing or amount of cash flows.
The amendments are applied retrospectively for fiscal years beginning on or after 1 January 2026, with early application permitted. The effect of these amendments on the financial statements is not expected to be material.

Amendments to K-IFRS No. 1109 and K-IFRS No. 1107: *Contracts for Electricity Dependent on Natural Conditions*

The amendments define contracts related to nature-dependent power as contracts under which an entity is exposed to variability in the underlying power due to the fact that the source of power generation depends on uncontrollable natural conditions (for example, weather), and clarify that contracts for the purchase or sale of 'nature-dependent power' are subject to assessment for the own use exemption. In addition, the amendments change the hedge accounting requirements, for example by allowing the 'variable nominal volume' of highly probable forecast nature-dependent power transactions to be designated as the 'hedged item', and add related disclosures. An entity shall apply these amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The amendments are not expected to have a material effect on the financial statements.

Issuance of K-IFRS No. 1118: *Presentation and Disclosure in Financial Statements*

K-IFRS 1118 replaces K-IFRS No. 1001 Presentation of Financial Statements. K-IFRS No. 1118 has carried forward many of the requirements of K-IFRS No. 1001 unchanged and has added new requirements. The new presentation requirements introduced by K-IFRS No. 1118 are expected to enhance the comparability of financial performance among similar entities in relation to the definition of operating profit, and the disclosure requirements for 'management-defined performance measures' will also strengthen transparency. This Standard is to be applied for annual periods beginning on or after January 1, 2027, with early application permitted, and the impacts on the financial statements are currently under review.

Annual Improvements to K-IFRS

The Annual Improvements to K-IFRS are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Bank does not expect the amendments to have a material impact on its financial statements..

-K-IFRS No. 1101 'First-time Adoption of K-IFRS': Hedge accounting application
-K-IFRS No. 1107 'Financial Instruments: Disclosures': Gains or losses on derecognition

-K-IFRS No. 1109 'Financial Instruments': Accounting treatment for lease liability derecognition and definition of transaction price
-K-IFRS No. 1110 'Consolidated Financial Statements': Determination of a de facto agent
-K-IFRS No. 1007 'Statement of Cash Flows': Cost Method

2.2.3 Measurement Basis

The separate financial statements have been prepared under the historical cost convention, unless otherwise specified.

2.2.4 Functional and Presentation Currency

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The separate financial statements are presented in Korean won, which is the Bank's functional and presentation currency.

2.2.5 Material Accounting Estimates and Assumptions

The preparation of the separate financial statements requires the application of accounting policies, certain critical accounting estimates and assumptions that may have a significant impact on assets/liabilities and income/expenses. The management's estimate of outcome may differ from an actual outcome if the management's estimate and assumption based on its best judgment at the end of the reporting period 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 in which it occurs, if the change affects that period only, or in the period in which it occurs and future periods, if the change affects both.

Uncertainty in estimates and assumptions with significant risk that will result in material adjustment is as follows:

(a) Fair value of financial instruments

The fair value of financial assets and liabilities where no active market exists or where quoted prices are not otherwise available is determined by using valuation techniques. Financial instruments, which are not actively traded in the market and with less transparent market price, will have less objective fair value and require broad judgment on liquidity, concentration, uncertainty in market factors, assumption in price determination and other risks. As described in the material accounting policies in Note 3.3, *'Recognition and Measurement of Financial Instruments'*, diverse valuation techniques are used to determine the fair value of financial instruments, from general accepted market valuation models to internally developed valuation models that apply various types of assumptions and variables.

(b) Hedging relationship

As described in the material accounting policies Note 3.7, *'Derivative Financial Instruments'*, the Bank applies hedge accounting when the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk throughout the financial reporting periods for which the hedge was designated. In addition, a cash flow hedge is applied when there is a hedge of an exposure to variability in cash flows that is attributable to a highly probable forecast transaction.

(c) Provisions of credit losses (provision for impairment, provisions for guarantees and unused loan commitments)

The Bank recognizes expected credit losses as provision for impairment and provisions in liabilities with the consideration of all reasonable and supportable information including that which is forward-looking, regarding debt instruments at fair value through other comprehensive income, financial assets measured at amortized cost, loan commitments and financial guarantee contracts. The accuracy of provision of credit losses is determined by the estimation of expected cash flows of individual borrower for individual provisions for impairment and the methodology and assumptions used in estimation of collective provisions for impairment, and provisions for payment guarantees/ unused loan commitments.

Due to the high proportion of low-rated borrowers and high fixed charge-off ratios among those companies that received financial support from the government related to COVID-19, a sharp increase in credit risk is expected when the policy ends, and additional provisions for loan losses are being made.

Based on reasonable information as of reporting date, the Bank has reassessed the key assumptions used in the measurement of expected credit losses and reflected them in the allowance for loan losses, taking into account future economic uncertainties. The Bank will continue to review the impact of these future economic uncertainties on the critical accounting estimates and assumptions used in the preparation of the separate financial statements.

(d) Defined benefit obligations

Defined benefit obligations are measured by the independent actuaries using Projected Unit Credit Method, determined through actuarial assumptions such as future increases in salaries, retirement rate, and death rate.

(e) Income taxes

The recognition of a deferred tax asset relies on an assessment of the probability and sufficiency of future taxable profits, future reversals of existing taxable temporary differences and ongoing tax planning strategies.

3. Material Accounting Policies

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

3.1 Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are accounted at cost method in accordance with K-IFRS No. 1027. Investment fund in private equity fund which is consolidated is classified as financial assets at fair value through profit or loss and accounted at fair value method in accordance with K-IFRS No. 1109.

(a) Subsidiaries

Subsidiaries are companies (including special purpose entities) that are controlled by the Bank, where control over a subsidiary is presumed to exist when the Bank has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. The existence and effects of potential voting rights that are currently exercisable or convertible are considered in determining whether the Bank controls another entity.

(b) Associates

Associates are all entities over which the Bank has significant influence, but not control, to determine financial and operating policies of an entity, generally accompanying a shareholding of greater than or equal to 20% of the voting rights.

3.2 Foreign Currency

3.2.1 Foreign currency transactions and balances

In preparing the financial statements, transactions denominated in currencies other than the functional currency (foreign currency transactions) are recorded using the exchange rate at the time of the transaction. At the end of each reporting period, foreign currency monetary items are translated using the closing rate at the end of the reporting period. The closing rate is the spot exchange rate at the end of the reporting period. Non-monetary foreign currency items measured at fair value are translated using the exchange rate at the date when the fair value is determined, and non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Except for translation differences arising on net investments in foreign operations and translation differences arising on financial liabilities designated as hedging instruments of such net investments, all exchange differences arising on the settlement of monetary items and on the translation of monetary items are recognized in profit or loss. When gains or losses arising from non-monetary items are recognized in other comprehensive income, the foreign exchange effects included in those gains or losses are also recognized in other comprehensive income, and when they are recognized in profit or loss, the foreign exchange effects are recognized in profit or loss as well.

3.2.2 Foreign operations

When the functional currency of a foreign operation differs from the presentation currency of the Bank, its results and financial position are translated into the presentation currency as follows.

When the functional currency of a foreign operation is not the currency of a hyperinflationary economy, assets and liabilities in the statement of financial position (including comparative statements of financial position) are translated at the closing rate at the end of the reporting period, income and expenses in the statement of comprehensive income (including comparative statements of comprehensive income) are translated at the average exchange rate for the period, and foreign exchange differences arising on translation are recognized in other comprehensive income and reclassified to profit or loss at the time when the gain or loss on disposal is recognized upon disposal of the foreign operation.

Goodwill arises on the acquisition of a foreign operation and fair value adjustments to the carrying amounts of assets and liabilities are treated as assets and liabilities of the foreign operation, are presented in the functional currency of

the foreign operation, and are translated into the presentation currency using the closing rate together with other assets and liabilities of the foreign operation.

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 a separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal of the foreign operation is recognized.

3.3 Criteria for recognition and measurement of financial instruments

3.3.1 Initial recognition

Financial instruments (financial assets and financial liabilities) are recognized in the statement of financial position when the Bank becomes a party to the contractual provisions of the financial instrument. In addition, in the case of a regular purchase or sale (that is, a purchase or sale of a financial asset under contractual terms that require delivery of the financial asset within the time frame established generally by regulation or convention in the marketplace concerned), they are recognized on the trade date.

For financial reporting purposes, at initial recognition of financial instruments, the Bank classifies financial assets, based on the business model for the financial assets and the contractual cash flow characteristics, as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, or financial assets at amortized cost, and classifies financial liabilities as financial liabilities at fair value through profit or loss or financial liabilities at amortized cost.

Financial assets and financial liabilities are measured at fair value at initial recognition, and, in the case of financial assets (financial liabilities) other than those at fair value through profit or loss, transaction costs that are directly attributable to the acquisition (issuance) of the financial assets (financial liabilities) are added to (deducted from) fair value at initial recognition. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date, and at initial recognition the fair value of a financial instrument is generally measured at the transaction price (the fair value of the consideration given or received).

3.3.2 Subsequent measurement

At initial recognition, financial instruments are measured in accordance with one of the following measurement bases, depending on the classification criteria.

a) Amortized cost
Amortized cost is calculated as the amount at which a financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization, calculated using the effective interest method, of any difference between the initial carrying amount and the amount at maturity, and, in the case of financial assets, less any loss allowance reflecting expected credit losses.

b) Fair value
The Bank uses quoted prices in an active market as the best estimate of fair value, based on quoted market prices for the financial instruments or dealer price quotations for financial instruments traded in an active market. A financial instrument is regarded as being quoted in an active market when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

If there is no active market for a financial instrument, fair value is determined using valuation techniques or by using the valuation results of an independent external professional valuation institution. Valuation techniques include methods that use recent transactions between knowledgeable, willing, independent parties, methods that refer to the current fair value of another financial instrument that is substantially the same if such value is available, and methods such as discounted cash flow analysis and option pricing models.

The Bank uses valuation models that market participants generally use to determine the fair value of common financial instruments such as options, interest rate swaps and currency swaps, and uses its own valuation models developed

from generally accepted valuation models for more complex financial instruments. Some or all of the variables input into these models may be unobservable in the market, may be derived from market prices or market interest rates, or may be measured based on certain assumptions.

In addition, if fair value valuation techniques do not adequately reflect all the factors that market participants consider when pricing, the values derived from the fair value valuation models are adjusted to reflect certain factors. Fair value adjustments include counterparty credit risk, bid-ask spread adjustments and other factors.

The valuation techniques selected by the Bank are designed to maximize the use of market data and minimize the use of entity-specific information. These valuation techniques incorporate all factors that market participants would consider in pricing and are consistent with economic methodologies that are generally applied to determine the prices of financial instruments. In addition, the valuation techniques are periodically calibrated, and their validity is assessed by using observable current market transaction prices for the same financial instrument or by reference to observable market data.

The Bank classifies fair value measurements recognized in the statement of financial position within the following fair value hierarchy, reflecting the significance of the inputs used in the fair value measurement.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: All inputs other than quoted prices included in level 1 that are observable (either directly that is, prices, or indirectly that is, derived from prices) for the asset or liability
- Level 3: Unobservable inputs for the asset or liability

The fair value hierarchy of valuation techniques is based on the categorization of the lowest level input into a valuation model among the valuation components (excluding foreign currency rate) that is significant. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

3.3.3 Derecognition

Derecognition is the removal of a previously recognized financial asset or financial liability from the statement of financial position. The Bank derecognizes a financial asset or a financial liability when, and only when:

a) Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire or the financial assets have been transferred and substantially all the risks and rewards of ownership of the financial assets are also transferred. Therefore, if the Bank neither transfers nor retains substantially all the risks and rewards of ownership of the financial assets, the Bank continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

The Bank writes off the carrying amount and allowance for financial assets in its entirety or to a portion thereof when the principal and interest are determined to be no longer recoverable. In general, the Bank considers write-off when it is determined that the debtor does not have sufficient resources or income to cover the principal and interest, and this write-off decision is made in accordance with internal regulations. Regardless of write-off, the Bank can continuously exercise its right to collect even after write-off of financial assets in accordance with internal collection policy. Recovered amounts from written-off financial assets are recognized in profit or loss.

b) Derecognition of financial liabilities

Financial liabilities are derecognized from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expires.

3.3.4 Offsetting

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, the Bank currently has a legally enforceable right to offset the recognized amounts and intends

either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.4 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, foreign currency, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. In addition, deposits with restriction on use under contractual terms and condition with third parties are included in cash and cash equivalents, unless those restrictions change the nature of the deposit in a way that the deposit no longer satisfies the definition of cash and cash equivalent.

3.5 Classification of Financial Assets

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Bank's business model for managing the asset and the cash flow characteristics of the asset. If the host contract is within the scope of K-IFRS No. 1109, hybrid (combined) contracts with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Classification of debt instruments

Business model for the contractual cash flows characteristics	Solely represents payments of principal and interest	All other
Hold the financial asset for the collection of the contractual cash flows	Financial assets at amortized cost[1]	
Hold the financial asset for the collection of the contractual cash flows and sale	Financial assets at fair value through other comprehensive income [1]	Financial Assets at fair value through profit or loss
Hold for sale	Financial Assets at fair value through profit or loss	

[1] A designation at financial assets at fair value through profit or loss is allowed only if such designation mitigates an accounting mismatch (irrevocable).

The Bank classifies its debt instruments into one of the following three measurement categories:

- Financial assets at fair value through profit or loss: Financial assets held for sale or whose contractual cash flows does not represent solely payments of principal and interest on the principal amount outstanding are classified at fair value through profit or loss. Valuation gains or loss due to changes in fair value of the financial assets and gains or losses arising on derecognition of the financial assets are recognized in profit or loss.

- Financial assets at fair value through other comprehensive income: Assets that are held for collection and selling of contractual cash flows, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment loss (i.e. changes in expected credit loss), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

- Financial assets at amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Impairment loss (reversal), the changes in expected credit losses, and gains or losses arising from the derecognition of the financial assets are recognized in profit or loss.

(b) Equity instruments

The Bank subsequently measures all equity investments at fair value.

- Financial assets at fair value through profit or loss: equity instruments that are held for trading or that are not classified as financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Any gain or loss on valuation or derecognition of the financial assets is recognized in profit or loss, and the Bank recognizes dividends in profit or loss when the Bank's right to receive payments of the dividend is established.

- Financial assets at fair value through other comprehensive income: for the equity instruments that are not held for trading, at initial recognition, the Bank may make an irrevocable election to present changes in fair value in other comprehensive income. Valuation gain or loss previously recognized as other comprehensive income is not reclassified to profit or loss but reclassified to retained earnings when the equity instruments are derecognized. The Bank recognizes dividends in profit or loss when the Bank's right to receive payments of the dividend is established.

3.6 Impairment of Financial Assets

The Bank assesses on a forward-looking basis and recognizes as provision for impairment and provisions the expected credit losses associated with its debt instruments at fair value through other comprehensive income, financial assets at amortized cost, loans commitments and financial guarantee contract.

Subsequent to initial recognition, loss allowances are measured at an amount equal to either 12-month expected credit losses or lifetime expected credit losses, depending on the extent of the increase in credit risk, and are classified into three stages as presented in the table below.

Stage		Loss allowance
1	No significant increase in credit risk after initial recognition [1]	12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the end of the reporting period)
2	Significant increase in credit risk after initial recognition	Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)
3	Credit-impaired	

[1] If the debt instrument (securities) has low credit risk at the end of the reporting period, the Bank may assume that the credit risk has not increased significantly since initial recognition.

If one or more of the following criteria are met, the credit risk is deemed to have increased significantly. For financial assets whose contractual cash flows have been renegotiated or otherwise modified, the Bank applies the same criteria to assess whether there has been a significant increase in credit risk.

- Decline in credit rating at period end by more than certain levels compared to that at initial recognition
- More than 10 days past due
- Below certain levels in the early warning system
- Below certain level of asset quality
- Complete impairment of capital, adverse and disclaimer opinion on auditor's report, interest coverage ratio of less than 1 for the consecutive 3-year period, operating cash flows less than zero for the consecutive 3-year period among the companies subject to external audit

For debt securities, if the credit risk of a financial instrument is determined to be low at the reporting date, the Bank

assumes that the credit risk has not increased significantly since initial recognition. In assessing whether a financial instrument has low credit risk, the Bank applies internal credit risk ratings or other methodologies that are consistent with a globally recognized definition of low credit risk and that consider the risks and the type of financial instruments that are being assessed.

The Bank generally considers a financial asset to be in default and credit-impaired when one or more of the following conditions are met:

- 90 days or more past due
- Legal proceedings (auction) related to collection
- Occurrence of event of default in other financial institution
- Restructuring and others

The definition of default applied by the Bank is generally consistent with the definition of default used for regulatory capital management purposes. The information used to assess whether a default has occurred, and the relative importance of such information, may vary depending on circumstances.

The bank incorporates forward-looking information when measuring expected credit losses. It estimates the correlation between macroeconomic variables and the components used in measuring expected credit losses (risk components), and reflects forward-looking information by applying those relationship. The macroeconomic variables considered include a range of indicators across various categories, such as financial, real-economy, and real estate variables. Statistical methods are used to estimate the relationship between the macroeconomic variables and the expected credit loss measurement components.

The correlations between key macroeconomic variables and credit risk are as follows.

key macroeconomic parameters	Correlation between credit risk
GDP	Negative correlation
national gross investment rate	Negative correlation
3-year government bond yield	Positive correlation
10-year government bond yield	Positive correlation
unemployment rate	Positive correlation
current account balance	Negative correlation

To reflect domestic and global economic uncertainty, the bank measured expected credit losses by incorporating multiple, including upside, normal, downside, worst scenarios. Expected credit losses were measured by applying probability-weighted outcomes across the individual scenario. The weights of each scenario and impact on the expected credit loss allowance assuming each scenario at 100% are as follows.

(In millions of Korean won)

Scenario	Application probability-weighted average	Assuming 100%	Difference from the carrying amount
Upside	10%	3,674,742	(1,232,660)
Normal	60%	4,122,044	(785,358)
Downside	10%	4,671,618	(235,784)
Worst	20%	8,341,881	3,434,479

The expected credit losses of financial assets measured at amortized cost are recognized as provision for impairment, a contra asset account. Provisions for impairment of debt securities at fair value through other comprehensive income are recognized against other comprehensive income and their book values are not adjusted. Also, expected credit losses of loan commitments and financial guarantee contracts are recognized as provision.

At each reporting date, the Bank recognizes in profit or loss the amount of the change in lifetime expected credit losses as an impairment gain or loss on financial assets or other operating income or expenses.

3.7 Derivative Financial Instruments

(a) Financial assets (liabilities) at fair value through profit or loss

All derivative financial instruments, except for derivatives that are designated and qualify for hedge accounting, are classified as financial assets (liabilities) at fair value through profit or loss and measured at fair value. A gain or loss arising from a change in fair value is recognized in profit or loss on the statement of profit or loss.

(b) Fair value hedge

If derivatives qualify for a fair value hedge, the change in fair value of the hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognized in profit or loss as part of other operating income and expenses in the statement of comprehensive income. The gain or loss on the hedging instrument and the change in the fair value of the hedged item shall be recognized in other comprehensive income, if the hedging instrument hedges an equity instrument for which a Bank has elected to present changes in fair value in other comprehensive income.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio, but the risk management objective for that designated hedging relationship remains the same, a Bank shall adjust the hedge ratio of the hedging relationship so that it meets the qualifying criteria again (this is referred to in the standard as 'rebalancing'). Fair value hedge accounting is discontinued prospectively if the hedging instrument expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for hedge accounting, or the Bank revokes the designation. Once fair value hedge accounting is discontinued, the adjustment to the carrying amount of a hedged item is fully amortized to profit or loss over the maturity of the financial instrument using the effective interest method.

(c) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income, whereas the gain or loss relating to the ineffective portion is recognized immediately in the current profit or loss.

Hedge accounting is discontinued prospectively 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. Once hedge accounting is discontinued, any cumulative gain or loss existing in equity remains in equity and will be recognized as profit or loss over the period of forecast transaction. However, when a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately recognized in the current profit or loss.

(d) Financial liabilities designated as hedge of a net investment in a foreign operation

The effective portion of gain or loss on financial liabilities that are designated as and qualify as hedge of a net investment in a foreign operation is recognized in other comprehensive income, whereas the gain or loss relating to the ineffective portion is recognized in profit or loss. When foreign operations are wholly or partially sold, the relevant amount recognized in other comprehensive income is reclassified to profit or loss.

(e) Embedded derivatives

If the host contracts are not financial liabilities or assets that are within the scope of K-IFRS No. 1109, an embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract and a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the hybrid (combined) instrument is not measured at fair value with changes in fair value recognized in profit or loss. A gain or loss arising from a change in the fair value of embedded derivative separated from host contract is recognized in profit or loss as part of net gains on financial instruments at fair value through profit or loss.

(f) Day one profit and loss

If the Bank uses a valuation technique that incorporates data not obtained from observable markets for the fair value at initial recognition of financial instruments, there may be a difference between the transaction price and the amount determined using that valuation technique. In these circumstances, the difference is amortized using the straight-line method over the life of the financial instruments. If the fair value of the financial instruments is determined using observable market inputs, the remaining deferred amount is recognized in profit or loss.

3.8 Property and Equipment

(a) Recognition and measurement

Property and equipment are initially measured at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of property and equipment includes costs directly attributable to bringing the asset to the location and condition necessary for it to operate 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 increase the future economic benefits of the asset beyond its previously assessed standard of performance. All other expenditures are recognized in profit or loss as incurred. Gains and losses on disposal are determined by comparing the net disposal proceeds with the carrying amount and are recognized in profit or loss.

(b) Depreciation

Land is not depreciated. Depreciation on other property and equipment is calculated, after deducting residual value from the cost of the asset, using the useful lives and depreciation methods presented below. The depreciable amount of an asset is determined after deducting its residual value.

As for leased assets, if there is no reasonable certainty that the Bank will obtain ownership by the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Government grants are recognized when there is reasonable assurance that the grant will be received, and the Bank will comply with the conditions attached to it. Government grants related to assets are presented by deducting the grants in arriving at the carrying amount of the assets, and grants related to income are deferred and presented by deducting the related expenses for the purpose of the government grants.

The estimated useful lives of the assets and depreciation methods are as follows:

Property and equipment	Depreciation method	Estimated useful lives
Buildings	Straight-line	15~60 years
Leasehold improvements	Straight-line	5 years
Equipment and vehicles	Declining-balance	5 years

The residual value, useful life and depreciation method of property and equipment are reviewed at least at each financial year-end. If expectations differ from previous estimates as a result of such review, the difference is accounted for prospectively as a change in accounting estimate.

3.9 Investment Properties

Properties held to earn rentals or for capital appreciation or both are classified as investment properties. Investment properties are measured initially at its cost and after initial recognition the cost model is used. In the case that the purpose of the asset to use is changed, that asset is reclassified from investment properties to the appropriate account or vice versa.

The estimated useful lives of investment properties and depreciation method is as follows:

Depreciation method	Estimated useful lives
Straight-line	33~60 years

3.10 Intangible Assets

The Bank recognizes an intangible asset when it is probable that future economic benefits attributable to the asset will flow to the Bank and the cost of the asset can be measured reliably. Intangible assets acquired separately are measured initially at cost, and intangible assets acquired in a business combination are measured at fair value at the acquisition date. After initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses.

Intangible assets with finite useful lives are amortized on a systematic basis over their useful lives, and intangible assets with indefinite useful lives are not amortized. The Bank reviews the recoverable amount of intangible assets to determine whether there is any indication of impairment. An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

The amortization period and the amortization method for intangible assets with finite useful lives are reviewed at least at each financial year-end. If the expected useful life of the asset differs from previous estimates, the amortization period is changed accordingly. If the expected pattern of consumption of the future economic benefits embodied in the asset changes, the amortization method is changed to reflect the changed pattern. Such changes are accounted for as changes in accounting estimates in accordance with K-IFRS No.1008.

The estimated useful lives and amortization methods of intangible assets are as follows:

Intangible assets	Amortization method	Estimated useful lives
Development costs	Straight-line	5 years
Software	Straight-line	~5 years
Others	Straight-line	~10 years

3.11 Leases

(a) Leases as a lessee

In accordance with K-IFRS No. 1116, the Bank recognizes substantially all of the lease as a right-of-use asset and lease liability. The Bank elected not to recognize right-of-use assets and lease liability for leases for low value assets (i.e. office equipment) and the short-term lease.

The Bank presents right-of-use assets as lower category of property and equipment. And the Bank presents lease liability as lower category of other liabilities.

At the initial recognition, the Bank measures the right-of-use asset at cost and deducts accumulated depreciation and accumulated impairment losses and reflecting the adjustment from remeasurement of the lease liability.

The Bank measures lease liability at the initial recognition as present value of lease payment not paid as of the commencement date. When measuring the present value, the Bank discounts lease payment using interest rate implicit in the lease but uses the Bank's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The Bank normally uses the incremental borrowing rate.

The lease liability increases as the amount of interest expense recognized on lease liability and decreases as amount of lease payment. The Bank remeasures lease liability if future lease payment changes in accordance with the changes in index or rate, amounts expected to be payable by the lessee under residual value guarantees, assessment of whether the Bank is exercising the purchase option, option to extend, or option to terminate.

The Bank reflects its assessment of whether it is reasonably certain to exercise extension options in determining the lease term for certain lease contracts that include such options.

(b) Leases as a lessor

For operating leases, lease income is recognized on a straight-line basis over the lease term unless another systematic basis better represents the pattern in which benefit from the use of the underlying asset is diminished. Initial direct

costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized as an expense over the lease term on the same basis as the lease income. Depreciation of assets subject to operating leases is accounted for consistently with the depreciation policy for similar assets.

3.12 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 may be impaired. If any such indication exists, the Bank estimates the recoverable amount of the assets. However, for certain assets for which an annual impairment test is required, the Bank performs the impairment test annually.
The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. If the carrying amount of an asset exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount and the reduction is recognized as an impairment loss.

Impairment loss in continuing business is recognized in profit or loss as an expense item in accordance with the function of the impaired asset.

For the impairment loss already recognized, only in the case of changes in estimates used to determine the recoverable amount, the carrying amount is to be increased to the recoverable amount to the limit of amortized cost of carrying amount before recognizing impairment loss, and to be recognized as reversal of impairment loss through profit or loss.

The Bank reviews, at the end of each reporting period, whether there is any objective evidence of impairment for investments in subsidiaries, associates and joint ventures. If there is objective evidence of impairment, the recoverable amount of the relevant investment is compared with its carrying amount, and the difference is recognized as an impairment loss in profit or loss.

3.13 Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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 for payment guarantees are recognized for confirmed payment guarantees, unconfirmed payment guarantees and endorsed notes that do not qualify as financial guaranteed contracts, and provisions for unused commitments are recognized for unfunded commitments of credit cards and unused credit lines of retail and corporate loans. These provisions are measured using a valuation model that applies the credit conversion factor (“CCF”), 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.

If the Bank has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it.

3.14 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 in other liabilities at fair value and are amortized

over the life of the contract. After initial recognition, financial guarantee contracts are measured at the higher of:

- The amount determined in accordance with the expected credit loss model under K-IFRS No. 1109

- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with K-IFRS No. 1115

3.15 Employee Compensation and Benefits

(a) Post-employment benefits

The Bank applies both defined contribution plans and defined benefit plans.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund). The obligation to pay contributions is recognized in profit or loss unless the obligation is included in costs of assets as retirement benefits on the corresponding payment date. If the contributions are insufficient, accrued expenses are recognized to the extent of insufficient amount. If the contributions exceeds the fixed amount, the Bank recognizes assets (prepaid expenses) to the extent that the excess amount reduces the future payment or leads to cash refund.

All post-employment benefit, other than defined contribution plans, is classified as defined benefit plans. The defined benefit plans of the Bank determines the amount of retirement benefits based upon the years of service and benefits of the employee upon his/her retirement.

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, depending on one or more factors such as age, years of service and compensation. The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that have terms to maturity approximating to the terms of the related pension obligation. The remeasurements of the net defined benefit liability are recognized in other comprehensive income. If any plan amendments, curtailments, or settlements occur, past service costs or any gains or losses on settlement are recognized as profit or loss for the year.

(b) Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within 12 months after the end of the period in which the employees render the related service. The undiscounted amount of short-term employee benefits expected to be paid in exchange for that service is recognized as a liability (accrued expense).

The expected cost of profit-sharing and bonus payments are recognized as liabilities when the Bank has a present legal or constructive obligation to make such payments as a result of past services rendered by employees and a reliable estimate of the obligation can be made.

(c) Termination benefits

Termination benefits are employee benefits payable as a result of either the Bank’s decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits. The Bank recognizes termination benefits as a liability and an expense
when, and only when, the Bank is demonstrably committed to either terminate the employment of an employee before the normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The Bank is demonstrably committed to a termination when, and only when, the Bank has a detailed formal plan for the termination and is without realistic possibility of withdrawal. Where termination benefits fall due more than 12 months after the reporting period, they are discounted using an appropriate discount rate.

3.16 Equity Instrument issued by the Bank

An equity instrument is a contract or agreement that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

(a) Ordinary and preferred shares

Ordinary shares and non-redeemable preferred shares are classified as equity. Incremental costs directly attributable to the issue of new shares are deducted, net of tax, from equity.

(b) Hybrid capital instruments

The Bank classifies financial instruments it issues, or their component parts, on initial recognition as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

Hybrid capital instruments where the Bank has an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation are classified as equity instruments and presented in equity.

(c) Treasury shares

If the Bank reacquires its own equity instruments, those instruments ('treasury shares') are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of own equity instruments.

3.17 Revenue Recognition

The Bank recognizes revenues in the scope of K-IFRS No. 1115 *Revenue from Contracts with Customers* in accordance with the following steps determined in accordance with K-IFRS No. 1115.

- Step 1: Identify contracts with customers
- Step 2: Identify the separate performance obligations
- Step 3: Determine the transaction price of the contract
- Step 4: Allocate the transaction price to each of the separate performance obligations.
- Step 5: Recognize the revenue as each performance obligation is satisfied.

3.17.1 Interest income and expense

Interest income and expense from debt securities at fair value through profit or loss (excluding beneficiary certificates, equity investments, other debt securities), loan receivables, financial instruments at amortized cost and debt securities at fair value through other comprehensive income, are recognized in the statement of comprehensive income 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 similar financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, where appropriate, a shorter period, to the 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 to the extent that they 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).

When impairment losses are recognized on financial assets or a group of similar financial assets, subsequent interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Interest income earned from debt instruments at fair value through profit or loss is also classified as interest income in the statement of comprehensive income.

3.17.2 Loan origination fees and costs

The Bank defers loan origination fees and costs and presents them as an adjustment to the carrying amount of loans. Loan origination fees and costs are amortized using the effective interest method and recognized as an adjustment to interest income.

3.17.3 Fee income

The Bank recognizes financial service fees in accordance with the purpose of the fees and the accounting treatment of the related financial instruments.

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

Such fees are generally treated as adjustments to the effective interest rate. These 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 fees received on the issuance of financial liabilities measured at amortized cost. However, fees relating to the creation or acquisition of a financial asset at fair value through profit or loss are recognized as revenue immediately.

(b) Fees related to performance obligations in the contract satisfied over time

As control over related goods and services is transferred over time, fees related to performance obligation over time are recognized over time. Fees charged for rendering services over a period of time, such as asset management fees and consignment commissions, are recognized as revenue when the related services are rendered.

(c) Fees related to performance obligations at a *point in time*

Fees related to performance obligations at a point in time are recognized when a customer obtains controls of a promised asset and the Bank satisfies a performance obligation. Commission on negotiation or participation in negotiation for the third party such as trading stocks or other securities, arranging transfer and acquisition of business is recognized as revenue when the transaction has been completed.

When the Bank arranges a syndicated loan but does not participate in the syndicate, or participates on the same terms as other participants (i.e., with the same effective interest yield), commissions relating to arranging the syndicated loan are recognized as revenue when the syndication service has been completed.

3.17.4 Net gains/losses on financial instruments at fair value through profit or loss

Net gains/losses on financial instruments at fair value through profit or loss include profit or loss (including changes in fair value, dividends, and gain/loss from foreign currency translation) from following financial instruments:

- Gain or loss from financial instruments at fair value through profit or loss, excluding interest income calculated using the effective interest rate
- Gain or loss from derivatives for trading, including derivatives for hedging that does not meet the criteria for hedge accounting

3.17.5 Dividend income

Dividend income is recognized in profit or loss when the right to receive payment is established and is presented in profit or loss in accordance with the classification of the related equity instruments.

3.18 Earnings per Share

Basic and diluted earnings per share for profit or loss from continuing operations attributable by ordinary shares are presented in the statement of comprehensive income. Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares such as convertible debt and share options.

3.19 Income Tax Expenses

Income tax expense (tax income) comprises current tax expense (current tax income) and deferred income tax expense (deferred income tax). Current and deferred income tax are recognized as income or an expense and included in profit or loss for the year, except to the extent that the tax arises from a transaction or event which is recognized, in the same or a different period outside profit or loss, either in other comprehensive income or directly in equity and a business combination.

(a) Current income 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 expense is included in accounting profit in one period but is included in taxable profit in a different period, and if there are revenue that is exempt from taxation and/or expenses that are not deductible in determining taxable profit (tax loss). Current 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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of the amount expected to be paid to the tax authorities.

The Bank offsets current tax assets and current tax liabilities if, and only if, the Bank has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred income tax

Deferred income tax is recognized, using the asset-liability method, on temporary differences arising between the tax based 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 income 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 nor loss.

Deferred tax liability is recognized for taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, except to the extent that the Branch 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. In addition, deferred tax asset is recognized for deductible temporary differences arising from such investments to the extent that it is probable the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

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 that 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 offset current income tax assets against current Income tax liabilities; and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity; or different taxable entities which intend either to settle current income tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Any additional tax expense, resulting from the payment of dividend, is recognized when liabilities relating to payment of dividend are recognized.

(c) Recognition of current and deferred income tax

Current and deferred income tax are recognized as income or expense and included in profit or loss for the year, except to the extent that the tax arises from a transaction or an event which is recognized, in the same or a different period outside profit or loss, either in other comprehensive income or directly in equity.

3.20 Operating Segments

The Bank distinguishes operating segments based on internal reports that are regularly reviewed by management, including the chief operating decision maker, to make decisions regarding the resources to be allocated to the segments and to evaluate their performance. Each segment is a strategic business unit of the Bank that provides different products and services. These segments are managed separately because each business unit has different risks and returns and requires different technologies and marketing strategies.

3.21 Trust Accounting

Under the Financial Investment Services and Capital Markets Act, the Bank recognizes trust accounts (the Trust Accounts) as separate accounts. Loans provided to trust accounts are recognized as trust account loans, and borrowings from trust accounts are recognized as trust account payables. The Bank earns trust fees from trust accounts for the management, operation and disposal of trust assets in accordance with the Financial Investment Services and Capital Markets Act.

3.22 Approval of the Financial Statements

The separate financial statements of the Bank were approved by the Board of Directors on March 6, 2026, and may be amended upon approval by shareholders at the annual general meeting.

4. Financial Assets and Liabilities at Fair Value through Profit or Loss

Details of financial assets at fair value through profit or loss as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)		December 31, 2025	December 31, 2024
Securities	Equity securities	155,967	134,370
	Beneficiary securities and others	10,134,115	8,326,260
	Government and public bonds	647,182	726,326
	Bank bonds	2,444,442	1,902,570
	Corporate bonds in Korean won	179,770	311,462
	Corporate bonds in foreign currencies	187,352	128,450
	Asset-backed securities	-	20,058
		13,748,828	11,549,496
Derivatives		2,987,596	3,923,465
Loan receivables		111,684	103,256
		16,848,108	15,576,217

Details of financial liabilities at fair value through profit or loss as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Maturity	Interest rate (%)	Fair value (Carrying Amount)
Derivatives	2026.01.02 ~ 2038.11.29	-	2,909,114

December 31, 2024

(In millions of Korean won)	Maturity	Interest rate (%)	Fair value (Carrying Amount)
Derivatives	2025.01.02 ~ 2044.04.25	-	3,861,344

There are no loaned securities among financial assets at fair value through profit or loss as of December 31, 2025 and 2024.

5. Financial Assets at Fair Value through Other Comprehensive Income

Details of financial assets at fair value through other comprehensive income as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)		December 31, 2025	December 31, 2024
Securities	Equity securities	1,875,717	1,534,900
	Government and public bonds	9,195,393	6,456,489
	Bank bonds	6,949,999	6,822,394
	Corporate bonds in Korean won	6,559,387	5,361,134
	Corporate bonds in foreign currencies	4,026,743	3,179,852
	Asset-backed securities	1,501,349	1,877,588
	Government bonds in foreign currencies	39,205	44,838
		30,147,793	25,277,195

Details of equity securities from financial assets at fair value through other comprehensive income as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)		December 31, 2025	December 31, 2024
Stocks	Marketable securities	1,378,785	1,123,695
	Non-marketable securities	496,932	411,205
		1,875,717	1,534,900

5. Financial Assets at Fair Value through Other Comprehensive Income (cont'd)

Changes in the fair value of financial assets at fair value through other comprehensive income recognized as accumulated other comprehensive income for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Beginning	Recognized in other comprehensive income	Reclassified to profit or loss		Reclassified to retained earnings[1]	Tax effect	Ending
			Impairment loss (reversal)	Sale			
Equity securities	754,818	531,961	-	-	(150,626)	(116,149)	1,020,004
Debt securities in Korean won	99,940	(177,807)	(415)	(52,547)	-	61,968	(68,861)
Debt securities in foreign currencies	5,304	19,407	1,750	715	-	(6,094)	21,082
	860,062	373,561	1,335	(51,832)	(150,626)	(60,275)	972,225

[1] The Bank manages and classifies securities obtained through investment in-kind and investment conversion as securities at fair value through other comprehensive income. Among these securities, the fair value and cumulative gain on disposal of shares sold during the current period, as per the joint liquidation resolution of the bondholders, are ₩193,060 million and ₩150,626 million, respectively.

December 31, 2024

(In millions of Korean won)	Beginning	Recognized in other comprehensive income	Reclassified to profit or loss		Reclassified to retained earnings[1]	Tax effect	Ending
			Impairment loss (reversal)	Sale			
Equity securities	596,704	219,713	-	-	(4,884)	(56,715)	754,818
Debt securities in Korean won	(33,657)	182,216	1,176	(1,874)	-	(47,921)	99,940
Debt securities in foreign currencies	(11,972)	25,911	1,365	(3,804)	-	(6,196)	5,304
	551,075	427,840	2,541	(5,678)	(4,884)	(110,832)	860,062

[1] The Bank manages and classifies securities obtained through investment in-kind and investment conversion as securities at fair value through other comprehensive income. Among these securities, the fair value and cumulative gain on disposal of shares sold during the current period, as per the joint liquidation resolution of the bondholders, are ₩8,000 million and ₩4,884 million, respectively.

5. Financial Assets at Fair Value through Other Comprehensive Income (cont'd)

Changes in provision for impairment of financial assets at fair value through other comprehensive income for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	7,906	-	-	7,906
Changes due to significant increase or decrease in credit risk				
Transferred to lifetime expected losses with no impairment	(116)	116	-	-
	(116)	116	-	-
Impairment loss	1,308	27	-	1,335
Sale	(1,321)	-	-	(1,321)
Foreign exchange translation	(11)	(7)	-	(18)
Tax effect	(80)	(37)	-	(117)
Ending	7,686	99	-	7,785

December 31, 2024

(In millions of Korean won)	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	7,028	-	-	7,028
Impairment loss	2,541	-	-	2,541
Sale	(1,864)	-	-	(1,864)
Foreign exchange translation	515	-	-	515
Tax effect	(314)	-	-	(314)
Ending	7,906	-	-	7,906

Details of loaned securities from financial assets at fair value through other comprehensive income as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)		December 31, 2025	December 31, 2024
Government and public bonds	Korea Securities Depository	69,369	-
Government and public bonds	Korea Securities Finance Corporation	9,762	167,362
		79,131	167,362

6. Securities at Amortized Cost

Details of securities at amortized cost as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Government and public bonds	10,894,686	9,157,937
Bank bonds	10,401,390	12,519,763
Corporate bonds in Korean won	7,284,974	7,452,080
Corporate bonds in foreign currencies	1,367,977	1,023,215
Asset-backed securities	2,147,397	1,939,135
Government bonds in foreign currencies	912,656	1,402,755
	33,009,080	33,494,885
Provision for impairment	(6,693)	(7,729)
	33,002,387	33,487,156

Changes in provision for impairment of securities at amortized cost for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	**12-month expected credit losses**	**Lifetime expected losses**		**Total**
		Unrecognized impairment	**Recognized impairment**	
Beginning	7,729	-	-	7,729
Changes due to significant increase or decrease in credit risk				
Transferred to lifetime expected losses with no impairment	(289)	289	-	-
	(289)	289	-	-
Impairment loss (reversal)	(1,109)	110	-	(999)
Foreign exchange translation	(29)	(8)	-	(37)
Ending	6,302	391	-	6,693

6. Securities at Amortized Cost (cont'd)

December 31, 2024

(In millions of Korean won)	12-month expected credit losses	Lifetime expected losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	6,747	-	-	6,747
Impairment loss (reversal)	791	-	-	791
Foreign exchange translation	191	-	-	191
Ending	7,729	-	-	7,729

Details of loaned securities from at amortized cost as of December 31, 2025 and 2024, are as follows.

(In millions of Korean won)		December 31, 2025	December 31, 2024
Government and public bonds	Korea Securities Finance Corporation	9,996	308,179
Bank bonds	Korea Securities Finance Corporation	-	19,986
		9,996	328,165

7. Loans Receivables at Amortized Cost

Details of loan receivables at amortized cost as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Loans in Korean won	313,948,552	298,703,673
Loans in foreign currencies	5,631,092	5,073,075
Bills bought in Korean won	3,392	4,756
Bills bought in foreign currencies	1,332,301	1,016,939
Bonds purchased under repurchase agreements	10,248,124	13,473,300
Interbank loans	2,453,057	2,418,652
Domestic import usance bills	2,699,886	2,951,321
Payment on guarantees	22,654	23,036
Credit card receivables	3,397,284	3,306,758
Call loan	1,068,484	1,077,946
Privately placed bonds	769,578	965,895
	341,574,404	329,015,351
Deferred loan origination fees and costs	738,247	696,542
Less : present value discount	(9,268)	(8,140)
Less : provision for impairment	(4,585,444)	(4,812,097)
Carrying amount	337,717,939	324,891,656

7. Loans Receivables at Amortized Cost (cont'd)

Changes in provision for impairment of loan receivables at amortized cost for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025
(In millions of Korean won)

	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	1,109,649	2,587,999	1,114,449	4,812,097
Changes due to significant increase or decrease in credit risk				
Transferred to 12-month expected credit losses	328,858	(314,835)	(14,023)	-
Transferred to lifetime expected credit losses with no impairment	(215,456)	280,884	(65,428)	-
Transferred to lifetime expected credit losses with impairment	(31,522)	(406,091)	437,613	-
	81,880	(440,042)	358,162	-
Impairment loss(reversal)	(222,731)	321,644	1,545,877	1,644,790
Sale or repurchase	-	-	(615,741)	(615,741)
Collection of previously written-off loans	-	-	95,302	95,302
Loans written-off	-	-	(1,292,812)	(1,292,812)
Unwinding effect	-	-	(56,033)	(56,033)
Foreign exchange translation	(892)	(1,070)	(197)	(2,159)
Ending(*)	967,906	2,468,531	1,149,007	4,585,444

(*) As of December 31, 2025, an additional provision of ₩1,239,463 million, including borrowers under COVID-19 financial support programs, borrowers with revenue declines, borrowers in vulnerable sectors, borrowers under expedited financial support programs, and project finance borrowers, is included.

7. Loans Receivables at Amortized Cost (cont'd)

December 31, 2024
(In millions of Korean won)

	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Unrecognized impairment	
Beginning	1,107,511	2,491,843	893,111	4,492,465
Changes due to significant increase or decrease in credit risk				
Transferred to 12-month expected credit losses	368,570	(344,990)	(23,580)	-
Transferred to lifetime expected losses with no impairment	(160,873)	206,585	(45,712)	-
Transferred to lifetime expected losses with impairment	(17,393)	(199,764)	217,157	-
	190,304	(338,169)	147,865	-
Impairment loss(reversal)	(196,639)	427,193	1,356,601	1,587,155
Sale or repurchase	-	-	(403,511)	(403,511)
Collection of previously written-off loans	-	-	91,483	91,483
Loans written-off	-	-	(928,061)	(928,061)
Unwinding effect	-	-	(45,114)	(45,114)
Foreign exchange translation	8,473	7,132	2,075	17,680
Ending(*)	1,109,649	2,587,999	1,114,449	4,812,097

(*) As of December 31, 2024, an additional provision of ₩1,106,663 million, including borrowers under COVID-19 financial support programs, borrowers with revenue declines, borrowers in vulnerable sectors, borrowers under expedited financial support programs, and project finance borrowers, is included.

Changes in carrying amount of loan receivables at amortized cost for the years ended December 31, 2025 and 2024, are as follows:

7. Loans Receivables at Amortized Cost (cont'd)

December 31, 2025

(In millions of Korean won)	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	243,922,102	80,337,576	4,755,673	329,015,351
Changes due to significant increase or decrease in credit risk				
Transferred to 12-month expected credit losses	16,934,255	(16,789,570)	(144,685)	-
Transferred to lifetime expected credit losses with no impairment	(20,737,063)	21,160,345	(423,282)	-
Transferred to lifetime expected credit losses with impairment	(1,379,787)	(2,941,213)	4,321,000	-
	(5,182,595)	1,429,562	3,753,033	-
Exercise (repayment)	7,444,017	8,951,062	(220,810)	16,174,269
Sale or repurchase	-	-	(2,029,228)	(2,029,228)
Loans written-off	-	-	(1,292,812)	(1,292,812)
Foreign exchange translation	(255,936)	(37,214)	(26)	(293,176)
Ending	245,927,588	90,680,986	4,965,830	341,574,404

December 31, 2024

(In millions of Korean won)	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	224,756,899	73,684,368	3,796,374	302,237,641
Changes due to significant increase or decrease in credit risk				
Transferred to 12-month expected credit losses	17,793,301	(17,593,180)	(200,121)	-
Transferred to lifetime expected credit losses with no impairment	(17,515,456)	17,840,135	(324,679)	-
Transferred to lifetime expected credit losses with impairment	(1,167,665)	(2,032,526)	3,200,191	-
	(889,820)	(1,785,571)	2,675,391	-
Exercise (repayment)	18,405,345	8,260,228	231,253	26,896,826
Sale or repurchase	-	-	(1,023,415)	(1,023,415)
Loans written-off	-	-	(928,061)	(928,061)
Foreign exchange translation	1,649,678	178,551	4,131	1,832,360
Ending	243,922,102	80,337,576	4,755,673	329,015,351

7. Loans Receivables at Amortized Cost (cont'd)

Changes in deferred loan origination fees and costs for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025 *(In millions of Korean won)*	**Beginning**	**Increase**	**Decrease**	**Ending**
Deferred loan origination fee	(6,848)	(1,505)	2,590	(5,763)
Deferred loan origination costs	703,390	341,757	(301,137)	744,010
	696,542	340,252	(298,547)	738,247

December 31, 2024 *(In millions of Korean won)*	**Beginning**	**Increase**	**Decrease**	**Ending**
Deferred loan origination fee	(5,762)	(3,466)	2,380	(6,848)
Deferred loan origination costs	614,272	391,609	(302,491)	703,390
	608,510	388,143	(300,111)	696,542

8. Derivatives

Details of derivative transactions classified as financial assets and liabilities at fair value through profit or loss as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	**Assets**	**Liabilities**	**Nominal[1]**	**Valuation gain**	**Valuation loss**
Interest rate futures	-	-	574,340	-	-
Interest rate swaps	24,944	16,468	30,260,557	13,678	12,378
Interest rate options (buy)	8,909	-	180,000	2,899	1,308
Interest rate options (sell)	-	10,400	250,000	1,509	3,725
	33,853	26,868	31,264,897	18,086	17,411
Currency forwards	1,411,922	1,292,986	83,021,425	1,120,937	1,034,991
Currency swaps	1,529,584	1,589,241	33,461,393	800,850	789,459
	2,941,506	2,882,227	116,482,818	1,921,787	1,824,450
Stock price index futures					
Stock options (buy)	12,229	-	62,807	3	61
Stock options (sell)	-	-	15,076	-	-
Stock price index options (buy)	8	-	2,463	-	3
Stock price index options (sell)	-	19	27,048	653	1
	12,237	19	107,394	656	65
	2,987,596	2,909,114	147,855,109	1,940,529	1,841,926

8. Derivatives (cont'd)

December 31, 2024

(In millions of Korean won)	Assets[2]	Liabilities[2]	Nominal[1]	Valuation gains[2]	Valuation losses[2]
Interest rate futures	-	-	612,404	-	-
Interest rate swaps	30,500	29,997	35,200,342	21,781	23,200
Interest rate options (buy)	7,318	-	180,000	199	1,102
Interest rate options (sell)	-	8,184	250,000	1,514	130
	37,818	38,181	36,242,746	23,494	24,432
Currency forwards	2,384,794	2,273,228	76,372,031	2,417,819	2,297,671
Currency futures	-	-	1,911	-	-
Currency swaps	1,491,905	1,549,664	29,971,654	1,341,057	1,400,321
	3,876,699	3,822,892	106,345,596	3,758,876	3,697,992
Stock price index futures	-	-	1,885	-	-
Stock options (buy)	8,903	-	43,301	58	4
Stock options (sell)	-	-	11,949	-	-
Stock price index options (buy)	45	-	7,781	2	-
Stock price index options (sell)	-	271	29,122	405	1
	8,948	271	94,038	465	5
	3,923,465	3,861,344	142,682,380	3,782,835	3,722,429

[1] Nominal amount is the gross contract amount which forms a basis for measuring changes in fair value of derivatives. Nominal amounts as of December 31, 2025 and 2024, do not indicate any market risk or credit risk.

Details of derivative financial assets and liabilities for hedge accounting as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025			December 31, 2024		
	Asset	Liability	Nominal[1]	Asset	Liability	Nominal[1]
Fair value hedge						
Interest rate swap	15,530	140,784	5,205,023	35,754	172,738	5,193,912
Currency swap	13,616	54	629,582	36,055	6,072	649,675
	29,146	140,838	5,834,605	71,809	178,810	5,843,587

[1] Nominal amount is the gross contract amount which forms a basis for measuring changes in fair value of derivatives. Nominal amounts as of December 31, 2025 and 2024, do not indicate any market risk or credit risk.

8. Derivatives (cont'd)

Changes in fair value of derivatives designated as hedging instruments for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	**Changes in fair value for the period**	**The ineffective portion of hedges**
Interest rate swap	(730)	(964)
Currency swap	13,395	(5,274)
	12,665	(6,238)

December 31, 2024

(In millions of Korean won)	**Changes in fair value for the period**	**The ineffective portion of hedges**
Interest rate swap	12,131	86
Currency swap	60,162	2,205
	72,293	2,291

The carrying amounts of non-derivatives designated as hedging instruments for fair value hedges as of December 31, 2025 and 2024, and changes in fair value for the years ended December 31, 2025 and 2024 are as follows:

As of December 31, 2025 and for the years ended December 31, 2025

(In millions of Korean won)	**Carrying amount**	**Changes in fair value for the period**
Debentures in foreign currencies	286,980	7,020

As of December 31, 2024 and for the years ended December 31, 2024

(In millions of Korean won)	**Carrying amount[1]**	**Changes in fair value for the period[1]**
Debentures in foreign currencies	294,000	(36,120)

[1] The carrying amount represents the amount as of December 31, 2024, and the changes in fair value represent the amount for the years ended December 31, 2024.

8. Derivatives (cont'd)

The details of the hedged items designated in fair value hedges as of December 31, 2025 and 2024, and the changes in their fair value for the years ended December 31, 2025 and 2024, are as follows:

As of December 31, 2025 and for the years ended December 31, 2025

(In millions of Korean won)	December 31, 2025		
	Carrying amount	**Accumulated fair value adjustments**	**Changes in fair value for the period**
Financial assets			
Financial assets at fair value through other comprehensive income	1,297,677	10,718	27,333
Investment for subsidiaries and associates	285,420	66,980	(7,020)
	1,583,097	77,698	20,313
Financial liabilities			
Bonds in Korean won	1,153,213	(116,787)	(27,043)
Bonds in foreign currencies	3,286,008	(3,474)	52,756
	4,439,221	(120,261)	25,713

As of December 31, 2024 and for the years ended December 31, 2024

(In millions of Korean won)	December 31, 2024		
	Carrying amount[1]	**Accumulated fair value adjustments**[1]	**Changes in fair value for the period**[1]
Financial assets			
Financial assets at fair value through other comprehensive income	1,344,183	(22,394)	(4,681)
Investment for subsidiaries and associates	292,440	74,000	36,120
	1,636,623	51,606	31,439
Financial liabilities			
Bonds in Korean won	1,180,256	(89,744)	28,989
Bonds in foreign currencies	3,145,427	(73,358)	(15,736)
	4,325,683	(163,102)	13,253

[1] The carrying amount and accumulated fair value adjustments represent the amount as of December 31, 2024, and the changes in fair value represent the amount for the years ended December 31, 2024.

8. Derivatives (cont'd)

Hedges of Net Investment in Foreign Operations

Non-derivative financial instruments designated as hedging instruments for net investment in foreign operations as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025 and for the year ended then		December 31, 2024 and for the year ended then	
	Carrying amount	Changes in fair value for the period	Carrying amount	Changes in fair value for the period
Debentures in foreign currencies	469,212	11,478	480,690	(59,056)
Borrowings in foreign currencies	9,176	189	9,365	(238)
	478,388	11,667	490,055	(59,294)

[1] The carrying amount represents the amount as of December 31, 2024, and the changes in fair value represent the amount for the years ended December 31, 2024.

The non-derivative financial instruments designated as hedging instruments for net investments in foreign operations as of December 31, 2025 and 2024, are as follows.

(In millions of Korean won)	December 31, 2025		December 31, 2024	
	Foreign currency translation reserve	Change in fair value during the period	Foreign currency translation reserve	Change in fair value during the prior period
Net assets of a foreign operation	(73,876)	(11,667)	(83,582)	59,294

The gains and losses related to hedges of a net investment in a foreign operation for December 31, 2025 and 2024, are as follows.

December 31, 2025

(In millions of Korean won)	Hedging gains or losses recognised in other comprehensive income	Ineffective portion of the hedge recognised in profit or loss	Amount reclassified to profit or loss from the foreign currency translation reserve
Net assets of a foreign operation	11,667	-	-

December 31, 2024

(In millions of Korean won)	Hedging gains or losses recognised in other comprehensive income	Ineffective portion of the hedge recognised in profit or loss	Amount reclassified to profit or loss from the foreign currency translation reserve
Net assets of a foreign operation	(59,294)	-	-

Maturity analysis of derivative instruments

The future nominal cash flows and average interest rates by type of hedging as of December 31, 2025 and 2024, are as follows:

8. Derivatives (cont'd)

December 31, 2025

(In millions of Korean won)	Less than 1 month	Between 1 to 3 months	Between 3 months to 1 year	Between 1 to 5 years	Over 5 years	Total
Fair value hedge						
Interest rate swap						
Par value	23,676	45,630	219,970	3,815,536	1,100,211	5,205,023
Average interest rate (%)	4.99	2.45	3.28	4.68	3.04	-
Currency swap						
Par value	71,551	-	221,674	336,357	-	629,582
Average interest rate (%)	4.12	-	3.48	4.83	-	-
Debentures in foreign currencies						
Par value	-	-	-	286,980	-	286,980
Average interest rate (%)	-	-	-	5.38	-	-
	95,227	45,630	441,644	4,438,873	1,100,211	6,121,585
Hedge of net investments in foreign operations						
Debentures in foreign currencies						
Par value	-	-	-	469,212	-	469,212
Average interest rate (%)	-	-	-	4.00	-	-
Borrowings in foreign currencies						
Par value	9,176	-	-	-	-	9,176
Average interest rate (%)	0.85	-	-	-	-	-
	9,176	-	-	469,212	-	478,388

8. Derivatives (cont'd)

December 31, 2024

(In millions of Korean won)	Less than 1 month	Between 1 to 3 months	Between 3 months to 1 year	Between 1 to 5 years	Over 5 years	Total
Fair value hedge						
Interest rate swap						
Par value	8,820	4,410	792,663	3,217,344	1,170,675	5,193,912
Average interest rate (%)	2.56	2.05	1.24	4.65	3.10	-
Currency swap						
Par value	-	-	535,594	114,081	-	649,675
Average interest rate (%)	-	-	1.06	3.82	-	-
Debentures in foreign currencies						
Par value	-	-	294,000	-	-	294,000
Average interest rate (%)	-	-	1.04	-	-	-
	8,820	4,410	1,622,257	3,331,425	1,170,675	6,137,587
Hedge of net investments in foreign operations						
Debentures in foreign currencies						
Par value	-	-	-	480,690	-	480,690
Average interest rate (%)	-	-	-	4.00	-	-
Borrowings in foreign currencies						
Par value	9,365	-	-	-	-	9,365
Average interest rate (%)	0.30	-	-	-	-	-
	9,365	-	-	480,690	-	490,055

9. Investments in Subsidiaries and Associates

Details of investments in subsidiaries and associates as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
Subsidiaries							
IBK Capital Corporation	100.00	265,452	2,075,932	416,063	New technology project financing, Installment financing, Facilities leasing, Corporate restructuring	Korea	December 31
IBK Securities Co., Ltd.	87.78	600,003	1,204,141	611,687	Investment association	Korea	December 31
IBK Insurance Co., Ltd.	100.00	490,000	751,583	490,000	Life insurance (Pension)	Korea	December 31
IBK Asset Management Co., Ltd.	100.00	24,140	99,536	28,503	Investment association	Korea	December 31
IBK Savings Bank Co., Ltd.	100.00	193,590	166,880	193,590	Mutual Savings Bank	Korea	December 31
IBK Venture Investment Co., Ltd.	100.00	100,000	95,144	100,000	New technology project financing	Korea	December 31
IBK System Co., Ltd.[1]	55.63	1,725	16,459	11,243	Financial system management	Korea	December 31
IBK Credit Information Corp.	100.00	3,000	37,693	10,724	Credit information services, debt collection services	Korea	December 31
IBK Service Co., Ltd.	100.00	3,000	8,675	3,000	Maintenance and management services	Korea	December 31
Industrial Bank of Korea (China) Limited	100.00	354,764	726,232	328,352	Financial services	China	December 31
PT BANK IBK INDONESIA TBK	91.49	503,277	464,468	440,302	Financial services	Indonesia	December 31

(In millions of Korean won, except for percentage)	**Ownership (%)**	**Acquisition value**	**Net asset value**	**Carrying amount**	**Primary business**	**Location**	**Year end**
IBK Myanmar Co., Ltd.	100.00	218,440	296,021	285,420	Financial services	Myanmar	March 31
IBK Bank Polska Spolka Akcyjna	100.00	142,718	159,124	142,718	Financial services	Poland	December 31
IBK SKS Private Equity Fund[2]	26.67	-	1,406	-	Investment association	Korea	December 31
IBK POSCO TRUBEN Recovery Private Equity Fund No.1[2]	49.50	15,718	7,816	5,681	Investment association	Korea	December 31
No.1 Technology Financing Private Equity Fund[2]	30.00	-	3,082	-	Investment association	Korea	December 31
Value Brand Korea No.1 Private Equity Fund[2]	50.00	-	13	-	Investment association	Korea	December 31
IBK KIP Growth Stepstone Private Equity Fund No.1[2]	50.00	-	3,087	-	Investment association	Korea	December 31
IBK-TS Exit No.2 Private Equity Fund[2]	48.78	53,760	54,590	53,760	Investment association	Korea	December 31
IBKBNW Tech-Fi 2018 Private Equity Fund[2]	40.00	-	8,728	-	Investment association	Korea	December 31
IBK-Stonebridge Innovation Growth PEF[2]	40.00	29,152	28,869	29,152	Investment association	Korea	December 31
IBKBNW industrial Competitiveness Growth PEF[2]	30.00	38,378	44,694	38,378	Investment association	Korea	December 31
IBK-Stonebridge NewDeal-ESG Unicorn Private Equity Fund[2]	40.00	34,259	44,683	34,259	Investment association	Korea	December 31
IBK-KIWOOM Business Reorganization Private Equity Fund[2]	40.00	46,738	41,783	46,738	Investment association	Korea	December 31
IBK-LX G Scale-up Export Support Fund[2]	39.67	25,405	23,995	25,405	Investment association	Korea	December 31
IBK-Kiwoom Small-Medium and Middle-Standing Jump-up Private Equity Fund[2]	44.12	10,500	10,189	10,500	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
500 Korea III, L.P.	99.00	19,900	18,227	19,900	Investment association	Korea	December 31
IBKS Paratus Corporate Succession Business Reorganization Fund[4]	50.00	19,313	18,194	19,313	Investment association	Korea	December 31
IBK Financial Group Chang-gong No.1 Fund[2]	50.00	2,500	2,375	2,500	Investment association	Korea	December 31
IBK Group IP Creation Fund[3]	33.33	-	2,600	-	Investment association	Korea	December 31
IBK Group Crowdfunding Matching Fund[3]	50.00	3,150	58	58	Investment association	Korea	December 31
IBK Group Future Growth Engine Fund[3]	50.00	1,267	7,715	1,267	Investment association	Korea	December 31
IBK Group IP Value-up Fund No.2[3]	25.00	1,127	1,016	9	Investment association	Korea	December 31
IBK Start-up Job Creation Fund[4]	50.00	2,690	4,318	2,690	Investment association	Korea	December 31
IBK Group New Deal Material Component and Equipment Fund[3]	49.38	11,993	15,667	11,993	Investment association	Korea	December 31
IBK Digital innovation Fund	90.00	9,450	7,041	9,450	Investment association	Korea	December 31
Subtotal		3,225,409	6,452,034	3,372,655			
Associates							
Incheon Bridge Co., Ltd.[5]	14.99	9,158	10,046	9,158	Construction, service	Korea	December 31
Jeonla railroad Co., Ltd. [5]	11.94	12,553	6,347	3,637	Construction, service	Korea	December 31
Chungjung Sangju Co., Ltd. [5]	14.00	1,235	833	428	Construction	Korea	December 31
Chungjung Seogwipo Co., Ltd.[5]	11.41	1,130	1,349	652	Construction, service	Korea	December 31
Green Kimhae Enviro Co., Ltd. [5]	14.00	1,411	1,004	734	Construction	Korea	December 31
Green Asan Enviro Co., Ltd. [5]	15.00	1,407	1,078	705	Construction	Korea	December 31

(In millions of Korean won, except for percentage)	**Ownership (%)**	**Acquisition value**	**Net asset value**	**Carrying amount**	**Primary business**	**Location**	**Year end**
KOREA FINANCE SECURITY[5]	14.67	880	3,786	880	Service, Transportation, Real estate	Korea	December 31
EVERBEST LIVINGSTONE PRIVATE EQUITY FUND[6]	12.50	-	-	-	Investment association	Korea	December 31
Scale-up Platform Private Equity Fund[6]	15.00	590	1,125	590	Investment association	Korea	December 31
Eum Private Equity Fund No.7[6]	13.12	4,444	5,950	4,444	Investment association	Korea	December 31
Paratus Woori Materials, Parts, Equipment Private Equity Fund[6]	5.07	1,582	1,569	1,582	Investment association	Korea	December 31
UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund[6]	15.00	19,496	18,960	19,496	Investment association	Korea	December 31
Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business	23.89	3,000	2,794	3,000	Investment association	Korea	December 31
AIM-OPUS Healthcare Growth Capital Private Equity Fund[6]	14.78	-	483	-	Investment association	Korea	December 31
BNW ACE Private Equity Fund[6]	13.33	3,000	6,227	3,000	Investment association	Korea	December 31
UAMCO IBK PF Private Equity Fund I	33.33	9,387	14,907	9,387	Investment association	Korea	December 31
UAMCO-IBK PF 2nd Private Equity Fund	44.00	40,480	41,532	40,480	Investment association	Korea	December 31
BTS 2-1 Private Equity Fund	28.17	6,340	6,270	6,340	Investment association	Korea	December 31
Daishin Growth Capital 2024 Private Equity Fund	20.00	15,828	13,857	15,828	Investment association	Korea	December 31
UAMCO-TAESUNG Corporate Financial Stability Private Equity Fund	29.00	232	(210)	232	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	**Ownership (%)**	**Acquisition value**	**Net asset value**	**Carrying amount**	**Primary business**	**Location**	**Year end**
IBK-Korea Investment Growth Ladder Private Equity Limited Fund	49.50	10,719	10,334	10,719	Investment association	Korea	December 31
Stassets Fund IV	27.73	750	750	750	Investment association	Korea	December 31
CCVC Culture-ICT Convergence Fund	20.00	1,721	423	484	Investment association	Korea	December 31
KTBN Media Contents Fund	35.00	-	387	-	Investment association	Korea	December 31
EBEST CRESO CONTENTS Fund No.1	47.17	500	509	500	Investment association	Korea	December 31
KAI-KSM Crowd Seeding Fund	31.25	1,104	509	511	Investment association	Korea	December 31
Gaia Bio Investment Fund #1[7]	49.18	3,000	24	24	Investment association	Korea	December 31
InterValue No.3 Innovation Start-up Fund	20.00	4,000	3,865	4,000	Investment association	Korea	December 31
Shinhan Consumer Fund 2[6]	19.05	-	194	-	Investment association	Korea	December 31
IBK-STIC Pioneer Fund	45.45	5,513	5,497	5,513	Investment association	Korea	December 31
Global Gateway Fund III	25.00	4,200	4,446	4,200	Investment association	Korea	December 31
IBK Changgong Jump up 1st Investment Fund[9]	80.00	1,310	1,506	1,310	Investment association	Korea	December 31
SWK-SHINHAN NEW TECHNOLOGY INVESTMENT FUND 1st	49.18	3,000	1,358	1,358	Investment association	Korea	December 31
COMPANY K BIO FUND	39.02	6,160	5,962	6,160	Investment association	Korea	December 31
Cornerstone Win-win I Fund	27.75	3,000	1,322	1,326	Investment association	Korea	December 31
DAvalue-Kbridge New Pharmaceutical Fund No.02	29.85	2,000	1,805	2,000	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	**Ownership (%)**	**Acquisition value**	**Net asset value**	**Carrying amount**	**Primary business**	**Location**	**Year end**
Hanwha Uon Fund No.1	22.99	1,978	1,742	1,978	Investment association	Korea	December 31
Smilegate Next Commerce 1st Venture Fund	41.67	3,000	3,239	3,000	Investment association	Korea	December 31
InterVest Global Scale-up Fund[6]	16.67	7,778	7,826	7,778	Investment association	Korea	December 31
IBK-Synergy IB Business Reshuffle New Technology Fund	43.86	-	2,266	-	Investment association	Korea	December 31
New Deal Extension New Technology Fund No.1	40.00	12,320	10,409	12,320	Investment association	Korea	December 31
S&S-ONE-Dotconnect Fund 1	44.44	2,000	2,183	2,000	Investment association	Korea	December 31
Smilegate Next Commerce 2nd Venture Fund	28.30	3,000	1,661	1,672	Investment association	Korea	December 31
Smart IBK-Quantum Green New Industry Fund	32.79	10,000	8,671	10,000	Investment association	Korea	December 31
IBK-KT Emerging Digital Industry Investment Fund	34.88	15,000	12,909	15,000	Investment association	Korea	December 31
PCC-Bailey Project Fund[10]	54.55	3,000	24	54	Investment association	Korea	December 31
LSK Healthcare Fund IV[6]	17.14	1,888	2,438	1,888	Investment association	Korea	December 31
Shinhan-Kunicorn first Fund[6]	19.16	5,000	3,841	5,000	Investment association	Korea	December 31
VISION Materials, Parts and Equipment Venture Fund No.1[9]	51.72	3,000	742	753	Investment association	Korea	December 31
SUP 1st Venture Fund[6]	19.23	1,000	926	1,000	Investment association	Korea	December 31
Cornerstone Merkaba Fund 1	30.30	1,000	916	1,000	Investment association	Korea	December 31
One Shinhan Global Fund 3	24.00	3,000	(208)	-	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
Korea ASEAN Technology Fund 2[6]	17.54	2,123	2,242	2,123	Investment association	Korea	December 31
IP-LD Fund No.1	38.38	3,000	2,752	3,000	Investment association	Korea	December 31
Hanwha Smart Healthcare Fund No.1	30.00	3,000	2,789	3,000	Investment association	Korea	December 31
SKS-DA Unicorn Bio Fund No.1	28.17	2,000	1,874	2,000	Investment association	Korea	December 31
One Shinhan Global Fund 4	32.79	2,000	3,541	2,000	Investment association	Korea	December 31
IBK Changgong Jump up 2nd Investment Fund[9]	75.00	6,000	5,306	6,000	Investment association	Korea	December 31
Bokwang-Honest Energy Fund No. 1	22.22	877	1,036	877	Investment association	Korea	December 31
Cornerstone Pentastone VIII Fund	49.18	1,500	515	512	Investment association	Korea	December 31
One Shinhan Global Fund 5	24.62	2,000	1,879	2,000	Investment association	Korea	December 31
Ulmus 2022 Secondary Fund	22.22	6,500	8,621	6,500	Investment association	Korea	December 31
L&S Early Stage IV ICT MCE Venture Fund	22.22	10,000	8,916	10,000	Investment association	Korea	December 31
IBK-SOLIDUS Next Bio Star Investment Fund	42.55	10,000	12,542	10,000	Investment association	Korea	December 31
C&CI Investment Fund 1	20.00	992	2,027	992	Investment association	Korea	December 31
IBK Financial Group-DS Green Finance Fund	40.40	20,259	18,153	20,259	Investment association	Korea	December 31
KOSNET Semicon Two Venture Fund[6]	12.42	1,000	951	1,000	Investment association	Korea	December 31
DKI Growing Star Fund VII	25.00	10,000	10,292	10,000	Investment association	Korea	December 31
Square New Paradigm Investment Fund No. 1[6]	18.69	2,000	1,890	2,000	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
GU Materials Parts and Equipment Project Fund I	24.00	3,000	3,604	3,000	Investment association	Korea	December 31
S Secondary Venture Fund NO.1	28.57	2,598	3,103	2,598	Investment association	Korea	December 31
E&Venture Project No.1 Smartgreen Fund	29.41	1,500	1,434	1,500	Investment association	Korea	December 31
Cornerstone New Main I Fund	26.74	2,500	2,366	2,500	Investment association	Korea	December 31
SmartKorea UTC Untact Fund	29.41	7,000	5,744	7,000	Investment association	Korea	December 31
IBK-Company K Innovation growth Fund	37.88	44,500	60,926	44,500	Investment association	Korea	December 31
IBK Scale-up Gyeonggi-G-FUND	20.00	6,150	6,255	6,150	Investment association	Korea	December 31
IBK-Stonebridge Rising Fund II	50.00	21,900	23,291	21,900	Investment association	Korea	December 31
IBK IP Technology Commercialization Fund	30.00	6,000	5,573	6,000	Investment association	Korea	December 31
SH Ulmus M.P.E. Innovative Venture Fund 7	28.57	3,000	2,931	3,000	Investment association	Korea	December 31
POSITIVE AI Venture Fund #1	48.39	3,000	3,048	3,000	Investment association	Korea	December 31
KB-BridgePole Venture Investment Fund #2[6]	19.05	2,000	1,910	2,000	Investment association	Korea	December 31
KAIC TO Ventures Fund IV	24.39	2,000	2,025	2,000	Investment association	Korea	December 31
IBK-KOLON 2023 Super-Gap Fund	27.03	15,000	14,568	15,000	Investment association	Korea	December 31
Caspian-T No.3 Fund	25.97	2,000	2,019	2,000	Investment association	Korea	December 31
Newmain II Funds	32.26	3,000	2,869	3,000	Investment association	Korea	December 31
Korea Investment-Newmain Growth Capital 1st Fund	34.10	3,000	2,928	3,000	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	**Ownership (%)**	**Acquisition value**	**Net asset value**	**Carrying amount**	**Primary business**	**Location**	**Year end**
Timefolio Tech Fund I	21.18	3,000	3,023	3,000	Investment association	Korea	December 31
IBK Financial Group-Uamco SME Accelerating Fund[6]	16.67	15,558	14,613	15,558	Investment association	Korea	December 31
KAI Valiant aesthetic Investment Fund I[6]	16.10	2,987	2,872	2,987	Investment association	Korea	December 31
PLUX Technology Innovation Investment Fund 1	45.45	1,500	1,439	1,500	Investment association	Korea	December 31
Elohim Newmain I Fund	22.37	1,000	962	1,000	Investment association	Korea	December 31
BYB-SKS Pre-IPO Fund NO.1	23.90	3,000	2,884	3,000	Investment association	Korea	December 31
Cornerstone Blue Dragon I Fund	28.99	600	485	600	Investment association	Korea	December 31
KB-VEP Contact Fund	33.33	1,760	1,685	1,760	Investment association	Korea	December 31
Synergy IB innovation Fund	24.75	19,750	22,350	19,750	Investment association	Korea	December 31
LINEA-NBH Fund II[6]	13.70	2,000	2,565	2,000	Investment association	Korea	December 31
PLUX Technology Innovation Investment Fund 2	49.02	1,315	1,690	1,315	Investment association	Korea	December 31
COMPANY K BUYOUT 1	26.79	2,400	2,284	2,400	Investment association	Korea	December 31
Harang-IP Vine Contents Fund[6]	12.00	1,000	977	1,000	Investment association	Korea	December 31
IBK-LB Startup Fund I	45.80	12,000	9,623	12,000	Investment association	Korea	December 31
WE Scale-up Fund I	29.54	12,000	11,428	12,000	Investment association	Korea	December 31
Horizon Venture Fund I	22.49	1,825	2,132	1,825	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	**Ownership (%)**	**Acquisition value**	**Net asset value**	**Carrying amount**	**Primary business**	**Location**	**Year end**
Moorim-Omega Fund II	26.63	2,000	1,937	2,000	Investment association	Korea	December 31
GNTECH Project Fund II	21.98	2,000	1,941	2,000	Investment association	Korea	December 31
NP Growth 11th Private Equity Fund[6]	11.11	3,000	3,935	3,000	Investment association	Korea	December 31
Korea Semiconductor Materials and Components No.1 Private Equity Fund[6]	16.39	10,000	30,791	10,000	Investment association	Korea	December 31
Honeypot HGI New Fund[9]	64.90	2,000	1,948	2,000	Investment association	Korea	December 31
Widwin investment fund 73	28.63	1,500	1,831	1,500	Investment association	Korea	December 31
IBK-YG K-culture Fund	25.00	5,000	5,368	5,000	Investment association	Korea	December 31
Start-up Korea IBK- Schmidt Fund	40.00	4,500	4,356	4,500	Investment association	Korea	December 31
Start-up Korea IBKVC-FP2024 Fund	50.00	15,000	14,530	15,000	Investment association	Korea	December 31
Start-up Korea IBKVC-KOLON 2024 Fund	50.00	22,500	21,918	22,500	Investment association	Korea	December 31
Allies-HSBI Material Component Equipment New Technology Fund[9]	55.56	2,000	4,571	2,000	Investment association	Korea	December 31
Lodestone 4th Startup Venture Specialized Private Equity Fund[6]	19.70	2,000	1,999	2,000	Investment association	Korea	December 31
JW&Kiyvre Fund 1[6]	13.04	3,000	2,912	3,000	Investment association	Korea	December 31
JKL-POI Private Equity Fund[6]	17.34	3,000	2,912	3,000	Investment association	Korea	December 31
LB Next Innovation Fund 1	22.22	3,000	2,948	3,000	Investment association	Korea	December 31
Startup Korea IBK-STIC Tech Champion Fund	28.72	15,000	14,340	15,000	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	**Ownership (%)**	**Acquisition value**	**Net asset value**	**Carrying amount**	**Primary business**	**Location**	**Year end**
Startup Korea IBK-DTNI Fund	33.33	6,000	6,665	6,000	Investment association	Korea	December 31
Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	48.78	5,000	4,803	5,000	Investment association	Korea	December 31
Startup Korea Pathfinder-IBK Super Gap Fund	40.00	2,700	2,267	2,700	Investment association	Korea	December 31
Lucky Invites FUND-1	46.84	2,000	3,494	2,000	Investment association	Korea	December 31
Korea Investment Dong-Yu Blue Horizon Fund	34.78	2,000	1,958	2,000	Investment association	Korea	December 31
BNK safety Investment Fund No.2[6]	19.05	2,000	5,552	2,000	Investment association	Korea	December 31
D2U 12TH Fund	42.25	3,000	2,937	3,000	Investment association	Korea	December 31
HellosThelaFund 1	49.75	2,000	1,955	2,000	Investment association	Korea	December 31
2024 Tethys Venture Fund[6]	13.04	3,000	2,953	3,000	Investment association	Korea	December 31
2024DeepDive Investment Fund	32.97	2,956	3,020	2,956	Investment association	Korea	December 31
KAIC TO Ventures Fund VII	37.52	2,806	2,793	2,806	Investment association	Korea	December 31
Allies partners Fund no.9	49.50	1,000	979	1,000	Investment association	Korea	December 31
BNK Global Medical Device NEW Technology 1st Investment Fund	33.33	2,000	1,963	2,000	Investment association	Korea	December 31
For Human Life Wellbeing Private Equity Partnership No.1 [6]	10.75	2,300	2,498	2,300	Investment association	Korea	December 31
Prodigy Fund 30	29.41	1,000	984	1,000	Investment association	Korea	December 31
Start-up Korea IBK Murex Voyager No.2 Fund	40.00	4,000	3,817	4,000	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	**Ownership (%)**	**Acquisition value**	**Net asset value**	**Carrying amount**	**Primary business**	**Location**	**Year end**
Cape Lakebridge Fund IX[6]	17.60	3,000	2,970	3,000	Investment association	Korea	December 31
Cornerstone Daon I Fund	47.62	1,000	979	1,000	Investment association	Korea	December 31
2024 IBK Innovation Samchully New Green Fund	37.50	1,500	1,405	1,500	Investment association	Korea	December 31
Daishin-SAM New Technology Investment Fund No.1[6]	8.93	3,000	3,428	3,000	Investment association	Korea	December 31
Cornerstone New Main III Funds	41.90	1,500	1,476	1,500	Investment association	Korea	December 31
Cyrus-K Materials and Components Investment Fund No.1	39.47	995	2,540	995	Investment association	Korea	December 31
2024 IBK Innovation-AJU Good Venture Fund 3.0[6]	12.08	5,000	4,941	5,000	Investment association	Korea	December 31
Novorsec Eco-friendly K-Shipbuilding Venture Fund[6]	16.67	1,500	1,483	1,500	Investment association	Korea	December 31
DITTO NEW COMMERCE FUND	29.32	1,000	986	1,000	Investment association	Korea	December 31
GNP2025-01Venturefund	25.00	1,500	1,451	1,500	Investment association	Korea	December 31
IBKC-Envision I Fund	31.25	3,000	2,951	3,000	Investment association	Korea	December 31
DA Beauty Fund No.1	28.78	2,000	1,984	2,000	Investment association	Korea	December 31
2024 IBK Innovation K-RUN Mobility No.7 Fund[6]	17.05	1,500	1,122	1,500	Investment association	Korea	December 31
SJG Semiconductor Materials&Equipment No.2 Fund[6]	15.00	3,000	2,974	3,000	Investment association	Korea	December 31
INFINITUM K-Culture 2 Fund[6]	16.64	2,000	1,993	2,000	Investment association	Korea	December 31
Perspective-Axis Fund 1	31.25	1,500	1,495	1,500	Investment	Korea	December 31

(In millions of Korean won, except for percentage)	**Ownership (%)**	**Acquisition value**	**Net asset value**	**Carrying amount**	**Primary business**	**Location**	**Year end**
					association		
IBKVC-SBI 2025 Fund	48.65	7,200	7,090	7,200	Investment association	Korea	December 31
JB-OMEGA Fund	28.53	2,000	1,993	2,000	Investment association	Korea	December 31
IBKS-FINDVALUE Robot Solution Fund[6]	18.86	3,000	2,992	3,000	Investment association	Korea	December 31
Allies partners Fund no.11	30.77	2,000	1,983	2,000	Investment association	Korea	December 31
Gravity General Private Paju Studio Investment Company No.1[6]	13.51	1,500	1,572	1,500	Investment association	Korea	December 31
Start-Up Korea Plux Deeptech Fund	39.87	1,200	1,200	1,200	Investment association	Korea	December 31
StartUp Korea-KIF Kiwoom New Hero No.9 Fund	23.53	4,000	4,000	4,000	Investment association	Korea	December 31
StartUp Korea Quantum Secondary Fund II	39.06	2,000	2,000	2,000	Investment association	Korea	December 31
2025 IBKVC-DAISHIN Next Value-Up Fund	50.00	4,000	4,000	4,000	Investment association	Korea	December 31
INNOPOLIS NEXT UNICORN DEEP FUND	28.79	1,500	1,500	1,500	Investment association	Korea	December 31
JP-K Semiconductor 1st New Technology Business Investment Fund	31.06	1,500	1,500	1,500	Investment association	Korea	December 31
Nautilus-KWC Semiconductor Fund	22.15	2,000	2,000	2,000	Investment association	Korea	December 31
LUX-Mason Innovation Technology Fund #2	30.77	2,000	2,000	2,000	Investment association	Korea	December 31
IBKC LEP Fund X	31.25	2,500	2,500	2,500	Investment association	Korea	December 31
Axis Flow Automation Fund No.1	24.98	2,500	2,500	2,500	Investment association	Korea	December 31
subtotal		756,345	787,198	726,134			

(In millions of Korean won, except for percentage)	**Ownership (%)**	**Acquisition value**	**Net asset value**	**Carrying amount**	**Primary business**	**Location**	**Year end**
total		3,981,754	7,239,232	4,098,789			

December 31, 2024

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
Subsidiaries							
IBK Capital Corporation	100.00	265,452	1,831,097	416,063	New technology project financing, Installment financing, Facilities leasing, Corporate restructuring	Korea	December 31
IBK Securities Co., Ltd.	87.78	600,003	1,067,403	611,687	Investment association	Korea	December 31
IBK Insurance Co., Ltd.	100.00	490,000	605,038	490,000	Life insurance (Pension)	Korea	December 31
IBK Asset Management Co., Ltd.	100.00	24,140	89,768	28,503	Investment association	Korea	December 31
IBK Savings Bank Co., Ltd.	100.00	73,590	103,496	73,590	Mutual Savings Bank	Korea	December 31
IBK Venture Investment Co., Ltd.	100.00	100,000	96,944	100,000	New technology project financing	Korea	December 31
IBK System Co., Ltd.[1]	55.63	1,725	19,017	11,243	Financial system management	Korea	December 31
IBK Credit Information Corp.	100.00	3,000	36,502	10,724	Credit information services, debt collection services	Korea	December 31
IBK Service Co., Ltd.	100.00	3,000	8,239	3,000	Maintenance and management services	Korea	December 31
Industrial Bank of Korea (China) Limited	100.00	354,764	687,714	328,352	Financial services	China	December 31
PT BANK IBK INDONESIA TBK	91.49	503,277	529,192	503,277	Financial services	Indonesia	December 31
IBK Myanmar Co., Ltd.	100.00	218,440	296,102	292,440	Financial services	Myanmar	March 31
IBK SKS Private Equity Fund[2]	26.67	-	3,266	-	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
IBK POSCO TRUBEN Recovery Private Equity Fund No.1[2]	49.50	16,262	7,510	6,225	Investment association	Korea	December 31
IBK NH Small Giant Private Equity Fund[2]	50.00	-	86	-	Investment association	Korea	December 31
No.1 Technology Financing Private Equity Fund[2]	30.00	-	2,031	-	Investment association	Korea	December 31
Value Brand Korea No.1 Private Equity Fund[2]	50.00	-	2,325	-	Investment association	Korea	December 31
IBK KIP Growth Stepstone Private Equity Fund No.1[2]	50.00	-	5,654	-	Investment association	Korea	December 31
IBK-TS Exit No.2 Private Equity Fund[2]	48.78	53,760	50,366	53,760	Investment association	Korea	December 31
IBKBNW Tech-Fi 2018 Private Equity Fund[2]	40.00	-	10,420	-	Investment association	Korea	December 31
IBK-Stonebridge Innovation Growth PEF[2]	40.00	33,936	36,684	33,936	Investment association	Korea	December 31
IBKBNW industrial Competitiveness Growth PEF[2]	30.00	38,829	46,270	38,829	Investment association	Korea	December 31
IBK-Stonebridge NewDeal-ESG Unicorn Private Equity Fund[2]	40.00	37,744	35,600	37,744	Investment association	Korea	December 31
IBK-KIWOOM Business Reorganization Private Equity Fund[2]	40.00	47,367	44,305	47,367	Investment association	Korea	December 31
IBK-LX G Scale-up Export Support Fund[2]	39.67	5,040	5,908	5,040	Investment association	Korea	December 31
500 Korea III, L.P.	99.00	9,900	9,051	9,900	Investment association	Korea	December 31
IBKS Paratus Corporate Succession Business Reorganization Fund[4]	49.50	9,000	8,364	9,000	Investment association	Korea	December 31
IBK Group IP Creation Fund[3]	33.33	2,070	6,547	2,070	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
IBK Group Crowdfunding Matching Fund[3]	50.00	3,150	834	834	Investment association	Korea	December 31
IBK Group Future Growth Engine Fund[3]	50.00	2,475	8,445	2,475	Investment association	Korea	December 31
IBK Group IP Value-up Fund No.2[3]	25.00	3,200	3,314	2,082	Investment association	Korea	December 31
IBK Start-up Job Creation Fund[4]	50.00	4,900	5,924	4,900	Investment association	Korea	December 31
IBK Group New Deal Material Component and Equipment Fund[3]	49.38	19,594	18,052	19,594	Investment association	Korea	December 31
IBK Digital innovation Fund	90.00	4,950	3,889	4,950	Investment association	Korea	December 31
subtotal		2,929,568	5,685,357	3,147,585			
Associates							
Incheon Bridge Co., Ltd.[5]	14.99	9,158	(535)	9,158	Construction, service	Korea	December 31
Jeonla railroad Co., Ltd. [5]	11.94	12,553	7,044	4,220	Construction, service	Korea	December 31
Chungjung Sangju Co., Ltd. [5]	14.00	1,235	833	461	Construction	Korea	December 31
Chungjung Seogwipo Co., Ltd.[5]	11.41	1,130	1,328	652	Construction, service	Korea	December 31
Green Kimhae Enviro Co., Ltd. [5]	14.00	1,411	997	734	Construction	Korea	December 31
Green Asan Enviro Co., Ltd. [5]	15.00	1,407	1,068	705	Construction	Korea	December 31
KOREA FINANCE SECURITY[5]	14.67	880	3,485	880	Service, Transportation, Real estate	Korea	December 31
Presto Private Equity Fund No. 7[6]	12.00	-	6	-	Investment association	Korea	December 31
EVERBEST IVINGSTONE PRIVATE EQUITY FUND[6]	12.50	-	522	-	Investment association	Korea	December 31
Scale-up Platform Private Equity Fund[6]	15.00	590	1,099	590	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
Eum Private Equity Fund No.7[6]	13.12	4,697	5,707	4,697	Investment association	Korea	December 31
Paratus Woori Materials, Parts, Equipment Private Equity Fund[6]	5.07	3,000	2,827	3,000	Investment association	Korea	December 31
UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund[6]	15.00	19,496	17,448	19,496	Investment association	Korea	December 31
Thor Private Equity Fund[6]	15.75	2,441	5,088	2,441	Investment association	Korea	December 31
Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business	23.89	3,000	2,845	3,000	Investment association	Korea	December 31
Nautic No.11 Private Equity Fund	34.88	2,246	2,142	2,246	Investment association	Korea	December 31
AIM-OPUS Healthcare Growth Capital Private Equity Fund[6]	14.78	556	690	556	Investment association	Korea	December 31
BNW ACE Private Equity Fund[6]	13.33	3,000	3,117	3,000	Investment association	Korea	December 31
UAMCO IBK PF Private Equity Fund I	33.33	18,887	19,288	18,887	Investment association	Korea	December 31
CCVC Culture-ICT Convergence Fund	20.00	1,721	423	484	Investment association	Korea	December 31
IBK-Daesung Majestic Contents Small Giant Korea Fund	20.00	1,314	2,505	1,314	Investment association	Korea	December 31
KTBN Media Contents Fund	35.00	-	387	-	Investment association	Korea	December 31
EBEST CRESO CONTENTS Fund No.1	47.17	500	504	500	Investment association	Korea	December 31
KAI-KSM Crowd Seeding Fund	31.25	1,179	619	644	Investment association	Korea	December 31
Gaia Bio Investment Fund #1[7]	49.18	3,000	2,328	3,000	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
IBKS-INTOPS Innovation Companies Design Investment Fund[8]	50.00	516	2,994	516	Investment association	Korea	December 31
InterValue No.3 Innovation Start-up Fund	20.00	4,000	4,517	4,000	Investment association	Korea	December 31
Shinhan Consumer Fund 2[6]	19.05	1,000	1,381	1,000	Investment association	Korea	December 31
VS Cornerstone Fund	23.53	2,000	1,854	2,000	Investment association	Korea	December 31
IBK-STIC Pioneer Fund	45.45	8,803	8,917	8,803	Investment association	Korea	December 31
Global Gateway Fund III	25.00	4,900	4,565	4,900	Investment association	Korea	December 31
IBK Changgong Jump up 1st Investment Fund[9]	80.00	1,310	(169)	1,310	Investment association	Korea	December 31
SWK-SHINHAN NEW TECHNOLOGY INVESTMENT FUND 1st	49.18	3,000	1,833	1,982	Investment association	Korea	December 31
COMPANY K BIO FUND	39.02	6,160	5,912	6,160	Investment association	Korea	December 31
Cornerstone Win-win I Fund	27.75	3,000	3,189	3,000	Investment association	Korea	December 31
DAvalue-Kbridge New Pharmaceutical Fund No.02	29.85	2,000	1,847	2,000	Investment association	Korea	December 31
Hanwha Uon Fund No.1	22.99	2,000	1,711	2,000	Investment association	Korea	December 31
Smilegate Next Commerce 1st Venture Fund	41.67	3,000	3,458	3,000	Investment association	Korea	December 31
InterVest Global Scale-up Fund[6]	16.67	7,000	6,345	7,000	Investment association	Korea	December 31
IBK - Synergy IB Business Reshuffle New Technology Fund	43.86	3,850	5,949	3,850	Investment association	Korea	December 31
New Deal Extension New Technology Fund No.1	40.00	12,320	10,522	12,320	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	**Ownership (%)**	**Acquisition value**	**Net asset value**	**Carrying amount**	**Primary business**	**Location**	**Year end**
S&S-ONE-Dotconnect Fund 1	44.44	2,000	1,857	2,000	Investment association	Korea	December 31
Smilegate Next Commerce 2nd Venture Fund	28.30	3,000	2,341	3,000	Investment association	Korea	December 31
Smart IBK-Quantum Green New Industry Fund	32.79	10,000	9,002	10,000	Investment association	Korea	December 31
IBK-KT Emerging Digital Industry Investment Fund	34.88	15,000	12,019	15,000	Investment association	Korea	December 31
PCC-Bailey Project Fund[10]	54.55	3,000	2,813	100	Investment association	Korea	December 31
LSK Healthcare Fund IV[6]	17.14	3,000	3,242	3,000	Investment association	Korea	December 31
Shinhan-Kunicorn first Fund[6]	19.16	5,000	4,703	5,000	Investment association	Korea	December 31
VISION Materials, Parts and Equipment Venture Fund No.1[9]	51.72	3,000	2,141	3,000	Investment association	Korea	December 31
SUP 1st Venture Fund[6]	19.23	1,000	942	1,000	Investment association	Korea	December 31
Cornerstone Merkaba Fund 1	30.30	1,000	938	1,000	Investment association	Korea	December 31
One Shinhan Global Fund 3	24.00	3,000	3,380	3,000	Investment association	Korea	December 31
Synergy ESG 1st New Technology Investment Fund	29.70	3,000	2,953	3,000	Investment association	Korea	December 31
Korea ASEAN Technology Fund 2[6]	17.54	3,000	2,881	3,000	Investment association	Korea	December 31
IP-LD Fund No.1	38.38	3,000	2,818	3,000	Investment association	Korea	December 31
Hanwha Smart Healthcare Fund No.1	30.00	3,000	2,839	3,000	Investment association	Korea	December 31
SKS-DA Unicorn Bio Fund No.1	28.17	2,000	1,907	2,000	Investment association	Korea	December 31
One Shinhan Global Fund 4	32.79	2,000	1,729	2,000	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
IBK Changgong Jump up 2nd Investment Fund[9]	75.00	4,800	4,367	4,800	Investment association	Korea	December 31
Bokwang-Honest Energy Fund No. 1	22.22	2,000	1,313	2,000	Investment association	Korea	December 31
Cornerstone Pentastone VIII Fund	49.18	1,500	1,427	1,500	Investment association	Korea	December 31
One Shinhan Global Fund 5	24.62	2,000	1,967	2,000	Investment association	Korea	December 31
Ulmus 2022 Secondary Fund	22.22	7,500	12,293	7,500	Investment association	Korea	December 31
L&S Early Stage IV ICT MCE Venture Fund	22.22	7,500	7,117	7,500	Investment association	Korea	December 31
Cornerstone Innovation IV Fund[9]	51.72	450	434	450	Investment association	Korea	December 31
IBK-SOLIDUS Next Bio Star Investment Fund	42.55	8,500	8,151	8,500	Investment association	Korea	December 31
C&CI Investment Fund 1	20.00	992	2,086	992	Investment association	Korea	December 31
Cornerstone Innovation VI Fund	36.36	-	188	-	Investment association	Korea	December 31
IBK Financial Group-DS Green Finance Fund	40.82	16,177	14,517	16,177	Investment association	Korea	December 31
KOSNET Semicon Two Venture Fund[6]	12.42	1,000	967	1,000	Investment association	Korea	December 31
DKI Growing Star Fund VII	25.00	10,000	9,677	10,000	Investment association	Korea	December 31
Square New Paradigm Investment Fund No. 1[6]	18.69	2,000	1,931	2,000	Investment association	Korea	December 31
GU Materials Parts and Equipment Project Fund I	24.00	3,000	2,949	3,000	Investment association	Korea	December 31
S Secondary Venture Fund NO.1	28.57	2,598	3,049	2,598	Investment association	Korea	December 31
E&Venture Project No.1 Smartgreen Fund	29.41	1,500	1,460	1,500	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
Cornerstone New Main I Fund	26.74	2,500	2,417	2,500	Investment association	Korea	December 31
SmartKorea UTC Untact Fund	29.41	5,000	4,540	5,000	Investment association	Korea	December 31
IBK-Company K Innovation growth Fund	37.88	32,000	32,311	32,000	Investment association	Korea	December 31
IBK Scale-up Gyeonggi-G-FUND	20.00	5,000	4,910	5,000	Investment association	Korea	December 31
IBK-Stonebridge Rising Fund II	50.00	12,000	12,399	12,000	Investment association	Korea	December 31
IBK IP Technology Commercialization Fund	30.00	6,000	5,834	6,000	Investment association	Korea	December 31
SH Ulmus M.P.E. Innovative Venture Fund 7	28.57	3,000	3,018	3,000	Investment association	Korea	December 31
POSITIVE AI Venture Fund #1	48.39	3,000	2,898	3,000	Investment association	Korea	December 31
KB-BridgePole Venture Investment Fund #2[6]	19.05	2,000	1,952	2,000	Investment association	Korea	December 31
KAIC TO Ventures Fund IV	24.39	2,000	2,312	2,000	Investment association	Korea	December 31
IBK-KOLON 2023 Super-Gap Fund	27.03	9,000	9,248	9,000	Investment association	Korea	December 31
Caspian-T No.3 Fund	25.97	2,000	1,953	2,000	Investment association	Korea	December 31
Newmain II Funds	32.26	3,000	2,931	3,000	Investment association	Korea	December 31
Korea Investment-Newmain Growth Capital 1st Fund	34.10	3,000	2,928	3,000	Investment association	Korea	December 31
Timefolio Tech Fund I	21.18	3,000	2,974	3,000	Investment association	Korea	December 31
IBK Financial Group-Uamco SME Accelerating Fund[6]	16.67	5,995	5,571	5,995	Investment association	Korea	December 31
KAI Valiant aesthetic Investment Fund I[6]	16.10	2,987	2,934	2,987	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	**Ownership (%)**	**Acquisition value**	**Net asset value**	**Carrying amount**	**Primary business**	**Location**	**Year end**
PLUX Technology nnovation Investment Fund 1	45.45	1,500	1,467	1,500	Investment association	Korea	December 31
Elohim Newmain I Fund	22.37	1,000	978	1,000	Investment association	Korea	December 31
BYB-SKS Pre-IPO Fund NO.1	23.90	3,000	2,946	3,000	Investment association	Korea	December 31
Cornerstone Blue Dragon I Fund	28.99	600	377	600	Investment association	Korea	December 31
Cornerstone Alice II Fund	30.36	450	259	450	Investment association	Korea	December 31
KB-VEP Contact Fund	33.33	1,760	2,430	1,760	Investment association	Korea	December 31
Synergy IB innovation Fund	24.75	16,650	16,702	16,650	Investment association	Korea	December 31
LINEA-NBH Fund II[6]	13.70	2,000	1,976	2,000	Investment association	Korea	December 31
PLUX Technology Innovation Investment Fund[2]	49.02	2,000	2,171	2,000	Investment association	Korea	December 31
COMPANY K BUYOUT 1	26.79	2,400	2,332	2,400	Investment association	Korea	December 31
Harang-IP Vine Contents Fund	12.00	1,000	992	1,000	Investment association	Korea	December 31
IBK-LB Startup Fund I	45.80	6,000	5,762	6,000	Investment association	Korea	December 31
WE Scale-up Fund I	31.90	2,000	1,784	2,000	Investment association	Korea	December 31
Horizon Venture Fund I	22.49	1,250	1,228	1,250	Investment association	Korea	December 31
Moorim-Omega Fund II	26.63	2,000	1,876	2,000	Investment association	Korea	December 31
GNTECH Project Fund II	21.98	2,000	1,981	2,000	Investment association	Korea	December 31
NP Growth 11th Private Equity Fund[6]	11.11	3,000	3,394	3,000	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
Korea Semiconductor Materials and Components No.1 Private Equity Fund[6]	16.39	10,000	15,275	10,000	Investment association	Korea	December 31
Honeypot HGI New Fund[9]	64.90	2,000	2,000	2,000	Investment association	Korea	December 31
Widwin investment fund 73	28.63	1,500	1,500	1,500	Investment association	Korea	December 31
IBK-YG K-culture Fund	25.00	1,500	1,486	1,500	Investment association	Korea	December 31
Start-up Korea IBK- Schmidt Fund	40.00	1,500	1,500	1,500	Investment association	Korea	December 31
Start-up Korea IBKVC-FP2024 Fund	50.00	7,500	7,500	7,500	Investment association	Korea	December 31
Start-up Korea IBKVC-KOLON 2024 Fund	50.00	7,500	7,500	7,500	Investment association	Korea	December 31
Allies-HSBI Material Component Equipment New Technology Fund[9]	55.56	2,000	2,000	2,000	Investment association	Korea	December 31
NICE DATA INTELLIGENCE VENTURE FUND	47.06	2,000	2,000	2,000	Investment association	Korea	December 31
Lodestone 4th Startup Venture Specialized Private Equity Fund[6]	19.70	2,000	2,000	2,000	Investment association	Korea	December 31
JW&Kiyvre Fund 1[6]	13.95	3,000	2,967	3,000	Investment association	Korea	December 31
JKL-POI Private Equity Fund[6]	17.34	3,000	2,997	3,000	Investment association	Korea	December 31
LB Next Innovation Fund 1	22.22	3,000	3,000	3,000	Investment association	Korea	December 31
Startup Korea IBK-STIC Tech Champion Fund	40.49	5,000	5,000	5,000	Investment association	Korea	December 31
Startup Korea IBK-DTNI Fund	33.33	2,000	2,000	2,000	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	48.78	2,000	2,000	2,000	Investment association	Korea	December 31
Startup Korea Pathfinder-IBK Super Gap Fund	40.00	900	900	900	Investment association	Korea	December 31
Lucky Invites FUND-1	46.84	2,000	2,000	2,000	Investment association	Korea	December 31
Korea Investment Dong-Yu Blue Horizon Fund	34.78	2,000	2,000	2,000	Investment association	Korea	December 31
BNK safety Investment Fund No.2[6]	19.05	2,000	2,000	2,000	Investment association	Korea	December 31
D2U 12TH Fund	42.25	3,000	3,000	3,000	Investment association	Korea	December 31
HellosThelaFund1	50.00	2,000	2,010	2,000	Investment association	Korea	December 31
2024 Tethys Venture Fund[6]	13.04	3,000	3,000	3,000	Investment association	Korea	December 31
AICBM Venture Fund No.3[9]	61.85	3,000	3,000	3,000	Investment association	Korea	December 31
2024DeepDive Investment Fund[9]	58.82	3,000	3,000	3,000	Investment association	Korea	December 31
KAIC TO Ventures Fund VII	37.52	2,806	2,937	2,806	Investment association	Korea	December 31
subtotal		524,075	513,345	507,421			
total		3,453,643	6,198,702	3,655,006			

[1] The effective share ratio of the Bank is 78.85% according to the holding of treasury stock.
[2] The Bank acts as a General Partner (GP) and participates in the Investment Decision Committee with the majority vote, exercising control over the subsidiary's financial and operating policies.
[3] The Bank participates in the subsidiaries as a limited partner and acts as the General Partner of IBK Capital Corporation. The Bank holds the majority of voting rights directly or through IBK Capital Corporation, which is a subsidiary, exercising control.
[4] The bank's ownership interest is 50% or less; however, it exercises control indirectly through its subsidiaries, which hold additional ownership interests for the year ended December 31, 2025.
[5] It can exert significant influence over the associate's decision-making process regarding financial and operational policies, as well as the executive appointment process because the bank is a board member of the associate and holds the authority to appoint executives.
[6] The bank's ownership interest is 20% or less; however, it can exert significant influence as its subsidiaries hold additional ownership interests for the year ended December 31, 2025
[7] The Bank and IBK Capital Corporation cannot exercise significant influence on Gaia Bio Investment Fund #1 with the ownership ratio of 49.18%, 16.39% respectively, as a limited partner.
[8] The Bank cannot exercise significant influence on IBKS-INTOPS Innovation Companies Design Investment Fund with the ownership ratio of 50.00% as a limited partner, and IBK Securities Co., Ltd. cannot exercise significant influence on IBKS-

INTOPS Innovation Companies Design Investment Fund with the ownership ratio of 15.00% as a Joint General Partner without sole voting right.

[9] As a limited partner, the Bank cannot exercise control because it does not perform the company's asset management and business related to the company's operation.

[10] The Bank and IBK Capital Corporation cannot exercise significant influence on PCC-Bailey Project Fund with the ownership ratio of 54.55%, 18.18% respectively, as a limited partner.

9. Investments in Subsidiaries and Associates (cont'd)

Changes in investments in subsidiaries and associates for the years ended December 31, 2025 and 2024, are as follows:

December 31 2025

(In millions of Korean won)	Beginning	Acquisition (Disposal)	Impairment loss[1]	Other[2]	Ending
Subsidiaries					
IBK Capital Corporation	416,063	-	-	-	416,063
IBK Securities Co., Ltd.	611,687	-	-	-	611,687
IBK Insurance Co., Ltd.	490,000	-	-	-	490,000
IBK Asset Management Co., Ltd.	28,503	-	-	-	28,503
IBK Savings Bank Co., Ltd.	73,590	120,000	-	-	193,590
IBK Venture Investment Co., Ltd.	100,000	-	-	-	100,000
IBK System Co., Ltd.	11,243	-	-	-	11,243
IBK Credit Information Corp.	10,724	-	-	-	10,724
IBK SERVICE Co., Ltd.	3,000	-	-	-	3,000
Industrial Bank of Korea (China) Limited	328,352	-	-	-	328,352
PT BANK IBK INDONESIA TBK	503,277	-	(62,975)	-	440,302
IBK Myanmar Co., Ltd.	292,440	-	-	(7,020)	285,420
IBK Bank Polska Spolka Akcyjna	-	142,718	-	-	142,718
IBK POSCO TRUBEN Recovery Private Equity Fund No.1	6,225	(544)	-	-	5,681
IBK-TS Exit No.2 Private Equity Fund	53,760	-	-	-	53,760
IBK-Stonebridge Innovation Growth PEF	33,936	(4,784)	-	-	29,152
IBKBNW industrial Competitiveness Growth PEF	38,829	(451)	-	-	38,378
IBK-Stonebridge NewDeal-ESG Unicorn Private Equity Fund	37,744	(3,485)	-	-	34,259
IBK-KIWOOM Business Reorganization Private Equity Fund	47,367	(629)	-	-	46,738
IBK-LX G Scale-up Export Support Fund	5,040	20,365	-	-	25,405
IBK-Kiwoom Small-Medium and Middle-Standing Jump-up Private Equity Fund	-	10,500	-	-	10,500
500 Korea III, L.P.	9,900	10,000	-	-	19,900
IBKS Paratus Corporate Succession Business Reorganization Fund	9,000	10,313	-	-	19,313
IBK Financial Group Chang-gong No.1 Fund	-	2,500	-	-	2,500
IBK Group IP Creation Fund	2,070	(2,070)	-	-	-
IBK Group Crowdfunding Matching Fund	834	-	(776)	-	58
IBK Group Future Growth Engine Fund	2,475	(1,208)	-	-	1,267
IBK Group IP Value-up Fund No.2	2,082	(2,073)	-	-	9
IBK Start-up Job Creation Fund	4,900	(2,210)	-	-	2,690

(In millions of Korean won)	Beginning	Acquisition (Disposal)	Impairment loss[1]	Other[2]	Ending
IBK Group New Deal Material Component and Equipment Fund	19,594	(7,601)	-	-	11,993
IBK Digital Innovation Fund	4,950	4,500	-	-	9,450
Associates					
Incheon Bridge Co., Ltd.	9,158	-	-	-	9,158
Jeonla railroad Co., Ltd.	4,220	-	(583)	-	3,637
Chungjung Sangju Co., Ltd.	461	-	(33)	-	428
Chungjung Seogwipo Co., Ltd.	652	-	-	-	652
Green Kimhae Enviro Co., Ltd.	734	-	-	-	734
Green Asan Enviro Co., Ltd.	705	-	-	-	705
KOREA FINANCE SECURITY	880	-	-	-	880
Scale-up Platform Private Equity Fund	590	-	-	-	590
Eum Private Equity Fund No.7	4,697	(253)	-	-	4,444
Paratus Woori Materials, Parts, Equipment Private Equity Fund	3,000	(1,418)	-	-	1,582
UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund	19,496	-	-	-	19,496
Thor Private Equity Fund	2,441	(2,441)	-	-	-
Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business	3,000	-	-	-	3,000
Nautic No.11 Private Equity Fund	2,246	(2,246)	-	-	-
AIM-OPUS Healthcare Growth Capital Private Equity Fund	556	(556)	-	-	-
BNW ACE Private Equity Fund	3,000	-	-	-	3,000
UAMCO IBK PF Private Equity Fund I	18,887	(9,500)	-	-	9,387
UAMCO-IBK PF 2nd Private Equity Fund	-	40,480	-	-	40,480
BTS 2-1 Private Equity Fund	-	6,340	-	-	6,340
Daishin Growth Capital 2024 Private Equity Fund	-	15,828	-	-	15,828
UAMCO-TAESUNG Corporate Financial Stability Private Equity Fund	-	232	-	-	232
IBK Korea Investment Growth Bridge Private Equity Fund	-	10,719	-	-	10,719
Stassets Fund IV	-	750	-	-	750
CCVC Culture-ICT Convergence Fund	484	-	-	-	484
IBK-Daesung Majestic Contents Small Giant Korea Fund	1,314	(868)	(446)	-	-
EBEST CRESO CONTENTS Fund No.1	500	-	-	-	500
KAI-KSM Crowd Seeding Fund	644	(75)	(58)	-	511
Gaia Bio Investment Fund #1	3,000	-	(2,976)	-	24
IBKS-INTOPS Innovation Companies Design Investment Fund	516	(516)	-	-	-
InterValue No.3 Innovation Start-up Fund	4,000	-	-	-	4,000
Shinhan Consumer Fund 2	1,000	(1,000)	-	-	-
VS Cornerstone Fund	2,000	(2,000)	-	-	-
IBK-STIC Pioneer Fund	8,803	(3,290)	-	-	5,513
Global Gateway Fund III	4,900	(700)	-	-	4,200
IBK Changgong Jump up 1st Investment Fund	1,310	-	-	-	1,310
SWK-SHINHAN NEW TECHNOLOGY INVESTMENT FUND 1st	1,982	-	(624)	-	1,358
COMPANY K BIO FUND	6,160	-	-	-	6,160
Cornerstone Win-win I Fund	3,000	-	(1,674)	-	1,326

(In millions of Korean won)	Beginning	Acquisition (Disposal)	Impairment loss[1]	Other[2]	Ending
DAvalue-Kbridge New Pharmaceutical Fund No.02	2,000	-	-	-	2,000
Hanwha Uon Fund No.1	2,000	(22)	-	-	1,978
Smilegate Next Commerce 1st Venture Fund	3,000	-	-	-	3,000
InterVest Global Scale-up Fund	7,000	778	-	-	7,778
IBK - Synergy IB Business Reshuffle New Technology Fund	3,850	(3,850)	-	-	-
New Deal Extension New Technology Fund No.1	12,320	-	-	-	12,320
S&S-ONE-Dotconnect Fund 1	2,000	-	-	-	2,000
Smilegate Next Commerce 2nd Venture Fund	3,000	-	(1,328)	-	1,672
Smart IBK-Quantum Green New Industry Fund	10,000	-	-	-	10,000
IBK-KT Emerging Digital Industry Investment Fund	15,000	-	-	-	15,000
PCC-Bailey Project Fund	100	-	(46)	-	54
LSK Healthcare Fund IV	3,000	(1,112)	-	-	1,888
Shinhan-Kunicorn first Fund	5,000	-	-	-	5,000
VISION Materials, Parts and Equipment Venture Fund No.1	3,000	-	(2,247)	-	753
SUP 1st Venture Fund	1,000	-	-	-	1,000
Cornerstone Merkaba Fund 1	1,000	-	-	-	1,000
One Shinhan Global Fund 3	3,000	-	(3,000)	-	-
Synergy ESG 1st New Technology Investment Fund	3,000	(3,000)	-	-	-
Korea ASEAN Technology Fund 2	3,000	(877)	-	-	2,123
IP-LD Fund No.1	3,000	-	-	-	3,000
Hanwha Smart Healthcare Fund No.1	3,000	-	-	-	3,000
SKS-DA Unicorn Bio Fund No.1	2,000	-	-	-	2,000
One Shinhan Global Fund 4	2,000	-	-	-	2,000
IBK Changgong Jump up 2nd Investment Fund	4,800	1,200	-	-	6,000
Bokwang-Honest Energy Fund No. 1	2,000	(1,123)	-	-	877
Cornerstone Pentastone VIII Fund	1,500	-	(988)	-	512
One Shinhan Global Fund 5	2,000	-	-	-	2,000
Ulmus 2022 Secondary Fund	7,500	(1,000)	-	-	6,500
L&S Early Stage IV ICT MCE Venture Fund	7,500	2,500	-	-	10,000
Cornerstone Innovation IV Fund	450	(450)	-	-	-
IBK-SOLIDUS Next Bio Star Investment Fund	8,500	1,500	-	-	10,000
C&CI Investment Fund 1	992	-	-	-	992
IBK Financial Group-DS Green Finance Fund	16,177	4,082	-	-	20,259
KOSNET Semicon Two Venture Fund	1,000	-	-	-	1,000
DKI Growing Star Fund VII	10,000	-	-	-	10,000
Square New Paradigm Investment Fund No. 1	2,000	-	-	-	2,000
GU Materials Parts and Equipment Project Fund I	3,000	-	-	-	3,000
S Secondary Venture Fund NO.1	2,598	-	-	-	2,598
E&Venture Project No.1 Smartgreen Fund	1,500	-	-	-	1,500
Cornerstone New Main I Fund	2,500	-	-	-	2,500
SmartKorea UTC Untact Fund	5,000	2,000	-	-	7,000
IBK-Company K Innovation growth Fund	32,000	12,500	-	-	44,500
IBK Scale-up Gyeonggi-G-FUND	5,000	1,150	-	-	6,150
IBK-Stonebridge Rising Fund II	12,000	9,900	-	-	21,900
IBK IP Technology Commercialization Fund	6,000	-	-	-	6,000
SH Ulmus M.P.E. Innovative Venture Fund 7	3,000	-	-	-	3,000
POSITIVE AI Venture Fund #1	3,000	-	-	-	3,000
KB-BridgePole Venture Investment Fund #2	2,000	-	-	-	2,000
KAIC TO Ventures Fund IV	2,000	-	-	-	2,000
IBK-KOLON 2023 Super-Gap Fund	9,000	6,000	-	-	15,000

(In millions of Korean won)	Beginning	Acquisition (Disposal)	Impairment loss[1]	Other[2]	Ending
Caspian-T No.3 Fund	2,000	-	-	-	2,000
Newmain II Funds	3,000	-	-	-	3,000
Korea Investment-Newmain Growth Capital 1st Fund	3,000	-	-	-	3,000
Timefolio Tech Fund I	3,000	-	-	-	3,000
IBK Financial Group-Uamco SME Accelerating Fund	5,995	9,563	-	-	15,558
KAI Valiant aesthetic Investment Fund I	2,987	-	-	-	2,987
PLUX Technology Innovation Investment Fund 1	1,500	-	-	-	1,500
Elohim Newmain I Fund	1,000	-	-	-	1,000
BYB-SKS Pre-IPO Fund NO.1	3,000	-	-	-	3,000
Cornerstone Blue Dragon I Fund	600	-	-	-	600
Cornerstone Alice II Fund	450	(450)	-	-	-
KB-VEP Contact Fund	1,760	-	-	-	1,760
Synergy IB innovation Fund	16,650	3,100	-	-	19,750
LINEA-NBH Fund II	2,000	-	-	-	2,000
PLUX Technology Innovation Investment Fund 2	2,000	(685)	-	-	1,315
COMPANY K BUYOUT 1	2,400	-	-	-	2,400
Harang-IP Vine Contents Fund	1,000	-	-	-	1,000
IBK-LB Startup Fund I	6,000	6,000	-	-	12,000
WE Scale-up Fund I	2,000	10,000	-	-	12,000
Horizon Venture Fund I	1,250	575	-	-	1,825
Moorim-Omega Fund II	2,000	-	-	-	2,000
GNTECH Project Fund II	2,000	-	-	-	2,000
NP Growth 11th Private Equity Fund	3,000	-	-	-	3,000
Korea Semiconductor Materials and Components No.1 Private Equity Fund	10,000	-	-	-	10,000
Honeypot HGI New Fund	2,000	-	-	-	2,000
Widwin investment fund 73	1,500	-	-	-	1,500
IBK-YG K-culture Fund	1,500	3,500	-	-	5,000
Start-up Korea IBK- Schmidt Fund	1,500	3,000	-	-	4,500
Start-up Korea IBKVC-FP2024 Fund	7,500	7,500	-	-	15,000
Start-up Korea IBKVC-KOLON 2024 Fund	7,500	15,000	-	-	22,500
Allies-HSBI Material Component Equipment New Technology Fund	2,000	-	-	-	2,000
NICE DATA INTELLIGENCE VENTURE FUND	2,000	(2,000)	-	-	-
Lodestone 4th Startup Venture Specialized Private Equity Fund	2,000	-	-	-	2,000
JW&Kiyvre Fund 1	3,000	-	-	-	3,000
JKL-POI Private Equity Fund	3,000	-	-	-	3,000
LB Next Innovation Fund 1	3,000	-	-	-	3,000
Startup Korea IBK-STIC Tech Champion Fund	5,000	10,000	-	-	15,000
Startup Korea IBK-DTNI Fund	2,000	4,000	-	-	6,000
Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	2,000	3,000	-	-	5,000
Startup Korea Pathfinder-IBK Super Gap Fund	900	1,800	-	-	2,700
Lucky Invites FUND-1	2,000	-	-	-	2,000
Korea Investment Dong-Yu Blue Horizon Fund	2,000	-	-	-	2,000
BNK safety Investment Fund No.2	2,000	-	-	-	2,000
D2U 12TH Fund	3,000	-	-	-	3,000
HellosThelaFund1	2,000	-	-	-	2,000
2024 Tethys Venture Fund	3,000	-	-	-	3,000
AICBM Venture Fund No.3	3,000	(3,000)	-	-	-
2024DeepDive Investment Fund	3,000	(44)	-	-	2,956
KAIC TO Ventures Fund VII	2,806	-	-	-	2,806

(In millions of Korean won)	Beginning	Acquisition (Disposal)	Impairment loss[1]	Other[2]	Ending
Allies partners Fund no.9	-	1,000	-	-	1,000
BNK Global Medical Device NEW Technology 1st Investment Fund	-	2,000	-	-	2,000
For Human Life Wellbeing Private Equity Partnership No.1	-	2,300	-	-	2,300
Prodigy Fund 30	-	1,000	-	-	1,000
Start-up Korea IBK Murex Voyager No.2 Fund	-	4,000	-	-	4,000
Cape Lakebridge Fund IX	-	3,000	-	-	3,000
Cornerstone Daon I Fund	-	1,000	-	-	1,000
2024 IBK Innovation Samchully New Green Fund	-	1,500	-	-	1,500
Daishin-SAM New Technology Investment Fund No.1	-	3,000	-	-	3,000
Cornerstone New Main III Funds	-	1,500	-	-	1,500
Cyrus-K Materials and Components Investment Fund No.1	-	995	-	-	995
2024 IBK Innovation-AJU Good Venture Fund 3.0	-	5,000	-	-	5,000
Novorsec Eco-friendly K-Shipbuilding Venture Fund	-	1,500	-	-	1,500
DITTO NEW COMMERCE FUND	-	1,000	-	-	1,000
GNP2025-01Venturefund	-	1,500	-	-	1,500
IBKC-Envision I Fund	-	3,000	-	-	3,000
DA Beauty Fund No.1	-	2,000	-	-	2,000
2024 IBK Innovation K-RUN Mobility No.7 Fund	-	1,500	-	-	1,500
SJG Semiconductor Materials&Equipment No.2 Fund	-	3,000	-	-	3,000
INFINITUM K-Culture 2 Fund	-	2,000	-	-	2,000
Perspective-Axis Fund 1	-	1,500	-	-	1,500
IBKVC-SBI 2025 Fund	-	7,200	-	-	7,200
JB-OMEGA Fund	-	2,000	-	-	2,000
IBKS-FINDVALUE Robot Solution Fund	-	3,000	-	-	3,000
Allies partners Fund no.11	-	2,000	-	-	2,000
Gravity General Private Paju Studio Investment Company No.1	-	1,500	-	-	1,500
Start-Up Korea Plux Deeptech Fund	-	1,200	-	-	1,200
Startup Korea-KIF Kiwoom New Hero No. 9 Fund	-	4,000	-	-	4,000
StartUp Korea Quantum Secondary Fund II	-	2,000	-	-	2,000
2025 IBKVC-DAISHIN Next Value-Up Fund	-	4,000	-	-	4,000
INNOPOLIS NEXT UNICORN DEEP FUND	-	1,500	-	-	1,500
JP-K Semiconductor 1st New Technology Business Investment Fund	-	1,500	-	-	1,500
Nautilus-KWC Semiconductor Fund	-	2,000	-	-	2,000
LUX-Mason Innovation Technology Fund #2	-	2,000	-	-	2,000
IBKC LEP Fund X	-	2,500	-	-	2,500
Axis-Flow Automation Fund No. 1	-	2,500	-	-	2,500
	3,655,006	528,557	(77,754)	(7,020)	4,098,789

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(In millions of Korean won)	Beginning	Acquisition (Disposal)	Impairment loss[1]	Other[2]	Ending
Subsidiaries					
IBK Capital Corporation	416,063	-	-	-	416,063
IBK Securities Co., Ltd.	611,687	-	-	-	611,687
IBK Insurance Co., Ltd.	490,000	-	-	-	490,000
IBK Asset Management Co., Ltd.	28,503	-	-	-	28,503
IBK Savings Bank Co., Ltd.	73,590	-	-	-	73,590
IBK Venture Investment Co., Ltd.	100,000	-	-	-	100,000
IBK System Co., Ltd.	11,243	-	-	-	11,243
IBK Credit Information Corp.	10,724	-	-	-	10,724
IBK SERVICE Co., Ltd.	3,000	-	-	-	3,000
Industrial Bank of Korea (China) Limited	328,352	-	-	-	328,352
PT BANK IBK INDONESIA TBK	435,780	67,497	-	-	503,277
IBK Myanmar Co., Ltd.	256,320	-	-	36,120	292,440
IBK POSCO TRUBEN Recovery Private Equity Fund No.1	7,122	(897)	-	-	6,225
IBK KIP Growth Stepstone Private Equity Fund No.1	10,890	(10,890)	-	-	-
IBK-TS Exit No.2 Private Equity Fund	53,760	-	-	-	53,760
IBK-Stonebridge Innovation Growth PEF	44,836	(10,900)	-	-	33,936
IBKBNW industrial Competitiveness Growth PEF	41,405	(2,576)	-	-	38,829
IBK-Stonebridge NewDeal-ESG Unicorn Private Equity Fund	19,349	18,395	-	-	37,744
IBK-KIWOOM Business Reorganization Private Equity Fund	25,579	21,788	-	-	47,367
IBK-LX G Scale-up Export Support Fund	-	5,040	-	-	5,040
500 Korea III, L.P.	6,200	3,700	-	-	9,900
IBKS Paratus Corporate Succession Business Reorganization Fund	-	9,000	-	-	9,000
NH-IBKS KONEX SCALEUP FUND	158	(158)	-	-	-
IBK Group IP Creation Fund	2,070	-	-	-	2,070
IBK Group Crowdfunding Matching Fund	1,519	(250)	(435)	-	834
IBK Group Future Growth Engine Fund	2,700	(225)	-	-	2,475
IBK Group IP Value-up Fund No.2	2,125	-	(43)	-	2,082
IBK Start-up Job Creation Fund	4,900	-	-	-	4,900
IBK Group New Deal Material Component and Equipment Fund	17,400	2,194	-	-	19,594
IBK Digital Innovation Fund	-	4,950	-	-	4,950

(In millions of Korean won)	Beginning	Acquisition (Disposal)	Impairment loss[1]	Other[2]	Ending
Associates					
Incheon Bridge Co., Ltd.	9,158	-	-	-	9,158
Jeonla railroad Co., Ltd.	4,993	-	(773)	-	4,220
Chungjung Sangju Co., Ltd.	475	-	(14)	-	461
Chungjung Seogwipo Co., Ltd.	652	-	-	-	652
Green Kimhae Enviro Co., Ltd.	734	-	-	-	734
Green Asan Enviro Co., Ltd.	705	-	-	-	705
KOREA FINANCE SECURITY	880	-	-	-	880
Presto Private Equity Fund No. 7	3,000	(3,000)	-	-	-
EVERBEST LIVINGSTONE PRIVATE EQUITY FUND	38	(38)	-	-	-
Scale-up Platform Private Equity Fund	1,800	(1,210)	-	-	590
Eum Private Equity Fund No.7	4,947	(250)	-	-	4,697
Paratus Woori Materials, Parts, Equipment Private Equity Fund	3,000	-	-	-	3,000
UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund	25,853	(6,357)	-	-	19,496
Thor Private Equity Fund	2,441	-	-	-	2,441
Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business	3,000	-	-	-	3,000
Nautic No.11 Private Equity Fund	2,889	(643)	-	-	2,246
AIM-OPUS Healthcare Growth Capital Private Equity Fund	1,876	(1,320)	-	-	556
BNW ACE Private Equity Fund	3,000	-	-	-	3,000
UAMCO IBK PF Private Equity Fund I	-	18,887	-	-	18,887
CCVC Culture-ICT Convergence Fund	754	-	(270)	-	484
IBK-Daesung Majestic Contents Small Giant Korea Fund	1,722	(408)	-	-	1,314
EBEST CRESO CONTENTS Fund No.1	500	-	-	-	500
KAI-KSM Crowd Seeding Fund	1,179	-	(535)	-	644
Gaia Bio Investment Fund #1	3,000	-	-	-	3,000
IBKS-INTOPS Innovation Companies Design Investment Fund	1,491	(975)	-	-	516
InterValue No.3 Innovation Start-up Fund	4,000	-	-	-	4,000
Shinhan Consumer Fund 2	1,000	-	-	-	1,000
Cape Healthcare Fund No.2	1,632	(1,632)	-	-	-
VS Cornerstone Fund	2,000	-	-	-	2,000
IBK-STIC Pioneer Fund	10,000	(1,197)	-	-	8,803
Albatross Oa Synergy Fund	920	(920)	-	-	-
Global Gateway Fund III	5,000	(100)	-	-	4,900
IBK Changgong Jump up 1st Investment Fund	2,590	(1,280)	-	-	1,310
SWK-SHINHAN NEW TECHNOLOGY INVESTMENT FUND 1st	3,000	-	(1,018)	-	1,982
COMPANY K BIO FUND	8,000	(1,840)	-	-	6,160
Cornerstone Win-win I Fund	3,000	-	-	-	3,000
DAvalue-Kbridge New Pharmaceutical Fund No.02	2,000	-	-	-	2,000
Hanwha Uon Fund No.1	2,000	-	-	-	2,000
Smilegate Next Commerce 1st Venture Fund	3,000	-	-	-	3,000
InterVest Global Scale-up Fund	4,000	3,000	-	-	7,000
IBK - Synergy IB Business Reshuffle New Technology Fund	15,350	(11,500)	-	-	3,850
New Deal Extension New Technology Fund No.1	14,400	(2,080)	-	-	12,320
S&S-ONE-Dotconnect Fund 1	2,000	-	-	-	2,000

(In millions of Korean won)	Beginning	Acquisition (Disposal)	Impairment loss[1]	Other[2]	Ending
Smilegate Next Commerce 2nd Venture Fund	3,000	-	-	-	3,000
Smart IBK-Quantum Green New Industry Fund	8,000	2,000	-	-	10,000
IBK-KT Emerging Digital Industry Investment Fund	15,000	-	-	-	15,000
PCC-Bailey Project Fund	3,000	-	(2,900)	-	100
LSK Healthcare Fund IV	3,000	-	-	-	3,000
Shinhan-Kunicorn first Fund	5,000	-	-	-	5,000
VISION Materials, Parts and Equipment Venture Fund No.1	3,000	-	-	-	3,000
SUP 1st Venture Fund	1,000	-	-	-	1,000
Cornerstone Merkaba Fund 1	1,000	-	-	-	1,000
One Shinhan Global Fund 3	3,000	-	-	-	3,000
Synergy ESG 1st New Technology Investment Fund	3,000	-	-	-	3,000
Korea ASEAN Technology Fund 2	3,000	-	-	-	3,000
IP-LD Fund No.1	3,000	-	-	-	3,000
Hanwha Smart Healthcare Fund No.1	3,000	-	-	-	3,000
SKS-DA Unicorn Bio Fund No.1	2,000	-	-	-	2,000
One Shinhan Global Fund 4	2,000	-	-	-	2,000
IBK Changgong Jump up 2nd Investment Fund	2,400	2,400	-	-	4,800
Bokwang-Honest Energy Fund No. 1	2,000	-	-	-	2,000
Cornerstone Pentastone VIII Fund	1,500	-	-	-	1,500
One Shinhan Global Fund 5	2,000	-	-	-	2,000
Ulmus 2022 Secondary Fund	8,000	(500)	-	-	7,500
L&S Early Stage IV ICT MCE Venture Fund	3,000	4,500	-	-	7,500
Cornerstone Innovation IV Fund	1,500	(1,050)	-	-	450
IBK-SOLIDUS Next Bio Star Investment Fund	1,000	7,500	-	-	8,500
C&CI Investment Fund 1	992	-	-	-	992
Caspian-T No.2 Fund	2,000	(2,000)	-	-	-
Cornerstone Innovation VI Fund	2,000	(2,000)	-	-	-
IBK Financial Group-DS Green Finance Fund	10,605	5,572	-	-	16,177
KOSNET Semicon Two Venture Fund	1,000	-	-	-	1,000
DKI Growing Star Fund VII	5,000	5,000	-	-	10,000
Square New Paradigm Investment Fund No. 1	2,000	-	-	-	2,000
GU Materials Parts and Equipment Project Fund I	3,000	-	-	-	3,000
S Secondary Venture Fund NO.1	2,700	(102)	-	-	2,598
E&Venture Project No.1 Smartgreen Fund	1,500	-	-	-	1,500
Cornerstone New Main I Fund	2,500	-	-	-	2,500
SmartKorea UTC Untact Fund	5,000	-	-	-	5,000
IBK-Company K Innovation growth Fund	5,000	27,000	-	-	32,000
IBK Scale-up Gyeonggi-G-FUND	1,000	4,000	-	-	5,000
Cornerstone New Main II Fund	2,000	(2,000)	-	-	-
IBK-Stonebridge Rising Fund II	6,000	6,000	-	-	12,000
IBK IP Technology Commercialization Fund	1,200	4,800	-	-	6,000
SH Ulmus M.P.E. Innovative Venture Fund 7	3,000	-	-	-	3,000
POSITIVE AI Venture Fund #1	3,000	-	-	-	3,000
KB-BridgePole Venture Investment Fund #2	2,000	-	-	-	2,000
KAIC TO Ventures Fund IV	2,000	-	-	-	2,000
IBK-KOLON 2023 Super-Gap Fund	2,000	7,000	-	-	9,000
Caspian-T No.3 Fund	2,000	-	-	-	2,000
Newmain II Funds	3,000	-	-	-	3,000
Korea Investment-Newmain Growth Capital 1st Fund	3,000	-	-	-	3,000
Timefolio Tech Fund I	3,000	-	-	-	3,000

(In millions of Korean won)	Beginning	Acquisition (Disposal)	Impairment loss[1]	Other[2]	Ending
IBK Financial Group-Uamco SME Accelerating Fund	3,635	2,360	-	-	5,995
KAI Valiant aesthetic Investment Fund I	3,000	(13)	-	-	2,987
PLUX Technology Innovation Investment Fund 1	-	1,500	-	-	1,500
Elohim Newmain I Fund	-	1,000	-	-	1,000
BYB-SKS Pre-IPO Fund NO.1	-	3,000	-	-	3,000
Cornerstone Blue Dragon I Fund	-	600	-	-	600
Cornerstone Alice II Fund	-	450	-	-	450
KB-VEP Contact Fund	-	1,760	-	-	1,760
Synergy IB innovation Fund	-	16,650	-	-	16,650
LINEA-NBH Fund II	-	2,000	-	-	2,000
PLUX Technology Innovation Investment Fund 2	-	2,000	-	-	2,000
COMPANY K BUYOUT 1	-	2,400	-	-	2,400
Harang-IP Vine Contents Fund	-	1,000	-	-	1,000
IBK-LB Startup Fund I	-	6,000	-	-	6,000
WE Scale-up Fund I	-	2,000	-	-	2,000
Horizon Venture Fund I	-	1,250	-	-	1,250
Moorim-Omega Fund II	-	2,000	-	-	2,000
GNTECH Project Fund II	-	2,000	-	-	2,000
NP Growth 11th Private Equity Fund	-	3,000	-	-	3,000
Korea Semiconductor Materials and Components No.1 Private Equity Fund	-	10,000	-	-	10,000
Honeypot HGI New Fund	-	2,000	-	-	2,000
Widwin investment fund 73	-	1,500	-	-	1,500
IBK-YG K-culture Fund	-	1,500	-	-	1,500
Start-up Korea IBK- Schmidt Fund	-	1,500	-	-	1,500
Start-up Korea IBKVC-FP2024 Fund	-	7,500	-	-	7,500
Start-up Korea IBKVC-KOLON 2024 Fund	-	7,500	-	-	7,500
Allies-HSBI Material Component Equipment New Technology Fund	-	2,000	-	-	2,000
NICE DATA INTELLIGENCE VENTURE FUND	-	2,000	-	-	2,000
Lodestone 4th Startup Venture Specialized Private Equity Fund	-	2,000	-	-	2,000
JW&Kiyvre Fund 1	-	3,000	-	-	3,000
JKL-POI Private Equity Fund	-	3,000	-	-	3,000
LB Next Innovation Fund 1	-	3,000	-	-	3,000
Startup Korea IBK-STIC Tech Champion Fund	-	5,000	-	-	5,000
Startup Korea IBK-DTNI Fund	-	2,000	-	-	2,000
Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	-	2,000	-	-	2,000
Startup Korea Pathfinder-IBK Super Gap Fund	-	900	-	-	900
Lucky Invites FUND-1	-	2,000	-	-	2,000
Korea Investment Dong-Yu Blue Horizon Fund	-	2,000	-	-	2,000
BNK safety Investment Fund No.2	-	2,000	-	-	2,000
D2U 12TH Fund	-	3,000	-	-	3,000
HellosThelaFund1	-	2,000	-	-	2,000
2024 Tethys Venture Fund	-	3,000	-	-	3,000
AICBM Venture Fund No.3	-	3,000	-	-	3,000
2024DeepDive Investment Fund	-	3,000	-	-	3,000
KAIC TO Ventures Fund VII	-	2,806	-	-	2,806
	3,332,786	292,088	(5,988)	36,120	3,655,006

[1] Impairment loss was recognized where objective evidence indicated that the fair value of the investments in associates and/or subsidiaries was significantly below acquisition cost.
[2] Change in fair value caused by the application of fair value hedge against exchange rate fluctuation risks of investments in subsidiaries.

9. Investments in Subsidiaries and Associates (cont'd)

Details of the major commitments provided to the associates as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Committed contribution	Contribution amount	Executory contribution
Subsidiaries			
IBK SKS Private Equity Fund[1]	80,000	73,575	6,425
IBK POSCO TRUBEN Recovery Private Equity Fund No.1	50,000	36,893	13,107
No.1 Technology Financing Private Equity Fund	30,000	25,397	4,603
Value Brand Korea No.1 Private Equity Fund	36,000	35,193	807
IBK KIP Growth Stepstone Private Equity Fund No.1	50,000	38,340	11,660
IBK-TS Exit No.2 Private Equity Fund	60,000	53,760	6,240
IBKBNW Tech-Fi 2018 Private Equity Fund	60,000	56,922	3,078
IBK-Stonebridge Innovation Growth PEF	50,600	47,796	2,804
IBKBNW industrial Competitiveness Growth PEF	57,000	54,093	2,907
IBK-Stonebridge NewDeal-ESG Unicorn Private Equity Fund	65,460	48,797	16,663
IBK-KIWOOM Business Reorganization Private Equity Fund	58,000	56,910	1,090
IBK-LX G Scale-up Export Support Fund	48,000	25,405	22,595
IBK-Kiwoom Small-Medium and Middle-Standing Jump-up Private Equity Fund	75,000	10,500	64,500
500 Korea III, L.P.	25,000	19,900	5,100
IBKS Paratus Corporate Succession Business Reorganization Fund	25,000	19,500	5,500
IBK Financial Group Chang-gong No.1 Fund	10,000	2,500	7,500
IBK Group IP Creation Fund	10,000	10,000	-
IBK Group Crowdfunding Matching Fund	5,000	5,000	-
IBK Group Future Growth Engine Fund	15,000	14,000	1,000
IBK Group IP Value-up Fund No.2	5,000	5,000	-
IBK Start-up Job Creation Fund	10,000	9,500	500
IBK Group New Deal Material Component and Equipment Fund	20,000	20,000	-
IBK Digital innovation Fund	90,000	9,450	80,550
Associates			
EVERBEST LIVINGSTONE PRIVATE EQUITY FUND	1,000	1,000	-
Scale-up Platform Private Equity Fund	1,800	1,800	-
Eum Private Equity Fund No.7	5,000	5,000	-
Paratus Woori Materials, Parts, Equipment Private Equity Fund	3,000	3,000	-
UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund	30,000	29,540	460

(In millions of Korean won)	Committed contribution	Contribution amount	Executory contribution
Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business	3,000	3,000	-
AIM-OPUS Healthcare Growth Capital Private Equity Fund	3,000	3,000	-
BNW ACE Private Equity Fund	3,000	3,000	-
UAMCO IBK PF Private Equity Fund I	50,000	22,887	27,113
UAMCO-IBK PF 2nd Private Equity Fund	110,000	40,480	69,520
BTS 2-1 Private Equity Fund	10,000	6,340	3,660
Daishin Growth Capital 2024 Private Equity Fund	40,000	15,828	24,172
UAMCO-TAESUNG Corporate Financial Stability Private Equity Fund	29,000	232	28,768
IBK Korea Investment Growth Bridge Private Equity Fund	50,000	10,719	39,281
Stassets Fund IV	7,500	750	6,750
CCVC Culture-ICT Convergence Fund	2,000	2,000	-
KTBN Media Contents Fund	3,500	3,500	-
EBEST CRESO CONTENTS Fund No.1	500	500	-
KAI-KSM Crowd Seeding Fund	2,500	2,500	-
Gaia Bio Investment Fund #1	3,000	3,000	-
InterValue No.3 Innovation Start-up Fund	4,000	4,000	-
Shinhan Consumer Fund 2	1,000	1,000	-
IBK-STIC Pioneer Fund	10,000	10,000	-
Global Gateway Fund III	5,000	5,000	-
IBK Changgong Jump up 1st Investment Fund	4,000	4,000	-
SWK-SHINHAN NEW TECHNOLOGY INVESTMENT FUND 1st	3,000	3,000	-
COMPANY K BIO FUND	8,000	8,000	-
Cornerstone Win-win Ⅰ Fund	3,000	3,000	-
DAvalue-Kbridge New Pharmaceutical Fund No.02	2,000	2,000	-
Hanwha Uon Fund No.1	2,000	2,000	-
Smilegate Next Commerce 1st Venture Fund	3,000	3,000	-
InterVest Global Scale-up Fund	10,000	8,500	1,500
IBK-Synergy IB Business Reshuffle New Technology Fund	25,000	25,000	-
New Deal Extension New Technology Fund No.1	20,000	20,000	-
S&S-ONE-Dotconnect Fund 1	2,000	2,000	-
Smilegate Next Commerce 2nd Venture Fund	3,000	3,000	-
Smart IBK-Quantum Green New Industry Fund	10,000	10,000	-
IBK-KT Emerging Digital Industry Investment Fund	15,000	15,000	-
PCC-Bailey Project Fund	3,000	3,000	-
LSK Healthcare Fund Ⅳ	3,000	3,000	-
Shinhan-Kunicorn first Fund	5,000	5,000	-

(In millions of Korean won)	Committed contribution	Contribution amount	Executory contribution
VISION Materials, Parts and Equipment Venture Fund No.1	3,000	3,000	-
SUP 1st Venture Fund	1,000	1,000	-
Cornerstone Merkaba Fund 1	1,000	1,000	-
One Shinhan Global Fund 3	3,000	3,000	-
Korea ASEAN Technology Fund 2	3,000	3,000	-
IP-LD Fund No.1	3,000	3,000	-
Hanwha Smart Healthcare Fund No.1	3,000	3,000	-
SKS-DA Unicorn Bio Fund No.1	2,000	2,000	-
One Shinhan Global Fund 4	2,000	2,000	-
IBK Changgong Jump up 2nd Investment Fund	6,000	6,000	-
Bokwang-Honest Energy Fund No. 1	2,000	2,000	-
Cornerstone Pentastone Ⅷ Fund	1,500	1,500	-
One Shinhan Global Fund 5	2,000	2,000	-
Ulmus 2022 Secondary Fund	10,000	10,000	-
L&S Early Stage IV ICT MCE Venture Fund	10,000	10,000	-
IBK-SOLIDUS Next Bio Star Investment Fund	10,000	10,000	-
C&CI Investment Fund 1	2,900	2,900	-
IBK Financial Group-DS Green Finance Fund	40,000	20,259	19,741
KOSNET Semicon Two Venture Fund	1,000	1,000	-
DKI Growing Star Fund Ⅶ	10,000	10,000	-
Square New Paradigm Investment Fund No. 1	2,000	2,000	-
GU Materials Parts and Equipment Project Fund Ⅰ	3,000	3,000	-
S Secondary Venture Fund NO.1	3,000	3,000	-
E&Venture Project No.1 Smartgreen Fund	1,500	1,500	-
Cornerstone New Main I Fund	2,500	2,500	-
SmartKorea UTC Untact Fund	10,000	7,000	3,000
IBK-Company K Innovation growth Fund	50,000	50,000	-
IBK Scale-up Gyeonggi-G-FUND	10,000	7,000	3,000
IBK-Stonebridge Rising Fund Ⅱ	30,000	24,000	6,000
IBK IP Technology Commercialization Fund	6,000	6,000	-
SH Ulmus M.P.E. Innovative Venture Fund 7	3,000	3,000	-
POSITIVE AI Venture Fund #1	3,000	3,000	-
KB-BridgePole Venture Investment Fund #2	2,000	2,000	-
KAIC TO Ventures Fund Ⅳ	2,000	2,000	-
IBK-KOLON 2023 Super-Gap Fund	20,000	16,000	4,000
Caspian-T No.3 Fund	2,000	2,000	-
Newmain Ⅱ Funds	3,000	3,000	-
Korea Investment-Newmain Growth Capital 1st Fund	3,000	3,000	-
Timefolio Tech Fund Ⅰ	3,000	3,000	-

(In millions of Korean won)	**Committed contribution**	**Contribution amount**	**Executory contribution**
IBK Financial Group-Uamco SME Accelerating Fund	25,000	15,558	9,442
KAI Valiant aesthetic Investment Fund Ⅰ	3,000	3,000	-
PLUX Technology Innovation Investment Fund 1	1,500	1,500	-
Elohim Newmain I Fund	1,000	1,000	-
BYB-SKS Pre-IPO Fund NO.1	3,000	3,000	-
Cornerstone Blue Dragon I Fund	1,000	1,000	-
KB-VEP Contact Fund	2,000	2,000	-
Synergy IB innovation Fund	25,000	25,000	-
LINEA-NBH Fund II	2,000	2,000	-
PLUX Technology Innovation Investment Fund 2	2,000	2,000	-
COMPANY K BUYOUT 1	3,000	3,000	-
Harang-IP Vine Contents Fund	1,000	1,000	-
IBK-LB Startup Fund I	30,000	12,000	18,000
WE Scale-up Fund I	20,000	12,000	8,000
Horizon Venture Fund I	5,000	2,500	2,500
Moorim-Omega Fund II	2,000	2,000	-
GNTECH Project Fund II	2,000	2,000	-
NP Growth 11th Private Equity Fund	3,000	3,000	-
Korea Semiconductor Materials and Components No.1 Private Equity Fund	10,000	10,000	-
Honeypot HGI New Fund	2,000	2,000	-
Widwin investment fund 73	1,500	1,500	-
IBK-YG K-culture Fund	5,000	5,000	-
Start-up Korea IBK- Schmidt Fund	6,000	4,500	1,500
Start-up Korea IBKVC-FP2024 Fund	25,000	15,000	10,000
Start-up Korea IBKVC-KOLON 2024 Fund	25,000	22,500	2,500
Allies-HSBI Material Component Equipment New Technology Fund	2,000	2,000	-
Lodestone 4th Startup Venture Specialized Private Equity Fund	2,000	2,000	-
JW&Kiyvre Fund 1	3,000	3,000	-
JKL-POI Private Equity Fund	3,000	3,000	-
LB Next Innovation Fund 1	3,000	3,000	-
Startup Korea IBK-STIC Tech Champion Fund	50,000	15,000	35,000
Startup Korea IBK-DTNI Fund	10,000	6,000	4,000
Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	10,000	5,000	5,000
Startup Korea Pathfinder-IBK Super Gap Fund	6,000	2,700	3,300
Lucky Invites FUND-1	2,000	2,000	-
Korea Investment Dong-Yu Blue Horizon Fund	2,000	2,000	-
BNK safety Investment Fund No.2	2,000	2,000	-
D2U 12TH Fund	3,000	3,000	-

(In millions of Korean won)	Committed contribution	Contribution amount	Executory contribution
HellosThelaFund1	2,000	2,000	-
2024 Tethys Venture Fund	3,000	3,000	-
2024DeepDive Investment Fund	3,000	3,000	-
KAIC TO Ventures Fund Ⅶ	2,806	2,806	-
Allies partners Fund no.9	1,000	1,000	-
BNK Global Medical Device NEW Technology 1st Investment Fund	2,000	2,000	-
For Human Life Wellbeing Private Equity Partnership No.1	2,300	2,300	-
Prodigy Fund 30	1,000	1,000	-
Start-up Korea IBK Murex Voyager No.2 Fund	10,000	4,000	6,000
Cape Lakebridge Fund IX	3,000	3,000	-
Cornerstone Daon I Fund	1,000	1,000	-
2024 IBK Innovation Samchully New Green Fund	7,500	1,500	6,000
Daishin-SAM New Technology Investment Fund No.1	3,000	3,000	-
Cornerstone New Main III Funds	1,500	1,500	-
Cyrus-K Materials and Components Investment Fund No.1	1,500	1,500	-
2024 IBK Innovation-AJU Good Venture Fund 3.0	25,000	5,000	20,000
Novorsec Eco-friendly K-Shipbuilding Venture Fund	1,500	1,500	-
DITTO NEW COMMERCE FUND	1,000	1,000	-
GNP2025-01Venturefund	5,000	1,500	3,500
IBKC-Envision I Fund	3,000	3,000	-
DA Beauty Fund No.1	2,000	2,000	-
2024 IBK Innovation K-RUN Mobility No.7 Fund	7,500	1,500	6,000
SJG Semiconductor Materials&Equipment No.2 Fund	3,000	3,000	-
INFINITUM K-Culture 2 Fund	2,000	2,000	-
Perspective-Axis Fund 1	1,500	1,500	-
IBKVC-SBI 2025 Fund	45,000	7,200	37,800
JB-OMEGA Fund	2,000	2,000	-
IBKS-FINDVALUE Robot Solution Fund	3,000	3,000	-
Allies partners Fund no.11	2,000	2,000	-
Gravity General Private Paju Studio Investment Company No.1	5,000	1,500	3,500
Start-Up Korea Plux Deeptech Fund	6,000	1,200	4,800
Startup Korea-KIF Kiwoom New Hero No. 9 Fund	20,000	4,000	16,000
StartUp Korea Quantum Secondary Fund II	10,000	2,000	8,000
2025 IBKVC-DAISHIN Next Value-Up Fund	20,000	4,000	16,000
INNOPOLIS NEXT UNICORN DEEP FUND	15,000	1,500	13,500

(In millions of Korean won)	Committed contribution	Contribution amount	Executory contribution
JP-K Semiconductor 1st New Technology Business Investment Fund	1,500	1,500	-
Nautilus-KWC Semiconductor Fund	2,000	2,000	-
LUX-Mason Innovation Technology Fund #2	2,000	2,000	-
IBKC LEP Fund X	2,500	2,500	-
Axis-Flow Automation Fund No. 1	2,500	2,500	-
	2,247,866	1,513,930	733,936

December 31, 2024

(In millions of Korean won)	Committed contribution	Contribution amount	Executory contribution
Subsidiaries			
IBK SKS Private Equity Fund[1]	80,000	73,575	6,425
IBK POSCO TRUBEN Recovery Private Equity Fund No.1	50,000	36,893	13,107
IBK NH Small Giant Private Equity Fund	50,000	38,625	11,375
No.1 Technology Financing Private Equity Fund	30,000	25,397	4,603
Value Brand Korea No.1 Private Equity Fund	36,000	35,193	807
IBK KIP Growth Stepstone Private Equity Fund No.1	50,000	38,340	11,660
IBK-TS Exit No.2 Private Equity Fund	60,000	53,760	6,240
IBKBNW Tech-Fi 2018 Private Equity Fund	60,000	56,922	3,078
IBK-Stonebridge Innovation Growth PEF	50,600	47,796	2,804
IBKBNW industrial Competitiveness Growth PEF	57,000	54,093	2,907
IBK-Stonebridge NewDeal-ESG Unicorn Private Equity Fund	65,460	37,744	27,716
IBK-KIWOOM Business Reorganization Private Equity Fund	58,000	51,505	6,495
IBK-LX G Scale-up Export Support Fund	48,000	5,040	42,960
500 Korea III, L.P.	25,000	9,900	15,100
IBKS-Paratus Corporate Succession Business Reorganization Fund	25,000	9,000	16,000
IBK Group IP Creation Fund	10,000	10,000	-
IBK Group Crowdfunding Matching Fund	5,000	5,000	-
IBK Group Future Growth Engine Fund	15,000	14,000	1,000
IBK Group IP Value-up Fund No.2	5,000	5,000	-
IBK Start-up Job Creation Fund	10,000	9,500	500
IBK Group New Deal Material Component and Equipment Fund	20,000	20,000	-
IBK Digital innovation Fund	90,000	4,950	85,050
Associates			
Presto Private Equity Fund No. 7	3,000	3,000	-
EVERBEST LIVINGSTONE PRIVATE EQUITY FUND	1,000	1,000	-

(In millions of Korean won)	Committed contribution	Contribution amount	Executory contribution
Scale-up Platform Private Equity Fund	1,800	1,800	-
Eum Private Equity Fund No.7	5,000	5,000	-
Paratus Woori Materials, Parts, Equipment Private Equity Fund	3,000	3,000	-
UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund	30,000	29,540	460
Thor Private Equity Fund	10,000	10,000	-
Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business	3,000	3,000	-
Nautic No.11 Private Equity Fund	3,000	3,000	-
AIM-OPUS Healthcare Growth Capital Private Equity Fund	3,000	3,000	-
BNW ACE Private Equity Fund	3,000	3,000	-
UAMCO IBK PF Private Equity Fund I	50,000	18,887	31,113
CCVC Culture-ICT Convergence Fund	2,000	2,000	-
IBK-Daesung Majestic Contents Small Giant Korea Fund	3,000	3,000	-
KTBN Media Contents Fund	3,500	3,500	-
EBEST CRESO CONTENTS Fund No.1	500	500	-
KAI-KSM Crowd Seeding Fund	2,500	2,500	-
Gaia Bio Investment Fund #1	3,000	3,000	-
IBKS-INTOPS Innovation Companies Design Investment Fund	5,000	5,000	-
InterValue No.3 Innovation Start-up Fund	4,000	4,000	-
Shinhan Consumer Fund 2	1,000	1,000	-
VS Cornerstone Fund	2,000	2,000	-
IBK-STIC Pioneer Fund	10,000	10,000	-
Global Gateway Fund III	5,000	5,000	-
IBK Changgong Jump up 1st Investment Fund	4,000	4,000	-
SWK-SHINHAN NEW TECHNOLOGY INVESTMENT FUND 1st	3,000	3,000	-
COMPANY K BIO FUND	8,000	8,000	-
Cornerstone Win-win Ⅰ Fund	3,000	3,000	-
DAvalue-Kbridge New Pharmaceutical Fund No.02	2,000	2,000	-
Hanwha Uon Fund No.1	2,000	2,000	-
Smilegate Next Commerce 1st Venture Fund	3,000	3,000	-
InterVest Global Scale-up Fund	10,000	7,000	3,000
IBK-Synergy IB Business Reshuffle New Technology Fund	25,000	25,000	-
New Deal Extension New Technology Fund No.1	20,000	20,000	-
S&S-ONE-Dotconnect Fund 1	2,000	2,000	-
Smilegate Next Commerce 2nd Venture Fund	3,000	3,000	-
Smart IBK-Quantum Green New Industry Fund	10,000	10,000	-
IBK-KT Emerging Digital Industry Investment	15,000	15,000	-

(In millions of Korean won) Fund	Committed contribution	Contribution amount	Executory contribution
PCC-Bailey Project Fund	3,000	3,000	-
LSK Healthcare Fund Ⅳ	3,000	3,000	-
Shinhan-Kunicorn first Fund	5,000	5,000	-
VISION Materials, Parts and Equipment Venture Fund No.1	3,000	3,000	-
SUP 1st Venture Fund	1,000	1,000	-
Cornerstone Merkaba Fund 1	1,000	1,000	-
One Shinhan Global Fund 3	3,000	3,000	-
Synergy ESG 1st New Technology Investment Fund	3,000	3,000	-
Korea ASEAN Technology Fund 2	3,000	3,000	-
IP-LD Fund No.1	3,000	3,000	-
Hanwha Smart Healthcare Fund No.1	3,000	3,000	-
SKS-DA Unicorn Bio Fund No.1	2,000	2,000	-
One Shinhan Global Fund 4	2,000	2,000	-
IBK Changgong Jump up 2nd Investment Fund	6,000	4,800	1,200
Bokwang-Honest Energy Fund No. 1	2,000	2,000	-
Cornerstone Pentastone Ⅷ Fund	1,500	1,500	-
One Shinhan Global Fund 5	2,000	2,000	-
Ulmus 2022 Secondary Fund	10,000	10,000	-
L&S Early Stage IV ICT MCE Venture Fund	10,000	7,500	2,500
Cornerstone Innovation Ⅳ Fund	1,500	1,500	-
IBK-SOLIDUS Next Bio Star Investment Fund	10,000	8,500	1,500
C&CI Investment Fund 1	2,900	2,900	-
Cornerstone Innovation Ⅵ Fund	2,000	2,000	-
IBK Financial Group-DS Green Finance Fund	40,000	16,177	23,823
KOSNET Semicon Two Venture Fund	1,000	1,000	-
DKI Growing Star Fund Ⅶ	10,000	10,000	-
Square New Paradigm Investment Fund No. 1	2,000	2,000	-
GU Materials Parts and Equipment Project Fund Ⅰ	3,000	3,000	-
S Secondary Venture Fund NO.1	3,000	3,000	-
E&Venture Project No.1 Smartgreen Fund	1,500	1,500	-
Cornerstone New Main I Fund	2,500	2,500	-
SmartKorea UTC Untact Fund	10,000	5,000	5,000
IBK-Company K Innovation growth Fund	50,000	32,000	18,000
IBK Scale-up Gyeonggi-G-FUND	10,000	5,000	5,000
IBK-Stonebridge Rising Fund Ⅱ	30,000	12,000	18,000
IBK IP Technology Commercialization Fund	6,000	6,000	-
SH Ulmus M.P.E. Innovative Venture Fund 7	3,000	3,000	-
POSITIVE AI Venture Fund #1	3,000	3,000	-

(In millions of Korean won)	Committed contribution	Contribution amount	Executory contribution
KB-BridgePole Venture Investment Fund #2	2,000	2,000	-
KAIC TO Ventures Fund Ⅳ	2,000	2,000	-
IBK-KOLON 2023 Super-Gap Fund	20,000	10,000	10,000
Caspian-T No.3 Fund	2,000	2,000	-
Newmain Ⅱ Funds	3,000	3,000	-
Korea Investment-Newmain Growth Capital 1st Fund	3,000	3,000	-
Timefolio Tech Fund Ⅰ	3,000	3,000	-
IBK Financial Group-Uamco SME Accelerating Fund	25,000	5,995	19,005
KAI Valiant aesthetic Investment Fund Ⅰ	3,000	3,000	-
PLUX Technology Innovation Investment Fund 1	1,500	1,500	-
Elohim Newmain I Fund	1,000	1,000	-
BYB-SKS Pre-IPO Fund NO.1	3,000	3,000	-
Cornerstone Blue Dragon I Fund	1,000	1,000	-
Cornerstone Alice II Fund	1,500	1,500	-
KB-VEP Contact Fund	2,000	2,000	-
Synergy IB innovation Fund	25,000	16,650	8,350
LINEA-NBH Fund II	2,000	2,000	-
PLUX Technology Innovation Investment Fund 2	2,000	2,000	-
COMPANY K BUYOUT 1	3,000	3,000	-
Harang-IP Vine Contents Fund	1,000	1,000	-
IBK-LB Startup Fund I	30,000	6,000	24,000
WE Scale-up Fund I	20,000	2,000	18,000
Horizon Venture Fund I	5,000	1,250	3,750
Moorim-Omega Fund II	2,000	2,000	-
GNTECH Project Fund II	2,000	2,000	-
NP Growth 11th Private Equity Fund	3,000	3,000	-
Korea Semiconductor Materials and Components No.1 Private Equity Fund	10,000	10,000	-
Honeypot HGI New Fund	2,000	2,000	-
Widwin investment fund 73	1,500	1,500	-
IBK-YG K-culture Fund	5,000	1,500	3,500
Start-up Korea IBK- Schmidt Fund	6,000	1,500	4,500
Start-up Korea IBKVC-FP2024 Fund	25,000	7,500	17,500
Start-up Korea IBKVC-KOLON 2024 Fund	25,000	7,500	17,500
Allies-HSBI Material Component Equipment New Technology Fund	2,000	2,000	-
NICE DATA INTELLIGENCE VENTURE FUND	2,000	2,000	-
Lodestone 4th Startup Venture Specialized Private Equity Fund	2,000	2,000	-
JW&Kiyvre Fund 1	3,000	3,000	-

(In millions of Korean won)	**Committed contribution**	**Contribution amount**	**Executory contribution**
JKL-POI Private Equity Fund	3,000	3,000	-
LB Next Innovation Fund 1	3,000	3,000	-
Startup Korea IBK-STIC Tech Champion Fund	50,000	5,000	45,000
Startup Korea IBK-DTNI Fund	10,000	2,000	8,000
Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	10,000	2,000	8,000
Startup Korea Pathfinder-IBK Super Gap Fund	6,000	900	5,100
Lucky Invites FUND-1	2,000	2,000	-
Korea Investment Dong-Yu Blue Horizon Fund	2,000	2,000	-
BNK safety Investment Fund No.2	2,000	2,000	-
D2U 12TH Fund	3,000	3,000	-
HellosThelaFund1	2,000	2,000	-
2024 Tethys Venture Fund	3,000	3,000	-
AICBM Venture Fund No.3	3,000	3,000	-
2024DeepDive Investment Fund	3,000	3,000	-
KAIC TO Ventures Fund Ⅶ	2,806	2,806	-
	1,781,566	1,221,938	559,628

[1] The bank provides an arrangement under which it must refund part of the management fees if, as of the end of the funding period of the relevant subsidiary, the cumulative investment amount falls short of a specified proportion of the total value of the contribution arrangement.

10. Investment Properties

Changes in investment properties for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025		
	Land	**Buildings**	**Total**
Acquisition cost			
January 1, 2025	44,337	48,946	93,283
Acquisitions	-	558	558
Transfers	(536)	1,384	848
December 31, 2025	43,801	50,888	94,689
Accumulated depreciation and impairment loss			
January 1, 2025	-	25,915	25,915
Depreciation	-	965	965
Impairment loss (reversal)	-	528	528
Transfers	-	716	716
December 31, 2025	-	28,124	28,124
Net book amount	-		
January 1, 2025	44,337	23,031	67,368
December 31, 2025	43,801	22,764	66,565

(In millions of Korean won)	December 31, 2024		
	Land	**Buildings**	**Total**
Acquisition cost			
January 1, 2024	42,855	45,459	88,314
Acquisitions	-	2,604	2,604
Transfers	1,482	883	2,365
December 31, 2024	44,337	48,946	93,283
Accumulated depreciation and impairment loss			
January 1, 2024	-	24,405	24,405
Depreciation	-	941	941
Transfers	-	569	569
December 31, 2024	-	25,915	25,915
Net book amount	-		
January 1, 2024	42,855	21,054	63,909
December 31, 2024	44,337	23,031	67,368

10. Investment Properties (cont'd)

Methodology and inputs used to valuate investment properties as of December 31, 2025, are as follows:

(In millions of Korean won)

Type	Fair value	Valuation method	Inputs
Land and Buildings	156,112	Market approach, Cost method	Officially assessed price, price change trends, transaction history

The fair value of investment properties as of December 31, 2025, is ₩156,112 million (December 31, 2024: ₩ 147,302 million), and the fair value was determined based on the valuation performed by the certified independent valuation company. As for the land, it is valuated using an officially assessed price for a comparable property as well as considering the price trend analysis and other objective factors. Buildings are assessed using the cost method along with considering other relevant factors such as infrastructure, raw material, and progress of the construction and others.

Rental income recognized from investment properties for the years ended December 31, 2025 and 2024, are ₩ 2,370 million and ₩ 2,368 million, respectively.

11. Property and Equipment

Changes in property and equipment for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Land	Buildings	Leasehold improvements	Equipment and vehicles	Right-of-use assets	Others	Total
Acquisition cost							
January 1, 2025	937,781	1,578,623	191,085	768,680	294,861	4,936	3,775,966
Acquisitions	-	30,885	31,533	96,463	119,460	5,263	283,604
Disposals	(71)	(1,452)	(18,362)	(18,994)	(137,175)	-	(176,054)
Transfers	536	1,913	-	1,801	-	(5,098)	(848)
Foreign exchange translation	(9)	(8)	2,637	(241)	(1,663)	-	716
December 31, 2025	938,237	1,609,961	206,893	847,709	275,483	5,101	3,883,384
Accumulated depreciation and impairment loss							
January 1, 2025	3,330	485,564	141,085	571,900	163,496	-	1,365,375
Depreciation	-	32,973	22,791	117,450	108,851	-	282,065
Impairment loss (reversal)	-	2,880	-	-	-	-	2,880
Disposals	-	(322)	(18,239)	(18,951)	(124,539)	-	(162,051)
Government grants received	-	-	-	124	-	-	124
Transfers	-	(716)	-	-	-	-	(716)
Foreign exchange translation	-	(38)	(253)	(270)	1,875	-	(1,314)
December 31, 2025	3,330	520,341	145,384	670,253	149,683	-	1,488,991
Net book amount							
January 1, 2025	934,451	1,093,059	50,000	196,780	131,365	4,936	2,410,591
December 31, 2025	934,907	1,089,620	61,509	177,456	125,800	5,101	2,394,393

11. Property and Equipment (cont'd)

December 31, 2024

(In millions of Korean won)	Land	Buildings	Leasehold improvements	Equipment and vehicles	Right-of-use assets	Others	Total
Acquisition cost							
January 1, 2024	939,984	1,333,275	209,352	623,952	278,202	137,894	3,522,659
Acquisitions	-	29,191	25,427	109,568	133,746	135,859	433,791
Disposals	(768)	-	(44,272)	(17,704)	(121,942)	-	(184,686)
Transfers	(1,482)	216,095	-	51,839	-	(268,817)	(2,365)
Foreign exchange translation	47	62	578	1,025	4,855	-	6,567
December 31, 2024	937,781	1,578,623	191,085	768,680	294,861	4,936	3,775,966
Accumulated depreciation and impairment loss							
January 1, 2024	3,330	456,601	164,435	536,702	162,238	-	1,323,306
Depreciation	-	28,501	19,719	52,315	105,124	-	205,659
Impairment loss (reversal)	-	1,006	-	-	-	-	1,006
Disposals	-	-	(43,668)	(17,643)	(108,523)	-	(169,834)
Transfers	-	(569)	-	-	-	-	(569)
Foreign exchange translation	-	25	599	526	4,657	-	5,807
December 31, 2024	3,330	485,564	141,085	571,900	163,496	-	1,365,375
Net book amount							
January 1, 2024	936,654	876,674	44,917	87,250	115,964	137,894	2,199,353
December 31, 2024	934,451	1,093,059	50,000	196,780	131,365	4,936	2,410,591

12. Intangible Assets

Changes in intangible assets for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Development costs	Software	Intangible assets under development	Member-ships	Others	Total
Acquisition cost						
January 1, 2025	191,408	331,198	35,457	23,383	126,651	708,097
Acquisitions	9,459	58,414	84,644	3,026	10,731	166,274
Disposals	-	-	-	(715)	(67,280)	(67,995)
Transfers	90,666	362	(91,028)	-	-	-
Foreign exchange translation	-	(40)	-	(33)	-	(73)
December 31, 2025	291,533	389,934	29,073	25,661	70,102	806,303
Accumulated amortization and impairment losses						
January 1, 2025	122,488	280,068	929	851	99,073	503,409
Amortization	31,059	25,769	-	-	16,533	73,361
Impairment loss (reversal)	-	-	-	-	102	102
Disposals	-	-	-	-	(66,804)	(66,804)
Foreign exchange translation	-	(78)	-	-	-	(78)
December 31, 2025	153,547	305,759	929	851	48,904	509,990
Net book amount						
January 1, 2025	68,920	51,130	34,528	22,532	27,578	204,688
December 31, 2025	137,986	84,175	28,144	24,810	21,198	296,313

12. Intangible Assets (cont'd)

December 31, 2024

(In millions of Korean won)	Development costs	Software	Intangible assets under development	Member-ships	Others	Total
Acquisition cost						
January 1, 2024	164,285	306,562	6,344	21,380	112,172	610,743
Acquisitions	2,002	23,916	54,257	3,677	14,479	98,331
Disposals	-	-	-	(1,753)	-	(1,753)
Transfers	25,121	-	(25,121)	-	-	-
Foreign exchange translation	-	720	(23)	79	-	776
December 31, 2024	191,408	331,198	35,457	23,383	126,651	708,097
Accumulated amortization and impairment losses						
January 1, 2024	94,876	257,252	929	851	84,747	438,655
Amortization	27,612	22,715	-	-	14,277	64,604
Impairment loss (reversal)	-	-	-	-	49	49
Foreign exchange translation	-	101	-	-	-	101
December 31, 2024	122,488	280,068	929	851	99,073	503,409
Net book amount						
January 1, 2024	69,409	49,310	5,415	20,529	27,425	172,088
December 31, 2024	68,920	51,130	34,528	22,532	27,578	204,688

13. Income Tax Expense

Details of income tax expense for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Current tax expense	832,153	729,747
Tax refunds in relation to the current tax of prior period	(32,858)	(19,645)
Changes in deferred tax assets and liabilities		
Adjusting beginning deferred tax expenses	3,258	3,518
Deferred tax expense due to temporary differences	163,242	169,879
Tax expense recognized directly in equity		
Gain on valuation of financial assets at fair value through other comprehensive income	(60,275)	(110,832)
Other components	(85,402)	47,109
Tax expense	820,118	819,776

The relationship between profit before income tax and tax expense for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	2025	2024
Profit before income tax	3,205,964	3,247,859
Tax rate[1]		
Tax expense calculated by applicable tax rate	836,013	847,073
Adjustments		
Unrecognized temporary differences and other	16,963	(7,652)
Refunds	(32,858)	(19,645)
Tax expense	820,118	819,776
Effective tax rate	25.58%	25.24%

[1] For the year ended December 31, 2025, 26.4% for over ₩300,000 million; 23.1% for over ₩20,000 million but ₩300,000 million or less; 20.9% for over ₩200 million but ₩20,000 million or less; and 9.9% for ₩200 million or less.

13. Income Tax Expense (cont'd)

Temporary differences and changes in deferred tax assets and liabilities for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

	Beginning balance	Adjustments[1]	Beginning after adjustments	Increase (Decrease)	Ending balance
Financial assets at fair value through profit and loss	(311,535)	(150)	(311,685)	(147,559)	(459,244)
Financial assets at fair value through other comprehensive income	(943,753)	(3,405)	(947,158)	(172,937)	(1,120,095)
Provision for impairment	7,729	-	7,729	-	7,729
Investments in subsidiaries and associates	(166,559)	-	(166,559)	76,876	(89,683)
Derivatives	38,912	(37)	38,875	37,592	76,467
Property and equipment, investment property	(138,197)	4,302	(133,895)	935	(132,960)
Prepaid expenses	(678,040)	-	(678,040)	(44,886)	(722,926)
Accrued income	(393,005)	-	(393,005)	(9,963)	(402,968)
Provisions	875,034	-	875,034	(37,041)	837,993
Post-employment benefit obligations	7,364	(325)	7,039	(242,778)	(235,739)
Unearned revenue	29,485	-	29,485	1,933	31,418
Accrued expenses	40,645	-	40,645	(4,683)	35,962
Other financial liabilities	19,701	-	19,701	(8,056)	11,645
Others	(60,583)	(12,725)	(73,308)	93,244	19,936
	(1,672,802)	(12,340)	(1,685,142)	(457,323)	(2,142,465)
Average tax rate	26.40%				27.50%
Total deferred tax liabilities effect	(441,619)				(589,178)
Temporary differences not recognized as deferred tax assets	14,228				33,169
	(455,847)				(622,347)
Deferred tax assets	2,066				1,018
Deferred tax liabilities	(457,913)				(623,365)

13. Income Tax Expense (cont'd)

December 31, 2024

	Beginning balance	Adjustments[1]	Beginning after adjustments	Increase (Decrease)	Ending balance
Financial assets at fair value through profit and loss	(209,116)	-	(209,116)	(102,419)	(311,535)
Financial assets at fair value through other comprehensive income	(498,367)	(20,584)	(518,951)	(424,802)	(943,753)
Provision for impairment	6,747	-	6,747	982	7,729
Investments in subsidiaries and associates	(170,473)	-	(170,473)	3,914	(166,559)
Derivatives	169,658	-	169,658	(130,746)	38,912
Property and equipment, investment property	(136,764)	-	(136,764)	(1,433)	(138,197)
Prepaid expenses	(591,704)	-	(591,704)	(86,336)	(678,040)
Accrued income	(497,121)	2,288	(494,833)	101,828	(393,005)
Provisions	994,874	-	994,874	(119,840)	875,034
Post-employment benefit obligations	(132,470)	1,625	(130,845)	138,209	7,364
Unearned revenue	27,429	-	27,429	2,056	29,485
Accrued expenses	34,897	20	34,917	5,728	40,645
Other financial liabilities	73,079	-	73,079	(53,378)	19,701
Others	(95,236)	3,326	(91,910)	31,327	(60,583)
	(1,024,567)	(13,325)	(1,037,892)	(634,910)	(1,672,802)
Average tax rate	26.40%				26.40%
Total deferred tax liabilities effect	(270,486)				(441,619)
Temporary differences not recognized as deferred tax assets	11,964				14,228
	(282,450)				(455,847)
Deferred tax assets	2,483				2,066
Deferred tax liabilities	(284,933)				(457,913)

[1] Adjustments due to additional adjustments made on the final tax return are included.

As of December 31, 2025 and 2024, total amounts of temporary differences related to investments in subsidiaries and associates where deferred tax assets were not recognized are ₩120,615 million and ₩53,894 million, respectively.

The bank has assessed the impact of the Pillar Two Model Rules and, as of the end of the current period, there is no current tax expense related to Pillar Two corporate income tax.

14. Other Assets

Details of other assets as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Other financial assets		
Unsettled accounts receivable	5,028,513	1,376,900
Other receivables	182,044	214,052
Unsettled spot exchange receivables	3,277,982	5,680,655
Leasehold deposits provided	664,240	638,934
Accrued income	1,269,616	1,459,635
Suspense credit receivable	11,167	31,411
Less: present value discounts	(18,452)	(21,954)
Less: provision for impairment of other financial instruments	(20,236)	(45,200)
Others	1,192	1,327
	10,396,066	9,335,760
Other assets		
Prepaid expenses	333,208	265,393
Petty cash	87,449	86,799
Stationery	3,489	3,417
Prepayments	3,328	1,296
Other	16,961	18,587
	444,435	375,492
	10,840,501	9,711,252

Changes in provision for impairment of other financial assets for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	12 months expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	2,726	9,044	33,430	45,200
Changes due to significant increase or decrease in credit risk :				
Transfer to 12 months expected credit losses	720	(692)	(28)	-
Transfer to expected lifetime losses with unrecognized impairment	(589)	684	(95)	-
Transfer to expected lifetime losses with recognized impairment	(36)	(1,157)	1,193	-
	95	(1,165)	1,070	-
Impairment loss (Reversal)	(664)	(1,826)	(22,454)	(24,944)
Unwinding effect	-	-	(17)	(17)
Foreign exchange translation	(3)	-	-	(3)
Ending	2,154	6,053	12,029	20,236

14. Other Assets (cont'd)

December 31, 2024

(In millions of Korean won)	12 months expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	3,344	12,895	30,822	47,061
Changes due to significant increase or decrease in credit risk :				
Transfer to 12 months expected credit losses	1,605	(1,025)	(580)	-
Transfer to expected lifetime losses with unrecognized impairment	(503)	729	(226)	-
Transfer to expected lifetime losses with recognized impairment	(55)	(1,850)	1,905	-
	1,047	(2,146)	1,099	-
Impairment loss (Reversal)	(1,674)	(1,707)	1,528	(1,853)
Unwinding effect	-	-	(19)	(19)
Foreign exchange translation	9	2	-	11
Ending	2,726	9,044	33,430	45,200

The changes in emission rights held for the purpose of short-swing profit for the years ended December 31, 2025 and 2024 are as follows:

(Ton, In millions of Korean won)	December 31, 2025		December 31, 2024	
	Quantity	Carrying amount	Quantity	Carrying amount
Beginning	10,132	96	44,150	397
Acquisitions	2,641,962	24,854	5,915,888	54,746
Disposals	2,596,034	24,370	5,949,906	55,051
Valuation	-	3	-	4
The end of the period	56,060	583	10,132	96

15. Deposits received

Details of deposits received as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Demand deposit		
Demand deposits in Korean won	56,450,311	55,607,609
Demand deposits in foreign currencies	9,694,926	8,169,898
	66,145,237	63,777,507
Time Deposits Liabilities		
Time & savings deposits in Korean won	78,608,370	74,586,082
Time & savings deposits in foreign currencies	10,487,473	8,398,897
	89,095,843	82,984,979
Negotiable certificates of deposit	3,102,053	1,806,203
Others	2,187,373	2,572,199
	160,530,506	151,140,888

16. Borrowings

Borrowings as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	**Lender**	**Interest rate (%)**	**December 31, 2025**
Borrowings in Korean won			
Borrowings in Korean won from Bank of Korea	Bank of Korea	1.00	6,841,233
Borrowings in Korean won from funds	Korea Development Bank and others	0.00 ~ 4.44	19,891,662
Borrowings in Korean won from the government	Hana Bank and others	0.00 ~ 3.60	1,464,393
Other borrowings in Korean won	Samsung Electronics Co., Ltd. and others	0.00 ~ 3.18	3,780,790
			31,978,078
Borrowings in foreign currencies			
Overdraft due to banks in foreign currencies	Hana Bank and others	-	11,077
Borrowings from bank in foreign currencies	Industrial and Commercial Bank of China and others	0.85 ~ 5.23	3,071,632
Other borrowings in foreign currencies	BANK OF NEW YORK MELLON, LONDON and others	2.05 ~ 5.56	2,324,434
			5,407,143
Bills sold	Counter sale	2.00 ~ 2.82	164,774
Call money			
Call money in foreign currencies	The State-owned Commercial Banks in Vietnam and others	3.55 ~ 10.50	1,227,391
			1,227,391
Bonds sold under repurchase agreements	Repurchase agreements sold to customers and others	1.80 ~ 2.50	5,381,939
Deferred debt origination costs	Associated with borrowings from bank in foreign currencies	-	(3,234)
			44,156,091

16. Borrowings (cont'd)

Borrowings as of December 31, 2025 and 2024, are as follows:

December 31, 2024

(In millions of Korean won)	Lender	Interest rate (%)	December 31, 2024
Borrowings in Korean won			
Borrowings in Korean won from Bank of Korea	Bank of Korea	1.50	6,661,367
Borrowings in Korean won from funds	Small and Medium Enterprise Establishment and Promotion Fund and others	0.00 ~ 4.00	19,525,693
Borrowings in Korean won from the government	NH Bank and others	0.00 ~ 5.30	1,555,327
Other borrowings in Korean won	Samsung Electronics Co., Ltd. and others	0.00 ~ 4.23	3,754,603
			31,496,990
Borrowings in foreign currencies			
Overdraft due to banks in foreign currencies	BANK OF AMERICA, SF and others	-	18,683
Borrowings from bank in foreign currencies	KB Bank and others	0.30 ~ 5.58	3,375,058
Other borrowings in foreign currencies	BANK OF NEW YORK MELLON, LONDON and others	2.91 ~ 5.64	2,049,467
			5,443,208
Bills sold	Counter sale	2.50 ~ 3.59	171,878
Call money			
Call money in Korean won	INDUSTRIAL AND COMMERCIAL BANK OF CHINA and others	3.41	90,000
Call money in foreign currencies	Hana Bank and others	0.90 ~ 5.30	932,002
			1,022,002
Bonds sold under repurchase agreements	Repurchase agreements sold to customers and others	2.30	1,457
Deferred debt origination costs	Associated with borrowings from bank in foreign currencies	-	(5,276)
			38,130,259

17. Debentures

Details of debentures as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Debentures in Korean won	188,366,240	179,852,490
Debentures in foreign currencies	5,539,217	4,889,056
Less: Discount on debentures	(556,939)	(773,944)
	193,348,518	183,967,602

Details of debentures in Korean won and foreign currencies as of December 31, 2025 and 2024, are as follows:

Debentures in Korean won

December 31, 2025

(In millions of Korean won)	Interest rate (%)	December 31, 2025
Small and Medium Industry (SMI) finance bonds		
Counter	1.00 ~ 5.42	97,713,017
Market	2.00 ~ 5.10	86,720,000
Subordinated SMI finance bonds	1.70 ~ 3.53	4,050,010
		188,483,027
Loss (gain) on valuation of fair value hedge (current period)		(27,043)
Loss (gain) on valuation of fair value hedge (prior periods)		(89,744)
		(116,787)
		188,366,240

December 31, 2024

(In millions of Korean won)	Interest rate (%)	December 31, 2024
Small and Medium Industry (SMI) finance bonds		
Counter	1.00 ~ 5.42	99,092,224
Market	2.00 ~ 5.69	76,700,000
Subordinated SMI finance bonds	1.70 ~ 3.53	4,150,010
		179,942,234
Loss (gain) on valuation of fair value hedge (current period)		28,989
Loss (gain) on valuation of fair value hedge (prior periods)		(118,733)
		(89,744)
		179,852,490

17. Debentures (cont'd)

Debentures in foreign currencies

December 31, 2025

(In millions of Korean won)

	Interest rate (%)	December 31, 2025
Debentures in foreign currencies	1.20 ~ 6.09	5,413,550
Offshore finance bonds issued	4.63	129,141
		5,542,691
Loss (gain) on valuation of fair value hedge (current period)		52,756
Loss (gain) on valuation of fair value hedge (prior periods)		(56,230)
		(3,474)
		5,539,217

December 31, 2024

(In millions of Korean won)

	Interest rate (%)	December 31, 2024
Debentures in foreign currencies	1.20 ~ 6.82	4,830,114
Offshore finance bonds issued	5.61	132,300
		4,962,414
Loss (gain) on valuation of fair value hedge (current period)		(15,736)
Loss (gain) on valuation of fair value hedge (prior periods)		(57,622)
		(73,358)
		4,889,056

18. Net Defined Benefit Liabilities (Assets)

Changes in net defined benefit liabilities(assets) recognized in relation to the defined benefit plan for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025 *(In millions of Korean won)*	**Present value of defined benefit obligation**	**Fair value of plan assets**	**Net defined benefit liabilities (assets)**
Beginning	1,473,126	(1,496,279)	(23,153)
Current service cost	131,316	-	131,316
Past service cost[1]	40,219	-	40,219
Interest expense (income)	68,647	(69,790)	(1,143)
Paid in plan assets	-	(225,000)	(225,000)
Benefit payment	(79,895)	79,221	(674)
Return on plan assets	-	13,346	13,346
Actuarial losses arising from changes in demographic assumptions	(4,482)	-	(4,482)
Actuarial gains arising from changes in financial assumptions	(131,897)	-	(131,897)
Actuarial losses from experience adjustments	(41,252)	-	(41,252)
Ending	1,455,782	(1,698,502)	(242,720)

[1] The increase in the present value of the defined benefit obligation resulting from the amendment of the compensation regulations during the current period has been recognized as past service cost.

December 31, 2024 *(In millions of Korean won)*	**Present value of defined benefit obligation**	**Fair value of plan assets**	**Net defined benefit liabilities (assets)**
Beginning	1,246,872	(1,410,144)	(163,272)
Current service cost	121,460	-	121,460
Interest expense (income)	65,990	(74,697)	(8,707)
Paid in plan assets	-	(96,200)	(96,200)
Benefit payment	(56,917)	56,824	(93)
Remeasurements :			
Return on plan assets	-	27,938	27,938
Actuarial losses arising from changes in demographic assumptions	(25,121)	-	(25,121)
Actuarial gains arising from changes in financial assumptions	128,543	-	128,543
Actuarial losses from experience adjustments	(7,701)	-	(7,701)
Ending	1,473,126	(1,496,279)	(23,153)

18. Net Defined Benefit Liabilities (Assets) (cont'd)

Expenses recognized related to the defined benefit plans for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Current service cost	131,316	121,460
Past service cost	40,219	-
Interest expenses (income)	(1,143)	(8,707)
	170,392	112,753

The significant actuarial assumptions as of December 31, 2025 and 2024, are as follows:

	December 31, 2025	December 31, 2024
Discount rate (%)	5.12	4.76
Future salary growth rate (%)	3.24	3.67

Plan assets as of December 31, 2025 and 2024, consist of:

(In millions of Korean won)	December 31, 2025		December 31, 2024	
	Quoted price	Unquoted price	Quoted price	Unquoted price
Cash and cash equivalents	-	1,698,502	-	1,496,279

The sensitivity analysis of the defined benefit obligations as of December 31, 2025 and 2024, based on changes in the principal assumptions is:

December 31, 2025

(In millions of Korean won)	Change in principal assumption	Increase in principal assumption	Decrease in principal assumption
Discount rate	1.00%	(143,855)	131,303
Future salary growth rate	1.00%	170,706	(175,180)

December 31, 2024

(In millions of Korean won)	Change in principal assumption	Increase in principal assumption	Decrease in principal assumption
Discount rate	1.00%	(158,234)	187,757
Future salary growth rate	1.00%	188,082	(161,290)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant, but in practice, assumptions will fluctuate in relation to each assumption. The sensitivity of the defined benefit obligation to changes in principal actuarial assumptions is calculated using the projected unit credit method, the same method applied when calculating the defined benefit obligations recognized on the statement of financial position.

18. Net Defined Benefit Liabilities (Assets) (cont'd)

The Bank is exposed to various risks through the defined benefit plans and the most significant risk is as below:

Decrease in earning rate of prime-rate bonds: Decrease in earning rate of prime-rate bonds may bring an increase in a certain portion of financial assets' value as an offset effect. However, as a result, the defined benefit obligation will be increased.

Maturity analysis of undiscounted defined benefit payments as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Within 10 years	529,183	609,679
10 years ~ within 20 years	1,629,389	1,483,770
20 years ~ within 30 years	836,499	722,079
30 years and longer	43,429	38,254
	3,038,500	2,853,782

The Bank's best estimate of expected contributions after the end of the reporting period is ₩100,000 million and weighted average duration of the defined benefit obligation is 13.41 years.

The Bank recognized expense related to the defined contribution plans for the years ended December 31, 2025 and 2024 of ₩12,948 million and ₩13,178 million, respectively.

For the certain employees who have worked for more than 20 years, liabilities are recorded using actuarial methods for the pension to be paid to employees who would voluntarily retire prior to their legal retirement date. Pension liabilities recorded as of December 31, 2025 and 2024, are ₩47,837 million and ₩51,253 million, respectively.

19. Provisions

Details of provisions as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Provision for unused loan commitments	248,549	287,604
Payment guarantees outstanding	27,051	41,005
Provision for litigation	3,870	4,694
Provision for restoration	37,335	37,081
Provision for award credits	2,758	2,049
Others	518,430	502,601
	837,993	875,034

Provisions for unused loan commitments

Details of provisions for unused loan commitments as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025			December 31, 2024		
	Commitment outstanding[1]	Provision	Ratio (%)	Commitment outstanding[1]	Provision	Ratio (%)
Corporate loan commitment	47,858,829	148,574	0.31	49,701,187	176,952	0.36
Retail loan commitment	3,998,234	6,656	0.17	3,867,580	6,411	0.17
Credit line on credit cards	14,416,578	93,319	0.65	14,071,345	104,241	0.74
	66,273,641	248,549	0.38	67,640,112	287,604	0.43

[1] Excludes commitments that are not required to set up provisions for unused loan commitments.

19. Provisions (cont'd)

Changes in provisions for unused loan commitments for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025
(In millions of Korean won)

	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	165,633	119,281	2,690	287,604
Changes due to significant increase or decrease in credit risk				
Transferred to 12-month expected credit losses	25,463	(25,422)	(41)	-
Transferred to expected lifetime losses with unrecognized impairment	(17,389)	17,477	(88)	-
Transferred to expected lifetime losses with recognized impairment	(482)	(3,306)	3,788	-
	7,592	(11,251)	3,659	-
Impairment loss (reversal)	(49,846)	10,169	655	(39,022)
Foreign exchange translation	(60)	27	-	(33)
Ending	123,319	118,226	7,004	248,549

December 31, 2024
(In millions of Korean won)

	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	150,671	104,564	2,557	257,792
Changes due to significant increase or decrease in credit risk :				
Transferred to 12-month expected credit losses	25,733	(25,730)	(3)	-
Transferred to expected lifetime losses with unrecognized impairment	(10,171)	10,433	(262)	-
Transferred to expected lifetime losses with recognized impairment	(655)	(4,435)	5,090	-
	14,907	(19,732)	4,825	-
Impairment loss (reversal)	(91)	34,440	(4,692)	29,657
Foreign exchange translation	146	9	-	155
Ending	165,633	119,281	2,690	287,604

19. Provisions (cont'd)

Changes in provisions for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Beginning	Increase	Reversal	Others	Ending
Payment guarantees outstanding	41,005	-	(13,952)	(2)	27,051
Provision for litigation	4,694	-	(824)	-	3,870
Provision for restoration	37,081	945	-	(691)	37,335
Provision for award credits	2,049	709	-	-	2,758
Others	502,601	21,527	-	(5,698)	518,430
	587,430	23,181	(14,776)	(6,391)	589,444

December 31, 2024

(In millions of Korean won)	Beginning	Increase	Reversal	Others	Ending
Payment guarantees outstanding	73,880	-	(32,897)	22	41,005
Provision for litigation	6,928	-	(2,234)	-	4,694
Provision for restoration	36,312	1,128	-	(359)	37,081
Provision for award credits	2,341	-	(292)	-	2,049
Others	617,621	70,719	-	(185,739)	502,601
	737,082	71,847	(35,423)	(186,076)	587,430

Details of provisions for payment guarantees as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025			December 31, 2024		
	Payment guarantees	Provision	Ratio (%)	Payment guarantees	Provision	Ratio (%)
Confirmed payment guarantees in Korean won	682,869	1,342	0.20	581,406	2,164	0.37
Confirmed payment guarantees in foreign currencies	3,012,869	13,407	0.44	3,308,918	18,005	0.54
Unconfirmed payment guarantees	1,471,251	12,302	0.84	1,866,026	20,836	1.12
	5,166,989	27,051	0.52	5,756,350	41,005	0.71

19. Provisions (cont'd)

Litigation

Details of lawsuits the Bank has filed and is facing as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)		December 31, 2025	December 31, 2024
Plaintiff	No. of lawsuits	163	129
	Claim amounts	105,768	125,219
Defendant	No. of lawsuits	265	173
	Claim amounts	132,101	142,841

Provision for restoration costs

The Bank recognizes a provision to the extent that the Bank is obliged to rectify the damage to be caused for the restoration of the leased properties, and the present value measurement is applied if the lease term is long and present value is material.

Provisions for general wages

The Bank is in process of trial in relation to the pending claims on additional wage payment to employees (including those retired). The Bank lost in the first trial on May 26, 2016 and won in the second trial on May 12, 2017, but the Supreme Court overturned the decision and remanded the case to the High Court on Jan 9, 2025. The outcome of the lawsuit cannot be reasonably predicted.

20. Other Liabilities

Details of other liabilities as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Other financial liabilities		
Financial guarantee liabilities	77,713	233,643
Borrowings from trust accounts	6,501,735	5,789,243
Borrowings from securities investment trust accounts	1,859,040	1,720,241
Guaranteed deposits	138,226	254,278
Unsettled inter-office account in foreign currencies	3,678,326	1,791,423
Dividends payable	15,635	14,287
Other payables	265,916	517,828
Unsettled spot exchange	3,280,017	5,680,672
Accrued expenses	3,049,849	3,139,131
Agencies	649,681	663,168
Lease liabilities	118,891	124,836
Others	561,743	505,783
	20,196,772	20,434,533
Other liabilities		
Income tax payable	383,739	233,031
Unearned revenue	108,786	116,195
Others	462,237	468,322
	954,762	817,548
	21,151,534	21,252,081

20. Other Liabilities (cont'd)

Changes in financial guarantee liabilities for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025
(In millions of Korean won)

	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	218,998	10,236	4,409	233,643
Changes due to significant increase or decrease in credit risk :				
Transferred to 12-month expected credit losses	525	(523)	(2)	-
Transferred to expected lifetime losses with unrecognized impairment	(801)	941	(140)	-
Transferred to expected lifetime losses with recognized impairment	(3)	(99)	102	-
	(279)	319	(40)	-
Impairment loss (reversal)	(3,964)	(2,794)	(1,298)	(8,056)
Foreign exchange translation	9	1	-	10
Others[1]	(146,457)	(1,402)	(25)	(147,884)
As of December 31, 2025	68,307	6,360	3,046	77,713

[1] Changes due to new occurrences and maturities of financial guaranteed contracts evaluated at the initial fair value

December 31, 2024
(In millions of Korean won)

	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	55,169	55,586	6,252	117,007
Changes due to significant increase or decrease in credit risk :				
Transferred to 12-month expected credit losses	1,267	(1,267)	-	-
Transferred to expected lifetime losses with unrecognized impairment	(547)	547	-	-
Transferred to expected lifetime losses with recognized impairment	(82)	(28)	110	-
	638	(748)	110	-
Impairment loss (reversal)	(5,673)	(45,750)	(1,961)	(53,384)
Foreign exchange translation	(5)	3	-	(2)
Others[1]	168,869	1,145	8	170,022
As of December 31, 2024	218,998	10,236	4,409	233,643

[1] Changes due to new occurrences and maturities of financial guaranteed contracts evaluated at the initial fair value

21. Lease

The Bank as a lessee

Details of right-of-use assets as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Right-of-use assets[1]		
Properties	112,143	119,731
Vehicles	13,657	11,634
	125,800	131,365

[1] Right-of-use assets are included in the line item 'Property and Equipment' in the statements of financial position.

Gain or loss relating to leases for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Depreciation of right-of-use assets		
Properties	95,533	91,527
Vehicles	13,318	13,597
	108,851	105,124
Interest expense relating to lease liabilities	4,979	5,128
Expense relating to short-term leases	4,011	3,164
Expense relating to leases of low-value assets	111	273
Expense relating to other leases	3,138	5,083
	121,090	118,772

The maturities of lease liabilities as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Less than 3 months	Between 3 and 6 months	Between 6 and 12 months	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total
Lease liabilities[1]	14,412	17,977	26,673	45,264	12,746	11,656	128,728

December 31, 2024

(In millions of Korean won)	Less than 3 months	Between 3 and 6 months	Between 6 and 12 months	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total
Lease liabilities[1]	22,963	17,631	27,671	44,794	9,300	13,825	136,184

[1] Lease liabilities are included in 'other liabilities'. The lease liabilities were presented on an undiscounted basis.

21. Lease (cont'd)

The total cash outflow for leases during the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Total cash outflow for leases	73,716	76,669

Operating lease – the Bank as a lessor

The Bank has multiple operating lease contracts for land and buildings classified as investment properties. Remaining years on these operating leases are less than five years, and all operating lease receipts are subject to increase annually depending on the market conditions. The future minimum lease receipts arising from the non-cancellable lease contracts as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Within 1 year	1,574	1,345
1 - 5 years	1,335	757
	2,909	2,102

22. Contingent Liabilities and Commitments

Details of payment guarantees and endorsed bills as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Confirmed payment guarantees in Korean won		
Financial guarantee contracts	1,882,341	1,881,784
Others	682,869	581,406
	2,565,210	2,463,190
Confirmed payment guarantees in foreign currencies		
Financial guarantee contracts	833,748	902,802
Letters of guarantees for importers	60,950	70,969
Others	2,951,919	3,237,949
	3,846,617	4,211,720
Unconfirmed payment guarantees		
Customer's liability on letters of credit	1,471,251	1,866,026
	1,471,251	1,866,026
	7,883,078	8,540,936

22. Contingent Liabilities and Commitments (cont'd)

Details of commitments as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Commitments on loans in Korean won	52,788,674	53,095,477
Commitments on loans in foreign currencies	14,602,375	15,452,001
Others	12,951,717	13,083,517
	80,342,766	81,630,995

Credit offering commitments consist of loan commitments and revolving credit commitments. Generally, Commitments include a term of validity or other expiration clauses. As commitments are not always fully used. The notional amount may not be equal to the future cash consumed. However, because most credit offering commitments require customers to maintain certain credit levels. The potential credit loss shall be less than total unused commitment. In general, as longer commitments entail higher credit risk, the Bank monitors the commitments for the period up to maturity.

Trust Accounts

(1) Composition of the Bank's trust account as of December 31, 2025 and 2024 and for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	Total assets		Operating income	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Consolidated (principal and interest guaranteed, principal guaranteed)	507,066	529,866	18,696	24,147
Non-consolidated (no guaranty attached) [1]	56,841,686	52,853,102	1,766,014	1,833,149
	57,348,752	53,382,968	1,784,710	1,857,296

[1] Financial information of the trust accounts has been prepared in accordance with the Korean Accounting Standard 5004, *Trust Accounts*, and enforcement regulations of Financial Investment Services under the Financial Investment Services and Capital Markets Act.

(2) Major transactions between the Bank and the trust accounts as of December 31, 2025 and 2024 and for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	Type	December 31, 2025	December 31, 2024
Income	Trust operation income	158,936	141,930
Expense	Interest expense	142,233	170,710
Receivable	Fees receivable	59,239	54,483
Payable	Trust accounts liabilities	6,501,735	5,789,243

22. Contingent Liabilities and Commitments (cont'd)

(3) Principal guaranteed or principal and interest guaranteed trust accounts

Carrying amount of the trust accounts that the Bank provides guarantees as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Principal guaranteed accounts	506,958	529,759
Principal and interest guaranteed accounts	108	107
	507,066	529,866

As of December 31, 2025 and 2024, the Bank has no potential exposure to loss on these guarantees.

An investigation by the Fair-Trade Commission is currently in progress in relation to bidding for government bonds involving the Bank, together with other banks and securities companies. As of December 31, 2025 the outcome of the investigation cannot be reasonably predicted.

23. Fair Value

There are no significant changes in business or economic environment that would result in material effects on fair value of financial assets and liabilities during the years ended December 31, 2025.

23.1 Carrying amount and Fair Value of Financial Instruments

Carrying amount and fair value of financial instruments as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Cash and due from banks	21,472,149	21,472,149	15,900,295	15,900,295
Financial assets at fair value through profit or loss	16,848,108	16,848,108	15,576,217	15,576,217
Financial assets at fair value through other comprehensive income	30,147,793	30,147,793	25,277,195	25,277,195
Securities at amortized cost	33,002,387	32,779,409	33,487,156	33,351,324
Loan receivables at amortized cost	337,717,939	337,422,429	324,891,656	324,536,781
Derivative financial assets for hedge accounting	29,146	29,146	71,809	71,809
Other financial assets	10,396,066	10,380,556	9,335,760	9,318,795
	449,613,588	449,079,590	424,540,088	424,032,416
Liabilities				
Financial liabilities at fair value through profit or loss	2,909,114	2,909,114	3,861,344	3,861,344
Deposits received	160,530,506	160,393,779	151,140,888	151,113,203
Borrowings	44,156,091	44,158,731	38,130,259	38,131,132
Debentures	193,348,518	193,507,676	183,967,602	183,791,593
Derivative financial liabilities for hedge accounting	140,838	140,838	178,810	178,810
Other financial liabilities	20,196,772	20,195,970	20,434,533	20,433,982
	421,281,839	421,306,108	397,713,436	397,510,064

23.1 Carrying amount and Fair Value of Financial Instruments (cont'd)

Standards applied in measuring the fair value of financial instruments are as follows:

(1) Cash and due from banks: Carrying amount of cash is considered to be the fair value. In addition, as demand deposits and deposits for settlements are liquid in nature and do not have a fixed maturity, their carrying amounts are also considered to approximate the fair value. Fair value of due from bank is calculated using discounted cash flow model. However, for deposits that are on demand and whose contractual maturity / interest rate change cycle is less than three months, carrying amount is considered to be the fair value.

(2) Marketable securities: For a listed security, fair value is measured at its quoted market price in its active market, and when such price is not available, fair value is measured by third party valuation experts. Third party experts apply more than one of the following valuation techniques by considering case-specific factors: Discounted Cash Flow Model, Imputed Market Value Model, and Free Cash Flow to Equity Model, Dividend Discount Model, Risk-adjusted Valuation Model, and Net Asset Value Method.

(3) Loan receivables: For loans that are on demand and whose contractual maturity / interest rate change cycle is less than three months, carrying amount is considered to be the fair value. Fair value of a loan is calculated by discounting the future cash flows by the interest rate where market risk and other risks are reflected, less provision for impairment for loan.

(4) Derivatives: Derivative instruments that are traded in active markets are measured at fair value by using quoted prices, if available. Derivatives that are not traded in active market are measured at fair value by using valuation techniques. Widespread derivatives not traded in active markets, such as Interest rate swaps and foreign currency swaps, are measured by using valuation technique that are based on observable inputs. However, in some cases, determining appropriate valuation techniques and when there are no observable inputs to measure the fair value of some complex derivative instruments could be difficult. In those cases, they are measured by the independent valuation experts.

(5) Other financial assets and liabilities: For other financial assets and liabilities that are on demand in nature whose contractual maturity / interest rate change cycle is less than three months, carrying amount is considered to be the fair value. Fair value of other financial assets and liabilities is calculated by discounting the future cash flows by the interest rate where market risk and other risks are reflected.

(6) Deposits received: For deposits received that are on demand and whose contractual maturity / interest rate change cycle is less than three months, carrying amount is considered to be the fair value. Fair value of a deposits received is calculated by discounting the future cash flows by interest rate where market risk and other risks are reflected.

(7) Borrowings: For borrowings that are on demand and whose contractual maturity / interest rate change cycle is less than three months, carrying amount is considered to be the fair value. Fair value of a borrowing is calculated by discounting the future cash flows by the interest rate where market risk and other risks are reflected.

(8) Debentures: Fair value of debentures is fair value provided by external credit rating companies less accrued interest payables. For debentures whose fair value cannot be provided by external credit rating companies, the fair value is calculated by discounting the future cash flows by the interest rate where market risk and other risks are reflected.

23.2 Fair Value Hierarchy

Fair value hierarchy categorizations of the financial assets and financial liabilities that are measured at fair value as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets at fair value through profit or loss	787,576	8,425,679	7,634,853	16,848,108
Financial assets at fair value through other comprehensive income	12,444,651	17,206,210	496,932	30,147,793
Derivatives financial assets for hedge accounting	-	29,146	-	29,146
	13,232,227	25,661,035	8,131,785	47,025,047
Financial liabilities				
Financial liabilities at fair value through profit or loss	4	2,909,110	-	2,909,114
Derivatives financial liabilities for hedge accounting	-	140,838	-	140,838
	4	3,049,948	-	3,049,952

(In millions of Korean won)	December 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets at fair value through profit or loss	797,811	8,735,646	6,042,760	15,576,217
Financial assets at fair value through other comprehensive income	9,980,347	14,885,643	411,205	25,277,195
Derivatives financial assets for hedge accounting	-	71,809	-	71,809
	10,778,158	23,693,098	6,453,965	40,925,221
Financial liabilities				
Financial liabilities at fair value through profit or loss	33	3,861,311	-	3,861,344
Derivatives financial liabilities for hedge accounting	-	178,810	-	178,810
	33	4,040,121	-	4,040,154

23.2 Fair Value Hierarchy (cont'd)

Fair value hierarchy categorizations of the financial assets and financial liabilities whose fair values are disclosed as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and due from banks	1,153,158	19,393,930	925,061	21,472,149
Securities at amortized cost	13,847,810	18,931,599	-	32,779,409
Loan receivables at amortized cost	-	-	337,422,429	337,422,429
Other financial assets	-	-	10,380,556	10,380,556
	15,000,968	38,325,529	348,728,046	402,054,543
Financial liabilities				
Deposits received	-	66,146,909	94,246,870	160,393,779
Borrowings	-	-	44,158,731	44,158,731
Debentures	-	92,094,603	101,413,073	193,507,676
Other financial liabilities	-	-	20,195,970	20,195,970
	-	158,241,512	260,014,644	418,256,156

(In millions of Korean won)	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and due from banks	1,149,908	13,835,472	914,915	15,900,295
Securities at amortized cost	14,596,223	18,755,101	-	33,351,324
Loan receivables at amortized cost	-	-	324,536,781	324,536,781
Other financial assets	-	-	9,318,795	9,318,795
	15,746,131	32,590,573	334,770,491	383,107,195
Financial liabilities				
Deposits received	-	63,778,649	87,334,554	151,113,203
Borrowings	-	-	38,131,132	38,131,132
Debentures	-	81,747,277	102,044,316	183,791,593
Other financial liabilities	-	-	20,433,982	20,433,982
	-	145,525,926	247,943,984	393,469,910

Items that are measured at fair value or for which the fair value is disclosed are categorized by the fair value hierarchy levels, and the defined levels are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- All inputs other than quoted prices included in level 1 that are observable (either directly that is, prices, or indirectly that is, derived from prices) for the asset or liability (Level 2).
- Unobservable inputs for the asset or liability (Level 3).

Fair value hierarchy disclosure is applicable to assets and liabilities that are measured or disclosed at fair value.

23.3 Transfers between Fair Value Hierarchy Levels of Recurring Fair Value measurements

The Bank's policy is to recognize transfers between levels of the fair value at the date of the event or change in circumstances that caused the transfer.

Changes in Level 3 of the fair value hierarchy for the years periods ended December 31, 2025 and 2024, are as follows:

December 31, 2025
(In millions of Korean won)

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total financial assets
Beginning balance	6,042,760	411,205	6,453,965
Purchases	1,817,894	-	1,817,894
Sales	(422,060)	(4)	(422,064)
Transfer from Level 3 to others[1]	(18,384)	-	(18,384)
Profit or loss	214,643	-	214,643
Other comprehensive income	-	85,731	85,731
Ending balance	7,634,853	496,932	8,131,785

December 31, 2024
(In millions of Korean won)

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total financial assets
Beginning balance	4,744,518	398,931	5,143,449
Purchases	1,746,634	1,000	1,747,634
Sales	(490,627)	(2,703)	(493,330)
Transfer from Level 3 to others[1]	(2,863)	-	(2,863)
Profit or loss	45,098	-	45,098
Other comprehensive income	-	13,977	13,977
Ending balance	6,042,760	411,205	6,453,965

[1]There were transfers between fair value hierarchy levels due to the change in the availability of inputs based on observable market data used in financial instruments. The Bank's policy is to recognize transfers between levels of the fair value at the date of the event or changes in circumstances that caused the transfer.

23.4 Profit or Loss in Level 3 of the Fair Value Hierarchy

Profit or loss in Level 3 of the fair value hierarchy for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025		December 31, 2024	
	Total profit or loss	Profit or loss related to instruments held	Total profit or loss	Profit or loss related to instruments held
Financial assets				
Financial assets at fair value through profit or loss	214,643	221,049	45,098	53,349

Profit or loss incurred in Level 3 of the fair value hierarchy is recognized as 'net gains (losses) on financial assets/liabilities at fair value through profit or loss' in the separate statements of comprehensive income.

23.5 Sensitivity Analysis for Recurring Fair Value Measurements Categorized within Level 3

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in the fair value of financial instruments which are affected by the unobservable parameters, using a statistical technique. When the fair value is affected by more than two input parameters, the amounts represent the most favorable or most unfavorable. Financial instruments within Level 3 that are subject to the sensitivity analysis are derivative instruments related to interest rates and stocks whose changes in fair value are recognized in the profit or loss for the period, and equity and beneficiary securities whose changes in fair value are recognized in the profit or loss for the period or other comprehensive income.

The results of the sensitivity analysis for the effect on profit or loss from changes in inputs for each financial instrument for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025			
	Favorable		Unfavorable	
	Profit or loss	Other comprehensive income	Profit or loss	Other comprehensive income
Financial assets				
Financial assets at fair value through profit or loss[1,2]	16,994	-	(11,576)	-
Financial assets at fair value through other comprehensive income[2]	-	22,844	-	(11,513)
	16,994	22,844	(11,576)	(11,513)

23.5 Sensitivity Analysis for Recurring Fair Value Measurements Categorized within Level 3 (cont'd)

(In millions of Korean won)

	December 31, 2024			
	Favorable		Unfavorable	
	Profit or loss	Other comprehensive income	Profit or loss	Other comprehensive income
Financial assets				
Financial assets at fair value through profit or loss[1,2]	17,661	-	(11,092)	-
Financial assets at fair value through other comprehensive income[2]	-	27,420	-	(12,821)
	17,661	27,420	(11,092)	(12,821)

[1] For derivative instruments related to interest rates, changes in fair value are calculated by increasing or decreasing the correlation coefficient between interests or volatility of the underlying assets, which are significant unobservable inputs, by 10%. For derivative instruments related to stock, changes in fair value are calculated by increasing or decreasing the stock value and stock value volatility, which are significant unobservable inputs, by 10%.

[2] Changes in fair value of redeemable convertible preferred shares and convertible bonds are calculated by increasing or decreasing the value of underlying assets and its volatilities by 10%. For equity securities, changes in their fair value are calculated by increasing or decreasing the correlation between growth ratio (0~1%) and discount rate (1%) or liquidation value (1%) and discount rate, which are significant unobservable inputs. For beneficiary certificates, their sensitivity from changes in inputs cannot be analyzed as a practical expedient. However, only in the case of physical real estate, the fair value change was calculated by increasing or decreasing the change rate in real estate sale price (1%).

23.6 Valuation Techniques and Inputs

The Bank uses the following valuation techniques and inputs as of December 31, 2025 and 2024, used to develop the fair value measurements for assets and liabilities that are measured at fair value on a recurring or nonrecurring basis and categorized within Level 2 and Level 3 of the fair value hierarchy.

(In millions of Korean won)	December 31, 2025						
	Fair value	**Level**	**Valuation technique**	**Level 3 inputs**	**Unobservable inputs**	**Range of unobservable inputs (%)**	**Impact of unobservable inputs on fair value**
Financial assets							
Cash and due from banks	19,393,930	2	DCF Model	Other spreads	N/A	N/A	N/A
	925,061	3	DCF Model	Other spreads	Other spreads	(*)	Fair value decreases as other spreads increase
Financial assets at fair value through profit or loss	8,425,679	2	DCF Model, Implied forward rates, Black-Scholes Model	Interest rate, Discount rate	N/A	N/A	N/A
	7,634,853	3	DCF Model, Black-Scholes Model, Binomial trees, Hull-White model, Net Asset Value	Price of underlying asset, Interest rate, Exchange rate, Volatility of individual stock, Interest rates correlation coefficient, Dividend yield, Growth rate, Discount rate and others	Volatility of individual stock	0.00 ~ 42.25	The higher the volatility of individual stock, the higher changes of fair value
					Growth rate	-	Fair value increases as growth rate increases
					Discount rate	0.00 ~ 16.88	Fair value increases as discount rate decreases
Financial assets at fair value through other comprehensive income	17,206,210	2	DCF Model	Interest rate, Discount rate	N/A	N/A	N/A
	496,932	3	DCF Model, Net Asset Value, Asset-based approach, Discount Dividend Model, Binomial trees	Volatility of individual stock, Growth rate, Discount rate and others	Volatility of individual stock	23.87 ~ 26.47	The higher the volatility of individual stock, the higher changes of fair value
					Growth rate	-	Fair value increases as growth rate increases
					Discount rate	6.80 ~ 16.33	Fair value increases as discount rate decreases
Securities at amortized cost	18,931,599	2	DCF Model	Interest rate, Discount rate	N/A	N/A	N/A
Loan and receivables at amortized cost	337,422,429	3	DCF Model	Counterparty Credit risk, Other spreads and others	Counterparty Credit risk	(*)	Fair value decreases as counterparty credit risk increases
					Other spreads	(*)	Fair value decreases as other spreads increase
Derivative financial assets for hedge accounting	29,146	2	DCF Model, Implied forward rates	Interest rate, Discount rate Other spreads and others	N/A	N/A	N/A
Other financial assets	10,380,556	3	DCF Model	Other spreads	Other spreads	(*)	Fair value decreases as other spreads increase
	420,846,395						

(In millions of Korean won)

	December 31, 2025						
	Fair value	**Level**	**Valuation technique**	**Level 3 inputs**	**Unobservable inputs**	**Range of unobservable inputs (%)**	**Impact of unobservable inputs on fair value**
Financial liabilities							
Financial liabilities at fair value through profit or loss	2,909,110	2	DCF Model, Implied forward rates, Black-Scholes Model	Interest rate, Discount rate	N/A	N/A	N/A
Deposits received	66,146,909	2	DCF Model	Other spreads	N/A	N/A	N/A
	94,246,870	3	DCF Model	Other spreads	Other spreads	(*)	Fair value decreases as other spreads increase
Borrowings	44,158,731	3	DCF Model	Other spreads	Other spreads	(*)	Fair value decreases as other spreads increase
Debentures	92,094,603	2	DCF Model	Other spreads	N/A	N/A	N/A
	101,413,073	3	DCF Model	Other spreads	Other spreads	(*)	Fair value decreases as other spreads increase
Derivative financial liabilities for hedge accounting	140,838	2	DCF Model, Implied forward rates	Interest rate, Discount rate Other spreads and others	N/A	N/A	N/A
Other financial liabilities	20,195,970	3	DCF Model	Other spreads	Other spreads	(*)	Fair value decreases as other spreads increase
	421,306,104						

23.6 Valuation Techniques and Inputs (cont'd)

(In millions of Korean won)

	December 31, 2024						
	Fair value	**Level**	**Valuation technique**	**Level 3 inputs**	**Unobservable inputs**	**Range of unobservable inputs (%)**	**Impact of unobservable inputs on fair value**
Financial assets							
Cash and due from banks	13,835,472	2	DCF Model	Other spreads	N/A	N/A	N/A
	914,915	3	DCF Model	Other spreads	Other spreads	(*)	Fair value decreases as other spreads increase
Financial assets at fair value through profit or loss	8,735,646	2	DCF Model, Implied forward rates, Black-Scholes Model	Interest rate, Discount rate	N/A	N/A	N/A
	6,042,760	3	DCF Model, Black-Scholes Model, Binomial trees, Hull-White model, Net Asset Value	Price of underlying asset, Interest rate, Exchange rate, Volatility of individual stock, Interest rates correlation coefficient, Dividend yield, Growth rate, Discount rate and others	Volatility of individual stock	16.92 ~ 36.37	The higher the volatility of individual stock, the higher changes of fair value
					Growth rate	-	Fair value increases as growth rate increases
					Discount rate	4.17 ~ 19.62	Fair value increases as discount rate decreases
Financial assets at fair value through other comprehensive income	14,885,643	2	DCF Model	Interest rate, Discount rate	N/A	N/A	N/A
	411,205	3	DCF Model, Net Asset Value, Asset-based approach, Discount Dividend Model, Binomial trees	Volatility of individual stock, Growth rate, Discount rate and others	Volatility of individual stock	22.95 ~ 31.79	The higher the volatility of individual stock, the higher changes of fair value
					Growth rate	-	Fair value increases as growth rate increases
					Discount rate	6.01 ~ 14.57	Fair value increases as discount rate decreases
Securities at amortized cost	18,755,101	2	DCF Model	Interest rate, Discount rate	N/A	N/A	N/A
Loan and receivables at amortized cost	324,536,781	3	DCF Model	Counterparty Credit risk, Other spreads and others	Counterparty Credit risk	(*)	Fair value decreases as counterparty credit risk increases
					Other spreads	(*)	Fair value decreases as other spreads increase
Derivative financial assets for hedge accounting	71,809	2	DCF Model, Implied forward rates	Interest rate, Discount rate	N/A	N/A	N/A
Other financial assets	9,318,795	3	DCF Model	Other spreads	Other spreads	(*)	Fair value decreases as other spreads increase
	397,508,127						

(In millions of Korean won)

	December 31, 2024						
	Fair value	**Level**	**Valuation technique**	**Level 3 inputs**	**Unobservable inputs**	**Range of unobservable inputs (%)**	**Impact of unobservable inputs on fair value**
Financial liabilities							
Financial liabilities at fair value through profit or loss	3,861,311	2	DCF Model, Implied forward rates, Black-Scholes Model	Interest rate, Discount rate	N/A	N/A	N/A
Deposits received	63,778,649	2	DCF Model	Other spreads	N/A	N/A	N/A
	87,334,554	3	DCF Model	Other spreads	Other spreads	(*)	Fair value decreases as other spreads increase
Borrowings	38,131,132	3	DCF Model	Other spreads	Other spreads	(*)	Fair value decreases as other spreads increase
Debentures	81,747,277	2	DCF Model	Other spreads	N/A	N/A	N/A
	102,044,316	3	DCF Model	Other spreads	Other spreads	(*)	Fair value decreases as other spreads increase
Derivative financial liabilities for hedge accounting	178,810	2	DCF Model, Implied forward rates	Other spreads	N/A	N/A	N/A
Other financial liabilities	20,433,982	3	DCF Model	Other spreads	Other spreads	(*)	Fair value decreases as other spreads increase
	397,510,031						

(*) In respect to financial assets and liabilities with fair value disclosures, disclosure of the range of Level 3 inputs was omitted.

23.7 Investments Valuation Process

The Bank organized a Valuation Committee comprised of Risk Management, Trading, and Accounting Departments in order to review the accuracy and appropriateness of valuation techniques. The Committee also discusses and approves other relevant matters such as selecting and changing external professionals. The Bank maintains a separate team designated to measure the fair value and review the financial instruments measured by the internal valuation model on a regular basis. Results of the regular reviews are reported to the head of Risk Management.

23.8 Day-one profit or loss

If the Bank assesses the fair value of a derivative instrument using unobservable inputs and the fair value differs from the transaction price, the Bank recognizes the fair value as the transaction price. The difference is deferred and amortized on a straight-line basis by the maturity of the instrument, and the deferred difference is immediately recognized through profit and loss when the inputs become observable. There are no total deferred differences or changes for the years ended December 31, 2025 and 2024

23.9 Carrying amounts of Financial Instruments by Class

Financial assets and liabilities are measured at fair value or at amortized cost. The carrying amounts of financial assets and liabilities as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Financial liabilities at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortized cost	Derivatives for hedge accounting	Total
Financial assets					
Cash and due from banks	-	-	21,472,149	-	21,472,149
Marketable securities	13,748,828	30,147,793	33,002,387	-	76,899,008
Loan receivables	111,684	-	337,717,939	-	337,829,623
Derivatives	2,987,596	-	-	29,146	3,016,742
Other financial assets	-	-	10,396,066	-	10,396,066
	16,848,108	30,147,793	402,588,541	29,146	449,613,588

(In millions of Korean won)	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Derivatives for hedge accounting	Total
Financial liabilities				
Deposits received	-	160,530,506	-	160,530,506
Borrowings	-	44,156,091	-	44,156,091
Debentures	-	193,348,518	-	193,348,518
Derivatives	2,909,114	-	140,838	3,049,952
Other financial liabilities	-	20,196,772	-	20,196,772
	2,909,114	418,231,887	140,838	421,281,839

23.9 Carrying amounts of Financial Instruments by Class (cont'd)

December 31, 2024

(In millions of Korean won)

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortized cost	Derivatives for hedge accounting	Total
Financial assets					
Cash and due from banks	-	-	15,900,295	-	15,900,295
Marketable securities	11,549,496	25,277,195	33,487,156	-	70,313,847
Loan receivables	103,256	-	324,891,656	-	324,994,912
Derivatives	3,923,465	-	-	71,809	3,995,274
Other financial assets	-	-	9,335,760	-	9,335,760
	15,576,217	25,277,195	383,614,867	71,809	424,540,088

(In millions of Korean won)

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Derivatives for hedge accounting	Total
Financial liabilities				
Deposits received	-	151,140,888	-	151,140,888
Borrowings	-	38,130,259	-	38,130,259
Debentures	-	183,967,602	-	183,967,602
Derivatives	3,861,344	-	178,810	4,040,154
Other financial liabilities	-	20,434,533	-	20,434,533
	3,861,344	393,673,282	178,810	397,713,436

24. Equity

Issued capital

The Bank is authorized to issue two billion shares with a par value of ₩5,000 per share, and the details of outstanding shares as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(Shares, In millions of Korean won)	**Ordinary share**	**Preferred share**[1]	**Total**
Number of shares	797,425,869	-	797,425,869
Carrying amount	3,987,130	224,235	4,211,365

December 31, 2024

(Shares, In millions of Korean won)	**Ordinary share**	**Preferred share**[1]	**Total**
Number of shares	797,425,869	-	797,425,869
Carrying amount	3,987,130	224,235	4,211,365

[1] Following the resolution of the Board of Directors on November 19, 2020, the Bank acquired 44,847,038 preferred shares as treasury shares on December 23, 2020 and retired them on December 24, 2020. Accordingly, there is a difference of ₩224,235 million between the share capital and the total par value of the issued shares.

24. Equity (cont'd)

Hybrid capital instruments

Details of hybrid capital instruments as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	Issuance date	Maturity date	Annual Interest rate (%)	December 31, 2025	December 31, 2024
Hybrid capital	2015.03.10	2045.03.10	4.33	-	330,000
instruments in	2015.09.14	2045.09.14	3.77	-	200,000
Korean won	2016.09.20	-	3.16	290,000	290,000
	2016.11.04	-	3.27	250,000	250,000
	2017.03.10	-	3.87	150,000	150,000
	2018.03.09	-	4.21	70,000	70,000
	2019.03.08	-	3.40	130,000	130,000
	2020.03.18	-	2.87	310,000	310,000
	2020.03.18	-	2.43	-	90,000
	2021.03.11	-	2.65	200,000	200,000
	2021.03.11	-	3.11	300,000	300,000
	2022.08.12	-	4.64	60,000	60,000
	2022.08.12	-	4.59	540,000	540,000
	2023.03.13	-	4.53	600,000	600,000
	2023.11.01	-	5.19	400,000	400,000
	2024.03.19	-	4.10	400,000	400,000
	2025.03.19	-	3.60	590,000	-
	2025.11.13	-	3.58	400,000	-
Issuance costs				(7,415)	(6,769)
				4,682,585	4,313,231

The Bank is entitled to exercise call options five or ten years after the date of issuance and if not exercised, the interest rate is to be adjusted. The Bank has the option to renew the maturity without changing any conditions.

Capital surplus

Details of capital surplus as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Share premium	1,149,335	1,149,335
Gain on sale of treasury shares	12,262	12,262
	1,161,597	1,161,597

24. Equity (cont'd)

Capital adjustment

Details of capital adjustment as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Loss on repayment of hybrid capital instruments	617	275

Accumulated other comprehensive income

Changes in accumulated other comprehensive income for the years periods ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Valuation gain (loss) of debt securities at fair value through other comprehensive income	Exchange differences	Valuation gain (loss) of hedge of a net investment in a foreign operation	Valuation gain (loss) of equity securities at fair value through other comprehensive income	Remeasure-ments of net defined benefit liabilities(assets)	Total
Beginning	105,244	141,556	(83,582)	754,818	(85,611)	832,425
Valuation gain (loss) of debt securities at fair value through other comprehensive income						
- Reclassification of debt securities at fair value through other comprehensive income to profit or loss	(50,497)	-	-	-	-	(50,497)
- Fair value changes of debt securities at fair value through other comprehensive income	(158,400)	-	-	-	-	(158,400)
- Tax effect	55,874	-	-	-	-	55,874
	(153,023)	-	-	-	-	(153,023)
Exchange difference	-	(40,090)	-	-	-	(40,090)
Hedge of a net investment in a foreign operation						
- Gain or loss of valuation	-	-	11,667	-	-	11,667
- Tax effect	-	-	(1,961)	-	-	(1,961)
	-	-	9,706	-	-	9,706
Valuation gain (loss) of equity securities at fair value through other comprehensive income						
- Reclassification of equity securities at fair value through other comprehensive income to retained earnings	-	-	-	(150,626)	-	(150,626)
- Fair value changes of equity securities at fair value through other comprehensive income	-	-	-	531,961	-	531,961
- Tax effect	-	-	-	(116,149)	-	(116,149)

(In millions of Korean won)	Valuation gain (loss) of debt securities at fair value through other comprehensive income	Exchange differences	Valuation gain (loss) of hedge of a net investment in a foreign operation	Valuation gain (loss) of equity securities at fair value through other comprehensive income	Remeasure-ments of net defined benefit liabilities(assets)	Total
	-	-	-	265,186	-	265,186
Net defined benefit liabilities(assets)						
- Remeasurements	-	-	-	-	164,285	164,285
- Tax effect	-	-	-	-	(43,898)	(43,898)
	-	-	-	-	120,387	120,387
Ending	(47,779)	101,466	(73,876)	1,020,004	34,776	1,034,591

24. Equity (cont'd)

December 31, 2024

(In millions of Korean won)

	Valuation gain (loss) of debt securities at fair value through other comprehensive income	Exchange differences	Valuation gain (loss) of hedge of a net investment in a foreign operation	Valuation gain (loss) of equity securities at fair value through other comprehensive income	Remeasure-ments of net defined benefit liabilities(assets)	Total
Beginning	(45,629)	44,565	(39,941)	596,704	5,402	561,101
Valuation gain (loss) of debt securities at fair value through other comprehensive income						
- Reclassification of debt securities at fair value through other comprehensive income to profit or loss	(3,137)	-	-	-	-	(3,137)
- Fair value changes of debt securities at fair value through other comprehensive income	208,127	-	-	-	-	208,127
- Tax effect	(54,117)	-	-	-	-	(54,117)
	150,873	-	-	-	-	150,873
Exchange difference	-	96,991	-	-	-	96,991
Hedge of a net investment in a foreign operation						
- Gain or loss of valuation	-	-	(59,294)	-	-	(59,294)
- Tax effect	-	-	15,653	-	-	15,653
	-	-	(43,641)	-	-	(43,641)
Valuation gain (loss) of equity securities at fair value through other comprehensive income						
- Reclassification of equity securities at fair value through other comprehensive income to retained earnings	-	-	-	(4,884)	-	(4,884)
- Fair value changes of equity securities at fair value through other comprehensive income	-	-	-	219,713	-	219,713
- Tax effect	-	-	-	(56,715)	-	(56,715)
	-	-	-	158,114	-	158,114
Net defined benefit liabilities(assets)						
- Remeasurements	-	-	-	-	(123,659)	(123,659)
- Tax effect	-	-	-	-	32,646	32,646
	-	-	-	-	(91,013)	(91,013)
Ending	105,244	141,556	(83,582)	754,818	(85,611)	832,425

24. Equity (cont'd)

Gain (loss) on valuation of financial assets at fair value through other comprehensive income

The Bank recognizes the changes in fair value of financial assets at fair value through other comprehensive income of debt and equity securities as accumulated other comprehensive income.

Exchange differences

The Bank recognizes the exchange difference caused by translating the financial statements of overseas branches into the presentation currency in other comprehensive income.

Changes in valuation of hedge of a net investment in a foreign operation

The Bank has non-derivatives designated as hedging instruments to hedge an investment in foreign operation and the effective portion of hedging investments is recognized in other comprehensive income.

Remeasurements of net defined benefit liabilities(assets)

The Bank recognizes the remeasurements of net defined benefit liabilities(assets) as accumulated other comprehensive income.

25. Retained Earnings

Retained earnings as of December 31, 2025 and 2024, consist of:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Legal reserves[1]	4,308,227	4,266,499
Reserve for credit losses	3,393,250	3,155,910
Voluntary reserve other than recapitalization	12,345,167	11,209,856
Retained earnings before appropriation	2,323,697	2,263,913
	22,370,341	20,896,178

[1] Pursuant to Article 42 of the Medium and Small Sized Entity Banking Act, the Bank appropriates no less than 25% of profit or loss until the reserve reaches the total amount of the share capital. The reserves can only be transferred to share capital or used to reduce deficit. Other reserves reserved by the Tokyo, Ho Chi Minh City, Hanoi and New Delhi branches in accordance with the local banking laws are included.

The appropriation of retained earnings for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Retained earnings available for appropriation	2,323,697	2,263,913
Profit for the period	2,385,846	2,428,083
Transfer of realized gain of equity securities at fair value through other comprehensive income	110,861	3,595
Interest from hybrid capital instruments	(173,010)	(167,765)
	1,356,235	2,263,913
Appropriation of retained earnings		
Legal reserve	5,175	41,728
Reserve for credit losses	481,581	237,340
Voluntary reserve other than recapitalization	33,160	1,135,311
Loss on repayment of hybrid capital instruments	617	275
Cash dividends(dividends per share) (2025: ₩1,048(20.96%), 2024: ₩1,065(21.3%) - In thousands of Korean won)	835,702	849,259
Unappropriated retained earnings to be carried forward	967,462	-

25. Retained Earnings (cont'd)

Reserve for Credit Losses

The reserve for credit losses is calculated in accordance with the Supervisory Regulations on Banking Business Article 29 (1) and (2) and is disclosed in the notes to the separate financial statements.

Details of reserve for credit losses as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Beginning	3,393,250	3,155,910
Estimated amount of reserve	481,581	237,340
Ending	3,874,831	3,393,250

Details of provision of reserve for credit losses and adjusted profit after reserve for credit losses for the years periods ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Provision (reversal) of reserve for credit losses	481,581	237,340
Adjusted profit after provision of reserve for credit losses[1]	1,904,265	2,190,743
Adjusted earnings per share *(in Korean won)*	2,171	2,537

[1] Adjusted profit after provision of reserve for credit losses is not in accordance with K-IFRS and calculated with the assumption that provision of reserve for credit losses before income tax is adjusted to the profit.

26. Net Interest Income and Expenses

Interest income and expenses for years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Interest income		
Cash and due from banks	171,433	166,256
Financial assets at fair value through profit or loss	122,679	142,523
Financial assets at fair value through other comprehensive income	821,438	809,365
Securities at amortized cost	969,288	977,213
Loan receivables at amortized cost		
Credit card receivables	520,287	512,469
Loan receivables except for Credit card receivables	13,323,266	14,429,180
Others	210,437	250,019
	16,138,828	17,287,025
Interest expenses		
Deposit liabilities	1,821,774	1,976,980
Borrowings	907,716	1,032,511
Debentures	6,009,321	6,754,766
Others	195,017	246,678
	8,933,828	10,010,935
Net interest income	7,205,000	7,276,090

Interest income for impaired financial assets for the years ended December 31, 2025 and 2024, amounts to ₩56,050 million and ₩45,133 million, respectively.

27. Net Fee and Commission Income and Expenses

Details of fee and commission income and expenses for years ended December 31, 2025 and 2024, are as follows:

	December 31, 2025	December 31, 2024
Fees and commission income		
Commission income in Korean won	284,610	311,824
Commission income in foreign currency	137,922	139,853
Commissions income related to credit card	159,574	167,770
Guarantee fees	57,279	59,970
	639,385	679,417
Fees and commission expenses		
Commissions paid in Korean won	82,061	76,091
Commissions paid in foreign currency	20,104	19,967
Commissions paid related to credit card	255,292	248,019
	357,457	344,077
Net fees and commission income	281,928	335,340

28. Net Gain or Loss from Financial Assets and Liabilities through profit and loss

Net gain or loss from financial assets and liabilities through profit and loss for years ended December 31, 2025 and 2024, are as follows:

December 31, 2025 *(In millions of Korean won)*	**Dividends**	**Other gains**	**Valuation gain**	**Valuation loss**	**Gain on sale**	**Loss on sale**	**Net gain (loss)**
Securities							
Equity securities	1,726	-	13,257	3,726	29,932	3,602	37,587
Beneficiary securities, etc.	-	197,665	396,086	107,587	151,408	52,633	584,939
Debt securities	-	-	1,509	7,576	16,426	29,764	(19,405)
	1,726	197,665	410,852	118,889	197,766	85,999	603,121
Derivatives	-	-	1,940,529	1,841,926	3,770,044	3,786,548	82,099
Loan receivables	-	-	1,519	4,013	1,020	2,844	(4,318)
Securities sold	-	-	-	-	-	65	(65)
	1,726	197,665	2,352,900	1,964,828	3,968,830	3,875,456	680,837

December 31, 2024 *(In millions of Korean won)*	**Dividends**	**Other gains**	**Valuation gain**	**Valuation loss**	**Gain on sale**	**Loss on sale**	**Net gain (loss)**
Securities							
Equity securities	1,648	-	9,535	6,776	7,199	3,619	7,987
Beneficiary securities, etc.	-	170,412	250,687	135,270	136,621	45,368	377,082
Debt securities	-	-	8,458	596	17,024	20,210	4,676
	1,648	170,412	268,680	142,642	160,844	69,197	389,745
Derivatives	-	-	3,782,835	3,722,429	4,243,297	4,411,948	(108,245)
Loan receivables	-	-	2,801	1,360	1,698	891	2,248
Securities sold	-	-	-	-	216	258	(42)
	1,648	170,412	4,054,316	3,866,431	4,406,055	4,482,294	283,706

29. Gain or Loss from Financial Assets at Fair Value through Other Comprehensive Income

Gain or loss from financial assets at fair value through other comprehensive income for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Dividends		
Financial asset held	63,290	57,835
Financial asset sold	-	81
Gain on sale	79,037	67,594
Loss on sale	(1,075)	(820)
	141,252	124,690

30. General Administrative Expenses

General administrative expenses for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Employee-related expenses		
Salaries	1,453,660	1,288,944
Employee benefits	19,911	13,300
Retirement benefits (defined benefits)	170,392	112,753
Retirement benefits (defined contributions)	12,948	13,178
Special Retirement benefits	909	1,320
	1,657,820	1,429,495
Other general administrative expenses		
Rental expenses	17,356	16,347
Taxes and dues	182,672	183,341
Advertising expenses	72,446	66,057
Depreciation on investment properties	965	941
Depreciation on property and equipment	282,065	205,659
Amortization	73,361	64,604
Payment commissions	204,395	190,922
Awards expense	3,397	2,377
Others	530,665	482,831
	1,367,322	1,213,079
	3,025,142	2,642,574

31. Other Operating Income

Other operating income for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Reversal of provision for payment guarantee	13,952	32,897
Reversal of provision for financial guarantees	334	111
Reversal of provision for unused loan commitments	39,022	-
Reversal of provision for award credits	8,056	53,384
Reversal of other provisions	-	292
Commission income from trust management	180,315	162,057
Others	2,770	1,483
	244,449	250,224

32. Other Operating Expenses

Other operating expenses for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Contribution expenses	633,404	605,072
Contribution to provision for unused commitments	-	29,657
Contribution to provision for award credits	709	-
Contribution to other provisions	19,498	67,043
Others	256,834	251,461
	910,445	953,233

33. Non-operating Income and Expenses

Non-operating income and expenses for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Non-operating income		
Dividend income from investments in subsidiaries and associates	47,436	42,610
Gain on disposal of investments in subsidiaries and associates	315	200
Gain on disposal of property and equipment	545	624
Gain on compensation of property and equipment	22	314
Reversal of impairment loss on intangible assets	26	26
Rental income	2,974	2,995
Other gains	34,159	38,448
	85,477	85,217
Non-operating expenses		
Loss on disposal of investments in subsidiaries and associates	37	6,869
Impairment loss on investments in subsidiaries and associates	77,754	5,988
Loss on disposal of property and equipment	265	29
Loss on obsolescence of property and equipment	641	665
Loss on disposal of intangible assets	15	38
Return on dormant deposits	821	672
Donation	45,249	75,112
Impairment loss on property and equipment	2,880	1,006
Impairment loss on investment property	528	-
Impairment loss on intangible assets	128	75
Other loss	72,975	35,929
	201,293	126,383
	(115,816)	(41,166)

34. Transferable or Transferred Financial Assets

Transferable or transferred financial assets that are not completely derecognized as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Financial assets sold under repurchase agreement[1]			Securities loaned		
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Securities at amortized cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Securities at amortized cost
Carrying amount	-	-	5,688,862	-	79,131	9,996

December 31, 2024

(In millions of Korean won)	Financial assets sold under repurchase agreement[1]			Securities loaned		
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Securities at amortized cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Securities at amortized cost
Carrying amount	-	-	17,538	-	167,362	328,165

[1] Assets that were transferred but not derecognized have restrictions on use, and ₩5,381,939 million and ₩1,457 million were reported as borrowings(bonds sold under repurchase agreements) related to transactions of bonds sold under repurchase agreements as of December 31, 2025 and 2024, respectively.

35. Offsetting of Financial Assets and Liabilities

The Bank's financial instruments include derivatives, repurchase agreements, securities lending transactions and others are subject to a viable master netting agreement or similar agreements including derivative clearing agreements, global master repurchase agreements, global master securities lending agreements, and financial collateral.

Details of the Bank's recognized financial assets subject to enforceable master netting arrangements or similar agreements as of December 31, 2025 and 2024, are as follows:

December 31, 2025
(In millions of Korean won)

	Total assets	Offset liabilities	Net Carrying amount	Amounts not offset		Net amount
				Financial instruments	Cash collateral	
Derivative financial assets	3,004,512	-	3,004,512	2,768,712	1,110	234,690
Bonds purchased under repurchase agreements	10,248,124	-	10,248,124	10,248,124	-	-
Securities loaned	89,127	-	89,127	89,127	-	-
Unsettled spot exchange receivable	2,949,273	-	2,949,273	2,946,751	-	2,522
Unsettled accounts receivable	26,550,914	21,522,401	5,028,513	-	-	5,028,513
Other financial instruments	13,793	9,714	4,079	-	-	4,079
	42,855,743	21,532,115	21,323,628	16,052,714	1,110	5,269,804

December 31, 2024
(In millions of Korean won)

	Total assets	Offset liabilities	Net Carrying amount	Amounts not offset		Net amount
				Financial instruments	Cash collateral	
Derivative financial assets	3,986,371	-	3,986,371	3,613,685	100,365	272,321
Bonds purchased under repurchase agreements	13,473,300	-	13,473,300	13,473,300	-	-
Securities loaned	495,527	-	495,527	495,527	-	-
Unsettled spot exchange receivable	5,369,703	-	5,369,703	5,368,912	-	791
Unsettled accounts receivable	21,744,484	20,367,584	1,376,900	-	-	1,376,900
Other financial instruments	16,442	807	15,635	-	-	15,635
	45,085,827	20,368,391	24,717,436	22,951,424	100,365	1,665,647

35. Offsetting of Financial Assets and Liabilities (cont'd)

Details of the Bank's recognized financial liabilities that are subject to legally enforceable master netting or similar agreements as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)

	Total liabilities	Offset assets	Net Carrying amount	Amount not offset		Net amount
				Financial instruments	Cash collateral	
Derivative liabilities	3,049,952	- -	3,049,952	1,964,864	710,369	374,719
Bonds sold under repurchase agreements	5,380,000	- -	5,380,000	5,380,000	-	-
Unsettled spot exchange payables	2,947,471	- -	2,947,471	2,946,751	-	720
Unsettled accounts payables	25,200,727	21,522,401	3,678,326	3,678,326	-	-
Other financial instruments	9,790	9,714	76	-	-	76
	36,587,940	21,532,115	15,055,825	13,969,941	710,369	375,515

December 31, 2024

(In millions of Korean won)

	Total liabilities	Offset assets	Net Carrying amount	Amount not offset		Net amount
				Financial instruments	Cash collateral	
Derivative liabilities	4,040,154	-	4,040,154	3,056,415	621,863	361,876
Unsettled spot exchange payables	5,369,713	-	5,369,713	5,368,912	-	801
Unsettled domestic exchange payables	22,159,007	20,367,584	1,791,423	1,791,423	-	-
Other financial instruments	14,229	807	13,422	-	-	13,422
	31,583,103	20,368,391	11,214,712	10,216,750	621,863	376,099

36. Earnings per Share

Details of profit for the period and basic earnings per share for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Profit for the period	2,385,846	2,428,083
Profit attributable to hybrid capital instruments, etc	173,010	167,765
Profit attributable to ordinary owners	2,212,836	2,260,318
Weighted average number of ordinary shares *(in shares)*[1]	797,425,867	797,425,867
Basic earnings per share *(in Korean won)*	2,775	2,835

[1] Treasury shares were excluded from weighted average number of ordinary shares.

The Bank has potential ordinary shares without dilutive effects. Therefore, basic earnings per share is identical to diluted earnings per share.

37. Dividends

Details of dividends for the periods ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Ordinary shares	Preferred shares	Total
Dividends to be approved:			
₩1,048 per share[1] –	835,702	-	835,702

[1] The proposed dividends will be submitted for approval at the annual general meeting of shareholders to be held on March 26, 2026, and the financial statements for the current year do not reflect these proposed dividends.

December 31, 2024

(In millions of Korean won)	Ordinary shares	Preferred shares	Total
Dividends approved:			
₩1,065 per share –	849,259	-	849,259

Dividends for hybrid capital instruments for the years ended December 31, 2025 and 2024, are ₩173,010 million and ₩167,765 million, respectively.

38. Restricted and Pledged Assets

Details of restricted and pledged assets as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

Assets (Carrying amount)	Lender	December 31, 2025	December 31, 2024	Remarks
Restricted assets				
Reserve deposits in Korean won	Bank of Korea	11,158,470	6,335,733	Act of Bank of Korea
Due from banks in Korean currencies	Customers	21,682	30,271	MMF Repurchase Deposit
Due from banks in foreign currencies	BNP Paribas, Hong Kong and others	838,190	728,362	Derivative instruments
Due from other banks in foreign currencies	Bank of Korea and others	846,863	792,036	Act of Bank of Korea and others
Time deposit in foreign currencies	JP Morgan Chase and others	27,048	3,454	Asset collateral
		12,892,253	7,889,856	
Pledged assets[1]				
Financial assets at fair value through other comprehensive income	Nomura Financial Investment and others	182,200	192,200	Derivatives transactions and others
Securities at amortized cost	Customers	5,736,600	16,600	Bonds sold under repurchase agreement
	Bank of Korea	7,495,000	7,345,000	Collateral for Borrowings from the Bank of Korea
	Bank of Korea	1,965,000	3,962,500	Intraday Overdraft from the Bank of Korea
	Bank of Korea	9,068,500	8,170,000	Collateral for Settlements with the Bank of Korea
	NH Futures and others	73,300	71,300	Substitute securities
	Nomura Financial Investment and others	1,449,281	1,770,483	Derivatives transactions and others
		25,969,881	21,528,083	

[1] The assets are pledged as collaterals. As of December 31, 2025, the total amount of pledged assets amounts to ₩25,721,901 million (December 31, 2024: ₩21,341,648 million).

38. Restricted and Pledged Assets (Cont'd)

Fair value of collateral received that can be sold without consent of the owner or provided as collateral even if the owner is not in default as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

Collaterals obtained	Provided to	December 31, 2025	December 31, 2024	Remarks
Government and public bonds, others	Bank of Korea	10,262,278	13,517,108	Bonds purchased under repurchase agreements

39. Related Party Transactions

Related parties of the Bank as of December 31, 2025 and 2024, are as follows:

	December 31, 2025	December 31, 2024
The Ultimate Parent Company	The Government of the Republic of Korea	The Government of the Republic of Korea
Subsidiaries	IBK Capital Corporation	IBK Capital Corporation
	IBK Securities Co., Ltd.	IBK Securities Co., Ltd.
	IBK Insurance Co., Ltd.	IBK Insurance Co., Ltd.
	IBK Asset Management Co., Ltd.	IBK Asset Management Co., Ltd.
	IBK Savings Bank Co., Ltd.	IBK Savings Bank Co., Ltd.
	IBK Venture Investment Co., Ltd.	IBK Venture Investment Co., Ltd.
	IBK System Co., Ltd.	IBK System Co., Ltd.
	IBK Credit Information Corp.	IBK Credit Information Corp.
	IBK Service Co., Ltd.	IBK Service Co., Ltd.
	Industrial Bank of Korea (China) Limited	Industrial Bank of Korea (China) Limited
	PT BANK IBK INDONESIA TBK	PT BANK IBK INDONESIA TBK
	IBK Myanmar Co., Ltd.	IBK Myanmar Co., Ltd.
	IBK Bank Polska Spolka Akcyjna	-
	IBK Capital Myanmar Co., Ltd.[1]	IBK Capital Myanmar Co., Ltd.[1]
	IBK SKS Private Equity Fund[1]	IBK SKS Private Equity Fund[1]
	IBK POSCO TRUBEN Recovery Private Equity Fund No.1[1]	IBK POSCO TRUBEN Recovery Private Equity Fund No.1[1]
	-	IBK NH Small Giant Private Equity Fund[1]
	No.1 Technology Financing Private Equity Fund[1]	No.1 Technology Financing Private Equity Fund[1]
	Value Brand Korea No.1 Private Equity Fund[1]	Value Brand Korea No.1 Private Equity Fund[1]
	IBK KIP Growth Stepstone Private Equity Fund No.1[1]	IBK KIP Growth Stepstone Private Equity Fund No.1[1]
	IBK-TS Exit No.2 Private Equity Fund[1]	IBK-TS Exit No.2 Private Equity Fund[1]
	IBKBNW Tech-Fi 2018 Private Equity Fund[1]	IBKBNW Tech-Fi 2018 Private Equity Fund [1]
	IBK-Stonebridge Innovation Growth PEF[1]	IBK-Stonebridge Innovation Growth PEF[1]
	IBKBNW Industrial Competitiveness Growth PEF[1]	IBKBNW Industrial Competitiveness Growth PEF[1]
	IBK-Stonebridge NewDeal-ESG Unicorn Private Equity Fund[1]	IBK-Stonebridge NewDeal-ESG Unicorn Private Equity Fund[1]
	IBK-KIWOOM Business Reorganization Private Equity Fund[1]	IBK-KIWOOM Business Reorganization Private Equity Fund[1]
	IBK-LX G Scale-up Export Support Fund[1]	IBK-LX G Scale-up Export Support Fund[1]
	IBK-Kiwoom Small-Medium and Middle-Standing Jump-up Private Equity Fund[1]	-

December 31, 2025	December 31, 2024
500 Korea III, L.P.	500 Korea III, L.P.
IBKS Paratus Corporate Succession Business Reorganization Fund[1]	IBKS Paratus Corporate Succession Business Reorganization Fund[1]
IBK Financial Group Chang-gong No.1 Fund[1]	-
-	IBKC-TONGYANG Growth 2013 Private Equity Fund[1]
Banks Foundation for Young Entrepreneurs IBKC Pioneer Fund[1]	Banks Foundation for Young Entrepreneurs IBKC Pioneer Fund[1]
IBK GROUP IP CREATION FUND[1]	IBK GROUP IP CREATION FUND[1]
KIF-IBKC/SBI Secondary IT Venture Fund[1]	KIF-IBKC/SBI Secondary IT Venture Fund[1]
IBKC-SBI Bio Fund No.1[1]	IBKC-SBI Bio Fund No.1[1]
IBK Group Crowdfunding Matching Fund[1]	IBK Group Crowdfunding Matching Fund[1]
IBK Group Future Growth Engine Fund[1]	IBK Group Future Growth Engine Fund[1]
IBKC-Medici Secondary Fund[1]	IBKC-Medici Secondary Fund[1]
IBK Group IP Value-up Fund No.2[1]	IBK Group IP Value-up Fund No.2[1]
IBKC-MGI New Economic Growth Pre-IPO FUND[1]	IBKC-MGI New Economic Growth Pre-IPO FUND[1]
IBKC-UNION Secondary Mezzanine Fund[1]	IBKC-UNION Secondary Mezzanine Fund[1]
K&SECONDARY No.3 FUND[1]	K&SECONDARY No.3 FUND[1]
IBKC-K&SECONDARY No.1 FUND[1]	IBKC-K&SECONDARY No.1 FUND[1]
IBK Start-up Job Creation Fund[1]	IBK Start-up Job Creation Fund[1]
-	IBK Capital Digital Contents IP Investment Fund[1]
IBK Group New Deal Material Component and Equipment Fund[1]	IBK Group New Deal Material Component and Equipment Fund[1]
-	SG-IBKC K Contents Investment Fund No.1[1]
IBKC Culture Contents Investment Fund[1]	IBKC Culture Contents Investment Fund[1]
IBK Digital innovation Fund	IBK Digital innovation Fund
-	SEOCHOTERRACEHILLSECOND[1]
-	Wonchang logistics Co., Ltd[1]
IBKTANHYEONFIRST[1]	IBKTANHYEONFIRST[1]
-	BUNDANGNEWBONFIRST[1]
-	IBKSYSINCHON[1]
IB WINDEOM 1ST CO., LTD.[1]	IB WINDEOM 1ST CO., LTD.[1]
-	IBKDAEDEOKFIRST[1]
-	Cheongnyeon 1st Co.,Ltd.[1]
-	Cheongnyeon 2nd Co.,Ltd.[1]
-	GIEUNSENNS[1]
ANSIMPARTNERS[1]	ANSIMPARTNERS[1]
IBKCHEONGLASECOND[1]	IBKCHEONGLASECOND[1]
-	Gurae ot 1st Co., Ltd. [1]
Turandot 1st Co., Ltd.[1]	Turandot 1st Co., Ltd.[1]
-	UNIECOCOMPANY Co., Ltd. [1]
-	The wave First Co., Ltd.[1]
GIEUNSENMOGOKFIRST[1]	GIEUNSENMOGOKFIRST[1]
DSKTENTH[1]	DSKTENTH[1]
-	Roof Tower First Co., Ltd. [1]
IBGODOK 2nd CO., LTD.[1]	IBGODOK 2nd CO., LTD.[1]
Yesan sd 1st Co., Ltd.[1]	Yesan sd 1st Co., Ltd. [1]
Unidelta Co., Ltd.[1]	Unidelta Co., Ltd.[1]
GIEUNSENGeumsafirst[1]	GIEUNSENGeumsafirst[1]
IBGOCHEONFIRST[1]	IBGOCHEONFIRST[1]
-	El Property two Co., Ltd. [1]
BK Bakdal Co., Ltd.[1]	BK Bakdal Co., Ltd. [1]
-	Verde 1st Co.Ltd.[1]

	December 31, 2025	December 31, 2024
	-	Blue Oasis First Co.,Ltd.[1]
	-	MSK the 3rd Co., Ltd.[1]
	IBheonin1st Co., Ltd.[1]	IBheonin1st Co., Ltd.[1]
	Money Road First Co., Ltd[1]	Money Road First Co., Ltd[1]
	IBKS Buron Co., Ltd. [1]	IBKS Buron Co., Ltd. [1]
	BK LAPEL 1st Co., Ltd.[1]	BK LAPEL 1st Co., Ltd.[1]
	Cairo Alpha First Co., Ltd.[1]	Cairo Alpha First Co., Ltd.[1]
	-	Andong APT 1st Co., Ltd.[1]
	-	BKOBEAN Co., Ltd.[1]
	Primelevel Co., Ltd.[1]	-
	jonblack Co., Ltd.[1]	-
	Jincheon SD Jeilcha Co., Ltd.[1]	-
	Mirae Asset triumph private bond balanced No.17, and 37 investment funds	Mirae Asset triumph private bond balanced No.17, and 29 investment funds
	Trust with repayment guarantees of principal	Trust with repayment guarantees of principal
	Trust with repayment guarantees of principal and interest	Trust with repayment guarantees of principal and interest
	-	Hanil FA Co., Ltd.[1]
	Woori Logis REIT CO., Ltd.[1]	Woori Logis REIT CO., Ltd. [1]
Associates	Incheon Bridge Co., Ltd.	Incheon Bridge Co., Ltd.
	Jeonla railroad Co., Ltd.	Jeonla railroad Co., Ltd.
	Chungjung Sangju Co., Ltd.	Chungjung Sangju Co., Ltd.
	Chungjung Seogwipo Co., Ltd.	Chungjung Seogwipo Co., Ltd.
	Green Kimhae Enviro Co., Ltd.	Green Kimhae Enviro Co., Ltd.
	Green Asan Enviro Co., Ltd.	Green Asan Enviro Co., Ltd.
	KOREA FINANCE SECURITY	KOREA FINANCE SECURITY
	-	Presto Private Equity Fund No. 7
	EVERBEST LIVINGSTONE PRIVATE EQUITY FUND	EVERBEST LIVINGSTONE PRIVATE EQUITY FUND
	Scale-up Platform Private Equity Fund	Scale-up Platform Private Equity Fund
	Eum Private Equity Fund No.7	Eum Private Equity Fund No.7
	Paratus Woori Materials, Parts, Equipment Private Equity Fund	Paratus Woori Materials, Parts, Equipment Private Equity Fund
	UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund	UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund
	-	Thor Private Equity Fund
	Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business	Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business
	-	Nautic No.11 Private Equity Fund
	AIM-OPUS Healthcare Growth Capital Private Equity Fund	AIM-OPUS Healthcare Growth Capital Private Equity Fund
	BNW ACE Private Equity Fund	BNW ACE Private Equity Fund
	UAMCO IBK PF Private Equity Fund I	UAMCO IBK PF Private Equity Fund I
	Smart Private Equity Fund No.2[2]	Smart Private Equity Fund No.2[2]
	Centroid 1st China Private Equity Fund[2]	Centroid 1st China Private Equity Fund[2]
	-	Cactus Buyout Private Equity Fund II[2]
	Highland 2020 4,Private Equity Fund[2]	Highland 2020 4,Private Equity Fund[2]
	SKIL ECO No.1 Green New Deal Private Equity Fund[2]	SKIL ECO No.1 Green New Deal Private Equity Fund[2]
	Lake Bridge Private Equity Fund Ⅷ[2]	Lake Bridge Private Equity Fund Ⅷ[2]
	IBKS SME Accelerating Private Equity Fund[2]	IBKS SME Accelerating Private Equity Fund[2]
	BTS 2-1 Private Equity Fund	-
	UAMCO-IBK PF 2nd Private Equity Fund	-

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Daishin Growth Capital 2024 Private Equity Fund	-
UAMCO-TAESUNG Corporate Financial Stability Private Equity Fund	-
BTS Plasma Private Equity Fund[2]	-
CCVC Culture-ICT Convergence Fund	CCVC Culture-ICT Convergence Fund
-	IBK-Daesung Majestic Contents Small Giant Korea Fund
KTBN Media Contents Fund	KTBN Media Contents Fund
EBEST CRESO CONTENTS Fund No.1	EBEST CRESO CONTENTS Fund No.1
KAI-KSM Crowd Seeding Fund	KAI-KSM Crowd Seeding Fund
Gaia Bio Investment Fund #1	Gaia Bio Investment Fund #1
-	IBKS-INTOPS Innovation Companies Design Investment Fund
InterValue No.3 Innovation Start-up Fund	InterValue No.3 Innovation Start-up Fund
Shinhan Consumer Fund 2	Shinhan Consumer Fund 2
-	VS Cornerstone Fund
IBK-STIC Pioneer Fund	IBK-STIC Pioneer Fund
Global Gateway Fund III	Global Gateway Fund III
IBK Changgong Jump up 1st Investment Fund	IBK Changgong Jump up 1st Investment Fund
SWK-SHINHAN NEW TECHNOLOGY INVESTMENT FUND 1st	SWK-SHINHAN NEW TECHNOLOGY INVESTMENT FUND 1st
COMPANY K BIO FUND	COMPANY K BIO FUND
Cornerstone Win-win Ⅰ Fund	Cornerstone Win-win Ⅰ Fund
DAvalue-Kbridge New Pharmaceutical Fund No.02	DAvalue-Kbridge New Pharmaceutical Fund No.02
Hanwha Uon Fund No.1	Hanwha Uon Fund No.1
Smilegate Next Commerce 1st Venture Fund	Smilegate Next Commerce 1st Venture Fund
InterVest Global Scale-up Fund	InterVest Global Scale-up Fund
IBK - Synergy IB Business Reshuffle New Technology Fund	IBK - Synergy IB Business Reshuffle New Technology Fund
New Deal Extension New Technology Fund No.1	New Deal Extension New Technology Fund No.1
S&S-ONE-Dotconnect Fund 1	S&S-ONE-Dotconnect Fund 1
Smilegate Next Commerce 2nd Venture Fund	Smilegate Next Commerce 2nd Venture Fund
Smart IBK-Quantum Green New Industry Fund	Smart IBK-Quantum Green New Industry Fund
IBK-KT Emerging Digital Industry Investment Fund	IBK-KT Emerging Digital Industry Investment Fund
PCC-Bailey Project Fund	PCC-Bailey Project Fund
LSK Healthcare Fund Ⅳ	LSK Healthcare Fund Ⅳ
Shinhan-Kunicorn first Fund	Shinhan-Kunicorn first Fund
VISION Materials, Parts and Equipment Venture Fund No.1	VISION Materials, Parts and Equipment Venture Fund No.1
SUP 1st Venture Fund	SUP 1st Venture Fund
Cornerstone Merkaba Fund 1	Cornerstone Merkaba Fund 1
One Shinhan Global Fund 3	One Shinhan Global Fund 3
-	Synergy ESG 1st New Technology Investment Fund
Korea ASEAN Technology Fund 2	Korea ASEAN Technology Fund 2
IP-LD Fund No.1	IP-LD Fund No.1
Hanwha Smart Healthcare Fund No.1	Hanwha Smart Healthcare Fund No.1
SKS-DA Unicorn Bio Fund No.1	SKS-DA Unicorn Bio Fund No.1
One Shinhan Global Fund 4	One Shinhan Global Fund 4
IBK Changgong Jump up 2nd Investment Fund	IBK Changgong Jump up 2nd Investment Fund
Bokwang-Honest Energy Fund No. 1	Bokwang-Honest Energy Fund No. 1
Cornerstone Pentastone Ⅷ Fund	Cornerstone Pentastone Ⅷ Fund

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One Shinhan Global Fund 5	One Shinhan Global Fund 5
Ulmus 2022 Secondary Fund	Ulmus 2022 Secondary Fund
L&S Early Stage IV ICT MCE Venture Fund	L&S Early Stage IV ICT MCE Venture Fund
-	Cornerstone Innovation IV Fund
IBK-SOLIDUS Next Bio Star Investment Fund	IBK-SOLIDUS Next Bio Star Investment Fund
C&CI Investment Fund 1	C&CI Investment Fund 1
-	Cornerstone Innovation VI Fund
IBK Financial Group-DS Green Finance Fund	IBK Financial Group-DS Green Finance Fund
KOSNET Semicon Two Venture Fund	KOSNET Semicon Two Venture Fund
DKI Growing Star Fund Ⅶ	DKI Growing Star Fund Ⅶ
Square New Paradigm Investment Fund No. 1	Square New Paradigm Investment Fund No. 1
GU Materials Parts and Equipment Project Fund I	GU Materials Parts and Equipment Project Fund I
S Secondary Venture Fund NO.1	S Secondary Venture Fund NO.1
E&Venture Project No.1 Smartgreen Fund	E&Venture Project No.1 Smartgreen Fund
Cornerstone New Main I Fund	Cornerstone New Main I Fund
SmartKorea UTC Untact Fund	SmartKorea UTC Untact Fund
IBK-Company K Innovation growth Fund	IBK-Company K Innovation growth Fund
IBK Scale-up Gyeonggi-G-FUND	IBK Scale-up Gyeonggi-G-FUND
IBK-Stonebridge Rising Fund Ⅱ	IBK-Stonebridge Rising Fund Ⅱ
IBK IP Technology Commercialization Fund	IBK IP Technology Commercialization Fund
SH Ulmus M.P.E. Innovative Venture Fund 7	SH Ulmus M.P.E. Innovative Venture Fund 7
POSITIVE AI Venture Fund #1	POSITIVE AI Venture Fund #1
KB-BridgePole Venture Investment Fund #2	KB-BridgePole Venture Investment Fund #2
KAIC TO Ventures Fund Ⅳ	KAIC TO Ventures Fund Ⅳ
IBK-KOLON 2023 Super-Gap Fund	IBK-KOLON 2023 Super-Gap Fund
Caspian-T No.3 Fund	Caspian-T No.3 Fund
Newmain Ⅱ Funds	Newmain Ⅱ Funds
Korea Investment-Newmain Growth Capital 1st Fund	Korea Investment-Newmain Growth Capital 1st Fund
Timefolio Tech Fund Ⅰ	Timefolio Tech Fund Ⅰ
IBK Financial Group-Uamco SME Accelerating Fund	IBK Financial Group-Uamco SME Accelerating Fund
KAI Valiant aesthetic Investment Fund Ⅰ	KAI Valiant aesthetic Investment Fund Ⅰ
PLUX Technology Innovation Investment Fund 1	PLUX Technology Innovation Investment Fund 1
Elohim Newmain I Fund	Elohim Newmain I Fund
BYB-SKS Pre-IPO Fund NO.1	BYB-SKS Pre-IPO Fund NO.1
Cornerstone Blue Dragon I Fund	Cornerstone Blue Dragon I Fund
-	Cornerstone Alice II Fund
KB-VEP Contact Fund	KB-VEP Contact Fund
Synergy IB innovation Fund	Synergy IB innovation Fund
LINEA-NBH Fund II	LINEA-NBH Fund II
PLUX Technology Innovation Investment Fund 2	PLUX Technology Innovation Investment Fund 2
COMPANY K BUYOUT 1	COMPANY K BUYOUT 1
Harang-IP Vine Contents Fund	Harang-IP Vine Contents Fund
IBK-LB Startup Fund I	IBK-LB Startup Fund I
WE Scale-up Fund I	WE Scale-up Fund I
Horizon Venture Fund I	Horizon Venture Fund I
Moorim-Omega Fund II	Moorim-Omega Fund II
GNTECH Project Fund II	GNTECH Project Fund II
NP Growth 11th Private Equity Fund	NP Growth 11th Private Equity Fund
Korea Semiconductor Materials and Components	Korea Semiconductor Materials and Components

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No.1 Private Equity Fund	No.1 Private Equity Fund
Honeypot HGI New Fund	Honeypot HGI New Fund
Widwin investment fund 73	Widwin investment fund 73
IBK-YG K-culture Fund	IBK-YG K-culture Fund
Start-up Korea IBK- Schmidt Fund	Start-up Korea IBK- Schmidt Fund
Start-up Korea IBKVC-FP2024 Fund	Start-up Korea IBKVC-FP2024 Fund
Start-up Korea IBKVC-KOLON 2024 Fund	Start-up Korea IBKVC-KOLON 2024 Fund
Allies-HSBI Material Component Equipment New Technology Fund	Allies-HSBI Material Component Equipment New Technology Fund
-	NICE DATA INTELLIGENCE VENTURE FUND
Lodestone 4th Startup Venture Specialized Private Equity Fund	Lodestone 4th Startup Venture Specialized Private Equity Fund
JW&Kiyvre Fund 1	JW&Kiyvre Fund 1
JKL-POI Private Equity Fund	JKL-POI Private Equity Fund
LB Next Innovation Fund 1	LB Next Innovation Fund 1
Startup Korea IBK-Stic Tech Champion Fund	Startup Korea IBK-Stic Tech Champion Fund
Startup Korea IBK-DTNI Fund	Startup Korea IBK-DTNI Fund
Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund
Startup Korea Pathfinder-IBK Super Gap Fund	Startup Korea Pathfinder-IBK Super Gap Fund
Lucky Invites FUND-1	Lucky Invites FUND-1
Korea Investment Dong-Yu Blue Horizon Fund	Korea Investment Dong-Yu Blue Horizon Fund
BNK safety Investment Fund No.2	BNK safety Investment Fund No.2
D2U 12TH Fund	D2U 12TH Fund
HellosThelaFund1	HellosThelaFund1
2024 Tethys Venture Fund	2024 Tethys Venture Fund
-	AICBM Venture Fund No.3
2024DeepDive Investment Fund	2024DeepDive Investment Fund
KAIC TO Ventures Fund Ⅶ	KAIC TO Ventures Fund Ⅶ
KT-IBKC Future Investment Fund 1[2]	KT-IBKC Future Investment Fund 1[2]
Impact Platform Fund[2]	Impact Platform Fund[2]
-	D&D Pharmatech Intervest IBKC Fund[2]
IBKC-EQP Innovative Technology Fund[2]	IBKC-EQP Innovative Technology Fund[2]
IBKC-PCC 1st Fund[2]	IBKC-PCC 1st Fund[2]
Rylson-IBKC 5G Investment Fund[2]	Rylson-IBKC 5G Investment Fund[2]
IBKC-Harang Fund[2]	IBKC-Harang Fund[2]
IBKC-INTOPS New Deal and Material Parts Equipment Fund[2]	IBKC-INTOPS New Deal and Material Parts Equipment Fund[2]
IBKC-NICE NEW DEAL AND MATERIAL PARTS EQUIPMENT FUND[2]	IBKC-NICE NEW DEAL AND MATERIAL PARTS EQUIPMENT FUND[2]
IBKC J& BIO INVESTMENT FUND[2]	IBKC J& BIO INVESTMENT FUND[2]
YUANTA QUANTUM JUMP NO.1 FUND[2]	YUANTA QUANTUM JUMP NO.1 FUND[2]
Klim IBKC Medical Fund[2]	Klim IBKC Medical Fund[2]
-	IBKC-AJU IB Idiscovery Fund 1[2]
IBKC-INTOPS New deal and Material Parts Equipment Fund2[2]	IBKC-INTOPS New deal and Material Parts Equipment Fund2[2]
-	Solution CapitalInvestment Fund Ⅳ[2]
IBKC-DARWIN GreenEnergy Fund[2]	IBKC-DARWIN GreenEnergy Fund[2]
TWI-IBKC Open Innovation Fund[2]	TWI-IBKC Open Innovation Fund[2]
IBKC timefolio mezzanine blind 1st fund[2]	IBKC timefolio mezzanine blind 1st fund[2]
IBKC-DAILY Bio Healthcare Fund 1[2]	IBKC-DAILY Bio Healthcare Fund 1[2]
IBKC-BLUECORNER New Deal and Material Parts Equipment Fund[2,4]	IBKC-WELCOME New Deal and Material Parts Equipment Fund[2,4]

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IBKC-WE Start-up Secondary Fund 1[2]	IBKC-WE Start-up Secondary Fund 1[2]
IBKC-GB Advanced Material Bio Investment Partnership No.1[2]	IBKC-GB Advanced Material Bio Investment Partnership No.1[2]
-	Synergy Turnaround 16th New Technology Business Investment Fund[2]
K& Secondary No5 Fund[2]	K& Secondary No5 Fund[2]
Medici-IBKC Secondary Fund 2[2]	Medici-IBKC Secondary Fund 2[2]
IBKC-DAILY Bio Healthcare Fund Ⅱ[2]	IBKC-DAILY Bio Healthcare Fund Ⅱ[2]
Smart Contents Fund[2]	Smart Contents Fund[2]
-	DS IBKC Foodtech Investment Fund 1[2]
NH-JN-IBKC label New Technology fund[2]	NH-JN-IBKC label New Technology fund[2]
Next Platform Fund[2]	Next Platform Fund[2]
IBKC-Behigh Fund 1st[2]	IBKC-Behigh Fund 1st[2]
IBKC-Emford New technology venture investment FUND No.1[2]	IBKC-Emford New technology venture investment FUND No.1 [2]
FV Investment Fund 01[2]	FV Investment Fund 01[2]
Primus Equity Partners, Inc.[2]	Primus Equity Partners, Inc.[2]
IBKC-PEBBLES New Technology Investment Fund 1st[2]	IBKC-PEBBLES New Technology Investment Fund 1st[2]
IBKC-IDV HIGH TECH FUND[2]	IBKC-IDV HIGH TECH FUND[2]
IBKC-INTOPS Fund 3[2]	IBKC-INTOPS Fund 3[2]
IBKC-JS 1st Fund[2]	IBKC-JS 1st Fund[2]
-	DB Synergy Value-up New Technology investment Fund No.1[2]
NH-IBKC EV Fund[2]	NH-IBKC EV Fund[2]
IBKC MIDAS Value Creation Fund[2]	IBKC MIDAS Value Creation Fund[2]
Mezzanine Growth Fund[2]	Mezzanine Growth Fund[2]
Super Growth K-contents Fund[2]	Super Growth K-contents Fund[2]
IBKC GlobalOne Atman Fund[2]	IBKC GlobalOne Atman Fund[2]
Pectus IBKC Fund No1[2]	Pectus IBKC Fund No1[2]
-	Positive-IBKC Fund No.1[2]
IBKC-AH New Technology Business Investment Association No.5[2]	IBKC-AH New Technology Business Investment Association No.5[2]
iM AI Healthcare Venture Fund[2]	iM AI Healthcare Venture Fund[2]
IBKC Darwin Fund[2]	IBKC Darwin Fund[2]
Ascent IBKC New Tech 1st[2]	Ascent IBKC New Tech 1st[2]
-	Positive IBKC Tech Fund No.1[2]
JW-IBKC NO.1 Fund[2]	JW-IBKC NO.1 Fund[2]
LIGNEXONE-IBKC Defense Industry Innovation New Technology Business Investment Fund 1[2]	LIGNEXONE-IBKC Defense Industry Innovation New Technology Business Investment Fund 1[2]
Kyobo IBK Advanced Material Investment Fund[2]	Kyobo IBK Advanced Material Investment Fund[2]
IBKC-Emford New technology venture investment FUND No.2[2]	IBKC-Emford New technology venture investment FUND No.2 [2]
KIWOOM-K&T RISINGSTAR New Technology Investment Fund[2]	KIWOOM-K&T RISINGSTAR New Technology Investment Fund[2]
EVENTUS-IBKC Secondary Cell Materials New Investment Business Investment Fund[2]	EVENTUS-IBKC Secondary Cell Materials New Investment Business Investment Fund[2]
-	Petrico-IBKC First New Technology Business Investment Fund[2]
JBWOORI-IBKC-T&K New Technology Business Investment Fund[2]	JBWOORI-IBKC-T&K New Technology Business Investment Fund[2]
Ascent IBKC New Tech 2nd[2]	Ascent IBKC New Tech 2nd[2]
KIP-IBKC Innovative Growth Private Equity Fund[2]	KIP-IBKC Innovative Growth Private Equity Fund[2]
RCM Ocean Limited Partnership[2]	RCM Ocean Limited Partnership[2]

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The IBKS Job Creation Dream Fund[2]	The IBKS Job Creation Dream Fund[2]
Next Tech 1 New Technology Investment Fund[2]	Next Tech 1 New Technology Investment Fund[2]
WJ-IBKS global Fund No.1[2]	WJ-IBKS global Fund No.1[2]
IBKS FAST Contents Fund[2]	IBKS FAST Contents Fund[2]
IBKS-DS Hydrogen 1 Technology Venture Fund[2]	IBKS-DS Hydrogen 1 Technology Venture Fund[2]
IBKS Innovation MPE Fund No.1[2]	IBKS Innovation MPE Fund No.1[2]
UAMCO-IBKS New Technology Fund[2]	UAMCO-IBKS New Technology Fund[2]
IBKS Innovation MPE Fund No.2[2]	IBKS Innovation MPE Fund No.2[2]
IBKS Renewable Energy Fund[2]	IBKS Renewable Energy Fund[2]
NH-IBKS KONEX SCALEUP FUND[2]	NH-IBKS KONEX SCALEUP FUND[2]
IBKS Robot Solution Fund[2]	IBKS Robot Solution Fund[2]
JP-IBKS innovation MPE Fund I[2]	JP-IBKS innovation MPE Fund I[2]
JP-IBKS innovation MPE Fund II[2]	JP-IBKS innovation MPE Fund II[2]
IBKS Innovation MPE Fund III[2]	IBKS Innovation MPE Fund III[2]
IBKS Next Scale-Up New Technology Investment Association[2]	IBKS Next Scale-Up New Technology Investment Association[2]
IBKS-DS-STI G.E.S Fund[2]	IBKS-DS-STI G.E.S Fund[2]
IBKS-SUSUNG Pre-IPO Mezzanine Investment Fund 1st[2]	IBKS-SUSUNG Pre-IPO Mezzanine Investment Fund 1st[2]
IBKS Design Fund[2]	IBKS Design Fund[2]
IBKS-YG Turn around Fund[2]	IBKS-YG Turn around Fund[2]
Allies partners Fund no.9	-
BNK Global Medical Device NEW Technology 1st Investment Fund	-
For Human Life Wellbeing Private Equity Partnership No.1	-
Prodigy Fund 30	-
Start-up Korea IBK Murex Voyager No.2 Fund	-
Cape Lakebridge Fund IX	-
Cornerstone Daon I Fund	-
2024 IBK Innovation Samchully New Green Fund	-
Daishin-SAM New Technology Investment Fund No.1	-
Cornerstone New Main III Funds	-
Cyrus-K Materials and Components Investment Fund No.1	-
2024 IBK Innovation-AJU Good Venture Fund 3.0	-
Novorsec Eco-friendly K-Shipbuilding Venture Fund	-
DITTO NEW COMMERCE FUND	-
GNP2025-01Venturefund	-
IBKC-Envision I Fund	-
DA Beauty Fund No.1	-
2024 IBK Innovation K-RUN Mobility No.7 Fund	-
SJG Semiconductor Materials&Equipment No.2 Fund	-
Infinitum K-Culture No. 2 Fund	-
Perspective-Axis Fund 1	-
IBK Korea Investment Growth Bridge Private Equity Fund	-
IBKVC-SBI 2025 Fund	-
JB-OMEGA Fund	-
IBKS-FINDVALUE Robot Solution Fund	-
Allies partners Fund no.11	-

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Gravity General Private Paju Studio Investment Company No.1	-
Start-Up Korea Plux Deeptech Fund	-
Startup Korea-KIF Kiwoom New Hero No. 9 Fund	-
StartUp Korea Quantum Secondary Fund II	-
2025 IBKVC-DAISHIN Next Value-Up Fund	-
INNOPOLIS NEXT UNICORN DEEP FUND	-
JP-K Semiconductor 1st New Technology Business Investment Fund	-
Nautilus-KWC Semiconductor Fund	-
LUX-Mason Innovation Technology Fund #2	-
IBKC LEP Fund X	-
Axis Flow Automation Fund No.1	-
Stassets Fund IV	-
IBKC-Gaia MSP New Technology Investment Fund No.1[2]	-
IBKS-Gaia Bio Fund No.1[2]	-
Samsung Innovative Fund No.3[2]	-
LB Private Equity Fund III-1[2]	-
Daishin New TechnologyInvestment Fund No.19[2]	-
Audastone Project Dragon Private Equity Fund[2]	-
Timefolio-Heungkuk-AOA RGB Investment fund1[2]	-
Heimdall Private Equity Fund II[2]	-
AIM-KIS Robotics Investment Fund[2]	-
K-Content Value-Up Investment Fund[2]	-
Mirae Holdings-IBKVC Deep Tech Investment Fund No.1[2]	-
IBKC-Medici Technology Innovation Investment Fund[2]	-
2024 IBKC-Life Secondary Mezzanine New Technology Investment Fund[2]	-
MAST-IBKC Mezzanine Private Equity Fund[2]	-
IBKC-Solidus Smart-Bio Investment Fund No.2[2]	-
Deep Technology IBKC-MIP Fund[2]	-
SGI-IBKC Deep Tech Venture Fund[2]	-
IBKC-JB-LIFE Mezzanine Fund No.1[2]	-
Alpha Global 1st Private Equity Fund[2]	-
IBKC Kyobo Mezzanine Investment Fund I[2]	-
IBKC-Caspian T No.8 Fund[2]	-
NH-IBKC Value Fund[2]	-
IBKC-IBP Auto Investment Fund[2]	-
IBKC-Pacific Pre-IPO Plus Fund[2]	-
IBKC-CYRUS AI AGRI-FOOD VENTURE FUND[2]	-
IBKS Wish New Technology Investment Fund[2]	-
IBKS Robot Tech Fund[2]	-
IBKS Furi Technology Venture Fund[2]	-
TKG-DS No. 1 New Technologies Business Investment Association[2]	-
IBKS-NewGen K-Food New Technologies Investment Association[2]	-
AXIS-IBKVC Digital Infrastructure New Technology Business Investment Association[2]	-
KDB Infra IP Capital Fund	KDB Infra IP Capital Fund

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Kiwoom DongBuk-A Infrastructure Investment Trust #1	Kiwoom DongBuk-A Infrastructure Investment Trust #1
Kiwoom DongBuk-A Infrastructure Investment Trust #2	Kiwoom DongBuk-A Infrastructure Investment Trust #2
Kiwoom DongBuk-A Infrastructure Investment Trust #3	Kiwoom DongBuk-A Infrastructure Investment Trust #3
Kiwoom DongBuk-A Infrastructure Investment Trust #4	Kiwoom DongBuk-A Infrastructure Investment Trust #4
KIAMCO Power Energy Private Special Asset Investment Trust 1	KIAMCO Power Energy Private Special Asset Investment Trust 1
KIAMCO BTL Project Investment Private Special Asset Investment Trust 6	KIAMCO BTL Project Investment Private Special Asset Investment Trust 6
KIAMCO Road Investment Private Special Asset Investment Trust 2	KIAMCO Road Investment Private Special Asset Investment Trust 2
Consus Nation Infra Private Special Asset Investment Trust 1	Consus Nation Infra Private Special Asset Investment Trust 1
Consus Love Sharing Private Special Asset Investment Trust 2	Consus Love Sharing Private Special Asset Investment Trust 2
MiraeAsset MAPS BTL Infra Private Placement Special Asset Trust 1	MiraeAsset MAPS BTL Infra Private Placement Special Asset Trust 1
MiraeAsset MAPS Love BTL Private Placement Special Asset Trust 1	MiraeAsset MAPS Love BTL Private Placement Special Asset Trust 1
Kiwoom Eco Resource Infrastructure Professional and Private Type Investment Trust IV	Kiwoom Eco Resource Infrastructure Professional and Private Type Investment Trust IV
KIAMCO K-Solar Special Asset Private Investment Trust 2	KIAMCO K-Solar Special Asset Private Investment Trust 2
KIAMCO Naepo Green Energy Fund1	KIAMCO Naepo Green Energy Fund1
-	Hangang Haenanum Energy Fund No.1
IGIS Structured Mezzanine Professional Investors Private Placement Real Estate Feeder Fund No.1	IGIS Structured Mezzanine Professional Investors Private Placement Real Estate Feeder Fund No.1
Kiwoom green energy private equity fund 1st	Kiwoom green energy private equity fund 1st
KIAMCO SOLAR-ONE PRIVATE EQUITY FUND 2ND	KIAMCO SOLAR-ONE PRIVATE EQUITY FUND 2ND
Mirae Asset Infra development private fund 1st	Mirae Asset Infra development private fund 1st
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 1	KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 1
2023 Manufacturing Research and Development Private Equity Investment Trust No.1	2023 Manufacturing Research and Development Private Equity Investment Trust No.1
2023 Manufacturing Research and Development Private Equity Investment Trust No.2	2023 Manufacturing Research and Development Private Equity Investment Trust No.2
KCFF1	KCFF1
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 2	KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 2
2023 Manufacturing Research and Development Private Equity Investment Trust No.3	-
-	IBK Income Vanilla EMP Feeder Fund [Balanced-FOFs] [2,5]
Capstone Private Infrastructure Fund No.6[2]	-
IBK low-cost TDF 2060 Securities Feeder Investment Trust [Balanced-FoF][2]	-
Hangang Cinepolis Development Corporation[3]	Hangang Cinepolis Development Corporation[3]
Deoksong-Naegak Expressway Co., Ltd.[2]	Deoksong-Naegak Expressway Co., Ltd.[2]
UlsanUijeongbuProject PFV[2]	UlsanUijeongbuProject PFV[2]
DL IncheonInha PFV Co., Ltd.[2]	DL IncheonInha PFV Co., Ltd.[2]

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DL Daejeonmunwha PFV Co., Ltd.[2]	DL Daejeonmunwha PFV Co., Ltd.[2]
DL JeonJuWansan PFV Co., Ltd.[2]	DL JeonJuWansan PFV Co., Ltd.[2]
Incheon Hangdong the one PFV Co., Ltd.[2]	Incheon Hangdong the one PFV Co., Ltd.[2]
Asan Dogo Industrial Complex Development Co., Ltd.[2]	Asan Dogo Industrial Complex Development Co., Ltd.[2]
Beophyeon General Industrial Complex[2]	Beophyeon General Industrial Complex[2]
Doan Castle 1st Co., Ltd.[2]	Doan Castle 1st Co., Ltd.[2]
Busan Eco Delta Green DataCenter PFV Co., Ltd.[3]	Busan Eco Delta Green DataCenter PFV Co., Ltd.[3]
GojinyeoksekwonPFV Co., Ltd.[2]	-
-	IBKS No.20 Special Purpose Acquisition Company[2]
-	IBKS No.21 Special Purpose Acquisition Company[2]
-	IBKS No.22 Special Purpose Acquisition Company[2]
IBKS No.23 Special Purpose Acquisition Company[2]	IBKS No.23 Special Purpose Acquisition Company[2]
IBKS No.24 Special Purpose Acquisition Company[2]	IBKS No.24 Special Purpose Acquisition Company[2]
IBKS No.25 Special Purpose Acquisition Company[2]	-

[1] Although the Bank's equity shares in these entities is less than 50%, these are included in the subsidiaries as the bank acts as a General Partner (GP) or a subsidiary of the Bank holds additional equity shares of these entities.

[2] Although the Bank does not have any equity shares in these entities, these are included in the associates as a subsidiary of the Bank holds additional equity shares of these entities.

[3] Although the Bank's equity shares in these entities are less than 20%, these are included in the associates as a subsidiary of the Bank can exercise significant influence on the associates' decision-making process.

[4] During the current period, the name of the related company was changed from 'IBKC-WELCOME New Deal and Material Parts Equipment Fund' to 'IBKC-BLUECORNER New Deal and Material Parts Equipment Fund'.

[5] During the current period, the increase in ownership interest resulted in a change in classification from associate to associated entities.

Additional related parties are as follows:

39.1 Controlling Party of the Bank

Controlling party of the Bank is the Government of the Republic of Korea which holds 59.50% of the shares of the Bank as of December 31, 2025.

39.2 Government-associated Organizations Under the Same Control

The Bank has borrowings from the government-associated organizations, such as Small & Medium Business Corporation and others, for policy purposes.

39.3 Key Management

The Bank defines members of the Board of Directors, auditors and executives of the Bank as key management.

Details of transactions by each related party for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)			December 31, 2025	December 31, 2024
Subsidiaries	IBK Capital Corporation	Other income	1,018	1,348
		Interest expense	4	5
	IBK Securities Co., Ltd.	Interest income	92	227
		Income related to derivatives	91,977	88,019
		Other income	37,501	29,697
		Interest expense	23,799	22,349
		Expenses related to derivatives	79,426	98,808
		Other expense	28,896	20,954
	IBK Insurance Co., Ltd.	Income related to derivatives	20,314	42,086
		Other income	2,467	3,842
		Interest expense	5	4
		Expenses related to derivatives	7,073	431
		Other expense	272	216
	IBK Asset Management Co., Ltd.	Other income	929	669
		Interest expense	447	1,147
	IBK Savings Bank Co., Ltd.	Interest income	2,371	1,934
		Other income	400	420
		Interest expense	-	2
	IBK Venture Investment Co., Ltd	Other income	1	-
		Interest expense	2,453	2,574
	IBK System Co., Ltd.	Other income	444	400
		Interest expense	490	668
		Other expense	321,929	268,759
	IBK Credit Information Corp.	Other income	1,583	2,053
		Interest expense	675	864
		Other expense	27,299	26,719
	IBK Service Co., Ltd.	Interest expense	13	13
		Other expense	84,681	78,377
	Industrial Bank of Korea (China) Limited	Interest income	630	11,038
		Other income	360	428
		Interest expense	85	105
		Other expense	3,747	3,668
	PT BANK IBK INDONESIA TBK	Interest income	15,680	18,964
		Other income	114	384
		Interest expense	7	-
		Other expense	148	140
	IBK Myanmar Co., Ltd.	Interest expense	8,318	7,052
	IBK Capital Myanmar Co., Ltd.	Interest income	439	356
	Others	Other income	60,341	86,407

(In millions of Korean won)

			December 31, 2025	December 31, 2024
		Interest expense	1,221	1,373
Associates	Incheon Bridge Co., Ltd.	Interest income	8,125	14,006
		Other income	4,504	2,145
		Other expense	1,203	-
	Jeonla railroad Co., Ltd.	Interest income	2,568	2,877
		Other income	35	39
		Interest expense	110	130
	Chungjung Sangju Co., Ltd.	Interest income	172	151
		Other income	30	20
		Interest expense	3	3
	Chungjung Seogwipo Co., Ltd.	Interest income	108	133
	Green Kimhae Enviro Co., Ltd.	Interest income	171	166
		Other income	30	20
		Interest expense	2	2
	Green Asan Enviro Co., Ltd.	Interest income	178	175
		Other income	22	15
		Interest expense	51	80
	KOREA FINANCE SECURITY	Other income	8	17
		Interest expense	11	8
	EVERBEST LIVINGSTONE PRIVATE EQUITY FUND	Interest expense	1	1
	Scale-up Platform Private Equity Fund	Interest expense	-	1
	Paratus Woori Materials, Parts, Equipment Private Equity Fund	Interest expense	2	-
	Stassets Fund IV	Interest expense	1	-
	Lake Bridge Private Equity Fund VIII	Interest expense	2	2
	IBK-STIC Pioneer Fund	Other income	-	22
		Interest expense	14	33
	IBK Changgong Jump up 1st Investment Fund	Interest expense	-	1
	COMPANY K BIO FUND	Interest expense	-	5
	InterVest Global Scale-up Fund	Other income	4	7
		Interest expense	39	43
	IBK - Synergy IB Business Reshuffle New Technology Fund	Interest expense	-	5
	New Deal Extension New Technology Fund No.1	Interest expense	4	11
	IBK-KT Emerging Digital Industry Investment Fund	Interest expense	29	17
	LSK Healthcare Fund IV	Interest expense	12	53
	VISION Materials, Parts and Equipment Venture Fund No.1	Interest expense	-	1
	SKS-DA Unicorn Bio Fund No.1	Interest expense	-	3
	IBK Changgong Jump up 2nd Investment Fund	Interest expense	1	2
	IBK-SOLIDUS Next Bio Star Investment Fund	Interest expense	5	6
	IBK Financial Group-DS Green Finance Fund	Interest expense	1	1
	DKI Growing Star Fund VII	Other income	-	1

(In millions of Korean won)

		December 31, 2025	December 31, 2024
	Interest expense	81	101
S Secondary Venture Fund NO.1	Interest expense	-	19
Cornerstone New Main I Fund	Interest expense	2	3
IBK-Company K Innovation growth Fund	Interest expense	162	193
IBK Scale-up Gyeonggi-G-FUND	Other income	2	-
	Interest expense	119	70
IBK IP Technology Commercialization Fund	Interest expense	132	22
SH Ulmus M.P.E. Innovative Venture Fund 7	Interest expense	1	-
IBK Financial Group-Uamco SME Accelerating Fund	Interest expense	2	3
PLUX Technology Innovation Investment Fund 1	Interest expense	4	7
Synergy IB innovation Fund	Interest expense	8	6
PLUX Technology Innovation Investment Fund 2	Interest expense	1	1
COMPANY K BUYOUT 1	Interest expense	-	2
IBK-LB Startup Fund I	Interest expense	17	10
NP Growth 11th Private Equity Fund	Interest expense	-	1
Korea Semiconductor Materials and Components No.1 Private Equity Fund	Interest expense	-	1
IBK-YG K-culture Fund	Interest expense	12	1
Start-up Korea IBKVC-FP2024 Fund	Interest expense	103	7
Start-up Korea IBKVC-KOLON 2024 Fund	Interest expense	45	4
JW&Kiyvre Fund 1	Interest expense	1	-
LB Next Innovation Fund 1	Interest expense	-	6
Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	Interest expense	40	-
Korea Investment Dong-Yu Blue Horizon Fund	Interest expense	-	1
For Human Life Wellbeing Private Equity Partnership No.1	Interest expense	2	-
2024 IBK Innovation Samchully New Green Fund	Interest expense	52	-
2025 IBKVC-DAISHIN Next Value-Up Fund	Interest expense	1	-
JP-K Semiconductor 1st New Technology Business Investment Fund	Other income	2	-
The IBKS Job Creation Dream Fund	Interest expense	2	2
Next Tech 1 New Technology Investment Fund	Other income	3	-
	Interest income	15	-
Mirae Holdings-IBKVC Deep Tech Investment Fund No.1	Interest expense	6	-

(In millions of Korean won)

		December 31, 2025	December 31, 2024
KT-IBKC Future Investment Fund 1	Interest expense	2	4
IBKC-EQP Innovative Technology Fund	Interest expense	1	1
IBKC-INTOPS New Deal and Material Parts Equipment Fund	Interest expense	7	-
IBKC-NICE NEW DEAL AND MATERIAL PARTS EQUIPMENT FUND	Interest expense	51	169
Klim IBKC Medical Fund	Interest expense	-	2
IBKC-DARWIN GreenEnergy Fund	Interest expense	1	1
TWI-IBKC Open Innovation Fund	Interest expense	1	1
IBKC timefolio mezzanine blind 1st fund	Interest expense	1	8
IBKC-BLUECORNER New Deal and Material Parts Equipment Fund(*)	Interest expense	1	1
IBKC-WE Start-up Secondary Fund 1	Interest expense	1	9
IBKC-GB Advanced Material Bio Investment Partnership No.1	Interest expense	57	27
Medici-IBKC Secondary Fund 2	Interest expense	3	11
IBKC-Behigh Fund 1st	Interest expense	10	25
IBKC-PEBBLES New Technology Investment Fund 1st	Interest expense	1	2
IBKC-INTOPS Fund 3	Interest expense	9	4
IBKC-JS 1st Fund	Interest expense	-	1
IBKC MIDAS Value Creation Fund	Interest expense	-	1
Mezzanine Growth Fund	Interest expense	3	11
Super Growth K-contents Fund	Interest expense	15	212
IBKC-AH New Technology Business Investment Association No.5	Interest expense	2	33
IBKC Darwin Fund	Interest expense	-	1
Ascent IBKC New Tech 1st	Interest expense	1	3
LIGNEXONE-IBKC Defense Industry Innovation New Technology Business Investment Fund 1	Interest expense	13	2

(In millions of Korean won)		December 31, 2025	December 31, 2024
Ascent IBKC New Tech 2nd	Interest expense	3	-
IBKC-Medici Technology Innovation Investment Fund	Interest expense	12	-
2024 IBKC-Life Secondary Mezzanine New Technology Investment Fund	Interest expense	3	-
IBKC-JB-LIFE Mezzanine Fund No.1	Interest expense	13	-
IBKC-IBP Auto Investment Fund	Interest expense	1	-
NH-IBKS KONEX SCALEUP FUND	Interest expense	24	17
IBKS Next Scale-Up New Technology Investment Association	Interest expense	1	2
IBKS-SUSUNG Pre-IPO Mezzanine Investment Fund 1st	Interest expense	11	5
Hangang Cinepolis Development Corporation	Interest income	13,669	14,188
Deoksong-Naegak Expressway Co., Ltd.	Other income	121	548
	Interest expense	1	3
IBKS No.23 Special Purpose Acquisition Company	Interest expense	2	2
IBKS No.24 Special Purpose Acquisition Company	Interest expense	2	2
IBKS No.25 Special Purpose Acquisition Company	Interest expense	1	-
Cornerstone Innovation VI Fund	Interest expense	-	1
IBKS-INTOPS Innovation Companies Design Investment Fund	Interest expense	-	1
DB Synergy Value-up New Technology investment Fund No.1	Interest expense	-	4
Thor Private Equity Fund	Interest expense	-	1
IBKS No.20 Special Purpose Acquisition Company	Interest expense	-	2
IBKS No.21 Special Purpose Acquisition Company	Interest expense	-	2
Positive-IBKC Fund No.1	Interest expense	-	1
Positive IBKC Tech Fund No.1	Interest expense	-	1
IBKS No.22 Special Purpose Acquisition Company	Interest expense	-	2

(*) The name of the associate was changed during the current period from ‘IBKC-Welcome New deal and Material Parts Equipment Fund’ to ‘IBKC-BLUECORNER New Deal and Material Parts Equipment Fund.

39. Related Party Transactions (cont'd)

Details of significant receivables and payables arising from transactions with the related parties as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)			December 31, 2025	December 31, 2024
Subsidiaries	IBK Capital Corporation	Loans	542	483
		Deposits received	172	439
	IBK Securities Co., Ltd.	Loans	872	789
		Derivative assets(*1)	31,421	30,281
		Other assets	163	60
		Deposits received	50,720	70,913
		Debentures	580,000	570,000
		Derivative liabilities(*1)	11,973	38,181
		Other liabilities	4,904	7,404
	IBK Insurance Co., Ltd.	Loans	184	194
		Derivative assets(*1)	28,549	28,897
		Other assets	57	93
		Deposits received	1,011	1,016
		Derivative liabilities(*1)	28	159
	IBK Asset Management Co., Ltd.	Loans	83	88
		Deposits received	11,413	14,866
		Other liabilities	139	262
	IBK Savings Bank Co., Ltd.	Loans	12,572	100,077
		Other assets	216	1,934
		Other liabilities	3,800	3,000
	IBK Venture Investment Co., Ltd.	Loans	42	35
		Deposits received	912	157
		Debentures	51,000	82,901
		Other liabilities	120	-
	IBK System Co., Ltd.	Loans	1,181	570
		Deposits received	19,827	21,343
		Debentures	2,600	11,600
		Other liabilities	16,114	12,697
	IBK Credit Information Corp.	Loans	144	126
		Deposits received	9,611	6,593
		Debentures	13,700	19,850
		Other liabilities	4,429	4,023
	IBK Service Co., Ltd.	Loans	88	106
		Deposits received	21,689	20,724
		Other liabilities	-	1

(In millions of Korean won)

			December 31, 2025	December 31, 2024
	Industrial Bank of Korea (China) Limited	Due from banks	184,388	121,991
		Deposits received	2,551	2,925
		Debts	434,651	413,925
		Other liabilities	1,575	1,413
	PT BANK IBK INDONESIA TBK	Loans	286,980	294,000
		Other assets	2,619	3,257
		Deposits received	99	-
		Debts	307,091	317,305
	IBK Myanmar Co., Ltd.	Due from banks	7,791	4,192
		Deposits received	2,683	1,816
		Debts	199,451	184,995
		Other liabilities	4,184	4,954
	IBK Capital Myanmar Co., Ltd.	Loans	4,305	4,410
	Others	Loans	-	68
		Other assets	2,246	2,121
		Deposits received	21,087	25,889
		Other liabilities	42,660	18,182
Associates	Incheon Bridge Co., Ltd.	Loans	93,708	105,411
	Jeonla railroad Co., Ltd.	Loans	35,221	41,303
		Deposits received	11,840	12,011
		Debentures	3,080	3,320
		Other liabilities	23	41
	Chungjung Sangju Co., Ltd.	Loans	3,538	4,457
		Deposits received	2,717	2,773
	Chungjung Seogwipo Co., Ltd.	Loans	2,901	3,668
	Green Kimhae Enviro Co., Ltd.	Loans	3,768	4,940
		Deposits received	1,304	2,052
	Green Asan Enviro Co., Ltd.	Loans	4,328	5,616
		Deposits received	1,303	1,834
	KOREA FINANCE SECURITY	Deposits received	1,085	4,251
		Other liabilities	7	-
	EVERBEST LIVINGSTONE PRIVATE EQUITY FUND	Deposits received	-	394
	Scale-up Platform Private Equity Fund	Deposits received	58	111
	Eum Private Equity Fund No.7	Deposits received	1	1

(In millions of Korean won)

		December 31, 2025	December 31, 2024
Paratus Woori Materials, Parts, Equipment Private Equity Fund	Deposits received	271	283
Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business	Deposits received	137	357
BNW ACE Private Equity Fund	Deposits received	15	13
UAMCO IBK PF Private Equity Fund I	Deposits received	538	452
UAMCO-IBK PF 2nd Private Equity Fund	Deposits received	2,365	-
Daishin Growth Capital 2024 Private Equity Fund	Deposits received	78	-
Stassets Fund IV	Deposits received	2,683	-
Centroid 1st China Private Equity Fund	Deposits received	98	-
Lake Bridge Private Equity Fund VIII	Deposits received	612	1,080
KTBN Media Contents Fund	Deposits received	89	89
EBEST CRESO CONTENTS Fund No.1	Deposits received	54	57
KAI-KSM Crowd Seeding Fund	Deposits received	215	510
Gaia Bio Investment Fund #1	Deposits received	47	81
IBK-STIC Pioneer Fund	Deposits received	796	879
	Other liabilities	5	2
IBK Changgong Jump up 1st Investment Fund	Deposits received	187	255
COMPANY K BIO FUND	Deposits received	122	154
Cornerstone Win-win I Fund	Deposits received	27	146
Smilegate Next Commerce 1st Venture Fund	Deposits received	16	21
InterVest Global Scale-up Fund	Deposits received	401	2,048
	Other liabilities	1	9
IBK-Synergy IB Business Reshuffle New Technology Fund	Deposits received	134	23
New Deal Extension New Technology Fund No.1	Deposits received	1,076	1,672

(In millions of Korean won)

		December 31, 2025	December 31, 2024
IBK-KT Emerging Digital Industry Investment Fund	Deposits received	2,220	2,905
	Other liabilities	26	-
PCC-Bailey Project Fund	Deposits received	149	158
LSK Healthcare Fund IV	Deposits received	487	1,543
	Other liabilities	-	15
VISION Materials, Parts and Equipment Venture Fund No.1	Deposits received	300	431
Cornerstone Merkaba Fund 1	Deposits received	25	98
SKS-DA Unicorn Bio Fund No.1	Deposits received	8	70
IBK Changgong Jump up 2nd Investment Fund	Deposits received	325	1,425
IBK-SOLIDUS Next Bio Star Investment Fund	Deposits received	1,200	3,156
C&CI Investment Fund 1	Deposits received	21	315
IBK Financial Group-DS Green Finance Fund	Deposits received	283	1,984
DKI Growing Star Fund VII	Deposits received	2,332	5,193
	Other liabilities	1	6
GU Materials Parts and Equipment Project Fund I	Deposits received	222	365
S Secondary Venture Fund NO.1	Deposits received	18	72
Cornerstone New Main I Fund	Deposits received	852	1,045
IBK-Company K Innovation growth Fund	Deposits received	9,347	15,916
	Other liabilities	2	23
IBK Scale-up Gyeonggi-G-FUND	Deposits received	7,703	11,829
	Other liabilities	4	16
IBK IP Technology Commercialization Fund	Deposits received	5,408	5,200
	Other liabilities	1	2
SH Ulmus M.P.E. Innovative Venture Fund 7	Deposits received	567	516
IBK Financial Group-Uamco SME Accelerating Fund	Deposits received	5,102	1,841
PLUX Technology Innovation Investment Fund 1	Deposits received	158	219

(In millions of Korean won)

		December 31, 2025	December 31, 2024
	Other liabilities	2	7
Cornerstone Blue Dragon I Fund	Deposits received	111	149
Synergy IB innovation Fund	Deposits received	8,486	53
	Other liabilities	1	-
PLUX Technology Innovation Investment Fund 2	Deposits received	280	123
	Other liabilities	-	1
COMPANY K BUYOUT 1	Deposits received	46	140
IBK-LB Startup Fund I	Deposits received	5,715	5,083
Moorim-Omega Fund II	Deposits received	239	324
NP Growth 11th Private Equity Fund	Deposits received	19	55
Korea Semiconductor Materials and Components No.1 Private Equity Fund	Deposits received	33	877
IBK-YG K-culture Fund	Deposits received	12,869	4,039
	Other liabilities	1	-
Start-up Korea IBKVC-FP2024 Fund	Deposits received	-	5,000
	Debentures	4,028	-
	Other liabilities	-	7
Start-up Korea IBKVC-KOLON 2024 Fund	Deposits received	-	3,000
	Other liabilities	-	4
Lodestone 4th Startup Venture Specialized Private Equity Fund	Deposits received	183	105
JW&Kiyvre Fund 1	Deposits received	3	58
LB Next Innovation Fund 1	Deposits received	271	501
	Other liabilities	-	1
Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	Deposits received	5,087	-
	Other liabilities	9	-
Korea Investment Dong-Yu Blue Horizon Fund	Deposits received	130	248
HellosThelaFund1	Deposits received	223	306

(In millions of Korean won)

		December 31, 2025	December 31, 2024
KAIC TO Ventures Fund VII	Deposits received	-	419
For Human Life Wellbeing Private Equity Partnership No.1	Deposits received	992	-
Cape Lakebridge Fund IX	Deposits received	195	-
2024 IBK Innovation Samchully New Green Fund	Deposits received	3,331	-
	Other liabilities	16	-
IBKC-Envision I Fund	Deposits received	633	-
JB-OMEGA Fund	Deposits received	351	-
IBKS-FINDVALUE Robot Solution Fund	Deposits received	773	-
2025 IBKVC-DAISHIN Next Value-Up Fund	Deposits received	7,967	-
	Other liabilities	1	-
IBKC LEP Fund X	Deposits received	350	-
The IBKS Job Creation Dream Fund	Deposits received	257	1,346
IBKC-Gaia MSP New Technology Investment Fund No.1	Deposits received	1,055	-
IBKS-Gaia Bio Fund No.1	Deposits received	474	-
Mirae Holdings-IBKVC Deep Tech Investment Fund No.1	Deposits received	1,670	-
KT-IBKC Future Investment Fund 1	Deposits received	371	4,172
Impact Platform Fund	Deposits received	15	24
IBKC-EQP Innovative Technology Fund	Deposits received	253	1,258
Rylson-IBKC 5G Investment Fund	Deposits received	-	4
IBKC-INTOPS New Deal and Material Parts Equipment Fund	Deposits received	752	434
	Other liabilities	6	-
IBKC-NICE NEW DEAL AND MATERIAL PARTS EQUIPMENT FUND	Deposits received	2,435	4,447
	Other liabilities	1	1
IBKC J& BIO INVESTMENT FUND	Deposits received	-	51
Klim IBKC Medical Fund	Deposits received	10	10

(In millions of Korean won)

		December 31, 2025	December 31, 2024
IBKC-INTOPS New deal and Material Parts Equipment Fund2	Deposits received	87	150
IBKC-DARWIN GreenEnergy Fund	Deposits received	12	52
TWI-IBKC Open Innovation Fund	Deposits received	394	573
IBKC timefolio mezzanine blind 1st fund	Deposits received	70	298
IBKC-BLUECORNER New Deal and Material Parts Equipment Fund[2]	Deposits received	429	389
IBKC-WE Start-up Secondary Fund 1	Deposits received	182	604
IBKC-GB Advanced Material Bio Investment Partnership No.1	Deposits received	2,918	2,626
Medici-IBKC Secondary Fund 2	Deposits received	221	1,595
Next Platform Fund	Deposits received	29	188
IBKC-Behigh Fund 1st	Deposits received	451	666
	Other liabilities	-	7
IBKC-Emford New technology venture investment FUND No.1	Deposits received	45	51
IBKC-PEBBLES New Technology Investment Fund 1st	Deposits received	525	820
IBKC-INTOPS Fund 3	Deposits received	1,318	1,338
	Other liabilities	5	-
IBKC-JS 1st Fund	Deposits received	28	60
IBKC MIDAS Value Creation Fund	Deposits received	580	531
Mezzanine Growth Fund	Deposits received	792	4,199
Super Growth K-contents Fund	Deposits received	3,145	4,478
	Other liabilities	-	7
IBKC-AH New Technology Business Investment Association No.5	Deposits received	243	7,197
IBKC Darwin Fund	Deposits received	27	125
Ascent IBKC New Tech 1st	Deposits received	19	721
LIGNEXONE-IBKC Defense Industry Innovation New Technology Business Investment Fund 1	Deposits received	8,677	893
	Other liabilities	1	-

(In millions of Korean won)

		December 31, 2025	December 31, 2024
IBKC-Emford New technology venture investment FUND No.2	Deposits received	162	278
EVENTUS-IBKC Secondary Cell Materials New Investment Business Investment Fund	Deposits received	722	31
JBWOORI-IBKC-T&K New Technology Business Investment Fund	Deposits received	362	377
Ascent IBKC New Tech 2nd	Deposits received	726	1,416
IBKC-Medici Technology Innovation Investment Fund	Deposits received	9,425	-
	Other liabilities	1	-
2024 IBKC-Life Secondary Mezzanine New Technology Investment Fund	Deposits received	2,192	-
IBKC-JB-LIFE Mezzanine Fund No.1	Deposits received	15,708	-
	Other liabilities	1	-
IBKC Kyobo Mezzanine Investment Fund I	Deposits received	165	-
IBKC-IBP Auto Investment Fund	Deposits received	1,180	-
WJ-IBKS global Fund No.1	Deposits received	27	55
IBKS FAST Contents Fund	Deposits received	38	63
IBKS-DS Hydrogen 1 Technology Venture Fund	Deposits received	52	164
IBKS Innovation MPE Fund No.1	Deposits received	16	198
UAMCO-IBKS New Technology Fund	Deposits received	303	402
IBKS Innovation MPE Fund No.2	Deposits received	77	180
IBKS Renewable Energy Fund	Deposits received	68	110
NH-IBKS KONEX SCALEUP FUND	Deposits received	6,388	10,107
	Other liabilities	-	1
IBKS Robot Solution Fund	Deposits received	165	302
JP-IBKS innovation MPE Fund I	Deposits received	114	152
IBKS Innovation MPE Fund III	Deposits received	78	207

(In millions of Korean won)

		December 31, 2025	December 31, 2024
IBKS Next Scale-Up New Technology Investment Association	Deposits received	261	2,421
IBKS-DS-STI G.E.S Fund	Deposits received	161	206
IBKS-SUSUNG Pre-IPO Mezzanine Investment Fund 1st	Deposits received	1,450	8,039
	Other liabilities	-	1
IBKS Design Fund	Deposits received	229	292
IBKS Wish New Technology Investment Fund	Deposits received	315	-
IBKS Robot Tech Fund	Deposits received	149	-
IBKS Furi Technology Venture Fund	Deposits received	479	-
IBKS-NEWGEN Kfood Fund	Deposits received	330	-
Hangang Cinepolis Development Corporation	Loans	206,381	214,960
Deoksong-Naegak Expressway Co., Ltd.	Loans	4	5
	Deposits received	209	552
Busan Eco Delta Green DataCenter PFV Co., Ltd.	Deposits received	-	570
IBKS No.23 Special Purpose Acquisition Company	Deposits received	1,747	1,757
IBKS No.24 Special Purpose Acquisition Company	Deposits received	1,737	1,773
IBKS No.25 Special Purpose Acquisition Company	Deposits received	2,304	-
Cornerstone Innovation IV Fund	Deposits received	-	591
Cornerstone Innovation VI Fund	Deposits received	-	803
Cornerstone Alice II Fund	Deposits received	-	290
VS Cornerstone Fund	Deposits received	-	85
Synergy ESG 1st New Technology Investment Fund	Deposits received	-	1
IBKS-INTOPS Innovation Companies Design Investment Fund	Deposits received	-	2,808
DB Synergy Value-up New Technology investment Fund No.1	Deposits received	-	242

(In millions of Korean won)		December 31, 2025	December 31, 2024
Thor Private Equity Fund	Deposits received	-	264
Nautic No.11 Private Equity Fund	Loans	-	24
	Deposits received	-	452
Presto Private Equity Fund No. 7	Deposits received	-	52
IBKS No.20 Special Purpose Acquisition Company	Deposits received	-	1,683
IBKS No.21 Special Purpose Acquisition Company	Deposits received	-	1,747
Positive-IBKC Fund No.1	Deposits received	-	367
Cactus Buyout Private Equity Fund II	Deposits received	-	213
NICE DATA INTELLIGENCE VENTURE FUND	Deposits received	-	241
K& Secondary No5 Fund	Deposits received	-	493
Positive-IBKC Tech Fund No.1	Deposits received	-	412
IBKS No.22 Special Purpose Acquisition Company	Deposits received	-	1,734

[1] As of the end of the current period, the notional amounts of derivative assets and liabilities with related parties are KRW 1,382,767 million (prior period-end: KRW 1,447,290 million) with IBK Securities Co., Ltd. and KRW 393,551 million (prior period-end: KRW 416,662 million) with IBK Pension Insurance Co., Ltd.
[2] During the current period, the name of the associate was changed from 'IBKC-Welcome New Deal Materials and Components New Technology Business Investment Partnership' to 'IBKC-Blue Corner New Deal Materials and Components New Technology Business Investment Partnership'.

In addition, as at the end of the current period, the bank has deposited plan assets of 93,938 million (prior period-end: 31,155 million) with IBK Pension Insurance Co., Ltd.

39. Related Party Transactions (cont'd)

Major loan transactions[1] with related parties for the years ended December 31, 2025 and 2024, are as follows

(In millions of Korean won)		December 31, 2025			
		Beginning	**Loans**	**Repayments**	**Ending**
Subsidiaries	IBK Capital Corporation	483	32,342	(32,283)	542
	IBK Securities Co., Ltd.	789	155,391	(155,308)	872
	IBK Insurance Co., Ltd.	194	1,156	(1,166)	184
	IBK Asset Management Co., Ltd.	88	487	(492)	83
	IBK Savings Bank Co., Ltd.	100,077	220,511	(308,016)	12,572
	IBK Venture Investment Co., Ltd.	35	266	(259)	42
	IBK System Co., Ltd.	570	15,121	(14,510)	1,181
	IBK Credit Information Corp.	126	923	(905)	144
	IBK Service Co., Ltd.	106	731	(749)	88
	Industrial Bank of Korea (China) Limited	-	62,427	(62,427)	-
	PT BANK IBK INDONESIA TBK	294,000	15,700	(22,720)	286,980
	IBK Capital Myanmar Co., Ltd.	4,410	311	(416)	4,305
	Others	68	-	(68)	-
Associates	Incheon Bridge Co., Ltd.	105,411	-	(11,703)	93,708
	Jeonla railroad Co., Ltd.	41,303	-	(6,082)	35,221
	Chungjung Sangju Co., Ltd.	4,457	-	(919)	3,538
	Chungjung Seogwipo Co., Ltd.	3,668	-	(767)	2,901
	Green Kimhae Enviro Co., Ltd.	4,940	-	(1,172)	3,768
	Green Asan Enviro Co., Ltd.	5,616	-	(1,288)	4,328
	Hangang Cinepolis Development Corporation	214,960	-	(8,579)	206,381
	Nautic No.11 Private Equity Fund	24	99	(123)	-
	Deoksong-Naegak Expressway Co., Ltd.	5	25	(26)	4

(In millions of Korean won)

		December 31, 2024			
		Beginning	**Loans**	**Repayments**	**Ending**
Subsidiaries	IBK Capital Corporation	471	2,091	(2,079)	483
	IBK Securities Co., Ltd.	100,814	685,551	(785,576)	789
	IBK Insurance Co., Ltd.	126	1,302	(1,234)	194
	IBK Asset Management Co., Ltd.	52	509	(473)	88
	IBK Savings Bank Co., Ltd.	61	180,598	(80,582)	100,077
	IBK Venture Investment Co., Ltd.	-	293	(258)	35
	IBK System Co., Ltd.	1,277	13,463	(14,170)	570
	IBK Credit Information Corp.	134	979	(987)	126
	IBK Service Co., Ltd.	67	796	(757)	106
	Industrial Bank of Korea (China) Limited	177,366	99,093	(276,459)	-
	PT BANK IBK INDONESIA TBK	309,456	43,096	(58,552)	294,000
	IBK Myanmar Co., Ltd.	6,053	-	(6,053)	-
	IBK Capital Myanmar Co., Ltd.	3,868	542	-	4,410
	Others	18	328	(278)	68
Associates	Incheon Bridge Co., Ltd.	113,782	80,500	(88,871)	105,411
	Jeonla railroad Co., Ltd.	50,931	49,052	(58,680)	41,303
	Chungjung Sangju Co., Ltd.	5,555	5,342	(6,440)	4,457
	Chungjung Seogwipo Co., Ltd.	4,592	4,411	(5,335)	3,668
	Green Kimhae Enviro Co., Ltd.	6,299	6,040	(7,399)	4,940
	Green Asan Enviro Co., Ltd.	7,128	6,840	(8,352)	5,616
	Hangang Cinepolis Development Corporation	220,000	-	(5,040)	214,960
	Nautic No.11 Private Equity Fund	24	196	(196)	24
	Deoksong-Naegak Expressway Co., Ltd.	3	29	(27)	5

[1] Transactions including settlements and daylight overdrafts occurred in the normal course of business among related parties are excluded.

39. Related Party Transactions (cont'd)

Major borrowing transactions[1] with related parties for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)		December 31, 2025			
		Beginning	**Borrowings**	**Repayments**	**Ending**
Subsidiaries	IBK Securities Co., Ltd.	570,000	270,000	(260,000)	580,000
	IBK Venture Investment Co., Ltd.	82,901	6,000	(37,901)	51,000
	IBK System Co., Ltd.	11,600	-	(9,000)	2,600
	IBK Credit Information Corp.	19,850	3,124	(9,274)	13,700
	Industrial Bank of Korea (China) Limited	413,925	1,477,525	(1,456,799)	434,651
	PT BANK IBK INDONESIA TBK	317,305	814,695	(824,909)	307,091
	IBK Myanmar Co., Ltd.	184,995	29,857	(15,401)	199,451
Associates	Jeonla railroad Co., Ltd.	3,320	-	(240)	3,080
	Start-up Korea IBKVC-KOLON 2024 Fund	-	5,034	(5,034)	-
	Start-up Korea IBKVC-FP2024 Fund	-	10,092	(6,064)	4,028

(In millions of Korean won)		December 31, 2024			
		Beginning	**Borrowings**	**Repayments**	**Ending**
Subsidiaries	IBK Securities Co., Ltd.	360,000	240,000	(30,000)	570,000
	IBK Venture Investment Co., Ltd.	-	82,901	-	82,901
	IBK System Co., Ltd.	11,600	-	-	11,600
	IBK Credit Information Corp.	19,560	11,650	(11,360)	19,850
	Industrial Bank of Korea (China) Limited	516,851	1,631,049	(1,733,975)	413,925
	PT BANK IBK INDONESIA TBK	317,243	1,011,467	(1,011,405)	317,305
	IBK Myanmar Co., Ltd.	758	184,995	(758)	184,995
Associates	Jeonla railroad Co., Ltd.	3,470	-	(150)	3,320

[1] Transactions including settlements and deposits occurred in the normal course of business among related parties are excluded.

39. Related Party Transactions (cont'd)

Details of unused commitments provided by the Bank as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)		December 31, 2025	December 31, 2024
Related parties	IBK Capital Corporation	574,647	575,047
	IBK Securities Co., Ltd.	491,128	491,211
	IBK Insurance Co., Ltd.	816	806
	IBK Asset Management Co., Ltd.	117	112
	IBK Savings Bank Co., Ltd.	87,614	100,145
	IBK Venture Investment Co., Ltd.	58	65
	IBK System Co., Ltd.	1,818	2,047
	IBK Credit Information Corp.	206	224
	IBK Service Co., Ltd.	412	394
	Other subsidiaries	-	290
	Jeonla railroad Co., Ltd.	30,000	30,000
	Chungjung Sangju Co., Ltd.	4,000	4,000
	Green Kimhae Enviro Co., Ltd.	4,000	4,000
	Green Asan Enviro Co., Ltd.	4,500	4,500
	Nautic No.11 Private Equity Fund	-	36
	Deoksong-Naegak Expressway Co., Ltd.	16	15

39. Related Party Transactions (cont'd)

Details of the Bank's loss allocation agreements provided by related parties as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

Provided by	Provided to	December 31, 2025	December 31, 2024
IBK Capital Corporation	Industrial Bank of Korea	1,722	1,730

Provision for impairment on receivables and commitments of related party and Impairment loss (reversals) for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	December 31, 2025		December 31, 2024[1]	
	Provision for impairment	(Reversal of) impairment loss	Provision for impairment	(Reversal of) impairment loss
Subsidiaries				
IBK Capital Corporation	686	(120)	806	129
IBK Securities Co., Ltd.	576	(100)	676	41
IBK Insurance Co., Ltd.	1	-	1	(1)
IBK Savings Bank Co., Ltd.	655	182	473	232
IBK System Co., Ltd.	4	(178)	182	180
Industrial Bank of Korea (China) Limited	-	-	-	(337)
PT BANK IBK INDONESIA TBK	501	(57)	558	(29)
IBK Capital Myanmar Co., Ltd.	7	(1)	8	1
Associates				
Incheon Bridge Co., Ltd.	16	(5)	21	(3)
Jeonla railroad Co., Ltd.	99	(23)	122	(11)
Chungjung Sangju Co., Ltd.	11	(3)	14	(1)
Chungjung Seogwipo Co., Ltd.	5	(2)	7	(2)
Green Kimhae Enviro Co., Ltd.	11	(4)	15	(2)
Green Asan Enviro Co., Ltd.	13	(4)	17	(2)
Hangang Cinepolis Development Corporation	16,683	13,621	3,062	(72)
Deoksong-Naegak Expressway Co., Ltd.	2	-	2	1

39. Related Party Transactions (cont'd)

Details of collateral and payment guarantees provided by the Bank or provided to the Bank for the funding sources of the related parties as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)			Notional amount		
	Provided by	**Provided to**	**December 31, 2025**	**December 31, 2024**	**Remarks**
Payment guarantees	IBK Capital Corporation	Industrial Bank of Korea	5,180	5,301	Loan-related(*)
	Industrial Bank of Korea	Other subsidiaries.	-	41	Others
Collaterals	IBK Securities Co., Ltd.	Industrial Bank of Korea	22,000	22,000	Current loans
	IBK Securities Co., Ltd.	Industrial Bank of Korea	21,569	4,695	Derivative contracts
	IBK Insurance Co., Ltd.	Industrial Bank of Korea	56,000	52,500	Derivative contracts
	IBK System Co., Ltd.	Industrial Bank of Korea	4,003	4,003	Others
	Other subsidiaries	Industrial Bank of Korea	-	360	Others

(*) This amount represents the payment guarantee provided by IBK Capital Co., Ltd. for the loan agreement between IBKC Myanmar Limited, a subsidiary of IBK Capital Co., Ltd., and the Industrial Bank of Korea.

Security transactions with related parties for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)		December 31, 2025		December 31, 2024	
		Purchases	**Sales**	**Purchases**	**Sales**
Subsidiaries	IBK Securities Co., Ltd.[1]	2,391,836	2,372,852	1,821,839	3,348,491

[1] The amount of acquisition of loans of IBK Securities Co., Ltd. is ₩1,310,000 million for the years ended December 31, 2025 (₩2,110,000 million for years ended December 31, 2024).

Compensation paid to the management[1] for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	December 31, 2025	**December 31, 2024**
Short-term employee benefits[2]	4,892	4,760
Retirement benefits	545	-
	5,437	4,760

[1] The Bank defines members of the Board of Directors, internal auditors and executives of the Bank as key management.

[2] In addition to short-term employee benefits above, the performance bonus paid according to the result of management evaluation by government-owned bank is 572 million and ₩600 million as of December 31, 2025 and as of December 31, 2024, respectively.

40. Segment Information

Each segment is a strategic business unit that offers different products and services and is managed separately because each business has different risks and opportunities requiring different technology and marketing strategies.

The Bank consists of the following five operating segments:

- Retail banking: The retail banking segment consists of regional headquarter and branches and provides individuals with private banking services such as private customer current accounts, savings, deposits, retail loans and mortgage loans.

- Corporate banking: The corporate banking segment consists of regional headquarter and branches and provides enterprise with services relating to loans, overdrafts, other credit facilities, and import/exports.

- Money market: The activities within this segment include treasury management of local/foreign currency and investments.

- IB: The activities within this segment include overseas business and investments.

- Others: This refers to the segments not listed above.

The Bank monitors the performance of the operating segments for the purpose of resource allocation and performance review. Performance of each operating segment is measured by operating gain or loss that differs from that recognized in financial statements. Financing of the Bank and corporate income tax are managed at the Bank level and are not allocated to segments. Besides, the transfer price among segments is determined at fair price based on an arm's length transaction that is similar in form to a transaction with a third party.

40. Segment Information (cont'd)

Assets and other accounts by segment as of December 31, 2025 and 2024, and for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)

	Retail	Corporate	Money market	IB	Others	Adjustments	Total
Assets	44,965,136	272,395,054	102,462,360	20,604,039	16,931,115	(199,883)	457,157,821
Liabilities	44,989,361	272,225,325	98,890,423	20,446,594	(10,324,013)	(2,529,731)	423,697,959
Interest income	3,732,153	13,251,079	4,456,714	1,856,071	(7,034,883)	(122,306)	16,138,828
Interest expenses	2,365,337	8,251,520	4,613,182	1,659,462	(7,558,275)	(397,398)	8,933,828
Net interest income	1,366,816	4,999,559	(156,468)	196,609	523,392	275,092	7,205,000
Fees and commission income	170,106	282,563	1,583	104,794	97,204	(16,865)	639,385
Fees and commission expenses	7,808	6,630	12,218	502	21,827	308,472	357,457
Net fees and commission income	162,298	275,933	(10,635)	104,292	75,377	(325,337)	281,928
(Reversal of) Impairment loss on financial assets	242,156	1,152,725	2,517	(62,322)	171,003	114,103	1,620,182
Profit (loss) for the period	149,646	2,551,715	374,577	557,129	(1,159,058)	(88,163)	2,385,846

December 31, 2024

(In millions of Korean won)	Retail	Corporate	Money market	IB	Others	Adjustments	Total
Assets[1]	44,725,382	257,143,679	98,936,534	18,646,315	11,892,370	(65,828)	431,278,452
Liabilities[1]	44,711,633	256,937,791	95,693,003	18,618,392	(13,620,151)	(2,476,737)	399,863,931
Interest income[1]	4,254,986	14,615,110	4,354,982	2,236,510	(8,054,238)	(120,325)	17,287,025
Interest expenses[1]	2,733,541	9,496,448	4,808,852	1,977,893	(8,618,536)	(387,263)	10,010,935
Net interest income[1]	1,521,445	5,118,662	(453,870)	258,617	564,298	266,938	7,276,090
Fees and commission income[1]	182,360	295,383	1,717	114,697	101,307	(16,047)	679,417
Fees and commission expenses[1]	7,950	6,751	12,741	580	23,481	292,574	344,077
Net fees and commission income[1]	174,410	288,632	(11,024)	114,117	77,826	(308,621)	335,340
(Reversal of) Impairment loss on financial assets[1]	213,224	1,163,260	1,018	(181)	120,290	91,023	1,588,634
Profit (loss) for the period[1]	459,132	2,894,959	(183,571)	409,380	(1,060,359)	(91,458)	2,428,083

40. Segment Information (cont'd)

Non-current assets and income from external customers by location as of December 31, 2025 and 2024, and for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025		
	Non-current assets	**Interest income**	**Fees and commission income**
Korea	2,728,373	15,600,046	612,466
Overseas offices	28,898	538,782	26,919
Total	2,757,271	16,138,828	639,385

(In millions of Korean won)	December 31, 2024[1]		
	Non-current assets	**Interest income**	**Fees and commission income**
Korea	2,655,238	16,755,598	654,536
Overseas offices	27,409	531,427	24,881
Total	2,682,647	17,287,025	679,417

There are no single customers that account for more than 10% of the Bank's revenue as of December 31, 2025 and 2024, and for the years ended December 31, 2025 and 2024.

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41. Supplemental Cash Flow Information

Adjustments in expenses and revenues for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Loss on valuation of financial instruments at fair value through profit or loss	1,964,828	3,866,431
Loss on disposal of financial assets at fair value through profit or loss	58,846	46,002
Loss on disposal of financial assets at fair value through other comprehensive income	1,075	820
Impairment loss on financial assets at fair value through other comprehensive income	1,335	2,541
Impairment loss on securities at amortized cost	-	791
Contribution to provision for impairment of loan receivables	1,644,790	1,587,155
Loss on valuation of derivatives for hedge accounting	131,891	158,330
Loss on transactions of derivatives for hedge accounting	16,575	18,698
Impairment loss on investments in subsidiaries and associates	77,754	5,988
Loss on disposal of investments in subsidiaries and associates	37	6,869
Interest expense	8,933,828	10,010,935
Income tax expense	820,118	819,776
Depreciation of property and equipment & investment property	283,030	206,600
Impairment loss on property and equipment & investment property	3,408	1,006
Loss on disposal of property and equipment	265	29
Loss on obsolescence of property and equipment	641	665
Amortization of intangible assets	73,361	64,604
Loss on disposal of intangible assets	15	38
Impairment loss on intangible assets	128	75
Other lease expense	3,201	883
Post-employment benefits	170,392	112,753
Increase of provisions	22,236	100,376
Gain on translation of cash and cash equivalents in foreign currencies	(210,459)	(746,301)
Gain on valuation of financial instruments at fair value through profit or loss	(2,352,900)	(4,054,316)
Gain on disposal of financial instruments at fair value through profit or loss	(181,945)	(141,962)
Gain on disposal of financial assets at fair value through other comprehensive income	(79,037)	(67,594)
Reversal of impairment loss on securities measured at amortized cost	(999)	-
Gain on valuation of derivatives for hedge accounting	(139,800)	(172,909)
Gain on transactions of derivatives for hedge accounting	(69,052)	(17,322)

(In millions of Korean won)	December 31, 2025	December 31, 2024
Gain on disposal of investments in subsidiaries and associates	(315)	(200)
Interest income	(16,138,828)	(17,287,025)
Dividend income	(310,117)	(272,586)
Gain on disposal of property and equipment	(545)	(624)
Gain on compensation of property and equipment	(22)	(314)
Reversal of impairment loss on intangible assets	(26)	(26)
Other lease income	(10,361)	(10,272)
Reversal of provisions for other financial assets	(24,944)	(1,853)
Reversal of provisions	(54,132)	(35,534)
Reversal of provisions for financial guarantee liabilities	(8,056)	(53,384)
Other gain or loss due to financing activities	299,977	1,238,198
	(5,073,807)	(4,612,659)

41. Supplemental Cash Flow Information (cont'd)

Changes in operating assets and liabilities for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Changes in financial assets at fair value through profit or loss	(294,926)	145,573
Changes in loan receivables	(14,552,959)	(26,149,432)
Changes in due from banks	11,968	(57,465)
Changes in other assets	(1,095,197)	2,321,137
Changes in deposits received	9,389,618	2,598,339
Changes in provisions	(6,424)	(185,922)
Payment of severance benefits	(626)	(85)
Changes in plan assets	(225,000)	(96,200)
Changes in other liabilities	30,430	(2,174,272)
	(6,743,116)	(23,598,327)

Details of cash and cash equivalents as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Currency in Korean won	804,307	767,409
Foreign currencies	348,851	382,499
Due from banks	20,318,991	14,750,387
	21,472,149	15,900,295
Less : restricted due from banks and others	(944,565)	(956,533)
Cash and cash equivalents in the statements of cash flows	20,527,584	14,943,762

41. Supplemental Cash Flow Information (cont'd)

Significant non-cash activities for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Reclassification from property and equipment to investment properties	(132)	(1,796)
Write-offs of loans	1,292,812	928,061
Acquisition and disposal of right-of-use asset	(103,286)	(120,525)
Reclassification from debt securities at fair value through other comprehensive income to profit(loss)	(50,497)	(3,137)
Changes in the fair value of debt securities at fair value through other comprehensive income	(158,400)	208,127
Tax effects on changes in the fair value of debt securities at fair value through other comprehensive income	55,874	(54,117)
Exchange differences	(40,090)	96,991
Changes in hedges of net investments in a foreign operation	11,667	(59,294)
Tax effect on changes in hedges of net investments in foreign operation	(1,961)	15,653
Reclassification of realized gains or losses on equity instrument at fair value through other comprehensive income	(150,626)	(4,884)
Changes in the fair value of equity securities at fair value through other comprehensive income	531,961	219,713
Tax effects on changes in the fair value of equity securities at fair value through other comprehensive income	(116,149)	(56,715)
Remeasurement of net defined benefit liabilities(assets)	164,285	(123,659)
Tax effects on changes in remeasurement of net defined benefit liabilities(assets)	(43,898)	32,646
Reclassification from repayment loss on hybrid capital instruments to retained earnings	(275)	(309)

41. Supplemental Cash Flow Information (cont'd)

Changes in liabilities arising from financial activities for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025					
			Non-cash changes			
	January 1, 2025	Financing activities	Hedges of net investments in foreign operation	Loss on valuation of derivatives held for hedge	Others	December 31, 2025
Borrowings	38,130,259	5,949,212	(189)	-	76,809	44,156,091
Debentures	183,967,602	8,911,481	(11,478)	25,713	455,200	193,348,518
Lease liabilities	124,836	(66,456)	-	-	60,511	118,891
	222,222,697	14,794,237	(11,667)	25,713	592,520	237,623,500

(In millions of Korean won)	December 31, 2024					
			Non-cash changes			
	January 1, 2024	Financing activities	Hedges of net investments in foreign operation	Loss on valuation of derivatives held for hedge	Others	December 31, 2024
Borrowings	36,294,445	1,379,829	238	-	455,747	38,130,259
Debentures	172,850,616	10,427,544	59,056	13,253	617,133	183,967,602
Lease liabilities	113,287	(68,149)	-	-	79,698	124,836
	209,258,348	11,739,224	59,294	13,253	1,152,578	222,222,697

42. Financial Risk Management

42.1 Overview of Financial Risk Management Policy

42.1.1 Purpose

Purpose of financial risk management is to manage operations, promote access of domestic and foreign market and monitor/manage risks related to operations through analyzing the scope and volume of each risk.

These risks include credit risk, market risk of trading position (including currency risk, fair value interest rate risk and price risk), interest rate risk of non-trading position and liquidity risk.

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.

42.1.2 Risk management group

- Board of Directors: The Board of Directors approves basic plans regarding risk management and delegates main risk policy decisions to the risk management committee.

- Risk Management Committee: 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 limits for separate business departments.

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

- Risk Management Department: The risk management department consists of overall risk department and risk review department and is responsible for managing total risk, credit risk, market risk, operation risk, credit assessment, BIS ratio, credit review, credit information and others.

42.1.3 Implementation of risk management system

The Bank has established the Total Risk Management System to determine the reasonable price, taking risks into consideration and to manage risk limits. The Bank also gives weight to risk associated performance management (RAPM) system implementation to reflect performance review with the system.

42.1.4 Assessment and management of internal capital

As a process of risk capital allocation and risk limit establishment, the Bank anticipates the usage of risk capital for each risk segment and business unit, and thus allocates risk capital to separate risk segments with the approval of risk management committee and the Board of Directors.

In order to manage established risk capital efficiently, the Bank has established risk limits for separate risk segments and business units.

42.2 Credit Risk Management

42.2.1 Overview of credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation and consists of expected loss and unexpected loss. Exposure to credit risk mainly occurs in loan process, debt security investments and off-balance accounts such as loan commitments and others. Credit risks are managed by expected loss and unexpected loss distinctively as follows:

- Expected loss: For loss that is expected in average, loss rate is calculated by applying default rate and recovery rate for each credit rating and this is reflected in the interest rate of the loan.

- Unexpected loss: For unexpected loss that is incurred more than expected loss, it is calculated by internal rating method of Basel III standards. Unexpected loss is managed by allocating risk limits determined by the risk management committee to business units and by making up loan portfolios with borrowers with sound credit ratings through risk associated performance management (RAPM).

The Bank uses the Advanced Internal Ratings-Based Approach that was approved by the Financial Supervisory Service on December 13, 2011, in measuring credit risk in accordance with Basel III. The Bank appointed three external credit rating companies, Korea Ratings Co., Ltd., National Information & Credit Evaluation, Inc. (NICE), and Korea Investors Service Co., Ltd. (KIS) and established standards in accordance with Attachment 3 of Detailed Supervisory Regulations.

The Bank has transactions with counterparties that are above a certain credit rating in order to mitigate risks of default. The Bank has transactions with companies that are above a certain investment rating, and the information of the investment rating is derived from the data of external credit rating companies and also from internal assessment models. If the information on credit ratings cannot be obtained, the credit rating of the main clients is determined based upon disclosed financial information and internal transaction information with main clients. The credit ratings of clients and hedge amounts of the Bank are periodically reviewed and the whole transaction amount is distributed among clients.

For identified credit risk, the Bank appointed risk limits by retail and corporate customers and also by industry/country. Loans are made up of many borrowers and are distributed in various types of industries and locations. This risk is reviewed annually or on demand and risk limit by product, industry and country is approved by the Board of Directors.

42.2 Credit Risk Management (cont'd)

42.2.2 Maximum exposure to credit risk

Maximum exposure to credit risk as of December 31, 2025 and 2024, are as follows. Maximum exposure below is shown as total amount before risk mitigation effect has occurred through collateral and other credit enhancement. Non-financial assets such as investments in associates and joint ventures, investment properties, property and equipment, intangible assets, deferred tax assets, other assets and assets in disposal group held for sale are not included.

(In millions of Korean won)	December 31, 2025	December 31, 2024
Due from banks[1]	20,318,991	14,750,387
Financial assets at fair value through profit or loss[2]	6,558,026	7,115,587
Financial assets at fair value through other comprehensive income[3]	28,272,076	23,742,295
Securities at amortized cost	33,002,387	33,487,156
Loan receivables at amortized cost[4]		
Corporate loans in Korean won	270,900,956	255,981,503
Retail loans in Korean won	43,047,596	42,722,170
Loans in foreign currencies[5]	8,330,978	8,024,396
Credit card receivable	3,397,284	3,306,758
Others	15,897,590	18,980,524
	341,574,404	329,015,351
Deferred loan origination fees and costs	738,247	696,542
Less: Present value discounts	(9,268)	(8,140)
Less: Provision for impairment	(4,585,444)	(4,812,097)
	337,717,939	324,891,656
Derivative financial assets for hedge accounting	29,146	71,809
Other financial assets	10,396,066	9,335,760
	436,294,631	413,394,650

[1] Items classified as cash such as reserve deposits are included.
[2] Equity securities and income securities are excluded.
[3] Equity securities are excluded.
[4] Small and Medium Industry (SMI) finance Loan receivables of the Bank as of December 31, 2025 and 2024, are ₩261,878,527 million and ₩247,192,095 million, respectively.
[5] Domestic import usance is included.

42.2 Credit Risk Management (cont'd)

Maximum exposure to credit risk regarding off-statement of financial position accounts as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Confirmed payment guarantees	6,411,827	6,674,910
Unconfirmed payment guarantees	1,471,251	1,866,026
Commitments on loans	80,342,766	81,630,995
	88,225,844	90,171,931

42.2.3 Internal model of credit rating

The Bank uses the internal model of credit rating that is designed according to the type of the customer and calculates the probability of default of the customers. This model has been developed internally and managed in accordance with the policies of the Bank. The following external credit ratings are shown according to the credit rating standards of Standard and Poor's (S&P):

December 31, 2025

(In millions of Korean won)	Loans receivable at amortized cost					
	Grade	Credit ratings by external rating agencies	12-month expected credit losses	Lifetime expected credit losses		Total
				Unrecognized impairment	Recognized impairment	
Normal	Grade 1	AA-	2,710,273	67,844	300	2,778,417
Normal	Grade 2	A+	4,395,819	457,156	237	4,853,212
Normal	Grade 3	A	10,111,865	1,129,873	27	11,241,765
Normal	Grade 4	A-	19,384,465	2,383,139	468	21,768,072
Normal	Grade 5	BBB+	18,752,575	3,988,076	610	22,741,261
Normal	Grade 6	BBB	28,002,900	7,626,765	2,360	35,632,025
Normal	Grade 7	BBB-	28,093,955	8,394,347	1,936	36,490,238
Normal	Grade 8	BB+	27,479,154	9,204,697	10,305	36,694,156
Normal	Grade 9	BB	24,661,551	8,098,151	17,412	32,777,114
Normal	Grade 10	BB-	15,640,564	5,737,798	58,840	21,437,202
Normal	Grade 11	B+	8,927,795	6,233,767	56,515	15,218,077
Normal	Grade 12	B	4,582,232	3,567,041	103,815	8,253,088
Normal	Grade 13	B-	2,561,678	2,435,677	39,344	5,036,699
Normal	Grade 14	CCC+	1,830,247	8,469,891	18,241	10,318,379
Precautionary	Grade 15	CCC	9,332	3,034,345	695,727	3,739,404
Precautionary	Grade 16	CCC-	3,528	15,304,781	244,068	15,552,377
Substandard	Grade 17	CC+~C-	-	1,277,618	192,263	1,469,881
Doubtful	Grade 18	Grade 18	-	4,634	527,852	532,486
Estimated loss	Grade 19	Grade 19	-	173,966	2,393,346	2,567,312
Non-rated	NA	NA	197,438	15,117	16,081	228,636
Specialized financing	-	-	5,081,236	564,405	154,082	5,799,723
Retail loan in Korean won	-	-	40,770,520	1,879,126	397,950	43,047,596

(In millions of Korean won)	Loans receivable at amortized cost					
	Grade	Credit ratings by external rating agencies	12-month expected credit losses	Lifetime expected credit losses		Total
				Unrecognized impairment	Recognized impairment	
Credit card	-	-	2,730,461	632,772	34,051	3,397,284
Total[1]			245,927,588	90,680,986	4,965,830	341,574,404

[1] This is the amount before deducting deferred loan origination fees and costs, present value discount and provision for impairment.

(In millions of Korean won)	Loan commitments					
	Grade	Credit ratings by external rating agencies	12-month expected credit losses	Lifetime expected credit losses		Total
				Unrecognized impairment	Recognized impairment	
Normal	Grade 1	AA-	2,677,462	185,235	-	2,862,697
Normal	Grade 2	A+	2,091,262	142,844	-	2,234,106
Normal	Grade 3	A	4,498,543	156,605	-	4,655,148
Normal	Grade 4	A-	6,663,226	980,486	-	7,643,712
Normal	Grade 5	BBB+	4,089,517	469,003	10	4,558,530
Normal	Grade 6	BBB	5,603,309	345,294	23	5,948,626
Normal	Grade 7	BBB-	4,692,229	361,512	3	5,053,744
Normal	Grade 8	BB+	4,377,291	1,090,970	1,133	5,469,394
Normal	Grade 9	BB	2,502,610	257,164	709	2,760,483
Normal	Grade 10	BB-	1,516,165	244,846	2	1,761,013
Normal	Grade 11	B+	822,871	276,166	-	1,099,037
Normal	Grade 12	B	429,624	375,661	384	805,669
Normal	Grade 13	B-	194,113	84,126	2	278,241
Normal	Grade 14	CCC+	183,406	438,372	142	621,920
Precautionary	Grade 15	CCC	10,403	90,346	17,035	117,784
Precautionary	Grade 16	CCC-	120,353	616,951	8,729	746,033
Substandard	Grade 17	CC+~C-	1,574	17,150	10,074	28,798
Doubtful	Grade 18	Grade 18	-	4,989	32,162	37,151
Estimated loss	Grade 19	Grade 19	14,349	3,260	13,797	31,406
Non-rated	NA	NA	14,076,605	-	-	14,076,605
Specialized financing	-	-	1,123,401	14,456	-	1,137,857
Retail loan in Korean won	-	-	3,919,724	74,525	3,985	3,998,234
Credit card	-	-	13,383,555	1,020,664	12,359	14,416,578
			72,991,592	7,250,625	100,549	80,342,766

42.2 Credit Risk Management (cont'd)

(In millions of Korean won)	Financial guarantee contracts					
	Grade	Credit ratings by external rating agencies	12-month expected credit losses	Lifetime expected credit losses		Total
				Unrecognized impairment	Recognized impairment	
Normal	Grade 1	AA-	3,479	-	-	3,479
Normal	Grade 2	A+	62,580	-	-	62,580
Normal	Grade 3	A	130,360	10,410	-	140,770
Normal	Grade 4	A-	223,676	78,499	-	302,175
Normal	Grade 5	BBB+	243,488	4,475	-	247,963
Normal	Grade 6	BBB	425,593	35,410	-	461,003
Normal	Grade 7	BBB-	362,624	66,951	-	429,575
Normal	Grade 8	BB+	379,995	49,273	4,300	433,568
Normal	Grade 9	BB	201,378	33,419	-	234,797
Normal	Grade 10	BB-	90,418	24,928	-	115,346
Normal	Grade 11	B+	40,043	55,143	-	95,186
Normal	Grade 12	B	10,669	8,077	-	18,746
Normal	Grade 13	B-	7,441	9,140	-	16,581
Normal	Grade 14	CCC+	7146	51,913	-	59,059
Precautionary	Grade 15	CCC	-	4,979	370	5,349
Precautionary	Grade 16	CCC-	-	73,552	2,300	75,852
Substandard	Grade 17	CC+~C-	-	400	2,100	2,500
Doubtful	Grade 18	Grade 18	-	1,315	7,195	8,510
Estimated loss	Grade 19	Grade 19	-	-	2,850	2,850
Non-rated	NA	NA	190	-	10	200
			2,189,080	507,884	19,125	2,716,089

December 31, 2024

(In millions of Korean won)	Loans receivable at amortized cost					
	Grade	**Credit ratings by external rating agencies**	**12-month expected credit losses**	**Lifetime expected credit losses**		**Total**
				Unrecognized impairment	**Recognized impairment**	
Normal	Grade 1	AA-	1,553,057	38,656	301	1,592,014
Normal	Grade 2	A+	6,550,589	313,106	380	6,864,075
Normal	Grade 3	A	11,514,424	868,548	255	12,383,227
Normal	Grade 4	A-	17,862,101	2,189,802	240	20,052,143
Normal	Grade 5	BBB+	18,122,538	3,401,821	909	21,525,268
Normal	Grade 6	BBB	26,438,608	6,601,618	1,129	33,041,355
Normal	Grade 7	BBB-	28,779,409	7,557,847	4,550	36,341,806
Normal	Grade 8	BB+	27,531,878	8,648,961	1,691	36,182,530
Normal	Grade 9	BB	23,980,889	7,195,213	8,755	31,184,857
Normal	Grade 10	BB-	13,501,519	5,224,733	54,235	18,780,487
Normal	Grade 11	B+	8,135,760	5,148,429	50,803	13,334,992
Normal	Grade 12	B	4,094,667	3,488,523	126,208	7,709,398
Normal	Grade 13	B-	2,547,791	2,434,033	62,963	5,044,787
Normal	Grade 14	CCC+	4,970,671	6,417,551	3,150	11,391,372
Precautionary	Grade 15	CCC	9,789	1,950,922	493,054	2,453,765
Precautionary	Grade 16	CCC-	5,726	12,570,750	218,354	12,794,830
Substandard	Grade 17	CC+~C-	37,488	1,611,238	304,238	1,952,964
Doubtful	Grade 18	Grade 18	-	-	725,546	725,546
Estimated loss	Grade 19	Grade 19	-	1,023,649	1,911,064	2,934,713
Non-rated	NA	NA	213,244	16,947	6,880	237,071
Specialized financing	-	-	5,033,425	1,104,957	320,841	6,459,223
Retail loan in Korean won	-	-	40,366,332	1,955,610	400,228	42,722,170
Credit card	-	-	2,672,197	574,662	59,899	3,306,758
Total[1]			243,922,102	80,337,576	4,755,673	329,015,351

[1] This is the amount before deducting deferred loan origination fees and costs, present value discount and provision for impairment

(In millions of Korean won)	Loan commitments					
	Grade	Credit ratings by external rating agencies	12-month expected credit losses	Lifetime expected credit losses		Total
				Unrecognized impairment	Recognized impairment	
Normal	Grade 1	AA-	3,029,425	5,263	-	3,034,688
Normal	Grade 2	A+	3,519,922	129,134	-	3,649,056
Normal	Grade 3	A	3,727,376	267,478	-	3,994,854
Normal	Grade 4	A-	6,431,098	426,196	14	6,857,308
Normal	Grade 5	BBB+	4,942,883	203,746	-	5,146,629
Normal	Grade 6	BBB	5,843,400	410,171	10	6,253,581
Normal	Grade 7	BBB-	5,013,577	328,404	-	5,341,981
Normal	Grade 8	BB+	4,596,144	810,792	10	5,406,946
Normal	Grade 9	BB	3,120,492	257,822	-	3,378,314
Normal	Grade 10	BB-	1,497,420	185,711	5	1,683,136
Normal	Grade 11	B+	748,629	249,096	8	997,733
Normal	Grade 12	B	445,856	266,236	4	712,096
Normal	Grade 13	B-	205,784	102,389	1,456	309,629
Normal	Grade 14	CCC+	551,038	209,257	275	760,570
Precautionary	Grade 15	CCC	14,033	58,913	15,079	88,025
Precautionary	Grade 16	CCC-	56,316	473,713	6,845	536,874
Substandard	Grade 17	CC+~C-	2,942	56,245	20,436	79,623
Doubtful	Grade 18	Grade 18	-	-	33,925	33,925
Estimated loss	Grade 19	Grade 19	3,473	32,126	14,903	50,502
Non-rated	NA	NA	13,996,111	16	-	13,996,127
Specialized financing	-	-	1,310,721	57,373	12,379	1,380,473
Retail loan in Korean won	-	-	3,787,086	76,427	4,067	3,867,580
Credit card	-	-	13,152,921	914,756	3,668	14,071,345
			75,996,647	5,521,264	113,084	81,630,995

(In millions of Korean won)	Financial guarantee contracts					
	Grade	Credit ratings by external rating agencies	12-month expected credit losses	Lifetime expected credit losses		Total
				Unrecognized impairment	Recognized impairment	
Normal	Grade 1	AA-	8,078	-	-	8,078
Normal	Grade 2	A+	76,105	-	-	76,105
Normal	Grade 3	A	133,935	1,624	-	135,559
Normal	Grade 4	A-	285,970	18,496	-	304,466
Normal	Grade 5	BBB+	259,202	10,377	-	269,579
Normal	Grade 6	BBB	456,937	42,117	-	499,054
Normal	Grade 7	BBB-	445,118	59,954	-	505,072
Normal	Grade 8	BB+	347,947	54,252	-	402,199
Normal	Grade 9	BB	194,595	39,339	-	233,934
Normal	Grade 10	BB-	91,952	24,457	-	116,409

(In millions of Korean won)	Financial guarantee contracts					
	Grade	Credit ratings by external rating agencies	12-month expected credit losses	Lifetime expected credit losses		Total
				Unrecognized impairment	Recognized impairment	
Normal	Grade 11	B+	25,678	18,294	-	43,972
Normal	Grade 12	B	14,107	16,096	-	30,203
Normal	Grade 13	B-	6,382	9,512	-	15,894
Normal	Grade 14	CCC+	36,258	30,619	500	67,377
Precautionary	Grade 15	CCC	-	1,652	1,600	3,252
Precautionary	Grade 16	CCC-	-	49,644	2,818	52,462
Substandard	Grade 17	CC+~C-	-	5,159	1,723	6,882
Doubtful	Grade 18	Grade 18	-	-	8,540	8,540
Estimated loss	Grade 19	Grade 19	-	3,726	1,656	5,382
Non-rated	NA	NA	157	-	10	167
			2,382,421	385,318	16,847	2,784,586

42.2.4 Credit risk concentration

The maximum exposure to credit risk from customers and counterparties as of December 31, 2025 and 2024, before taking into account collateral or other credit enhancements, amounted to ₩524,520,475 million and ₩503,566,581 million, respectively.
Credit risk mitigation related to loan receivables through collateral and other credit enhancements amounted to ₩287,991,262 million and ₩275,020,724 million as of December 31, 2025 and 2024, respectively.
Credit risk mitigation represents the expected recoverable amounts from collateral such as movable property, real estate, deposits, and credit guarantees. Details of credit mitigation effect for loans as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025			
	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Credit mitigation effect	205,735,805	78,212,357	4,043,100	287,991,262

(In millions of Korean won)	December 31, 2024			
	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Credit mitigation effect	202,472,551	68,815,238	3,732,935	275,020,724

The uncollected contract amount of financial assets which has been amortized but its collection is on-going as of December 31, 2025 and 2024, is ₩5,090,370 million and ₩4,602,076 million, respectively.

42.2 Credit Risk Management (cont'd)

Credit risk concentration is managed by classifying customers and counterparties by location and industry. Financial assets of the Bank before considering collateral and other credit enhancement are as follows. Cash and equity securities are considered to have no exposure to credit risk and thus, not included.

December 31, 2025

(In millions of Korean won)	Loan receivables at amortized cost[1]				Other financial assets[2]			
	12-month expected credit losses	Lifetime expected credit losses		Total	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment			Unrecognized impairment	Recognized impairment	
By country								
Korea	239,562,427	90,152,177	4,951,622	334,666,226	10,200,211	166,237	25,715	10,392,163
Others	6,365,161	528,809	14,208	6,908,178	40,322	2,269	-	42,591
	245,927,588	90,680,986	4,965,830	341,574,404	10,240,533	168,506	25,715	10,434,754
By industry								
Manufacturing	93,398,907	57,101,096	2,390,902	152,890,905	160,607	101,063	11,068	272,738
Service	103,229,198	29,586,764	2,071,872	134,887,834	382,539	57,335	10,199	450,073
Retail	40,770,520	1,879,126	397,950	43,047,596	64,459	3,976	2,520	70,955
Others	8,528,963	2,114,000	105,106	10,748,069	9,632,928	6,132	1,928	9,640,988
	245,927,588	90,680,986	4,965,830	341,574,404	10,240,533	168,506	25,715	10,434,754
By maturity								
Less than 1 year	182,933,716	39,274,894	3,869,960	226,078,570	8,764,000	85,509	11,884	8,861,393
1~3 years	31,023,635	34,799,545	487,257	66,310,437	219,408	53,720	1,543	274,671
3~5 years	6,861,835	6,535,347	281,339	13,678,521	95,355	12,037	759	108,151
Over 5 years	25,104,196	10,071,200	327,274	35,502,670	78,074	17,029	607	95,710
Others	4,206	-	-	4,206	1,083,696	211	10,922	1,094,829
	245,927,588	90,680,986	4,965,830	341,574,404	10,240,533	168,506	25,715	10,434,754

[1] This is the amount before deducting deferred loan origination fees and costs, present value discount and provision for impairment.
[2] This is the amount before deducting resent value discount and provision for impairment.

42.2 Credit Risk Management (cont'd)

(In millions of Korean won)	Financial assets at fair value through other comprehensive income				Securities at amortized cost[1]			
	12-month expected credit losses	Lifetime expected credit losses		Total	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment			Unrecognized impairment	Recognized impairment	
By country								
Korea	27,713,627	85,640	-	27,799,267	32,930,495	78,585	-	33,009,080
Others	472,809	-	-	472,809	-	-	-	-
	28,186,436	85,640	-	28,272,076	32,930,495	78,585	-	33,009,080
By industry								
Manufacturing	799,370	7,158	-	806,528	1,488,823	28,585	-	1,517,408
Service	17,204,352	78,482	-	17,282,834	18,776,237	50,000	-	18,826,237
Others	10,182,714	-	-	10,182,714	12,665,435	-	-	12,665,435
	28,186,436	85,640	-	28,272,076	32,930,495	78,585	-	33,009,080
By maturity								
Less than 1 year	4,656,304	81,451	-	4,737,755	10,253,430	78,585	-	10,332,015
1~3 years	16,290,161	4,189	-	16,294,350	13,016,325	-	-	13,016,325
3~5 years	5,412,577	-	-	5,412,577	6,768,638	-	-	6,768,638
Over 5 years	1,827,394	-	-	1,827,394	2,892,102	-	-	2,892,102
	28,186,436	85,640	-	28,272,076	32,930,495	78,585	-	33,009,080

[1] This is the amount before deducting provision for impairment.

(In millions of Korean won)	Loan commitments				Financial guarantee contracts			
	12-month expected credit losses	Lifetime expected credit losses		Total	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment			Unrecognized impairment	Recognized impairment	
By country								
Korea	72,558,856	7,229,344	100,549	79,888,749	2,183,638	500,853	19,125	2,703,616
Others	432,736	21,281	-	454,017	5,442	7,031	-	12,473
	72,991,592	7,250,625	100,549	80,342,766	2,189,080	507,884	19,125	2,716,089
By industry								
Manufacturing	26,554,230	4,454,819	67,208	31,076,257	1,003,604	349,794	2,559	1,355,957
Service	18,999,526	2,349,597	25,492	21,374,615	1,158,748	149,651	16,480	1,324,879
Retail	3,919,724	74,525	3,985	3,998,234	-	-	-	-
Others	23,518,112	371,684	3,864	23,893,660	26,728	8,439	86	35,253
	72,991,592	7,250,625	100,549	80,342,766	2,189,080	507,884	19,125	2,716,089
By maturity								
Less than 1 year	57,278,192	5,273,251	80,548	62,631,991	2,170,667	362,473	19,075	2,552,215
1~3 years	5,059,208	1,099,466	7,268	6,165,942	5,833	120,967	-	126,800
3~5 years	8,598,504	592,125	9,387	9,200,016	7,011	12,673	-	19,684
Over 5 years	2,055,688	285,783	3,346	2,344,817	5,569	11,771	-	17,340
Others	-	-	-	-	-	-	50	50
	72,991,592	7,250,625	100,549	80,342,766	2,189,080	507,884	19,125	2,716,089

42.2 Credit Risk Management (cont'd)

(In millions of Korean won)	Other assets			
	Securities at fair value through profit or loss[1]	Derivatives	Payment guarantees	Total
By country				
Korea	3,451,938	3,012,665	5,143,511	11,608,114
Others	118,492	4,077	23,478	146,047
	3,570,430	3,016,742	5,166,989	11,754,161
By industry				
Manufacturing	33,339	20,308	3,951,689	4,005,336
Service	2,538,017	2,995,899	1,151,711	6,685,627
Others	999,074	535	63,589	1,063,198
	3,570,430	3,016,742	5,166,989	11,754,161
By maturity				
Less than 1 year	2,224,789	1,709,827	3,122,632	7,057,248
1~3 years	1,040,079	912,900	1,993,659	3,946,638
3~5 years	206,564	350,250	39,736	596,550
Over 5 years	98,998	43,667	10,962	153,627
Others	-	98	-	98
	3,570,430	3,016,742	5,166,989	11,754,161

[1] Derivatives are excluded from securities at fair value through profit or loss.

December 31, 2024

(In millions of Korean won)	Loan receivables at amortized cost[1]				Other financial assets[2]			
	12-month expected credit losses	Lifetime expected credit losses		Total	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment			Unrecognized impairment	Recognized impairment	
By country								
Korea	237,888,446	79,722,027	4,749,752	322,360,225	9,129,095	167,764	49,143	9,346,002
Others	6,033,656	615,549	5,921	6,655,126	53,462	3,450	-	56,912
	243,922,102	80,337,576	4,755,673	329,015,351	9,182,557	171,214	49,143	9,402,914
By industry								
Manufacturing	93,505,517	50,407,269	2,358,771	146,271,557	186,623	102,919	34,590	324,132
Service	102,545,118	25,962,766	1,911,312	130,419,196	412,953	56,677	10,440	480,070
Retail	40,366,331	1,955,610	400,228	42,722,169	67,376	4,690	2,508	74,574
Others	7,505,136	2,011,931	85,362	9,602,429	8,515,605	6,928	1,605	8,524,138
	243,922,102	80,337,576	4,755,673	329,015,351	9,182,557	171,214	49,143	9,402,914
By maturity								
Less than 1 year	184,554,545	33,614,596	3,667,919	221,837,060	7,566,156	85,261	13,803	7,665,220
1~3 years	29,387,365	29,034,322	480,557	58,902,244	230,601	51,430	2,594	284,625
3~5 years	6,777,743	6,845,185	311,359	13,934,287	80,706	14,392	969	96,067
Over 5 years	23,198,490	10,843,473	295,838	34,337,801	66,102	19,912	621	86,635
Others	3,959	-	-	3,959	1,238,992	219	31,156	1,270,367
	243,922,102	80,337,576	4,755,673	329,015,351	9,182,557	171,214	49,143	9,402,914

[1] This is the amount before deducting deferred loan origination fees and costs, present value discount and provision for impairment.
[2] This is the amount before deducting resent value discount and provision for impairment.

42.2 Credit Risk Management (cont'd)

(In millions of Korean won)	Financial assets at fair value through other comprehensive income				Securities at amortized cost[1]			
	12-month expected credit losses	Lifetime expected credit losses		Total	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment			Unrecognized impairment	Recognized impairment	
By country								
Korea	23,304,942	-	-	23,304,942	33,494,885	-	-	33,494,885
Others	437,353	-	-	437,353	-	-	-	-
	23,742,295	-	-	23,742,295	33,494,885	-	-	33,494,885
By industry								
Manufacturing	822,817	-	-	822,817	1,806,555	-	-	1,806,555
Service	15,570,742	-	-	15,570,742	20,517,926	-	-	20,517,926
Others	7,348,736	-	-	7,348,736	11,170,404	-	-	11,170,404
	23,742,295	-	-	23,742,295	33,494,885	-	-	33,494,885
By maturity								
Less than 1 year	5,193,115	-	-	5,193,115	13,114,094	-	-	13,114,094
1~3 years	13,960,001	-	-	13,960,001	10,329,783	-	-	10,329,783
3~5 years	2,889,225	-	-	2,889,225	6,616,958	-	-	6,616,958
Over 5 years	1,699,954	-	-	1,699,954	3,434,050	-	-	3,434,050
	23,742,295	-	-	23,742,295	33,494,885	-	-	33,494,885

[1] This is the amount before deducting provision for impairment.

(In millions of Korean won)	Loan commitments				Financial guarantee contracts			
	12-month expected credit losses	Lifetime expected credit losses		Total	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment			Unrecognized impairment	Recognized impairment	
By country								
Korea	75,428,036	5,511,103	113,084	81,052,223	2,373,040	376,499	16,847	2,766,386
Others	568,611	10,161	-	578,772	9,381	8,819	-	18,200
	75,996,647	5,521,264	113,084	81,630,995	2,382,421	385,318	16,847	2,784,586
By industry								
Manufacturing	28,599,110	3,521,217	72,805	32,193,132	1,150,806	244,623	6,071	1,401,500
Service	20,478,668	1,591,615	35,466	22,105,749	1,199,457	128,428	10,690	1,338,575
Retail	3,787,086	76,427	4,067	3,867,580	-	-	-	-
Others	23,131,783	332,005	746	23,464,534	32,158	12,267	86	44,511
	75,996,647	5,521,264	113,084	81,630,995	2,382,421	385,318	16,847	2,784,586
By maturity								
Less than 1 year	60,212,187	3,601,416	95,887	63,909,490	2,359,454	293,065	16,693	2,669,212
1~3 years	5,333,317	1,081,444	9,223	6,423,984	10,629	66,832	-	77,461
3~5 years	8,451,947	532,692	4,766	8,989,405	5,046	10,707	-	15,753
Over 5 years	1,999,196	305,712	3,208	2,308,116	7,292	14,714	-	22,006
Others	-	-	-	-	-	-	154	154
	75,996,647	5,521,264	113,084	81,630,995	2,382,421	385,318	16,847	2,784,586

42.2 Credit Risk Management (cont'd)

(In millions of Korean won)	Other assets			
	Securities at fair value through profit or loss[1]	**Derivatives**	**Payment guarantees**	**Total**
By country				
Korea	3,086,078	3,985,181	5,730,883	12,802,142
Others	106,044	10,093	25,467	141,604
	3,192,122	3,995,274	5,756,350	12,943,746
By industry				
Manufacturing	30,689	60,112	4,477,396	4,568,197
Service	2,021,484	3,934,838	1,215,680	7,172,002
Others	1,139,949	324	63,274	1,203,547
	3,192,122	3,995,274	5,756,350	12,943,746
By maturity				
Less than 1 year	695,101	2,610,330	4,059,251	7,364,682
1~3 years	1,722,098	974,387	1,325,510	4,021,995
3~5 years	473,109	343,098	370,341	1,186,548
Over 5 years	301,814	67,238	1,248	370,300
Others	-	221	-	221
	3,192,122	3,995,274	5,756,350	12,943,746

[1] Derivatives are excluded from securities at fair value through profit or loss.

42.2.5 Credit quality and concentration of securities

The Bank manages credit quality of financial assets through internal credit rating model and credit ratings of external credit rating companies. Credit quality of financial assets by type and classification of asset quality by credit rating are reviewed in accordance with the 'Standards of Credit Ratings' in Article 14, Attachment 3 of the Detailed Supervisory Regulations and 'Weighted risk in case of having more than one credit rating' in Article 17, Attachment 3 of Detailed Supervisory Regulations.

Credit quality of securities as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	**Grade 1**	**Grade 2**	**Grade 3**	**Grade 4**	**Grade 5**	**Total**
Financial assets at fair value through profit or loss	3,458,746	-	-	-	-	3,458,746
Financial assets at fair value through other comprehensive income						
12-month expected credit losses	28,186,436	-	-	-	-	28,186,436
Non-credit-impaired securities	85,640	-	-	-	-	85,640
	28,272,076	-	-	-	-	28,272,076
Securities at amortized cost						
12-month expected credit losses	32,930,495	-	-	-	-	32,930,495
Non-credit-impaired securities	78,585	-	-	-	-	78,585
	33,009,080	-	-	-	-	33,009,080
	64,739,902	-	-	-	-	64,739,902

December 31, 2024

(In millions of Korean won)	**Grade 1**	**Grade 2**	**Grade 3**	**Grade 4**	**Grade 5**	**Total**
Financial assets at fair value through profit or loss	3,088,866	-	-	-	-	3,088,866
Financial assets at fair value through other comprehensive income						
12-month expected credit losses	23,742,295	-	-	-	-	23,742,295
	23,742,295	-	-	-	-	23,742,295
Securities at amortized cost						
12-month expected credit losses	33,494,885	-	-	-	-	33,494,885
Credit-impaired securities	33,494,885	-	-	-	-	33,494,885
	60,326,046	-	-	-	-	60,326,046

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

Credit quality	Domestic			Foreign		
	KIS	KAP	NICE	S&P	Fitch	Moody's
Grade 1	BBB- to AAA	BBB- to AAA	BBB- to AAA	BB- to AAA	BB- to AAA	Ba3 to Aaa
Grade 2	BB- to BB+	BB- to BB+	BB- to BB+	B- to B+	B- to B+	B3 to B1
Grade 3	CCC+ to B+	CCC+ to B+	CCC+ to B+	CCC- to CCC+	CCC- to CCC+	Caa3 to Caa1
Grade 4	C to CCC	C to CCC	C to CCC	C to CC	C to CC	C to Ca
Grade 5	Lower than C	Lower than C	Lower than C	Lower than C	Lower than C	Lower than C

42.3 Market Risk (Trading Position)

42.3.1 Scope and policy

The Bank classifies assets and liabilities held for dealing or trading purposes or assets and liabilities acquired to hedge this position as a trading position, and the detailed scope is as follows:

- Financial instruments held for short-term profit-taking arising from short-term trading, stock price, interest rate, foreign exchange rate or fluctuations in price of commodities and others
- Financial instruments held for the purpose of hedging the risk of the above-mentioned financial instruments.
- Foreign currency position stated in calculation standards of market risk net asset ratio in Detailed Supervisory Regulations
- Other assets and liabilities that correspond to trading position classification principles

Valuation of trading position is to be done on a daily basis by obtaining market price from public organizations or from communications companies or from institutionalized market. Application of other valuation methods that are not generally accepted in the market and valuation methods for new products are required to be approved by the Fair Value Evaluation Committee (consists of person in charge at risk management department and trading position department).

42.3.2 Market risk management

Market risk management focuses on managing the magnitude of loss and risk factors of trading positions dependent upon general changes in market prices, such as interest rates, foreign exchange rates, stock prices, and others. Trading positions that the Bank manages are assets or liabilities held for dealing or trading purposes, resulting from underwriting or broker-dealer transactions and market build up transactions (excluding assets held-to-maturity in case of underwriting), obtained to hedge trading positions and obtained as trading position through internal transaction between trading and non-trading position.

The Bank calculates the amount of risk using a standard model on a daily basis to measure the market risk of the above positions.

42.3.3 The primary market risks of the Bank

The Bank evaluates the market value of trading positions daily and calculates the potential risk amount that may arise from changes in market conditions. In accordance with the Basel III market risk regulations (FRTB) implemented in 2024, subsidiaries with trading account sizes of less than 50 billion won are approved by regulatory authorities to calculate regulatory capital using the simplified approach.

Under the new standard approach, regulatory capital is determined by the simple sum of sensitivity-based risk, default risk, and residual risk regulatory capital. Sensitivity-based risk refers to the potential loss that may occur due to changes in the risk factors inherent in the product, resulting in fluctuations in the value of the product. Default risk refers to potential losses that may occur due to issuer default rather than financial product losses resulting from changes in credit spreads or credit rating. Residual risk refers to losses that are not considered by sensitivity-based risk or default risk due to the peculiarity of profit and loss structures and underlying assets.

The Risk Management Group Head, with approval from the Risk Committee, sets market risk limits for each group and department. The Risk Oversight Department monitors compliance with the limits of the risks calculated using the new standard approach on a daily basis. If any risk calculated exceeds the defined limit, the Market Risk Limit Operation Department Head must report the excess details, reasons for the excess, etc., to the responsible business group head and committee. They then decide on measures to address the limit excess and manage the risk.

Details of regulatory capital under Basel III market risk regulation recognized in the separate financial statements of the Bank, broken down by key market risks, as of December 31, 2025 and 2024 are as follows:

December 31, 2025

(In millions of Korean won)	Ending	Maximum	Minimum	Average
Sensitivity Risk				
Interest rate risk	23,235	49,798	18,967	35,090
Stock price risk	1,588	1,938	673	1,170
General product risk	371	604	160	362
Foreign exchange risk	156,820	169,707	127,266	142,840
Non-securitized credit spread	68,940	103,455	50,079	81,351
liquidity-adjusted credit spread (excluding CTP)	-	-	-	-
CTP credit spread	-	-	-	-
Default Risk				
Non-securitized default	29,123	42,770	13,971	35,196
Liquidity-adjusted default (excluding CTP)	-	-	-	-
CTP default	-	-	-	-
Residual Risk	186	190	25	183
Total[1]	280,263	364,297	226,139	296,192

[1]The sum of maximum and minimum values is the value corresponding to the day with the highest and lowest total sum of sensitivities, defaults, and residual risks during the current period, rather than a simple sum of each risk item.

42.3 Market Risk (Trading Position) (cont'd)

December 31, 2024

(In millions of Korean won)	Ending	Maximum	Minimum	Average
Sensitivity Risk				
Interest rate risk	25,675	35,292	17,226	26,568
Stock price risk	1,070	3,660	693	1,830
General product risk	78	567	54	312
Foreign exchange risk	146,770	168,638	97,046	125,868
Non-securitized credit spread	60,212	75,825	51,522	67,353
liquidity-adjusted credit spread (excluding CTP)	-	-	-	-
CTP credit spread	-	-	-	-
Default Risk				
Non-securitized default	24,969	33,464	24,969	29,633
Liquidity-adjusted default (excluding CTP)	-	-	-	-
CTP default	-	-	-	-
Residual Risk	180	185	176	181
Total[1]	258,954	296,419	197,408	251,745

[1]The sum of maximum and minimum values is the value corresponding to the day with the highest and lowest total sum of sensitivities, defaults, and residual risks during the current period, rather than a simple sum of each risk item.

42.4 Interest Rate Risk (Non-trading Position)

42.4.1 Interest rate gap analysis in accordance with K-IFRS

Interest rate gap analysis is based on maturity of interest rate repricing maturities of interest-bearing assets and interest-bearing liabilities by measuring expected changes in net interest income by calculating the difference in the amounts of interest-bearing assets and interest-bearing liabilities at each maturity.

The Bank conducts interest gap analysis on assets denominated in Korean won and foreign currencies at least on a monthly basis. However, if there is no maturity of assets and liabilities, then certain maturities should be assumed or used according to ALM interest risk management guideline.

The results of interest rate gap analysis in accordance with K-IFRS as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Less than 3 months	3~6 months	6~12 months	1~3 years	Over 3 years	Total
Interest-bearing assets in Korean won						
Cash and due from banks	21,908	-	-	-	-	21,908
Financial assets at fair value through profit or loss	1,699,403	92,081	102,388	451,266	7,285,837	9,630,975
Financial assets at fair value through other comprehensive income	809,379	749,789	2,554,107	15,144,988	4,947,865	24,206,128
Securities at amortized cost	3,100,786	2,597,883	4,201,506	12,311,291	8,516,982	30,728,448
Loan receivables at amortized cost	177,567,438	45,624,837	51,513,278	41,361,681	11,533,147	327,600,381

(In millions of Korean won)	Less than 3 months	3~6 months	6~12 months	1~3 years	Over 3 years	Total
Derivatives for hedge accounting	-	-	520,000	350,000	400,000	1,270,000
Other financial assets	1,698,502	-	-	-	-	1,698,502
	184,897,416	49,064,590	58,891,279	69,619,226	32,683,831	395,156,342
Interest-bearing liabilities in Korean won						
Deposit liabilities	57,188,033	14,302,734	18,071,102	28,723,723	22,033,673	140,319,265
Debts	33,103,874	78,732	124,424	334,593	102,379	33,744,002
Debentures	60,290,063	41,122,510	50,930,375	35,541,071	5,281,593	193,165,612
Derivatives for hedge accounting	1,270,000	-	-	-	-	1,270,000
Other financial liabilities	8,342,000	-	-	-	-	8,342,000
	160,193,970	55,503,976	69,125,901	64,599,387	27,417,645	376,840,879
Gap	24,703,446	(6,439,386)	(10,234,622)	5,019,839	5,266,186	18,315,463
Accumulated gap	24,703,446	18,264,060	8,029,438	13,049,277	18,315,463	18,315,463

(Equivalents In millions of Korean won)	Less than 3 months	3~6 months	6~12 months	1~3 years	Over 3 years	Total
Interest-bearing assets denominated in foreign currencies						
Cash and due from banks	7,483,422	4,376	4,069	-	5,570	7,497,437
Financial assets at fair value through profit or loss	417,545	-	-	89,215	244,848	751,608
Financial assets at fair value through other comprehensive income	1,308,637	49,375	298,247	777,752	1,631,937	4,065,948
Securities at amortized cost	114,437	85,813	231,590	705,034	1,143,758	2,280,632
Loan receivables at amortized cost	11,831,265	1,503,430	414,686	47,840	135,668	13,932,889
Derivatives for hedge accounting	1,341,868	76,725	336,291	1,038,464	1,771,257	4,564,605
	22,497,174	1,719,719	1,284,883	2,658,305	4,933,038	33,093,119
Interest-bearing liabilities in foreign currencies						
Deposit liabilities	11,761,089	2,291,773	2,282,675	1,937,891	1,935,667	20,209,095
Debts	4,813,189	1,303,689	517,656	-	-	6,634,534
Debentures	2,231,491	71,920	429,559	1,038,464	1,771,257	5,542,691
Derivatives for hedge accounting	3,300,538	62,604	154,682	524,526	504,367	4,546,717
Other financial liabilities	22,106,307	3,729,986	3,384,572	3,500,881	4,211,291	36,933,037
Gap	390,867	(2,010,267)	(2,099,689)	(842,576)	721,747	(3,839,918)
Accumulated gap	390,867	(1,619,400)	(3,719,089)	(4,561,665)	(3,839,918)	(3,839,918)

42.4 Interest Rate Risk (Non-trading Position) (cont'd)

December 31, 2024

(In millions of Korean won)	Less than 3 months	3~6 months	6~12 months	1~3 years	Over 3 years	Total
Interest-bearing assets in Korean won						
Cash and due from banks	130,272	-	-	-	-	130,272
Financial assets at fair value through profit or loss	1,314,605	70,395	169,890	272,639	5,943,248	7,770,777
Financial assets at fair value through other comprehensive income	1,438,811	1,240,009	2,032,846	12,799,184	3,006,756	20,517,606
Securities at amortized cost	4,392,965	2,898,769	5,136,983	9,796,261	8,843,937	31,068,915
Loan receivables at amortized cost	177,777,988	41,339,714	49,811,831	36,268,560	10,311,558	315,509,651
Derivatives for hedge accounting	-	-	520,000	350,000	400,000	1,270,000
Other financial assets	1,496,279	-	-	-	-	1,496,279
	186,550,920	45,548,887	57,671,550	59,486,644	28,505,499	377,763,500
Interest-bearing liabilities in Korean won						
Deposit liabilities	55,207,213	14,341,807	17,008,779	26,977,957	21,031,118	134,566,874
Debts	27,239,674	85,380	139,788	391,309	149,571	28,005,722
Debentures	52,700,348	33,704,861	49,755,768	41,128,717	6,965,771	184,255,465
Derivatives for hedge accounting	1,270,000	-	-	-	-	1,270,000
Other financial liabilities	7,510,439	-	-	-	-	7,510,439
Gap	143,927,674	48,132,048	66,904,335	68,497,983	28,146,460	355,608,500
Accumulated gap	42,623,246	(2,583,161)	(9,232,785)	(9,011,339)	359,039	22,155,000
	42,623,246	40,040,085	30,807,300	21,795,961	22,155,000	22,155,000

42.4 Interest Rate Risk (Non-trading Position) (cont'd)

(Equivalents In millions of Korean won)	Less than 3 months	3~6 months	6~12 months	1~3 years	Over 3 years	Total
Interest-bearing assets denominated in foreign currencies						
Cash and due from banks	7,012,258	27,914	4,278	-	4,819	7,049,269
Financial assets at fair value through profit or loss	488,196	-	-	90,943	200,414	779,553
Financial assets at fair value through other comprehensive income	807,456	110,972	202,809	764,811	1,338,641	3,224,689
Securities at amortized cost	278,941	249,304	157,131	533,523	1,207,071	2,425,970
Loan receivables at amortized cost	11,046,031	1,517,542	611,169	71,661	137,425	13,383,828
Derivatives for hedge accounting	1,344,354	813,664	467,379	272,391	1,675,800	4,573,588
	20,977,236	2,719,396	1,442,766	1,733,329	4,564,170	31,436,897
Interest-bearing liabilities in foreign currencies						
Deposit liabilities	8,784,058	2,115,769	2,220,321	1,727,557	1,724,959	16,572,664
Debts	5,228,128	972,350	174,732	-	-	6,375,210
Debentures	1,427,579	876,716	614,379	367,941	1,675,800	4,962,415
Derivatives for hedge accounting	3,158,783	48,700	50,313	342,080	941,829	4,541,705
Other financial liabilities	18,598,548	4,013,535	3,059,745	2,437,578	4,342,588	32,451,994
Gap	2,378,688	(1,294,139)	(1,616,979)	(704,249)	221,582	(1,015,097)
Accumulated gap	2,378,688	1,084,549	(532,430)	(1,236,679)	(1,015,097)	(1,015,097)

42.4 Interest Rate Risk (Non-trading Position) (cont'd)

42.4.2 △EVE and △NII

The Bank calculates change in Economic Value of Equity (△EVE) on interest rate risk and change in Net Interest Income(△NII) according to interest rate change based on IRRBB standard proposed by BIS Framework, as of December 31, 2025 and 2024.

In case of △EVE, the Bank calculates final interest risk by selecting scenario that incurs most loss from six interest rate shocks and stress scenarios (Parallel rise, Parallel decline, Short-term decline · Long-term rise, Short-term rise · Long-term decline, Short-term rise, Short-term decline). In case of △NII, the Bank calculates possible losses by selecting between parallel rise and decline, whichever incurs loss.

Assets and liabilities subject to interest rate risk calculation are limited to assets and liabilities that do not belong to the trading account. The limit is set annually after a resolution by the Risk Management Committee and is managed through monthly confirmation and management reports.

The results of △EVE and △NII as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
△EVE	378,994	755,026
△NII	100,273	709,509

42.5 Liquidity Risk

Liquidity risk is the risk of insolvency or loss due to a disparity between the inflow and out flow of funds and obtaining funds at a high price or disposing of securities at an unfavorable price due to lack of available funds.

The Bank manages its liquidity risk through analysis of the contractual maturity of all financial assets, liabilities and off-balance items such as loan commitment and guarantees by maturity groups: On demand, less than three months, between three months to six months, between six months to 12 months, between one year to three years and over three years.

42.5.1 Contractual maturity of non-derivative financial liabilities

Cash flows presented for the maturity analysis are undiscounted contractual principal and interest payments. Contractual maturity of non-derivative financial liabilities as of December 31, 2025 and 2024, are as follows:

42.5 Liquidity Risk (cont'd)

December 31, 2025

(In millions of Korean won)	On demand	Less than 3 months	3~6 months	6~12 months	1~3 years	Over 3 years	Total
Financial liabilities							
Deposit liabilities							
Deposits on demand in Korean won	58,753,056	-	-	-	-	-	58,753,056
Deposits on demand in foreign currencies	9,769,511	-	-	-	-	-	9,769,511
Time & savings deposits in Korean won	57,306,121	5,885,319	2,999,125	6,863,861	8,878,494	2,254,912	84,187,832
Time & savings deposits in foreign currencies	3,454,279	5,517,745	1,370,329	1,376,152	2,519	109	11,721,133
Negotiable certificates of deposit	-	1,968,414	625,194	569,110	7,148	-	3,169,866
Other deposits in Korean won		776,022	443,403	567,678	431,723	32,625	2,251,451
Borrowings							
Borrowings in Korean won	-	8,597,621	3,367,333	5,129,114	9,462,056	6,382,657	32,938,781
Borrowings in foreign currencies		2,388,288	1,328,775	905,410	861,276	-	5,483,749
Other borrowings	-	6,761,818	17,519	1,133	-	-	6,780,470
Debentures							
Small and Medium Industry (SMI) finance bonds	-	54,894,906	43,202,776	58,215,231	35,133,274	3,365,219	194,811,406
Debt securities in foreign currencies	-	231,514	199,705	527,783	2,977,729	2,228,583	6,165,314
Other financial liabilities	-	3,525,886	-	-	-	16,670,886	20,196,772
	129,282,967	90,547,533	53,554,159	74,155,472	57,754,219	30,934,991	436,229,341
Commitments[1]	80,342,766	-	-	-	-	-	80,342,766
Financial guarantees[2]	2,716,089	-	-	-	-	-	2,716,089
	83,058,855	-	-	-	-	-	83,058,855

42.5 Liquidity Risk (cont'd)

December 31, 2024

(In millions of Korean won)	On demand	Less than 3 months	3~6 months	6~12 months	1~3 years	Over 3 years	Total
Financial liabilities							
Deposit liabilities							
Deposits on demand in Korean won	58,262,767	-	-	-	-	-	58,262,767
Deposits on demand in foreign currencies	8,213,767	-	-	-	-	-	8,213,767
Time & savings deposits in Korean won	54,825,438	6,220,160	3,350,974	6,438,145	7,333,461	2,044,924	80,213,102
Time & savings deposits in foreign currencies	2,349,587	4,343,897	1,312,622	1,420,230	3,007	138	9,429,481
Negotiable certificates of deposit	-	947,215	620,192	259,482	11,765	-	1,838,654
Other deposits in Korean won	-	946,935	549,073	663,893	470,571	53,079	2,683,551
Borrowings							
Borrowings in Korean won	-	8,913,118	3,237,190	4,792,799	9,174,105	6,447,403	32,564,615
Borrowings in foreign currencies	-	3,160,491	988,120	187,118	735,677	441,067	5,512,473
Other borrowings	-	1,180,315	14,601	780	-	-	1,195,696
Debentures							
Small and Medium Industry (SMI) finance bonds	-	50,460,938	35,960,884	54,607,750	41,531,836	5,032,358	187,593,766
Debt securities in foreign currencies	-	116,958	1,228,137	760,926	1,578,671	1,806,973	5,491,665
Other financial liabilities	-	6,033,014	-	-	-	14,401,518	20,434,532
	123,651,559	82,323,041	47,261,793	69,131,123	60,839,093	30,227,460	413,434,069
Commitments[1]	81,630,995	-	-	-	-	-	81,630,995
Financial guarantees[2]	2,784,586	-	-	-	-	-	2,784,586
	84,415,581	-	-	-	-	-	84,415,581

[1] Payment requests for loan commitments are possible at any time. They are, therefore, classified as 'on demand'.

[2] Cash flow for financial guarantees is allocated to the earliest period possible when the maximum amount of the financial guarantee can be requested.

42.5.2 Liquidity analysis of derivatives

The following tables are based on cash flows by each contract of derivatives. If amounts to be received or paid are not confirmed, they were calculated using the estimated interest rate based on the yield curve at the end of the reporting period.

42.5 Liquidity Risk (cont'd)

Liquidity analysis of derivatives as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	On demand	Up to 1 month	1~3 months	3~12 months	1~5 years	Over 5 years	Total
Currency forwards	-	30,474	3,966	36,910	70,756	10	142,116
Interest rate swaps	(112,923)	(14,394)	1,235	25,576	(18,078)	(1,122)	(119,706)
Currency swaps	(656)	(8,736)	(1,621)	(8,013)	(17,779)	661	(36,144)
Options	10,727	-	-	-	-	-	10,727
	(102,852)	7,344	3,580	54,473	34,899	(451)	(3,007)

December 31, 2024

(In millions of Korean won)	On demand	Up to 1 month	1~3 months	3~12 months	1~5 years	Over 5 years	Total
Currency forwards	-	50,186	(8,865)	17,753	70,252	-	129,326
Interest rate swaps	(100,855)	(13,372)	6,690	14,060	320	2,654	(90,503)
Currency swaps	(1,745)	(12,347)	(20,458)	32,233	(56,833)	-	(59,150)
Options	7,811	-	-	-	-	-	7,811
	(94,789)	24,467	(22,633)	64,046	13,739	2,654	(12,516)

42.6 Capital Management

The Bank complies with the capital adequacy standards prescribed by the financial supervisory authorities. These capital adequacy standards are based on the regulatory framework (Basel III) revised in June 2011 by the Basel Committee on Banking Supervision within the Bank for International Settlements (BIS), and have been implemented in Korea since December 2013. Under these standards, the Bank is required to maintain minimum levels of the Common Equity Tier 1 (CET1) ratio, Tier 1 capital ratio, and Total capital ratio on a phased-in basis from the implementation date. The Bank reports its compliance with capital adequacy requirements, as stipulated in the Detailed Regulations on Supervision of Banking Business issued by the Financial Supervisory Service (FSS), the supervisory authority for domestic banks.

In accordance with the applicable regulations, the Bank's capital is classified as follows:

Common Equity Tier 1 (CET1) Capital:
CET1 capital includes common stock, capital surplus and other capital adjustments arising from the issuance of common shares, retained earnings, accumulated other comprehensive income (AOCI), and the portion of non-controlling interests that qualifies as CET1 capital.

Additional Tier 1 Capital:
Additional Tier 1 (AT1) capital includes capital instruments that meet the eligibility requirements for AT1 recognition (such as preferred shares and contingent perpetual capital securities), capital surplus arising from the issuance of AT1 instruments, and the portion of non-controlling interests that qualifies solely as AT1 capital.

Tier 2 Capital:
Tier 2 capital includes capital instruments that satisfy the eligibility requirements for Tier 2 recognition (such as subordinated debt), related capital surplus, the portion of non-controlling interests that qualifies as Tier 2 capital, general provisions up to 1.25% of credit risk-weighted assets under the standardized approach, and excess amounts

when comparing expected loss and provisions under the internal ratings-based approach, up to 0.6% of credit risk-weighted assets.

Deductions:
Items deducted from capital include goodwill, intangible assets, shortfalls of provisions relative to expected losses, unpaid dividends, deferred tax assets dependent on future profitability, treasury shares (only when not already deducted from equity under accounting standards), net pension assets under defined benefit plans, cash flow hedge reserves, and accumulated gains or losses arising from changes in own credit risk on fair-valued liabilities.

Risk-weighted assets represent the amount of risk the Bank must hold capital against, reflecting potential losses arising from inherent risks in assets, internal process failures, and external events. The Bank calculates risk-weighted assets by risk type (credit risk, market risk, and operational risk) in accordance with the Detailed Regulations on Supervision of Banking Business and uses these amounts to compute its BIS ratios.

The Bank evaluates and manages its capital adequacy based on internal standards. Internal capital adequacy assessment refers to the overall processes of identifying, assessing and managing all material risks faced in business operations, and comparing the resulting internal capital needs with available capital.

The Bank is required to maintain minimum regulatory ratios under the capital adequacy standards established by the Financial Services Commission (FSC): a CET1 ratio of 4.5%, a Tier 1 capital ratio of 6.0%, and a Total capital ratio of 8.0%.

(As of December 31, 2025, the regulatory ratios including the capital conservation buffer and countercyclical buffer are 8.0% for the CET1 ratio, 9.5% for the Tier 1 capital ratio, and 11.5% for the Total capital ratio.)
Economic capital refers to the amount of capital required to protect the Bank from economic insolvency arising from unexpected future losses. The Bank operates a framework for measuring, allocating and managing economic capital across all subsidiaries by risk type.

The BIS capital ratios of the Bank as of December 31, 2025 and 2024, are as follows:

BIS capital ratio

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
BIS Capital (A)	39,042,670	36,925,969
Risk-Weighted Assets (B)	264,086,475	251,437,072
Credit Risk-Weighted Assets (Advanced IRB Approach)	242,159,556	230,474,155
Market Risk-Weighted Assets (Internal Models Approach)	6,834,544	5,859,159
Operational Risk-Weighted Assets (AMA - Advanced Measurement Approach)	15,092,375	15,103,758
BIS Capital Ratio (A/B)	14.78	14.69
CET1 Ratio	11.48	11.32
Tier 1 Capital Ratio	13.26	13.04
Tier 2 Capital Ratio	1.52	1.65

BIS capital

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Total Capital (C + D)	39,042,670	36,925,969
Tier 1 Capital (C = A + B)	35,028,765	32,788,105
Common Equity Tier 1 (CET1) Capital (A)	30,318,331	28,450,420
Common Stock	3,987,130	3,987,130
Capital Surplus	1,178,850	1,170,254
Other Capital Adjustments	223,618	223,960
Retained Earnings	25,396,396	23,593,122
Accumulated Other Comprehensive Income (AOCI)	986,153	659,019
Non-controlling Interests (qualifying as CET1)	8,482	9,584
Regulatory Deductions (△)	1,462,298	1,192,649
Additional Tier 1 (AT1) Capital (B)	4,710,434	4,337,685
Contingent Perpetual Capital Securities / Hybrid Capital Securities	4,690,000	4,320,000
Non-controlling Interests (qualifying as AT1)	27,849	24,454
Others	(7,415)	(6,769)
Tier 2 Capital (D)	4,013,905	4,137,864
Subordinated Debt (with Maturity)	2,710,000	2,820,000
General Provisions (eligible portion)	223,369	307,008
Excess of Provisions over Expected Loss	1,071,987	1,002,848
Non-controlling Interests (qualifying as Tier 2)	8,549	8,008

42.6 Assets and Liabilities Denominated in Foreign Currencies

Assets and liabilities denominated in foreign currencies as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won, in thousands of US dollars, Japanese yen, Euro, British pound, Hong Kong dollars and Chinese yuan)

December 31, 2024

	Equivalents in millions of Korean won	USD[1]	JPY	EUR	GBP	HKD	CNY
Cash and due from banks	8,727,540	5,266,469	51,123,905	148,249	12,133	69,513	2,028,644
Financial assets at fair value through profit or loss	961,850	630,636	-	33,785	-	-	-
Financial assets at fair value through other comprehensive income	4,065,948	2,648,027	-	149,414	7,464	-	-
Securities at amortized cost	2,278,956	1,588,233	-	-	-	-	-
Loan receivables at amortized cost	13,839,164	8,173,584	85,838,180	548,196	83,119	-	1,164,745
Derivative financial assets for hedge accounting	14,058	9,797	-	-	-	-	-
Other financial assets	1,653,332	901,791	7,599,996	31,354	3,001	928,735	291,516
	31,540,848	19,218,537	144,562,081	910,998	105,717	998,248	3,484,905
Financial liabilities designated at fair value through profit or loss	4,661	2,468	-	664	-	-	-
Deposit liabilities	20,209,095	11,421,011	222,179,380	758,940	30,842	534,726	1,683,606
Debts	6,631,300	4,112,788	18,031,988	132,057	70,224	-	1,006,480
Debentures	5,523,645	3,645,146	-	-	-	1,368,000	200,000
Derivative financial liabilities for hedge accounting	23,639	16,474	-	-	-	-	-
Other financial liabilities	2,710,699	1,601,232	25,467,139	28,563	1,550	477,814	196,029
	35,103,039	20,799,119	265,678,507	920,224	102,616	2,380,540	3,086,115

[1] Non-major currencies are denominated in US dollars.

December 31, 2025

	Equivalents in millions of Korean won	USD[1]	JPY	EUR	GBP	HKD	CNY
Cash and due from banks	8,269,255	4,845,236	54,212,988	161,875	12,107	64,499	1,774,089
Financial assets at fair value through profit or loss	931,121	614,923	-	17,782	-	-	-
Financial assets at fair value through other comprehensive income	3,224,690	2,158,085	-	25,383	7,323	-	-
Securities at amortized cost	2,424,439	1,649,278	-	-	-	-	-
Loan receivables at amortized cost	13,253,362	7,914,271	85,308,643	457,274	9,581	42,566	475,554
Derivative financial assets for hedge accounting	25,484	17,336	-	-	-	-	-
Other financial assets	3,014,667	1,522,663	2,140,299	24,892	3,238	1,105,853	2,498,870
	31,143,018	18,721,792	141,661,930	687,206	32,249	1,212,918	4,748,513
Financial liabilities designated at fair value through profit or loss	17,441	10,298	-	1,507	-	-	-
Deposit liabilities	16,572,664	8,847,117	236,020,177	610,799	17,690	647,877	1,332,123
Debts	6,375,210	4,073,016	11,691,843	123,221	2,986	-	419,865
Debentures	4,878,665	3,153,459	-	-	37,000	390,000	502,000
Derivative financial liabilities for hedge accounting	73,623	50,083	-	-	-	-	-
Other financial liabilities	3,606,077	1,966,674	7,376,839	33,633	993	570,856	2,408,078
	31,523,680	18,100,647	255,088,859	769,160	58,669	1,608,733	4,662,066

[1] Non-major currencies are denominated in US dollars.

Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

To the Shareholders and Board of Directors of
Industrial Bank of Korea and its subsidiaries

Opinion

We have audited the consolidated financial statements of Industrial Bank and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2025 and 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

We also have audited, in accordance with Korean Standards on Auditing, the Group's Internal Control over Financial Reporting for consolidation purposes as of December 31, 2025, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*, and our report dated March 11, 2026 expressed an unqualified opinion.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Allowance for Expected Credit Losses on Loans Measured at Amortized Cost

Reason why the matter was determined to be a Key Audit Matter:

The impairment guidance under Korean IFRS No.1109 *Financial Instruments* requires the determination of significant increases in credit risk and measurement of expected credit losses using forward-looking information and others. Accordingly, the Group developed a new measurement model utilizing various types of information, which requires a higher level of management's interpretation and judgment.

The Group measures expected credit losses on loans measured at amortized cost based on individual or collective assessment. Both assessments of expected credit losses are performed based on

estimates of future forecast cash flow and involve various and complex inputs and assumptions that require management's estimates and judgments. Due to these facts, expected credit losses of loans measured at amortized costs are determined as a key audit matter. As described in Note 7, loans measured at amortized cost subject to individual or collective assessments amount to ₩361,955,313 million, with allowances for credit losses of ₩4,893,467 million as of December 31, 2025.

How our audit addressed the Key Audit Matter:

(1) Assessment of expected credit losses on an individual basis
We obtained an understanding and validated the processes and controls relating to the assessment of expected credit losses on an individual basis. In particular, we focused on the reasonableness of the assumptions used in estimating future cash flows. We evaluated whether management's estimation on the key assumptions in the cash flow projection and collateral valuation was reasonable and thoroughly reviewed. As part of these procedures, we assessed whether sales growth rate, operating income ratio, and assumptions on investment activities used in estimating the future cash flow were consistent with historical operating performance and current market conditions. Furthermore, we assessed the appropriateness of collateral valuation by conducting our own research on recent property prices and engaged independent appraisal specialists in assessing reasonableness of appraisal reports, models and methodologies used by management.

(2) Assessment of expected credit losses on a collective basis
We obtained an understanding of and validated the processes and controls relating to management's calculation of expected credit losses on a collective basis in accordance with impairment requirements under Korean IFRS No.1109 *Financial Instruments*. Based on the management's credit ratings assessment, lifetime expected credit losses are recognized for loans with significant increase in credit risk and impaired loans. Other than these cases, management recognizes 12-months of expected credit losses. To calculate all expected credit losses, management has applied estimates on the basis of various assumptions including forward-looking information, possible multiple scenarios, probability of default and loss given default through its established processes and controls.

We verified that relevant control procedures were implemented for the credit ratings results to reasonably reflect the qualitative and quantitative information considered in the management assessment of credit ratings. Our testing over the accuracy and reliability of the information included agreeing qualitative and quantitative information with relevant evidence.

We reviewed the appropriateness of Group's accounting policies to determine significant increases in credit risk, and tested reasonableness of expected credit loss model applied by each of the three stages (Stages 1, 2 and 3) depending on the significance of increase in credit risk.

We engaged risk specialists in verifying the reasonableness and probability of forward-looking information and multiple scenarios produced by management. Risk specialists were also engaged in statistical analysis of the correlation between forward-looking information and probability of default and loss given default. Based on this, we assessed the appropriateness of methodologies adjusting the probability of default and loss given default to reflect forward-looking information in estimating the expected credit losses. We further tested the reasonableness and mathematical accuracy of the information through recalculation and inspection of supporting evidence.

We reviewed the methodologies used by management to verify that probability of default and loss given default were calibrated using sufficient and reasonable historical data. We determined that the default and loss data used were appropriately gathered and applied in accordance with internal control procedures. In addition, we assessed the reasonableness and accuracy of probability of default and loss given default through procedures including recalculation, and validated the accuracy of calculations regarding default and loss data used by management through agreeing them with relevant evidence.

Other Matter
Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sun-Geun Jin, Certified Public Accountant.

/s/ Samil PricewaterhouseCoopers

Seoul, Korea
March 11, 2026

This report is effective as at March 11, 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Industrial Bank of Korea and its subsidiaries
Consolidated Statements of Financial Position
as of December 31, 2025 and 2024

(In millions of Korean won)

	Notes	December 31, 2025	December 31, 2024
Assets			
Cash and due from banks	24,43,44	₩ 24,258,895	₩ 18,083,041
Financial assets at fair value through profit or loss	4,8,24,44	27,875,726	26,358,446
Financial assets at fair value through other comprehensive income	5,24,44	38,624,525	32,923,993
Securities at amortized cost, net	6,24,44	34,693,737	35,423,815
Loans receivables at amortized cost, net	7,24,44	357,806,218	343,900,399
Derivative financial assets for hedge accounting	8,24,44	32,095	71,829
Investments in associates	9	2,574,894	2,051,729
Investment properties, net	11	84,958	85,958
Property and equipment, net	12,22	2,463,183	2,479,927
Intangible assets, net	13	399,604	348,175
Net defined benefit assets	19	258,656	32,777
Deferred tax assets	14	61,514	101,658
Other assets	15,24,44	11,558,616	10,358,091
Total assets		₩ 500,692,621	₩ 472,219,838
Liabilities			
Financial liabilities at fair value through profit or loss	4,8,24,44	₩ 4,355,501	₩ 5,454,844
Financial liabilities designated at fair value through profit or loss	4,24,44	2,111,186	1,492,476
Deposit liabilities	16,24,44	168,162,978	158,255,737
Borrowings	17,24,44	50,380,442	44,777,136
Debentures	18,24,44	203,390,126	193,150,753
Derivative financial liabilities for hedge accounting	8,24,44	210,457	294,848
Insurance contract liabillities	37	7,959,268	7,853,354
Provisions	20	858,873	902,199
Deferred tax liabilities	14	619,142	455,690
Other liabilities	21,22,24,44	25,788,624	25,351,710
Total liabilities		463,836,597	437,988,747
Equity			
Equity attributable to owners of the parent			
Issued capital	25,44	4,211,365	4,211,365
Hybrid capital instruments	25,44	4,682,585	4,313,231
Capital surplus	25,44	1,178,853	1,170,257
Capital adjustment	25,44	(617)	(275)
Accumulated other comprehensive income	25,44	986,153	659,019
Retained earnings (Regulatory reserve for credit loss December 31, 2025: ₩ 3,567,273 million December 31, 2024: ₩ 3,343,810 million) (Regulatory reserve for credit loss estimated to be appropriated December 31, 2025: ₩ 483,013 million December 31, 2024: ₩ 223,463 million)	26,44	25,396,396	23,593,122
		36,454,735	33,946,719
Non-controlling interests	9	401,289	284,372
Total equity		36,856,024	34,231,091
Total liabilities and equity		₩ 500,692,621	₩ 472,219,838

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

Industrial Bank of Korea and its subsidiaries
Consolidated Statements of Comprehensive Income
For The Years Ended December 31, 2025 and 2024
(In millions of Korean won)

	Notes	2025	2024
Interest income:		₩ 17,764,200	₩ 18,954,860
Interest income on financial assets at fair value through profit or loss		377,823	396,480
Interest income on financial assets at fair value through other comprehensive income and at amortized cost		17,386,353	18,558,380
Interest income on insurance		24	-
Interest expenses		(10,014,775)	(11,062,971)
Interest expense on finance instruments		(9,709,162)	(10,790,963)
Interest expense on insurance		(305,613)	(272,008)
Net interest income	27,37,42	7,749,425	7,891,889
Fee and commission income		840,672	863,661
Fee and commission expense		(409,043)	(391,606)
Net fee and commission income	28,42	431,629	472,055
Net gains on financial instruments at fair value through profit or loss	29	992,183	448,656
Net gains (losses) on financial instruments designated at fair value through profit or loss	29	(83,614)	(75,719)
Net gains (losses) on derivative financial instruments for hedge accounting	8	95,780	(133,620)
Gains on disposal of financial assets at amortized cost		180,098	160,405
Net gains on financial assets at fair value through other comprehensive income	30	119,675	132,222
Insurance gains and losses	37	52,376	29,554
Insurance income		117,072	93,466
Insurance expense		(64,696)	(63,912)
Net gains on foreign currency transactions		130,216	269,583
Gross operating profit		9,667,768	9,195,025
Impairment losses on financial assets	5,6,7,15,42	(1,774,175)	(1,720,064)
Net operating profit		7,893,593	7,474,961
General and administrative expenses	31	(3,182,639)	(2,813,350)
Other operating income	32	312,573	328,767
Other operating expenses	33	(1,367,938)	(1,396,291)
Operating profit		3,655,589	3,594,087
Non-operating income (expenses)	34	9,007	(26,584)
Profit before income tax		3,664,596	3,567,503
Income tax expense	14	(945,728)	(913,165)
Profit for the year	26	2,718,868	2,654,338
(Adjusted profit after provision of regulatory reserve for credit losses December 31, 2025 : ₩2,235,855 million December 31, 2024 : ₩2,430,875 million)			
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss:			
Changes in valuation of financial liabilities designated at fair value through profit or loss	25	15	(47)
Changes in valuation of equity securities at fair value through other comprehensive income	5,25	379,935	161,195
Remeasurements of net defined benefit liabilities (assets)	19,25	119,723	(97,091)
Items that may be subsequently reclassified to profit or loss:			
Changes in valuation of debt securities at fair value through other comprehensive income	5,25	(217,346)	226,209

Changes in shares of other comprehensive loss of associates	9,25	53	-
Exchange differences on translation of foreign operations	25	(54,227)	254,210
Changes in valuation of cash flow hedge	8,25	(6,724)	(9,410)
Changes in valuation of hedges of net investment in foreign operations	8,24	15,611	(70,225)
Insurance finance income and expenses	25,37	198,046	(43,607)
Other comprehensive loss for the year, net of tax		435,086	421,234
Total comprehensive income for the year		₩ 3,153,954	₩ 3,075,572
Profit attributable to:			
Owners of the parent		2,711,103	2,644,524
Non-controlling interests		7,765	9,814
		₩ 2,718,868	₩ 2,654,338
Total comprehensive income attributable to:			
Owners of the parent		3,148,466	3,063,188
Non-controlling interests		5,488	12,384
		₩ 3,153,954	₩ 3,075,572
Earnings per share (Korean won)	38		
Basic earnings per share		₩ 3,183	₩ 3,106
Diluted earnings per share		₩ 3,183	₩ 3,106

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

Industrial Bank of Korea and its subsidiaries
Consolidated Statements of Changes in Equity
For The Years Ended December 31, 2025 and 2024

(In millions of Korean won)

		Attributable to owners of the parent							
	Notes	Issued capital	Hybrid capital instruments	Capital surplus	Capital adjustment	Accumulated other comprehensive income	Retained earnings	Non-controlling interests	Total equity
Balance as of January 1, 2024		4,211,365	₩ 4,133,457	₩ 1,178,177	₩ (309)	₩ 243,950	₩ 21,889,945	₩ 160,176	₩ 31,816,761
Comprehensive income									
Profit for the year		-	-	-	-	-	2,644,524	9,814	2,654,338
Other comprehensive income for the year									
Gain (loss) on valuation of debt securities at fair value through other comprehensive income	5,25	-	-	-	-	226,296	-	(87)	226,209
Exchange differences on translation of foreign operations	25	-	-	-	-	251,023	-	3,187	254,210
Changes in valuation of cash flow hedge	8,25	-	-	-	-	(9,410)	-	-	(9,410)
Changes in valuation of hedges of net investment in foreign operations	8,25	-	-	-	-	(70,225)	-	-	(70,225)
Insurance finance income and expenses	25,37	-	-	-	-	(43,607)	-	-	(43,607)
Changes in financial liabilities designated at fair value through profit or loss	25	-	-	-	-	(41)	-	(6)	(47)
Changes in valuation of equity securities at fair value through other comprehensive income	5,25	-	-	-	-	161,195	-	-	161,195
Transfer of realized gains or losses on equity investment at fair value through other comprehensive income	5,25	-	-	-	-	(3,595)	3,595	-	-
Remeasurement of net defined benefit liabilities (assets)	19,25	-	-	-	-	(96,567)	-	(524)	(97,091)
Total comprehensive income for the year		-	-	-	-	415,069	2,648,119	12,384	3,075,572
Transactions with owners									
Cash dividends	39	-	-	-	-	-	(784,667)	(1,071)	(785,738)
Dividends for hybrid capital instruments	39	-	-	-	-	-	(167,765)	(2,705)	(170,470)
Issuance of hybrid capital instruments	25	-	399,400	-	-	-	-	99,977	499,377
Repayment of hybrid capital instruments	25	-	(219,626)	-	(275)	-	-	-	(219,901)
Others		-	-	(7,920)	309	-	7,490	15,611	15,490
Total transactions with owners		-	179,774	(7,920)	34	-	(944,942)	111,812	(661,242)
Balance as of December 31, 2024		₩ 4,211,365	₩ 4,313,231	₩ 1,170,257	₩ (275)	₩ 659,019	₩ 23,593,122	₩ 284,372	₩ 34,231,091

(continued)

Industrial Bank of Korea and its subsidiaries
Consolidated Statements of Changes in Equity
For The Years Ended December 31, 2025 and 2024

(In millions of Korean won)

		Attributable to owners of the parent							
	Notes	Issued capital	Hybrid capital instruments	Capital surplus	Capital adjustment	Accumulated other comprehensive income	Retained earnings	Non-controlling interests	Total equity
Balance as of January 1, 2025		₩ 4,211,365	₩ 4,313,231	₩ 1,170,257	₩ (275)	₩ 659,019	₩ 23,593,122	₩ 284,372	₩ 34,231,091
Comprehensive income									
Profit for the year		-	-	-	-	-	2,711,103	7,765	2,718,868
Other comprehensive income for the year									
Gain (loss) on valuation of debt securities at fair value through other comprehensive income	5,25	-	-	-	-	(217,396)	-	50	(217,346)
Changes in share of other comprehensive income of associates	9,25	-	-	-	-	53	-	-	53
Exchange differences on translation of foreign operations	25	-	-	-	-	(51,850)	-	(2,377)	(54,227)
Changes in valuation of cash flow hedge	8,25	-	-	-	-	(6,724)	-	-	(6,724)
Changes in valuation of hedges of net investment in foreign operations	8,25	-	-	-	-	15,611	-	-	15,611
Insurance finance income and expenses	25,37	-	-	-	-	198,046	-	-	198,046
Changes in financial liabilities designated at fair value through profit or loss	25	-	-	-	-	13	-	2	15
Changes in valuation of equity securities at fair value through other comprehensive income	5,25	-	-	-	-	379,935	-	-	379,935
Transfer of realized gains or losses on equity investment at fair value through other comprehensive income	5,25	-	-	-	-	(110,229)	110,229	-	-
Remeasurement of net defined benefit liabilities (assets)	19,25	-	-	-	-	119,675	-	48	119,723
Total comprehensive income for the year		-	-	-	-	327,134	2,821,332	5,488	3,153,954
Transactions with owners									
Cash dividends	39	-	-	-	-	-	(849,259)	(1,534)	(850,793)
Dividends for hybrid capital instruments	39	-	-	-	-	-	(173,010)	(6,678)	(179,688)
Issuance of hybrid capital instruments	25	-	988,515	-	-	-	-	119,973	1,108,488
Repayment of hybrid capital instruments	25	-	(619,161)	-	(617)	-	-	-	(619,778)
Others		-	-	8,596	275	-	4,211	(332)	12,750
Total transactions with owners		-	369,354	8,596	(342)	-	(1,018,058)	111,429	(529,021)
Balance as of December 31, 2025		₩ 4,211,365	₩ 4,682,585	₩ 1,178,853	₩ (617)	₩ 986,153	₩ 25,396,396	₩ 401,289	₩ 36,856,024

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

Industrial Bank of Korea and its subsidiaries
Consolidated Statements of Cash Flows
For The Years Ended December 31, 2025 and 2024
(In millions of Korean won)

	Notes	December 31, 2025	December 31, 2024
Cash flows from operating activities			
Profit for the year		₩ 2,718,868	₩ 2,654,338
Adjustments in expenses and revenues	43	(5,694,459)	(5,150,795)
Changes in operating assets and liabilities	43	(7,339,572)	(24,732,924)
Interests received		17,602,721	18,977,998
Interests paid		(9,980,063)	(10,869,411)
Dividends received		424,252	327,711
Income taxes paid		(753,893)	(924,349)
Net cash flows used in operating activities		(3,022,146)	(19,717,432)
Cash flows from investing activities			
Increase in financial assets at fair value through profit or loss		(114,991,623)	(49,943,498)
Decrease in financial assets at fair value through profit or loss		113,523,230	48,255,072
Increase in financial assets at fair value through other comprehensive income		(35,867,308)	(34,048,685)
Decrease in financial assets at fair value through other comprehensive income		31,169,131	31,454,376
Increase in securities at amortized cost		(14,463,140)	(11,641,526)
Decrease in securities at amortized cost		15,218,370	12,425,888
Proceeds from disposal of investments in associates		269,977	273,394
Acquisition of investments in associates		(659,591)	(501,273)
Proceeds from disposal of property and equipment and investment properties		4,020	5,992
Acquisition of property and equipment and investment properties		(186,051)	(322,866)
Proceeds from disposal of intangible assets		9,618	4,571
Acquisition of intangible assets		(206,589)	(130,322)
Acquisition of government grants		124	-
Net cash flows used in investing activities		(6,179,832)	(4,168,877)
Cash flows from financing activities			
Net increase in borrowings		5,507,665	3,176,324
Increase in debentures		221,798,669	220,871,487
Decrease in debentures		(212,020,330)	(210,438,959)
Repayment of lease liabilities		(89,403)	(82,477)
Proceeds from issuance of hybrid capital instruments		1,108,488	499,377
Repayment of hybrid capital instruments		(619,778)	(219,901)
Payment of dividends of hybrid capital instruments		(178,351)	(170,269)
Dividends paid		(850,793)	(785,738)
Net cash flows provided by financing activities		14,656,167	12,849,844
Effects of exchange rate changes on cash and cash equivalents		194,296	819,806
Net increase (decrease) in cash and cash equivalents		5,648,485	(10,216,659)
Cash and cash equivalents at the beginning of the year		16,494,623	26,711,282
Cash and cash equivalents at the end of the year	43	₩ 22,143,108	₩ 16,494,623

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

1. The Bank

The Industrial Bank of Korea (the "Bank") was established in 1961 under the Industrial Bank of Korea Act to promote independent economic activities of small and medium-sized companies and to enhance their economic status by establishing an efficient credit system for the small and medium-sized companies.

On May 15, 1992, the Bank converted its equity into shares in accordance with the Industrial Bank of Korea Act, as amended on December 31, 1991. On November 30, 1994, the Bank's ordinary shares were listed on KOSDAQ market, which operated as the over-the-counter market at that time. Subsequently, on December 24, 2003, the Bank transferred its listing from KOSDAQ to Korea Exchange market in order to broaden its investor base. In addition, on December 19, 2003, the Bank listed 48.53 million shares in the form of Global Depositary Shares, and on April 22, 2014, issued an additional 26.20 million ordinary shares, which were listed on the Luxembourg Stock Exchange.

As of December 31, 2025, the Bank's ordinary shares and preferred shares amount to ₩3,987.1 billion and ₩224.2 billion, respectively. The Korean government owns 59.50% of the Bank's ordinary shares. The head office of the Bank is located at 79, Euljiro, Jung-gu, Seoul, Korea. The Bank has 598 branches and 31 depositary offices in Korea, and 9 branches and 2 offices overseas.

2. Scope of Consolidation and Basis of Preparation

2.1.1 Scope of Consolidation

Details of the consolidated subsidiaries as of December 31, 2025 and 2024, are as follows:

			Ownership (%)		
Name of entity	Industry	Location	December 31, 2025	December 31, 2024	Year end
IBK Capital Corporation	New technology project financing, Installment financing, Facilities leasing, Corporate restructuring	Korea	100.00	100.00	December 31
IBK Securities Co., Ltd.	Investment association	Korea	87.78	87.78	December 31
IBK Insurance Co., Ltd.	Life insurance (Pension)	Korea	100.00	100.00	December 31
IBK Asset Management Co., Ltd.	Investment association	Korea	100.00	100.00	December 31
IBK Savings Bank Co., Ltd.	Financial system management	Korea	100.00	100.00	December 31
IBK Venture Investment Co., Ltd.	New technology project financing	Korea	100.00	100.00	December 31
IBK System Co., Ltd.[1]	Financial IT industry	Korea	55.63	55.63	December 31
IBK Credit Information Corp.	Credit information services, debt collection services	Korea	100.00	100.00	December 31
IBK Service Co., Ltd.	Maintenance and management services	Korea	100.00	100.00	December 31
Industrial Bank of Korea (China) Limited	Financial service	China	100.00	100.00	December 31
PT BANK IBK INDONESIA TBK	Financial service	Indonesia	91.49	91.49	December 31
IBK Myanmar Co., Ltd.	Financial service	Myanmar	100.00	100.00	March 31

Name of entity	Industry	Location	Ownership (%) December 31, 2025	Ownership (%) December 31, 2024	Year end
IBK Bank Polska Spolka Akcyjna	Financial service	Poland	100.00	-	December 31
IBK Capital Myanmar Co., Ltd.	Microfinance business	Myanmar	100.00	100.00	March 31
IBK SKS Private Equity Fund[3]	Investment association	Korea	26.67	26.67	December 31
IBK POSCO TRUBEN Recovery Private Equity Fund No.1[3]	Investment association	Korea	49.50	49.50	December 31
IBK NH Small Giant Private Equity Fund[2]	Investment association	Korea	-	50.00	December 31
No.1 Technology Financing Private Equity Fund[3]	Investment association	Korea	30.00	30.00	December 31
Value Brand Korea No.1 Private Equity Fund[3]	Investment association	Korea	50.00	50.00	December 31
IBK KIP Growth Stepstone Private Equity Fund No.1[3]	Investment association	Korea	50.00	50.00	December 31
IBK-TS Exit No.2 Private Equity Fund	Investment association	Korea	52.85	52.85	December 31
IBKBNW Tech-Fi 2018 Private Equity Fund[3]	Investment association	Korea	40.00	40.00	December 31
IBK-Stonebridge Innovation Growth PEF[3]	Investment association	Korea	40.00	40.00	December 31
IBKBNW Industrial Competitiveness Growth PEF[3]	Investment association	Korea	30.00	30.00	December 31
IBK-Stonebridge NewDeal-ESG Unicorn Private Equity Fund[3]	Investment association	Korea	40.00	40.00	December 31
IBK-KIWOOM Business Reorganizatio n Private Equity Fund[3]	Investment association	Korea	43.45	43.45	December 31
IBK-LX G Scale-up Export Support Fund[3]	Investment association	Korea	48.34	48.34	December 31
IBK-Kiwoom Small-Medium and Middle-Standing Jump-up Private Equity Fund[3]	Investment association	Korea	44.12	-	December 31
500 Korea III, L.P.	Investment association	Korea	99.00	99.00	December 31
IBKS Paratus Corporate Succession Business Reorgnization Fund	Investment association	Korea	74.00	73.27	December 31
IBK Financial Group Chang-gong No.1 Fund	Investment association	Korea	100.00	-	December 31
IBKC-TONGYANG Growth 2013 Private Equity Fund[2]	Investment association	Korea	-	35.71	December 31
Banks Foundation for young Entrepreneurs IBKC Pioneer Fund[3]	Investment association	Korea	50.00	50.00	December 31
IBK Group IP Creation Fund	Investment association	Korea	66.67	66.67	December 31
KIF-IBKC/SBI Secondary IT Venture Fund[3]	Investment association	Korea	42.86	42.86	December 31
IBKC-SBI Bio Fund No.1[3]	Investment association	Korea	50.00	50.00	December 31
IBK Group Crowdfunding Matching Fund	Investment association	Korea	100.00	100.00	December 31
IBK Group Future Growth Engine Fund	Investment association	Korea	100.00	100.00	December 31
IBKC-Medici Secondary Fund[3]	Investment association	Korea	42.86	42.86	December 31
IBK Group IP Value-up Fund No.2[3]	Investment association	Korea	50.00	50.00	December 31
IBKC-MGI New Economic Growth Pre-IPO Fund[3]	Investment association	Korea	50.00	50.00	December 31

Name of entity	Industry	Location	Ownership (%) December 31, 2025	Ownership (%) December 31, 2024	Year end
IBKC-UNION Secondary Mezzanine Fund[3]	Investment association	Korea	50.00	50.00	December 31
K&SECONDARY No.3 FUND[3]	Investment association	Korea	50.00	50.00	December 31
IBKC-K&SECONDARY No.1 FUND[3]	Investment association	Korea	50.00	50.00	December 31
IBK Start-up Job Creation Fund	Investment association	Korea	100.00	100.00	December 31
IBK Capital Digital Contents IP Investment Fund[2]	Investment association	Korea	-	45.00	December 31
IBK Group New Deal Material Component and Equipment Fund	Investment association	Korea	74.07	74.07	December 31
SG-IBKC K Contents Investment Fund No.1[2]	Investment association	Korea	-	60.00	December 31
IBKC Culture Contents Investment Fund[3]	Investment association	Korea	34.62	34.62	December 31
IBK Digital Innovation Fund	Investment association	Korea	100.00	100.00	December 31
IBK C&I ESS Private Equity Fund 1st	Investment association	Korea	81.82	81.82	December 31
IGIS Professional Private Real Estate Investment Trust NO. 336[2]	Investment association	Korea	-	98.08	December 31
Hangang Haenanum Energy Fund No.2	Investment association	Korea	99.95	99.95	December 31
Consus Nation Infra Private Special Asset Investment Trust 1	Investment association	Korea	100.00	100.00	December 31
IBK Renewable Infrastructure Private Special Asset Investment Trust No.1	Investment association	Korea	100.00	100.00	December 31
Samchully New Renewable Value Private Investment Trust (Special Assets)	Investment association	Korea	100.00	-	December 31
IBK Renewable Infrastructure Private Special Asset Investment Trust No.2	Investment association	Korea	100.00	-	December 31
Consus Nation Infra Private Special Asset Investment Trust 3	Investment association	Korea	100.00	-	December 31
Mirae Asset triumph private bond balanced No.17, and 3 investment funds	Investment association	Korea	100.00	100.00	December 31
Heungkuk High-class Private Securities Investment Fund No.6	Investment association	Korea	67.11	67.11	December 31
IBK Growth M&A Fund[8]	Investment association	Korea	100.00	100.00	December 31
IBK Growth M&A Fund 2	Investment association	Korea	100.00	100.00	December 31
IBK K-Growth Innovative Solution Fund	Investment association	Korea	100.00	100.00	December 31
IBK K-Growth Innovative Solution Fund 2	Investment association	Korea	100.00	100.00	December 31
IBK New Deal Private Equity Investment Fund 1	Investment association	Korea	100.00	100.00	December 31
IBK K-Growth Innovative Solution Fund 3	Investment association	Korea	100.00	100.00	December 31
IBK New Deal Private Equity Investment Fund 2nd	Investment association	Korea	100.00	100.00	December 31

Name of entity	Industry	Location	Ownership (%) December 31, 2025	Ownership (%) December 31, 2024	Year end
IBK Innovative Growth Fund 1	Investment association	Korea	100.00	100.00	December 31
K-Growth IBK Innovative Growth Fund 2	Investment association	Korea	100.00	100.00	December 31
K-Growth IBK Innovative Growth Fund 3	Investment association	Korea	100.00	-	December 31
Mirae asset Deoksong-Naegak Expressway Private Equity Fund	Investment association	Korea	100.00	100.00	December 31
IBK Professional Investor Private Fund RP 3 [Bond][4]	Investment association	Korea	50.00	50.00	December 31
IBK Private Securities Investment Fund S5 [Bond][4]	Investment association	Korea	50.00	50.00	December 31
IBK Professional Investor Private Fund RP 8 [Bond][2]	Investment association	Korea	-	50.03	December 31
IBK Professional Investor Private Fund RP 10 [Bond][4]	Investment association	Korea	50.00	50.00	December 31
IBK Professional Investor Private Fund RP 11 [Bond][4]	Investment association	Korea	50.00	50.00	December 31
IBK Professional Investor Private Fund RP 12 [Bond][2]	Investment association	Korea	-	50.00	December 31
IBK Professional Investor Private Fund RP 13 [Bond][4]	Investment association	Korea	50.00	50.00	December 31
IBK Professional Investor Private Fund RP 14 [Bond][4]	Investment association	Korea	50.00	-	December 31
IBK Professional Investor Private Fund RP 15 [Bond][4]	Investment association	Korea	50.00	-	December 31
IBK Global Bond Private SIT [Bond-Fofs][4]	Investment association	Korea	50.00	-	December 31
IBK Professional Investor Private Fund RP 16 [Bond][4]	Investment association	Korea	50.00	-	December 31
IBK Short-Term Bond General private securities investment trust 1(USD)[Bond][2]	Investment association	Korea	-	50.00	December 31
IBK Short-Term Bond General private securities investment trust 2(USD)[Bond][2]	Investment association	Korea	-	50.00	December 31
IBK Short-Term Bond General private securities investment trust 3(USD)[Bond][4]	Investment association	Korea	50.00	-	December 31
IBK Short-Term Bond General private securities investment trust 4(USD)[Bond][4]	Investment association	Korea	50.00	-	December 31
IBK Public sector led new deal fund Asset Investment Trust2 [Private Equity FoF][2]	Investment association	Korea	-	38.20	December 31
IBK Income Vanilla EMP Feeder Fund [Balanced-FOFs] [4,9]	Investment association	Korea	34.82	20.91	December 31
IBK Income Vanilla EMP Master Fund [Balanced-FOFs]	Investment association	Korea	94.30	-	December 31

Name of entity	Industry	Location	Ownership (%) December 31, 2025	Ownership (%) December 31, 2024	Year end
IBK Tomorrow Withdrawal Ultra Short-Term Bond [Bond]	Investment association	Korea	51.68	-	December 31
IBKs Best Champion Kosdaq Venture Profit Sharing Private Fund 2[4]	Investment association	Korea	10.30	-	December 31
SEOCHOTERRACEHILLSECOND[2]	Other financial services	Korea	-	-	December 31
Wonchang logistics Co., Ltd.[2]	Other financial services	Korea	-	-	December 31
IBKTANHYEONFIRST[5]	Other financial services	Korea	-	-	December 31
BUNDANGNEWBONFIRST[2]	Other financial services	Korea	-	-	December 31
IBKSYSINCHON[2]	Other financial services	Korea	-	-	December 31
IB WINDEOM 1ST CO., LTD.[5]	Other financial services	Korea	-	-	December 31
IBKDAEDEOKFIRST[2]	Other financial services	Korea	-	-	December 31
Cheongnyeon 1st Co., Ltd.[2]	Other financial services	Korea	-	-	December 31
Cheongnyeon 2nd Co., Ltd.[2]	Other financial services	Korea	-	-	December 31
GIEUNSENNS[2]	Other financial services	Korea	-	-	December 31
ANSIMPARTNERS[5]	Other financial services	Korea	-	-	December 31
IBKCHEONGLASECOND[5]	Other financial services	Korea	-	-	December 31
Gurae ot 1st Co., Ltd.[2]	Other financial services	Korea	-	-	December 31
Turandot 1st Co., Ltd.[5]	Other financial services	Korea	-	-	December 31
UNIECOCOMPANY Co., Ltd.[2]	Other financial services	Korea	-	-	December 31
The wave First Co., Ltd.[2]	Other financial services	Korea	-	-	December 31
GIEUNSENMOGOKFIRST[5]	Other financial services	Korea	-	-	December 31
DSKTENTH[5]	Other financial services	Korea	-	-	December 31
Roof Tower First Co., Ltd.[2]	Other financial services	Korea	-	-	December 31
IBGODOK 2nd Co., Ltd.[5]	Other financial services	Korea	-	-	December 31
Yesan sd 1st Co., Ltd. [5]	Other financial services	Korea	-	-	December 31
Unidelta Co., Ltd.[5]	Other financial services	Korea	-	-	December 31

Name of entity	Industry	Location	Ownership (%) December 31, 2025	Ownership (%) December 31, 2024	Year end
GIEUNSENGeumsafirst[5]	Other financial services	Korea	-	-	December 31
IBGOCHEONFIRST[5]	Other financial services	Korea	-	-	December 31
El Property two Co., Ltd.[2]	Other financial services	Korea	-	-	December 31
BK Bakdal Co., Ltd.[5]	Other financial services	Korea	-	-	December 31
Verde 1st Co., Ltd.[2]	Other financial services	Korea	-	-	December 31
Blue Oasis First Co., Ltd.[2]	Other financial services	Korea	-	-	December 31
MSK the 3rd Co., Ltd.[2]	Other financial services	Korea	-	-	December 31
IBheonin1st Co., Ltd.[5]	Other financial services	Korea	-	-	December 31
Money Road First Co., Ltd.[5]	Other financial services	Korea	-	-	December 31
IBKS Buron Co., Ltd.[5]	Other financial services	Korea	-	-	December 31
BK LAPEL 1st Co., Ltd.[5]	Other financial services	Korea	-	-	December 31
Cairo Alpha First Co., Ltd.[5]	Other financial services	Korea	-	-	December 31
Andong APT First Co., Ltd.[2]	Other financial services	Korea	-	-	December 31
BKOBEAN Co., Ltd.[2]	Other financial services	Korea	-	-	December 31
Primelevel Co., Ltd.[5]	Other financial services	Korea	-	-	December 31
jonblack Co., Ltd.[5]	Other financial services	Korea	-	-	December 31
Jincheon sd 1st. Co., Ltd[5]	Other financial services	Korea	-	-	December 31
Trust with repayment guarantees of principal[6]	Trust business	Korea	-	-	December 31
Trust with repayment guarantees of principal and interest[6]	Trust business	Korea	-	-	December 31
Woori Logis REIT Co., Ltd.[7]	Real estate development and sales, real estate management business	Korea	65.37	65.37 ~ 100.00	December 31

[1] The effective ownership ratio of the Group is 78.85% as of December 31, 2025 and 2024 due to the ownership of treasury stocks.
[2] The entity was excluded from subsidiaries as it was liquidated during the year ended December 31, 2025.
[3] The Group has control over the subsidiaries, as it participates in the investment deliberation committee with a majority member and acts, either solely or jointly as a general partner and a managing partner, thereby

exercising power over the decision-making process regarding the financial and operational policies of these subsidiaries.

[4] The Group has control over the trusts as it has power over the activities that significantly affect the trusts' returns, is significantly exposed to variable returns, and has the ability to use its power to affect those returns.

[5] The Group has control over these structured entities for asset securitization because it holds power over their relevant activities, is significantly exposed to variable returns, and possesses the ability to exercise the power to affect the returns.

[6] The Group has control over these entities because it holds power to determine the performance of trusts and is significantly exposed to variable returns including losses arising from principal-guarantee or principal-and-interest-guarantee agreements.

[7] During the year ended December 2025, Hanil FA Co., Ltd. was liquidated, and accordingly, the name changed from "Hanil FA Co., Ltd. and one other" in the prior period to "Woori Logistics Entrusted Management Real Estate Investment Company Co., Ltd." in the current period.

[8] The entity changed its name from 'IBK Growth M&A Fund' to 'Growth finance IBK M&A General Private Investment Trust' during the year ended December 31, 2024.

[9] The entity was reclassified from an associate to a subsidiary as the ownership ratio increased during the year ended December 31, 2025.

2. Scope of Consolidation and Basis of Preparation (cont'd)

2.1.2 Summarized Financial Information of Consolidated Subsidiaries

The financial information of subsidiaries as of December 31, 2025 and 2024 and for the years then ended are as follows:

(In millions of Korean won)

	December 31, 2025				
Name of entity[1]	**Total assets**	**Total liabilities**	**Total equity**	**Operating income**	**Profit (loss) for the period**
IBK Capital Corporation	12,071,475	9,995,543	2,075,932	878,207	245,614
IBK Securities Co., Ltd.	10,402,766	9,030,994	1,371,772	3,006,304	57,510
IBK Insurance Co., Ltd.	12,715,585	11,964,002	751,583	711,462	11,194
IBK Asset Management Co., Ltd.	105,665	6,129	99,536	30,891	10,663
IBK Savings Bank Co., Ltd.	1,530,342	1,363,463	166,879	121,450	(56,125)
IBK Venture Investment Co., Ltd.	99,118	3,974	95,144	4,616	(1,800)
IBK System Co., Ltd.	90,136	60,550	29,586	399,826	(4,494)
IBK Credit Information Corp.	42,995	5,302	37,693	35,437	2,710
IBK Service Co., Ltd.	23,169	14,494	8,675	84,852	436
Industrial Bank of Korea (China) Limited	6,161,261	5,435,029	726,232	249,251	26,865
PT BANK IBK INDONESIA TBK	2,031,509	1,523,838	507,671	164,656	(47,793)
IBK Myanmar Co., Ltd.	319,439	23,418	296,021	10,628	4,171
IBK Bank Polska Spolka Akcyjna	167,458	8,334	159,124	3,605	(1,071)
IBK Capital Myanmar Co., Ltd.	12,246	5,654	6,592	1,070	(1,385)
IBK SKS Private Equity Fund	5,270	-	5,270	-	(961)
IBK POSCO TRUBEN Recovery Private Equity Fund No.1	15,793	3	15,790	1,734	1,719
No.1 Technology Financing Private Equity Fund	10,274	-	10,274	2,979	3,506
Value Brand Korea No.1 Private Equity Fund	35	10	25	501	(1,513)
IBK KIP Growth Stepstone Private Equity Fund No.1	6,212	38	6,174	2	(135)
IBK-TS Exit No.2 Private Equity Fund	112,613	702	111,911	12,060	10,658
IBKBNW Tech-Fi 2018 Private Equity Fund	21,973	152	21,821	25,818	18,072
IBK-Stonebridge Innovation Growth PEF	73,471	1,297	72,174	4,775	(7,576)
IBKBNW Industrial Competitiveness Growth PEF	149,777	798	148,979	1,143	(3,755)
IBK-Stonebridge NewDeal-ESG Unicorn Private Equity Fund[3]	112,004	297	111,707	32,657	31,421
IBK-KIWOOM Business Reorganization Private Equity Fund	104,995	537	104,458	12,024	4,316
IBK-LX G Scale-up Export Support Fund	63,043	2,558	60,485	3	(1,797)
IBK-Kiwoom Small-Medium and Middle-Standing Jump-up Private Equity Fund	23,492	398	23,094	-	(706)
500 Korea III, L.P.	18,413	2	18,411	5	(832)
IBKS Paratus Corporate Succession Business Reorgnization Fund	36,911	523	36,388	119	(1,135)
IBK Financial Group Chang-gong No.1 Fund	4,752	3	4,749	-	(250)

(In millions of Korean won)

Name of entity[1]	December 31, 2025				
	Total assets	Total liabilities	Total equity	Operating income	Profit (loss) for the period
Banks Foundation for young Entrepreneurs IBKC Pioneer Fund	5,579	120	5,459	2,358	(395)
IBK Group IP Creation Fund	7,803	-	7,803	2,941	574
KIF-IBKC/SBI Secondary IT Venture Fund	6,812	3	6,809	2,890	(512)
IBKC-SBI Bio Fund No.1	1,879	-	1,879	674	(653)
IBK Group Crowdfunding Matching Fund	116	-	116	-	(1,551)
IBK Group Future Growth Engine Fund	15,430	-	15,430	1,571	957
IBKC-Medici Secondary Fund	1,272	-	1,272	1,204	(360)
IBK Group IP Value-up Fund No.2	4,064	-	4,064	5,870	(890)
IBKC-MGI New Economic Growth Pre-IPO Fund	3,225	-	3,225	961	(535)
IBKC-UNION Secondary Mezzanine Fund	4,291	-	4,291	44	(3,142)
K&SECONDARY No.3 FUND	7,430	-	7,430	12,536	7,258
IBKC-K&SECONDARY No.1 FUND	12,709	603	12,106	23,591	20,990
IBK Start-up Job Creation Fund	8,636	-	8,636	2,792	1,208
IBK Group New Deal Material Component and Equipment Fund	31,825	97	31,728	9,685	8,665
IBKC Culture Contents Investment Fund	7,206	-	7,206	158	20
IBK Digital Innovation Fund	7,823	-	7,823	9	(1,498)
IBK C&I ESS Private Equity Fund 1st	11,021	5	11,016	-	5,826
Hangang Haenanum Energy Fund No.2	9,221	1	9,220	448	174
Consus Nation Infra Private Special Asset Investment Trust 1	8,892	24	8,868	279	231
IBK Renewable Infrastructure Private Special Asset Investment Trust No.1	169,402	75	169,327	6,646	6,336
Samchully New Renewable Value Private Investment Trust (Special Assets)	4,013	147	3,866	237	(84)
IBK Renewable Infrastructure Private Special Asset Investment Trust No.2	12,975	26	12,949	261	147
Consus Nation Infra Private Special Asset Investment Trust 3	3,252	2	3,250	26	24
Mirae Asset triumph private bond balanced No.17, and 3 investment funds	430,817	94,646	336,171	25,965	19,778
Heungkuk High-class Private Securities Investment Fund No.6	307	-	307	7	6
IBK Growth M&A Fund[2]	61,963	130	61,833	29	(293)
IBK Growth M&A Fund 2	778	32	746	1	(225)
IBK K-Growth Innovative Solution Fund	33,584	34	33,550	69	(1,379)
IBK K-Growth Innovative Solution Fund 2	82,273	85	82,188	-	(6,657)
IBK New Deal Private Equity Investment Fund 1	216,133	378	215,755	14,414	15,447
IBK K-Growth Innovative Solution Fund 3	94,075	28	94,047	1,456	1,382
IBK New Deal Private Equity Investment Fund 2nd	261,564	438	261,126	59,326	59,454
IBK Innovative Growth Fund 1	157,458	313	157,145	6,253	6,185
K-Growth IBK Innovative Growth Fund 2	86,825	237	86,588	6,751	6,398
K-Growth IBK Innovative Growth Fund 3	60,044	303	59,741	269	(261)
Mirae asset Deoksong-Naegak Expressway Private Equity Fund	62	-	62	1	1
IBK Professional Investor Private Fund RP 3	194,329	94,717	99,612	5,195	3,494

(In millions of Korean won)

Name of entity[1]	December 31, 2025 Total assets	Total liabilities	Total equity	Operating income	Profit (loss) for the period
[Bond]					
IBK Private Securities Investment Fund S5 [Bond]	192,310	91,624	100,686	6,590	4,177
IBK Professional Investor Private Fund RP 10 [Bond]	290,214	188,947	101,267	9,578	4,696
IBK Professional Investor Private Fund RP 11 [Bond]	291,021	189,944	101,077	10,851	5,633
IBK Professional Investor Private Fund RP 13 [Bond]	166,133	105,919	60,214	5,306	2,295
IBK Professional Investor Private Fund RP 14 [Bond]	175,512	75,527	99,985	2,178	911
IBK Professional Investor Private Fund RP 15 [Bond]	279,692	180,628	99,064	1,934	886
IBK Global Bond Private SIT[Bond-Fofs]	41,739	1,035	40,704	5,057	704
IBK Professional Investor Private Fund RP 16 [Bond]	249,683	49,310	200,373	1,623	1,347
IBK Short-Term Bond General private securities investment trust 3(USD)[Bond	166,890	77,390	89,500	78,114	3,401
IBK Short-Term Bond General private securities investment trust 4(USD)[Bond]	120,574	32,715	87,859	40,219	2,303
IBK Income Vanilla EMP Feeder Fund [Balanced-FOFs]	3,667	30	3,637	304	205
IBK Income Vanilla EMP Master Fund [Balanced-FOFs]	3,803	13	3,790	326	321
IBK Tomorrow Withdrawal Ultra Short-Term Bond [Bond]	58,214	19,207	39,007	510	297
IBKs Best Champion Kosdaq Venture Profit Sharing Private Fund 2	15,517	16	15,501	2,023	348
IBKTANHYEONFIRST	1,885	1,885	-	363	-
IB WINDEOM 1ST CO., LTD.	16,124	16,124	-	863	7
ANSIMPARTNERS	21,146	20,143	1,003	1,669	745
IBKCHEONGLASECOND	7,207	7,031	176	560	176
Turandot 1st Co., Ltd.	61,358	60,785	573	-	(3,456)
GIEUNSENMOGOKFIRST	9,520	9,097	423	728	377
DSKTENTH	10,452	10,295	157	836	156
IBGODOK 2nd Co., Ltd.	20,335	20,337	(2)	1,201	-
Yesan sd 1st Co., Ltd.	20,439	20,211	228	1,681	236
Unidelta Co., Ltd.	25,817	25,825	(8)	1,163	(9)
GIEUNSENGeumsafirst	6,263	6,111	152	600	204
IBGOCHEONFIRST	7,061	7,061	-	667	-
BK Bakdal Co., Ltd.	6,162	6,162	-	600	-
IBheonin1st Co., Ltd.	22,842	22,842	-	2,420	-
Money Road First Co., Ltd.	10,453	10,328	125	819	174
IBKS Buron Co., Ltd.	5,110	5,139	(29)	700	(1)
BK LAPEL 1st Co., Ltd.	50,604	50,604	-	1,486	-
Cairo Alpha First Co., Ltd.	5,289	5,289	-	1,032	-
Primelevel Co., Ltd.	1,016	1,009	7	136	7
jonblack Co., Ltd.	20,273	20,000	273	643	273

(In millions of Korean won)

Name of entity[1]	December 31, 2025 Total assets	Total liabilities	Total equity	Operating income	Profit (loss) for the period
Jincheon sd 1st. Co., Ltd	20,546	20,546	-	164	-
Trust with repayment guarantees of principal	506,958	478,823	28,135	18,670	246
Trust with repayment guarantees of principal and interest	108	104	4	3	-
Woori Logis REIT Co., Ltd.[3]	30,464	21,567	8,897	1,933	295

(In millions of Korean won)

Name of entity[1]	December 31, 2024 Total assets	Total liabilities	Total equity	Operating income	Profit (loss) for the year
IBK Capital Corporation	11,191,899	9,360,802	1,831,097	786,201	214,205
IBK Securities Co., Ltd.	9,932,231	8,716,233	1,215,998	2,983,873	45,536
IBK Insurance Co., Ltd.	12,143,658	11,538,848	604,810	762,287	28,892
IBK Asset Management Co., Ltd.	94,895	5,127	89,768	26,459	8,992
IBK Savings Bank Co., Ltd.	1,720,758	1,617,262	103,496	124,547	(54,695)
IBK Venture Investment Co., Ltd.	101,618	4,674	96,944	3,291	(1,616)
IBK System Co., Ltd.	81,301	47,116	34,185	352,214	2,514
IBK Credit Information Corp.	43,397	6,895	36,502	34,763	3,791
IBK Service Co., Ltd.	22,318	14,079	8,239	78,554	11
Industrial Bank of Korea (China) Limited	5,501,453	4,813,739	687,714	297,884	32,651
PT BANK IBK INDONESIA TBK	1,904,648	1,326,233	578,415	187,954	18,045
IBK Myanmar Co., Ltd.	310,966	14,864	296,102	9,361	4,796
IBK Capital Myanmar Co., Ltd.	6,786	5,951	835	1,234	(2,823)
IBK SKS Private Equity Fund	6,231	-	6,231	2,888	(4,250)
IBK POSCO TRUBEN Recovery Private Equity Fund No.1	15,171	-	15,171	1,933	2,596
IBK NH Small Giant Private Equity Fund	167	-	167	48	(632)
No.1 Technology Financing Private Equity Fund	8,190	1,421	6,769	11,750	8,222
Value Brand Korea No.1 Private Equity Fund	4,661	12	4,649	6,733	5,566
IBK KIP Growth Stepstone Private Equity Fund No.1	11,474	165	11,309	7,078	(4,375)
IBK-TS Exit No.2 Private Equity Fund	104,011	759	103,252	23,353	21,681
IBKBNW Tech-Fi 2018 Private Equity Fund	26,120	70	26,050	28,771	(61,155)
IBK-Stonebridge Innovation Growth PEF	93,200	1,490	91,710	13,096	8,398
IBKBNW Industrial Competitiveness Growth PEF	154,979	745	154,234	23,402	19,134
IBK-Stonebridge NewDeal-ESG Unicorn Private Equity Fund	89,147	147	89,000	224	(1,173)
IBK-KIWOOM Business Reorganization Private E quity Fund	111,265	502	110,763	4,363	461
IBK-LX G Scale-up Export Support Fund	15,304	411	14,893	-	(1,706)
500 Korea III, L.P.	9,144	2	9,142	10	(530)
IBKS Paratus Corporate Succession Business Reorganization Fund	17,105	207	16,898	-	(1,252)
IBKC-TONGYANG Growth 2013 Private Equity Fund	6,207	-	6,207	559	(2,648)
Banks Foundation for young Entrepreneurs IBKC Pioneer Fund	17,770	100	17,670	149	(12,855)

(In millions of Korean won)

Name of entity[1]	December 31, 2024				
	Total assets	Total liabilities	Total equity	Operating income	Profit (loss) for the year
IBK Group IP Creation Fund	19,643	-	19,643	741	(12,025)
KIF-IBKC/SBI Secondary IT Venture Fund	10,520	2	10,518	482	(4,025)
IBKC-SBI Bio Fund No.1	2,535	3	2,532	1,800	1,212
IBK Group Crowdfunding Matching Fund	1,682	15	1,667	86	(982)
IBK Group Future Growth Engine Fund	17,016	128	16,888	7,083	6,287
IBKC-Medici Secondary Fund	4,712	-	4,712	5,264	747
IBK Group IP Value-up Fund No.2	13,420	165	13,255	5,067	4,770
IBKC-MGI New Economic Growth Pre-IPO Fund	3,760	-	3,760	1,393	53
IBKC-UNION Secondary Mezzanine Fund	7,434	-	7,434	1,338	961
K&SECONDARY No.3 FUND	9,172	-	9,172	19,183	5,582
IBKC-K&SECONDARY No.1 FUND	30,116	-	30,116	20,902	19,837
IBK Start-up Job Creation Fund	12,055	207	11,848	1,515	(421)
IBK Capital Digital Contents IP Investment Fund	5,718	1,000	4,718	3	(48)
IBK Group New Deal Material Component and Equipment Fund	36,679	122	36,557	3,851	(1,959)
SG-IBKC K Contents Investment Fund No.1	1,620	115	1,505	-	(156)
IBKC Culture Contents Investment Fund	8,057	-	8,057	83	(100)
IBK Digital Innovation Fund	4,321	-	4,321	2	(1,179)
IBK C&I ESS Private Equity Fund 1st	18,969	10	18,959	294	(4,489)
IGIS Professional Private Real Estate Investment T rust NO. 336	54,889	38,435	16,454	2,708	1,560
Hangang Haenanum Energy Fund No.2	9,726	1	9,725	905	897
Consus Nation Infra Private Special Asset Investment Trust 1	8,417	20	8,397	226	189
IBK Renewable Infrastructure Private Special Asset Investment Trust No.1	28,080	7	28,073	347	401
Mirae Asset triumph private bond balanced No.17, and 3 investment funds	639,811	304,581	335,230	27,263	14,612
Heungkuk High-class Private Securities Investment Fund No.6	300	-	300	1	1
IBK Growth M&A Fund[2]	11,104	120	10,984	155	(50)
IBK Growth M&A Fund 2	1,003	32	971	1	(31)
IBK K-Growth Innovative Solution Fund	34,963	34	34,929	24	365
IBK K-Growth Innovative Solution Fund 2	88,930	85	88,845	-	219
IBK New Deal Private Equity Investment Fund 1	200,683	375	200,308	1,098	1,137
IBK K-Growth Innovative Solution Fund 3	72,692	27	72,665	432	3,359
IBK New Deal Private Equity Investment Fund 2nd	184,268	424	183,844	-	3,717
IBK Innovative Growth Fund 1	127,524	293	127,231	877	392
K-Growth IBK Innovative Growth Fund 2	60,626	242	60,384	567	324
Mirae asset Deoksong-Naegak Expressway Private Equity Fund	61	-	61	4,126	4,253
IBK Professional Investor Private Fund RP 3 [Bond]	235,219	134,124	101,095	8,672	5,069
IBK Private Securities Investment Fund S5 [Bond]	103,166	14	103,152	4,283	3,995
IBK Professional Investor Private Fund RP 8 [Bond]	306,031	105,631	200,400	16,311	11,269

(In millions of Korean won)

Name of entity[1]	December 31, 2024				
	Total assets	Total liabilities	Total equity	Operating income	Profit (loss) for the year
IBK Professional Investor Private Fund RP 10 [Bond]	273,108	169,046	104,062	6,577	2,787
IBK Professional Investor Private Fund RP 11 [Bond]	293,762	188,850	104,912	7,614	2,928
IBK Professional Investor Private Fund RP 12 [Bond]	170,068	67,929	102,139	2,356	1,751
IBK Professional Investor Private Fund RP 13 [Bond]	176,612	115,726	60,886	673	244
IBK Short-Term Bond General private securities investment trust 1(USD)[Bond]	111,708	21,673	90,035	72,247	4,433
IBK Short-Term Bond General private securities investment trust 2(USD)[Bond]	117,550	26,571	90,979	29,437	2,463
IBK Public sector led new deal fund Asset Investment Trust2 [Private Equity FoF]	4,517	2	4,515	175	134
SEOCHOTERRACEHILLSECOND	7,283	7,283	-	716	-
Wonchang logistics Co., Ltd.	6,176	6,162	14	566	-
IBKTANHYEONFIRST	3,342	3,342	-	552	-
BUNDANGNEWBONFIRST	10,525	10,535	(10)	662	7
IBKSYSINCHON	12,293	12,295	(2)	1,749	(3)
IB WINDEOM 1ST CO., LTD.	16,114	16,121	(7)	1,273	(7)
IBKDAEDEOKFIRST	6,176	6,176	-	478	2
Cheongnyeon 1st Co., Ltd.	10,227	10,207	20	844	13
Cheongnyeon 2nd Co., Ltd.	5,055	5,025	30	468	29
GIEUNSENNS	10,249	10,249	-	903	-
ANSIMPARTNERS	20,676	20,418	258	1,833	(100)
IBKCHEONGLASECOND	7,094	7,108	(14)	594	(14)
Gurae ot 1st Co., Ltd.	7,110	7,152	(42)	753	(3)
Turandot 1st Co., Ltd.	64,770	60,741	4,029	4	(640)
UNIECOCOMPANY Co., Ltd.	15,656	16,134	(478)	619	(458)
The wave First Co., Ltd.	6,351	6,351	-	611	-
GIEUNSENMOGOKFIRST	9,143	9,097	46	874	109
DSKTENTH	10,298	10,297	1	922	1
Roof Tower First Co., Ltd.	3,069	3,068	1	275	-
IBGODOK 2nd Co., Ltd.	20,319	20,320	(1)	1,365	-
Yesan sd 1st Co., Ltd.	20,213	20,221	(8)	1,846	(8)
Unidelta Co., Ltd.	25,806	25,806	-	2,468	33
GIEUNSENGeumsafirst	6,058	6,109	(51)	602	(8)
IBGOCHEONFIRST	7,061	7,061	-	670	-
El Property two Co., Ltd.	13,359	13,359	-	978	-
BK Bakdal Co., Ltd.	6,158	6,158	-	602	-
Verde 1st Co., Ltd.	15,164	15,362	(198)	1,451	(69)
Blue Oasis First Co., Ltd.	2,228	2,227	1	232	1
MSK the 3rd Co., Ltd.	5,035	5,035	-	401	-
IBheonin1st Co., Ltd.	22,778	22,778	-	3,012	-
Money Road First Co., Ltd.	10,265	10,314	(49)	766	(49)
IBKS Buron Co., Ltd.	5,111	5,138	(27)	745	(28)

(In millions of Korean won)

Name of entity[1]	December 31, 2024				
	Total assets	Total liabilities	Total equity	Operating income	Profit (loss) for the year
BK LAPEL 1st Co., Ltd.	20,207	20,207	-	886	-
Cairo Alpha First Co., Ltd.	6,136	6,136	-	425	-
Andong APT First Co., Ltd.	11,426	11,539	(113)	154	(113)
BKOBEAN Co., Ltd.	37,960	37,955	5	3,455	4
Trust with repayment guarantees of principal	529,759	501,870	27,889	24,143	244
Trust with repayment guarantees of principal and interest	107	103	4	4	-
Hanil FA Co., Ltd. and another[3]	34,125	22,535	11,590	6,040	(473)

[1] The financial information above represents the separate financial statements of each subsidiary.
[2] The subsidiary's name was changed from 'IBK Growth M&A Fund' to 'Growth Finance IBK M&A General Private Investment Trust' in the previous year.
[3] During the year ended December 2025, Hanil FA Co., Ltd. was liquidated, and accordingly, the name changed from "Hanil FA Co., Ltd. and one other" in the prior period to "Woori Logistics Entrusted Management Real Estate Investment Company Co., Ltd." in the current period.

2.2 Basis of Preparation

The Bank and its subsidiaries (collectively referred to as the "Group") maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (K-IFRS). The accompanying consolidated financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

Certain information attached to the Korean language financial statements, but not required for a fair presentation of the Group's financial position, financial performance or cash flows, is not presented in the accompanying consolidated financial statements.

The consolidated financial statements of the Group have been prepared in accordance with K-IFRS. These are the standards, subsequent amendments and related interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the Republic of Korea.

K-IFRS allows the use of certain critical accounting estimates in the preparation of financial statements and requires management to exercise judgment in applying accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 2.2.5 'Material Accounting Estimates and Assumptions'.

2.2.1 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time in the fiscal period beginning on January 1, 2025.

Amendments to K-IFRS No. 1021 and K-IFRS No. 1101: *The effects of Changes in Foreign Exchange Rates and First-time Adoption of K-IFRS – Lack of Exchangeability*

The amendments define when a currency is considered exchangeable for another currency for accounting purposes, provide guidance on how to assess exchangeability, and clarify requirements for estimating the spot exchange rate and related disclosures when a currency is not exchangeable. When exchangeability is lacking, an entity is required to estimate the spot exchange rate at the measurement date using either an observable rate without adjustment or another estimation technique. The amendments do not have a material impact on the consolidated financial statements.

Amendments to K-IFRS No. 1117: *Insurance Contracts*

The amendment requires disclosure when the estimation techniques for inputs used to measure insurance contracts differ from the principle-based estimation techniques required by insurance law and regulation, if the nature of those differences and their effect on the financial statements are judged to be material and relevant to users of financial statements. The amendment do not have an impact on the financial statements.

2.2.2 New and amended standards not adopted by the Group

The accounting standard that has been enacted or published but has not yet become effective for accounting periods beginning on or after January 1, 2025 and has not been early adopted by the Group is as follows:

Amendments to K-IFRS No. 1109 and K-IFRS No. 1107: *Financial Instruments and Disclosures – Classification and Measurement of Financial Instruments*

The amendments clarify the assessment of settlement conditions prior to the settlement date of financial liabilities when using electronic payment systems, interest rate features and contingent events that must be considered when

determining whether the contractual cash flows are consistent with a basic lending arrangement, non-recourse financial assets and features of contractually linked instruments.
The amendments also introduce additional disclosure requirements for equity investments designated at fair value through other comprehensive income (FVOCI) and contractual terms that may change the timing or amount of cash flows.
These amendments are to be applied retrospectively for annual periods beginning on or after January 1, 2026, with early application permitted. The amendments do not have a material impact on the consolidated financial statements.

Amendments to K-IFRS No. 1109 and K-IFRS No. 1107: *Contracts for Electricity Dependent on Natural Conditions*

The amendments define contracts related to nature-dependent power as contracts under which an entity is exposed to variability in the underlying power due to the fact that the source of power generation depends on uncontrollable natural conditions (for example, weather), and clarify that contracts for the purchase or sale of 'nature-dependent power' are subject to assessment for the own use exemption. In addition, the amendments change the hedge accounting requirements, for example by allowing the 'variable nominal volume' of highly probable forecast nature-dependent power transactions to be designated as the 'hedged item', and add related disclosures. An entity shall apply these amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The amendments are not expected to have a material effect on the financial statements.

K-IFRS No. 1118: *Presentation and Disclosure in Financial Statements*

K-IFRS No. 1118 replaces K-IFRS No. 1001 Presentation of Financial Statements. K-IFRS No. 1118 has carried forward many of the requirements of K-IFRS No. 1001 unchanged and has added new requirements. The new presentation requirements introduced by K-IFRS No. 1118 are expected to enhance the comparability of financial performance among similar entities in relation to the definition of operating profit, and the disclosure requirements for 'management-defined performance measures will also strengthen transparency. This Standard is to be applied for annual periods beginning on or after January 1, 2027, with early application permitted, and the impacts on the financial statements are currently under review.

Annual Improvements to K-IFRS

The Annual Improvements to K-IFRS are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Group does not expect the amendments to have a material impact on its consolidated financial statements.

-K-IFRS No. 1101 'First-time Adoption of K-IFRS': Hedge accounting application
-K-IFRS No. 1107 'Financial Instruments: Disclosures': Gains or losses on derecognition
-K-IFRS No. 1109 'Financial Instruments': Accounting treatment for lease liability derecognition and definition of transaction price
-K-IFRS No. 1110 'Consolidated Financial Statements': Determination of a de facto agent
-K-IFRS No. 1007 'Statement of Cash Flows': Cost Method

2.2.3 Measurement Basis

The consolidated financial statements have been prepared under the historical cost convention, unless otherwise specified.

2.2.4 Functional and Presentation Currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Korean won, which is the Group's functional and presentation currency.

2.2.5 Material Accounting Estimates and Assumptions

The preparation of the consolidated financial statements requires the application of accounting policies and certain critical accounting judgments, estimates and assumptions that may have an impact on assets/liabilities and income/expenses.

The management's estimate of outcome may differ from an actual outcome if the management's estimate and assumption based on its best judgment at the end of the reporting period are different from an actual environment. Estimates and underlying assumptions are continually evaluated, and changes in accounting estimates are recognized in the period of the change and in any future periods affected.

2.2.5.1 Sources of estimation uncertainty

Uncertainty in estimates and assumptions with significant risk that will result in material adjustment within the next accounting period is as follows:

(a) *Fair value of financial instruments*

The fair value of financial assets and liabilities where no active market exists or where quoted prices are not otherwise available is required by using valuation techniques. Financial instruments, which are not actively traded in the market and with less transparent market prices, will have less objective fair value and require broad judgment on liquidity, concentration, uncertainty in market factors, assumption in price determination and other risks. As described in the material accounting policies in Note 3.3 *'Recognition and Measurement of Financial Instruments'*, diverse valuation techniques are used to determine the fair value of financial instruments, from generally accepted market valuation models to internally developed valuation models that apply various types of assumptions and variables.

(b) *Hedging relationship*

As described in the material accounting policies Note 3.7, *'Derivative Financial Instruments'*, the Group applies hedge accounting when the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk throughout the financial reporting periods for which the hedge was designated. In addition, a cash flow hedge is applied when there is a hedge of an exposure to variability in cash flows that is attributable to a highly probable forecast transaction.

(c) *Provisions of credit losses (provision for impairment, provisions for guarantees and unused loan commitments)*

The Group recognizes expected credit losses as provisions for impairment and provisions in liabilities with the consideration of all reasonable and supportable information including that which is forward-looking, regarding debt instruments at fair value through other comprehensive income, financial assets measured at amortized cost, loan commitments and financial guarantee contracts. The accuracy of provision of credit losses is determined by the estimation of expected cash flows of individual borrower for individual provisions for impairment and the methodology and assumptions used in estimation of collective provisions for impairment, and provisions for payment guarantees/ unused loan commitments.

Due to the high proportion of low-rated borrowers and high fixed charge-off ratios among those companies that received financial support from the government related to COVID-19, a sharp increase in credit risk is expected when the policy ends, and additional provisions for loan losses are being made.

Based on reasonable information as of reporting date, the Group has reassessed the key assumptions used in the measurement of expected credit losses and reflected them in the allowance for loan losses, taking into account future economic uncertainties. The Group will continue to review the impact of these future economic uncertainties on the critical accounting estimates and assumptions used in the preparation of the consolidated financial statements.

(d) *Measurement of Defined benefit obligations*

Defined benefit obligations are measured by the independent actuaries using Projected Unit Credit Method,

determined through actuarial assumptions such as future increases in salaries, retirement rate, and death rate.

(e) *Income taxes*

The recognition of a deferred tax asset relies on an assessment of the probability and sufficiency of future taxable profits, future reversals of existing taxable temporary differences and ongoing tax planning strategies.

(f) *Impairment loss on goodwill*

The recoverable amount of a cash-generating unit for assessing whether goodwill is impaired is determined based on a computation of its value in use.

3. Material accounting policies

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

3.1 Basis of consolidation

3.1.1 Subsidiaries

Subsidiaries are entities controlled by the parent company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
In assessing control over another entity, the Group considers the existence and effect of potential voting rights that are currently exercisable or convertible. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Where entities within the Group use accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to their financial statements in preparing the consolidated financial statements.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3.1.2 Associates and joint arrangements

Associates are all entities over which the Group has significant influence, but not control, to determine financial and operating policies of an entity, generally accompanying a shareholding of greater than or equal to 20% of the voting rights.

Investments in associates are initially recognized at acquisition cost using the equity method. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. If there is any objective evidence that the investment in the associate is impaired, the Group recognizes the difference between the recoverable amount of the associate and its book amount as impairment loss.

A joint arrangement of which two or more parties have joint control is classified as either a joint operation or a joint venture. A joint operator has rights to the assets, and obligations for the liabilities, relating to the joint operation and recognizes the assets, liabilities, revenues and expenses relating to its interest in a joint operation. A joint venture has rights to the net assets relating to the joint venture and accounts for that investment using the equity method.

3.1.3 Fund management

The Group provides management services for trust assets, collective investment and others. These trusts and funds are not consolidated in the Group's consolidated financial statements, except for trusts and funds over which the Group has control.

3.1.4 Intragroup transactions

All intra-group balances and transactions, and any unrealized gains arising on intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains except that they are only eliminated to the extent that there is no evidence of impairment.

3.1.5 Business combinations

The acquisition method of accounting is used to account for all business combinations. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, and equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration payment arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. All other non-controlling interests are measured at fair values, unless otherwise required by other standards. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying amount of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

The Group shall recognize the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the acquiree. Subsequent changes in fair value of contingent consideration are recognized either in profit or loss or in other comprehensive income in accordance with K-IFRS No. 1109. Contingent consideration classified as equity shall not be remeasured and its subsequent settlement shall be accounted for within equity.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

3.1.6 Structured entity

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. When the Group decides whether it has power to the structured entities in which the Group has interests, it considers factors such as the purpose, the form, the practical ability to direct the relevant activities of a structured entity, the nature of its relationship with a structured entity and the amount of exposure to variable returns.

3.2 Foreign currencies

3.2.1 Foreign currency transactions

In preparing the financial statements, transactions denominated in currencies other than the functional currency (foreign currency transactions) are recorded using the exchange rate at the time of the transaction. At the end of each reporting period, foreign currency monetary items are translated using the closing rate at the end of the reporting period. The closing rate is the spot exchange rate at the end of the reporting period. Non-monetary foreign currency items measured at fair value are translated using the exchange rate at the date when the fair value is determined, and non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Except for translation differences arising on net investments in foreign operations and translation differences arising on financial liabilities designated as hedging instruments of such net investments, all exchange differences arising on the settlement of monetary items and on the translation of monetary items are recognized in profit or loss. When gains or losses arising from non-monetary items are recognized in other comprehensive income, the foreign exchange effects included in those gains or losses are also recognized in other comprehensive income, and when they are recognized in profit or loss, the foreign exchange effects are recognized in profit or loss as well.

3.2.2 Foreign operations

When the functional currency of a foreign operation differs from the presentation currency of the Group, its results and financial position are translated into the presentation currency as follows.

When the functional currency of a foreign operation is not the currency of a hyperinflationary economy, assets and liabilities in the statement of financial position (including comparative statements of financial position) are

translated at the closing rate at the end of the reporting period, income and expenses in the statement of comprehensive income (including comparative statements of comprehensive income) are translated at the average exchange rate for the period, and foreign exchange differences arising on translation are recognized in other comprehensive income and reclassified to profit or loss at the time when the gain or loss on disposal is recognized upon disposal of the foreign operation.

Goodwill arises on the acquisition of a foreign operation and fair value adjustments to the carrying amounts of assets and liabilities are treated as assets and liabilities of the foreign operation, are presented in the functional currency of the foreign operation, and are translated into the presentation currency using the closing rate together with other assets and liabilities of the foreign operation.

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 a separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal of the foreign operation is recognized. On the partial disposal of a subsidiary that includes a foreign operation, the group re-attributes to the non-controlling interests in that foreign operation the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income, and in any other partial disposal of a foreign operation, the group reclassifies to profit or loss only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income.

3.3 Criteria for recognition and measurement of financial instruments

3.3.1 Initial recognition

Financial instruments (financial assets and financial liabilities) are recognized in the statement of financial position when the Group becomes a party to the contractual provisions of the financial instrument. In addition, in the case of a regular purchase or sale (that is, a purchase or sale of a financial asset under contractual terms that require delivery of the financial asset within the time frame established generally by regulation or convention in the marketplace concerned), they are recognized on the trade date.

For financial reporting purposes, at initial recognition of financial instruments, the Group classifies financial assets, based on the business model for the financial assets and the contractual cash flow characteristics, as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, or financial assets at amortized cost, and classifies financial liabilities as financial liabilities at fair value through profit or loss or financial liabilities at amortized cost.

Financial assets and financial liabilities are measured at fair value at initial recognition, and, in the case of financial assets (financial liabilities) other than those at fair value through profit or loss, transaction costs that are directly attributable to the acquisition (issuance) of the financial assets (financial liabilities) are added to (deducted from) fair value at initial recognition. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date, and at initial recognition the fair value of a financial instrument is generally measured at the transaction price (the fair value of the consideration given or received).

3.3.2 Subsequent measurement

At initial recognition, financial instruments are measured in accordance with one of the following measurement bases, depending on the classification criteria.

(a) Amortized cost
Amortized cost is calculated as the amount at which a financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization, calculated using the effective interest method, of any difference between the initial carrying amount and the amount at maturity, and, in the case of financial assets, less any loss allowance reflecting expected credit losses.

(b) Fair value
The Group uses quoted prices in an active market as the best estimate of fair value, based on quoted market prices for the financial instruments or dealer price quotations for financial instruments traded in an active market. A

financial instrument is regarded as being quoted in an active market when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

If there is no active market for a financial instrument, fair value is determined using valuation techniques or by using the valuation results of an independent external professional valuation institution. Valuation techniques

include methods that use recent transactions between knowledgeable, willing, independent parties, methods that refer to the current fair value of another financial instrument that is substantially the same if such value is available, and methods such as discounted cash flow analysis and option pricing models.

The Group uses valuation models that market participants generally use to determine the fair value of common financial instruments such as options, interest rate swaps and currency swaps, and uses its own valuation models developed from generally accepted valuation models for more complex financial instruments. Some or all of the variables input into these models may be unobservable in the market, may be derived from market prices or market interest rates, or may be measured based on certain assumptions.

In addition, if fair value valuation techniques do not adequately reflect all the factors that market participants consider when pricing, the values derived from the fair value valuation models are adjusted to reflect certain factors. Fair value adjustments include counterparty credit risk, bid-ask spread adjustments and other factors.

The valuation techniques selected by the Group are designed to maximize the use of market data and minimize the use of entity-specific information. These valuation techniques incorporate all factors that market participants would consider in pricing and are consistent with economic methodologies that are generally applied to determine the prices of financial instruments. In addition, the valuation techniques are periodically calibrated, and their validity is assessed by using observable current market transaction prices for the same financial instrument or by reference to observable market data.

The Group classifies fair value measurements recognized in the statement of financial position within the following fair value hierarchy, reflecting the significance of the inputs used in the fair value measurement.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: All inputs other than quoted prices included in level 1 that are observable (either directly that is, prices, or indirectly that is, derived from prices) for the asset or liability
- Level 3: Unobservable inputs for the asset or liability

The fair value hierarchy of valuation techniques is based on the categorization of the lowest level input into a valuation model among the valuation components (excluding foreign currency rate) that is significant. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

3.3.3 Derecognition

Derecognition is the removal of a previously recognized financial asset or financial liability from the statement of financial position. The Group derecognizes a financial asset or a financial liability when, and only when:

a) Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire or the financial assets have been transferred and substantially all the risks and rewards of ownership of the financial assets are also transferred. Therefore, if the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial assets, the Group continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

The Group writes off the carrying amount and allowance for financial assets in its entirety or to a portion thereof when the principal and interest are determined to be no longer recoverable. In general, the Group considers write-off when it is determined that the debtor does not have sufficient resources or income to cover the principal and

interest, and this write-off decision is made in accordance with internal regulations. Regardless of write-off, the Group can continuously exercise its right to collect even after write-off of financial assets in accordance with internal collection policy. Recovered amounts from written-off financial assets are recognized in profit or loss.

b) Derecognition of financial liabilities

Financial liabilities are derecognized from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expires.

3.3.4 Offsetting

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.4 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, foreign currency, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. In addition, deposits with restriction on use under contractual terms and condition with third parties are included in cash and cash equivalents, unless those restrictions change the nature of the deposit in a way that the deposit no longer satisfies the definition of cash and cash equivalent.

3.5 Classification of Financial Assets

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. If the host contract is within the scope of K-IFRS No. 1109, hybrid (combined) contracts with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Classification of debt instruments

Business model for the contractual cash flows characteristics	Solely represents payments of principal and interest	All other
Hold the financial asset for the collection of the contractual cash flows	Financial assets at amortized cost[1]	
Hold the financial asset for the collection of the contractual cash flows and sale	Financial assets at fair value through other comprehensive income [1]	Financial Assets at fair value through profit or loss
Hold for sale	Financial Assets at fair value through profit or loss	

[1] A designation at financial assets at fair value through profit or loss is allowed only if such designation mitigates an accounting mismatch (irrevocable).

The Group classifies its debt instruments into one of the following three measurement categories:

- Financial assets at fair value through profit or loss: Financial assets held for sale or whose contractual cash flows does not represent solely payments of principal and interest on the principal amount outstanding are classified at fair value through profit or loss (FVTPL).

  - In addition, at initial recognition, financial assets that meet the following condition may be designated as financial assets at FVTPL, if such designation 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.

  Changes in the fair value of financial assets classified or designated as FVTPL, as well as and gains or losses arising from derecognition of such financial assets are recognized in profit or loss.

- Financial assets at fair value through other comprehensive income: Assets that are held for collection and selling of contractual cash flows, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment loss (i.e. changes in expected credit loss), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

- Financial assets at amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Impairment loss (reversal), the changes in expected credit losses, and gains or losses arising from the derecognition of the financial assets are recognized in profit or loss.

(b) Equity instruments

The Group subsequently measures all equity investments at fair value.

- Financial assets at fair value through profit or loss: equity instruments that are held for trading or that are not classified as financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Any gain or loss on valuation or derecognition of the financial assets is recognized in profit or loss, and the Group recognizes dividends in profit or loss when the Group's right to receive payments of the dividend is established.

- Financial assets at fair value through other comprehensive income: for the equity instruments that are not held for trading, at initial recognition, the Group may make an irrevocable election to present changes in fair value in other comprehensive incomes. Valuation gain or loss previously recognized as other comprehensive income is not reclassified to profit or loss but reclassified to retained earnings when the equity instruments are derecognized. For dividend income from these equity instruments, the Group recognizes dividends in profit or loss when the Group's right to receive payments of the dividend is established.

3.6 Impairment of Financial Assets

The Group assesses on a forward-looking basis and recognizes as provision for impairment and provisions the expected credit losses associated with its debt instruments at fair value through other comprehensive income, financial assets at amortized cost, loans commitments and financial guarantee contract.

Subsequent to initial recognition, loss allowances are measured at an amount equal to either 12-month expected credit losses or lifetime expected credit losses, depending on the extent of the increase in credit risk, and are classified into three stages as presented in the table below.

Stage		Loss allowance
1	No significant increase in credit risk after initial recognition [1]	12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the end of the reporting period)
2	Significant increase in credit risk after initial recognition	Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)
3	Credit-impaired	

[1] If the debt instrument (securities) has low credit risk at the end of the reporting period, the Group may assume that the credit risk has not increased significantly since initial recognition.

If one or more of the following criteria are met, the credit risk is deemed to have increased significantly. For financial assets whose contractual cash flows have been renegotiated or otherwise modified, the Group applies the same criteria to assess whether there has been a significant increase in credit risk.

- Decline in credit rating at period end by more than certain levels compared to that at initial recognition
- More than 10 days past due
- Below certain levels in the early warning system
- Below certain level of asset quality
- Complete impairment of capital, adverse and disclaimer opinion on auditor's report, interest coverage ratio of less than 1 for the consecutive 3-year period, operating cash flows less than zero for the consecutive 3-year period among the companies subject to external audit

For debt securities, if the credit risk of a financial instrument is determined to be low at the reporting date, the Group assumes that the credit risk has not increased significantly since initial recognition. In assessing whether a financial instrument has low credit risk, the Group applies internal credit risk ratings or other methodologies that are consistent with a globally recognized definition of low credit risk and that consider the risks and the type of financial instruments that are being assessed.

The Group generally considers a financial asset to be in default and credit-impaired when one or more of the following conditions are met:

- 90 days or more past due
- Legal proceedings (auction) related to collection
- Occurrence of event of default in other financial institution
- Restructuring and others

The definition of default applied by the Group is generally consistent with the definition of default used for regulatory capital management purposes. The information used to assess whether a default has occurred, and the relative importance of such information, may vary depending on circumstances.

The Group incorporates forward-looking information when measuring expected credit losses. It estimates the correlation between macroeconomic variables and the components used in measuring expected credit losses (risk components), and reflects forward-looking information by applying those relationship. The macroeconomic variables considered include a range of indicators across various categories, such as financial, real-economy, and real estate variables. Statistical methods are used to estimate the relationship between the macroeconomic variables and the expected credit loss measurement components.

The correlations between key macroeconomic variables and credit risk are as follows.

key macroeconomic parameters	Correlation between credit risk
GDP	Negative correlation
national gross investment rate	Negative correlation
3-year government bond yield	Positive correlation
10-year government bond yield	Positive correlation
unemployment rate	Positive correlation
current account balance	Negative correlation

To reflect domestic and global economic uncertainty, The Parent company measured expected credit losses by incorporating multiple scenarios scenarios, including upside, normal, downside, worst scenarios. Expected credit losses were measured by applying probability-weighted outcomes across the individual scenario. The weights of each scenario and the impact on the expected credit loss allowance assuming each scenario at 100% are as follows.

(In millions of Korean won)

Scenario	Application probability-weighted average	Assuming 100%	Difference from the carrying amount
Upside	10%	3,674,742	(1,232,660)
Normal	60%	4,122,044	(785,358)
Downside	10%	4,671,618	(235,784)
Worst	20%	8,341,881	3,434,479

The expected credit losses of financial assets measured at amortized cost are recognized as provision for impairment, a contra asset account. Provisions for impairment of debt securities at fair value through other comprehensive income are recognized against other comprehensive income and their book values are not adjusted. Also, expected credit losses of loan commitments and financial guarantee contracts are recognized as provision.

At each reporting date, the Group recognizes in profit or loss the amount of the change in lifetime expected credit losses as an impairment gain or loss on financial assets or other operating income or expense.

3.7 Derivative Financial Instruments

(a) Financial assets (liabilities) at fair value through profit or loss

All derivative financial instruments, except for derivatives that are designated and qualify for hedge accounting, are classified as financial assets (liabilities) at fair value through profit or loss, and measured at fair value. A gain or loss arising from a change in fair value is recognized in profit or loss on the statement of profit or loss.

(b) Fair value hedge

If derivatives qualify for a fair value hedge, the change in fair value of the hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognized in profit or loss as part of other operating income and expenses in the statement of comprehensive income. The gain or loss on the hedging instrument and the change in the fair value of the hedged item shall be recognized in other comprehensive income, if the hedging instrument hedges an equity instrument for which a Bank has elected to present changes in fair value in other comprehensive income.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio, but the risk management objective for that designated hedging relationship remains the same, a Bank shall adjust the hedge ratio of the hedging relationship so that it meets the qualifying criteria again (this is referred to in the standard as ‘rebalancing’). Fair value hedge accounting is discontinued prospectively if the hedging instrument expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for hedge accounting, or the

Group revokes the designation. Once fair value hedge accounting is discontinued, the adjustment to the carrying amount of a hedged item is fully amortized to profit or loss over the maturity of the financial instrument using the effective interest method.

(c) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income, whereas the gain or loss relating to the ineffective portion is recognized immediately in the current profit or loss.

Hedge accounting is discontinued prospectively if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting, or the Group revokes the designation. Once hedge accounting is discontinued, any cumulative gain or loss existing in equity remains in equity and will be recognized as profit or loss over the period of forecast transaction. However, when a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately recognized in the current profit or loss.

(d) Financial liabilities designated as hedge of a net investment in a foreign operation

The effective portion of gain or loss on financial liabilities that are designated and qualified as hedge of a net investment in a foreign operation is recognized in other comprehensive income, whereas the gain

or loss relating to the ineffective portion is recognized in profit or loss. When foreign operations are wholly or partially sold, the relevant amount recognized in other comprehensive income is reclassified to profit or loss.

(e) Embedded derivatives

If the host contracts are not financial liabilities or assets that are within the scope of K-IFRS No. 1109, an embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract and a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the hybrid (combined) instrument is not measured at fair value with changes in fair value recognized in profit or loss. A gain or loss arising from a change in the fair value of embedded derivative separated from host contract is recognized in profit or loss as part of net gains on financial instruments at fair value through profit or loss.

(f) Day one profit and loss

If the Group uses a valuation technique that incorporates data not obtained from observable markets for the fair value at initial recognition of financial instruments, there may be a difference between the transaction price and the amount determined using that valuation technique. In these circumstances, the difference is amortized using the straight-line method over the life of the financial instruments. If the fair value of the financial instruments is determined using observable market inputs, the remaining deferred amount is recognized in profit or loss.

3.8 Property and Equipment

(a) Recognition and measurement

All property and equipment that qualify for recognition as an asset are measured at its cost and subsequently carried at its cost less any accumulated depreciation and any accumulated impairment losses.

The cost of property and equipment includes any costs directly attributable to bringing the asset to the location and 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 enhance the future economic benefits and the previously assessed standard of performance, but they are recognized in profit or loss as incurred unless otherwise. Gains

and losses in disposals are determined by comparing net proceeds with carrying amount and recorded in other operating income and expenses.

(b) Depreciation

Land is not depreciated. Depreciation on other property and equipment is calculated, after deducting residual value from the cost of the asset, using the useful lives and depreciation methods presented below. The depreciable amount of an asset is determined after deducting its residual value. As for leased assets, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Government grants are recognized when there is reasonable assurance that the grant will be received, and the Group will comply with the conditions attached to it. Government grants related to assets are presented by deducting the grants in arriving at the carrying amount of the assets, and grants related to income are deferred and presented by deducting the related expenses for the purpose of the government grants.

The estimated useful lives of the assets and depreciation method are as follows:

Property and equipment	Depreciation method	Estimated useful lives
Buildings	Straight-line	15~60 years
Leasehold improvements	Straight-line	5 years
Equipment and vehicles	Declining-balance	5 years

The residual value, useful life and depreciation method of property and equipment are reviewed at least at each financial year-end. If expectations differ from previous estimates as a result of such review, the difference is accounted for prospectively as a change in accounting estimate.

3.9 Investment Properties

Properties held to earn rentals or for capital appreciation or both are classified as investment properties. Investment properties are measured initially at its cost and after initial recognition the cost model is used. In the case that the purpose of the asset to use is changed, that asset is reclassified from investment properties to the appropriate account or vice versa.

The estimated useful lives of investment properties and depreciation method are as follows:

Depreciation method	Estimated useful lives
Straight-line	33~60 years

3.10 Intangible Assets

The Group recognizes an intangible asset when it is probable that future economic benefits attributable to the asset will flow to the Bank and the cost of the asset can be measured reliably. Intangible assets acquired separately are measured initially at cost, and intangible assets acquired in a business combination are measured at fair value at the acquisition date. After initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses.

Intangible assets with finite useful lives are amortized on a systematic basis over their useful lives, and intangible assets with indefinite useful lives are not amortized. The Bank reviews the recoverable amount of intangible assets to determine whether there is any indication of impairment. An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

The amortization period and the amortization method for intangible assets with finite useful lives are reviewed at least at each financial year-end. If the expected useful life of the asset differs from previous estimates, the amortization period is changed accordingly. If the expected pattern of consumption of the future economic benefits embodied in the asset changes, the amortization method is changed to reflect the changed pattern. Such changes are accounted for as changes in accounting estimates in accordance with K-IFRS No. 1008.

Amortization method and estimated useful lives of intangible assets are as follows:

Intangible assets	Amortization method	Estimated useful lives
Development costs	Straight-line	5 years
Software	Straight-line	~5 years
Others	Straight-line	~10 years

3.10.1. Goodwill

(a) Recognition and measurement

Goodwill arising from business combinations occurring on or after 1 January 2010 is recognized as the excess of the business combination cost recognized in the financial statements over the net fair value of the acquiree's identifiable assets acquired and liabilities assumed. If the net fair value of the acquiree's identifiable assets acquired and liabilities assumed exceeds the business combination cost, the difference is recognized immediately in profit or loss.

For each individual business combination, the consolidated entity determines at the acquisition date whether to measure non-controlling interests at fair value or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets.

Costs incurred in connection with a business combination are recognized as expenses in the period in which the services are received, except for the costs of issuing debt and equity securities.

(b) Additional acquisition of non-controlling interests

Additional acquisitions of non-controlling interests are accounted for as transactions with owners, and as a result, related goodwill, etc. is not recognized.

(c) Subsequent measurement

Goodwill is not amortized and is recognized at its carrying amount, which is cost less accumulated impairment losses. In relation to investments in associates, the carrying amount of goodwill is included in the carrying amount of the investment, and the related impairment loss is not allocated to the individual assets (including goodwill) that make up the investment in the associate.

3.11 Leases

(a) Lease as lessee

In accordance with K-IFRS No. 1116, the Group recognizes substantially all of the lease as a right-of-use asset and lease liability. The Group elected not to recognize right-of-use assets and lease liability for leases for low value assets (i.e. office equipment) and the short-term lease.

The Group presents right-of-use assets as lower category of property and equipment. And the Group presents lease liability as lower category of other liabilities.

At the initial recognition, the Group measures the right-of-use asset at cost and deducts accumulated depreciation and accumulated impairment losses and reflecting the adjustment from remeasurement of the lease liability.

The Group measures lease liability at the initial recognition as present value of lease payment not paid as of the commencement date. When measuring the present value, the Group discounts lease payment using interest rate

implicit in the lease but uses the Group's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The Group normally uses the incremental borrowing rate.

The lease liability increases as the amount of interest expense recognized on lease liability and decreases as amount of lease payment. The Group remeasures lease liability if future lease payment changes in accordance with the changes in index or rate, amounts expected to be payable by the lessee under residual value guarantees, assessment of whether the Group is exercising the purchase option, option to extend, or option to terminate.

The Group reflects its assessment of whether it is reasonably certain to exercise extension options in determining the lease term for certain lease contracts that include such options.

(b) Lease as lessor

For finance leases, the Group recognizes the net investment in the lease, i.e. the present value of the lease payments, as lease receivables, and recognizes the difference between the gross lease receivables and the present value of the lease receivables as unearned interest income.

Expenditures incurred in relation to lease contracts that have been entered into as finance leases but have not been executed as of the end of the reporting period are recognized as prepaid lease assets and reclassified to finance lease receivables on the lease commencement date. In addition, the Group recognizes fees, legal costs and internally incurred costs that arise directly with, and further, in connection with the lease during the negotiation and contracting stages of the lease as part of the carrying amount of the finance lease receivables.

The Group accounts for each periodic lease payment by separating it into a reduction of the finance lease receivables and interest income, and allocates interest income by applying a method that results in a constant periodic rate of interest on the outstanding net investment in the finance lease.

The Group reviews unguaranteed residual values on a regular basis and, when the estimated amount of the unguaranteed residual value decreases, deducts the decrease from the carrying amount of the finance lease receivables and recognizes the amount of the decrease as an expense for the period.

For operating leases, lease income is recognized on a straight-line basis over the lease term, unless another systematic basis is more representative of the pattern of benefits derived from the passage of time over the lease term. Initial direct costs incurred during the negotiation and contracting stages of an operating lease are added to the carrying amount of the operating lease and recognized as an expense over the lease term on the same basis as the lease income. Depreciation of assets subject to operating leases is accounted for in a manner consistent with the depreciation of other similar assets owned by the lessor.

3.12 Impairment of Non-financial Assets

The Group assesses at the end of each reporting period whether there is any indication that a non-financial asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the assets. However, for certain assets for which an annual impairment test is required, the Group performs the impairment test annually. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. When the asset's carrying amount is higher than the recoverable amount, the carrying amount is decreased to the recoverable amount and the decreased amount is recognized as an impairment loss.

Impairment loss in continuing business is recognized in profit or loss as an expense item in accordance with the function of the impaired asset.

For the impairment loss already recognized, only in the case of changes in estimates used to determine the recoverable amount, the carrying amount is to be increased to the recoverable amount to the limit of amortized cost of carrying amount before recognizing impairment loss, and to be recognized as reversal of impairment loss through profit or loss.

The Group reviews, at the end of each reporting period, whether there is any objective evidence of impairment for investments in associates. If there is objective evidence of impairment, the recoverable amount of the relevant

investment is compared with its carrying amount, and the difference is recognized as an impairment loss in profit or loss.

3.13. Insurance contracts

3.13.1 Classification of insurance contracts and investment contracts

The Group determines whether it assumes significant insurance risk from policyholders for all contracts it has underwritten, considering the substantive rights and obligations. If, as a result of this assessment, it is determined that Group assumes significant insurance risk from policyholders, the contracts are classified as insurance contracts. If there is no transfer of significant insurance risk, the contracts are classified as investment contracts even if they take the legal form of insurance contracts. Depending on the classification of the contracts, insurance contracts and investment contracts with discretionary participation features are accounted for by applying K-IFRS No. 1117 'Insurance Contracts', while investment contracts without discretionary participation features are accounted for by applying K-IFRS No. 1109 'Financial Instruments'. The Group classifies retirement pension products as investment contracts without discretionary participation features. As of the end of the reporting period, there are no embedded derivative components within the insurance contracts held by the Company that meet the requirements for separation.

For insurance contracts with direct participation features, the Group measures them by applying the variable fee approach in accordance with K-IFRS No. 1117 'Insurance Contracts'. Insurance contracts without direct participation features are measured by applying the general model, and the premium allocation approach, which is a simplified form of the general model, has not been applied.

3.13.2 Insurance contract liabilities

(a) Level of aggregation

The Group groups insurance contracts into groups of insurance contracts and portfolios based on the likelihood of being onerous, similarity of risks and the level at which they are managed. The likelihood of an insurance contract becoming onerous is determined based on the ratio of the risk adjustment and the contractual service margin at the initial recognition of the insurance contract. The Group determines groups of insurance contracts at initial recognition using the group as the minimum unit and does not reassess the composition of the Group subsequently. Except for the transitional relief provisions at the date of transition, insurance contracts with more than one year difference in issuance dates are not included in the same group of insurance contracts.

(b) Recognition

The Group recognizes a group of insurance contracts at the earliest of the beginning of the coverage period of the Group of insurance contracts, the date when the policyholder is required to pay the first premium, or the date when the Group of insurance contracts is expected to become onerous.

(c) Contract boundary

The measurement of a group of insurance contracts includes future cash flows that are within the contract boundary of the contracts in the Group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the policyholder can be compelled to pay the premiums, or during the reporting period in which there is a substantive obligation to provide services to the policyholder. The Group determines the contract boundary based on whether it has the practical ability to reassess the risks of a particular policyholder or a particular portfolio and whether it can reflect the outcome of that
reassessment in the price or level of benefits. The pricing of premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date. The contract boundary is remeasured at each reporting date.

The Group determines the contract boundary at the level of the insurance contract that integrates the main contract and riders. Accordingly, the contract boundary is determined based on the maturity of the main contract, rather

than the renewal date of a renewable rider. In addition, mid-term additional payment options guaranteed by the Group are regarded as future cash flows within the contract boundary.

(d) Measurement

- Initial measurement

At initial recognition, the Group measures a group of insurance contracts as the sum of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows consist of estimates of future cash flows, an adjustment to reflect the time value of money and financial risks related to the future cash flows, and a risk adjustment for non-financial risk.

Estimates of future cash flows are current estimates for cash flows within the contract boundary, taking into account market and non-market variables, measured as the probability-weighted mean (expected value) of all possible outcomes, using all reasonable and supportable information available without undue cost or effort. In setting assumptions for estimating future cash flows, the Group does not take into account terms that do not have commercial substance. The adequacy of forecasted cash flows is continually reviewed and monitored by comparison with actual cash flows.

The risk adjustment for non-financial risk is a liability that adjusts the estimate of the present value of future cash flows so as to reflect the compensation that the insurer requires for bearing the uncertainty about the amount and timing of cash flows arising from non-financial risk. It is calculated using a confidence-level technique as the difference between (i) fulfilling a liability that has a range of potential outcomes arising from non-financial risk and (ii) fulfilling a liability arising from an insurance contract that generates fixed cash flows with the same expected present value. The Group determines the risk adjustment for non-financial risk at the level of aggregation of the Group, taking into account diversification effects, and then allocates it to individual contracts.

The contractual service margin represents the unearned profit that will be recognized as insurance contract services are provided in the future. When, at the date of initial recognition of a group of insurance contracts, the fulfilment cash flows are a net inflow, the contractual service margin for that group is measured so that no income or expenses arise at initial recognition from that group of insurance contracts. Conversely, when at the date of initial recognition the fulfilment cash flows of a group of insurance contracts are a net outflow, the Group is classified as a group of onerous contracts and the expected amount of the net outflow is recognized in profit or loss and subsequently measured as a loss component.

The presentation of the Group’s insurance contract assets and insurance contract liabilities is determined at the portfolio level based on the sum of the fulfilment cash flows and the contractual service margin.

- Subsequent measurement

At the end of the reporting period, the carrying amount of a group of insurance contracts is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage consists of the fulfilment cash flows related to future service allocated to the Group of insurance contracts at the end of the reporting period and the contractual service margin. The liability for incurred claims consists of the fulfilment cash flows for insurance claims and insurance expenses that have not yet been paid, and the fulfilment cash flows include incurred but not reported losses and dividend reserves established in accordance with supervisory regulations.

(e) Derecognition and modification of contracts

The Group derecognizes an insurance contract when the obligations specified in the insurance contract expire, are fulfilled or are cancelled. In addition, if the contractual terms are modified and, had the new contractual terms always existed, the accounting would have been significantly different, the entity derecognizes the contract and recognizes a new contract. If the contractual terms are modified but the contract is not derecognized, the modification is accounted for as a change in estimates of the fulfilment cash flows.

3.13.3 Insurance service revenue

The Group recognizes insurance service revenue as it fulfils its obligations to provide insurance contract services for a group of insurance contracts or to provide other services. Insurance service revenue related to insurance services provided during the reporting period represents the change in the liability for remaining coverage that relates to the consideration the Group expects to receive.

The amount of the contractual service margin recognized as insurance service revenue during the reporting period is determined by allocating, on a proportionate basis, the closing contractual service margin for the Group of insurance contracts before amortization at the end of the reporting period to the coverage units provided during the reporting period and to coverage units thereafter, and then recognizing the amount allocated to the coverage units provided during the reporting period. The number of coverage units is the quantitative measure of the insurance contract services provided by the insurance contracts and is determined by considering the quantitative measure and expected duration of insurance coverage services, investment-return services and investment-related services.

Cash flows for insurance acquisition are allocated to each reporting period using a systematic method over the passage of time, and the current period portion is recognized in equal amounts as insurance service revenue and insurance service expenses. The loss component is allocated to each reporting period using a systematic method based on the ratio of the opening balance of the loss component to the sum of the present value of expected cash outflows at the beginning of the period and the opening risk adjustment for non-financial risk. Of the allocated loss component, the current period portion is excluded from recognition in insurance service revenue and insurance service expenses in equal amounts.

3.13.4 Insurance finance income or expenses

Insurance finance income or expenses comprise the changes in the carrying amount of a group of insurance contracts arising from the effect of the time value of money and changes in the time value of money, and the effect of financial risks and changes in financial risks. The consolidated entity determines, on a portfolio-by-portfolio basis, whether to make a systematic allocation of insurance finance income or expenses between profit or loss and other comprehensive income. Under the systematic allocation, the expected total insurance finance income or expenses is allocated systematically over the duration of the Group of contracts, with the current period portion recognized in profit or loss and the remaining portion recognized in other comprehensive income.

For groups of insurance contracts with direct participation features for which the consolidated entity holds the underlying items, it disaggregates insurance finance income or expenses by applying the current period book yield approach so that an amount that eliminates accounting mismatches with gains or losses on the underlying items included in profit or loss is recognized in profit or loss. In addition, for groups of insurance contracts with direct participation features for which the underlying items are not held, and for groups of insurance contracts for which changes in assumptions that relate to financial risk have a substantial effect on the amounts paid to policyholders, the effective interest method or the expected crediting rate method is applied to systematically allocate insurance finance income or expenses. For other groups of insurance contracts, insurance finance income or expenses is determined by applying the discount rate at the date of initial recognition.

Insurance finance income or expenses arising from the contractual service margin is determined, for groups of insurance contracts with direct participation features, using an allocation method consistent with that applied to future cash flows, and, for groups of insurance contracts without direct participation features, is systematically allocated by applying the discount rate at the date of initial recognition.

When the Group transfers an insurance contract to a third party or derecognizes it due to changes in the contractual terms of the insurance contract, the accumulated other comprehensive income related to that insurance contract is reclassified to profit or loss.

3.14 Financial liabilities designated as at fair value through profit or loss

The Group may designate financial liability as fair value through profit or loss if one or more of the following conditions are met:

- When doing so eliminates or significantly reduces a recognition or measurement inconsistency that may arise from measuring assets or liabilities on different bases or recognizing the related gains and losses on different bases;
- When financial liability forms part of a group of financial instruments (a group consisting of financial liabilities, or a combination of financial assets and financial liabilities) that is managed in accordance with the Group's documented risk management or investment strategy and about which information is provided internally;
- When a financial asset contains one or more embedded derivatives and is a hybrid contract for which designation as a financial asset at fair value through profit or loss is permitted in accordance with K-IFRS No. 1109 'Financial Instruments'.

For financial liabilities designated as fair value through profit or loss, the portion of changes in fair value that is attributable to changes in the credit risk of the financial liability is presented in other comprehensive income, rather than in profit or loss, and such other comprehensive income is not subsequently recycled to profit or loss. However, if recognizing the changes in fair value attributable to changes in the credit risk of the financial liability in other comprehensive income creates or enlarges an accounting mismatch, those changes in fair value are recognized in profit or loss.

3.15 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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 for payment guarantees are recognized for confirmed payment guarantees, unconfirmed payment guarantees and endorsed notes that do not qualify as financial guaranteed contracts, and provisions for unused commitments are recognized for unfunded commitments of credit cards and unused credit lines of retail and corporate loans. These provisions are measured using a valuation model that applies the credit conversion factor ("CCF"), 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.

If the Group has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it.

3.16 Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer (the Group) 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 in other liabilities at fair value and are amortized over the life of the contract. After initial recognition, financial guarantee contracts are measured at the higher of:

- The amount determined in accordance with the expected credit loss model under K-IFRS No. 1109
- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with K-IFRS No. 1115

3.17 Employee Compensation and Benefits

(a) Post-employment benefits

The Group applies both defined contribution plans and defined benefit plans.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund). The obligation to pay contributions is recognized in profit or loss unless the obligation is included in costs of assets as retirement benefits on the corresponding payment date. If the contributions are insufficient, accrued expenses are recognized to the extent of insufficient amount. If the contributions exceeds the fixed amount, the Group recognizes assets (prepaid expenses) to the extent that the excess amount reduces the future payment or leads to cash refund.

All post-employment benefit, other than defined contribution plans, is classified as defined benefit plans. The defined benefit plans of the Group determines the amount of retirement benefits based upon the years of service and benefits of the employee upon his/her retirement.

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, depending on one or more factors such as age, years of service and compensation. The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that have terms to maturity approximating to the terms of the related pension obligation. The remeasurements of the net defined benefit liability are recognized in other comprehensive income.

If any plan amendments, curtailments, or settlements occur, past service costs or any gains or losses on settlement are recognized as profit or loss for the year.

(b) Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within 12 months after the end of the period in which the employees render the related service. The undiscounted amount of short-term employee benefits expected to be paid in exchange for that service is recognized as a liability (accrued expense).

The expected cost of profit-sharing and bonus payments are recognized as liabilities when the Group has a present legal or constructive obligation to make such payments as a result of past events rendered by employees and a reliable estimate of the obligation can be made.

(c) Termination benefits

Termination benefits are employee benefits payable as a result of either the Group’s decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits. The Group recognizes termination benefits as a liability and an expense when, and only when, the Group is demonstrably committed to either terminate the employment of an employee before the normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The Group is demonstrably committed to a termination when, and only when, the Group has a detailed formal plan for the termination and is without realistic possibility of withdrawal. Where termination benefits fall due more than 12 months after the reporting period, they are discounted using an appropriate discount rate.

3.18 Equity Instrument issued by the Group

An equity instrument is a contract or agreement that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

(a) Ordinary and preferred shares

Ordinary shares and preferred shares without redemption right are classified as equity. Incremental costs directly attributable to the issue of new shares or exercise of share options are deducted, net of, from the equity.

(b) Hybrid capital instruments

The Group classifies issued financial instrument, or its component parts, on initial recognition as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

Hybrid capital instruments where the Group has an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation are classified as equity instruments and presented in equity.

(c) Treasury shares

If the Group reacquires its own equity instruments, those instruments ('treasury shares') are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of own equity instruments.

3.19 Revenue Recognition

The Group recognizes revenues in the scope of K-IFRS No. 1115 *Revenue from Contracts with Customers* in accordance with the following steps determined in accordance with K-IFRS No. 1115.

- Step 1: Identify contracts with customers
- Step 2: Identify the separate performance obligation
- Step 3: Determine the transaction price of the contract
- Step 4: Allocate the transaction price to each of the separate performance obligations.
- Step 5: Recognize the revenue as each performance obligation is satisfied.

3.19.1 Interest income and expense

Interest income and expense from debt securities at fair value through profit or loss (excluding beneficiary certificates, equity investments, other debt securities), loan receivables, financial instruments at amortize cost and debt securities at fair value through other comprehensive income, are recognized in statement of comprehensive income 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 expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group 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 (main components of effective interest rates only) paid or received between parties to the contract transaction costs, and all other premiums or discounts. In those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the Group uses the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

When impairment losses are recognized on financial assets or similar group of financial assets, subsequent interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Interest income earned from debt instruments at fair value through profit or loss is also classified as interest income in the statement of comprehensive income.

3.19.2 Loan origination fees and costs

The Group defers loan origination fees and cost and present by subtracting from or adding to the loan balance. Loan origination fees and costs are reversed or amortized to be included in interest income using the effective interest rate method.

3.19.3 Fee income

The Group recognizes financial service fees in accordance with the accounting standard of the financial instrument related to the fee earned.

(a) 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 fair value through profit or loss are recognized as revenue immediately.

(b) Fees related to performance obligations in the contract satisfied over time

As control over related goods and services is transferred over time, fees related to performance obligation over time are recognized over time. Fees charged for rendering services over a period of time, such as asset management fees and consignment commissions, are recognized as revenue when the related services are rendered.

(c) Fees related to performance obligations at a *point in time*

Fees related to performance obligations at a point in time are recognized when a customer obtains controls of a promised asset and the Group satisfies a performance obligation. Commission on negotiation or participation in negotiation for the third party such as trading stocks or other securities, arranging transfer and acquisition of business is recognized as revenue when the transaction has been completed.

When the Group arranges a syndicated loan but does not participate in the syndicate or participate in the syndicate with the same effective interest as other participants, commissions in relation to arranging the syndication loan are recognized as revenue when the syndicated has been completed.

3.19.4 Net gains/losses on financial instruments at fair value through profit or loss

Net gains/losses on financial instruments at fair value through profit or loss include profit or loss (including changes in fair value, dividends, and gain/loss from foreign currency translation) from following financial instruments:

- Gain or loss from financial instruments at fair value through profit or loss, excluding interest income calculated by effective interest rate
- Gain or loss from derivatives for trading, including derivatives for hedging that does not meet the criteria for hedge accounting

3.19.5 Dividend income

Dividend income is recognized in profit or loss when the right to receive payment is established. It is presented in the statement of comprehensive income through related profit or loss account in accordance with the classification of equity securities.

3.20 Earnings per Share

Basic and diluted earnings per share for profit or loss from continuing operations and net profit attributable to ordinary shareholders are presented in the consolidated statement of comprehensive income. Basic earnings per share are calculated by dividing the net profit attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are calculated by adjusting the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding to reflect the effects of all dilutive potential ordinary shares, such as convertible debt and share options.

3.21 Income Tax Expenses

Income tax expense comprises current tax and deferred tax. Current and deferred tax are recognized in profit or loss, except to the extent that the tax relates to items recognized in other comprehensive income or directly in equity or arises from a business combination.

(a) Current tax

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Differences between taxable profit and accounting profit arise because certain items of income or expense are included in accounting profit in one period but in taxable profit in a different period, and because certain items are non-taxable or non-deductible for tax purposes. Current tax assets and liabilities 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. Management periodically evaluates positions taken in tax returns where applicable tax laws are subject to interpretation and recognizes provisions, where appropriate, based on the amount expected to be paid to the taxation authorities.
The Group offsets current tax assets and current tax liabilities if, and only if, the Group has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred tax is recognized, using the asset-liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, deferred tax is not recognized on temporary differences arising from the initial recognition of goodwill, or from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for deductible temporary differences arising from such investments to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available against which they can be utilized.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to utilize the benefit of part or all of the deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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 reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

The Group offsets deferred tax assets and deferred tax liabilities when it has a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities that intend to settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously.

Any additional income tax arising from the payment of dividends is recognized at the same time as the liability for the dividend payment is recognized.

(c) Recognition of current and deferred tax

Current and deferred income tax are recognized in profit or loss, except to the extent that such tax relates to items recognized, in the same or a different period, in other comprehensive income or directly in equity, or arises from the initial recognition of goodwill in a business combination. In a business combination, tax effects are taken into account in calculating goodwill or in determining the amount of any excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

3.22 Operating Segments

The Group distinguishes operating segments based on internal reports that are regularly reviewed by management, including the chief operating decision maker, to make decisions regarding the resources to be allocated to the segments and to evaluate their performance. Each segment is a strategic business unit of the Group that provides different products and services. These segments are managed separately because each business unit has different risks and returns and requires different technologies and marketing strategies.

3.23 Trust Accounting

Under the Financial Investment Services and Capital Markets Act, the Group recognizes trust accounts (the Trust Accounts) as separate accounts. Loans provided to trust accounts are recognized as trust account loans and borrowings from trust accounts are recognized as trust account payables. The Group earns trust fees from the trust accounts for its management and operation of trust assets in accordance with Financial Investment Services Act.

3.24 Approval of the Financial Statements

The consolidated financial statements of the Group were approved by the Board of Directors on March 6, 2026, and may be amended upon approval by shareholders at the annual general meeting.

4. Financial Assets and Liabilities at Fair Value through Profit or Loss

Details of financial assets at fair value through profit or loss as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)		December 31, 2025	December 31, 2024
Securities	Equity securities	1,071,502	1,405,460
	Beneficiary securities and others	11,643,832	9,680,332
	Government and public bonds	2,933,006	3,238,213
	Bank bonds	4,003,227	3,376,734
	Corporate bonds in Korean won	3,095,043	2,521,861
	Corporate bonds in foreign currencies	596,212	613,417
	Asset-backed securities	-	20,058
		23,342,822	20,856,075
Derivatives		3,663,353	4,770,990
Loan receivables		518,395	460,474
Deposit		351,156	270,907
		27,875,726	26,358,446

4. Financial Assets and Liabilities at Fair Value through Profit or Loss (cont'd)

Details of financial liabilities at fair value through profit or loss as of December 31, 2025 and 2024, are as follows:

December 31, 2025
(In millions of Korean won)

	Maturity	Interest rate (%)	Fair value (Carrying amount)
Debt securities sold	2026-03-10 ~ 2055-09-10	1.13 ~ 5.75	738,016
Equity securities sold	-	-	82
Derivatives	2026-01-02 ~ 2051-11-04	-	3,617,403
			4,355,501

December 31, 2024
(In millions of Korean won)

	Maturity	Interest rate (%)	Fair value (Carrying amount)
Debt securities sold	2025.03.10 ~ 2054.09.10	1.13 ~ 5.75	341,390
Equity securities sold	-	-	267,378
Derivatives	2025.01.02 ~ 2051.11.04	-	4,846,076
			5,454,844

4. Financial Assets and Liabilities at Fair Value through Profit or Loss (cont'd)

Details of financial liabilities designated at fair value through profit or loss as of December 31, 2025 and 2024, are as follows:

December 31, 2025 *(In millions of Korean won)*		**Changes in credit risk recognized as other comprehensive income**	
	Book amount	**Changed amount**	**Cumulative changed amount**
Equity linked securities (sell)[1]	2,111,186	9	(797)

[1] Carrying amount reflects its Day 1 profit and loss.

December 31, 2024 *(In millions of Korean won)*		**Changes in credit risk recognized as other comprehensive income[2]**	
	Book amount	**Changed amount**	**Cumulative changed amount**
Equity linked securities (sell)[1]	1,492,476	(61)	(806)

[1] Carrying amount reflects its Day 1 profit or loss.

The above financial liabilities designated at fair value through profit or loss are structured contracts including embedded derivatives that are designated as fair value through profit or loss.

There are no loaned securities among financial assets at fair value through profit or loss as of December 31, 2025 and 2024.

5. Financial Assets at Fair Value through Other Comprehensive Income

Details of financial assets at fair value through other comprehensive incomes as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)		December 31, 2025	December 31, 2024
Securities	Equity securities	1,878,217	1,571,189
	Government and public bonds	10,800,257	7,801,606
	Bank bonds	9,514,385	9,852,700
	Corporate bonds in Korean won	8,676,075	7,022,062
	Corporate bonds in foreign currencies	4,842,143	3,840,583
	Asset-backed securities	1,501,349	1,877,588
	Government bonds in foreign currencies	315,307	248,393
		37,527,733	32,214,121
Loan receivables		1,096,792	709,872
		38,624,525	32,923,993

Details of equity securities from financial assets at fair value through other comprehensive income as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)		December 31, 2025	December 31, 2024
Stocks	Marketable securities	1,378,785	1,123,695
	Non-marketable securities	499,432	447,494
		1,878,217	1,571,189

5. Financial Assets at Fair Value through Other Comprehensive Income (cont'd)

Changes in the fair value of financial assets at fair value through other comprehensive income recognized as accumulated other comprehensive income for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)

	Beginning	Recognized in other comprehensive income	Reclassified to profit or loss		Transfer to retained earnings[1]	Tax effect	Ending
			Impairment loss	Sale			
Equity securities	738,222	535,776	-	-	(149,994)	(116,076)	1,007,928
Debt securities in Korean won	32,060	(255,581)	(582)	(64,797)	-	81,594	(207,306)
Debt securities in foreign currencies	(25,834)	27,343	1,991	(296)	-	(7,068)	(3,864)
	744,448	307,538	1,409	(65,093)	(149,994)	(41,550)	796,758

[1] The Group manages and classifies securities obtained through investment in-kind and investment conversion as securities at fair value through other comprehensive income. Among these securities, the fair value and cumulative gain on disposal of shares sold during the current period, as per the joint liquidation resolution of the bondholders, are ₩193,260 million and ₩149,994 million, respectively.

December 31, 2024

(In millions of Korean won)

	Beginning	Recognized in other comprehensive income	Reclassified to profit or loss		Transfer to retained earnings[1]	Tax effect	Ending
			Impairment loss (reversal)	Sale			
Equity securities	580,622	219,359	-	-	(4,884)	(56,875)	738,222
Debt securities in Korean won	(184,646)	300,193	2,973	(14,011)	-	(72,449)	32,060
Debt securities in foreign currencies	(35,424)	15,265	2,214	(3,810)	-	(4,079)	(25,834)
	360,552	534,817	5,187	(17,821)	(4,884)	(133,403)	744,448

[1] The Group manages and classifies securities obtained through investment in-kind and investment conversion as securities at fair value through other comprehensive income. Among these securities, the fair value and cumulative gain on disposal of shares sold during the prior period, as per the joint liquidation resolution of the bondholders, are ₩4,000 million and ₩4,884 million, respectively.

5. Financial Assets at Fair Value through Other Comprehensive Income (cont'd)

Changes in provision for impairment of financial assets at fair value through other comprehensive income for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	15,848	-	-	15,848
Changes due to significant increase or decrease in credit risk				
Transfer to lifetime expected credit losses with Unrecognized impairment	(116)	116	-	-
	(116)	116	-	-
Impairment loss (Reversal)	1,382	27	-	1,409
Sale	(1,321)	-	-	(1,321)
Foreign exchange translation	(11)	(7)	-	(18)
Tax effect	2,235	(37)	-	2,198
Ending	18,017	99	-	18,116

December 31, 2024

(In millions of Korean won)	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	12,940	-	-	12,940
Impairment loss (Reversal)	5,187	-	-	5,187
Sale	(1,877)	-	-	(1,877)
Foreign exchange translation	528	-	-	528
Tax effect	(930)	-	-	(930)
Ending	15,848	-	-	15,848

Details of loaned securities from financial assets at fair value through other comprehensive income as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)		December 31, 2025	December 31, 2024
Government and public bonds	Korea Securities Depository	69,369	-
Government and public bonds	Korea Securities Finance Corporation	9,762	167,362
		79,131	167,362

6. Securities at Amortized Cost

The details of amortized cost securities as of the end of the current period and the end of the preceding period are as follows.

(In millions of Korean won)		**December 31, 2025**	**December 31, 2024**
securities			
	Government and public bonds	11,669,969	9,946,818
	Financial bonds	10,421,391	12,559,763
	KRW-denominated debt securities issued by entities	7,447,075	7,674,292
	Foreign-currency-denominated debt securities issued by entities	2,039,496	1,843,579
	Asset-backed debt securities	2,147,397	1,939,135
	Foreign-currency-denominated debt securities issued by governments	976,701	1,470,511
	Subtotal	34,702,029	35,434,098
allowance for loan losses		(8,292)	(10,283)
total		34,693,737	35,423,815

Changes in provision for impairment of securities at amortized cost for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	**12-months expected credit losses**	**Expected lifetime losses**		**Total**
		Unrecognized impairment	**Recognized impairment**	
Beginning	8,836	-	1,447	10,283
Changes due to significant increases or decreases in credit risk				
Replacement with lifetime expected credit losses for which no impairment has been recognized	(484)	484	-	-
Subtotal	(484)	484	-	-
Impairment loss	(1,095)	316	(1,172)	(1,951)
Foreign exchange translation	(32)	(8)	-	(40)
Ending	7,225	792	275	8,292

6. Securities at Amortized Cost (cont'd)

December 31, 2024

(In millions of Korean won)	12-months expected credit losses	Expected lifetime losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	8,169	-	2,857	11,026
Impairment loss	472	-	(1,410)	(938)
Foreign exchange translation	195	-	-	195
Ending	8,836	-	1,447	10,283

Details of loaned securities from at amortized cost as of December 31, 2025 and 2024, are as follows.

(In millions of Korean won)		December 31, 2025	December 31, 2024
Government and public bonds	Korea Securities Finance Corporation	9,996	308,179
Bank bonds	Korea Securities Finance Corporation	-	19,986
		9,996	328,165

7. Loan Receivables at Amortized Cost

Details of loan receivables at amortized cost as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Loans in Korean won	328,690,446	312,827,612
Loans in foreign currencies	10,086,628	8,863,328
Bills bought in Korean won	50,223	126,471
Bills bought in foreign currencies	1,519,407	1,098,973
Bonds purchased under repurchase agreements	10,960,120	14,165,777
Interbank loans	2,242,394	2,157,715
Domestic import usance bills	2,699,886	2,951,321
Payment on guarantees	25,229	25,587
Credit card receivables	3,394,075	3,304,222
Call loan	1,317,666	1,555,005
Privately placed bonds	769,578	965,895
Other	199,661	256,562
	361,955,313	348,298,468
Deferred loan origination fees and costs	753,640	691,501
Less : present value discount	(9,268)	(8,140)
Less : provision for impairment	(4,893,467)	(5,081,430)
Carrying amount	357,806,218	343,900,399

7. Loan Receivables at Amortized Cost (cont'd)

Changes in provision for impairment of loan receivables at amortized cost for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	**12-month expected credit losses**	**Lifetime expected credit losses**		**Total**
		Unrecognized impairment	**Recognized impairment**	
Beginning	1,169,600	2,644,427	1,267,403	5,081,430
Changes due to significant increase or decrease in credit risk				
Transferred to 12-month expected credit losses	330,556	(315,374)	(15,182)	-
Transferred to lifetime expected credit losses with no impairment	(216,178)	281,637	(65,459)	-
Transferred to lifetime expected credit losses with impairment	(32,449)	(415,760)	448,209	-
	81,929	(449,497)	367,568	-
Impairment loss (reversal)	(217,917)	326,525	1,691,120	1,799,728
Sales or repurchase	-	-	(662,248)	(662,248)
Collection of previously written-off loans	-	-	98,553	98,553
Loans written off	-	-	(1,354,167)	(1,354,167)
Unwinding effect	-	-	(66,275)	(66,275)
Foreign exchange translation	(2,666)	(1,590)	702	(3,554)
Ending (*)	1,030,946	2,519,865	1,342,656	4,893,467

(*) As of December 31, 2025, an additional provision of ₩1,239,463 million, including borrowers under COVID-19 financial support programs, borrowers with revenue declines, borrowers in vulnerable sectors, borrowers under expedited financial support programs, and project finance borrowers, is included.

7. Loan Receivables at Amortized Cost (cont'd)

December 31, 2024

(In millions of Korean won)	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	1,168,533	2,549,219	996,067	4,713,819
Changes due to significant increase or decrease in credit risk				
Transferred to 12-month expected credit losses	371,649	(347,630)	(24,019)	-
Transferred to lifetime expected credit losses with no impairment	(161,692)	207,555	(45,863)	-
Transferred to lifetime expected credit losses with impairment	(18,026)	(222,751)	240,777	-
	191,931	(362,826)	170,895	-
Impairment loss (reversal)	(199,939)	449,024	1,467,450	1,716,535
Sale or repurchase	-	-	(431,362)	(431,362)
Collection of previously written-off loans	-	-	96,941	96,941
Loans written-off	-	-	(978,534)	(978,534)
Unwinding effect	-	-	(59,033)	(59,033)
Foreign exchange translation	9,075	9,010	4,979	23,064
Ending (*)	1,169,600	2,644,427	1,267,403	5,081,430

(*) As of December 31, 2024, an additional provision of ₩1,106,897 million, including borrowers under COVID-19 financial support programs, borrowers with revenue declines, borrowers in vulnerable sectors, borrowers under expedited financial support programs, and project finance borrowers, is included.

7. Loan Receivables at Amortized Cost (cont'd)

Changes in carrying amount of loan receivables at amortized cost for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	262,052,340	80,962,445	5,283,683	348,298,468
Changes due to significant increase or decrease in credit risk				
Transferred to 12-month expected credit losses	16,969,920	(16,821,632)	(148,288)	-
Transferred to lifetime expected credit losses with no impairment	(20,928,351)	21,354,387	(426,036)	-
Transferred to lifetime expected credit losses with impairment	(1,474,339)	(3,013,997)	4,488,336	-
	(5,432,770)	1,518,758	3,914,012	-
Exercise (repayment)	9,247,683	8,795,043	(299,408)	17,743,318
Sales or repurchase	-	-	(2,117,011)	(2,117,011)
Loans written off	-	-	(1,354,167)	(1,354,167)
Foreign exchange translation	(578,830)	(37,016)	551	(615,295)
Ending	265,288,423	91,239,230	5,427,660	361,955,313

7. Loan Receivables at Amortized Cost (cont'd)

December 31, 2024

(In millions of Korean won)	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	241,473,999	74,439,053	4,105,810	320,018,862
Changes due to significant increase or decrease in credit risk				
Transferred to 12-month expected credit losses	17,858,523	(17,654,607)	(203,916)	-
Transferred to lifetime expected credit losses with no impairment	(17,790,496)	18,127,119	(336,623)	-
Transferred to lifetime expected credit losses with impairment	(1,354,011)	(2,224,679)	3,578,690	-
	(1,285,984)	(1,752,167)	3,038,151	-
Exercise (repayment)	20,050,450	8,096,000	266,739	28,413,189
Sales or repurchase	-	-	(1,156,048)	(1,156,048)
Loans written off	-	-	(978,534)	(978,534)
Foreign exchange translation	1,813,875	179,559	7,565	2,000,999
Ending	262,052,340	80,962,445	5,283,683	348,298,468

Changes in deferred loan origination fees and costs for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Beginning	Increase	Decrease	Ending
Deferred loan origination fee	(30,289)	(10,916)	19,055	(22,150)
Deferred loan origination costs	721,790	371,337	(317,337)	775,790
	691,501	360,421	(298,282)	753,640

December 31, 2024

(In millions of Korean won)	Beginning	Increase	Decrease	Ending
Deferred loan origination fee	(35,777)	(22,654)	28,142	(30,289)
Deferred loan origination costs	621,086	412,362	(311,658)	721,790
	585,309	389,708	(283,516)	691,501

8. Derivatives

Details of derivative transactions classified as financial assets and liabilities at fair value through profit or loss as of December 31, 2025 and 2024, are as follows:

December 31, 2025
(In millions of Korean won)

	Assets	Liabilities	Nominal[1]	Valuation gains	Valuation losses
Interest rate forwards	211,089	148,829	10,054,332	242,147	181,594
Interest rate futures	-	-	2,412,955	1,244	2,292
Interest rate swaps	135,484	181,718	77,451,866	248,012	219,765
Interest rate options (buy)	8,909	-	180,000	2,899	1,308
Interest rate options (sell)	-	10,400	250,000	1,509	3,725
	355,482	340,947	90,349,153	495,811	408,684
Currency forwards	1,754,846	1,633,575	99,225,704	1,418,859	1,330,269
Currency futures	-	-	90,502	866	67
Currency swaps	1,554,239	1,638,640	35,032,289	813,492	815,181
purchasing currency option	93	-	73,480	-	9
	3,309,178	3,272,215	134,421,975	2,233,217	2,145,526
Stock price index futures	-	-	33,623	527	3,559
Stock swap	2,059	1,879	228,097	13	8,659
Stock options (buy)	12,829	-	63,416	24	61
Stock options (sell)	-	5,628	830,122	8,866	-
Stock price index options (buy)	92	-	35,901	-	27
Stock price index options (sell)	-	1,068	273,227	2,599	71
	14,980	8,575	1,464,386	12,029	12,377
Credit swaps	18,253	3,133	1,777,457	3,130	2,249
Others	649	-	297,825	29,681	7,712
Day 1 P&L	(35,189)	(7,467)	-	-	-
	3,663,353	3,617,403	228,310,796	2,773,868	2,576,548

8. Derivatives (cont'd)

December 31, 2024
(In millions of Korean won)

	Assets[2]	Liabilities[2]	Nominal[1, 2]	Valuation gains[2]	Valuation losses[2]
Interest rate forwards	122,042	129,899	8,118,804	73,784	93,059
Interest rate futures	-	-	2,512,341	8,120	3,218
Interest rate swaps	202,865	285,632	75,626,843	154,988	185,803
Interest rate options (buy)	7,318	-	180,000	199	1,102
Interest rate options (sell)	-	8,184	250,000	1,514	130
	332,225	423,715	86,687,988	238,605	283,312
Currency forwards	2,925,874	2,804,213	91,066,080	3,008,242	2,880,955
Currency futures	-	-	38,187	154	542
Currency swaps	1,509,091	1,590,870	30,619,033	1,355,740	1,442,020
Currency options (buy)	-	-	-	-	2
	4,434,965	4,395,083	121,723,300	4,364,136	4,323,519
Stock price index futures	-	-	417,560	2,899	8,707
Stock swap	6,186	1,658	278,277	751	8,094
Stock options (buy)	9,019	-	43,407	68	4
Stock options (sell)	-	17,658	1,192,242	8,021	-
Stock price index options (buy)	4,854	-	122,673	767	103
Stock price index options (sell)	-	7,548	387,782	1,570	1,897
	20,059	26,864	2,441,941	14,076	18,805
Credit swaps	11,927	430	1,172,357	1,134	2,040
Others	6,344	4,326	569,187	30,141	16,349
Day 1 P&L	(34,530)	(4,342)	-	-	-
	4,770,990	4,846,076	212,594,773	4,648,092	4,644,025

[1] Nominal amount is the gross contract amount which forms a basis for measuring changes in fair value of derivatives. Nominal amounts as of December 31, 2025 and 2024, do not indicate any market risk or credit risk.

8. Derivatives (cont'd)

Details of derivative financial assets and liabilities for hedge accounting as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025			December 31, 2024		
	Asset	Liability	Nominal[1]	Asset	Liability	Nominal[1]
Fair value hedge						
Interest rate swap	15,530	140,784	5,205,023	35,754	172,738	5,193,912
Currency forward	2,249	863	179,035	-	7,999	170,044
Currency swap	13,616	54	629,582	36,055	6,072	649,675
	31,395	141,701	6,013,640	71,809	186,809	6,013,631
Cash flow hedge						
Currency swap	593	68,756	1,198,884	20	108,039	1,245,752
bond forward	107	-	70,000	-	-	-
	700	68,756	1,268,884	20	108,039	1,245,752
	32,095	210,457	7,282,524	71,829	294,848	7,259,383

[1] Nominal amount is the gross contract amount which forms a basis for measuring changes in fair value of derivatives. Nominal amounts as of December 31, 2025 and 2024, do not indicate any market risk or credit risk.

Changes in fair value of derivatives designated as hedging instruments for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Changes in fair value for the period	The ineffective portion of hedges
Interest rate swap	(730)	(964)
Currency forward	1,892	(382)
Currency swap	13,395	(5,274)
	14,557	(6,620)

December 31, 2024

(In millions of Korean won)	Changes in fair value for the period	The ineffective portion of hedges
Interest rate forward	12,131	86
Currency forward	(8,591)	(693)
Currency swap	60,162	2,205
	63,702	1,598

8. Derivatives (cont'd)

The details of the hedged items designated in fair value hedges as of December 31, 2025 and 2024 and the changes in their fair value for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	December 31, 2025		
	Carrying amount	Accumulated fair value adjustments	Changes in fair value for the period
Financial assets			
Financial assets at fair value through profit or loss	9,745	330	330
Financial assets at fair value through other comprehensive income	1,348,629	9,474	25,621
Securities at amortized cost	108,301	731	712
	1,466,675	10,535	26,663
Financial liabilities			
Debentures in Korean won	1,153,213	(116,787)	(27,043)
Debentures in foreign currencies	3,286,008	(3,474)	52,756
	4,439,221	(120,261)	25,713

(In millions of Korean won)	December 31, 2024		
	Carrying amount	Accumulated fair value adjustments	Changes in fair value for the period
Financial assets			
Financial assets at fair value through profit or loss	8,988	1,367	1,367
Financial assets at fair value through other comprehensive income	1,365,733	(20,830)	(3,117)
Securities at amortized cost	131,019	8,114	9,501
	1,505,740	(11,349)	7,751
Financial liabilities			
Debentures in Korean won	1,180,256	(89,744)	28,989
Debentures in foreign currencies	3,145,427	(73,358)	(15,736)
	4,325,683	(163,102)	13,253

[1]The carrying amount and accumulated fair value adjustments represent the amount as of December 31, 2024, and the changes in fair value represent the amount for the years ended December 31, 2024.

8. Derivatives (cont'd)

Changes in fair value of derivatives designated as cash flow hedging instruments for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Cash flow hedge reserve	Change in fair value during the period
Securities and others	(31,719)	39,963

December 31, 2024

(In millions of Korean won)	Cash flow hedge reserve	Change in fair value during the period
Securities and others	(24,995)	(85,789)

Changes in fair value of derivatives designated as cash flow hedging instruments for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Hedging gains or losses recognized in other comprehensive income	Ineffective portion of the hedge recognized in profit or loss	Amount reclassified from the hedge reserve to profit or loss
Currency swaps and others	39,963	-	(49,305)

December 31, 2024

(In millions of Korean won)	Hedging gains or losses recognized in other comprehensive income	Ineffective portion of the hedge recognized in profit or loss	Amount reclassified from the hedge reserve to profit or loss
Currency swaps and others	(85,789)	-	72,135

Non-derivative financial instruments designated as hedging instruments for net investment in foreign operations as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025 and for the year ended then		December 31, 2024 and for the year ended then	
	Carrying amount	Changes in fair value for the period	Carrying amount[1]	Changes in fair value for the period[1]
Debentures in foreign currencies	756,192	18,498	774,690	(95,176)
Borrowings in foreign currencies	9,176	189	9,365	(238)
	765,368	18,687	784,055	(95,414)

The changes in the value of the cash flow hedged items and the details of the cash flow hedge reserve for the current period and the prior period are as follows.

(In millions of Korean won)	December 31, 2025		December 31, 2024[1]	
	Carrying amount	Changes in fair value for the period	Carrying amount[1]	Changes in fair value for the period[1]
Net assets of a foreign operation	(116,322)	(18,687)	(131,933)	95,414

8. Derivatives (cont'd)

The gains and losses related to hedges of a net investment in a foreign operation for December 31, 2025 and 2024, are as follows.

December 31, 2025

(In millions of Korean won)	**hedging gains or losses recognized in other comprehensive income**	**hedge ineffectiveness recognized in profit or loss**	**the amount reclassified from the foreign currency translation reserve into profit or loss**
Net assets of a foreign operation	18,687	-	-

December 31, 2024

(In millions of Korean won)	**hedging gains or losses recognized in other comprehensive income**	**hedge ineffectiveness recognized in profit or loss**	**the amount reclassified from the foreign currency translation reserve into profit or loss**
Net assets of a foreign operation	(95,414)	-	-

Maturity analysis of derivative instruments

The average hedge ratio for each type of hedge accounting as of December 31, 2025 and 2024, are as follows:

December 31, 2025 *(In millions of Korean won)*	**Less than 1 month**	**Between 1 to 3 months**	**Between 3 months to 1 year**	**Between 1 to 5 years**	**Over 5 years**	**Total**
Fair value hedge						
Interest rate swap						
Par value	23,676	45,630	219,970	3,815,536	1,100,211	5,205,023
Average interest rate (%)	4.99	2.45	3.28	4.68	3.04	-
Currency forward						
Par value	7,174	30,353	141,508	-	-	179,035
Average interest rate (%)	6.92	2.41	3.12	-	-	-
Currency swap						
Par value	71,551	-	221,674	336,357	-	629,582
Average interest rate (%)	4.12	-	3.48	4.83	-	-
	102,401	75,983	583,152	4,151,893	1,100,211	6,013,640
Cash flow hedge						
Currency swap						
Par value	87,868	179,479	460,548	470,989	-	1,198,884
Average interest rate (%)	2.86	1.87	2.84	2.11	-	-
Bond forward						
Par value	70,000	-	-	-	-	70,000
Average interest rate (%)	3.37	-	-	-	-	-
	157,868	179,479	460,548	470,989	-	1,268,884

December 31, 2025 *(In millions of Korean won)*	**Less than 1 month**	**Between 1 to 3 months**	**Between 3 months to 1 year**	**Between 1 to 5 years**	**Over 5 years**	**Total**
Hedge of net investments in foreign operations						
Debentures						
in foreign currency						
Par value	-	-	-	756,192	-	756,192
Average interest rate (%)	-	-	-	4.52	-	-
Borrowings						
in foreign currency						
Par value	9,176	-	-	-	-	9,176
Average interest rate (%)	0.85	-	-	-	-	-
	9,176	-	-	756,192	-	765,368

December 31, 2024 *(In millions of Korean won)*	**Less than 1 month**	**Between 1 to 3 months**	**Between 3 months to 1 year**	**Between 1 to 5 years**	**Over 5 years**	**Total**
Fair value hedge						
Interest rate swap						
Par value	8,820	4,410	792,663	3,217,344	1,170,675	5,193,912
Average interest rate (%)	2.56	2.05	1.24	4.65	3.10	-
Currency forward						
Par value	-	36,941	125,606	7,497	-	170,044
Average interest rate (%)	-	2.06	2.92	6.86	-	-
Currency swap						
Par value	-	-	535,594	114,081	-	649,675
Average interest rate (%)	-	-	1.06	3.82	-	-
	8,820	41,351	1,453,863	3,338,922	1,170,675	6,013,631
Cash flow hedge						
Currency swap						
Par value	98,422	166,178	379,276	601,876	-	1,245,752
Average interest rate (%)	1.87	2.01	2.22	3.22	-	-
	98,422	166,178	379,276	601,876	-	1,245,752
Hedge of net investments in foreign operations						
Debentures						
in foreign currency						
Par value	-	-	294,000	480,690	-	774,690
Average interest rate (%)	-	-	1.04	4.00	-	-
Borrowings						
in foreign currency						
Par value	9,365	-	-	-	-	9,365
Average interest rate (%)	0.30	-	-	-	-	-
	9,365	-	294,000	480,690	-	784,055

9. Investments in Associates and non-controlling interest

Details of investments in associates as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
Incheon Bridge Co., Ltd.[1]	14.99	9,158	10,046	10,046	Construction, service	Korea	December 31
Jeonla railroad Co., Ltd. [1]	11.94	12,553	6,347	2,060	Construction, service	Korea	December 31
Chungjung Sangju Co., Ltd. [1]	14.00	1,235	833	833	Construction	Korea	December 31
Chungjung Seogwipo Co., Ltd.[1]	11.41	1,130	1,349	1,349	Construction, service	Korea	December 31
Green Kimhae Enviro Co., Ltd. [1]	14.00	1,411	1,004	1,004	Construction	Korea	December 31
Green Asan Enviro Co., Ltd. [1]	15.00	1,407	1,078	1,078	Construction	Korea	December 31
KOREA FINANCE SECURITY[1]	14.67	880	3,786	3,786	Service, Transportation , Real estate	Korea	December 31
EVERBEST LIVINGSTONE PRIVATE EQUITY FUND	25.00	-	-	394	Investment association	Korea	December 31
Scale-up Platform Private Equity Fund	23.33	942	1,750	1,795	Investment association	Korea	December 31
Eum Private Equity Fund No.7	26.25	9,696	11,904	11,966	Investment association	Korea	December 31
Paratus Woori Materials, Parts, Equipment Private Equity Fund	21.96	6,856	6,794	6,794	Investment association	Korea	December 31
UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund	30.00	38,975	39,328	35,931	Investment association	Korea	December 31
Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business	23.89	3,000	2,794	2,794	Investment association	Korea	December 31
AIM-OPUS Healthcare Growth Capital Private Equity Fund	24.63	-	804	2,036	Investment association	Korea	December 31
BNW ACE Private Equity Fund	26.67	6,000	12,458	12,458	Investment association	Korea	December 31
UAMCO IBK PF Private Equity Fund I	46.67	15,841	20,874	17,405	Investment association	Korea	December 31
BTS 2-1 Private Equity Fund	28.17	6,340	6,270	6,291	Investment association	Korea	December 31
UAMCO-IBK PF 2nd Private Equity Fund	48.00	44,160	45,308	45,296	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
Daishin Growth Capital 2024 Private Equity Fund	20.00	15,828	13,857	13,857	Investment association	Korea	December 31
UAMCO-TAESUNG Corporate Financial Stability Private Equity Fund	29.00	232	(210)	-	Investment association	Korea	December 31
IBK Korea Investment Growth Bridge Private Equity Fund[3]	59.40	12,863	12,401	12,401	Investment association	Korea	December 31
Stassets Fund IV[2]	55.46	1,500	1,500	1,500	Investment association	Korea	December 31
Smart Private Equity Fund No.2	20.00	2,845	661	661	Investment association	Korea	December 31
Centroid 1st China Private Equity Fund	26.63	300	-	-	Investment association	Korea	December 31
Highland 2020 4, Private Equity Fund	22.22	1,833	2,221	2,221	Investment association	Korea	December 31
SKIL ECO No.1 Green New Deal Private Equity Fund[4]	12.00	10,812	11,566	11,566	Investment association	Korea	December 31
Lake Bridge Private Equity Fund VIII	22.50	6,000	5,791	5,798	Investment association	Korea	December 31
IBKS SME Accelerating Private Equity Fund[4]	9.30	-	283	283	Investment association	Korea	December 31
BTS Plasma Private Equity Fund[2]	56.50	1,000	975	975	Investment association	Korea	December 31
CCVC Culture-ICT Convergence Fund	20.00	1,721	423	423	Investment association	Korea	December 31
KTBN Media Contents Fund	35.00	-	387	387	Investment association	Korea	December 31
EBEST CRESO CONTENTS Fund No.1	47.17	500	509	509	Investment association	Korea	December 31
KAI-KSM Crowd Seeding Fund	31.25	1,104	509	509	Investment association	Korea	December 31
Gaia Bio Investment Fund #1[2]	65.57	4,000	32	32	Investment association	Korea	December 31
InterValue No.3 Innovation Start-up Fund	20.00	4,000	3,865	3,865	Investment association	Korea	December 31
Shinhan Consumer Fund 2	34.29	-	349	349	Investment association	Korea	December 31
IBK-STIC Pioneer Fund	45.45	5,513	5,497	5,497	Investment association	Korea	December 31
Global Gateway Fund III	25.00	4,200	4,446	4,446	Investment association	Korea	December 31
IBK Changgong Jump up 1st Investment Fund[2]	80.00	1,310	1,506	1,506	Investment association	Korea	December 31
SWK-SHINHAN NEW TECHNOLOGY INVESTMENT FUND 1st	49.18	3,000	1,358	1,358	Investment association	Korea	December 31
COMPANY K BIO FUND	39.02	6,160	5,962	5,962	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
Cornerstone Win-win I Fund	37.00	4,000	1,762	1,762	Investment association	Korea	December 31
DAvalue-Kbridge New Pharmaceutical Fund No.02	44.78	3,000	2,708	2,708	Investment association	Korea	December 31
Hanwha Uon Fund No.1	22.99	1,978	1,742	1,742	Investment association	Korea	December 31
Smilegate Next Commerce 1st Venture Fund[3]	55.56	4,000	4,319	4,319	Investment association	Korea	December 31
InterVest Global Scale-up Fund	25.00	11,666	11,736	11,736	Investment association	Korea	December 31
IBK - Synergy IB Business Reshuffle New Technology Fund[2]	61.40	770	3,172	2,243	Investment association	Korea	December 31
New Deal Extension New Technology Fund No.1	50.00	15,400	13,011	13,050	Investment association	Korea	December 31
S&S-ONE-Dotconnect Fund 1	44.44	2,000	2,183	2,183	Investment association	Korea	December 31
Smilegate Next Commerce 2nd Venture Fund	28.30	3,000	1,661	1,661	Investment association	Korea	December 31
Smart IBK-Quantum Green New Industry Fund	32.79	10,000	8,671	8,671	Investment association	Korea	December 31
IBK-KT Emerging Digital Industry Investment Fund	34.88	15,000	12,909	12,909	Investment association	Korea	December 31
PCC-Bailey Project Fund[2]	72.73	4,000	33	33	Investment association	Korea	December 31
LSK Healthcare Fund IV	22.85	2,548	3,251	3,251	Investment association	Korea	December 31
Shinhan-Kunicorn first Fund	22.99	6,000	4,608	4,608	Investment association	Korea	December 31
VISION Materials, Parts and Equipment Venture Fund No.1[2]	51.72	3,000	742	742	Investment association	Korea	December 31
SUP 1st Venture Fund	38.46	2,000	1,852	1,852	Investment association	Korea	December 31
Cornerstone Merkaba Fund 1	30.30	1,000	916	916	Investment association	Korea	December 31
One Shinhan Global Fund 3	32.00	4,000	(277)	-	Investment association	Korea	December 31
Korea ASEAN Technology Fund 2	29.24	3,538	3,738	3,738	Investment association	Korea	December 31
IP-LD Fund No.1[2]	51.17	4,000	3,669	3,669	Investment association	Korea	December 31
Hanwha Smart Healthcare Fund No.1	40.00	4,000	3,719	3,719	Investment association	Korea	December 31
SKS-DA Unicorn Bio Fund No.1	42.25	3,000	2,811	2,811	Investment association	Korea	December 31
One Shinhan Global Fund 4	49.18	3,000	5,311	5,311	Investment association	Korea	December 31
IBK Changgong Jump up 2nd Investment Fund[2]	75.00	6,000	5,306	5,306	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
Bokwang-Honest Energy Fund No. 1	22.22	877	1,036	1,036	Investment association	Korea	December 31
Cornerstone Pentastone VIII Fund	49.18	1,500	515	515	Investment association	Korea	December 31
One Shinhan Global Fund 5	24.62	2,000	1,879	1,879	Investment association	Korea	December 31
Ulmus 2022 Secondary Fund	22.22	6,500	8,621	8,621	Investment association	Korea	December 31
L&S Early Stage IV ICT MCE Venture Fund	22.22	10,000	8,916	8,916	Investment association	Korea	December 31
IBK-SOLIDUS Next Bio Star Investment Fund	42.55	10,000	12,542	12,557	Investment association	Korea	December 31
C&CI Investment Fund 1	30.00	1,488	3,041	3,041	Investment association	Korea	December 31
IBK Financial Group-DS Green Finance Fund[3]	67.67	33,934	30,406	30,388	Investment association	Korea	December 31
KOSNET Semicon Two Venture Fund	24.84	2,000	1,902	1,902	Investment association	Korea	December 31
DKI Growing Star Fund VII	25.00	10,000	10,292	10,292	Investment association	Korea	December 31
Square New Paradigm Investment Fund No. 1	28.04	3,000	2,835	2,835	Investment association	Korea	December 31
GU Materials Parts and Equipment Project Fund I	24.00	3,000	3,604	3,604	Investment association	Korea	December 31
S Secondary Venture Fund NO.1	28.57	2,598	3,103	3,103	Investment association	Korea	December 31
E&Venture Project No.1 Smartgreen Fund	29.41	1,500	1,434	1,434	Investment association	Korea	December 31
Cornerstone New Main I Fund	26.74	2,500	2,366	2,363	Investment association	Korea	December 31
SmartKorea UTC Untact Fund	29.41	7,000	5,744	5,744	Investment association	Korea	December 31
IBK-Company K Innovation growth Fund	37.88	44,500	60,926	60,926	Investment association	Korea	December 31
IBK Scale-up Gyeonggi-G-FUND	20.00	6,150	6,255	6,255	Investment association	Korea	December 31
IBK-Stonebridge Rising Fund II	50.00	21,900	23,291	23,291	Investment association	Korea	December 31
IBK IP Technology Commercialization Fund	30.00	6,000	5,573	5,573	Investment association	Korea	December 31
SH Ulmus M.P.E. Innovative Venture Fund 7	28.57	3,000	2,931	2,931	Investment association	Korea	December 31
POSITIVE AI Venture Fund #1[2]	64.52	4,000	4,064	4,064	Investment association	Korea	December 31
KB-BridgePole Venture Investment Fund #2	28.57	3,000	2,865	2,865	Investment association	Korea	December 31
KAIC TO Ventures Fund IV	24.39	2,000	2,025	2,025	Investment association	Korea	December 31
IBK-KOLON 2023 Super-Gap Fund	27.03	15,000	14,568	14,568	Investment association	Korea	December 31
Caspian-T No.3 Fund	25.97	2,000	2,019	2,019	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
Newmain II Funds	43.01	4,000	3,826	3,826	Investment association	Korea	December 31
Korea Investment-Newmain Growth Capital 1st Fund	34.10	3,000	2,928	2,928	Investment association	Korea	December 31
Timefolio Tech Fund I	21.18	3,000	3,023	3,023	Investment association	Korea	December 31
IBK Financial Group-Uamco SME Accelerating Fund	40.00	37,337	35,065	35,373	Investment association	Korea	December 31
KAI Valiant aesthetic Investment Fund I	21.47	3,982	3,830	3,830	Investment association	Korea	December 31
PLUX Technology Innovation Investment Fund 1	45.45	1,500	1,439	1,439	Investment association	Korea	December 31
Elohim Newmain I Fund	22.37	1,000	962	962	Investment association	Korea	December 31
BYB-SKS Pre-IPO Fund NO.1	23.90	3,000	2,884	2,835	Investment association	Korea	December 31
Cornerstone Blue Dragon I Fund	28.99	600	485	485	Investment association	Korea	December 31
KB-VEP Contact Fund	33.33	1,760	1,685	1,685	Investment association	Korea	December 31
Synergy IB innovation Fund	26.73	21,330	24,139	24,139	Investment association	Korea	December 31
LINEA-NBH Fund II	20.55	3,000	3,848	3,858	Investment association	Korea	December 31
PLUX Technology Innovation Investment Fund 2	49.02	1,315	1,690	1,690	Investment association	Korea	December 31
COMPANY K BUYOUT 1	44.65	4,000	3,807	3,807	Investment association	Korea	December 31
Harang-IP Vine Contents Fund	30.00	2,500	2,443	2,443	Investment association	Korea	December 31
IBK-LB Startup Fund I	45.80	12,000	9,623	9,623	Investment association	Korea	December 31
WE Scale-up Fund I	29.54	12,000	11,428	11,428	Investment association	Korea	December 31
Horizon Venture Fund I	22.49	1,825	2,132	2,132	Investment association	Korea	December 31
Moorim-Omega Fund II	39.95	3,000	2,905	2,905	Investment association	Korea	December 31
GNTECH Project Fund II	21.98	2,000	1,941	1,941	Investment association	Korea	December 31
NP Growth 11th Private Equity Fund	29.63	8,000	10,494	10,494	Investment association	Korea	December 31
Korea Semiconductor Materials and Components No.1 Private Equity Fund	21.31	13,000	40,034	39,274	Investment association	Korea	December 31
Honeypot HGI New Fund[2]	64.90	2,000	1,948	1,948	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
Widwin investment fund 73	28.63	1,500	1,831	1,831	Investment association	Korea	December 31
IBK-YG K-culture Fund	25.00	5,000	5,368	5,368	Investment association	Korea	December 31
Start-up Korea IBK-Schmidt Fund	40.00	4,500	4,356	4,356	Investment association	Korea	December 31
Start-up Korea IBKVC-FP2024 Fund[2]	58.00	17,400	16,855	16,855	Investment association	Korea	December 31
Start-up Korea IBKVC-KOLON 2024 Fund[2]	60.00	27,000	26,302	26,302	Investment association	Korea	December 31
Allies-HSBI Material Component Equipment New Technology Fund[2]	55.56	2,000	4,571	4,571	Investment association	Korea	December 31
Lodestone 4th Startup Venture Specialized Private Equity Fund	39.40	4,000	3,998	3,998	Investment association	Korea	December 31
JW&Kiyvre Fund 1	21.74	5,000	4,855	4,855	Investment association	Korea	December 31
JKL-POI Private Equity Fund	28.90	5,000	4,854	4,854	Investment association	Korea	December 31
LB Next Innovation Fund 1	22.22	3,000	2,948	2,948	Investment association	Korea	December 31
Startup Korea IBK-STIC Tech Champion Fund	28.72	15,000	14,340	14,343	Investment association	Korea	December 31
Startup Korea IBK-DTNI Fund	33.33	6,000	6,665	6,665	Investment association	Korea	December 31
Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	48.78	5,000	4,803	4,803	Investment association	Korea	December 31
Startup Korea Pathfinder-IBK Super Gap Fund	40.00	2,700	2,267	2,267	Investment association	Korea	December 31
Lucky Invites FUND-1	46.84	2,000	3,494	3,494	Investment association	Korea	December 31
Korea Investment Dong-Yu Blue Horizon Fund	34.78	2,000	1,958	1,958	Investment association	Korea	December 31
BNK safety Investment Fund NO.2	28.57	3,000	8,326	8,326	Investment association	Korea	December 31
D2U 12TH Fund	42.25	3,000	2,937	2,937	Investment association	Korea	December 31
HellosThelaFund1	49.75	2,000	1,955	1,955	Investment association	Korea	December 31
2024 Tethys Venture Fund	21.74	5,000	4,923	4,923	Investment association	Korea	December 31
2024DeepDive Investment Fund	32.97	2,956	3,020	2,976	Investment association	Korea	December 31
KAIC TO Ventures Fund VII	37.52	2,806	2,793	2,793	Investment association	Korea	December 31
Allies partners Fund no.9	49.50	1,000	979	979	Investment association	Korea	December 31
BNK Global Medical Device NEW Technology 1st Investment Fund	33.33	2,000	1,963	1,963	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
For Human Life Wellbeing Private Equity Partnership No.1	21.50	4,600	4,995	4,995	Investment association	Korea	December 31
Prodigy Fund 30[2]	58.82	2,000	1,968	1,968	Investment association	Korea	December 31
Start-up Korea IBK Murex Voyager No.2 Fund	40.00	4,000	3,817	3,817	Investment association	Korea	December 31
Cape Lakebridge Fund IX	29.33	5,000	4,950	4,950	Investment association	Korea	December 31
Cornerstone Daon I Fund	47.62	1,000	979	979	Investment association	Korea	December 31
2024 IBK Innovation Samchully New Green Fund[2]	75.00	3,000	2,810	2,810	Investment association	Korea	December 31
Daishin-SAM New Technology Investment Fund No.1	20.83	7,000	7,995	7,995	Investment association	Korea	December 31
Cornerstone New Main III Funds	41.90	1,500	1,476	1,476	Investment association	Korea	December 31
Cyrus-K Materials and Components Investment Fund No.1	39.47	995	2,540	2,540	Investment association	Korea	December 31
2024 IBK Innovation-AJU Good Venture Fund 3.0	24.16	10,000	9,884	9,884	Investment association	Korea	December 31
Novorsec Eco-friendly K-Shipbuilding Venture Fund	33.33	3,000	2,966	2,966	Investment association	Korea	December 31
DITTO NEW COMMERCE FUND	29.32	1,000	986	986	Investment association	Korea	December 31
GNP2025-01Venturefund	25.00	1,500	1,451	1,451	Investment association	Korea	December 31
IBKC-Envision I Fund[2]	58.13	5,580	5,488	5,488	Investment association	Korea	December 31
DA Beauty Fund No.1	28.78	2,000	1,984	1,984	Investment association	Korea	December 31
2024 IBK Innovation K-RUN Mobility No.7 Fund	34.10	3,000	2,244	2,244	Investment association	Korea	December 31
SJG Semiconductor Materials&Equipment No.2 Fund	25.00	5,000	4,957	4,957	Investment association	Korea	December 31
INFINITUM K-Culture 2 Fund	24.96	3,000	2,990	2,990	Investment association	Korea	December 31
Perspective-Axis Fund 1	31.25	1,500	1,495	1,495	Investment association	Korea	December 31
IBKVC-SBI 2025 Fund[2]	58.65	8,680	8,547	8,547	Investment association	Korea	December 31
JB-OMEGA Fund	42.80	3,000	2,990	2,990	Investment association	Korea	December 31
IBKS-FINDVALUE Robot Solution Fund	31.44	5,000	4,988	4,988	Investment association	Korea	December 31
Allies partners Fund no.11	30.77	2,000	1,983	1,983	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
Gravity General Private Paju Studio Investment Company No.1	21.62	3,000	2,516	3,009	Investment association	Korea	December 31
Start-Up Korea Plux Deeptech Fund	39.87	1,200	1,200	1,200	Investment association	Korea	December 31
StartUp Korea-KIF Kiwoom New Hero No.9 Fund	23.53	4,000	4,000	4,000	Investment association	Korea	December 31
StartUp Korea Quantum Secondary Fund II	42.97	2,200	2,200	2,200	Investment association	Korea	December 31
2025 IBKVC-DAISHIN Next Value-Up Fund[2]	62.50	5,000	4,998	4,998	Investment association	Korea	December 31
INNOPOLIS NEXT UNICORN DEEP FUND	38.39	2,000	2,000	2,000	Investment association	Korea	December 31
JP-K Semiconductor 1st New Technology Business Investment Fund	31.06	1,500	1,500	1,500	Investment association	Korea	December 31
Nautilus-KWC Semiconductor Fund	33.22	3,000	3,000	3,000	Investment association	Korea	December 31
LUX-Mason Innovation Technology Fund #2	30.77	2,000	2,000	2,000	Investment association	Korea	December 31
IBKC LEP Fund X[2]	61.25	4,900	4,900	4,900	Investment association	Korea	December 31
Axis Flow Automation Fund No.1	44.96	4,500	4,500	4,500	Investment association	Korea	December 31
KT-IBKC Future Investment Fund 1	50.00	300	5,147	5,147	Investment association	Korea	December 31
Impact Platform Fund	25.45	1,781	14,355	14,355	Investment association	Korea	December 31
IBKC-EQP Innovative Technology Fund	50.00	4,842	5,572	5,572	Investment association	Korea	December 31
IBKC-PCC 1st Fund	45.45	2,000	2,421	2,421	Investment association	Korea	December 31
Rylson-IBKC 5G Investment Fund[4]	11.90	713	526	526	Investment association	Korea	December 31
IBKC-Harang Fund	41.67	4,450	4,816	4,816	Investment association	Korea	December 31
IBKC-INTOPS New Deal and Material Parts Equipment Fund[3]	70.00	2,642	3,696	3,696	Investment association	Korea	December 31
IBKC-NICE NEW DEAL AND MATERIAL PARTS EQUIPMENT FUND	50.00	15,347	13,444	13,444	Investment association	Korea	December 31
IBKC J& BIO INVESTMENT FUND	31.55	2	4,778	4,778	Investment association	Korea	December 31
YUANTA QUANTUM JUMP NO.1 FUND	25.00	504	631	631	Investment association	Korea	December 31
Klim IBKC Medical Fund	38.07	1,500	1,359	1,359	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
IBKC-INTOPS New deal and Material Parts Equipment Fund2[3]	70.00	7,000	3,935	3,935	Investment association	Korea	December 31
IBKC-DARWIN GreenEnergy Fund	24.21	2,980	7,209	7,209	Investment association	Korea	December 31
TWI-IBKC Open Innovation Fund	50.00	6,428	2,873	2,873	Investment association	Korea	December 31
IBKC timefolio mezzanine blind 1st fund	50.00	3,975	2,108	2,108	Investment association	Korea	December 31
IBKC-DAILY Bio Healthcare Fund 1	39.87	5,786	5,488	5,488	Investment association	Korea	December 31
IBKC-BLUECORNER New Deal and Material Parts Equipment Fund[7]	40.00	2,320	2,080	2,080	Investment association	Korea	December 31
IBKC-WE Start-up Secondary Fund 1	48.80	6,764	12,091	12,091	Investment association	Korea	December 31
IBKC-GB Advanced Material Bio Investment Partnership No.1[3]	60.00	10,921	9,686	9,686	Investment association	Korea	December 31
Medici-IBKC Secondary Fund 2[3]	60.00	21,780	20,635	20,635	Investment association	Korea	December 31
IBKC-DAILY Bio Healthcare Fund II	27.27	3,000	2,755	2,755	Investment association	Korea	December 31
Smart Contents Fund	29.07	2,500	489	489	Investment association	Korea	December 31
NH-JN-IBKC label New Technology fund[4]	14.04	2,275	4,314	4,314	Investment association	Korea	December 31
Next Platform Fund	39.47	3,000	2,774	2,774	Investment association	Korea	December 31
IBKC-Behigh Fund 1st	36.04	4,000	3,731	3,731	Investment association	Korea	December 31
IBKC-Emford New technology venture investment FUND No.1	24.07	1,300	1,430	1,430	Investment association	Korea	December 31
FV Investment Fund 01	29.41	1,000	1,204	1,204	Investment association	Korea	December 31
Primus Equity Partners, Inc.	29.85	2,000	2,146	2,146	Investment association	Korea	December 31
IBKC-PEBBLES New Technology Investment Fund 1st	25.00	4,000	3,731	3,731	Investment association	Korea	December 31
IBKC-IDV HIGH TECH FUND	43.48	5,200	7,247	7,247	Investment association	Korea	December 31
IBKC-INTOPS Fund 3[2]	70.00	4,031	4,287	4,287	Investment association	Korea	December 31
IBKC-JS 1st Fund	20.00	1,252	1,730	1,730	Investment association	Korea	December 31
NH-IBKC EV Fund	24.53	8,450	8,224	8,224	Investment association	Korea	December 31
IBKC MIDAS Value Creation Fund	38.24	9,814	9,355	9,355	Investment association	Korea	December 31
Mezzanine Growth Fund	50.00	5,610	6,950	6,950	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	**Ownership (%)**	**Acquisition value**	**Net asset value**	**Carrying amount**	**Primary business**	**Location**	**Year end**
Super Growth K-contents Fund[4]	18.12	8,000	7,666	7,666	Investment association	Korea	December 31
IBKC GlobalOne Atman Fund	23.58	5,000	4,965	4,965	Investment association	Korea	December 31
IBKC-AH New Technology Business Investment Association No.5	30.00	6,000	6,470	6,470	Investment association	Korea	December 31
iM AI Healthcare Venture Fund	43.48	1,000	957	957	Investment association	Korea	December 31
IBKC Darwin Fund	28.30	6,000	5,911	5,911	Investment association	Korea	December 31
Ascent IBKC New Tech 1st[4]	9.35	2,107	2,143	2,143	Investment association	Korea	December 31
JW-IBKC NO.1 Fund	30.00	1,670	1,477	1,477	Investment association	Korea	December 31
LIGNEXONE-IBKC Defense Industry Innovation New Technology Business Investment Fund 1	31.25	11,438	12,109	12,109	Investment association	Korea	December 31
Kyobo IBK Advanced Material Investment Fund[4]	19.05	2,000	1,926	1,926	Investment association	Korea	December 31
IBKC-Emford New technology venture investment FUND No.2[4]	19.44	1,050	1,011	1,011	Investment association	Korea	December 31
KIWOOM-K&T RISINGSTAR New Technology Investment Fund	35.84	2,000	1,736	1,736	Investment association	Korea	December 31
EVENTUS-IBKC Secondary Cell Materials New Investment Business Investment Fund	40.00	18,000	17,770	17,770	Investment association	Korea	December 31
JBWOORI-IBKC-T&K New Technology Business Investment Fund	30.00	8,700	13,134	13,134	Investment association	Korea	December 31
Ascent IBKC New Tech 2nd [4]	9.35	3,000	3,037	3,037	Investment association	Korea	December 31
KIP-IBKC Innovative Growth Private Equity Fund	30.42	8,067	7,633	7,633	Investment association	Korea	December 31
RCM Ocean Limited Partnership	49.81	3,965	3,932	3,932	Investment association	Korea	December 31
IBKC-Medici Technology Innovation Investment Fund	49.02	16,500	15,673	15,673	Investment association	Korea	December 31
2024 IBKC-Life Secondary Mezzanine New Technology Investment Fund	48.54	11,435	10,421	10,421	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
MAST-IBKC Mezzanine Private Equity Fund	29.91	30,000	29,962	29,962	Investment association	Korea	December 31
IBKC-Solidus Smart-Bio Investment Fund No.2	37.50	1,500	1,256	1,256	Investment association	Korea	December 31
Deep Technology IBKC-MIP Fund	28.99	2,000	1,893	1,893	Investment association	Korea	December 31
SGI-IBKC Deep Tech Venture Fund	30.00	3,000	2,838	2,838	Investment association	Korea	December 31
IBKC-JB-LIFE Mezzanine Fund No.1	39.84	10,000	9,439	9,439	Investment association	Korea	December 31
Alpha Global 1st Private Equity Fund	41.02	10,000	9,929	9,929	Investment association	Korea	December 31
IBKC Kyobo Mezzanine Investment Fund I	49.50	4,554	4,450	4,450	Investment association	Korea	December 31
IBKC-Caspian T No.8 Fund	38.12	13,000	23,350	23,350	Investment association	Korea	December 31
NH-IBKC Value Fund[4]	13.04	3,000	2,931	2,931	Investment association	Korea	December 31
IBKC-IBP Auto Investment Fund	33.33	5,000	4,968	4,968	Investment association	Korea	December 31
IBKC-Pacific Pre-IPO Plus Fund	48.84	1,500	1,461	1,461	Investment association	Korea	December 31
IBKC-CYRUS AI AGRI-FOOD VENTURE FUND	29.97	600	595	595	Investment association	Korea	December 31
Pectus IBKC Fund No1	22.73	3,000	2,669	2,682	Investment association	Korea	December 31
The IBKS Job Creation Dream Fund	21.37	426	796	796	Investment association	Korea	December 31
Next Tech 1 New Technology Investment Fund[4]	17.82	111	5	5	Investment association	Korea	December 31
IBKC-Gaia MSP New Technology Investment Fund No.1[3]	67.50	6,075	5,917	5,917	Investment association	Korea	December 31
IBKS-Gaia Bio Fund No.1	30.54	2,000	1,983	1,983	Investment association	Korea	December 31
Samsung Innovative Fund No.3	28.46	3,500	3,474	3,474	Investment association	Korea	December 31
LB Private Equity Fund III-1	34.06	1,688	2,100	2,297	Investment association	Korea	December 31
Daishin New TechnologyInvestment Fund No.19	40.00	6,000	5,976	5,976	Investment association	Korea	December 31
Audastone Project Dragon Private Equity Fund	30.00	3,000	2,986	2,859	Investment association	Korea	December 31
Timefolio-Heungkuk-AOA RGB Investment fund1	21.35	6,000	5,827	5,835	Investment association	Korea	December 31
Heimdall Private Equity Fund II	23.70	5,000	4,922	4,925	Investment association	Korea	December 31
AIM-KIS Robotics Investment Fund	26.65	4,000	3,917	3,919	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
K-Content Value-Up Investment Fund	39.22	2,000	1,999	1,999	Investment association	Korea	December 31
Mirae Holdings-IBKVC Deep Tech Investment Fund No.1[3]	63.70	4,200	4,056	4,056	Investment association	Korea	December 31
WJ-IBKS global Fund No.1[4]	0.24	15	3	3	Investment association	Korea	December 31
IBKS FAST Contents Fund[4]	6.88	112	106	106	Investment association	Korea	December 31
IBKS-DS Hydrogen 1 Technology Venture Fund	23.26	1,000	942	942	Investment association	Korea	December 31
IBKS Innovation MPE Fund No.1[4]	15.80	1,500	1,424	1,424	Investment association	Korea	December 31
UAMCO-IBKS New Technology Fund[4]	17.65	1,500	1,774	1,774	Investment association	Korea	December 31
IBKS Innovation MPE Fund No.2[4]	15.10	800	2,884	2,884	Investment association	Korea	December 31
IBKS Renewable Energy Fund[4]	9.30	200	191	191	Investment association	Korea	December 31
NH-IBKS KONEX SCALEUP FUND[4]	15.70	3,016	2,940	2,940	Investment association	Korea	December 31
IBKS Robot Solution Fund[5]	2.90	300	680	680	Investment association	Korea	December 31
JP-IBKS innovation MPE Fund I[4]	1.00	19	18	18	Investment association	Korea	December 31
JP-IBKS innovation MPE Fund II[4]	4.80	100	97	97	Investment association	Korea	December 31
IBKS Innovation MPE Fund III[4]	3.27	7	433	433	Investment association	Korea	December 31
IBKS Next Scale-Up New Technology Investment Association[4]	15.60	1,250	2,575	2,575	Investment association	Korea	December 31
IBKS-DS-STI G.E.S Fund[4]	16.49	941	838	838	Investment association	Korea	December 31
IBKS-SUSUNG Pre-IPO Mezzanine Investment Fund 1st[4]	11.70	1,000	1,081	1,081	Investment association	Korea	December 31
IBKS Design Fund[4]	6.97	300	722	722	Investment association	Korea	December 31
IBKS-YG Turn around Fund[4]	14.71	1,000	4,089	4,089	Investment association	Korea	December 31
IBKS Wish New Technology Investment Fund[4]	2.13	100	98	98	Investment association	Korea	December 31
IBKS Robot Tech Fund[4]	7.50	200	197	197	Investment association	Korea	December 31
IBKS Furi Technology Venture Fund[4]	1.82	100	99	99	Investment association	Korea	December 31
TKG-DS 1	29.41	1,000	996	996	Investment association	Korea	December 31
IBKS-NEWGEN Kfood Fund[4]	9.52	500	499	499	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	**Ownership (%)**	**Acquisition value**	**Net asset value**	**Carrying amount**	**Primary business**	**Location**	**Year end**
Axis-IBKVC Digital-Infra Fund	21.51	4,000	4,086	4,086	Investment association	Korea	December 31
KDB Infra IP Capital Fund	50.00	7,418	19,588	20,515	Investment association	Korea	December 31
Kiwoom DongBuk-A Infrastructure Investment Trust #1	33.33	44,662	45,201	45,201	Investment association	Korea	December 31
Kiwoom DongBuk-A Infrastructure Investment Trust #2	33.33	51,601	52,536	52,536	Investment association	Korea	December 31
Kiwoom DongBuk-A Infrastructure Investment Trust #3	33.33	34,603	35,976	35,976	Investment association	Korea	December 31
Kiwoom DongBuk-A Infrastructure Investment Trust #4	50.00	30,185	30,866	30,866	Investment association	Korea	December 31
KIAMCO Power Energy Private Special Asset Investment Trust 1	24.00	24,216	30,134	30,134	Investment association	Korea	December 31
KIAMCO BTL Project Investment Private Special Asset Investment Trust 6	50.00	9,198	10,226	10,226	Investment association	Korea	December 31
KIAMCO Road Investment Private Special Asset Investment Trust 2	30.00	134,070	171,979	171,979	Investment association	Korea	December 31
Consus Nation Infra Private Special Asset Investment Trust 1	50.00	77,371	86,889	86,889	Investment association	Korea	December 31
Consus Love Sharing Private Special Asset Investment Trust 2	50.00	11,811	12,177	12,177	Investment association	Korea	December 31
MiraeAsset MAPS BTL Infra Private Placement Special Asset Trust 1	33.33	2,357	2,719	2,719	Investment association	Korea	December 31
MiraeAsset MAPS Love BTL Private Placement Special Asset Trust 1[2]	57.14	14,270	14,769	14,624	Investment association	Korea	December 31
Kiwoom Eco Resource Infrastructure Professional and Private Type Investment Trust IV	50.00	2,051	2,401	2,401	Investment association	Korea	December 31
KIAMCO K-Solar Special Asset Private Investment Trust 2	48.00	90,221	93,305	93,305	Investment association	Korea	December 31
KIAMCO Naepo Green Energy Fund1	24.57	31,353	53,375	53,375	Investment association	Korea	December 31
IGIS Structured Mezzanine Professional Investors Private Placement Real Estate Feeder Fund No.1	44.00	44,297	47,840	47,704	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	**Ownership (%)**	**Acquisition value**	**Net asset value**	**Carrying amount**	**Primary business**	**Location**	**Year end**
Kiwoom green energy private equity fund 1st [2]	99.85	21,573	11,832	11,832	Investment association	Korea	December 31
KIAMCO SOLAR-ONE PRIVATE EQUITY FUND 2ND	50.00	241,261	244,502	244,379	Investment association	Korea	December 31
Mirae Asset Infra development private fund 1st[2]	92.31	7,923	8,059	8,277	Investment association	Korea	December 31
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 1[6]	20.00	1,200	1,218	1,218	Investment association	Korea	December 31
2023 Manufacturing Research and Development Private Equity Investment Trust No.1	50.00	36,000	34,954	34,954	Investment association	Korea	December 31
2023 Manufacturing Research and Development Private Equity Investment Trust No.2	50.00	30,000	29,049	29,049	Investment association	Korea	December 31
KCFF1[2]	73.68	69,951	69,516	69,419	Investment association	Korea	December 31
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 2[2]	100.00	5,403	5,456	5,456	Investment association	Korea	December 31
2023 Manufacturing Research and Development Private Equity Investment Trust No.3	50.00	900	707	707	Investment association	Korea	December 31
Capstone Private Infrastructure Fund No.6[2]	64.52	1,000	1,000	1,000	Investment association	Korea	December 31
IBK low-cost TDF 2060 Securities Feeder Investment Trust [Balanced-FoF]	26.85	200	231	231	Investment association	Korea	December 31
Hangang Cinepolis Development Corporation[1]	17.00	850	(76,231)	-	Real estate development business	Korea	December 31
Deoksong-Naegak Expressway Co., Ltd.	25.00	-	(20,514)	-	Civil engineering facility construction	Korea	December 31

(In millions of Korean won, except for percentage)	**Ownership (%)**	**Acquisition value**	**Net asset value**	**Carrying amount**	**Primary business**	**Location**	**Year end**
UlsanUijeongbuProject PFV[5]	0.95	500	959	959	Residential building development and supplier industry, other financial service industry, non-residential building development and supplier industry	Korea	December 31
DL IncheonInha PFV Co., Ltd. [5]	0.47	250	257	257	Real estate	Korea	December 31
DL Daejeonmunwha PFV Co., Ltd. [5]	0.71	250	258	258	Real estate	Korea	December 31
DL JeonJuWansan PFV Co., Ltd. [5]	1.14	250	293	293	Real estate	Korea	December 31
Incheon Hangdong the one PFV Co., Ltd. [5]	5.00	320	(1,132)	-	Real estate	Korea	December 31
Asan Dogo Industrial Complex Development Co., Ltd.[5]	5.00	15	11	11	Real estate	Korea	December 31
Beophyeon General Industrial Complex. [5]	10.00	10	(9)	-	Real estate	Korea	December 31
Doan Castle 1st Co., Ltd.[5]	15.00	45	(8,434)	-	Real estate	Korea	December 31
GojinyeoksekwonPFV Co., Ltd.	20.00	1,000	986	986	Real estate	Korea	December 31
Busan Eco Delta Green DataCenter PFV Co., Ltd.	21.40	2,675	1,694	1,852	Real estate	Korea	December 31
IBKS No.23 Special Purpose Acquisition Company[5]	0.24	10	20	20	Financial support services industry	Korea	December 31
IBKS No.24 Special Purpose Acquisition Company[5]	0.24	10	20	20	Financial support services industry	Korea	December 31
IBKS No.25 Special Purpose Acquisition Company[5]	4.08	40	48	48	Financial support services industry	Korea	December 31
		2,414,151	2,477,528	2,574,894			

9. Investments in Associates and non-controlling interest (cont'd)

December 31, 2024

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
Incheon Bridge Co., Ltd.[1]	14.99	9,158	-	-	Construction, services	Korea	December 31
Jeonla railroad Co., Ltd. [1]	11.94	12,553	7,044	2,757	Construction, services	Korea	December 31
Chungjung Sangju Co., Ltd. [1]	14.00	1,235	833	833	Construction	Korea	December 31
Chungjung Seogwipo Co., Ltd.[1]	11.41	1,130	1,328	1,328	Construction, services	Korea	December 31
Green Kimhae Enviro Co., Ltd. [1]	14.00	1,411	997	997	Construction	Korea	December 31
Green Asan Enviro Co., Ltd. [1]	15.00	1,407	1,068	1,068	Construction	Korea	December 31
KOREA FINANCE SECURITY[1]	14.67	880	3,485	3,485	Service, Transportation, Real estate	Korea	December 31
Presto Private Equity Fund No. 7	32.00	-	16	16	Investment association	Korea	December 31
EVERBEST LIVINGSTONE PRIVATE EQUITY FUND	25.00	13	1,044	1,229	Investment association	Korea	December 31
Scale-up Platform Private Equity Fund	23.33	942	1,709	1,753	Investment association	Korea	December 31
Eum Private Equity Fund No.7	26.25	9,696	11,419	11,468	Investment association	Korea	December 31
Paratus Woori Materials, Parts, Equipment Private Equity Fund	21.96	13,000	12,244	12,244	Investment association	Korea	December 31
UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund	30.00	38,975	36,688	33,599	Investment association	Korea	December 31
Thor Private Equity Fund	23.62	3,661	7,631	7,653	Investment association	Korea	December 31
Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business	23.89	3,000	2,845	2,845	Investment association	Korea	December 31
Nautic No.11 Private Equity Fund	34.88	2,246	2,142	2,142	Investment association	Korea	December 31
AIM-OPUS Healthcare Growth Capital Private Equity Fund	24.63	927	1,149	725	Investment association	Korea	December 31
BNW ACE Private Equity Fund	26.67	6,000	6,235	6,235	Investment association	Korea	December 31
UAMCO IBK PF Private Equity Fund I	46.67	26,441	27,008	26,996	Investment association	Korea	December 31
Smart Private Equity Fund No.2	20.00	2,845	246	246	Investment association	Korea	December 31
Centroid 1st China Private Equity Fund	26.63	2,000	-	-	Investment association	Korea	December 31
Cactus Buyout Private Equity Fund II	26.81	5,598	9,358	9,358	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
Highland 2020 4, Private Equity Fund	22.22	1,833	2,241	2,241	Investment association	Korea	December 31
SKIL ECO No.1 Green New Deal Private Equity Fund[4]	12.00	6,420	5,991	5,991	Investment association	Korea	December 31
Lake Bridge Private Equity Fund VIII	22.50	6,000	5,910	5,910	Investment association	Korea	December 31
IBKS SME Accelerating Private Equity Fund[4]	9.30	-	292	292	Investment association	Korea	December 31
CCVC Culture-ICT Convergence Fund	20.00	1,721	423	423	Investment association	Korea	December 31
IBK-Daesung Majestic Contents Small Giant Korea Fund	20.00	1,314	2,505	2,505	Investment association	Korea	December 31
KTBN Media Contents Fund	35.00	-	387	387	Investment association	Korea	December 31
EBEST CRESO CONTENTS Fund No.1	47.17	500	504	504	Investment association	Korea	December 31
KAI-KSM Crowd Seeding Fund	31.25	1,179	619	619	Investment association	Korea	December 31
Gaia Bio Investment Fund #1[2]	65.57	4,000	3,104	3,104	Investment association	Korea	December 31
IBKS-INTOPS Innovation Companies Design Investment Fund[3]	65.00	670	3,892	3,731	Investment association	Korea	December 31
InterValue No.3 Innovation Start-up Fund	20.00	4,000	4,517	4,517	Investment association	Korea	December 31
Shinhan Consumer Fund 2	34.29	1,800	2,485	2,485	Investment association	Korea	December 31
VS Cornerstone Fund	23.53	2,000	1,854	1,854	Investment association	Korea	December 31
IBK-STIC Pioneer Fund	45.45	8,803	8,917	8,917	Investment association	Korea	December 31
Global Gateway Fund III	25.00	4,900	4,565	4,565	Investment association	Korea	December 31
IBK Changgong Jump up 1st Investment Fund[2]	80.00	1,310	-	-	Investment association	Korea	December 31
SWK-SHINHAN NEW TECHNOLOGY INVESTMENT FUND 1st	49.18	3,000	1,833	1,833	Investment association	Korea	December 31
COMPANY K BIO FUND	39.02	6,160	5,912	5,912	Investment association	Korea	December 31
Cornerstone Win-win I Fund	37.00	4,000	4,251	4,251	Investment association	Korea	December 31
DAvalue-Kbridge New Pharmaceutical Fund No.02	44.78	3,000	2,770	2,770	Investment association	Korea	December 31
Hanwha Uon Fund No.1	22.99	2,000	1,711	1,711	Investment association	Korea	December 31
Smilegate Next Commerce 1st Venture Fund[3]	55.56	4,000	4,611	4,611	Investment association	Korea	December 31
InterVest Global Scale-up Fund	25.00	10,500	9,515	9,515	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
IBK - Synergy IB Business Reshuffle New Technology Fund[2]	61.40	5,560	8,326	8,471	Investment association	Korea	December 31
New Deal Extension New Technology Fund No.1	50.00	15,400	13,153	13,221	Investment association	Korea	December 31
S&S-ONE-Dotconnect Fund 1	44.44	2,000	1,857	1,857	Investment association	Korea	December 31
Smilegate Next Commerce 2nd Venture Fund	28.30	3,000	2,341	2,341	Investment association	Korea	December 31
Smart IBK-Quantum Green New Industry Fund	32.79	10,000	9,002	9,002	Investment association	Korea	December 31
IBK-KT Emerging Digital Industry Investment Fund	34.88	15,000	12,019	12,019	Investment association	Korea	December 31
PCC-Bailey Project Fund[2]	72.73	4,000	3,750	3,750	Investment association	Korea	December 31
LSK Healthcare Fund IV	22.85	4,000	4,323	4,323	Investment association	Korea	December 31
Shinhan-Kunicorn first Fund	22.99	6,000	5,643	5,643	Investment association	Korea	December 31
VISION Materials, Parts and Equipment Venture Fund No.1[2]	51.72	3,000	2,141	2,141	Investment association	Korea	December 31
SUP 1st Venture Fund	38.46	2,000	1,883	1,883	Investment association	Korea	December 31
Cornerstone Merkaba Fund 1	30.30	1,000	938	938	Investment association	Korea	December 31
One Shinhan Global Fund 3	32.00	4,000	4,507	4,507	Investment association	Korea	December 31
Synergy ESG 1st New Technology Investment Fund	29.70	3,000	2,953	2,953	Investment association	Korea	December 31
Korea ASEAN Technology Fund 2	29.24	5,000	4,803	4,803	Investment association	Korea	December 31
IP-LD Fund No.1[2]	51.17	4,000	3,757	3,757	Investment association	Korea	December 31
Hanwha Smart Healthcare Fund No.1	40.00	4,000	3,785	3,785	Investment association	Korea	December 31
SKS-DA Unicorn Bio Fund No.1	42.25	3,000	2,860	2,860	Investment association	Korea	December 31
One Shinhan Global Fund 4	49.18	3,000	2,593	2,593	Investment association	Korea	December 31
IBK Changgong Jump up 2nd Investment Fund[2]	75.00	4,800	4,367	4,367	Investment association	Korea	December 31
Bokwang-Honest Energy Fund No. 1	22.22	2,000	1,313	1,313	Investment association	Korea	December 31
Cornerstone Pentastone VIII Fund	49.18	1,500	1,427	1,427	Investment association	Korea	December 31
One Shinhan Global Fund 5	24.62	2,000	1,967	1,967	Investment association	Korea	December 31
Ulmus 2022 Secondary Fund	22.22	7,500	12,293	12,293	Investment association	Korea	December 31
L&S Early Stage IV ICT MCE Venture Fund	22.22	7,500	7,117	7,117	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
Cornerstone Innovation IV Fund[2]	51.72	450	434	434	Investment association	Korea	December 31
IBK-SOLIDUS Next Bio Star Investment Fund	42.55	8,500	8,151	8,165	Investment association	Korea	December 31
C&CI Investment Fund 1	30.00	1,488	3,129	3,129	Investment association	Korea	December 31
Cornerstone Innovation VI Fund	36.36	-	188	188	Investment association	Korea	December 31
IBK Financial Group-DS Green Finance Fund[3]	68.37	27,098	24,315	24,315	Investment association	Korea	December 31
KOSNET Semicon Two Venture Fund	24.84	2,000	1,934	1,934	Investment association	Korea	December 31
DKI Growing Star Fund VII	25.00	10,000	9,677	9,677	Investment association	Korea	December 31
Square New Paradigm Investment Fund No. 1	28.04	3,000	2,898	2,898	Investment association	Korea	December 31
GU Materials Parts and Equipment Project Fund I	24.00	3,000	2,949	2,949	Investment association	Korea	December 31
S Secondary Venture Fund NO.1	28.57	2,598	3,049	3,049	Investment association	Korea	December 31
E&Venture Project No.1 Smartgreen Fund	29.41	1,500	1,460	1,460	Investment association	Korea	December 31
Cornerstone New Main I Fund	26.74	2,500	2,417	2,414	Investment association	Korea	December 31
SmartKorea UTC Untact Fund	29.41	5,000	4,540	4,540	Investment association	Korea	December 31
IBK-Company K Innovation growth Fund	37.88	32,000	32,311	32,311	Investment association	Korea	December 31
IBK Scale-up Gyeonggi-G-FUND	20.00	5,000	4,910	4,910	Investment association	Korea	December 31
IBK-Stonebridge Rising Fund II	50.00	12,000	12,399	12,399	Investment association	Korea	December 31
IBK IP Technology Commercialization Fund	30.00	6,000	5,834	5,834	Investment association	Korea	December 31
SH Ulmus M.P.E. Innovative Venture Fund 7	28.57	3,000	3,018	3,018	Investment association	Korea	December 31
POSITIVE AI Venture Fund #1[2]	64.52	4,000	3,863	3,863	Investment association	Korea	December 31
KB-BridgePole Venture Investment Fund #2	28.57	3,000	2,927	2,927	Investment association	Korea	December 31
KAIC TO Ventures Fund IV	24.39	2,000	2,312	2,312	Investment association	Korea	December 31
IBK-KOLON 2023 Super-Gap Fund	27.03	9,000	9,248	9,248	Investment association	Korea	December 31
Caspian-T No.3 Fund	25.97	2,000	1,953	1,953	Investment association	Korea	December 31
Newmain II Funds	43.01	4,000	3,908	3,908	Investment association	Korea	December 31
Korea Investment-Newmain Growth Capital 1st Fund	34.10	3,000	2,928	2,928	Investment association	Korea	December 31
Timefolio Tech Fund I	21.18	3,000	2,974	2,974	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
IBK Financial Group-Uamco SME Accelerating Fund	40.67	14,387	13,592	13,469	Investment association	Korea	December 31
KAI Valiant aesthetic Investment Fund I	21.47	3,982	3,913	3,913	Investment association	Korea	December 31
PLUX Technology Innovation Investment Fund 1	45.45	1,500	1,467	1,467	Investment association	Korea	December 31
Elohim Newmain I Fund	22.37	1,000	978	978	Investment association	Korea	December 31
BYB-SKS Pre-IPO Fund NO.1	23.90	3,000	2,946	2,897	Investment association	Korea	December 31
Cornerstone Blue Dragon I Fund	28.99	600	377	377	Investment association	Korea	December 31
Cornerstone Alice II Fund	30.36	450	259	259	Investment association	Korea	December 31
KB-VEP Contact Fund	33.33	1,760	2,430	2,430	Investment association	Korea	December 31
Synergy IB innovation Fund	26.73	17,982	18,040	18,040	Investment association	Korea	December 31
LINEA-NBH Fund II	20.55	3,000	2,964	2,964	Investment association	Korea	December 31
PLUX Technology Innovation Investment Fund 2	49.02	2,000	2,171	2,171	Investment association	Korea	December 31
COMPANY K BUYOUT 1	44.65	4,000	3,887	3,887	Investment association	Korea	December 31
Harang-IP Vine Contents Fund	30.00	2,500	2,481	2,481	Investment association	Korea	December 31
IBK-LB Startup Fund I	45.80	6,000	5,762	5,762	Investment association	Korea	December 31
WE Scale-up Fund I	31.90	2,000	1,784	1,784	Investment association	Korea	December 31
Horizon Venture Fund I	22.49	1,250	1,228	1,228	Investment association	Korea	December 31
Moorim-Omega Fund II	39.95	3,000	2,814	2,814	Investment association	Korea	December 31
GNTECH Project Fund II	21.98	2,000	1,981	1,981	Investment association	Korea	December 31
NP Growth 11th Private Equity Fund	29.63	8,000	9,052	9,052	Investment association	Korea	December 31
Korea Semiconductor Materials and Components No.1 Private Equity Fund	21.31	13,000	19,860	19,668	Investment association	Korea	December 31
Honeypot HGI New Fund[2]	64.90	2,000	2,000	2,000	Investment association	Korea	December 31
Widwin investment fund 73	28.63	1,500	1,500	1,500	Investment association	Korea	December 31
IBK-YG K-culture Fund	25.00	1,500	1,486	1,486	Investment association	Korea	December 31
Start-up Korea IBK- Schmidt Fund	40.00	1,500	1,500	1,500	Investment association	Korea	December 31
Start-up Korea IBKVC-FP2024 Fund[2]	58.00	8,700	8,700	8,690	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
Start-up Korea IBKVC-KOLON 2024 Fund[2]	60.00	9,000	9,000	8,988	Investment association	Korea	December 31
Allies-HSBI Material Component Equipment New Technology Fund[2]	55.56	2,000	2,000	2,000	Investment association	Korea	December 31
NICE DATA INTELLIGENCE VENTURE FUND[2]	65.88	2,800	2,800	2,800	Investment association	Korea	December 31
Lodestone 4th Startup Venture Specialized Private Equity Fund	39.40	4,000	4,000	4,000	Investment association	Korea	December 31
JW&Kiyvre Fund 1	23.25	5,000	4,946	4,946	Investment association	Korea	December 31
JKL-POI Private Equity Fund	28.90	5,000	4,995	4,995	Investment association	Korea	December 31
LB Next Innovation Fund 1	22.22	3,000	3,000	3,000	Investment association	Korea	December 31
Startup Korea IBK-STIC Tech Champion Fund	40.49	5,000	5,000	5,000	Investment association	Korea	December 31
Startup Korea IBK-DTNI Fund	33.33	2,000	2,000	2,000	Investment association	Korea	December 31
Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	48.78	2,000	2,000	2,000	Investment association	Korea	December 31
Startup Korea Pathfinder-IBK Super Gap Fund	40.00	900	900	900	Investment association	Korea	December 31
Lucky Invites FUND-1	46.84	2,000	2,000	2,000	Investment association	Korea	December 31
Korea Investment Dong-Yu Blue Horizon Fund	34.78	2,000	2,000	2,000	Investment association	Korea	December 31
BNK safety Investment Fund NO.2	28.57	3,000	3,000	3,000	Investment association	Korea	December 31
D2U 12TH Fund	42.25	3,000	3,000	3,000	Investment association	Korea	December 31
HellosThelaFund1	50.00	2,000	2,010	2,000	Investment association	Korea	December 31
2024 Tethys Venture Fund	21.74	5,000	5,000	5,000	Investment association	Korea	December 31
AICBM Venture Fund No.3[2]	61.85	3,000	3,000	3,000	Investment association	Korea	December 31
2024DeepDive Investment Fund[2]	58.82	3,000	3,000	3,000	Investment association	Korea	December 31
KAIC TO Ventures Fund VII	37.52	2,806	2,937	2,937	Investment association	Korea	December 31
KT-IBKC Future Investment Fund 1	50.00	2,250	8,219	8,219	Investment association	Korea	December 31
Impact Platform Fund	25.45	1,781	14,916	14,916	Investment association	Korea	December 31
D&D Pharmatech Intervest IBKC Fund	30.86	5,000	4,617	4,617	Investment association	Korea	December 31
IBKC-EQP Innovative Technology Fund	50.00	6,470	7,476	7,476	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	**Ownership (%)**	**Acquisition value**	**Net asset value**	**Carrying amount**	**Primary business**	**Location**	**Year end**
IBKC-PCC 1st Fund	45.45	2,000	1,788	1,788	Investment association	Korea	December 31
Rylson-IBKC 5G Investment Fund[4]	11.90	713	704	704	Investment association	Korea	December 31
IBKC-Harang Fund	41.67	4,450	5,309	5,309	Investment association	Korea	December 31
IBKC-INTOPS New Deal and Material Parts Equipment Fund[3]	70.00	4,546	6,574	6,574	Investment association	Korea	December 31
IBKC-NICE NEW DEAL AND MATERIAL PARTS EQUIPMENT FUND	50.00	12,576	10,800	10,800	Investment association	Korea	December 31
IBKC J& BIO INVESTMENT FUND	31.55	19,200	22,971	22,971	Investment association	Korea	December 31
YUANTA QUANTUM JUMP NO.1 FUND	25.00	504	645	645	Investment association	Korea	December 31
Klim IBKC Medical Fund	38.07	1,500	1,386	1,386	Investment association	Korea	December 31
IBKC-AJU IB Idiscovery Fund 1	41.67	-	8	8	Investment association	Korea	December 31
IBKC-INTOPS New deal and Material Parts Equipment Fund2[3]	70.00	7,000	4,741	4,741	Investment association	Korea	December 31
Solution CapitalInvestment Fund IV	26.47	900	832	832	Investment association	Korea	December 31
IBKC-DARWIN GreenEnergy Fund	24.21	3,140	13,000	13,000	Investment association	Korea	December 31
TWI-IBKC Open Innovation Fund	50.00	6,428	5,427	5,427	Investment association	Korea	December 31
IBKC timefolio mezzanine blind 1st fund	50.00	6,000	4,128	4,128	Investment association	Korea	December 31
IBKC-DAILY Bio Healthcare Fund 1	39.87	6,100	5,752	5,752	Investment association	Korea	December 31
IBKC-WELCOME New Deal and Material Parts Equipment Fund[7]	40.00	2,800	2,535	2,535	Investment association	Korea	December 31
IBKC-WE Start-up Secondary Fund 1	48.80	10,555	10,840	10,840	Investment association	Korea	December 31
IBKC-GB Advanced Material Bio Investment Partnership No.1[3]	60.00	6,121	4,796	4,796	Investment association	Korea	December 31
Synergy Turnaround 16th New Technology Business Investment Fund	36.36	499	642	642	Investment association	Korea	December 31
K& Secondary No5 Fund	20.00	900	884	884	Investment association	Korea	December 31
Medici-IBKC Secondary Fund 2[3]	60.00	23,520	22,403	22,403	Investment association	Korea	December 31
IBKC-DAILY Bio Healthcare Fund II	27.27	3,000	2,816	2,816	Investment association	Korea	December 31
Smart Contents Fund	29.07	2,500	1,916	1,916	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
DS IBKC Foodtech Investment Fund 1	28.57	2,000	1,623	1,623	Investment association	Korea	December 31
NH-JN-IBKC label New Technology fund[4]	14.04	5,000	4,858	4,858	Investment association	Korea	December 31
Next Platform Fund	39.47	3,000	2,837	2,837	Investment association	Korea	December 31
IBKC-Behigh Fund 1st	36.04	4,000	3,808	3,808	Investment association	Korea	December 31
IBKC-Emford New technology venture investment FUND No.1	24.07	1,300	1,446	1,446	Investment association	Korea	December 31
FV Investment Fund 01	29.41	1,000	1,176	1,176	Investment association	Korea	December 31
Primus Equity Partners, Inc.	29.85	2,000	2,124	2,124	Investment association	Korea	December 31
IBKC-PEBBLES New Technology Investment Fund 1st	25.00	4,000	3,805	3,805	Investment association	Korea	December 31
IBKC-IDV HIGH TECH FUND	43.48	7,000	6,057	6,057	Investment association	Korea	December 31
IBKC-INTOPS Fund 3[2]	70.00	5,600	5,241	5,241	Investment association	Korea	December 31
IBKC-JS 1st Fund	20.00	2,108	1,762	1,762	Investment association	Korea	December 31
DB Synergy Value-up New Technology investment Fund No.1	24.84	1,400	1,520	1,486	Investment association	Korea	December 31
NH-IBKC EV Fund	24.53	8,450	7,560	7,560	Investment association	Korea	December 31
IBKC MIDAS Value Creation Fund	38.24	6,710	5,404	5,404	Investment association	Korea	December 31
Mezzanine Growth Fund	50.00	7,676	7,551	7,551	Investment association	Korea	December 31
Super Growth K-contents Fund[4]	18.12	4,000	3,629	3,629	Investment association	Korea	December 31
IBKC GlobalOne Atman Fund	23.58	5,000	4,928	4,928	Investment association	Korea	December 31
Positive-IBKC Fund No.1[4]	19.79	2,100	2,171	2,171	Investment association	Korea	December 31
IBKC-AH New Technology Business Investment Association No.5	30.00	6,000	5,741	5,741	Investment association	Korea	December 31
iM AI Healthcare Venture Fund	43.48	1,000	978	978	Investment association	Korea	December 31
IBKC Darwin Fund	28.30	6,000	5,807	5,807	Investment association	Korea	December 31
Ascent IBKC New Tech 1st[4]	9.35	3,000	3,176	3,176	Investment association	Korea	December 31
Positive IBKC Tech Fund No.1	22.17	1,000	978	978	Investment association	Korea	December 31
JW-IBKC NO.1 Fund	30.00	1,670	1,634	1,634	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
LIGNEXONE-IBKC Defense Industry Innovation New Technology Business Investment Fund 1	31.25	3,813	3,464	3,464	Investment association	Korea	December 31
Kyobo IBK Advanced Material Investment Fund[4]	19.05	2,000	1,842	1,842	Investment association	Korea	December 31
IBKC-Emford New technology venture investment FUND No.2[4]	19.44	1,050	1,033	1,033	Investment association	Korea	December 31
KIWOOM-K&T RISINGSTAR New Technology Investment Fund	35.84	2,000	2,004	2,004	Investment association	Korea	December 31
EVENTUS-IBKC Secondary Cell Materials New Investment Business Investment Fund	40.00	18,000	16,938	16,938	Investment association	Korea	December 31
Petrico-IBKC First New Technology Business Investment Fund[4]	5.71	1,000	1,039	1,039	Investment association	Korea	December 31
JBWOORI-IBKC-T&K New Technology Business Investment Fund	30.00	8,700	8,096	8,096	Investment association	Korea	December 31
Ascent IBKC New Tech 2nd [4]	9.35	3,000	2,993	2,993	Investment association	Korea	December 31
KIP-IBKC Innovative Growth Private Equity Fund	30.42	4,928	4,618	4,618	Investment association	Korea	December 31
RCM Ocean Limited Partnership	49.81	3,965	3,914	3,914	Investment association	Korea	December 31
Pectus IBKC Fund No1	22.73	3,000	2,503	2,523	Investment association	Korea	December 31
The IBKS Job Creation Dream Fund	21.37	640	1,669	1,669	Investment association	Korea	December 31
Next Tech 1 New Technology Investment Fund[4]	17.82	1,219	-	-	Investment association	Korea	December 31
WJ-IBKS global Fund No.1[4]	0.24	15	4	4	Investment association	Korea	December 31
IBKS FAST Contents Fund[4]	6.88	112	108	108	Investment association	Korea	December 31
IBKS-DS Hydrogen 1 Technology Venture Fund	23.26	1,000	960	960	Investment association	Korea	December 31
IBKS Innovation MPE Fund No.1[4]	15.80	1,500	1,452	1,452	Investment association	Korea	December 31
UAMCO-IBKS New Technology Fund[4]	17.65	1,500	1,650	1,650	Investment association	Korea	December 31
IBKS Innovation MPE Fund No.2[4]	15.10	800	782	782	Investment association	Korea	December 31
IBKS Renewable Energy Fund[4]	9.30	200	195	195	Investment association	Korea	December 31
NH-IBKS KONEX SCALEUP FUND[4]	15.70	3,600	3,423	3,423	Investment association	Korea	December 31
IBKS Robot Solution Fund[5]	2.90	300	296	296	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	**Ownership (%)**	**Acquisition value**	**Net asset value**	**Carrying amount**	**Primary business**	**Location**	**Year end**
JP-IBKS innovation MPE Fund I[4]	1.00	19	19	19	Investment association	Korea	December 31
JP-IBKS innovation MPE Fund II[4]	4.80	100	99	99	Investment association	Korea	December 31
IBKS Innovation MPE Fund III[4]	3.27	200	198	198	Investment association	Korea	December 31
IBKS Next Scale-Up New Technology Investment Association[4]	15.60	1,250	1,238	1,238	Investment association	Korea	December 31
IBKS-DS-STI G.E.S Fund[4]	16.49	397	348	348	Investment association	Korea	December 31
IBKS-SUSUNG Pre-IPO Mezzanine Investment Fund 1st[4]	11.70	1,000	996	996	Investment association	Korea	December 31
IBKS Design Fund[4]	6.97	300	299	299	Investment association	Korea	December 31
IBKS-YG Turn around Fund[4]	14.71	1,000	1,000	1,000	Investment association	Korea	December 31
KDB Infra IP Capital Fund	50.00	11,418	20,836	21,763	Investment association	Korea	December 31
Kiwoom DongBuk-A Infrastructure Investment Trust #1	33.33	52,082	52,082	52,082	Investment association	Korea	December 31
Kiwoom DongBuk-A Infrastructure Investment Trust #2	33.33	59,208	58,640	58,640	Investment association	Korea	December 31
Kiwoom DongBuk-A Infrastructure Investment Trust #3	33.33	36,652	35,446	35,446	Investment association	Korea	December 31
Kiwoom DongBuk-A Infrastructure Investment Trust #4	50.00	31,270	30,588	30,588	Investment association	Korea	December 31
KIAMCO Power Energy Private Special Asset Investment Trust 1	24.00	24,778	30,549	30,549	Investment association	Korea	December 31
KIAMCO BTL Project Investment Private Special Asset Investment Trust 6	50.00	9,813	10,354	10,354	Investment association	Korea	December 31
KIAMCO Road Investment Private Special Asset Investment Trust 2	30.00	134,070	228,424	228,424	Investment association	Korea	December 31
Consus Nation Infra Private Special Asset Investment Trust 1	50.00	77,523	83,171	83,171	Investment association	Korea	December 31
Consus Love Sharing Private Special Asset Investment Trust 2	50.00	13,599	13,780	13,780	Investment association	Korea	December 31
MiraeAsset MAPS BTL Infra Private Placement Special Asset Trust 1	33.33	2,556	2,798	2,798	Investment association	Korea	December 31
MiraeAsset MAPS Love BTL Private Placement Special Asset Trust 1[2]	57.14	16,550	16,343	16,343	Investment association	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
Kiwoom Eco Resource Infrastructure Professional and Private Type Investment Trust IV	50.00	2,743	2,697	2,697	Investment association	Korea	December 31
KIAMCO K-Solar Special Asset Private Investment Trust 2	48.00	94,362	96,770	96,770	Investment association	Korea	December 31
KIAMCO Naepo Green Energy Fund1	24.57	31,353	34,035	34,035	Investment association	Korea	December 31
Hangang Haenanum Energy Fund No.1[2]	53.33	2,390	2,271	2,271	Investment association	Korea	December 31
IGIS Structured Mezzanine Professional Investors Private Placement Real Estate Feeder Fund No.1	44.00	41,187	45,394	45,256	Investment association	Korea	December 31
Kiwoom green energy private equity fund 1st [2]	99.85	25,833	12,990	12,990	Investment association	Korea	December 31
KIAMCO SOLAR-ONE PRIVATE EQUITY FUND 2ND	50.00	229,206	227,643	227,657	Investment association	Korea	December 31
Mirae Asset Infra development private fund 1st[2]	92.31	6,698	6,747	6,965	Investment association	Korea	December 31
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 1[6]	20.00	1,200	1,207	1,207	Investment association	Korea	December 31
2023 Manufacturing Research and Development Private Equity Investment Trust No.1	50.00	24,000	23,616	23,616	Investment association	Korea	December 31
2023 Manufacturing Research and Development Private Equity Investment Trust No.2	50.00	8,000	7,946	7,946	Investment association	Korea	December 31
KCFF1[2]	73.60	26,870	26,895	26,895	Investment association	Korea	December 31
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 2[2]	100.00	1,400	1,400	1,400	Investment association	Korea	December 31
IBK Income Vanilla EMP Fund[Balanced-FOFs][8]	20.91	1,200	1,184	1,184	Investment association	Korea	December 31
Hangang Cinepolis Development Corporation[1]	17.00	850	-	-	Real estate development business	Korea	December 31
Deoksong-Naegak Expressway Co., Ltd.	25.00	-	-	-	Civil engineering facility construction	Korea	December 31

(In millions of Korean won, except for percentage)	Ownership (%)	Acquisition value	Net asset value	Carrying amount	Primary business	Location	Year end
UlsanUijeongbuProject PFV[5]	0.95	500	938	938	Residential building development and supplier industry, other financial service industry, non-residential building development and supplier industry	Korea	December 31
DL IncheonInha PFV Co., Ltd. [5]	0.47	250	256	256	Real estate	Korea	December 31
DL Daejeonmunwha PFV Co., Ltd. [5]	0.71	250	258	258	Real estate	Korea	December 31
DL JeonJuWansan PFV Co., Ltd. [5]	1.14	250	283	283	Real estate	Korea	December 31
Incheon Hangdong the one PFV Co., Ltd. [5]	5.00	320	-	-	Real estate	Korea	December 31
Asan Dogo Industrial Complex Development Co., Ltd.[5]	5.00	15	11	11	Real estate	Korea	December 31
Beophyeon General Industrial Complex. [5]	10.00	10	-	-	Real estate	Korea	December 31
Doan Castle 1st Co., Ltd.[5]	15.00	45	-	-	Real estate	Korea	December 31
Busan Eco Delta Green Data Center PFV Co., Ltd.	23.40	2,340	1,644	1,894	Real estate	Korea	December 31
IBKS No.20 Special Purpose Acquisition Company [5]	0.23	10	20	20	Financial support services industry	Korea	December 31
IBKS No.21 Special Purpose Acquisition Company [5]	0.24	10	20	20	Financial support services industry	Korea	December 31
IBKS No.22 Special Purpose Acquisition Company [5]	0.23	10	20	20	Financial support services industry	Korea	December 31
IBKS No.23 Special Purpose Acquisition Company[5]	0.24	10	20	20	Financial support services industry	Korea	December 31
IBKS No.24 Special Purpose Acquisition Company[5]	0.24	10	20	20	Financial support services industry	Korea	December 31
		1,941,655	2,058,317	2,051,729			

[1] Although the Group holds less than 20% of the equity shares, the Group has significant influence over the investee as the Group's directors and employees are executives of the investee.
[2] As a limited partner of the investee, the Group does not have control over the investee as the Group is only involved in asset management and operating-related activities of the investee.
[3] As a joint general partner of the investee, the Group does not have control over the investee as the Group is only involved in asset management and operating-related activities of the investee.
[4] Although the Group holds less than 20% of the equity shares, the Group has significant influence over the financial and operating policies as a joint general partner of the investee.
[5] Although the Group holds less than 20% of the equity shares, the Group has significant influence over the financial and operating policies.
[6] The name of the associate was changed from 'KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust' to 'KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust No. 1' during the year ended December 31, 2024.
[7] The name of the associate was changed from "IBKC-Welcome New Deal Materials, Parts and Equipment New Technology Business Investment Association" to "IBKC-Blue Corner New Deal Materials, Parts and Equipment New Technology Business Investment Association" during the period ended December 31, 2025.
[8] The ownership interest increased, and the entity was reclassified from an associate to a subsidiary during the period ended December 31, 2025.

9. Investments in Associates and non-controlling interest (cont'd)

Changes in investments in associates for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)

	December 31, 2025					
	Beginning	**Acquisition (disposal)**	**Dividends**	**Share of profit (loss) of associates**	**Others**	**Ending**
Incheon Bridge Co., Ltd.	-	-	-	10,046	-	10,046
Jeonla railroad Co., Ltd.	2,757	-	-	(697)	-	2,060
Chungjung Sangju Co., Ltd.	833	-	-	-	-	833
Chungjung Seogwipo Co., Ltd.	1,328	-	-	21	-	1,349
Green Kimhae Enviro Co., Ltd.	997	-	-	7	-	1,004
Green Asan Enviro Co., Ltd.	1,068	-	-	10	-	1,078
KOREA FINANCE SECURITY	3,485	-	-	301	-	3,786
Presto Private Equity Fund No. 7	16	(15)	-	(1)	-	-
EVERBEST LIVINGSTONE PRIVATE EQUITY FUND	1,229	(13)	(1,505)	393	290	394
Scale-up Platform Private Equity Fund	1,753	-	-	42	-	1,795
Eum Private Equity Fund No.7	11,468	-	(519)	1,017	-	11,966
Paratus Woori Materials, Parts, Equipment Private Equity Fund	12,244	(6,144)	-	694	-	6,794
UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund	33,599	-	-	2,332	-	35,931
Thor Private Equity Fund	7,653	(12,319)	-	4,666	-	-
Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business	2,845	-	-	(51)	-	2,794
Nautic No.11 Private Equity Fund	2,142	(2,173)	-	31	-	-
AIM-OPUS Healthcare Growth Capital Private Equity Fund	725	(927)	-	1,033	1,205	2,036
BNW ACE Private Equity Fund	6,235	-	-	6,223	-	12,458
UAMCO IBK PF Private Equity Fund I	26,996	(10,600)	-	868	141	17,405
BTS 2-1 Private Equity Fund	-	6,340	-	(49)	-	6,291
UAMCO-IBK PF 2nd Private Equity Fund	-	44,160	-	1,136	-	45,296
Daishin Growth Capital 2024 Private Equity Fund	-	15,828	-	(1,971)	-	13,857
UAMCO-TAESUNG Corporate Financial Stability Private Equity Fund	-	232	-	(232)	-	-
IBK Korea Investment Growth Bridge Private Equity Fund	-	12,863	-	(462)	-	12,401
Stassets Fund IV	-	1,500	-	-	-	1,500
Smart Private Equity Fund No.2	246	-	-	415	-	661
Cactus Buyout Private Equity Fund II	9,358	(9,358)	-	-	-	-
Highland 2020 4, Private Equity Fund	2,241	-	-	(20)	-	2,221
SKIL ECO No.1 Green New Deal Private Equity Fund	5,991	4,392	-	1,183	-	11,566
Lake Bridge Private Equity Fund VIII	5,910	-	-	(112)	-	5,798
IBKS SME Accelerating Private Equity Fund	292	-	-	(9)	-	283
BTS Plasma Private Equity Fund	-	1,000	-	(25)	-	975
CCVC Culture-ICT Convergence Fund	423	-	-	-	-	423

(In millions of Korean won)

	December 31, 2025					
	Beginning	Acquisition (disposal)	Dividends	Share of profit (loss) of associates	Others	Ending
IBK-Daesung Majestic Contents Small Giant Korea Fund	2,505	(485)	-	(2,020)	-	-
KTBN Media Contents Fund	387	-	-	-	-	387
EBEST CRESO CONTENTS Fund No.1	504	-	-	5	-	509
KAI-KSM Crowd Seeding Fund	619	(75)	-	(35)	-	509
Gaia Bio Investment Fund #1	3,104	-	-	(3,072)	-	32
IBKS-INTOPS Innovation Companies Design Investment Fund	3,731	(4,450)	-	719	-	-
InterValue No.3 Innovation Start-up Fund	4,517	-	-	(652)	-	3,865
Shinhan Consumer Fund 2	2,485	(1,800)	(1,283)	947	-	349
VS Cornerstone Fund	1,854	(1,854)	-	-	-	-
IBK-STIC Pioneer Fund	8,917	(2,632)	(658)	(130)	-	5,497
Global Gateway Fund III	4,565	(700)	-	581	-	4,446
IBK Changgong Jump up 1st Investment Fund	-	-	-	1,506	-	1,506
SWK-SHINHAN NEW TECHNOLOGY INVESTMENT FUND 1st	1,833	-	-	(475)	-	1,358
COMPANY K BIO FUND	5,912	-	-	50	-	5,962
Cornerstone Win-win I Fund	4,251	-	-	(2,489)	-	1,762
DAvalue-Kbridge New Pharmaceutical Fund No.02	2,770	-	-	(62)	-	2,708
Hanwha Uon Fund No.1	1,711	(22)	-	53	-	1,742
Smilegate Next Commerce 1st Venture Fund	4,611	-	-	(292)	-	4,319
InterVest Global Scale-up Fund	9,515	1,166	-	1,055	-	11,736
IBK - Synergy IB Business Reshuffle New Technology Fund	8,471	(5,670)	-	(611)	53	2,243
New Deal Extension New Technology Fund No.1	13,221	-	-	(171)	-	13,050
S&S-ONE-Dotconnect Fund 1	1,857	-	-	326	-	2,183
Smilegate Next Commerce 2nd Venture Fund	2,341	-	-	(680)	-	1,661
Smart IBK-Quantum Green New Industry Fund	9,002	-	-	(331)	-	8,671
IBK-KT Emerging Digital Industry Investment Fund	12,019	-	-	890	-	12,909
PCC-Bailey Project Fund	3,750	-	-	(3,717)	-	33
LSK Healthcare Fund IV	4,323	(1,360)	(123)	411	-	3,251
Shinhan-Kunicorn first Fund	5,643	-	-	(1,035)	-	4,608
VISION Materials, Parts and Equipment Venture Fund No.1	2,141	-	-	(1,399)	-	742
SUP 1st Venture Fund	1,883	-	-	(31)	-	1,852
Cornerstone Merkaba Fund 1	938	-	-	(22)	-	916
One Shinhan Global Fund 3	4,507	-	-	(4,507)	-	-
Synergy ESG 1st New Technology Investment Fund	2,953	(2,953)	-	-	-	-
Korea ASEAN Technology Fund [2]	4,803	(1,462)	-	397	-	3,738
IP-LD Fund No.1	3,757	-	-	(88)	-	3,669
Hanwha Smart Healthcare Fund No.1	3,785	-	-	(66)	-	3,719
SKS-DA Unicorn Bio Fund No.1	2,860	-	-	(49)	-	2,811

(In millions of Korean won)

	December 31, 2025					
	Beginning	Acquisition (disposal)	Dividends	Share of profit (loss) of associates	Others	Ending
One Shinhan Global Fund 4	2,593	-	-	2,718	-	5,311
IBK Changgong Jump up 2nd Investment Fund	4,367	1,200	-	(261)	-	5,306
Bokwang-Honest Energy Fund No. 1	1,313	(1,123)	-	846	-	1,036
Cornerstone Pentastone VIII Fund	1,427	-	-	(912)	-	515
One Shinhan Global Fund 5	1,967	-	-	(88)	-	1,879
Ulmus 2022 Secondary Fund	12,293	(1,000)	(700)	(1,972)	-	8,621
L&S Early Stage IV ICT MCE Venture Fund	7,117	2,500	-	(701)	-	8,916
Cornerstone Innovation IV Fund	434	(434)	-	-	-	-
IBK-SOLIDUS Next Bio Star Investment Fund	8,165	1,500	-	2,892	-	12,557
C&CI Investment Fund 1	3,129	-	-	(88)	-	3,041
Cornerstone Innovation VI Fund	188	(188)	-	-	-	-
IBK Financial Group-DS Green Finance Fund	24,315	6,836	-	(767)	4	30,388
KOSNET Semicon Two Venture Fund	1,934	-	-	(32)	-	1,902
DKI Growing Star Fund VII	9,677	-	-	615	-	10,292
Square New Paradigm Investment Fund No. 1	2,898	-	-	(63)	-	2,835
GU Materials Parts and Equipment Project Fund I	2,949	-	-	655	-	3,604
S Secondary Venture Fund NO.1	3,049	-	-	54	-	3,103
E&Venture Project No.1 Smartgreen Fund	1,460	-	-	(26)	-	1,434
Cornerstone New Main I Fund	2,414	-	-	(51)	-	2,363
SmartKorea UTC Untact Fund	4,540	2,000	-	(796)	-	5,744
IBK-Company K Innovation growth Fund	32,311	12,500	(3,500)	19,615	-	60,926
IBK Scale-up Gyeonggi-G-FUND	4,910	1,150	-	195	-	6,255
IBK-Stonebridge Rising Fund II	12,399	9,900	-	992	-	23,291
IBK IP Technology Commercialization Fund	5,834	-	-	(261)	-	5,573
SH Ulmus M.P.E. Innovative Venture Fund 7	3,018	-	-	(87)	-	2,931
POSITIVE AI Venture Fund #1	3,863	-	-	201	-	4,064
KB-BridgePole Venture Investment Fund #2	2,927	-	-	(62)	-	2,865
KAIC TO Ventures Fund IV	2,312	-	-	(287)	-	2,025
IBK-KOLON 2023 Super-Gap Fund	9,248	6,000	-	(680)	-	14,568
Caspian-T No.3 Fund	1,953	-	-	66	-	2,019
Newmain II Funds	3,908	-	-	(82)	-	3,826
Korea Investment-Newmain Growth Capital 1st Fund	2,928	-	-	-	-	2,928
Timefolio Tech Fund I	2,974	-	-	49	-	3,023
IBK Financial Group-Uamco SME Accelerating Fund	13,469	22,950	-	(1,046)	-	35,373
KAI Valiant aesthetic Investment Fund I	3,913	-	-	(83)	-	3,830
PLUX Technology Innovation Investment Fund 1	1,467	-	-	(28)	-	1,439
Elohim Newmain I Fund	978	-	-	(16)	-	962

(In millions of Korean won)

	December 31, 2025					
	Beginning	Acquisition (disposal)	Dividends	Share of profit (loss) of associates	Others	Ending
BYB-SKS Pre-IPO Fund NO.1	2,897	-	-	(62)	-	2,835
Cornerstone Blue Dragon I Fund	377	-	-	108	-	485
Cornerstone Alice II Fund	259	(259)	-	-	-	-
KB-VEP Contact Fund	2,430	-	-	(745)	-	1,685
Synergy IB innovation Fund	18,040	3,348	-	2,751	-	24,139
LINEA-NBH Fund II	2,964	-	-	894	-	3,858
PLUX Technology Innovation Investment Fund 2	2,171	(685)	-	204	-	1,690
COMPANY K BUYOUT 1	3,887	-	-	(80)	-	3,807
Harang-IP Vine Contents Fund	2,481	-	-	(38)	-	2,443
IBK-LB Startup Fund I	5,762	6,000	-	(2,139)	-	9,623
WE Scale-up Fund I	1,784	10,000	-	(372)	16	11,428
Horizon Venture Fund I	1,228	575	-	329	-	2,132
Moorim-Omega Fund II	2,814	-	-	91	-	2,905
GNTECH Project Fund II	1,981	-	-	(40)	-	1,941
NP Growth 11th Private Equity Fund	9,052	-	-	1,442	-	10,494
Korea Semiconductor Materials and Components No.1 Private Equity Fund	19,668	-	-	19,606	-	39,274
Honeypot HGI New Fund	2,000	-	-	(52)	-	1,948
Widwin investment fund 73	1,500	-	-	331	-	1,831
IBK-YG K-culture Fund	1,486	3,500	-	382	-	5,368
Start-up Korea IBK- Schmidt Fund	1,500	3,000	-	(144)	-	4,356
Start-up Korea IBKVC-FP2024 Fund	8,690	8,700	-	(535)	-	16,855
Start-up Korea IBKVC-KOLON 2024 Fund	8,988	18,000	-	(686)	-	26,302
Allies-HSBI Material Component Equipment New Technology Fund	2,000	-	-	2,571	-	4,571
NICE DATA INTELLIGENCE VENTURE FUND	2,800	(9,135)	-	6,335	-	-
Lodestone 4th Startup Venture Specialized Private Equity Fund	4,000	-	-	(2)	-	3,998
JW&Kiyvre Fund 1	4,946	-	-	(94)	3	4,855
JKL-POI Private Equity Fund	4,995	-	-	(141)	-	4,854
LB Next Innovation Fund 1	3,000	-	-	(52)	-	2,948
Startup Korea IBK-STIC Tech Champion Fund	5,000	10,000	(14)	(706)	63	14,343
Startup Korea IBK-DTNI Fund	2,000	4,000	-	665	-	6,665
Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	2,000	3,000	-	(197)	-	4,803
Startup Korea Pathfinder-IBK Super Gap Fund	900	1,800	-	(433)	-	2,267
Lucky Invites FUND-1	2,000	-	-	1,494	-	3,494
Korea Investment Dong-Yu Blue Horizon Fund	2,000	-	-	(42)	-	1,958
BNK safety Investment Fund No.2	3,000	-	-	5,326	-	8,326
D2U 12TH Fund	3,000	-	-	(63)	-	2,937
HellosThelaFund1	2,000	-	-	(45)	-	1,955
2024 Tethys Venture Fund	5,000	-	-	(77)	-	4,923

(In millions of Korean won)

	December 31, 2025					
	Beginning	Acquisition (disposal)	Dividends	Share of profit (loss) of associates	Others	Ending
AICBM Venture Fund No.3	3,000	(3,010)	-	10	-	-
2024DeepDive Investment Fund	3,000	(44)	-	20	-	2,976
KAIC TO Ventures Fund VII	2,937	-	-	(144)	-	2,793
Allies partners Fund no.9	-	1,000	-	(21)	-	979
BNK Global Medical Device NEW Technology 1st Investment Fund	-	2,000	-	(37)	-	1,963
For Human Life Wellbeing Private Equity Partnership No.1	-	4,600	-	395	-	4,995
Prodigy Fund 30²	-	2,000	-	(32)	-	1,968
Start-up Korea IBK Murex Voyager No.2 Fund	-	4,000	-	(183)	-	3,817
Cape Lakebridge Fund IX	-	5,000	-	(50)	-	4,950
Cornerstone Daon I Fund	-	1,000	-	(21)	-	979
2024 IBK Innovation Samchully New Green Fund	-	3,000	-	(190)	-	2,810
Daishin-SAM New Technology Investment Fund No.1	-	7,000	-	995	-	7,995
Cornerstone New Main III Funds	-	1,500	-	(24)	-	1,476
Cyrus-K Materials and Components Investment Fund No.1	-	995	(335)	1,880	-	2,540
2024 IBK Innovation-AJU Good Venture Fund 3.0	-	10,000	(25)	(95)	4	9,884
Novorsec Eco-friendly K-Shipbuilding Venture Fund	-	3,000	-	(34)	-	2,966
DITTO NEW COMMERCE FUND	-	1,000	-	(14)	-	986
GNP2025-01Venturefund	-	1,500	-	(49)	-	1,451
IBKC-Envision I Fund	-	5,580	-	(92)	-	5,488
DA Beauty Fund No.1	-	2,000	-	(16)	-	1,984
2024 IBK Innovation K-RUN Mobility No.7 Fund	-	3,000	(4)	(757)	5	2,244
SJG Semiconductor Materials&Equipment No.2 Fund	-	5,000	-	(43)	-	4,957
2024 IBK Innovation-Intervest Deep Tech Fund II	-	43	-	(43)	-	-
INFINITUM K-Culture 2 Fund	-	3,000	-	(10)	-	2,990
Perspective-Axis Fund 1	-	1,500	-	(5)	-	1,495
IBKVC-SBI 2025 Fund	-	8,680	-	(133)	-	8,547
JB-OMEGA Fund	-	3,000	-	(10)	-	2,990
IBKS-FINDVALUE Robot Solution Fund	-	5,000	-	(12)	-	4,988
Allies partners Fund no.11	-	2,000	-	(17)	-	1,983
Gravity General Private Paju Studio Investment Company No.1	-	3,000	-	9	-	3,009
Start-Up Korea Plux Deeptech Fund	-	1,200	-	-	-	1,200
StartUp Korea-KIF Kiwoom New Hero No.9 Fund	-	4,000	-	-	-	4,000
StartUp Korea Quantum Secondary Fund II	-	2,200	-	-	-	2,200
2025 IBKVC-DAISHIN Next Value-Up Fund	-	5,000	-	(2)	-	4,998
INNOPOLIS NEXT UNICORN DEEP FUND	-	2,000	-	-	-	2,000

(In millions of Korean won)

	December 31, 2025					
	Beginning	Acquisition (disposal)	Dividends	Share of profit (loss) of associates	Others	Ending
JP-K Semiconductor 1st New Technology Business Investment Fund	-	1,500	-	-	-	1,500
Nautilus-KWC Semiconductor Fund	-	3,000	-	-	-	3,000
LUX-Mason Innovation Technology Fund #2	-	2,000	-	-	-	2,000
IBKC LEP Fund X	-	4,900	-	-	-	4,900
Axis Flow Automation Fund No.1	-	4,500	-	-	-	4,500
KT-IBKC Future Investment Fund 1	8,219	(1,950)	-	(1,122)	-	5,147
Impact Platform Fund	14,916	-	-	(561)	-	14,355
D&D Pharmatech Intervest IBKC Fund	4,617	(4,617)	-	-	-	-
IBKC-EQP Innovative Technology Fund	7,476	(1,628)	-	(276)	-	5,572
IBKC-PCC 1st Fund	1,788	-	-	633	-	2,421
Rylson-IBKC 5G Investment Fund	704	-	-	(178)	-	526
IBKC-Harang Fund	5,309	-	-	(493)	-	4,816
IBKC-INTOPS New Deal and Material Parts Equipment Fund	6,574	(1,904)	-	(974)	-	3,696
IBKC-NICE NEW DEAL AND MATERIAL PARTS EQUIPMENT FUND	10,800	2,771	-	(127)	-	13,444
IBKC J& BIO INVESTMENT FUND	22,971	(19,198)	(3,880)	4,885	-	4,778
YUANTA QUANTUM JUMP NO.1 FUND	645	-	-	(14)	-	631
Klim IBKC Medical Fund	1,386	-	-	(27)	-	1,359
IBKC-AJU IB Idiscovery Fund 1	8	(8)	-	-	-	-
IBKC-INTOPS New deal and Material Parts Equipment Fund2	4,741	-	-	(806)	-	3,935
Solution CapitalInvestment Fund IV	832	(832)	-	-	-	-
IBKC-DARWIN GreenEnergy Fund	13,000	(160)	(276)	(5,355)	-	7,209
TWI-IBKC Open Innovation Fund	5,427	-	-	(2,554)	-	2,873
IBKC timefolio mezzanine blind 1st fund	4,128	(2,025)	-	5	-	2,108
IBKC-DAILY Bio Healthcare Fund 1	5,752	(314)	-	50	-	5,488
IBKC-BLUECORNER New Deal and Material Parts Equipment Fund[2]	2,535	(480)	-	25	-	2,080
IBKC-WE Start-up Secondary Fund [1]	10,840	(3,791)	-	5,042	-	12,091
IBKC-GB Advanced Material Bio Investment Partnership No.1	4,796	4,800	-	90	-	9,686
Synergy Turnaround 16th New Technology Business Investment Fund	642	(642)	-	-	-	-
K& Secondary No5 Fund	884	(884)	-	-	-	-
Medici-IBKC Secondary Fund 2	22,403	(1,740)	-	(28)	-	20,635
IBKC-DAILY Bio Healthcare Fund II	2,816	-	-	(61)	-	2,755
Smart Contents Fund	1,916	-	-	(1,427)	-	489
MiraeAsset MAPS BTL Infra Private Placement Special Asset Trust 1	1,623	(1,623)	-	-	-	-
NH-JN-IBKC label New Technology fund	4,858	(2,725)	-	2,181	-	4,314
Next Platform Fund	2,837	-	-	(63)	-	2,774
IBKC-Behigh Fund 1st	3,808	-	-	(77)	-	3,731
IBKC-Emford New technology venture investment FUND No.1	1,446	-	-	(16)	-	1,430

(In millions of Korean won)

	December 31, 2025					
	Beginning	Acquisition (disposal)	Dividends	Share of profit (loss) of associates	Others	Ending
FV Investment Fund 01	1,176	-	-	28	-	1,204
Primus Equity Partners, Inc.	2,124	-	-	22	-	2,146
IBKC-PEBBLES New Technology Investment Fund 1st	3,805	-	-	(74)	-	3,731
IBKC-IDV HIGH TECH FUND	6,057	(1,800)	-	2,990	-	7,247
IBKC-INTOPS Fund 3	5,241	(1,569)	-	615	-	4,287
IBKC-JS 1st Fund	1,762	(856)	-	824	-	1,730
DB Synergy Value-up New Technology investment Fund No.1	1,486	(1,481)	-	(5)	-	-
NH-IBKC EV Fund	7,560	-	-	664	-	8,224
IBKC MIDAS Value Creation Fund	5,404	3,104	-	847	-	9,355
Mezzanine Growth Fund	7,551	(2,066)	-	1,465	-	6,950
Super Growth K-contents Fund	3,629	4,000	-	37	-	7,666
IBKC GlobalOne Atman Fund	4,928	-	-	37	-	4,965
Positive-IBKC Fund No.1	2,171	(2,171)	-	-	-	-
IBKC-AH New Technology Business Investment Association No.5	5,741	-	-	729	-	6,470
iM AI Healthcare Venture Fund	978	-	-	(21)	-	957
IBKC Darwin Fund	5,807	-	-	104	-	5,911
Ascent IBKC New Tech 1st	3,176	(893)	-	(140)	-	2,143
Positive IBKC Tech Fund No.1	978	(978)	-	-	-	-
JW-IBKC NO.1 Fund	1,634	-	-	(157)	-	1,477
LIGNEXONE-IBKC Defense Industry Innovation New Technology Business Investment Fund 1	3,464	7,625	-	1,020	-	12,109
Kyobo IBK Advanced Material Investment Fund	1,842	-	-	84	-	1,926
IBKC-Emford New technology venture investment FUND No.2	1,033	-	-	(22)	-	1,011
KIWOOM-K&T RISINGSTAR New Technology Investment Fund	2,004	-	-	(268)	-	1,736
EVENTUS-IBKC Secondary Cell Materials New Investment Business Investment Fund	16,938	-	-	832	-	17,770
Petrico-IBKC First New Technology Business Investment Fund	1,039	(1,039)	-	-	-	-
JBWOORI-IBKC-T&K New Technology Business Investment Fund	8,096	-	-	5,038	-	13,134
Ascent IBKC New Tech 2nd	2,993	-	-	44	-	3,037
KIP-IBKC Innovative Growth Private Equity Fund	4,618	3,139	-	(124)	-	7,633
RCM Ocean Limited Partnership	3,914	-	(254)	272	-	3,932
IBKC-Medici Technology Innovation Investment Fund	-	16,500	-	(827)	-	15,673
2024 IBKC-Life Secondary Mezzanine New Technology Investment Fund	-	11,435	-	(1,014)	-	10,421
MAST-IBKC Mezzanine Private Equity Fund	-	30,000	-	(38)	-	29,962
IBKC-Solidus Smart-Bio Investment Fund No.2	-	1,500	-	(244)	-	1,256
Deep Technology IBKC-MIP Fund	-	2,000	-	(107)	-	1,893

(In millions of Korean won)

	December 31, 2025					
	Beginning	Acquisition (disposal)	Dividends	Share of profit (loss) of associates	Others	Ending
SGI-IBKC Deep Tech Venture Fund	-	3,000	-	(162)	-	2,838
IBKC-JB-LIFE Mezzanine Fund No.1	-	10,000	-	(561)	-	9,439
Alpha Global 1st Private Equity Fund	-	10,000	-	(71)	-	9,929
IBKC Kyobo Mezzanine Investment Fund I	-	4,554	-	(104)	-	4,450
IBKC-Caspian T No.8 Fund	-	13,000	-	10,350	-	23,350
NH-IBKC Value Fund	-	3,000	-	(69)	-	2,931
IBKC-IBP Auto Investment Fund	-	5,000	-	(32)	-	4,968
IBKC-Pacific Pre-IPO Plus Fund	-	1,500	-	(39)	-	1,461
IBKC-CYRUS AI AGRI-FOOD VENTURE FUND	-	600	-	(5)	-	595
Pectus IBKC Fund No1	2,523	-	-	159	-	2,682
The IBKS Job Creation Dream Fund	1,669	(214)	(698)	39	-	796
Next Tech 1 New Technology Investment Fund	-	(1,108)	-	330	783	5
IBKC-Gaia MSP New Technology Investment Fund No.1	-	6,075	-	(158)	-	5,917
IBKS-Gaia Bio Fund No.1	-	2,000	-	(17)	-	1,983
Samsung Innovative Fund No.3	-	3,500	-	(26)	-	3,474
LB Private Equity Fund III-1	-	1,688	-	609	-	2,297
Daishin New TechnologyInvestment Fund No.19	-	6,000	-	(24)	-	5,976
Audastone Project Dragon Private Equity Fund	-	3,000	-	(141)	-	2,859
Timefolio-Heungkuk-AOA RGB Investment fund1		6,000	-	(165)	-	5,835
Heimdall Private Equity Fund II		5,000	-	(75)	-	4,925
AIM-KIS Robotics Investment Fund		4,000	-	(81)	-	3,919
K-Content Value-Up Investment Fund		2,000	-	(1)	-	1,999
Mirae Holdings-IBKVC Deep Tech Investment Fund No.1	-	4,200	-	(144)	-	4,056
WJ-IBKS global Fund No.1	4	-	-	(1)	-	3
IBKS FAST Contents Fund	108	-	-	(2)	-	106
IBKS-DS Hydrogen 1 Technology Venture Fund	960	-	-	(18)	-	942
IBKS Innovation MPE Fund No.1	1,452	-	-	(28)	-	1,424
UAMCO-IBKS New Technology Fund	1,650	-	-	124	-	1,774
IBKS Innovation MPE Fund No.2	782	-	-	2,102	-	2,884
IBKS Renewable Energy Fund	195	-	-	(4)	-	191
NH-IBKS KONEX SCALEUP FUND	3,423	(584)	-	101	-	2,940
IBKS Robot Solution Fund	296	-	-	384	-	680
JP-IBKS innovation MPE Fund I	19	-	-	(1)	-	18
JP-IBKS innovation MPE Fund II	99	-	-	(2)	-	97
IBKS Innovation MPE Fund III	198	(193)	(47)	475	-	433
IBKS Next Scale-Up New Technology Investment Association	1,238	-	-	1,337	-	2,575
IBKS-DS-STI G.E.S Fund	348	544	-	(54)	-	838
IBKS-SUSUNG Pre-IPO Mezzanine Investment Fund 1st	996	-	-	85	-	1,081

(In millions of Korean won)

	December 31, 2025					
	Beginning	Acquisition (disposal)	Dividends	Share of profit (loss) of associates	Others	Ending
IBKS Design Fund	299	-	-	423	-	722
IBKS-YG Turn around Fund	1,000	-	-	3,089	-	4,089
IBKS Wish New Technology Investment Fund	-	100	-	(2)	-	98
IBKS Robot Tech Fund	-	200	-	(3)	-	197
IBKS Furi Technology Venture Fund	-	100	-	(1)	-	99
TKG-DS 1		1,000	-	(4)	-	996
IBKS-NEWGEN Kfood Fund		500	-	(1)	-	499
Axis-IBKVC Digital-Infra Fund		4,000	-	86	-	4,086
KDB Infra IP Capital Fund	21,763	(4,000)	(260)	3,012	-	20,515
Kiwoom DongBuk-A Infrastructure Investment Trust #1	52,082	(7,420)	(1,602)	2,141	-	45,201
Kiwoom DongBuk-A Infrastructure Investment Trust #2	58,640	(7,607)	(1,735)	3,238	-	52,536
Kiwoom DongBuk-A Infrastructure Investment Trust #3	35,446	(2,049)	(1,078)	3,657	-	35,976
Kiwoom DongBuk-A Infrastructure Investment Trust #4	30,588	(1,085)	(1,005)	2,368	-	30,866
KIAMCO Power Energy Private Special Asset Investment Trust 1	30,549	(562)	(1,415)	1,562	-	30,134
KIAMCO BTL Project Investment Private Special Asset Investment Trust 6	10,354	(615)	(432)	919	-	10,226
KIAMCO Road Investment Private Special Asset Investment Trust 2	228,424	-	(12,626)	(43,819)	-	171,979
Consus Nation Infra Private Special Asset Investment Trust 1	83,171	(152)		3,870	-	86,889
Consus Love Sharing Private Special Asset Investment Trust 2	13,780	(1,788)	(150)	335	-	12,177
MiraeAsset MAPS BTL Infra Private Placement Special Asset Trust 1	2,798	(199)	(65)	185	-	2,719
MiraeAsset MAPS Love BTL Private Placement Special Asset Trust 1	16,343	(2,425)	(803)	1,509	-	14,624
Kiwoom Eco Resource Infrastructure Professional and Private Type Investment Trust IV	2,697	(692)	(68)	464	-	2,401
KIAMCO K-Solar Special Asset Private Investment Trust 2	96,770	(4,141)	(4,335)	5,011	-	93,305
KIAMCO Naepo Green Energy Fund1	34,035	-	(6,285)	25,625	-	53,375
Hangang Haenanum Energy Fund No.1	2,271	(2,263)	-	(8)	-	-
IGIS Structured Mezzanine Professional Investors Private Placement Real Estate Feeder Fund No.1	45,256	3,110	(489)	(173)	-	47,704
Kiwoom green energy private equity fund 1st	12,990	(4,260)	-	3,102	-	11,832
KIAMCO SOLAR-ONE PRIVATE EQUITY FUND 2ND	227,657	11,987	(12,611)	17,346	-	244,379
Mirae Asset Infra development private fund 1st	6,965	1,225	(212)	299	-	8,277
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 1[1]	1,207	-	(87)	98	-	1,218
2023 Manufacturing Research and Development Private Equity Investment Trust No.1	23,616	12,000	-	(662)	-	34,954

(In millions of Korean won)

	December 31, 2025					
	Beginning	**Acquisition (disposal)**	**Dividends**	**Share of profit (loss) of associates**	**Others**	**Ending**
2023 Manufacturing Research and Development Private Equity Investment Trust No.2	7,946	22,000	-	(897)	-	29,049
KCFF1	26,895	43,032	(2,337)	1,829	-	69,419
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 2	1,400	4,003	(141)	194	-	5,456
2023 Manufacturing Research and Development Private Equity Investment Trust No.3	-	900	-	(193)	-	707
IBK Income Vanilla EMP Feeder Fund [Balanced-FOFs][3]	1,184	-	-	-	(1,184)	-
Capstone Private Infrastructure Fund No.6	-	1,000	-	-	-	1,000
IBK low-cost TDF 2060 Securities Feeder Investment Trust [Balanced-FoF]	-	200	-	31	-	231
UlsanUijeongbuProject PFV	938	-	(3)	24	-	959
DL IncheonInha PFV Co., Ltd.	256	-	(1)	2	-	257
DL Daejeonmunwha PFV Co., Ltd.	258	-	(1)	1	-	258
DL JeonJuWansan PFV Co., Ltd.	283	-	(1)	11	-	293
Asan Dogo Industrial Complex Development Co., Ltd.	11	-	-	-	-	11
GojinyeoksekwonPFV Co., Ltd.	-	1,000	-	(14)	-	986
Busan Eco Delta Green DataCenter PFV Co., Ltd.	1,894	335	-	(446)	69	1,852
IBKS No.20 Special Purpose Acquisition Company	20	(20)	-	-	-	-
IBKS No.21 Special Purpose Acquisition Company	20	(20)	-	-	-	-
IBKS No.22 Special Purpose Acquisition Company	20	(20)	-	-	-	-
IBKS No.23 Special Purpose Acquisition Company	20	-	-	-	-	20
IBKS No.24 Special Purpose Acquisition Company	20	-	-	-	-	20
IBKS No.25 Special Purpose Acquisition Company	-	48	-	-	-	48
	2,051,729	454,232	(61,563)	129,044	1,452	2,574,894

9. Investments in Associates and Unconsolidated Structured Entities (cont'd)

December 31, 2024

(In millions of Korean won)	Beginning	Acquisition (disposal)	Dividends	Share of profit (loss) of associates	Others	Ending
Jeonla railroad Co., Ltd.	3,476	-	-	(719)	-	2,757
Chungjung Sangju Co., Ltd.	843	-	-	(10)	-	833
Chungjung Seogwipo Co., Ltd.	1,338	-	-	(10)	-	1,328
Green Kimhae Enviro Co., Ltd.	1,002	-	-	(5)	-	997
Green Asan Enviro Co., Ltd.	1,070	-	-	(2)	-	1,068
KOREA FINANCE SECURITY	3,287	-	-	198	-	3,485
Presto Private Equity Fund No. 7	12,028	(8,000)	(1,408)	(2,604)	-	16
EVERBEST LIVINGSTONE PRIVATE EQUITY FUND	1,647	(63)	(184)	(171)	-	1,229
Scale-up Platform Private Equity Fund	3,887	(1,834)	-	(300)	-	1,753
Eum Private Equity Fund No.7	11,443	(461)	-	486	-	11,468
Paratus Woori Materials, Parts, Equipment Private Equity Fund	12,470	-	-	(226)	-	12,244
UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund	52,229	(12,054)	(1,704)	(4,872)	-	33,599
Thor Private Equity Fund	5,988	-	-	1,665	-	7,653
Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business	2,897	-	-	(52)	-	2,845
Nautic No.11 Private Equity Fund	2,774	(643)	-	11	-	2,142
AIM-OPUS Healthcare Growth Capital Private Equity Fund	2,545	(1,995)	-	175	-	725
BNW ACE Private Equity Fund	6,219	-	-	16	-	6,235
UAMCO IBK PF Private Equity Fund I	-	26,441	-	555	-	26,996
Smart Private Equity Fund No.2	317	-	-	(71)	-	246
Cactus Buyout Private Equity Fund II	7,136	-	-	2,222	-	9,358
Highland 2020 4, Private Equity Fund	2,031	-	-	210	-	2,241
SKIL ECO No.1 Green New Deal Private Equity Fund	5,631	469	-	(109)	-	5,991
Lake Bridge Private Equity Fund VIII	-	6,000	-	(90)	-	5,910
IBKS SME Accelerating Private Equity Fund	389	(770)	-	673	-	292
CCVC Culture-ICT Convergence Fund	680	-	-	(257)	-	423
IBK-Daesung Majestic Contents Small Giant Korea Fund	3,230	(408)	-	(317)	-	2,505
KTBN Media Contents Fund	719	-	-	(332)	-	387
EBEST CRESO CONTENTS Fund No.1	503	-	-	1	-	504

(In millions of Korean won)	Beginning	Acquisition (disposal)	Dividends	Share of profit (loss) of associates	Others	Ending
KAI-KSM Crowd Seeding Fund	1,070	-	-	(451)	-	619
Gaia Bio Investment Fund #1	3,663	-	-	(559)	-	3,104
IBKS-INTOPS Innovation Companies Design Investment Fund	4,655	(1,268)	-	344	-	3,731
InterValue No.3 Innovation Start-up Fund	4,159	-	-	358	-	4,517
Shinhan Consumer Fund 2	1,844	-	-	641	-	2,485
Cape Healthcare Fund No.2	5,290	(5,821)	-	531	-	-
VS Cornerstone Fund	1,886	-	-	(32)	-	1,854
IBK-STIC Pioneer Fund	9,601	(1,197)	-	513	-	8,917
Albatross Oa Synergy Fund	1,920	(1,289)	(770)	139	-	-
Global Gateway Fund III	4,721	(100)	-	(56)	-	4,565
IBK Changgong Jump up 1st Investment Fund	1,268	(1,279)	-	11	-	-
SWK-SHINHAN NEW TECHNOLOGY INVESTMENT FUND 1st	3,070	-	-	(1,237)	-	1,833
COMPANY K BIO FUND	7,767	(1,840)	-	(15)	-	5,912
Cornerstone Win-win I Fund	4,295	-	-	(44)	-	4,251
DAvalue-Kbridge New Pharmaceutical Fund No.02	3,504	-	-	(734)	-	2,770
Hanwha Uon Fund No.1	1,894	-	-	(183)	-	1,711
Smilegate Next Commerce 1st Venture Fund	4,681	-	-	(70)	-	4,611
InterVest Global Scale-up Fund	5,298	4,500	-	(283)	-	9,515
IBK - Synergy IB Business Reshuffle New Technology Fund	19,845	(15,893)	(1,237)	5,756	-	8,471
New Deal Extension New Technology Fund No.1	16,113	(2,600)	-	(292)	-	13,221
S&S-ONE-Dotconnect Fund 1	1,901	-	-	(44)	-	1,857
Smilegate Next Commerce 2nd Venture Fund	4,080	-	-	(1,739)	-	2,341
Smart IBK-Quantum Green New Industry Fund	7,650	2,000	-	(648)	-	9,002
IBK-KT Emerging Digital Industry Investment Fund	14,503	-	-	(2,484)	-	12,019
PCC-Bailey Project Fund	3,771	-	-	(21)	-	3,750
LSK Healthcare Fund IV	3,853	-	-	470	-	4,323
Shinhan-Kunicorn first Fund	5,765	-	-	(122)	-	5,643
VISION Materials, Parts and Equipment Venture Fund No.1	2,600	-	-	(459)	-	2,141
SUP 1st Venture Fund	1,925	-	-	(42)	-	1,883
Cornerstone Merkaba Fund 1	960	-	-	(22)	-	938
One Shinhan Global Fund 3	4,010	-	-	497	-	4,507
Synergy ESG 1st New Technology Investment Fund	2,971	-	-	(18)	-	2,953
Korea ASEAN Technology Fund 2	4,777	-	-	26	-	4,803
IP-LD Fund No.1	3,845	-	-	(88)	-	3,757

(In millions of Korean won)	Beginning	Acquisition (disposal)	Dividends	Share of profit (loss) of associates	Others	Ending
Hanwha Smart Healthcare Fund No.1	3,889	-	-	(104)	-	3,785
SKS-DA Unicorn Bio Fund No.1	2,907	-	-	(47)	-	2,860
One Shinhan Global Fund 4	4,882	-	-	(2,289)	-	2,593
IBK Changgong Jump up 2nd Investment Fund	2,163	2,400	-	(196)	-	4,367
Bokwang-Honest Energy Fund No.1	1,954	-	-	(641)	-	1,313
Cornerstone Pentastone VIII Fund	1,459	-	-	(32)	-	1,427
One Shinhan Global Fund 5	1,761	-	-	206	-	1,967
Ulmus 2022 Secondary Fund	8,040	(500)	-	4,753	-	12,293
L&S Early Stage IV ICT MCE Venture Fund	2,812	4,500	-	(195)	-	7,117
Cornerstone Innovation IV Fund	1,484	(1,050)	-	-	-	434
IBK-SOLIDUS Next Bio Star Investment Fund	853	7,500	-	(188)	-	8,165
C&CI Investment Fund 1	3,217	-	-	(88)	-	3,129
Caspian-T No.2 Fund	1,741	(2,071)	-	330	-	-
Cornerstone Innovation VI Fund	1,969	(2,000)	-	219	-	188
IBK Financial Group-DS Green Finance Fund	16,274	9,312	-	(1,271)	-	24,315
KOSNET Semicon Two Venture Fund	1,971	-	-	(37)	-	1,934
DKI Growing Star Fund VII	4,887	5,000	-	(210)	-	9,677
Square New Paradigm Investment Fund No. 1	2,960	-	-	(62)	-	2,898
GU Materials Parts and Equipment Project Fund I	2,980	-	-	(31)	-	2,949
S Secondary Venture Fund NO.1	3	(102)	-	3,148	-	3,049
E&Venture Project No.1 Smartgreen Fund	1,487	-	-	(27)	-	1,460
Cornerstone New Main I Fund	2,466	-	-	(52)	-	2,414
SmartKorea UTC Untact Fund	4,949	-	-	(409)	-	4,540
IBK-Company K Innovation growth Fund	4,636	27,000	-	675	-	32,311
IBK Scale-up Gyeonggi-G-FUND	931	4,000	-	(21)	-	4,910
Cornerstone New Main II Fund	2,323	(2,963)	-	640	-	-
IBK-Stonebridge Rising Fund II	6,065	6,000	-	334	-	12,399
IBK IP Technology Commercialization Fund	1,171	4,806	-	(143)	-	5,834
SH Ulmus M.P.E. Innovative Venture Fund 7	2,989	-	-	29	-	3,018
POSITIVE AI Venture Fund #1	3,916	-	-	(53)	-	3,863
KB-BridgePole Venture Investment Fund #2	2,989	-	-	(62)	-	2,927
KAIC TO Ventures Fund IV	1,902	-	-	410	-	2,312
IBK-KOLON 2023 Super-Gap Fund	1,987	7,000	-	261	-	9,248
Caspian-T No.3 Fund	1,995	-	-	(42)	-	1,953

(In millions of Korean won)	Beginning	Acquisition (disposal)	Dividends	Share of profit (loss) of associates	Others	Ending
Newmain II Funds	3,990	-	-	(82)	-	3,908
Korea Investment-Newmain Growth Capital 1st Fund	2,986	-	-	(58)	-	2,928
Timefolio Tech Fund I	2,998	-	-	(24)	-	2,974
IBK Financial Group-Uamco SME Accelerating Fund	8,789	5,589	-	(909)	-	13,469
KAI Valiant aesthetic Investment Fund I	4,000	(18)	-	(69)	-	3,913
PLUX Technology Innovation Investment Fund 1	-	1,500	-	(33)	-	1,467
Elohim Newmain I Fund	-	1,000	-	(22)	-	978
BYB-SKS Pre-IPO Fund NO.1	-	3,000	-	(103)	-	2,897
Cornerstone Blue Dragon I Fund	-	600	-	(223)	-	377
Cornerstone Alice II Fund	-	450	-	(191)	-	259
KB-VEP Contact Fund	-	1,760	-	670	-	2,430
Synergy IB innovation Fund	-	17,982	-	58	-	18,040
LINEA-NBH Fund II	-	3,000	-	(36)	-	2,964
PLUX Technology Innovation Investment Fund 2	-	2,000	-	171	-	2,171
COMPANY K BUYOUT 1	-	4,000	-	(113)	-	3,887
Harang-IP Vine Contents Fund	-	2,500	-	(19)	-	2,481
IBK-LB Startup Fund I	-	6,034	(5)	(267)	-	5,762
WE Scale-up Fund I	-	2,000	(2)	(214)	-	1,784
Horizon Venture Fund I	-	1,252	-	(24)	-	1,228
Moorim-Omega Fund II	-	3,000	-	(186)	-	2,814
GNTECH Project Fund II	-	2,000	-	(19)	-	1,981
NP Growth 11th Private Equity Fund	-	8,000	-	1,052	-	9,052
Korea Semiconductor Materials and Components No.1 Private Equity Fund	-	13,000	-	6,668	-	19,668
Honeypot HGI New Fund	-	2,000	-	-	-	2,000
Widwin investment fund 73	-	1,500	-	-	-	1,500
IBK-YG K-culture Fund	-	1,500	-	(14)	-	1,486
Start-up Korea IBK- Schmidt Fund	-	1,500	-	-	-	1,500
Start-up Korea IBKVC-FP2024 Fund	-	8,700	-	(10)	-	8,690
Start-up Korea IBKVC-KOLON 2024 Fund	-	9,000	-	(12)	-	8,988
Allies-HSBI Material Component Equipment New Technology Fund	-	2,000	-	-	-	2,000
NICE DATA INTELLIGENCE VENTURE FUND	-	2,800	-	-	-	2,800
Lodestone 4th Startup Venture Specialized Private Equity Fund	-	4,000	-	-	-	4,000
JW&Kiyvre Fund 1	-	5,000	-	(54)	-	4,946
JKL-POI Private Equity Fund	-	5,000	-	(5)	-	4,995
LB Next Innovation Fund 1	-	3,000	-	-	-	3,000

(In millions of Korean won)	Beginning	Acquisition (disposal)	Dividends	Share of profit (loss) of associates	Others	Ending
Startup Korea IBK-STIC Tech Champion Fund	-	5,000	-	-	-	5,000
Startup Korea IBK-DTNI Fund	-	2,000	-	-	-	2,000
Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	-	2,000	-	-	-	2,000
Startup Korea Pathfinder-IBK Super Gap Fund	-	900	-	-	-	900
Lucky Invites FUND-1	-	2,000	-	-	-	2,000
Korea Investment Dong-Yu Blue Horizon Fund	-	2,000	-	-	-	2,000
BNK safety Investment Fund No.2	-	3,000	-	-	-	3,000
D2U 12TH Fund	-	3,000	-	-	-	3,000
HellosThelaFund1	-	2,000	-	-	-	2,000
2024 Tethys Venture Fund	-	5,000	-	-	-	5,000
AICBM Venture Fund No.3	-	3,000	-	-	-	3,000
2024DeepDive Investment Fund	-	3,000	-	-	-	3,000
KAIC TO Ventures Fund VII	-	2,806	-	131	-	2,937
KT-IBKC Future Investment Fund 1	10,598	(2,100)	-	(279)	-	8,219
Impact Platform Fund	18,888	-	-	(3,972)	-	14,916
D&D Pharmatech Intervest IBKC Fund	2,352	-	-	2,265	-	4,617
IBKC-EQP Innovative Technology Fund	12,944	(5,936)	-	468	-	7,476
IBKC-PCC 1st Fund	1,825	-	-	(37)	-	1,788
Rylson-IBKC 5G Investment Fund	715	-	-	(11)	-	704
IBKC-Harang Fund	5,152	-	-	157	-	5,309
CTK Redwood Material Parts Equipment Fund 1	579	(579)	-	-	-	-
IBKC-INTOPS New Deal and Material Parts Equipment Fund	5,768	-	-	806	-	6,574
IBKC-NICE NEW DEAL AND MATERIAL PARTS EQUIPMENT FUND	11,542	-	-	(742)	-	10,800
MIDAS IBKC GREEN NEW DEAL FUND	5,358	(5,358)	-	-	-	-
IBKC J& BIO INVESTMENT FUND	18,683	(800)	(360)	5,448	-	22,971
YUANTA QUANTUM JUMP NO.1 FUND	9,431	-	(5,515)	(3,271)	-	645
Klim IBKC Medical Fund	1,412	-	-	(26)	-	1,386
IBKC-AJU IB Idiscovery Fund 1	2,360	(2,190)	(240)	78	-	8
IBKC GlobalContents Investment Fund	4,693	(4,693)	-	-	-	-
IBKC-IDEAL Idol Fund	11,811	(11,811)	-	-	-	-
IBKC-INTOPS New deal and Material Parts Equipment Fund2	6,228	-	-	(1,487)	-	4,741
Solution CapitalInvestment Fund IV	850	-	-	(18)	-	832

(In millions of Korean won)	Beginning	Acquisition (disposal)	Dividends	Share of profit (loss) of associates	Others	Ending
NH-IBKC Bio Fund	6,274	(6,274)	-	-	-	-
IBKC-DARWIN GreenEnergy Fund	10,966	(1,601)	(3,806)	7,441	-	13,000
TWI-IBKC Open Innovation Fund	7,168	(507)	(79)	(1,155)	-	5,427
IBKC timefolio mezzanine blind 1st fund	9,713	(4,500)	-	(1,085)	-	4,128
NH IBKC Dental Solution Investment Fund	3,077	(3,077)	-	-	-	-
IBKC-DAILY Bio Healthcare Fund 1	5,825	-	-	(73)	-	5,752
IBKC-WELCOME New Deal and Material Parts Equipment Fund[2]	1,817	800	-	(82)	-	2,535
IBKC-WE Start-up Secondary Fund 1	9,303	795	-	742	-	10,840
IBKC-GB Advanced Material Bio Investment Partnership No.1	2,963	2,700	-	(867)	-	4,796
Synergy Turnaround 16th New Technology Business Investment Fund	1,285	(701)	-	58	-	642
K& Secondary No5 Fund	915	-	-	(31)	-	884
Medici-IBKC Secondary Fund 2	18,475	7,020	(3,150)	58	-	22,403
IBKC-DAILY Bio Healthcare Fund II	2,881	-	-	(65)	-	2,816
Smart Contents Fund	2,406	-	-	(490)	-	1,916
DS IBKC Foodtech Investment Fund 1	1,943	-	-	(320)	-	1,623
SEVENBRIDGE-IBKC Green Energy FUND	11,334	(11,334)	-	-	-	-
Synergy Turnaround 18th New Technology Business Investment Fund	1,928	(1,928)	-	-	-	-
NH-JN-IBKC label New Technology fund	4,951	-	-	(93)	-	4,858
Eventus-IBKC LIB Fund	8,420	(8,420)	-	-	-	-
Next Platform Fund	2,900	-	-	(63)	-	2,837
IBKC-Behigh Fund 1st	3,880	-	-	(72)	-	3,808
IBKC-Emford New technology venture investment FUND No.1	1,258	-	-	188	-	1,446
FV Investment Fund 01	1,003	-	-	173	-	1,176
Primus Equity Partners, Inc.	2,063	-	-	61	-	2,124
IBKC-PEBBLES New Technology Investment Fund 1st	3,879	-	-	(74)	-	3,805
IBKC-IDV HIGH TECH FUND	6,502	-	-	(445)	-	6,057
IBKC-INTOPS Fund 3	3,317	2,100	-	(176)	-	5,241
Recycling 1 Funds	4,917	(4,849)	-	(68)	-	-
Shinhan-JW Mezzanine Fund 1	2,117	(2,117)	-	-	-	-
IBKC-JS 1st Fund	4,297	(1,292)	(352)	(891)	-	1,762
DB Synergy Value-up New Technology investment Fund No.1	4,004	(2,600)	(440)	522	-	1,486

(In millions of Korean won)	Beginning	Acquisition (disposal)	Dividends	Share of profit (loss) of associates	Others	Ending
NH-IBKC EV Fund	12,871	(4,550)	-	(761)	-	7,560
IBKC MIDAS Value Creation Fund	4,704	1,534	-	(834)	-	5,404
Mezzanine Growth Fund	5,550	2,176	-	(175)	-	7,551
Super Growth K-contents Fund	3,865	-	-	(236)	-	3,629
IBKC GlobalOne Atman Fund	5,486	-	-	(558)	-	4,928
Positive-IBKC Fund No.1	2,169	-	-	2	-	2,171
IBKC-AH New Technology Business Investment Association No.5	5,991	-	-	(250)	-	5,741
iM AI Healthcare Venture Fund	998	-	-	(20)	-	978
IBKC Darwin Fund	5,929	-	-	(122)	-	5,807
Ascent IBKC New Tech 1st	3,350	-	-	(174)	-	3,176
Positive IBKC Tech Fund No.1	1,000	-	-	(22)	-	978
JW-IBKC NO.1 Fund	1,500	170	-	(36)	-	1,634
LIGNEXONE-IBKC Defense Industry Innovation New Technology Business Investment Fund 1	-	3,813	-	(349)	-	3,464
Kyobo IBK Advanced Material Investment Fund	-	2,000	-	(158)	-	1,842
IBKC-Emford New technology venture investment FUND No.2	-	1,050	-	(17)	-	1,033
KIWOOM-K&T RISINGSTAR New Technology Investment Fund	-	2,000	-	4	-	2,004
EVENTUS-IBKC Secondary Cell Materials New Investment Business Investment Fund	-	18,000	-	(1,062)	-	16,938
Petrico-IBKC First New Technology Business Investment Fund	-	1,000	-	39	-	1,039
JBWOORI-IBKC-T&K New Technology Business Investment Fund	-	8,700	-	(604)	-	8,096
Ascent IBKC New Tech 2nd	-	3,000	-	(7)	-	2,993
KIP-IBKC Innovative Growth Private Equity Fund	-	4,928	-	(310)	-	4,618
RCM Ocean Limited Partnership	-	3,965	(63)	12	-	3,914
Pectus IBKC Fund No1	2,619	-	-	(96)	-	2,523
The IBKS Job Creation Dream Fund	1,606	-	-	63	-	1,669
Next Tech 1 New Technology Investment Fund	1,627	(1)	-	(1,626)	-	-
IBKS SME Scale-up Fund No.1	93	(93)	-	-	-	-
WJ-IBKS global Fund No.1	3	-	-	1	-	4
IBKS FAST Contents Fund	109	-	-	(1)	-	108
ACE GANGSO NEW TECHNOLOGY INVESTMENT2	1,998	(1,998)	-	-	-	-

(In millions of Korean won)	Beginning	Acquisition (disposal)	Dividends	Share of profit (loss) of associates	Others	Ending
IBKS-DS Hydrogen 1 Technology Venture Fund	977	-	-	(17)	-	960
IBKS Innovation MPE Fund No.1	1,481	-	-	(29)	-	1,452
UAMCO-IBKS New Technology Fund	1,527	-	-	123	-	1,650
IBKS Innovation MPE Fund No.2	797	-	-	(15)	-	782
IBKS Renewable Energy Fund	200	-	-	(5)	-	195
Korea Investment Credit Private Equity Fund	10,961	(10,961)	-	-	-	-
NH-IBKS KONEX SCALEUP FUND	398	3,200	-	(175)	-	3,423
IBKS Robot Solution Fund	-	300	-	(4)	-	296
JP-IBKS innovation MPE Fund I	-	19	-	-	-	19
JP-IBKS innovation MPE Fund II	-	100	-	(1)	-	99
IBKS Innovation MPE Fund III	-	200	-	(2)	-	198
IBKS Next Scale-Up New Technology Investment Association	-	1,250	-	(12)	-	1,238
IBKS-DS-STI G.E.S Fund	-	397	-	(49)	-	348
IBKS-SUSUNG Pre-IPO Mezzanine Investment Fund 1st	-	1,000	-	(4)	-	996
IBKS Design Fund	-	300	-	(1)	-	299
IBKS-YG Turn around Fund	-	1,000	-	-	-	1,000
KDB Infra IP Capital Fund	33,376	(2,641)	(10,600)	1,628	-	21,763
Kiwoom DongBuk-A Infrastructure Investment Trust #1	57,283	(5,026)	(1,834)	1,659	-	52,082
Kiwoom DongBuk-A Infrastructure Investment Trust #2	63,169	(4,140)	(2,111)	1,722	-	58,640
Kiwoom DongBuk-A Infrastructure Investment Trust #3	37,648	(1,913)	(1,077)	788	-	35,446
Kiwoom DongBuk-A Infrastructure Investment Trust #4	31,916	(1,033)	(1,066)	771	-	30,588
KIAMCO Power Energy Private Special Asset Investment Trust 1	28,964	(553)	(1,450)	3,588	-	30,549
KIAMCO BTL Project Investment Private Special Asset Investment Trust 6	10,423	(599)	(452)	982	-	10,354
KIAMCO Road Investment Private Special Asset Investment Trust 2	200,037	-	(7,203)	35,590	-	228,424
Consus Nation Infra Private Special Asset Investment Trust 1	74,728	(1,063)	(605)	10,111	-	83,171
Consus Love Sharing Private Special Asset Investment Trust 2	15,460	(1,693)	(728)	741	-	13,780

(In millions of Korean won)	Beginning	Acquisition (disposal)	Dividends	Share of profit (loss) of associates	Others	Ending
MiraeAsset MAPS BTL Infra Private Placement Special Asset Trust 1	2,762	(189)	(68)	293	-	2,798
MiraeAsset MAPS Love BTL Private Placement Special Asset Trust 1	18,429	(2,157)	(955)	1,026	-	16,343
Kiwoom Eco Resource Infrastructure Professional and Private Type Investment Trust IV	3,545	(669)	(90)	(89)	-	2,697
KIAMCO K-Solar Special Asset Private Investment Trust 2	94,489	(5,212)	(4,531)	12,024	-	96,770
KIAMCO Naepo Green Energy Fund1	30,950	-	(1,608)	4,693	-	34,035
Hangang Haenanum Energy Fund No.1	5,691	(3,420)	(149)	149	-	2,271
IGIS Structured Mezzanine Professional Investors Private Placement Real Estate Feeder Fund No.1	43,036	(671)	(1,095)	3,986	-	45,256
Kiwoom green energy private equity fund 1st	36,971	(11,251)	(58)	(12,672)	-	12,990
KIAMCO SOLAR-ONE PRIVATE EQUITY FUND 2ND	146,430	82,785	(9,790)	8,232	-	227,657
Mirae Asset Infra development private fund 1st	1,695	5,225	(85)	130	-	6,965
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 1[1]	-	1,200	(42)	49	-	1,207
2023 Manufacturing Research and Development Private Equity Investment Trust No.1	-	24,000	-	(384)	-	23,616
2023 Manufacturing Research and Development Private Equity Investment Trust No.2	-	8,000	-	(54)	-	7,946
KCFF1	-	26,870	(63)	88	-	26,895
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 2	-	1,400	-	-	-	1,400
IBK low-cost TDF 2040 Securities Feeder[Balanced-FoF]	231	(231)	-	-	-	-
IBK low-cost TDF 2050 Securities Feeder Investment Trust[Balanced-FoF]	223	(223)	-	-	-	-
IBK Income Vanilla EMP Fund[Balanced-FOFs][3]	967	253	-	(36)	-	1,184
UlsanUijeongbuProject PFV	579	381	-	(22)	-	938
DL IncheonInha PFV Co., Ltd.	255	-	(1)	2	-	256
DL Daejeonmunwha PFV Co., Ltd.	258	-	(1)	1	-	258
DL JeonJuWansan PFV Co., Ltd.	271	-	(1)	13	-	283
Incheon Hangdong the one PFV Co., Ltd.	-	320	-	(320)	-	-

(In millions of Korean won)	Beginning	Acquisition (disposal)	Dividends	Share of profit (loss) of associates	Others	Ending
Asan Dogo Industrial Complex Development Co., Ltd.	12	-	-	(1)	-	11
Beophyeon General Industrial Complex.	-	10	-	(10)	-	-
Doan Castle 1st Co., Ltd.	45	-	-	(45)	-	-
Busan Eco Delta Green DataC enter PFV Co., Ltd.	2,319	-	-	(425)	-	1,894
IBKS No.19 Special Purpose Acquisition Company	20	(20)	-	-	-	-
IBKS No.20 Special Purpose Acquisition Company	20	-	-	-	-	20
IBKS No.21 Special Purpose Acquisition Company	20	-	-	-	-	20
IBKS No.22 Special Purpose Acquisition Company	20	-	-	-	-	20
IBKS No.23 Special Purpose Acquisition Company	24	(4)	-	-	-	20
IBKS No.24 Special Purpose Acquisition Company	10	11	-	(1)	-	20
	1,748,764	292,076	(64,978)	75,867	-	2,051,729

[1] During the prior year, the name of the associate was changed from 'KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust' to 'KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 1'

[2] During the current year, the name of the associate was changed from 'IBKC-WELCOME New Deal and Material Parts Equipment Fund' to 'IBKC-BLUECORNER New Deal and Material Parts Equipment Fund'

[3] During the current year, the ownership interest increased and the entity was reclassified from an associate to a subsidiary.

9. Investments in Associates and Unconsolidated Structured Entities (cont'd)

Major financial information of the Group's associates, details of adjustments to the carrying amounts of investments in associates, and dividends received from associates as for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

- Details of adjustments to the carrying amounts of investments in associates

(In millions of Korean won)

	Net asset value	Unrealized profit (loss)	Carrying amount
Jeonla railroad Co., Ltd.	6,347	(4,287)	2,060
EVERBEST LIVINGSTONE PRIVATE EQUITY FUND	-	394	394
UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund	39,328	(3,397)	35,931
AIM-OPUS Healthcare Growth Capital Private Equity Fund	804	1,232	2,036
UAMCO IBK PF Private Equity Fund I	20,874	(3,469)	17,405
UAMCO-TAESUNG Corporate Financial Stability Private Equity Fund	(210)	210	-
IBK - Synergy IB Business Reshuffle New Technology Fund	3,172	(929)	2,243
One Shinhan Global Fund 3	(277)	277	-
IBK Financial Group-Uamco SME Accelerating Fund	35,065	308	35,373
Korea Semiconductor Materials and Components No.1 Private Equity Fund	40,034	(760)	39,274
Gravity General Private Paju Studio Investment Company No.1	2,516	493	3,009
LB Private Equity Fund III-1	2,100	197	2,297
Audastone Project Dragon Private Equity Fund	2,986	(127)	2,859
KDB Infra IP Capital Fund	19,588	927	20,515
MiraeAsset MAPS Love BTL Private Placement Special Asset Trust 1	14,769	(145)	14,624
IGIS Structured Mezzanine Professional Investors Private Placement Real Estate Feeder Fund No.1	47,840	(136)	47,704
KIAMCO SOLAR-ONE PRIVATE EQUITY FUND 2ND	244,502	(123)	244,379
Mirae Asset Infra development private fund 1st	8,059	218	8,277
Hangang Cinepolis Development Corporation	(76,231)	76,231	-
Deoksong-Naegak Expressway Co., Ltd.	(20,514)	20,514	-
Incheon Hangdong the one PFV Co., Ltd.	(1,132)	1,132	-
Doan Castle 1st Co., Ltd.	(8,434)	8,434	-
Busan Eco Delta Green DataCenter PFV Co., Ltd.	1,694	158	1,852

9. Investments in Associates and Unconsolidated Structured Entities (cont'd)

- Major financial information and dividends received

(In millions of Korean won)

	December 31, 2025					
	Total assets	Total liabilities	Total equity	Operating income	Profit (loss) for the period	Dividend
Incheon Bridge Co., Ltd.	528,805	461,785	67,020	-	70,592	-
Jeonla railroad Co., Ltd.	291,664	238,508	53,156	-	(5,835)	-
Chungjung Sangju Co., Ltd.	26,321	20,373	5,948	-	(1)	-
Chungjung Seogwipo Co., Ltd.	34,204	22,377	11,827	-	189	-
Green Kimhae Enviro Co., Ltd.	28,890	21,717	7,173	-	54	-
Green Asan Enviro Co., Ltd.	27,677	20,493	7,184	-	67	-
KOREA FINANCE SECURITY	41,108	15,296	25,812	-	2,058	-
EVERBEST LIVINGSTONE PRIVATE EQUITY FUND	-	-	-	5,061	3,213	(1,505)
Scale-up Platform Private Equity Fund	7,503	2	7,501	198	175	-
Eum Private Equity Fund No.7	45,356	7	45,349	4,354	3,774	(519)
Paratus Woori Materials, Parts, Equipment Private Equity Fund	31,366	427	30,939	4,028	3,161	-
UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund	126,971	572	126,399	23,647	10,077	-
Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business	11,694	-	11,694	-	(219)	-
AIM-OPUS Healthcare Growth Capital Private Equity Fund	3,266	-	3,266	99	(436)	-
BNW ACE Private Equity Fund	47,200	484	46,716	23,566	23,334	-
UAMCO IBK PF Private Equity Fund I	45,093	367	44,726	3,260	1,856	-
BTS 2-1 Private Equity Fund	22,350	93	22,257	453	(173)	-
UAMCO-IBK PF 2nd Private Equity Fund	94,391	-	94,391	3,740	2,391	-
Daishin Growth Capital 2024 Private Equity Fund	69,993	709	69,284	-	(9,856)	-
UAMCO-TAESUNG Corporate Financial Stability Private Equity Fund	31	756	(725)	-	(1,525)	-
IBK Korea Investment Growth Bridge Private Equity Fund	21,246	370	20,876	10	(777)	-
Stassets Fund IV	2,705	-	2,705	-	-	-
Smart Private Equity Fund No.2	3,539	233	3,306	2,065	2,056	-
Centroid 1st China Private Equity Fund	98	-	98	6,581	6,581	-
Highland 2020 4, Private Equity Fund	10,015	21	9,994	9	(91)	-
SKIL ECO No.1 Green New Deal Private Equity Fund	96,410	374	96,036	16,996	9,859	-
Lake Bridge Private Equity Fund VIII	25,736	-	25,736	2	(520)	-
IBKS SME Accelerating Private Equity Fund	3,065	19	3,046	(41)	(114)	-
BTS Plasma Private Equity Fund	1,727	-	1,727	-	(43)	-
CCVC Culture-ICT Convergence Fund	3,008	889	2,119	7	3	-

(In millions of Korean won)

	December 31, 2025					
	Total assets	**Total liabilities**	**Total equity**	**Operating income**	**Profit (loss) for the period**	**Dividend**
KTBN Media Contents Fund	1,105	-	1,105	-	-	-
EBEST CRESO CONTENTS Fund No.1	1,078	-	1,078	30	6	-
KAI-KSM Crowd Seeding Fund	1,741	114	1,627	185	(112)	-
Gaia Bio Investment Fund #1	48	-	48	848	(4,685)	-
InterValue No.3 Innovation Start-up Fund	19,709	382	19,327	36	(3,257)	-
Shinhan Consumer Fund 2	1,019	-	1,019	2,765	2,764	(1,283)
IBK-STIC Pioneer Fund	12,479	384	12,095	4,517	(284)	(658)
Global Gateway Fund III	18,114	330	17,784	2,664	2,323	-
IBK Changgong Jump up 1st Investment Fund	1,923	40	1,883	101	(468)	-
SWK-SHINHAN NEW TECHNOLOGY INVESTMENT FUND 1st	2,760	-	2,760	391	(967)	-
COMPANY K BIO FUND	15,565	286	15,279	443	127	-
Cornerstone Win-win I Fund	4,768	6	4,762	-	(6,728)	-
DAvalue-Kbridge New Pharmaceutical Fund No.02	6,050	4	6,046	-	(140)	-
Hanwha Uon Fund No.1	7,576	-	7,576	236	233	-
Smilegate Next Commerce 1st Venture Fund	8,091	317	7,774	-	(525)	-
InterVest Global Scale-up Fund	47,348	404	46,944	14,276	4,219	-
IBK - Synergy IB Business Reshuffle New Technology Fund	5,166	-	5,166	2,184	(873)	-
New Deal Extension New Technology Fund No.1	26,022	-	26,022	316	(283)	-
S&S-ONE-Dotconnect Fund 1	4,911	-	4,911	780	732	-
Smilegate Next Commerce 2nd Venture Fund	6,020	152	5,868	1	(2,406)	-
Smart IBK-Quantum Green New Industry Fund	26,445	-	26,445	44	(1,012)	-
IBK-KT Emerging Digital Industry Investment Fund	37,026	16	37,010	7,045	2,556	-
PCC-Bailey Project Fund	151	106	45	-	(5,112)	-
LSK Healthcare Fund IV	14,222	-	14,222	2,167	1,797	(123)
Shinhan-Kunicorn first Fund	20,054	10	20,044	3	(4,501)	-
VISION Materials, Parts and Equipment Venture Fund No.1	1,442	7	1,435	-	(2,706)	-
SUP 1st Venture Fund	4,839	24	4,815	-	(82)	-
Cornerstone Merkaba Fund 1	3,025	3	3,022	-	(73)	-
One Shinhan Global Fund 3	7	874	(867)	-	(14,951)	-
Korea ASEAN Technology Fund 2	12,783	-	12,783	1,513	1,358	-
IP-LD Fund No.1	7,292	121	7,171	2	(172)	-
Hanwha Smart Healthcare Fund No.1	9,300	3	9,297	-	(165)	-
SKS-DA Unicorn Bio Fund No.1	6,708	55	6,653	-	(115)	-
One Shinhan Global Fund 4	11,107	309	10,798	1	5,525	-

(In millions of Korean won)

	December 31, 2025					
	Total assets	**Total liabilities**	**Total equity**	**Operating income**	**Profit (loss) for the period**	**Dividend**
IBK Changgong Jump up 2nd Investment Fund	7,112	37	7,075	1	(347)	-
Bokwang-Honest Energy Fund No. 1	4,664	-	4,664	3,958	3,813	-
Cornerstone Pentastone VIII Fund	1,050	3	1,047	3	(1,855)	-
One Shinhan Global Fund 5	7,981	351	7,630	-	(358)	-
Ulmus 2022 Secondary Fund	39,451	655	38,796	8,460	(8,873)	(700)
L&S Early Stage IV ICT MCE Venture Fund	40,128	-	40,128	44	(3,154)	-
IBK-SOLIDUS Next Bio Star Investment Fund	29,478	2	29,476	7,236	6,796	-
C&CI Investment Fund 1	10,135	-	10,135	-	(294)	-
IBK Financial Group-DS Green Finance Fund	45,978	1,045	44,933	1,075	(735)	-
KOSNET Semicon Two Venture Fund	7,704	50	7,654	8	(129)	-
DKI Growing Star Fund VII	41,167	-	41,167	3,406	2,461	-
Square New Paradigm Investment Fund No. 1	10,111	-	10,111	-	(223)	-
GU Materials Parts and Equipment Project Fund I	15,080	64	15,016	2,858	2,729	-
S Secondary Venture Fund NO.1	10,993	131	10,862	228	190	-
E&Venture Project No.1 Smartgreen Fund	4,877	-	4,877	3	(89)	-
Cornerstone New Main I Fund	8,852	3	8,849	2	(194)	-
SmartKorea UTC Untact Fund	19,532	-	19,532	1,000	(2,705)	-
IBK-Company K Innovation growth Fund	161,779	940	160,839	54,235	51,779	(3,500)
IBK Scale-up Gyeonggi-G-FUND	31,419	145	31,274	2,427	974	-
IBK-Stonebridge Rising Fund II	47,015	432	46,583	2,951	1,985	-
IBK IP Technology Commercialization Fund	18,579	2	18,577	156	(869)	-
SH Ulmus M.P.E. Innovative Venture Fund 7	10,258	(3)	10,261	249	(302)	-
POSITIVE AI Venture Fund #1	6,299	-	6,299	487	311	-
KB-BridgePole Venture Investment Fund #2	10,027	-	10,027	3	(217)	-
KAIC TO Ventures Fund IV	8,347	42	8,305	12	(1,176)	-
IBK-KOLON 2023 Super-Gap Fund	55,438	1,543	53,895	1,477	(2,523)	-
Caspian-T No.3 Fund	7,774	-	7,774	415	253	-
Newmain II Funds	8,897	2	8,895	4	(192)	-
Korea Investment-Newmain Growth Capital 1st Fund	8,589	-	8,589	127	-	-
Timefolio Tech Fund I	14,345	71	14,274	532	233	-
IBK Financial Group-Uamco SME Accelerating Fund	88,781	1,118	87,663	1,580	(3,133)	-
KAI Valiant aesthetic Investment Fund I	17,846	5	17,841	-	(383)	-
PLUX Technology Innovation Investment Fund 1	3,167	-	3,167	9	(60)	-

(In millions of Korean won)

	December 31, 2025					
	Total assets	**Total liabilities**	**Total equity**	**Operating income**	**Profit (loss) for the period**	**Dividend**
Elohim Newmain I Fund	4,304	2	4,302	2	(70)	-
BYB-SKS Pre-IPO Fund NO.1	12,066	-	12,066	2	(260)	-
Cornerstone Blue Dragon I Fund	1,674	3	1,671	417	372	-
KB-VEP Contact Fund	5,089	32	5,057	-	(2,235)	-
Synergy IB innovation Fund	90,714	411	90,303	9,424	10,294	-
LINEA-NBH Fund II	18,723	-	18,723	4,467	4,301	-
PLUX Technology Innovation Investment Fund 2	3,549	102	3,447	904	415	-
COMPANY K BUYOUT 1	8,611	84	8,527	-	(179)	-
Harang-IP Vine Contents Fund	8,144	-	8,144	2	(125)	-
IBK-LB Startup Fund I	21,015	4	21,011	17	(4,668)	-
WE Scale-up Fund I	38,914	228	38,686	49	(1,255)	-
Horizon Venture Fund I	9,621	139	9,482	2,164	1,463	-
Moorim-Omega Fund II	7,272	-	7,272	348	228	-
GNTECH Project Fund II	8,833	1	8,832	11	(181)	-
NP Growth 11th Private Equity Fund	35,429	13	35,416	13,086	4,866	-
Korea Semiconductor Materials and Components No.1 Private Equity Fund	187,865	-	187,865	33,418	94,670	-
Honeypot HGI New Fund	3,002	-	3,002	3	(78)	-
Widwin investment fund 73	6,396	-	6,396	1,282	1,156	-
IBK-YG K-culture Fund	21,475	4	21,471	2,206	1,528	-
Start-up Korea IBK- Schmidt Fund	10,891	1	10,890	18	(360)	-
Start-up Korea IBKVC-FP2024 Fund	29,065	4	29,061	164	(939)	-
Start-up Korea IBKVC-KOLON 2024 Fund	43,840	4	43,836	1,101	(1,164)	-
Allies-HSBI Material Component Equipment New Technology Fund	8,236	8	8,228	4,703	4,628	-
Lodestone 4th Startup Venture Specialized Private Equity Fund	10,190	46	10,144	92	(6)	-
JW&Kiyvre Fund 1	22,446	116	22,330	-	(440)	-
JKL-POI Private Equity Fund	16,875	80	16,795	27	(487)	-
LB Next Innovation Fund 1	13,272	3	13,269	1	(232)	-
Startup Korea IBK-STIC Tech Champion Fund	50,586	657	49,929	69	(2,257)	(14)
Startup Korea IBK-DTNI Fund	19,998	-	19,998	2,658	1,998	-
Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	9,848	2	9,846	42	(404)	-
Startup Korea Pathfinder-IBK Super Gap Fund	5,667	1	5,666	9	(1,084)	-
Lucky Invites FUND-1	7,459	-	7,459	4,356	3,189	-
Korea Investment Dong-Yu Blue Horizon Fund	5,629	-	5,629	-	(121)	-
BNK safety Investment Fund NO.2	29,142	-	29,142	18,786	18,642	-
D2U 12TH Fund	6,955	3	6,952	7	(148)	-
HellosThelaFund1	3,930	-	3,930	-	(90)	-

(In millions of Korean won)

	December 31, 2025					
	Total assets	Total liabilities	Total equity	Operating income	Profit (loss) for the period	Dividend
2024 Tethys Venture Fund	22,643	-	22,643	32	(357)	-
2024DeepDive Investment Fund	9,167	7	9,160	372	60	-
KAIC TO Ventures Fund VII	7,462	19	7,443	3	(386)	-
Allies partners Fund no.9	1,979	-	1,979	2	(40)	-
BNK Global Medical Device NEW Technology 1st Investment Fund	5,889	-	5,889	7	(111)	-
For Human Life Wellbeing Private Equity Partnership No.1	23,242	5	23,237	2,171	1,837	-
Prodigy Fund 30	3,345	-	3,345	4	(55)	-
Start-up Korea IBK Murex Voyager No.2 Fund	9,544	1	9,543	13	(457)	-
Cape Lakebridge Fund IX	16,880	3	16,877	253	(174)	-
Cornerstone Daon I Fund	2,093	36	2,057	-	(43)	-
2024 IBK Innovation Samchully New Green Fund	3,847	100	3,747	52	(253)	-
Daishin-SAM New Technology Investment Fund No.1	38,384	2	38,382	5,162	4,782	-
Cornerstone New Main III Funds	3,525	2	3,523	1	(57)	-
Cyrus-K Materials and Components Investment Fund No.1	6,434	-	6,434	4,817	4,762	(335)
2024 IBK Innovation-AJU Good Venture Fund 3.0	41,803	899	40,904	1,043	(392)	(25)
Novorsec Eco-friendly K-Shipbuilding Venture Fund	8,899	-	8,899	4	(101)	-
DITTO NEW COMMERCE FUND	3,364	1	3,363	4	(48)	-
GNP2025-01Venturefund	5,805	-	5,805	2	(195)	-
IBKC-Envision I Fund	9,442	-	9,442	-	(158)	-
DA Beauty Fund No.1	6,898	5	6,893	3	(57)	-
2024 IBK Innovation K-RUN Mobility No.7 Fund	6,762	183	6,579	37	(2,210)	(4)
SJG Semiconductor Materials&Equipment No.2 Fund	19,842	15	19,827	3	(173)	-
INFINITUM K-Culture 2 Fund	11,977	-	11,977	1	(43)	-
Perspective-Axis Fund 1	4,783	-	4,783	-	(17)	-
IBKVC-SBI 2025 Fund	16,256	1,683	14,573	13	(227)	-
JB-OMEGA Fund	6,988	1	6,987	-	(23)	-
IBKS-FINDVALUE Robot Solution Fund	15,867	-	15,867	-	(36)	-
Allies partners Fund no.11	6,444	-	6,444	-	(56)	-
Gravity General Private Paju Studio Investment Company No.1	11,642	3	11,639	42	39	-
Start-Up Korea Plux Deeptech Fund	3,010	-	3,010	-	-	-
StartUp Korea-KIF Kiwoom New Hero No.9 Fund	17,000	-	17,000	-	-	-
StartUp Korea Quantum Secondary Fund II	5,120	-	5,120	-	-	-
2025 IBKVC-DAISHIN Next Value-Up Fund	8,000	-	8,000	-	-	-

(In millions of Korean won)

	December 31, 2025					
	Total assets	**Total liabilities**	**Total equity**	**Operating income**	**Profit (loss) for the period**	**Dividend**
INNOPOLIS NEXT UNICORN DEEP FUND	5,210	-	5,210	-	-	-
JP-K Semiconductor 1st New Technology Business Investment Fund	4,830	-	4,830	-	-	-
Nautilus-KWC Semiconductor Fund	9,030	-	9,030	-	-	-
LUX-Mason Innovation Technology Fund #2	6,500	-	6,500	-	-	-
IBKC LEP Fund X	8,000	-	8,000	-	-	-
Axis Flow Automation Fund No.1	10,010	-	10,010	-	-	-
KT-IBKC Future Investment Fund 1	10,294	-	10,294	316	(2,244)	-
Impact Platform Fund	56,412	18	56,394	705	(2,203)	-
IBKC-EQP Innovative Technology Fund	11,396	253	11,143	907	(553)	-
IBKC-PCC 1st Fund	5,405	78	5,327	1,400	1,392	-
Rylson-IBKC 5G Investment Fund	7,016	2,598	4,418	-	(1,500)	-
IBKC-Harang Fund	11,674	116	11,558	90	(1,183)	-
IBKC-INTOPS New Deal and Material Parts Equipment Fund	5,934	653	5,281	849	(1,390)	-
IBKC-NICE NEW DEAL AND MATERIAL PARTS EQUIPMENT FUND	27,000	113	26,887	308	(254)	-
IBKC J& BIO INVESTMENT FUND	15,180	34	15,146	32,453	15,487	(3,880)
YUANTA QUANTUM JUMP NO.1 FUND	2,525	-	2,525	-	(55)	-
Klim IBKC Medical Fund	3,570	-	3,570	3	(70)	-
IBKC-INTOPS New deal and Material Parts Equipment Fund2	5,666	45	5,621	95	(1,152)	-
IBKC-DARWIN GreenEnergy Fund	29,772	-	29,772	1	(22,116)	(276)
TWI-IBKC Open Innovation Fund	5,773	27	5,746	61	(5,109)	-
IBKC timefolio mezzanine blind 1st fund	4,216	-	4,216	600	9	-
IBKC-DAILY Bio Healthcare Fund 1	14,029	263	13,766	438	127	-
IBKC-BLUECORNER New Deal and Material Parts Equipment Fund[2]	5,227	26	5,201	245	64	-
IBKC-WE Start-up Secondary Fund 1	24,890	113	24,777	13,855	10,332	-
IBKC-GB Advanced Material Bio Investment Partnership No.1	17,171	-	17,171	2,120	161	-
Medici-IBKC Secondary Fund 2	34,391	-	34,391	2,856	(46)	-
IBKC-DAILY Bio Healthcare Fund II	10,535	434	10,101	-	(225)	-
Smart Contents Fund	1,795	112	1,683	96	(4,908)	-
NH-JN-IBKC label New Technology fund	36,888	721	36,167	15,844	15,529	-
Next Platform Fund	7,029	-	7,029	-	(160)	-
IBKC-Behigh Fund 1st	10,353	-	10,353	17	(214)	-
IBKC-Emford New technology venture investment FUND No.1	5,941	-	5,941	-	(65)	-
FV Investment Fund 01	4,094	-	4,094	169	97	-

(In millions of Korean won)

	December 31, 2025					
	Total assets	**Total liabilities**	**Total equity**	**Operating income**	**Profit (loss) for the period**	**Dividend**
Primus Equity Partners, Inc.	7,189	-	7,189	166	74	-
IBKC-PEBBLES New Technology Investment Fund 1st	14,925	-	14,925	1	(296)	-
IBKC-IDV HIGH TECH FUND	16,721	53	16,668	7,840	6,877	-
IBKC-INTOPS Fund 3	6,418	294	6,124	1,228	879	-
IBKC-JS 1st Fund	8,648	-	8,648	10,625	4,117	-
NH-IBKC EV Fund	33,527	-	33,527	4,351	2,705	-
IBKC MIDAS Value Creation Fund	24,728	264	24,464	3,325	2,216	-
Mezzanine Growth Fund	13,899	-	13,899	5,611	2,929	-
Super Growth K-contents Fund	42,607	292	42,315	320	204	-
IBKC GlobalOne Atman Fund	21,063	11	21,052	612	157	-
IBKC-AH New Technology Business Investment Association No.5	21,572	5	21,567	3,889	2,431	-
iM AI Healthcare Venture Fund	2,213	12	2,201	4	(48)	-
IBKC Darwin Fund	20,886	-	20,886	1,204	369	-
Ascent IBKC New Tech 1st	22,930	-	22,930	541	(1,496)	-
JW-IBKC NO.1 Fund	4,925	-	4,925	1	(524)	-
LIGNEXONE-IBKC Defense Industry Innovation New Technology Business Investment Fund 1	38,748	-	38,748	5,821	3,263	-
Kyobo IBK Advanced Material Investment Fund	10,111	-	10,111	619	443	-
IBKC-Emford New technology venture investment FUND No.2	5,197	-	5,197	-	(116)	-
KIWOOM-K&T RISINGSTAR New Technology Investment Fund	4,846	3	4,843	-	(750)	-
EVENTUS-IBKC Secondary Cell Materials New Investment Business Investment Fund	44,425	-	44,425	2,813	2,080	-
JBWOORI-IBKC-T&K New Technology Business Investment Fund	43,781	-	43,781	17,100	16,793	-
Ascent IBKC New Tech 2nd	32,496	-	32,496	1,341	473	-
KIP-IBKC Innovative Growth Private Equity Fund	25,094	-	25,094	387	(408)	-
RCM Ocean Limited Partnership	9,018	1,154	7,864	1,048	545	(254)
IBKC-Medici Technology Innovation Investment Fund	32,431	457	31,974	20	(1,686)	-
2024 IBKC-Life Secondary Mezzanine New Technology Investment Fund	21,468	-	21,468	3	(2,087)	-
MAST-IBKC Mezzanine Private Equity Fund	100,550	378	100,172	9,293	(127)	-
IBKC-Solidus Smart-Bio Investment Fund No.2	3,355	4	3,351	15	(649)	-
Deep Technology IBKC-MIP Fund	6,532	2	6,530	64	(370)	-
SGI-IBKC Deep Tech Venture Fund	9,736	275	9,461	26	(539)	-
IBKC-JB-LIFE Mezzanine Fund No.1	23,692	-	23,692	13	(1,408)	-
Alpha Global 1st Private Equity Fund	24,287	78	24,209	1	(172)	-
IBKC Kyobo Mezzanine Investment	9,029	39	8,990	231	(210)	-

(In millions of Korean won)

	December 31, 2025					
	Total assets	**Total liabilities**	**Total equity**	**Operating income**	**Profit (loss) for the period**	**Dividend**
Fund I						
IBKC-Caspian T No.8 Fund	61,250	-	61,250	27,369	27,150	-
NH-IBKC Value Fund	22,476	5	22,471	2	(529)	-
IBKC-IBP Auto Investment Fund	14,905	2	14,903	1	(97)	-
IBKC-Pacific Pre-IPO Plus Fund	2,991	-	2,991	8	(80)	-
IBKC-CYRUS AI AGRI-FOOD VENTURE FUND	1,984	-	1,984	1	(18)	-
Pectus IBKC Fund No1	11,743	-	11,743	997	733	-
The IBKS Job Creation Dream Fund	3,846	114	3,732	2	126	(698)
Next Tech 1 New Technology Investment Fund	29	-	29	-	1,860	-
IBKC-Gaia MSP New Technology Investment Fund No.1	8,873	-	8,873	789	(127)	-
IBKS-Gaia Bio Fund No.1	6,499	-	6,499	-	(51)	-
Samsung Innovative Fund No.3	12,209	5	12,204	3	(96)	-
LB Private Equity Fund III-1	6,186	20	6,166	2	6,166	-
Daishin New TechnologyInvestment Fund No.19	14,940	2	14,938	2	(62)	-
Audastone Project Dragon Private Equity Fund	9,957	3	9,954	-	(46)	-
Timefolio-Heungkuk-AOA RGB Investment fund1	27,293	-	27,293	6	(807)	-
Heimdall Private Equity Fund II	20,813	47	20,766	-	(334)	-
AIM-KIS Robotics Investment Fund	14,699	2	14,697	-	(313)	-
K-Content Value-Up Investment Fund	5,097	1	5,096	-	(4)	-
Mirae Holdings-IBKVC Deep Tech Investment Fund No.1	6,370	5	6,365	6	(235)	-
WJ-IBKS global Fund No.1	1,329	11	1,318	-	(29)	-
IBKS FAST Contents Fund	1,538	-	1,538	-	(25)	-
IBKS-DS Hydrogen 1 Technology Venture Fund	4,052	-	4,052	-	(75)	-
IBKS Innovation MPE Fund No.1	9,016	-	9,016	-	(182)	-
UAMCO-IBKS New Technology Fund	10,141	88	10,053	971	785	-
IBKS Innovation MPE Fund No.2	19,108	-	19,108	14,031	13,928	-
IBKS Renewable Energy Fund	2,067	2	2,065	-	(42)	-
NH-IBKS KONEX SCALEUP FUND	19,023	283	18,740	1,775	640	-
IBKS Robot Solution Fund	23,537	200	23,337	13,374	13,171	-
JP-IBKS innovation MPE Fund I	1,841	-	1,841	-	(37)	-
JP-IBKS innovation MPE Fund II	2,034	-	2,034	-	(42)	-
IBKS Innovation MPE Fund III	13,254	65	13,189	14,655	14,533	(47)
IBKS Next Scale-Up New Technology Investment Association	16,481	-	16,481	8,721	8,561	-
IBKS-DS-STI G.E.S Fund	5,161	81	5,080	17	(330)	-
IBKS-SUSUNG Pre-IPO Mezzanine Investment Fund 1st	9,273	-	9,273	912	735	-
IBKS Design Fund	10,344	-	10,344	6,115	6,052	-

(In millions of Korean won)

	December 31, 2025					
	Total assets	**Total liabilities**	**Total equity**	**Operating income**	**Profit (loss) for the period**	**Dividend**
IBKS-YG Turn around Fund	27,807	-	27,807	21,152	21,010	-
IBKS Wish New Technology Investment Fund	4,622	39	4,583	-	(117)	-
IBKS Robot Tech Fund	2,649	-	2,649	-	(34)	-
IBKS Furi Technology Venture Fund	5,479	21	5,458	-	(42)	-
TKG-DS 1	3,386	-	3,386	-	(14)	-
IBKS-NEWGEN Kfood Fund	5,239	-	5,239	-	(11)	-
Axis-IBKVC Digital-Infra Fund	18,998	-	18,998	400	398	-
KDB Infra IP Capital Fund	43,899	4,724	39,175	19,486	6,024	(260)
Kiwoom DongBuk-A Infrastructure Investment Trust #1	135,699	82	135,617	8,865	6,422	(1,602)
Kiwoom DongBuk-A Infrastructure Investment Trust #2	157,720	96	157,624	10,609	9,715	(1,735)
Kiwoom DongBuk-A Infrastructure Investment Trust #3	108,003	65	107,938	11,907	10,973	(1,078)
Kiwoom DongBuk-A Infrastructure Investment Trust #4	61,770	39	61,731	5,087	4,735	(1,005)
KIAMCO Power Energy Private Special Asset Investment Trust 1	125,749	191	125,558	5,981	6,509	(1,415)
KIAMCO BTL Project Investment Private Special Asset Investment Trust 6	20,672	220	20,452	1,960	1,838	(432)
KIAMCO Road Investment Private Special Asset Investment Trust 2	580,748	7,484	573,264	75,202	(146,062)	(12,626)
Consus Nation Infra Private Special Asset Investment Trust 1	173,925	147	173,778	9,919	7,740	-
Consus Love Sharing Private Special Asset Investment Trust 2	25,310	955	24,355	1,114	669	(150)
MiraeAsset MAPS BTL Infra Private Placement Special Asset Trust 1	8,210	51	8,159	560	556	(65)
MiraeAsset MAPS Love BTL Private Placement Special Asset Trust 1	27,692	1,845	25,847	2,647	2,641	(803)
Kiwoom Eco Resource Infrastructure Professional and Private Type Investment Trust IV	4,805	3	4,802	941	928	(68)
KIAMCO K-Solar Special Asset Private Investment Trust 2	196,726	2,340	194,386	10,852	10,441	(4,335)
KIAMCO Naepo Green Energy Fund1	218,990	1,755	217,235	104,619	104,294	(6,285)
IGIS Structured Mezzanine Professional Investors Private Placement Real Estate Feeder Fund No.1	109,591	864	108,727	7,076	(398)	(489)
Kiwoom green energy private equity fund 1st	11,863	14	11,849	3,158	3,106	-
KIAMCO SOLAR-ONE PRIVATE EQUITY FUND 2ND	489,165	161	489,004	35,232	34,692	(12,611)
Mirae Asset Infra development private fund 1st	8,890	159	8,731	411	323	(212)
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 1[1]	6,213	124	6,089	610	489	(87)

(In millions of Korean won)

	December 31, 2025					
	Total assets	**Total liabilities**	**Total equity**	**Operating income**	**Profit (loss) for the period**	**Dividend**
2023 Manufacturing Research and Development Private Equity Investment Trust No.1	70,015	108	69,907	160	(1,325)	-
2023 Manufacturing Research and Development Private Equity Investment Trust No.2	58,276	178	58,098	101	(1,793)	-
KCFF1	95,926	1,577	94,349	3,354	2,483	(2,337)
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 2	5,511	56	5,455	218	194	(141)
2023 Manufacturing Research and Development Private Equity Investment Trust No.3	1,812	397	1,415	12	(385)	-
Capstone Private Infrastructure Fund No.6	1,550	-	1,550	-	-	-
IBK low-cost TDF 2060 Securities Feeder Investment Trust [Balanced-FoF]	859	-	859	39	38	-
Hangang Cinepolis Development Corporation	1,168,267	1,616,685	(448,418)	690	(107,298)	-
Deoksong-Naegak Expressway Co., Ltd.	149,692	231,749	(82,057)	-	(7,010)	-
UlsanUijeongbuProject PFV	394,781	294,327	100,454	18,048	272	(3)
DL IncheonInha PFV Co., Ltd.	182,188	127,652	54,536	7,610	729	(1)
DL Daejeonmunwha PFV Co., Ltd.	123,242	87,140	36,102	5,315	355	(1)
DL JeonJuWansan PFV Co., Ltd.	86,084	60,272	25,812	4,868	1,165	(1)
Incheon Hangdong the one PFV Co., Ltd.	87,458	110,089	(22,631)	-	(4,039)	-
Asan Dogo Industrial Complex Development Co., Ltd.	219	1	218	-	(1)	-
Beophyeon General Industrial Complex.	111	204	(93)	-	(25)	-
Doan Castle 1st Co., Ltd.	8,250	64,474	(56,224)	-	923	-
GojinyeoksekwonPFV Co., Ltd.	5,007	77	4,930	-	(70)	-
Busan Eco Delta Green DataCenter PF V Co., Ltd.	59,794	51,880	7,914	662	(1,612)	-
IBKS No.23 Special Purpose Acquisition Company	10,204	1,622	8,582	-	87	-
IBKS No.24 Special Purpose Acquisition Company	10,163	1,558	8,605	-	84	-
IBKS No.25 Special Purpose Acquisition Company	2,486	1,314	1,172	-	(10)	-

9. Investments in Associates and Unconsolidated Structured Entities (cont'd)

December 31, 2024

- Details of adjustments to the carrying amounts of investments in associates

(In millions of Korean won)

	Net asset value	Unrealized profit (loss)	Carrying amount
Jeonla railroad Co., Ltd.	7,044	(4,287)	2,757
EVERBEST LIVINGSTONE PRIVATE EQUITY FUND	1,044	185	1,229
UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund	36,688	(3,089)	33,599
AIM-OPUS Healthcare Growth Capital Private Equity Fund	1,149	(424)	725
IBKS-INTOPS Innovation Companies Design Investment Fund	3,892	(161)	3,731
IBK Financial Group-Uamco SME Accelerating Fund	13,592	(123)	13,469
Korea Semiconductor Materials and Components No.1 Private Equity Fund	19,860	(192)	19,668
KDB Infra IP Capital Fund	20,836	927	21,763
IGIS Structured Mezzanine Professional Investors Private Placement Real Estate Feeder Fund No.1	45,394	(138)	45,256
Mirae Asset Infra development private fund 1st	6,747	218	6,965
Busan Eco Delta Green DataCenter PFV Co., Ltd.	1,644	250	1,894

- Major financial information and dividends received

(In millions of Korean won)

	December 31, 2024					
	Total assets	Total liabilities	Total equity	Operating income	Profit (loss) for the period	Dividend
Incheon Bridge Co., Ltd.	517,004	520,577	(3,573)	171,687	65,116	-
Jeonla railroad Co., Ltd.	330,354	271,363	58,991	15,680	(6,014)	-
Chungjung Sangju Co., Ltd.	31,571	25,622	5,949	1,654	(73)	-
Chungjung Seogwipo Co., Ltd.	39,758	28,121	11,637	2,379	(89)	-
Green Kimhae Enviro Co., Ltd.	35,528	28,408	7,120	1,602	(40)	-
Green Asan Enviro Co., Ltd.	33,697	26,580	7,117	1,638	(14)	-
KOREA FINANCE SECURITY	36,984	13,230	23,754	35,058	1,342	-
Presto Private Equity Fund No. 7	5,052	5,000	52	-	(8,136)	(1,408)
EVERBEST LIVINGSTONE PRIVATE EQUITY FUND	4,175	-	4,175	-	(1,015)	(184)
Scale-up Platform Private Equity Fund	7,357	31	7,326	1,738	(1,267)	-
Eum Private Equity Fund No.7	43,508	7	43,501	2,427	1,809	-
Paratus Woori Materials, Parts, Equipment Private Equity Fund	58,285	2,528	55,757	-	(1,031)	-
UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund	116,812	489	116,323	21,546	(17,539)	(1,704)
Thor Private Equity Fund	32,550	242	32,308	8,008	7,046	-

(In millions of Korean won)

	December 31, 2024					
	Total assets	**Total liabilities**	**Total equity**	**Operating income**	**Profit (loss) for the period**	**Dividend**
Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business	11,913	-	11,913	24	(217)	-
Nautic No.11 Private Equity Fund	6,218	78	6,140	214	33	-
AIM-OPUS Healthcare Growth Capital Private Equity Fund	4,744	78	4,666	1,406	1,061	-
BNW ACE Private Equity Fund	23,646	264	23,382	389	61	-
UAMCO IBK PF Private Equity Fund I	57,870	-	57,870	1,210	1,210	-
Smart Private Equity Fund No.2	1,448	198	1,250	-	(336)	-
Centroid 1st China Private Equity Fund	-	363	(363)	-	(26)	-
Cactus Buyout Private Equity Fund II	34,906	-	34,906	8,305	8,288	-
Highland 2020 4, Private Equity Fund	10,105	21	10,084	1,027	943	-
SKIL ECO No.1 Green New Deal Private Equity Fund	49,801	224	49,577	1	(911)	-
Lake Bridge Private Equity Fund VIII	26,256	-	26,256	2	(414)	-
IBKS SME Accelerating Private Equity Fund	3,157	19	3,138	7,374	7,233	-
CCVC Culture-ICT Convergence Fund	3,007	891	2,116	3	(1,285)	-
IBK-Daesung Majestic Contents Small Giant Korea Fund	13,337	810	12,527	29	(1,585)	-
KTBN Media Contents Fund	1,105	-	1,105	60	(949)	-
EBEST CRESO CONTENTS Fund No.1	1,073	-	1,073	30	5	-
KAI-KSM Crowd Seeding Fund	2,156	177	1,979	4	(1,443)	-
Gaia Bio Investment Fund #1	4,733	-	4,733	-	(853)	-
IBKS-INTOPS Innovation Companies Design Investment Fund	5,989	2	5,987	2,047	548	-
InterValue No.3 Innovation Start-up Fund	22,970	386	22,584	2,999	1,791	-
Shinhan Consumer Fund 2	7,277	30	7,247	1,996	1,870	-
VS Cornerstone Fund	8,085	204	7,881	-	(134)	-
IBK-STIC Pioneer Fund	20,040	423	19,617	1,891	1,130	-
Global Gateway Fund III	18,609	349	18,260	157	(224)	-
IBK Changgong Jump up 1st Investment Fund	(197)	14	(211)	1,789	(196)	-
SWK-SHINHAN NEW TECHNOLOGY INVESTMENT FUND 1st	3,727	-	3,727	25	(2,516)	-
COMPANY K BIO FUND	15,154	2	15,152	381	(36)	-
Cornerstone Win-win I Fund	11,496	6	11,490	-	(118)	-
DAvalue-Kbridge New Pharmaceutical Fund No.02	6,190	4	6,186	-	(1,639)	-
Hanwha Uon Fund No.1	7,442	2	7,440	-	(796)	-
Smilegate Next Commerce 1st Venture Fund	8,512	213	8,299	-	(126)	-
InterVest Global Scale-up Fund	38,352	292	38,060	34	(1,131)	-
IBK - Synergy IB Business Reshuffle New Technology Fund	13,608	44	13,564	6,506	9,190	(1,237)

(In millions of Korean won)

	December 31, 2024					
	Total assets	Total liabilities	Total equity	Operating income	Profit (loss) for the period	Dividend
New Deal Extension New Technology Fund No.1	26,305	-	26,305	828	(430)	-
S&S-ONE-Dotconnect Fund 1	4,179	-	4,179	1	(97)	-
Smilegate Next Commerce 2nd Venture Fund	8,428	155	8,273	6	(6,143)	-
Smart IBK-Quantum Green New Industry Fund	27,509	52	27,457	144	(1,976)	-
IBK-KT Emerging Digital Industry Investment Fund	34,459	4	34,455	3,533	(7,121)	-
PCC-Bailey Project Fund	5,160	3	5,157	79	(29)	-
LSK Healthcare Fund IV	18,918	4	18,914	2,424	2,056	-
Shinhan-Kunicorn first Fund	24,552	7	24,545	7	(532)	-
VISION Materials, Parts and Equipment Venture Fund No.1	4,140	-	4,140	1	(886)	-
SUP 1st Venture Fund	4,897	-	4,897	-	(108)	-
Cornerstone Merkaba Fund 1	3,098	3	3,095	-	(73)	-
One Shinhan Global Fund 3	14,708	624	14,084	1,806	1,552	-
Synergy ESG 1st New Technology Investment Fund	10,023	79	9,944	100	(58)	-
Korea ASEAN Technology Fund 2	16,630	205	16,425	513	88	-
IP-LD Fund No.1	7,345	2	7,343	3	(172)	-
Hanwha Smart Healthcare Fund No.1	9,469	7	9,462	-	(261)	-
SKS-DA Unicorn Bio Fund No.1	6,770	1	6,769	5	(111)	-
One Shinhan Global Fund 4	5,460	187	5,273	1,388	(4,654)	-
IBK Changgong Jump up 2nd Investment Fund	5,825	3	5,822	314	(263)	-
Bokwang-Honest Energy Fund No. 1	5,952	45	5,907	3	(2,886)	-
Cornerstone Pentastone VIII Fund	2,905	3	2,902	4	(65)	-
One Shinhan Global Fund 5	8,176	188	7,988	1,002	836	-
Ulmus 2022 Secondary Fund	55,424	106	55,318	22,324	21,391	-
L&S Early Stage IV ICT MCE Venture Fund	32,032	-	32,032	52	(870)	-
Cornerstone Innovation IV Fund	842	3	839	44	-	-
IBK-SOLIDUS Next Bio Star Investment Fund	19,157	2	19,155	6	(475)	-
C&CI Investment Fund 1	10,430	-	10,430	-	(294)	-
Cornerstone Innovation VI Fund	520	3	517	1,653	601	-
IBK Financial Group-DS Green Finance Fund	36,606	1,043	35,563	299	(1,827)	-
KOSNET Semicon Two Venture Fund	7,820	36	7,784	9	(148)	-
DKI Growing Star Fund VII	38,706	-	38,706	101	(841)	-
Square New Paradigm Investment Fund No. 1	10,334	-	10,334	1	(223)	-
GU Materials Parts and Equipment Project Fund I	12,365	78	12,287	-	(132)	-
S Secondary Venture Fund NO.1	10,672	-	10,672	3,641	11,020	-
E&Venture Project No.1 Smartgreen	4,966	-	4,966	4	(89)	-

(In millions of Korean won)

	December 31, 2024					
	Total assets	**Total liabilities**	**Total equity**	**Operating income**	**Profit (loss) for the period**	**Dividend**
Fund						
Cornerstone New Main I Fund	9,045	3	9,042	3	(193)	-
SmartKorea UTC Untact Fund	15,437	-	15,437	27	(1,392)	-
IBK-Company K Innovation growth Fund	85,308	8	85,300	4,083	1,780	-
IBK Scale-up Gyeonggi-G-FUND	24,775	225	24,550	799	(104)	-
IBK-Stonebridge Rising Fund II	25,002	204	24,798	1,489	668	-
IBK IP Technology Commercialization Fund	19,451	5	19,446	44	(476)	-
SH Ulmus M.P.E. Innovative Venture Fund 7	10,562	-	10,562	296	99	-
POSITIVE AI Venture Fund #1	5,988	-	5,988	10	(82)	-
KB-BridgePole Venture Investment Fund #2	10,244	-	10,244	4	(216)	-
KAIC TO Ventures Fund IV	9,523	42	9,481	1,852	1,683	-
IBK-KOLON 2023 Super-Gap Fund	36,307	2,089	34,218	2,102	966	-
Caspian-T No.3 Fund	7,522	-	7,522	10	(160)	-
Newmain II Funds	9,089	2	9,087	6	(190)	-
Korea Investment-Newmain Growth Capital 1st Fund	8,589	-	8,589	6	(166)	-
Timefolio Tech Fund I	14,112	71	14,041	181	(116)	-
IBK Financial Group-Uamco SME Accelerating Fund	34,177	756	33,421	1,194	(2,442)	-
KAI Valiant aesthetic Investment Fund I	18,230	6	18,224	84	(323)	-
PLUX Technology Innovation Investment Fund 1	3,227	-	3,227	-	(73)	-
Elohim Newmain I Fund	4,374	2	4,372	3	(98)	-
BYB-SKS Pre-IPO Fund NO.1	12,326	-	12,326	10	(224)	-
Cornerstone Blue Dragon I Fund	1,302	2	1,300	232	(770)	-
Cornerstone Alice II Fund	855	2	853	381	(629)	-
KB-VEP Contact Fund	7,324	32	7,292	2,120	2,012	-
Synergy IB innovation Fund	67,485	-	67,485	1,673	219	-
LINEA-NBH Fund II	14,422	-	14,422	3	(178)	-
PLUX Technology Innovation Investment Fund 2	4,429	-	4,429	456	349	-
COMPANY K BUYOUT 1	8,705	-	8,705	2,242	(255)	-
Harang-IP Vine Contents Fund	8,268	-	8,268	2	(66)	-
IBK-LB Startup Fund I	12,583	4	12,579	1	(512)	(5)
WE Scale-up Fund I	5,951	360	5,591	12	(674)	(2)
Horizon Venture Fund I	5,462	-	5,462	14	(95)	-
Moorim-Omega Fund II	7,043	-	7,043	-	(467)	-
GNTECH Project Fund II	9,013	-	9,013	10	(87)	-
NP Growth 11th Private Equity Fund	30,558	7	30,551	3,835	3,551	-
Korea Semiconductor Materials and Components No.1 Private Equity Fund	93,525	330	93,195	33,118	32,195	-

(In millions of Korean won)

	December 31, 2024					
	Total assets	**Total liabilities**	**Total equity**	**Operating income**	**Profit (loss) for the period**	**Dividend**
Honeypot HGI New Fund	3,080	-	3,080	-	-	-
Widwin investment fund 73	5,240	-	5,240	-	-	-
IBK-YG K-culture Fund	6,001	58	5,943	1	(56)	-
Start-up Korea IBK- Schmidt Fund	3,750	-	3,750	-	-	-
Start-up Korea IBKVC-FP2024 Fund	15,000	-	15,000	-	-	-
Start-up Korea IBKVC-KOLON 2024 Fund	15,000	-	15,000	-	-	-
Allies-HSBI Material Component Equipment New Technology Fund	3,600	-	3,600	-	-	-
NICE DATA INTELLIGENCE VENTURE FUND	4,250	-	4,250	-	-	-
Lodestone 4th Startup Venture Specialized Private Equity Fund	10,150	-	10,150	-	-	-
JW&Kiyvre Fund 1	21,270	-	21,270	-	(230)	-
JKL-POI Private Equity Fund	17,301	19	17,282	1	(17)	-
LB Next Innovation Fund 1	13,501	-	13,501	-	-	-
Startup Korea IBK-STIC Tech Champion Fund	12,350	-	12,350	-	-	-
Startup Korea IBK-DTNI Fund	6,000	-	6,000	-	-	-
Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	4,100	-	4,100	-	-	-
Startup Korea Pathfinder-IBK Super Gap Fund	2,250	-	2,250	-	-	-
Lucky Invites FUND-1	4,270	-	4,270	-	-	-
Korea Investment Dong-Yu Blue Horizon Fund	5,750	-	5,750	-	-	-
BNK safety Investment Fund NO.2	10,500	-	10,500	-	-	-
D2U 12TH Fund	7,100	-	7,100	-	-	-
HellosThelaFund1	4,020	-	4,020	-	-	-
2024 Tethys Venture Fund	23,000	-	23,000	-	-	-
AICBM Venture Fund No.3	4,850	-	4,850	-	-	-
2024DeepDive Investment Fund	5,100	-	5,100	-	-	-
KAIC TO Ventures Fund VII	7,835	6	7,829	-	349	-
KT-IBKC Future Investment Fund 1	16,438	-	16,438	4,329	(558)	-
Impact Platform Fund	58,615	18	58,597	-	(15,603)	-
D&D Pharmatech Intervest IBKC Fund	15,424	463	14,961	8,106	7,340	-
IBKC-EQP Innovative Technology Fund	15,205	253	14,952	8,199	937	-
IBKC-PCC 1st Fund	4,012	78	3,934	-	(82)	-
Rylson-IBKC 5G Investment Fund	8,514	2,596	5,918	-	(89)	-
IBKC-Harang Fund	12,741	-	12,741	1,220	375	-
IBKC-INTOPS New Deal and Material Parts Equipment Fund	9,782	392	9,390	2,369	1,151	-
IBKC-NICE NEW DEAL AND MATERIAL PARTS EQUIPMENT FUND	21,726	126	21,600	288	(1,484)	-

(In millions of Korean won)

	December 31, 2024					
	Total assets	**Total liabilities**	**Total equity**	**Operating income**	**Profit (loss) for the period**	**Dividend**
IBKC J& BIO INVESTMENT FUND	72,817	-	72,817	29,873	17,270	(360)
YUANTA QUANTUM JUMP NO.1 FUND	2,580	-	2,580	14	(13,084)	(5,515)
Klim IBKC Medical Fund	3,640	-	3,640	6	(68)	-
IBKC-AJU IB Idiscovery Fund 1	20	-	20	113	98	(240)
IBKC-INTOPS New deal and Material Parts Equipment Fund2	6,824	51	6,773	83	(2,124)	-
Solution CapitalInvestment Fund IV	3,158	16	3,142	-	(69)	-
IBKC-DARWIN GreenEnergy Fund	53,692	-	53,692	33,710	30,734	(3,806)
TWI-IBKC Open Innovation Fund	10,915	60	10,855	160	(2,312)	(79)
IBKC timefolio mezzanine blind 1st fund	8,341	84	8,257	1,575	(2,169)	-
IBKC-DAILY Bio Healthcare Fund 1	14,495	68	14,427	143	(183)	-
IBKC-WELCOME New Deal and Material Parts Equipment Fund[2]	6,386	50	6,336	1	(206)	-
IBKC-WE Start-up Secondary Fund 1	22,332	118	22,214	866	1,521	-
IBKC-GB Advanced Material Bio Investment Partnership No.1	8,911	1	8,910	27	(1,445)	-
Synergy Turnaround 16th New Technology Business Investment Fund	1,766	-	1,766	333	161	-
K& Secondary No5 Fund	4,888	467	4,421	-	(156)	-
Medici-IBKC Secondary Fund 2	37,338	-	37,338	11,505	96	(3,150)
IBKC-DAILY Bio Healthcare Fund II	10,549	223	10,326	-	(238)	-
Smart Contents Fund	6,632	41	6,591	155	(1,686)	-
DS IBKC Foodtech Investment Fund 1	5,681	-	5,681	6	(1,120)	-
NH-JN-IBKC label New Technology fund	35,059	469	34,590	7	(659)	-
Next Platform Fund	7,188	-	7,188	-	(158)	-
IBKC-Behigh Fund 1st	10,568	1	10,567	28	(200)	-
IBKC-Emford New technology venture investment FUND No.1	6,006	-	6,006	896	782	-
FV Investment Fund 01	3,997	-	3,997	697	585	-
Primus Equity Partners, Inc.	7,115	-	7,115	343	203	-
IBKC-PEBBLES New Technology Investment Fund 1st	15,220	-	15,220	2	(298)	-
IBKC-IDV HIGH TECH FUND	14,051	120	13,931	48	(1,023)	-
IBKC-INTOPS Fund 3	7,554	67	7,487	4	(252)	-
IBKC-JS 1st Fund	8,812	2	8,810	9,069	(4,452)	(352)
DB Synergy Value-up New Technology investment Fund No.1	6,144	23	6,121	2,416	2,238	(440)
NH-IBKC EV Fund	30,822	-	30,822	22,107	(3,100)	-
IBKC MIDAS Value Creation Fund	14,394	263	14,131	41	(2,182)	-
Mezzanine Growth Fund	15,101	-	15,101	522	(351)	-
Super Growth K-contents Fund	20,031	-	20,031	473	(1,302)	-
IBKC GlobalOne Atman Fund	20,906	11	20,895	1	(2,365)	-
Positive-IBKC Fund No.1	10,967	-	10,967	689	9	-

(In millions of Korean won)

	December 31, 2024					
	Total assets	Total liabilities	Total equity	Operating income	Profit (loss) for the period	Dividend
IBKC-AH New Technology Business Investment Association No.5	19,142	6	19,136	654	(835)	-
iM AI Healthcare Venture Fund	2,261	12	2,249	6	(45)	-
IBKC Darwin Fund	20,517	-	20,517	1,539	(431)	-
Ascent IBKC New Tech 1st	33,985	-	33,985	29,051	(1,858)	-
Positive IBKC Tech Fund No.1	4,412	-	4,412	1	(97)	-
JW-IBKC NO.1 Fund	5,451	2	5,449	1	(120)	-
LIGNEXONE-IBKC Defense Industry Innovation New Technology Business Investment Fund 1	11,085	-	11,085	2	(1,115)	-
Kyobo IBK Advanced Material Investment Fund	9,668	-	9,668	533	(832)	-
IBKC-Emford New technology venture investment FUND No.2	5,313	-	5,313	-	(87)	-
KIWOOM-K&T RISINGSTAR New Technology Investment Fund	5,593	-	5,593	84	12	-
EVENTUS-IBKC Secondary Cell Materials New Investment Business Investment Fund	42,345	-	42,345	-	(2,655)	-
Petrico-IBKC First New Technology Business Investment Fund	18,182	-	18,182	8,197	681	-
JBWOORI-IBKC-T&K New Technology Business Investment Fund	26,991	4	26,987	-	(2,012)	-
Ascent IBKC New Tech 2nd	32,023	-	32,023	-	(77)	-
KIP-IBKC Innovative Growth Private Equity Fund	16,174	992	15,182	2	(1,017)	-
RCM Ocean Limited Partnership	8,254	396	7,858	26	22	(63)
Pectus IBKC Fund No1	11,010	-	11,010	890	(2,041)	-
The IBKS Job Creation Dream Fund	7,905	88	7,817	10	2,146	-
Next Tech 1 New Technology Investment Fund	6	2	4	-	(10,408)	-
WJ-IBKS global Fund No.1	1,673	11	1,662	-	(35)	-
IBKS FAST Contents Fund	148,527	-	148,527	-	(25)	-
IBKS-DS Hydrogen 1 Technology Venture Fund	4,164	37	4,127	-	(75)	-
IBKS Innovation MPE Fund No.1	9,198	-	9,198	-	(181)	-
UAMCO-IBKS New Technology Fund	9,436	88	9,348	938	753	-
IBKS Innovation MPE Fund No.2	5,180	-	5,180	-	(102)	-
IBKS Renewable Energy Fund	2,110	4	2,106	-	(44)	-
NH-IBKS KONEX SCALEUP FUND	22,107	284	21,823	17	(1,111)	-
IBKS Robot Solution Fund	10,300	134	10,166	-	(134)	-
JP-IBKS innovation MPE Fund I	1,879	-	1,879	-	(21)	-
JP-IBKS innovation MPE Fund II	2,076	-	2,076	-	(24)	-
IBKS Innovation MPE Fund III	6,116	65	6,051	-	(65)	-
IBKS Next Scale-Up New Technology Investment Association	7,921	-	7,921	1	(79)	-
IBKS-DS-STI G.E.S Fund	2,206	97	2,109	-	(301)	-

(In millions of Korean won)

	December 31, 2024					
	Total assets	Total liabilities	Total equity	Operating income	Profit (loss) for the period	Dividend
IBKS-SUSUNG Pre-IPO Mezzanine Investment Fund 1st	8,539	2	8,537	5	(39)	-
IBKS Design Fund	4,292	-	4,292	-	(8)	-
IBKS-YG Turn around Fund	6,804	7	6,797	-	(3)	-
KDB Infra IP Capital Fund	41,749	78	41,671	12,970	3,258	(10,600)
Kiwoom DongBuk-A Infrastructure Investment Trust #1	156,357	96	156,261	6,269	4,977	(1,834)
Kiwoom DongBuk-A Infrastructure Investment Trust #2	176,045	108	175,937	5,219	4,763	(2,111)
Kiwoom DongBuk-A Infrastructure Investment Trust #3	106,417	69	106,348	3,025	2,364	(1,077)
Kiwoom DongBuk-A Infrastructure Investment Trust #4	61,216	41	61,175	1,928	1,541	(1,066)
KIAMCO Power Energy Private Special Asset Investment Trust 1	127,484	194	127,290	13,395	14,946	(1,450)
KIAMCO BTL Project Investment Private Special Asset Investment Trust 6	20,715	6	20,709	1,990	1,964	(452)
KIAMCO Road Investment Private Special Asset Investment Trust 2	761,577	163	761,414	119,253	118,633	(7,203)
Consus Nation Infra Private Special Asset Investment Trust 1	169,207	2,865	166,342	38,421	20,222	(605)
Consus Love Sharing Private Special Asset Investment Trust 2	27,569	8	27,561	1,516	1,482	(728)
MiraeAsset MAPS BTL Infra Private Placement Special Asset Trust 1	8,452	56	8,396	895	877	(68)
MiraeAsset MAPS Love BTL Private Placement Special Asset Trust 1	30,449	1,846	28,603	1,836	1,796	(955)
Kiwoom Eco Resource Infrastructure Professional and Private Type Investment Trust IV	5,398	4	5,394	275	(177)	(90)
KIAMCO K-Solar Special Asset Private Investment Trust 2	201,710	106	201,604	25,475	25,050	(4,531)
KIAMCO Naepo Green Energy Fund1	138,605	82	138,523	19,427	19,101	(1,608)
Hangang Haenanum Energy Fund No.1	4,258	-	4,258	286	280	(149)
IGIS Structured Mezzanine Professional Investors Private Placement Real Estate Feeder Fund No.1	103,464	298	103,166	8,600	9,160	(1,095)
Kiwoom green energy private equity fund 1st	13,026	16	13,010	54	(12,691)	(58)
KIAMCO SOLAR-ONE PRIVATE EQUITY FUND 2ND	455,433	147	455,286	18,293	16,468	(9,790)
Mirae Asset Infra development private fund 1st	7,385	76	7,309	165	141	(85)
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 1[1]	6,036	-	6,036	166	247	(42)
2023 Manufacturing Research and Development Private Equity Investment Trust No.1	47,338	106	47,232	9	(767)	-

(In millions of Korean won)

	December 31, 2024					
	Total assets	**Total liabilities**	**Total equity**	**Operating income**	**Profit (loss) for the period**	**Dividend**
2023 Manufacturing Research and Development Private Equity Investment Trust No.2	16,064	173	15,891	64	(110)	-
KCFF1	36,510	7	36,503	129	123	(63)
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 2	1,400	-	1,400	-	-	-
IBK Income Vanilla EMP Fund[Balanced-FOFs][3]	5,513	45	5,468	295	288	-
Hangang Cinepolis Development Corporation	1,081,514	1,422,635	(341,121)	1,441	(32,955)	-
Deoksong-Naegak Expressway Co., Ltd.	152,881	227,928	(75,047)	12,101	(10,438)	-
UlsanUijeongbuProject PFV	387,947	289,714	98,233	17,703	(2,346)	-
DL IncheonInha PFV Co., Ltd.	180,974	126,729	54,245	7,464	1,094	(1)
DL Daejeonmunwha PFV Co., Ltd.	121,036	84,981	36,055	5,250	893	(1)
DL JeonJuWansan PFV Co., Ltd.	84,758	59,815	24,943	4,808	1,499	(1)
Incheon Hangdong the one PFV Co., Ltd.	86,366	103,088	(16,722)	-	(6,168)	-
Asan Dogo Industrial Complex Development Co., Ltd.	220	-	220	-	(17)	-
Beophyeon General Industrial Complex.	114	182	(68)	-	(68)	-
Doan Castle 1st Co., Ltd.	7,325	64,472	(57,147)	-	(2,274)	-
Busan Eco Delta Green DataCenter PF V Co., Ltd.	19,030	12,004	7,026	16	(2,763)	-
IBKS No.20 Special Purpose Acquisition Company	10,290	1,592	8,698	-	(112)	-
IBKS No.21 Special Purpose Acquisition Company	10,332	1,660	8,672	-	(124)	-
IBKS No.22 Special Purpose Acquisition Company	10,129	1,396	8,733	-	(103)	-
IBKS No.23 Special Purpose Acquisition Company	9,997	1,513	8,484	-	(111)	-
IBKS No.24 Special Purpose Acquisition Company	9,964	1,486	8,478	-	(86)	-

[1] During the prior period, the name of the associate was changed from 'KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust' to 'KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust Type 1'.
[2] During the current period, the name of the associate was changed from 'IBKC-Welcome New Deal Materials, Parts and Equipment New Technology Business Investment Association' to 'IBKC-Blue Corner New Deal Materials, Parts and Equipment New Technology Business Investment Association'.
[3] During the current period, the increase in the ownership interest resulted in reclassification from an associate to an associated entity.

9. Investments in Associates and Unconsolidated Structured Entities (cont'd)

The cumulative unrecognized share of changes in equity that has not been recognized due to discontinuation of the application of the equity method at December 31, 2025 and 2024, are as follows :

December 31, 2025

(In millions of Korean won)	December 31, 2025		December 31, 2024	
	unrecognized losses	Cumulative amount of unrecognized losses	unrecognized losses	Cumulative amount of unrecognized losses
Incheon Bridge Co., Ltd.	-	-	9,762	(535)
UAMCO-TAESUNG Corporate Financial Stability Private Equity Fund	(210)	(210)	-	-
Hangang Cinepolis Development Corporation	(18,241)	(76,231)	(5,602)	(57,990)
Deoksong-Naegak Expressway Co., Ltd.	(1,752)	(20,514)	(2,610)	(18,762)
Incheon Hangdong the one PFV Co., Ltd.	(1,132)	(1,132)	-	-
Doan Castle 1st Co., Ltd.	(8,434)	(8,434)	-	-
	(29,769)	(106,521)	1,550	(77,287)

Details of the major commitments provided to the associates as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Committed contribution	Contribution amount	Contribution unexercised
EVERBEST LIVINGSTONE PRIVATE EQUITY FUND	2,000	2,000	-
Scale-up Platform Private Equity Fund	2,800	2,800	-
Eum Private Equity Fund No.7	10,000	10,000	-
Paratus Woori Materials, Parts, Equipment Private Equity Fund	13,000	13,000	-
UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund	60,000	55,621	4,379
Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business	3,000	3,000	-
AIM-OPUS Healthcare Growth Capital Private Equity Fund	5,000	5,000	-
BNW ACE Private Equity Fund	6,000	6,000	-
UAMCO IBK PF Private Equity Fund I	70,000	32,041	37,959
BTS 2-1 Private Equity Fund	10,000	6,340	3,660
UAMCO-IBK PF 2nd Private Equity Fund	120,000	44,160	75,840
Daishin Growth Capital 2024 Private Equity Fund	40,000	15,828	24,172
UAMCO-TAESUNG Corporate Financial Stability Private Equity Fund	29,000	232	28,768

(In millions of Korean won)	Committed contribution	Contribution amount	Contribution unexercised
IBK Korea Investment Growth Bridge Private Equity Fund	60,000	12,863	47,137
Stassets Fund IV	15,000	1,500	13,500
Smart Private Equity Fund No.2	3,000	3,000	-
Centroid 1st China Private Equity Fund	2,000	2,000	-
Highland 2020 4, Private Equity Fund	2,500	2,500	-
SKIL ECO No.1 Green New Deal Private Equity Fund	15,000	13,375	1,625
Lake Bridge Private Equity Fund VIII	6,000	6,000	-
IBKS SME Accelerating Private Equity Fund	2,000	2,000	-
BTS Plasma Private Equity Fund	1,000	1,000	-
CCVC Culture-ICT Convergence Fund	2,000	2,000	-
KTBN Media Contents Fund	3,500	3,500	-
EBEST CRESO CONTENTS Fund No.1	500	500	-
KAI-KSM Crowd Seeding Fund	2,500	2,500	-
Gaia Bio Investment Fund #1	4,000	4,000	-
InterValue No.3 Innovation Start-up Fund	4,000	4,000	-
Shinhan Consumer Fund 2	2,000	1,800	200
IBK-STIC Pioneer Fund	10,000	10,000	-
Global Gateway Fund III	5,000	5,000	-
IBK Changgong Jump up 1st Investment Fund	4,000	4,000	-
SWK-SHINHAN NEW TECHNOLOGY INVESTMENT FUND 1st	3,000	3,000	-
COMPANY K BIO FUND	8,000	8,000	-
Cornerstone Win-win I Fund	4,000	4,000	-
DAvalue-Kbridge New Pharmaceutical Fund No.02	3,000	3,000	-
Hanwha Uon Fund No.1	2,000	2,000	-
Smilegate Next Commerce 1st Venture Fund	4,000	4,000	-
InterVest Global Scale-up Fund	15,000	12,750	2,250
IBK - Synergy IB Business Reshuffle New Technology Fund	35,000	34,240	760
New Deal Extension New Technology Fund No.1	25,000	25,000	-
S&S-ONE-Dotconnect Fund 1	2,000	2,000	-
Smilegate Next Commerce 2nd Venture Fund	3,000	3,000	-
Smart IBK-Quantum Green New Industry Fund	10,000	10,000	-
IBK-KT Emerging Digital Industry Investment Fund	15,000	15,000	-
PCC-Bailey Project Fund	4,000	4,000	-
LSK Healthcare Fund IV	4,000	4,000	-
Shinhan-Kunicorn first Fund	6,000	6,000	-

(In millions of Korean won)	Committed contribution	Contribution amount	Contribution unexercised
VISION Materials, Parts and Equipment Venture Fund No.1	3,000	3,000	-
SUP 1st Venture Fund	2,000	2,000	-
Cornerstone Merkaba Fund 1	1,000	1,000	-
One Shinhan Global Fund 3	4,000	4,000	-
Korea ASEAN Technology Fund 2	5,000	5,000	-
IP-LD Fund No.1	4,000	4,000	-
Hanwha Smart Healthcare Fund No.1	4,000	4,000	-
SKS-DA Unicorn Bio Fund No.1	3,000	3,000	-
One Shinhan Global Fund 4	3,000	3,000	-
IBK Changgong Jump up 2nd Investment Fund	6,000	6,000	-
Bokwang-Honest Energy Fund No. 1	2,000	2,000	-
Cornerstone Pentastone VIII Fund	1,500	1,500	-
One Shinhan Global Fund 5	2,000	2,000	-
Ulmus 2022 Secondary Fund	10,000	10,000	-
L&S Early Stage IV ICT MCE Venture Fund	10,000	10,000	-
IBK-SOLIDUS Next Bio Star Investment Fund	10,000	10,000	-
C&CI Investment Fund 1	5,800	4,350	1,450
IBK Financial Group-DS Green Finance Fund	67,000	33,934	33,066
KOSNET Semicon Two Venture Fund	2,000	2,000	-
DKI Growing Star Fund VII	10,000	10,000	-
Square New Paradigm Investment Fund No. 1	5,000	3,000	2,000
GU Materials Parts and Equipment Project Fund I	3,000	3,000	-
S Secondary Venture Fund NO.1	3,000	3,000	-
E&Venture Project No.1 Smartgreen Fund	1,500	1,500	-
Cornerstone New Main I Fund	2,500	2,500	-
SmartKorea UTC Untact Fund	10,000	7,000	3,000
IBK-Company K Innovation growth Fund	50,000	50,000	-
IBK Scale-up Gyeonggi-G-FUND	10,000	7,000	3,000
IBK-Stonebridge Rising Fund II	30,000	24,000	6,000
IBK IP Technology Commercialization Fund	6,000	6,000	-
SH Ulmus M.P.E. Innovative Venture Fund 7	3,000	3,000	-
POSITIVE AI Venture Fund #1	4,000	4,000	-
KB-BridgePole Venture Investment Fund #2	3,000	3,000	-
KAIC TO Ventures Fund IV	2,000	2,000	-
IBK-KOLON 2023 Super-Gap Fund	20,000	16,000	4,000
Caspian-T No.3 Fund	2,000	2,000	-
Newmain II Funds	4,000	4,000	-

(In millions of Korean won)	Committed contribution	Contribution amount	Contribution unexercised
Korea Investment-Newmain Growth Capital 1st Fund	3,000	3,000	-
Timefolio Tech Fund I	3,000	3,000	-
IBK Financial Group-Uamco SME Accelerating Fund	60,000	37,337	22,663
KAI Valiant aesthetic Investment Fund I	4,000	4,000	-
PLUX Technology Innovation Investment Fund 1	1,500	1,500	-
Elohim Newmain I Fund	1,000	1,000	-
BYB-SKS Pre-IPO Fund NO.1	3,000	3,000	-
Cornerstone Blue Dragon I Fund	1,000	1,000	-
KB-VEP Contact Fund	2,000	2,000	-
Synergy IB innovation Fund	27,000	26,815	185
LINEA-NBH Fund II	3,000	3,000	-
PLUX Technology Innovation Investment Fund 2	2,000	2,000	-
COMPANY K BUYOUT 1	5,000	5,000	-
Harang-IP Vine Contents Fund	2,500	2,500	-
IBK-LB Startup Fund I	30,000	12,000	18,000
WE Scale-up Fund I	20,000	12,000	8,000
Horizon Venture Fund I	5,000	2,500	2,500
Moorim-Omega Fund II	3,000	3,000	-
GNTECH Project Fund II	2,000	2,000	-
NP Growth 11th Private Equity Fund	8,000	8,000	-
Korea Semiconductor Materials and Components No.1 Private Equity Fund	13,000	13,000	-
Honeypot HGI New Fund	2,000	2,000	-
Widwin investment fund 73	1,500	1,500	-
IBK-YG K-culture Fund	5,000	5,000	-
Start-up Korea IBK- Schmidt Fund	6,000	4,500	1,500
Start-up Korea IBKVC-FP2024 Fund	29,000	17,400	11,600
Start-up Korea IBKVC-KOLON 2024 Fund	30,000	27,000	3,000
Allies-HSBI Material Component Equipment New Technology Fund	2,000	2,000	-
Lodestone 4th Startup Venture Specialized Private Equity Fund	4,000	4,000	-
JW&Kiyvre Fund 1	5,000	5,000	-
JKL-POI Private Equity Fund	5,000	5,000	-
LB Next Innovation Fund 1	3,000	3,000	-
Startup Korea IBK-STIC Tech Champion Fund	50,000	15,000	35,000
Startup Korea IBK-DTNI Fund	10,000	6,000	4,000
Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	10,000	5,000	5,000

(In millions of Korean won)	Committed contribution	Contribution amount	Contribution unexercised
Startup Korea Pathfinder-IBK Super Gap Fund	6,000	2,700	3,300
Lucky Invites FUND-1	2,000	2,000	-
Korea Investment Dong-Yu Blue Horizon Fund	2,000	2,000	-
BNK safety Investment Fund NO.2	3,000	3,000	-
D2U 12TH Fund	3,000	3,000	-
HellosThelaFund1	2,000	2,000	-
2024 Tethys Venture Fund	5,000	5,000	-
2024DeepDive Investment Fund	3,000	3,000	-
KAIC TO Ventures Fund VII	2,806	2,806	-
Allies partners Fund no.9	1,000	1,000	-
BNK Global Medical Device NEW Technology 1st Investment Fund	2,000	2,000	-
For Human Life Wellbeing Private Equity Partnership No.1	4,600	4,600	-
Prodigy Fund 30	2,000	2,000	-
Start-up Korea IBK Murex Voyager No.2 Fund	10,000	4,000	6,000
Cape Lakebridge Fund IX	5,000	5,000	-
Cornerstone Daon I Fund	1,000	1,000	-
2024 IBK Innovation Samchully New Green Fund	15,000	3,000	12,000
Daishin-SAM New Technology Investment Fund No.1	7,000	7,000	-
Cornerstone New Main III Funds	1,500	1,500	-
Cyrus-K Materials and Components Investment Fund No.1	1,500	1,500	-
2024 IBK Innovation-AJU Good Venture Fund 3.0	50,000	10,000	40,000
Novorsec Eco-friendly K-Shipbuilding Venture Fund	3,000	3,000	-
DITTO NEW COMMERCE FUND	1,000	1,000	-
GNP2025-01Venturefund	5,000	1,500	3,500
IBKC-Envision I Fund	5,580	5,580	-
DA Beauty Fund No.1	2,000	2,000	-
2024 IBK Innovation K-RUN Mobility No.7 Fund	15,000	3,000	12,000
SJG Semiconductor Materials&Equipment No.2 Fund	5,000	5,000	-
INFINITUM K-Culture 2 Fund	3,000	3,000	-
Perspective-Axis Fund 1	1,500	1,500	-
IBKVC-SBI 2025 Fund	54,250	8,680	45,570
JB-OMEGA Fund	3,000	3,000	-
IBKS-FINDVALUE Robot Solution Fund	5,000	5,000	-
Allies partners Fund no.11	2,000	2,000	-
Gravity General Private Paju Studio Investment Company No.1	8,000	3,000	5,000

(In millions of Korean won)	Committed contribution	Contribution amount	Contribution unexercised
Start-Up Korea Plux Deeptech Fund	6,000	1,200	4,800
StartUp Korea-KIF Kiwoom New Hero No.9 Fund	20,000	4,000	16,000
StartUp Korea Quantum Secondary Fund II	11,000	2,200	8,800
2025 IBKVC-DAISHIN Next Value-Up Fund	25,000	5,000	20,000
INNOPOLIS NEXT UNICORN DEEP FUND	20,000	2,000	18,000
JP-K Semiconductor 1st New Technology Business Investment Fund	1,500	1,500	-
Nautilus-KWC Semiconductor Fund	3,000	3,000	-
LUX-Mason Innovation Technology Fund #2	2,000	2,000	-
IBKC LEP Fund X	4,900	4,900	-
Axis Flow Automation Fund No.1	4,500	4,500	-
KT-IBKC Future Investment Fund 1	15,000	15,000	-
Impact Platform Fund	2,800	2,800	-
IBKC-EQP Innovative Technology Fund	25,000	19,234	5,766
IBKC-PCC 1st Fund	2,000	2,000	-
Rylson-IBKC 5G Investment Fund	5,000	5,000	-
IBKC-Harang Fund	5,000	5,000	-
IBKC-INTOPS New Deal and Material Parts Equipment Fund	7,000	7,000	-
IBKC-NICE NEW DEAL AND MATERIAL PARTS EQUIPMENT FUND	17,000	17,000	-
IBKC J& BIO INVESTMENT FUND	20,000	20,000	-
YUANTA QUANTUM JUMP NO.1 FUND	3,000	3,000	-
Klim IBKC Medical Fund	1,500	1,500	-
IBKC-INTOPS New deal and Material Parts Equipment Fund2	7,000	7,000	-
IBKC-DARWIN GreenEnergy Fund	10,000	10,000	-
TWI-IBKC Open Innovation Fund	8,000	8,000	-
IBKC timefolio mezzanine blind 1st fund	15,000	10,500	4,500
IBKC-DAILY Bio Healthcare Fund 1	6,100	6,100	-
IBKC-BLUECORNER New Deal and Material Parts Equipment Fund[2]	4,000	2,800	1,200
IBKC-WE Start-up Secondary Fund 1	12,200	12,200	-
IBKC-GB Advanced Material Bio Investment Partnership No.1	18,000	13,500	4,500
Medici-IBKC Secondary Fund 2	30,000	28,440	1,560
IBKC-DAILY Bio Healthcare Fund II	3,000	3,000	-
Smart Contents Fund	2,500	2,500	-
NH-JN-IBKC label New Technology fund	5,000	5,000	-
Next Platform Fund	3,000	3,000	-

(In millions of Korean won)	Committed contribution	Contribution amount	Contribution unexercised
IBKC-Behigh Fund 1st	4,000	4,000	-
IBKC-Emford New technology venture investment FUND No.1	1,300	1,300	-
FV Investment Fund 01	1,000	1,000	-
Primus Equity Partners, Inc.	2,000	2,000	-
IBKC-PEBBLES New Technology Investment Fund 1st	4,000	4,000	-
IBKC-IDV HIGH TECH FUND	20,000	9,000	11,000
IBKC-INTOPS Fund 3	7,000	5,600	1,400
IBKC-JS 1st Fund	3,400	3,400	-
NH-IBKC EV Fund	14,000	14,000	-
IBKC MIDAS Value Creation Fund	20,000	9,814	10,186
Mezzanine Growth Fund	10,000	8,250	1,750
Super Growth K-contents Fund	20,000	8,000	12,000
IBKC GlobalOne Atman Fund	5,000	5,000	-
IBKC-AH New Technology Business Investment Association No.5	6,000	6,000	-
iM AI Healthcare Venture Fund	1,000	1,000	-
IBKC Darwin Fund	6,000	6,000	-
Ascent IBKC New Tech 1st	3,000	3,000	-
JW-IBKC NO.1 Fund	1,670	1,670	-
LIGNEXONE-IBKC Defense Industry Innovation New Technology Business Investment Fund 1	25,000	12,688	12,312
Kyobo IBK Advanced Material Investment Fund	2,000	2,000	-
IBKC-Emford New technology venture investment FUND No.2	1,050	1,050	-
KIWOOM-K&T RISINGSTAR New Technology Investment Fund	2,000	2,000	-
EVENTUS-IBKC Secondary Cell Materials New Investment Business Investment Fund	18,000	18,000	-
JBWOORI-IBKC-T&K New Technology Business Investment Fund	8,700	8,700	-
Ascent IBKC New Tech 2nd	3,000	3,000	-
KIP-IBKC Innovative Growth Private Equity Fund	36,500	8,067	28,433
RCM Ocean Limited Partnership	3,965	3,965	-
IBKC-Medici Technology Innovation Investment Fund	50,000	16,500	33,500
2024 IBKC-Life Secondary Mezzanine New Technology Investment Fund	50,000	11,435	38,565
MAST-IBKC Mezzanine Private Equity Fund	30,000	30,000	-
IBKC-Solidus Smart-Bio Investment Fund No.2	30,000	1,500	28,500
Deep Technology IBKC-MIP Fund	10,000	2,000	8,000
SGI-IBKC Deep Tech Venture Fund	15,000	3,000	12,000

(In millions of Korean won)	Committed contribution	Contribution amount	Contribution unexercised
IBKC-JB-LIFE Mezzanine Fund No.1	20,000	10,000	10,000
Alpha Global 1st Private Equity Fund	10,000	10,000	-
IBKC Kyobo Mezzanine Investment Fund I	15,000	4,554	10,446
IBKC-Caspian T No.8 Fund	13,000	13,000	-
NH-IBKC Value Fund	3,000	3,000	-
IBKC-IBP Auto Investment Fund	5,000	5,000	-
IBKC-Pacific Pre-IPO Plus Fund	15,000	1,500	13,500
IBKC-CYRUS AI AGRI-FOOD VENTURE FUND	3,000	600	2,400
Pectus IBKC Fund No1	3,000	3,000	-
The IBKS Job Creation Dream Fund	3,200	3,200	-
Next Tech 1 New Technology Investment Fund	5,700	5,700	-
IBKC-Gaia MSP New Technology Investment Fund No.1	13,500	6,075	7,425
IBKS-Gaia Bio Fund No.1	2,000	2,000	-
Samsung Innovative Fund No.3	3,500	3,500	-
LB Private Equity Fund III-1	10,594	10,594	-
Daishin New TechnologyInvestment Fund No.19	6,000	6,000	-
Audastone Project Dragon Private Equity Fund	3,000	3,000	-
Timefolio-Heungkuk-AOA RGB Investment fund1	6,000	6,000	-
Heimdall Private Equity Fund II	5,000	5,000	-
AIM-KIS Robotics Investment Fund	4,000	4,000	-
K-Content Value-Up Investment Fund	2,000	2,000	-
Mirae Holdings-IBKVC Deep Tech Investment Fund No.1	7,000	4,200	2,800
WJ-IBKS global Fund No.1	15	15	-
IBKS FAST Contents Fund	112	112	-
IBKS-DS Hydrogen 1 Technology Venture Fund	1,000	1,000	-
IBKS Innovation MPE Fund No.1	1,500	1,500	-
UAMCO-IBKS New Technology Fund	1,500	1,500	-
IBKS Innovation MPE Fund No.2	800	800	-
IBKS Renewable Energy Fund	200	200	-
NH-IBKS KONEX SCALEUP FUND	8,000	3,600	4,400
IBKS Robot Solution Fund	300	300	-
JP-IBKS innovation MPE Fund I	19	19	-
JP-IBKS innovation MPE Fund II	100	100	-
IBKS Innovation MPE Fund III	200	200	-
IBKS Next Scale-Up New Technology Investment Association	1,250	1,250	-
IBKS-DS-STI G.E.S Fund	3,000	941	2,059

(In millions of Korean won)	Committed contribution	Contribution amount	Contribution unexercised
IBKS-SUSUNG Pre-IPO Mezzanine Investment Fund 1st	1,000	1,000	-
IBKS Design Fund	300	300	-
IBKS-YG Turn around Fund	1,000	1,000	-
IBKS Wish New Technology Investment Fund	100	100	-
IBKS Robot Tech Fund	200	200	-
IBKS Furi Technology Venture Fund	100	100	-
TKG-DS 1	1,000	1,000	-
IBKS-NEWGEN Kfood Fund	500	500	-
Axis-IBKVC Digital-Infra Fund	4,000	4,000	-
KDB Infra IP Capital Fund	50,000	47,895	2,105
Kiwoom DongBuk-A Infrastructure Investment Trust #1	98,570	98,570	-
Kiwoom DongBuk-A Infrastructure Investment Trust #2	98,257	98,257	-
Kiwoom DongBuk-A Infrastructure Investment Trust #3	50,000	49,986	14
Kiwoom DongBuk-A Infrastructure Investment Trust #4	41,632	41,632	-
KIAMCO Power Energy Private Special Asset Investment Trust 1	60,000	50,268	9,732
KIAMCO BTL Project Investment Private Special Asset Investment Trust 6	14,480	14,480	-
KIAMCO Road Investment Private Special Asset Investment Trust 2	134,070	134,070	-
Consus Nation Infra Private Special Asset Investment Trust 1	100,000	99,111	889
Consus Love Sharing Private Special Asset Investment Trust 2	30,000	29,686	314
MiraeAsset MAPS BTL Infra Private Placement Special Asset Trust 1	4,202	4,202	-
MiraeAsset MAPS Love BTL Private Placement Special Asset Trust 1	40,000	36,965	3,035
Kiwoom Eco Resource Infrastructure Professional and Private Type Investment Trust IV	7,800	7,528	272
KIAMCO K-Solar Special Asset Private Investment Trust 2	120,000	113,426	6,574
KIAMCO Naepo Green Energy Fund1	31,600	31,600	-
IGIS Structured Mezzanine Professional Investors Private Placement Real Estate Feeder Fund No.1	55,000	54,012	988
Kiwoom green energy private equity fund 1st	68,400	61,400	7,000
KIAMCO SOLAR-ONE PRIVATE EQUITY FUND 2ND	300,000	260,400	39,600
Mirae Asset Infra development private fund 1st	12,000	7,923	4,077
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 1[1]	1,200	1,200	-
2023 Manufacturing Research and Development Private Equity Investment Trust No.1	80,000	36,000	44,000

(In millions of Korean won)

	Committed contribution	Contribution amount	Contribution unexercised
2023 Manufacturing Research and Development Private Equity Investment Trust No.2	80,000	30,000	50,000
KCFF1	70,000	70,000	-
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 2	48,800	5,403	43,397
2023 Manufacturing Research and Development Private Equity Investment Trust No.3	90,000	900	89,100
Hangang Cinepolis Development Corporation	850	850	-
UlsanUijeongbuProject PFV	500	500	-
GojinyeoksekwonPFV Co., Ltd.	1,000	1,000	-
Busan Eco Delta Green DataCenter PFV Co., Ltd.	2,675	2,675	-
	4,191,647	3,023,164	1,168,483

9. Investments in Associates and Unconsolidated Structured Entities (cont'd)

December 31, 2024

(In millions of Korean won)	Committed contribution	Contribution amount	Contribution unexercised
Presto Private Equity Fund No. 7	8,000	8,000	-
EVERBEST LIVINGSTONE PRIVATE EQUITY FUND	2,000	2,000	-
Scale-up Platform Private Equity Fund	2,800	2,800	-
Eum Private Equity Fund No.7	10,000	10,000	-
Paratus Woori Materials, Parts, Equipment Private Equity Fund	13,000	13,000	-
UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund	60,000	55,621	4,379
Thor Private Equity Fund	15,000	15,000	-
Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business	3,000	3,000	-
Nautic No.11 Private Equity Fund	3,000	3,000	-
AIM-OPUS Healthcare Growth Capital Private Equity Fund	5,000	5,000	-
BNW ACE Private Equity Fund	6,000	6,000	-
UAMCO IBK PF Private Equity Fund I	70,000	26,441	43,559
Smart Private Equity Fund No.2	3,000	3,000	-
Centroid 1st China Private Equity Fund	2,000	2,000	-
Cactus Buyout Private Equity Fund II	10,000	10,000	-
Highland 2020 4, Private Equity Fund	2,500	2,500	-
SKIL ECO No.1 Green New Deal Private Equity Fund	15,000	8,983	6,017
Lake Bridge Private Equity Fund VIII	6,000	6,000	-
IBKS SME Accelerating Private Equity Fund	2,000	2,000	-
CCVC Culture-ICT Convergence Fund	2,000	2,000	-
IBK-Daesung Majestic Contents Small Giant Korea Fund	3,000	3,000	-
KTBN Media Contents Fund	3,500	3,500	-
EBEST CRESO CONTENTS Fund No.1	500	500	-
KAI-KSM Crowd Seeding Fund	2,500	2,500	-
Gaia Bio Investment Fund #1	4,000	4,000	-
IBKS-INTOPS Innovation Companies Design Investment Fund	6,500	6,500	-
InterValue No.3 Innovation Start-up Fund	4,000	4,000	-
Shinhan Consumer Fund 2	2,000	1,800	200
VS Cornerstone Fund	2,000	2,000	-
IBK-STIC Pioneer Fund	10,000	10,000	-
Global Gateway Fund III	5,000	5,000	-
IBK Changgong Jump up 1st Investment Fund	4,000	4,000	-

(In millions of Korean won)	Committed contribution	Contribution amount	Contribution unexercised
SWK-SHINHAN NEW TECHNOLOGY INVESTMENT FUND 1st	3,000	3,000	-
COMPANY K BIO FUND	8,000	8,000	-
Cornerstone Win-win I Fund	4,000	4,000	-
DAvalue-Kbridge New Pharmaceutical Fund No.02	3,000	3,000	-
Hanwha Uon Fund No.1	2,000	2,000	-
Smilegate Next Commerce 1st Venture Fund	4,000	4,000	-
InterVest Global Scale-up Fund	15,000	10,500	4,500
IBK - Synergy IB Business Reshuffle New Technology Fund	35,000	34,240	760
New Deal Extension New Technology Fund No.1	25,000	24,400	600
S&S-ONE-Dotconnect Fund 1	2,000	2,000	-
Smilegate Next Commerce 2nd Venture Fund	3,000	3,000	-
Smart IBK-Quantum Green New Industry Fund	10,000	10,000	-
IBK-KT Emerging Digital Industry Investment Fund	15,000	15,000	-
PCC-Bailey Project Fund	4,000	4,000	-
LSK Healthcare Fund IV	4,000	4,000	-
Shinhan-Kunicorn first Fund	6,000	6,000	-
VISION Materials, Parts and Equipment Venture Fund No.1	3,000	3,000	-
SUP 1st Venture Fund	2,000	2,000	-
Cornerstone Merkaba Fund 1	1,000	1,000	-
One Shinhan Global Fund 3	4,000	4,000	-
Synergy ESG 1st New Technology Investment Fund	3,000	3,000	-
Korea ASEAN Technology Fund 2	5,000	5,000	-
IP-LD Fund No.1	4,000	4,000	-
Hanwha Smart Healthcare Fund No.1	4,000	4,000	-
SKS-DA Unicorn Bio Fund No.1	3,000	3,000	-
One Shinhan Global Fund 4	3,000	3,000	-
IBK Changgong Jump up 2nd Investment Fund	6,000	4,800	1,200
Bokwang-Honest Energy Fund No. 1	2,000	2,000	-
Cornerstone Pentastone VIII Fund	1,500	1,500	-
One Shinhan Global Fund 5	2,000	2,000	-
Ulmus 2022 Secondary Fund	10,000	10,000	-
L&S Early Stage IV ICT MCE Venture Fund	10,000	7,500	2,500
Cornerstone Innovation IV Fund	1,500	1,500	-
IBK-SOLIDUS Next Bio Star Investment Fund	10,000	8,500	1,500
C&CI Investment Fund 1	5,800	4,350	1,450
Cornerstone Innovation VI Fund	2,000	2,000	-

(In millions of Korean won)	Committed contribution	Contribution amount	Contribution unexercised
IBK Financial Group-DS Green Finance Fund	67,000	27,098	39,902
KOSNET Semicon Two Venture Fund	2,000	2,000	-
DKI Growing Star Fund VII	10,000	10,000	-
Square New Paradigm Investment Fund No. 1	5,000	3,000	2,000
GU Materials Parts and Equipment Project Fund I	3,000	3,000	-
S Secondary Venture Fund NO.1	3,000	3,000	-
E&Venture Project No.1 Smartgreen Fund	1,500	1,500	-
Cornerstone New Main I Fund	2,500	2,500	-
SmartKorea UTC Untact Fund	10,000	5,000	5,000
IBK-Company K Innovation growth Fund	50,000	32,000	18,000
IBK Scale-up Gyeonggi-G-FUND	10,000	5,000	5,000
IBK-Stonebridge Rising Fund II	30,000	12,000	18,000
IBK IP Technology Commercialization Fund	6,000	6,000	-
SH Ulmus M.P.E. Innovative Venture Fund 7	3,000	3,000	-
POSITIVE AI Venture Fund #1	4,000	4,000	-
KB-BridgePole Venture Investment Fund #2	3,000	3,000	-
KAIC TO Ventures Fund IV	2,000	2,000	-
IBK-KOLON 2023 Super-Gap Fund	20,000	10,000	10,000
Caspian-T No.3 Fund	2,000	2,000	-
Newmain II Funds	4,000	4,000	-
Korea Investment-Newmain Growth Capital 1st Fund	3,000	3,000	-
Timefolio Tech Fund I	3,000	3,000	-
IBK Financial Group-Uamco SME Accelerating Fund	60000	14,387	45,613
KAI Valiant aesthetic Investment Fund I	4,000	4,000	-
PLUX Technology Innovation Investment Fund 1	1,500	1,500	-
Elohim Newmain I Fund	1,000	1,000	-
BYB-SKS Pre-IPO Fund NO.1	3,000	3,000	-
Cornerstone Blue Dragon I Fund	1,000	1,000	-
Cornerstone Alice II Fund	1,500	1,500	-
KB-VEP Contact Fund	2,000	2,000	-
Synergy IB innovation Fund	27,000	17,982	9,018
LINEA-NBH Fund II	3,000	3,000	-
PLUX Technology Innovation Investment Fund 2	2,000	2,000	-
COMPANY K BUYOUT 1	5,000	5,000	-
Harang-IP Vine Contents Fund	2,500	2,500	-
IBK-LB Startup Fund I	30,000	6,000	24,000
WE Scale-up Fund I	20,000	2,000	18,000

(In millions of Korean won)	Committed contribution	Contribution amount	Contribution unexercised
Horizon Venture Fund I	5,000	1,250	3,750
Moorim-Omega Fund II	3,000	3,000	-
GNTECH Project Fund II	2,000	2,000	-
NP Growth 11th Private Equity Fund	8,000	8,000	-
Korea Semiconductor Materials and Components No.1 Private Equity Fund	13,000	13,000	-
Honeypot HGI New Fund	2,000	2,000	-
Widwin investment fund 73	1,500	1,500	-
IBK-YG K-culture Fund	5,000	1,500	3,500
Start-up Korea IBK- Schmidt Fund	6,000	1,500	4,500
Start-up Korea IBKVC-FP2024 Fund	29,000	8,700	20,300
Start-up Korea IBKVC-KOLON 2024 Fund	30,000	9,000	21,000
Allies-HSBI Material Component Equipment New Technology Fund	2,000	2,000	-
NICE DATA INTELLIGENCE VENTURE FUND	2,800	2,800	-
Lodestone 4th Startup Venture Specialized Private Equity Fund	4,000	4,000	-
JW&Kiyvre Fund 1	5,000	5,000	-
JKL-POI Private Equity Fund	5,000	5,000	-
LB Next Innovation Fund 1	3,000	3,000	-
Startup Korea IBK-STIC Tech Champion Fund	50,000	5,000	45,000
Startup Korea IBK-DTNI Fund	10,000	2,000	8,000
Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	10,000	2,000	8,000
Startup Korea Pathfinder-IBK Super Gap Fund	6,000	900	5,100
Lucky Invites FUND-1	2,000	2,000	-
Korea Investment Dong-Yu Blue Horizon Fund	2,000	2,000	-
BNK safety Investment Fund NO.2	3,000	3,000	-
D2U 12TH Fund	3,000	3,000	-
HellosThelaFund1	2,000	2,000	-
2024 Tethys Venture Fund	5,000	5,000	-
AICBM Venture Fund No.3	3,000	3,000	-
2024DeepDive Investment Fund	3,000	3,000	-
KAIC TO Ventures Fund VII	2,806	2,806	-
KT-IBKC Future Investment Fund 1	15,000	15,000	-
Impact Platform Fund	2,800	2,800	-
D&D Pharmatech Intervest IBKC Fund	5,000	5,000	-
IBKC-EQP Innovative Technology Fund	25,000	19,234	5,766
IBKC-PCC 1st Fund	2,000	2,000	-
Rylson-IBKC 5G Investment Fund	5,000	5,000	-

(In millions of Korean won)	Committed contribution	Contribution amount	Contribution unexercised
IBKC-Harang Fund	5,000	5,000	-
IBKC-INTOPS New Deal and Material Parts Equipment Fund	7,000	7,000	-
IBKC-NICE NEW DEAL AND MATERIAL PARTS EQUIPMENT FUND	17,000	13,600	3,400
IBKC J& BIO INVESTMENT FUND	20,000	20,000	-
YUANTA QUANTUM JUMP NO.1 FUND	3,000	3,000	-
Klim IBKC Medical Fund	1,500	1,500	-
IBKC-AJU IB Idiscovery Fund 1	3,000	3,000	-
IBKC-INTOPS New deal and Material Parts Equipment Fund2	7,000	7,000	-
Solution CapitalInvestment Fund IV	900	900	-
IBKC-DARWIN GreenEnergy Fund	10,000	10,000	-
TWI-IBKC Open Innovation Fund	8,000	8,000	-
IBKC timefolio mezzanine blind 1st fund	15,000	10,500	4,500
IBKC-DAILY Bio Healthcare Fund 1	6,100	6,100	-
IBKC-WELCOME New Deal and Material Parts Equipment Fund[2]	4,000	2,800	1,200
IBKC-WE Start-up Secondary Fund 1	12,200	12,200	-
IBKC-GB Advanced Material Bio Investment Partnership No.1	18,000	8,100	9,900
Synergy Turnaround 16th New Technology Business Investment Fund	1,200	1,200	-
K& Secondary No5 Fund	900	900	-
Medici-IBKC Secondary Fund 2	30,000	28,440	1,560
IBKC-DAILY Bio Healthcare Fund II	3,000	3,000	-
Smart Contents Fund	2,500	2,500	-
DS IBKC Foodtech Investment Fund 1	2,000	2,000	-
NH-JN-IBKC label New Technology fund	5,000	5,000	-
Next Platform Fund	3,000	3,000	-
IBKC-Behigh Fund 1st	4,000	4,000	-
IBKC-Emford New technology venture investment FUND No.1	1,300	1,300	-
FV Investment Fund 01	1,000	1,000	-
Primus Equity Partners, Inc.	2,000	2,000	-
IBKC-PEBBLES New Technology Investment Fund 1st	4,000	4,000	-
IBKC-IDV HIGH TECH FUND	20,000	7,000	13,000
IBKC-INTOPS Fund 3	7,000	5,600	1,400
IBKC-JS 1st Fund	3,400	3,400	-
DB Synergy Value-up New Technology investment Fund No.1	4,000	4,000	-
NH-IBKC EV Fund	13,000	13,000	-

(In millions of Korean won)	Committed contribution	Contribution amount	Contribution unexercised
IBKC MIDAS Value Creation Fund	20,000	6,710	13,290
Mezzanine Growth Fund	10,000	8,000	2,000
Super Growth K-contents Fund	20,000	4,000	16,000
IBKC GlobalOne Atman Fund	5,000	5,000	-
Positive-IBKC Fund No.1	2,100	2,100	-
IBKC-AH New Technology Business Investment Association No.5	6,000	6,000	-
iM AI Healthcare Venture Fund	1,000	1,000	-
IBKC Darwin Fund	6,000	6,000	-
Ascent IBKC New Tech 1st	3,000	3,000	-
Positive IBKC Tech Fund No.1	1,000	1,000	-
JW-IBKC NO.1 Fund	1,670	1,670	-
LIGNEXONE-IBKC Defense Industry Innovation New Technology Business Investment Fund 1	25,000	3,813	21,187
Kyobo IBK Advanced Material Investment Fund	2,000	2,000	-
IBKC-Emford New technology venture investment FUND No.2	1,050	1,050	-
KIWOOM-K&T RISINGSTAR New Technology Investment Fund	2,000	2,000	-
EVENTUS-IBKC Secondary Cell Materials New Investment Business Investment Fund	18,000	18,000	-
Petrico-IBKC First New Technology Business Investment Fund	1,000	1,000	-
JBWOORI-IBKC-T&K New Technology Business Investment Fund	8,700	8,700	-
Ascent IBKC New Tech 2nd	3,000	3,000	-
KIP-IBKC Innovative Growth Private Equity Fund	36,500	4,928	31,572
RCM Ocean Limited Partnership	3,965	3,965	-
Pectus IBKC Fund No1	3,000	3,000	-
The IBKS Job Creation Dream Fund	2,500	2,500	-
Next Tech 1 New Technology Investment Fund	5,700	5,700	-
WJ-IBKS global Fund No.1	15	15	-
IBKS FAST Contents Fund	112	112	-
IBKS-DS Hydrogen 1 Technology Venture Fund	1,000	1,000	-
IBKS Innovation MPE Fund No.1	1,500	1,500	-
UAMCO-IBKS New Technology Fund	1,500	1,500	-
IBKS Innovation MPE Fund No.2	800	800	-
IBKS Renewable Energy Fund	200	200	-
NH-IBKS KONEX SCALEUP FUND	8,000	3,600	4,400
IBKS Robot Solution Fund	300	300	-
JP-IBKS innovation MPE Fund I	19	19	-
JP-IBKS innovation MPE Fund II	100	100	-

(In millions of Korean won)	Committed contribution	Contribution amount	Contribution unexercised
IBKS Innovation MPE Fund III	200	200	-
IBKS Next Scale-Up New Technology Investment Association	1,250	1,250	-
IBKS-DS-STI G.E.S Fund	3,000	397	2,603
IBKS-SUSUNG Pre-IPO Mezzanine Investment Fund 1st	1,000	1,000	-
IBKS Design Fund	300	300	-
IBKS-YG Turn around Fund	1,000	1,000	-
KDB Infra IP Capital Fund	50,000	47,895	2,105
Kiwoom DongBuk-A Infrastructure Investment Trust #1	98,570	98,570	-
Kiwoom DongBuk-A Infrastructure Investment Trust #2	98,257	98,257	-
Kiwoom DongBuk-A Infrastructure Investment Trust #3	50,000	49,986	14
Kiwoom DongBuk-A Infrastructure Investment Trust #4	41,632	41,632	-
KIAMCO Power Energy Private Special Asset Investment Trust 1	60,000	50,268	9,732
KIAMCO BTL Project Investment Private Special Asset Investment Trust 6	14,480	14,480	-
KIAMCO Road Investment Private Special Asset Investment Trust 2	134,070	134,070	-
Consus Nation Infra Private Special Asset Investment Trust 1	100,000	99,111	889
Consus Love Sharing Private Special Asset Investment Trust 2	30,000	29,686	314
MiraeAsset MAPS BTL Infra Private Placement Special Asset Trust 1	4,202	4,202	-
MiraeAsset MAPS Love BTL Private Placement Special Asset Trust 1	40,000	36,965	3,035
Kiwoom Eco Resource Infrastructure Professional and Private Type Investment Trust IV	7,800	7,528	272
KIAMCO K-Solar Special Asset Private Investment Trust 2	120,000	113,426	6,574
KIAMCO Naepo Green Energy Fund1	31,600	31,600	-
Hangang Haenanum Energy Fund No.1	31,995	18,187	13,808
IGIS Structured Mezzanine Professional Investors Private Placement Real Estate Feeder Fund No.1	55,000	50,902	4,098
Kiwoom green energy private equity fund 1st	68,400	61,400	7,000
KIAMCO SOLAR-ONE PRIVATE EQUITY FUND 2ND	300,000	239,700	60,300
Mirae Asset Infra development private fund 1st	12,000	3,390	8,610
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 1[1]	1,200	1,200	-
2023 Manufacturing Research and Development Private Equity Investment Trust No.1	80,000	24,000	56,000
2023 Manufacturing Research and Development Private Equity Investment Trust No.2	80,000	8,000	72,000

(In millions of Korean won)	Committed contribution	Contribution amount	Contribution unexercised
KCFF1	70,000	26,870	43,130
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 2	48,800	1,400	47,400
Hangang Cinepolis Development Corporation	850	850	-
UlsanUijeongbuProject PFV	500	500	-
Busan Eco Delta Green DataCenter PFV Co., Ltd.	2,340	2,340	-
	3,288,683	2,441,276	847,407

[1] During the prior period, the name of the associate was changed from 'KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust' to 'KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust Type 1'.
[2] During the current year, the name of the associate was changed from 'IBKC-Welcome New Deal Materials, Parts and Equipment New Technology Business Investment Association' to 'IBKC-Blue Corner New Deal Materials, Parts and Equipment New Technology Business Investment Association'.

9. Investments in Associates and Unconsolidated Structured Entities (cont'd)

Information on non-controlling interest

The profit or loss for the period and equity of subsidiaries with non-controlling interests that are material to the consolidated entity, and the profit or loss for the period and accumulated non-controlling interests allocated to non-controlling interests for the current and prior years, are as follows :

December 31, 2025
(In millions of Korean won)

	Non-controlling interest(%)	Beginning accumulated non-controlling interest	Net income allocated to non-controlling interest	Dividends allocated to non-controlling interest	Others	Ending accumulated non-controlling interest
Acquisition cost						
IBK Securities Co., Ltd.[1]	12.22	235,834	13,025	(8,143)	119,270	359,986
IBK System Co., Ltd. [2]	44.37	1,891	(1,194)	(69)	47	675
PT BANK IBK INDONESIA TBK	8.51	46,647	(4,066)	-	(1,953)	40,628
		284,372	7,765	(8,212)	117,364	401,289

[1] Hybrid capital securities of ₩119,973 million issued by IBK Securities Co., Ltd. were recognized as non-controlling interests, and ₩6,678 million of dividends on such hybrid capital securities were allocated to net income attributable to non-controlling interests.
[2] The effective percentage of non-controlling interest is 21.15%, reflecting treasury shares held

December 31, 2024
(In millions of Korean won)

	Non-controlling interest(%)	Beginning accumulated non-controlling interest	Net income allocated to non-controlling interest	Dividends allocated to non-controlling interest	Others	Ending accumulated non-controlling interest
Acquisition cost						
IBK Securities Co., Ltd.[1]	12.22	131,277	8,307	(3,707)	99,957	235,834
IBK System Co., Ltd. [2]	44.37	2,171	254	(69)	(465)	1,891
PT BANK IBK INDONESIA TBK	8.51	26,728	1,253	-	18,666	46,647
		160,176	9,814	(3,776)	118,158	284,372

[1] As of December 31, 2024, hybrid capital securities amounting to ₩99,977 million issued by IBK Securities Co., Ltd. were recognized as non-controlling interests. ₩2,705 million dividends on hybrid capital securities issued by IBK Securities Co., Ltd. were allocated to net income attributable to non-controlling interest.
[2] The effective percentage of non-controlling interest is 21.15%, reflecting treasury shares held

The summarized financial information of significant subsidiaries with material non-controlling interest, before elimination of intercompany transactions, is described in Note 2.1.2 Summary of Subsidiaries.
Transactions with non-controlling interest have no impact on equity attributable to owners of the parent.

10. Unconsolidated Structured Entities

(a) Summary of unconsolidated structured entities

The purpose and nature, financing methods, and total assets of the unconsolidated structured entities that the Group has no significant influence as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	Purpose and nature	Financing methods	Total assets[1]	
			December 31, 2025	December 31, 2024
Beneficiary securities and others	Investments and distributions	Equity stakes	127,126,259	114,037,752
SPCs	Asset securitization, real estate development and others	ABL, ABCP and Borrowing	228,355,873	187,651,145
			355,482,132	301,688,897

[1] ₩178,247,258 million (December 31, 2024: ₩173,131,690 million) of total assets are based on unaudited financial statements.

(b) Investments and maximum exposures

Details of the Group's shares of unconsolidated structured entities and related risk as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)

	Assets		
	Securities	Loan	Total
Beneficiary securities and others	11,592,935	-	11,592,935
SPCs	77,996	10,155,628	10,233,624
	11,670,931	10,155,628	21,826,559

(In millions of Korean won)

	Liabilities			Maximum exposures[1]
	Provisions	Others	Total	
Beneficiary securities and others	-	-	-	13,347,547
SPCs	2,624	189	2,813	18,648,181
	2,624	189	2,813	31,995,728

10. Unconsolidated Structured Entities (cont'd)

December 31, 2024
(In millions of Korean won)

	Assets		
	Securities	**Loan**	**Total**
Beneficiary securities and others	9,833,133	-	9,833,133
SPCs	140,055	10,450,873	10,590,928
	9,973,188	10,450,873	20,424,061

(In millions of Korean won)

	Liabilities			Maximum exposures[1]
	Provisions	**Others**	**Total**	
Beneficiary securities and others	-	-	-	11,464,336
SPCs	12,936	164	13,100	20,035,191
	12,936	164	13,100	31,499,527

[1] Maximum exposure includes the amount probable to be finalized when certain conditions are met in the future through commitments including investment assets, purchase commitments, providing lines of credit and others recognized in the financial statements.

11. Investment Properties

Changes in investment properties for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	December 31, 2025		
	Land	**Buildings**	**Total**
Acquisition cost			
January 1, 2025	53,037	55,898	108,935
Acquisitions	-	557	557
Transfers	(590)	1,383	793
December 31, 2025	52,447	57,838	110,285
Accumulated depreciation and impairment loss			
January 1, 2025	-	22,977	22,977
Depreciation	-	1,106	1,106
Impairment loss (reversal)	-	528	528
Transfers	-	716	716
December 31, 2025	-	25,327	25,327
Net book amount			
January 1, 2025	53,037	32,921	85,958
December 31, 2025	52,447	32,511	84,958

11. Investment Properties (cont'd)

(In millions of Korean won)	December 31, 2024		
	Land	**Buildings**	**Total**
Acquisition cost			
January 1, 2024	51,555	52,772	104,327
Acquisitions	-	2,243	2,243
Transfers	1,482	883	2,365
December 31, 2024	53,037	55,898	108,935
Accumulated depreciation and Impairment loss			
January 1, 2024	-	21,328	21,328
Depreciation	-	1,080	1,080
Transfers	-	569	569
December 31, 2024	-	22,977	22,977
Net book amount			
January 1, 2024	51,555	31,444	82,999
December 31, 2024	53,037	32,921	85,958

Methodology and inputs used to valuate investment properties as of December 31, 2025, are as follows:

(In millions of Korean won)

Type	**Fair value**	**Valuation method**	**Inputs**
Land and Buildings	164,588	Market approach, Cost method	Officially assessed price, price change trends, transaction history

The fair value of investment properties as of December 31, 2025 and 2024, is ₩164,588 million and ₩153,590 million, respectively, and the fair value was determined by a certified independent valuation company. As for the land, it is valuated using an officially assessed price for a comparable property as well as considering the price trend analysis and other objective factors. Buildings are assessed using the cost method along with considering other relevant factors such as infrastructure, raw materials, and progress of the construction and others.

Rental income for investment property for the years ended December 31, 2025 and 2024, are ₩1,936 million and ₩2,037 million, respectively.

12. Property and Equipment

Changes in property and equipment for the years ended December 31, 2025 and 2024 are as follows:

December 31, 2025

(In millions of Korean won)	Land	Buildings	Leasehold Improvements	Equipment and vehicles	Right-of-use assets	Others	Total
Acquisition cost							
January 1, 2025	926,569	1,588,992	227,946	824,100	367,333	4,917	3,939,857
Acquisitions	-	30,944	34,407	114,276	134,319	5,965	319,911
Disposals	(71)	(1,452)	(18,850)	(29,649)	(147,649)	(110)	(197,781)
Transfers	590	1,913	458	1,918	-	(5,672)	(793)
Foreign exchange translation	(85)	(73)	(917)	(1,379)	(2,161)	(6)	(4,621)
December 31, 2025	927,003	1,620,324	243,044	909,266	351,842	5,094	4,056,573
Accumulated depreciation and impairment loss							
January 1, 2025	3,330	490,186	171,489	603,487	191,438	-	1,459,930
Depreciation	-	33,178	25,688	127,669	129,368	-	315,903
Impairment loss (reversal)	-	2,880	-	-	-	-	2,880
Disposals	-	(322)	(19,113)	(26,284)	(133,782)	-	(179,501)
Government grants received	-	-	-	124	-	-	124
Transfers	-	(716)	-	-	-	-	(716)
Foreign exchange translation	-	(87)	(3,608)	(1,498)	(37)	-	(5,230)
December 31, 2025	3,330	525,119	174,456	703,498	186,987	-	1,593,390
Net book amount							
January 1, 2025	923,239	1,098,806	56,457	220,613	175,895	4,917	2,479,927
December 31, 2025	923,673	1,095,205	68,588	205,768	164,855	5,094	2,463,183

12. Property and Equipment (cont'd)

December 31, 2024

(In millions of Korean won)	Land	Buildings	Leasehold Improvements	Equipment and vehicles	Right-of-use assets	Others	Total
Acquisition cost							
January 1, 2024	928,663	1,343,186	238,357	668,541	336,468	140,239	3,655,454
Acquisitions	-	29,553	29,149	124,299	167,914	137,802	488,717
Disposals	(768)	-	(44,930)	(26,506)	(143,909)	-	(216,113)
Transfers	(1,482)	216,095	2,581	53,782	-	(273,341)	(2,365)
Foreign exchange translation	156	158	2,789	3,984	6,860	217	14,164
December 31, 2024	926,569	1,588,992	227,946	824,100	367,333	4,917	3,939,857
Accumulated depreciation and impairment loss							
January 1, 2024	3,330	460,944	190,741	560,479	191,806	-	1,407,300
Depreciation	-	28,709	22,395	62,557	123,019	-	236,680
Impairment loss (reversal)	-	1,006	-	-	-	-	1,006
Disposals	-	-	(44,307)	(22,352)	(130,107)	-	(196,766)
Transfers	-	(569)	-	-	-	-	(569)
Foreign exchange translation	-	96	2,660	2,803	6,720	-	12,279
December 31, 2024	3,330	490,186	171,489	603,487	191,438	-	1,459,930
Net book amount							
January 1, 2024	925,333	882,242	47,616	108,062	144,662	140,239	2,248,154
December 31, 2024	923,239	1,098,806	56,457	220,613	175,895	4,917	2,479,927

13. Intangible Assets

Changes in intangible assets for the years ended December 31, 2025 and 2024 are as follows:

December 31, 2025

(In millions of Korean won)	Development costs	Software	Intangible assets under development	Memberships	Others	Total
Acquisition cost						
January 1, 2025	246,227	397,530	32,252	51,709	253,287	981,005
Acquisitions	10,155	70,187	105,001	9,049	12,197	206,589
Disposals	(595)	(6,235)	-	(1,654)	(67,292)	(75,776)
Transfers	94,739	413	(95,152)	-	-	-
Foreign exchange translation	-	(74)	-	(21)	-	(95)
December 31, 2025	350,526	461,821	42,101	59,083	198,192	1,111,723
Accumulated amortization and impairment losses						
January 1, 2025	151,272	318,786	929	2,058	159,785	632,830
Amortization	39,294	33,435	-	-	18,774	91,503
Impairment losses (Reversal)	-	-	-	412	56,057	56,469
Disposals	(595)	(855)	-	(322)	(66,805)	(68,577)
Foreign exchange translation	-	(109)	-	3	-	(106)
December 31, 2025	189,971	351,257	929	2,151	167,811	712,119
Net book amount						
January 1, 2025	94,955	78,744	31,323	49,651	93,502	348,175
December 31, 2025	160,555	110,564	41,172	56,932	30,381	399,604

13. Intangible Assets (cont'd)

December 31, 2024

(In millions of Korean won)	Development costs	Software	Intangible assets under development	Memberships	Others	Total
Acquisition cost						
January 1, 2024	200,523	359,878	8,469	47,182	237,340	853,392
Acquisitions	4,146	37,072	66,430	6,739	15,935	130,322
Disposals	(927)	(3,941)	-	(2,355)	(3)	(7,226)
Transfers	42,485	104	(42,589)	-	-	-
Foreign exchange translation	-	4,417	(58)	143	15	4,517
December 31, 2024	246,227	397,530	32,252	51,709	253,287	981,005
Accumulated amortization and impairment losses						
January 1, 2024	119,259	291,652	929	2,021	143,347	557,208
Amortization	32,457	28,533	-	-	16,394	77,384
Impairment losses (Reversal)	-	-	-	25	49	74
Disposals	(444)	(3,735)	-	-	-	(4,179)
Foreign exchange translation	-	2,336	-	12	(5)	2,343
December 31, 2024	151,272	318,786	929	2,058	159,785	632,830
Net book amount						
January 1, 2024	81,264	68,226	7,540	45,161	93,993	296,184
December 31, 2024	94,955	78,744	31,323	49,651	93,502	348,175

14. Income Tax Expense

Details of income tax expense for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	2025	2024
Current tax expense	959,279	818,248
Tax refunds in relation to the current tax of prior period	(32,082)	(25,930)
Changes in deferred tax assets and liabilities		
Adjusting beginning deferred tax expenses	1,094	1,479
Deferred tax expense due to temporary differences	202,502	175,976
Tax expense recognized directly in equity		
Gain on valuation of financial assets at fair value through other comprehensive income	(41,550)	(133,403)
Other components	(143,515)	76,795
Tax expense	945,728	913,165

The relationship between profit before income tax and tax expense for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	2025	2024
Profit before income tax	3,664,596	3,567,503
Tax rate[1]		
Tax expense calculated by applicable tax rate	957,091	931,459
Adjustments		
Unrecognized temporary differences and other	20,719	7,636
Refunds	(32,082)	(25,930)
Tax expense	945,728	913,165
Effective tax rate	25.81%	25.60%

[1] For the year ended December 31, 2025, 26.4% for over 300,000 million; 23.1% for over 20,000 million but 300,000 million or less; 20.9% for over 200 million but 20,000 million or less; and 9.9% for 200 million or less.

14. Income Tax Expense (cont'd)

Temporary differences and changes in deferred tax assets and liabilities for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

	Beginning balance	Adjustments[1]	Beginning after adjustments	Increase (Decrease)	Ending balance
Financial assets at fair value through profit and loss	(403,990)	(150)	(404,140)	(99,008)	(503,148)
Financial assets at fair value through other comprehensive income	(740,786)	(3,406)	(744,192)	(40,727)	(784,919)
Provision for impairment	4,718	-	4,718	42	4,760
Investments in subsidiaries and associates	(164,098)	-	(164,098)	56,101	(107,997)
Derivatives	280,543	(37)	280,506	(87,814)	192,692
Property and equipment, investment property	(138,090)	4,302	(133,788)	982	(132,806)
Prepaid expenses	(678,340)	-	(678,340)	(44,916)	(723,256)
Accrued income	(516,711)	-	(516,711)	(14,046)	(530,757)
Provisions	927,627	-	927,627	(53,395)	874,232
Post-employment benefit obligations	44,437	(325)	44,112	(236,350)	(192,238)
Unearned revenue	29,485	-	29,485	1,933	31,418
Accrued expenses	52,039	-	52,039	(1,742)	50,297
Other financial liabilities	19,701	-	19,701	(8,056)	11,645
Others	4,241	(4,525)	(284)	(87,743)	(88,027)
	(1,279,224)	(4,141)	(1,283,365)	(614,739)	(1,898,104)
Average tax rate	26.40%				27.50%
Total deferred tax assets (liabilities) effect	(337,715)				(521,979)
Temporary differences not recognized as deferred tax assets	16,317				35,649
	(354,032)				(557,628)
Deferred tax assets	101,658				61,514
Deferred tax liabilities	(455,690)				(619,142)

[1] Additional adjustment made on the final tax return are included.

14. Income Tax Expense (cont'd)

December 31, 2024

	Beginning balance	Adjustments[1]	Beginning after adjustments	Increase (Decrease)	Ending balance
Financial assets at fair value through profit and loss	(233,609)	(3,529)	(237,138)	(166,852)	(403,990)
Financial assets at fair value through other comprehensive income	(213,524)	(19,630)	(233,154)	(507,632)	(740,786)
Provision for impairment	(3,899)	-	(3,899)	8,617	4,718
Investments in subsidiaries and associates	(191,499)	-	(191,499)	27,401	(164,098)
Derivatives	162,454	-	162,454	118,089	280,543
Property and equipment, investment property	(136,666)	-	(136,666)	(1,424)	(138,090)
Prepaid expenses	(591,961)	-	(591,961)	(86,379)	(678,340)
Accrued income	(593,966)	2,288	(591,678)	74,967	(516,711)
Provisions	1,048,048	1	1,048,049	(120,422)	927,627
Post-employment benefit obligations	(102,131)	2,149	(99,982)	144,419	44,437
Unearned revenue	27,428	-	27,428	2,057	29,485
Accrued expenses	45,235	787	46,022	6,017	52,039
Other financial liabilities	73,079	-	73,079	(53,378)	19,701
Others	94,376	12,331	106,707	(102,466)	4,241
	(616,635)	(5,603)	(622,238)	(656,986)	(1,279,224)
Average tax rate	26.40%				26.40%
Total deferred tax assets (liabilities) effect	(162,792)				(337,715)
Temporary differences not recognized as deferred tax assets	13,785				16,317
	(176,577)				(354,032)
Deferred tax assets	112,215				101,658
Deferred tax liabilities	(288,792)				(455,690)

[1] Additional adjustment made on the final tax return are included.

As of December 31, 2025 and 2024, total amounts of temporary differences related to investments in subsidiaries and associates where deferred tax assets were not recognized are ₩130,863 million and ₩62,937 million, respectively.

The bank has assessed the impact of the Pillar Two Model Rules and, as of the end of the current period, there is no current tax expense related to Pillar Two corporate income tax.

15. Other Assets

Details of other assets as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Other financial assets		
Unsettled accounts receivable	5,043,571	1,389,597
Other receivables	390,503	329,796
Unsettled spot exchange receivables	3,304,842	5,709,844
Leasehold deposits provided	693,352	719,612
Accrued income	1,553,387	1,730,485
Suspense credit receivable	11,824	32,187
Less : Present value discounts	(20,201)	(23,520)
Less : Provision for impairment of other financial instruments	(25,360)	(50,444)
Others	1,395	1,533
	10,953,313	9,839,090
Other assets		
Prepaid expenses	359,452	303,320
Petty cash	88,859	88,009
Stationery	3,489	3,417
Prepayments	94,627	64,771
Other	58,876	59,484
	605,303	519,001
	11,558,616	10,358,091

15. Other Assets (cont'd)

Changes in provision for impairment of other assets for the years ended December 31, 2025 and 2024 are as follows:

December 31, 2025

(In millions of Korean won)	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	3,604	9,114	37,726	50,444
Changes due to significant increase or decrease in credit risk				
Transfer to 12-month expected credit losses	722	(695)	(27)	-
Transfer to lifetime expected credit losses with unrecognized impairment	(590)	685	(95)	-
Transfer to lifetime expected credit losses with recognized impairment	(43)	(1,163)	1,206	-
	89	(1,173)	1,084	-
Impairment loss (reversal)	(716)	(1,836)	(22,459)	(25,011)
Disposal	-	-	(99)	(99)
Collection of previously written-off loans	-	-	17	17
Write-off	-	-	(60)	(60)
Unwinding effect	-	-	(17)	(17)
Foreign exchange translation	(8)	1	93	86
Ending	2,969	6,106	16,285	25,360

December 31, 2024

(In millions of Korean won)	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	4,345	13,015	33,845	51,205
Changes due to significant increase or decrease in credit risk				
Transfer to 12-month expected credit losses	1,606	(1,026)	(580)	-
Transfer to lifetime expected credit losses with unrecognized impairment	(506)	733	(227)	-
Transfer to lifetime expected credit losses with recognized impairment	(222)	(1,915)	2,137	-
	878	(2,208)	1,330	-
Impairment loss (reversal)	(1,638)	(1,701)	2,619	(720)
Disposal	-	-	(167)	(167)
Collection of previously written-off loans	-	-	(2)	(2)
Write-off	-	-	(102)	(102)
Unwinding effect	-	-	(20)	(20)
Foreign exchange translation	19	8	223	250
Ending	3,604	9,114	37,726	50,444

15. Other Assets (cont'd)

The changes in emission rights held for the purpose of short-swing profit for the years ended December 31, 2025 and 2024 are as follows:

(Ton, In millions of Korean won)	December 31, 2025		December 31, 2024	
	Quantity	Carrying amount	Quantity	Carrying amount
Beginning balance	316,630	3,005	257,180	2,320
Purchase	2,904,991	27,211	6,090,057	56,488
Disposal	2,735,661	25,683	6,030,607	55,797
Valuation	-	521	-	(6)
Ending balance	485,960	5,054	316,630	3,005

16. Deposits received

Details of deposits received as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Demand deposit		
Demand deposits in Korean won	57,140,319	56,212,814
Demand deposits in foreign currencies	10,815,268	9,243,858
	67,955,587	65,456,672
Time Deposits Liabilities		
Time & savings deposits in Korean won	79,856,715	75,956,120
Time & savings deposits in foreign currencies	15,060,505	12,466,635
	94,917,220	88,422,755
Negotiable certificates of deposit	3,102,053	1,806,203
Others	2,188,118	2,570,107
	168,162,978	158,255,737

17. Borrowings

Details of borrowings as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)

	Lender	Interest rate (%)	Amount
Borrowings in Korean won			
Borrowings in Korean won from Bank of Korea	Bank of Korea	1.00	6,841,233
Borrowings in Korean won from funds	Korea Development Bank and others	0.00 ~ 4.44	19,891,662
Borrowings in Korean won from the government	Hana Bank and others	0.00 ~ 3.60	1,464,393
Borrowings in Korean won from deposit banks	KB Bank and others	2.72 ~ 6.00	276,012
Other borrowings in Korean won	Samsung Electronics Co., Ltd. and others	0.00 ~ 4.48	5,275,316
			33,748,616
Borrowings in foreign currencies			
Overdraft due to banks in foreign currencies	Hana Bank and others	-	11,077
Borrowings from bank in foreign currencies	Industrial and Commercial Bank of China and others	0.85 ~ 5.23	3,035,809
Other borrowings in foreign currencies	BANK OF NEW YORK MELLON, LONDON and others	2.05 ~ 5.56	1,582,693
			4,629,579
Bills sold	Counter sale	2.00 ~ 2.82	164,774
Call money			
Call money in Korean won	Credit Suisse Securities(Europe) Ltd and others	2.70 ~ 2.90	100,000
Call money in foreign currencies	The State-owned Commercial Banks in Vietnam and others	3.55 ~10.50	1,256,192
			1,356,192
Bonds sold under repurchase agreements	Repurchase agreements sold to customers and others	0.45 ~ 3.45	10,484,515
Deferred debt origination costs	Associated with borrowings from bank in foreign currencies	-	(3,234)
			50,380,442

17. Borrowings (cont'd)

December 31, 2024

(In millions of Korean won)

	Lender	Interest rate (%)	Amount
Borrowings in Korean won			
Borrowings in Korean won from Bank of Korea	Bank of Korea	1.50	6,661,367
Borrowings in Korean won from funds	SME Start-up and Promotion Fund and others	0.00 ~ 4.00	19,525,693
Borrowings in Korean won from the government	NH Bank and others	0.00 ~ 5.30	1,555,327
Borrowings in Korean won from deposit banks	KB Bank and others	4.16 ~ 5.00	246,012
Other borrowings in Korean won	Samsung Electronics Co., Ltd. and others	0.00 ~ 4.97	5,438,417
			33,426,816
Borrowings in foreign currencies			
Overdraft due to banks in foreign currencies	Bank Of America, SF and others	-	18,776
Borrowings from bank in foreign currencies	KB Bank and others	0.30 ~ 5.58	3,335,649
Other borrowings in foreign currencies	Bank Of New York Mellon, London and others	2.91 ~ 5.64	1,320,610
			4,675,035
Bills sold	Counter sale	2.50 ~ 3.59	171,878
Call money			
Call money in Korean won	Industrial and Commercial Bank of China	3.41~ 3.70	230,000
Call money in foreign currencies	Hana Bank and others	0.90 ~ 5.30	1,026,045
			1,256,045
Bonds sold under repurchase agreements	Repurchase agreements sold to customers and others	0.45 ~ 4.00	5,252,638
Deferred debt origination costs	Associated with borrowings from bank in foreign currencies	-	(5,276)
			44,777,136

18. Debentures

Details of debentures as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Debentures in Korean won	197,048,940	187,638,140
Debentures in foreign currencies	5,539,217	4,889,056
Other debentures	1,367,178	1,404,392
Less : Discount on debentures	(565,209)	(780,835)
	203,390,126	193,150,753

Details of debentures in Korean won and foreign currencies as of December 31, 2025 and 2024, are as follows:

Debentures in Korean won

(In millions of Korean won)	Interest rate (%)	December 31, 2025	Interest rate (%)	December 31, 2024
Bonds issued				
KRW-denominated bonds issued	1.00 ~ 7.15	192,755,717	1.00 ~ 7.18	183,217,874
Subordinated KRW-denominated bonds	1.70 ~ 7.40	4,410,010	1.70 ~ 7.40	4,510,010
		197,165,727		187,727,884
Loss (Gain) on valuation of fair value risk hedge (current year)		(27,043)		28,989
Loss (Gain) on valuation of fair value risk hedge (prior year)		(89,744)		(118,733)
		(116,787)		(89,744)
		197,048,940		187,638,140

Debentures in foreign currencies

(In millions of Korean won)	Interest rate (%)	December 31, 2025	Interest rate (%)	December 31, 2024
Debentures in foreign currencies	1.20 ~ 6.09	5,413,550	1.20 ~ 6.82	4,830,114
Offshore finance bonds issued	4.63	129,141	5.61	132,300
		5,542,691		4,962,414
Loss (Gain) on valuation of fair value risk hedge (current year)		52,756		(15,736)
Loss (Gain) on valuation of fair value risk hedge (prior year)		(56,230)		(57,622)
		(3,474)		(73,358)
		5,539,217		4,889,056

19. Net Defined Benefit Liabilities (Assets)

Changes in net defined benefit liabilities(assets) recognized in relation to the defined benefit plan for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
Beginning	1,570,507	(1,603,284)	(32,777)
Current service cost	142,261	-	142,261
Past service cost[1]	43,636	-	43,636
Interest expense (income)	72,744	(74,303)	(1,559)
Paid in plan assets	-	(246,069)	(246,069)
Benefit payment	(86,428)	85,768	(660)
Remeasurements			
Return on plan assets	-	13,542	13,542
Actuarial losses arising from changes in demographic assumptions	(5,099)	-	(5,099)
Actuarial gains arising from changes in financial assumptions	(133,695)	-	(133,695)
Actuarial losses from experience adjustments	(38,236)	-	(38,236)
Ending	1,565,690	(1,824,346)	(258,656)

[1] The increase in the present value of the defined benefit obligation resulting from the amendment of the remuneration regulations during the current year was recognized as past service cost.

December 31, 2024

(In millions of Korean won)	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
Beginning	1,327,020	(1,505,317)	(178,297)
Current service cost	131,566	-	131,566
Interest expense (income)	70,131	(79,249)	(9,118)
Paid in plan assets	-	(109,693)	(109,693)
Benefit payment	(62,824)	62,952	128
Remeasurements			
Return on plan assets	-	28,023	28,023
Actuarial losses arising from changes in demographic assumptions	(25,187)	-	(25,187)
Actuarial gains arising from changes in financial assumptions	133,631	-	133,631
Actuarial losses from experience adjustments	(3,830)	-	(3,830)
Ending	1,570,507	(1,603,284)	(32,777)

19. Net Defined Benefit Liabilities (Assets) (cont'd)

Expenses recognized related to the defined benefit plans for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Current service cost	142,261	131,566
Past service cost	43,636	-
Interest expenses (income)	(1,559)	(9,118)
	184,338	122,448

The significant actuarial assumptions as of December 31, 2025 and 2024, are as follows:

	December 31, 2025	December 31, 2024
Discount rate (%)	4.33 ~ 5.12	3.98 ~ 4.76
Future salary growth rate (%)	2.40 ~ 5.50	2.50 ~ 5.27

Plan assets as of December 31, 2025 and 2024, consist of:

(In millions of Korean won)	December 31, 2025		December 31, 2024	
	Quoted price	Unquoted price	Quoted price	Unquoted price
Cash and cash equivalents	-	1,804,494	-	1,585,430
Equity securities	-	6	-	6
Debt securities	-	18,745	-	16,671
Others	-	1,101	-	1,177
	-	1,824,346	-	1,603,284

The sensitivity analysis of the defined benefit obligations as of December 31, 2025 and 2024, based on changes in the principal assumptions is:

December 31, 2025

(In millions of Korean won)	Change in principal assumption	Increase in principal assumption	Decrease in principal assumption
Discount rate	1.00%	(151,720)	140,286
Future salary growth rate	1.00%	179,961	(183,404)

December 31, 2024

(In millions of Korean won)	Change in principal assumption	Increase in principal assumption	Decrease in principal assumption
Discount rate	1.00%	(164,690)	195,332
Future salary growth rate	1.00%	195,843	(168,016)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant, but in practice, assumptions will fluctuate in relation to each assumption. The sensitivity of the defined benefit obligation to changes in principal actuarial assumptions is calculated using the projected unit credit method, the same method applied when calculating the defined benefit obligations recognized on the statement of financial position.

19. Net Defined Benefit Liabilities (Assets) (cont'd)

The Group is exposed to various risks through the defined benefit plans and the most significant risk is as below: Decrease in earning rate of prime-rate bonds: Decrease in earning rate of prime-rate bonds may bring an increase in a certain portion of financial assets' value as an offset effect. However, as a result, the defined benefit obligation will be increased.

Maturity analysis of undiscounted defined benefit payments as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Within 10 years	633,954	687,277
10 years ~ within 20 years	1,835,699	1,558,218
20 years ~ within 30 years	859,456	743,083
30 years and longer	44,346	39,191
	3,373,455	3,027,769

The Group's best estimate of expected contributions after the end of the reporting years is ₩108,889 million and weighted average duration of the defined benefit obligation is 13.06 years.

The Group recognized expense related to the defined contribution plans for the years ended December 31, 2025 and 2024 of ₩18,217 million and ₩17,638 million, respectively.

The group recognizes as a liability the reliably estimated amount, calculated by an actuarial valuation, of the quasi-retirement benefits payable, under its severance payment regulations, to certain employees with at least 20 years of service who voluntarily retire no later than one year before their mandatory retirement date. The liability related to quasi-retirement at the end of the current period and at the end of the prior period is ₩47,837 million and ₩51,253 million, respectively.

20. Provisions

Details of provisions as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Provision for unused loan commitments	251,852	290,119
Payment guarantees outstanding	27,244	41,094
Provision for litigation	3,870	4,694
Provision for restoration	40,747	40,498
Provision for award credits	2,758	2,049
Others	532,402	523,745
	858,873	902,199

Provisions for unused loan commitments

Details of provisions for unused loan commitments as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025			December 31, 2024		
	Commitment outstanding[1]	Provision	Ratio (%)	Commitment outstanding[1]	Provision	Ratio (%)
Corporate loan commitment	50,177,543	151,854	0.30	51,898,709	179,531	0.35
Retail loan commitment	4,003,229	6,683	0.17	3,897,612	6,502	0.17
Credit line on credit cards	14,411,555	93,315	0.65	14,066,453	104,086	0.74
	68,592,327	251,852	0.37	69,862,774	290,119	0.42

[1] Excludes commitments that are not required to set up provisions for unused loan commitments.

20. Provisions (cont'd)

Changes in provisions for unused loan commitments for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025
(In millions of Korean won)

	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	164,900	118,651	6,568	290,119
Changes due to significant increase or decrease in credit risk				
Transfer to 12-month expected credit losses	25,475	(25,434)	(41)	-
Transfer to lifetime expected credit losses with unrecognized impairment	(17,422)	17,511	(89)	-
Transfer to lifetime expected credit losses with recognized impairment	(1,168)	(3,306)	4,474	-
	6,885	(11,229)	4,344	-
Impairment loss (reversal)	(47,495)	10,105	(812)	(38,202)
Foreign exchange translation	(57)	(8)	-	(65)
Ending	124,233	117,519	10,100	251,852

December 31, 2024
(In millions of Korean won)

	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	150,247	104,179	4,968	259,394
Changes due to significant increase or decrease in credit risk				
Transfer to 12-month expected credit losses	25,737	(25,734)	(3)	-
Transfer to lifetime expected credit losses with unrecognized impairment	(10,232)	10,494	(262)	-
Transfer to lifetime expected credit losses with recognized impairment	(2,026)	(4,438)	6,464	-
	13,479	(19,678)	6,199	-
Impairment loss (reversal)	945	34,097	(4,599)	30,443
Foreign exchange translation	229	53	-	282
Ending	164,900	118,651	6,568	290,119

20. Provisions (cont'd)

Changes in provisions for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	**Beginning**	**Increase**	**Reversal**	**Others**	**Ending**
Payment guarantees outstanding	41,094	-	(13,838)	(12)	27,244
Provision for litigation	4,694	-	(824)	-	3,870
Provision for restoration	40,498	918	-	(669)	40,747
Provision for award credits	2,049	709	-	-	2,758
Others	523,745	24,490	-	(15,833)	532,402
	612,080	26,117	(14,662)	(16,514)	607,021

December 31, 2024

(In millions of Korean won)	**Beginning**	**Increase**	**Reversal**	**Others**	**Ending**
Payment guarantees outstanding	74,577	-	(33,239)	(244)	41,094
Provision for litigation	6,928	-	(2,234)	-	4,694
Provision for restoration	39,228	1,234	-	36	40,498
Provision for award credits	2,341	-	(292)	-	2,049
Others	638,760	70,436	-	(185,451)	523,745
	761,834	71,670	(35,765)	(185,659)	612,080

20. Provisions (cont'd)

Details of provisions for payment guarantees as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025			December 31, 2024		
	Payment guarantees	Provision	Ratio (%)	Payment guarantees	Provision	Ratio (%)
Confirmed payment guarantees in Korean won	682,869	1,342	0.20	581,406	2,164	0.37
Confirmed payment guarantees in foreign currencies	3,165,734	13,591	0.43	3,433,280	18,087	0.53
Unconfirmed payment guarantees	1,510,885	12,311	0.81	1,899,229	20,843	1.10
	5,359,488	27,244	0.51	5,913,915	41,094	0.69

Litigation

Details of lawsuits the Group has filed and is facing as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)		December 31, 2025	December 31, 2024
Plaintiff	No. of lawsuits	181	141
	Claim amounts	123,935	140,063
Defendant	No. of lawsuits	300	208
	Claim amounts	137,784	163,647

Provision for restoration costs

The Group recognizes a provision for restoration costs to the extent that it has an obligation to restore leased properties to their original condition. When the lease term is long and the effect of the time value of money is material, the provision is measured at the present value of the expected restoration costs.

Provisions for ordinary wages

The Parent Company is currently involved in litigation filed by employees (or retirees) claiming additional payments of ordinary wages as of the reporting date. The Parent Company lost the first trial on May 26, 2016 but won the second trial on May 12, 2017. However, the Supreme Court reversed the judgment and remanded the case to the High Court on January 9, 2025. As of December 31, 2025, the outcome of the litigation cannot be reasonably estimated.

21. Other Liabilities

Details of other liabilities as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Other financial liabilities		
Financial guarantee liabilities	95,561	263,553
Borrowings from trust accounts	6,459,229	5,771,498
Borrowings from securities investment trust accounts	1,858,887	1,720,052
Guaranteed deposits	527,774	540,922
Unsettled inter-office account in foreign currencies	3,691,077	1,802,860
Dividends payable	17,895	16,936
Other payables	449,170	609,528
Unsettled spot exchange	3,306,988	5,709,682
Accrued expenses	3,353,607	3,442,080
Agencies	649,681	663,168
Lease liabilities	157,488	167,775
Investment contract liabilities	3,534,593	3,166,566
Others	560,668	511,330
	24,662,618	24,385,950
Other liabilities		
Income tax payable	437,940	265,622
Unearned revenue	136,296	155,141
Others	551,770	544,997
	1,126,006	965,760
	25,788,624	25,351,710

21. Other Liabilities (cont'd)

Changes in financial guaranteed liabilities for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	228,130	16,878	18,545	263,553
Changes due to significant increase or decrease in credit risk				
Transfer to 12-month expected credit losses	525	(523)	(2)	-
Transfer to lifetime expected credit losses with unrecognized impairment	(801)	3,041	(2,240)	-
Transfer to lifetime expected credit losses with recognized impairment	(302)	(212)	514	-
	(578)	2,306	(1,728)	-
Impairment loss (reversal)	(3,943)	(7,967)	(5,767)	(17,677)
Foreign exchange translation	26	1	-	27
Others[1]	(148,915)	(1,402)	(25)	(150,342)
Ending	74,720	9,816	11,025	95,561

[1] Changes due to new occurrences and maturities of financial guaranteed contracts evaluated at the initial fair value

December 31, 2024

(In millions of Korean won)	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning	66,758	60,894	24,407	152,059
Changes due to significant increase or decrease in credit risk				
Transfer to 12-month expected credit losses	1,267	(1,267)	-	-
Transfer to lifetime expected credit losses with unrecognized impairment	(1,471)	13,471	(12,000)	-
Transfer to lifetime expected credit losses with recognized impairment	(268)	(638)	906	-
	(472)	11,566	(11,094)	-
Impairment loss (reversal)	(5,685)	(56,729)	5,223	(57,191)
Foreign exchange translation	324	2	-	326
Others[1]	167,205	1,145	9	168,359
Ending	228,130	16,878	18,545	263,553

[1] Changes due to new occurrences and maturities of financial guaranteed contracts evaluated at the initial fair value

22. Leases

The Group as a lessee

Details of right-of-use assets recognized in the consolidated statement of financial position as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Right-of-use assets[1]		
Properties	148,131	160,895
Vehicles	16,686	14,921
Others	38	79
	164,855	175,895

[1] Right-of-use assets are included in the line item 'Property and Equipment' in the consolidated statements of financial position.

The gains and losses related to lease usage for the years ended December 31, 2025 and 2024 shows the following amounts relating to leases.

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Depreciation of right-of-use assets		
Properties	113,630	107,252
Vehicles	15,696	15,681
Others	42	86
	129,368	123,019
Interest expense relating to lease liabilities	6,587	6,379
Expense relating to short-term leases	5,808	4,812
Expense relating to leases of low-value assets	1,070	771
Expense relating to short-term leases	3,190	5,152
	146,023	140,133

The amounts of lease liabilities recognized in the consolidated statement of financial position as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	**Less than 3 months**	**Between 3 and 6 months**	**Between 6 and 12 months**	**Between 1 and 3 years**	**Between 3 and 5 years**	**Over 5 years**	**Total**
Lease liabilities[1]	19,606	22,506	35,086	61,861	16,424	14,192	169,675

December 31, 2024

(In millions of Korean won)	**Less than 3 months**	**Between 3 and 6 months**	**Between 6 and 12 months**	**Between 1 and 3 years**	**Between 3 and 5 years**	**Over 5 years**	**Total**
Lease liabilities[1]	27,809	22,006	36,510	67,235	12,674	15,108	181,342

[1] Lease liabilities are included in the line item as 'Other Liabilities' in the consolidated statements of financial position and are presented on an undiscounted basis.

22. Leases (cont'd)

The total cash outflow for leases during the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Total cash outflow for leases	99,471	93,212

Finance lease – the Group as a lessor

The Group has finance lease contracts as a lessor on various types of assets, and the details of bonds held under a finance lease as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025			December 31, 2024		
	Minimum lease receipts	Unrealized interest income	Present value	Minimum lease receipts	Unrealized interest income	Present value
Within 1 year	128,892	9,239	119,653	182,511	17,179	165,332
1 - 5 years	55,546	3,905	51,641	76,017	4,978	71,039
Over 5 years	537	-	537	1,963	50	1,913
	184,975	13,144	171,831	260,491	22,207	238,284

The accumulated provision for impairment for bonds held under a finance lease as of December 31, 2025 and 2024, are ₩559 million and ₩345 million, respectively.

Operating lease – the Group as a lessor

The Group has multiple operating lease contracts for land and buildings classified as investment properties. Remaining maturities for these operating leases are less than five years, and all operating lease receipts are subject to increase annually depending on the market conditions. The future minimum lease receipts arising from the non-cancellable lease contracts as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Within 1 year	905	823
1 - 5 years	623	280
	1,528	1,103

23. Contingent Liabilities and Commitments

Details of payment guarantees and endorsed bills as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Confirmed payment and guarantees in Korean won		
Financial guarantee contracts	1,882,341	1,881,784
Others	682,869	581,406
	2,565,210	2,463,190
Confirmed payment guarantees in foreign currencies		
Financial guarantee contracts	1,721,962	1,527,443
Letters of guarantees for importers	60,950	70,969
Others	3,104,784	3,362,311
	4,887,696	4,960,723
Unconfirmed payment guarantees		
Customer's liability on letters of credit	1,510,885	1,899,229
	1,510,885	1,899,229
	8,963,791	9,323,142

Details of commitments as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Commitments on loans in Korean won	54,287,277	54,154,274
Commitments on loans in foreign currencies	15,322,014	16,376,365
Others	12,445,200	12,542,395
	82,054,491	83,073,034

Credit commitments consist of loan commitments and revolving credit commitments. Commitments generally include a validity period or other expiry clauses. Since a portion of the commitments may expire without being drawn, the total contractual amount does not necessarily represent future cash requirements. However, most credit commitments are subject to conditions requiring customers to maintain certain credit standards. Accordingly, the potential credit loss is typically lower than the total unused commitments. In general, longer-term commitments carry a higher level of credit risk than short-term commitments, and therefore the Group monitors the remaining maturity of credit commitments.

23. Contingent Liabilities and Commitments (cont'd)

Trust Accounts

(1) Composition of the Group's trust account as of December 31, 2025 and 2024 and for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	Total assets		Operating income	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Unconsolidated[1]	56,841,686	52,853,102	1,766,014	1,833,149

[1] Financial information of the trust accounts has been prepared in accordance with the Korean Accounting Standard 5004, Trust Accounts, and enforcement regulations of Financial Investment Services under the Financial Investment Services and Capital Markets Act.

(2) Major transactions between the Group and the trust accounts as of December 31, 2025 and 2024 and for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	Type	December 31, 2025	December 31, 2024 and December 31, 2024
Income	Trust operation income	156,849	139,611
Expense	Interest expense	141,074	169,421
Receivable	Fees receivable	59,239	52,164
Payable	Trust accounts liabilities	6,459,229	5,771,498

An investigation by the Fair-Trade Commission is currently in progress in relation to bidding for government bonds involving the Parent Company, together with other banks and securities companies. As of December 31, 2025 the outcome of the investigation cannot be reasonably predicted.

24. Fair Value

There are no significant changes in business or economic environment that would result in material effects on fair value of financial assets and liabilities during the year ended December 31, 2025.

24.1 Carrying Amount and Fair Value of Financial Instruments

Carrying amount and fair value of financial instruments as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Cash and due from banks	24,258,895	24,258,895	18,083,041	18,083,041
Financial assets at fair value through profit or loss	27,875,726	27,875,726	26,358,446	26,358,446
Financial assets at fair value through other comprehensive income	38,624,525	38,624,525	32,923,993	32,923,993
Securities at amortized cost	34,693,737	34,085,172	35,423,815	35,092,536
Loan receivables at amortized cost	357,806,218	357,496,377	343,900,399	343,593,552
Derivative financial assets for hedge accounting	32,095	32,095	71,829	71,829
Other financial assets	10,953,313	10,937,803	9,839,090	9,821,031
	494,244,509	493,310,593	466,600,613	465,944,428
Liabilities				
Financial liabilities at fair value through profit or loss	4,355,501	4,355,501	5,454,844	5,454,844
Financial liabilities designated at fair value through profit or loss	2,111,186	2,111,186	1,492,476	1,492,476
Deposits received	168,162,978	168,026,250	158,255,737	158,228,052
Borrowings	50,380,442	50,351,684	44,777,136	44,693,000
Debentures	203,390,126	203,578,068	193,150,753	193,083,341
Derivative financial liabilities for hedge accounting	210,457	210,457	294,848	294,848
Other financial liabilities	24,662,618	24,662,338	24,385,950	24,386,223
	453,273,308	453,295,484	427,811,744	427,632,784

24.1 Carrying Amount and Fair Value of Financial Instruments (cont'd)

Standards applied in measuring the fair value of financial instruments are as follows:

(1) Cash and due from banks: Carrying amount of cash is considered to be the fair value. In addition, as demand deposits and deposits for settlements are liquid in nature and do not have a fixed maturity, their carrying amounts are also considered to approximate the fair value. Fair value of due from bank is calculated using discounted cash flow model. However, for deposits that are on demand and whose contractual maturity / interest rate change cycle is less than three months, carrying amount is considered to be the fair value.

(2) Marketable securities: For a listed security, fair value is measured at its quoted market price in its active market, and when such price is not available, fair value is measured by third party valuation experts. Third party experts apply more than one of the following valuation techniques by considering case-specific factors: Discounted Cash Flow Model, Imputed Market Value Model, and Free Cash Flow to Equity Model, Dividend Discount Model, Risk-adjusted Valuation Model, and Net Asset Value Method.

(3) Loan receivables: For loans that are on demand and whose contractual maturity / interest rate change cycle is less than three months, carrying amount is considered to be the fair value. Fair value of a loan is calculated by discounting the future cash flows by the interest rate where market risk and other risks are reflected, less provision for impairment for loan.

(4) Derivatives: Derivative instruments that are traded in active markets are measured at fair value by using quoted prices, if available. Derivatives that are not traded in active market are measured at fair value by using valuation techniques. Widespread derivatives not traded in active markets, such as Interest rate swaps and foreign currency swaps, are measured by using valuation technique that are based on observable inputs. However, in some cases, determining appropriate valuation techniques and when there are no observable inputs to measure the fair value of some complex derivative instruments could be difficult. In those cases, they are measured by the independent valuation experts. In addition, for over-the-counter derivatives, the counterparty credit risk and the Group's own credit risk are reflected through a credit valuation adjustment (CVA) methodology.

(5) Other financial assets and liabilities: For other financial assets and liabilities that are on demand in nature whose contractual maturity / interest rate change cycle is less than three months, carrying amount is considered to be the fair value. Fair value of other financial assets and liabilities is calculated by discounting the future cash flows by the interest rate where market risk and other risks are reflected.

(6) Deposits received: For deposits received that are on demand and whose contractual maturity / interest rate change cycle is less than three months, carrying amount is considered to be the fair value. Fair value of a deposits received is calculated by discounting the future cash flows by interest rate where market risk and other risks are reflected.

(7) Borrowings: For borrowings that are on demand and whose contractual maturity / interest rate change cycle is less than three months, carrying amount is considered to be the fair value. Fair value of a borrowing is calculated by discounting the future cash flows by the interest rate where market risk and other risks are reflected.

(8) Debentures: Fair value of debentures is fair value provided by external credit rating companies less accrued interest payables. For debentures whose fair value cannot be provided by external credit rating companies, the fair value is calculated by discounting the future cash flows by the interest rate where market risk and other risks are reflected.

24.2 Fair Value Hierarchy

Fair value hierarchy categorizations of the financial assets and financial liabilities that are measured at fair value as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets at fair value through profit or loss	2,883,255	12,348,832	12,643,639	27,875,726
Financial assets at fair value through other comprehensive income	14,007,321	24,112,772	504,432	38,624,525
Derivatives financial assets for hedge accounting	-	32,095	-	32,095
	16,890,576	36,493,699	13,148,071	66,532,346
Financial liabilities				
Financial liabilities at fair value through profit or loss	744,779	3,487,315	123,407	4,355,501
Financial liabilities designated at fair value through profit or loss	-	165	2,111,021	2,111,186
Derivatives financial liabilities for hedge accounting	-	210,457	-	210,457
	744,779	3,697,937	2,234,428	6,677,144

(In millions of Korean won)	December 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets at fair value through profit or loss	3,500,448	12,728,174	10,129,824	26,358,446
Financial assets at fair value through other comprehensive income	11,315,541	21,165,849	442,603	32,923,993
Derivatives financial assets for hedge accounting	-	71,829	-	71,829
	14,815,989	33,965,852	10,572,427	59,354,268
Financial liabilities				
Financial liabilities at fair value through profit or loss	633,737	4,619,181	201,926	5,454,844
Financial liabilities designated at fair value through profit or loss	-	1,851	1,490,625	1,492,476
Derivatives financial liabilities for hedge accounting	-	294,848	-	294,848
	633,737	4,915,880	1,692,551	7,242,168

24.2 Fair Value Hierarchy (cont'd)

Fair value hierarchy categorizations of the financial assets and financial liabilities whose fair values are disclosed as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Cash and due from banks	1,887,410	21,328,619	1,042,866	24,258,895
Securities at amortized cost	13,847,810	20,237,362	-	34,085,172
Loan receivables at amortized cost	-	-	357,496,377	357,496,377
Other financial assets	-	-	10,937,803	10,937,803
	15,735,220	41,565,981	369,477,046	426,778,247
Financial liabilities				
Deposits received	-	66,595,497	101,430,753	168,026,250
Borrowings	-	-	50,351,684	50,351,684
Debentures	-	91,514,603	112,063,465	203,578,068
Other financial liabilities	-	-	24,662,338	24,662,338
	-	158,110,100	288,508,240	446,618,340

(In millions of Korean won)	December 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Cash and due from banks	1,671,237	15,411,620	1,000,184	18,083,041
Securities at amortized cost	14,608,201	20,484,335	-	35,092,536
Loan receivables at amortized cost	-	-	343,593,552	343,593,552
Other financial assets	-	-	9,821,031	9,821,031
	16,279,438	35,895,955	354,414,767	406,590,160
Financial liabilities				
Deposits received	-	65,517,951	92,710,101	158,228,052
Borrowings	-	-	44,693,000	44,693,000
Debentures	-	81,177,276	111,906,065	193,083,341
Other financial liabilities	-	-	24,386,223	24,386,223
	-	146,695,227	273,695,389	420,390,616

Items that are measured at fair value or for which the fair value is disclosed are categorized by the fair value hierarchy levels, and the defined levels are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- All inputs other than quoted prices included in level 1 that are observable (either directly that is, prices, or indirectly that is, derived from prices) for the asset or liability (Level 2).
- Unobservable inputs for the asset or liability (Level 3).

Fair value hierarchy disclosure is applicable to assets and liabilities that are measured or disclosed at fair value.

24.3 Transfers between Fair Value Hierarchy Levels of Recurring Fair Value Measurements

The Group's policy is to recognize transfers between levels of the fair value at the date of the event or change in circumstances that caused the transfer.

Changes in Level 3 of the fair value hierarchy for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	**Financial assets at fair value through profit or loss**	**Financial assets at fair value through other comprehensive income**	**Total financial assets**
Beginning balance	10,129,824	442,603	10,572,427
Purchases	2,558,867	-	2,558,867
Sales	(945,268)	(23,910)	(969,178)
Issuance	-	-	-
Settlements	-	-	-
Transfer from Level 3 to others[1]	(102,897)	-	(102,897)
Profit or loss	1,003,113	-	1,003,113
Other comprehensive income	-	85,739	85,739
Ending balance	12,643,639	504,432	13,148,071

(In millions of Korean won)	**Financial liabilities at fair value through profit or loss**	**Financial liabilities designated at fair value through profit or loss**	**Total financial liabilities**
Beginning balance	201,926	1,490,625	1,692,551
Purchases	124,058	-	124,058
Sales	(26,389)	-	(26,389)
Issuance	-	2,335,403	2,335,403
Settlements	-	(1,761,981)	(1,761,981)
Transfer from Level 3 to others[1]	-	-	-
Profit or loss	(176,188)	46,974	(129,214)
Other comprehensive income	-	-	-
Ending balance	123,407	2,111,021	2,234,428

24.3 Transfers between Fair Value Hierarchy Levels of Recurring Fair Value Measurements (cont'd)

December 31, 2024

(In millions of Korean won)	**Financial assets at fair value through profit or loss**	**Financial assets at fair value through other comprehensive income**	**Total financial assets**
Beginning balance	8,503,932	408,778	8,912,710
Purchases	2,006,286	22,605	2,028,891
Sales	(1,029,910)	(2,704)	(1,032,614)
Issuance	-	-	-
Settlements	-	-	-
Transfer from Level 3 to others[1]	(36,492)	-	(36,492)
Profit or loss	686,008	-	686,008
Other comprehensive income	-	13,924	13,924
Ending balance	10,129,824	442,603	10,572,427

(In millions of Korean won)	**Financial liabilities at fair value through profit or loss**	**Financial liabilities designated at fair value through profit or loss**	**Total financial liabilities**
Beginning balance	224,738	1,243,685	1,468,423
Purchases	70,211	-	70,211
Sales	(6,090)	-	(6,090)
Issuance	-	1,490,615	1,490,615
Settlements	-	(1,287,670)	(1,287,670)
Transfer from Level 3 to others[1]	-	-	-
Profit or loss	(86,933)	43,995	(42,938)
Other comprehensive income	-	-	-
Ending balance	201,926	1,490,625	1,692,551

[1] There were transfers between fair value hierarchy levels due to the change in the availability of inputs based on observable market data used in financial instruments. The Group recognizes transfers between levels on the date of the event or change in circumstances that caused the transfer.

24.4 Profit or Loss in Level 3 of the Fair Value Hierarchy

Profit or loss in Level 3 of the fair value hierarchy for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025		December 31, 2024	
	Total profit or loss	Profit or loss related to instruments held	Total profit or loss	Profit or loss related to instruments held
Financial assets				
Financial assets at fair value through profit or loss	1,003,113	315,035	686,008	694,292
Financial liabilities				
Financial liabilities at fair value through profit or loss	176,188	176,188	86,933	86,933
Financial liabilities designated at fair value through profit or loss	(46,974)	(46,974)	(43,995)	(43,995)
	129,214	129,214	42,938	42,938

Profit or loss incurred in Level 3 of the fair value hierarchy is recognized as ‘net gains (losses) on financial assets/liabilities at fair value through profit or loss, ‘net gains (losses) on financial assets/liabilities designated at fair value through profit or loss’ in the consolidated statements of comprehensive income.

24.5 Sensitivity Analysis for Recurring Fair Value Measurements Categorized within Level 3

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in the fair value of financial instruments which are affected by the unobservable parameters, using a statistical technique. When the fair value is affected by more than two input parameters, the amounts represent the most favorable or most unfavorable. Financial instruments within Level 3 that are subject to the sensitivity analysis are derivative instruments related to interest rates and stocks whose changes in fair value are recognized in the profit or loss for the period, and equity and beneficiary securities whose changes in fair value are recognized in the profit or loss for the period or other comprehensive income.

The results of the sensitivity analysis for the effect on profit or loss from changes in inputs for each financial instrument for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025			
	Favorable		Unfavorable	
	Profit or loss	Other comprehensive income	Profit or loss	Other comprehensive income
Financial assets				
Financial assets at fair value through profit or loss[1,2]	26,053	-	(24,115)	-
Financial assets at fair value through other comprehensive income[2]	-	22,844	-	(11,513)
	26,053	22,844	(24,115)	(11,513)
Financial liabilities				
Financial liabilities at fair value through profit or loss[1]	3,461	-	(3,344)	-
Financial liabilities designated at fair value through profit or loss[1]	705	-	(686)	-
	4,166	-	(4,030)	-

24.5 Sensitivity Analysis for Recurring Fair Value Measurements Categorized within Level 3 (cont'd)

(In millions of Korean won)

	December 31, 2024			
	Favorable		Unfavorable	
	Profit or loss	Other comprehensive income	Profit or loss	Other comprehensive income
Financial assets				
Financial assets at fair value through profit or loss[1,2]	193,857	-	(187,275)	-
Financial assets at fair value through other comprehensive income[2]	-	27,420	-	(12,821)
	193,857	27,420	(187,275)	(12,821)
Financial liabilities				
Financial liabilities at fair value through profit or loss[1]	3,408	-	(3,306)	-
Financial liabilities designated at fair value through profit or loss[1]	1,088	-	(980)	-
	4,496	-	(4,286)	-

[1] For derivative instruments related to interest rates, changes in fair value are calculated by increasing or decreasing the correlation coefficient between interests or volatility of the underlying assets, which are significant unobservable inputs, by 10%. For derivative instruments related to stock, changes in fair value are calculated by increasing or decreasing the stock value and stock value volatility, which are significant unobservable inputs, by 10%.

[2] Changes in fair value of redeemable convertible preferred shares, Convertible bonds and others are calculated by increasing or decreasing the value of underlying assets and its volatilities by 10%. And for other equity securities, changes in their fair value are calculated by increasing the correlation between growth ratio (0~1%), and by increasing or decreasing discount rate (1%) or liquidation value (1%) and discount rate (1%), which are significant unobservable inputs. For beneficiary certificates, their sensitivity from changes in inputs cannot be analyzed as a practical expedient. However, in case that it consists only of physical real estate, the sensitivity is calculated by increasing or decreasing the real estate sale price by 1%.

24.6 Valuation Techniques and Inputs

The Group uses the following valuation techniques and inputs used to develop the fair value measurements for assets and liabilities that are measured at fair value on a recurring or non-recurring basis and categorized within Level 2 and Level 3 of the fair value hierarchy as of December 31, 2025 and 2024.

(In millions of Korean won)	December 31, 2025						
	Fair value	**Level**	**Valuation technique**	**Level 3 inputs**	**Unobservable inputs**	**Range of unobservable inputs (%)**	**Impact of unobservable inputs on fair value**
Financial assets							
Cash and due from banks	21,328,619	2	DCF Model	Other spreads	N/A	N/A	N/A
	1,042,866	3	DCF Model	Other spreads	Other spreads	(*)	The higher the other spreads, the lower the fair value
Financial assets at fair value through profit or loss	12,348,832	2	DCF Model, Implied forward rates, Black-Scholes Model	Interest rate, Discount rate	N/A	N/A	N/A
	12,643,639	3	DCF Model, Black-Scholes Model, Binomial trees, Hull-White model, Net Asset Value	Price of underlying asset, Interest rate, Exchange rate, Volatility of individual stock, Volatility of underlying asset, Interest rates correlation coefficient, Dividend yield, Growth rate, Discount rate and others	Volatility of individual stock and others	0.00 ~ 58.10	The higher the volatility of individual stock, the higher the fair value fluctuation
					Growth rate	0.00 ~ 1.00	Fair value increases as growth rate increases
					Discount rate	0.00 ~ 31.55	Fair value increases as discount rate decreases
Financial assets at fair value through other comprehensive income	24,112,772	2	DCF Model	Interest rate, Discount rate	N/A	N/A	N/A
	504,432	3	DCF Model, Net Asset Value, Asset-Based Approach , Dividend Discount Model (DDM) Binomial trees	Volatility of individual stock, Growth rate, Discount rate and others	Volatility of individual stock	23.87 ~ 26.47	The higher the volatility of individual stock, the higher the fair value fluctuation
					Growth rate	-	The higher the growth rate, the higher the fair value
					Discount rate	6.80 ~ 16.33	The lower the discount rate, the higher the fair value
Securities at amortized cost	20,237,362	2	DCF Model	Interest rate, Discount rate	N/A	N/A	N/A
Loan and receivables at amortized cost	357,496,377	3	DCF Model	Counterparty Credit risk, Other spreads and others	Counterparty Credit risk	(*)	The higher the counterparty credit risk, the lower the fair value
					Other spreads	(*)	The higher the other spreads, the lower the fair value
Derivative financial assets for hedge accounting	32,095	2	DCF Model, Implied forward rates	Interest rate, Discount rate	N/A	N/A	N/A

(In millions of Korean won)	December 31, 2025						
	Fair value	**Level**	**Valuation technique**	**Level 3 inputs**	**Unobservable inputs**	**Range of unobservable inputs (%)**	**Impact of unobservable inputs on fair value**
Other financial assets	10,937,803	3	DCF Model	Other spreads	Other spreads	(*)	The higher the other spreads, the lower the fair value
	460,684,797						
Financial liabilities							
Financial liabilities at fair value through profit or loss	3,487,315	2	DCF Model, Implied forward rates, Black-Scholes Model	Interest rate, Discount rate	N/A	N/A	N/A
	123,407	3	DCF Model, Black-Scholes Model, Binomial trees, Hull-White Model	Price of underlying asset, Interest rate, Exchange rate, Volatility of individual stock, Volatility of underlying asset, Interest rates correlation coefficient, Dividend yield and others	Volatility of individual stock	0.32 ~ 1.19	The higher the volatility of individual stock, the higher the fair value fluctuation
Financial liabilities designated at fair value through profit and loss	165	2	DCF Model, Implied forward rates	Interest rate, Discount rate	N/A	N/A	N/A
	2,111,021	3	Monte Carlo simulation	Volatility of individual stock and others	Volatility of individual stock and others	0.32 ~ 33.84	The higher the volatility of individual stock, the higher the fair value fluctuation
Deposits received	66,595,497	2	DCF Model	Other spreads	N/A	N/A	N/A
	101,430,753	3	DCF Model	Other spreads	Other spreads	(*)	The higher the other spreads, the lower the fair value
Borrowings	50,351,684	3	DCF Model	Other spreads	Other spreads	(*)	The higher the other spreads, the lower the fair value
Debentures	91,514,603	2	DCF Model	Other spreads	N/A	N/A	N/A
	112,063,465	3	DCF Model	Other spreads	Other spreads	(*)	The higher the other spreads, the lower the fair value
Derivative financial liabilities for hedge accounting	210,457	2	DCF Model, Implied forward rates	Interest rate, Discount rate, other spreads	N/A	N/A	N/A
Other financial liabilities	24,662,338	3	DCF Model	Other spreads	Other spreads	(*)	The higher the other spreads, the lower the fair value
	452,550,705						

(In millions of Korean won)

	December 31, 2024						
	Fair value	**Level**	**Valuation technique**	**Level 3 inputs**	**Unobservable inputs**	**Range of unobservable inputs (%)**	**Impact of unobservable inputs on fair value**
Financial assets							
Cash and due from banks	15,411,620	2	DCF Model	Other spreads	N/A	N/A	N/A
	1,000,184	3	DCF Model	Other spreads	Other spreads	(*)	The higher the other spreads, the lower the fair value
Financial assets at fair value through profit or loss	12,728,174	2	DCF Model, Implied forward rates, Black-Scholes Model	Interest rate, Discount rate	N/A	N/A	N/A
	10,129,824	3	DCF Model, Black-Scholes Model, Binomial trees, Hull-White model, Net Asset Value	Price of underlying asset, Interest rate, Exchange rate, Volatility of individual stock, Volatility of underlying asset, Interest rates correlation coefficient, Dividend yield, Growth rate, Discount rate and others	Volatility of individual stock and others	12.01 ~ 64.70	The higher the volatility of individual stock, the higher the fair value fluctuation
					Growth rate	0.00 ~ 1.00	Fair value increases as growth rate increases
					Discount rate	3.59 ~ 33.80	Fair value increases as discount rate decreases
Financial assets at fair value through other comprehensive income	21,165,849	2	DCF Model	Interest rate, Discount rate	N/A	N/A	N/A
	442,603	3	DCF Model, Binomial trees, Net Asset Value,	Volatility of individual stock, Growth rate, Discount rate and others	Volatility of individual stock	22.95 ~ 31.79	The higher the volatility of individual stock, the higher the fair value fluctuation
					Growth rate	-	The higher the growth rate, the higher the fair value
					Discount rate	6.01 ~ 14.57	The lower the discount rate, the higher the fair value
Securities at amortized cost	20,484,335	2	DCF Model	Interest rate, Discount rate	N/A	N/A	N/A
Loan and receivables at amortized cost	343,593,552	3	DCF Model	Counterparty Credit risk, Other spreads and others	Counterparty Credit risk	(*)	The higher the counterparty credit risk, the lower the fair value
					Other spreads	(*)	The higher the other spreads, the lower the fair value
Derivative financial assets for hedge accounting	71,829	2	DCF Model, Implied forward rates	Interest rate, Discount rate	N/A	N/A	N/A
Other financial assets	9,821,031	3	DCF Model	Other spreads	Other spreads	(*)	The higher the other spreads, the lower the fair value
	434,849,001						

(In millions of Korean won)

	December 31, 2024						
	Fair value	**Level**	**Valuation technique**	**Level 3 inputs**	**Unobservable inputs**	**Range of unobservable inputs (%)**	**Impact of unobservable inputs on fair value**
Financial liabilities							
Financial liabilities at fair value through profit or loss	4,619,181	2	DCF Model, Implied forward rates, Black-Scholes Model	Interest rate, Discount rate	N/A	N/A	N/A
	201,926	3	DCF Model, Black-Scholes Model, Binomial trees, Hull-White Model	Price of underlying asset, Interest rate, Exchange rate, Volatility of individual stock, Volatility of underlying asset, Interest rates correlation coefficient, Dividend yield and others	Volatility of individual stock	12.01 ~ 38.54	The higher the volatility of individual stock, the higher the fair value fluctuation
Financial liabilities designated at fair value through profit and loss	1,851	2	DCF Model, Implied forward rates	Interest rate, Discount rate	N/A	N/A	N/A
	1,490,625	3	Monte Carlo simulation	Volatility of individual stock and others	Volatility of individual stock and others	12.01 ~ 38.54	The higher the volatility of individual stock, the higher the fair value fluctuation
Deposits received	65,517,951	2	DCF Model	Other spreads	N/A	N/A	N/A
	92,710,101	3	DCF Model	Other spreads	Other spreads	(*)	The higher the other spreads, the lower the fair value
Borrowings	44,693,000	3	DCF Model	Other spreads	Other spreads	(*)	The higher the other spreads, the lower the fair value
Debentures	81,177,276	2	DCF Model	Other spreads	N/A	N/A	N/A
	111,906,065	3	DCF Model	Other spreads	Other spreads	(*)	The higher the other spreads, the lower the fair value
Derivative financial liabilities for hedge accounting	294,848	2	DCF Model, Implied forward rates	Other spreads	N/A	N/A	N/A
Other financial liabilities	24,386,223	3	DCF Model	Other spreads	Other spreads	(*)	The higher the other spreads, the lower the fair value
	426,999,047						

(*) In respect to financial assets and liabilities with fair value disclosures, disclosure of the range of Level 3 inputs was omitted.

24.7 Investments Valuation Process

The Group organized a Valuation Committee comprised of Risk Management, Trading, and Accounting Departments in order to review the accuracy and appropriateness of valuation techniques. The Committee also discusses and approves other relevant matters such as selecting and changing external professionals. The Group maintains a separate team designated to measure the fair value and review the financial instruments measured by the internal valuation model on a regular basis. Results of the regular reviews are reported to the head of Risk Management. As for subsidiaries, valuation techniques and the results are reported to the Director of Finance of each subsidiary and communicated to the Accounting Department of the Group on a regular basis.

24.8 Day-one profit or loss

If the Group assesses the fair value of a derivative instrument using unobservable inputs and the fair value differs from the transaction price, the Group recognizes the fair value as the transaction price. The difference is deferred and amortized on a straight-line basis by the maturity of the instrument, and the deferred difference is immediately recognized through profit and loss when the inputs become observable.

The total difference amount deferred and their changes for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Balance as at the beginning of the period	(30,188)	(14,672)
New transactions	(19,524)	(29,132)
The amount reflected in the statements of comprehensive income	21,990	13,616
Balance as at the end of the period	(27,722)	(30,188)

24.9 Carrying amount of Financial Instruments by Class

Financial assets and liabilities are measured at fair value or at amortized cost. The carrying amounts of financial assets and liabilities as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortized cost	Derivatives for hedge accounting	Total
Financial assets					
Cash and due from banks	351,156	-	24,258,895	-	24,610,051
Marketable securities	23,342,822	37,527,733	34,693,737	-	95,564,292
Loan receivables	518,395	1,096,792	357,806,218	-	359,421,405
Derivatives	3,663,353	-	-	32,095	3,695,448
Other financial assets	-	-	10,953,313	-	10,953,313
	27,875,726	38,624,525	427,712,163	32,095	494,244,509

(In millions of Korean won)	Financial liabilities at fair value through profit or loss	Financial liabilities designated at fair value through profit or loss	Financial liability at amortized cost	Derivatives for hedge accounting	Total
Financial liabilities					
Financial liabilities at fair value through profit or loss	738,098	2,111,186	-	-	2,849,284
Deposits received	-	-	168,162,978	-	168,162,978
Borrowings	-	-	50,380,442	-	50,380,442
Debentures	-	-	203,390,126	-	203,390,126
Derivatives	3,617,403	-	-	210,457	3,827,860
Other financial liabilities	-	-	24,662,618	-	24,662,618
	4,355,501	2,111,186	446,596,164	210,457	453,273,308

24.9 Carrying amount of Financial Instruments by Class (cont'd)

December 31, 2024
(In millions of Korean won)

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortized cost	Derivatives for hedge accounting	Total
Financial assets					
Cash and due from banks	270,907	-	18,083,041	-	18,353,948
Marketable securities	20,856,075	32,214,121	35,423,815	-	88,494,011
Loan receivables	460,474	709,872	343,900,399	-	345,070,745
Derivatives	4,770,990	-	-	71,829	4,842,819
Other financial assets	-	-	9,839,090	-	9,839,090
	26,358,446	32,923,993	407,246,345	71,829	466,600,613

(In millions of Korean won)

	Financial liabilities at fair value through profit or loss	Financial liabilities designated at fair value through profit or loss	Financial liability at amortized cost	Derivatives for hedge accounting	Total
Financial liabilities					
Financial liabilities at fair value through profit or loss	608,768	1,492,476	-	-	2,101,244
Deposits received	-	-	158,255,737	-	158,255,737
Borrowings	-	-	44,777,136	-	44,777,136
Debentures	-	-	193,150,753	-	193,150,753
Derivatives	4,846,076	-	-	294,848	5,140,924
Other financial liabilities	-	-	24,385,950	-	24,385,950
	5,454,844	1,492,476	420,569,576	294,848	427,811,744

25. Equity

Issued capital

The Group is authorized to issue two billion shares with a par value of ₩5,000 per share, and the details of outstanding shares as of December 31, 2025 and 2024, are as follows:

December 31, 2025

	Ordinary share	Preferred share[1]	Total
Number of shares	797,425,869	-	797,425,869
Carrying amount	3,987,130	224,235	4,211,365

December 31, 2024

	Ordinary share	Preferred share[1]	Total
Number of shares	797,425,869	-	797,425,869
Carrying amount	3,987,130	224,235	4,211,365

[1] Following the resolution of the Board of Directors on November 19, 2020, the Group acquired 44,847,038 preferred shares as treasury shares on December 23, 2020 and retired them on December 24, 2020. Accordingly, there is a difference of ₩224,235 million between the share capital and the total par value of the issued shares

25. Equity (cont'd)

Hybrid capital instruments

Details of hybrid capital instruments as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	Issuance date	Maturity date	Annual Interest rate (%)	December 31, 2025	December 31, 2024
Hybrid capital instruments in Korean won	2015.03.10	2045.03.10	4.33	-	330,000
	2015.09.14	2045.09.14	3.77	-	200,000
	2016.09.20	-	3.16	290,000	290,000
	2016.11.04	-	3.27	250,000	250,000
	2017.03.10	-	3.87	150,000	150,000
	2018.03.09	-	4.21	70,000	70,000
	2019.03.08	-	3.40	130,000	130,000
	2020.03.18	-	2.87	310,000	310,000
	2020.03.18	-	2.43	-	90,000
	2021.03.11	-	2.65	200,000	200,000
	2021.03.11	-	3.11	300,000	300,000
	2022.08.12	-	4.64	60,000	60,000
	2022.08.12	-	4.59	540,000	540,000
	2023.03.13	-	4.53	600,000	600,000
	2023.11.01	-	5.19	400,000	400,000
	2024.03.19	-	4.10	400,000	400,000
	2025.03.19	-	3.60	590,000	-
	2025.11.13		3.58	400,000	-
Issuance costs				(7,415)	(6,769)
				4,682,585	4,313,231

The Group is entitled to exercise call options five or ten years after the date of issuance and if not exercised, the interest rate is to be adjusted. The Group has the option to renew the maturity without changing any conditions.

25. Equity (cont'd)

Capital surplus

Details of capital surplus as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Share premium	1,149,335	1,149,335
Gain on sale of treasury share	12,262	12,262
Other capital surplus	17,256	8,660
	1,178,853	1,170,257

Capital Adjustment

Details of capital adjustment as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Loss on repayment of hybrid capital instruments	617	275

25. Equity (cont'd)

Accumulated other comprehensive income

Changes in accumulated other comprehensive income for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Valuation gain (loss) of debt securities at fair value through other comprehensive income	Share of other comprehensive income of associates	Exchange differences	Valuation gain (loss) of cash flow hedge	Valuation gain (loss) of hedge of a net investment in a foreign operation
Beginning	6,226	1,115	353,588	(24,995)	(131,933)
Valuation gain (loss) of debt securities at fair value through other comprehensive income	(217,396)				
- Reclassification of debt securities at fair value through other comprehensive income	(63,684)	-	-	-	-
- Fair value changes of debt securities at fair value through other comprehensive income	(228,238)	-	-	-	-
- Tax effect	74,526	-	-	-	-
	(217,396)	-	-	-	-
Share of other comprehensive income of associates	-	-	-	-	-
- Share of other comprehensive income of associates	-	73	-	-	-
- Tax effect	-	(20)	-	-	-
	-	53	-	-	-
Exchange difference	-	-	(51,850)	-	-
Cash flow hedge					
- Changes in cash flow hedge	-	-	-	(9,342)	-
- Tax effect	-	-	-	2,618	-
	-	-	-	(6,724)	-
Hedge of a net investment in a foreign operation					
- Gain or loss of valuation	-	-	-	-	18,687
- Tax effect	-	-	-	-	(3,076)
	-	-	-	-	15,611
Insurance finance income and expenses					
- Insurance finance income and expenses	-	-	-	-	-
- Tax effect	-	-	-	-	-
	-	-	-	-	-
Valuation gain (loss) of financial liabilities designated at fair value through profit or loss					
- Gain or loss of valuation	-	-	-	-	-
- Tax effect	-	-	-	-	-

(In millions of Korean won)	Valuation gain (loss) of debt securities at fair value through other comprehensive income	Share of other comprehensive income of associates	Exchange differences	Valuation gain (loss) of cash flow hedge	Valuation gain (loss) of hedge of a net investment in a foreign operation
	-	-	-	-	-
Valuation gain (loss) of equity securities at fair value through other comprehensive income					
- Reclassification of equity securities at fair value through other comprehensive income to retained earnings	-	-	-	-	-
- Fair value changes of equity securities at fair value through other comprehensive income	-	-	-	-	-
- Tax effect	-	-	-	-	-
	-	-	-	-	-
Net defined benefit liabilities					
- Remeasurements	-	-	-	-	-
- Tax effect	-	-	-	-	-
	-	-	-	-	-
Ending	(211,170)	1,168	301,738	(31,719)	(116,322)

(In millions of Korean won)	Insurance finance income and expenses	Valuation gain (loss) of financial liabilities designated at fair value through profit or loss	Valuation gain (loss) of equity securities at fair value through other comprehensive income	Remeasure-ments of net defined benefit liabilities (assets)	Total
Beginning	(184,167)	(542)	738,222	(98,495)	659,019
Valuation gain (loss) of debt securities at fair value through other comprehensive income	-	-	-	-	(217,396)
- Reclassification of debt securities at fair value through other comprehensive income to profit or loss	-	-	-	-	(63,684)
- Fair value changes of debt securities at fair value through other comprehensive income	-	-	-	-	(228,238)
- Tax effect	-	-	-	-	74,526
	-	-	-	-	(217,396)
Share of other comprehensive income of associates					
- Share of other comprehensive income of associates	-	-	-	-	73
- Tax effect	-	-	-	-	(20)
					53
Exchange difference	-	-	-	-	(51,850)
Cash flow hedge					
- Changes in cash flow hedge	-	-	-	-	(9,342)

(In millions of Korean won)

	Insurance finance income and expenses	Valuation gain (loss) of financial liabilities designated at fair value through profit or loss	Valuation gain (loss) of equity securities at fair value through other comprehensive income	Remeasure-ments of net defined benefit liabilities (assets)	Total
- Tax effect	-	-	-	-	2,618
	-	-	-	-	(6,724)
Hedge of a net investment in a foreign operation					
- Gain or loss of valuation	-	-	-	-	18,687
- Tax effect	-	-	-	-	(3,076)
	-	-	-	-	15,611
Insurance finance income and expenses					
- Insurance finance income and expenses	257,798	-	-	-	257,798
- Tax effect	(59,752)	-	-	-	(59,752)
	198,046	-	-	-	198,046
Valuation gain (loss) of financial liabilities designated at fair value through profit or loss					
- Gain or loss of valuation	-	8	-	-	8
- Tax effect	-	5	-	-	5
	-	13	-	-	13
Valuation gain (loss) of equity securities at fair value through other comprehensive income					
- Reclassification of equity securities at fair value through other comprehensive income to retained earnings	-	-	(149,994)	-	(149,994)
- Fair value changes of equity securities at fair value through other comprehensive income	-	-	535,776	-	535,776
- Tax effect	-	-	(116,076)	-	(116,076)
	-	-	269,706	-	269,706
Net defined benefit liabilities (assets)					
- Remeasurements	-	-	-	163,422	163,422
- Tax effect	-	-	-	(43,747)	(43,747)
	-	-	-	119,675	119,675
Ending	13,879	(529)	1,007,928	21,180	986,153

25. Equity (cont'd)

Accumulated other comprehensive income (cont'd)

December 31, 2024

(In millions of Korean won)	Valuation gain (loss) of debt securities at fair value through other comprehensive income	Share of other comprehensive income of associates	Exchange differences	Valuation gain (loss) of cash flow hedge	Valuation gain (loss) of hedge of a net investment in a foreign operation
Beginning	(220,070)	1,115	102,565	(15,585)	(61,708)
Valuation gain (loss) of debt securities at fair value through other comprehensive income					
- Reclassification of debt securities at fair value through other comprehensive income to profit or loss	(12,634)	-	-	-	-
- Fair value changes of debt securities at fair value through other comprehensive income	315,458	-	-	-	-
- Tax effect	(76,528)	-	-	-	-
	226,296	-	-	-	-
Exchange difference	-	-	251,023	-	-
Cash flow hedge					
- Changes in cash flow hedge	-	-	-	(13,654)	-
- Tax effect	-	-	-	4,244	-
	-	-	-	(9,410)	-
Hedge of a net investment in a foreign operation					
- Gain or loss of valuation	-	-	-	-	(95,414)
- Tax effect	-	-	-	-	25,189
	-	-	-	-	(70,225)
Insurance finance income and expenses					
- Insurance finance income and expenses	-	-	-	-	-
- Tax effect	-	-	-	-	-
	-	-	-	-	-
Valuation gain (loss) of financial liabilities designated at fair value through profit or loss					
- Gain or loss of valuation	-	-	-	-	-
- Tax effect	-	-	-	-	-
	-	-	-	-	-
Valuation gain (loss) of equity securities at fair value through other comprehensive income					
- Reclassification of equity	-	-	-	-	-

(In millions of Korean won)	Valuation gain (loss) of debt securities at fair value through other comprehensive income	Share of other comprehensive income of associates	Exchange differences	Valuation gain (loss) of cash flow hedge	Valuation gain (loss) of hedge of a net investment in a foreign operation
securities at fair value through other comprehensive income to retained earnings					
- Fair value changes of equity securities at fair value through other comprehensive income	-	-	-	-	-
- Tax effect	-	-	-	-	-
	-	-	-	-	-
Net defined benefit liabilities					
- Remeasurements	-	-	-	-	-
- Tax effect	-	-	-	-	-
	-	-	-	-	-
Ending	6,226	1,115	353,588	(24,995)	(131,933)

(In millions of Korean won)	Insurance finance income and expenses	Valuation gain (loss) of financial liabilities designated at fair value through profit or loss	Valuation gain (loss) of equity securities at fair value through other comprehensive income	Remeasure-ments of net defined benefit liabilities (assets)	Total
Beginning	(140,560)	(501)	580,622	(1,928)	243,950
Valuation gain (loss) of debt securities at fair value through other comprehensive income					
- Reclassification of debt securities at fair value through other comprehensive income to profit or loss	-	-	-	-	(12,634)
- Fair value changes of debt securities at fair value through other comprehensive income	-	-	-	-	315,458
- Tax effect	-	-	-	-	(76,528)
	-	-	-	-	226,296
Exchange difference	-	-	-	-	251,023
Cash flow hedge					
- Changes in cash flow hedge	-	-	-	-	(13,654)
- Tax effect	-	-	-	-	4,244
	-	-	-	-	(9,410)
Hedge of a net investment in a foreign operation					
- Gain or loss of valuation	-	-	-	-	(95,414)
- Tax effect	-	-	-	-	25,189
	-	-	-	-	(70,225)
Insurance finance income and expenses					
- Insurance finance income and expenses	(56,706)	-	-	-	(56,706)

(In millions of Korean won)

	Insurance finance income and expenses	Valuation gain (loss) of financial liabilities designated at fair value through profit or loss	Valuation gain (loss) of equity securities at fair value through other comprehensive income	Remeasure-ments of net defined benefit liabilities (assets)	Total
- Tax effect	13,099	-	-	-	13,099
	(43,607)	-	-	-	(43,607)
Valuation gain (loss) of financial liabilities designated at fair value through profit or loss					
- Gain or loss of valuation	-	(56)	-	-	(56)
- Tax effect	-	15	-	-	15
	-	(41)	-	-	(41)
Valuation gain (loss) of equity securities at fair value through other comprehensive income					
- Reclassification of equity securities at fair value through other comprehensive income to retained earnings	-	-	(4,884)	-	(4,884)
- Fair value changes of equity securities at fair value through other comprehensive income	-	-	219,359	-	219,359
- Tax effect	-	-	(56,875)	-	(56,875)
	-	-	157,600	-	157,600
Net defined benefit liabilities (assets)					
- Remeasurements	-	-	-	(132,005)	(132,005)
- Tax effect	-	-	-	35,438	35,438
	-	-	-	(96,567)	(96,567)
Ending	(184,167)	(542)	738,222	(98,495)	659,019

25. Equity (cont'd)

Gain (loss) on valuation of financial assets at fair value through other comprehensive income

The Group recognizes the changes in fair value of financial assets at fair value through other comprehensive income of debt and equity securities as other comprehensive income.

Changes in other comprehensive income of investments in associates

The Group recognizes its proportionate share of changes in other comprehensive income of the investee as a share of other comprehensive income of associates.

Exchange differences

The Group recognizes the exchange difference caused by translating the financial statements of overseas branches into the presentation currency in other comprehensive income.

Cash flow hedge

For cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized directly in equity as the other comprehensive income.

Changes in valuation of hedge of a net investment in foreign operations

The Group has non-derivatives designated as hedging instruments to hedge an investment in foreign operation and the effective portion of hedging investments is recognized in other comprehensive income.

Insurance finance income and expenses

Since January 1, 2024, the Group has applied K-IFRS No. 1117 *Insurance Contracts* and has included the time value of money related to groups of insurance contracts, financial risks, and the effects of their fluctuations in the insurance finance income and expense and recognized as other comprehensive income.

Changes in valuation of financial liabilities designated at fair value through profit or loss

The Group recognizes the changes in its own credit risk of financial liabilities designated at fair value through profit or loss as other comprehensive income.

Remeasurements of net defined benefit liabilities (assets)

The Group recognizes the remeasurements of net defined benefit liabilities(assets) as other comprehensive income.

26. Retained Earnings

Retained earnings as of December 31, 2025 and 2024, consist of:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Legal reserves[1]	4,392,369	4,346,337
Reserve for credit losses	3,567,273	3,343,810
Voluntary reserve other than recapitalization	12,436,009	11,292,847
Retained earnings before appropriation	5,000,745	4,610,128
	25,396,396	23,593,122

[1] Pursuant to Article 42 of Industrial Bank of Korea Act, the Group appropriates no less than 25% of net income until the reserve reaches the total amount of the issued capital. Also, in accordance with Commercial Code of the Republic of Korea, the Group's subsidiaries appropriate, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued capital. The reserves can only be transferred to issued capital or used to reduce deficit. Other reserves reserved by the Group's Tokyo, Ho Chi Minh City, Hanoi and New Delhi branches in accordance with the local banking laws, respectively, are included. When the accumulated legal reserves are greater than 1.5 times the paid-in capital amount, the excess legal reserves may be distributed.

Reserve for Credit Losses

The reserve for credit losses is calculated in accordance with the Supervisory Regulations on Banking Business Article 29 (1) and (2), and is disclosed in the notes to the consolidated financial statements.

Details of reserve for credit losses as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Beginning	3,567,273	3,343,810
Estimated amount of reserve	483,013	223,463
Ending	4,050,286	3,567,273

26. Retained Earnings (cont'd)

Details of provisions of reserve for credit losses and adjusted profit after reserve for credit losses for the year ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Provision of reserve for credit losses	483,013	223,463
Adjusted profit after provision of reserve for credit losses[1]	2,235,855	2,430,875
Adjusted profit attributable to owners of the Group[1]	2,228,090	2,421,061
Adjusted earnings per share *(in Korean won)*	2,577	2,826

[1] Adjusted profit after provision of reserve for credit losses and adjusted profit attributable to owners of the Group are not in accordance with K-IFRS and calculated with the assumption that provision (reversal) of reserve for credit losses before income tax is adjusted to the profit and profit attributable to owners.

27. Net Interest Income and Expenses

Interest income and expenses for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Interest income		
Cash and due from banks	215,817	202,000
Financial assets at fair value through profit or loss	377,823	396,480
Financial assets at fair value through other comprehensive income	1,086,218	1,062,931
Securities at amortized cost	1,015,581	1,031,163
Loan receivables at amortized cost		
Credit card receivables	520,287	512,469
Other loan receivables	14,329,993	15,491,111
Insurance interest income	24	-
Others	218,457	258,706
	17,764,200	18,954,860
Interest expenses		
Deposit liabilities	2,002,863	2,161,666
Borrowings	1,122,019	1,291,135
Debentures	6,379,848	7,084,846
Insurance interest expenses	305,613	272,008
Others	204,432	253,316
	10,014,775	11,062,971
Net interest income	7,749,425	7,891,889

Interest income for impaired financial assets for the years ended December 31, 2025 and 2024, amounts to ₩66,292 million and ₩59,053 million, respectively.

28. Net Fee and Commission Income and Expenses

Details of fee and commission income and expenses for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Fees and commission income		
Commission income in Korean won	470,221	483,677
Commission income in foreign currency	152,433	151,463
Commissions income related to credit card	159,574	167,770
Guarantee fees	58,444	60,751
	840,672	863,661
Fees and commission expenses		
Commissions paid in Korean won	136,360	126,260
Commissions paid in foreign currency	17,391	17,327
Commissions paid related to credit card	255,292	248,019
	409,043	391,606
Net fees and commission income	431,629	472,055

29. Net Gain or Loss from Financial Assets and Liabilities through Profit and Loss

Net gain or loss from financial assets and liabilities through profit and loss for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Dividends	Other gains	Valuation gain	Valuation loss	Gain on sale	Loss on sale	Net gain (loss)
Securities							
Equity securities	22,476	-	205,381	37,355	157,428	138,385	209,545
Beneficiary securities	-	337,864	339,985	169,199	292,156	182,042	618,764
Debt securities	-	-	162,653	172,303	91,875	146,526	(64,301)
	22,476	337,864	708,019	378,857	541,459	466,953	764,008
Derivatives	-	-	2,773,868	2,576,548	4,992,340	4,985,130	204,530
Loan receivables	-	-	30,254	20,919	5,043	9,553	4,825
Due from banks	-	-	1,341	-	6,496	-	7,837
Securities sold	-	-	12,239	1,191	-	65	10,983
	22,476	337,864	3,525,721	2,977,515	5,545,338	5,461,701	992,183

December 31, 2024

(In millions of Korean won)	Dividends	Other gains	Valuation gain	Valuation loss	Gain on sale	Loss on sale	Net gain (loss)
Securities							
Equity securities	23,400	-	102,211	95,339	161,324	131,194	60,402
Beneficiary securities	-	245,261	285,273	214,493	227,577	147,601	396,017
Debt securities	-	-	222,255	111,755	135,562	79,862	166,200
	23,400	245,261	609,739	421,587	524,463	358,657	622,619
Derivatives	-	-	4,648,092	4,644,025	5,280,762	5,509,508	(224,679)
Loan receivables	-	-	9,624	39,951	28,031	5,687	(7,983)
Due from banks	-	-	1,085	-	7,680	-	8,765
Securities sold	-	-	56,175	6,199	216	258	49,934
	23,400	245,261	5,324,715	5,111,762	5,841,152	5,874,110	448,656

Net gain or loss from financial instruments designated at fair value through profit or loss for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Valuation gain	Valuation loss	Gain on sale	Loss on sale	Net loss
Financial assets designated at fair value through profit or loss	5,838	52,814	10,901	47,539	(83,614)

December 31, 2024

(In millions of Korean won)	Valuation gain	Valuation loss	Gain on sale	Loss on sale	Net loss
Financial assets designated at fair value through profit or loss	13,118	48,760	1,188	41,265	(75,719)

30. Gain or Loss from Financial Assets at Fair Value through Other Comprehensive Income

Gain or loss from financial assets at fair value through other comprehensive income for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Dividends for:		
Financial assets held by the Group	63,692	58,925
Financial assets derecognized	220	125
Gain on sale	108,960	96,802
Loss on sale	(53,197)	(23,630)
	119,675	132,222

31. General Administrative Expenses

General administrative expenses for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Employee-related expenses		
Salaries	1,655,720	1,487,621
Employee benefits	22,732	15,917
Post-employment benefits (defined benefits)	178,154	119,124
Post-employment benefits (defined contributions)	17,646	17,181
Special post-employment benefits	909	1,320
	1,875,161	1,641,163
Other general administrative expenses		
Rental expenses	28,851	26,779
Taxes and dues	196,640	200,113
Advertising expenses	76,582	70,308
Depreciation on investment properties	1,106	1,080
Depreciation on property and equipment	308,821	231,783
Amortization	81,170	70,845
Commission and service charges	118,819	119,835
Awards expense	3,551	2,545
Others	491,938	448,899
	1,307,478	1,172,187
	3,182,639	2,813,350

32. Other Operating Income

Other operating income for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Reversal of provision for payment guarantee	13,838	33,239
Reversal of provision for financial guarantees	17,677	57,191
Reversal of provisions for unused loan commitments	38,202	-
Reversal amount of restoration provisions	361	5
Reversal of provisions for award credits	-	292
Income of trust management	180,211	161,585
Others	62,284	76,455
	312,573	328,767

33. Other Operating Expenses

Other operating expenses for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Contribution to guarantee fund	633,404	605,072
Provision of provisions for unused loan commitments	-	30,443
Provision of provisions for restoration costs	709	-
Provision of provisions for award credits	22,460	66,760
Others	711,365	694,016
	1,367,938	1,396,291

34. Non-operating Income and Expenses

Non-operating income and expenses for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Non-operating income		
Gain on valuation of investments in associates	149,185	102,525
Gain on disposal of investments in associates	3,078	6,114
Gain on disposal of property and equipment	661	856
Gain on compensation of property and equipment	22	314
Gain on disposal of intangible assets	2,437	1,568
Reversal of Impairment Losses on Intangible Assets	49	26
Rental income	2,539	2,663
Other gains	47,650	61,430
	205,621	175,496
Non-operating expenses		
Loss on valuation of investments in associates	20,141	26,658
Loss on disposal of investments in associates	23	6,895
Loss on disposal of property and equipment	435	58
Loss on obsolescence of property and equipment	641	665
Loss on disposal of intangible assets	18	44
Return on dormant deposits	821	672
Donation	46,316	76,036
Impairment losses on property and equipment	2,880	1,006
Impairment losses on investment properties	528	-
Impairment losses on Intangible Assets	56,518	100
Other loss	68,293	89,946
	196,614	202,080
	9,007	(26,584)

35. Transferable or Transferred Financial Assets

Transferable or transferred financial assets that are not completely derecognized as of December 31, 2025 and 2024, are as follows:

December 31, 2025
(In millions of Korean won)

	Financial assets sold under repurchase agreement[1]			Securities loaned		
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Securities at amortized cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Securities at amortized cost
Carrying amount	3,909,631	1,295,928	5,688,862	-	79,131	9,996

December 31, 2024
(In millions of Korean won)

	Financial assets sold under repurchase agreement[1]			Securities loaned		
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Securities at amortized cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Securities at amortized cost
Carrying amount	4,287,482	1,133,818	17,538	-	167,362	328,165

[1] Assets that were transferred but not derecognized are restricted to sell, and ₩10,484,515 million and ₩5,252,638 million were reported as borrowings related to bonds sold under repurchase agreements as of December 31, 2025 and 2024, respectively.

36. Offsetting of Financial Assets and Liabilities

The Group's financial instruments including derivatives, repurchase agreements, securities lending transactions and others are subject to an enforceable master netting agreement or similar agreements including derivative clearing agreements, global master repurchase agreements, global master securities lending agreements, and financial collateral.

Details of the Group's recognized financial assets subject to enforceable master netting arrangements or similar agreements as of December 31, 2025 and 2024, are as follows:

December 31, 2025
(In millions of Korean won)

	Total assets	Offset liabilities	Net carrying amount	Amounts not offset		Net amount
				Financial instruments	Cash collateral	
Derivative financial assets	3,683,219	-	3,683,219	3,116,914	1,110	565,195
Bonds purchased under repurchase agreements	10,960,120	-	10,960,120	10,960,120	-	-
Securities loaned	89,127	-	89,127	89,127	-	-
Unsettled spot exchange receivable	2,949,273	-	2,949,273	2,946,751	-	2,522
Unsettled accounts receivable	26,550,914	21,522,401	5,028,513	-	-	5,028,513
Other financial instruments	279,187	254,508	24,679	-	-	24,679
	44,511,840	21,776,909	22,734,931	17,112,912	1,110	5,620,909

December 31, 2024
(In millions of Korean won)

	Total assets	Offset liabilities	Net carrying amount	Amounts not offset		Net amount
				Financial instruments	Cash collateral	
Derivative financial assets	4,818,569	-	4,818,569	4,101,545	105,175	611,849
Bonds purchased under repurchase agreements	14,165,777	-	14,165,777	14,165,777	-	-
Securities loaned	495,527	-	495,527	495,527	-	-
Unsettled spot exchange receivable	5,369,703	-	5,369,703	5,368,912	-	791
Unsettled accounts receivable	21,744,484	20,367,584	1,376,900	-	-	1,376,900
Other financial instruments	217,997	93,367	124,630	-	-	124,630
	46,812,057	20,460,951	26,351,106	24,131,761	105,175	2,114,170

36. Offsetting of Financial Assets and Liabilities (cont'd)

Details of the Group's recognized financial liabilities that are subject to legally enforceable master netting or similar agreements as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)

	Total liabilities	Offset assets	Net book amount	Amount not offset		Net amount
				Financial instruments	Cash collateral	
Derivative liabilities	3,827,859	-	3,827,859	2,393,232	710,369	724,258
Bonds sold under repurchase agreements	8,494,428	-	8,494,428	8,494,428	-	-
Securities sold	738,098	-	738,098	738,098	-	-
Unsettled spot exchange payables	2,947,471	-	2,947,471	2,946,751	-	720
Unsettled accounts payables	25,200,727	21,522,401	3,678,326	3,678,326	-	-
Other financial instruments	262,960	254,508	8,452	-	-	8,452
	41,471,543	21,776,909	19,694,634	18,250,835	710,369	733,430

December 31, 2024

(In millions of Korean won)

	Total liabilities	Offset assets	Net book amount	Amount not offset		Net amount
				Financial instruments	Cash collateral	
Derivative liabilities	5,140,186	-	5,140,186	3,779,104	621,863	739,219
Bonds sold under repurchase agreements	3,366,918	-	3,366,918	3,366,918	-	-
Securities sold	608,768	-	608,768	608,768	-	-
Unsettled spot exchange payables	5,369,713	-	5,369,713	5,368,912	-	801
Unsettled accounts payables	22,159,007	20,367,584	1,791,423	1,791,423	-	-
Other financial instruments	194,594	93,367	101,227	-	-	101,227
	36,839,186	20,460,951	16,378,235	14,915,125	621,863	841,247

37. Insurance Contracts

37.1 Insurance Contract Liabilities

Details of insurance contracts as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)		December 31, 2025	December 31, 2024
Insurance contracts	General pension	6,416,873	6,356,614
	Pension savings (Dividends)	412,335	443,148
	Pension savings (No dividends)	1,042,280	1,008,655
	Variable pension	87,780	44,937
		7,959,268	7,853,354

The amount expected to be recovered or settled after 12 months of the reporting date or later is ₩7,673,946 million and ₩7,617,714 million as of December 31, 2025 and 2024, respectively.

The insurance contract liabilities by accounting model and portfolio as of December 31, 2025 and 2024 are as follows:

December 31, 2025

(In millions of Korean won)		General Model			Variable Fee Approach		
		Best Estimate Liability	Risk Adjustment	Contractual Service Margin	Best Estimate Liability	Risk Adjustment	Contractual Service Margin
Indirect-Par	Participating Pension Savings	375,163	1,586	21,583	-	-	-
	Non-Participating Pension Savings	6,934,172	46,494	447,914	-	-	-
Direct-Par	Variable Pension Savings	-	-	-	31,908	4,768	50,882
		7,309,335	48,080	469,497	31,908	4,768	50,882

(*) It was prepared for the remaining coverage element of the underlying insurance contracts.

December 31, 2024

(In millions of Korean won)		General Model			Variable Fee Approach		
		Best Estimate Liability	Risk Adjustment	Contractual Service Margin	Best Estimate Liability	Risk Adjustment	Contractual Service Margin
Indirect-Par	Participating Pension Savings	404,122	1,522	24,775	-	-	-
	Non-Participating Pension Savings	6,889,545	37,528	412,168	-	-	-
Direct-Par	Variable Pension Savings	-	-	-	29,881	1,759	13,169
		7,293,667	39,050	436,943	29,881	1,759	13,169

37.1 Insurance Contract Liabilities (cont'd)

Details of insurance contracts recognized initially for the years ended December 31, 2025 and 2024 are as follows:

December 31, 2025

(In millions of Korean won)	Non-onerous Contracts	Onerous Contracts	Total
Present value discount on cash outflows			
Cash flow from insurance acquisitions	81,574	10,654	92,228
Insurance benefits and other insurance service expenses	1,479,406	138,324	1,617,730
	1,560,980	148,978	1,709,958
Present value discount on cash inflows	(1,638,324)	(148,003)	(1,786,327)
Risk adjustment of non-financial risk	5,571	390	5,961
Insurance contract margin	71,773	-	71,773
Loss upon initial recognition	-	1,365	1,365

December 31, 2024

(In millions of Korean won)	Non-onerous Contracts	Onerous Contracts	Total
Present value discount on cash outflows			
Cash flow from insurance acquisitions	63,894	7,143	71,037
Insurance benefits and other insurance service expenses	1,269,874	171,159	1,441,033
	1,333,768	178,302	1,512,070
Present value discount on cash inflows	(1,379,181)	(177,696)	(1,556,877)
Risk adjustment of non-financial risk	5,051	413	5,464
Insurance contract margin	40,362	-	40,362
Loss upon initial recognition	-	1,019	1,019

37.2 Changes in insurance contracts

Details of changes in residual benefit liabilities and incurred claim liabilities for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025
(In millions of Korean won)

	Residual benefit liabilities			
	Excluding loss factors	Loss factors	Incurred claims liabilities	Total
Beginning of net book amount	7,814,505	(36)	38,885	7,853,354
Changes in the comprehensive income statement :				
Insurance revenue	(117,072)	-	-	(117,072)
Insurance contracts at fair value	(31,317)	-	-	(31,317)
Other insurance contracts	(85,755)	-	-	(85,755)
Insurance service expenses	25,842	(8,967)	42,301	59,176
Insurance benefits and service expenses	-	(7,908)	42,301	34,393
Amortization of insurance acquisition cash flows	25,842	-	-	25,842
Changes in fulfilment cash flows for incurred claims	-	-	-	-
Losses on and reversal of loss-sharing contracts	-	(1,059)	-	(1,059)
Result of insurance service	(91,230)	(8,967)	42,301	(57,896)
Insurance financial income	47,522	114	155	47,791
Net changes in the comprehensive income statement	(43,708)	(8,853)	42,456	(10,105)
Investment factors	(959,369)	-	959,369	-
Cash flows				
Premium receipts and refunds	1,190,759	-	-	1,190,759
Insurance claims paid (including investment components) and other insurance service expenses	-	-	(995,912)	(995,912)
Cash flow from insurance acquisitions	(78,828)	-	-	(78,828)
Ending of net book amount	7,923,359	(8,889)	44,798	7,959,268

37.2 Changes in insurance contracts (cont'd)

December 31, 2024
(In millions of Korean won)

	Residual benefit liabilities			
	Excluding loss factors	Loss factors	Incurred claims liabilities	Total
Beginning of net book amount	7,318,546	2,099	16,318	7,336,963
Changes in the comprehensive income statement				
Insurance revenue	(93,466)	-	-	(93,466)
Insurance contracts at fair value	(28,271)	-	-	(28,271)
Other insurance contracts	(65,195)	-	-	(65,195)
Insurance service expenses	20,504	(2,226)	41,879	60,157
Insurance benefits and service expenses	-	(6,242)	41,879	35,637
Amortization of insurance acquisition cash flows	20,504	-	-	20,504
Changes in fulfilment cash flows for incurred claims				
Losses on and reversal of loss-sharing contracts	-	4,016	-	4,016
Result of insurance service	(72,962)	(2,226)	41,879	(33,309)
Insurance fin ancial income	328,504	91	119	328,714
Net changes in the comprehensive income statement	255,542	(2,135)	41,998	295,405
Investment factors	(981,999)	-	981,999	-
Cash flows				
Premium receipts and refunds	1,288,229	-	-	1,288,229
Insurance claims paid (including investment components) and other insurance service expenses	-	-	(1,001,430)	(1,001,430)
Cash flow from insurance acquisitions	(65,813)	-	-	(65,813)
Ending of net book amount	7,814,505	(36)	38,885	7,853,354

37.2 Changes in insurance contracts (cont'd)

Details of changes in residual benefit liabilities (assets) and incurred claim liabilities by participation features for the years ended December 31, 2025 and 2024, are as follows

Participating

December 31, 2025
(In millions of Korean won)

	Residual benefit liabilities			
	Excluding loss factors	Loss factors	Incurred claims liabilities	Total
Beginning of net book amount	430,370	49	12,729	443,148
Changes in the comprehensive income statement :				
Insurance revenue	(4,526)	-	-	(4,526)
Insurance contracts at fair value	(4,375)	-	-	(4,375)
Other insurance contracts	(151)	-	-	(151)
Insurance service expenses	31	38	1,470	1,539
Insurance benefits and service expenses	-	(7)	1,470	1,463
Amortization of insurance acquisition cash flows	31	-	-	31
Changes in fulfilment cash flows for incurred claims	-	-	-	-
Losses on and reversal of loss-sharing contracts	-	45	-	45
Result of insurance service	(4,495)	38	1,470	(2,987)
Insurance financial income	1,879	1	87	1,967
Net changes in the comprehensive income statement	(2,616)	39	1,557	(1,020)
Investment factors	(40,011)	-	40,011	-
Cash flows				
Premium receipts and refunds	10,510	-	-	10,510
Insurance claims paid (including investment components) and other insurance service expenses	-	-	(40,294)	(40,294)
Cash flow from insurance acquisitions	(9)	-	-	(9)
Ending of net book amount	398,244	88	14,003	412,335

37.2 Changes in insurance contracts (cont'd)

December 31, 2024
(In millions of Korean won)

	Residual benefit liabilities			
	Excluding loss factors	Loss factors	Incurred claims liabilities	Total
Beginning of net book amount	449,630	117	11,860	461,607
Changes in the comprehensive income statement				
Insurance revenue	(3,851)	-	-	(3,851)
Insurance contracts at fair value	(3,730)	-	-	(3,730)
Other insurance contracts	(121)	-	-	(121)
Insurance service expenses	27	(70)	1,673	1,630
Insurance benefits and service expenses	-	(8)	1,673	1,665
Amortization of insurance acquisition cash flows	27	-	-	27
Changes in fulfilment cash flows for incurred claims	-	-	-	-
Losses on and reversal of loss-sharing contracts	-	(62)	-	(62)
Result of insurance service	(3,824)	(70)	1,673	(2,221)
Insurance financial income	14,213	2	68	14,283
Net changes in the comprehensive income statement	10,389	(68)	1,741	12,062
Investment factors	(42,331)	-	42,331	-
Cash flows				
Premium receipts and refunds	12,714	-	-	12,714
Insurance claims paid (including investment components) and other insurance service expenses	-	-	(43,203)	(43,203)
Cash flow from insurance acquisitions	(32)	-	-	(32)
Ending of net book amount	430,370	49	12,729	443,148

37.2 Changes in insurance contracts (cont'd)

Non-participating and others

December 31, 2025
(In millions of Korean won)

	Residual benefit liabilities			
	Excluding loss factors	Loss factors	Incurred claims liabilities	Total
Beginning of net book amount	7,384,135	(85)	26,156	7,410,206
Changes in the comprehensive income statement :				
Insurance revenue	(112,546)	-	-	(112,546)
Insurance contracts at fair value	(26,942)	-	-	(26,942)
Other insurance contracts	(85,604)	-	-	(85,604)
Insurance service expenses	25,811	(9,005)	40,831	57,637
Insurance benefits and service expenses	-	(7,901)	40,831	32,930
Amortization of insurance acquisition cash flows	25,811	-	-	25,811
Changes in fulfilment cash flows for incurred claims	-	-	-	-
Losses on and reversal of loss-sharing contracts	-	(1,104)	-	(1,104)
Result of insurance service	(86,735)	(9,005)	40,831	(54,909)
Insurance financial income	45,643	113	68	45,824
Net changes in the comprehensive income statement	(41,092)	(8,892)	40,899	(9,085)
Investment factors	(919,358)	-	919,358	-
Cash flows				
Premium receipts and refunds	1,180,249	-	-	1,180,249
Insurance claims paid (including investment components) and other insurance service expenses	-	-	(955,618)	(955,618)
Cash flow from insurance acquisitions	(78,819)	-	-	(78,819)
Ending of net book amount	7,525,115	(8,977)	30,795	7,546,933

37.2 Changes in insurance contracts (cont'd)

December 31, 2024
(In millions of Korean won)

	Residual benefit liabilities			
	Excluding loss factors	Loss factors	Incurred claims liabilities	Total
Beginning of net book amount	6,868,916	1,982	4,458	6,875,356
Changes in the comprehensive income statement				
Insurance revenue	(89,615)	-	-	(89,615)
Insurance contracts at fair value	(24,541)	-	-	(24,541)
Other insurance contracts	(65,074)	-	-	(65,074)
Insurance service expenses	20,477	(2,156)	40,206	58,527
Insurance benefits and service expenses	-	(6,234)	40,206	33,972
Amortization of insurance acquisition cash flows	20,477	-	-	20,477
Changes in fulfilment cash flows for incurred claims	-	-	-	-
Losses on and reversal of loss-sharing contracts	-	4,078	-	4,078
Result of insurance service	(69,138)	(2,156)	40,206	(31,088)
Insurance financial income	314,291	89	51	314,431
Net changes in the comprehensive income statement	245,153	(2,067)	40,257	283,343
Investment factors	(939,668)	-	939,668	-
Cash flows				
Premium receipts and refunds	1,275,515	-	-	1,275,515
Insurance claims paid (including investment components) and other insurance service expenses	-	-	(958,227)	(958,227)
Cash flow from insurance acquisitions	(65,781)	-	-	(65,781)
Ending of net book amount	7,384,135	(85)	26,156	7,410,206

37.2 Changes in insurance contracts (cont'd)

Details of changes in insurance contract liabilities for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025
(In millions of Korean won)

			Insurance contract margin				
	Present value estimates of future cash flows	Risk adjustments for non-financial risks	Retrospective application of amended contracts	Contracts applying the fair value method	Other insurance contracts	Total	Total
Beginning of net book amount	7,362,432	40,810	-	140,508	309,604	450,112	7,853,354
Changes in the comprehensive income statement							
Changes related to the current service							
Perceived insurance contract margin surplus for the provided service	-	-	-	(16,862)	(27,166)	(44,028)	(44,028)
Changes in risk adjustments for non-financial risks	-	(2,888)	-	-	-	-	(2,888)
Experience adjustment	(2,498)	-	-	-	-	-	(2,498)
Changes related to future services							
Contracts recognized for the first time in the current period	(76,369)	5,961	-	-	71,773	71,773	1,365
Variations in estimates for adjusting insurance contract margins	(42,794)	8,862	-	9,887	16,622	26,509	(7,423)
Losses on and reversal of loss-sharing contracts	(2,534)	104	-	-	6	6	(2,424)
Changes related to past services							
Changes in incurred claims cash flow	-	-	-	-	-	-	-
Insurance service outcomes	(124,195)	12,039	-	(6,975)	61,235	54,260	(57,896)
Insurance financial income(loss)	31,784	-	-	4,335	11,672	16,007	47,791
Net changes in the comprehensive income statement	(92,411)	12,039	-	(2,640)	72,907	70,267	(10,105)
Cash flows	116,019	-	-	-	-	-	116,019
Premiums received and refunds	1,190,759	-	-	-	-	-	1,190,759
Insurance claims paid (including investment components) and other insurance service expenses	(995,912)	-	-	-	-	-	(995,912)
Insurance acquisition cash flow	(78,828)	-	-	-	-	-	(78,828)
Ending of net book amount	7,386,040	52,849	-	137,868	382,511	520,379	7,959,268

37.2 Changes in insurance contracts (cont'd)

December 31, 2024
(In millions of Korean won)

			Insurance contract margin				
	Present value estimates of future cash flows	Risk adjustments for non-financial risks	Retrospective application of amended contracts	Contracts applying the fair value method	Other insurance contracts	Total	Total
Beginning of net book amount	6,843,137	37,986	-	164,443	291,397	455,840	7,336,963
Changes in the comprehensive income statement							
Changes related to the current service							
Perceived insurance contract margin surplus for the provided service	-	-	-	(13,978)	(21,133)	(35,111)	(35,111)
Changes in risk adjustments for non-financial risks	-	(2,167)	-	-	-	-	(2,167)
Experience adjustment	5,861	-	-	-	-	-	5,861
Changes related to future services							
Contracts recognized for the first time in the current period	(44,807)	5,464	-	-	40,362	40,362	1,019
Variations in estimates for adjusting insurance contract margins	20,126	(399)	-	(13,660)	(11,974)	(25,634)	(5,907)
Losses on and reversal of loss-sharing contracts	3,070	(74)	-	-	-	-	2,996
Changes related to past services							
Changes in incurred claims cash flow	-	-	-	-	-	-	-
Insurance service outcomes	(15,750)	2,824	-	(27,638)	7,255	(20,383)	(33,309)
Insurance financial income(loss)	314,059	-	-	3,703	10,952	14,655	328,714
Gross changes in the comprehensive income statement	298,309	2,824	-	(23,935)	18,207	(5,728)	295,405
Cash flows	220,986	-	-	-	-	-	220,986
Premiums received and refunds	1,288,229	-	-	-	-	-	1,288,229
Payouts for insurance claims (including investment components) and other insurance service expenses	(1,001,430)	-	-	-	-	-	(1,001,430)
Insurance acquisition cash flow	(65,813)	-	-	-	-	-	(65,813)
Ending of net book amount	7,362,432	40,810	-	140,508	309,604	450,112	7,853,354

37.2 Changes in insurance contracts (cont'd)

Details of changes in insurance contract liabilities by participation features for the years ended December 31, 2025 and 2024, are as follows:

Participating

December 31, 2025
(In millions of Korean won)

			Insurance contract margin				
	Present value estimates of future cash flows	Risk adjustments for non-financial risks	Retrospective application of amended contracts	Contracts applying the fair value method	Other insurance contracts	Total	Total
Beginning of net book amount	416,851	1,522	-	23,998	777	24,775	443,148
Changes in the comprehensive income statement							
Changes related to the current service							
Perceived insurance contract margin surplus for the provided service	-	-	-	(2,992)	(81)	(3,073)	(3,073)
Changes in risk adjustments for non-financial risks	-	(57)	-	-	-	-	(57)
Experience adjustment	97	-	-	-	-	-	97
Changes related to future services							
Contracts recognized for the first time in the current period	(12)	1	-	-	11	11	-
Variations in estimates for adjusting insurance contract margins	758	121	-	(757)	(122)	(879)	-
Losses on and reversal of loss-sharing contracts	40	-	-	-	6	6	46
Changes related to past services							
Changes in incurred claims cash flow	-	-	-	-	-	-	-
Insurance service outcomes	883	65	-	(3,749)	(186)	(3,935)	(2,987)
Insurance financial income(loss)	1,224	-	-	716	27	743	1,967
Net changes in the comprehensive income statement	2,107	65	-	(3,033)	(159)	(3,192)	(1,020)
Cash flows	(29,793)	-	-	-	-	-	(29,793)
Premiums received and refunds	10,510	-	-	-	-	-	10,510
Insurance claims paid (including investment components) and other insurance service expenses	(40,294)	-	-	-	-	-	(40,294)
Insurance acquisition cash flow	(9)	-	-	-	-	-	(9)
Ending of net book amount	389,165	1,587	-	20,965	618	21,583	412,335

37.2 Changes in insurance contracts (cont'd)

December 31, 2024
(In millions of Korean won)

			Insurance contract margin				
	Present value estimates of future cash flows	Risk adjustments for non-financial risks	Retrospective application of amended contracts	Contracts applying the fair value method	Other insurance contracts	Total	Total
Beginning of net book amount	438,236	1,337	-	21,375	659	22,034	461,607
Changes in the comprehensive income statement							
Changes related to the current service							
Perceived insurance contract margin surplus for the provided service	-	-	-	(2,362)	(57)	(2,419)	(2,419)
Changes in risk adjustments for non-financial risks	-	(36)	-	-	-	-	(36)
Experience adjustment	294	-	-	-	-	-	294
Changes related to future services							
Contracts recognized for the first time in the current period	-	-	-	-	1	1	1
Variations in estimates for adjusting insurance contract margins	(4,837)	219	-	4,465	155	4,620	2
Losses on and reversal of loss-sharing contracts	(65)	2	-	-	-	-	(63)
Changes related to past services							
Changes in incurred claims cash flow	-	-	-	-	-	-	-
Insurance service outcomes	(4,608)	185	-	2,103	99	2,202	(2,221)
Insurance financial income(loss)	13,744	-	-	520	19	539	14,283
Gross changes in the comprehensive income statement	9,136	185	-	2,623	118	2,741	12,062
Cash flows	(30,521)	-	-	-	-	-	(30,521)
Premiums received and refunds	12,714	-	-	-	-	-	12,714
Payouts for insurance claims (including investment components) and other insurance service expenses	(43,203)	-	-	-	-	-	(43,203)
Insurance acquisition cash flow	(32)	-	-	-	-	-	(32)
Ending of net book amount	416,851	1,522	-	23,998	777	24,775	443,148

37.2 Changes in insurance contracts (cont'd)

Non-participating and others
December 31, 2025
(In millions of Korean won)

			Insurance contract margin				
	Present value estimates of future cash flows	**Risk adjustments for non-financial risks**	**Retrospective application of amended contracts**	**Contracts applying the fair value method**	**Other insurance contracts**	**Total**	**Total**
Beginning of net book amount	6,945,581	39,288	-	116,510	308,827	425,337	7,410,206
Changes in the comprehensive income statement							
Changes related to the current service							
Perceived insurance contract margin surplus for the provided service	-	-	-	(13,870)	(27,085)	(40,955)	(40,955)
Changes in risk adjustments for non-financial risks	-	(2,831)	-	-	-	-	(2,831)
Experience adjustment	(2,595)	-	-	-	-	-	(2,595)
Changes related to future services							
Contracts recognized for the first time in the current period	(76,357)	5,960	-	-	71,762	71,762	1,365
Variations in estimates for adjusting insurance contract margins	(43,552)	8,741	-	10,644	16,744	27,388	(7,423)
Losses on and reversal of loss-sharing contracts	(2,574)	104	-	-	-	-	(2,470)
Changes related to past services							
Changes in incurred claims cash flow	-	-	-	-	-	-	-
Insurance service outcomes	(125,078)	11,974	-	(3,226)	61,421	58,195	(54,909)
Insurance financial income(loss)	30,560	-	-	3,619	11,645	15,264	45,824
Net changes in the comprehensive income statement	(94,518)	11,974	-	393	73,066	73,459	(9,085)
Cash flows	145,812	-	-	-	-	-	145,812
Premiums received and refunds	1,180,249	-	-	-	-	-	1,180,249
Insurance claims paid (including investment components) and other insurance service expenses	(955,618)	-	-	-	-	-	(955,618)
Insurance acquisition cash flow	(78,819)	-	-	-	-	-	(78,819)
Ending of net book amount	6,996,875	51,262	-	116,903	381,893	498,796	7,546,933

37.2 Changes in insurance contracts (cont'd)

December 31, 2024
(In millions of Korean won)

			Insurance contract margin				
	Present value estimates of future cash flows	Risk adjustments for non-financial risks	Retrospective application of amended contracts	Contracts applying the fair value method	Other insurance contracts	Total	Total
Beginning of net book amount	6,404,901	36,649	-	143,068	290,738	433,806	6,875,356
Changes in the comprehensive income statement							
Changes related to the current service							
Perceived insurance contract margin surplus for the provided service	-	-	-	(11,616)	(21,076)	(32,692)	(32,692)
Changes in risk adjustments for non-financial risks	-	(2,131)	-	-	-	-	(2,131)
Experience adjustment	5,567	-	-	-	-	-	5,567
Changes related to future services							
Contracts recognized for the first time in the current period	(44,807)	5,464	-	-	40,361	40,361	1,018
Variations in estimates for adjusting insurance contract margins	24,963	(618)	-	(18,125)	(12,129)	(30,254)	(5,909)
Losses on and reversal of loss-sharing contracts	3,135	(76)	-	-	-	-	3,059
Changes related to past services							
Changes in incurred claims cash flow	-	-	-	-	-	-	-
Insurance service outcomes	(11,142)	2,639	-	(29,741)	7,156	(22,585)	(31,088)
Insurance financial income(loss)	300,315	-	-	3,183	10,933	14,116	314,431
Gross changes in the comprehensive income statement	289,173	2,639	-	(26,558)	18,089	(8,469)	283,343
Cash flows	251,507	-	-	-	-	-	251,507
Premiums received and refunds	1,275,515	-	-	-	-	-	1,275,515
Payouts for insurance claims (including investment components) and other insurance service expenses	(958,227)	-	-	-	-	-	(958,227)
Insurance acquisition cash flow	(65,781)	-	-	-	-	-	(65,781)
Ending of net book amount	6,945,581	39,288	-	116,510	308,827	425,337	7,410,206

37.2 Changes in insurance contracts (cont'd)

Details of the changes in insurance contract liabilities due to assumption changes at different stages, volume differences, and variances in investment components are as follows.

December 31, 2025
(In millions of Korean won)

		Best Estimate Liability	Risk Adjustment	Contractual Service Margin
Future Service Variance[1]	New Business	(76,369)	5,961	71,773
	Other changes	(37,902)	8,966	26,509
	Assumption change	(35,663)	-	35,663
	Lapse Rate Assumption change	9,382	-	(9,382)
	Mortality Rate Assumption change	(964)	-	964
	Expense Ratio Assumption	12,071	-	(12,071)
	Other assumption change	(56,152)	-	56,152
	Volume Differences & Investment Component Variance	(2,239)	8,966	(6,730)
	Loss component	-	-	(2,424)
Total		(114,271)	14,927	98,282

[1] Prepared for the remaining coverage component of direct insurance and reinsurance contracts.

December 31, 2024
(In millions of Korean won)

		Best Estimate Liability	Risk Adjustment	Contractual Service Margin
Future Service Variance[1]	New Business	(44,807)	5,464	40,362
	Other changes	29,105	(474)	(25,634)
	Assumption change	(22,247)	-	22,771
	Lapse Rate Assumption change	16,445	-	(16,362)
	Mortality Rate Assumption change	(574)	-	559
	Expense Ratio Assumption	20,418	-	(19,427)
	Other assumption change	(58,536)	-	58,001
	Volume Differences & Investment Component Variance	51,352	(474)	(49,068)
	Loss component	-	-	663
Total		(15,702)	4,990	14,728

[1] Prepared for the remaining coverage component of direct insurance and reinsurance contracts.

37.3 Components of Insurance Profit or Loss

37.3.1 Details of changes in insurance revenue for the years ended December 31, 2025 and 2024 are as follows :

(In millions of Korean won)	**2025**	**2024**
Amount related to changes in the liability for remaining coverage		
Contractual service margin recognized for the service provided	44,028	35,111
Changes in risk adjustments for expired non-financial risks	2,878	2,163
Expected insurance claims and other insurance service expenses	44,324	35,688
Recovery of insurance acquisition cash flow	25,842	20,504
	117,072	93,466

37.3.2 Details of changes in insurance expense for the years ended December 31, 2025 and 2024 are as follows :

(In millions of Korean won)	**2025**	**2024**
Insurance service expenses		
Incurred insurance claims (excluding investment components) and other insurance service expenses	34,393	35,637
Amortization of insurance acquisition cash flow	25,842	20,504
Losses on and reversal of onerous contracts	(1,059)	4,016
Other operating expenses	5,520	3,755
	64,696	63,912

37.3.3 Details of changes in Insurance financial gains/losses for the years ended December 31, 2025 and 2024 are as follows :

(In millions of Korean won)	**2025**	**2024**
Net financial costs related to insurance contracts		
The amount recognized in profit or loss		
Insurance interest incomes	24	-
Insurance interest expenses	(305,613)	(272,008)
The amount recognized in other comprehensive income		
Effect of changes in interest rates and other financial assumptions	257,798	(56,706)
	(47,791)	(328,714)

37.4 Profit Recognition of Insurance Contract Margins Income

Details of the scheduled amounts for profit recognition of insurance contract margins income as of December 31, 2025 and 2024, are as follows:

December 31, 2025
(In millions of Korean won)

		Less than 1 year	Over 1 year up to 2 years	Over 2 years up to 3 years	Over 3 years up to 4 years	Over 4 years up to 5 years -	Over 5 years up to 10 years	Over 10 years up to 20 years	Over 20 years up to 30 years	Over 30 years	Total
Indirect-Par	Participating Pension Savings	2,015	1,814	1,682	1,605	1,532	6,177	5,720	921	117	21,583
	Non-Participating Pension Savings	26,491	27,264	27,343	26,439	25,891	111,133	119,960	48,550	34,843	447,914
Direct-Par	Variable Pension Savings	1,077	1,505	1,810	2,054	2,245	12,739	18,163	8,018	3,271	50,882
Total		29,583	30,583	30,835	30,098	29,668	130,049	143,843	57,489	38,231	520,379

December 31, 2024
(In millions of Korean won)

		Less than 1 year	Over 1 year up to 2 years	Over 2 years up to 3 years	Over 3 years up to 4 years	Over 4 years up to 5 years -	Over 5 years up to 10 years	Over 10 years up to 20 years	Over 20 years up to 30 years	Over 30 years	Total
Indirect-Par	Participating Pension Savings	2,179	2,050	1,856	1,728	1,661	6,974	6,915	1,241	171	24,775
	Non-Participating Pension Savings	22,345	23,589	23,635	23,450	22,868	101,114	111,262	47,378	36,527	412,168
Direct-Par	Variable Pension Savings	269	422	521	587	634	3,296	4,442	2,080	918	13,169
Total		24,793	26,061	26,012	25,765	25,163	111,384	122,619	50,699	37,616	450,112

37.5 Underlying items held for insurance contracts measured at fair value using the variable fee approach

Details of the amount of underlying items held for insurance contracts measured at fair value using the variable fee approach as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Cash and cash equivalents	13,390	6,846
Stocks	24,210	13,087
Bonds	13,603	9,998
Securities	106,812	50,355
Other financial assets(liabilities)	(900)	349
Total	157,115	80,635

37.6 Profit Recognition of Insurance Contract Margins Income

Details of the scheduled amounts for profit recognition of insurance contract margins income as of December 31, 2025 and 2024, are as follows:

December 31, 2025
(In millions of Korean won)

		Elapsed Period	1 year	2 years	3 years	4 years	5 years	Over 6 years up to 10 years	Over 11 years up to 20 years	Over 21 years up to 20 years	Over 30 years	Present value
Indirect-Par	Participating Pension Savings	Expected Maintenance Expenses and others(A)	1,316	1,220	960	910	871	3,732	5,457	4,218	8,522	14,291
		Assumed Maintenance Expenses (B)	744	615	523	459	417	1,537	1,313	400	386	4,771
		Ratio (A/B)	177%	198%	184%	198%	209%	243%	416%	1055%	2208%	300%
	Non-Participating Pension Savings	Expected Maintenance Expenses and others(A)	32,408	26,270	20,296	18,534	17,361	72,483	97,960	68,504	129,142	270,286
		Assumed Maintenance Expenses (B)	29,040	23,200	18,764	14,881	12,456	41,440	36,644	16,279	14,875	155,090
		Ratio (A/B)	112%	113%	108%	125%	139%	175%	267%	421%	868%	174%
Direct-Par	Variable Pension Savings	Expected Maintenance Expenses and others(A)	4,068	2,113	2,069	2,033	2,003	9,331	10,342	4,661	8,633	27,875
		Assumed Maintenance Expenses (B)	5,315	4,644	4,059	3,545	3,130	10,703	2,777	669	436	29,516
		Ratio (A/B)	77%	45%	51%	57%	64%	87%	372%	697%	1980%	94%
Total		Expected Maintenance Expenses and others(A)	37,792	29,603	23,325	21,477	20,235	85,546	113,759	77,383	146,297	312,452
		Assumed Maintenance Expenses (B)	35,099	28,459	23,346	18,885	16,003	53,680	40,734	17,348	15,697	189,377
		Ratio (A/B)	108%	104%	100%	114%	126%	159%	279%	446%	932%	165%

37.6 Profit Recognition of Insurance Contract Margins Income (cont'd)

December 31, 2024
(In millions of Korean won)

		Elapsed Period	1 year	2 years	3 years	4 years	5 years	Over 6 years up to 10 years	Over 11 years up to 20 years	Over 21 years up to 30 years	Over 30 years	Present value
Indirect-Par	Participating Pension Savings	Expected Maintenance Expenses and others(A)	1,379	1,290	1,206	950	908	4,020	6,188	4,906	10,086	16,518
		Assumed Maintenance Expenses (B)	819	686	566	481	424	1,614	1,492	534	662	5,376
		Ratio (A/B)	168%	188%	213%	198%	214%	249%	415%	919%	1524%	307%
	Non-Participating Pension Savings	Expected Maintenance Expenses and others(A)	30,273	25,916	23,668	18,407	17,101	72,558	102,641	75,306	146,285	288,602
		Assumed Maintenance Expenses (B)	28,939	23,448	18,461	14,982	11,757	38,735	35,578	18,187	20,603	156,859
		Ratio (A/B)	105%	111%	128%	123%	145%	187%	288%	414%	710%	184%
Direct-Par	Variable Pension Savings	Expected Maintenance Expenses and others(A)	2,368	1,167	1,151	1,129	1,095	4,821	5,137	2,383	4,845	15,302
		Assumed Maintenance Expenses (B)	2,467	2,108	1,824	1,605	1,377	4,571	1,250	390	322	13,410
		Ratio (A/B)	96%	55%	63%	70%	80%	105%	411%	611%	1505%	114%
Total		Expected Maintenance Expenses and others(A)	34,020	28,373	26,025	20,486	19,104	81,399	113,966	82,595	161,216	320,422
		Assumed Maintenance Expenses (B)	32,225	26,242	20,851	17,068	13,558	44,920	38,320	19,111	21,587	175,645
		Ratio (A/B)	106%	108%	125%	120%	141%	181%	297%	432%	747%	182%

37.7 Overview of Insurance Risk

37.7.1 Overview, Measurement, and Management of Insurance Risks

37.7.1.1 Overview of insurance risk

Insurance risk refers to the risk of loss arising when the actual level of claims exceeds the level expected at the time of underwriting insurance contracts. Insurance risk is generally classified into premium risk and reserve risk.

Under the Korean Insurance Capital Standard (K-ICS), insurance risk is classified into the following seven sub-risks:

- Mortality Risk: The risk of potential economic loss due to an increase in the mortality rate of policyholders.
- Longevity Risk: The risk of potential economic loss due to a decrease in the mortality rate of policyholders.
- Disability and Illness Risk: The risk of potential economic loss due to an increase in the risk rate of disability and illness benefits for policyholders.
- Long-term Property and Other Risk: The risk of potential economic loss due to an increase in the risk rate of property, expenses, indemnity, and other benefits in long-term property insurance.
- Surrender Risk: The risk of potential economic loss due to changes in option exercise rates under the contract or exercise of legal rights by policyholders.
- Expense Risk: The risk of potential economic loss due to fluctuations in future expenses levels and expenditure variations caused by inflation related to insurance contract expenses.
- Catastrophic Risk: The risk of potential economic loss due to extreme and exceptional risks (such as pandemics, major accidents, etc.) not considered in mortality risks.

37.7.1.2 Measurement of insurance risk

Insurance risks are measured targeting assets and liabilities that can directly or indirectly cause losses to insurance companies when actuarial assumptions change. They are measured using either shock scenario or risk coefficient methods for each sub-risk. Death risk, longevity risk, disability and illness risk, long-term property and other risk, surrender risk, and expense risk are measured using shock scenario methods, while catastrophic risk is measured using risk coefficient methods.

For the Group selling pension products, death risk, disability and illness risk, long-term property and other risk, and catastrophic risk do not exist.

37.7.1.3 Management of insurance risk

The Group has established a risk measurement system according to the K-ICS standard model for insurance risks and reports the measurement of insurance risks to the Risk Management Committee on a quarterly basis.

37.7.2 The Current Status of Insurance Risks

Details of the impact on profit or loss and equity when insurance risks and market risk variables associated with issued insurance contracts change as of December 31, 2025 and 2024 are as follows:

① The financial impact of changes in actuarial assumptions.

December 31, 2025

			Base Amount[1]		Variance Amount		Impact on profit and equity(before tax)	
	Shock Level	Product line	FCF	CSM	FCF	CSM	PL	OCI
Base amount		General pension	6,083,353	307,214				
		Pension savings (Dividends)	376,749	21,583				
		Pension savings (No dividends)	897,313	140,700				
		Variable pension	36,676	50,882				
		Total	7,394,091	520,379				
Longevity rate	3.27% increase	General pension	6,083,353	307,214	(4,084)	3,738	272	73
		Pension savings (Dividends)	376,749	21,583	(410)	417	1	(8)
		Pension savings (No dividends)	897,313	140,700	(734)	737	4	(7)
		Variable pension	36,676	50,882	(347)	329	18	-
		Total	7,394,091	520,379	(5,575)	5,221	295	58
Surrender rate	9.16% increase	General pension	6,083,353	307,214	30,539	(27,702)	(704)	(2,130)
		Pension savings (Dividends)	376,749	21,583	553	(323)	(1)	(230)
		Pension savings (No dividends)	897,313	140,700	6,556	(5,947)	(6)	(604)
		Variable pension	36,676	50,882	3,989	(3,716)	(273)	-
		Total	7,394,091	520,379	41,637	(37,688)	(984)	(2,964)
	9.16% decrease	General pension	6,083,353	307,214	(33,142)	30,642	552	1,948
		Pension savings (Dividends)	376,749	21,583	(569)	338	1	230
		Pension savings (No dividends)	897,313	140,700	(6,974)	6,413	5	557
		Variable pension	36,676	50,882	(3,057)	2,815	242	-
		Total	7,394,091	520,379	(43,742)	40,208	800	2,735
Expense rate	2.62% increase	General pension	6,083,353	307,214	8,724	(8,414)	(442)	132
		Pension savings (Dividends)	376,749	21,583	759	(774)	(8)	23
		Pension savings (No dividends)	897,313	140,700	3,043	(3,076)	(27)	60
		Variable pension	36,676	50,882	1,030	(948)	(81)	-
		Total	7,394,091	520,379	13,556	(13,212)	(558)	215

37.7.2 The Current Status of Insurance Risks (cont'd)

December 31, 2024

	Shock Level	Product line	Base Amount[1] FCF	Base Amount[1] CSM	Variance Amount FCF	Variance Amount CSM	Impact on profit and equity(before tax) PL	Impact on profit and equity(before tax) OCI
Base amount		General pension	6,055,336	278,178				
		Pension savings (Dividends)	405,644	24,775				
		Pension savings (No dividends)	871,737	133,990				
		Variable pension	31,640	13,169				
		Total	7,364,357	450,112				
Longevity rate	3.27% increase	General pension	6,055,336	278,178	(6,785)	5,859	394	535
		Pension savings (Dividends)	405,644	24,775	(559)	550	1	7
		Pension savings (No dividends)	871,737	133,990	(1,178)	1,136	-	41
		Variable pension	31,640	13,169	(198)	135	62	-
		Total	7,364,357	450,112	(8,720)	7,680	457	583
General pension	9.16% increase	General pension	6,055,336	278,178	20,463	(25,346)	(205)	5,089
		Pension savings (Dividends)	405,644	24,775	293	(290)	(3)	-
Pension savings (Dividends)		Pension savings (No dividends)	871,737	133,990	4,008	(4,514)	-	505
		Variable pension	31,640	13,169	1,200	(1,275)	75	-
		Total	7,364,357	450,112	25,964	(31,425)	(133)	5,594
Pension savings (No dividends)	9.16% decrease	General pension	6,055,336	278,178	(22,603)	28,111	183	(5,691)
		Pension savings (Dividends)	405,644	24,775	(305)	306	3	(4)
Variable pension		Pension savings (No dividends)	871,737	133,990	(4,294)	4,877	-	(583)
		Variable pension	31,640	13,169	(871)	1,044	(173)	-
		Total	7,364,357	450,112	(28,073)	34,338	13	(6,278)
Surrender rate	2.62% increase	General pension	6,055,336	278,178	9,358	(8,741)	(449)	(169)
		Pension savings (Dividends)	405,644	24,775	869	(862)	(3)	(4)
Expense rate		Pension savings (No dividends)	871,737	133,990	3,121	(3,066)	(1)	(54)
		Variable pension	31,640	13,169	562	(448)	(113)	-
		Total	7,364,357	450,112	13,910	(13,117)	(566)	(227)

[1] Fulfilment cash flows are the sum of the best estimate of the remaining coverage component in the financial statements and the risk adjustment.
[2] The shock level of actuarial assumptions was determined by applying the regulatory risk adjustment calculation basis (confidence level of 75%).
[3] No shock was applied to the risk adjustment within the fulfilment cash flows.

37.7.2 The Current Status of Insurance Risks (cont'd)

② The financial impact of changes in financial market indicators

1) Market risk: interest risk

December 31, 2025

		The impact on insurance contract margins		The impact on current period profit or loss		The impact on OCI	
		100bp increase	100bp decrease	100bp increase	100bp decrease	100bp increase	100bp decrease
Financial Assets							
Insurance contracts	General pension	-	-	-	-	155,953	(203,833)
	Pension savings (Dividends)	-	-	-	-	8,235	(16,448)
	Pension savings (No dividends)	-	-	-	-	28,522	(36,306)
	Variable pension	14,546	(17,680)	406	(4,148)	-	-
Net impact		14,546	(17,680)	406	(4,148)	192,710	(256,587)

[1] This represents the impact on the best estimate related to the remaining coverage component in the financial statements.

December 31, 2024

		The impact on insurance contract margins		The impact on current period profit or loss		The impact on OCI	
		100bp increase	100bp decrease	100bp increase	100bp decrease	100bp increase	100bp decrease
Financial Assets							
Insurance contracts	General pension	-	-	-	-	145,851	(206,576)
	Pension savings (Dividends)	-	-	-	-	8,795	(18,571)
	Pension savings (No dividends)	-	-	-	-	21,550	(31,584)
	Variable pension	6,763	(7,984)	1,180	(3,546)	-	-
Net impact		6,763	(7,984)	1,180	(3,546)	176,196	(256,731)

[1] This represents the impact on the best estimate related to the remaining coverage component in the financial statements.

37.7.2 The Current Status of Insurance Risks (cont'd)

2) Market risk: stock price risk

December 31, 2025

		The impact on insurance contract margins		The impact on current period profit or loss		The impact on OCI	
		100bp increase	**100bp decrease**	**100bp increase**	**100bp decrease**	**100bp increase**	**100bp decrease**
Financial Assets							
Insurance contracts	General pension	-	-	-	-	-	-
	Pension savings (Dividends)	-	-	-	-	-	-
	Pension savings (No dividends)	-	-	-	-	-	-
	Variable pension	(2,419)	2,465	(1,907)	785	-	-
Net impact		(2,419)	2,465	(1,907)	785	-	-

[1] This represents the impact on the best estimate related to the remaining coverage component in the financial statements.

December 31, 2024

		The impact on insurance contract margins		The impact on current period profit or loss		The impact on OCI	
		100bp increase	**100bp decrease**	**100bp increase**	**100bp decrease**	**100bp increase**	**100bp decrease**
Financial Assets							
Insurance contracts	General pension	-	-	-	-	-	-
	Pension savings (Dividends)	-	-	-	-	-	-
	Pension savings (No dividends)	-	-	-	-	-	-
	Variable pension	(473)	292	(1,245)	865	-	-
Net impact		(473)	292	(1,245)	865	-	-

[1] This represents the impact on the best estimate related to the remaining coverage component in the financial statements.

37.7.3 Liquidity Risk Related to Insurance Contracts

The liquidity risk arising from insurance contracts refers to the risk of being unable to meet payment obligations due to a mismatch of the timing and amount of funding, or incurring losses due to raising high-cost funds and unfavorable sales of assets to address such shortfalls in fund.

The Group monitors the liquidity risk by monitoring the liquidity gap ratio.

① Details of the maturity analysis of the undiscounted future net cash flows estimated for insurance contract liabilities as of December 31, 2025 and 2024 are as follows:

December 31, 2025
(In millions of Korean won)

	Less than 1 year	Over 1 year up to 2 years	Over 2 years up to 3 years	Over 3 years up to 4 years	Over 4 years up to 5 years -	Over 5 years up to 10 years	Over 10 years	Total
General pension	203,865	510,399	392,844	449,789	421,569	2,322,161	5,586,186	9,886,813
Pension savings (Dividends)	34,235	32,512	29,956	27,836	25,901	114,351	333,177	597,968
Pension savings (No dividends)	(32,151)	(527)	22,863	37,477	49,196	322,406	1,364,368	1,763,632
Variable pension	(78,793)	(48,046)	(43,805)	(37,879)	(30,188)	(34,054)	793,458	520,693
Insurance liabilities	127,156	494,338	401,858	477,223	466,478	2,724,864	8,077,189	12,769,106

December 31, 2024
(In millions of Korean won)

	Less than 1 year	Over 1 year up to 2 years	Over 2 years up to 3 years	Over 3 years up to 4 years	Over 4 years up to 5 years -	Over 5 years up to 10 years	Over 10 years	Total
General pension	193,009	281,829	516,984	350,079	399,127	2,082,885	6,397,935	10,221,848
Pension savings (Dividends)	29,127	30,731	28,646	26,437	25,200	111,439	424,116	675,696
Pension savings (No dividends)	(47,120)	(15,174)	11,076	31,149	44,373	275,805	1,533,289	1,833,398
Variable pension	(54,814)	(30,803)	(21,468)	(18,160)	(9,193)	18,356	381,186	265,104
Insurance liabilities	120,202	266,583	535,238	389,505	459,507	2,488,485	8,736,526	12,996,046

37.7.3 Liquidity Risk Related to Insurance Contracts (cont'd)

② Details of the amount payable upon demand by insurance contract holders and the related insurance contract reserve amounts as of December 31, 2025 and 2024 are as follows:

December 31, 2025
(In millions of Korean won)

	Book amount(*)	Amount payable on demand
General pension	6,416,873	6,625,358
Pension savings (Dividends)	412,335	410,936
Pension savings (No dividends)	1,042,280	1,041,923
Variable pension	87,780	144,492
Insurance liabilities	7,959,268	8,222,709

(*) The present value of future cash flow estimates, risk adjustment and contractual service margin as of the reporting date for insurance contracts related to the amount payable on demand.

December 31, 2024
(In millions of Korean won)

	Book amount(*)	Amount payable on demand
General pension	6,356,614	6,349,897
Pension savings (Dividends)	443,148	430,715
Pension savings (No dividends)	1,008,655	965,915
Variable pension	44,937	69,252
Insurance liabilities	7,854,354	7,815,779

(*) The present value of future cash flow estimates, risk adjustment and contractual service margin as of the reporting date for insurance contracts related to the amount payable on demand.

38. Earnings per Share Attributable to Owners of the Parent Company

Details of earnings per share attributable to owners of the Group for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Profit attributable to the parent	2,711,103	2,644,524
Profit attributable to hybrid capital instruments, etc.	173,010	167,765
Profit attributable to the ordinary equity holders of the Group	2,538,093	2,476,759
Weighted average number of ordinary shares *(In per shares)*[1]	797,425,867	797,425,867
Basic earnings per share attributable to owners of the Group *(In Korean won)*	3,183	3,106

[1] excluding treasury share

The Group has ordinary shares without dilutive effects. Therefore, basic earnings per share are identical to diluted earnings per share for the years ended December 31, 2025 and 2024.

39. Dividends

Details of dividends for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Ordinary shares	Preferred shares	Total
Dividends to be approved[1]: ₩1,048 per share	835,702	-	835,702

[1] To be proposed at the annual shareholders' meeting on March 26, 2026. The Group's financial statements as of December 31, 2025, do not reflect those dividends payable.

December 31, 2024

(In millions of Korean won)	Ordinary shares	Preferred shares	Total
Dividends approved[1]: ₩1,065 per share	849,259	-	849,259

[1] Dividends for hybrid capital instruments for the years ended December 31, 2025 and 2024, are ₩173,010 million and ₩167,765 million, respectively.

40. Restricted and Pledged Assets

Details of restricted and pledged assets as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

Assets (carrying amount)	Lender	December 31, 2025	December 31, 2024	Remarks
Restricted assets				
Reserve deposits in Korean won	Bank of Korea	11,158,470	6,335,733	Act of Bank of Korea
Reserve deposits in Korean won	Korea Federation of Savings Banks[1]	60,039	62,585	Act of Savings Banks and Checking deposits
Due from banks in Korean won	Customers	21,682	30,271	MMF Repurchase Deposit
Due from banks in Korean won	The Korea Securities Finance Corporation and others	423,304	373,340	Deposits for beneficiary securities and others
Due from banks in Korean won	NH Futures and others	48,066	317	Futures Transaction Deposits and others
Due from banks in Korean won	Coupang	186	-	Lease Deposits
Due from banks in Korean won	Shinhan Bank	15	15	Business Guarantees
Reserve deposits in foreign currencies	People's Bank of China	272,997	265,250	Act of People's Bank of China
Due from banks in foreign currencies	BNP Paribas, Hong Kong and others	838,190	728,362	Derivative instruments
Due from other banks in foreign currencies	Bank of Korea and others	912,973	792,036	Act of Bank of Korea and others
Time deposits in foreign currencies	JP Morgan Chase and others	27,048	3,454	Asset collateral
		13,762,970	8,591,363	
Pledged assets[2]				
Financial assets at fair value through profit or loss	Customers	3,471,879	3,944,932	Bonds sold under repurchase agreement
Government and public bonds, and others	KB Kookmin Bank and others	2,452,863	2,216,124	Derivatives transactions and others
Financial assets at fair value through other comprehensive income	Customers	1,809,341	1,554,797	Bonds sold under repurchase agreement
Government and public bonds, and others	Nomura Financial Investment and others	345,487	406,051	Derivatives transactions and others
	Customers	5,777,552	16,600	Bonds sold under repurchase agreement
Securities at amortized cost	Bank of Korea	7,495,000	7,345,000	Collateral for Borrowings from the Bank of Korea
	Bank of Korea	1,965,000	3,962,500	Intraday Overdraft from the Bank of Korea
	Bank of Korea	9,068,500	8,170,000	Collateral for Settlements with the Bank of Korea
	NH Futures and others	55,500	53,500	Substitute securities
	Nomura Financial Investment and others	1,467,781	2,215,983	Derivatives transactions and others
		33,908,903	29,885,487	

[1] It provides ₩30,000 million (December 31, 2024: ₩31,959 million) as collateral to the Korea Federation of Savings Banks in connection with the domestic exchange transaction agreement.
[2] The assets are pledged as collateral. As of December 31, 2025, the total amount of pledged assets amounts to ₩33,506,039 million (December 31, 2024: ₩29,711,247 million).

40. Restricted and Pledged Assets (cont'd)

Fair value of collateral received that can be sold without consent of the owner or provided as collateral even if the owner is not in default as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

Collaterals obtained	Provided to	December 31, 2025	December 31, 2024	Remarks
Government and public bonds, others	Bank of Korea and others	11,042,677	14,221,181	Bonds purchased under repurchase agreements

41. Related Party Transactions

Related parties of the Group as of December 31, 2025 and 2024, are as follows:

	December 31, 2025	December 31, 2024
The Ultimate Parent Company	The Government of the Republic of Korea	The Government of the Republic of Korea
Associates	Incheon Bridge Co., Ltd.	Incheon Bridge Co., Ltd.
	Jeonla railroad Co., Ltd.	Jeonla railroad Co., Ltd.
	Chungjung Sangju Co., Ltd.	Chungjung Sangju Co., Ltd.
	Chungjung Seogwipo Co., Ltd.	Chungjung Seogwipo Co., Ltd.
	Green Kimhae Enviro Co., Ltd.	Green Kimhae Enviro Co., Ltd.
	Green Asan Enviro Co., Ltd.	Green Asan Enviro Co., Ltd.
	KOREA FINANCE SECURITY	KOREA FINANCE SECURITY
	-	Presto Private Equity Fund No. 7
	EVERBEST LIVINGSTONE PRIVATE EQUITY FUND	EVERBEST LIVINGSTONE PRIVATE EQUITY FUND
	Scale-up Platform Private Equity Fund	Scale-up Platform Private Equity Fund
	Eum Private Equity Fund No.7	Eum Private Equity Fund No.7
	Paratus Woori Materials, Parts, Equipment Private Equity Fund	Paratus Woori Materials, Parts, Equipment Private Equity Fund
	UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund	UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund
	-	Thor Private Equity Fund
	Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business	Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business
	-	Nautic No.11 Private Equity Fund
	AIM-OPUS Healthcare Growth Capital Private Equity Fund	AIM-OPUS Healthcare Growth Capital Private Equity Fund
	BNW ACE Private Equity Fund	BNW ACE Private Equity Fund
	UAMCO IBK PF Private Equity Fund I	UAMCO IBK PF Private Equity Fund I
	Smart Private Equity Fund No.2	Smart Private Equity Fund No.2
	Centroid 1st China Private Equity Fund	Centroid 1st China Private Equity Fund
	-	Cactus Buyout Private Equity Fund II
	Highland 2020 4, Private Equity Fund	Highland 2020 4, Private Equity Fund
	SKIL ECO No.1 Green New Deal Private Equity Fund	SKIL ECO No.1 Green New Deal Private Equity Fund
	Lake Bridge Private Equity Fund VIII	Lake Bridge Private Equity Fund VIII
	IBKS SME Accelerating Private Equity Fund	IBKS SME Accelerating Private Equity Fund
	BTS 2-1 Private Equity Fund	-
	UAMCO-IBK PF 2nd Private Equity Fund	-
	Daishin Growth Capital 2024 Private Equity Fund	-
	UAMCO-TAESUNG Corporate Financial Stability Private Equity Fund	-
	BTS Plasma Private Equity Fund	-
	CCVC Culture-ICT Convergence Fund	CCVC Culture-ICT Convergence Fund
	-	IBK-Daesung Majestic Contents Small Giant Korea Fund

December 31, 2025	December 31, 2024
KTBN Media Contents Fund	KTBN Media Contents Fund
EBEST CRESO CONTENTS Fund No.1	EBEST CRESO CONTENTS Fund No.1
KAI-KSM Crowd Seeding Fund	KAI-KSM Crowd Seeding Fund
Gaia Bio Investment Fund #1	Gaia Bio Investment Fund #1
-	IBKS-INTOPS Innovation Companies Design Investment Fund
InterValue No.3 Innovation Start-up Fund	InterValue No.3 Innovation Start-up Fund
Shinhan Consumer Fund 2	Shinhan Consumer Fund 2
-	VS Cornerstone Fund
IBK-STIC Pioneer Fund	IBK-STIC Pioneer Fund
Global Gateway Fund III	Global Gateway Fund III
IBK Changgong Jump up 1st Investment Fund	IBK Changgong Jump up 1st Investment Fund
SWK-SHINHAN NEW TECHNOLOGY INVESTMENT FUND 1st	SWK-SHINHAN NEW TECHNOLOGY INVESTMENT FUND 1st
COMPANY K BIO FUND	COMPANY K BIO FUND
Cornerstone Win-win I Fund	Cornerstone Win-win I Fund
DAvalue-Kbridge New Pharmaceutical Fund No.02	DAvalue-Kbridge New Pharmaceutical Fund No.02
Hanwha Uon Fund No.1	Hanwha Uon Fund No.1
Smilegate Next Commerce 1st Venture Fund	Smilegate Next Commerce 1st Venture Fund
InterVest Global Scale-up Fund	InterVest Global Scale-up Fund
IBK - Synergy IB Business Reshuffle New Technology Fund	IBK - Synergy IB Business Reshuffle New Technology Fund
New Deal Extension New Technology Fund No.1	New Deal Extension New Technology Fund No.1
S&S-ONE-Dotconnect Fund 1	S&S-ONE-Dotconnect Fund 1
Smilegate Next Commerce 2nd Venture Fund	Smilegate Next Commerce 2nd Venture Fund
Smart IBK-Quantum Green New Industry Fund	Smart IBK-Quantum Green New Industry Fund
IBK-KT Emerging Digital Industry Investment Fund	IBK-KT Emerging Digital Industry Investment Fund
PCC-Bailey Project Fund	PCC-Bailey Project Fund
LSK Healthcare Fund IV	LSK Healthcare Fund IV
Shinhan-Kunicorn first Fund	Shinhan-Kunicorn first Fund
VISION Materials, Parts and Equipment Venture Fund No.1	VISION Materials, Parts and Equipment Venture Fund No.1
SUP 1st Venture Fund	SUP 1st Venture Fund
Cornerstone Merkaba Fund 1	Cornerstone Merkaba Fund 1
One Shinhan Global Fund 3	One Shinhan Global Fund 3
-	Synergy ESG 1st New Technology Investment Fund
Korea ASEAN Technology Fund 2	Korea ASEAN Technology Fund 2
IP-LD Fund No.1	IP-LD Fund No.1
Hanwha Smart Healthcare Fund No.1	Hanwha Smart Healthcare Fund No.1
SKS-DA Unicorn Bio Fund No.1	SKS-DA Unicorn Bio Fund No.1
One Shinhan Global Fund 4	One Shinhan Global Fund 4
IBK Changgong Jump up 2nd Investment Fund	IBK Changgong Jump up 2nd Investment Fund
Bokwang-Honest Energy Fund No. 1	Bokwang-Honest Energy Fund No. 1
Cornerstone Pentastone VIII Fund	Cornerstone Pentastone VIII Fund

December 31, 2025	December 31, 2024
One Shinhan Global Fund 5	One Shinhan Global Fund 5
Ulmus 2022 Secondary Fund	Ulmus 2022 Secondary Fund
L&S Early Stage IV ICT MCE Venture Fund	L&S Early Stage IV ICT MCE Venture Fund
-	Cornerstone Innovation IV Fund
IBK-SOLIDUS Next Bio Star Investment Fund	IBK-SOLIDUS Next Bio Star Investment Fund
C&CI Investment Fund 1	C&CI Investment Fund 1
-	Cornerstone Innovation VI Fund
IBK Financial Group-DS Green Finance Fund	IBK Financial Group-DS Green Finance Fund
KOSNET Semicon Two Venture Fund	KOSNET Semicon Two Venture Fund
DKI Growing Star Fund VII	DKI Growing Star Fund VII
Square New Paradigm Investment Fund No. 1	Square New Paradigm Investment Fund No. 1
GU Materials Parts and Equipment Project Fund I	GU Materials Parts and Equipment Project Fund I
S Secondary Venture Fund NO.1	S Secondary Venture Fund NO.1
E&Venture Project No.1 Smartgreen Fund	E&Venture Project No.1 Smartgreen Fund
Cornerstone New Main I Fund	Cornerstone New Main I Fund
SmartKorea UTC Untact Fund	SmartKorea UTC Untact Fund
IBK-Company K Innovation growth Fund	IBK-Company K Innovation growth Fund
IBK Scale-up Gyeonggi-G-FUND	IBK Scale-up Gyeonggi-G-FUND
IBK-Stonebridge Rising Fund II	IBK-Stonebridge Rising Fund II
IBK IP Technology Commercialization Fund	IBK IP Technology Commercialization Fund
SH Ulmus M.P.E. Innovative Venture Fund 7	SH Ulmus M.P.E. Innovative Venture Fund 7
POSITIVE AI Venture Fund #1	POSITIVE AI Venture Fund #1
KB-BridgePole Venture Investment Fund #2	KB-BridgePole Venture Investment Fund #2
KAIC TO Ventures Fund IV	KAIC TO Ventures Fund IV
IBK-KOLON 2023 Super-Gap Fund	IBK-KOLON 2023 Super-Gap Fund
Caspian-T No.3 Fund	Caspian-T No.3 Fund
Newmain II Funds	Newmain II Funds
Korea Investment-Newmain Growth Capital 1st Fund	Korea Investment-Newmain Growth Capital 1st Fund
Timefolio Tech Fund I	Timefolio Tech Fund I
IBK Financial Group-Uamco SME Accelerating Fund	IBK Financial Group-Uamco SME Accelerating Fund
KAI Valiant aesthetic Investment Fund I	KAI Valiant aesthetic Investment Fund I
PLUX Technology Innovation Investment Fund 1	PLUX Technology Innovation Investment Fund 1
Elohim Newmain I Fund	Elohim Newmain I Fund
BYB-SKS Pre-IPO Fund NO.1	BYB-SKS Pre-IPO Fund NO.1
Cornerstone Blue Dragon I Fund	Cornerstone Blue Dragon I Fund
-	Cornerstone Alice II Fund
KB-VEP Contact Fund	KB-VEP Contact Fund
Synergy IB innovation Fund	Synergy IB innovation Fund
LINEA-NBH Fund II	LINEA-NBH Fund II
PLUX Technology Innovation Investment Fund 2	PLUX Technology Innovation Investment Fund 2
COMPANY K BUYOUT 1	COMPANY K BUYOUT 1
Harang-IP Vine Contents Fund	Harang-IP Vine Contents Fund

December 31, 2025	December 31, 2024
IBK-LB Startup Fund I	IBK-LB Startup Fund I
WE Scale-up Fund I	WE Scale-up Fund I
Horizon Venture Fund I	Horizon Venture Fund I
Moorim-Omega Fund II	Moorim-Omega Fund II
GNTECH Project Fund II	GNTECH Project Fund II
NP Growth 11th Private Equity Fund	NP Growth 11th Private Equity Fund
Korea Semiconductor Materials and Components No.1 Private Equity Fund	Korea Semiconductor Materials and Components No.1 Private Equity Fund
Honeypot HGI New Fund	Honeypot HGI New Fund
Widwin investment fund 73	Widwin investment fund 73
IBK-YG K-culture Fund	IBK-YG K-culture Fund
Start-up Korea IBK- Schmidt Fund	Start-up Korea IBK- Schmidt Fund
Start-up Korea IBKVC-FP2024 Fund	Start-up Korea IBKVC-FP2024 Fund
Start-up Korea IBKVC-KOLON 2024 Fund	Start-up Korea IBKVC-KOLON 2024 Fund
Allies-HSBI Material Component Equipment New Technology Fund	Allies-HSBI Material Component Equipment New Technology Fund
-	NICE DATA INTELLIGENCE VENTURE FUND
Lodestone 4th Startup Venture Specialized Private Equity Fund	Lodestone 4th Startup Venture Specialized Private Equity Fund
JW&Kiyvre Fund 1	JW&Kiyvre Fund 1
JKL-POI Private Equity Fund	JKL-POI Private Equity Fund
LB Next Innovation Fund 1	LB Next Innovation Fund 1
Startup Korea IBK-STIC Tech Champion Fund	Startup Korea IBK-STIC Tech Champion Fund
Startup Korea IBK-DTNI Fund	Startup Korea IBK-DTNI Fund
Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund
Startup Korea Pathfinder-IBK Super Gap Fund	Startup Korea Pathfinder-IBK Super Gap Fund
Lucky Invites FUND-1	Lucky Invites FUND-1
Korea Investment Dong-Yu Blue Horizon Fund	Korea Investment Dong-Yu Blue Horizon Fund
BNK safety Investment Fund No.2	BNK safety Investment Fund No.2
D2U 12TH Fund	D2U 12TH Fund
HellosThelaFund1	HellosThelaFund1
2024 Tethys Venture Fund	2024 Tethys Venture Fund
-	AICBM Venture Fund No.3
2024DeepDive Investment Fund	2024DeepDive Investment Fund
KAIC TO Ventures Fund VII	KAIC TO Ventures Fund VII
KT-IBKC Future Investment Fund 1	KT-IBKC Future Investment Fund 1
Impact Platform Fund	Impact Platform Fund
-	D&D Pharmatech Intervest IBKC Fund
IBKC-EQP Innovative Technology Fund	IBKC-EQP Innovative Technology Fund
IBKC-PCC 1st Fund	IBKC-PCC 1st Fund
Rylson-IBKC 5G Investment Fund	Rylson-IBKC 5G Investment Fund
IBKC-Harang Fund	IBKC-Harang Fund
IBKC-INTOPS New Deal and Material Parts Equipment Fund	IBKC-INTOPS New Deal and Material Parts Equipment Fund
IBKC-NICE NEW DEAL AND MATERIAL PARTS EQUIPMENT FUND	IBKC-NICE NEW DEAL AND MATERIAL PARTS EQUIPMENT FUND

December 31, 2025	December 31, 2024
IBKC J& BIO INVESTMENT FUND	IBKC J& BIO INVESTMENT FUND
YUANTA QUANTUM JUMP NO.1 FUND	YUANTA QUANTUM JUMP NO.1 FUND
Klim IBKC Medical Fund	Klim IBKC Medical Fund
-	IBKC-AJU IB Idiscovery Fund 1
IBKC-INTOPS New deal and Material Parts Equipment Fund2	IBKC-INTOPS New deal and Material Parts Equipment Fund2
-	Solution CapitalInvestment Fund IV
IBKC-DARWIN GreenEnergy Fund	IBKC-DARWIN GreenEnergy Fund
TWI-IBKC Open Innovation Fund	TWI-IBKC Open Innovation Fund
IBKC timefolio mezzanine blind 1st fund	IBKC timefolio mezzanine blind 1st fund
IBKC-DAILY Bio Healthcare Fund 1	IBKC-DAILY Bio Healthcare Fund 1
IBKC-BLUECORNER New Deal and Material Parts Equipment Fund[1]	IBKC-WELCOME New Deal and Material Parts Equipment Fund[1]
IBKC-WE Start-up Secondary Fund 1	IBKC-WE Start-up Secondary Fund 1
IBKC-GB Advanced Material Bio Investment Partnership No.1	IBKC-GB Advanced Material Bio Investment Partnership No.1
-	Synergy Turnaround 16th New Technology Business Investment Fund
-	K& Secondary No5 Fund
Medici-IBKC Secondary Fund 2	Medici-IBKC Secondary Fund 2
IBKC-DAILY Bio Healthcare Fund II	IBKC-DAILY Bio Healthcare Fund II
Smart Contents Fund	Smart Contents Fund
-	DS IBKC Foodtech Investment Fund 1
NH-JN-IBKC label New Technology fund	NH-JN-IBKC label New Technology fund
Next Platform Fund	Next Platform Fund
IBKC-Behigh Fund 1st	IBKC-Behigh Fund 1st
IBKC-Emford New technology venture investment FUND No.1	IBKC-Emford New technology venture investment FUND No.1
FV Investment Fund 01	FV Investment Fund 01
Primus Equity Partners, Inc.	Primus Equity Partners, Inc.
IBKC-PEBBLES New Technology Investment Fund 1st	IBKC-PEBBLES New Technology Investment Fund 1st
IBKC-IDV HIGH TECH FUND	IBKC-IDV HIGH TECH FUND
IBKC-INTOPS Fund 3	IBKC-INTOPS Fund 3
IBKC-JS 1st Fund	IBKC-JS 1st Fund
-	DB Synergy Value-up New Technology investment Fund No.1
NH-IBKC EV Fund	NH-IBKC EV Fund
IBKC MIDAS Value Creation Fund	IBKC MIDAS Value Creation Fund
Mezzanine Growth Fund	Mezzanine Growth Fund
Super Growth K-contents Fund	Super Growth K-contents Fund
IBKC GlobalOne Atman Fund	IBKC GlobalOne Atman Fund
Pectus IBKC Fund No1	Pectus IBKC Fund No1
-	Positive-IBKC Fund No.1
IBKC-AH New Technology Business Investment Association No.5	IBKC-AH New Technology Business Investment Association No.5
iM AI Healthcare Venture Fund	iM AI Healthcare Venture Fund
IBKC Darwin Fund	IBKC Darwin Fund

December 31, 2025	December 31, 2024
Ascent IBKC New Tech 1st	Ascent IBKC New Tech 1st
-	Positive IBKC Tech Fund No.1
JW-IBKC NO.1 Fund	JW-IBKC NO.1 Fund
LIGNEXONE-IBKC Defense Industry Innovation New Technology Business Investment Fund 1	LIGNEXONE-IBKC Defense Industry Innovation New Technology Business Investment Fund 1
Kyobo IBK Advanced Material Investment Fund	Kyobo IBK Advanced Material Investment Fund
IBKC-Emford New technology venture investment FUND No.2	IBKC-Emford New technology venture investment FUND No.2
KIWOOM-K&T RISINGSTAR New Technology Investment Fund	KIWOOM-K&T RISINGSTAR New Technology Investment Fund
EVENTUS-IBKC Secondary Cell Materials New Investment Business Investment Fund	EVENTUS-IBKC Secondary Cell Materials New Investment Business Investment Fund
-	Petrico-IBKC First New Technology Business Investment Fund
JBWOORI-IBKC-T&K New Technology Business Investment Fund	JBWOORI-IBKC-T&K New Technology Business Investment Fund
Ascent IBKC New Tech 2nd	Ascent IBKC New Tech 2nd
KIP-IBKC Innovative Growth Private Equity Fund	KIP-IBKC Innovative Growth Private Equity Fund
RCM Ocean Limited Partnership	RCM Ocean Limited Partnership
The IBKS Job Creation Dream Fund	The IBKS Job Creation Dream Fund
Next Tech 1 New Technology Investment Fund	Next Tech 1 New Technology Investment Fund
WJ-IBKS global Fund No.1	WJ-IBKS global Fund No.1
IBKS FAST Contents Fund	IBKS FAST Contents Fund
IBKS-DS Hydrogen 1 Technology Venture Fund	IBKS-DS Hydrogen 1 Technology Venture Fund
IBKS Innovation MPE Fund No.1	IBKS Innovation MPE Fund No.1
UAMCO-IBKS New Technology Fund	UAMCO-IBKS New Technology Fund
IBKS Innovation MPE Fund No.2	IBKS Innovation MPE Fund No.2
IBKS Renewable Energy Fund	IBKS Renewable Energy Fund
NH-IBKS KONEX SCALEUP FUND	NH-IBKS KONEX SCALEUP FUND
IBKS Robot Solution Fund	IBKS Robot Solution Fund
JP-IBKS innovation MPE Fund I	JP-IBKS innovation MPE Fund I
JP-IBKS innovation MPE Fund II	JP-IBKS innovation MPE Fund II
IBKS Innovation MPE Fund III	IBKS Innovation MPE Fund III
IBKS Next Scale-Up New Technology Investment Association	IBKS Next Scale-Up New Technology Investment Association
IBKS-DS-STI G.E.S Fund	IBKS-DS-STI G.E.S Fund
IBKS-SUSUNG Pre-IPO Mezzanine Investment Fund 1st	IBKS-SUSUNG Pre-IPO Mezzanine Investment Fund 1st
IBKS Design Fund	IBKS Design Fund
IBKS-YG Turn around Fund	IBKS-YG Turn around Fund
Allies partners Fund no.9	-
BNK Global Medical Device NEW Technology 1st Investment Fund	-
For Human Life Wellbeing Private Equity Partnership No.1	-
Prodigy Fund 30	-
Start-up Korea IBK Murex Voyager No.2 Fund	-

	December 31, 2025	December 31, 2024
Cape Lakebridge Fund IX	-	
Cornerstone Daon I Fund	-	
2024 IBK Innovation Samchully New Green Fund	-	
Daishin-SAM New Technology Investment Fund No.1	-	
Cornerstone New Main III Funds	-	
Cyrus-K Materials and Components Investment Fund No.1	-	
2024 IBK Innovation-AJU Good Venture Fund 3.0	-	
Novorsec Eco-friendly K-Shipbuilding Venture Fund	-	
DITTO NEW COMMERCE FUND	-	
GNP2025-01Venturefund	-	
IBKC-Envision I Fund	-	
DA Beauty Fund No.1	-	
2024 IBK Innovation K-RUN Mobility No.7 Fund	-	
SJG Semiconductor Materials&Equipment No.2 Fund	-	
INFINITUM K-Culture 2 Fund	-	
Perspective-Axis Fund 1	-	
IBK Korea Investment Growth Bridge Private Equity Fund	-	
IBKVC-SBI 2025 Fund	-	
JB-OMEGA Fund	-	
IBKS-FINDVALUE Robot Solution Fund	-	
Allies partners Fund no.11	-	
Gravity General Private Paju Studio Investment Company No.1	-	
Start-Up Korea Plux Deeptech Fund	-	
StartUp Korea-KIF Kiwoom New Hero No.9 Fund	-	
StartUp Korea Quantum Secondary Fund II	-	
2025 IBKVC-DAISHIN Next Value-Up Fund	-	
INNOPOLIS NEXT UNICORN DEEP FUND	-	
JP-K Semiconductor 1st New Technology Business Investment Fund	-	
Nautilus-KWC Semiconductor Fund	-	
LUX-Mason Innovation Technology Fund #2	-	
IBKC LEP Fund X	-	
Axis Flow Automation Fund No.1	-	
Stassets Fund IV	-	
IBKC-Gaia MSP New Technology Investment Fund No.1	-	
IBKS-Gaia Bio Fund No.1	-	
Samsung Innovative Fund No.3	-	
LB Private Equity Fund III-1	-	

December 31, 2025	December 31, 2024
Daishin New TechnologyInvestment Fund No.19	-
Audastone Project Dragon Private Equity Fund	-
Timefolio-Heungkuk-AOA RGB Investment fund1	-
Heimdall Private Equity Fund II	-
AIM-KIS Robotics Investment Fund	-
K-Content Value-Up Investment Fund	-
Mirae Holdings-IBKVC Deep Tech Investment Fund No.1	-
IBKC-Medici Technology Innovation Investment Fund	-
2024 IBKC-Life Secondary Mezzanine New Technology Investment Fund	-
MAST-IBKC Mezzanine Private Equity Fund	-
IBKC-Solidus Smart-Bio Investment Fund No.2	-
Deep Technology IBKC-MIP Fund	-
SGI-IBKC Deep Tech Venture Fund	-
IBKC-JB-LIFE Mezzanine Fund No.1	-
Alpha Global 1st Private Equity Fund	-
IBKC Kyobo Mezzanine Investment Fund I	-
IBKC-Caspian T No.8 Fund	-
NH-IBKC Value Fund	-
IBKC-IBP Auto Investment Fund	-
IBKC-Pacific Pre-IPO Plus Fund	-
IBKC-CYRUS AI AGRI-FOOD VENTURE FUND	-
IBKS Wish New Technology Investment Fund	-
IBKS Robot Tech Fund	-
IBKS Furi Technology Venture Fund	-
TKG-DS 1	-
IBKS-NEWGEN Kfood Fund	-
Axis-IBKVC Digital-Infra Fund	-
KDB Infra IP Capital Fund	KDB Infra IP Capital Fund
Kiwoom DongBuk-A Infrastructure Investment Trust #1	Kiwoom DongBuk-A Infrastructure Investment Trust #1
Kiwoom DongBuk-A Infrastructure Investment Trust #2	Kiwoom DongBuk-A Infrastructure Investment Trust #2
Kiwoom DongBuk-A Infrastructure Investment Trust #3	Kiwoom DongBuk-A Infrastructure Investment Trust #3
Kiwoom DongBuk-A Infrastructure Investment Trust #4	Kiwoom DongBuk-A Infrastructure Investment Trust #4
KIAMCO Power Energy Private Special Asset Investment Trust 1	KIAMCO Power Energy Private Special Asset Investment Trust 1
KIAMCO BTL Project Investment Private Special Asset Investment Trust 6	KIAMCO BTL Project Investment Private Special Asset Investment Trust 6
KIAMCO Road Investment Private Special Asset Investment Trust 2	KIAMCO Road Investment Private Special Asset Investment Trust 2
Consus Nation Infra Private Special Asset Investment Trust 1	Consus Nation Infra Private Special Asset Investment Trust 1

December 31, 2025	December 31, 2024
Consus Love Sharing Private Special Asset Investment Trust 2	Consus Love Sharing Private Special Asset Investment Trust 2
MiraeAsset MAPS BTL Infra Private Placement Special Asset Trust 1	MiraeAsset MAPS BTL Infra Private Placement Special Asset Trust 1
MiraeAsset MAPS Love BTL Private Placement Special Asset Trust 1	MiraeAsset MAPS Love BTL Private Placement Special Asset Trust 1
Kiwoom Eco Resource Infrastructure Professional and Private Type Investment Trust IV	Kiwoom Eco Resource Infrastructure Professional and Private Type Investment Trust IV
KIAMCO K-Solar Special Asset Private Investment Trust 2	KIAMCO K-Solar Special Asset Private Investment Trust 2
KIAMCO Naepo Green Energy Fund1	KIAMCO Naepo Green Energy Fund1
-	Hangang Haenanum Energy Fund No.1
IGIS Structured Mezzanine Professional Investors Private Placement Real Estate Feeder Fund No.1	IGIS Structured Mezzanine Professional Investors Private Placement Real Estate Feeder Fund No.1
Kiwoom green energy private equity fund 1st	Kiwoom green energy private equity fund 1st
KIAMCO SOLAR-ONE PRIVATE EQUITY FUND 2ND	KIAMCO SOLAR-ONE PRIVATE EQUITY FUND 2ND
Mirae Asset Infra development private fund 1st	Mirae Asset Infra development private fund 1st
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 1	KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 1
2023 Manufacturing Research and Development Private Equity Investment Trust No.1	2023 Manufacturing Research and Development Private Equity Investment Trust No.1
2023 Manufacturing Research and Development Private Equity Investment Trust No.2	2023 Manufacturing Research and Development Private Equity Investment Trust No.2
KCFF1	KCFF1
KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 2	KIAMCO Korea Energy Agency RE100 Private Special Asset Investment Trust 2
2023 Manufacturing Research and Development Private Equity Investment Trust No.3	-
-	IBK Income Vanilla EMP Fund[Balanced-FOFs][2]
Capstone Private Infrastructure Fund No.6	-
IBK low-cost TDF 2060 Securities Feeder Investment Trust [Balanced-FoF]	-
Hangang Cinepolis Development Corporation	Hangang Cinepolis Development Corporation
Deoksong-Naegak Expressway Co., Ltd.	Deoksong-Naegak Expressway Co., Ltd.
UlsanUijeongbuProject PFV	UlsanUijeongbuProject PFV
DL IncheonInha PFV Co., Ltd.	DL IncheonInha PFV Co., Ltd.
DL Daejeonmunwha PFV Co., Ltd.	DL Daejeonmunwha PFV Co., Ltd.
DL JeonJuWansan PFV Co., Ltd.	DL JeonJuWansan PFV Co., Ltd.
Incheon Hangdong the one PFV Co., Ltd.	Incheon Hangdong the one PFV Co., Ltd.
Asan Dogo Industrial Complex Development Co., Ltd.	Asan Dogo Industrial Complex Development Co., Ltd.
Beophyeon General Industrial Complex.	Beophyeon General Industrial Complex.
Doan Castle 1st Co., Ltd.	Doan Castle 1st Co., Ltd.
Busan Eco Delta Green DataCenter PFV Co., Ltd.	Busan Eco Delta Green DataCenter PFV Co., Ltd.
GojinyeoksekwonPFV Co., Ltd.	-

December 31, 2025	December 31, 2024
-	IBKS No.20 Special Purpose Acquisition Company
-	IBKS No.21 Special Purpose Acquisition Company
-	IBKS No.22 Special Purpose Acquisition Company
IBKS No.23 Special Purpose Acquisition Company	IBKS No.23 Special Purpose Acquisition Company
IBKS No.24 Special Purpose Acquisition Company	IBKS No.24 Special Purpose Acquisition Company
IBKS No.25 Special Purpose Acquisition Company5	-

[1] During the current period, the name of the related company was changed from 'IBKC-WELCOME New Deal and Material Parts Equipment Fund' to 'IBKC-BLUECORNER New Deal and Material Parts Equipment Fund'
[2] During the current period, the increase in ownership interest resulted in reclassification from an associate to an associated entity.

41. Related Party Transactions (cont'd)

Other related parties of the Group, in addition to the associates described above, are as follows:

41.1 Controlling Party of the Group

The controlling party of the Group is the Government of the Republic of Korea, which holds 59.50% of the shares of the Parent Company as of December 31, 2025.

41.2 Government-associated Organizations Under Common Control

The Group has borrowings from government-related entities under common control, such as the Korea SMEs and Startups Agency (KOSME), for policy purposes.

41.3 Key Management

Key management personnel include members of the Board of Directors, the statutory auditor, and executive officers of the Parent Company, Industrial Bank of Korea.

Details of transactions by each related party for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)			December 31, 2025	December 31, 2024
Associates	Incheon Bridge Co., Ltd.	Interest income	8,125	14,006
		Other income	4,504	2,145
		Other expense	1,203	-
	Jeonla railroad Co., Ltd.	Interest income	2,568	2,877
		Other income	35	39
		Interest expense	110	130
	Chungjung Sangju Co., Ltd.	Interest income	172	151
		Other income	30	20
		Interest expense	3	3
	Chungjung Seogwipo Co., Ltd.	Interest income	108	133
	Green Kimhae Enviro Co., Ltd.	Interest income	171	166
		Other income	30	20
		Interest expense	2	2
	Green Asan Enviro Co., Ltd.	Interest income	178	175
		Other income	22	15
		Interest expense	51	80
	KOREA FINANCE SECURITY	Other income	8	17
		Interest expense	11	8
	EVERBEST LIVINGSTONE PRIVATE EQUITY FUND	Other income	904	150
		Interest expense	1	1
	Scale-up Platform Private Equity Fund	Other income	-	24
		Interest expense	-	1
	Eum Private Equity Fund No.7	Other income	253	250
	Paratus Woori Materials, Parts, Equipment Private Equity Fund	Interest expense	2	-
	UAMCO-IBK Financial Group Corporate Recovery Private Equity	Other income	632	803

(In millions of Korean won)

		December 31, 2025	December 31, 2024
Fund			
Stassets Fund IV	Interest expense	1	-
Centroid 1st China Private Equity Fund	Other income	1,700	-
SKIL ECO No.1 Green New Deal Private Equity Fund	Other income	-	435
	Other expense	51	-
Lake Bridge Private Equity Fund VIII	Interest expense	2	2
IBKS SME Accelerating Private Equity Fund	Other income	64	68
Shinhan Consumer Fund 2	Other income	570	-
IBK-STIC Pioneer Fund	Other income	-	22
	Interest expense	14	33
IBK Changgong Jump up 1st Investment Fund	Interest expense	-	1
COMPANY K BIO FUND	Interest expense	-	5
InterVest Global Scale-up Fund	Other income	4	7
	Interest expense	39	43
IBK - Synergy IB Business Reshuffle New Technology Fund	Other income	-	510
	Interest expense	-	5
New Deal Extension New Technology Fund No.1	Other income	295	477
	Interest expense	4	11
IBK-KT Emerging Digital Industry Investment Fund	Interest expense	29	17
LSK Healthcare Fund IV	Other income	31	-
	Interest expense	12	53
VISION Materials, Parts and Equipment Venture Fund No.1	Interest expense	-	1
SKS-DA Unicorn Bio Fund No.1	Interest expense	-	3
IBK Changgong Jump up 2nd Investment Fund	Interest expense	1	2
IBK-SOLIDUS Next Bio Star Investment Fund	Interest expense	5	6
IBK Financial Group-DS Green Finance Fund	Other income	1,382	1,373
	Interest expense	1	1
DKI Growing Star Fund VII	Other income	-	1
	Interest expense	81	101
S Secondary Venture Fund NO.1	Interest expense	-	19
Cornerstone New Main I Fund	Interest expense	2	3
IBK-Company K Innovation growth Fund	Interest expense	162	193
IBK Scale-up Gyeonggi-G-FUND	Other income	2	-
	Interest expense	119	70
IBK IP Technology Commercialization Fund	Interest expense	132	22
SH Ulmus M.P.E. Innovative Venture Fund 7	Interest expense	1	-
IBK Financial Group-Uamco SME	Other income	1,398	1,398

(In millions of Korean won)

		December 31, 2025	December 31, 2024
Accelerating Fund			
	Interest expense	2	3
PLUX Technology Innovation Investment Fund 1	Interest expense	4	7
Synergy IB innovation Fund	Interest expense	8	6
PLUX Technology Innovation Investment Fund 2	Interest expense	1	1
COMPANY K BUYOUT 1	Interest expense	-	2
IBK-LB Startup Fund I	Interest expense	17	10
NP Growth 11th Private Equity Fund	Interest expense	-	1
Korea Semiconductor Materials and Components No.1 Private Equity Fund	Interest expense	-	1
IBK-YG K-culture Fund	Interest expense	12	1
Start-up Korea IBKVC-FP2024 Fund	Other income	-	76
	Interest expense	103	7
Start-up Korea IBKVC-KOLON 2024 Fund	Other income	-	76
	Interest expense	45	4
JW&Kiyvre Fund 1	Interest expense	1	-
LB Next Innovation Fund 1	Interest expense	-	6
Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	Interest expense	40	-
Korea Investment Dong-Yu Blue Horizon Fund	Interest expense	-	1
For Human Life Wellbeing Private Equity Partnership No.1	Interest expense	2	-
2024 IBK Innovation Samchully New Green Fund	Interest expense	52	-
IBKC-Envision I Fund	Other income	49	-
IBKS-FINDVALUE Robot Solution Fund	Other income	26	-
2025 IBKVC-DAISHIN Next Value-Up Fund	Interest expense	1	-
JP-K Semiconductor 1st New Technology Business Investment Fund	Other income	2	-
Pectus IBKC Fund No1	Other income	63	63
The IBKS Job Creation Dream Fund	Other income	819	162
	Interest expense	2	2
Next Tech 1 New Technology Investment Fund	Interest income	3	-
	Other income	15	-
IBKC-Gaia MSP New Technology Investment Fund No.1	Other income	199	-
IBKS-Gaia Bio Fund No.1	Other income	37	-
Samsung Innovative Fund No.3	Other income	119	-
Mirae Holdings-IBKVC Deep Tech Investment Fund No.1	Other income	118	-
	Interest expense	6	-
KT-IBKC Future Investment Fund 1	Other income	-	49

(In millions of Korean won)

		December 31, 2025	December 31, 2024
	Interest expense	2	4
Impact Platform Fund	Other income	-	44
IBKC-EQP Innovative Technology Fund	Other income	500	500
	Interest expense	1	1
IBKC-PCC 1st Fund	Other income	-	38
Rylson-IBKC 5G Investment Fund	Other income	-	42
IBKC-Harang Fund	Other income	142	153
IBKC-INTOPS New Deal and Material Parts Equipment Fund	Other income	82	90
	Interest expense	7	-
IBKC-NICE NEW DEAL AND MATERIAL PARTS EQUIPMENT FUND	Other income	189	316
	Interest expense	51	169
IBKC J& BIO INVESTMENT FUND	Other income	3,974	483
YUANTA QUANTUM JUMP NO.1 FUND	Other income	-	5,515
Klim IBKC Medical Fund	Other income	35	35
	Interest expense	-	2
IBKC-INTOPS New deal and Material Parts Equipment Fund2	Other income	97	128
IBKC-DARWIN GreenEnergy Fund	Other income	619	5,151
	Interest expense	1	1
TWI-IBKC Open Innovation Fund	Other income	69	220
	Interest expense	1	1
IBKC timefolio mezzanine blind 1st fund	Other income	56	236
	Interest expense	1	8
IBKC-DAILY Bio Healthcare Fund 1	Other income	130	148
IBKC-BLUECORNER New Deal and Material Parts Equipment Fund*	Other income	88	100
	Interest expense	1	1
IBKC-WE Start-up Secondary Fund 1	Other income	191	241
	Interest expense	1	9
IBKC-GB Advanced Material Bio Investment Partnership No.1	Other income	403	450
	Interest expense	57	27
Medici-IBKC Secondary Fund 2	Other income	482	3,749
	Interest expense	3	11
IBKC-DAILY Bio Healthcare Fund II	Other income	106	110
Smart Contents Fund	Other income	56	81
NH-JN-IBKC label New Technology fund	Other income	88	192
Next Platform Fund	Other income	84	84
IBKC-Behigh Fund 1st	Other income	89	89
	Interest expense	10	25
IBKC-Emford New technology venture	Other income	29	54

(In millions of Korean won)

		December 31, 2025	December 31, 2024
investment FUND No.1			
IBKC-PEBBLES New Technology Investment Fund 1st	Other income	144	144
	Interest expense	1	2
IBKC-IDV HIGH TECH FUND	Other income	471	529
IBKC-INTOPS Fund 3	Other income	147	150
	Interest expense	9	4
IBKC-JS 1st Fund	Other income	170	522
	Interest expense	-	1
NH-IBKC EV Fund	Other income	318	318
IBKC MIDAS Value Creation Fund	Other income	523	523
	Interest expense	-	1
Mezzanine Growth Fund	Other income	200	200
	Interest expense	3	11
Super Growth K-contents Fund	Other income	-	875
	Interest expense	15	212
	Other expense	302	-
IBKC GlobalOne Atman Fund	Other income	106	106
IBKC-AH New Technology Business Investment Association No.5	Other income	100	100
	Interest expense	2	33
IBKC Darwin Fund	Other income	170	170
	Interest expense	-	1
Ascent IBKC New Tech 1st	Other income	225	225
	Interest expense	1	3
JW-IBKC NO.1 Fund	Other income	40	39
LIGNEXONE-IBKC Defense Industry Innovation New Technology Business Investment Fund 1	Other income	600	548
	Interest expense	13	2
Kyobo IBK Advanced Material Investment Fund	Other income	47	38
IBKC-Emford New technology venture investment FUND No.2	Other income	54	36
EVENTUS-IBKC Secondary Cell Materials New Investment Business Investment Fund	Other income	270	150
JBWOORI-IBKC-T&K New Technology Business Investment Fund	Other income	116	18
Ascent IBKC New Tech 2nd	Other income	225	12
	Interest expense	3	-
KIP-IBKC Innovative Growth Private Equity Fund	Other income	-	474
RCM Ocean Limited Partnership	Other income	254	63
IBKC-Medici Technology Innovation Investment Fund	Other income	851	-
	Interest expense	12	-
2024 IBKC-Life Secondary Mezzanine New Technology Investment Fund	Other income	1,044	-

(In millions of Korean won)

		December 31, 2025	December 31, 2024
	Interest expense	3	-
MAST-IBKC Mezzanine Private Equity Fund	Other income	531	-
IBKC-Solidus Smart-Bio Investment Fund No.2	Other income	385	-
Deep Technology IBKC-MIP Fund	Other income	322	-
SGI-IBKC Deep Tech Venture Fund	Other income	225	-
IBKC-JB-LIFE Mezzanine Fund No.1	Other income	133	-
	Interest expense	13	-
IBKC Kyobo Mezzanine Investment Fund I	Other income	37	-
IBKC-Caspian T No.8 Fund	Other income	68	-
NH-IBKC Value Fund	Other income	41	-
IBKC-IBP Auto Investment Fund	Other income	38	-
	Interest expense	1	-
IBKC-Pacific Pre-IPO Plus Fund	Other income	52	-
IBKC-CYRUS AI AGRI-FOOD VENTURE FUND	Other income	10	-
WJ-IBKS global Fund No.1	Other income	6	8
IBKS FAST Contents Fund	Other income	23	23
IBKS-DS Hydrogen 1 Technology Venture Fund	Other income	26	26
IBKS Innovation MPE Fund No.1	Other income	180	180
UAMCO-IBKS New Technology Fund	Other income	64	64
IBKS Innovation MPE Fund No.2	Other income	100	100
IBKS Renewable Energy Fund	Other income	40	40
NH-IBKS KONEX SCALEUP FUND	Other income	561	561
	Interest expense	24	17
IBKS Robot Solution Fund	Other income	200	134
JP-IBKS innovation MPE Fund I	Other income	14	9
JP-IBKS innovation MPE Fund II	Other income	20	12
IBKS Innovation MPE Fund III	Other income	118	65
IBKS Next Scale-Up New Technology Investment Association	Other income	160	81
	Interest expense	1	2
IBKS-DS-STI G.E.S Fund	Other income	85	92
IBKS-SUSUNG Pre-IPO Mezzanine Investment Fund 1st	Other income	86	21
	Interest expense	11	5
IBKS Design Fund	Other income	60	8
IBKS-YG Turn around Fund	Other income	68	1
IBKS Wish New Technology Investment Fund	Other income	68	-
IBKS Robot Tech Fund	Other income	34	-
IBKS Furi Technology Venture Fund	Other income	43	-
IBKS-NEWGEN Kfood Fund	Other income	6	-
Axis-IBKVC Digital-Infra Fund	Other income	1	-
IGIS Structured Mezzanine Professional Investors Private Placement Real Estate Feeder Fund	Other income	199	399

(In millions of Korean won)		December 31, 2025	December 31, 2024
No.1			
Hangang Cinepolis Development Corporation	Interest income	15,062	15,808
	Other income	66	40
Deoksong-Naegak Expressway Co., Ltd.	Other income	121	548
	Interest expense	1	3
Incheon Hangdong the one PFV Co., Ltd.	Other income	-	470
IBKS No.23 Special Purpose Acquisition Company	Interest expense	2	2
IBKS No.24 Special Purpose Acquisition Company	Interest expense	2	2
IBKS No.25 Special Purpose Acquisition Company	Interest expense	1	-
DS IBKC Foodtech Investment Fund 1	Other income	-	32
Cornerstone Innovation VI Fund	Interest expense	-	1
D&D Pharmatech Intervest IBKC Fund	Other income	-	70
IBKC-AJU IB Idiscovery Fund 1	Other income	-	209
IBKS-INTOPS Innovation Companies Design Investment Fund	Interest expense	-	1
DB Synergy Value-up New Technology investment Fund No.1	Other income	-	220
	Interest expense	-	4
Thor Private Equity Fund	Interest expense	-	1
Presto Private Equity Fund No. 7	Other income	-	880
IBKS No.20 Special Purpose Acquisition Company	Interest expense	-	2
Petrico-IBKC First New Technology Business Investment Fund	Other income	-	62
IBKS No.21 Special Purpose Acquisition Company	Interest expense	-	2
Positive-IBKC Fund No.1	Other income	-	48
	Interest expense	-	1
Positive IBKC Tech Fund No.1	Other income	-	36
	Interest expense	-	1
IBKS No.22 Special Purpose Acquisition Company	Interest expense	-	2

(*1) During the current period, the name of the related company was changed from ‘IBKC-WELCOME New Deal and Material Parts Equipment Fund’ to ‘IBKC-BLUECORNER New Deal and Material Parts Equipment Fund’

41. Related Party Transactions (cont'd)

Due to the nature of the industry, fund transactions including loan and borrowing transactions with related parties take place frequently. Outstanding balances arising from sales / purchases of goods and services as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)			December 31, 2025	December 31, 2024
Associates	Incheon Bridge Co., Ltd.	Loans	93,708	105,411
	Jeonla railroad Co., Ltd.	Loans	35,221	41,303
		Deposits received	11,840	12,011
		Debentures	3,080	3,320
		Other liabilities	23	41
	Chungjung Sangju Co., Ltd.	Loans	3,538	4,457
		Deposits received	2,717	2,773
	Chungjung Seogwipo Co., Ltd.	Loans	2,901	3,668
	Green Kimhae Enviro Co., Ltd.	Loans	3,768	4,940
		Deposits received	1,304	2,052
	Green Asan Enviro Co., Ltd.	Loans	4,328	5,616
		Deposits received	1,303	1,834
	KOREA FINANCE SECURITY	Deposits received	1,085	4,251
		Other liabilities	7	-
	EVERBEST LIVINGSTONE PRIVATE EQUITY FUND	Deposits received	-	394
	Scale-up Platform Private Equity Fund	Deposits received	58	111
	Eum Private Equity Fund No.7	Deposits received	1	1
	Paratus Woori Materials, Parts, Equipment Private Equity Fund	Deposits received	271	283
	UAMCO-IBK Financial Group Corporate Recovery Private Equity Fund	Other assets	149	180
	Reverent Frontier Private Equity Fund 3 Specializing in Start-up or Venture Business	Deposits received	137	357
	BNW ACE Private Equity Fund	Deposits received	15	13
	UAMCO IBK PF Private Equity Fund I	Deposits received	538	452
	UAMCO-IBK PF 2nd Private Equity Fund	Deposits received	2,365	-
	Daishin Growth Capital 2024 Private Equity Fund	Deposits received	78	-
	Stassets Fund IV	Deposits received	2,683	-
	Centroid 1st China Private Equity Fund	Deposits received	98	-
	SKIL ECO No.1 Green New Deal Private Equity Fund	Other assets	187	112
	Lake Bridge Private Equity Fund VIII	Deposits received	612	1,080
	IBKS SME Accelerating Private Equity Fund	Other assets	17	-
	KTBN Media Contents Fund	Deposits received	89	89
	EBEST CRESO CONTENTS Fund No.1	Deposits received	54	57

(In millions of Korean won)

		December 31, 2025	December 31, 2024
KAI-KSM Crowd Seeding Fund	Deposits received	215	510
Gaia Bio Investment Fund #1	Deposits received	47	81
IBK-STIC Pioneer Fund	Deposits received	796	879
	Other liabilities	5	2
IBK Changgong Jump up 1st Investment Fund	Deposits received	187	255
COMPANY K BIO FUND	Deposits received	122	154
Cornerstone Win-win I Fund	Deposits received	27	146
Smilegate Next Commerce 1st Venture Fund	Deposits received	16	21
InterVest Global Scale-up Fund	Deposits received	401	2,048
	Other liabilities	1	9
IBK - Synergy IB Business Reshuffle New Technology Fund	Deposits received	134	23
New Deal Extension New Technology Fund No.1	Deposits received	1,076	1,672
IBK-KT Emerging Digital Industry Investment Fund	Deposits received	2,220	2,905
	Other liabilities	26	-
PCC-Bailey Project Fund	Deposits received	149	158
LSK Healthcare Fund IV	Deposits received	487	1,543
	Other liabilities	-	15
VISION Materials, Parts and Equipment Venture Fund No.1	Deposits received	300	431
Cornerstone Merkaba Fund 1	Deposits received	25	98
SKS-DA Unicorn Bio Fund No.1	Deposits received	8	70
IBK Changgong Jump up 2nd Investment Fund	Deposits received	325	1,425
IBK-SOLIDUS Next Bio Star Investment Fund	Deposits received	1,200	3,156
C&CI Investment Fund 1	Deposits received	21	315
IBK Financial Group-DS Green Finance Fund	Other assets	695	691
	Deposits received	283	1,984
DKI Growing Star Fund VII	Deposits received	2,332	5,193
	Other liabilities	1	6
GU Materials Parts and Equipment Project Fund I	Deposits received	222	365
S Secondary Venture Fund NO.1	Deposits received	18	72
Cornerstone New Main I Fund	Deposits received	852	1,045
IBK-Company K Innovation growth Fund	Deposits received	9,347	15,916
	Other liabilities	2	23
IBK Scale-up Gyeonggi-G-FUND	Deposits received	7,703	11,829
	Other liabilities	4	16
IBK IP Technology Commercialization Fund	Deposits received	5,408	5,200
	Other liabilities	1	2
SH Ulmus M.P.E. Innovative Venture	Deposits received	567	516

(In millions of Korean won)

			December 31, 2025	December 31, 2024
	Fund 7			
	IBK Financial Group-Uamco SME Accelerating Fund	Other assets	352	351
		Deposits received	5,102	1,841
	PLUX Technology Innovation Investment Fund 1	Deposits received	158	219
		Other liabilities	2	7
	Cornerstone Blue Dragon I Fund	Deposits received	111	149
	Synergy IB innovation Fund	Deposits received	8,486	53
		Other liabilities	1	-
	PLUX Technology Innovation Investment Fund 2	Deposits received	280	123
		Other liabilities	-	1
	COMPANY K BUYOUT 1	Deposits received	46	140
	IBK-LB Startup Fund I	Deposits received	5,715	5,083
	Moorim-Omega Fund II	Deposits received	239	324
	NP Growth 11th Private Equity Fund	Deposits received	19	55
	Korea Semiconductor Materials and Components No.1 Private Equity Fund	Deposits received	33	877
	IBK-YG K-culture Fund	Deposits received	12,869	4,039
		Other liabilities	1	-
	Start-up Korea IBKVC-FP2024 Fund	Deposits received	-	5,000
		Debentures	4,028	-
		Other liabilities	-	7
	Start-up Korea IBKVC-KOLON 2024 Fund	Deposits received	-	3,000
		Other liabilities	-	4
	Lodestone 4th Startup Venture Specialized Private Equity Fund	Deposits received	183	105
	JW&Kiyvre Fund 1	Deposits received	3	58
	LB Next Innovation Fund 1	Deposits received	271	501
		Other liabilities	-	1
	Startup Korea IBK Super Gap Technology KIAMCO-Enlight Venture Fund	Deposits received	5,087	-
		Other liabilities	9	-
	Korea Investment Dong-Yu Blue Horizon Fund	Deposits received	130	248
-	HellosThelaFund1	Deposits received	223	306
	KAIC TO Ventures Fund VII	Deposits received	-	419
	For Human Life Wellbeing Private Equity Partnership No.1	Deposits received	992	-
	Cape Lakebridge Fund IX	Deposits received	195	-
	2024 IBK Innovation Samchully New Green Fund	Deposits received	3,331	-
		Other liabilities	16	-
	IBKC-Envision I Fund	Deposits received	633	-
		Other liabilities	66	-

(In millions of Korean won)

		December 31, 2025	December 31, 2024
JB-OMEGA Fund	Deposits received	351	-
IBKS-FINDVALUE Robot Solution Fund	Deposits received	773	-
2025 IBKVC-DAISHIN Next Value-Up Fund	Deposits received	7,967	-
	Other liabilities	1	-
IBKC LEP Fund X	Deposits received	350	-
	Other liabilities	60	-
Pectus IBKC Fund No1	Other liabilities	-	32
The IBKS Job Creation Dream Fund	Other assets	114	172
	Deposits received	257	1,346
IBKC-Gaia MSP New Technology Investment Fund No.1	Deposits received	1,055	-
IBKS-Gaia Bio Fund No.1	Deposits received	474	-
Mirae Holdings-IBKVC Deep Tech Investment Fund No.1	Deposits received	1,670	-
KT-IBKC Future Investment Fund 1	Deposits received	371	4,172
Impact Platform Fund	Other assets	9	9
	Deposits received	15	24
IBKC-EQP Innovative Technology Fund	Other assets	126	126
	Deposits received	253	1,258
IBKC-PCC 1st Fund	Other assets	38	38
Rylson-IBKC 5G Investment Fund	Other assets	779	779
	Deposits received	-	4
IBKC-Harang Fund	Other assets	70	-
IBKC-INTOPS New Deal and Material Parts Equipment Fund	Other assets	17	23
	Deposits received	752	434
	Other liabilities	6	-
IBKC-NICE NEW DEAL AND MATERIAL PARTS EQUIPMENT FUND	Other assets	55	62
	Deposits received	2,435	4,447
	Other liabilities	1	1
IBKC J& BIO INVESTMENT FUND	Other assets	11	-
	Deposits received	-	51
Klim IBKC Medical Fund	Deposits received	10	10
IBKC-INTOPS New deal and Material Parts Equipment Fund2	Other assets	25	28
	Deposits received	87	150
IBKC-DARWIN GreenEnergy Fund	Deposits received	12	52
	Other liabilities	45	48
TWI-IBKC Open Innovation Fund	Other assets	14	29
	Deposits received	394	573
IBKC timefolio mezzanine blind 1st fund	Other assets	-	42
	Deposits received	70	298

(In millions of Korean won)

		December 31, 2025	December 31, 2024
IBKC-DAILY Bio Healthcare Fund 1	Other assets	130	34
IBKC-BLUECORNER New Deal and Material Parts Equipment Fund[1]	Other assets	13	25
	Deposits received	429	389
IBKC-WE Start-up Secondary Fund 1	Other assets	45	53
	Deposits received	182	604
IBKC-GB Advanced Material Bio Investment Partnership No.1	Deposits received	2,918	2,626
Medici-IBKC Secondary Fund 2	Deposits received	221	1,595
IBKC-DAILY Bio Healthcare Fund II	Other assets	216	110
Smart Contents Fund	Other assets	56	20
NH-JN-IBKC label New Technology fund	Other assets	215	140
Next Platform Fund	Deposits received	29	188
IBKC-Behigh Fund 1st	Deposits received	451	666
	Other liabilities	-	7
IBKC-Emford New technology venture investment FUND No.1	Deposits received	45	51
	Other liabilities	-	29
IBKC-PEBBLES New Technology Investment Fund 1st	Deposits received	525	820
IBKC-IDV HIGH TECH FUND	Other assets	25	-
IBKC-INTOPS Fund 3	Other assets	35	38
	Deposits received	1,318	1,338
	Other liabilities	5	-
IBKC-JS 1st Fund	Deposits received	28	60
	Other liabilities	21	21
NH-IBKC EV Fund	Other liabilities	3	3
IBKC MIDAS Value Creation Fund	Other assets	132	131
	Deposits received	580	531
Mezzanine Growth Fund	Deposits received	792	4,199
	Other liabilities	75	75
Super Growth K-contents Fund	Other assets	146	-
	Deposits received	3,145	4,478
	Other liabilities	-	7
IBKC-AH New Technology Business Investment Association No.5	Deposits received	243	7,197
IBKC Darwin Fund	Deposits received	27	125
	Other liabilities	21	157
Ascent IBKC New Tech 1st	Deposits received	19	721
	Other liabilities	197	197
LIGNEXONE-IBKC Defense Industry Innovation New Technology Business Investment Fund 1	Deposits received	8,677	893
	Other liabilities	1	-
IBKC-Emford New technology venture investment FUND No.2	Deposits received	162	278
	Other liabilities	18	18

(In millions of Korean won)

		December 31, 2025	December 31, 2024
EVENTUS-IBKC Secondary Cell Materials New Investment Business Investment Fund	Deposits received	722	31
	Other liabilities	-	270
JBWOORI-IBKC-T&K New Technology Business Investment Fund	Deposits received	362	377
	Other liabilities	-	116
Ascent IBKC New Tech 2nd	Deposits received	726	1,416
	Other liabilities	212	212
KIP-IBKC Innovative Growth Private Equity Fund	Other assets	-	474
IBKC-Medici Technology Innovation Investment Fund	Other assets	228	-
	Deposits received	9,425	-
	Other liabilities	1	-
2024 IBKC-Life Secondary Mezzanine New Technology Investment Fund	Deposits received	2,192	-
MAST-IBKC Mezzanine Private Equity Fund	Other assets	181	-
SGI-IBKC Deep Tech Venture Fund	Other assets	110	-
IBKC-JB-LIFE Mezzanine Fund No.1	Deposits received	15,708	-
	Other liabilities	1	-
IBKC Kyobo Mezzanine Investment Fund I	Other assets	19	-
	Deposits received	165	-
NH-IBKC Value Fund	Other liabilities	104	-
IBKC-IBP Auto Investment Fund	Deposits received	1,180	-
	Other liabilities	112	-
IBKC-Pacific Pre-IPO Plus Fund	Other liabilities	224	-
WJ-IBKS global Fund No.1	Deposits received	27	55
IBKS FAST Contents Fund	Deposits received	38	63
IBKS-DS Hydrogen 1 Technology Venture Fund	Other assets	-	13
	Deposits received	52	164
IBKS Innovation MPE Fund No.1	Deposits received	16	198
UAMCO-IBKS New Technology Fund	Other assets	32	32
	Deposits received	303	402
IBKS Innovation MPE Fund No.2	Deposits received	77	180
IBKS Renewable Energy Fund	Deposits received	68	110
NH-IBKS KONEX SCALEUP FUND	Other assets	141	141
	Deposits received	6,388	10,107
	Other liabilities	-	1
IBKS Robot Solution Fund	Other assets	200	134
	Deposits received	165	302
JP-IBKS innovation MPE Fund I	Deposits received	114	152
IBKS Innovation MPE Fund III	Other assets	-	65
	Deposits received	78	207
IBKS Next Scale-Up New Technology	Deposits received	261	2,421

(In millions of Korean won)

		December 31, 2025	December 31, 2024
Investment Association			
IBKS-DS-STI G.E.S Fund	Other assets	12	30
	Deposits received	161	206
IBKS-SUSUNG Pre-IPO Mezzanine Investment Fund 1st	Deposits received	1,450	8,039
	Other liabilities	-	1
IBKS Design Fund	Deposits received	229	292
IBKS-YG Turn around Fund	Other assets	-	1
IBKS Wish New Technology Investment Fund	Other assets	39	-
	Deposits received	315	-
IBKS Robot Tech Fund	Deposits received	149	-
IBKS Furi Technology Venture Fund	Other assets	21	-
	Deposits received	479	-
IBKS-NEWGEN Kfood Fund	Deposits received	330	-
Axis-IBKVC Digital-Infra Fund	Other liabilities	185	-
Hangang Cinepolis Development Corporation	Loans	224,936	241,372
	Other assets	2	2
	Other liabilities	18	79
Deoksong-Naegak Expressway Co., Ltd.	Loans	4	5
	Deposits received	209	552
Busan Eco Delta Green DataCenter PF V Co., Ltd.	Deposits received	-	570
IBKS No.23 Special Purpose Acquisition Company	Loans	1,190	1,190
	Deposits received	1,747	1,757
IBKS No.24 Special Purpose Acquisition Company	Loans	1,190	1,190
	Deposits received	1,737	1,773
IBKS No.25 Special Purpose Acquisition Company	Loans	1,160	-
	Deposits received	2,304	-
DS IBKC Foodtech Investment Fund 1	Other liabilities	-	5
Cornerstone Innovation IV Fund	Deposits received	-	591
Cornerstone Innovation VI Fund	Deposits received	-	803
Cornerstone Alice II Fund	Deposits received	-	290
D&D Pharmatech Intervest IBKC Fund	Other assets	-	232
VS Cornerstone Fund	Deposits received	-	85
Synergy ESG 1st New Technology Investment Fund	Deposits received	-	1
IBKS-INTOPS Innovation Companies Design Investment Fund	Deposits received	-	2,808
DB Synergy Value-up New Technology investment Fund No.1	Deposits received	-	242
Thor Private Equity Fund	Deposits received	-	264
Nautic No.11 Private Equity Fund	Loans	-	24
	Deposits received	-	452

(In millions of Korean won)		December 31, 2025	December 31, 2024
Presto Private Equity Fund No. 7	Deposits received	-	52
IBKS No.20 Special Purpose Acquisition Company	Loans	-	1,190
	Deposits received	-	1,683
Petrico-IBKC First New Technology Business Investment Fund	Other liabilities	-	35
IBKS No.21 Special Purpose Acquisition Company	Loans	-	1,190
	Deposits received	-	1,747
Positive-IBKC Fund No.1	Deposits received	-	367
Cactus Buyout Private Equity Fund II	Deposits received	-	213
NICE DATA INTELLIGENCE VENTURE FUND	Deposits received	-	241
K& Secondary No5 Fund	Deposits received	-	493
Positive IBKC Tech Fund No.1	Deposits received	-	412
IBKS No.22 Special Purpose Acquisition Company	Loans	-	1,190
	Deposits received	-	1,734

[1] During the current period, the name of the related company was changed from 'IBKC-WELCOME New Deal and Material Parts Equipment Fund' to 'IBKC-BLUECORNER New Deal and Material Parts Equipment Fund'

41. Related Party Transactions (cont'd)

Major loan transactions[1] with related parties for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

		December 31, 2025			
		Beginning	Loans	Collection	Ending
Associates	Incheon Bridge Co., Ltd.	105,411	-	(11,703)	93,708
	Jeonla railroad Co., Ltd.	41,303	-	(6,082)	35,221
	Chungjung Sangju Co., Ltd.	4,457	-	(919)	3,538
	Chungjung Seogwipo Co., Ltd.	3,668	-	(767)	2,901
	Green Kimhae Enviro Co., Ltd.	4,940	-	(1,172)	3,768
	Green Asan Enviro Co., Ltd.	5,616	-	(1,288)	4,328
	Nautic No.11 Private Equity Fund	24	99	(123)	-
	Hangang Cinepolis Development Corporation	241,372	-	(16,436)	224,936
	Deoksong-Naegak Expressway Co., Ltd.	5	25	(26)	4

[1]Transactions including settlements and daylight overdrafts occurred in the normal course of business among related parties are excluded.

(In millions of Korean won)

		December 31, 2024			
		Beginning	Loans	Collection	Ending
Associates	Incheon Bridge Co., Ltd.	113,782	80,500	(88,871)	105,411
	Jeonla railroad Co., Ltd.	50,931	49,052	(58,680)	41,303
	Chungjung Sangju Co., Ltd.	5,555	5,342	(6,440)	4,457
	Chungjung Seogwipo Co., Ltd.	4,592	4,411	(5,335)	3,668
	Green Kimhae Enviro Co., Ltd.	6,299	6,040	(7,399)	4,940
	Green Asan Enviro Co., Ltd.	7,128	6,840	(8,352)	5,616
	Nautic No.11 Private Equity Fund	24	196	(196)	24
	Hangang Cinepolis Development Corporation	249,853	-	(8,481)	241,372
	Deoksong-Naegak Expressway Co., Ltd.	3	29	(27)	5

[1]Transactions including settlements and daylight overdrafts occurred in the normal course of business among related parties are excluded.

41. Related Party Transactions (cont'd)

Major borrowing transactions[1] with related parties for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

		December 31, 2025			
		Beginning	**Borrowings**	**Repayments**	**Ending**
Associates	Jeonla railroad Co., Ltd.	3,320	-	(240)	3,080
	Start-up Korea IBKVC-KOLON 2024 Fund	-	5,034	(5,034)	-
	Start-up Korea IBKVC-FP2024 Fund	-	10,092	(6,064)	4,028

(In millions of Korean won)

		December 31, 2024			
		Beginning	**Borrowings**	**Repayments**	**Ending**
Associates	Jeonla railroad Co., Ltd.	3,470	-	(150)	3,320

[1] Transactions including settlements and deposits occurred in the normal course of business among related parties are excluded.

Details of unused commitments provided by the Group as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)		**December 31, 2025**	**December 31, 2024**
Associates	Jeonla railroad Co., Ltd.	30,000	30,000
	Chungjung Sangju Co., Ltd.	4,000	4,000
	Green Kimhae Enviro Co., Ltd.	4,000	4,000
	Green Asan Enviro Co., Ltd.	4,500	4,500
	Nautic No.11 Private Equity Fund	-	36
	Deoksong-Naegak Expressway Co., Ltd.	16	15

41. Related Party Transactions (cont'd)

Provision for impairment on receivables and commitments of related party and impairment loss (reversals) for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	December 31, 2025		December 31, 2024[1]	
	Provision for impairment	**(Reversal of) impairment loss**	**Provision for impairment[1]**	**(Reversal of) impairment loss[1]**
Associates				
Incheon Bridge Co., Ltd.	16	(5)	21	(3)
Jeonla railroad Co., Ltd.	99	(23)	122	(11)
Chungjung Sangju Co., Ltd.	11	(3)	14	(1)
Chungjung Seogwipo Co., Ltd.	5	(2)	7	(2)
Green Kimhae Enviro Co., Ltd.	11	(4)	15	(2)
Green Asan Enviro Co., Ltd.	13	(4)	17	(2)
Hangang Cinepolis Development Corporation	16,872	13,577	3,295	13
Deoksong-Naegak Expressway Co., Ltd.	2	-	2	1

[1] Provision for impairment represents the amount as of December 31, 2024, and (Reversal of) impairment loss represents the amount for the year ended December 31, 2024.

There are no collateral and payment guarantees provided by the Group for funding the related parties or provided to the Group by the related parties as of December 31, 2025 and 2024.

41. Related Party Transactions (cont'd)

Compensation paid to the management[1] for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Short-term employee benefits[2]	4,892	4,760
Post-employment benefits	545	-
	5,437	4,760

[1] The Group defines members of the Board of Directors, auditors and executives of the Bank and its subsidiaries as key management.
[2] In addition to short-term employee benefits above, the performance bonus paid according to the result of management evaluation by government-owned bank is ₩572 million and ₩600 million as of December 31, 2025 and as of December 31, 2024, respectively.

42. Segment Information

Each segment is a strategic business unit that offers different products and services, and is managed separately because each business has different risks and opportunities requiring different technology and marketing strategies.

The Group consists of the following five operating segments:

- Retail banking: The retail banking segment consists of regional headquarter and branches and provides individuals with private banking services such as private customer current accounts, savings, deposits, retail loans and mortgage loans.

- Corporate banking: The corporate banking segment consists of regional headquarter and branches and provides enterprise with services relating to loans, overdrafts, other credit facilities, and import/exports.

- Money market: The activities within this segment include treasury management of local/foreign currency and investments.

- IB: The activities within this segment include overseas business and investments.

- Others: This refers to the segments not listed above.

The Group monitors the performance of the operating segments for the purpose of resource allocation and performance review. Performance of each operating segment is measured by operating gain or loss that differs from that recognized in financial statements. Financing of the Group and corporate income tax are managed at the Group level and are not allocated to segments. Besides, the transfer price among segments is determined at fair value based on an arm's length transaction that is similar in form to a transaction with a third party.

42. Segment Information (cont'd)

Assets and other accounts by segment as of December 31, 2025 and 2024, and for the years ended December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	Retail	Corporate	Money market	IB	Others	Adjustments	Total
Assets	44,965,136	272,395,054	102,462,360	20,604,039	60,465,915	(199,883)	500,692,621
Liabilities	44,989,361	272,225,325	98,890,423	20,446,594	29,814,625	(2,529,731)	463,836,597
Interest income	3,732,153	13,251,079	4,456,714	1,856,071	(5,409,511)	(122,306)	17,764,200
Interest expenses	2,365,337	8,251,520	4,613,182	1,659,462	(6,477,328)	(397,398)	10,014,775
Net interest income	1,366,816	4,999,559	(156,468)	196,609	1,067,817	275,092	7,749,425
Fees and commission income	170,106	282,563	1,583	104,794	298,491	(16,865)	840,672
Fees and commission expenses	7,808	6,630	12,218	502	73,413	308,472	409,043
Net fees and commission income	162,298	275,933	(10,635)	104,292	225,078	(325,337)	431,629
Impairment loss on financial assets	242,156	1,152,725	2,517	(62,322)	324,996	114,103	1,774,175
Profit for the period	149,646	2,551,715	374,577	557,129	(826,036)	(88,163)	2,718,868

December 31, 2024

(In millions of Korean won)	Retail	Corporate	Money market	IB	Others	Adjustments	Total
Assets	44,725,382	257,143,679	98,936,534	18,646,315	52,833,756	(65,828)	472,219,838
Liabilities	44,711,633	256,937,791	95,693,003	18,618,392	24,504,665	(2,476,737)	437,988,747
Interest income	4,254,986	14,615,110	4,354,982	2,236,510	(6,386,403)	(120,325)	18,954,860
Interest expenses	2,733,541	9,496,448	4,808,852	1,977,893	(7,566,500)	(387,263)	11,062,971
Net interest income	1,521,445	5,118,662	(453,870)	258,617	1,180,097	266,938	7,891,889
Fees and commission income	182,360	295,383	1,717	114,697	285,551	(16,047)	863,661
Fees and commission expenses	7,950	6,751	12,741	580	71,010	292,574	391,606
Net fees and commission income	174,410	288,632	(11,024)	114,117	214,541	(308,621)	472,055
Impairment loss on financial assets	213,224	1,163,260	1,018	(181)	251,720	91,023	1,720,064
Profit for the period	459,132	2,894,959	(183,571)	409,380	(834,104)	(91,458)	2,654,338

[1] Intercompany transactions between operating segments are eliminated during consolidation.

42. Segment Information (cont'd)

Non-current assets and income from external customers by location as of December 31, 2025 and 2024 and for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025		
	Non-current assets	**Interest income**	**Fees and commission income**
Korea	2,848,525	16,931,279	793,999
Overseas offices	99,220	832,921	46,673
Total	2,947,745	17,764,200	840,672

(In millions of Korean won)	**December 31, 2024**	**December 31, 2024**	
	Non-current assets[1]	**Interest income[1]**	**Fees and commission income**
Korea	2,775,767	18,133,072	822,465
Overseas offices	138,293	821,788	41,196
Total	2,914,060	18,954,860	863,661

There are no single other customers that account for 10% or more of the Group's revenues in the current and prior periods.

43. Supplemental Cash Flow Information

Adjustments in expenses and revenues for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Loss on valuation of financial instruments at fair value through profit or loss	2,977,515	5,111,762
Loss on valuation of financial instruments designated at fair value through profit or loss	52,814	48,760
Loss on disposal of financial assets at fair value through profit or loss	174,417	154,137
Loss on disposal of financial assets at fair value through other comprehensive income	53,197	23,630
Impairment loss on financial assets at fair value through other comprehensive income	1,409	5,187
Increase of provisions for impairment of loan receivables	1,799,728	1,716,535
Loss on valuation of derivatives for hedge accounting	135,620	250,358
Loss on transactions of derivatives for hedge accounting	19,965	37,871
Loss on disposal of investments in associates	23	6,895
Interest expense	10,014,775	11,062,971
Income tax expense	945,728	913,165
Depreciation of property and equipment & investment property	317,009	237,760
Impairment loss on property and equipment & investment property	3,408	1,006
Loss on disposal of property and equipment	435	58
Loss on obsolescence of property and equipment	641	665
Amortization of intangible assets	91,503	77,384
Impairment loss on intangible assets	56,518	100
Loss on disposal of intangible assets	18	44
Other loss of lease	3,275	941
Insurance expenses	59,176	60,157
Post-employment benefits	184,338	122,448
Increase of provisions	25,199	100,879
Loss on valuation of investments in associates	20,141	26,658
Gain on valuation of investments in associates	(149,185)	(102,525)
Gain on foreign currency translation of cash and cash equivalents	(194,296)	(819,806)
Gain on valuation of financial instruments at fair value through profit or loss	(3,525,721)	(5,324,715)
Gain on valuation of financial instruments designated at fair value through profit or loss	(5,838)	(13,118)
Gain on disposal of financial assets at fair value through profit or loss	(294,773)	(252,416)
Gain on disposal of financial assets at fair value through other comprehensive income	(108,960)	(96,802)
Gain on disposal of financial assets at securities at amortized cost	(49)	-
Reversal of impairment loss on securities at amortized cost	(1,951)	(938)
Gain on valuation of derivatives for hedge accounting	(155,770)	(137,062)
Gain on transactions of derivatives for hedge accounting	(95,595)	(17,547)
Gain on disposal of investments in associates	(3,078)	(6,114)
Interest income	(17,764,200)	(18,954,860)
Dividend income	(424,252)	(327,711)

(In millions of Korean won)	December 31, 2025	December 31, 2024
Gain on disposal of property and equipment	(661)	(856)
Gain on compensation of property and equipment	(22)	(314)
Gain on disposal of intangible assets	(2,437)	(1,568)
Reversal of impairment loss on intangible assets	(49)	(26)
Other lease income	(10,481)	(10,463)
Insurance revenues	(117,072)	(93,466)
Reversal of provisions for other financial assets	(25,011)	(720)
Reversal of financial guarantee contract liabilities	(17,677)	(57,191)
Reversal provision	(53,225)	(35,770)
Other gain or loss due to financing activities	318,992	1,143,822
	(5,694,459)	(5,150,795)

43. Supplemental Cash Flow Information (cont'd)

Changes in operating assets and liabilities for the years ended December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Changes in financial instruments at fair value through profit or loss	(352,174)	(1,458,397)
Changes in financial instruments designated at fair value through profit or loss	571,742	210,608
Changes in loan receivables	(16,500,726)	(27,980,960)
Changes in due from banks	(607,618)	(237,015)
Changes in other assets	(1,009,975)	2,416,971
Changes in deposits received	9,907,241	4,210,743
Changes in provisions	(16,579)	(185,377)
Payment of severance benefits	(611)	135
Changes in plan assets	(246,069)	(109,693)
Changes in insurance liabilities	163,327	550,068
Changes in other liabilities	751,870	(2,150,007)
	(7,339,572)	(24,732,924)

Details of cash and cash equivalents as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Currency in Korean won	804,421	767,680
Foreign currencies	358,572	390,871
Due from banks	23,447,058	17,195,397
	24,610,051	18,353,948
Less : restricted due from banks and others	(2,466,943)	(1,859,325)
Cash and cash equivalents in the statements of cash flows	22,143,108	16,494,623

43. Supplemental Cash Flow Information (cont'd)

Significant non-cash transactions for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Reclassification from investment properties to property and equipment	(77)	(1,796)
Write-offs of loans	1,354,167	978,534
Acquisition and disposal of right-of-use asset	(118,328)	(154,252)
Reclassification from debt securities at fair value through other comprehensive income to Profit(loss)	(63,684)	(12,634)
Changes in the fair value of debt securities at fair value through other comprehensive income	(228,238)	315,458
Tax effects on changes in the fair value of debt securities at fair value through other comprehensive income	74,526	(76,528)
Exchange differences	(51,850)	251,023
Changes in hedges of a net investments in a foreign operation	18,687	(95,414)
Tax effect on changes in hedges of a net investments in a foreign operation	(3,076)	25,189
Reclassification of realized gains or losses on equity instrument at fair value through other comprehensive income to retained earnings	(149,994)	(4,884)
Changes in the fair value of equity securities at fair value through other comprehensive income	535,776	219,359
Tax effects on changes in the fair value of debt securities at fair value through other comprehensive income	(116,076)	(56,875)
Changes in insurance finance income and expenses	257,798	(56,706)
Tax effects on insurance finance income and expenses	(59,752)	13,099
Changes in financial liabilities designated at fair value through profit and loss	8	(56)
Tax effects on changes in financial liabilities designated at fair value through profit and loss	5	15
Changes in investments in associates	73	-
Tax effects on investments in associates	(20)	-
Gain or loss on valuation of cash flow hedge	(9,342)	(13,654)
Tax effects of gain or loss on valuation of cash flow hedge	2,618	4,244
Remeasurements of net defined benefit liabilities(assets)	163,422	(132,005)
Tax effects on remeasurements of net defined benefit liabilities(assets)	(43,747)	35,438
Reclassification from repayment loss on hybrid capital instruments to retained earnings	(275)	(309)

43. Supplemental Cash Flow Information (cont'd)

Changes in liabilities arising from financing activities for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	December 31, 2025					
			Non-cash changes			
	January 1, 2025	Financing activities	Hedges of a net investments in a foreign operation	Loss on valuation of derivatives held for hedge	Others	December 31, 2025
Borrowings	44,777,136	5,507,665	(189)	-	95,830	50,380,442
Debentures	193,150,753	9,778,339	(18,498)	25,713	453,819	203,390,126
Lease liabilities	167,775	(89,403)	-	-	79,116	157,488
	238,095,664	15,196,601	(18,687)	25,713	628,765	253,928,056

(In millions of Korean won)	December 31, 2024					
			Non-cash changes			
	January 1, 2024	Financing activities	Hedges of a net investments in a foreign operation	Loss on valuation of derivatives held for hedge	Others	December 31, 2024
Borrowings	41,239,201	3,176,324	238	-	361,373	44,777,136
Debentures	181,991,789	10,432,528	95,176	13,253	618,007	193,150,753
Lease liabilities	140,516	(82,477)	-	-	109,736	167,775
	223,371,506	13,526,375	95,414	13,253	1,089,116	238,095,664

44. Financial Risk Management

44.1 Overview of Financial Risk Management Policy

44.1.1 Purpose

Purpose of financial risk management is to manage operations, promote access of domestic and foreign market and monitor/manage risks related to operations through analyzing the scope and volume of each risk.

These risks include credit risk, market risk of trading position (including currency risk, fair value interest rate risk and price risk), interest rate risk of non-trading position and liquidity risk.

The note regarding financial risk management provides information about the risks that the Group 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 consolidated financial statements.

44.1.2 Risk management group

- Board of Directors: The Board of Directors approves basic plans regarding risk management and delegates main risk policy decisions to the risk management committee.

- Risk Management Committee: Risk Management Committee establishes risk management strategies in accordance with the directives of the Board of Directors and determines the Group's target risk appetite, approves significant risk limits for separate business departments.

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

- Risk Management Department: The risk management department consists of overall risk department and risk review department and is responsible for managing total risk, credit risk, market risk, operation risk, credit assessment, BIS ratio, credit review, credit information and others.

44.1.3 Implementation of risk management system

The Group has established the Total Risk Management System to determine the reasonable price taking risks into consideration and to manage risk limits. The Group also gives weight to risk associated performance management (RAPM) system implementation to reflect performance review with the system.

44.1.4 Assessment and management of internal capital

As a process of risk capital allocation and risk limit establishment, the Group anticipates the usage of risk capital for each risk segment and business unit, and thus allocates risk capital to separate risk segments with the approval of risk management committee and the Board of Directors.

In order to manage established risk capital efficiently, the Group has established risk limits for separate risk segments and business units.

44.2 Credit Risk Management

44.2.1 Overview of credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation and consists of expected loss and unexpected loss. Exposure to credit risk mainly occurs in loan process, debt security investments and off-balance accounts such as loan commitments and others. Credit risks are managed by expected loss and unexpected loss distinctively as follows:

- Expected loss: For loss that is expected in average, loss rate is calculated by applying default rate and recovery rate for each credit rating and this is reflected in the interest rate of the loan.

- Unexpected loss: For unexpected loss that is incurred more than expected loss, it is calculated by internal rating method of Basel III standards. Unexpected loss is managed by allocating risk limits determined by the risk management committee to business units and by making up loan portfolios with borrowers with sound credit ratings through risk associated performance management (RAPM).

The Group uses the Advanced Internal Ratings-Based Approach that was approved by the Financial Supervisory Service on December 13, 2011, in measuring credit risk in accordance with Basel III. The Group appointed three external credit rating companies, Korea Ratings Co., Ltd., National Information & Credit Evaluation, Inc. (NICE), and Korea Investors Service Co., Ltd. (KIS) and established standards in accordance with Attachment 3 of Detailed Supervisory Regulations.

The Group has transactions with counterparties that are above a certain credit rating in order to mitigate risks of default. The Group has transactions with companies that are above a certain investment rating and the information of the investment rating is derived from the data of external credit rating companies and also from internal assessment models. If the information on credit ratings cannot be obtained, the credit rating of the main clients is determined based upon disclosed financial information and internal transaction information with main clients. The credit rating of clients and hedge amounts of the Group are periodically reviewed and the whole transaction amount is distributed among clients.

For identified credit risk, the Group appointed risk limits by retail and corporate customers and also by industry/country. Loans are made up of many borrowers and are distributed in various types of industries and locations. This risk is reviewed annually or on demand and risk limit by product, industry and country is approved by the Board of Directors.

44.2 Credit Risk Management (cont'd)

44.2.2 Maximum exposure to credit risk

Maximum exposure to credit risk as of December 31, 2025 and 2024 are as follows. The maximum exposure presented below represents the gross amount before the effect of risk mitigation through collateral and other credit enhancements. Non-financial assets such as investments in associates and joint ventures, investment properties, property and equipment, intangible assets, deferred tax assets and other assets are not included.

(In millions of Korean won)	December 31, 2025	December 31, 2024
Due from banks[1]	23,095,902	16,924,490
Financial assets at fair value through profit or loss[2]	15,160,392	15,272,654
Financial assets at fair value through other comprehensive income[3]	36,746,308	31,352,804
Securities at amortized cost	34,693,737	35,423,815
Loan receivables at amortized cost[4]		
Corporate loans in Korean won	284,720,283	269,186,021
Retail loans in Korean won	43,970,163	43,641,591
Loans in foreign currencies[5]	12,786,514	11,814,649
Credit card receivable	3,394,075	3,304,222
Others	17,084,278	20,351,985
	361,955,313	348,298,468
Deferred loan origination fees and costs	753,640	691,501
Less: Present value discounts	(9,268)	(8,140)
Less: Provision for impairment	(4,893,467)	(5,081,430)
	357,806,218	343,900,399
Derivative financial assets for hedge accounting	32,095	71,829
Other financial assets	10,953,313	9,839,090
	478,487,965	452,785,081

[1] Items classified as cash such as reserve deposits are included.
[2] Equity securities and income securities are excluded.
[3] Equity securities are excluded.
[4] Small and Medium Industry (SMI) finance Loan receivables of the Group as of December 31, 2025 and 2024, are ₩261,878,527 million and ₩247,192,095 million, respectively.
[5] Domestic import usance is included.

44.2 Credit Risk Management (cont'd)

Maximum exposure to credit risk regarding off-statement of financial position accounts as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025	December 31, 2024
Confirmed payment guarantees	7,452,906	7,423,913
Unconfirmed payment guarantees	1,510,885	1,899,229
Commitments on loans	82,054,491	83,073,034
	91,018,282	92,396,176

44.2 Credit Risk Management (cont'd)

44.2.3 Internal model of credit rating

The Group uses the internal model of credit rating that is designed according to the type of the customer and calculates the probability of default of the customers. This model has been developed internally and managed in accordance with the policies of the Group. The following external credit ratings are shown according to the credit rating standards of Standard and Poor's (S&P):

December 31, 2025

(In millions of Korean won)	Loans receivable at amortized cost					
	Grade	**Credit ratings by external rating agencies**	**12-month expected credit losses**	**Lifetime expected credit losses**		**Total**
				Unrecognized impairment	**Recognized impairment**	
Normal	Grade 1	AA-	5,636,478	67,858	300	5,704,636
Normal	Grade 2	A+	4,512,098	459,685	238	4,972,021
Normal	Grade 3	A	10,378,062	1,129,873	27	11,507,962
Normal	Grade 4	A-	18,503,233	2,444,537	468	20,948,238
Normal	Grade 5	BBB+	20,768,577	3,989,632	610	24,758,819
Normal	Grade 6	BBB	28,785,241	7,699,036	29,130	36,513,407
Normal	Grade 7	BBB-	28,641,236	8,395,078	1,936	37,038,250
Normal	Grade 8	BB+	27,912,062	9,206,335	10,305	37,128,702
Normal	Grade 9	BB	24,865,535	8,104,396	17,412	32,987,343
Normal	Grade 10	BB-	15,706,556	5,742,798	58,841	21,508,195
Normal	Grade 11	B+	9,033,583	6,235,173	56,863	15,325,619
Normal	Grade 12	B	4,654,592	3,571,041	104,103	8,329,736
Normal	Grade 13	B-	2,585,896	2,437,395	44,343	5,067,634
Normal	Grade 14	CCC+	10,921,282	8,565,367	36,657	19,523,306
Precautionary	Grade 15	CCC	38,149	3,048,892	699,905	3,786,946
Precautionary	Grade 16	CCC-	15,152	15,516,639	288,589	15,820,380
Substandard	Grade 17	CC+~C-	266	1,281,504	279,438	1,561,208
Doubtful	Grade 18	Grade 18	-	4,634	547,484	552,118
Estimated loss	Grade 19	Grade 19	-	173,966	2,484,383	2,658,349
Non-rated	NA	NA	2,912,562	54,908	131,014	3,098,484
Specialized financing	-	-	5,081,235	564,405	154,082	5,799,722
Retail loan in Korean won	-	-	41,609,711	1,913,148	447,304	43,970,163
Credit card	-	-	2,726,917	632,930	34,228	3,394,075
Total[1]			265,288,423	91,239,230	5,427,660	361,955,313

[1] This is the amount before deducting deferred loan origination fees and costs, present value discount and provision for impairment.

(In millions of Korean won)	Loan commitments					
	Grade	Credit ratings by external rating agencies	12-month expected credit losses	Lifetime expected credit losses		Total
				Unrecognized impairment	Recognized impairment	
Normal	Grade 1	AA-	3,828,239	185,235	-	4,013,474
Normal	Grade 2	A+	2,160,167	142,843	-	2,303,010
Normal	Grade 3	A	4,563,774	156,605	-	4,720,379
Normal	Grade 4	A-	5,742,440	980,486	-	6,722,926
Normal	Grade 5	BBB+	4,182,584	469,003	10	4,651,597
Normal	Grade 6	BBB	5,792,601	345,293	23	6,137,917
Normal	Grade 7	BBB-	4,676,188	361,512	3	5,037,703
Normal	Grade 8	BB+	4,405,925	1,090,970	1,133	5,498,028
Normal	Grade 9	BB	2,514,306	257,165	709	2,772,180
Normal	Grade 10	BB-	1,524,277	244,846	2	1,769,125
Normal	Grade 11	B+	824,387	276,166	-	1,100,553
Normal	Grade 12	B	437,836	375,662	384	813,882
Normal	Grade 13	B-	195,341	84,126	2	279,469
Normal	Grade 14	CCC+	1,356,161	441,028	742	1,797,931
Precautionary	Grade 15	CCC	11,269	94,634	17,035	122,938
Precautionary	Grade 16	CCC-	120,457	617,271	8,729	746,457
Substandard	Grade 17	CC+~C-	1,574	17,151	13,826	32,551
Doubtful	Grade 18	Grade 18	-	4,989	32,162	37,151
Estimated loss	Grade 19	Grade 19	14,349	3,260	13,797	31,406
Non-rated	NA	NA	13,656,512	-	3,441	13,659,953
Specialized financing	-	-	1,376,621	14,456	-	1,391,077
Retail loan in Korean won	-	-	3,924,623	74,621	3,985	4,003,229
Credit card	-	-	13,378,532	1,020,664	12,359	14,411,555
			74,688,163	7,257,986	108,342	82,054,491

(In millions of Korean won)	Financial guarantee contracts					
	Grade	Credit ratings by external rating agencies	12-month expected credit losses	Lifetime expected credit losses		Total
				Unrecognized impairment	Recognized impairment	
Normal	Grade 1	AA-	3,479	-	-	3,479
Normal	Grade 2	A+	62,580	-	-	62,580
Normal	Grade 3	A	272,392	10,410	-	282,802
Normal	Grade 4	A-	287,636	78,499	-	366,135
Normal	Grade 5	BBB+	329,318	4,475	-	333,793
Normal	Grade 6	BBB	514,018	35,410	-	549,428
Normal	Grade 7	BBB-	557,741	68,958	-	626,699
Normal	Grade 8	BB+	624,627	49,273	4,300	678,200
Normal	Grade 9	BB	210,724	33,419	-	244,143
Normal	Grade 10	BB-	120,129	24,928	-	145,057
Normal	Grade 11	B+	42,060	55,143	-	97,203
Normal	Grade 12	B	13,187	8,077	-	21,264
Normal	Grade 13	B-	28,631	9,140	-	37,771
Normal	Grade 14	CCC+	8,575	51,913	-	60,488
Precautionary	Grade 15	CCC	-	4,979	370	5,349
Precautionary	Grade 16	CCC-	-	73,552	2,300	75,852
Substandard	Grade 17	CC+~C-	-	400	2,100	2,500
Doubtful	Grade 18	Grade 18	-	1,315	7,195	8,510
Estimated loss	Grade 19	Grade 19	-	-	2,850	2,850
Non-rated	NA	NA	190	-	10	200
			3,075,287	509,891	19,125	3,604,303

44.2 Credit Risk Management (cont'd)

December 31, 2024

(In millions of Korean won)	Loans receivable at amortized cost					Total
	Grade	Credit ratings by external rating agencies	12-month expected credit losses	Lifetime expected credit losses		
				Unrecognized impairment	Recognized impairment	
Normal	Grade 1	AA-	4,330,344	38,676	301	4,369,321
Normal	Grade 2	A+	6,628,388	315,591	380	6,944,359
Normal	Grade 3	A	12,249,001	868,548	254	13,117,803
Normal	Grade 4	A-	17,175,622	2,205,590	3,240	19,384,452
Normal	Grade 5	BBB+	19,159,443	3,401,821	909	22,562,173
Normal	Grade 6	BBB	27,410,382	6,719,753	50,692	34,180,827
Normal	Grade 7	BBB-	29,338,129	7,557,847	4,550	36,900,526
Normal	Grade 8	BB+	27,935,023	8,649,299	1,691	36,586,013
Normal	Grade 9	BB	24,158,048	7,207,206	8,755	31,374,009
Normal	Grade 10	BB-	13,614,657	5,226,633	54,235	18,895,525
Normal	Grade 11	B+	8,203,625	5,151,165	57,404	13,412,194
Normal	Grade 12	B	4,143,155	3,488,749	128,553	7,760,457
Normal	Grade 13	B-	2,587,121	2,436,620	64,963	5,088,704
Normal	Grade 14	CCC+	13,456,924	6,502,315	36,670	19,995,909
Precautionary	Grade 15	CCC	51,935	1,977,227	502,519	2,531,681
Precautionary	Grade 16	CCC-	31,065	12,824,040	349,110	13,204,215
Substandard	Grade 17	CC+~C-	43,654	1,623,415	443,329	2,110,398
Doubtful	Grade 18	Grade 18	14	7,235	730,798	738,047
Estimated loss	Grade 19	Grade 19	-	1,023,649	1,954,417	2,978,066
Non-rated	NA	NA	2,652,322	53,947	52,484	2,758,753
Specialized financing	-	-	5,033,425	1,104,957	320,841	6,459,223
Retail loan in Korean won	-	-	41,180,478	2,003,468	457,645	43,641,591
Credit card	-	-	2,669,585	574,694	59,943	3,304,222
Total[1]			262,052,340	80,962,445	5,283,683	348,298,468

[1] This is the amount before deducting deferred loan origination fees and costs, present value discount and provision for impairment

(In millions of Korean won)	Loan commitments					
	Grade	Credit ratings by external rating agencies	12-month expected credit losses	Lifetime expected credit losses		Total
				Unrecognized impairment	Recognized impairment	
Normal	Grade 1	AA-	4,049,768	5,263	-	4,055,031
Normal	Grade 2	A+	3,642,243	129,134	-	3,771,377
Normal	Grade 3	A	3,792,606	267,478	-	4,060,084
Normal	Grade 4	A-	5,363,105	426,196	14	5,789,315
Normal	Grade 5	BBB+	5,026,734	203,746	-	5,230,480
Normal	Grade 6	BBB	6,010,284	410,275	10	6,420,569
Normal	Grade 7	BBB-	5,135,873	328,404	-	5,464,277
Normal	Grade 8	BB+	4,670,176	810,792	10	5,480,978
Normal	Grade 9	BB	3,165,645	257,830	-	3,423,475
Normal	Grade 10	BB-	1,511,043	185,711	5	1,696,759
Normal	Grade 11	B+	761,418	249,109	9	1,010,536
Normal	Grade 12	B	471,486	266,236	4	737,726
Normal	Grade 13	B-	211,327	102,389	1,456	315,172
Normal	Grade 14	CCC+	1,320,165	229,549	275	1,549,989
Precautionary	Grade 15	CCC	15,602	59,446	15,079	90,127
Precautionary	Grade 16	CCC-	59,634	484,697	13,527	557,858
Substandard	Grade 17	CC+~C-	2,954	56,915	20,436	80,305
Doubtful	Grade 18	Grade 18	-	-	33,925	33,925
Estimated loss	Grade 19	Grade 19	3,473	32,126	14,903	50,502
Non-rated	NA	NA	13,655,758	16	6,517	13,662,291
Specialized financing	-	-	1,558,441	57,373	12,379	1,628,193
Retail loan in Korean won	-	-	3,816,853	76,692	4,067	3,897,612
Credit card	-	-	13,148,029	914,756	3,668	14,066,453
			77,392,617	5,554,133	126,284	83,073,034

(In millions of Korean won)	Financial guarantee contracts					
	Grade	Credit ratings by external rating agencies	12-month expected credit losses	Lifetime expected credit losses		Total
				Unrecognized impairment	Recognized impairment	
Normal	Grade 1	AA-	8,078	-	-	8,078
Normal	Grade 2	A+	93,308	-	-	93,308
Normal	Grade 3	A	180,772	1,624	-	182,396
Normal	Grade 4	A-	376,606	18,497	-	395,103
Normal	Grade 5	BBB+	297,635	10,376	-	308,011
Normal	Grade 6	BBB	544,473	42,117	-	586,590
Normal	Grade 7	BBB-	548,821	59,954	-	608,775
Normal	Grade 8	BB+	403,063	54,252	-	457,315
Normal	Grade 9	BB	287,682	39,339	-	327,021
Normal	Grade 10	BB-	123,201	24,457	-	147,658
Normal	Grade 11	B+	29,744	18,294	-	48,038
Normal	Grade 12	B	66,629	16,096	-	82,725
Normal	Grade 13	B-	6,382	9,512	-	15,894
Normal	Grade 14	CCC+	40,283	30,619	500	71,402
Precautionary	Grade 15	CCC	-	1,652	1,600	3,252
Precautionary	Grade 16	CCC-	228	49,644	2,818	52,690
Substandard	Grade 17	CC+~C-	-	5,159	1,723	6,882
Doubtful	Grade 18	Grade 18	-	-	8,540	8,540
Estimated loss	Grade 19	Grade 19	-	3,726	1,656	5,382
Non-rated	NA	NA	157	-	10	167
			3,007,062	385,318	16,847	3,409,227

44.2.4 Credit risk concentration

The maximum exposure to credit risk from customers and counterparties as of December 31, 2025 and 2024, before taking into account collateral or other credit enhancements, amounted to ₩569,506,247 million and ₩545,181,257 million, respectively.
Credit risk mitigation related to loan receivables through collateral and other credit enhancements amounted to ₩295,451,611 million and ₩282,991,089 million as of December 31, 2025 and 2024, respectively.
Credit risk mitigation represents the expected recoverable amounts from collateral such as movable property, real estate, deposits, and credit guarantees. Details of credit mitigation effect for loans as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	December 31, 2025			
		Lifetime expected credit losses		
	12-month expected credit losses	Unrecognized impairment	Recognized impairment	Total
Credit mitigation effect	212,668,051	78,406,355	4,377,205	295,451,611

(In millions of Korean won)	December 31, 2024			
		Lifetime expected credit losses		
	12-month expected credit losses	Unrecognized impairment	Recognized impairment	Total
Credit mitigation effect	209,606,612	69,151,585	4,232,892	282,991,089

The uncollected contract amount of financial assets which has been amortized but its collection is on-going as of December 31, 2025 and 2024, is ₩5,349,178 million and ₩4,774,907 million, respectively.

44.2 Credit Risk Management (cont'd)

Credit risk concentration is managed by classifying customers and counterparties by location and industry. Financial assets of the Group before considering collateral and other credit enhancement are as follows. Cash and equity securities are considered to have no exposure to credit risk and thus, not included.

December 31, 2025

(In millions of Korean won)	Loan receivables at amortized cost[1]				Other financial assets[2]			
	12-month expected credit losses	Lifetime expected credit losses			12-month expected credit losses	Lifetime expected credit losses		
		Unrecognized impairment	Recognized impairment	Total		Unrecognized impairment	Recognized impairment	Total
By country								
Korea	253,750,180	90,582,201	5,288,712	349,621,093	10,620,854	166,237	27,689	10,814,780
Others	11,538,243	657,029	138,948	12,334,220	181,825	2,269	-	184,094
	265,288,423	91,239,230	5,427,660	361,955,313	10,802,679	168,506	27,689	10,998,874
By industry								
Manufacturing	97,637,153	57,274,831	2,432,038	157,344,022	163,442	101,063	11,068	275,573
Service	110,183,946	29,821,093	2,317,527	142,322,566	394,745	57,335	10,199	462,279
Retail	42,293,212	1,920,646	459,303	44,673,161	64,534	3,976	2,520	71,030
Others	15,174,112	2,222,660	218,792	17,615,564	10,179,958	6,132	3,902	10,189,992
	265,288,423	91,239,230	5,427,660	361,955,313	10,802,679	168,506	27,689	10,998,874
By maturity								
Less than 1 year	190,906,118	39,657,063	4,127,112	234,690,293	9,054,444	85,509	11,884	9,151,837
1~3 years	38,004,660	34,887,536	563,698	73,455,894	237,357	53,720	1,543	292,620
3~5 years	9,356,220	6,544,942	295,391	16,196,553	102,999	12,037	759	115,795
Over 5 years	27,017,219	10,149,689	362,044	37,528,952	199,432	17,029	607	217,068
Others	4,206	-	79,415	83,621	1,208,447	211	12,896	1,221,554
	265,288,423	91,239,230	5,427,660	361,955,313	10,802,679	168,506	27,689	10,998,874

[1] This is the amount before deducting deferred loan origination fees and costs, present value discount and provision for impairment.
[2] This is the amount before deducting resent value discount and provision for impairment.

(In millions of Korean won)	Financial assets at fair value through other comprehensive income				Securities at amortized cost[1]			
	12-month expected credit losses	Lifetime expected credit losses		Total	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment			Unrecognized impairment	Recognized impairment	
By country								
Korea	35,074,784	85,640	-	35,160,424	33,887,880	78,585	-	33,966,465
Others	1,585,884	-	-	1,585,884	731,948	-	3,616	735,564
	36,660,668	85,640	-	36,746,308	34,619,828	78,585	3,616	34,702,029
By industry								
Manufacturing	1,129,330	7,158	-	1,136,488	1,488,822	28,585	-	1,517,407
Service	19,804,204	78,482	-	19,882,686	18,847,956	50,000	-	18,897,956
Others	15,727,134	-	-	15,727,134	14,283,050	-	3,616	14,286,666
	36,660,668	85,640	-	36,746,308	34,619,828	78,585	3,616	34,702,029
By maturity								
Less than 1 year	6,726,376	81,451	-	6,807,827	10,378,553	78,585	-	10,457,138
1~3 years	19,596,142	4,189	-	19,600,331	13,123,918	-	-	13,123,918
3~5 years	7,041,113	-	-	7,041,113	6,772,684	-	-	6,772,684
Over 5 years	3,297,037	-	-	3,297,037	4,344,673	-	3,616	4,348,289
	36,660,668	85,640	-	36,746,308	34,619,828	78,585	3,616	34,702,029

[1] This is the amount before deducting provision for impairment.

(In millions of Korean won)	Loan commitments				Financial guarantee contracts			
	12-month expected credit losses	Lifetime expected credit losses		Total	12-month expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment			Unrecognized impairment	Recognized impairment	
By country								
Korea	73,492,141	7,236,654	108,342	80,837,137	2,183,639	500,853	19,125	2,703,617
Others	1,196,022	21,332	-	1,217,354	891,648	9,038	-	900,686
	74,688,163	7,257,986	108,342	82,054,491	3,075,287	509,891	19,125	3,604,303
By industry								
Manufacturing	27,742,345	4,454,870	70,960	32,268,175	1,454,245	349,794	2,559	1,806,598
Service	17,665,222	2,352,189	26,092	20,043,503	1,346,134	149,651	16,480	1,512,265
Retail	3,924,623	74,621	3,985	4,003,229	-	-	-	-
Others	25,355,973	376,306	7,305	25,739,584	274,908	10,446	86	285,440
	74,688,163	7,257,986	108,342	82,054,491	3,075,287	509,891	19,125	3,604,303
By maturity								
Less than 1 year	56,322,403	5,278,321	84,299	61,685,023	3,015,447	364,480	19,075	3,399,002
1~3 years	6,200,540	1,101,756	9,535	7,311,831	44,075	120,967	-	165,042
3~5 years	9,574,404	592,126	11,162	10,177,692	10,196	12,673	-	22,869
Over 5 years	2,590,816	285,783	3,346	2,879,945	5,569	11,771	-	17,340
Others	-	-	-	-	-	-	50	50
	74,688,163	7,257,986	108,342	82,054,491	3,075,287	509,891	19,125	3,604,303

(In millions of Korean won)	Other assets			
	Securities at fair value through profit or loss[1]	**Derivatives**	**Payment guarantees**	**Total**
By country				
Korea	10,884,971	3,606,141	5,148,691	19,639,803
Others	612,068	89,307	210,797	912,172
	11,497,039	3,695,448	5,359,488	20,551,975
By industry				
Manufacturing	33,340	20,309	4,093,755	4,147,404
Service	2,539,016	2,923,927	1,162,072	6,625,015
Others	8,924,683	751,212	103,661	9,779,556
	11,497,039	3,695,448	5,359,488	20,551,975
By maturity				
Less than 1 year	9,002,538	2,020,095	3,252,446	14,275,079
1~3 years	1,088,928	1,098,920	2,043,534	4,231,382
3~5 years	375,550	451,379	39,736	866,665
Over 5 years	380,572	118,643	23,772	522,987
Others	649,451	6,411	-	655,862
	11,497,039	3,695,448	5,359,488	20,551,975

[1] Derivatives are excluded from securities at fair value through profit or loss.

44.2 Credit Risk Management (cont'd)

December 31, 2024

(In millions of Korean won)	Loan receivables at amortized cost[1]				Other financial assets[2]			
	12-month expected credit losses	Lifetime expected credit losses			12-month expected credit losses	Lifetime expected credit losses		
		Unrecognized impairment	Recognized impairment	Total		Unrecognized impairment	Recognized impairment	Total
By country								
Korea	251,330,326	80,263,578	5,205,800	336,799,704	9,529,469	167,793	47,139	9,744,401
Others	10,722,014	698,867	77,883	11,498,764	165,186	3,450	17	168,653
	262,052,340	80,962,445	5,283,683	348,298,468	9,694,655	171,243	47,156	9,913,054
By industry								
Manufacturing	97,762,702	50,612,970	2,390,544	150,766,216	188,588	102,919	34,590	326,097
Service	108,840,907	26,139,562	2,124,139	137,104,608	423,915	56,677	10,440	491,032
Retail	41,715,794	2,007,795	467,651	44,191,240	67,419	4,690	2,508	74,617
Others	13,732,937	2,202,118	301,349	16,236,404	9,014,733	6,957	(382)	9,021,308
	262,052,340	80,962,445	5,283,683	348,298,468	9,694,655	171,243	47,156	9,913,054
By maturity								
Less than 1 year	192,805,275	33,952,841	4,043,350	230,801,466	7,776,350	85,290	13,803	7,875,443
1~3 years	35,736,132	29,190,863	549,845	65,476,840	251,088	51,430	2,594	305,112
3~5 years	8,298,827	6,855,259	323,418	15,477,504	83,637	14,392	969	98,998
Over 5 years	25,208,147	10,963,482	350,502	36,522,131	172,305	19,912	638	192,855
Others	3,959	-	16,568	20,527	1,411,275	219	29,152	1,440,646
	262,052,340	80,962,445	5,283,683	348,298,468	9,694,655	171,243	47,156	9,913,054

[1] This is the amount before deducting deferred loan origination fees and costs, present value discount and provision for impairment.
[2] This is the amount before deducting resent value discount and provision for impairment.

(In millions of Korean won)	Financial assets at fair value through other comprehensive income				Securities at amortized cost[1]			
	12-month expected credit losses	Lifetime expected credit losses			12-month expected credit losses	Lifetime expected credit losses		
		Unrecognized impairment	Recognized impairment	Total		Unrecognized impairment	Recognized impairment	Total
By country								
Korea	30,036,678	-	-	30,036,678	34,545,979	-	-	34,545,979
Others	1,316,126	-	-	1,316,126	880,576	-	7,543	888,119
	31,352,804	-	-	31,352,804	35,426,555	-	7,543	35,434,098
By industry								
Manufacturing	979,001	-	-	979,001	1,806,555	-	-	1,806,555
Service	17,461,128	-	-	17,461,128	20,719,190	-	-	20,719,190
Others	12,912,675	-	-	12,912,675	12,900,810	-	7,543	12,908,353
	31,352,804	-	-	31,352,804	35,426,555	-	7,543	35,434,098
By maturity								
Less than 1 year	6,858,241	-	-	6,858,241	13,343,890	-	-	13,343,890
1~3 years	16,780,236	-	-	16,780,236	10,528,561	-	-	10,528,561
3~5 years	3,950,877	-	-	3,950,877	6,653,967	-	-	6,653,967
Over 5 years	3,763,450	-	-	3,763,450	4,900,137	-	7,543	4,907,680
	31,352,804	-	-	31,352,804	35,426,555	-	7,543	35,434,098

[1] This is the amount before deducting provision for impairment.

(In millions of Korean won)	Loan commitments				Financial guarantee contracts			
	12-month expected credit losses	Lifetime expected credit losses			12-month expected credit losses	Lifetime expected credit losses		
		Unrecognized impairment	Recognized impairment	Total		Unrecognized impairment	Recognized impairment	Total
By country								
Korea	75,812,406	5,543,818	126,284	81,482,508	2,373,040	376,499	16,847	2,766,386
Others	1,580,211	10,315	-	1,590,526	634,022	8,819	-	642,841
	77,392,617	5,554,133	126,284	83,073,034	3,007,062	385,318	16,847	3,409,227
By industry								
Manufacturing	29,637,820	3,532,509	73,007	33,243,336	1,436,122	244,623	6,071	1,686,816
Service	19,022,317	1,600,911	41,947	20,665,175	1,268,343	128,428	10,690	1,407,461
Retail	3,817,255	76,692	4,067	3,898,014	-	-	-	-
Others	24,915,225	344,021	7,263	25,266,509	302,597	12,267	86	314,950
	77,392,617	5,554,133	126,284	83,073,034	3,007,062	385,318	16,847	3,409,227
By maturity								
Less than 1 year	59,214,916	3,605,017	101,811	62,921,744	2,961,211	293,065	16,693	3,270,969
1~3 years	6,479,229	1,110,713	11,261	7,601,203	31,227	66,832	-	98,059
3~5 years	9,088,709	532,692	7,157	9,628,558	7,332	10,707	-	18,039
Over 5 years	2,609,763	305,711	6,055	2,921,529	7,292	14,714	-	22,006
Others	-	-	-	-	-	-	154	154
	77,392,617	5,554,133	126,284	83,073,034	3,007,062	385,318	16,847	3,409,227

(In millions of Korean won)	Other assets			
	Securities at fair value through profit or loss[1]	Derivatives	Payment guarantees	Total
By country				
Korea	9,781,495	4,640,664	5,736,143	20,158,302
Others	720,169	202,156	177,772	1,100,097
	10,501,664	4,842,820	5,913,915	21,258,399
By industry				
Manufacturing	30,689	60,112	4,572,647	4,663,448
Service	2,037,399	3,837,321	1,221,484	7,096,204
Others	8,433,576	945,387	119,784	9,498,747
	10,501,664	4,842,820	5,913,915	21,258,399
By maturity				
Less than 1 year	6,861,851	3,026,593	4,136,413	14,024,857
1~3 years	1,809,818	1,187,954	1,368,597	4,366,369
3~5 years	587,181	416,300	370,341	1,373,822
Over 5 years	648,876	197,208	38,564	884,648
Others	593,938	14,765	-	608,703
	10,501,664	4,842,820	5,913,915	21,258,399

[1] Derivatives are excluded from securities at fair value through profit or loss.

44.2 Credit Risk Management (cont'd)

44.2.5 Credit quality and concentration of securities

The Group manages credit quality of financial assets through internal credit rating model and credit ratings of external credit rating companies. Credit quality of financial assets by type and classification of asset quality by credit rating are reviewed in accordance with the 'Standards of Credit Ratings' in Article 14, Attachment 3 of the Detailed Supervisory Regulations and 'Weighted risk in case of having more than one credit rating' in Article 17, Attachment 3 of Detailed Supervisory Regulations.

Credit quality of securities as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	**Grade 1**	**Grade 2**	**Grade 3**	**Grade 4**	**Grade 5**	**Total**
Financial assets at fair value through profit or loss	10,537,107	39,389	50,992	-	-	10,627,488
Financial assets at fair value through other comprehensive income						
12-month expected credit losses	35,563,876	-	-	-	-	35,563,876
Non-credit-impaired securities	85,640					85,640
	35,649,516	-	-	-	-	35,649,516
Securities at amortized cost						
12-month expected credit losses	34,619,828	-	-	-	-	34,619,828
Non-credit-impaired securities	78,585	-	-	-	-	78,585
Credit-impaired securities	-	-	3,616	-	-	3,616
	34,698,413	-	3,616	-	-	34,702,029
	80,885,036	39,389	54,608	-	-	80,979,033

December 31, 2024

(In millions of Korean won)	**Grade 1**	**Grade 2**	**Grade 3**	**Grade 4**	**Grade 5**	**Total**
Financial assets at fair value through profit or loss	9,699,453	2,222	68,608	-	-	9,770,283
Financial assets at fair value through other comprehensive income						
12-month expected credit losses	30,642,932	-	-	-	-	30,642,932
	30,642,932	-	-	-	-	30,642,932
Securities at amortized cost						
12-month expected credit losses	35,426,555	-	-	-	-	35,426,555
Credit-impaired securities	-	-	7,543	-	-	7,543
	35,426,555	-	7,543	-	-	35,434,098
	75,768,940	2,222	76,151	-	-	75,847,313

44.2 Credit Risk Management (cont'd)

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

Credit quality	Domestic			Foreign		
	KIS	KAP	NICE	S&P	Fitch	Moody's
Grade 1	BBB- to AAA	BBB- to AAA	BBB- to AAA	BB- to AAA	BB- to AAA	Ba3 to Aaa
Grade 2	BB- to BB+	BB- to BB+	BB- to BB+	B- to B+	B- to B+	B3 to B1
Grade 3	CCC+ to B+	CCC+ to B+	CCC+ to B+	CCC- to CCC+	CCC- to CCC+	Caa3 to Caa1
Grade 4	C to CCC	C to CCC	C to CCC	C to CC	C to CC	C to Ca
Grade 5	Lower than C	Lower than C	Lower than C	Lower than C	Lower than C	Lower than C

44.3 Market Risk (Trading Position)

44.3.1 Scope and policy

The Group classifies assets and liabilities held for dealing or trading purposes or assets and liabilities acquired to hedge this position as a trading position, and the detailed scope is as follows:

- Financial instruments held for short-term profit-taking arising from short-term trading, stock price, interest rate, foreign exchange rate or fluctuations in price of commodities and others
- Financial instruments held for the purpose of hedging the risk of the above-mentioned financial instruments.
- Foreign currency position stated in calculation standards of market risk net asset ratio in Detailed Supervisory Regulations
- Other assets and liabilities that correspond to trading position classification principles

Valuation of trading position is to be done on a daily basis by obtaining market price from public organizations or from communications companies or from institutionalized market. Application of other valuation methods that are not generally accepted in the market and valuation methods for new products are required to be approved by the Fair Value Evaluation Committee (consists of person in charge at risk management department and trading position department).

44.3.2 Market risk management

Market risk management focuses on managing the magnitude of loss and risk factors of trading positions dependent upon general changes in market prices, such as interest rates, foreign exchange rates, stock prices, and others. Trading positions that the Group manages are assets or liabilities held for dealing or trading purposes, resulting from underwriting or broker-dealer transactions and market build up transactions (excluding assets held-to-maturity in case of underwriting), obtained to hedge trading positions and obtained as trading position through internal transaction between trading and non-trading position.

The Group calculates the amount of risk using a standard model on a daily basis to measure the market risk of the above positions.

44.3 Market Risk (Trading Position) (cont'd)

44.3.3 The primary market risks of the Group

The Group evaluates the market value of trading positions daily and calculates the potential risk amount that may arise from changes in market conditions. In accordance with the Basel III market risk regulations (FRTB) implemented in 2024, subsidiaries with trading account sizes of less than 50 billion won are approved by regulatory authorities to calculate regulatory capital using the simplified approach.

Under the new standard approach, regulatory capital is determined by the simple sum of sensitivity-based risk, default risk, and residual risk regulatory capital. Sensitivity-based risk refers to the potential loss that may occur due to changes in the risk factors inherent in the product, resulting in fluctuations in the value of the product. Default risk refers to potential losses that may occur due to issuer default rather than financial product losses resulting from changes in credit spreads or credit rating. Residual risk refers to losses that are not considered by sensitivity-based risk or default risk due to the peculiarity of profit and loss structures and underlying assets.

The Risk Management Group Head, with approval from the Risk Committee, sets market risk limits for each group and department. The Risk Oversight Department monitors compliance with the limits of the risks calculated using the new standard approach on a daily basis. If any risk calculated exceeds the defined limit, the Market Risk Limit Operation Department Head must report the excess details, reasons for the excess, etc., to the responsible business group head and committee. They then decide on measures to address the limit excess and manage the risk.

Details of regulatory capital under Basel III market risk regulation recognized in the separate financial statements of the Bank, broken down by key market risks, as of December 31, 2025 and 2024 are as follows:

December 31, 2025

(In millions of Korean won)	**Ending**	**Maximum**	**Minimum**	**Average**
Sensitivity Risk				
Interest rate risk	23,235	49,798	18,967	35,090
Stock price risk	1,588	1,938	673	1,170
General product risk	371	604	160	362
Foreign exchange risk	156,820	169,707	127,266	142,840
Non-securitized credit spread	68,940	103,455	50,079	81,351
liquidity-adjusted credit spread (excluding CTP)	-	-	-	-
CTP credit spread	-	-	-	-
Default Risk				
Non-securitized default	29,123	42,770	13,971	35,196
Liquidity-adjusted default (excluding CTP)	-	-	-	-
CTP default	-	-	-	-
Residual Risk	186	190	25	183
Total[1]	280,263	364,297	226,139	296,192

[1]The sum of maximum and minimum values is the value corresponding to the day with the highest and lowest total sum of sensitivities, defaults, and residual risks during the current period, rather than a simple sum of each risk item.

44.3 Market Risk (Trading Position) (cont'd)

December 31, 2024

(In millions of Korean won)	Ending	Maximum	Minimum	Average
Sensitivity Risk				
Interest rate risk	25,675	35,292	17,226	26,568
Stock price risk	1,070	3,660	693	1,830
General product risk	78	567	54	312
Foreign exchange risk	146,770	168,638	97,046	125,868
Non-securitized credit spread	60,212	75,825	51,522	67,353
liquidity-adjusted credit spread (excluding CTP)	-	-	-	-
CTP credit spread	-	-	-	-
Default Risk				
Non-securitized default	24,969	33,464	24,969	29,633
Liquidity-adjusted default (excluding CTP)	-	-	-	-
CTP default	-	-	-	-
Residual Risk	180	185	176	181
Total[1]	258,954	296,419	197,408	251,745

[1]The sum of maximum and minimum values is the value corresponding to the day with the highest and lowest total sum of sensitivities, defaults, and residual risks during the prior period, rather than a simple sum of each risk item.

In accordance with the implementation of Basel III, IBK Investment & Securities Co., Ltd. measures regulatory capital using the standardized approach, while other subsidiaries apply the simplified approach.
The regulatory capital of each subsidiary as of the reporting date is as follows:

- IBK Investment & Securities Co., Ltd.: ₩304,935 million (2025), ₩302,639 million (2024)
- IBK Capital Co., Ltd.: ₩926 million (2025), ₩811 million (2024)
- IBK Bank (China) Limited: ₩1,569 million (2025), ₩2,001 million (2024)
- IBK Bank Indonesia: ₩75 million (2025), ₩54 million (2024)

44.4 Interest Rate Risk (Non-trading Position)

44.4.1 Interest rate gap analysis

Interest rate gap analysis is a method used to measure changes in net interest income by calculating the difference between the amounts of interest-earning assets and interest-bearing liabilities at each repricing or maturity date. The Group performs interest rate gap analysis based on the interest rate repricing maturities of interest-earning assets and interest-bearing liabilities.

The analysis is conducted for Korean won-denominated and foreign currency-denominated assets, generally on a monthly basis, or more frequently when deemed necessary.
When contractual maturities of certain interest-earning assets or interest-bearing liabilities are not specified, maturities are determined or assumed in accordance with the ALM risk management guidelines.

The results of interest rate gap analysis in accordance with K-IFRS as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	**Less than 3 months**	**3~6 months**	**6~12 months**	**1~3 years**	**Over 3 years**	**Total**
Interest-bearing assets in Korean won						
Cash and due from banks	2,009,272	1,109	15,700	-	18	2,026,099
Financial assets at fair value through profit or loss	2,312,272	143,406	201,766	6,550,883	7,550,072	16,758,399
Financial assets at fair value through other comprehensive income	904,495	871,766	2,890,690	19,840,304	7,604,680	32,111,935
Securities at amortized cost	3,100,786	2,597,883	4,201,506	12,391,291	9,406,276	31,697,742
Loan receivables at amortized cost	179,604,748	47,087,735	53,961,817	46,262,748	16,586,434	343,503,482
Derivatives for hedge accounting	-	-	522,977	350,000	400,000	1,272,977
Other financial assets	1,919,377	92,203	4,885	208	9,337	2,026,010
	189,850,950	50,794,102	61,799,341	85,395,434	41,556,817	429,396,644
Interest-bearing liabilities in Korean won						
Deposit liabilities	58,397,001	14,464,350	18,606,824	28,862,554	22,077,366	142,408,095
Debts	38,558,278	493,732	1,758,269	797,635	123,391	41,731,305
Debentures	61,020,063	41,832,510	52,440,375	40,271,071	7,410,093	202,974,112
Derivatives for hedge accounting	1,270,000	-	-	-	-	1,270,000
Other financial liabilities	8,342,000	-	-	-	-	8,342,000
	167,587,342	56,790,592	72,805,468	69,931,260	29,610,850	396,725,512
Gap	22,263,608	(5,996,490)	(11,006,127)	15,464,174	11,945,967	32,671,132
Accumulated gap	22,263,608	16,267,118	5,260,991	20,725,165	32,671,132	32,671,132

44.4 Interest Rate Risk (Non-trading Position) (cont'd)

(Equivalents In millions of Korean won)	Less than 3 months	3~6 months	6~12 months	1~3 years	Over 3 years	Total
Interest-bearing assets denominated in foreign currencies						
Cash and due from banks	8,704,760	4,376	4,069	-	5,570	8,718,775
Financial assets at fair value through profit or loss	447,668	29,699	27,113	165,006	512,659	1,182,145
Financial assets at fair value through other comprehensive income	1,428,361	59,629	422,002	1,059,479	2,209,551	5,179,022
Securities at amortized cost	173,871	116,566	260,471	718,424	1,746,865	3,016,197
Loan receivables at amortized cost	14,164,928	2,430,222	1,561,025	661,839	1,557,524	20,375,538
Derivatives for hedge accounting	1,341,868	76,725	336,291	1,038,464	1,771,257	4,564,605
	26,261,456	2,717,217	2,610,971	3,643,212	7,803,426	43,036,282
Interest-bearing liabilities in foreign currencies						
Deposit liabilities	15,770,184	2,944,909	3,263,348	2,182,703	1,939,600	26,100,744
Debts	5,360,823	1,346,866	526,371	-	3,441	7,237,501
Debentures	2,231,491	71,920	429,559	1,038,464	2,131,257	5,902,691
Derivatives for hedge accounting	3,300,538	62,604	154,682	524,526	504,367	4,546,717
Other financial liabilities	567	528	460	400	82	2,037
	26,663,603	4,426,827	4,374,420	3,746,093	4,578,747	43,789,690
Gap	(402,147)	(1,709,610)	(1,763,449)	(102,881)	3,224,679	(753,408)
Accumulated gap	(402,147)	(2,111,757)	(3,875,206)	(3,978,087)	(753,408)	(753,408)

44.4 Interest Rate Risk (Non-trading Position) (cont'd)

December 31, 2024

(In millions of Korean won)	Less than 3 months	3~6 months	6~12 months	1~3 years	Over 3 years	Total
Interest-bearing assets in Korean won						
Cash and due from banks	1,885,779	21,606	45,700	7,000	18	1,960,103
Financial assets at fair value through profit or loss	1,451,838	241,116	5,711,197	522,629	6,433,060	14,359,840
Financial assets at fair value through other comprehensive income	1,535,257	1,364,458	2,302,745	16,031,004	5,799,334	27,032,798
Securities at amortized cost	4,412,965	2,898,769	5,196,990	9,866,261	9,745,023	32,120,008
Loan receivables at amortized cost	179,881,664	43,164,960	52,498,915	40,745,545	14,392,805	330,683,889
Derivatives for hedge accounting	-	-	520,179	350,000	400,000	1,270,179
Other financial assets	1,630,597	76,647	100	4,846	9,388	1,721,578
	190,798,100	47,767,556	66,275,826	67,527,285	36,779,628	409,148,395
Interest-bearing liabilities in Korean won						
Deposit liabilities	56,345,114	14,523,138	17,637,631	27,160,755	21,161,886	136,828,524
Debts	33,018,345	440,380	1,245,899	905,809	240,583	35,851,016
Debentures	53,530,348	34,494,861	51,545,768	45,268,717	8,337,871	193,177,565
Derivatives for hedge accounting	1,270,000	-	-	-	--	1,270,000
Other financial liabilities	7,510,439	-	-	-	-	7,510,439
	151,674,246	49,458,379	70,429,298	73,335,281	29,740,340	374,637,544
Gap	39,123,854	(1,690,823)	(4,153,472)	(5,807,996)	7,039,288	34,510,851
Accumulated gap	39,123,854	37,433,031	33,279,559	27,471,563	34,510,851	34,510,851

44.4 Interest Rate Risk (Non-trading Position) (cont'd)

(Equivalents In millions of Korean won)	Less than 3 months	3~6 months	6~12 months	1~3 years	Over 3 years	Total
Interest-bearing assets denominated in foreign currencies						
Cash and due from banks	7,886,897	27,914	4,278	-	4,819	7,923,908
Financial assets at fair value through profit or loss	502,120	-	69,440	311,802	446,777	1,330,139
Financial assets at fair value through other comprehensive income	847,781	149,384	223,130	1,159,881	1,723,286	4,103,462
Securities at amortized cost	409,508	249,304	157,131	652,790	1,845,356	3,314,089
Loan receivables at amortized cost	13,154,394	2,303,774	1,490,876	808,181	1,432,530	19,189,755
Derivatives for hedge accounting	1,344,354	813,664	467,379	272,391	1,675,800	4,573,588
	24,145,054	3,544,040	2,412,234	3,205,045	7,128,568	40,434,941
Interest-bearing liabilities in foreign currencies						
Deposit liabilities	12,630,900	2,689,368	2,457,732	2,117,550	1,825,043	21,720,593
Debts	6,004,620	972,350	179,142	-	12,062	7,168,174
Debentures	1,427,579	876,716	614,379	367,941	2,035,800	5,322,415
Derivatives for hedge accounting	3,158,783	49,220	51,308	343,616	941,852	4,544,779
Other financial liabilities	-	520	995	1,536	23	3,074
	23,221,882	4,588,174	3,303,556	2,830,643	4,814,780	38,759,035
Gap	923,172	(1,044,134)	(891,322)	374,402	2,313,788	1,675,906
Accumulated gap	923,172	(120,962)	(1,012,284)	(637,882)	1,675,906	1,675,906

44.4 Interest Rate Risk (Non-trading Position) (cont'd)

44.4.2 △EVE and △NII

The Group calculates change in Economic Value of Equity (△EVE) on interest rate risk and change in Net Interest Income(△NII) according to interest rate change based on IRRBB standard proposed by BIS Framework, as of December 31, 2025 and 2024.

In case of △EVE, the Group calculates final interest risk by selecting scenario that incurs most loss from six interest rate shocks and stress scenarios (Parallel rise, Parallel decline, Short-term decline · Long-term rise, Short-term rise · Long-term decline, Short-term rise, Short-term decline). In case of △NII, the Group calculates possible losses by selecting between parallel rise and decline, whichever incurs loss.

Assets and liabilities subject to interest rate risk calculation are limited to assets and liabilities that do not belong to the trading account. The limit is set annually after a resolution by the Risk Management Committee and is managed through monthly confirmation and management reports.

The results of △EVE and △NII as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
△EVE	638,561	706,024
△NII	165,883	669,733

44.5 Liquidity Risk

Liquidity risk is the risk of insolvency or loss due to a disparity between the inflow and out flow of funds and obtaining funds at a high price or disposing of securities at an unfavorable price due to lack of available funds.

The Group manages its liquidity risk through analysis of the contractual maturity of all financial assets, liabilities and off-balance items such as loan commitment and guarantees by maturity groups: On demand, less than three months, between three months to six months, between six months to 12 months, between one year to three years and over three years.

44.5.1 Contractual maturity of non-derivative financial liabilities

Cash flows presented for the maturity analysis are undiscounted contractual principal and interest payments. Contractual maturity of non-derivative financial liabilities as of December 31, 2025 and 2024, are as follows:

44.5 Liquidity Risk (cont'd)

December 31, 2025

(In millions of Korean won)	On demand	Less than 3 months	3~6 months	6~12 months	1~3 years	Over 3 years	Total
Financial liabilities							
Deposit liabilities							
Deposits on demand in Korean won	59,576,878	-	-	-	-	-	59,576,878
Deposits on demand in foreign currencies	11,580,191	18,889	28,368	44,530	54,123	77,885	11,803,986
Time & savings deposits in Korean won	57,341,261	6,299,536	3,160,741	7,399,583	9,017,325	2,298,605	85,517,051
Time & savings deposits in foreign currencies	3,456,248	6,484,127	2,606,136	2,552,376	289,477	5,554	15,393,918
Negotiable certificates of deposit	-	1,968,414	625,194	569,110	7,148	-	3,169,866
Other deposits in Korean won	-	776,022	443,403	567,678	431,723	32,625	2,251,451
Financial liabilities at fair value through profit or loss							
Securities sold	-	738,098	-	-	-	-	738,098
Financial liabilities designated at fair value through profit or loss	-	1,301,861	395,508	535,546	316,276	298,378	2,847,569
Borrowings							
Borrowings in Korean won	2,789,038	10,675,770	3,782,333	5,399,114	9,587,056	6,382,657	38,615,968
Borrowings in foreign currencies	-	2,607,597	1,444,691	982,956	899,882	3,641	5,938,767
Other borrowings	1,148,379	6,783,406	17,519	8,346	-	-	7,957,650
Debentures							
Debt securities in Korean won	-	55,624,906	43,912,776	59,725,231	39,863,274	5,015,219	204,141,406
Debt securities in foreign currencies	-	231,514	199,705	527,783	2,977,729	2,228,583	6,165,314
Other debentures	-	-	-	-	-	311,700	311,700
Other financial liabilities	376,535	7,653,873	791	967	1,015	16,670,968	24,704,149
	136,268,530	101,164,013	56,617,165	78,313,220	63,445,028	33,325,815	469,133,771
Commitments[1]	82,054,491	-	-	-	-	-	82,054,491
Financial guarantees[2]	3,604,303	-	-	-	-	-	3,604,303
	85,658,794	-	-	-	-	-	85,658,794

44.5 Liquidity Risk (cont'd)

December 31, 2024

(In millions of Korean won)	On demand	Less than 3 months	3~6 months	6~12 months	1~3 years	Over 3 years	Total
Financial liabilities							
Deposit liabilities							
Deposits on demand in Korean won	58,973,659	-	-	-	-	-	58,973,659
Deposits on demand in foreign currencies	10,520,486	13,894	20,866	32,754	39,810	57,288	10,685,098
Time & savings deposits in Korean won	54,858,929	6,640,383	3,532,305	7,066,997	7,516,260	2,175,692	81,790,566
Time & savings deposits in foreign currencies	2,351,623	5,020,414	2,378,490	1,824,973	429,064	101,516	12,106,080
Negotiable certificates of deposit	-	947,215	620,192	259,482	11,765	-	1,838,654
Other deposits in Korean won	-	946,935	549,073	663,893	470,571	53,079	2,683,551
Financial liabilities at fair value through profit or loss							
Securities sold	-	608,768	-	-	-	-	608,768
Financial liabilities designated at fair value through profit or loss	-	358,344	155,332	675,247	38,713	265,353	1,492,989
Borrowings							
Borrowings in Korean won	3,122,926	11,092,380	3,592,190	5,112,799	9,384,105	6,447,403	38,751,803
Borrowings in foreign currencies	121,991	3,376,743	1,101,166	262,853	773,327	449,039	6,085,119
Other borrowings	1,133,818	1,274,357	14,601	4,258,142	-	-	6,680,918
Debentures							
Debt securities in Korean won	50,000	51,290,938	36,750,884	56,397,750	45,671,836	5,902,358	196,063,766
Debt securities in foreign currencies	-	116,958	1,228,137	760,926	1,578,671	1,806,973	5,491,665
Other debentures	-	-	-	-	-	452,100	452,100
Other financial liabilities	415,940	9,622,888	6,361	1,764	2,342	14,401,541	24,450,836
	131,549,372	91,310,217	49,949,597	77,317,580	65,916,464	32,112,342	448,155,572
Commitments[1]	83,073,034	-	-	-	-	-	83,073,034
Financial guarantees[2]	3,409,227	-	-	-	-	-	3,409,227
	86,482,261	-	-	-	-	-	86,482,261

[1] Payment requests for loan commitments are possible at any time. They are, therefore, classified as 'on demand'.

[2] Cash flow for financial guarantees is allocated to the earliest period possible when the maximum amount of the financial guarantee can be requested.

44.5.2 Liquidity analysis of derivatives

The following tables are based on cash flows by each contract of derivatives. If amounts to be received or paid are not confirmed, they were calculated using the estimated interest rate based on the yield curve at the end of the reporting period.

44.5 Liquidity Risk (cont'd)

Liquidity analysis of derivatives as of December 31, 2025 and 2024, are as follows:

December 31, 2025

(In millions of Korean won)	On demand	Up to 1 month	1~3 months	3~12 months	1~5 years	Over 5 years	Total
Exchange traded derivatives	(6,593)	25,575	3,177	-	-	-	22,159
Over-the counter derivatives							
Interest rate forwards	-	4,871	4,070	10,932	39,876	2,512	62,261
Currency forwards	-	29,712	2,567	35,061	73,401	23	140,764
Interest rate swaps	(112,923)	(14,620)	1,460	24,800	(43,283)	(7,158)	(151,724)
Currency swaps	(656)	(14,618)	(13,426)	(53,756)	(47,700)	661	(129,495)
Options	11,420	-	-	-	-	-	11,420
Other derivatives	15,951	-	-	-	-	-	15,951
	(86,208)	5,345	(5,329)	17,037	22,294	(3,962)	(50,823)
	(92,801)	30,920	(2,152)	17,037	22,294	(3,962)	(28,664)

December 31, 2024

(In millions of Korean won)	On demand	Up to 1 month	1~3 months	3~12 months	1~5 years	Over 5 years	Total
Exchange traded derivatives	(20,126)	3,616	1,169	-	-	-	(15,341)
Over-the counter derivatives							
Interest rate forwards	-	(26)	(284)	(9,325)	1,022	756	(7,857)
Currency forwards	-	43,615	2,780	11,221	72,664	61	130,341
Interest rate swaps	(100,855)	(12,870)	7,500	14,587	1,753	(59,398)	(149,283)
Currency swaps	(1,745)	(22,153)	(35,247)	(8,591)	(122,884)	-	(190,620)
Options	7,928	-	-	-	-	-	7,928
Other derivatives	18,043	-	-	-	-	-	18,043
	(76,629)	8,566	(25,251)	7,892	(47,445)	(58,581)	(191,448)
	(96,755)	12,182	(24,082)	7,892	(47,445)	(58,581)	(206,789)

44.6 Capital Management

The Group complies with the capital adequacy standards prescribed by the financial supervisory authorities. These capital adequacy standards are based on the regulatory framework (Basel III) revised in June 2011 by the Basel Committee on Banking Supervision within the Bank for International Settlements (BIS), and have been implemented in Korea since December 2013. Under these standards, the Group is required to maintain minimum levels of the Common Equity Tier 1 (CET1) ratio, Tier 1 capital ratio, and Total capital ratio on a phased-in basis from the implementation date. The Group reports its compliance with capital adequacy requirements, as stipulated in the Detailed Regulations on Supervision of Banking Business issued by the Financial Supervisory Service (FSS), the supervisory authority for domestic banks.

In accordance with the applicable regulations, the Group's capital is classified as follows:

Common Equity Tier 1 (CET1) Capital:
CET1 capital includes common stock, capital surplus and other capital adjustments arising from the issuance of common shares, retained earnings, accumulated other comprehensive income (AOCI), and the portion of non-controlling interests that qualifies as CET1 capital.

Additional Tier 1 Capital:
Additional Tier 1 (AT1) capital includes capital instruments that meet the eligibility requirements for AT1 recognition (such as preferred shares and contingent perpetual capital securities), capital surplus arising from the issuance of AT1 instruments, and the portion of non-controlling interests that qualifies solely as AT1 capital.

Tier 2 Capital:
Tier 2 capital includes capital instruments that satisfy the eligibility requirements for Tier 2 recognition (such as subordinated debt), related capital surplus, the portion of non-controlling interests that qualifies as Tier 2 capital, general provisions up to 1.25% of credit risk-weighted assets under the standardized approach, and excess amounts when comparing expected loss and provisions under the internal ratings-based approach, up to 0.6% of credit risk-weighted assets.

Deductions:
Items deducted from capital include goodwill, intangible assets, shortfalls of provisions relative to expected losses, unpaid dividends, deferred tax assets dependent on future profitability, treasury shares (only when not already deducted from equity under accounting standards), net pension assets under defined benefit plans, cash flow hedge reserves, and accumulated gains or losses arising from changes in own credit risk on fair-valued liabilities.

Risk-weighted assets represent the amount of risk the Group must hold capital against, reflecting potential losses arising from inherent risks in assets, internal process failures, and external events. The Group calculates risk-weighted assets by risk type (credit risk, market risk, and operational risk) in accordance with the Detailed Regulations on Supervision of Banking Business and uses these amounts to compute its BIS ratios.

The Group evaluates and manages its capital adequacy based on internal standards. Internal capital adequacy assessment refers to the overall processes of identifying, assessing and managing all material risks faced in business operations, and comparing the resulting internal capital needs with available capital.

The Group is required to maintain minimum regulatory ratios under the capital adequacy standards established by the Financial Services Commission (FSC): a CET1 ratio of 4.5%, a Tier 1 capital ratio of 6.0%, and a Total capital ratio of 8.0%.

(As of December 31, 2025, the regulatory ratios including the capital conservation buffer and countercyclical buffer are 8.0% for the CET1 ratio, 9.5% for the Tier 1 capital ratio, and 11.5% for the Total capital ratio.)
Economic capital refers to the amount of capital required to protect the Group from economic insolvency arising from unexpected future losses. The Group operates a framework for measuring, allocating and managing economic capital across all subsidiaries by risk type.

44.6 Capital Management (cont'd)

The BIS capital ratios of the Group as of December 31, 2025 and 2024, are as follows:

BIS capital ratio

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
BIS Capital (A)	39,042,670	36,925,969
Risk-Weighted Assets (B)	264,086,475	251,437,072
Credit Risk-Weighted Assets (Advanced IRB Approach)	242,159,556	230,474,155
Market Risk-Weighted Assets (Internal Models Approach)	6,834,544	5,859,159
Operational Risk-Weighted Assets (AMA – Advanced Measurement Approach)	15,092,375	15,103,758
BIS Capital Ratio (A/B)	14.78	14.69
CET1 Ratio	11.48	11.32
Tier 1 Capital Ratio	13.26	13.04
Tier 2 Capital Ratio	1.52	1.65

BIS capital

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Total Capital (C + D)	39,042,670	36,925,969
Tier 1 Capital (C = A + B)	35,028,765	32,788,105
Common Equity Tier 1 (CET1) Capital (A)	30,318,331	28,450,420
Common Stock	3,987,130	3,987,130
Capital Surplus	1,178,850	1,170,254
Other Capital Adjustments	223,618	223,960
Retained Earnings	25,396,396	23,593,122
Accumulated Other Comprehensive Income (AOCI)	986,153	659,019
Non-controlling Interests (qualifying as CET1)	8,482	9,584
Regulatory Deductions (△)	1,462,298	1,192,649
Additional Tier 1 (AT1) Capital (B)	4,710,434	4,337,685
Contingent Perpetual Capital Securities / Hybrid Capital Securities	4,690,000	4,320,000
Non-controlling Interests (qualifying as AT1)	27,849	24,454
Others	(7,415)	(6,769)
Tier 2 Capital (D)	4,013,905	4,137,864
Subordinated Debt (with Maturity)	2,710,000	2,820,000
General Provisions (eligible portion)	223,369	307,008
Excess of Provisions over Expected Loss	1,071,987	1,002,848
Non-controlling Interests (qualifying as Tier 2)	8,549	8,008

44.7 Assets and Liabilities Denominated in Foreign Currencies

Assets and liabilities denominated in foreign currencies as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won, in thousands of US dollars, Japanese yen, Euro, British pound, Hong Kong dollars and Chinese yuan)

December 31, 2025

	Equivalents in millions of Korean won	USD[1]	JPY	EUR	GBP	HKD	CNY
Cash and due from banks	10,162,020	5,705,522	52,926,872	167,057	12,905	97,534	5,687,175
Financial assets at fair value through profit or loss	1,563,671	1,042,299	231,560	37,867	796	-	2,840
Financial assets at fair value through other comprehensive income	5,157,450	2,992,506	2,421,572	149,414	7,465	-	2,808,113
Securities at amortized cost	3,013,088	2,011,110	-	33,000	-	-	350,255
Loan receivables at amortized cost	20,254,693	10,359,352	86,127,098	548,196	83,119	-	17,166,502
Derivative financial assets for hedge accounting	14,058	9,797	-	-	-	-	-
Other financial assets	1,706,647	909,054	7,599,996	31,355	3,001	928,751	500,974
	41,871,627	23,029,640	149,307,098	966,889	107,286	1,026,285	26,515,859
Financial liabilities held for trading	111,252	74,047	226,414	1,442	-	1,565	998
Financial liabilities designated at fair value through profit or loss	548,068	381,956	-	-	-	-	-
Deposit liabilities	26,084,784	12,745,716	222,574,349	770,375	30,865	534,829	20,983,800
Debts	7,119,423	4,351,799	18,031,987	132,057	70,224	-	1,715,444
Debentures	5,523,645	3,645,146	-	-	-	1,368,000	200,000
Derivative financial liabilities for hedge accounting	23,639	16,474	-	-	-	-	-
Other financial liabilities	3,186,665	1,647,243	25,467,180	28,564	1,550	477,813	2,198,094
	42,597,476	22,862,381	266,299,930	932,438	102,639	2,382,207	25,098,336

[1] Non-major currencies are denominated in US dollars.

44.7 Assets and Liabilities Denominated in Foreign Currencies (cont'd)

December 31, 2024

	Equivalents in millions of Korean won	USD[1]	JPY	EUR	GBP	HKD	CNY
Cash and due from banks	9,229,557	5,079,951	57,136,728	176,209	12,294	108,846	4,542,693
Financial assets at fair value through profit or loss	1,584,309	1,048,764	480,567	23,126	184	-	12,103
Financial assets at fair value through other comprehensive income	4,088,976	2,430,399	-	25,383	7,322	-	2,305,284
Securities at amortized cost	3,310,453	2,080,776	-	33,000	-	-	999,967
Loan receivables at amortized cost	19,036,222	9,823,956	85,312,134	457,274	9,581	42,566	15,259,628
Derivative financial assets for hedge accounting	25,484	17,336	-	-	-	-	-
Other financial assets	3,065,345	1,530,414	2,140,299	24,893	3,238	1,105,853	2,694,052
	40,340,346	22,011,596	145,069,728	739,885	32,619	1,257,265	25,813,727
Financial liabilities held for trading	225,070	142,129	951,845	4,404	-	1,703	848
Financial liabilities designated at fair value through profit or loss	331,800	225,714	-	-	-	-	-
Deposit liabilities	21,713,864	9,782,752	236,449,417	615,760	17,690	648,791	19,983,883
Debts	7,041,899	4,518,848	11,691,842	123,222	2,986	-	476,088
Debentures	4,878,665	3,153,459	-	-	37,000	390,000	502,000
Derivative financial liabilities for hedge accounting	73,623	50,084	-	-	-	-	-
Other financial liabilities	3,976,375	2,029,186	7,376,839	33,633	993	570,856	3,791,317
	38,241,296	19,902,172	256,469,943	777,019	58,669	1,611,350	24,754,136

[1] Non-major currencies are denominated in US dollars.

THE ISSUER

Industrial Bank of Korea
79, Eulji-ro
Jung-gu
Seoul 04541, Korea

Hong Kong Branch
Suite 3113, 31st Floor
Two Pacific Place
88 Queensway, Hong Kong

London Branch
Leaf B 38th Floor, Tower 42, 25 Old Broad Street
London EC2N 1HQ
United Kingdom

ISSUING AND PRINCIPAL PAYING AGENT, EXCHANGE AGENT, TRANSFER AGENT, CMU LODGING AGENT AND CALCULATION AGENT

Deutsche Bank AG, Hong Kong Branch
60/F International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

U.S. TRANSFER AGENT, U.S. PAYING AGENT AND U.S. REGISTRAR

Deutsche Bank Trust Company Americas
1 Columbus Circle, 17th Floor
New York, NY 10019
United States of America

REGISTRAR AND PAYING AGENT

Deutsche Bank AG, Hong Kong Branch
60/F International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

TRUSTEE

The Law Debenture Trust Corporation p.l.c.
Eighth Floor
100 Bishopsgate
London EC2N 4AG
England

INDEPENDENT AUDITORS

Samil Pricewaterhouse Coopers
100 Hangang-daero
Yongsan-gu
Seoul 04386, Korea

SINGAPORE LISTING AGENT

Shook Lin & Bok LLP
1 Robinson Road
#18-00 AIA Tower
Singapore 048542

DEALERS

Australia and New Zealand Banking Group Limited
22/F, Three Exchange Square
8 Connaught Place, Central
Hong Kong

BNP PARIBAS
63/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

Citigroup Global Markets Inc.
388 Greenwich Street
New York, NY 10013
United States of America

Crédit Agricole Corporate and Investment Bank
30/F, Two Pacific Place
88 Queensway
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
Level 17, HSBC Main Building
1 Queen's Road Central
Hong Kong

IBK Securities Co., Ltd.
Samduk Bldg. 11, Gukjegeumyung-ro 6-gil
Yeungdeungpo-gu
Seoul 07330, Korea

J.P. Morgan Securities plc
25 Bank Street, Canary Wharf
London E14 5JP
United Kingdom

Merrill Lynch International
2 King Edward Street
London EC1A 1HQ
United Kingdom

Mizuho Securities Asia Limited
14-15/F., K11 Atelier
18 Salisbury Road
Tsim Sha Tsui, Kowloon
Hong Kong

MUFG Securities EMEA plc
Ropemaker Place
25 Ropemaker Street
London EC2Y 9AJ
United Kingdom

Natixis
47, quai d'Austerlitz
75013 Paris
France

Nomura Singapore Limited
10 Marina Boulevard #36-01
Marina Bay Financial Centre Tower 2
Singapore 018983

Société Générale
29 boulevard Haussmann
75009 Paris
France

Standard Chartered Bank
One Basinghall Avenue
London EC2V 5DD
United Kingdom

UBS AG Hong Kong Branch (incorporated in Switzerland with limited liability)
52/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

Wells Fargo Securities, LLC
550 South Tryon Street, 6th Floor
D1086-060 Charlotte, NC 28202
United States of America

LEGAL ADVISERS

To the Issuer as to Korean law

Shin & Kim LLC
23F, D-Tower (D2)
17 Jongno 3-gil, Jongno-gu
Seoul 03155, Korea

To the Dealers as to English law and U.S. law

Cleary Gottlieb Steen & Hamilton LLP
c/o Hysan Place, 37th Floor
500 Hennessy Road
Causeway Bay, Hong Kong


IBK 기업은행