IMPORTANT NOTICE

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The following disclaimer applies to the Prospectus attached to this e-mail. You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Prospectus. In accessing the attached Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: You have accessed the attached document on the basis that you have confirmed to Australia and New Zealand Banking Group Limited, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, CLSA Limited, The Hongkong and Shanghai Banking Corporation Limited, The Korea Development Bank, Mizuho Securities Asia Limited and Société Générale (together, the "**Dealers**") that (1) you are not in the United States, you are not a resident in the United States nor a U.S. Person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), nor acting on behalf of a U.S. Person and, to the extent you purchase the securities described in the attached prospectus (the "**Prospectus**"), you will be doing so pursuant to Regulation S under the Securities Act and (2) you consent to delivery of the attached Prospectus by electronic transmission.

You have accessed the attached document on the basis that you understand that the materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and a Dealer or any affiliate of that Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or such affiliate on behalf of KB Securities Co., Ltd. (the "**Company**") in such jurisdiction. The Prospectus may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 (the "**FSMA**") does not apply.

The attached Prospectus has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently neither the Company, the Dealers nor any of their respective affiliates accept any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version.

Restrictions: The attached document is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein. You are reminded that the information in the attached document is not complete and may be changed. Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the Company of the securities or the Dealers to subscribe or purchase any of the securities described therein and access has been limited so that it shall not constitute directed selling efforts (as such term is defined in Regulation S under the Securities Act) in the United States or elsewhere. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein. Any securities to be issued will not be registered under the Securities Act and may not be offered or sold in the United States (as such terms are defined in Regulation S under the Securities Act) unless registered under the Securities Act or pursuant to an exemption from such registration.

You are reminded that you have accessed the attached Prospectus on the basis that you are a person into whose possession the attached Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located.

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

YOU ARE NOT AUTHORISED AND YOU MAY NOT DELIVER THE ATTACHED PROSPECTUS, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Prospectus dated 18 August 2026

KB SECURITIES CO., LTD.

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

U.S.$2,000,000,000 Euro Medium Term Notes Programme

Under this U.S.$2,000,000,000 Euro Medium Term Note Programme (the "**Programme**"), KB Securities Co., Ltd. (the "**Company**" or the "**Issuer**") may from time to time issue notes in bearer and/or registered form (respectively, "**Bearer Notes**" and "**Registered Notes**" and, together, the "**Notes**") denominated in any currency agreed between the Company 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.$2,000,000,000 (or its equivalent in other currencies calculated as described herein).

The Notes may be issued on a continuing basis to one or more of the dealers specified under "*Summary of the Programme*" and any additional dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). References in this Prospectus 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 purchase such Notes.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") 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 and quoted on the SGX-ST. Such permission will be granted when such Notes have been admitted for listing and quotation on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and listing and quotation of any of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Company, the Programme or the Notes. 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 of Notes will be set out in a pricing supplement (the "**Pricing Supplement**") which, with respect to Notes to be listed on the SGX-ST, will be submitted to the SGX-ST before the date of listing of the Notes of such tranche.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from the registration requirements of the Securities Act. Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder (the "**Code**")). For a description of these and other restrictions on transfer, see "*Subscription and Sale.*"

The Pricing Supplement in respect of any Notes may include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

The Company 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 a supplementary Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

See *"Risk Factors"* beginning on page 8 for a discussion of certain factors to be considered in connection with an investment in the Notes.

Arranger

Citigroup Global Markets Limited

Dealers

ANZ
Citigroup
Crédit Agricole CIB
CLSA
HSBC
Korea Development Bank
Mizuho
Société Générale Corporate & Investment Banking

The Company confirms that it has taken all reasonable care to ensure that all information contained in this Prospectus with regard to the Company and the Notes is in every material respect true and accurate and not misleading and to the best of its knowledge and belief there are no other facts the omission of which would make any statement in this Prospectus misleading in any material respect in the context of the issue and sale of the Notes. The Company accepts responsibility accordingly.

Neither the Arranger nor the Dealers have separately verified the information (financial, legal or otherwise) contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger or the Dealers as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Company in connection with the Programme. Nothing contained in this Prospectus is or shall be relied upon as a promise or representation by the Arranger or the Dealers or their respective affiliates or advisers.

No person is or has been authorised to give any information or to make any representation which is not contained in, or which is not consistent with, this Prospectus or any other information supplied by or on behalf of the Company in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Company, the Arranger or the Dealers. This Prospectus does not constitute an offer to sell or the solicitation of any offer to buy any securities other than the securities to which it relates or an offer to sell or the solicitation of an offer to buy such securities by any person in any circumstances in which such offer or solicitation is unlawful.

Neither this Prospectus nor any other information supplied in connection with the Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Company that any recipient of this Prospectus 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 Company.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Company 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 Arranger and the Dealers expressly do not undertake to review the financial condition or affairs of the Company 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 Prospectus when deciding whether or not to purchase any Notes.

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, as amended, and the regulations promulgated thereunder.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and are subject to U.S. tax law requirements. The Notes have not been registered under the Securities Act and are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this Prospectus, see "*Subscription and Sale*."

The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. Neither the Company, the Arranger nor the Dealers represents that this Prospectus may be lawfully distributed or that the 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 assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Company, the Arranger or the Dealers which would permit a public offering of the Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus 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 Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. There are restrictions on the offer, sale and resale of the Notes, and the circulation of documents relating thereto, in certain jurisdictions including, without limitation, the United States, the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan, Switzerland and Korea, and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Notes and distribution of this Prospectus, see "*Subscription and Sale*."

MiFID II product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under the EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "**UK MiFIR Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. 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**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

IMPORTANT – EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "*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 ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (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 (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 has been 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.

IMPORTANT – UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "*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 ("**UK**"). For these purposes, 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; or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. 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 UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

None of the Dealers or the Company makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Each person receiving this Prospectus acknowledges that such person has not relied on the Arranger or the Dealers or any person affiliated with the Arranger or the Dealers in connection with investigation of the accuracy of such information or its investment decision.

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.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a corporation with limited liability organised under the laws of Korea. All of the officers and directors named herein reside in Korea and all or a substantial portion of the assets of the Company and of such officers and directors are located in Korea. As a result, it may not be possible for investors to enforce judgments against them obtained in courts outside Korea predicated upon civil liabilities of the Company or such directors and officers under laws other than Korean law, including any judgment predicated upon United States federal securities laws. There is doubt as to the enforceability in Korea, either in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated on the U.S. federal securities laws.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Issuer maintains its financial books and records and prepares its financial statements in Won in accordance with Korean International Financial Reporting Standards ("**K-IFRS**"). Unless otherwise stated, the financial data of the Issuer contained in this Prospectus as of and for the years ended 31 December 2024 and 2025 are derived from the Issuer's audited consolidated financial statements included in this Prospectus, which have been prepared in accordance with K-IFRS. The financial data of the Issuer contained in this Prospectus as of 30 June 2026 and for the six months ended 30 June 2025

and 2026 are derived from the Issuer's unaudited interim consolidated financial statements included in this Prospectus, which have been prepared in accordance with K-IFRS 1034 *Interim Financial Reporting*.

Unless otherwise specified or the context requires, all financial and other information in the Prospectus regarding the Company's activities, financial condition and results of operations are presented on a consolidated basis.

All references to the "**Issuer**", the "**Company**", "**we**", "**us**" and "**our**" in this Prospectus are references to KB Securities Co., Ltd., and, if the context so requires, our consolidated subsidiaries. All references to the "**Group**" are references to the Issuer and its consolidated subsidiaries collectively. All references to "**Noteholders**" are references to the holders of the Notes from time to time.

All references to "**Korea**" contained in this Prospectus are references to The Republic of Korea. All references to the "**Government**" are references to the government of Korea. All references to "**U.S.**" and the "**United States**" are references to the United States of America. All references to "**Singapore**" are references to the Republic of Singapore. In this Prospectus, all references to "**Won**" or "**₩**" are to the lawful currency of Korea, all references to "**U.S. dollar**" or "**U.S.$**" are to the lawful currency of the United States, all references to "**Euro**" are to the lawful currency of the European Union, all references to "**Japanese yen**" are to the lawful currency of Japan. For the reader's convenience, certain Won amounts in this Prospectus have been translated into U.S. dollars at the market average exchange rate, announced by Seoul Money Brokerage Services, Ltd. in Seoul, between Won and dollars, rounded to the nearest tenth of one Won (the "**Market Average Exchange Rate**"). Unless otherwise stated, the translations of Won into U.S. dollars have been made at the Market Average Exchange Rate in effect on 30 June 2026, which was Won 1,541.5 to U.S.$1.00. No representation is made that the Won or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or Won, as the case may be, at any particular rate, or at all. For historical information regarding the rate of exchange between the Won and the U.S. dollar, see "*Exchange Rates*." In this Prospectus, where information has been prepared in thousands, millions or billions of units, amounts may have been rounded up or down. Accordingly, actual numbers may differ from those contained herein due to rounding. All discrepancies in any table between totals and the sums of the amounts listed are due to rounding.

FORWARD LOOKING STATEMENTS

Certain statements in this Prospectus constitute "**forward-looking statements**," including statements regarding the Company's expectations and projections for future operating performance and business prospects. The words "believe," "expect," "anticipate," "estimate," "project," "will," "aim," "will likely result," "will continue," "intend," "plan," "contemplate," "seek to," "future," "objective," "goal," "should," "will pursue" and similar expressions or variations of these expressions identify forward- looking statements. In addition, all statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding the Company's financial position and results, business strategy, plans and objectives of management for future operations, including development plans and objectives relating to the Company's products and services, are forward-looking statements. Such forward-looking statements and any other projections contained in this Prospectus (whether made by the Company or any third party) involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from the future results, performance or achievements expressed or implied by forward-looking statements. Such forward-looking statements are based on current beliefs, assumptions, expectations, estimates and projections regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Additional factors that could cause the Company's actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors.*" Any forward-looking statements contained in this Prospectus speak only as of the date of this Prospectus. Each of the Company, the Arranger and the Dealers expressly disclaims any obligation or undertaking to release, publicly or otherwise, any updates or

revisions to any forward-looking statement contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any such statement was based.

KOREAN SELLING RESTRICTIONS

The Notes have not been and will not be registered under the Financial Investment Services and Capital Market Act of Korea. 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 defined in the Foreign Exchange Transactions Act of Korea and the rules and regulations promulgated thereunder), or to any other person for reoffering, resale or re-delivery, 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.

In connection with the issue of the Notes, the Arranger or the Dealers (if any) named as the stabilising manager(s) (or persons acting on behalf of the stabilising manager(s)) (each a "**Stabilising Manager**") may over-allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there is no obligation on such Stabilising Manager(s) to do this. Such stabilising, if commenced, may be discontinued at any time, and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

TABLE OF CONTENTS

	Page
DOCUMENTS INCORPORATED BY REFERENCE	1
SUMMARY	2
SUMMARY OF THE PROGRAMME	4
RISK FACTORS	8
FORM OF THE NOTES	29
FORM OF THE PRICING SUPPLEMENT	33
USE OF PROCEEDS	46
TERMS AND CONDITIONS OF THE NOTES	47
CAPITALISATION	84
SELECTED CONSOLIDATED FINANCIAL DATA	85
DESCRIPTION OF THE COMPANY	88
MANAGEMENT	106
EXCHANGE RATES	111
TAXATION	112
CLEARANCE AND SETTLEMENT	116
SUBSCRIPTION AND SALE	117
GENERAL INFORMATION	124
INDEX OF FINANCIAL STATEMENTS	F-1

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Prospectus:

(a) the publicly available audited consolidated and audited separate annual financial statements and the publicly available unaudited consolidated and unaudited separate interim financial statements of the Company for the most recent financial period; and

(b) all supplements or amendments to this Prospectus circulated by the Company 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 Prospectus 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).

The Company will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the written 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. Written requests for such documents should be directed to the Company at its registered offices set out at the end of this Prospectus. In addition, such documents will be available for inspection, free of charge at the specified office of Citicorp International Limited, upon prior written notice and satisfactory proof of holding.

The Company will, in connection with the listing and quotation of the Notes on the SGX-ST, so long as the rules of the SGX-ST so require, in the event of any material change which is not reflected in this Prospectus, prepare a further supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of the Notes to be listed and quoted on the SGX-ST.

If the terms of the Programme are modified or amended in a manner which would make this Prospectus, as supplemented, materially inaccurate or misleading, a new prospectus will be prepared.

SUMMARY

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus.

The Company

Overview

The Company is one of Korea's leading financial institutions and was established on June 1, 1962, under the name of Kookil Securities Co., Ltd. On September 30, 1975, the Company's shares were listed on the Korean Exchange (003450.KS), and on June 5, 1986, the Company changed its name to Hyundai Securities Co., Ltd. The Company became a wholly owned subsidiary of KB Financial Group Inc., on 19 October 2016, through a comprehensive exchange of shares. Accordingly, as of the date of this Prospectus, KB Financial Group Inc. ("**KB Financial Group**") owns 100 per cent. of ordinary shares of the Company. The Company merged with KB Investment & Securities Co., Ltd. ("**KB Investment & Securities**") on 30 December 2016 as a surviving company and changed its name to KB Securities Co., Ltd.

The Company engages in the following businesses: investment trading, investment brokerage, investment advisory, discretionary investment, trust, general private collective investment management, financial investment and other ancillary businesses for individual and corporate customers pursuant to the FSCMA.

The Company's headquarters is located in Korea. As of the date of this Prospectus, the Company carried out its business activities through its global network comprising 74 domestic branches (61 branches, 13 sub-branches), 2 representative offices (in Shanghai and Mumbai) and 4 overseas subsidiaries and had approximately 2,977 employees, the majority of whom were located in Korea. The Company's global operations span 6 countries, including Hong Kong, the PRC, the United States, Vietnam, Indonesia and India with approximately 794 employees engaged in investment banking, global stock brokerage and sales, underwriting, overseas fund sourcing, bond management, real estate and equity fund product sales. The Company has set up specialisation strategies customised to the unique regional characteristics to sharpen our competitive edge in the global market and utilises its competitive business portfolio and financial experts to generate synergy with other KB Financial Group affiliates in order to guarantee optimal investment solutions tailored to its clients' needs.

The Company generates its revenue primarily through the following four reportable operating business segments and prepares its segment reporting information accordingly for the purposes of resource allocation and assessment of each segment's performance:

- *Wealth Management:* provides tailored financial products and services, stable asset management, and stock trading services for corporations, institutions and retail investors;

- *Investment Banking:* conducts corporate finance businesses such as initial public offerings ("**IPOs**"), rights offerings and issuance of corporate bonds as well as other services including those related to structured finance, corporate loans, underwriting (M&A), Social Overhead Capital ("**SOC**"), project financing and real estate development;

- *Trading*: issues a wide range of profitable derivatives-linked securities for retail and institutional investors and executes intermediary and trading services involving bond products, such as brokerage services for domestic and overseas bonds and bond products for asset management and wealth management; and

- *Other Services:* provides other services and support services, including operational advisory and financial products for pension funds, general corporate holdings, short-term finance services, Outsourced Chief Investment Officer ("**OCIO**") services and prime brokerage services.

For the financial year ended 31 December 2025, the Company's consolidated operating income was Won 14,148.2 billion and consolidated operating profit was Won 911.6 billion, compared to Won 10,832.0 billion and Won 780.8 billion for the financial year ended 31 December 2024, an increase of 30.6 per cent. and an increase of 16.8 per cent., respectively. For the six months ended 30 June 2026, the Company's consolidated operating income was Won 20,628.9 billion and consolidated operating profit was Won 1,053.7 billion, compared to Won 6,204.8 billion and Won 442.7 billion for the six months ended 30 June 2025, an increase of 232.5 per cent. and an increase of 138.0 per cent., respectively.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus 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" shall have the same meanings in this summary.

Issuer	KB Securities Co., Ltd.
Description	Euro-Medium Term Note Programme
Arranger	Citigroup Global Markets Limited
Dealers	Australia and New Zealand Banking Group Limited, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, CLSA Limited, The Hongkong and Shanghai Banking Corporation Limited, The Korea Development Bank, Mizuho Securities Asia Limited, Société Générale and any additional Dealer appointed from time to time 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*") including the following restrictions applicable at the date of this Prospectus.
Fiscal Agent and Registrar	Citicorp International Limited
Calculation Agent, Paying Agent and Transfer Agent	Citibank, N.A., London Branch
Programme Size	Up to U.S.$2,000,000,000 (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	Subject to any applicable legal or regulatory restrictions, any other currency 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.
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 will be issued in bearer or registered form as described in "*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 Dealer.
Floating Rate Notes	Floating Rate Notes will bear interest at a rate determined: (a) 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); (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (c) 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.
Index Linked Interest Notes	Payments 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 (as indicated in the applicable Pricing Supplement).
Other provisions in relation 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 such 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, or offered and sold at their nominal amount and be redeemed at a premium, and will not bear interest.

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, if applicable, or for taxation reasons or pursuant to a winding-up of the Issuer following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving 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 other terms as may be agreed between the Issuer and the relevant Dealer. The applicable Pricing Supplement may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement. Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions*" above.
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 central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions*" above.
Taxation	All payments of principal and interest in respect of the Notes, Receipts and Coupons will be made without deduction for or on account of withholding taxes imposed by Korea. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge	The terms of the Notes will contain a negative pledge provision as further described in Condition 4.
Events of Default	Events of default for the Notes are set out in Condition 10.
Cross Default	The terms of the Notes will contain a cross default provision as further described in Condition 10.
Status	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of the negative pledge in Condition 4) unsecured obligations of the Issuer, ranking *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes will rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future, save for such exceptions as may be provided by applicable legislation and subject to Condition 4.

Listing	Approval in-principle has been received from the SGX-ST 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 and quoted on the SGX-ST. Such permission will be granted when such Notes have been admitted for listing and quotation on the SGX-ST. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies). Unlisted Notes may also be issued. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).
Governing Law	The Notes will be governed by, and construed in accordance with, English law.
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan, Switzerland and Korea 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.*"
United States Selling Restrictions	Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Pricing Supplement.
Clearing Systems	Clearstream, Euroclear and/or any other clearing system as specified in the applicable Pricing Supplement, see "*Form of the Notes.*"
Legal Entity Identifier	549300Q7SEZ32KPGBL06

RISK FACTORS

Investing in the Notes involves risks and uncertainties. Prospective purchasers of the Notes are advised to review carefully all of the information contained elsewhere in this Prospectus and should consider, in particular, the following risk factors before purchasing the Notes. The risks described below are not the only ones that may be relevant to the Company or the Notes.

Risks Relating to the Company's Business

Unless the Company has sufficient positive cash flow from operations or other financial resources it may not be able to meet ongoing repayment obligations under existing and new debt, including the Notes.

The Company will be reliant on generating sufficient cash flows from operations to service its debt obligations (including the Notes), unless it has access to other sources of funding, including shareholder support (see "*Risk Factors – Risks Relating to the Company's Business – Limitations on access to liquidity and capital resources could adversely affect the ability to implement the Company's expansion plans and the execution of its business strategy*"). There can be no assurance that the cash flows generated by the Company's operations will increase and therefore be sufficient to enable it to repay its debt obligations in a timely manner or at all. High gearing will require the Company to dedicate a significant proportion of its cash flows towards servicing and repayment of its existing debt, which will reduce the availability of cash flows to fund working capital, capital expenditures, acquisitions and other general corporate requirements. For the financial year ended 31 December 2024, the Company had a negative cash flow from operating activities of Won 743.6 billion and, for the financial year ended 31 December 2025, the Company had a negative cash flow from operating activities of Won 302.9 billion. For the six months ended 30 June 2025, the Company had a positive cash flow from operating activities of Won 1,842.2 billion and for the six months ended 30 June 2026, it had a negative cash flow from operating activities of Won 6,114.6 billion.

The Company's businesses are developing, and the Company's growth strategy is subject to a wide range of economic, market and operational risks. As a result, the return on the Company's investment of the proceeds of its debt issues may not achieve the anticipated levels of return or may be subject to delay.

In the absence of internal financial resources or further support from its shareholders, in order to repay its debt (including the Notes) the Company will need to refinance the principal amount of the Notes or raise further equity and there can be no assurance that the Company will be able to refinance or obtain credit for refinancing to repay the principal amount of the Notes. The Company's ability to obtain refinancing on commercially acceptable terms will depend on its relationship banks', lenders' and other potential investors' views on the financial health and prospects of the Company, and an assessment of leverage, asset support and cash flows may impact these views.

Failure to repay its debt obligations in a timely manner and failure to refinance to repay the principal amount of any securities will cause the Company to default under its obligations under the Notes, which will in turn have an adverse effect on the Company's business, results of operations and financial condition.

Limitations on access to liquidity and capital resources could adversely affect the ability to implement the Company's expansion plans and the execution of its business strategy.

The ability of the Company to access funding sources on acceptable commercial terms over the longer-term is dependent on a variety of factors, including a number of factors outside of its control, such as general market conditions and confidence in the global banking system. Over the past few years, global credit markets have tightened significantly with the failure and/or the nationalisation of a number of large financial institutions in Europe, the United States and other countries. Cautious lending policies implemented by financial institutions may result in increased financing costs through increased interest

rates and more limited availability of financing. Access to funding will also depend, in part, on the Company's ability to demonstrate to banks, other lenders and investors, that it is a stable and growing business with a robust current financial position and healthy financial outlook and that it is able to develop across its business lines in accordance with its espoused strategy. There can be no assurance that the Company will be able to obtain credit on favourable terms or at all or that any additional funding will be provided by way of further shareholder loans. Failure to secure funding for operations or refinancing could adversely impact the Company's business, results of operations and financial condition.

Continued deterioration of economic conditions could negatively impact the Company's business.

The Company's business is sensitive to national, global and local economic conditions in the markets in which it operates, including GDP growth, inflation, interest rates, exchange rates, availability of and access to capital markets, consumer spending rates, and the effects of governmental initiatives to manage economic conditions. Any such changes could adversely affect the industries in which the Company operates in general which could materially and adversely affect the Company's financial results. Any significant turmoil in the major Korean stock markets, fluctuations in the global prices of commodities, including oil, depreciation in the value of Korean Won, economic and political instability in various countries in the Middle East and Northern Africa, hostilities, political and 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), as well as 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, have resulted in an increase in volatility in the global financial markets.

Disruptions and instability in credit and other financial markets and deterioration of national and global economic conditions, could, among other things:

- make it more difficult or costly for the Company to obtain financing for its operations or investments or to refinance debt;

- impair the financial condition of some of the Company's clients, thereby increasing client bad debts and demand for the Company's corporate insurance brokerage and risk solutions services; and

- increased market volatility which adversely affects the value of the Company's investments.

In early 2023, difficulties at several banks in the United States and Europe have caused uncertainty for financial services companies, in particular the financial 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 financial institutions. Although the relevant financial authorities have intervened directly and indirectly in notable cases, there is a risk that other financial institutions could face difficulties, including from contagion disconnected from market fundamentals or for other reasons, and it is unclear what steps regulators would take, if any, in the event of further bank difficulties or continuing (or increasing) market distress. Many financial institutions have experienced volatile stock prices and significant losses in their equity value, and there is concern that depositors have withdrawn, or could withdraw in the future, significant sums from their accounts at these institutions, often at a rapid pace through digital bank runs. Any negative perceptions resulting from such developments concerning the soundness of savings banks, Internet-only banks or the banking system generally in Korea could impact where customers choose to maintain deposits, which could lead certain financial institutions in Korea to experience closure or other significant distress.

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 rumours about any events of these kinds or other similar risks, may in the future lead to market-wide liquidity problems or increase the Company's risk in various dealings with its counterparties, among others. If, as a result of such developments, any parties with whom the Company 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 Company, or to enter into new commercial arrangements requiring additional payments to Company could be adversely affected. In addition, the Company's ability to access funding sources and other arrangements in amounts adequate to finance or capitalise 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 Company 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, financial institutions' securities. The value of the Company's investment assets has been partially adjusted due to deteriorating funding conditions as a result of tightening liquidity globally and recent interest hikes from central banks worldwide. While the Company aims to diversify its global business, any of these developments, including tightening global liquidity and increasingly stringent financing requirements, resulting from the general instability of the financial services industry, could materially adversely impact the Company's investments, results of operations and financial condition.

The Company operates in the highly competitive financial services industry.

The financial services industry in Asia and Korea in particular, has a large number of participants and is highly competitive.

The Company competes on the basis of a number of factors, including price, products and services, innovation, transaction execution capability, reputation, experience and knowledge of staff and employee compensation. Apart from the multinational financial institutions including commercial banks and investment banks with global networks and a local presence in Korea and other Korea-based securities houses and asset management firms, the Company faces further competition from other financial services firms with similar target clients that offer a similar range of products and services including traditional and online brokerage services, asset management and capital markets and advisory businesses. These include competitors which have longer operating track records, a more extensive client base and/or greater financial and other resources than the Company does. Historically, competition in the asset management and traditional brokerage business has been fierce. Over the past decade, online securities brokerage and financial information portals have become prevalent, intensifying competition for online business revenues. In recent years, as the asset management and brokerage market in Korea has become more saturated, banks and brokerage firms have introduced low management fees, and prolonged commission-free concessions or extra-low fixed commissions as incentives to attract customers, thus further intensifying competition in this industry. The Company expects that competition in asset management and securities and insurance brokerage segments, which form a part of the Company's core business operations, will continue to intensify. As a relatively new entrant to some of its markets, the Company's ability to compete with more established and larger competitors in some of its business lines has been dependent, along with its shareholder and related party support and client base, on offering attractive commissions and other incentives. Whilst it is important to make these investments at an early stage of the development of a business, the Company will need to capitalise on its client base, increasing its size and improving its reputation in order to move to a business model premised on lower commissions and other incentives in order to improve profitability.

There can be no assurance that the Company can compete effectively against its current and future competitors, or that competitive forces in the market will not alter the industry landscape such that the Company's business objectives become impractical and/or impossible. Under those circumstances, the Company's business and financial performance would be adversely affected.

The Company's business, financial condition, results of operations, prospects and ability to access liquidity could be materially adversely affected by downturns in the capital markets of Korea, which in turn may be affected by volatility and downturns in the global capital markets.

The Company's business segments, including its wealth management, investment banking, trading and other services segments, are highly dependent on economic and market conditions in Korea. In addition, global market conditions may adversely affect market conditions in Korea.

Volatility in the capital markets in the United States, Europe, Japan, the People's Republic of China (the "**PRC**") and other jurisdictions in recent years has had a corresponding effect on Asian financial markets and may continue to do so in the future.

Unfavourable financial or economic conditions, such as those caused in recent years by the global financial and economic crisis, including the European debt crisis, hostilities, political and social tensions involving Russia (including the Russia-Ukraine war) and volatility in the PRC stock market, have adversely affected investor confidence. Weakening investor confidence has resulted and could continue to result in significant declines in the number and size of transactions in which the Company provides capital markets and advisory services. It may also impact the level of assets placed and transactions executed with the Company's asset management business. Any decline in the number of capital markets transactions in Korea due to unfavourable financial or economic conditions would adversely affect the Company's capital markets and advisory business.

Market volatility and adverse financial or economic conditions may also adversely affect the Company's asset management business. These conditions tend to reduce the value of the Company's clients' portfolios, discourage investor confidence and reduce investing activities, making it more difficult for the Company to maintain existing clients and attract new clients. These conditions may result in price fluctuation and a decline of the trading volumes, which in turn may adversely affect the Company's securities and brokerage services revenue.

Under adverse financial or economic conditions, the value of the Company's asset management portfolio may be adversely affected and therefore reduce the management fees or performance fees the Company earns from its asset management business, and the Company may face an influx of client redemptions in its asset management portfolio, which, in turn, could also adversely affect the Company's asset management business. To the extent that clients do not withdraw their funds, they may switch their funds to other investment products that generate less management fee revenue for the Company.

A reduction in the Company's income or a loss resulting from its wealth management, investment banking, trading and other services segments could have a material adverse effect on its business, results of operations and financial condition. As a result of these risks, the Company's income and operating results may be exposed to significant fluctuations.

The Company's investment banking segment may fail to realise profits from its investments or lose some or all of the invested capital.

Some of the investments made through the Company's investment banking segment are in securities and structured products that are not publicly traded. The Company's ability to dispose of such unlisted securities is dependent on market conditions. In a depressed market, the Company may be forced to sell such investments at undesirable prices or to defer the sale, potentially for a substantial period of time, exposing the Company's investment returns to market risks during the intended disposition period. Additionally, the failure of the Company's portfolio companies to perform as expected could also impair its ability to exit investments for a favourable return or at all. In such event, the Company may lose a material part or all of such investments. The Company expects to continue to make investments in unlisted securities of portfolio companies as attractive opportunities arise and will continue to be subject to such liquidity issues.

In addition, the Company has limited influence over the operations of the portfolio companies that the Company invests in. The Company is subject to the risk that such companies may make business, financial or management decisions or otherwise act in a manner that does not serve its interests. If any of the foregoing occurs, the value of the Company's investments could decrease, which could adversely affect its results of operations and financial condition.

The Company may not be successful in maintaining and increasing its client base and business volume in its trading segment.

Maintaining close and stable business relationships with the Company's major clients is crucial to its business and prospects. The trading business is highly competitive and the Company has to maintain its client base and attract new clients to achieve future success. Clients of the trading segment are sensitive to the costs of purchasing financial products and the quality of services and the breadth and relevance of information they receive in order to select the right financial products.

For the six months ended 30 June 2025 and 2026, the income from the Company's trading segment amounted to Won 2,392.5 billion and Won 6,492.9 billion, respectively. For the years ended 31 December 2024 and 2025, the income from the Company's trading segment amounted to Won 3,929.9 billion and Won 4,366.1 billion, respectively. The Company cannot assure that it will be able to maintain the current volume of business with its existing clients at the desired levels, or at all, or to attract new clients and expand its business volume. The Company's ability to maintain and grow its trading segment is dependent on various factors, including, but not limited to:

- its ability to source and propose products that meet the requirements and standards set by its existing and potential clients;
- its ability to offer a competitive rate and to provide value-added service; and
- its ability to maintain and develop amicable client relationships.

Any failure of the above could result in a loss of clients or lead to a reduced business volume or revenue with such clients, as well as limit the Company's chances in engaging new clients. This would have a material adverse impact on the Company's business, financial condition, results of operations and future prospects.

In addition, other market factors may also affect the Company's performance, including but not limited to competitive pressures from other brokers, in particular, entry of new participants and consolidation of existing participants.

Such changes could result in reduced margins or loss of market share for the Company, which could adversely affect its business, financial condition, results of operations and future prospects.

The Company's businesses are highly regulated in Korea and is subject to regulatory and litigation risks which could have a material adverse effect on the Company's business, results of operations and financial condition.

Financial Services Regulation

As a participant in the financial services industry, the Company is subject to extensive laws, regulations, rules, policies, guidance and codes of conduct of relevant regulatory authorities and faces the risk of significant intervention by regulatory authorities in Korea. Across the financial services industry, regulatory bodies have recently looked to strengthen regulation and take a rigorous approach to compliance, investigation and imposition of penalties. Key regulations in Korea governing the financial services industry include the Financial Investment Services and Capital Markets Act (the "**FSCMA**"), the Enforcement Decree of the FSCMA and the regulations thereunder. Financial services laws, regulations, rules, guidance, codes of conduct, government policies and/or their respective interpretations

currently affecting the Company may change and, although the Company monitors developments, it cannot predict future initiatives or changes. A failure to comply with these rules and regulations may subject the Company to enquiries and/or investigations by the relevant regulatory bodies, which may result in fines, censure, reprimand or even suspension of licences. If the Company fails to comply with any regulatory requirements in the future, the Company and its employees may become the subject of inquiries or investigations by the relevant regulatory authorities.

Where penalties are substantial or protracted litigation is involved, the Company's reputation and financial position may be jeopardised. In such cases, there may be a material and adverse effect on the Company's business, financial condition, results of operations and prospects.

In addition, there is risk that new laws or regulations or changes in enforcement or interpretations of existing laws or regulations applicable to the Company's businesses or those of its clients could be imposed on a limited subset of financial institutions (either based on size, activities or other criteria), which may adversely affect the Company's ability to compete effectively with other institutions that are not affected in the same way.

Regulatory Approval and Licensing

Withdrawal or amendment of any regulatory approval or of any exemption from registration in respect of any part of the Company's activities in any jurisdiction might compel termination of a particular business or change the way in which it is conducted.

The Company may also have to respond to any material changes in legislation or regulation which could potentially affect its business by adapting its business model or products in the relevant market. There can be no assurance that the Company will be able to effectively respond to any such changes and this may affect the Company's operations and the conduct and success of its business in the relevant market. If the relevant market is a significant or important market to the Company, this may undermine the Company's expansion strategy and may have a material adverse effect upon the Company's business, results of operations and financial condition. Even if the Company could cope with such changes in legislation or regulations, this would invariably increase the compliance costs of the Company.

If the Company fails to comply with such rules and regulations, it may become subject to enquiries and/or investigations by the relevant regulatory bodies, which may result in fines or restrictions on the Company's business activities. If results of any investigations or enquiries are proved to involve serious misconduct, the Company may become subject to penalties including censure, reprimand and fines. In extreme cases, the Company may be prevented from conducting business in a normal manner and some or all of the Company's operation licences may become suspended or revoked. Where penalties are substantial or protracted litigation is involved, the Company's reputation and financial position may be damaged. In such cases, there may be a material and adverse impact on the Company's business, financial condition, results of operations and prospects.

If the Company's financial condition deteriorates, there is no guarantee that the Company will be able to receive support from the government or the Korea Deposit Insurance Corporation ("KDIC").

The Company, as an insured financial company under the Depositor Protection Act and a financial institution under the Act on the Structural Improvement of the Financial Industry, is eligible to receive supports from the government or the KDIC under such Acts if its financial condition deteriorates, see "*Regulatory Requirements and Compliance – Government Support.*"

On several occasions over the past years, the government provided public funds to prevent systemic risk of the failing securities company (now referred to as the Financial Investment Company under the FSCMA). In June 2000, the government in its attempt to save the failing companies provided Won 3 trillion to Korea Investment and Securities and subsequently provided additional Won 1,400 billion after the sale of Korea Investment and Securities to Dongwon Financial Holdings Co., Ltd. Similarly, in June 2000, the government provided Won 1.9 trillion to Daehan Investment Trust Securities Co., Ltd. (now

known as Hana Financial Investment Co., Ltd.) and another Won 1.1 trillion in May 2005 after the sale of Daehan Investment Trust Securities Co., Ltd. to Hana Bank. In February 2004, the government also provided Won 2,500 billion to Hyundai Investment Trust Securities (now known as Hanwha Investment & Securities Co., Ltd.), which was sold to Prudential Financial, Inc.

Despite the foregoing, there are a number of factors, such as degree of failing, possibility of rehabilitation and presence of acquirers, taken into consideration when making a decision for the government support, which makes such decision to be rendered on a case-by-case basis. Accordingly, it cannot be guaranteed that a similar type of support would be provided to the Company in the future.

Fluctuations in stock markets could affect the Company's financial assets as well as its clients' appetite for its products and services.

Fluctuations in stock markets could affect the Company's investments and financial assets and the level of client interest in certain of its products and services. There has been volatility in global stock markets recently. Any further significant falls or increased volatility may further impact global capital markets potentially making it more difficult for the Company to access financing or impacting the Company's clients' interest in products and services, as well as the health of their businesses generally. The market volatility may also negatively affect Korean consumer confidence and have an adverse impact on the wider Korean economy.

Poor market conditions could affect the value of its financial assets while favourable market conditions may not be sustainable. Lack of liquidity or price volatility could reduce the value of the financial assets that the Company invests in or manages which, in turn, may have a material adverse effect on its business, growth prospects, net inflows of asset under management, fee income, results of operations and/or financial condition.

The Company's revenue is adversely affected by reductions in its assets under management caused by market declines.

The Company's revenue from its wealth management segment includes asset management fees and performance fees, which are based on the amount and value of its assets under management. Consequently, investment performance affects the amount of the assets under the Company's management and is one of the most important factors in retaining clients and competing for new asset management business. Poor investment performance could adversely affect the Company's revenue and business growth because:

- existing clients might withdraw funds from the Company's asset management business in favour of better performing products provided by its competitors, which would result in a reduction of management fees for the Company;

- clients may require the Company to reduce its fees for asset management services, particularly in an intensely competitive industry; and

- the Company's incentive fees (if any), which are based on a percentage of investment returns, would decline.

There can be no assurance that the Company would be able to keep or increase the assets under the Company's management. To the extent the Company may fail to keep or increase the assets under its management due to increasing competition from insurance companies, trust companies, banks and other competitors, its business, financial condition, results of operations and prospects would be adversely affected.

The expansion of and changes to the Company's product and service range exposes it to various risks, and the Company may not succeed in the implementation of a new product or customer acquisition channel, of a new pricing or credit assessment method or analytical tools and data.

The Company may seek to introduce new product or service groups, pricing and credit assessment analysis methods and uses of data in order to retain existing customers whose needs have evolved, and to attract new customers for whom the existing product offering or methods of acquisition are unattractive or ineffective and/or for whom more competitive pricing and more sophisticated underwriting processes are required. Expansion of and changes to the product and service range exposes the Company to a number of risks and challenges, including the following:

- competitors of the Company may have substantially greater experience and resources in relation to the business activities the Company wishes to commence, and the Company may not be able to attract customers to its services from competitors with existing relationships with those customers;

- the new products and services may not be accepted by the Company's customers or meet its expectations for profitability, and may require greater marketing and compliance costs than the Company's traditional services;

- the new products and services may give rise to potential disputes or claims from customers;

- the Company may need to hire additional qualified personnel but such personnel may not be readily available; and

- the Company may not be successful in enhancing its risk management capabilities and information technology systems to support a broader range of products and services.

However, there can be no assurance that the Company will be able to achieve the administrative, systems-related and logistical improvements necessary to achieve its goals and other aspects of its growth effectively. In addition, competition for highly skilled business, technical and other personnel is high due to the increasing competition in the financial services industry.

Accordingly, the Company's personnel expenses may increase or it may have difficulty in recruiting and retaining properly qualified personnel. Furthermore, to the extent its business model and practices are unfamiliar to regulators, the Company may encounter unexpected restrictions on its planned activities. If the Company is unable to achieve the intended results from the expansion of its range of products and services as a result of the unsuccessful execution of the conception, planning and/or implementation of its strategies and methods, the Company's business, results of operations and financial condition may be materially and adversely affected.

Further, the success of the Company's operations depends on, among other things, the proper timing on launching new businesses, products and services to clients. As a result of the Company's business operating in a highly competitive environment, any delay or failure to introduce new businesses in time or in response to market demand, or any failure of the Company's new products and services to gain timely market acceptance could adversely affect the overall businesses and financial performance of the Company.

A reduction in brokerage commission rates or trading activities by the Company's clients may materially and adversely affect the Company's business, financial condition, results of operations and prospects.

Revenue from the securities brokerage is primarily derived from the commissions the Company charges its clients for their trading activities. Accordingly, revenue from the Company's securities and brokerage services depends significantly on trading volume. Trading volume is influenced by market conditions in Korea and principal overseas financial markets, which may be adversely affected by events including the European debt crisis, hostilities, political and social tensions involving Russia (including the Russia-

Ukraine war), military conflicts between Iran and other countries, including United States and Israel, and broader regional instability in the Middle East and the imposition of trade tariffs (including the unilateral tariff measures implemented by the United States). In addition, the Company's securities and brokerage services could also be adversely affected by a reduction in brokerage commission rates as a result of increased competition in the Korean securities and brokerage markets. There can be no assurance that the Company's revenue derived from the securities and brokerage business can be sustained.

The Company's operations are dependent upon the services of its executive directors and key management personnel.

The Company's business lines are not backed by or dependent on significant levels of assets, and instead as a service business, the Company's primary assets are its employees and management. The Company relies upon the ability, expertise, judgment, discretion, integrity and good faith of its executive directors and senior management team. The Company's success is dependent upon its personnel and key consultants and its ability to recruit and retain high quality employees. The Company must continue to recruit, retain and motivate management and other employees sufficiently to maintain its current business. This recruitment and retention may have significant cost implications if market remuneration packages increase. In addition, if a member of the key management personnel joins a competitor or forms a competing company, the loss of the services of any such person or several of such persons or failure to recruit suitable or comparable replacements could have an adverse effect on the Company's business, financial condition or results of operations.

The Company's investment consultants and professionals are critical to its ability to attract and retain customers.

Hiring and retaining highly skilled professionals is critical to the Company's ability to attract and retain customers. The market for investment management and other professionals, including underwriting sponsors, research analysts, traders, marketing and customer support staff and information technology and other operations personnel in the Asia-Pacific region, is highly competitive and has grown more so recently as customers focus increasingly on investment performance and as employers such as investment banks and hedge funds increase their recruitment activity. As a result, movement of such individuals among different firms is frequent.

The Company endeavours to provide its employees with competitive compensation and benefits. However, it may not be successful in hiring or retaining key personnel. Failure to obtain or retain the services of key personnel may materially and adversely affect the performance of the Company's products, its ability to develop new products and the attractiveness of its services to potential and current customers.

Damage to reputation or brand may materially and adversely affect the Company's business, financial condition, results of operations and prospects.

The Company's operations across its principal business lines are dependent on customers' confidence in the Company's business and therefore its brand and reputation. This makes the Company vulnerable to negative publicity and market perceptions that may be difficult or impossible for it to control. The Company's reputation and brand are accordingly vital to the success of its business.

Brand or reputation can be negatively impacted by a large number of events both within and beyond the Company's control, including failure in information technology or data breach, an adverse claim being made against a member of the Company, whether successful or not, and including frivolous and vexatious claims, perceived deteriorations in financial strength, regulatory sanctions or incidents of fraud. If its reputation or brand is damaged, the Company could lose existing customers and find it difficult to cultivate new business. Each of these may have an adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company and its investment banking segment are subject to macroeconomic, strategic, financial, operational and political risks.

The Company and its investment banking segment are subject to macroeconomic, strategic, financial, operational and political risks. Where assets held by the Company under its investment banking segment devalue significantly and the Company's management considers that the devaluation is not temporary, significant impairment losses may be recognised and may have a material adverse impact on the Company's results of operations. General market or macroeconomic volatility may result in a decrease of the unrealised gains of investment assets and/or reduction in dividend income, which in turn may have a material adverse effect on the Company's financial condition and results of operations. In the event of a severe downturn in the economy, the asset quality of the Company's portfolio may further deteriorate materially.

In particular, the Company's investment portfolio is subject to investment, liquidity, market and concentration risks. Currently, the Company's portfolio chiefly includes direct investments, with new investments being focused on the technology and innovation sectors. As such, market conditions and other factors beyond the control of the Company can adversely affect the Company's investment portfolio and the Company's results of operations and financial condition. The Company's investment portfolio may also be concentrated in certain sectors, geographic regions, individual investments or types of securities which may or may not be listed. Any decline in the value of the Company's investment portfolio may adversely impact its business, results of operations and financial condition.

The Company's investment portfolio profile may change from time to time depending on various factors, including market conditions, investment opportunities, and the investments and divestments undertaken by the Company. In particular, a part of the Company's investment portfolio may consist of interests in unlisted companies, which may subject the Company to liquidity risk as the Company may not be able to sell or dispose of its interests readily and at the price as valued by the Company. Failure to dispose of these interests at the price of valuation, or at all, by the Company may in turn adversely impact the value of the Company's portfolio and results of operations. Additionally, a part of the Company's investment portfolio is pledged against its margin loan payables. Any significant decline in the value of the Company's investments that have been pledged against margin loan payables may trigger a margin call, which may subject the Company to liquidity risk as the Company may not be able to sell or dispose of its investments readily and at the price as valued by the Company or at all.

Further, rising interest rates globally and a significant increase in vacancy rates of real estate assets after the COVID-19 pandemic have adversely impacted the Company's overseas real estate asset portfolio. Periodical fair value assessment of the Company's overseas real estate assets may indicate impairment in the value of such assets, which in turn may adversely affect the Company's business, results of operations and financial condition.

The due diligence processes that the Company undertakes in connection with its investments may not reveal all facts that may be relevant in connection with an investment.

Before making investments, the Company's investment banking segment will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Company may be required to evaluate important and complex industry, business, financial, tax, accounting, environmental and legal issues. For example, the Company's investment banking segment involves, among others, investments in the technology sector – identifying, analysing and managing such investments requires a certain degree of experience and knowledge of the relevant industries. In certain cases, outside consultants, legal advisors, auditors and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. The due diligence investigation carried out may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

The Company may not have day-to-day control over the companies in which it invests.

The Company may not control the day-to-day management of its investments, which exposes it to additional risks relating to their operational and financial performance. As the Company may not be in a position to control the routine operations of its investment companies, this may prevent it from identifying key weaknesses in their operational and financial performance, which could have an adverse effect on the value of the Company's investment portfolio.

The Company's revenues are subject to factors beyond its control.

The Company's investment returns, and thus its revenue and profitability, may be adversely affected from time to time by conditions affecting its specific investments and, more generally, by market fluctuations as well as global general economic, market and political conditions. The value of specific investments and other assets may fluctuate substantially. Future movements in market interest rates, unfavourable conditions in the global securities markets or other factors may cause the Company's investment income to decrease significantly, and could have a material adverse effect on its business, financial condition and results of operations.

The Company is exposed to the credit risk of its trade and financial counterparties.

The Company operates and is expanding its business in both Korea and cross-border markets. This will increasingly expose the Company to the credit risk of their trade and financial counterparties normally associated with cross-border business transactions and activities, including those relating to delayed payments from customers or difficulties in the collection of receivables. There is no assurance that, even with the Company's experienced finance and accounting team, a customer will settle outstanding invoices on time. Failure to collect receivables could adversely affect the Company's cash flow and financial position.

Misuse of, or failure to control properly, customers' personal or financial information could prove harmful to the Company.

The Company is subject to data protection laws in the relevant jurisdiction (including, specifically in Korea, the Credit Information Use and Protection Act, the Act on Real Name Financial Transactions and Confidentiality and the Personal Information Protection Act) which regulates "data users" such as finance companies that use databases of personal information for their businesses and protects the privacy of individuals in relation to personal data. The Company acquires a large amount of personal and financial information relating to its customers. In addition, certain third-party vendors provide services to the Company using personal and financial information of the Company's customers that the Company provides to them. In particular, as the Company relies on third-party encryption and authentication technology to transmit confidential information over public networks, the security of such confidential information may become jeopardised. Improper use or disclosure of, or a failure to protect or properly control, such information could result in violations of the data protection laws and other applicable laws, harming the Company's reputation and business. The Company takes precautionary measures, including internal compliance procedures, to regulate the disclosure of customers' personal information, but these measures may not be effective in all cases, particularly in respect of third-party vendors.

Employee misconduct such as fraud could adversely affect the Company's business and reputation.

Employee misconduct, which can include violations of laws or regulations concerning the offering and sale of the Company's financial products and fraudulent or otherwise improper activity, could result in regulatory violations and sanctions which could harm the Company's reputation and business, particularly since many of the Company's employees are involved in direct dealing with customers. Common weaknesses that facilitate fraud include the failure to implement effectively a centralised management and supervision, inadequate segregation of duties, insufficient access controls and certain actions taken by employees which are not consistent with the Company's internal control policies. While the Company's compliance programmes are intended to reduce the risk of employee misconduct and

outside parties' misconduct and fraud, the Company may not always be able to timely detect or prevent such misconduct, and this risk cannot be completely eliminated. Instances of employee misconduct in the future could have consequences that materially and adversely affect the Company's business, reputation and prospects.

The Company's businesses and prospects may be materially and adversely affected if it fails to maintain its risk management and internal control systems or these systems are proved to be ineffective or inadequate.

The Company has established risk management control systems and procedures. Certain areas within its risk management and internal control systems may require constant monitoring, maintenance and continual improvements by its senior management and staff. The Company's businesses and prospects may be materially and adversely affected if its efforts to maintain these systems are proved to be ineffective or inadequate.

Deficiencies in the Company's risk management and internal control systems and procedures may adversely affect its ability to record, process, summarise and report financial and other data in an accurate and timely manner, as well as adversely impact its ability to identify any reporting errors and non-compliance with rules and regulations.

The Company's internal control system may contain inherent limitations caused by misjudgement. As a result, there can be no assurance that its risk management and internal control systems are adequate or effective notwithstanding its efforts, and any failure to address any internal control matters and other deficiencies could result in investigations and disciplinary actions or even prosecution being initiated against the Company or its employees and disruption to its risk management system. In such cases, there may be a material and adverse effect on the Company's business, financial condition, results of operations and prospects.

System and technological failures or ineffectiveness, failure of business continuity planning, corruption of databases and service disruption may occur and could result in additional administrative and remediation costs, loss of business and profits and/or cause reputational damage to the Company.

The performance of the Company's businesses depends heavily on its ability to process transactions efficiently and accurately. The Company's ability to develop business intelligence systems, monitor and manage collections, maintain financial and operating controls, monitor and manage its risk exposures across the Company, keep accurate records, provide high-quality customer service and develop and sell profitable products and services in the future depends on the success of its business continuity planning, the uninterrupted and efficient operation of its information and communications systems (including its information technology system) and the successful development and implementation of new systems.

However, in common with information technology systems generally, losses can result from inadequate or failed internal control processes and protection systems, human error, fraud or external events that interrupt normal business operations. This may result in a loss of data, a failure to provide quality service to customers and could in limited instances cause incorrect trades to be executed. The Company's information technology, databases and other systems may be subject to damage or interruption from earthquakes, volcanic eruptions, floods, fires, power loss, telecommunication failures and similar events as well as to damage from the introduction to its systems of incorrect programming language by its employees and contractors. These systems may also be subject to computer viruses, physical or electronic break-ins, sabotage, vandalism and similar misconduct. The same is true of third-party service providers and software providers on which the Company depends.

The Company routinely transmits and receives personal, confidential and proprietary information through the Internet, by email and other electronic means and may not be able to ensure that its clients, vendors, service providers, counterparties and other third parties have appropriate controls in place to protect the confidentiality of the information. An interception or mishandling of personal, confidential or

proprietary information being sent to or received from these third parties could result in legal liability, regulatory action and reputational harm, and the Company's efforts to ensure that these third parties have appropriate controls in place may not be successful.

If any of the above risks materialise, the interruption or failure of the Company's information technology and other systems could impair the Company's ability to provide its services effectively causing direct financial loss and may compromise the Company's strategic initiatives.

In addition, it could damage the Company's reputation if customers believe its systems are unreliable which, in turn, could have an adverse effect on the Company's ability to collect loan repayments from customers and to attract new and retain existing customers. Technology failure or underperformance could also result in a higher number of customer and employee disputes and may increase the Company's litigation and regulatory exposure or require it to incur higher administrative costs (including remediation costs). Further, an irrecoverable loss of any customer database would be expensive and time-consuming to endeavour to retrieve or recreate, would have a material adverse effect on the Company's business, operations and financial situation and may damage its reputation and brand.

Any business disruptions resulting from acts of God, acts of war, epidemics and other factors outside of the Company's control could affect the Company's business and might result in substantial costs.

The Company's business is subject to general, social and political conditions. The Company's business would be adversely affected by any unexpected events, including but not limited to riots, fire, power, strikes, civil or social disruption, outages, natural disasters, terrorist activities, equipment or system failures, industrial action and environmental issues, which increase the cost of doing business or otherwise adversely affect the Company's operations or those of its customers or suppliers.

Natural disasters, epidemics, pandemics, health emergencies (or concerns over the possibility of one) acts of God and other disasters that are beyond the Company's control may materially and adversely affect the economy and infrastructure. The Company's business, financial condition and operating results may be materially and adversely affected as a result.

Epidemics threaten people's lives and may materially and adversely affect their livelihoods as well as their living and consumption patterns. The occurrence of an epidemic is beyond the Company's control, and there is no assurance that another outbreak of severe acute respiratory syndrome or H1N1 swine influenza will not happen. There is no assurance that an outbreak of this or any other disease will not become an epidemic or pandemic. Any epidemic or pandemic occurring in Korea may materially and adversely affect the business, financial condition and operating results of the Company.

Acts of war and terrorism may cause damage or disruption to the Company or its employees, facilities, markets, suppliers or customers, any of which may materially and adversely impact the Company's revenue, cost of sales, financial condition and operating results. Potential war or terrorist attacks may also cause uncertainty and cause the Company's business to suffer in ways that cannot be accurately predicted.

The Company may not be able to identify money laundering activities or other illegal or improper activities fully or on a timely basis, which could expose it to additional liability and adversely affect its business.

The Company is required to comply with applicable anti-money laundering, anti-terrorism laws and other regulations in Korea and any other jurisdictions in which it operates. These laws and regulations require the Company, among other things, to adopt and enforce "know your customer" policies and procedures and to report suspicious transactions to the applicable regulatory authorities in different jurisdictions. While the Company has adopted policies and procedures aimed at detecting and preventing the use of its networks for money-laundering activities and by terrorists and terrorist-related organisations and individuals generally, such policies and procedures may not completely eliminate instances where its networks may be used by other parties to engage in money laundering and other

illegal or improper activities due to, in part, the short history of these policies and procedures. To the extent the Company may fail to comply fully with applicable laws and regulations, the relevant government agencies to which the Company reports have the power and authority to impose fines and other penalties on the Company, which may adversely affect its business.

The Company may be subject to claims of mis-selling.

The Company offers a number of financial products to corporate and institutional investors and to private investors directly or through intermediaries or distributors. If these investors suffer losses on such financial products, they or their advisers may seek compensation from the Company on the basis of allegations that the financial products were mis-sold or that the prospectuses, offering circulars or other marketing materials contained erroneous information or failed to disclose material information the omission of which rendered the content therein misleading or that misleading marketing materials were provided to or supplied by intermediaries. Despite the policies enacted by the Company guiding employees on the appropriate selling procedures, it is possible that the Company has rogue or fraudulent employees who do not comply with such policies. Any potential legal action undertaken by investors for mis-selling may be successful and this could in turn adversely affect the business, financial condition, results of operations and/or prospects of the Company. Any claim for mis-selling may also result in regulatory investigation and censure and may damage the reputation of the Company.

The risk of an unfavourable outcome to litigation against the Company could adversely affect the Company's business, financial condition, results of operations and prospects.

The Company is exposed to litigation risk relating to the operations of its businesses on an ongoing basis. While the outcome of any pending or future litigation cannot be foreseen given the inherent unpredictability of litigation, it is possible that an adverse outcome in any one or more matters may have a material and adverse effect on the Company's business, financial condition, results of operations and prospects.

Interest rate fluctuations may adversely affect the Company's businesses.

The Company's business performance is affected by fluctuations in interest rates which could adversely affect financial markets conditions. For example, an increase in interest rates may increase the Company's interest income from its margin financing and structured finance business, but it may also increase the Company's costs of capital, thus adversely affecting the Company's business and financial results. Interest rate volatility may also affect stock market performance and general market sentiment, hence causing indirect adverse impact on the Company's business performance.

Risks Relating to Korea

If economic conditions in Korea deteriorate, the Issuer's current business and future growth could be materially and adversely affected.

The Company is incorporated in Korea, and a significant portion of its assets are located in Korea. As a result, the Company is subject to political, economic, legal and regulatory risks specific to Korea, and the Company's performance and successful execution of its operational strategies are dependent on the overall Korean economy. In addition, future growth of the Korean economy is subject to many factors beyond the Company'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 military conflicts between Iran and other countries, including United States and Israel, and broader regional instability in the Middle East as well as significant fluctuations in policy interest rates globally, have contributed to the uncertainty of global economic prospects in general and have adversely affected, and may continue to adversely affect, the Korean economy, which has been characterised by high levels of uncertainty resulting from high

inflation rates, a rise in interest rates and a depreciation of the Won against the U.S. dollar. See "– *Risks Relating to the Company's Business – Continued deterioration of economic conditions could negatively impact the Company's business*." Future declines in the Korea Composite Stock Price Index (the "**KOSPI**"), and large amounts of sales of Korean securities by foreign investors and subsequent repatriation of the proceeds of such sales may adversely affect the value of the Won, the foreign currency reserves held by financial institutions in Korea, and the ability of Korean companies to raise capital. Any future deterioration of the Korean or global economy could adversely affect the Company's business, financial condition and results of operations.

Developments that could have an adverse impact on the Korean economy include:

- declines in consumer confidence and a slowdown in consumer spending in the Korean or global economy, including as a result of higher levels of market interest rates;
- the imposition of significant tariffs on Korea's exports by any of its major export markets, including the United States, as well as any countermeasures or policy responses adopted by the Korean government that may entail significant costs;
- the occurrence of severe health epidemics, such as the COVID-19 pandemic, in Korea and other parts of the world;
- adverse conditions or developments in the economies of countries and regions that are important export markets for Korea, such as PRC, 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 Yuan), 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;
- rising inflationary pressures leading to increases in the costs of goods and services and a decrease in purchasing power;
- 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;
- 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;
- investigations of large Korean business groups and their senior management for possible misconduct;
- a continuing rise in the level of household debt and increasing delinquencies and credit defaults by retail and small- and medium-sized enterprise borrowers in Korea;

- the economic impact of any pending or future free trade agreements or of any changes to existing free trade agreements;
- 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 chaebols, other large troubled companies (including those in the construction, shipbuilding, shipping and real estate project financing sectors) and their suppliers or the financial sector;
- loss of investor confidence arising from corporate accounting irregularities and corporate governance issues concerning certain Korean companies;
- increases in social expenditures to support an ageing population in Korea or decreases in economic productivity due to the declining population size in Korea;
- a continued decrease in the population and birthrates in Korea;
- geopolitical uncertainty and the risk of further attacks by terrorist groups around the world;
- political uncertainty or increasing strife among or within political parties in Korea and the ensuing societal unrest;
- hostilities or political or social tensions involving countries in the Middle East (including those resulting from the conflicts between Iran and other countries, including 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;
- natural or man-made disasters that have a significant adverse economic or other impact on Korea or its major trading partners;
- shortages of imported raw materials, natural resources, rare earth minerals or component parts, including semiconductors, due to disruptions in the global supply chain;
- an increase in the level of tensions or an outbreak of hostilities between the Democratic People's Republic of Korea ("**North Korea**") and Korea or the United States; and
- increased reliance on exports to service foreign currency borrowings, which could cause friction with Korea's trading partners; and
- changes in financial regulations in Korea.

Escalations of tensions with North Korea could have an adverse effect on the Company.

Relations between Korea and North Korea have been tense throughout Korea's modern history. The level of tension between the two Koreas 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. Some of the significant incidents in recent years include the following:

- 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 the provocations and flagrant violations of relevant United Nations Security Council resolutions. In February 2016, the Government also closed the inter-Korea Gaesong Industrial Complex in response to North Korea's fourth nuclear test in January 2016. Internationally, 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, most recently in December 2017 in response to North Korea's intercontinental ballistic missile test in November 2017. Over the years, the United States and the European Union have also expanded their sanctions applicable to North Korea.

- 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 North Korea and the United States in June 2018, February 2019 and June 2019, there can be no assurance that the level of tensions affecting the Korean peninsula will not escalate in the future. Any increase in tensions, which may occur, for example, if North Korea experiences a leadership crisis, high-level contacts between Korea and North Korea or between the United States and North Korea break down or military hostilities occur, could have a material adverse effect on the Korean economy and on the Company's business, financial condition and results of operations and market price and ratings of the Notes.

There are special risks involved with investing in securities of Korean companies, including the possibility of restrictions being imposed by the Government in emergency circumstances as well as accounting and corporate disclosure standards that differ from those in other jurisdictions.

You should carefully consider the risk factors listed in this section, together with all of the other information included in this Prospectus, before you decide to purchase the Notes. As the Company is incorporated in Korea, there are risks associated with investing in the Company's securities that are not typical for investments in securities of U.S. or European companies. As a Korean company, the Company operates in a business and cultural environment that is different from that of other countries.

Under the Foreign Exchange Transactions Act of Korea and the Presidential Decree and regulations under that Act and Decree (collectively referred to as the "**Foreign Exchange Transaction Laws**"), if the Government determines that certain emergency circumstances, including sudden fluctuations in interest rates or exchange rates, extreme difficulty in stabilising the balance of payments or substantial disturbance in the Korean financial and capital markets, are likely to occur, it may impose any necessary restriction such as requiring Korean or foreign investors to obtain prior approval from the Minister of Finance and Economy for the acquisition of Korean securities or for the repatriation of interest,

dividends or sales proceeds arising from Korean securities or from disposition of such securities or other types of capital transactions. Moreover, if the Government deems it necessary on account of war, armed conflict, natural disaster or grave and sudden changes in domestic or foreign economic circumstances or similar events or circumstances, the Minister of the MOEF may temporarily suspend performance under any or all foreign exchange transactions, in whole or in part, to which the Foreign Exchange Transaction Laws apply (including suspension of payment and receipt of foreign exchange) or impose an obligation to deposit or sell any means of payment to the Bank of Korea or certain other governmental agencies or financial institutions.

In addition, the Company's audited consolidated financial statements included in this Prospectus are presented in accordance with K-IFRS and its future financial statements will be prepared in accordance with K-IFRS, which differ in certain respects from accounting principles applicable to companies in certain other countries. It also makes regulatory filings and disclosures regarding other aspects of its business in accordance with applicable rules and regulations and accepted practice in Korea. These filing and disclosure rules and practices differ in many material respects from those applicable to companies in certain other countries. There may also be less publicly available information about Korean companies, such as us, than is regularly made available by public companies in other countries. In making an investment decision, investors must rely upon their own examination of the Company, the terms of the Notes and the financial and other information contained in this Prospectus.

The Company is incorporated in Korea, and it may be more difficult to enforce judgments of U.S. courts.

The Company is a corporation with limited liability organised under the laws of Korea. Most of its directors, executive officers and certain other persons named in this Prospectus are non-U.S. residents, and all or a significant portion of the assets of its directors, executive officers and certain other persons named in this Prospectus and most of its assets are located or registered outside the United States. As a result, when compared to a U.S. company, it may be more difficult for investors to effect service of process in the United States upon it or to enforce against it, the Company's directors or executive officers, judgments obtained in U.S. courts predicated upon civil liability provisions of the federal or state securities laws of the U.S. or similar judgments obtained in other courts outside Korea. There is doubt as to the enforceability in Korean courts, in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated solely upon the federal and state securities laws of the United States.

Risks Relating to the Notes

The Notes are unsecured obligations.

As the Notes are unsecured obligations, their repayment may be compromised if:

- the Company enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under the Company's secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Company's indebtedness.

If any of these events were to occur, the Company's assets and any amounts received from the sale of such assets may not be sufficient to pay amounts due on the Notes.

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" are the subject of recent international regulatory guidance and proposals for reform, particularly in the United Kingdom. Some of these reforms are already effective whilst 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. Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and applies from 1 January 2018 (with the exception of provisions specified in Article 59 (mainly on critical benchmarks) that apply from 30 June 2016 and 3 July 2016). The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. 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.

The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Notes.

Investors should be aware that the market continues to develop in relation to risk-free rates, as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates.

The Sterling Overnight Index Average ("**SONIA**") is recently reformed, and the Secured Overnight Financing Rate ("**SOFR**") is a newly established risk free-rate. For example, the New York Federal Reserve (the "**NY Federal Reserve**") began to publish SOFR in April 2018 and although it has also begun publishing historical indicative SOFR going back to 2014, such historical indicative data inherently involves assumptions, estimates and approximations. Therefore, such risk-free rates have a limited performance history and the future performance of such risk-free rates is impossible to predict. As a consequence no future performance of the relevant risk-free rate or Notes referencing such risk-free rate may be inferred from any of the hypothetical or actual historical performance data. In addition, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates. For example, since publication of SOFR began, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

In addition, market conventions for calculating the interest rate for bonds referencing risk-free rates continue to develop and market participants and relevant working groups are exploring alternative reference rates based on risk-free rates. For example, on 2 March 2020, the NY Federal Reserve, as administrator of SOFR, began publishing the SOFR Compounded Index, and on 3 August 2020, the Bank of England, as the administrator of SONIA, began publishing the SONIA Compounded Index. Accordingly, the specific formula for calculating the rate used in the Notes issued under the Programme may not be widely adopted by other market participants, if at all. The Issuer may in the future also issue Notes referencing risk-free rates that differ materially in terms of interest determination when compared with any previous Notes referencing the same risk-free rate issued by it under the Programme. If the market adopts a different calculation method, it could adversely affect the market price of any Notes issued under the Programme which references any such risk-free rate from time to time.

Interest on Notes which reference a risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference risk-free rates to reliably estimate the amount of interest which will be payable on such Notes. Further, if Notes referencing SONIA Benchmark or SOFR Benchmark become due and payable as a result of an event of default under Condition 10(a), or are otherwise redeemed early on a date which is not an Interest Payment Date, the rate of interest payable for the final Interest Period in respect of such Notes shall

only be determined on the date which the Notes become due and payable and shall not be reset thereafter. Investors should consider these matters when making their investment decision with respect to any such Notes.

Each risk-free rate is published and calculated by third parties based on data received from other sources and the Issuer has no control over their respective determinations, calculations or publications. There can be no guarantee that any risk-free rate to which a series of Notes is linked will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes referencing such risk-free rate (or that any applicable benchmark fallback provisions provided for in the Terms and Conditions of the Notes will provide a rate which is economically equivalent for Noteholders). None of the Bank of England or the Federal Reserve have an obligation to consider the interests of Noteholders in calculating, adjusting, converting, revising or discontinuing the relevant risk-free rate. If the manner in which the relevant risk-free rate is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Terms and Conditions and used in relation to Notes that reference a risk-free rate issued under the Programme. Investors should carefully consider how any mismatch between the adoption of such reference rates 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 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, 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. For a further discussion of the transfer restrictions applicable to the Notes, see "*Subscription and Sale and Transfer and Selling Restrictions*."

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 SGX-ST 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 and quoted on the SGX-ST. The offer and sale of the Notes is not conditional on obtaining a listing and quotation of the Notes on the SGX-ST 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 Company's results of operations, financial condition and credit ratings;
- political and economic developments in and affecting Korea;
- the market conditions for similar securities; and
- the financial condition and stability of the Korean financial sector.

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).

Notes issued under the Programme may be represented by one or more global notes (the "**Global Notes**"). Such Global Notes will be deposited with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream, Luxembourg ("**Clearstream**") (each of Euroclear and Clearstream, Luxembourg, 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 Company 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 Company has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Notes may not be a suitable investment for all investors.

The Notes are complex financial instruments and may be purchased as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio. Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

FORM OF THE NOTES

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

Each Tranche of Bearer Notes will be in bearer form and will be initially issued in the form of a temporary bearer global note (a "**Temporary Bearer Global Note**") or, if so specified in the Pricing Supplement, a permanent bearer global note (a "**Permanent Bearer Global Note**," together with any Temporary Bearer Global Note, the "**Bearer Global Notes**") which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the Common Depositary) for Euroclear and Clearstream.

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 and (in the case of a Temporary Bearer Global Note delivered to a Common Depositary for Euroclear and Clearstream) Euroclear and/or Clearstream, as applicable, has given a like certification (based on the certifications it has received) to the Fiscal Agent (as defined in "*Terms and Conditions of the Notes*"). On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Bearer Global Note of the same Series or (b) definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the Pricing Supplement and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given, **provided that** the purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. 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 against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

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 only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) the Company has failed to pay principal in respect of the Notes when it is due or payable or (ii) the Company has been notified that both Euroclear and Clearstream 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 no successor clearing system is available. The Company 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, in the case of Notes held by a Common Depositary for Euroclear and/or Clearstream, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in

such Permanent Bearer Global Note) may give notice to the Fiscal Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Fiscal Agent.

The following legend will appear on all Bearer Notes where the TEFRA D Rules are applicable and which have an original maturity of more than 365 days and on all 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 OF 1986, AS AMENDED."

The sections referred to provide that United States 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 in accordance with the rules and procedures for the time being of Euroclear or Clearstream.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold outside the United States, will initially be represented by a global note in registered form (a "**Registered Global Note**," together with any Bearer Global Note, the "**Global Notes**"). Prior to expiry of the distribution compliance period (as defined in Regulation S), if any, applicable to each Tranche of Notes, beneficial interests in a Registered 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 may not be held otherwise than through Euroclear or Clearstream and such Registered Global Note will bear a legend regarding such restrictions on transfer.

Registered Global Notes will be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, 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.

Payments of principal, interest or 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 Company, the Fiscal Agent, any Paying Agent, the Calculation Agent, any Transfer 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 7(b)(ii)) immediately preceding the due date for payment in the manner provided in that Condition; provided that, when Notes are represented by a Global Note held on behalf of Euroclear and/or Clearstream, payment of principal, interest or any other amount in respect of such Notes will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except 25 December and 1 January.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, Exchange Event means that (i) the Company has failed to pay principal in respect of the Notes when it is due or payable or (ii) the Company has been notified that both Euroclear and Clearstream 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 case, no successor or alternative clearing system is available. The Company 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, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar 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.

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. 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 Euroclear and Clearstream, in each case to the extent applicable.

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Fiscal Agent 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 which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act), if any, applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, each person (other than Euroclear and/or Clearstream) who is for the time being shown in the records of Euroclear or of Clearstream as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear and/or Clearstream 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 Company and their 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 purposes the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Company and their 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 expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream 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 or as may otherwise be approved by the Company and the Fiscal Agent.

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, 5, 6 (except Condition 6(c) or 6(d)), 7, 12 or 14 (insofar as such Notes are not listed or admitted to trade on any stock exchange), they will not necessitate the preparation of a supplement to this Prospectus. If the Terms and Conditions of the Notes of any Series are to be modified in any other respect, a supplement to this Prospectus will be prepared, if appropriate.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that any of the Global Notes representing such Notes is exchanged for definitive Notes, the Company 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 any of the Global Notes is exchanged for definitive Notes, an announcement of such exchange will be made by or on behalf of the Company through the SGX-ST 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.

FORM OF THE PRICING SUPPLEMENT

[Date]

KB SECURITIES CO., LTD.
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.$2,000,000,000
Euro-Medium Term Note Programme

[MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] 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**")][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*.] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/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/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/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/s'] target market assessment) and determining appropriate distribution channels.]

[PRIIPs REGULATION – 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 ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (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 has been 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.]

[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 ("**UK**"). For these purposes, 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. 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 UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.]

[*The following legend is to be inserted if the Notes are to 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 Prospectus.]

[*The following legend is to be inserted if the Notes are to be offered in Singapore to investors other than accredited investors or institutional 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.]

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 (the "**Conditions**") set forth in the Prospectus dated 18 August 2026 (the "**Prospectus**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Prospectus. Full information regarding the Issuer and the offer of the Notes is only available on the basis of the combination of the Pricing Supplement and the Prospectus.

[*The following language applies if the Notes rely on the exemption as set out in Article 2-2-2, Paragraph 2, Item 3 of the Regulations on the Issuance and Disclosure of Securities of Korea promulgated by the Financial Services Commission of Korea ("**20% Rule**").*]

The Notes have not been registered with the Financial Services Commission of Korea under the Financial Investment Services and Capital Markets Act of Korea. Accordingly, the Notes may not be offered, delivered, or sold directly or indirectly in Korea or to any resident of Korea (as defined in the Foreign Exchange Transactions Act of Korea and the rules and regulations promulgated thereunder) or to others for re-offering or resale directly or indirectly in Korea or to any resident of Korea except as otherwise permitted under applicable Korean laws and regulations. In addition, within one year following the issuance of the Notes, the Notes may not be transferred to any resident of Korea other than a Qualified Institutional Buyer (or a "**Korean QIB**", as defined in the Regulations on the Issuance and Disclosure of Securities of Korea) registered with the Korea Financial Investment Association as a Korean QIB, provided that (A) the amount of the Notes acquired by such Korean QIBs in the primary market is limited to no more than 20% of the aggregate issue amount of the Notes and (B) the Notes

have been (i) listed in one of the major markets designated by the Financial Supervisory Service or (ii) registered with or reported to a Financial Supervisory Authority located in one of such major markets or (iii) offered through such procedures as may be considered a public offering.

[*The following language applies if the Notes rely on the exemption as set out in Article 2-2-2, Paragraph 2 (other than Item 2, 3 and 4) of the Regulations on the Issuance and Disclosure of Securities of Korea promulgated by the Financial Services Commission of Korea.*]

The Notes have not been registered with the Financial Services Commission of Korea under the Financial Investment Services and Capital Markets Act of Korea. Accordingly, the Notes may not be offered, delivered, or sold directly or indirectly in Korea or to any resident of Korea (as defined in the Foreign Exchange Transactions Act of Korea and the rules and regulations promulgated thereunder) or to others for re-offering or resale directly or indirectly in Korea or to any resident of Korea except as otherwise permitted under applicable Korean laws and regulations.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus 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 Prospectus dated 18 August 2026. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Prospectus dated *[current date],* save in respect of the Conditions which are extracted from the Prospectus dated 18 August 2026 and are attached hereto. Full information regarding the Issuer and the offer of the Notes is only available on the basis of the combination of the Pricing Supplement and the Prospectus dated *[current date]*.]

[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 subparagraphs. Italics denote directions for completing the Pricing Supplement.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency.]

1	Issuer:	KB Securities Co., Ltd.
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] (in the case of fungible issues only, if applicable)*]]
	[(ii) Net Proceeds:	[•] *(Required only for listed issues)*]

	[(iii) Use of Proceeds:	[•]]
6	(i) Specified Denominations:	[•][(1)]
	(ii) Calculation Amount:	[•]
7	(i) Issue Date:	[•]
	(ii) Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
8	Maturity Date:	[Specify date *(for Fixed Rate Notes)* or *(for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
9	Interest Basis:	[[•] per cent. Fixed Rate] [[EURIBOR/HIBOR/CNH HIBOR/SOFR Benchmark/ *specify reference rate]* +/- [•] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other (*specify*)] (further particulars specified below)
10	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (*specify*)]
11	Change of Interest Basis or Redemption/Payment Basis:	[*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
12	Put/Call Options:	[Put] [Call] [(further particulars specified below)]
13	(a) Status of the Notes:	[•]
	(b) Date of corporate approval for issuance of Notes obtained:	[[•]/None required][(2)]
	(c) Date of regulatory approval for issuance of Notes obtained:	[[•]/None required]
14	Listing:	[*[Singapore Exchange Securities Trading Limited]*[(3)]/ Other (*specify*)/None]
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 subparagraphs of this paragraph)*
	(i) Rate[(s)] of Interest:	[•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii) Interest Payment Date(s):	[•] in each year[(4)] [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]
	(iii) Fixed Coupon Amount[(s)]:	[•] per Calculation Amount
	(iv) Broken Amount:	[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•] [*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)] and the Interest Payment Date(s) to which they relate*][(4)]
	(v) Day Count Fraction (Condition 5(m)):	[30/360/Actual/Actual (ICMA/ISDA)/Other] *(Day count fraction should be Actual/Actual-ICMA for all fixed rate issues other than those denominated in US dollars)*
	(vi) Determination Date(s) (Condition 5(m)):	[•] 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*][(4)]
	(vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[•]
	(viii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/*give details*]
17	Floating Rate Note Provisions:	[Applicable/Not Applicable] *(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Interest Period(s):	[•]
	(ii) Specified Interest Payment Dates:	[•]
	(iii) Interest Period Date(s):	[Not Applicable/specify dates] *(Not applicable unless different from Interest Payment Date)*

(iv)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
(v)	Business Centre(s) (Condition 5(m)):	[•]
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other *(give details)*]
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[•]
(viii)	Screen Rate Determination (Condition 5(b)(iii)(B)):	
	– Reference Rate:	[•] month [EURIBOR/HIBOR/SOFR Benchmark/ specify other]
	– Interest Determination Date(s):	[*[•] [T2] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]*]
	– Relevant Screen Page:	[•]
	– SOFR Benchmark:	[Not Applicable/Compounded Daily SOFR/SOFR Index] (*Only applicable where the Reference Rate is SOFR*)
	– 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*)

	(ix) ISDA Determination (Condition 5(b)(iii)(A)):	
	– Floating Rate Option:	[•]
	– Designated Maturity:	[•]
	– Reset Date:	[•]
	– ISDA Definitions (if different from those set out in the Conditions):	[2000/2006]
	(x) Margin(s):	[+/-] [•] per cent. per annum
	(xi) Minimum Rate of Interest:	[•] per cent. per annum
	(xii) Maximum Rate of Interest:	[•] per cent. per annum
	(xiii) Day Count Fraction (Condition 5(m)):	[•]
	(xiv) Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[•][Benchmark Discontinuation (SOFR) (Condition 5(k))/specify other 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) Amortisation Yield (Condition 6(b)):	[•] per cent. per annum
	(ii) Day Count Fraction (Condition 5(m)):	[•]
	(iii) Any other formula/basis of determining amount payable:	[•]
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) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[•]

	(iii)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[•]
	(iv)	Interest Period(s):	[•]
	(v)	Specified Interest Payment Dates:	[•]
	(vi)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
	(vii)	Business Centre(s) (Condition 5(m)):	[•]
	(viii)	Minimum Rate of Interest:	[•] per cent. per annum
	(ix)	Maximum Rate of Interest:	[•] per cent. per annum
	(x)	Day Count Fraction (Condition 5(m)):	[•]
20	Dual Currency 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 Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[•]
	(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[•]
	(iv)	Person at whose option Specified Currency(ies) is/are payable:	[•]
	(v)	Day Count Fraction (Condition 5(m)):	[•]

PROVISIONS RELATING TO REDEMPTION

21	Call Option:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Optional Redemption Date(s):	[•]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[[•] per Calculation Amount/Early Redemption Amount]
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[•] per Calculation Amount
	(b) Maximum Redemption Amount:	[•] per Calculation Amount
	(iv) Notice period:	[•]
22	Put Option:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Optional Redemption Date(s):	[•]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[[•] per Calculation Amount/Early Redemption Amount]
	(iii) Notice period:	[•]
23	Final Redemption Amount of each Note:	[•] per Calculation Amount
24	Early Redemption Amount:	[•]
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons (Condition 6(c)) or, when otherwise specified hereon, 6(d) or 6(e) or Event of Default (Condition 10) and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[•]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25	Form of Notes:	[Bearer Notes/Registered Notes] *[Delete as appropriate]* [temporary Global Note exchangeable for a permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note] [temporary Global Note exchangeable for Definitive Notes on [•] days' notice] [permanent Global Note/Certificate exchangeable for Definitive Notes/Certificates on [•] days' notice/at any time/in the limited circumstances specified in the permanent Global Note/Certificate][(5)]
26	Financial Centre(s) (Condition 7[(h)]) or other special provisions relating to payment dates:	[*Give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(ii), 17(v) and 19(vii) relate*]
27	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
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 (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details*]
29	Details relating to Instalment Notes:	[Not Applicable/*give details*]
	(i) Instalment Amount(s):	[•]
	(ii) Instalment Date(s):	[•]
	(iii) Minimum Instalment Amount:	[•]
	(iv) Maximum Instalment Amount:	[•]
30	Redenomination, renominalisation and reconventioning provisions:	[Not Applicable/The provisions annexed to this Pricing Supplement apply]
31	Additional U.S. federal income tax considerations:	[Not Applicable/*give details*] [The Notes are [not] subject to U.S. federal withholding tax under Section 871(m).][(6)] [Additional information regarding the application of Section 871(m) to the Notes will be available at [•]]
32	Other terms or special conditions:	[Not Applicable/*give details*][(7)]

DISTRIBUTION

33	(i) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(ii) Date of Subscription Agreement:	[•]
	(iii) Stabilising Manager (if any):	[Not Applicable/*give name*]
34	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
35	U.S. Selling Restrictions:	[Reg. S Category 2; TEFRA D/TEFRA C/TEFRA Not Applicable]
36	Korean Selling Restrictions:	[20% Rule/20% Rule Not Applicable]
37	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.)*
38	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "CCIs" or the Notes do constitute "CCIs" and a disclosure document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "CCIs" and no disclosure document will be prepared in the UK, "Applicable" should be specified.)*
39	Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

40	ISIN Code:	[•]
41	Common Code:	[•]
42	LEI:	549300Q7SEZ32KPGBL06
43	Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
44	Delivery:	Delivery [against/free of] payment
45	Additional Paying Agents (if any):	[•]
46	Ratings	[•]

47	Hong Kong Securities and Futures Commission Code of Conduct		
	(i)	Rebates:	[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.]/[Not Applicable]
	(ii)	Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	[*Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – OCs to provide*]/[Not Applicable]
	(iii)	Marketing and Investor Targeting Strategy:	[As indicated in the Prospectus/*describe if different from the programme prospectus*]

[LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of the Notes described herein pursuant to the U.S.$2,000,000,000 Euro Medium Term Note Programme of KB Securities Co., Ltd. The Singapore Exchange Securities Trading Limited (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 the 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 recognised 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 Singapore Stock Exchange's website.][(8)]

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By: _____
Duly authorised

Notes:

(1) Notes [(including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and] which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the additional wording below.

€100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No notes in definitive form will be issued with a denomination above [€199,000]."

(2) Only relevant where corporate (or similar) authorisation is required for the particular tranche of Notes.

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

(4) Only to be completed for an issue where the Day Count Fraction is Actual/Actual-ICMA.

(5) If the temporary Global Note is exchangeable for definitive notes at the option of the holder, the Notes shall be tradeable only in amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) provided in paragraph 6 and multiples thereof.

(6) The Notes should not be subject to U.S. federal withholding tax under Section 871(m), if they (i) do not reference any U.S. equity or any index that contains any U.S. equity (ii) reference indices considered to be "qualified indices" for purposes of Section 871(m) or (iii) are Non-Delta Notes and are issued prior 1 January 2017 or Non-Delta-One Notes issued on or after 1 January 2018 that reference a U.S. equity or index that contains any U.S. equity are subject to additional testing on a trade-by-trade basis to determine whether they are Section 871(m) Notes.

(7) If full terms and conditions are to be used, please add the following here:

The full text of the Conditions which apply to the Notes [and which will be endorsed on the Notes in definitive form] are set out in [the Annex hereto], which Conditions replace in their entirety those appearing in the Prospectus for the purposes of these Notes and such Conditions will prevail over any other provision to the contrary."

The first set of bracketed words is to be deleted where there is a permanent global Note instead of Notes in definitive form. The full Conditions should be attached to and form part of the Pricing Supplement.

(8) 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 the SGX Sustainable Fixed Income initiative.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Company for general corporate purposes or as may otherwise be disclosed in the applicable Pricing Supplement.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the relevant Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "**Notes**" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are issued pursuant to an Agency Agreement (as amended or supplemented as at the Issue Date and from time to time thereafter, the "**Agency Agreement**") dated 12 June 2019 between KB Securities Co., Ltd. (the "**Issuer**"), The Bank of New York Mellon, London Branch as original fiscal agent, paying agent and calculation agent, The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar and transfer agent and the other agents named in it, as amended and supplemented by the first supplemental agency agreement dated 28 June 2021 among the Issuer, The Bank of New York Mellon, London Branch, as the original fiscal agent, paying agent and calculation agent, The Bank of New York Mellon SA/NV, Luxembourg Branch, as the original registrar and transfer agent, Citicorp International Limited, as successor fiscal agent (the "**Fiscal Agent**") and as successor registrar (the "**Registrar**") and Citibank N.A., London Branch as successor calculation agent (the "**Calculation Agent**"), a successor paying agent (the "**Paying Agent**") and as successor transfer agent (the "**Transfer Agent**") (such agents together being referred to as the "**Agents**") and the second supplemental agency agreement dated 15 October 2021 made between the parties thereto, and with the benefit of a Deed of Covenant (as amended or supplemented as at the Issue Date, the "**Deed of Covenant**") dated 12 June 2019 executed by the Issuer in relation to the Notes. The Noteholders (as defined in Condition 1), the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used in these terms and conditions (the "**Conditions**"), "**Tranche**" means Notes which are identical in all respects.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during usual business hours upon prior written request and proof of satisfaction of holding at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

1 Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Variable Rate Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be, and may be treated as, its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate), and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be), and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 No Exchange of Notes and Transfers of Registered Notes

(a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Noteholders. A copy of the current regulations will be made available during usual business hours by the Registrar to any Noteholder upon prior written request and proof of satisfaction of holding.

Transfers of interests in the Notes evidenced by Global Certificates will be effected in accordance with the rules of the relevant clearing systems.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered

Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) **Transfer Free of Charge:** Transfers of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require).

(f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

3 Status

Status of Notes: The Notes and the Receipts and Coupons relating to them constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

4 Negative Pledge

Negative Pledge: So long as any Note or Coupon remains outstanding (as defined in the Agency Agreement) the Issuer will not, and will ensure that none of its Subsidiaries will create, or have outstanding any Security Interest, other than any Permitted Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness without at the same time or prior thereto according to the Notes and the

Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

In this Condition 4:

(i) "**Permitted Security Interest**" means: (1) any Security Interest existing as of the Issue Date, (2) any Security Interest existing on any assets or property prior to the acquisition thereof by the Issuer or any of its Subsidiaries or arising after such acquisition pursuant to contractual commitments entered into prior to and not in contemplation of such acquisition; (3) any Security Interest on any assets or property securing Relevant Indebtedness incurred or assumed for the purpose of financing the purchase price thereof or the cost of construction, improvement or repair of all or any part thereof, provided that such Security Interest attaches to such assets or property concurrently with or within 12 months after the acquisition thereof or completion of construction, improvement or repair thereof; (4) any Security Interest existing on any assets or property of any Subsidiary prior to the time such Subsidiary becomes a Subsidiary of the Issuer or arising after such time pursuant to contractual commitments entered into prior to and not in contemplation thereof; (5) any Security Interest securing Relevant Indebtedness owing to the Issuer or to a Subsidiary; and (6) any Security Interest arising out of the refinancing, extension, renewal or refunding of any Relevant Indebtedness secured by any Security Interest permitted by any of the foregoing paragraphs, provided that such Relevant Indebtedness is not increased and is not secured by any additional property;

(ii) "**Relevant Indebtedness**" means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities (but excluding for the avoidance of doubt, instruments commonly referred to as transferable loan certificates) which (a) either are by their terms payable, or confer a right to receive payment, in any currency other than Korean Won or are denominated in Korean Won and more than 50 per cent. of the aggregate principal amount thereof is initially distributed outside the Republic of Korea ("**Korea**"); (b) for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market outside Korea and (c) are not (i) securities issued in accordance with a securitisation plan pursuant to the Act on Asset-Backed Securitisation Act of Korea (or other similar laws of Korea); (ii) securities or instruments serviced primarily by the cash flows of a discrete pool of receivables or other financial assets, either fixed or revolving, that by their terms convert into cash within a finite period and which are commonly regarded as asset-backed securities; or (iii) derivatives linked securities as defined in the Financial Investment Services and Capital Markets Act of Korea;

(iii) "**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction; and

(iv) "**Subsidiary**" means, at any particular time, a company which is then directly or indirectly controlled, or more than 50 per cent of whose issued equity share capital (or equivalent) is then beneficially owned, by the Issuer and/or one or more of its Subsidiaries; provided that any collective investment scheme (as defined in the Financial Investment Services and Capital Markets Act of Korea) and/or any special purpose company in an asset-backed securitisation transaction, whether being established onshore or offshore, shall not constitute a Subsidiary. For a company to be ''controlled'' by another means that the other (whether directly or indirectly and whether by the ownership of share capital, the possession of voting

power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that company or otherwise controls or has the power to control the affairs and policies of that company.

5 Interest and other Calculations

(a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(g).

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

(i) *Interest Payment Dates:* Each Floating Rate Note, Index Linked Interest Note and Variable Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(g). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the calculation agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the calculation agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon;

(y) the Designated Maturity is a period specified hereon; and

(z) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the Euro-zone inter-bank offered rate ("**EURIBOR**") or on the Hong Kong inter-bank offered rate ("**HIBOR**") for a currency, 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 Condition 5(b)(iii)(A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Euro-zone**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes – Term Rates

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, and unless the Reference Rate in respect of the relevant Series of Floating Rate Notes is specified hereon as being SOFR Benchmark, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean 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 or Hong Kong time, in the case of HIBOR) on the Interest Determination Date in question as determined by the Calculation 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 Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than EURIBOR or HIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

(y) if the Relevant Screen Page is not available or, if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Issuer shall request the principal Euro-zone office (in the case of EURIBOR) or the principal Hong Kong office (in the case of HIBOR) of each of the Reference Banks, to provide the Calculation 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 or Hong Kong time, in the case of HIBOR) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such

offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation 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 or Hong Kong time, in the case of HIBOR) 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) or the Hong Kong inter-bank market (if the Reference Rate is HIBOR) or, if fewer than two of the Reference Banks provide the Calculation 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 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 or Hong Kong time, in the case of HIBOR), 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 Calculation Agent it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Hong Kong inter-bank market (if the Reference Rate is HIBOR), 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 or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Linear Interpolation: Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual 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 hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon 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 Accrual 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 Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Issuer (acting in good faith and in a commercially reasonable manner, and in consultation with an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer) shall determine 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.

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

Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined where the Reference Rate is SOFR Benchmark, 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) in accordance with Condition 5(f), 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(k) as further specified hereon):

(1) If Compounded Daily SOFR ("**Compounded Daily SOFR**") is specified hereon 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 hereon to determine Compounded Daily SOFR) or the SOFR Observation Period (where SOFR Observation Shift is specified hereon 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 hereon:

(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:

$SOFR_{i-xUSBD}$ 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 hereon;

"**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 in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period (each a "**U.S. Government Securities Business Day** "**i**""); and

"**n_i**" for any U.S. Government Securities Business Day "i", 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.

(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 Period Date for such Interest Period;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified hereon;

"**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 do, representing each U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each a "**U.S. Government Securities Business Day** "**i**""); and

"**n_i**" for any U.S. Government Securities Business Day "i", 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.

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

"**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 provision:

(i) the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;

(ii) if the reference rate specified in paragraph (i) 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

(iii) if the reference rate specified in paragraph (i) 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(k) shall apply; and

"**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 ("**SOFR Index**") is specified hereon, 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)(iii)(D)(1)(B) "SOFR Observation Shift", and the term "SOFR Observation Shift Days" shall be specified in the applicable Pricing Supplement; 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(k) shall apply;

"**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 in the applicable Pricing Supplement prior to the Interest Period Date for such Interest Period (or in the final Interest Period, the Maturity Date);

"**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 Period Date for such Interest Period;

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

"$\mathbf{d_c}$" 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)(iii)(D):

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, the date specified hereon 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 (currently, being https://www.newyorkfed.org/markets/reference-rates/sofr-averages-and-index), or any successor source;

"**SOFR Benchmark Replacement Date**" means the Benchmark Replacement Date with respect to the then-current 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.

(3) If the Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified hereon, be deemed to be the date on which the Notes became due and payable and the Rate of Interest on the Notes shall, for so long as the Notes remain outstanding, be that determined on such date.

(iv) *Rate of Interest for Index Linked Interest Notes or Variable Rate Notes:* The Rate of Interest in respect of Index Linked Interest Notes or Variable Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(d) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(e) **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 hereon.

(f) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding**:

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin subject always to paragraph (ii) below.

(ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(g) **Calculations:**

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 for any Interest Accrual Period shall be calculated in respect of any period by applying the Rate of Interest to:

(i) in the case of 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

(ii) in the case of 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 Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such 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.

(h) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(i) **Determination and Publication of Rates of Interest and Interest Amounts**: The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(k) **Benchmark Discontinuation (SOFR)**: The following provisions shall apply if Benchmark Discontinuation (SOFR) is specified hereon.

(a) **Benchmark Replacement**

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

(b) **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 from time to time. For the avoidance of doubt, any of the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required to give effect to this Condition 5(k). 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 Registrar or the Transfer Agents 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.

(c) **Decisions and Determinations**

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 5(k), 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.

(d) **Certain Defined Terms**

As used in this Condition 5(k):

"**Benchmark**" means, initially, the relevant SOFR Benchmark specified hereon; 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 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 determine 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.

(l) **Benchmark Discontinuation (General)**: The following provisions shall apply if Benchmark Discontinuation (General) is specified hereon.

(a) **Independent Adviser**

If a Benchmark Transition Event occurs 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 an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(l)(b)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5(l)(d)). In making such determination, the Independent Adviser appointed pursuant to this Condition 5(l) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, or the Noteholders for any determination made by it, pursuant to this Condition 5(l).

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(l)(a) 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(l)(a).

(b) **Successor Rate or Alternative Rate**

If the Independent Adviser, determines that:

(i) 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(l)); or

(ii) 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(l)).

(c) **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.

(d) **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(l) and the Independent Adviser determines (i) that amendments to these Conditions and/or the Agency Agreement 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(l)(e), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this Condition 5(l), the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 5(l) which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, 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 or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 5(l)(d), the Issuer shall comply with the rules of any stock exchange on which the Floating Rate Notes are for the time being listed or admitted to trading.

(e) **Notices, etc.**

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5(l) will be notified at least 10 business days prior to the relevant Interest Determination Date by the Issuer to the

Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 14, 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 Fiscal Agent, the Calculation Agent and the Paying Agents a certificate signed by two directors of the Issuer:

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

(ii) 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 Fiscal Agent, the Calculation Agent and the Paying Agents 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 Fiscal Agent's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

Notwithstanding any other provision of this Condition 5(l), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5(l), 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, wilful 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, wilful default or fraud) shall not incur any liability for not doing so.

(f) **Survival of Original Reference Rate**

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

(g) **Definitions**

As used in this Condition 5(l):

"**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 (if the Independent Adviser determines that no such spread is customarily applied);

(C) 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(l)(b) 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(l)(d);

"**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 Fiscal Agent, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Fiscal Agent, the Calculation Agent nor the Paying Agents 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(l)(a);

"**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.

(m) **Definitions**: In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or

(ii) in the case of euro, a day on which the T2 is open for settlement of payments in euro (a "**TARGET Business Day**"); and/or

(iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual – ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365;

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

(iv) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$(1)\quad \text{Day Count Fraction} = \frac{(2)\quad [360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{(3)\qquad (4)\quad 360}$$

where:

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

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "**30E/360**" **or** "**Eurobond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{(5) Day Count Fraction} = \frac{\text{(6) } [360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{\text{(7)}}$$

(8) 360

where:

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

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31, in which case D_2 will be 30.

(vii) if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Calculation 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 Calculation Period falls;

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

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

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

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation 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

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(viii) if "**Actual/Actual-ICMA**" is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**Interest Accrual Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Period Date and each successive period beginning on and including an Interest Period Date and ending on but excluding the next succeeding Interest Period Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"**Interest Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date unless otherwise specified hereon.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified hereon.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"**Reference Banks**" means those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page, in each case selected and appointed by the Issuer and notify to the Calculation Agent or as specified hereon.

"**Reference Rate**" means the rate specified as such hereon.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of a particular information service).

"**Specified Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor thereto.

6 Redemption, Purchase and Options

(a) **Redemption by Instalments and Final Redemption:**

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) **Early Redemption:**

(i) *Zero Coupon Notes:*

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c), Condition 6(d) or Condition 6(e) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c), Condition 6(d) or Condition 6(e) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue.

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c), Condition 6(d) or Condition 6(e) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Variable Rate Note) or, at any time, (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Variable Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Republic of Korea ("**Korea**") (in the case of payment by the Issuer) 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, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that 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 6(c), the Issuer shall deliver to the Fiscal Agent a certificate signed by two Directors 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.

(d) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem, all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to the date fixed for

redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(e) **Redemption at the Option of Noteholders:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

(g) **Purchases:** The Issuer and its Subsidiaries as defined in the Agency Agreement may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(h) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7 Payments and Talons

(a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to T2.

(b) **Registered Notes:**

(i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

(c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments Subject to Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment

of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) **Unmatured Coupons and Receipts and unexchanged Talons:**

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index linked Notes), those Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it,

as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centres**" hereon and:

(i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in euro) which is a TARGET Business Day.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Korea or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Korea other than the mere holding of the Note, Receipt or Coupon; or

(b) **Lawful avoidance of withholding:** to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it), Receipt or Coupon is presented for payment; or

(c) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.

Notwithstanding any other provision contained herein, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a "**FATCA Withholding Tax**"), and neither the Issuer nor any other person will be required to pay additional amounts on account of any FATCA Withholding Tax.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition.

9 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

If any of the following events ("**Events of Default**") occurs, the holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable, unless such event of default shall have been remedied prior to the receipt of such notice by the Fiscal Agent:

(a) **Non-Payment**: default is made for more than 15 days (in the case of interest) or 10 days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes; or

(b) **Breach of Other Obligations**: the Issuer does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or is not remedied within 30 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder; or

(c) **Cross-Default**: (A) any other present or future indebtedness of the Issuer or any of its Subsidiaries (as defined in the Agency Agreement) for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (C) the Issuer or any of its Subsidiaries fails to pay

when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds U.S.$20,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates); or

(d) **Enforcement Proceedings**: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Subsidiaries and is not discharged or stayed within 60 days; or

(e) **Cessation of Business***:* the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business save for the purposes of, or pursuant to and followed by, a consolidation, amalgamation, merger or reorganisation the terms of which shall have previously been approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders; or

(f) **Security Enforced**: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person); or

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

(h) **Winding-up**: an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or any of its Subsidiaries, or the Issuer or any of its Subsidiaries shall apply or petition for a winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threaten to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders or (ii) in the case of a Subsidiary, whereby the undertaking and assets of the Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries; or

(i) **Illegality**: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes; or

(j) **Analogous Events**: any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

11 Meeting of Noteholders and Modifications

(a) **Meetings of Noteholders:** The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being

outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) **Modification of Agency Agreement**: The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so would not be materially prejudicial to the interests of the Noteholders. Any determination as to material prejudice applying to the interests of the Noteholders pursuant to these Conditions (including this Condition 11(b)) shall be made by the Issuer and none of the Agents shall have any responsibility or liability whatsoever with respect to such determination. Any modification shall be binding on the Noteholders and shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 14.

12 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as

the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in these Conditions to "Issue Date" shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly.

14 Notices

Notices required to be given to the holders of Registered Notes pursuant to the Conditions shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices required to be given to the holders of Bearer Notes pursuant to the Conditions shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). So long as the Notes are listed and/or admitted to trading, notices required to be given to the holders of the Notes pursuant to the Conditions shall also be published (if such publication is required) in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are listed/and or admitted to trading. If any such publication is not practicable, notice required to be given pursuant to the Conditions shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

15 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

16 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

17 Governing Law and Jurisdiction

(a) **Governing Law:** The Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction:** The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings 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).

(c) **Service of Process:** The Issuer irrevocably appoints Law Debenture Corporate Services Limited of Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

CAPITALISATION

The following table sets out the Company's capitalisation, consisting of debt (consisting of borrowings) and equity, as of 30 June 2026. This information has been derived from the unaudited interim consolidated statements of financial position as of 30 June 2026 included elsewhere in this Prospectus.

The table below should be read in conjunction with the Company's unaudited interim consolidated financial statements, including the notes thereto, included elsewhere in this Prospectus.

	As of 30 June 2026
	(in billions of Won)
Debt:	
Borrowings	₩ 44,471.2
Total debt	44,471.2
Equity:	
Share capital	1,659.8
Hybrid securities	756.1
Other paid-in capital	2,011.7
Retained earnings	3,557.9
Other components of equity	200.0
Non-controlling interests	34.9
Total equity	8,220.4
Total capitalisation[(1)]	₩ 52,691.6

Note:

(1) Total capitalisation is defined as total debt plus total equity.

SELECTED CONSOLIDATED FINANCIAL DATA

The following tables set forth selected consolidated financial data with respect to the Company. The selected consolidated financial information set forth below as of and for the years ended 31 December 2024 and 2025 have been derived from the Company's audited consolidated financial statements and related notes, which have been prepared in accordance with K-IFRS. The selected consolidated financial information set forth below as of 30 June 2026 and for the six months ended 30 June 2025 and 2026 have been derived from the Company's unaudited interim consolidated financial statements and related notes which have been prepared in accordance with K-IFRS 1034 Interim Financial Reporting.

	As of 31 December		As of 30 June
	2024	2025	2026
		(in billions of Won)	
Consolidated Statement of Financial Position:			
Assets			
Cash and deposits	3,322.5	4,106.6	8,178.2
Financial assets at fair value through profit or loss	37,098.0	42,787.5	52,154.2
Derivative financial assets	1,394.2	1,614.6	3,355.3
Financial assets at fair value through other comprehensive income	6,485.3	9,463.7	8,486.7
Investments in associates	417.8	524.8	513.5
Financial assets measured at amortised cost	10,605.8	10,648.3	12,144.4
Property and equipment	264.6	246.1	243.5
Investment properties	419.5	112.3	97.3
Intangible assets	270.0	247.7	276.4
Current tax assets	6.8	7.3	7.2
Deferred tax assets	101.2	1.0	1.6
Other financial assets	2,813.8	6,324.0	16,994.3
Other assets	191.1	391.0	353.5
Total assets	63,390.5	76,474.9	102,806.1
Liabilities			
Deposit liabilities	7,725.9	12,110.8	16,775.1
Financial liabilities at fair value through profit or loss	10,568.6	10,907.2	11,131.2
Derivative financial liabilities	1,924.2	2,088.3	4,382.5
Borrowings	33,454.6	37,823.4	44,471.2
Current tax liabilities	2.1	3.5	4.0
Net defined benefit liabilities	68.7	78.1	68.2
Deferred tax liabilities	–	83.1	188.8
Other provisions	137.6	110.1	76.3
Other financial liabilities	2,210.5	5,861.1	17,041.2
Other liabilities	410.2	512.5	447.4
Total liabilities	56,502.2	69,578.2	94,585.8
Equity			
Equity attributable to owners of parent			
Share capital	1,493.1	1,493.1	1,659.8
Hybrid securities	756.1	756.1	756.1
Other paid-in capital	1,479.3	1,479.3	2,011.7
Retained earnings	2,709.8	2,776.1	3,557.9
Other components of equity	366.9	359.3	200.0
Non-controlling interests	83.1	32.8	34.9
Total equity	6,888.3	6,896.7	8,220.4
Total liabilities and equity	63,390.5	76,474.9	102,806.1

	For the Year Ended 31 December		For the Six Months Ended 30 June	
	2024	2025	2025	2026
	(in billions of Won)			
Consolidated Statement of Comprehensive Income				
Operating income				
Fee and commission income	996.1	1,218.6	524.6	1,398.6
Gain on valuation and disposal of financial instruments	6,736.7	9,688.0	3,998.2	16,913.2
Interest income	1,786.5	1,767.6	887.8	924.6
Gain on valuation and disposal of financial assets measured at amortised costs	93.2	7.9	4.7	64.9
Foreign exchange gain	1,003.3	1,197.5	669.0	1,109.9
Miscellaneous other operating income	216.2	268.5	120.6	217.7
	10,832.0	14,148.2	6,204.8	20,628.9
Operating expense				
Fee and commission expense	224.2	277.5	121.5	250.6
Loss on valuation and disposal of financial instruments	6,596.6	9,426.4	3,742.4	16,783.2
Interest expense	1,179.2	1,132.6	561.7	611.7
Loss from financial instruments at amortised cost	145.6	175.8	86.4	114.0
Foreign exchange loss	855.3	1,101.8	678.3	1,022.4
Selling, general and administrative expense	980.6	1,070.7	537.3	753.4
Miscellaneous other operating expense	69.8	51.9	34.4	39.9
	10,051.2	13,236.7	5,762.2	19,575.1
Operating profit	780.8	911.6	442.7	1,053.7
Non-operating Income	80.0	112.9	42.9	55.2
Non-operating expense	112.1	117.6	25.0	28.9
Profit before income tax	748.6	906.9	460.5	1,080.0
Income tax expense	158.3	224.5	118.2	279.0
Profit (loss)	590.4	682.4	342.4	801.0
Profit attributable to:				
Shareholders of the Parent Company	591.2	679.7	341.6	799.0
Non-controlling interests	(0.8)	2.6	0.8	2.0
Profit (loss)	590.4	682.4	342.4	801.0
Other comprehensive income, net of tax				
Items that will not be reclassified to profit or loss				
Other comprehensive income, net of tax, change in fair value of investments in equity instruments	8.8	67.2	28.6	(56.1)
Fair value changes on financial liabilities designated at fair value due to own credit risk	(5.5)	(3.2)	(10.7)	1.7
Remeasurements of net defined benefit liabilities	(4.7)	(6.2)	(0.0)	1.1
Other comprehensive income, net of tax, gains (losses) on revaluation of property, plant and equipment	–	(0.9)	–	–
Items that may be subsequently reclassified to profit or loss				
Gains (Losses) on valuation of debt instrument at fair value through other Comprehensive income	(2.0)	(38.4)	(3.0)	(131.6)
Share of other comprehensive income(loss)	6.5	(0.8)	1.2	(5.7)
Gains (Losses) on hedge of net investments in foreign operations	(21.7)	6.0	16.6	(9.0)
Exchange difference on translation of foreign operations	66.4	(27.9)	(61.9)	42.5
Total comprehensive income for the period attributable to:				
Shareholders of the Parent Company	637.0	677.3	315.0	641.7
Non-controlling interest	1.3	1.0	(1.8)	2.1

	For the Year Ended 31 December		For the Six Months Ended 30 June	
	2024	2025	2025	2026
	(in billions of Won)			
Cash flows from (used in) operating activities				
Cash generated from operating activities				
Profit (loss)	590.4	682.4	342.4	801.0
Adjustment for non-cash items	(235.4)	(927.9)	(365.3)	(2,984.5)
Changes in operating assets and liabilities	(1,481.8)	(511.5)	1,609.9	(4,311.6)
	(1,126.9)	(757.0)	1,587.0	(6,495.1)
Interest received	1,723.5	1,730.1	877.7	909.8
Interest paid	(1,162.0)	(1,129.9)	(571.1)	(628.5)
Dividends received	87.2	102.8	62.8	78.6
Income taxes paid	(265.4)	(248.9)	(114.1)	20.6
Net cash used in operating activities	(743.6)	(302.9)	1,842.2	(6,114.6)
Cash flows from (used in) investing activities				
Decrease in long-term deposit held by bank	4.9	(65.6)	(64.5)	27.0
Acquisition of financial assets at fair value through other comprehensive income	(5,810.5)	(11,735.3)	(7,375.2)	(2,309.8)
Disposal of financial assets at fair value through other comprehensive income	4,537.5	8,826.6	5,503.0	3,067.1
Acquisition of financial assets measured at amortised cost	–	–	–	(37.0)
Purchase of interests in investments accounted for using equity method	(189.7)	(216.9)	(109.1)	(57.4)
Proceeds from sales of investments accounted for using equity method	39.0	67.6	40.8	56.3
Cash flows used in obtaining control of subsidiaries or other businesses, classified as investing activities	–	(9.5)	(59.9)	(11.3)
Cash flows from losing control of subsidiaries or other businesses, classified as investing activities	4.9	(55.4)	–	9.3
Acquisition of property and equipment	(29.6)	(25.3)	(11.9)	(8.8)
Disposal of property and equipment	0.9	30.1	0.5	0.6
Acquisition of intangible assets	(64.2)	(57.4)	(31.0)	(71.8)
Disposal of intangible assets	11.6	1.5	0.8	2.8
Proceeds from sales of investment property	–	1.5	–	–
Others	(0.1)	(0.0)	–	–
Net cash provided by (used in) investing activities	(1,495.3)	(3,238.2)	(2,106.6)	667.0
Cash flows from (used in) financing activities				
Increase(decrease) in borrowings	1,685.0	2,861.4	(116.5)	5,480.8
Issuance in debentures	1,658.7	2,000.0	1,400.0	1,440.0
Repayments in debentures	(810.0)	(831.9)	(570.9)	(1,080.2)
Increase in guarantee deposits as financial activities	(0.6)	0.5	0.4	(0.0)
Dividends paid	(150.0)	(580.0)	(280.0)	–
Redemption of principal elements of lease payments	(46.5)	(38.3)	(21.4)	(20.7)
Issuance of hybrid securities	130.0	–	–	–
Dividends of hybrid securities	(42.7)	(38.6)	(19.3)	(19.3)
Issuance of shares	–	–	–	699.1
Increase in other liabilities	(32.7)	16.7	8.0	(155.1)
Net cash provided by financing activities	2,391.3	3,389.7	400.2	6,344.5
Effect of exchange rate changes on cash and cash equivalents	16.0	1.2	(12.2)	17.9
Net increase in cash and cash equivalents	168.3	(150.2)	123.6	914.9
Cash and cash equivalents at beginning of the period	614.8	783.1	783.1	632.9
Cash and cash equivalents at end of the period	783.1	632.9	906.7	1,547.7

DESCRIPTION OF THE COMPANY

Overview

The Company is one of Korea's leading financial institutions and was established on June 1, 1962, under the name of Kookil Securities Co., Ltd. On September 30, 1975, the Company's shares were listed on the Korean Exchange (003450.KS), and on June 5, 1986, the Company changed its name to Hyundai Securities Co., Ltd. The Company became a wholly owned subsidiary of KB Financial Group Inc., on 19 October 2016, through a comprehensive exchange of shares. Accordingly, as of the date of this Prospectus, KB Financial Group Inc. ("**KB Financial Group**") owns 100 per cent. of ordinary shares of the Company. The Company merged with KB Investment & Securities Co., Ltd. ("**KB Investment & Securities**") on 30 December 2016 as a surviving company and changed its name to KB Securities Co., Ltd.

The Company engages in the following businesses: investment trading, investment brokerage, investment advisory, discretionary investment, trust, general private collective investment management, financial investment and other ancillary businesses for individual and corporate customers pursuant to the FSCMA.

The Company's headquarters is located in Korea. As of the date of this Prospectus, the Company carried out its business activities through its global network comprising 74 domestic branches (61 branches, 13 sub-branches), 2 representative offices (in Shanghai and Mumbai) and 4 overseas subsidiaries and had approximately 2,977 employees, the majority of whom were located in Korea. The Company's global operations span 6 countries, including Hong Kong, the PRC, the United States, Vietnam, Indonesia and India with approximately 794 employees engaged in investment banking, global stock brokerage and sales, underwriting, overseas fund sourcing, bond management, real estate and equity fund product sales. The Company has set up specialisation strategies customised to the unique regional characteristics to sharpen our competitive edge in the global market and utilises its competitive business portfolio and financial experts to generate synergy with other KB Financial Group affiliates in order to guarantee optimal investment solutions tailored to its clients' needs.

The Company generates its revenue primarily through the following four reportable operating business segments and prepares its segment reporting information accordingly for the purposes of resource allocation and assessment of each segment's performance:

- *Wealth Management:* provides tailored financial products and services, stable asset management, and stock trading services for corporations, institutions and retail investors;

- *Investment Banking:* conducts corporate finance businesses such as initial public offerings ("**IPOs**"), rights offerings and issuance of corporate bonds as well as other services including those related to structured finance, corporate loans, underwriting (M&A), Social Overhead Capital ("**SOC**"), project financing and real estate development;

- *Trading*: issues a wide range of profitable derivatives-linked securities for retail and institutional investors and executes intermediary and trading services involving bond products, such as brokerage services for domestic and overseas bonds and bond products for asset management and wealth management; and

- *Other Services:* provides other services and support services, including operational advisory and financial products for pension funds, general corporate holdings, short-term finance services, Outsourced Chief Investment Officer ("**OCIO**") services and prime brokerage services.

For the financial year ended 31 December 2025, the Company's consolidated operating income was Won 14,148.2 billion and consolidated operating profit was Won 911.6 billion, compared to Won 10,832.0 billion and Won 780.8 billion for the financial year ended 31 December 2024, an increase of 30.6 per

cent. and an increase of 16.8 per cent., respectively. For the six months ended 30 June 2026, the Company's consolidated operating income was Won 20,628.9 billion and consolidated operating profit was Won 1,053.7 billion, compared to Won 6,204.8 billion and Won 442.7 billion for the six months ended 30 June 2025, an increase of 232.5 per cent. and an increase of 138.0 per cent., respectively.

History of the Company

Set out below is a summary of the history of the Company:

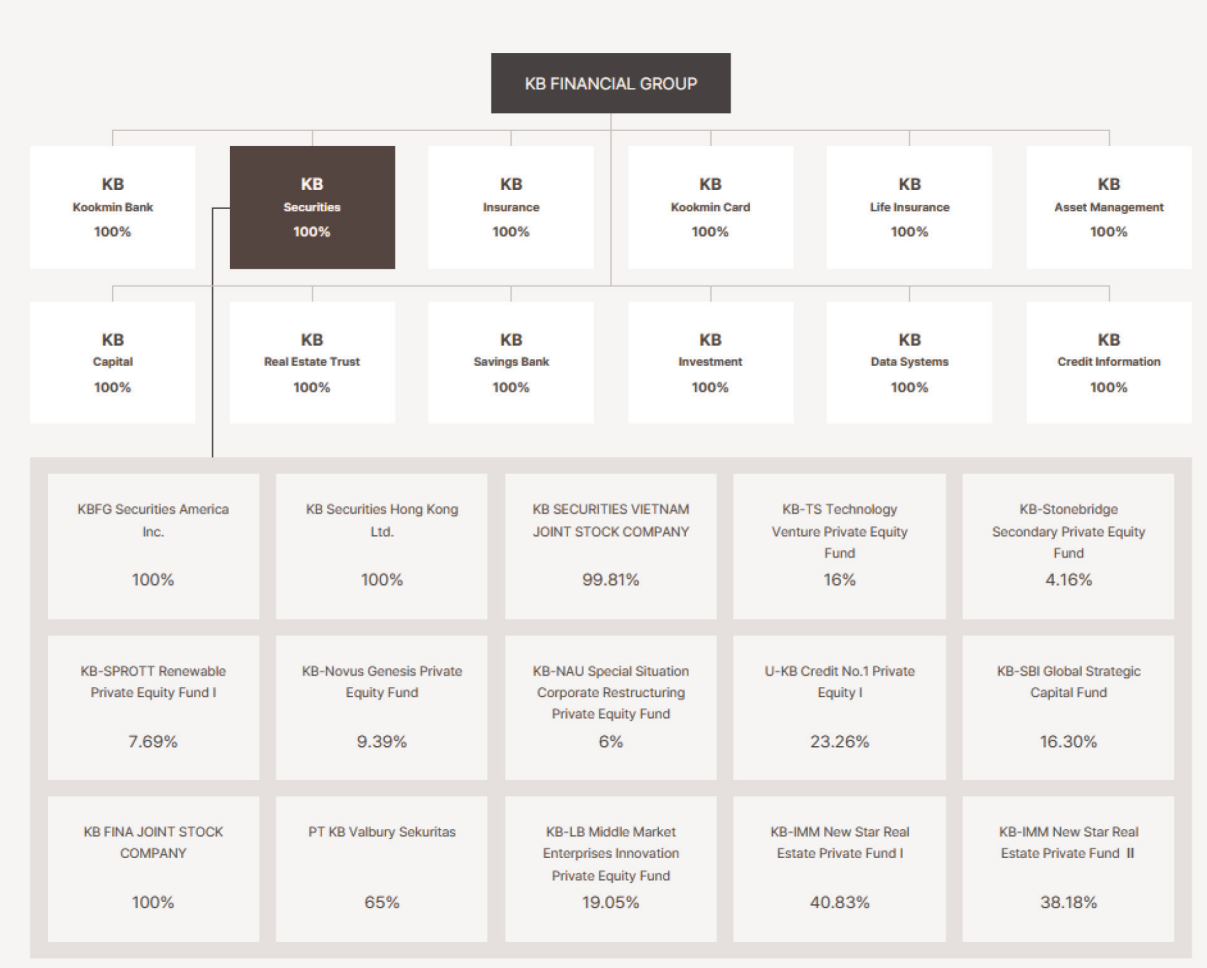
1962	Kookil Securities Co., Ltd. ("**Kookil Securities**") was founded.
1975	Kookil Securities was listed on the Korea Exchange.
1977	Kookil Securities was incorporated into Hyundai Group.
1986	Kookil Securities was renamed as Hyundai Securities Co., Ltd. ("**Hyundai Securities**").
1988	Opened New York office of Hyundai Securities (first overseas entry).
1995	Established Yonhap S.B. Securities Co., Ltd.
1997	Hyundai Securities was renamed as Hannuri Investment & Securities Co., Ltd.
1999	Exceeded assets under management of Won 30 trillion for the first time in the industry.
2009	Launched Hyundai Asset Management Co., Ltd.
2011	Merged with KB Futures Co., Ltd. Acquired Hyundai Savings Bank Co., Ltd.
2016	Incorporated into KB Financial Group Inc. as a wholly-owned subsidiary. Launched KB Securities Co., Ltd. via merger between Hyundai Securities and KB Investment & Securities Co., Ltd.
2017	Sold off Hyundai Savings Bank Co., Ltd. Acquired Maritime Securities Inc. in Vietnam. Sold off Hyundai Asset Management Co., Ltd.
2018	Relocated to the K Tower Building in Yeouido, Yeongdeungpo-gu.
2019	Jeong-rim Park and Seong-hyun Kim appointed co-CEOs.
2020	Established KB FINA Joint Stock Company in Vietnam.
2022	Incorporated PT KB Valbury Sekuritas (now PT KB Securities Indonesia) as a wholly-owned subsidiary in Indonesia.
2024	PT Valbury Capital Management transferred to KB Asset Management.
2025	Registered as a general private collective investment manager.
2026	Hong Ku Lee reappointed as co-CEO and Jin Doo Kang appointed as co-CEO.

Merger between Hyundai Securities Co., Ltd. and KB Investment & Securities Co., Ltd.

On 15 December 2016, our shareholders voted to approve a merger between Hyundai Securities and KB Investment & Securities Co., Ltd. through extraordinary meetings of shareholders held at each headquarters of both companies. The merger was completed on 30 December 2016 and KB Securities Co., Ltd. was launched to be one of Korea's largest investment banks with an equity capital of Won 4.14 trillion.

Corporate Structure

The following is a diagrammatic illustration of the shareholding and the corporate structure of the Company:



Subsidiaries of the Company

An overview of each of the Company's key subsidiaries is set out below:

- *KBFG Securities America Inc.* was established on 26 March 1996 to engage primarily in brokerage services tailoring to U.S. investors and provides information on Korean companies to clients. The company is located in New York, United States. As of 30 June 2026, the company is 100 per cent. owned by the Company with capital stock of U.S.$30,000,000.

- *KB Securities Hong Kong Ltd.* (formerly Hyundai Securities Asia Ltd.) was established on 22 January 1997 and is engaged in securities brokerage, dealing, and underwriting services tailoring to clients in Asia. The company changed its name from Hyundai Securities Asia Ltd. to KB Securities Hong Kong Ltd. on 31 December 2016. As of 30 June 2026, the company is 100 per cent. owned by the Company with capital stock of U.S.$175,000,000.

- *KB Securities Vietnam Joint Stock Company* (formerly Maritime Securities Inc.) was incorporated into the Company on 9 November 2017 and provides brokerage, proprietary trading, underwriting and investment banking advisory services. Its brokerage services for private clients include opening securities accounts, brokerage trading of listed and over-the-counter securities, performing bond brokerage transactions (listed and unlisted), dealer auctions and IPOs. The company changed

its name from Maritime Securities Inc. to KB Securities Vietnam Joint Stock Company on 17 January 2018. As of 30 June 2026, the company is 99.81 per cent. owned by the Company with capital stock of VND30,307,360,000.

- *PT KB Securities Indonesia* (formerly PT KB Valbury Sekuritas) was incorporated on 14 February 2022 as a wholly-owned securities subsidiary of the Company in Indonesia. It provides brokerage and investment advisory services to retail and institutional investors across Indonesia through its network of 15 domestic branches. As of 30 June 2026, the company is 65 per cent. owned by the Company with the capital stock of IDR403,846,000,000.

Business Activities

The Company generates its revenue primarily through four principal business segments: (1) Wealth Management, (2) Investment Banking, (3) Trading, and (4) Other Services. To support these business segments, the Company has established finance, internal audit, legal, compliance and dealing and operations teams. The following tables set forth the breakdown of the Company's revenue by business segments and their respective percentages of contribution to operating profit (loss) of the Company for the years ended 31 December 2024 and 2025, and for the six months ended 30 June 2025 and 2026:

	For the year ended 31 December 2024		For the year ended 31 December 2025	
	Amount	Percentage	Amount	Percentage
	(in billions of Won)	*(%)*	*(in billions of Won)*	*(%)*
Operating profit	780.8	100.0	911.6	100.0
of which				
Wealth Management	329.3	42.2	543.4	59.6
Investment Banking	187.0	23.9	116.2	12.7
Trading	36.0	4.6	42.5	4.7
Other Services	228.5	29.3	209.5	23.0

	For the Six Months ended 30 June 2025		For the Six Months ended 30 June 2026	
	Amount	Percentage	Amount	Percentage
	(in billions of Won)	*(%)*	*(in billions of Won)*	*(%)*
Operating profit	442.7	100.0	1,053.7	100.0
of which				
Wealth Management	214.6	48.5	836.7	79.4
Investment Banking	100.3	22.7	5.1	0.5
Trading	40.0	9.0	50.5	4.8
Other Services	87.8	19.8	161.4	15.3

Wealth Management

The Company provides comprehensive wealth management services through global asset allocation to meet the individual needs and preferences of its clients, including retail investors, corporations, and institutions. The Company's Wealth Management Investment Product Group develops optimised portfolios and products comprising, among others, domestic and international equities, securities, derivatives, ELS, derivative-linked securities ("**DLS**") and wrap accounts, which are offered to customers through the Company's online channels, its 74 domestic branches and its partnership with KB Kookmin Bank. The Wealth Management segment comprises the WM Business Group, the Digital Business Group, the Product Strategy Group and the Pension Group. Its principal revenue streams include management fees, performance fees, trading and handling fees and placement fees.

As of 30 June 2026, in response to the accelerating shift in money flows, the Company continues to strive to expand its dominance in the brokerage market and drive qualitative growth in its Wealth Management business.

The Company's Wealth Management segment serves more than 9.6 million clients, delivering tailored asset management solutions that integrate professional financial advisory services, a broad range of investment products, and a cutting-edge digital wealth management platform.

The Company offers a comprehensive product portfolio spanning both public and private market investment products, including funds, wrap accounts, bonds, individual savings accounts (ISA), and cash management accounts (CMA), among others. These products are designed to meet the diverse investment objectives and risk appetites of the Company's clients.

The Company further provides comprehensive financial advisory services through its team of experienced wealth management specialists, covering real estate advisory, tax advisory, and holistic portfolio management. Clients may access the Company's services conveniently at any time through the Company's nationwide branch network and a range of digital channels, including its Mobile Trading System (MTS).

The tables below set forth highlights of the Wealth Management segment's operating results for the years ended 31 December 2024 and 2025 and for the six months ended 30 June 2025 and 2026:

	For the year ended 31 December	
	2024	**2025**
	(in billions of Won)	
Operating income	5,125.8	7,811.2
Operating expense	4,796.4	7,267.8
Operating profit (loss)	329.3	543.4
Non-operating income (expense)	(58.6)	(16.8)
Profit before income tax	270.7	526.6
Income tax expense	–	–
Profit (loss) for the year	270.7	526.6

	For the six months ended 30 June	
	2025	**2026**
	(in billions of Won)	
Operating income	2,897.4	12,220.4
Operating expense	2,682.8	11,383.7
Operating profit (loss)	214.6	836.7
Non-operating income (expense)	(2.6)	15.5
Profit before income tax	212.0	852.2
Income tax expense	–	–
Profit (loss) for the period	212.0	852.2

Operating income contribution of the segment for the years ended 31 December 2024 and 2025 were Won 5,125.8 billion and Won 7,811.2 billion, respectively, and profit contribution of the segment for the years ended 31 December 2024 and 2025 were Won 270.7 billion and Won 526.6 billion, respectively. Operating income contribution of the segment for the six months ended 30 June 2025 and 2026 were Won 2,897.4 billion and Won 12,220.4 billion, respectively, and profit contribution of the segment for the six months ended 30 June 2025 and 2026 were Won 212.0 billion and Won 852.2 billion, respectively.

The Wealth Management segment contributed 47.3 per cent. to the Company's total operating income and 42.2 per cent. of the operating profit for the year ended 31 December 2024 and 55.2 per cent. to the Company's total operating income and 59.6 per cent. of the operating profit for the year ended 31 December 2025. The Wealth Management segment contributed 46.7 per cent. to the Company's total operating income and 48.5 per cent. of the operating profit for the six months ended 30 June 2025 and 59.2 per cent. to the Company's total operating income and 79.4 per cent. of the operating profit for the six months ended 30 June 2026.

Investment Banking

The Company's Investment Banking segment offers a broad range of corporate financing services related to IPOs, rights offerings and corporate bond issuances, as well as structured finance, corporate lending, underwriting (M&A), SOCs, project financing and real estate development.

Our Investment Banking segment provides comprehensive, end-to-end advisory and financing solutions across capital markets, structured and real estate finance and private equity. We serve a wide range of clients – from Korea's largest corporates to global sponsors-with customised strategies spanning equity capital markets, debt capital markets, mergers & acquisitions, project financing, and alternative investments. Backed by deep industry knowledge, robust execution capabilities and a strong track record, the Company supports clients in achieving sustainable growth and long-term value creation.

Our Corporate Finance division provides a full suite of services, including debt and equity capital raising, IPO, pre-IPO, and corporate lending solutions. Based on the Bloomberg Korea Capital Market League Tables (by total arranging volume), we were ranked No.1 in Total DCM Arranging in Korea in each of the 15 consecutive years to 2025, backed by our robust client network and execution capability. Our coverage extends to global bonds, rights offerings, equity-linked bonds, and short-term funding. Through our CIB Center, we also provide strategic advisory on corporate governance, succession planning and capital restructuring tailored to clients' long-term goals.

Our Advisory division provides comprehensive corporate finance solutions across the M&A lifecycle. From acquisition financing to deal structuring, we support both domestic and global sponsors in navigating strategic transactions. We deliver tailored advisory services-including M&A execution, governance enhancement, and post-merger integration-designed to align with each client's long-term objectives and maximise deal value.

Our Private Equity & Venture Capital Business division leads the launch and management of private equity and venture capital vehicles, focusing on investments in high-potential companies across growth to maturity (or later) stages. With a strategy rooted in long-term value co-creation, we support portfolio companies through strategic guidance, operational enhancement and structured exit planning, including IPO execution planning. Our differentiated approach is designed to maximise returns while nurturing sustainable growth.

Our Structured Finance division offers comprehensive solutions across a wide spectrum of structured transactions, including asset-backed securities (ABS) and project financing. We manage mandates for large-scale infrastructure and real estate developments-spanning social overhead capital (SOC) and industrial complexes-while leveraging deep expertise in structuring, execution and risk management to deliver customised funding strategies.

Our Alternative Finance division provides innovative capital solutions across private credit, mezzanine and hybrid structures. Leveraging deep deal structuring expertise and a broad origination network, we support clients across diverse sectors, including infrastructure, real estate, and emerging industries-delivering differentiated value beyond traditional financing models.

Our Real Estate Finance division provides end-to-end solutions spanning development project financing, structured advisory on real estate transactions and investment-centric investment banking services. Leveraging deep-rooted partnerships and a broad institutional network, our team delivers differentiated value in both domestic and cross-border deals. Backed by a proven track record, we serve as a trusted partner to Korea's top developers and global asset managers across property, infrastructure and alternative asset-backed transactions.

As of 30 June 2026, in response to heightened market volatility arising from tariff measures, the Company continues to pursue portfolio optimisation strategies, including: expanding productive financial assets through greater investment diversification; enhancing asset quality by strengthening credit risk

monitoring and reducing low Return on Risk-Weighted Assets (RoRWA) assets; reinforcing liquidity management by increasing the proportion of liquid assets such as cash and deposits; and progressively reducing real estate finance exposure.

The tables below set forth highlights of the Investment Banking segment's operating results for the years ended 31 December 2024 and 2025 and for the six months ended 30 June 2025 and 2026:

	For the year ended 31 December	
	2024	**2025**
	(in billions of Won)	
Operating income	1,170.1	1,205.0
Operating expense	983.1	1,088.7
Operating profit (loss)	187.0	116.2
Non-operating income (expense)	36.4	4.7
Profit before income tax	223.4	120.9
Income tax expense	–	–
Profit (loss) for the year	223.4	120.9

	For the six months ended 30 June	
	2025	**2026**
	(in billions of Won)	
Operating income	623.6	565.8
Operating expense	523.3	560.7
Operating profit (loss)	100.3	5.1
Non-operating income (expense)	8.3	8.0
Profit before income tax	108.7	13.1
Income tax expense	–	–
Profit (loss) for the period	108.7	13.1

Operating income contribution of the segment for the years ended 31 December 2024 and 2025 were Won 1,170.1 billion and Won 1,205.0 billion, respectively, and profit contribution of the segment for the years ended 31 December 2024 and 2025 were Won 223.4 billion and Won 120.9 billion, respectively. Operating income contribution of the segment for the six months ended 30 June 2025 and 2026 were Won 623.6 billion and Won 565.8 billion, respectively, and profit contribution of the segment for the six months ended 30 June 2025 and 2026 were Won 108.7 billion and Won 13.1 billion, respectively.

The Investment Banking segment contributed 10.8 per cent. to the Company's total operating income and 24.0 per cent. of the operating profit for the year ended 31 December 2024 and 8.5 per cent. to the Company's total operating income and 12.8 per cent. of the operating profit for the year ended 31 December 2025. The Investment Banking segment contributed 10.1 per cent. to the Company's total operating income and 22.7 per cent. of the operating profit for the six months ended 30 June 2025 and 2.7 per cent. to the Company's total operating income and 0.5 per cent. of the operating profit for the six months ended 30 June 2026.

Trading

The Trading segment manages a range of investment strategies focused on fixed income, equities, and derivatives across domestic and international financial markets, providing customised financial products and investment solutions to institutional investors and corporate clients. Supported by a specialised investment management organisation, the segment responds to evolving market conditions and the diverse investment needs of its clients, while expanding the supply and distribution of domestic and international investment products through collaboration with the Wealth Management segment and the Global Distribution division. The segment is also building a sustainable growth foundation by diversifying its investment strategies and strengthening its digital-based investment capabilities.

The Fixed Income division manages domestic and international bond portfolios and pursues expansion of its management scale by increasing bond inventory and utilising funding bases such as repurchase agreements (RP) and ELS. The division is also strengthening its flow trading competitiveness and diversifying its business portfolio through the introduction of new investment strategies, including bond arbitrage and algorithmic trading.

The Strategic Asset Management division manages a broad range of equity-related assets, including domestic and international equities, mezzanine securities, ELS, retirement pension portfolios, and alternative investments. In line with government policy directions, the division operates strategic portfolios and is expanding its investments in the National Growth Fund, venture capital, and industries expected to benefit from KOSDAQ technology-special listings. The division is also strengthening its investment competitiveness through AI-driven investment and management services and the development of Alpha-generating structured products.

The Multi-Asset & Derivatives division is engaged in derivatives modeling, pricing systems development, global macro and FX trading, and structured products management. The division also undertakes carbon credit market making and the development of AI-based quantitative investment strategies. The division continues to secure new growth drivers by strengthening global macro investment capabilities, diversifying its investment universe, and expanding FX sales support.

The tables below set forth highlights of the Trading segment's operating results for the years ended 31 December 2024 and 2025 and for the six months ended 30 June 2025 and 2026:

	For the year ended 31 December	
	2024	**2025**
	(in billions of Won)	
Operating income	3,929.9	4,366.1
Operating expense	3,893.9	4,323.6
Operating profit (loss)	36.0	42.5
Non-operating income (expense)	3.5	(4.8)
Profit before income tax	39.5	37.6
Income tax expense	–	–
Profit (loss) for the year	39.5	37.6

	For the six months ended 30 June	
	2025	**2026**
	(in billions of Won)	
Operating income	2,392.5	6,492.9
Operating expense	2,352.5	6,442.4
Operating profit (loss)	40.0	50.5
Non-operating income (expense)	1.5	4.8
Profit before income tax	41.5	55.3
Income tax expense	–	–
Profit (loss) for the period	41.5	55.3

Operating income contribution of the segment for the years ended 31 December 2024 and 2025 were Won 3,929.9 billion and Won 4,366.1 billion, respectively, and profit contribution of the segment for the years ended 31 December 2024 and 2025 were Won 39.5 billion and Won 37.6 billion, respectively. Operating income contribution of the segment for the six months ended 30 June 2025 and 2026 were Won 2,392.5 billion and Won 6,492.9 billion, respectively, and profit contribution of the segment for the six months ended 30 June 2025 and 2026 were Won 41.5 billion and Won 55.3 billion, respectively.

The Trading segment contributed 36.3 per cent. to the Company's total operating income and 4.6 per cent. of the operating profit for the year ended 31 December 2024 and 30.9 per cent. to the Company's total operating income and 4.7 per cent. of the operating profit for the year ended 31 December 2025.

The Trading segment contributed 38.6 per cent. to the Company's total operating income and 9.0 per cent. of the operating profit for the six months ended 30 June 2025 and 31.5 per cent. to the Company's total operating income and 4.8 per cent. of the operating profit for the six months ended 30 June 2026.

Other Services

The Other Services segment provides comprehensive brokerage and distribution services to domestic and international institutional investors, including pension funds, asset management companies, insurance companies, and government agencies. Supported by a specialised sales organisation, the segment delivers customised investment solutions across equities, bonds, derivatives, and structured products, and supports the diverse investment and trading needs of institutional investors through global investment products and prime brokerage services. The segment also leverages its overseas network to support the global investment activities of domestic and international institutional investors.

The Active Sales division provides domestic equity brokerage and execution services to institutional investors and is responsible for the distribution of global financial products.

The Passive Sales division executes program trading and arbitrage strategies for pension funds and asset management companies, and performs market making and liquidity providing for exchange-traded funds (ETFs), exchange-traded notes (ETNs), equity-linked warrants (ELWs), and futures.

The Global Distribution division conducts domestic equity sales to overseas institutional investors, supports overseas equity trading for domestic institutional investors, and manages the sale and distribution of global alternative investment funds.

The Equity Finance division provides comprehensive prime brokerage services to hedge funds, including securities financing, prime custody, capital introduction, and over-the-counter ("**OTC**") derivatives execution.

The International Business division operates through overseas bases in New York, Hong Kong, Vietnam, Indonesia, China, and India, serving as a bridge between global capital and local markets, and continues to pursue the expansion of its overseas business and the strengthening of its global business competitiveness.

The tables below set forth highlights of the Other Services segment's operating results for the years ended 31 December 2024 and 2025 and for the six months ended 30 June 2025 and 2026:

	For the year ended 31 December	
	2024	2025
	(in billions of Won)	
Operating income	606.3	766.0
Operating expense	377.8	556.5
Operating profit (loss)	228.5	209.5
Non-operating income (expense)	(13.4)	12.2
Profit before income tax	215.1	221.7
Income tax expense[(1)]	158.3	224.5
Profit (loss) for the year	56.8	(2.8)

	For the six months ended 30 June	
	2025	2026
	(in billions of Won)	
Operating income	291.3	1,349.7
Operating expense	203.5	1,188.4
Operating profit (loss)	87.8	161.4
Non-operating income (expense)	10.6	(2.1)
Profit before income tax	98.4	159.3
Income tax expense[(1)]	118.2	279.0
Profit (loss) for the period	(19.8)	(119.7)

Note:

(1) All income tax expenses are allocated to the others segment, due to the difficulty of reasonable allocation.

Operating income contribution of the segment for the years ended 31 December 2024 and 2025 were Won 606.3 billion and Won 766.0 billion, respectively, and the segment's profit contribution for the years ended 31 December 2024 and 2025 were Won 56.8 billion and Won (2.8) billion, respectively. Operating income contribution of the segment for the six months ended 30 June 2025 and 2026 were Won 291.3 billion and Won 1,349.7 billion, respectively, and the segment's profit contribution for the six months ended 30 June 2025 and 2026 were Won (19.8) billion and Won (119.7) billion, respectively.

The Other Services segment contributed 5.6 per cent. to the Company's total operating income and 29.3 per cent. of the operating profit for the year ended 31 December 2024 and 5.4 per cent. to the Company's total operating income and 23.0 per cent. of the operating profit for the year ended 31 December 2025. The Other Services segment contributed 4.7 per cent. to the Company's total operating income and 19.8 per cent. of the operating profit for the six months ended 30 June 2025 and 6.5 per cent. to the Company's total operating income and 15.3 per cent. of the operating profit for the six months ended 30 June 2026.

Competition

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

The securities and finance industry in Korea is highly competitive, with approximately 30 securities companies in operation in Korea as of 30 June 2026. Competition in the domestic securities industry is generally based on sectors including wealth management, investment banking and global & wholesale. The primary competitors of the Company include Korea Investment & Securities Co., Ltd., Mirae Asset Securities Co., Ltd., NH Investment & Securities Co., Ltd., and Samsung Securities Co., Ltd.

In addition, general regulatory reforms in the Korean financial industry have increased competition among securities companies and other financial institutions in Korea. As the reform of the financial sector continues, foreign financial institutions, some with greater resources and industry knowhow than the Company, have entered, and may continue to enter, the Korean market either by themselves or in partnership with existing Korean financial institutions and compete with the Company in providing financial and related services.

Regulatory Requirements and Compliance

Principal Regulations Applicable to Financial Investment Companies in Korea

General

The FSCMA, which became effective in February 2009, regulates and governs the financial investment business in Korea. The entities that regulate and supervise financial investment companies are the Financial Services Commission (the "**FSC**"), the Financial Supervisory Service and the Securities and Futures Commission.

To comprehensively regulate the financial business (other than banks and insurance companies), which used to be governed by different laws prior to the implementation of the FSCMA, the FSCMA categorises capital markets-related businesses into six different functions:

- dealing – trading and underwriting of financial investment products;
- brokerage – brokerage of financial investment products;
- collective investment – establishment of collective investment schemes and the management thereof;
- investment advisory;
- discretionary investment management; and
- trusts (collectively, the "**Financial Investment Businesses**").

License and Registration

Under the FSCMA, a company must obtain a license from the FSC to commence brokerage business, dealing business (including underwriting business), collective investment business or trust business, or register with the FSC to commence investment advisory business, discretionary investment management business or general private collective investment business by satisfying certain conditions required thereunder. In doing so, the company must also choose the category of the Financial Investment Business and the financial investment products and the type of investors, with which it plans to deal. And only after completing such license or registration requirement, the company may engage in the Financial Investment Business as a "**Financial Investment Company**." The Company has obtained licenses for dealing, brokerage and trusts, and registered for investment advisory, discretionary investment management, and general private collective investment business for almost every category of financial investment products and type of investors.

On the other hand, the FSC may designate a Financial Investment Company holding equity capital of no less than Won 3 trillion and engaging in dealing and brokerage business as a "**Comprehensive Financial Investment Business Entity**." A Comprehensive Financial Investment Business Entity may engage in businesses such as prime brokerage business, providing loans and discount of bills, etc. Pursuant to Article 77-3 of the FSCMA, the aggregate credit extension by a Comprehensive Financial Investment Business Entity shall not exceed 200% of its equity capital, and, after excluding certain prescribed categories of credit extension, shall not exceed 100% of its equity capital. The Company was designated as a Comprehensive Financial Investment Business Entity in 2013.

Concurrent Business and Incidental Business

Pursuant to the FSCMA and regulations thereunder, a Financial Investment Company may engage in concurrent business including, but not limited to, foreign exchange business under the Foreign Exchange Transactions Act and small and medium enterprise business investments under the Venture Investment Promotion Act. A Financial Investment Company may also engage in business incidental to the

Financial Investment Businesses. If a Financial Investment Company wishes to engage in any concurrent or incidental business, a subsequent report to the FSC within two weeks from engaging in such business is required.

The Company is engaged in concurrent businesses, including foreign exchange business and foreign exchange brokerage business under the Foreign Exchange Transactions Act, and incidental businesses, such as brokerage for mergers and acquisition of corporations, evaluation of securities and leasing of real property, that are incidental to the Financial Investment Business.

Regulation on Safety and Soundness

To maintain soundness in their business management, FSCMA requires the Financial Investment Companies to comply with guidelines for capital adequacy ratio, soundness of assets and liquidity. If a Financial Investment Company is found to be non-compliant with such guidelines, the FSC may impose sanctions and/or issue corrective actions against such Financial Investment Company. For instance, if a net capital ratio (the "**NCR**") of an Issuer as an investment broker/dealer is below 100 per cent. or 50 per cent., the FSC may issue a management improvement recommendation or a management improvement requirement, respectively, against such Issuer. Further, if the Issuer has an NCR of below 0 per cent. or falls within the definition of "insolvent financial institutions" under the Act on the Structural Improvement of the Financial Industry, the FSC may issue a management improvement order against the Issuer. The following table sets forth the actions which can be taken by the FSC in each case:

Management Improvement Recommendation	**Management Improvement Requirement**	**Management Improvement Order**
Improvement of human resources and organisational management	In addition to the actions which can be taken under the management improvement recommendation)	(In addition to the actions which can be taken under the management improvement requirement)
Reduction of expenditures	Restriction on holding high-risk assets and disposal of assets	Cancellation of all or part of shares
Management efficiency of branches	Closing or consolidating of branches or restrictions on opening of branches	Suspension of executive duties and appointment of administrator
Disposal of distressed assets	Downsizing organisation	Merger or becoming subsidiary of financial holding company
Restriction on activities decreasing the net operating capita	Reorganisation of subsidiaries	Transfer of all or part of business
Restriction on new business	Replacement of executives	Acquisition of financial investment business by third party
Capital increases or reductions	Partial suspension of business	Suspension of business for up to six (6) months
Establishment of bad debt reserve	Establishment of plans on merger, third party acquisition, transfer of all or part of business or becoming a subsidiary of a financial holding company	Transfer of all or part of agreements

Further specific guidelines and formula for calculation of the net capital are prescribed in the Regulations on Financial Investment Business.

Public Disclosure

A Financial Investment Company shall prepare quarterly business reports from the commencement date of each business year and submit to the FSC. Upon occurrence of an event that is likely to have an effect on the business management status of a Financial Investment Company, such as occurrence of massive financial scandal or non-performing receivables, the Financial Investment Company shall report it to the FSC and disclose it to the public through its website and etc.

Investor Protection

With respect to any conflicts of interest between Financial Investment Companies and investors, the FSCMA expressly requires (i) disclosure of any conflict of interest to investors and (ii) mitigation of conflicts of interest to a comfortable level or abstention from the relevant transaction. Other investor protection mechanism imposed on Financial Investment Companies dealing in financial investment products are stipulated under the Financial Consumer Protection Act (the "**FCPA**").

Other Regulations; Regulations by Each Financial Investment Business

Further to the regulations above, there are restrictions for the Financial Investment Companies on ownership of any shares issued by the major shareholders or providing loans and other credit offering services to the major shareholders. The FSCMA also provides detailed regulations on certain business activities prohibited under each Financial Investment Business.

The Financial Consumer Protection Act

The FCPA imposes a rigorous investor-protection mechanism on financial product sellers, which includes Financial Investment Companies dealing in financial investment products. The FCPA was enacted to provide universal regulation of financial product sales by consolidating various consumer protection provisions from separate statutes into a single comprehensive statute, and therefore, strengthen consumer protection. Pursuant to the FCPA, regarding sales of financial products, financial product sellers should abide by six principles which are (a) principle of suitability, (b) principle of appropriateness, (c) duty to explain, (d) prohibition of unfair business practices, (e) prohibition of improper solicitation and (f) prohibition of false and exaggerated advertisement. Also, the FCPA provides for strengthened consumer protection rights such as the right to a cooling-off period, the right to nullify a financial product agreement in breach of the above six sales principles, and strengthened monetary sanction for violation of the above six sales principles which may amount to a penalty of up to 50% of the gains earned from the contract.

Regulations on Venture Capital Business

Under the Venture Investment Promotion Act, a company registered as a venture investment company may invest in, among others, technology-innovative or management-innovative small and medium-sized enterprises and venture businesses, and may establish and manage venture investment funds. In 2018, the Issuer jointly established the KBTS Technology Venture Private Equity Fund with T.S. Investment Corporation, a venture investment company for the purpose of investing in SMEs and venture companies with strong technology credit profiles, as well as businesses in promising technology-finance sectors and related industries.

The Act on the Corporate Governance of Financial Companies

The Act on the Corporate Governance of Financial Companies, which became effective on 1 August 2016, was enacted to address the need for strengthened regulations on corporate governance of financial institutions and to serve as a uniform set of regulations on corporate governance matters applicable to financial institutions across a variety of industry sectors. It contains several key measures, including (i) eligibility requirements for officers of financial institutions and standards for determining whether

officers of financial institutions may hold concurrent positions in other companies; (ii) standards for composition and operation of the board of directors of financial institutions; (iii) standards for establishment, composition and operation of various committees of the board of directors of financial institutions; (iv) regulations on internal control and risk management; (v) requirements and procedures for the approval of a change of major shareholders; and (vi) special regulations to protect the rights of minority shareholders of financial institutions. The Act on the Corporate Governance of Financial Companies applies to the Company.

The representative director (CEO) of a financial company shall prepare a Responsibilities Map that allocates, by position, the responsibilities prescribed under financial laws among the executive officers who are required to perform the duty to manage internal controls and risk management. Financial investment companies whose total assets were KRW 5 trillion or more as of the end of 2023 submitted their Responsibilities Map to FSC by 30 June 2025.

Government Support

The Depositor Protection Act provides for a regulatory framework under which financial companies can be protected against a situation in which they are unable to pay back deposits or other equivalent debts due to reasons such as bankruptcy. Money deposited in the Issuer, an insured financial company, by customers for the purposes of trading or other transactions of securities (the "**Investor's Deposit**") is subject to the protections under the Depositor Protection Act.

In addition, if (a) it becomes apparent that the Issuer will encounter difficulties in normal management because its liabilities exceed its assets, (b) payment of claims, such as deposits, or repayment of loans from other financial companies is under suspension or (c) paying claims, such as deposits, or repayment of loans becomes difficult without receiving financing from outside sources or extra loans, then the KDIC may provide financing to the Issuer as long as any one of the following is true: (x) where the Issuer has filed an application for financing or the KDIC deems it necessary to provide financing to implement the merger of the Issuer; (y) where the KDIC deems the improvement of financial condition of the Issuer necessary for the protection of depositors and the stability of credit order; or (z) where the FSC makes a request.

Further to the foregoing, under the Act on the Structural Improvement of the Financial Industry, the government may, where it deems necessary to facilitate a self-regulatory merger by the Issuer, make investments in or give support to the financial institutions newly established as a result of a merger by way of purchasing the securities or in-kind contribution of government owned properties.

Risk Management

Risk refers to all possible losses that may occur in the Company's management and business operations. The Company manages various risks systematically in order to achieve stability and profitability of management through efficient management of risks and distribution of available investment resources.

Risk Management Structure

The Company's primary risk exposures are to the market risk, credit risk, operational risk and liquidity risk. In order to manage the risk exposures, the Company has established a risk management structure as follows.

Risk Management Committee

The Risk Management Committee (the "**Committee**") is a top decision-making body under the Board of Directors that is dedicated to formulating and approving risk management strategies and policies on behalf of the Board. The Committee was established in accordance with commercial laws, the Company's Articles of Incorporation and the Code of Board of Directors.

The Committee, comprising three registered directors, including at least two outside directors, heads the Company's risk management structure. The Committee prepares risk management strategies that correspond to the Company's strategies and supervises the risk management process. Major topics that the Committee resolves include enacting and revising the Risk Management Regulations and Guidelines, setting adequate capital ratio level and mandating total risk limits by year and quarter. The Committee is held regularly once per quarter and, if necessary, on an *ad hoc* basis. Nomination and dismissal of the Committee members is determined by the Board of Directors (the "**Board**") and the Committee chair is selected from among outside directors of the Committee members. The chairman of the Committee presides over the meetings on behalf of the Committee and in the event of an urgent risk-related situation, is entitled to authorise appropriate actions to the relevant department.

Risk Management Council and Risk Assessment Council

Within the Risk Management Committee, the Risk Management Council and the Risk Assessment Council (the "**Councils**") deliberate business-related agenda and matters delegated by the Committee and report the results to the Committee. The Councils convene at least once every month. And if necessary, on an *ad hoc* basis.

Deliberation Councils

In addition, the Company maintains Deliberation Councils, comprised of the following: the Risk Assessment Deliberation Council, the Risk Assessment Practice Deliberation Council, the WM Products Deliberation Council, the Credit Facilities Deliberation Council, the Market Risk Management Deliberation Committee and the Fair Value Evaluation Deliberation Committee. The Deliberation Councils make decisions on small-scale matters of preliminary reviews on the bills of items submitted to the Councils as well as on decisions on matters that require professional decision-making or investments with relatively lower risks.

Chief Risk Officer, Risk Management Department, Market Risk Department, Corporate Finance Assessment Department, Alternative Investment Assessment Department and Investment Asset Management Team

The Company maintains the Risk Management Department, the Market Risk Department, the Corporate Finance Assessment Department, the Alternative Investment Assessment Department and the Investment Asset Management Team under its Chief Risk Officer ("**CRO**") and the Risk Assessment Officer to implement the risk management strategies and policies set by the Committee and the Councils. The CRO, the Risk Management Department and the Risk Assessment Department are under direct supervision of the CEO and operate independent decision-making and reporting systems.

Risk Management Regulations

The Company maintains a comprehensive Company-wide risk management system through specific internal regulations, including the Risk Management Regulations, which is the foremost internal code that governs the Company and its employees. In addition, the Company has drawn up a set of regulations and guidelines to enhance stability of investment and credit support business and efficiency of post-investment monitoring.

The Company seeks to create a safe management environment by recognising, measuring and managing various risks in the course of carrying out management and business activities and also by improving its internal control system. The Company aims to prevent financial accidents and maximise long-term profitability and security through comprehensive risk management by establishing a company-wide risk management organisational structure, revision of regulations on risk management, establishment of an integrated risk management procedure, establishment of the enterprise risk management solutions ("**ERMS**"), training of risk management experts, and the fostering a company-wide awareness and culture on risk management.

Market Risk

Market risk is the risk of changes in the fair value or future cash flows of the financial instruments arising from trading activities in the volatility of market factors, such as interest rates, stock prices and foreign exchange rates.

Market Risk Management

When a transaction department intends to conduct a transaction that induces market risk, it must submit a product management plan and limit application to the Committee or the Councils according to forms prepared by the risk management department. Market limits consist of (1) nominal limit, (2) loss limit, (3) Value at Risk ("**VaR**") limit, (4) sensitivity limit and (5) stress test limit, and the risk management department may add separate limits with the approval of the Councils. Market VaR based on an internal model is measured and managed using Fidelity National Information Services's AdaptivAnalytics measurement system, which is equipped with an OTC derivatives engine to measure and manage market risk efficiently. Once the risk management department reviews the transaction department's limit application and receives the approval from the Committee or the Councils, results are notified to the transaction department. Allocation of limits is set at least once a year. Limit management and stress tests based on various scenarios are conducted on a daily basis. Through the operation of the early warning system, the Company also monitors price changes due to market factors in real time.

Credit Risk

Credit risk refers to the possibility of losses that would be incurred if a counterparty or an issuer of financial instruments fails to fulfil its contractual obligations, or if its credit quality is deteriorated.

Credit Risk Management

When a transaction department intends to conduct a transaction that induces credit risk, it must submit a product management plan and limit application to the Committee or the Councils according to forms prepared by the risk management department. Credit limits consist of (1) standard method credit risk limit and (2) total exposure limit set by country, corporate group and company, and the risk management department may add separate limits with the approval of the Councils. Once the risk management department reviews the transaction department's limit application and receives the approval from the Committee or the Councils, results are notified to the transaction department. Allocation of limits is set at least once a year. Limit management is conducted on a daily basis and stress tests based on various scenarios are conducted on a regular basis. When a set limit is exceeded, the transaction department responds to the situation according to the Risk Management Regulations of the Company.

Operational Risk

Operational risk is the possibility of losses arising from shortcomings or failures in internal processes, people or systems, and external events.

Operational Risk Management

The Company manages operational risk through the Operational Risk Management System ("**ORMS**"), Risk & Control Self-Assessment ("**RCSA**"), Key Risk Indicator ("**KRI**") management, loss data management, management of countermeasures and calculation of operational VaR using an internal model. The Company upgraded ORMS by applying Basel III standards in 2022. By performing RCSA on a regular basis, the Company checks the level of risk of each department, develops countermeasures in advance and collects the financial loss data.

Liquidity Risk

Liquidity risk refers to the "market liquidity risk" that would incur when a firm is unable to offset or settle a position without significantly affecting the market price because of inadequate market depth or market disruption. It also refers to the "prudential liquidity risk" that would incur when a firm is unable to meet the minimum requirement rate of liquidity.

Liquidity Risk Management

To measure liquidity risks, the Company operates a liquidity risk management system and uses liquidity gap and liquidity ratios as key indicators. The liquidity ratio is categorised according to maturity and managed by dividing the accumulated liquid assets by accumulated liquid liabilities over a specific period (month, quarter, etc.). Pursuant to the Company's liquidity management policy, its liquidity ratio is maintained above 100%. The liquidity gap is obtained by deducting the accumulated liquid liabilities from the accumulated liquid assets. The Company maintains the liquidity gap above 0. The finance department has established a liquidity contingency plans to respond to liquidity crises and operates a crisis response manual For the purpose of liquidity management, the Company's risk management department and finance department periodically conduct liquidity stress tests and verify the adequacy of emergency funding plans.

Employees

The Company had approximately 2,977 employees as of the date of this Prospectus. The Company has maintained good working relationships with its employees and does not foresee any difficulties in the recruitment and retention of experienced staff. The Company undertakes to ensure its remuneration package remains competitive and on par with its competitors. The Company also offers education benefits to its eligible employees.

Information Technology

The Company's IT department is responsible for delivering secure, reliable and high-quality systems to support the business operations of the Company and the provision of the necessary information technology infrastructure based on the business needs and development of the Company.

The Company's IT systems consist of three key components: front office, middle office and back office systems that generally cover transaction management, customer service and risk management, investment and accounting. Over its operating history, the Company has focused on allocating financial and human resources towards upgrading its IT systems with the goal of achieving higher operational efficiency, enhancing user access and customer service, providing flexibility for future business needs, responding to developing market trends and increasing its competitiveness in the local and global markets.

Insurance

The Company maintains standard insurance in relation to its risk exposure arising from the nature of its business, such as office premise and property damage insurance, employee compensation insurance, personal injury insurance life and personal accident insurance, critical illness insurance and medical, dental and travel insurance. The Company's insurance coverage is provided by reputable companies with commercially reasonable limits and deductibles on coverage and complies with the statutory requirements in Korea.

The Company believes that its insurance coverage is sufficient for its present purposes and is consistent with coverage for its competitors in Korea. The Company periodically reviews its insurance coverage to ensure that it has adequate coverage for its business.

Legal Proceedings

As of the date of this Prospectus, excluding the legal proceeding discussed below, there are no current litigation or arbitration proceedings and no litigation is pending or threatened against the Company which could have a material and adverse effect on the Company's business, financial condition or results of operations.

Starting in December 2019, a number of plaintiffs brought legal action against KB Securities, alleging that they invested in JB Australia NDIS Private Equity Investment Trust No. 1 through KB Securities based on an offering circular that had made untrue statements of a material fact. The plaintiffs are seeking to terminate the related investment contracts on the basis of either breach of contract or mistake, and have demanded ₩120 billion from KB Securities as compensation for unjust enrichment. In the alternative, they are seeking damages of ₩120 billion from KB Securities for violations of the relevant securities law, among others. The proceedings have since been divided into three separate sub-cases, with an aggregate outstanding claim amount of approximately ₩59.9 billion as of the date of this Prospectus. The first and third proceedings are pending before the Supreme Court and the second proceeding is pending before the High Court, with first and second instance rulings having been issued in respect of each proceeding. The final outcome of the lawsuits remains uncertain.

MANAGEMENT

As of the date of this Prospectus, the members of the Board of Directors and senior management of the Company are as follows.

Board of Directors

Name (Surname, Given name)	Year of Birth	Position	Duration
Chul Choi	1969	Chairman of the Board	1 Jan. 2026-31 Dec. 2026
Hong Ku Lee	1965	Co-CEO	1 Jan. 2026-31 Dec. 2026
Jin Doo Kang	1968	Co-CEO	1 Jan. 2026-31 Dec. 2027
Eugene M. Ohr	1968	Independent Director	30 May 2025-29 May 2027
Hye Jung Nam	1971	Independent Director	30 May 2025-29 May 2027
In Suk Kim	1977	Independent Director	24 Mar. 2026-31 Mar. 2027
Young Suh Cho	1971	Other Non-executive Director	5 Feb. 2026-31 Mar. 2027

Chul Choi is the Chairman of the Board of the Company. Mr. Choi is currently a Professor at the Department of Consumer Economics at Sookmyung Women's University. Mr. Choi graduated from Korea University with a bachelor's degree in Economics and Texas A&M University with a master's degree in Economics and a Ph.D. in Applied Economics. Mr. Choi has previously served as Chief Investigator of the Consumer Protection Division at the Financial Supervisory Service, as Ombudsman of the Financial Supervisory Service and as Chairman of the Korean Academy of Financial Consumers.

Hong Ku Lee is a Co-CEO of the Company. Mr. Lee serves as a member of the Management Committee and a member of the Audit Committee Member Nomination Committee of the Company. Mr. Lee graduated from Korea University with a bachelor's degree in Management. Previously, Mr. Lee served Vice President of the Wealth Management Sales General Division of the Company. Prior to joining the Company, Mr. Lee held various management positions within the KB Financial Group.

Jin Doo Kang is a Co-CEO of the Company. Mr. Kang serves as a member of the Management Committee of the Company. Mr. Kang graduated from Sungkyunkwan University with a bachelor's degree in Industrial Psychology, Long Island University with a master's degree in Business Administration and University of Southern California with a master's degree in Accounting. Previously, Mr. Kang served as Head of the Business Management Group of the Company. Prior to joining the Company, Mr. Kang was Head of Structured Finance at Hyundai Securities Co., Ltd.

Eugene M. Ohr is an Independent Director of the Company. Mr. Ohr graduated from Harvard University with a bachelor's degree in History. Previously, Mr. Ohr served as a Partner at Capital International Inc. and a Non-executive Director of Hyundai Motor Company.

Hye Jung Nam is an Independent Director of the Company. Ms. Nam serves as the Chairman of the Audit Committee and the Chairman of the CEO Nomination Committee of the Company. Ms. Nam is currently a Professor of Accounting at Dongguk University. Ms. Nam graduated from Inha University with a bachelor's degree in Management and Seoul National University with a master's degree and a Ph.D. in Management (Accounting). Ms. Nam has previously served as a Non-executive Director of Korea Export-Import Bank and Lotte Chemical Corporation, and as a member of the Accounting System Deliberation Committee of the Financial Services Commission of Korea.

In Suk Kim is an Independent Director of the Company. Ms. Kim is currently an attorney at Wooseung Law Firm (Seocho Branch Office). Ms. Kim graduated from Hanyang University with a bachelor's degree in Management. Ms. Kim previously worked as a public prosecutor at the Seoul Central District Prosecutors' Office, the Ministry of Justice and various other offices, and was a partner attorney at Law Firm Cheongin.

Young Suh Cho is an Other Non-executive Director of the Company. Mr. Cho is currently serving as Executive Vice President and Chief Strategy Officer of KB Financial Group Inc. Mr. Kang graduated from Seoul National University with a bachelor's degree in Economics and Columbia University with a master's degree in Business Administration. Previously, Mr. Cho served as Head of AI & Digital Division at KB Kookmin Bank and as Chief Digital Officer of KB Financial Group.

Senior Management

Name (Surname, Given Name)	Year of Birth	Position	Division	Duration
Tae Young Joo . . .	1969	Vice President	Investment Banking Division	1 Jan. 2026-31 Dec. 2026
Suk Cheol An	1973	Vice President	Capital Markets Group	1 Jan. 2026-31 Dec. 2027
Sung Chul Moon . .	1971	Senior Managing Director	Investment Banking Group 3	1 Jan. 2019-31 Dec. 2026
Shin Kim	1968	Senior Managing Director	Global & Wholesale Division	1 Jan. 2020-31 Dec. 2026
Jae Ok Lee	1972	Senior Managing Director	Wealth Management Business Group	9 May 2022-31 Dec. 2026
Hyun Chong Yang.	1970	Senior Managing Director	Investment Banking Group 2	1 Jan. 2020-31 Dec. 2026
Yeon Hwa Park. . .	1963	Senior Managing Director	Audit Group	22 Mar. 2024-21 Mar. 2027
Sang Eun Song . . .	1968	Senior Managing Director	Pension Group	1 Jan. 2023-31 Dec. 2026
Hee Jae Son	1970	Senior Managing Director	Digital Business Group	1 Jan. 2022-31 Dec. 2026
Jong Kab Roh. . . .	1973	Senior Managing Director	Corporate Management Group	1 Aug. 2021-31 Dec. 2026
Tae Woo Kim	1972	Senior Managing Director	Wealth Management Product Strategy Group	1 Jan. 2023-31 Dec. 2026

Tae Young Joo is Vice President of the Company who also oversees the Investment Banking Division of the Company. Mr. Joo graduated from Sungkyunkwan University with a bachelor's degree in International Trade. Previously, Mr. Joo served as Head of Investment Banking Group 1 and Head of the Investment Banking Division of the Company. Prior to his current role, Mr. Joo was Head of the Corporate Finance Department at KB Investment & Securities Co., Ltd.

Seok Cheol An is Vice President of the Company who also oversees the Capital Markets Group of the Company. Mr. An graduated from Chungang University with a bachelor's degree in Japanese Language and Literature and received a master's degree in Economics from Sogang University. Previously, Mr. An served as Head of the Sales & Trading Group at Shinhan Investment Securities Co., Ltd. before joining the Company.

Sung Chul Moon is a Senior Managing Director of the Company who also oversees Investment Banking Group 3. Mr. Moon graduated from Chonnam National University with a bachelor's degree in Accounting. Previously, Mr. Moon served as Head of Investment Banking Group 3 and Head of the Structured Finance Division of the Company. Prior to his current role, Mr. Moon was Head of the Structured Finance Department at KB Investment & Securities Co., Ltd.

Shin Kim is a Senior Managing Director of the Company who also oversees the Global & Wholesale Division. Mr. Kim graduated from the University of Sydney with a bachelor's degree in Economics. Previously, Mr. Kim served as Head of the Global Business Group and Head of the International Sales Division of the Company. Prior to joining the Company, Mr. Kim served as Managing Director of the Global Markets Division at Mirae Asset Daewoo Securities Co., Ltd.

Jae Ok Lee is a Senior Managing Director of the Company who also oversees the Wealth Management Business Group. Ms. Lee graduated from Kyunghee University with a bachelor's degree in Child and Family Studies. Previously, Ms. Lee served as Head of the Wealth Management Business Group and Head of Gold & Wise Services Division of the Company. Prior to joining the Company, Ms. Lee served as Senior Managing Director at Credit Suisse AG (Hong Kong) and Managing Director at UBS AG (Hong Kong).

Hyun Chong Yang is a Senior Managing Director of the Company who also oversees Investment Banking Group 2. Mr. Yang graduated from Boston University with a bachelor's degree in Management and received a master's degree in Business Administration from Boston University. Previously, Mr.

Yang served as Head of Investment Banking Group 2 and Head of the Acquisition Finance Division of the Company. Prior to joining the Company, Mr. Yang served as Head of the Acquisition Finance Division at Hyundai Securities Co., Ltd.

Yeon Hwa Park is a Senior Managing Director of the Company who also oversees the Audit Group. Mr. Park graduated from Kangwon National University with a bachelor's degree in Business Administration and received a master's degree in Business Administration from Sungkyunkwan University. Prior to joining the Company, Mr. Park served as Head of the Hong Kong Office at the Financial Supervisory Service and as Head of Audit at VI Asset Management Co., Ltd.

Sang Eun Song is a Senior Managing Director of the Company who also oversees the Pension Group. Mr. Song graduated from Kangnam University with a bachelor's degree in Taxation. Previously, Mr. Song served as Head of the Pension Division and Head of the Eastern Regional Division of the Company.

Hee Jae Son is a Senior Managing Director of the Company who also oversees the Digital Business Group. Mr. Son graduated from Dong-A University with a bachelor's degree in Management and received a master's degree in Finance from Pusan National University. Previously, Mr. Son served as Head of the Digital Business Group and Head of the Customer Contact Division of the Company.

Jong Kab Roh is a Senior Managing Director of the Company who also oversees the Corporate Management Group. Mr. Roh graduated from Yonsei University with a bachelor's degree in Public Administration and received a master's degree in Financial Management from KAIST. Previously, Mr. Roh served as Head of the Overseas Business Division and Head of the Global Business Division of the Company.

Tae Woo Kim is a Senior Managing Director of the Company who also oversees the Wealth Management Product Strategy Group. Mr. Kim graduated from Pusan National University with a bachelor's degree in Economics. Previously, Mr. Kim served as Head of WM Investment Products Division and Head of the Central Regional Division of the Company.

Compensation of Directors and Executive Officers

The aggregate amount of remuneration paid and accrued to the directors and executive officers, as a group and the aggregate amount the Company set aside or accrued to provide retirement, severance benefits and share-based payment for directors and executive officers amounted to a combined total of Won 43.3 billion in 2024 and Won 56.4 billion in 2025, and Won 26.9 billion for the six months ended 30 June 2026, respectively.

Board Practices

The current terms of office of the CEO and directors are variable but generally one year, unless determined otherwise by a general meeting of shareholders. The CEO and directors may be reappointed for successive periods of one year each. The terms and reappointments of the CEO and directors are determined pursuant to relevant laws and regulation of the Republic of Korea.

Committees

Currently, the Company has ten committees serving under the Board: the Outside Director Nomination Committee, the CEO Nomination Committee, the Audit Committee Member Nomination Committee, the Audit Committee, the Risk Management Committee, the Compensation Committee, the ESG Committee, the Internal Control Committee, the Management Committee and the Consumer Protection Committee.

Outside Director Nomination Committee

This committee currently consists of three Board members. The chairman of the committee is Hye Jeong Nam. This committee is responsible for the selection of qualified candidates for non-executive directors, verifying their qualifications against criteria set under applicable laws and the Articles of Association, and recommending them annually at the general stockholder meeting.

CEO Nomination Committee

This committee currently consists of three Board members. The chairman of the committee is Hye Jeong Nam. This committee is responsible for evaluating and nominating candidates for co-CEOs of the Company and recommending them at a general stockholder meeting at which the CEO is to be elected.

Audit Committee Member Nomination Committee

This committee currently consists of three Board members. The chairman of the committee is In Suk Kim. This committee is responsible for the selection of candidates for audit committee members and recommends them annually sometime prior to the general stockholder meeting.

Audit Committee

This committee currently consists of three Board members, all of whom are non-executive directors, including at least one financial expert. The chairman of the committee is Hye Jung Nam. This committee oversees the Company's financial reporting and approves the appointment of its independent auditors. This committee also reviews the Company's financial information, auditor's examinations, key financial statement issues and the administration of its financial affairs by the Board.

Risk Management Committee

This committee currently consists of three Board members. The chairman of the committee is In Suk Kim. This committee is responsible for reviewing and approving the major policies relating to the Company's risk management, setting risk limits, discussing key risks and managing the overall risk of the Company.

Compensation Committee

This committee currently consists of three Board members. The chairman of the committee is Hye Jeong Nam. This committee is responsible for performance evaluation and compensation calculation for employees and directors.

ESG Committee

This committee currently consists of three Board members. The chairman of the committee is Chul Choi. This committee is responsible for approving the Company's ESG strategies and policies and monitoring their implementation.

Internal Control Committee

This committee currently consists of three Board members. The chairman of the committee is In Suk Kim. This committee is responsible for establishing the Company's internal control framework and strategies, setting the internal culture and fostering an organisation-wide compliance mindset, and monitoring and evaluating the implementation by management of internal control obligations and reporting requirements as prescribed under the Act on Corporate Governance of Financial Companies.

Management Committee

This committee currently consists of two Board members. The chairman of the committee is Hong Ku Lee. This committee is responsible for making decisions regarding the establishment, closure and relocation of domestic branches, sales offices, branch offices and other offices. It is also responsible for the appointment and dismissal of managers as well as disciplinary action for executives.

Consumer Protection Committee

This committee currently consists of three Board members. The chairman of the committee is Chul Choi. This committee is responsible for establishing the basic policies on the construction and operation of the internal control system for consumer protection and for determining the strategic direction of consumer protection.

EXCHANGE RATES

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

	Year Ended 31 December			
	At End of Period	Average Rate[(1)]	High	Low
		(Won per U.S.$1.00)		
2019	1,157.8	1,165.7	1,218.9	1,111.6
2020	1,088.0	1,180.1	1,280.1	1,082.7
2021	1,185.5	1,144.4	1,199.1	1,083.1
2022	1,267.3	1,292.0	1,436.6	1,185.5
2023	1,289.4	1,305.4	1,360.6	1,219.3
2024	1,470.0	1,364.0	1,474.1	1,289.4
2025	1,434.9	1,422.2	1,483.4	1,352.6
2026 (through 14 August)	1,414.9	1,481.7	1,554.4	1,414.9
January	1,427.0	1,456.5	1,477.5	1,427.0
February	1,424.5	1,449.3	1,470.3	1,424.5
March	1,513.4	1,486.6	1,513.4	1,435.4
April	1,476.1	1,487.4	1,530.5	1,470.8
May	1,427.0	1,456.5	1,477.5	1,427.0
June	1,541.5	1,527.3	1,546.5	1,503.2
July	1,441.1	1,497.4	1,554.4	1,441.1
August (through 14 August)	1,414.9	1,421.6	1,433.6	1,414.9

Note:

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

Source: Seoul Money Brokerage Services, Ltd.

TAXATION

Korea

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**") generally 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 a permanent establishment in Korea are taxed in the manner described below. Non-Residents with permanent establishments in Korea are taxed in accordance with different rules.

Tax on Interest

Interest payable to Non-Residents in respect of the Notes, if qualified as certain foreign currency-denominated bonds issued outside of Korea pursuant to the Special Tax Treatment Control Law ("**STTCL**"), is exempt from income tax and corporation tax (whether payable by withholding or otherwise) pursuant to the STTCL.

The rate of income tax or corporation tax applicable to interest on the Notes without the tax exemption under the STTCL, for a Non-Resident without a permanent establishment in Korea, is currently 14 per cent. of income. In addition, a tax surcharge called a local income tax would be imposed at the rate of 10 per cent. of the income or corporation tax (raising the total tax rate to 15.4 per cent).

In addition, in order to obtain the benefit of a reduced rate available under applicable tax treaties, a Non-Resident holder must submit an application for reduced rate to either the payor or the entity obligated to withhold such tax liable for the withholding before the receipt of the relevant interest payment (if there is no change in the contents of such application, it is not required to submit such application again within three years thereafter), together with a certificate of the Non-Resident holder's tax residence issued by a competent authority of the Non-Resident holder's resident country. The party liable for the withholding, in turn, is required to submit such application 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. If the Non-Resident holder was unable to receive the benefit of a reduced rate due to his or her failure to timely submit the aforementioned application, the Non-Resident holder may still receive a tax return if the submission to the relevant tax office is made within five years from the 11th day of the month following the month in which the withholding tax was collected..

If interest is paid to an overseas investment vehicle, the overseas investment vehicle (subject to certain exceptions) must submit a report of overseas investment vehicle and a schedule of beneficial owners, together with the applications for a reduced rate collected from each beneficial owner, to the party liable for the withholding before the receipt of the relevant interest payment. The foregoing matter is discussed in more detail below.

The tax rates may be reduced or exempted by applicable tax treaty, convention or agreement between Korea and the country of the recipient of the income. The relevant tax treaties are discussed below.

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 (other than to their permanent establishments in Korea). In addition, capital gains earned by Non-Residents from the transfer outside Korea of Notes to Non-Residents are currently exempt from taxation by virtue of the STTCL.

If the exclusion or exemption from Korean taxation referred to above were to cease to be in effect, in the absence of an applicable treaty or any other special tax laws reducing or eliminating tax on capital gains, the applicable rate of tax is the lower of 11 per cent. (including local income tax) of the gross realisation proceeds and (subject to the production of satisfactory evidence of the acquisition cost and certain direct transaction costs of the relevant Note) 22 per cent. (including local income tax) of the realised gain (i.e., the excess of the gross realisation proceeds over the acquisition cost and certain direct transaction costs) made. If such evidence shows that no gain (or a loss) was made on the sale, no Korean tax is payable. 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 instruments issued by Korean companies. The purchaser or any other designated withholding agent of Notes is obliged under Korean law to withhold the applicable amount of Korean tax and make payment thereof to the relevant Korean tax authority. Unless the seller can claim the benefit of an exemption from tax under an applicable tax treaty or on the failure of the seller to produce satisfactory evidence of his acquisition cost and certain direct transaction costs in relation to the Notes being sold, the purchaser or such withholding agent must withhold an amount equal to 11 per cent. of the gross realisation proceeds. Any amounts withheld by the purchaser or withholding agent must be paid to the relevant Korean tax authority. The purchaser or withholding agent must pay any withholding tax no later than the tenth day of the month following the month in which the payment for the purchase of the relevant Notes occurred. Failure to transmit the withheld tax to the Korean tax authorities in time subjects the purchaser to penalties under Korean tax laws. The Korean tax authorities may attempt to collect such tax from a Non-Resident who is liable for payment of any Korean tax, either as a seller of Notes or as a purchaser or withholding agent who is obliged to withhold such tax through proceedings against payments due to the Non-Resident from its Korean investments and the assets or revenues of any of the Non-Resident's branch or representative offices in Korea.

Inheritance Tax and Gift Tax

Korean inheritance tax is imposed upon (a) all assets (wherever located) of the deceased if at the time of his death he was domiciled in Korea or had resided in Korea continuously for at least 183 days immediately prior to his death and (b) all property located in Korea which passes on death (irrespective of the domicile or residence 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 rate varies from 10 per cent. to 50 per cent. depending on the price of the assets and the nature of the relationship between the parties. At present, Korea has not entered into any tax treaties regarding its inheritance or gift taxes.

Under Korean inheritance and gift tax laws, bonds issued by Korean corporations are deemed located in Korea irrespective of where they are physically located or by whom they are owned, and consequently, the Korean inheritance and gift taxes will be imposed on transfers of the Notes by inheritance or gift. Prospective purchasers should consult their personal tax advisors regarding the consequences of the imposition of the Korean inheritance or gift tax.

Stamp Duty and Securities Transaction Tax

No stamp, issue or registration duties will be payable in Korea by the holders in connection with the issue of the Notes except for nominal amount of stamp duty on certain documents executed in Korea. No securities transaction tax will be imposed on the transfer of Notes.

Tax Treaties

At the date of this Prospectus, Korea has tax treaties with, *inter alia*, Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, Malaysia, the Netherlands, New Zealand, Norway, Singapore, Sweden, Switzerland, the United Kingdom and the United States under which the rate of withholding tax on interest (including local income tax) is reduced, generally to between 5 and 15 per cent. and the tax on capital gains is often eliminated.

Each holder should enquire for himself whether he is entitled to the benefit of a tax treaty with respect to any transaction involving Notes. It is the responsibility of the party claiming the benefits of a tax treaty in respect of interest payments to file with the payer or the Company a certificate as to his residence. In the absence of sufficient proof, the payer or the Company must withhold taxes in accordance with the above discussion.

Furthermore, in order for a Non-Resident to claim the benefit of a tax rate reduction or tax exemption on certain Korean source income (such as interest or capital gains) under an applicable tax treaty, Korean tax law requires such Non-Resident (or its agents) to submit an application (for reduced withholding tax rate, "application for entitlement to reduced tax rate," and in the case of exemptions from withholding tax, "application for tax exemption," along with a certificate of tax residency of such Non-Resident issued by a competent authority of the Non-Resident's country of tax residence, subject to certain exceptions) as the beneficial owner of such Korean source income ("**BO application**"). Such application should be submitted to the withholding agent prior to the payment date of the relevant income. An application for tax exemption submitted by a Non-Resident remains effective for three years from submission, and if any material changes occur with respect to information provided in the application, an application reflecting such change must be newly submitted. If a Non-Resident is a foreign corporation and seeking such tax exemption for an amount that is W1 billion or more (including where the aggregate amount exempted within one year preceding the last day of the month in which the payment was made, is W1 billion or more), in addition to the certificate of tax residence issued by a competent authority of its country of residence, it will be required to submit (i) the names and addresses of all of the members of its board of directors, (ii) the identities and shareholding percentages of all of shareholders (provided that if there are more than 100 shareholders, it may instead provide a statement showing the total number of shareholders and the aggregate investment amount from each country), and (iii) financial statements (including attached documents), tax returns, or audit reports for the most recent three years submitted to tax authorities of its country of residence (or, if it is an entity that has been in existence for less than three years, such documents since incorporation). These documents must be submitted along with a Korean translation. However, the documents prepared in English may be submitted if approved by the Korean tax authority. The payer of such Korean source income, in turn, is required to submit such application to the relevant district tax office by the ninth day of the month following the date of the first payment of such income. Subject to certain exceptions, where the relevant income is paid to an overseas investment vehicle (which is not the beneficial owner of such income) ("**OIV**"), a beneficial owner claiming the benefit of an applicable tax treaty with respect to such income must submit its BO application to such OIV, which must submit an OIV report and a schedule of beneficial owners (and the BO applications collected from each beneficial owner) to the withholding agent prior to the payment date of such income. An overseas investment vehicle means an organisation established outside of Korea that manages funds collected through investment solicitation by way of acquiring, disposing of, or otherwise investing in investment targets and distributes the outcome of such management to investors. Effective from January 1, 2022, an OIV is deemed to be a beneficial owner of the Korean source income if (i) under the applicable tax treaty, the OIV bears tax liabilities in the country in which it is established or the OIV 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 which the OIV is a resident will apply with respect to the relevant income paid to such OIV, subject to certain application requirements as prescribed by the Corporate Income Tax or Individual Income Tax Law. In the case of a tax exemption application, the withholding agent is required to submit such applications (together with the applicable OIV report in the case of income paid to an OIV) to the relevant district tax office by the ninth day of the month following the date of the payment of such income. However, this requirement does not apply to tax exemptions under Korean tax laws such as the STTCL.

Withholding and Gross-up

As mentioned above, interest under the Notes could be exempt from any withholding or deduction on account of income tax or corporation tax pursuant to the STTCL. However, in the event that the payer or the Company is required by law to make any withholding or deduction for or on account of any

Korean taxes (as more fully described in Condition 8), the Company has agreed to pay (subject to the customary exceptions as set out in such Condition 8) such additional amounts as may be necessary in order that the net amounts receivable by the holder of any Note or Coupon after such withholding or deduction shall equal the respective amounts which would have been receivable by such holder in the absence of such withholding or deduction.

Proposed Financial Transactions Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Korea) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, under proposed U.S. Treasury Regulations, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

CLEARANCE AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream 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, any Arranger or Dealer or any Agent 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 or 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.

The Clearing Systems

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other. Euroclear and Clearstream participants are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by any Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement, such programme agreement as modified and/or supplemented and/or restated from time to time (the "**Programme Agreement**"), agreed with the Company a basis upon which they or any of them may from time to time agree to purchase or procure purchasers for Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*." In the Programme Agreement, the Company 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 Company. 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 certain affiliates of the Dealers may have performed banking and advisory services (which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities) for the Company from time to time for which they have received customary fees and expenses. The Dealers and certain of their affiliates may, from time to time, engage in transactions with and perform services for the Company in the ordinary course of their business. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and instruments of the Company.

The Dealers or certain of their respective affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes and not with a view to distribution. The Dealers and/or their affiliates may purchase Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes, and/or other securities of the Company or its respective subsidiaries or associates at the same time as the offer and sale of the Notes, or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Prospectus relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

In addition, in the ordinary course of their business activities, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Company or its affiliates. The Dealers and their respective affiliates may also make

investment recommendations and/or publish or express independent research views with respect to such securities or financial instruments and may hold, or recommend, to clients that they acquire long and/or short positions in such securities and instruments.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealer or any affiliate of the Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Company in such jurisdiction.

Selling Restrictions

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 Prospectus 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 will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.

United States

The Notes have not been and will not be registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under 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 United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Pricing Supplement will identify whether U.S. Treasury regulation section 1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for the purposes of section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) (the "**TEFRA C Rules**") or U.S. Treasury regulation section 1.163 5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for the purposes of section 4701 of the Code) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

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 Notes (a) as part of their distribution at any time or (b) 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 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 Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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.

Each issuance of Notes which are also Index Linked Interest Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the relevant 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 the Prospectus 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) MiFID II; or

    (ii) a customer within the meaning of 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 the Prospectus Regulation; and

(b) the expression an "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.

If the Pricing Supplement in respect of any Notes specifies "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 the Prospectus as completed by the pricing supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(i) if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member 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 Member State or, where appropriate,

approved in another Member State and notified to the competent authority in that Member 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 Company has consented in writing to its use for the purpose of that Non-exempt Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Company for any such offer; or

(iv) 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 (ii) to (iv) above shall require the Company 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 Member 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.

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "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 or otherwise make available any Notes which are the subject of this Prospectus 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 (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; or

  (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; 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.

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 Prospectus as completed by the final terms 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) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Company 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.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

(i) in relation to any Notes which have 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;

(ii) 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 does not apply to the Issuer; and

(iii) 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.

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 (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, 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, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Switzerland

Each Dealer has represented and agreed and each further Dealer appointed under the Dealer Agreement will be required to represent and agree that this Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus nor any other offering or marketing

material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

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, by means of any document, any Notes other than (i) to professional investors'' as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the ''**SFO**'') and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a ''prospectus'' as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the ''**C(WUMP)O**'') or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to ''professional investors'' as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, 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 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 Prospectus 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.

Korea

The Notes have not been and will not be registered under the Financial Investment Services and the Capital Markets Act of Korea.

Accordingly, each Dealer severally but not jointly represents and agrees, and each further Dealer appointed under the Programme will be required to severally but not jointly represent and agree that:

(i) in respect of the Notes in reliance on the 20% Rule, as specified in the applicable Pricing Supplement, during the first year after the issuance of the Notes, 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 defined under the Foreign Exchange Transaction Law of Korea and the regulations thereunder) other than a ''qualified institutional buyer'' (a ''**Korean QIB**,'' as defined in the Regulations on Issuance of Securities, Public Disclosure, Etc. of Korea) who is registered with the Korea Financial Investment Association (the ''**KOFIA**'') as a Korean QIB, provided that

(a) the Notes are denominated, and the principal and interest payments thereunder are made, in a currency other than Korean Won, (b) the amount of the Notes acquired by such Korean QIBs in the primary market is limited to no more than 20% of the aggregate issue amount of the Notes, (c) the Notes are listed on one of the major overseas securities markets designated by the FSS, or certain procedures, such as registration or report with a foreign financial investment regulator, have been completed for offering of the Notes in a major overseas securities market, (d) the one-year restriction on offering, delivering or selling of Notes to a Korean resident other than a Korean QIB is expressly stated in the Notes, the relevant purchase agreement and offering circular and (e) the Company and the Dealers shall individually or collectively keep the evidence of fulfilment of conditions (a) through (d) above after having taken necessary actions therefor, except as otherwise permitted by applicable Korean laws and regulations; and

(ii) in respect of the Notes in reliance on the 20% Rule Not Applicable, as specified in the applicable Pricing Supplement, during the first year after the issuance of the Notes, 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, except as otherwise permitted by applicable Korean laws and regulations.

Each Dealer severally but not jointly has undertaken, and each further Dealer appointed under the Programme will be severally but not jointly 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.

GENERAL INFORMATION

Authorisation

The establishment of the Programme was duly authorised by a resolution of the Board of Directors of the Company dated 29 May 2019. Each issue of Notes under the Programme will be authorised by the Board of Directors of the Company at the time of issue or at a meeting held annually to approve the issue of Notes to be issued in the following fiscal year.

Listing of Notes on the SGX-ST

Approval in-principle has been received from the SGX-ST 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 and quoted on the SGX-ST. Such permission will be granted when such Notes have been admitted for listing and quotation on the SGX-ST. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies).

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that any of the Global Notes representing such Notes is exchanged for definitive Notes, the Company 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 any of the Global Notes is exchanged for definitive Notes, an announcement of such exchange will be made by or on behalf of the Company through the SGX-ST 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.

Documents Available

Copies of the following documents will be available for inspection and, in the case of the documents referred to in paragraphs (ii) and (iii) below, copies may be obtained during normal business hours at the registered office of the Company for so long as the Notes are capable of being issued under the Programme:

(i) the constitutional documents (or equivalent) of the Company;

(ii) each of the documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*");

(iii) the Programme Agreement, the Agency Agreement, the Deed of Covenant and the forms of the Global Notes; and

(iv) a copy of this Prospectus, together with any supplement to the Prospectus.

Clearing Systems

The Notes may be accepted for clearance through Euroclear and Clearstream. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Pricing Supplement. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

Independent Accountants

The Company's consolidated financial statements as of and for the years ended 31 December 2025 and 2024 included in this prospectus have been audited by Samil PricewaterhouseCoopers, independent accountants, as stated in their report appearing herein.

With respect to the unaudited consolidated interim financial statements as of 30 June 2026 and for the six months ended 30 June 2026 and 30 June 2025, included in this prospectus, Samil PricewaterhouseCoopers has reported that it applied limited procedures in accordance with professional standards for a review of such information. However, their separate report included in this prospectus states that they did not audit and they do not express an opinion on such interim financial information. Accordingly, the degree of reliance on their separate report on such information should be restricted in light of the limited nature of the review procedures applied.

INDEX OF FINANCIAL STATEMENTS

Page

Unaudited Interim Consolidated Financial Statements of the Issuer as of 30 June 2026 and for the Six Months Ended 30 June 2026 and 2025

Samil PricewaterhouseCoopers Independent Auditors' Review Report F-2

Consolidated Interim Statements of Financial Position as of 30 June 2026 and 31 December 2025 ..... F-4

Consolidated Interim Statements of Profit or Loss for the three-month and six-month periods ended 30 June 2026 and 2025 ..... F-5

Consolidated Interim Statements of Comprehensive Income for the three-month and six-month periods ended 30 June 2026 and 2025 ..... F-6

Consolidated Interim Statements of Changes in Equity for the six-month periods ended 30 June 2026 and 2025 ..... F-7

Consolidated Interim Statements of Cash Flows for the six-month periods ended 30 June 2026 and 2025 ..... F-9

Notes to the Consolidated Interim Financial Statements F-10

Audited Annual Consolidated Financial Statements of the Issuer as of and for the years ended 31 December 2025 and 2024

Samil PricewaterhouseCoopers Independent Auditor's Report F-85

Consolidated Statements of Financial Position as of 31 December 2025 and 2024 ..... F-88

Consolidated Statements of Profit or Loss for the years ended 31 December 2025 and 2024 ..... F-89

Consolidated Statements of Comprehensive Income for the years ended 31 December 2025 and 2024 ..... F-90

Consolidated Statements of Changes in Equity for the years ended 31 December 2025 and 2024 ..... F-91

Consolidated Statements of Cash Flows for the years ended 31 December 2025 and 2024 ..... F-93

Notes to the Consolidated Financial Statements F-94

Report on Review of Condensed Consolidated Interim Financial Statements

(English Translation of a Review Report Originally Issued in Korean)

To the Shareholders and Board of Directors of KB Securities Co., Ltd.

Reviewed Financial Statements

We have reviewed the accompanying condensed consolidated interim financial statements of KB Securities Co., Ltd. and its subsidiaries (collectively referred to as the "Group"). These condensed consolidated interim financial statements consist of the consolidated interim statement of financial position of the Group as at June 30, 2026, and the related consolidated interim statements of profit or loss, consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2026 and 2025, and the consolidated interim statements of changes in equity and cash flows for the six-month periods ended June 30, 2026 and 2025, and material accounting policy information and other selected explanatory notes, expressed in Korean won.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("Korean IFRS") 1034 *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

We conducted our review in accordance with quarterly or semi-annual review standards established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with Korean IFRS 1034 *Interim Financial Reporting*.

Other Matters

We have audited the consolidated statement of financial position of the Group as at December 31, 2025, and the related consolidated statements of profit or loss, consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, not presented herein, in accordance with Korean Standards on Auditing. We expressed an unqualified opinion on those financial statements in our audit report dated March 5, 2026. The consolidated statement of financial position as at December 31, 2025, presented herein for comparative purposes, is consistent, in all material respects, with the above audited statement of financial position as at December 31, 2025.

Review standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to review such financial statements may differ from those generally accepted and applied in other countries.

/s/ Samil PricewaterhouseCoopers

Seoul, Korea

August 14, 2026

This report is effective as of August 14, 2026, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that there is a possibility that the above review report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

KB SECURITIES CO., LTD. and Subsidiaries
Consolidated Interim Statements of Financial Position
June 30, 2026 and December 31, 2025

(in Korean won)	Notes	June 30, 2026 (Unaudited)	December 31, 2025
Assets			
Cash and deposits	6,27	8,178,158,482,356	4,106,569,157,278
Financial assets at fair value through profit or loss	7,27	52,154,210,733,492	42,787,453,810,773
Derivative financial assets	8,27	3,355,325,454,547	1,614,613,117,421
Financial assets at fair value through other comprehensive income	9,27	8,486,730,556,727	9,463,744,417,319
Investments in associates	10	513,498,603,135	524,795,447,807
Investments measured at amortised cost	11,27	36,988,128,550	-
Financial assets measured at amortised cost	11,27	12,107,368,533,368	10,648,276,534,803
Property and equipment		243,526,339,416	246,132,957,110
Investment properties		97,285,537,837	112,303,626,799
Intangible assets		276,436,894,038	247,707,431,208
Current tax assets		7,174,555,178	7,263,856,076
Deferred tax assets		1,568,825,476	1,028,672,514
Other financial assets	12,27	16,994,339,074,595	6,323,965,381,055
Other assets		353,512,155,650	391,035,926,032
Total assets		102,806,123,874,365	76,474,890,336,195
Liabilities			
Deposit liabilities	13,27	16,775,122,070,264	12,110,773,883,179
Financial liabilities at fair value through profit or loss	7,27	11,131,159,464,243	10,907,226,138,761
Derivative financial liabilities	8,27	4,382,506,728,135	2,088,322,937,570
Borrowings	14,27	44,471,216,327,289	37,823,437,013,085
Current tax liabilities		3,974,412,164	3,511,145,613
Net defined benefit liabilities	15	68,155,120,617	78,075,613,277
Deferred tax liabilities		188,812,872,240	83,098,965,782
Provisions	16	76,268,005,008	110,112,536,856
Other financial liabilities	17,27	17,041,173,177,144	5,861,140,105,763
Other liabilities		447,369,169,029	512,456,754,770
Total liabilities		94,585,757,346,133	69,578,155,094,656
Equity			
Share capital	1	1,659,768,785,000	1,493,102,120,000
Hybrid securities	18	756,092,772,000	756,092,772,000
Other paid-in capital		2,011,706,891,480	1,479,259,900,170
Retained earnings	19	3,557,854,982,482	2,776,090,156,504
Other components of equity		200,033,416,010	359,346,515,034
Equity attributable to shareholders of the Parent Company		8,185,456,846,972	6,863,891,463,708
Non-controlling interest		34,909,681,260	32,843,777,831
Total equity		8,220,366,528,232	6,896,735,241,539
Total liabilities and equity		102,806,123,874,365	76,474,890,336,195

The above condensed consolidated interim statements of financial position should be read in conjunction with the accompanying notes.

KB SECURITIES CO., LTD. and Subsidiaries
Consolidated Interim Statements of Profit or Loss
Three-Month and Six-Month Periods Ended June 30, 2026 and 2025

(in Korean won)	Notes	2026 (Unaudited)		2025 (Unaudited)	
		For the three months ended June 30, 2026	For the six months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2025
Operating income					
Fee and commission income	20	803,405,885,230	1,398,643,741,923	270,322,130,402	524,550,733,464
Gain on valuation and disposal of financial instruments	21	10,350,460,098,492	16,913,164,324,101	1,990,462,328,091	3,998,247,367,683
Interest income	22	475,249,152,293	924,552,763,239	436,217,377,111	887,792,903,206
Interest income from financial instruments at FVTPL		198,323,256,616	393,028,580,764	206,490,137,566	425,955,554,719
Interest income in applying of effective interest rate		276,925,895,677	531,524,182,475	229,727,239,545	461,837,348,487
Gain on valuation and disposal of financial assets measured at amortized costs	23	10,580,608,578	64,936,096,632	3,112,405,957	4,656,967,951
Gain on foreign currency transactions		522,481,985,662	1,109,882,179,201	447,913,672,503	668,962,046,549
Other operating income		115,755,650,779	217,691,447,328	68,508,593,235	120,613,741,536
		12,277,933,381,034	20,628,870,552,424	3,216,536,507,299	6,204,823,760,389
Operating expenses					
Fee and commission expense	20	143,101,515,436	250,590,185,718	67,426,510,544	121,531,962,380
Loss on valuation and disposal of financial instruments	21	10,280,236,012,003	16,783,203,722,006	1,786,489,313,480	3,742,443,449,364
Interest expense	22	317,187,372,524	611,694,726,898	277,508,865,139	561,700,465,508
Loss on valuation and disposal of financial assets measured at amortized costs	23	36,356,555,766	113,965,108,938	65,675,569,574	86,420,435,788
Loss on foreign currency transactions		495,210,336,420	1,022,438,840,559	485,322,544,888	678,307,115,424
Selling and administrative expenses	24	377,865,487,650	753,371,410,110	294,513,311,518	537,327,056,922
Other operating expenses		27,367,134,801	39,883,570,892	21,556,801,088	34,439,037,225
		11,677,324,414,600	19,575,147,565,121	2,998,492,916,231	5,762,169,522,611
Operating profit		600,608,966,434	1,053,722,987,303	218,043,591,068	442,654,237,778
Non-operating income	25	18,253,457,336	55,203,024,622	10,384,234,768	42,851,101,274
Non-operating expenses	25	10,278,157,877	28,936,925,270	6,756,220,853	24,985,741,740
Profit before income tax		608,584,265,893	1,079,989,086,655	221,671,604,983	460,519,597,312
Income tax expense	26	157,815,736,904	278,985,364,544	61,014,046,817	118,158,868,645
Profit for the period		450,768,528,989	801,003,722,111	160,657,558,166	342,360,728,667
Profit attributable to:					
Shareholders of the Parent Company		449,886,236,452	798,981,648,328	160,334,833,773	341,596,598,526
Non-controlling interest		882,292,537	2,022,073,783	322,724,393	764,130,141

The above condensed consolidated interim statements of profit or loss should be read in conjunction with the accompanying notes.

KB SECURITIES CO., LTD. and Subsidiaries
Consolidated Statements of Comprehensive Income
Three-Month and Six-Month Periods Ended June 30, 2026 and 2025

(in Korean won)	Notes	2026 (Unaudited)		2025 (Unaudited)	
		For the three months ended June 30, 2026	For the six months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2025
Profit for the period		450,768,528,989	801,003,722,111	160,657,558,166	342,360,728,667
Other Comprehensive income					
Items that will not be reclassified to profit or loss					
Net gains on valuation of equity instruments at fair value through other comprehensive income	9	(38,875,188,072)	(56,121,432,859)	26,236,528,001	28,623,296,204
Fair value changes on financial liabilities designated at fair value due to own credit risk	7	2,977,250,263	1,683,986,436	(4,853,280,862)	(10,698,155,834)
Remeasurements of the net defined benefit liabilities		283,997,515	1,061,197,496	(10,017,687)	(29,186,262)
Items that may be subsequently reclassified to profit or loss					
Net gains(losses) on valuation of debt instrument at fair value through other comprehensive income	9	(61,430,996,830)	(131,643,782,935)	(3,218,671,466)	(3,001,771,015)
Share of other comprehensive income(losses) of associates	10	(6,301,415,817)	(5,701,869,206)	2,769,119,079	1,248,907,371
Gains(Losses) on hedge of net investments in foreign operations	8	(3,141,069,750)	(8,987,826,450)	15,259,947,264	16,552,522,240
Exchange difference on translation of foreign operations		9,742,805,882	42,467,226,338	(57,781,637,507)	(61,857,806,582)
Other comprehensive income for the period, net of tax		(96,744,616,809)	(157,242,501,180)	(21,598,013,178)	(29,162,193,878)
Total comprehensive income for the period		354,023,912,180	643,761,220,931	139,059,544,988	313,198,534,789
Total comprehensive income for the period attributable to:					
Shareholders of the Parent Company		354,306,420,785	641,695,317,502	140,892,058,223	314,999,612,166
Non-controlling interest		(282,508,605)	2,065,903,429	(1,832,513,235)	(1,801,077,377)

The above condensed consolidated interim statements of comprehensive income should be read in conjunction with the accompanying notes.

KB SECURITIES CO., LTD. and Subsidiaries
Consolidated Statements of Changes in Equity
Six-Month Periods Ended June 30, 2026 and 2025

(in Korean won)

	Attributable to the Shareholder of the Parent Company							
	Share Capital	Hybrid Securities	Other Paid In Capital	Retained Earnings	Other Components of Equity	Total	Non-controlling Interest	Total Equity
Balance at January 1, 2025	1,493,102,120,000	756,092,772,000	1,479,259,900,170	2,709,817,622,121	366,918,638,122	6,805,191,052,413	83,138,623,943	6,888,329,676,356
Dividends of hybrid securities	-	-	-	(19,243,590,549)	-	(19,243,590,549)	-	(19,243,590,549)
Dividends	-	-	-	(280,000,000,000)	-	(280,000,000,000)	(1,176,318,032)	(281,176,318,032)
Replacement due to disposal of equity investments at FVOCI	-	-	-	40,794,863	(40,794,863)	-	-	-
Total comprehensive income								
Profit for the period	-	-	-	341,596,598,526	-	341,596,598,526	764,130,141	342,360,728,667
Gains on financial instruments at fair value through other comprehensive income	-	-	-	-	25,621,525,189	25,621,525,189	-	25,621,525,189
Fair value changes on financial liabilities designated at fair value due to own credit risk	-	-	-	-	(10,698,155,834)	(10,698,155,834)	-	(10,698,155,834)
Share of other comprehensive income of associates	-	-	-	-	1,248,907,371	1,248,907,371	-	1,248,907,371
Remeasurements of net defined benefit liabilities	-	-	-	-	(29,186,262)	(29,186,262)	-	(29,186,262)
Gains on hedge of net investments in foreign operations	-	-	-	-	16,552,522,240	16,552,522,240	-	16,552,522,240
Exchange difference on translation of foreign operations	-	-	-	-	(59,292,599,064)	(59,292,599,064)	(2,565,207,518)	(61,857,806,582)
Balance at June 30, 2025	1,493,102,120,000	756,092,772,000	1,479,259,900,170	2,752,211,424,961	340,280,856,899	6,820,947,074,030	80,161,228,534	6,901,108,302,564
Balance at January 1, 2026	1,493,102,120,000	756,092,772,000	1,479,259,900,170	2,776,090,156,504	359,346,515,034	6,863,891,463,708	32,843,777,831	6,896,735,241,539
Issuance of shares	166,666,665,000	-	532,446,991,310	-	-	699,113,656,310	-	699,113,656,310
Dividends of hybrid securities	-	-	-	(19,243,590,549)	-	(19,243,590,549)	-	(19,243,590,549)
Replacement due to disposal of equity investments at FVOCI	-	-	-	2,026,768,199	(2,026,768,199)	-	-	-
Total comprehensive income								
Profit for the period	-	-	-	798,981,648,328	-	798,981,648,328	2,022,073,783	801,003,722,111
Gains on financial instruments at fair value through other comprehensive income	-	-	-	-	(187,468,964,803)	(187,468,964,803)	(296,250,991)	(187,765,215,794)
Fair value changes on financial liabilities designated at fair value due to own credit risk	-	-	-	-	1,683,986,436	1,683,986,436	-	1,683,986,436
Share of other comprehensive income of associates	-	-	-	-	(5,701,869,206)	(5,701,869,206)	-	(5,701,869,206)
Remeasurements of net defined benefit liabilities	-	-	-	-	1,061,197,496	1,061,197,496	-	1,061,197,496
Gains on hedge of net investments in foreign operations	-	-	-	-	(8,987,826,450)	(8,987,826,450)	-	(8,987,826,450)

Exchange difference on translation of foreign operations	-	-	-	-	42,127,145,702	42,127,145,702	340,080,637	42,467,226,339
Balance at June 30, 2026	1,659,768,785,000	756,092,772,000	2,011,706,891,480	3,557,854,982,482	200,033,416,010	8,185,456,846,972	34,909,681,260	8,220,366,528,232

The above condensed consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

KB SECURITIES CO., LTD. and Subsidiaries
Consolidated Statements of Cash Flows
Six-Month Periods Ended June 30, 2026 and 2025

(in Korean won)	Notes	2026 (Unaudited)	2025 (Unaudited)
Cash flows from operating activities			
Cash generated from operating activities			
Profit for the period		801,003,722,111	342,360,728,667
Adjustment for non-cash items	30	(2,984,472,939,875)	(365,307,435,489)
Changes in operating assets and liabilities	30	(4,311,638,263,070)	1,609,897,928,700
		(6,495,107,480,834)	1,586,951,221,878
Interest received		909,793,282,888	877,674,722,213
Interest paid		(628,516,959,913)	(571,083,387,163)
Dividends received		78,581,395,895	62,758,886,068
Income taxes paid		20,646,150,983	(114,099,093,974)
Net cash provided by (used in) operating activities		(6,114,603,610,981)	1,842,202,349,022
Cash flows from investing activities			
Decrease(increase) in long-term deposit		26,961,349,918	(64,485,627,200)
Acquisition of financial assets at fair value through other comprehensive income		(2,309,830,169,637)	(7,375,201,516,875)
Disposal of financial assets at fair value through other comprehensive income		3,067,089,020,682	5,503,007,773,759
Acquisition of financial assets measured at amortised cost		(37,000,000,000)	-
Acquisition of investments of associates		(57,358,397,002)	(109,121,368,919)
Disposal of investment of associates		56,306,943,717	40,809,160,464
Net cash flows from the acquisition of subsidiaries		(11,267,095,336)	-
Net cash flows from the disposal of subsidiaries		9,337,458,447	(59,872,157,000)
Acquisition of property and equipment		(8,810,492,329)	(11,937,554,373)
Disposal of property and equipment		577,703,740	494,924,613
Acquisition of intangible assets		(71,768,982,188)	(31,049,687,887)
Disposal of intangible assets		2,756,261,320	757,625,186
Net cash provided by (used in) investing activities		666,993,601,332	(2,106,598,428,232)
Cash flows from financing activities			
Increase(decrease) in borrowings		5,480,814,545,189	(116,475,730,682)
Issuance of debentures		1,440,000,000,000	1,400,000,000,000
Repayment of debentures		(1,080,200,000,000)	(570,900,000,000)
Increase(decrease) in guarantee deposit liabilities		(15,385,453)	358,315,746
Dividends paid		-	(280,000,000,000)
Decrease of lease liabilities		(20,735,961,011)	(21,437,851,721)
Dividends of hybrid securities		(19,299,850,000)	(19,299,850,000)
Issuance of shares	29	699,113,656,310	-
Increase(decrease) in other liabilities		(155,142,284,691)	7,977,375,672
Net cash provided by financing activities		6,344,534,720,344	400,222,259,015
Effect of exchange rate changes on cash and cash equivalents		17,934,493,866	(12,236,223,062)
Net increase in cash and cash equivalents		914,859,204,561	123,589,956,743
Cash and cash equivalents at the beginning of the year	6	632,855,552,929	783,086,833,987
Cash and cash equivalents in consolidated statement of financial position as at the end of the period	6	1,547,714,757,490	906,676,790,730

The above condensed consolidated statements of cash flows should be read in conjunction with the accompanying notes.

1. General Information

General information of KB Securities Co., Ltd. (the "Parent Company" or "KB Securities") which is a controlling company in accordance with Korean IFRS No.1110 *Consolidated Financial Statements,* and 65 subsidiaries including KBFG Securities America Inc. is as follows:

The Parent Company was established on June 1, 1962, under the name of Kookil Securities Co., Ltd. On June 5, 1986, the Parent Company changed its name to "Hyundai Securities Co., Ltd." and on September 30, 1975, the Parent Company's shares were listed on the Korea Stock Exchange. After several capital increases, the share capital of the Parent Company amounts to ₩ 1,659,769 million as at June 30, 2026.

The Parent Company became a wholly owned subsidiary of KB Financial Group Inc. on October 19, 2016, through a comprehensive exchange of shares. At the end of the reporting period, KB Financial Group Inc. owns 100% of ordinary shares of the Parent Company.

Meanwhile, the Parent Company merged with KB Investment & Securities Co., Ltd. (the "KB Investment & Securities") on December 30, 2016 as a surviving company and changed its name to KB Securities Co., Ltd. As at June 30, 2026, the Parent Company has 73 branch offices in Korea and two overseas branch offices.

Details of the consolidated subsidiaries as at June 30, 2026 and December 31, 2025, are as follows:

	June 30, 2026				
Investor	**Investee**	**Industry**	**Percentage of ownership (%)**	**Location**	**Date of financial statements**
The Parent Company	KBFG Securities America Inc.	Investment, advisory	100.00	USA	June
	KB Securities Hong Kong Ltd.	Investment, advisory	100.00	Hong Kong	June
	KB Securities Vietnam Joint Stock Company	Investment, advisory	99.81	Vietnam	June
	KB FINA COMPANY LIMITED	IT(Fintech)	100.00	Vietnam	June
	PT. KB Valbury Sekuritas	Investment, advisory	65.00	Indonesia	June
	KB Digital Innovation&growth New Technology Business Investment Fund [1]	Other financial	20.00	Korea	June
	KB Pre-IPO 2nd (TCB) New Technology Business Investment Fund [1]	Other financial	42.86	Korea	June
	KB Global Contents Private Investment Fund [1]	Other financial	27.27	Korea	June
	KB Securities ESG Value Enhancement Fund	Other financial	93.75	Korea	June
	Pacific US BlackRock Private Placement Real Estate Fund Investment Trust No. 15	Funds	98.51	Korea	June
	JB Dry Street Private Fund 1	Funds	100.00	Korea	June
	JB Australia108 Private Fund 1	Funds	100.00	Korea	June
	JB Forge Private Fund 1	Funds	100.00	Korea	June
	JB Hall Street Private Fund 1	Funds	100.00	Korea	June
	JB Margaret Street Private Fund 1	Funds	100.00	Korea	June
	GVA Europe Pre-IPO Private Investment Trust No.1	Funds	100.00	Korea	June
	LIFE Global Reits Pre-IPO General Private Investment Trust 1	Funds	99.88	Korea	June
	Star-Lord Alpha Flux General Investors Private Real Estate Investment Company No.11	Funds	99.78	Korea	June
	Global One Professional Investment Type Private U.S. Real Estate Investment Trust No. 2(H)	Funds	99.99	Korea	June
	PineStreet AIOFⅢ Infrastructure General Private Trust No.2	Funds	99.92	Korea	June
	Samsung Vista Credit BDC Private Investment No.2 (USD)	Funds	99.93	Korea	June
	GH Real Estate I LP	Investment	81.00	Guernsey	June
	Able Gwonseon 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	June

Investor	June 30, 2026				
	Investee	Industry	Percentage of ownership (%)	Location	Date of financial statements
	New Star Gimpo 1st Co., Ltd [1]	Asset-backed securitization	-	Korea	June
	KB MyeongJi 1st Co.,Ltd. [1]	Asset-backed securitization	-	Korea	June
	KB Mapo 2nd Co.,Ltd. [1]	Asset-backed securitization	-	Korea	June
	New Star Gimpo 4th Co.,Ltd. [1]	Asset-backed securitization	-	Korea	June
	New Star Wave 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	June
	Able Next 1st Co., Ltd [1]	Asset-backed securitization	-	Korea	June
	YSMC 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	June
	Stoke 2nd Corp [1]	Asset-backed securitization	-	Korea	June
	KPS Sihwa 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	June
	Able alpha Co., Ltd. [1]	Asset-backed securitization	-	Korea	June
	New Star Gimpo 7th Co.,Ltd. [1]	Asset-backed securitization	-	Korea	June
	Able Yongin Wonsam 2nd Co.,Ltd. [1]	Asset-backed securitization	-	Korea	June
	TRUE HOUSE FIRST CO., LTD. [1]	Asset-backed securitization	-	Korea	June
	Able Gongpyeong 3rd Co.,Ltd [1]	Asset-backed securitization	-	Korea	June
	NEW STAR L CARD 1ST CO.,LTD. [1]	Asset-backed securitization	-	Korea	June
	New Star Sinar Third Co., Ltd [1]	Asset-backed securitization	-	Korea	June
	New Star YJ Second Co., Ltd [1]	Asset-backed securitization	-	Korea	June
	HJ GALAXY No.4 Co.,ltd [1]	Asset-backed securitization	-	Korea	June
	Hyosung Vina Second Co., Ltd [1]	Asset-backed securitization	-	Korea	June
	KB Infra 4th Co.,Ltd. [1]	Asset-backed securitization	-	Korea	June
	New Star SJ First Co., Ltd [1]	Asset-backed securitization	-	Korea	June
	New Star REITs First Co., Ltd [1]	Asset-backed securitization	-	Korea	June
	MS Cheongna No.2 Co., Ltd. [1]	Asset-backed securitization	-	Korea	June
	Next Yeongjong First Co., Ltd. [1]	Asset-backed securitization	-	Korea	June
	New Star KM First Co., Ltd [1]	Asset-backed securitization	-	Korea	June
	New Star Doan first Co., Ltd [1]	Asset-backed securitization	-	Korea	June
	Still No.1 Co., Ltd [1]	Asset-backed securitization	-	Korea	June
	New Star L Chemi 1st [1]	Asset-backed securitization	-	Korea	June
	New Star Big Mountain 1st Co., Ltd.[1]	Asset-backed securitization	-	Korea	June
	New Star Circuit 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	June
	New Star Synergy 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	June
	New Star Sina Jesacha Co., Ltd. [1]	Asset-backed securitization	-	Korea	June
	New Star Ether 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	June

Investor	Investee	Industry	Percentage of ownership (%)	Location	Date of financial statements
June 30, 2026					
	Bright 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	June
	DUMTH Co., Ltd. [1]	Asset-backed securitization	-	Korea	June
	Kkaebi Yongdu-dong 1st Co.,Ltd. [1]	Asset-backed securitization	-	Korea	June
	New Star Q the first Co., Ltd. [1]	Asset-backed securitization	-	Korea	June
	New Star Upper Heonin 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	June
	New Star Upper Heonin 2nd Co., Ltd. [1]	Asset-backed securitization	-	Korea	June
	New Star eco the first Co., Ltd. [1]	Asset-backed securitization	-	Korea	June
	New Star Dogok 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	June
KB Securities Hong Kong Ltd.	Global Investment Opportunity Limited	Financial & real-estate	100.00	Malaysia	June

[1] The Group has a substantive power over the special purpose entities (“SPEs”) or investment trusts and is exposed to variable returns. Accordingly, these SPEs and investment trusts are included in subsidiaries although the Group’s ownership is less than 50%.

Investor	Investee	Industry	Percentage of ownership (%)	Location	Date of financial statements
December 31, 2025					
The Parent Company	KBFG Securities America Inc.	Investment, advisory	100.00	USA	December
	KB Securities Hong Kong Ltd.	Investment, advisory	100.00	Hong Kong	December
	KB Securities Vietnam Joint Stock Company	Investment, advisory	99.81	Vietnam	December
	KB FINA COMPANY LIMITED	IT(Fintech)	100.00	Vietnam	December
	PT. KB Valbury Sekuritas	Investment, advisory	65.00	Indonesia	December
	KB Digital Innovation&growth New Technology Business Investment Fund [1]	Other financial	20.00	Korea	December
	KB Pre-IPO 2nd (TCB) New Technology Business Investment Fund [1]	Other financial	42.86	Korea	December
	KB Global Contents Private Investment Fund [1]	Other financial	27.27	Korea	December
	KB Securities ESG Value Enhancement Fund	Other financial	93.75	Korea	December
	LB Ireland Private Real Estate Investment Trust 8	Funds	96.64	Korea	December
	Pacific US BlackRock Private Placement Real Estate Fund Investment Trust No. 15	Funds	98.51	Korea	December
	JB Dry Street Private Fund 1	Funds	100.00	Korea	December
	JB Australia108 Private Fund 1	Funds	100.00	Korea	December
	JB Forge Private Fund 1	Funds	100.00	Korea	December
	JB Hall Street Private Fund 1	Funds	100.00	Korea	December
	JB Margaret Street Private Fund 1	Funds	100.00	Korea	December
	GVA Europe Pre-IPO Private Investment Trust No.1	Funds	100.00	Korea	December
	LIFE Global Reits Pre-IPO General Private Investment Trust 1	Funds	99.89	Korea	December
	Star-Lord Alpha Flux General Investors Private Real Estate Investment Company No.11	Funds	99.78	Korea	December
	Global One Professional Investment Type Private U.S. Real Estate Investment Trust No. 2(H)	Funds	99.99	Korea	December
	PineStreet AIOFⅢ Infrastructure General Private Trust No.2	Funds	99.92	Korea	December
	Samsung Vista Credit BDC Private Investment No.2 (USD)	Funds	99.93	Korea	December
	Mangrove Feeder Fund	Funds	71.63	Cayman Islands	December
	GH Real Estate I LP	Investment	81.00	Guernsey	December
	Able Gwonseon 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December

Investor	December 31, 2025				
	Investee	Industry	Percentage of ownership (%)	Location	Date of financial statements
	New Star Gimpo 1st Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	Able Sewoon Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	KB MyeongJi 1st Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	KB Mapo 2nd Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	Zitaress 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	New Star Gimpo 4th Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	Powerplay 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Able Maseok 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	New Star Wave 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Able Next 1st Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	YSMC 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Stoke 2nd Corp [1]	Asset-backed securitization	-	Korea	December
	New Star Seongnam 1st Co.,Ltd [1]	Asset-backed securitization	-	Korea	December
	KPS Sihwa 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Able alpha Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	New Star Gimpo 7th Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	able hi position 1st [1]	Asset-backed securitization	-	Korea	December
	Able Yongin Wonsam 2nd Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	TRUE HOUSE FIRST CO., LTD. [1]	Asset-backed securitization	-	Korea	December
	Able Gongpyeong 3rd Co.,Ltd [1]	Asset-backed securitization	-	Korea	December
	NEW STAR L CARD 1ST CO.,LTD. [1]	Asset-backed securitization	-	Korea	December
	Olivia 1st Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	New Star Sinar Third Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	New Star YJ Second Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	HJ GALAXY No.4 Co.,ltd [1]	Asset-backed securitization	-	Korea	December
	Hyosung Vina Second Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	New Star Woncle 1st. Co.ltd [1]	Asset-backed securitization	-	Korea	December
	NetFabric Suncheon First Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	KB Infra 4th Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	New Star Songam 1st Co.,ltd. [1]	Asset-backed securitization	-	Korea	December
	New Star SJ First Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	New Star REITs First Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	New Star Cine 1st Co.,ltd. [1]	Asset-backed securitization	-	Korea	December

Investor	December 31, 2025				
	Investee	Industry	Percentage of ownership (%)	Location	Date of financial statements
	MS Cheongna No.2 Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Next Yeongjong First Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	New Star KM First Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	New Star Next 1st Co.,ltd. [1]	Asset-backed securitization	-	Korea	December
	New Star Next 2nd Co.,ltd. [1]	Asset-backed securitization	-	Korea	December
	New Star Doan first Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	PAV Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	Still No.1 2nd Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	New Star L Chemi 1st [1]	Asset-backed securitization	-	Korea	December
Mangrove Feeder Fund	Mangrove Master Fund	Funds	100.00	Cayman Islands	December
KB Securities Hong Kong Ltd.	Global Investment Opportunity Limited	Financial & real-estate	100.00	Malaysia	December

[1] The Group has a substantive power over the special purpose entities ("SPEs") or investment trusts and is exposed to variable returns. Accordingly, these SPEs and investment trusts are included in subsidiaries although the Group's ownership is less than 50%.

Summarized financial information of major subsidiaries as at and for the six-month periods ended June 30, 2026 and 2025, is as follows:

(in thousands of Korean won)	June 30, 2026		2026		
Name of subsidiary	Assets	Liabilities	Operating income	Profit (loss) for the period	Total comprehensive income(loss)
KBFG Securities America Inc.	50,114,920	3,699,795	11,342,465	6,597,492	9,589,616
KB Securities Hong Kong Ltd.	431,856,053	103,491,854	19,346,520	5,970,510	26,165,157
KB Securities Vietnam Joint Stock Company	737,979,572	465,420,698	39,786,412	5,623,176	24,038,780
KB FINA COMPANY LIMITED	3,134,211	9,528	3,261	609,195	801,998
PT. KB Valbury Sekuritas	175,403,869	77,126,795	20,916,958	5,746,671	5,771,402
LB Ireland Private Real Estate Investment Trust 8 [1]	-	-	181	(36,786)	(36,786)
Mangrove Feeder Fund [1]	-	-	-	(29,547)	(7,551,206)
Mangrove Master Fund [1]	-	-	1,410,078	375,367	(1,771,000)
GH Real Estate I LP	30,417,117	1,890,248	-	(104,720)	1,118,838
Global Investment Opportunity Limited	203,553	-	428	(5,955)	8,318
Pacific US BlackRock Private Placement Real Estate Fund Investment Trust No. 15	2,542,216	147,462	718,650	(270,101)	(270,101)
KB Digital Innovation&growth New Technology Business Investment Fund	10,213,916	63,996	707,298	580,607	580,607
KB Pre-IPO 2nd (TCB) New Technology Business Investment Fund	17,590,910	-	161,494	(308,317)	(308,317)
JB Dry Street Private Fund 1	115,058	9,231	6,097	2,988	2,988

(in thousands of Korean won)

	June 30, 2026		2026		
Name of subsidiary	Assets	Liabilities	Operating income	Profit (loss) for the period	Total comprehensive income(loss)
JB Australia108 Private Fund 1	70,224	3,554	4,141	1,983	1,983
JB Forge Private Fund 1	50,399	2,882	2,967	1,422	1,422
JB Hall Street Private Fund 1	119,151	3,224	5,785	2,915	2,915
JB Margaret Street Private Fund 1	32,414	669	1,622	808	808
KB Global Contents Private Investment Fund	12,813,004	69,209	287	(1,606,593)	(1,606,593)
GVA Europe Pre-IPO Private Investment Trust No.1	31,692,251	10,814	1,949	1,320,586	1,320,586
LIFE Global Reits Pre-IPO General Private Investment Trust 1	71,910,050	23,801	3,407	3,001,917	3,001,917
Star-Lord Alpha Flux General Investors Private Real Estate Investment Company No.11	84,985,010	103,864,942	2,988,733	(14,260,985)	(14,260,985)
KB Securities ESG Value Enhancement Fund	2,926,768	292	134	(44,725)	(44,725)
Global One Professional Investment Type Private U.S. Real Estate Investment Trust No. 2(H)	1,170,266	26	62	(163,265)	(76,953)
PineStreet AIOFⅢ Infrastructure General Private Trust No.2	6,411,340	454,316	757,334	330,747	330,747
Samsung Vista Credit BDC Private Investment No.2 (USD)	25,393,967	14,810	3,065,216	3,036,969	4,717,014
Able Gwonseon 1st Co., Ltd.	16,652,753	16,611,717	477,871	(45,026)	(45,026)
New Star Gimpo 1st Co., Ltd	22,206,611	22,146,152	670,856	(24,028)	(24,028)
KB MyeongJi 1st Co.,Ltd.	9,182,315	9,539,399	389,312	47,978	47,978
KB Mapo 2nd Co.,Ltd.	9,453,122	10,112,511	389,681	(241,031)	(241,031)
Zitaress 1st Co., Ltd. [1]	-	-	161,905	48,195	48,195
New Star Gimpo 4th Co.,Ltd.	650,243	7,259,575	243,277	25,247	25,247
Powerplay 1st Co., Ltd. [1]	-	-	303,452	83,366	83,366
New Star Wave 1st Co., Ltd.	76,841,903	76,098,191	1,786,455	41,457	41,457
Able Next 1st Co., Ltd	20,325,004	21,098,302	264,420	(20,255)	(20,255)
YSMC 1st Co., Ltd.	47,696,595	46,278,547	17	468,191	468,191
Stoke 2nd Corp	32,113,018	77,635,000	578	(10,032,731)	(10,032,731)
New Star Seongnam 1st Co.,Ltd [1]	-	-	67,724	33,545	33,545
KPS Sihwa 1st Co., Ltd.	174,614,224	266,468,932	98	(14,439,874)	(14,439,874)
Able alpha Co., Ltd.	27,438,218	29,760,068	145,205	(1,785,991)	(1,785,991)
New Star Gimpo 7th Co.,Ltd.	56,949,149	98,303,733	3,716,566	505,835	505,835
able hi position 1st [1]	-	-	1,654,535	17,162	17,162
Able Yongin Wonsam 2nd Co.,Ltd.	50,443,608	50,522,589	1,901,162	461,248	461,248
TRUE HOUSE FIRST CO., LTD.	15,866,553	15,478,805	561,906	(27,739)	(27,739)
Able Gongpyeong 3rd Co.,Ltd	46,638,342	46,425,528	1,608,907	76,837	76,837
NEW STAR L CARD 1ST CO.,LTD.	108,812,832	107,038,521	3,248,164	667,123	667,123
New Star Sinar Third Co., Ltd	32,838,546	32,046,880	5,396,780	647,229	647,229
New Star YJ Second Co., Ltd	101,484,452	103,052,403	3,251,905	(1,325,519)	(1,325,519)
HJ GALAXY No.4 Co.,ltd	57,259,740	57,400,000	2,823,785	1,651,394	1,651,394
Hyosung Vina Second Co., Ltd	80,555,646	79,720,944	2,296,679	27,872	27,872
New Star Woncle 1st. Co.ltd	30,802,067	31,326,042	3,012,030	(30,029)	(30,029)
New Star SJ First Co., Ltd	30,331,449	30,354,227	877,755	69,021	69,021
New Star REITs First Co., Ltd	40,572,789	40,276,164	1,749,485	189,396	189,396
New Star Cine 1st Co.,ltd. [1]	-	-	3,454,675	(724,646)	(724,646)
MS Cheongna No.2 Co., Ltd.	96,637,422	97,059,246	2,648,283	(401,784)	(401,784)
Next Yeongjong First Co., Ltd.	84,770,002	89,008,149	8,204,149	2,060,133	2,060,133
New Star KM First Co., Ltd	40,332,529	40,402,981	1,031,452	46,037	46,037
New Star Doan first Co., Ltd	40,517,950	40,232,882	4,573,774	551,948	551,948
Still No.1 2nd Co., Ltd	50,479,918	50,545,462	1,080,230	179	179
New Star L Chemi 1st	295,540,718	295,729,955	5,736,348	(189,238)	(189,238)

(in thousands of Korean won)

	June 30, 2026		2026		
Name of subsidiary	Assets	Liabilities	Operating income	Profit (loss) for the period	Total comprehensive income(loss)
New Star Big Mountain 1st Co., Ltd.	50,251,983	50,505,753	1,293,194	(253,771)	(253,771)
New Star Circuit 1st Co., Ltd.	39,823,263	40,424,274	939,672	(601,021)	(601,021)
Future Live Co., Ltd. [1]	-	-	3,617,720	588,500	588,500
New Star Synergy 1st Co., Ltd.	37,474,026	38,500,104	854,546	(1,026,079)	(1,026,079)
New Star Sina Jesacha Co., Ltd.	62,732,449	63,774,087	5,843,335	(1,041,647)	(1,041,647)
New Star Ether 1st Co., Ltd.	34,338,071	37,046,137	4,256,589	(2,708,066)	(2,708,066)
Bright 1st Co., Ltd.	10,754,020	11,058,565	2,682,750	(304,547)	(304,547)
DUMTH Co., Ltd.	78,185,183	78,293,836	423,126	(108,655)	(108,655)
Kkaebi Yongdu-dong 1st Co.,Ltd.	27,614,140	29,251,491	209,781	(1,637,360)	(1,637,360)
New Star Q the first Co., Ltd.	151,009,478	151,150,658	114,576	(141,181)	(141,181)
New Star Upper Heonin 1st Co., Ltd.	70,624,147	72,733,667	53,484	(2,109,529)	(2,109,529)
New Star Upper Heonin 2nd Co., Ltd.	66,493,353	69,945,336	65,070	(3,451,992)	(3,451,992)
New Star eco the first Co., Ltd.	75,159,713	76,221,322	-	(1,061,618)	(1,061,618)
New Star Dogok 1st Co., Ltd.	37,631,952	38,788,419	35,100	(1,156,477)	(1,156,477)

[1] These companies are excluded from subsidiaries as at June 30, 2026.

(in thousands of Korean won)

	December 31, 2025		2025		
Name of subsidiary	Assets	Liabilities	Operating income	Profit (loss) for the period	Total comprehensive income(loss)
KBFG Securities America Inc.	40,232,659	3,407,150	10,195,286	4,630,421	2,359,245
KB Securities Hong Kong Ltd.	329,258,232	27,059,189	19,908,859	8,391,828	(17,757,587)
KB Securities Vietnam Joint Stock Company	692,931,158	444,411,064	28,206,540	4,551,960	(20,594,438)
KB FINA COMPANY LIMITED	2,327,616	4,931	2,677	(251,357)	(495,333)
PT. KB Valbury Sekuritas	242,695,761	150,190,089	13,085,142	2,422,256	(4,778,073)
JB New Jersey Private Real Estate Fund 1 [1]	-	-	15	(60)	(60)
LB Ireland Private Real Estate Investment Trust 8	57,101	4,383,978	652	(118,820)	(118,820)
Mangrove Feeder Fund	12,637,369	14,402	-	(377,457)	(2,615,951)
Mangrove Master Fund	26,427,117	8,904,190	1,648,218	926,259	(1,707,012)
GH Real Estate I LP	29,116,238	1,708,208	-	(2,204,006)	(1,130,746)
Global Investment Opportunity Limited	195,235	-	576	(11,812)	(28,078)
Pacific US BlackRock Private Placement Real Estate Fund Investment Trust No. 15	2,906,682	241,827	1,805,899	2,234,054	2,234,054
KB Digital Innovation&growth New Technology Business Investment Fund	9,713,414	144,100	187,736	20,196	20,196
KB Pre-IPO 2nd (TCB) New Technology Business Investment Fund	18,240,494	341,266	388,159	(17,580)	(17,580)
Able Gwonseon 1st Co., Ltd.	15,441,859	15,355,797	419,482	(52,384)	(52,384)
JB Dry Street Private Fund 1	112,070	9,230	1,774	47	47
JB Australia108 Private Fund 1	68,241	3,554	4,404	(71)	(71)
JB Forge Private Fund 1	48,977	2,882	807	(43)	(43)
JB Hall Street Private Fund 1	116,235	3,224	1,778	156	156
JB Margaret Street Private Fund 1	31,606	668	489	34	34
New Star Gimpo 1st Co., Ltd	22,426,428	22,341,941	993,248	103,541	103,541
Able Sewoon Co., Ltd.	4,010,520	3,110,931	814,792	466,496	466,496
KB MyeongJi 1st Co.,Ltd.	10,565,777	10,970,839	553,088	(837,142)	(837,142)

(in thousands of Korean won)

	December 31, 2025		2025		
Name of subsidiary	Assets	Liabilities	Operating income	Profit (loss) for the period	Total comprehensive income(loss)
Able Dangjin 1st Co.,Ltd. [1]	-	-	879,080	(46,674)	(46,674)
KB Mapo 2nd Co.,Ltd.	9,686,143	10,104,501	297,624	77,162	77,162
Able Wonchang 1st Co., Ltd. [1]	-	-	62	267,240	267,240
Zitaress 1st Co., Ltd.	13,920,792	13,221,711	476,705	152,188	152,188
Able Beomeo-one Co., Ltd.[1]	-	-	1,347,477	1,170,272	1,170,272
New Star Gimpo 4th Co.,Ltd.	628,295	7,262,873	243,266	53,238	53,238
Powerplay 1st Co., Ltd.	9,410,968	15,161,151	351,416	(5,469,729)	(5,469,729)
Able Dosan 1st Co., Ltd [1]	-	-	223,013	(139,123)	(139,123)
Able Maseok 1st Co., Ltd.	3,985,918	4,081,361	528,819	(83,549)	(83,549)
TW Seocho 1st Co., Ltd. [1]	-	-	6,499,591	(9,311,380)	(9,311,380)
TW Seocho 2nd Co., Ltd. [1]	-	-	1,503,616	(29,057,655)	(29,057,655)
New Star Wave 1st Co., Ltd.	78,945,209	78,242,955	1,886,491	97,992	97,992
Able Next 1st Co., Ltd	20,404,750	21,157,794	704,192	(344,071)	(344,071)
YSMC 1st Co., Ltd.	47,749,856	46,800,000	-	576,666	576,666
Stoke 2nd Corp	46,255,750	81,745,000	2,715,659	(7,992,722)	(7,992,722)
KB Global Contents Private Investment Fund	14,356,793	6,405	437,291	307,631	307,631
New Star Seongnam 1st Co.,Ltd	3,264,977	3,101,481	566,688	539,227	539,227
KPS Sihwa 1st Co., Ltd.	189,180,028	266,594,862	8,409,310	(15,623,461)	(15,623,461)
New Star NRB First Co., Ltd. [1]	-	-	1,147,001	820,512	820,512
GVA Europe Pre-IPO Private Investment Trust No.1	26,154,749	16,975	3,742	616,820	616,820
LIFE Global Reits Pre-IPO General Private Investment Trust 1	59,395,925	35,392	2,021	2,104,956	2,104,956
Star-Lord Alpha Flux General Investors Private Real Estate Investment Company No.11	98,066,853	102,685,801	1,991,035	(3,796,127)	(3,796,127)
Able alpha Co., Ltd.	28,279,824	28,815,682	1,135,929	576,749	576,749
K-1 23th Yeoksam Real Estate Investment Trust Company [1]	-	-	5,673,979	(2,343,177)	(2,343,177)
KB Securities ESG Value Enhancement Fund	2,972,631	1,430	272	(40,088)	(40,088)
New Star Sinar Second Co., Ltd [1]	-	-	9,603,705	(441,641)	(441,641)
New Star Gimpo 7th Co.,Ltd.	54,646,168	96,506,587	3,715,133	971,421	971,421
able hi position 1st	96,040,137	96,692,839	3,177,140	(27,821)	(27,821)
Able Yongin Wonsam 2nd Co.,Ltd.	50,448,809	50,989,039	1,914,440	(179,516)	(179,516)
TRUE HOUSE FIRST CO., LTD.	15,806,571	15,391,084	973,737	(577)	(577)
Breeze Air Primary Co.,Ltd. [1]	-	-	2,754,784	(33,394)	(33,394)
Able Gongpyeong 3rd Co.,Ltd	44,232,571	44,096,594	1,455,063	(1,216,400)	(1,216,400)
NEW STAR L CARD 1ST CO.,LTD.	118,174,139	117,066,951	3,938,243	508,601	508,601
Olivia 1st Co.,Ltd.	16,122,259	15,545,777	2,603,741	138,755	138,755
THE APOGEE THE FIRST CO.,LTD. [1]	-	-	1,283,735	591,126	591,126
Global One Professional Investment Type Private U.S. Real Estate Investment Trust No. 2(H)	1,247,218	25	68	(65,209)	(176,019)
NEW STAR EXPER 1ST CO.,LTD. [1]	-	-	10,675,473	1,945,093	1,945,093
New Star kumkang 1st Co., Ltd. [1]	-	-	3,514,022	(399,721)	(399,721)
New Star Sinar Third Co., Ltd	29,963,490	29,819,053	2,508,644	(197,162)	(197,162)
New Star YJ Second Co., Ltd	101,571,593	101,814,025	1,823,527	(100,297)	(100,297)
New Star Smile First Co., Ltd [1]	-	-	2,412,202	(285,066)	(285,066)
HJ GALAXY No.4 Co.,ltd	77,308,346	79,100,000	8	(986,369)	(986,369)
New Star Solution 2nd Co., Ltd [1]	-	-	655,668	(202,082)	(202,082)
Sepia 1st Co., Ltd. [1]	-	-	54,918	(382,907)	(382,907)
ZeroWind pungmu First Co., Ltd. [1]	-	-	13,229	(303,238)	(303,238)
Prime Twin Co., Ltd [1]	-	-	297,034	(483,610)	(483,610)
Buu 1st Co., Ltd. [1]	-	-	109,073	(234,021)	(234,021)

(in thousands of Korean won)	December 31, 2025		2025		
Name of subsidiary	**Assets**	**Liabilities**	**Operating income**	**Profit (loss) for the period**	**Total comprehensive income(loss)**
Gyeongsan Logis 1st Co., Ltd [1]	-	-	916,997	(4,070,233)	(4,070,233)
ABLE GUNPO 1ST CO.,LTD. [1]	-	-	577,447	(145,534)	(145,534)
E&F Blacksapphire Private Equity Fund [1]	-	-	-	(722,520)	(722,520)
Able Civic 4th Co., Ltd. [1]	-	-	1,332,125	(407,806)	(407,806)
PineStreet AIOFⅢ Infrastructure General Private Trust No.2	4,741,478	51,688	-	-	-
Samsung Vista Credit BDC Private Investment No.2 (USD)	21,538,294	6,058	21,532,236	-	-
Hyosung Vina Second Co., Ltd	80,442,497	79,635,668	-	-	-
New Star Woncle 1st. Co.ltd	30,050,556	29,819,691	-	-	-
NetFabric Suncheon First Co., Ltd.	69,900,222	70,786,426	-	-	-
KB Infra 4th Co.,Ltd.	20,019,960	20,513,907	-	-	-
New Star Songam 1st Co.,ltd.	30,391,950	30,231,083	-	-	-
New Star SJ First Co., Ltd	30,176,874	30,268,673	-	-	-
New Star REITs First Co., Ltd	85,694,079	85,586,849	-	-	-
New Star Cine 1st Co.,ltd.	170,902,334	173,085,365	-	-	-
MS Cheongna No.2 Co., Ltd.	100,586,714	100,606,755	-	-	-
Next Yeongjong First Co., Ltd.	109,743,337	116,041,616	-	-	-
New Star KM First Co., Ltd	40,259,681	40,376,169	-	-	-
New Star Next 1st Co.,ltd.	54,851,677	55,947,995	-	-	-
New Star Next 2nd Co.,ltd.	24,885,748	25,657,260	-	-	-
New Star Doan first Co., Ltd	110,686,759	110,953,639	-	-	-
PAV Co., Ltd	30,416,264	30,300,115	-	-	-
Still No.1 Co., Ltd	50,776,001	50,841,723	-	-	-
New Star L Chemi 1st	316,865,568	316,865,568	-	-	-

[1] These companies are excluded from subsidiaries as at December 31, 2025.

The details of changes in scope for consolidation for the six-month period ended June 30, 2026, are as follows:

(a) Subsidiaries newly included in the consolidation

Name of entity	**Reason**
New Star Big Mountain 1st Co., Ltd. New Star Circuit 1st Co., Ltd. Future Live Co., Ltd. New Star Synergy 1st Co., Ltd. New Star Sina Jesacha Co., Ltd. New Star Ether 1st Co., Ltd. Bright 1st Co., Ltd. DUMTH Co., Ltd. Kkaebi Yongdu-dong 1st Co.,Ltd. New Star Q the first Co., Ltd. New Star Upper Heonin 1st Co., Ltd. New Star Upper Heonin 2nd Co., Ltd. New Star eco the first Co., Ltd. New Star Dogok 1st Co., Ltd.	Holding power over the relevant activities in the event of default and being a provider of credit facilities or purchase commitments, or being exposed to significant variable gains from the acquisition of subordinated bonds.

(b) Subsidiaries excluded from the consolidation

Name of entity	Reason
New Star Songam 1st Co.,ltd.	Disposal
New Star Next 1st Co.,ltd.	Disposal
New Star Next 2nd Co.,ltd.	Disposal
New Star Woncle 1st. Co.ltd	Disposal
LB Ireland Private Real Estate Investment Trust 8	Liquidation
Mangrove Feeder Fund	Disposal
Mangrove Master Fund	Disposal
Able Sewoon Co., Ltd.	Repayment of loan
Able Maseok 1st Co., Ltd.	End of payment guarantee contract
Olivia 1st Co.,Ltd.	End of payment guarantee contract
NetFabric Suncheon First Co., Ltd.	Disposal
PAV Co., Ltd	Disposal
able hi position 1st	Repayment of loan
New Star Cine 1st Co.,ltd.	Disposal
Zitaress 1st Co., Ltd.	Repayment of loan
New Star Seongnam 1st Co.,Ltd	Repayment of loan
Powerplay 1st Co., Ltd.	Repayment of loan
Future Live Co., Ltd.	Repayment of loan

2. Material Accounting Policies

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

2.1 Basis of Preparation

The Group's condensed consolidated interim financial statements for the six-month period ended June 30, 2026, have been prepared in accordance with Korean IFRS No. 1034 *Interim Financial Reporting* and contain less information than is required in annual consolidated financial statements. Selected explanatory notes include descriptions of transactions or events that are significant in understanding change in financial position and financial performance of the Group since the end of the previous annual reporting period. These condensed consolidated interim financial statements have been prepared in accordance with Korean IFRS which is effective or early adopted as of June 30, 2026.

2.2 Changes in Accounting Policy and Disclosures

2.2.1 New and amended standards adopted by the Group

The Group has applied the following amended standards for the first time for its annual reporting period commencing January 1, 2026.

- *Amendments to Korean IFRS No.1109 Financial Instruments and Korean IFRS No.1107 Financial Instruments : Disclosure*

The amendments of Korean IFRS 1109, Financial Instruments, and Korean IFRS 1107, Financial Instruments: Disclosure have been made for the purpose of addressing questions raised in practice and reflecting new requirements. The amendments should be applied for annual reporting periods beginning on or after January 1, 2026, and earlier application is permitted. The main amendments are as follows: The Group is in the process of reviewing the impact of these amendments on the consolidated financial statements. These amendments do not have a significant impact on the consolidated interim financial statements.

- Allowing financial liabilities to be considered settled (derecognized) through electronic payment systems before the settlement date, if certain criteria are met.
- Clarifying and adding additional guidance for assessing whether a financial asset meets the criteria for payments of principal and interest only.
- Disclosing the impact on the company and the extent to which the company is exposed, of contractual terms that change the timing or amount of cash flows under the contract, for each type of financial instrument.
- Additional disclosures for equity instruments designated at FVOCI.

- *Annual Improvement of Korean IFRS Volume 11*

Annual Improvements to Korean IFRS Volume 11 is applied for annual reporting periods beginning on or after January 1, 2026. These amendments do not have a significant impact on the consolidated interim financial statements.

· *Korean IFRS No. 1101, First-Time Adoption of Korean IFRS : Application of Hedge Accounting upon First-Time Adoption of K-IFRS*
· *Korean IFRS No. 1107, Financial Instruments: Disclosure: Derecognition of Profit and Loss, Guidance on Practice*
· *Korean IFRS No. 1109, Financial Instruments: Derecognition of Lease Liabilities and Definition of Transaction Price*

· Korean IFRS No. 1110, Consolidated Financial Statements: Determination of De facto Agent
· Korean IFRS No. 1007, Cash Flow Statement: Cost Method

- *Amendments to Korean Accounting Standards No. 1109, "Financial Instruments," and Korean Accounting Standards No. 1107, "Financial Instruments : Disclosures" - Contracts Related to Power Reliant on Nature*

Contracts referencing nature-dependent electricity are defined contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions (for example, the weather). The amendments clarify that 'contracts to buy or sell such electricity' are assessed for eligibility under the own-use exemption. In addition, the amendments modify hedge accounting requirements by allowing an entity to designate as the hedged item a variable nominal amount of forecast electricity transactions that reflect the nature-dependent variability of electricity and introduce additional disclosure requirements.

2.2.2 The following new and amended accounting standards had been issued but were not mandatory for annual reporting periods ending on December 31, 2026, and are not yet adopted by the Group.

- *Enactment of Korean IFRS 1118 'Presentation and Disclosure of Financial Statements'*

Korean IFRS 1118 'Presentation and Disclosure of Financial Statements' replaces Korean IFRS 1001 'Presentation of Financial Statements'. Korean IFRS 1118 is expected to enhance the comparability of financial performance among similar companies by providing useful information to users for analyzing and comparing the entity's performance based on the income statement.

Korean IFRS 1118 should be first applied for annual periods beginning on or after January 1, 2027, and earlier application is permitted. As companies must apply this standard retrospectively in accordance with Korean IFRS 1008 'Changes in Accounting Policies, Estimates and Errors', comparative information for the year ended December 31, 2026, will be restated in accordance with Korean IFRS 1118.

When the Group prepares its financial statements by applying Korean IFRS 1118, the following material accounting policies are expected to result in significant differences compared to the current financial statements. These items do not include all differences that may arise in the future and may be subject to change based on the results of additional analysis.

[Changes in Income Statement Presentation, etc.]

Korean IFRS 1118 requires that all income and expenses included in the income statement be classified into one of five categories: operating, investing, financing, corporate income tax, and discontinued operations. Under the standard, all income and expenses that are not classified as investing, financing, income tax, or discontinued operations categories are classified in the operating category. Accordingly, the operating category is a residual category, and operating profit or loss is defined as the total of income and expenses classified within that category.

In classifying income and expenses, the Group is required to assess its main business activities. If the Group determines that investing in particular types of assets or providing financing to customers is a main business activity, income and expenses that would otherwise be classified in the investing or financing categories are classified instead in the operating category.

The resulting operating profit or loss differs significantly from the operating profit or loss under current Korean IFRS 1001, which is defined as revenue less the cost of goods sold and selling and administrative expenses. Korean IFRS 1118 requires the disclosure of operating profit or loss calculated in accordance with current Korean IFRS 1001 in the notes, and the adjustment for the difference between operating profit or loss under Korean IFRS 1118 and operating profit or loss under current IFRS 1001 must also be disclosed in the notes.

In addition, Korean IFRS 1118 requires the presentation of 'operating profit or loss,' consisting of all income and expenses classified under operating categories; 'profit or loss before financial income and corporate tax,' consisting of operating profit or loss and all income and expenses classified under investment categories; and 'profit or loss.' However, if the Group provides financial services to customers as its primary business activity, the presentation of 'profit or loss before financial income and corporate tax' may not apply depending on the choice of accounting policy.

[Introduction of Disclosure of Management-Defined Performance Measures]

Korean IFRS 1118 defines management-defined performance measures as subtotals of income and expenses that are not listed in Paragraph 118 of Korean IFRS 1118 or for which the Korean Accounting Standards do not explicitly require their presentation or disclosure. These measures are used by the entity in public communication, distinct from the financial statements, to convey management's views on aspects of the entity's overall financial performance to users of the financial statements. New disclosure requirements related to this are introduced.

When the Group reports MPMs, it is required to disclose the reasons why such measures provide useful information, how those measures are calculated, and a reconciliation between those measures and the most directly comparable subtotal specified in Korean IFRS 1118. In addition, the Group shall disclose the income tax effect of each reconciling item and the effect of each reconciling item on non-controlling interests.

[Changes in Cash Flow Classification, etc.]

In accordance with the issuance of Korean IFRS 1118, certain amendments were made to Korean IFRS 1007, 'Statement of Cash Flows.' Consequently, the starting point for calculating cash flows from operating activities under the indirect method has been changed from net profit/loss for the period to operating profit or loss, and the option to classify cash flows related to interest and dividends has been removed.

The Group has not applied Korean IFRS 1118 as its mandatory effective date has not yet arrived, and plans to report the first interim financial statements for the period ended March 31, 2027, in accordance with Korean IFRS 1118. The Group is carrying out financial impact analysis and setting up accounting policies related to the adoption of Korean IFRS 1118 based on the information available as at June 30, 2026, and is also carrying out a preliminary overall assessment of the impact of applying this standard.

2.3 Significant Accounting Policies

The significant accounting policies and calculation methods applied in the preparation of these condensed consolidated interim financial statements are as same as those applied to the consolidated financial statements for the year ended December 31, 2025, except for the impact of changes due to adopting new and amended standards and interpretations described in Note 2.2.

Income tax expense for the six-month period is measured by expected weighted average annual income tax rate applicable on expected total annual income —that is, the estimated average annual effective corporate tax rate—to the pre-tax profit for the interim period.

3. Critical Accounting Estimates and Assumptions

For preparation of financial statements, the Group make estimates and assumptions concerning the future. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These accounting estimates may be different from the actual results.

The material accounting policies and calculation methods applied in the preparation of these condensed consolidated interim financial statements are the same as those applied to the consolidated financial statements for the year ended December 31, 2025.

4. Financial Risk Management

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

Disclosures for financial risk management are not included in these condensed consolidated interim financial statements. For further information on financial risk management, refer to the annual consolidated financial statements for the year ended December 31, 2025.

There is no significant change related to the policies and organization of financial risk management on or after beginning January 1, 2026.

5. Segment Information

5.1 Types of services from which each reportable segment derives its revenues

Management of the Group decides operating segment based on the information, which is to be reported to the Group's chief executive officer, in order to allocate resources to the segment and evaluate performance of the segment. The Group's operating segments consist of brokerage and wealth management, investment banking, trading and other business.

In accordance with Korean IFRS No.1108, reporting segments of the Group by type of services categories are as follows:

Reporting segment	Main business activities
Brokerage and wealth management	Sales and services relating to wealth management and brokerage provided to individuals, corporations and institutional investors
Investment banking	Underwriting and advisory services related to bond issuance, structured finance, initial public offering, and mergers and acquisition
Trading	Trading of securities and derivatives, and proprietary trading
Others	Other services and support services

5.2 Revenue and income of segment reporting

Financial information by operating segment for the six-month periods ended June 30, 2026 and 2025, are as follows:

(in thousands of Korean won)

	2026				
	Operating income	Operating expense	Operating profit	Non-operating income(expense)	Profit(loss) before income tax expense(income)
Brokerage and wealth management	12,220,381,674	11,383,658,085	836,723,589	15,519,668	852,243,257
Investment banking	565,849,109	560,717,154	5,131,955	7,998,234	13,130,189
Trading	6,492,893,834	6,442,421,268	50,472,566	4,813,692	55,286,258
Others	1,349,745,935	1,188,351,058	161,394,877	(2,065,494)	159,329,383
	20,628,870,552	19,575,147,565	1,053,722,987	26,266,100	1,079,989,087

(in thousands of Korean won)	2025				
	Operating income	Operating expense	Operating profit	Non-operating income(expense)	Profit(loss) before income tax expense(income)
Brokerage and wealth management	2,897,363,295	2,682,805,477	214,557,818	(2,596,996)	211,960,822
Investment banking	623,643,600	523,306,855	100,336,745	8,341,818	108,678,563
Trading	2,392,510,020	2,352,517,272	39,992,748	1,489,917	41,482,665
Others	291,306,845	203,539,919	87,766,926	10,630,620	98,397,546
	6,204,823,760	5,762,169,523	442,654,237	17,865,360	460,519,597

The above reported operating income is generated from external customers and inter-segment transactions, and expense includes expenses that can be directly attributed or reasonably allocated to each segment including internal interests. Segment profit represents the profit earned by each segment, reported to the chief executive officer to determine the allocation of resources and to measure the respective segments' performance.

5.3 Information on principal customers

No single customer contributed 10% or more to the Group's revenue for the six-month periods ended June 30, 2026 and 2025.

6. Cash and Deposits

The details of cash and deposits as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	June 30, 2026	December 31, 2025
Cash and cash equivalents		
Cash on hand	284	298
Cash in foreign currency	2,714	2,472
Time deposits and installment savings deposits	105,959,632	-
Demand deposits	254,464,088	165,866,019
Checking deposit	51,819,494	16,244,316
Foreign currency deposits	566,188,405	184,852,869
Certificates of deposit	-	17,218,800
MMDA	569,280,140	248,670,778
	1,547,714,757	632,855,552
Deposits		
Deposits for securities subscription	747,873	21,538,625
Reserve for claims of customers' deposits	1,278,835,133	1,506,899,724
Guarantee deposits for securities lending and borrowing	635,285,311	389,805,311
Deposits for exchange-traded derivatives	3,467,554,592	472,541,683
Guarantee deposits for KSFC trading	1,140,856	1,294,281
Long-term deposits	129,248,438	155,081,447
Restricted due from financial institutes	40,500	42,000
Others	1,119,636,768	927,570,303
Allowances for credit losses of deposits	(2,045,746)	(1,059,769)
	6,630,443,725	3,473,713,605
	8,178,158,482	4,106,569,157

Restricted deposits as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	June 30, 2026	December 31, 2025
Deposits for securities subscription [1]	747,873	21,538,625
Reserve for claims of customers' deposits [2]	1,278,835,133	1,506,899,724
Guarantee deposits for securities lending and borrowing [3]	635,285,311	389,805,311
Deposits for exchange-traded derivatives [4]	3,467,554,592	472,541,683
Guarantee deposits for KSFC trading [5]	1,140,856	1,294,281
Long-term deposits [6]	69,000,000	69,000,000
Restricted due from financial institutes [7]	40,500	42,000
Others [8]	1,119,636,768	927,570,303
	6,572,241,033	3,388,691,927

[1] Subscription deposits are subscription margin of investors and the Group that are separately deposited at Korea Securities Finance Corporation(KSFC) or other relevant financial institutions until due date for payment for the subscription of the newly issued or sold securities in accordance with the provisions of Article 4-44 of the Regulation on Financial Investment Business.
[2] The reserve for claims of customers' deposits is deposited separately in a form of trust in KSFC to meet the demands of investors, such as return of deposit and others, in accordance with Article 74 of the Financial Investment Services and Capital Markets Act.
[3] Deposited in Korea Securities Depository to guarantee the settlement of securities lending and borrowing transactions.
[4] The deposits for exchange-traded derivatives that the investors and the Group pay for foreign futures option trading to KEB Hana Bank and Forex Dealer Member.
[5] In the case of an investor's loan transaction, a certain portion of the price of securities sold is deposited at KSFC as margin.
[6] Pledged deposits provided for securities lending and borrowing, repurchase agreements between institutions and retail payment through investment & securities companies are included.
[7] Guarantee deposits for checking accounts
[8] Deposits in foreign currency and others consist of the margin accounts for trading financial instruments in foreign markets and deposits to court.

Changes in allowances for credit losses of deposits for the six-month periods ended June 30, 2026 and 2025, are as follows:

(in thousands of Korean won)	2026		
	12-month expected credit losses	Lifetime expected credit losses	
		Non- impaired	Impaired
Beginning	1,059,769	-	-
Provision	985,977	-	-
	2,045,746	-	-

(in thousands of Korean won)	2025		
	12-month expected credit losses	Lifetime expected credit losses	
		Non- impaired	Impaired
Beginning	738,213	-	-
Reversal of Provision	(42,008)	-	-
	696,205	-	-

7. Financial Instruments at FVTPL

The details of financial instruments at FVTPL as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	Financial Assets at FVTPL		Financial Liabilities at FVTPL	
	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025
Financial assets required to be mandatorily measured at FVTPL	52,154,210,733	42,787,453,811	3,247,492,297	2,910,712,724
Financial assets designated at FVTPL	-	-	7,883,667,167	7,996,513,415
	52,154,210,733	42,787,453,811	11,131,159,464	10,907,226,139

7.1 Financial assets required to be mandatorily measured at FVTPL

The details of financial assets required to be mandatorily measured at FVTPL as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	June 30, 2026	December 31, 2025
Deposits		
Reserve for claims of customers' deposits (trust) [1]	8,361,900,264	6,291,667,379
Equity instruments		
Stocks	9,326,608,186	4,090,047,147
Debt instruments		
Government and local government bonds	2,699,221,904	2,931,969,940
Special bonds	3,900,132,029	4,210,324,688
Corporate bonds	7,942,510,878	6,824,486,015
Corporate commercial papers	4,779,505,783	5,369,662,486
Asset-backed short-term bonds	1,999,507,700	1,124,792,053
Hybrid bond with security-like features	288,862,276	328,391,430
Investment in partnerships	720,715,800	717,130,999
Collective investment securities	7,136,927,504	6,587,303,623
Hybrid stock with bond-like features	124,003,276	137,557,530
Loans		
Loan receivables	997,740,871	960,390,430
Derivative linked securities		
Equity-linked securities	109,944,426	80,970,708
Other derivative linked securities	1,168,047,322	1,021,084,300
Other OTC derivative combined contract	35,609,765	143,046,855
Securities in foreign currency		
Stocks in foreign currency	39,965,202	50,592,275
Bonds in foreign currency	1,795,201,939	1,243,360,934
Investment in partnerships in foreign currency	50,066,533	49,909,886
Collective investment securities in foreign currency	249,268,690	231,861,157
Collective fund for default loss	146,656,615	96,241,957
Hybrid bonds	278,363,714	293,249,242
Exchange traded notes	-	134,273
Other short-term securities held for sale	3,450,056	3,278,504
	52,154,210,733	42,787,453,811

[1] The reserve for claims of customers' deposits is restricted to use because this reserve is deposited separately in a form of trust in KSFC to meet the demands of investors, such as return of investor deposit and others, in accordance with Article 74 of the Financial Investment Services and Capital Markets Act.

Details of securities sold which are classified as financial liabilities at FVTPL as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	**June 30, 2026**	**December 31, 2025**
Equity Securities		
Stocks	2,503,770,754	1,640,199,761
Debt Securities		
Government and local government bonds	676,032,080	1,243,927,993
Special bonds	30,137,349	-
Collective investment securities	37,552,114	26,584,970
	3,247,492,297	2,910,712,724

The details of financial assets pledged as collateral as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	**Description**[1]	**June 30, 2026**	**December 31, 2025**	**Security right holder**
Financial assets at FVTPL	Guarantee deposits for lending and borrowing securities and bonds	13,581,777,119	11,148,996,178	Korea Securities Depository, KSFC, etc.
	Margin required and guarantee deposits for derivatives trading	1,343,700,512	1,741,587,209	Korea Stock Exchange, etc.
	Guarantee deposits for loan	48,619,134	105,943,750	Kookmin Bank
	Guarantee deposits for reverse repurchase agreements	5,368,241,375	4,148,851,974	Customer
Financial assets at FVOCI	Guarantee deposits for lending and borrowing securities and bonds	3,711,451,529	4,041,764,331	Korea Securities Depository, KSFC, etc.
	Guarantee deposits for derivatives trading	55,373,555	106,035,567	Korea Stock Exchange, etc.
	Guarantee deposits for reverse repurchase agreements	2,394,250,987	2,601,915,338	Customer
		26,503,414,211	23,895,094,347	

[1] As at June 30, 2026 and December 31, 2025, the accrued interests related to debt securities provided as collateral of ₩ 278,335 million and ₩ 235,903 million, respectively, are excluded.

The Group provides ₩ 12,368,060 million and ₩ 10,485,363 million of its borrowing securities held as collateral to KSFC and others as at June 30, 2026 and December 31, 2025, respectively.

7.2 Financial liabilities designated at FVTPL

The details of financial liabilities designated at FVTPL as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	June 30, 2026	December 31, 2025
Derivative linked securities		
Equity-linked securities	3,636,938,103	3,959,492,400
Other derivative linked securities	2,994,841,046	2,440,972,492
Other OTC derivative combined contract	746,046,332	1,088,148,738
Exchange traded notes	505,841,686	507,899,785
	7,883,667,167	7,996,513,415

The differences between the contractual value to be paid at maturity and the carrying amount of financial liabilities at FVTPL as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	June 30, 2026	December 31, 2025
Contractual value to be paid at maturity	7,773,984,610	7,909,016,857
Carrying amount	7,883,667,167	7,996,513,415
Differences	(109,682,557)	(87,496,558)

Accumulated changes in fair value of financial liabilities at FVTPL due to the change of credit risk as at June 30, 2026 and 2025, are as follows:

(in thousands of Korean won)	Other comprehensive income recognized from changes of fair value due to the change of credit risk (before tax) [1]	
	2026	2025
Beginning of the year	28,307,153	23,501,476
Change of fair value	(2,322,740)	14,535,538
End of the period	25,984,413	38,037,014

[1] The Group assessed OCI based on the probability of default corresponding to the Group's credit rating and loss given default. The amount is before tax.

8. Derivatives and Hedge Accounting

Derivatives owned by the Group as at June 30, 2026 and December 31, 2025, are as follows:

	June 30, 2026				
	Assets		Liabilities		
(in thousands of Korean won)	Hedging	Trading	Hedging	Trading	Unsettled amount
Exchange-traded derivatives					
Interest rate:					
Futures	-	864,693	-	393,793	2,007,542,404
Equity:					
Futures	-	710,337	-	11,558,712	9,426,052,216
Purchase options	-	162,235,411	-	-	1,241,002,244
Written options	-	-	-	457,476,619	1,690,014,861
Currency:					
Futures	-	1,556,824	-	24,568	423,158,058
Goods:					
Futures	-	332,217	-	6,376,661	73,059,203
	-	165,699,482	-	475,830,353	14,860,828,986
OTC derivatives					
Interest rate:					
Forwards	-	1,959,616,049	-	1,922,794,897	21,996,885,800
Swaps	-	380,017,600	-	494,239,415	79,869,922,821
Options	-	17,057,960	-	21,877,704	450,000,000
Currency:					
Forwards	-	260,116,715	-	407,866,064	23,460,287,253
Swaps	-	17,169	-	8,519,648	507,254,800
Options	-	7,394,315	-	-	154,150,000
Equity:					
Forwards	-	7,948,587	-	-	228,381,969
Swaps	-	438,942,318	-	732,203,981	10,276,000,788
Purchase options	-	33,550,152	-	-	384,816,110
Written options	-	-	-	33,713,792	382,194,343
Credit:					
Swaps	-	39,569,368	-	27,211,553	5,523,439,266
Goods:					
Swaps	-	45,375,857	-	44,852,822	544,482,015
Options	-	19,883	-	19,939	36,431,811
Others:					
Swaps	-	-	-	213,376,560	741,723,119
	-	3,189,625,973	-	3,906,676,375	144,555,970,095
	-	3,355,325,455	-	4,382,506,728	159,416,799,081

	December 31, 2025				
	Assets		Liabilities		
(in thousands of Korean won)	Hedging	Trading	Hedging	Trading	Unsettled amount
Exchange-traded derivatives					
Interest rate:					
Futures	-	458,350	-	1,340,185	2,711,107,584
Equity:					

Futures	-	395,800	-	6,880,804	3,552,399,956
Purchase options	-	164,620,094	-	-	471,966,622
Written options	-	-	-	119,129,766	885,215,546
Currency:					
Futures	-	727,819	-	19,982	667,149,581
Goods:					
Futures	-	1,055,889	-	1,949,104	81,630,722
	-	167,257,952	-	129,319,841	8,369,470,011
OTC derivatives					
Interest rate:					
Forwards	-	831,678,574	-	789,179,537	24,953,579,400
Swaps	-	170,399,971	-	288,078,925	81,372,320,305
Options	-	9,462,701	-	12,711,975	450,000,000
Currency:					
Forwards	-	102,929,263	2,911,200	187,684,256	10,916,998,422
Swaps	-	1,624,649	-	897,916	307,834,412
Options	-	2,739,390	-	-	143,490,000
Equity:					
Swaps	-	237,065,442	-	379,735,597	6,120,873,935
Purchase options	-	41,840,388	-	-	444,767,350
Written options	-	-	-	42,262,638	450,988,980
Credit:					
Swaps	-	35,971,365	-	26,470,050	5,122,155,324
Goods:					
Swaps	-	10,571,788	-	10,185,126	568,777,593
Options	-	3,071,634	-	3,109,343	101,737,280
Others:					
Swaps	-	-	-	215,776,534	729,940,931
	-	1,447,355,165	2,911,200	1,956,091,897	131,683,463,932
	-	1,614,613,117	2,911,200	2,085,411,738	140,052,933,943

The Group entered into the derivative contracts for hedging foreign currency risk of foreign operations and applied hedge of net investments in foreign operations accounting.

Gain or loss on hedge of net investments in foreign operations for the six-month periods ended June 30, 2026 and 2025, are as follows:

(in thousands of Korean won)	**2026**	**2025**
Gain(loss) on the hedging instrument	(15,308,202)	21,731,740
Effective portion of changes in fair value of hedging (other comprehensive income)	(15,308,202)	21,731,740
Ineffective portion of changes in fair value of hedging (profit or loss)	-	-

The effective portion of changes in fair value of hedge of net investments in foreign operations recognized as other comprehensive income for the six-month periods ended June 30, 2026 and 2025, are as follows:

(in thousands of Korean won)	**2026**	**2025**
Other comprehensive income	(15,308,202)	21,731,740
Reclassification from other comprehensive income to net income	2,911,200	758,100
Tax effect	3,409,176	(5,937,318)
Other comprehensive income-net of tax	(8,987,826)	16,552,522

The average price related to hedge of net investments in foreign operations as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	June 30, 2026	
	The nominal amount of the hedging instrument	Average price (KRW/USD, Korean won)
1 year	248,181,500	1,178.92
2 year	-	-
3 year	-	-
Over 3 year	-	-
	248,181,500	1,178.92

(in thousands of Korean won)	June 30, 2026	
	The nominal amount of the hedging instrument	Average price (KRW/USD, Korean won)
1 year	242,498,100	1,173.81
2 year	-	-
3 year	-	-
Over 3 year	-	-
	242,498,100	1,173.81

9. Financial Assets at FVOCI

The details of financial assets at FVOCI as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	June 30, 2026	December 31, 2025
Equity instruments		
Stocks [1]	457,946,767	555,227,795
Investment in partnerships	1,200,000	1,200,000
Other	775,442,500	941,617,362
Debt instruments		
Government and municipal government bonds	178,088,922	113,091,530
Special bonds	1,965,983,474	2,331,033,103
Corporate bonds	4,271,170,833	4,657,305,415
Securities in foreign currency		
Debt instruments	833,584,379	860,204,442
Stocks	1,555,200	2,407,680
Investment in partnerships	1,758,482	1,657,090
	8,486,730,557	9,463,744,417

[1] Equity investment on Korea Stock Exchange and other related institutions

Changes in gains and losses on valuation of financial assets at FVOCI (before tax) for the six-month periods ended June 30, 2026 and 2025, are as follows:

(in thousands of Korean won)	2026			
	Beginning balance	Valuation[1]	Disposal / Transfer	Ending balance
Stocks	474,484,466	(60,221,640)	(3,131,367)	411,131,459
Government and local government bonds	(8,018,955)	(3,340,639)	4,780,874	(6,578,720)
Special bonds	(10,171,888)	(143,942,960)	153,482	(153,961,366)
Corporate bonds	(15,434,610)	(36,717,988)	356,253	(51,796,345)
Securities in foreign currency	1,883,485	(3,341,547)	(75,289)	(1,533,351)
Other securities in Korean won	3,166,539	(16,622,768)	938,850	(12,517,379)
	445,909,037	(264,187,542)	3,022,803	184,744,298

[1] Provision for credit loss of debt instruments at FVOCI of ₩ 545 million and reversal of provision for credit loss of debt instruments at FVOCI of ₩ 737 million are excluded.

(in thousands of Korean won)	2025			
	Beginning balance	Valuation[1]	Disposal / Transfer	Ending balance
Stocks	370,452,931	35,051,570	-	405,504,501
Government and local government bonds	(447,623)	(3,053,419)	447,623	(3,053,419)
Special bonds	9,273,877	1,063,289	(4,575,228)	5,761,938
Corporate bonds	13,629,179	6,111,922	(6,490,944)	13,250,157
Securities in foreign currency	(2,120,577)	2,459,269	156,162	494,854
Other securities in Korean won	10,515,554	2,469,642	1,045,817	14,031,013
	401,303,341	44,102,273	(9,416,570)	435,989,044

[1] Provision for credit loss of debt instruments at FVOCI of ₩ 987 million is excluded.

The derecognized equity investments at FVOCI for the six-month periods ended June 30, 2026 and 2025, are as follows:

(in thousands of Korean won)	2026	2025
Marketable securities	33,928,022	-
Other equity investments	150,517,970	76,066,348
	184,445,992	76,066,348

The dividend income from equity investments at FVOCI for the six-month periods ended June 30, 2026 and 2025, are as follows;

(in thousands of Korean won)	2026		2025	
	Derecognised	Held at the end of reporting period	Derecognised	Held at the end of reporting period
Equity investments at FVOCI				
Marketable securities	1,053,644	-	-	1,859,081
Non marketable securities	-	14,844,646	-	9,301,763
Other equity investments	477,130	23,085,558	114,361	22,271,379
	1,530,774	37,930,204	114,361	33,432,223

The Group recognized provision for credit loss of debt instruments at FVOCI amount (before tax) to ₩ 3,296 million and ₩ 3,489 million, as at June 30, 2026 and December 31, 2025, respectively.

10. Investments in Associates

Investments in associates as at June 30, 2026 and December 31, 2025, are as follows:

(in *thousands of Korean won)*

					June 30, 2026			December 31, 2025		
	Location	Industry	Closing month	Percentage of ownership (%)	Acquisition cost	Net asset amount	Book amount	Acquisition cost	Net asset amount	Book amount
KB Special Purpose Acquisition Company No.25	Korea	SPAC	-	-	-	-	-	5,000	10,165	10,165
KB Special Purpose Acquisition Company No.27 [1]	Korea	SPAC	May	0.04	5,000	10,538	10,538	5,000	10,460	10,460
KB Special Purpose Acquisition Company No.29 [1]	Korea	SPAC	May	0.16	10,000	20,516	20,516	10,000	20,367	20,367
KB Special Purpose Acquisition Company No.30 [1]	Korea	SPAC	May	0.19	10,000	20,058	20,058	10,000	19,930	19,930
KB Special Purpose Acquisition Company No.31 [1]	Korea	SPAC	May	0.16	10,000	20,241	20,241	10,000	20,046	20,046
KB Special Purpose Acquisition Company No.32 [1]	Korea	SPAC	May	0.16	10,000	19,719	19,719	10,000	19,599	19,599
KB Special Purpose Acquisition Company No.33 [1]	Korea	SPAC	May	0.22	24,518	34,294	34,294	160,000	169,648	169,648
KB Special Purpose Acquisition Company No.34 [1]	Korea	SPAC	May	4.76	10,000	10,000	10,000	-	-	-
KB New Paradigm Agriculture Venture Fund	Korea	Investment	June	25.00	900,000	678,234	678,234	900,000	589,976	589,976
KBTS Technology Venture Private Equity Fund [1]	Korea	Investment	June	16.00	1,888,000	2,859,033	2,859,033	1,888,000	2,724,603	2,724,603
KB-SJ Tourism Venture Fund [1]	Korea	Investment	June	18.52	380,000	1,515,513	1,515,513	380,000	1,518,202	1,518,201
KB Shinjasanaubo Fund [1]	Korea	Investment	June	14.67	1,804,000	458,925	458,925	1,804,000	681,084	681,084
UNION Media Commerce Fund	Korea	Investment	June	28.99	1,000,000	940,452	940,452	1,000,000	940,711	940,711
KB SPROTT Renewable Private Equity Fund I	Korea	Investment	June	26.69	3,682,135	648,237	648,237	3,682,135	822,106	822,106
KB-Stonebridge Secondary Private Equity Fund [1]	Korea	Investment	June	4.16	3,255,606	3,408,952	3,408,952	3,371,606	3,430,784	3,430,784
KB-UTC Inno-Tech Venture Fund [1]	Korea	Investment	June	14.76	6,262,500	2,440,541	2,440,541	6,262,500	2,466,131	2,466,131
KB-NAU Special Situation Corporate Restructuring Private Equity Fund [1]	Korea	Investment	June	7.30	3,607,434	7,555,589	7,555,589	5,478,329	9,969,640	9,969,640

KB-KTB Technology Venture Fund [1]	Korea	Investment	June	18.18	10,000,000	8,169,718	8,169,718	10,000,000	8,780,181	8,780,181
KB Bio Global Expansion Private Equity Fund No.1	Korea	Investment	June	39.47	15,000,000	16,588,549	16,588,549	15,000,000	17,288,503	17,288,503
KB Digital Platform Fund [1]	Korea	Investment	June	16.67	34,000,000	48,986,804	48,986,804	38,000,000	51,887,076	51,887,076
KB-SOLIDUS Healthcare Investment Fund [1]	Korea	Investment	June	5.10	4,675,000	4,710,753	4,710,753	5,000,000	4,878,432	4,878,432
G Payment Joint Stock Company	Vietnam	Electronic payment & settlement agency	June	20.72	5,870,702	2,762,418	3,272,760	5,870,702	1,910,047	2,385,554
KB-GeneN Medical Venture Fund 1	Korea	Investment	June	22.52	2,000,000	2,304,860	2,304,860	2,000,000	1,838,386	1,838,386
DA-Friend Investment Fund II	Korea	Investment	June	27.06	987,633	900,603	900,603	987,633	901,665	901,665
Cornerstone Pentastone IV Fund	Korea	Investment	June	21.52	817,742	763,746	763,746	817,742	763,413	763,413
JS Private Equity Fund III	Korea	Investment	-	-	-	-	-	195,773	410,733	410,733
Mirae Asset Mobility Investment Fund I	Korea	Investment	June	22.99	2,000,000	1,868,763	1,868,763	2,000,000	1,885,407	1,885,407
KB-FT 1st Green Growth Investment Fund [1]	Korea	Investment	June	10.34	2,000,000	1,830,137	1,830,137	2,000,000	1,847,275	1,847,275
KB-NP Green ESG New Technology Venture Capital Fund [1]	Korea	Investment	June	11.59	14,913,658	16,783,797	16,783,797	18,443,847	18,661,880	18,661,879
KB Star REIT	Korea	Investment	June	23.20	148,852,598	64,044,015	64,044,015	130,776,646	61,508,907	61,508,907
Nextrade Co., Ltd. [1]	Korea	Other financial	June	6.64	9,700,000	11,389,330	11,389,330	9,700,000	8,373,711	8,373,711
MW-Pyco NewWave New Technology Investment Fund 4th	Korea	Investment	June	51.28	2,000,000	-	-	2,000,000	-	-
KB-SUSUNG 1st Investment Fund [1]	Korea	Investment	June	-	-	-	-	130,000	555,018	555,018
Bitgoeul Cheomdan Green 1st Co., Ltd.[1]	Korea	Investment	June	19.00	342,000	238,239	238,239	342,000	240,391	240,391
Shinhan-Eco Venture Fund 2nd	Korea	Investment	June	20.00	1,867,400	1,781,877	1,781,877	1,885,000	1,807,236	1,807,236
Leading H2O Fund 1	Korea	Investment	June	48.23	1,500,000	1,402,927	1,402,927	1,500,000	1,420,563	1,420,563
U-KB Credit No.1 Private Equity	Korea	Investment	June	23.26	17,046,512	11,813,890	11,813,890	17,046,512	15,167,171	15,167,171
KB-BridgePole Venture Investment Fund #2 [1]	Korea	Investment	June	14.29	1,500,000	1,416,802	1,416,802	1,500,000	1,432,460	1,432,460
Sirius Silicon Valley Ⅰ New Technology Fund	Korea	Investment	June	23.81	500,000	457,063	457,063	500,000	462,967	462,967
Timefolio Athleisure Investment Fund	Korea	Investment	June	48.19	2,400,000	2,119,351	2,119,351	4,000,000	3,750,139	3,750,139
COMPA Global Scale-Up Fund No.3	Korea	Investment	June	29.99	1,000,000	933,892	933,892	1,000,000	957,102	957,102
YG MCE PROJECT No.1 Fund	Korea	Investment	June	27.78	1,500,000	-	-	1,500,000	-	-
HI YG Win-win Fund No.2	Korea	Investment	June	20.62	2,000,000	1,819,345	1,819,345	2,000,000	2,153,903	2,153,903
KB-CJ Venture Fund 1st	Korea	Investment	June	40.00	3,600,000	3,340,365	3,340,365	1,800,000	1,869,323	1,869,323
Elohim-Bilanx	Korea	Investment	June	20.94	1,000,000	1,252,307	1,252,307	2,000,000	1,936,905	1,936,905

aerospace No.1 Fund										
KB-SUSUNG 2nd Investment Fund [1]	Korea	Investment	June	12.66	2,000,000	1,939,435	1,939,435	2,000,000	1,958,918	1,958,918
IMM global Secondary 1-1 Equity Private Fund	Korea	Investment	June	41.65	5,629,264	6,288,507	6,288,507	3,412,973	4,975,463	4,975,463
LIB Material Investment Fund	Korea	Investment	June	27.26	4,098,144	1,419,305	1,419,305	4,098,144	829,346	829,346
KBSBI Global High-tech Strategic Private Equity Investment Limited Partnership [1]	Korea	Investment	June	16.30	12,802,299	14,796,903	14,796,903	15,274,098	14,646,750	14,646,750
KB-Cyrus Tourism Venture Fund [1]	Korea	Investment	June	18.52	2,000,000	1,792,579	1,792,579	2,000,000	1,855,457	1,855,457
IBKS Design Fund	Korea	Investment	-	-	-	-	-	2,000,000	4,810,951	4,810,951
KB-IMM New Star Real Estate Private Fund 1	Korea	Investment	June	51.55	41,752,492	44,360,701	44,360,701	40,283,308	41,725,355	41,725,355
KBLB Middle Market Enterprises Innovation Private Equity Fund [1]	Korea	Investment	June	19.05	6,480,000	5,753,279	5,753,279	4,284,000	3,723,179	3,723,179
YG AI Industrial Automation Solutions FUND	Korea	Investment	June	28.17	2,000,000	2,129,936	2,129,936	2,000,000	1,992,299	1,992,299
KB-Novus Genesis Private Equity Fund [1]	Korea	Investment	June	9.39	2,300,000	2,251,444	2,251,444	2,300,000	2,267,326	2,267,326
Semicolon Susong Commissioned Real Estate Investment Trust	Korea	Investment	June	28.90	56,500,000	53,140,290	53,140,290	77,000,000	76,142,790	76,142,790
ATP TP VC Fund No.1	Korea	Investment	June	39.60	2,000,000	1,953,974	1,953,974	2,000,000	1,976,013	1,976,013
AIM-KB-DOUBLE Connected Future Investment Fund [1]	Korea	Investment	June	8.33	1,000,000	973,478	973,478	1,000,000	983,756	983,756
KB-IMM New Star Real Estate Private Fund 2	Korea	Investment	June	38.31	26,369,509	26,494,097	26,494,097	16,509,818	16,524,813	16,524,813
K-1 23th Yeoksam Real Estate Investment Trust Company	Korea	Investment	June	41.30	16,050,000	63,029,165	63,029,165	16,050,000	62,424,217	62,424,217
IMM Korea Beauty Co-Invest Private Equity Fund	Korea	Investment	June	51.02	50,000,000	49,464,824	49,464,824	50,000,000	49,633,383	49,633,383
KB-GVA Premier Mezzanine Investment Fund [1]	Korea	Investment	June	3.07	500,000	492,833	492,833	500,000	498,181	498,181
KB-ANDA Deep Tech Venture Fund	Korea	Investment	June	30.00	2,499,600	2,429,913	2,429,913	1,249,500	1,249,500	1,249,500
The Beauty GrowthCapital New Technology Finance Fund I	Korea	Investment	June	50.00	5,000,000	4,968,952	4,968,952	-	-	-
Wantedlab2607 Fund	Korea	Investment	June	22.47	1,000,000	988,255	988,255	-	-	-
					549,913,746	512,988,263	513,498,605	544,934,266	524,319,943	524,795,448

[1] Although the ownership of the Group is less than 20%, these are included as associates, since the Group has a significant influence over investee's policy and operations.

Changes in investments in associates for the six-month periods ended June 30, 2026 and 2025, are as follows:

(in thousands of Korean won)

	2026						
	Beginning balance	Acquisition	Dividends	Disposal	Changes in equity of associates	Profit (loss) of associates	Ending balance
KB Special Purpose Acquisition Company No.25	10,165	-	-	(10,165)	-	-	-
KB Special Purpose Acquisition Company No.27	10,460	-	-	-	-	78	10,538
KB Special Purpose Acquisition Company No.29	20,367	-	-	-	-	149	20,516
KB Special Purpose Acquisition Company No.30	19,930	-	-	-	-	128	20,058
KB Special Purpose Acquisition Company No.31	20,046	-	-	-	-	195	20,241
KB Special Purpose Acquisition Company No.32	19,599	-	-	-	(5)	125	19,719
KB Special Purpose Acquisition Company No.33	169,648	-	-	(135,481)	-	127	34,294
KB Special Purpose Acquisition Company No.34	-	10,000	-	-	-	-	10,000
KB New Paradigm Agriculture Venture Fund	589,976	-	-	-	-	88,258	678,234
KBTS Technology Venture Private Equity Fund	2,724,603	-	-	-	-	134,430	2,859,033
KB-SJ Tourism Venture Fund	1,518,201	-	-	-	-	(2,688)	1,515,513
KB Shinjasanaubo Fund	681,084	-	-	-	-	(222,159)	458,925
UNION Media Commerce Fund	940,711	-	-	-	-	(259)	940,452
KB SPROTT Renewable Private Equity Fund I	822,106	-	-	-	-	(173,869)	648,237
KB-Stonebridge Secondary Private Equity Fund	3,430,784	-	-	(116,000)	-	94,168	3,408,952
KB-UTC Inno-Tech Venture Fund	2,466,131	-	-	-	-	(25,590)	2,440,541
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	9,969,640	-	-	(1,870,896)	-	(543,155)	7,555,589
KB-KTB Technology Venture Fund	8,780,181	-	-	-	-	(610,463)	8,169,718
KB Bio Global Expansion Private Equity Fund No.1	17,288,503	-	-	-	-	(699,954)	16,588,549
KB Digital Platform Fund	51,887,076	9,500,000	-	(13,500,000)	-	1,099,728	48,986,804
KB-SOLIDUS Healthcare Investment Fund	4,878,432	-	-	(325,000)	-	157,321	4,710,753
G Payment Joint Stock Company	2,385,554	-	-	-	200,297	686,909	3,272,760
KB-GeneN Medical Venture Fund 1	1,838,386	-	-	-	-	466,474	2,304,860
DA-Friend Investment Fund II	901,665	-	-	-	-	(1,062)	900,603
Cornerstone Pentastone IV Fund	763,413	-	-	-	-	333	763,746
JS Private Equity Fund III	410,733	-	-	(410,733)	-	-	-
Mirae Asset Mobility Investment Fund I	1,885,407	-	-	-	-	(16,644)	1,868,763

KB-FT 1st Green Growth Investment Fund	1,847,275	-	-	-	-	(17,138)	1,830,137
KB-NP Green ESG New Technology Venture Capital Fund	18,661,879	-	-	(3,530,189)	-	1,652,107	16,783,797
KB Star REIT	61,508,907	18,075,952	(5,944,864)	(1,071,274)	(7,864,584)	(660,122)	64,044,015
Nextrade Co., Ltd.	8,373,711	-	-	-	-	3,015,619	11,389,330
KB-SUSUNG 1st Investment Fund	555,018	-	-	(555,018)	-	-	-
Bitgoeul Cheomdan Green 1st Co., Ltd.	240,391	-	-	-	-	(2,152)	238,239
Shinhan-Eco Venture Fund 2nd	1,807,236	25,000	-	(42,600)	-	(7,759)	1,781,877
Leading H2O Fund 1	1,420,563	-	-	-	-	(17,636)	1,402,927
U-KB Credit No.1 Private Equity	15,167,171	-	-	-	-	(3,353,281)	11,813,890
KB-BridgePole Venture Investment Fund #2	1,432,460	-	-	-	-	(15,658)	1,416,802
Sirius Silicon Valley Ⅰ New Technology Fund	462,967	-	-	-	-	(5,904)	457,063
Timefolio Athleisure Investment Fund	3,750,139	-	-	(1,600,000)	-	(30,788)	2,119,351
COMPA Global Scale-Up Fund No.3	957,102	-	-	-	-	(23,210)	933,892
HI YG Win-win Fund No.2	2,153,903	-	-	-	-	(334,558)	1,819,345
KB-CJ Venture Fund 1st	1,869,323	1,800,000	-	-	-	(328,958)	3,340,365
Elohim-Bilanx aerospace No.1 Fund	1,936,905	-	-	(1,000,000)	-	315,402	1,252,307
KB-SUSUNG 2nd Investment Fund	1,958,918	-	-	-	-	(19,483)	1,939,435
IMM global Secondary 1-1 Equity Private Fund	4,975,463	2,216,291	(223,732)	-	-	(679,515)	6,288,507
LIB Material Investment Fund	829,346	-	-	-	-	589,959	1,419,305
KBSBI Global High-tech Strategic Private Equity Investment Limited Partnership	14,646,750	4,888,647	-	(7,360,447)	-	2,621,953	14,796,903
KB-Cyrus Tourism Venture Fund	1,855,457	-	-	-	-	(62,878)	1,792,579
IBKS Design Fund	4,810,951	-	-	(4,810,951)	-	-	-
KB-IMM New Star Real Estate Private Fund 1	41,725,355	1,469,183	(1,452,300)	-	-	2,618,463	44,360,701
KBLB Middle Market Enterprises Innovation Private Equity Fund	3,723,179	2,196,000	-	-	-	(165,900)	5,753,279
YG AI Industrial Automation Solutions FUND	1,992,299	-	-	-	-	137,637	2,129,936
KB-Novus Genesis Private Equity Fund	2,267,326	-	-	-	-	(15,882)	2,251,444
Semicolon Susong Commissioned Real Estate Investment Trust	76,142,790	-	(2,502,500)	(20,500,000)	-	-	53,140,290
ATP TP VC Fund No.1	1,976,013	-	-	-	-	(22,039)	1,953,974
AIM-KB-DOUBLE Connected Future Investment Fund	983,756	-	-	-	-	(10,278)	973,478
KB-IMM New Star Real Estate Private Fund 2	16,524,813	9,927,223	(236,838)	(67,532)	-	346,431	26,494,097
K-1 23th Yeoksam Real Estate Investment Trust Company [1]	62,424,217	-	(1,919,145)	-	-	2,524,093	63,029,165
IMM Korea Beauty Co-Invest Private Equity Fund	49,633,383	-	-	-	-	(168,559)	49,464,824
KB-GVA Premier Mezzanine Investment Fund	498,181	-	-	-	-	(5,348)	492,833
KB-ANDA Deep Tech Venture Fund	1,249,500	1,250,100	-	-	-	(69,687)	2,429,913
The Beauty GrowthCapital New Technology Finance Fund I	-	5,000,000	-	-	-	(31,048)	4,968,952
Wantedlab2607 Fund	-	1,000,000	-	-	-	(11,745)	988,255
	524,795,448	57,358,396	(12,279,379)	(56,906,286)	(7,664,292)	8,194,718	513,498,605

(in thousands of Korean won)

	2025						
	Beginning balance	Acquisition	Dividends	Disposal	Changes in equity of associates	Profit (loss) of associates	Ending balance
KB Special Purpose Acquisition Company No.21	20,894	-	-	(20,894)	-	-	-
KB Special Purpose Acquisition Company No.25	9,965	-	-	-	-	108	10,073
KB Special Purpose Acquisition Company No.26	9,836	-	-	(9,836)	-	-	-
KB Special Purpose Acquisition Company No.27	10,236	-	-	-	-	113	10,349
KB Special Purpose Acquisition Company No.28	9,645	-	-	-	-	29	9,674
KB Special Purpose Acquisition Company No.29	19,982	-	-	-	-	203	20,185
KB Special Purpose Acquisition Company No.30	19,518	-	-	-	-	197	19,715
KB Special Purpose Acquisition Company No.31	22,618	-	-	-	(2,881)	107	19,844
KB Special Purpose Acquisition Company No.32	-	10,000	-	-	7,520	(1,167)	16,353
KB New Paradigm Agriculture Venture Fund	1,291,253	-	-	(375,000)	-	131,514	1,047,767
KB KONEX Market Vitalization Fund	1,928,317	-	-	-	-	(315,492)	1,612,825
KB-KDBC Pre-IPO New Technology Business Investment Fund	2,601,286	-	-	(300,000)	-	1,709,857	4,011,143
KBTS Technology Venture Private Equity Fund	3,179,737	-	-	-	-	(386,598)	2,793,139
KB-SJ Tourism Venture Fund	1,780,925	-	(110,000)	(190,000)	-	738,101	2,219,026
KB Shinjasanaubo Fund	1,031,767	-	-	-	-	16,947	1,048,714
UNION Media Commerce Fund	945,674	-	-	-	-	(960)	944,714
KB SPROTT Renewable Private Equity Fund I	3,052,067	-	-	-	-	(805,481)	2,246,586
KB-Stonebridge Secondary Private Equity Fund	4,819,055	-	(61,961)	(1,248,439)	-	(73,947)	3,434,708
KB-SP Private Equity Fund IV	3,995,113	-	-	-	64,618	(1,523,496)	2,536,235
KB-UTC Inno-Tech Venture Fund	3,910,530	-	-	-	-	(1,421,242)	2,489,288
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	8,021,543	1,800,000	-	(1,700,814)	-	309,531	8,430,260
KB-KTB Technology Venture Fund	9,088,456	-	-	-	-	(245,925)	8,842,531
KB Bio Global Expansion Private Equity Fund No.1	17,870,374	-	-	-	-	(1,427,309)	16,443,065
KB Digital Platform Fund	28,288,502	5,000,000	-	-	-	2,013,560	35,302,062

KB-SOLIDUS Healthcare Investment Fund	3,484,892	-	-	-	-	(35,875)	3,449,017
G Payment Joint Stock Company	2,520,780	-	-	-	(240,542)	(130,941)	2,149,297
KB-GeneN Medical Venture Fund 1	1,880,230	-	-	-	-	(21,014)	1,859,216
DA-Friend Investment Fund II	906,175	-	-	-	-	(4,038)	902,137
Cornerstone Pentastone IV Fund	763,949	-	-	-	-	333	764,282
JS Private Equity Fund III	742,406	-	-	-	-	(82,917)	659,489
Mirae Asset Mobility Investment Fund I	1,917,647	-	-	-	-	(15,809)	1,901,838
KB-FT 1st Green Growth Investment Fund	1,888,925	-	-	-	-	(20,755)	1,868,170
THE CHAEUL FUND NO.1	953,961	-	-	(953,961)	-	-	-
POSITVE Sobujang Venture Fund #1	869,206	-	-	(869,206)	-	-	-
KB-NP Green ESG New Technology Venture Capital Fund	15,436,985	3,480,000	-	-	-	485,812	19,402,797
Hisstory 2022 Fintech Fund	1,896,203	-	(150,000)	(1,500,000)	-	521,762	767,965
KB Star REIT	98,600,791	-	(4,900,194)	(2,009,000)	3,613,429	(6,265,703)	89,039,323
KB Bio Private Equity Investment Fund IV	7,369,339	-	-	-	-	298,939	7,668,278
Nextrade Co., Ltd.	8,180,476	-	-	-	-	(932,640)	7,247,836
MW-Pyco NewWave New Technology Investment Fund 4th	1,921,768	-	-	-	-	(13,668)	1,908,100
KB-SUSUNG 1st Investment Fund	1,458,974	-	-	(570,000)	-	(37,466)	851,508
Bitgoeul Cheomdan Green 1st Co., Ltd.	241,205	-	-	-	-	(70)	241,135
Shinhan-Eco Venture Fund 2nd	1,973,060	25,000	-	-	-	(318)	1,997,742
Leading H2O Fund 1	1,454,933	-	-	-	-	(17,350)	1,437,583
2023 JB Newtech No.2 Fund	1,705,208	-	-	(1,705,208)	-	-	-
U-KB Credit No.1 Private Equity	5,584,704	-	-	-	-	(1,180,657)	4,404,047
KB-BridgePole Venture Investment Fund #2	1,463,485	-	-	-	-	(15,524)	1,447,961
Sirius Silicon Valley Ⅰ New Technology Fund	474,480	-	-	-	-	(6,556)	467,924
Timefolio Athleisure Investment Fund	3,922,757	-	-	-	-	(29,987)	3,892,770
COMPA Global Scale-Up Fund No.3	979,681	-	-	-	-	(22,857)	956,824
AKK Robotech Valueup New Technology Investment Fund	1,126,629	-	-	(712,000)	-	(4,354)	410,275
YG MCE PROJECT No.1 Fund	1,476,809	-	-	-	-	(15,255)	1,461,554
HI YG Win-win Fund No.2	1,972,792	-	-	-	-	201,490	2,174,282
KB-CJ Venture Fund 1st	1,732,747	-	-	-	-	(69,172)	1,663,575
Elohim-Bilanx aerospace No.1 Fund	1,978,245	-	-	-	-	(20,614)	1,957,631
KB-SUSUNG 2nd Investment Fund	1,980,873	-	-	-	-	(53,698)	1,927,175
IMM global Secondary 1-1 Equity Private Fund	3,753,976	756,186	-	(4,883)	-	(31,658)	4,473,621
LIB Material Investment Fund	1,474,980	-	-	-	-	(510,150)	964,830
NOVORSEC-SJG Consumer Secondary Fund	1,687,706	-	(670,649)	(450,611)	-	654,547	1,220,993
KBSBI Global High-tech Strategic Private Equity Investment Limited Partnership	4,828,296	3,435,000	-	-	-	(215,557)	8,047,739
KB-Cyrus Tourism Venture Fund	977,172	1,000,000	-	-	-	(61,404)	1,915,768
IBKS Design Fund	1,996,162	-	-	-	-	(1,222)	1,994,940
NICE DATA INTELLIGENCE VENTURE FUND	997,864	-	-	-	-	(10,525)	987,339
Pectus Hanwha Fund No.2	1,950,322	-	-	-	-	(1,200)	1,949,122
Korea Environment Technology Co., LTD	107,427,843	-	-	(107,427,843)	-	-	-

KB-IMM New Star Real Estate Private Fund 1	21,897,251	11,073,183	(611,545)	-	-	551,515	32,910,404
E&I Holdings Co., Ltd	-	27,300,000	-	(27,300,000)	-	-	-
KBLB Middle Market Enterprises Innovation Private Equity Fund [1]	-	1,232,000	-	-	-	(363,832)	868,168
YG AI Industrial Automation Solutions FUND	-	2,000,000	-	-	-	(7,377)	1,992,623
Semicolon Susong Commissioned Real Estate Investment Trust	-	77,000,000	-	-	(1,969,854)	(69,494)	74,960,652
KB-Novus Genesis Private Equity Fund [1]	-	2,300,000	-	-	-	(9,598)	2,290,402
KB Special Purpose Acquisition Company No.33	-	10,000	-	-	(119)	-	9,881
	417,779,180	136,421,369	(6,504,349)	(147,347,695)	1,472,171	(8,846,207)	392,974,469

[1] These investments are reclassified from financial assets at FVTPL to investments in associates for the six-month periods ended June 30, 2025.

Summarized financial information of the associates as at and for the ye six-month periods ended June 30, 2026 and 2025, are as follows:

	June 30, 2026			2026		
(in thousands of Korean won)	**Assets**	**Liabilities**	**Equity**	**Operating Revenue**	**Profit (loss) for the period**	**Total comprehensive Income(loss)**
KB Special Purpose Acquisition Company No.27	31,543,799	4,346,081	27,197,718	295,919	201,460	201,460
KB Special Purpose Acquisition Company No.29	15,018,401	2,257,305	12,761,096	56,403	92,584	92,584
KB Special Purpose Acquisition Company No.30	12,245,021	1,594,125	10,650,896	43,878	67,939	67,939
KB Special Purpose Acquisition Company No.31	14,805,714	2,235,994	12,569,720	146,892	120,963	120,963
KB Special Purpose Acquisition Company No.32	14,609,094	2,127,032	12,482,062	130,566	79,369	79,369
KB Special Purpose Acquisition Company No.33	18,090,103	2,497,001	15,593,102	159,977	100,509	100,509
KB Special Purpose Acquisition Company No.34	210,000	3,640	206,360	-	(16,671)	(16,671)
KB New Paradigm Agriculture Venture Fund	2,878,924	165,989	2,712,935	356,251	353,031	353,031
KBTS Technology Venture Private Equity Fund	24,818,171	6,949,214	17,868,957	706	840,190	840,190
KB-SJ Tourism Venture Fund	8,183,887	67	8,183,820	1,425	(14,520)	(14,520)
KB Shinjasanaubo Fund	3,849,854	720,822	3,129,032	337,833	(1,514,722)	(1,514,722)
UNION Media Commerce Fund	3,318,493	73,930	3,244,563	-	(895)	(895)
KB SPROTT Renewable Private Equity Fund I	8,800,957	1,073,752	7,727,205	-	(347,738)	(347,738)
KB-Stonebridge Secondary Private Equity Fund	82,052,332	135,207	81,917,125	2,601,989	2,262,869	2,262,869
KB-UTC Inno-Tech Venture Fund	16,915,071	384,461	16,530,610	3,000	(173,334)	(173,334)
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	110,517,865	834,714	109,683,151	2,969,807	(7,452,998)	(7,452,998)
KB-KTB Technology Venture Fund	45,330,064	396,617	44,933,447	31,434	(3,357,546)	(3,357,546)
KB Bio Global Expansion Private Equity Fund No.1	42,130,063	105,740	42,024,323	3,198,349	(1,773,217)	(1,773,217)
KB Digital Platform Fund	295,151,769	1,230,946	293,920,823	29,846,567	6,598,365	6,598,365
KB-SOLIDUS Healthcare Investment Fund	93,951,055	678,140	93,272,915	536,800	3,114,952	3,114,952
G Payment Joint Stock Company	25,501,588	14,684,905	10,816,683	8,808,125	3,276,224	3,276,224
KB-GeneN Medical Venture Fund 1	10,233,580	-	10,233,580	2,170,362	2,071,147	2,071,147
DA-Friend Investment Fund II	3,500,297	171,935	3,328,362	-	(3,924)	(3,924)
Cornerstone Pentastone IV Fund	3,549,087	-	3,549,087	42	1,548	1,548
Mirae Asset Mobility Investment Fund I	8,201,941	72,822	8,129,119	2,400	(72,402)	(72,402)
KB-FT 1st Green Growth Investment Fund	17,702,002	-	17,702,002	24	(165,767)	(165,767)
KB-NP Green ESG New Technology Venture Capital Fund	151,703,830	6,933,513	144,770,317	15,342,117	14,250,409	14,250,409
KB Star REIT	1,205,727,459	929,616,273	276,111,186	37,582,862	(3,447,129)	(40,918,768)
Nextrade Co., Ltd.	180,165,423	8,620,972	171,544,451	45,771,572	45,420,820	45,420,820
Bitgoeul Cheomdan Green 1st Co., Ltd.	1,258,732	4,840	1,253,892	615	(11,325)	(11,325)
Shinhan-Eco Venture Fund 2nd	8,909,385	-	8,909,385	88,487	(11,325)	(11,325)
Leading H2O Fund 1	2,908,735	-	2,908,735	641	(36,566)	(36,566)

U-KB Credit No.1 Private Equity	64,773,767	1,939,010	62,834,757	374,924	(6,706,562)	(6,706,562)
KB-BridgePole Venture Investment Fund #2	9,917,612	-	9,917,612	835	(109,605)	(109,605)
Sirius Silicon Valley Ⅰ New Technology Fund	1,919,664	-	1,919,664	2,762	(24,799)	(24,799)
Timefolio Athleisure Investment Fund	4,397,653	-	4,397,653	23,492	(63,886)	(63,886)
COMPA Global Scale-Up Fund No.3	3,113,597	-	3,113,597	1,289	(77,381)	(77,381)
HI YG Win-win Fund No.2	8,823,826	-	8,823,826	2,625	(1,622,606)	(1,622,606)
KB-CJ Venture Fund 1st	8,350,912	-	8,350,912	4,298	(822,395)	(822,395)
Elohim-Bilanx aerospace No.1 Fund	5,979,767	-	5,979,767	1,612,221	1,506,046	1,506,046
KB-SUSUNG 2nd Investment Fund	15,321,538	-	15,321,538	6,412	(153,915)	(153,915)
IMM global Secondary 1-1 Equity Private Fund	17,073,182	1,437,296	15,635,886	517,818	(1,631,517)	(1,631,517)
LIB Material Investment Fund	5,205,656	-	5,205,656	2,163,821	2,163,821	2,163,821
KBSBI Global High-tech Strategic Private Equity Investment Limited Partnership	91,212,556	408,894	90,803,662	17,173,718	16,090,050	16,090,050
KB-Cyrus Tourism Venture Fund	9,679,926	-	9,679,926	9,293	(339,540)	(339,540)
KB-IMM New Star Real Estate Private Fund 1	89,795,406	3,748,491	86,046,915	5,999,733	5,036,463	5,036,463
KBLB Middle Market Enterprises Innovation Private Equity Fund	30,570,441	365,727	30,204,714	85	(870,979)	(870,979)
YG AI Industrial Automation Solutions FUND	7,561,273	-	7,561,273	101,006	488,611	488,611
KB-Novus Genesis Private Equity Fund	24,060,702	77,929	23,982,773	220	(169,175)	(169,175)
Semicolon Susong Commissioned Real Estate Investment Trust	594,380,922	410,207,079	184,173,843	13,745,554	(1,259,271)	(1,259,271)
ATP TP VC Fund No.1	4,938,062	3,300	4,934,762	377	(55,658)	(55,658)
AIM-KB-DOUBLE Connected Future Investment Fund	11,746,518	64,786	11,681,732	640	(123,334)	(123,334)
KB-IMM New Star Real Estate Private Fund 2	70,494,917	1,493,243	69,001,674	1,804,586	904,391	904,391
K-1 23th Yeoksam Real Estate Investment Trust Company	291,616,131	169,234,595	122,381,536	5,533,693	(2,841,023)	(2,841,023)
IMM Korea Beauty Co-Invest Private Equity Fund	97,537,089	586,033	96,951,056	46	(330,375)	(330,375)
KB-GVA Premier Mezzanine Investment Fund	16,038,748	-	16,038,748	34,387	(174,038)	(174,038)
KB-ANDA Deep Tech Venture Fund	8,378,470	278,762	8,099,708	5,037	(232,292)	(232,292)
The Beauty GrowthCapital New Technology Finance Fund I	9,937,904	-	9,937,904	100	(62,096)	(62,096)
Wantedlab2607 Fund	4,397,733	-	4,397,733	-	(52,267)	(52,267)

Summarized financial information of associates for which financial information is not available as at June 30, 2026 are excluded.

(in thousands of Korean won)	December 31, 2025			2025		
	Assets	**Liabilities**	**Equity**	**Operating Revenue**	**Profit (loss) for the period**	**Total comprehensive Income(loss)**
KB Special Purpose Acquisition Company No.25	10,167,796	1,415,397	8,752,399	134,439	92,744	92,744
KB Special Purpose Acquisition Company No.27	31,230,135	4,233,877	26,996,258	392,681	291,418	291,418
KB Special Purpose Acquisition Company No.28	-	-	-	142,172	32,587	32,587
KB Special Purpose Acquisition Company No.29	14,864,541	2,196,029	12,668,512	186,807	126,262	126,262
KB Special Purpose Acquisition Company No.30	12,131,810	1,548,853	10,582,957	149,138	104,803	104,803
KB Special Purpose Acquisition Company No.31	14,691,378	2,242,622	12,448,756	174,581	66,760	66,760
KB Special Purpose Acquisition Company No.32	14,470,529	2,064,333	12,406,196	-	(38,528)	(38,528)
KB New Paradigm Agriculture Venture Fund	2,525,909	166,005	2,359,904	580,480	526,054	526,054
KB KONEX Market Vitalization Fund	-	-	-	713,431	(1,346,098)	(1,346,098)
KB-KDBC Pre-IPO New Technology Business Investment Fund	-	-	-	5,007,942	5,129,570	5,129,570
KBTS Technology Venture Private Equity Fund	23,948,498	6,919,730	17,028,768	935	(2,416,237)	(2,416,237)
KB-SJ Tourism Venture Fund	8,353,525	155,185	8,198,340	1,686,558	3,985,743	3,985,743
KB Shinjasanaubo Fund	5,315,521	671,768	4,643,753	209,692	115,548	115,548
UNION Media Commerce Fund	3,318,493	73,036	3,245,457	-	(3,315)	(3,315)
KB SPROTT Renewable Private Equity Fund I	8,890,204	815,261	8,074,943	6	(362,394)	(362,394)
KB-Stonebridge Secondary Private Equity Fund	82,581,950	140,215	82,441,735	2,345,076	(1,436,632)	(1,436,632)
KB-SP Private Equity Fund IV	-	-	-	26,916	(1,466,640)	(1,466,640)
KB-UTC Inno-Tech Venture Fund	16,914,343	210,399	16,703,944	7,040	(9,626,546)	(9,626,546)
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	-	-	-	10,624,542	3,927,601	3,927,601
KB-KTB Technology Venture Fund	49,092,706	801,713	48,290,993	75,471	(1,352,583)	(1,352,583)
KB Bio Global Expansion Private Equity Fund No.1	43,904,321	106,781	43,797,540	559	(3,615,850)	(3,615,850)
KB Digital Platform Fund	312,090,297	767,839	311,322,458	16,734,008	12,081,357	12,081,357
KB-SOLIDUS Healthcare Investment Fund	99,858,971	2,750	99,856,221	10,916	(710,311)	(710,311)
G Payment Joint Stock Company	12,588,727	5,714,098	6,874,629	1,226,326	(631,647)	(631,647)
KB-GeneN Medical Venture Fund 1	8,516,638	354,204	8,162,434	11	(93,298)	(93,298)
DA-Friend Investment Fund II	3,500,297	168,011	3,332,286	-	(14,924)	(14,924)
Cornerstone Pentastone IV Fund	3,550,289	2,750	3,547,539	43	1,549	1,549
JS Private Equity Fund III	2,005,840	495	2,005,345	27	(404,831)	(404,831)
Mirae Asset Mobility Investment Fund I	8,275,534	74,013	8,201,521	4,953	(68,767)	(68,767)
KB-FT 1st Green Growth Investment Fund	17,867,770	-	17,867,770	297	(200,755)	(200,755)
KB-NP Green ESG New Technology Venture Capital Fund	164,619,894	3,649,986	160,969,908	1,349,995	4,190,419	4,190,419

Hisstory 2022 Fintech Fund	-	-	-	1,554,642	1,500,066	1,500,066
KB Star REIT	1,242,229,311	1,006,866,871	235,362,440	33,446,078	(25,741,536)	(12,023,576)
KB Bio Private Equity Investment Fund IV	-	-	-	1,395,944	1,235,612	1,235,612
Nextrade Co., Ltd.	129,215,059	3,091,428	126,123,631	4,045,965	(14,047,283)	(14,047,283)
MW-Pyco NewWave New Technology Investment Fund 4th	-	-	-	686	(26,653)	(26,653)
KB-SUSUNG 1st Investment Fund	5,550,179	-	5,550,179	427,488	(374,664)	(374,664)
Bitgoeul Cheomdan Green 1st Co., Ltd.	1,270,057	4,840	1,265,217	-	(369)	(369)
Shinhan-Eco Venture Fund 2nd	9,042,530	6,351	9,036,179	127,610	(1,589)	(1,589)
Leading H2O Fund 1	2,946,621	1,320	2,945,301	1,015	(35,973)	(35,973)
U-KB Credit No.1 Private Equity	70,559,464	1,018,146	69,541,318	252,218	(5,076,822)	(5,076,822)
KB-BridgePole Venture Investment Fund #2	10,027,217	-	10,027,217	1,775	(108,666)	(108,666)
Sirius Silicon Valley Ⅰ New Technology Fund	1,945,783	1,320	1,944,463	3	(27,537)	(27,537)
Timefolio Athleisure Investment Fund	7,781,539	-	7,781,539	28,815	(62,223)	(62,223)
COMPA Global Scale-Up Fund No.3	3,190,978	-	3,190,978	2,464	(76,206)	(76,206)
AKK Robotech Valueup New Technology Investment Fund	-	-	-	1,136,575	682,713	682,713
YG MCE PROJECT No.1 Fund	-	-	-	2,472	(54,916)	(54,916)
HI YG Win-win Fund No.2	10,446,432	-	10,446,432	4,455	977,226	977,226
KB-CJ Venture Fund 1st	4,731,516	58,210	4,673,306	19,308	(172,929)	(172,929)
Elohim-Bilanx aerospace No.1 Fund	9,248,721	-	9,248,721	177	(98,432)	(98,432)
KB-SUSUNG 2nd Investment Fund	15,475,453	-	15,475,453	23,596	(424,213)	(424,213)
IMM global Secondary 1-1 Equity Private Fund	12,152,002	205,915	11,946,087	485,920	(76,009)	(76,009)
LIB Material Investment Fund	3,041,835	-	3,041,835	1	(2,001,511)	(2,001,511)
NOVORSEC-SJG Consumer Secondary Fund	-	-	-	2,771,506	2,695,192	2,695,192
KBSBI Global High-tech Strategic Private Equity Investment Limited Partnership	90,336,944	454,723	89,882,221	2,880	(1,322,801)	(1,322,801)
KB-Cyrus Tourism Venture Fund	10,019,466	-	10,019,466	10,539	(331,578)	(331,578)
IBKS Design Fund	10,343,544	-	10,343,544	123	(2,627)	(2,627)
NICE DATA INTELLIGENCE VENTURE FUND	-	-	-	1,960	(44,733)	(44,733)
Pectus Hanwha Fund No.2	-	-	-	1,311	(4,079)	(4,079)
KB-IMM New Star Real Estate Private Fund 1	101,364,284	4,334,346	97,029,938	1,533,275	1,231,340	1,231,340
KBLB Middle Market Enterprises Innovation Private Equity Fund	20,062,146	515,454	19,546,692	-	(1,910,120)	(1,910,120)
YG AI Industrial Automation Solutions FUND	7,072,662	-	7,072,662	1,086	(26,189)	(26,189)
Semicolon Susong Commissioned Real Estate Investment Trust	597,990,723	408,960,702	189,030,021	4,667,058	(176,442)	(176,442)
KB-Novus Genesis Private Equity Fund	24,244,681	92,733	24,151,948	270	(102,241)	(102,241)
KB Special Purpose Acquisition Company No.33	17,926,147	2,433,554	15,492,593	-	-	-
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	150,637,690	501,541	150,136,149	-	-	-
ATP TP VC Fund No.1	4,994,380	3,960	4,990,420	-	-	-

AIM-KB-DOUBLE Connected Future Investment Fund	11,868,321	63,255	11,805,066	-	-	-
KB-IMM New Star Real Estate Private Fund 2	43,969,114	689,842	43,279,272	-	-	-
K-1 23th Yeoksam Real Estate Investment Trust Company	294,284,255	169,061,696	125,222,559	-	-	-
IMM Korea Beauty Co-Invest Private Equity Fund	97,550,330	268,899	97,281,431	-	-	-
KB-GVA Premier Mezzanine Investment Fund	16,212,787	-	16,212,787	-	-	-
KB-ANDA Deep Tech Venture Fund	4,435,147	270,147	4,165,000	-	-	-

The summarized financial information of associates for which financial information was not available as at December 31, 2025 has been excluded.

The fair value of marketable Investments in associates as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	**June 30, 2026**	
	Market value	**Carrying amount**
KB Special Purpose Acquisition Company No.27	10,538	10,538
KB Special Purpose Acquisition Company No.29	20,400	20,516
KB Special Purpose Acquisition Company No.30	20,300	20,058
KB Special Purpose Acquisition Company No.31	20,100	20,241
KB Special Purpose Acquisition Company No.32	20,050	19,719
KB Special Purpose Acquisition Company No.33	34,501	34,294
KB Star REIT	46,265,032	64,044,015
	46,390,921	64,169,381

(in thousands of Korean won)	**December 31, 2025**	
	Market value	**Carrying amount**
KB Special Purpose Acquisition Company No.25	10,500	10,165
KB Special Purpose Acquisition Company No.27	10,325	10,460
KB Special Purpose Acquisition Company No.29	20,800	20,367
KB Special Purpose Acquisition Company No.30	20,450	19,930
KB Special Purpose Acquisition Company No.31	20,150	20,046
KB Special Purpose Acquisition Company No.32	20,050	19,599
KB Special Purpose Acquisition Company No.33	168,895	169,648
KB Star REIT	86,665,798	61,508,907
	86,936,968	61,779,122

11. Loans and Securities Measured at Amortised Cost

The details of loans measured at amortised cost as at June 30, 2026 and December 31, 2025, are as follows:

	June 30, 2026		
(in thousands of Korean won)	**Total amount**	**Allowances**	**Book amount**
Loans measured at amortised cost			
Retails			
Broker's loans	5,340,864,391	(6,523,909)	5,334,340,482
Loans to employees	47,408,712	(810)	47,407,902
Present value discount	-	-	-
	5,388,273,103	(6,524,719)	5,381,748,384
Corporates			
Broker's loans	294,948,040	-	294,948,040
Securities purchased under repurchase agreements	1,868,000,000	-	1,868,000,000
Loans receivable	4,743,874,873	(271,295,157)	4,472,579,716
Purchased loans	426,101	(217,738)	208,363
Advances for customers	6,842,141	(6,842,141)	-
Privately placed bonds	116,950,000	(33,281,694)	83,668,306
Financial lease receivables	13,219,921	-	13,219,921
Net deferred origination fees and costs	(6,615,238)	-	(6,615,238)
Present value discount	(388,959)	-	(388,959)
	7,037,256,879	(311,636,730)	6,725,620,149
	12,425,529,982	(318,161,449)	12,107,368,533
Securities measured at amortised cost			
Bonds in Korean Won currency	37,000,000	(11,871)	36,988,129
	12,462,529,982	(318,173,320)	12,144,356,662

	December 31, 2025		
(in thousands of Korean won)	**Total amount**	**Allowances**	**Book amount**
Loans measured at amortised cost			
Retails			
Broker's loans	4,293,559,258	(6,163,088)	4,287,396,170
Loans to employees	37,762,930	(810)	37,762,120
Present value discount	-	-	-
	4,331,322,188	(6,163,898)	4,325,158,290
Corporates			
Broker's loans	283,252,086	-	283,252,086
Securities purchased under repurchase agreements	1,832,100,000	-	1,832,100,000
Loans receivable	4,427,308,949	(262,832,584)	4,164,476,365
Purchased loans	28,248,225	(332,553)	27,915,672
Advances for customers	6,842,141	(6,842,141)	-
Privately placed bonds	39,450,000	(33,303,180)	6,146,820
Financial lease receivables	16,555,000	-	16,555,000
Net deferred origination fees and costs	(6,715,327)	-	(6,715,327)
Present value discount	(612,371)	-	(612,371)
	6,626,428,703	(303,310,458)	6,323,118,245
	10,957,750,891	(309,474,356)	10,648,276,535

The changes in book amount of loans measured at amortised cost for the six-month periods ended June 30, 2026 and 2025, are as follows:

(in thousands of Korean won 2026

	Retails			Corporates			Bonds in Korean Won currency
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying 12-month expected credit losses
		Non-impaired	Impaired		Non-impaired	Impaired	
Beginning	4,325,159,101	-	6,163,087	6,065,948,811	416,454,340	144,025,552	-
Transfer between stages							
Transfer to lifetime expected credit Losses (non-impaired)	(742,025)	742,025	-	(169,084,871)	169,084,871	-	-
Transfer to lifetime expected credit Losses (impaired)	-	-	-	-	(257,000,000)	257,000,000	-
Write-off	-	-	-	-	-	(30,071,520)	-
Sales	-	-	-	(34,420,000)	-	-	-
Other changes (execution, recover, etc.)	1,056,616,607	-	334,308	489,839,178	(14,519,482)	-	37,000,000
Ending	5,381,033,683	742,025	6,497,395	6,352,283,118	314,019,729	370,954,032	37,000,000

(in thousands of Korean won) 2025

	Retails				Corporates			
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying credit loss model	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying credit loss model
		Non-impaired	Impaired			Non-impaired	Impaired	
Beginning	2,935,196,415	-	6,513,006	-	7,050,884,447	768,517,308	77,351,388	-
Transfer between stages								
Transfer to lifetime expected credit Losses (Non-impaired)	(148,279)	148,279	-	-	(82,075,000)	82,075,000	-	-
Transfer to lifetime expected credit Losses (impaired)	-	-	-	-	(1,975,000)	(73,000,000)	74,975,000	-
Write-off	-	-	-	-	-	-	(623,381)	-
Sales	-	-	-	-	(117,729,173)	-	-	-
Other changes (execution, recover, etc.)	871,723,800	-	(643,399)	-	(1,377,239,131)	(11,512,424)	619,272	-
Ending	3,806,771,936	148,279	5,869,607	-	5,471,866,143	766,079,884	152,322,279	-

The changes in allowances for loan losses for the six-month periods ended June 30, 2026 and 2025, are as follows:

(in thousands of Korean won 2026

	Retails			Corporates			Bonds in Korean Won currency
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying 12-month expected credit losses
		Non-impaired	Impaired		Non-impaired	Impaired	
Beginning	810	-	6,163,088	86,594,782	110,560,032	106,155,644	-
Transfer between stages							
Transfer to lifetime expected credit Losses (non-impaired)	-	-	-	(1,450,959)	1,450,959	-	-
Transfer to lifetime expected credit Losses (impaired)	-	-	-	-	(87,800,000)	87,800,000	-
Write-off	-	-	-	-	-	(30,071,520)	-
Recovery of written-off loans	-	-	-	-	-	99,312	-
Sales	-	-	-	(46,258)	-	-	-
Provision (reversal)	-	26,514	-	18,151,356	10,635,641	9,573,637	11,871
Other changes (changes in for FX rate, etc.)	-	-	334,308	206,256	(222,153)	-	-
Ending	810	26,514	6,497,396	103,455,177	34,624,479	173,557,073	11,871

(in thousands of Korean won) 2025

	Retails				Corporates			
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying credit loss model	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying credit loss model
		Non-impaired	Impaired			Non-impaired	Impaired	
Beginning	-	-	6,513,007	-	82,243,114	77,737,715	66,125,846	-
Transfer between stages								
Transfer to lifetime expected credit Losses (Non-impaired)	-	-	-	-	-	-	-	-
Transfer to lifetime expected credit Losses (impaired)	-	-	-	-	(143,110)	(8,126,981)	8,270,091	-
Write-off	-	-	-	-	-	-	(623,381)	-
Sale	-	-	-	-	(267,305)	-	-	-
Provision (Reversal)	-	1,928	-	-	1,118,272	65,006,728	10,756,804	-
Other transfer (changes in for FX rate, etc.)	-	-	(643,400)	-	(4,240,227)	105	-	-
Ending	-	1,928	5,869,607	-	78,710,744	134,617,567	84,529,360	-

Among the loans which have been written-off, the Group manages loans for which the claims against borrowers have not been lost due to reasons such as the statute of limitations not having expired pursuant to relevant laws and uncollected receivables after writing-off, as the written-off loans. As at June 30, 2026 and December 31, 2025, the balances of the written-off loans are ₩ 140,521,382 thousand and ₩ 31,293,471 thousand, respectively.

12. Other Financial Assets

The details of other financial assets as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	June 30, 2026	December 31, 2025
Other receivables	16,432,240,784	5,646,643,059
Accrued income	399,167,488	382,898,196
Accrued interest on bonds	126,641,559	172,967,452
Guarantee deposits	64,236,095	63,371,824
Other	30,993,993	110,787,473
Provision for other financial assets	(58,940,844)	(52,702,623)
	16,994,339,075	6,323,965,381

13. Deposit Liabilities

The details of deposit liabilities as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	June 30, 2026	December 31, 2025
Customers' deposits		
Customers' deposits for brokerage	12,106,111,780	8,542,825,436
Customers' deposits for exchange-traded derivatives trading	1,621,267,617	637,491,603
Customers' deposits for subscription	28,480,100	-
Customers' deposits for savings	15,269,581	17,247,349
Customers' deposits for repo	61,452	61,456
Customers' deposits for the investor of collective investment securities	466,639,558	652,343,006
Others	7,082	80,017
	14,237,837,170	9,850,048,867
Guarantee deposits		
Guarantee deposits in foreign currency	1,484,112,793	1,529,562,995
Guarantee deposits in Korean won	1,053,172,107	731,162,021
	2,537,284,900	2,260,725,016
	16,775,122,070	12,110,773,883

14. Borrowings

The details of borrowings as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	June 30, 2026	December 31, 2025
Call money	900,000,000	1,290,000,000
Borrowings:		
Borrowing from banks	1,330,883,095	647,398,189
Borrowing from KSFC	1,557,068,534	1,465,834,076
Asset-backed short-term bonds	2,694,620,672	2,238,362,671
CP borrowings	12,953,000,000	5,800,000,000
Others	119,164,737	105,252,357
Securities sold under repurchase agreements	8,909,509,066	10,719,460,118
Short-term note issued	11,003,153,570	10,943,325,311
Debentures:		
Debentures	5,012,450,000	4,620,670,000
Less: discount on debentures issued	(8,633,347)	(6,865,709)
	44,471,216,327	37,823,437,013

The details of call money as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	Interest rate (%)	June 30, 2026	December 31, 2025
Kiwoom Asset Management Co., Ltd. and others	2.62~3.50	900,000,000	1,290,000,000

The details of borrowings as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)		Interest rate (%)	June 30, 2026	December 31, 2025
Borrowings from banks	Standard Chartered Bank and other	3.82~8.10	1,330,883,095	647,398,189
Borrowings from KSFC	KSFC	2.63~3.32	1,557,068,534	1,465,834,076
Asset-backed short-term bonds	SK Securities co., Ltd., and other	2.75~4.30	2,694,620,672	2,238,362,671
CP borrowings	Hyundai Motor Securities Co., Ltd.and others	2.59~4.06	12,953,000,000	5,800,000,000
Others	Meritz Securities Co., Ltd. and others	0.00~11.25	119,164,737	105,252,357
			18,654,737,038	10,256,847,293

The details of securities sold under repurchase agreements as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	Interest rate (%)	June 30, 2026	December 31, 2025
Customers	0.00~4.80	7,754,739,566	6,693,960,118
Financial institution	2.04~2.58	1,154,769,500	4,025,500,000
		8,909,509,066	10,719,460,118

The details of short-term note issued as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	**Interest rate (%)**	**June 30, 2026**	**December 31, 2025**
Individual	2.00~4.50	6,264,076,953	5,965,341,642
Corporate	2.00~4.10	4,739,076,617	4,977,983,669
		11,003,153,570	10,943,325,311

The details of debentures as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	**Date issued**	**Maturity**	**Interest rate (%)**	**June 30, 2026**	**December 31, 2025**
The 39-2nd unsecured public debenture	2021.03.04	2026.03.04	-	-	120,000,000
The 40-2nd unsecured public debenture	2021.04.23	2026.04.23	-	-	200,000,000
The 41-2nd unsecured public debenture	2023.02.07	2026.02.06	-	-	210,000,000
The 42-2nd unsecured public debenture	2023.06.26	2026.06.26	-	-	220,000,000
The 43-2nd unsecured public debenture	2024.01.31	2026.01.30	-	-	230,000,000
The 43-3rd unsecured public debenture	2024.01.31	2027.01.29	3.99	410,000,000	410,000,000
The 44-2nd unsecured public debenture	2024.04.23	2026.04.23	-	-	100,000,000
The 44-3rd unsecured public debenture	2024.04.23	2027.04.23	3.86	200,000,000	200,000,000
The 45-1st unsecured public debenture	2024.09.03	2026.09.03	3.56	220,000,000	220,000,000
The 45-2nd unsecured public debenture	2024.09.03	2027.09.03	3.56	280,000,000	280,000,000
The 2nd unsecured privately placed bond [1]	2024.12.12	2026.06.12	-	-	200,000
The 46-1st unsecured public debenture	2025.02.19	2027.02.19	3.03	120,000,000	120,000,000
The 46-2nd unsecured public debenture	2025.02.19	2028.02.18	3.08	450,000,000	450,000,000
The 46-3rd unsecured public debenture	2025.02.19	2030.02.19	3.17	230,000,000	230,000,000
The 47-1st unsecured public debenture	2025.05.28	2027.05.28	2.72	220,000,000	220,000,000
The 47-2nd unsecured public debenture	2025.05.28	2028.05.26	2.76	380,000,000	380,000,000
The 48-1st unsecured public debenture	2025.09.09	2027.09.09	2.72	100,000,000	100,000,000
The 48-2nd unsecured public debenture	2025.09.09	2028.09.08	2.79	440,000,000	440,000,000
The 48-3rd unsecured public debenture	2025.09.09	2030.09.09	2.91	60,000,000	60,000,000
The 49-1st unsecured public debenture	2026.01.27	2028.01.25	3.23	60,000,000	-
The 49-2nd unsecured public debenture	2026.01.27	2029.01.26	3.47	530,000,000	-
The 49-3rd unsecured public debenture	2026.01.27	2031.01.27	3.69	210,000,000	-
The 50-1st unsecured public debenture	2026.06.15	2028.06.15	4.21	390,000,000	-
The 50-2nd unsecured public debenture	2026.06.15	2029.06.15	4.33	250,000,000	-

The 21-1 public debenture in foreign currency [2]	2021.11.01	2026.11.01	2.13	462,450,000	430,470,000
				5,012,450,000	4,620,670,000
Less: Discount on debentures issued				(8,633,347)	(6,865,709)
				5,003,816,653	4,613,804,291

[1] This privately placed bond was issued by subsidiary named Able Seun Co., Ltd.
[2] The issuance price of this public debenture is US$ 300,000,000.

The changes in borrowings for the six-month periods ended June 30, 2026 and 2025, are as follows:

(in thousands of Korean won)	2026	2025
Decrease in call money	(390,000,000)	(80,000,000)
Increase in borrowings in won currency	8,610,790,519	-
Decrease in borrowings in won currency	-	(169,062,074)
Increase in borrowings in foreign currency	71,100,573	101,504,610
Decrease in securities sold under repurchase agreements (institutions)	(2,870,730,500)	(361,272,098)
Increase in debentures in won currency	1,440,000,000	1,400,000,000
Decrease in debentures in won currency	(1,080,200,000)	(570,900,000)
Increase in short-term notes in won currency	67,134,460	388,346,264
Increase in short-term notes in foreign currency	-	4,007,568
Decrease in short-term notes in foreign currency	(7,480,506)	-
	5,840,614,546	712,624,270

15. Post-Employment Benefits

15.1 Defined Benefit Plans

The details of defined benefit liabilities as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	June 30, 2026	December 31, 2025
Present value of defined benefit obligations	73,015,858	84,113,110
Fair value of plan assets	(4,860,737)	(6,037,497)
Net defined benefit liabilities	68,155,121	78,075,613

The Group recognized the expenses of ₩ 12,980,176 thousand and ₩ 12,205,193 thousand for defined benefit plans for the six-month periods ended June 30, 2026 and 2025, respectively.

15.2 Defined Contribution Plans

The Group recognized the expenses of ₩ 3,424,390 thousand and ₩ 3,891,371 thousand for defined contribution plans for the six-month periods ended June 30, 2026 and 2025, respectively.

16. Provisions

The details of provisions as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	June 30, 2026	December 31, 2025
Provisions for unused commitments	6,842,944	6,462,778
Provisions for asset retirement obligation [1]	9,219,706	9,206,853
Provisions for lawsuits	38,986,703	56,008,858
Provisions for others	21,218,652	38,434,048
	76,268,005	110,112,537

[1] The Group recognized the provision for asset retirement obligation in connection with the leased asset for the expenditures expected to restore the asset.

The changes in provisions for unused commitments for the six-month periods ended June 30, 2026 and 2025 are as follows,

(in thousands of Korean won)	2026		
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses	
		Non-impaired	Impaired
Beginning	6,462,778	-	-
Provision for losses (reversal of provision)	380,166	-	-
Ending	6,842,944	-	-

(in thousands of Korean won)	2025		
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses	
		Non-impaired	Impaired
Beginning	4,172,130	191,229	-
Provision for losses (reversal of provision)	1,287,157	(44,568)	-
Ending	5,459,287	146,661	-

The changes in other provisions for the six-month periods ended June 30, 2026 and 2025, are as follows:

(in thousands of Korean won)	2026			
	Provisions for asset retirement obligation	Provisions for lawsuits	Provisions for others	Total
Beginning	9,206,853	56,008,858	38,434,048	103,649,759
Contribution	93,662	-	336,080	429,742
Reversal	(19,693)	(17,420)	(1,733,871)	(1,770,984)
Use	(78,496)	(17,004,735)	(15,817,605)	(32,900,836)
Amortization of discounts	17,380	-	-	17,380
Ending	9,219,706	38,986,703	21,218,652	69,425,061

(in thousands of Korean won)	2025			
	Provisions for asset retirement obligation	**Provisions for lawsuits**	**Provisions for others**	**Total**
Beginning	9,236,979	75,204,159	48,755,377	133,196,515
Contribution	201,620	1,390,260	-	1,591,880
Reversal	(19,692)	(14,714,145)	(7,282,642)	(22,016,479)
Use	(163,802)	(19,622,048)	(807,184)	(20,593,034)
Amortization of discounts	20,443	-	-	20,443
Ending	9,275,548	42,258,226	40,665,551	92,199,325

17. Other Financial Liabilities

The details of other financial liabilities as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	**June 30, 2026**	**December 31, 2025**
Other payables	16,731,918,368	5,447,665,459
Accrued expenses	146,408,290	174,096,393
Financial guarantee liabilities	4,832,800	2,792,624
Provisions for financial guarantee contracts	58,005	245,001
Leasehold deposits received	10,576,858	10,555,100
Non-controlling liabilities	42,006,424	45,692,550
Lease liabilities	86,986,821	92,480,438
Others	18,385,611	87,612,541
	17,041,173,177	5,861,140,106

The changes in liabilities of the provisions for financial guarantee contracts for the six-month periods ended June 30, 2026 and 2025 are as follows:

(in thousands of Korean won)	2026		
	The financial instruments applying 12-month expected credit losses	**The financial instruments applying lifetime expected credit losses**	
		Non-impaired	**Impaired**
Beginning	245,001	-	-
Provision(reversal)	(186,996)	-	-
Ending	58,005	-	-

(in thousands of Korean won)	2025		
	The financial instruments applying 12-month expected credit losses	**The financial instruments applying lifetime expected credit losses**	
		Non-impaired	**Impaired**
Beginning	-	-	-
Provision	804,600	-	-
Other transfer(foreign exchange and other)	(804,600)	-	-
Ending	-	-	-

18. Hybrid Securities

Details of hybrid security classified as equity as of June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	Issuance date	Maturity	Interest rate (%)	June 30, 2026	December 31, 2025
Bond-type Hybrid Securities No.1[1]	March 31, 2022	Permanent	4.30	208,010,652	208,010,652
Bond-type Hybrid Securities No.2	May 30, 2022	Permanent	4.80	48,170,880	48,170,880
Bond-type Hybrid Securities No.3[2]	September 30, 2022	Permanent	5.50	249,948,780	249,948,780
Bond-type Hybrid Securities No.4[3]	May 8, 2023	Permanent	5.35	119,963,080	119,963,080
Bond-type Hybrid Securities No.5	March 21, 2024	Permanent	5.22	129,999,380	129,999,380
				756,092,772	756,092,772

[1] As at June 30, 2026 and December 31, 2025, among the hybrid securities issued by the Group, the balance held by KB Financial Group, a related party of the Group, is ₩ 200,000 million.

[2] As at June 30, 2026 and December 31, 2025, among the hybrid securities issued by the Group, the balance held by KB Financial Group, a related party of the Group, is ₩ 230,000 million.

[3] As at June 30, 2026 and December 31, 2025, among the hybrid securities issued by the Group, the balance held by KB Financial Group, a related party of the Group, is ₩ 100,000 million.

The Group may extend the maturity under the same conditions at the time of maturity of the above hybrid securities, and interest payment may be deferred except in cases where a cash dividend or stock dividend has been declared for common stock. The above hybrid securities are early redeemable by the Group after 5 years from the issuance date and on each interest payment date thereafter.

19. Allowances For Possible Loan Losses

The Group accumulates allowances for possible loan losses in accordance with Korean IFRS and a reserve for possible loan losses for the amounts by which such allowances fall short of the minimum reserve requirement under the Regulation on Supervision of Financial Investment.

Regulatory reserve for credit losses, a type of voluntary reserve for retained earnings, may be reversed to the extent that the existing reserve exceeds the required reserve balance at the reporting date. Regulatory reserve for credit losses is generally recognized after an unappropriated deficit has been eliminated.

The details of the regulatory reserve for credit losses (reversal of reserve) to be appropriated as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	June 30, 2026	December 31, 2025
Beginning	57,567,186	66,404,685
Amounts to be reserved (reversed)	33,178,923	(8,837,499)
Ending	90,746,109	57,567,186

The adjusted profit of the year after reflection of reversal (provision) of reserve for credit losses for the six-month periods ended June 30, 2026 and 2025, are as follows:

(in thousands of Korean won)	2026	2025
Profit for the period before reserve for credit loss	798,981,648	341,596,599
Amounts to be reversed (reserved)	(33,178,923)	4,369,424
Adjusted profit after reversed (provision) of reserve for credit losses[1]	765,802,725	345,966,023

[1] Reserve for credit loss is announced by Article 3 Clause 8 of the Regulation on Financial Investment Business. Adjusted profit after reserve for credit losses is not based on Korean IFRS and is calculated on the assumption that provision or reversal of reserve for credit losses before tax is adjusted to the profit.

20. Fee and Commission Income and Expense

The details of fee and commission income for the six-month periods ended June 30, 2026 and 2025, are as follows:

	2026		2025	
(in thousands of Korean won)	For the three months ended June 30, 2026	For the six months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2025
Brokerage commissions	583,538,679	1,038,790,450	170,889,850	308,920,363
Underwriting commissions	48,573,067	76,873,303	40,056,722	87,746,494
Brokerage commissions on collective investment securities	15,547,600	29,408,680	7,526,121	14,994,573
Asset Management fees	90,365,428	129,742,463	9,968,992	20,977,259
Commissions on merger and acquisition	14,813,076	26,910,893	12,520,737	31,692,238
Trust fees and commissions	5,827,871	11,410,456	5,114,452	10,126,574
Other commissions	44,740,164	85,507,497	24,245,256	50,093,232
	803,405,885	1,398,643,742	270,322,130	524,550,733

The details of fee and commission expense for the six-month periods ended June 30, 2026 and 2025, are as follows:

	2026		2025	
(in thousands of Korean won)	For the three months ended June 30, 2026	For the six months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2025
Trading commission	40,665,656	70,545,193	14,722,182	29,025,010
Advisory fees	28,008,559	30,265,467	1,029,773	1,409,724
Investment management delegation fees	263,049	545,808	363,570	754,160
Commission Fees on group brand	5,715,844	12,217,915	4,893,899	10,081,054
Contributions to external institutions	3,008,225	5,368,115	2,609,214	5,026,447
Other commissions	65,440,182	131,647,688	43,807,873	75,235,567
	143,101,515	250,590,186	67,426,511	121,531,962

21. Gain or Loss on Valuation and Disposal of Financial Instruments

The details of gain or loss on valuation and disposal of financial instruments for the six-month periods ended June 30, 2026 and 2025, are as follows:

(in thousands of Korean won)	2026					
	For the three months ended June 30, 2026			For the six months ended June 30, 2026		
	Gain	Loss	Net	Gain	Loss	Net
Financial instruments at FVTPL	7,186,130,941	1,438,025,043	5,748,105,898	9,469,402,209	2,661,586,075	6,807,816,134
Financial instruments designated at FVTPL	54,611,200	219,772,132	(165,160,932)	182,034,384	412,717,508	(230,683,124)
Derivative financial instruments	3,109,552,281	8,614,604,839	(5,505,052,558)	7,260,283,060	13,698,375,465	(6,438,092,405)
Financial assets at FVOCI [1]	165,676	7,833,998	(7,668,322)	1,444,671	10,524,674	(9,080,003)
	10,350,460,098	10,280,236,012	70,224,086	16,913,164,324	16,783,203,722	129,960,602

[1] Gain or loss on valuation of financial assets at FVOCI is excluded.

(in thousands of Korean won)	2025					
	For the three months ended June 30, 2025			For the six months ended June 30, 2025		
	Gain	Loss	Net	Gain	Loss	Net
Financial instruments at FVTPL	849,186,249	416,717,917	432,468,332	1,445,260,437	779,805,489	665,454,948
Financial instruments designated at FVTPL	53,316,427	82,184,542	(28,868,115)	95,931,576	287,889,621	(191,958,045)
Derivative financial instruments	1,075,886,479	1,286,190,698	(210,304,219)	2,435,832,720	2,672,725,339	(236,892,619)
Financial assets at FVOCI [1]	12,073,173	1,396,156	10,677,017	21,222,635	2,023,000	19,199,635
	1,990,462,328	1,786,489,313	203,973,015	3,998,247,368	3,742,443,449	255,803,919

[1] Gain or loss on valuation of financial assets at FVOCI is excluded.

The details of gain or loss on valuation and disposal of financial instruments at FVTPL for the six-month periods ended June 30, 2026 and 2025, are as follows:

(in thousands of Korean won)	2026					
	For the three months ended June 30, 2026			For the six months ended June 30, 2026		
	Gain	Loss	Net	Gain	Loss	Net
Financial assets at FVTPL	7,039,802,754	645,619,644	6,394,183,110	9,193,743,593	1,457,299,266	7,736,444,327
Financial liabilities at FVTPL	146,328,187	792,405,399	(646,077,212)	275,658,616	1,204,286,809	(928,628,193)
	7,186,130,941	1,438,025,043	5,748,105,898	9,469,402,209	2,661,586,075	6,807,816,134

(in thousands of Korean won)	2025					
	For the three months ended June 30, 2025			For the six months ended June 30, 2025		
	Gain	Loss	Net	Gain	Loss	Net
Financial assets at FVTPL	833,340,798	192,546,380	640,794,418	1,359,733,452	445,256,496	914,476,956
Financial liabilities at FVTPL	15,845,451	224,171,537	(208,326,086)	85,526,985	334,548,993	(249,022,008)
	849,186,249	416,717,917	432,468,332	1,445,260,437	779,805,489	665,454,948

The details of gain or loss on valuation and disposal of financial instruments designated at FVTPL for the six-month periods ended June 30, 2026 and 2025, are as follows:

(in thousands of Korean won)	2026					
	For the three months ended June 30, 2026			For the six months ended June 30, 2026		
	Gain	Loss	Net	Gain	Loss	Net
Financial liabilities designated at FVTPL						
Derivatives-linked securities sold	21,545,160	156,242,636	(134,697,476)	115,308,300	291,519,869	(176,211,569)
Other OTC derivative-combined contract sold	2,888,715	43,441,910	(40,553,195)	6,607,626	80,101,141	(73,493,515)
Exchange traded notes sold	30,177,325	20,087,586	10,089,739	60,118,458	41,096,498	19,021,960
	54,611,200	219,772,132	(165,160,932)	182,034,384	412,717,508	(230,683,124)

(in thousands of Korean won)	2025					
	For the three months ended June 30, 2025			For the six months ended June 30, 2025		
	Gain	Loss	Net	Gain	Loss	Net
Financial liabilities designated at FVTPL						
Derivatives-linked securities sold	41,438,343	66,276,300	(24,837,957)	61,991,576	245,588,386	(183,596,810)
Other OTC derivative-combined contract sold	9,756,419	9,317,498	438,921	17,397,112	22,411,005	(5,013,893)
Exchange traded notes sold	2,121,665	6,590,744	(4,469,079)	16,542,888	19,890,230	(3,347,342)
	53,316,427	82,184,542	(28,868,115)	95,931,576	287,889,621	(191,958,045)

The details of gain or loss on valuation and disposal of derivative financial instruments for the six-month periods ended June 30, 2026 and 2025, are as follows:

(in thousands of Korean won)	2026					
	For the three months ended June 30, 2026			For the six months ended June 30, 2026		
	Gain	Loss	Net	Gain	Loss	Net
Interest rate	1,025,314,346	1,002,218,889	23,095,457	2,603,270,433	2,574,275,537	28,994,896
Currency	295,779,772	349,893,942	(54,114,170)	727,474,451	849,216,456	(121,742,005)
Stock	1,869,921,396	7,302,870,745	(5,432,949,349)	3,692,523,022	9,977,678,220	(6,285,155,198)
Credit	(8,332,475)	(9,785,281)	1,452,806	33,790,828	29,397,671	4,393,157
Commodity	(73,492,679)	(45,910,187)	(27,582,492)	178,270,066	231,047,393	(52,777,327)
Others	361,921	15,316,731	(14,954,810)	24,954,260	36,760,188	(11,805,928)
	3,109,552,281	8,614,604,839	(5,505,052,558)	7,260,283,060	13,698,375,465	(6,438,092,405)

(in thousands of Korean won)	2025					
	For the three months ended June 30, 2025			For the six months ended June 30, 2025		
	Gain	Loss	Net	Gain	Loss	Net
Interest rate	25,247,481	10,256,852	14,990,629	672,931,672	639,276,096	33,655,576
Currency	288,392,128	291,016,674	(2,624,546)	382,600,927	406,853,279	(24,252,352)
Stock	686,237,957	934,309,300	(248,071,343)	1,192,834,369	1,494,590,223	(301,755,854)
Credit	8,235,844	7,576,025	659,819	36,081,225	33,939,763	2,141,462
Commodity	39,782,739	33,552,465	6,230,274	85,267,139	75,656,661	9,610,478
Others	27,990,330	9,479,382	18,510,948	66,117,388	22,409,317	43,708,071
	1,075,886,479	1,286,190,698	(210,304,219)	2,435,832,720	2,672,725,339	(236,892,619)

The details of gain or loss on valuation and disposal of financial assets at FVOCI for the six-month periods ended June 30, 2026 and 2025 are as follows:

(in thousands of Korean won)	2026					
	For the three months ended June 30, 2026			For the six months ended June 30, 2026		
	Gain	Loss	Net	Gain	Loss	Net
Debt instruments	165,676	7,833,998	(7,668,322)	1,444,671	10,524,674	(9,080,003)

(in thousands of Korean won)	2025					
	For the three months ended June 30, 2025			For the six months ended June 30, 2025		
	Gain	Loss	Net	Gain	Loss	Net
Debt instruments	12,073,173	1,396,156	10,677,017	21,222,635	2,023,000	19,199,635

22. Interest Income and Interest Expense

The details of interest income for the six-month periods ended June 30, 2026 and 2025, are as follows:

(in thousands of Korean won)	2026		2025	
	For the three months ended June 30, 2026	For the six months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2025
Interest on financial assets at FVTPL				
Interest on debt instruments at FVTPL	163,583,046	312,937,813	167,212,882	347,064,492
Interest on loans at FVTPL	6,675,327	23,933,023	10,640,708	19,987,067
Interest on commercial papers	28,064,884	56,157,745	28,636,547	58,903,995
	198,323,257	393,028,581	206,490,137	425,955,554
Interest on financial assets at FVOCI and financial assets measured at amortized cost				
Interest on loans receivables	6,185,181	9,985,898	5,440,747	9,268,267
Interest on debt instruments at FVOCI	63,847,057	127,251,243	51,538,528	103,606,978
Interest on debt instruments measured at amortized cost	21,717	21,717	-	-
Interest on broker's loans	104,258,601	193,655,498	64,366,354	123,629,633

Interest on loans	61,716,560	126,743,704	78,589,978	160,574,775
Interest on deposits with KSFC	10,083,263	19,286,559	5,434,484	13,649,812
Interest on certificates of deposit	801,535	1,080,275	34,294	273,598
Interest on deposits with financial institution	1,682	40,861	309,178	312,055
Interest on bonds purchased under resale agreements	11,128,976	19,741,276	11,690,021	25,317,192
Gains on transactions of certificates of deposits	(27,626)	244,035	8,787	31,160
Interest on deposits	14,312,541	24,866,028	10,236,554	19,808,053
Interest on other receivables	889,943	1,523,461	244,229	467,564
Others [1]	3,706,465	7,083,627	1,834,086	4,898,262
	276,925,895	531,524,182	229,727,240	461,837,349
	475,249,152	924,552,763	436,217,377	887,792,903

[1] Interest on lease receivables of ₩ 223 million and ₩ 318 million for the six-month periods ended June 30, 2026 and 2025, respectively, are included.

The details of interest expense for the six-month periods ended June 30, 2026 and 2025, are as follows:

	2026		2025	
(in thousands of Korean won)	**For the three months ended June 30, 2026**	**For the six months ended June 30, 2026**	**For the three months ended June 30, 2025**	**For the six months ended June 30, 2025**
Interest on borrowings	25,275,950	44,867,402	21,907,165	42,783,258
Interest on customers' deposits	27,732,344	51,747,750	14,963,745	29,519,041
Interest on bonds sold under repurchase agreements	59,383,952	118,406,653	64,663,785	132,112,257
Interest on call money	6,612,517	12,344,092	5,805,361	11,417,846
Losses on transactions of certificates of deposit	160	160	-	-
Interest on debentures	36,062,289	87,951,989	36,834,876	68,386,441
Interest on short-term note issued	141,667,564	252,050,072	118,474,355	240,919,050
Interest on asset-backed short-term bonds	20,548,074	38,618,531	17,397,007	38,262,141
Fees for the proceeds from the sale of stocks loaned	251	32,485	52,040	115,430
Others [1]	1,518,013	2,428,338	1,140,703	2,306,924
Interest on non-controlling interest	(1,613,741)	3,247,255	(3,730,172)	(4,121,922)
	317,187,373	611,694,727	277,508,865	561,700,466

[1] Interest on lease liabilities of ₩ 1,508 million and ₩ 1,892 million for the six-month periods ended June 30, 2026 and 2025, respectively, are included.

23. Gain or Loss on Valuation and Disposal of Financial Assets measured at Amortised Costs

The details of gain or loss on valuation and disposal of financial assets measured at amortised cost for the six-month periods ended June 30, 2026 and 2025, are as follows:

	2026		2025	
(in thousands of Korean won)	For the three months ended June 30, 2026	For the six months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2025
Gain(loss) on valuation of financial assets measured at amortized cost				
Provision of allowance for credit losses of loans	(24,698,444)	(38,340,889)	(61,435,147)	(76,616,427)
Reversal(provision) of allowance for credit losses of deposits	(929,234)	(985,978)	5,965	42,008
Provision of allowance for credit losses of bonds	(11,871)	(11,871)	-	-
Reversal(provision) of allowance for credit losses of other financial assets	(688,155)	(10,498,663)	209,444	(2,373,207)
Gain(loss) on disposal of financial assets measured at amortized cost				
Gain(loss) on disposal of loans	551,757	808,389	(1,343,426)	(2,815,842)
	(25,775,947)	(49,029,012)	(62,563,164)	(81,763,468)

24. Selling and Administrative Expenses

(a) The details of selling and administrative expenses for the six-month periods ended June 30, 2026 and 2025, are as follows:

	2026		2025	
(in thousands of Korean won)	For the three months ended June 30, 2026	For the six months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2025
Labor Costs				
Salaries	206,691,395	429,357,053	155,730,948	269,832,485
Post-employment benefits	8,176,057	16,404,566	7,963,469	16,096,564
Retirement bonus	661,660	2,151,014	-	2,302,625
Other long-term employee benefits	164,482	328,964	160,120	320,240
Employee benefits	31,253,718	62,071,845	28,723,610	53,951,543
	246,947,312	510,313,442	192,578,147	342,503,457
Other selling and administrative expenses				
Employee benefits	3,987,117	7,805,913	3,863,840	7,702,750
Sales promotion expenses	171,983	213,922	116,352	148,067
Computer system operation expenses	19,209,422	38,785,422	19,567,378	38,817,073
Management expenses for rent	5,410,202	10,739,036	5,099,258	10,835,060
Commissions	6,326,534	13,499,309	9,263,921	17,252,615
Research and development	110,610	135,360	25,000	25,000
Advertising expenses	9,482,730	15,832,861	8,126,025	12,331,547

Depreciation	13,999,675	27,830,320	14,203,208	28,237,920
Training expenses	338,010	708,725	504,414	963,487
Amortization expenses of intangible assets	17,101,636	31,655,407	15,120,848	29,826,321
Taxes and dues	45,058,395	75,878,239	15,109,466	26,527,293
Consignment fees	485,552	1,028,834	955,572	2,245,381
Others	9,236,310	18,944,620	9,979,883	19,911,086
	130,918,176	243,057,968	101,935,165	194,823,600
	377,865,488	753,371,410	294,513,312	537,327,057

25. Non-operating Income and Non-operating Expenses

The details of non-operating income for the six-month periods ended June 30, 2026 and 2025, are as follows:

(in thousands of Korean won)	**2026**	**2025**
Gain on disposal of property and equipment	29,153	41,152
Gain on disposal of intangible assets	744,211	-
Reversal of impairment loss on intangible assets	275,000	-
Rent	3,671,265	3,647,830
Gain related to investments in subsidiaries and associates	20,018,670	14,246,699
Others	30,464,726	24,915,420
	55,203,025	42,851,101

The details of non-operating expenses for the six-month periods ended June 30, 2026 and 2025 are as follows:

(in thousands of Korean won)	**2026**	**2025**
Loss on disposal of property and equipment	363	10,646
Depreciation of investment properties	279,757	284,683
Loss on disposal of intangible assets	22,000	-
Impairment loss on investment properties	12,866,258	-
Loss related to investments in subsidiaries and associates	10,781,531	17,018,017
Donation	2,385,111	2,068,663
Others	2,601,905	5,603,733
	28,936,925	24,985,742

26. Tax Expense

Income tax expense for the six-month period is measured using the expected weighted average annual income tax rate applicable to expected total annual income. The expected average annual income tax rates for the year ended December 31, 2026 is 25.83% (the tax rate for the six-month period ended June 30, 2025 : 25.66%).

27. Financial Instruments

27.1 Fair Value of Financial Instruments by Class

Fair values of financial assets and financial liabilities as at June 30, 2026 and December 31, 2025, are as follows:

	June 30, 2026		December 31, 2025	
(in thousands of Korean won)	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and deposits [2]	8,178,158,482	8,178,158,482	4,106,569,157	4,106,569,157
Financial assets at FVTPL [1]	52,154,210,733	52,154,210,733	42,787,453,811	42,787,453,811
Derivative financial assets [1]	3,355,325,455	3,355,325,455	1,614,613,117	1,614,613,117
Financial assets at FVOCI	8,486,730,557	8,486,730,557	9,463,744,417	9,463,744,417
Investments measured at amortised cost	36,988,129	37,032,926	-	-
Loans measured at amortised cost	12,107,368,533	12,100,070,425	10,648,276,535	10,644,089,728
Other financial assets[2]	16,994,339,075	16,994,339,075	6,323,965,381	6,323,965,381
	101,313,120,964	101,305,867,653	74,944,622,418	74,940,435,611

[1] Deferred transaction gain or losses are adjusted in the carrying amount.
[2] The fair value of cash and deposits, other financial assets, deposit liabilities and other financial liabilities with short maturity dates or uncertain maturity dates is presented at their book amounts.

	June 30, 2026		December 31, 2025	
(in thousands of Korean won)	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Deposit liabilities [2]	16,775,122,070	16,775,122,070	12,110,773,883	12,110,773,883
Financial liabilities at FVTPL	3,247,492,297	3,247,492,297	2,910,712,724	2,910,712,724
Financial liabilities designated at FVTPL[1]	7,883,667,168	7,883,667,168	7,996,513,415	7,996,513,415
Derivative financial liabilities[1]	4,382,506,728	4,382,506,728	2,088,322,938	2,088,322,938
Borrowings	44,471,216,327	44,421,860,338	37,823,437,013	37,824,623,316
Other financial liabilities[2]	17,041,173,177	17,041,173,177	5,861,140,106	5,861,140,106
	93,801,177,767	93,751,821,778	68,790,900,079	68,792,086,382

[1] Deferred transaction gain or losses are adjusted in the carrying amount.
[2] The fair value of cash and deposits, other financial assets, deposit liabilities and other financial liabilities with short maturity dates or uncertain maturity dates is presented at their book amounts.

Fair value is the price that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For each class of financial assets and financial liabilities, the Group discloses the fair value of that class of assets and liabilities in a way that permits it to be compared with its carrying amount at the end of each reporting period. The best evidence of fair value of financial instruments is a quoted price in an active market.

27.2 Fair Value Hierarchy

Financial instruments measured at fair value are categorized within the fair value hierarchy, and the defined levels are as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	Fair value using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, prices) or indirectly (that is, derived from prices)

Level 3 Fair value using inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The observable input is generally used to the fair value measurement. However, if an observable input requires a significant adjustment based on an unobservable input, the resulting measurement would be categorized within Level 3 of the fair value hierarchy.

(a) Fair value hierarchy of financial instruments measured at fair value

The fair value hierarchy of financial assets and liabilities measured at fair value as at June 30, 2026 and December 31, 2025, are as follows:

	June 30, 2026			
(in thousands of Korean won)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets at FVTPL – debt instruments [1]	7,876,873,970	30,099,628,983	3,552,443,023	41,528,945,976
Financial assets at FVTPL - equity instruments	9,167,114,898	188,923,762	271,485,227	9,627,523,887
Financial assets at FVTPL - loans	-	-	997,740,870	997,740,870
Derivative financial assets[1]	165,699,482	2,970,304,523	219,321,450	3,355,325,455
Financial assets at FVOCI	248,324,737	7,777,500,572	460,905,248	8,486,730,557
	17,458,013,087	41,036,357,840	5,501,895,818	63,996,266,745
Financial liabilities				
Financial liabilities at FVTPL	3,247,492,297	-	-	3,247,492,297
Financial liabilities designated at FVTPL[1]	505,841,686	1,430,622,408	5,947,203,074	7,883,667,168
Derivative financial liabilities[1]	475,830,352	3,484,518,278	422,158,098	4,382,506,728
	4,229,164,335	4,915,140,686	6,369,361,172	15,513,666,193

[1] Deferred transaction gain or losses are adjusted in the carrying amount.

	December 31, 2025			
(in thousands of Korean won)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets at FVTPL – debt instruments [1]	8,237,651,395	25,584,247,608	3,571,635,320	37,393,534,323
Financial assets at FVTPL - equity instruments	3,949,515,695	221,251,741	262,761,622	4,433,529,058
Financial assets at FVTPL - loans	-	-	960,390,430	960,390,430
Derivative financial assets[1]	167,257,951	1,235,559,087	211,796,079	1,614,613,117
Financial assets at FVOCI	422,194,342	8,520,489,732	521,060,343	9,463,744,417
	12,776,619,383	35,561,548,168	5,527,643,794	53,865,811,345
Financial liabilities				
Financial liabilities at FVTPL	2,910,712,724	-	-	2,910,712,724
Financial liabilities designated at FVTPL[1]	507,899,785	1,391,155,566	6,097,458,064	7,996,513,415
Derivative financial liabilities[1]	129,319,840	1,538,119,632	420,883,466	2,088,322,938
	3,547,932,349	2,929,275,198	6,518,341,530	12,995,549,077

[1] Deferred transaction gain or losses are adjusted in the carrying amount.

27.3 Valuation techniques and inputs classified by Level 2

The details of the valuation techniques and inputs classified by Level 2 as at June 30, 2026 and December 31, 2025 are as follows:

(in thousands of Korean won)	**June 30, 2026**	**Valuation techniques**	**Inputs**
Financial assets at FVTPL	30,288,552,745	DCF Model, Closed form formula, Monte Carlo model, Black Scholes model, Hull and White Model and others	Price of underlying asset, interest rate, dividend rate, volatility, discount rate and others
Derivative financial assets(trading)	2,970,304,523	DCF Model, Closed form formula, Monte Carlo model, Black Scholes model, Hull and White Model, Option Pricing model and others	Interest rate, price of underlying asset, exchange rate, credit spread, discount rate, volatility and others
Financial assets at FVOCI	7,777,500,572	DCF Model	Interest rate, discount rate and others
	41,036,357,840		
Financial liabilities designated at FVTPL	1,430,622,408	DCF Model, Closed form formula, Monte Carlo model, Black Scholes model, Hull and White Model and others	Price of underlying asset, interest rate, dividend rate, volatility, discount rate
Derivative financial liabilities(trading)	3,484,518,278	DCF Model, Closed form formula, Monte Carlo model, Black Scholes model, Hull and White Model, Option Pricing model and others	Interest rate, price of underlying asset, exchange rate, credit spread, discount rate, volatility
	4,915,140,686		

(in thousands of Korean won)	**December 31, 2025**	**Valuation techniques**	**Inputs**
Financial assets at FVTPL	25,805,499,349	DCF Model, Closed form formula, Monte Carlo model, Black Scholes model, Hull and White Model and others	Price of underlying asset, interest rate, dividend rate, volatility, discount rate and others
Derivative financial assets(trading)	1,235,559,087	DCF Model, Closed form formula, Monte Carlo model, Black Scholes model, Hull and White Model, Option Pricing model and others	Interest rate, price of underlying asset, exchange rate, credit spread, discount rate, volatility and others
Financial assets at FVOCI	8,520,489,732	DCF Model	Interest rate, discount rate, and others
	35,561,548,168		
Financial liabilities designated at FVTPL	1,391,155,566	DCF Model, Closed form formula, Monte Carlo model, Black Scholes model, Hull and White Model and others	Price of underlying asset, interest rate, dividend rate, volatility, discount rate
Derivative financial liabilities(trading)	1,535,208,432	DCF Model, Closed form formula, Monte Carlo model, Black Scholes	Interest rate, price of underlying asset, exchange rate, credit spread, discount rate, volatility

		model, Hull and White Model, Option Pricing model and others	
Derivative financial liabilities(hedging)	2,911,200	DCF Model	Discount rate, exchange rate and others
	2,929,275,198		

27.4 Level 3 of the Fair Value Hierarchy Disclosure

(a) Valuation Process for Fair Value Measurements Categorized Within Level 3 of the Fair Value Hierarchy

The fair value of financial instruments classified as Level 3 is determined by external valuation or internal valuation performed by the Group. Unobservable inputs are produced by the external appraiser or internal valuation system and the Group reviews the adequacy of the inputs. The Risk Management Council reviews the adequacy of the valuation methodologies used by external appraisers and for internal valuations. The agenda of the Risk Management Council is reported or approved by the Risk Committee.

(b) Changes in Fair Value Measurements Categories of the Fair Value hierarchy

The changes in financial instruments with Level 3 fair value for the six-month periods ended June 30, 2026 and 2025, are as follows:

	2026			
(in thousands of Korean won)	**Financial assets at FVTPL**	**Financial assets at FVOCI**	**Net derivatives**	**Financial liabilities designated at FVTPL**
Beginning balance	4,794,787,371	521,060,344	(209,087,386)	(6,097,458,063)
Total gains or losses				
Profit or loss	129,740,024	-	(24,197,102)	(179,075,802)
Other comprehensive income	-	(60,550,823)	-	4,582,983
Purchases	1,790,556,222	-	(1)	-
Sales	(1,892,492,657)	395,727	(126,637)	-
Issues	-	-	(1,266,529)	(1,561,071,504)
Settlements	-	-	31,841,007	1,885,819,312
Transfer within levels [1]	(921,840)	-	-	-
Ending balance	4,821,669,120	460,905,248	(202,836,648)	(5,947,203,074)

[1] Transfer within levels occurred due to the change in the availability of observable market data on the financial instruments.

	2025			
(in thousands of Korean won)	**Financial assets at FVTPL**	**Financial assets at FVOCI**	**Net derivatives**	**Financial liabilities designated at FVTPL**
Beginning balance	4,041,290,469	424,352,508	(342,735,108)	(6,180,065,380)
Total gains or losses				
Profit or loss	95,640,594	-	47,821,192	(176,245,940)
Other comprehensive income	-	31,363,164	-	(9,037,511)
Purchases	2,327,438,353	-	11,160	-
Sales	(2,368,991,056)	385,150	-	-
Issues	-	-	(4,451,477)	(1,318,755,379)
Settlements	-	-	60,537,442	1,580,077,890
Transfer within levels [1]	7,826,326	-	(4,409,636)	-

Ending balance	4,103,204,686	456,100,822	(243,226,427)	(6,104,026,320)

[1] Transfer within levels occurred due to the change in the availability of observable market data on the financial instruments.

In relation to changes in Level 3 fair value, total gains or losses related to the asset and liabilities held at the reporting date are included in the statements of comprehensive income for the six-month periods ended June 30, 2026 and 2025, are as follows:

	2026			
(in thousands of Korean won)	**Financial assets at FVTPL**	**Financial assets at FVOCI**	**Net derivatives**	**Financial liabilities designated at FVTPL**
Profit or loss				
Gain or loss on valuation of financial instruments[1]	24,335,131	-	(25,107,550)	(84,635,074)
Other comprehensive income				
Gain or loss on valuation of financial assets at FVOCI[2]	-	(60,550,823)	-	-
Changes in fair value of financial liabilities at FVTPL due to the change of credit risk[2]	-	-	-	3,737,000
	24,335,131	(60,550,823)	(25,107,550)	(80,898,074)

[1] Included in gain or loss on valuation and disposal of financial instruments on the statements of Profit or Loss.
[2] Included in other comprehensive income on the statements of comprehensive income.

	2025			
(in thousands of Korean won)	**Financial assets at FVTPL**	**Financial assets at FVOCI**	**Net derivatives**	**Financial liabilities designated at FVTPL**
Profit or loss				
Gain or loss on valuation of financial instruments[1]	63,129,226	-	94,450,063	(116,202,203)
Other comprehensive income				
Gain or loss on valuation of financial assets at FVOCI[2]	-	31,363,164	-	-
Changes in fair value of financial liabilities at FVTPL due to the change of credit risk[2]	-	-	-	(10,273,097)
	63,129,226	31,363,164	94,450,063	(126,475,300)

[1] Included in gain or loss on valuation and disposal of financial instruments on the statements of Profit or Loss.
[2] Included in other comprehensive income on the statements of comprehensive income.

(c) Valuation techniques and the Inputs classified by Level 3

Valuation techniques and inputs for level 3 financial instruments are as follows:

	June 30, 2026						
(in thousands of Korean won)	**Type**	**Fair value**	**Valuation techniques**	**Inputs**	**Unobservable input**	**Range**	**Relevance**
Financial assets at FVTPL	Equity-linked securities	109,944,426	DCF model, Closed Form, FDM, Monte Carlo Simulation, Hull and White, Black-Scholes Model, Binomial Tree model, Net asset value, etc.	Price of underlying asset, interest rate, discount rate, dividend ratio, volatility of underlying assets, correlation of underlying assets, volatility of interest rate, probability of default	Underlying asset volatility	0.01~0.67	Proportional
					Correlation	-0.36~-0.01	Proportional
	Other derivative linked securities	1,002,964,064			Underlying asset volatility	0.01~0.24	Proportional
					Correlation	-0.15~1.00	Proportional
	Other OTC derivative linked contract	32,896,322			Underlying asset volatility	0.01~0.66	Proportional
					Correlation	-0.57~0.71	Proportional
	Debt instruments	2,406,638,211			Underlying asset volatility	0.03~0.92	Proportional
	Equity instruments	271,485,227			Underlying asset volatility	0.05~0.57	Proportional
					Discount rate	0.08~0.14	Inversely proportional
	Loans	997,740,871			Discount rate	0.03~0.06	Inversely proportional
Derivative financial assets (trading)	[1]	219,321,450			Underlying asset volatility	0.01~0.96	Proportional
					Correlation	-0.57~1.00	Proportional
Financial assets at FVOCI	Equity instruments	460,905,248	DCF model, Risk-adjusted discount rate model, IMV model and others	, Growth rate, discount rate	Growth rate	0.01	Proportional
					Discount rate	0.10~0.14	Inversely proportional
		5,501,895,819					
Financial liabilities designated at FVTPL	Equity-linked securities sold	3,483,714,291	DCF model, Closed Form, FDM, Monte Carlo Simulation, Hull and White, Black-Scholes Model, Binomial Tree model, Net asset value, etc.	Price of underlying asset, interest rate, discount rate, dividend ratio, volatility of underlying assets, correlation of underlying assets, volatility of interest rate, probability of default	Underlying asset volatility	0.01~0.85	Proportional
					Correlation	-0.57~0.77	Proportional
	Derivatives linked securities sold	2,456,153,584			Underlying asset volatility	0.01~0.24	Proportional
					Correlation	-0.25~1.00	Proportional
	Other OTC derivatives linked contract sold	7,335,199			Underlying asset volatility	0.08~0.72	Proportional
					Correlation	-0.44~0.71	Proportional
Derivative financial liabilities (trading)	[1]	422,158,098			Underlying asset volatility	0.01~0.85	Proportional
					Correlation	-0.57~1.00	Proportional
		6,369,361,172					

[1] Derivatives which derive their value from interest rate, stock price, foreign exchange rate, commodity price, credit rate and others are included.

	December 31, 2025						
(in thousands of Korean won)	**Type**	**Fair value**	**Valuation techniques**	**Inputs**	**Unobservable input**	**Range**	**Relevance**
Financial assets at FVTPL	Equity-linked securities	80,970,708	DCF model, Closed Form, FDM, Monte	Price of underlying asset, interest	Underlying asset volatility	0.01 ~ 0.29	Proportional
					Correlation	-0.36 ~ 0.00	Proportional

	Other derivative linked securities	864,396,238	Carlo Simulation, Hull and White, Black-Scholes Model, Binomial Tree model, Net asset value, etc.	rate, discount rate, dividend ratio, volatility of underlying assets, correlation of underlying assets, volatility of interest rate, probability of default	Underlying asset volatility	0.01 ~ 0.23	Proportional
					Correlation	-0.12 ~ 1.00	Proportional
	Other OTC derivative linked contract	136,170,152			Underlying asset volatility	0.01 ~ 0.29	Proportional
					Correlation	-0.58 ~ 0.71	Proportional
	Debt instruments	2,490,098,222			Underlying asset volatility	0.13 ~ 0.54	Proportional
	Equity instruments	262,761,622			Underlying asset volatility	0.24 ~ 0.36	Proportional
					Discount rate	0.05 ~ 0.13	Inversely proportional
	Loans	960,390,430			Discount rate	0.05 ~ 0.06	Inversely proportional
Derivative financial assets (trading)	[1]	211,796,079			Underlying asset volatility	0.01 ~ 0.59	Proportional
					Correlation	-0.58 ~ 1.00	Proportional
Financial assets at FVOCI	Equity instruments	521,060,344	DCF model, Risk-adjusted discount rate model, IMV model and others	, Interest rate, dividend ratio, growth rate, discount rate	Growth rate	0.01	Proportional
					Discount rate	0.10 ~ 0.13	Inversely proportional
		5,527,643,795					
Financial liabilities designated at FVTPL	Equity-linked securities sold	3,762,969,489	DCF model, Closed Form, FDM, Monte Carlo Simulation, Hull and White, Black-Scholes Model, Binomial Tree model, Net asset value, etc.	Price of underlying asset, interest rate, discount rate, dividend ratio, volatility of underlying assets, correlation of underlying assets, volatility of interest rate, probability of default	Underlying asset volatility	0.01 ~ 0.60	Proportional
					Correlation	-0.58 ~ 0.74	Proportional
	Derivatives linked securities sold	2,284,423,388			Underlying asset volatility	0.01 ~ 0.23	Proportional
					Correlation	-0.25 ~ 1.00	Proportional
	Other OTC derivatives linked contract sold	50,065,186			Underlying asset volatility	0.22 ~ 0.57	Proportional
					Correlation	-0.58 ~ 0.74	Proportional
Derivative financial liabilities (trading)	[1]	420,883,465			Underlying asset volatility	0.01 ~ 0.60	Proportional
					Correlation	-0.58 ~ 1.00	Proportional
		6,518,341,528					

[1] Derivatives which derive their value from interest rate, stock price, foreign exchange rate, commodity price, credit rate and others are included.

(d) Sensitivity Analysis of Recurring Fair Value Measurements Categorized Within Level 3 of the Fair Value Hierarchy

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 inputs, using a statistical technique. When the fair value is affected by two or more inputs, the amounts represent the most favorable or most unfavorable outcomes.

The results of the sensitivity analysis for the effect on profit or loss from changes in inputs for each financial instrument as at June 30, 2026 and December 31, 2025, are as follows.

	June 30, 2026			
	Profit and loss		Other comprehensive income	
(in thousands of Korean won)	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets				
Financial assets at FVTPL[1]	30,364,379	(24,307,145)	-	-
Derivative financial assets [1]	11,773,207	(11,974,024)	-	-
Financial assets at FVOCI [2]	-	-	13,994,692	(9,824,691)
	42,137,586	(36,281,169)	13,994,692	(9,824,691)
Financial liabilities				
Financial liabilities designated at FVTPL[1]	20,496,538	(19,584,616)	-	-
Derivative financial liabilities [1]	18,496,649	(18,901,175)	-	-
	38,993,187	(38,485,791)	-	-

[1] Measured by changes in fair value based on the increasing or decreasing unobservable volatility of underlying assets by 10% or unobservable input(growth rate and discount rate) by 1%.
[2] Measured by changes in fair value based on growth rate ((-)1~1%) and discount rate ((-)1~1%) that are unobservable inputs.

	December 31, 2025			
	Profit and loss		Other comprehensive income	
(in thousands of Korean won)	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets				
Financial assets at FVTPL[1]	28,738,378	(20,755,257)	-	-
Derivative financial assets [1]	6,334,446	(6,760,857)	-	-
Financial assets at FVOCI [2]	-	-	37,999,056	(27,026,364)
	35,072,824	(27,516,114)	37,999,056	(27,026,364)
Financial liabilities				
Financial liabilities designated at FVTPL[1]	14,921,342	(13,976,657)	-	-
Derivative financial liabilities [1]	9,342,825	(10,107,819)	-	-
	24,264,167	(24,084,476)	-	-

[1] Measured by changes in fair value based on the increasing or decreasing unobservable volatility of underlying assets by 10% or unobservable input(growth rate and discount rate) by 1%.
[2] Measured by changes in fair value based on growth rate ((-)1~1%) and discount rate ((-)1~1%) that are unobservable inputs.

(e) Day 1 Profit and Loss

If the Group uses a valuation technique that uses data not obtained from observable markets for the fair value at initial recognition of financial instruments, there could be a difference between the transaction price and the amount determined using that valuation technique. In these circumstances, the fair value of financial instruments is recognized as the transaction price and the difference is amortised by using the straight-line method over the life of the financial instruments. If the fair value of the financial instruments can be subsequently determined using observable market inputs, the remaining deferred amount is immediately recognized in profit or loss.

The aggregate difference yet to be recognized in profit or loss at the beginning and end at June 30, 2026 and 2025, and the changes in the balance of this difference, are as follows:

(in thousands of Korean won)	2026	2025
Balances at the beginning of the year (A)	36,526,277	18,603,619
Incurred during the period (B)	34,412,563	39,628,864
Amounts recognized in profit or loss during the period (C)	(31,526,180)	(21,453,741)
Balances at the end of period (A+B+C)	39,412,660	36,778,742

27.5 Derecognition of financial assets

The Group continues to recognize bonds sold under repurchase agreements and securities lending agreements, because the Group transferred the financial assets, but the assets does not meet the derecognition criteria. Due to the nature of transaction that bonds sold under repurchase agreements are repurchased at fixed price and securities lending agreements require the securities to be returned at the end of lending period, the Group retains almost all risks and rewards related to the ownership of the financial assets.

As at June 30, 2026 and December 31, 2025, relevant information about transferred financial assets which do not qualify for derecognition are as follows:

	June 30, 2026			
	Financial assets at FVTPL		Financial assets at FVOCI	
(in thousands of Korean won)	Debt instruments[1,2,3]	Equity instruments[2]	Debt instruments[1,3]	Equity instruments
Carrying amount of transferred assets	5,368,648,048	135,473,040	2,394,250,987	-
Carrying amount of related liabilities	5,392,596,776	-	2,362,142,790	-

[1] Transferred debt instruments under repurchase agreements.
[2] Transferred equity instruments and debt instruments under securities lending agreements.
[3] As at June 30, 2026, the accrued interests related to debt securities of ₩ 40,970 million is excluded.

	December 31, 2025			
	Financial assets at FVTPL		Financial assets at FVOCI	
(in thousands of Korean won)	Debt instruments[1,2,3]	Equity instruments[2]	Debt instruments[1,3]	Equity instruments
Carrying amount of transferred assets	4,157,455,753	631,623	2,601,915,338	-
Carrying amount of related liabilities	4,188,634,687	-	2,505,325,431	-

[1] Transferred debt instruments under repurchase agreements.
[2] Transferred equity instruments and debt instruments under securities lending agreements.
[3] As at December 31, 2025, the accrued interests related to debt securities of ₩ 36,562 million is excluded.

28. Contingent Liabilities and Commitments

As at June 30, 2026 and December 31, 2025, the Group is involved in pending lawsuits, as follows:

	June 30, 2026		December 31, 2025	
(in thousands of Korean won)	Number of lawsuits	Amount	Number of lawsuits	Amount
Defendant	33	99,291,359	38	138,398,618
Plaintiff	12	88,714,365	13	226,629,322

The Group expects that these lawsuits do not have significant impact on the financial position.

The Group has entered into various agreements with financial institutions as at June 30, 2026 and December 31, 2025, as follows:

(in thousands of Korean won)	**Financial institution**	**Credit line**	
		June 30, 2026	**December 31, 2025**
Overdraft (including daily overdraft)	Kookmin Bank and others	1,340,750,000	1,287,450,000
General loan	Standard Chartered Bank , etc	410,000,000	40,000,000
Securities underwriting loan	KSFC	500,000,000	600,000,000
Working capital loan (general)	KSFC	475,000,000	475,000,000
Note trading at a discount (general)	KSFC	300,000,000	300,000,000
Note trading at a discount	KSFC	Limit of subscription deposits	Limit of subscription deposits
Bond dealer's loan	KSFC	300,000,000	300,000,000
Securities underwriting financing	KSFC	1,710,000,000	1,710,000,000
Committed line	ING Bank, etc	506,368,000	480,634,000
Credit line	VIETCOMBANK, etc	1,567,187,850	1,041,675,750

The guarantees and various commitment as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	**June 30, 2026**	**December 31, 2025**
Agreement to purchase commercial papers [1]	1,223,673,584	1,259,846,340
Loan agreements	121,600,000	151,500,000
Credit line agreements	421,841,844	724,667,552
LOC and Investment commitments	909,715,073	705,358,979
	2,676,830,501	2,841,372,871

[1] According to the above arrangement, the Group holds the asset-backed short-term bonds amounting to ₩ 65,420 million and ₩ 86,450 million as at June 30, 2026 and December 31, 2025, respectively.

The Group has been provided with ₩ 32,882 million and ₩ 18,557 million in guarantees related to provisional attachment and others by Seoul Guarantee Insurance as at June 30, 2026 and December 31, 2025, respectively.

The securities in custody as at June 30, 2026 and December 31, 2025, are as follows:

(in thousands of Korean won)	**June 30, 2026**	**December 31, 2025**	**Valuation method**
Trustor securities	361,968,083,395	300,600,043,794	Fair value
Saver securities	3,526,086,030	2,059,709,772	Fair value
Beneficiary securities	49,457,079,542	45,102,838,605	Standard selling price
	414,951,248,967	347,762,592,171	

The Fair Trade Commission is currently reviewing whether the Group and other banks and securities companies engaged in unfair concerted practices, and the results of the deliberation and decision are not predictable as at June 30, 2026.

As at June 30, 2026, the main lawsuits against the Group as a defendant are as follows:

(in thousands of Korean won)	**No. of lawsuits**	**Amount**	**Contents**	**Situation of lawsuits**
Return of purchase price, etc Unjust gains (Fund in Australia)	1	34,453,236	The Group, as a selling company of qualified investor private equity fund that aims to lend money to corporations (borrowers) investing in apartment rental business for disabled people in Australia, intermediated ₩ 326.5 billion of trusts and funds to the individuals and institutional investors. However, the local borrower's breach of the contract made the fund inoperable and the Group was sued for unjust gains/return of sales price, etc.	2nd trial in progress (1st trial : February 14, 2024. Judgment ordering payment of ₩ 12.2 billion in investment principal and delayed interest thereon)
Damages Unjust Gains (Winners Fund Investors)	2	4,123,350	Investors who invested in funds managed by Winners Asset Management Co.,LTD.filed lawsuits against the Group, which was an investment broker, claimed compensation for damages or return of unjust gains due to contract cancellation (60 plaintiffs in total)	1 case: 2nd trial in progress (1st trial : November 28, 2025. the Group won the lawsuit) 1 case: 1st trial in progress
Damages Unjust Gains (TA_DLS Trust)	4	3,895,144	Investors who invested in KB able DLS Trust (a specific money trust that includes derivative linked securities linked to TA-OPAL Fund, which TransAsia Management invests in trade finance loan receivables) argued that the Group's sales staff misleaded that the principal was guaranteed by an insurance company's guarantee, and claimed the return of unjust gains by the cancellation of the contract due to the error.	1 case: 2nd trial verdict was pronounced. (1st trial : October 23, 2025, the plaintiff won the lawsuit in partially. 2nd trial : June 25, 2026, the plaintiff won the lawsuit in partially. 3 cases: 1st trial in progress
Unjust Gains (Heritage Banzaran DLS)	3	38,768,140	The Group provided false information about the business capabilities of the operator (GPG), etc., thereby causing the plaintiff to misunderstand the key investment conditions of the DLS in this case. Therefore, the plaintiff requested to cancel the acquisition contract for the DLS in this case due to the mistake and claimed the return of the acquisition price of the DLS in this case and the delay damages as unjust gains.	3 cases: 1st trial In progress

During the year ended at December 31, 2025, the Group underwent a regular tax audit by the Seoul Regional Tax Office for the fiscal years 2020 through 2024. In accordance with the results of the tax audit, the Group paid ₩ 19,398 million in corporate income tax, etc. (including local income tax) in December 2025 and January 2026. Accordingly, considering the assessed items, the Group filed an appeal in February 2026 in the amount of ₩ 15,249 million. As at June 30, 2026, the Group recognized an asset related to the uncertain treatment of corporate income tax for the amount determined to be highly likely to be refunded through the appeal. However, the final tax amount payable by the Group may change depending on the outcome of the final appeal.

29. Related Party Transactions

KB Financial Group Inc. owns 100% of ordinary shares of the KB Securities Co., Ltd. as at June 30, 2026 and December 31, 2025.

Significant balances and transactions, excluding loan and borrowing transactions, with related parties as at June 30, 2026 and December 31, 2025, are as follows:

(a) Receivables and payables

(in thousands of Korean won)	June 30, 2026		December 31, 2025	
	Receivables	Payables	Receivables	Payables
The Parent Company				
KB Financial Group Inc.	47,696,172	225,660,907	177,981,457	129,572,183
Others				
Kookmin Bank	51,881,988	229,218,893	57,592,045	118,712,300
KB Asset Management Co., Ltd.	-	548	-	29,854
KB Real Estate Trust Co., Ltd.	-	-	-	355
KB Investment Co., Ltd.	1,004,040	-	751,581	131
KB Data System Co., Ltd.	1,050,751	2,742,032	5,356,594	356,049
KB Kookmin Card Co., Ltd.	135,367	9,122,806	14,395	9,066,102
KB Savings Bank Co., Ltd.	-	-	-	574
KB Capital Co., Ltd.	835,141	905,407	1,035,197	1,065,333
KB Insurance Co., Ltd	521,105,955	306,682	151,341,852	22,345,124
KB Life Insurance Co., Ltd.	120,306,091	9,465,826	44,486,042	18,286,691
KB Wisestar Private Real Estate Fund Investment Trust No. 1	496	-	-	-
Other funds	9,418,264	1,165,881	4,141,026	1,743,740

(b) Revenue and expenses (for the six-month periods ended June 30, 2026 and 2025)

(in thousands of Korean won)	2026		2025	
	Revenue	Expenses	Revenue	Expenses
Associates				
KBTS Technology Venture Private Equity Fund	8,401	-	84,476	-
KB-SJ Tourism Venture Fund	-	14,713	363,861	-
KB SPROTT Renewable Private Equity Fund I	38,665	-	38,665	-
KB-Stonebridge Secondary Private Equity Fund	138,814	-	221,526	-
KB-UTC Inno-Tech Venture Fund	83,848	-	62,828	-
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	367,354	-	401,726	-
KB-KTB Technology Venture Fund	171,312	-	209,207	-
KB-GeneN Medical Venture Fund 1	44,035	-	44,035	-
KB-FT 1st Green Growth Investment Fund	53,424	-	67,151	-
KB-NP Green ESG New Technology Venture Capital Fund	529,498	-	506,795	-
KB Special Purpose Acquisition Company No.25 [1]	-	-	74,893	-
KB Special Purpose Acquisition Company No.26 [1]	-	-	-	144,518
KB-SUSUNG 1st Investment Fund	38,365	-	81,510	-
KB Special Purpose Acquisition Company No.27	-	3,462,984	231,846	-
KB-BridgePole Venture Investment Fund #2	52,068	-	52,068	-

	2026		2025	
(in thousands of Korean won)	**Revenue**	**Expenses**	**Revenue**	**Expenses**
U-KB Credit No.1 Private Equity	479,774	-	479,774	-
AKK Robotech Valueup New Technology Investment Fund [1]	-	-	50,212	-
KB-SOLIDUS Healthcare Investment Fund	406,836	-	426,317	-
KB Special Purpose Acquisition Company No.28 [1]	-	-	95,509	-
KB Special Purpose Acquisition Company No.29	21,791	-	100,849	-
KB Special Purpose Acquisition Company No.30	59,713	-	86,407	-
KB-CJ Venture Fund 1st	74,384	-	74,384	-
KB-SUSUNG 2nd Investment Fund	77,967	-	75,123	-
KB Special Purpose Acquisition Company No.31	-	76,584	141,311	-
KB-Cyrus Tourism Venture Fund	168,750	-	168,750	-
KB-IMM New Star Real Estate Private Fund 1	178,521	-	838,262	-
E&I Holdings Co., Ltd [1]	-	-	3,446,057	-
KB Special Purpose Acquisition Company No.33	329,417	-	-	-
KBLB Middle Market Enterprises Innovation Private Equity Fund	446,301	-	594,810	-
KB-Novus Genesis Private Equity Fund	72,994	-	16,606	-
AIM-KB-DOUBLE Connected Future Investment Fund	35,704	-	-	-
KB-GVA Premier Mezzanine Investment Fund	64,730	-	-	
KB-ANDA Deep Tech Venture Fund	118,664	-	-	
KB Star REIT	-	-	4,900,194	-
KB Special Purpose Acquisition Company No.32	-	136,882	-	
Semicolon Susong Commissioned Real Estate Investment Trust	-	-	4,793,000	-
Hisstory 2022 Fintech Fund [1]	-	-	150,000	
NOVORSEC-SJG Consumer Secondary Fund [1]	-	-	670,649	
The Parent Company				
KB Financial Group Inc.	980,796	30,922	779,841	34,246
Others				
Kookmin Bank	86,296,943	238,473,872	49,524,430	49,099,252
KB Asset Management Co., Ltd.	-	-	441	257,077
KB Real Estate Trust Co., Ltd.	105,000	-	322	7,008
KB Investment Co., Ltd.	668,554	-	810,800	3
KB Data System Co., Ltd.	10,180	2,465,325	513	109,420
KB Kookmin Card Co., Ltd.	78,807	271,518	49,031	325,859
KB Savings Bank Co., Ltd.	-	-	512	55
KB Capital Co., Ltd.	210,841	124,183	222,078	38,376
KB Insurance Co., Ltd.	419,210,655	27,653,040	16,250,260	11,363,992
KB Life Insurance Co., Ltd.	76,746,169	544,147	16,396,322	531,574
KB Wisestar Private Real Estate Fund Investment Trust No. 1	1,008	-	9,549	-
Other funds	15,576,940	184,712	8,045,385	-
Retirement pension	1,137,614	-	1,218,670	-
The Group				
Employees	521,558	-	348,915	-

[1] These companies are excluded from related parties during the the six-month periods ended June 30, 2026. The transaction amounts are up to the date of the exclusion.

(c) Significant loan and borrowing transactions with related parties for the the six-month periods ended June 30, 2026 and 2025 are as follows:

		2026				
(in thousands of Korean won)	**Accounts**	**Beginning balance**	**Increase**	**Decrease**	**Other**	**Ending balance**
Associates						
KB Special Purpose Acquisition Company No.25 [1]	Hybrid bond with securities-like features	1,915,372	-	(785,272)	(1,130,100)	-
KB Special Purpose Acquisition Company No.27	Hybrid bond with securities-like features	6,282,210	-	-	(3,462,983)	2,819,227
KB Special Purpose Acquisition Company No.29	Hybrid bond with securities-like features	3,159,238	-	-	21,791	3,181,029
KB Special Purpose Acquisition Company No.30	Hybrid bond with securities-like features	2,892,754	-	-	59,713	2,952,467
KB Special Purpose Acquisition Company No.31	Hybrid bond with securities-like features	4,478,484	-	-	(76,584)	4,401,900
KB Special Purpose Acquisition Company No.33	Hybrid bond with securities-like features	4,304,139	-	-	329,417	4,633,556
KB Special Purpose Acquisition Company No.32	Hybrid bond with securities-like features	-	-	-	3,989,950	3,989,950
KB Special Purpose Acquisition Company No.34	Hybrid bond with securities-like features	-	1,990,000	-	-	1,990,000
Others						
Kookmin Bank	Deposits [2]	375,853,314	-	-	(50,987,012)	324,866,302
	Borrowings	297,935,534	519,693,994	(481,337,836)	-	336,291,692
PT Bank KB Bukopin Tbk	Borrowings	8,560,000	80,000	-	-	8,640,000
Executives	Deposit Liabilities	667,254	2,577,749	(340,107)	-	2,904,896
The Group						
Employees	Loans to employees	37,258,426	12,038,100	(2,873,075)	-	46,423,451

[1] These companies are not related parties of the Group as at June 30, 2026.

[2] Transactions such as settlement payments for business reasons and deposits that can be deposited and withdrawn at any time between related parties are disclosed in net amounts.

		2025				
(in thousands of Korean won)	**Accounts**	**Beginning balance**	**Increase**	**Decrease**	**Other**	**Ending balance**
Associates						
KB Special	Hybrid bond	3,122,444	-	(3,122,444)	-	-

Purpose Acquisition Company No.21 [1]	with securities-like features					
KB Special Purpose Acquisition Company No.25	Hybrid bond with securities-like features	1,849,919	-	-	74,894	1,924,813
KB Special Purpose Acquisition Company No.26	Hybrid bond with securities-like features	2,150,426	-	-	(144,518)	2,005,908
KB Special Purpose Acquisition Company No.27	Hybrid bond with securities-like features	5,876,876	-	-	231,846	6,108,722
KB Special Purpose Acquisition Company No.28	Hybrid bond with securities-like features	2,112,589	-	-	95,508	2,208,097
KB Special Purpose Acquisition Company No.29	Hybrid bond with securities-like features	3,015,480	-	-	100,848	3,116,328
KB Special Purpose Acquisition Company No.30	Hybrid bond with securities-like features	2,835,135	-	-	86,407	2,921,542
KB Special Purpose Acquisition Company No.31	Hybrid bond with securities-like features	4,301,082	-	-	141,311	4,442,393
KB Special Purpose Acquisition Company No.33	Hybrid bond with securities-like features	-	2,090,000	-	-	2,090,000
Others						
Kookmin Bank	Deposits [2]	499,683,258	-	-	(65,243,128)	434,440,130
	Borrowings	121,654,100	409,517,372	(414,067,312)	-	117,104,160
KB Kookmin Card Co., Ltd.	Debt Securities	-	10,001,122	-	-	10,001,122
KB Capital Co., Ltd.	Debt Securities	-	10,002,628	-	-	10,002,628
Executives	Deposit Liabilities	373,997	880,215	(178,697)	-	1,075,515
The Group						
Employees	Loans to employees	23,488,800	10,688,409	(2,572,457)	-	31,604,752

[1] These companies are not related parties of the Group as at June 30, 2025.

[2] Transactions such as settlement payments for business reasons and deposits that can be deposited and withdrawn at any time between related parties are disclosed in net amounts.

In addition to the above, the balance of hybrid securities held by KB Financial Group Inc., issued by the Group as at June 30, 2026, is ₩ 530,000 million (as at December 31, 2025, ₩ 530,000 million), and the related dividend payment for the six-month periods ended June 30, 2026 is ₩ 13,300 million (2025 : ₩ 26,600 million).

There is no dividends paid by the Group to KB Financial Group Inc., the parent company, through disposal of retained earnings during the six-month periods ended June 30, 2026 (2025 : ₩ 580,000 million). The Group carried out a paid-in capital increase of ₩ 699,114 million with KB Financial Group during the six-month periods ended June 30, 2026.

Meanwhile, the above financial transactions do not include details of increases or decreases in deposits that occur for business reasons between related parties.

(d) Other transactions with related parties for the six-month periods ended June 30, 2026 and 2025, are as follows:

(In thousands of Korean won)	**2026**	
	Contribution	**Collection and others**
Associates		
KB Special Purpose Acquisition Company No.25 [1]	-	5,000
KB Special Purpose Acquisition Company No.33	-	135,482
KB Special Purpose Acquisition Company No.34	10,000	-
KB-Stonebridge Secondary Private Equity Fund	-	116,000
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	-	1,870,895
KB Digital Platform Fund	9,500,000	13,500,000
KB-SOLIDUS Healthcare Investment Fund	-	325,000
JS Private Equity Fund III [1]	-	195,773
KB-NP Green ESG New Technology Venture Capital Fund	-	3,530,189
KB-SUSUNG 1st Investment Fund	-	130,000
Shinhan-Eco Venture Fund 2nd	25,000	42,600
Timefolio Athleisure Investment Fund	-	1,600,000
KB-CJ Venture Fund 1st	1,800,000	-
Elohim-Bilanx aerospace No.1 Fund	-	1,000,000
IMM global Secondary 1-1 Equity Private Fund	2,216,291	-
KBSBI Global High- tech Strategic Private Equity Investment Limited Partnership	4,888,647	7,360,447
IBKS Design Fund [1]	-	2,000,000
KB-IMM New Star Real Estate Private Fund 1	1,469,183	-
KBLB Middle Market Enterprises Innovation Private Equity Fund	2,196,000	-
KB-IMM New Star Real Estate Private Fund 2	9,927,223	67,532
KB-ANDA Deep Tech Venture Fund	1,250,100	-
The Beauty GrowthCapital New Technology Finance Fund I	5,000,000	-
Wantedlab2607Fund	1,000,000	-
Semicolon Susong Commissioned Real Estate Investment Trust	-	20,500,000
Others		
KB BMO Senior Loan Private Special Asset Fund 2	-	3,254,310
KB Overseas Investment Private Real Estate Investment Trust No. 22	2,559,783	76,391
KB North America Jefferies Private Special Asset Investment Trust No.1	-	556,981
KB North America Jefferies Private Special Asset Investment Trust No.2	23,200	29,440
Mirae Asset ESG Infrastructure General Investors Private Equity Fund No. 1	25,238	5,445
KB BXC GREEN CREDIT Infra General Private Special Asset Fund 2	-	40,694
KB Apax Global Buyout Fund	2,807,160	-
KB Global Infra Private Special Asset Fund No.6	-	63,409
KB Overseas Investment Private Real Estate Investment Trust No. 35	11,426	1,227
KB Global Senior Loan Private Fund No.1(USD)	9,053,159	1,100,227
Timefolio The Time-Frontier Star Specialized Private Investment Trust	-	4,314,828
KB ValueRise Blind Private Real Estate Fund No.1	1,815,790	-
PineStreet Global Corporate FoF 28-2(AOP II)	42,315	-
KB BX Europe Infra Private SpecialAsset Fund 1(EUR)	440,690	119,829
KB Wisestar General Real Estate Fund 28	-	15,667,500

KB PGIF Global Infra Secondary Private Special Asset Fund 2(FoFs)	5,053,942	1,745,250
KB Wisestar General Real Estate Fund 29-1	74,400,407	43,631,905
KB Crescent Senior Loan Private Special Asset Fund 1 (FoF)	15,130	-
KB Wisestar General Real Estate Fund 27	5,000,000	-
Paramark KB Fund I	114,000	-
KB Scale-up Fund No.2	2,000,000	-
KB Global Platform Fund II	2,400,000	5,400,000
Startup Korea KB Secondary Fund	3,000,000	-
KB Deep tech Scale-up Fund	3,000,000	175
KB RISE Short-Term MSB ETF	-	1
KB Balhae Infrastructure Fund	-	32,277,615

[1] These companies are not related parties of the Group as at June 30, 2026.

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(In thousands of Korean won)	**2025**	
	Contribution	**Collection and others**
Associates		
KB Special Purpose Acquisition Company No.21 [1]	-	10,000
KB Special Purpose Acquisition Company No.26 [1]	-	5,000
KB Special Purpose Acquisition Company No.32	10,000	-
KB New Paradigm Agriculture Venture Fund	-	375,000
KB-KDBC Pre-IPO New Technology Business Investment Fund	-	300,000
KB-SJ Tourism Venture Fund	-	190,000
KB-Stonebridge Secondary Private Equity Fund	-	1,248,439
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	1,800,000	1,700,815
KB Digital Platform Fund	5,000,000	-
THE CHAEUL FUND NO.1 [1]	-	1,000,000
POSITVE Sobujang Venture Fund #1	-	879,121
KB-NP Green ESG New Technology Venture Capital Fund	3,480,000	-
Hisstory 2022 Fintech Fund	-	1,500,000
KB-SUSUNG 1st Investment Fund	-	570,000
Shinhan-Eco Venture Fund 2nd	25,000	-
2023 JB Newtech No.2 Fund [1]	-	1,405,557
AKK Robotech Valueup New Technology Investment Fund	-	712,000
IMM global Secondary 1-1 Equity Private Fund	756,186	4,883
NOVORSEC-SJG Consumer Secondary Fund	-	450,611
KBSBI Global High-tech Strategic Private Equity Investment Limited Partnership	3,435,000	-
KB-Cyrus Tourism Venture Fund	1,000,000	-
KB-IMM New Star Real Estate Private Fund 1	11,073,183	-
KBLB Middle Market Enterprises Innovation Private Equity Fund	1,232,000	-
YG AI Industrial Automation Solutions FUND	2,000,000	-
KB-Novus Genesis Private Equity Fund	2,300,000	-
KB Special Purpose Acquisition Company No.33	10,000	-
Korea Environment Technology Co., LTD [1]	-	107,427,843
E&I Holdings Co., Ltd [1]	27,300,000	27,300,000
Semicolon Susong Commissioned Real Estate Investment Trust	77,000,000	-
Others		
KB BMO Senior Loan Private Special Asset Fund 2	-	2,593,908
KB Overseas Investment Private Real Estate Investment Trust No. 22	3,350,564	-
KB Wisestar Private Real Estate Fund Investment Trust No. 1	-	2,414,882

KB North America Jefferies Private Special Asset Investment Trust No.1	3,755,564	623,555
KB North America Jefferies Private Special Asset Investment Trust No.2	213,600	44,229
KB Corporation Dollar MMF(USD) No.1	14,519,000	29,519,651
Mirae Asset ESG Infrastructure General Investors Private Equity Fund No. 1	-	5,087
KB BXC GREEN CREDIT Infra General Private Special Asset Fund 2	22,489	12,193
KB Apax Global Buyout Fund	796,260	-
KB Overseas Investment Private Real Estate Investment Trust No. 35	23,302	-
KB Global Senior Loan Private Fund No.1(USD)	7,077,435	-
KB Wisestar General Real Estate Fund 24	14,700,000	14,700,000
KB Global Platform Fund	-	1,880,000
Paramark KB Fund I	1,230,000	-
KB Secondary Plus Fund	-	306,930
KB Global Platform Fund No.2	1,200,000	-
Startup Korea KB Secondary Fund	-	1,961
Timefolio The Time-Frontier Star Specialized Private Investment Trust	10,097,349	-

[1] These companies are not related parties of the Group as at June 30, 2025.

(e) Details of guarantees and assets pledged as collateral to related parties as at June 30, 2026 and December 31, 2025 are as follows:

The Group does not provide any guarantees for financing to related parties as at June 30, 2026 and December 31, 2025.

- Assets pledged as collateral

(in thousands of Korean won)		June 30, 2026		December 31, 2025	
	Details of assets pledged	**Carrying amount**	**Collateralized amount**	**Carrying amount**	**Collateralized amount**
Other related parties					
Kookmin Bank	Time deposits and others	173,000,000	167,000,000	173,000,000	167,000,000
	Bonds denominated in Korean won	201,728,239	247,994,000	100,962,906	105,126,000
	Stocks denominated in Korean won	105,943,750	119,887,500	105,943,750	119,887,500
	Investment Properties	21,221,981	21,221,981	25,022,287	25,022,287

- Assets received as collateral

(in thousands of Korean won)	**Details of assets pledged**	**June 30, 2026**	**December 31, 2025**
		Collateralized amount	**Collateralized amount**
Other related parties			
Kookmin Bank	Bonds denominated in Korean won	635,720,000	585,760,000
KB Insurance Co., Ltd.	Bonds denominated in Korean won	1,002,933,000	277,790,000
KB Life Insurance Co., Ltd.	Bonds denominated in Korean won	293,608,080	143,738,832

As at June 30, 2026, the Group has ₩ 140,000 million (December 31, 2025 : ₩ 140,000 million) of credit line such as loan agreement. And the Group has entered into a CLS (Foreign Exchange Simultaneous Settlement) third-party service agreement with Kookmin Bank Co., Ltd., and according to the related agreement, it can receive intraday liquidity of USD 500 million subject to repayment on the settlement date.

(f) Details of unused loan commitments provided to the related parties as at June 30, 2026 and December 31, 2025, are as follows:

(In thousands of Korean won)	**Details**	**Amounts**	
		June 30, 2026	**December 31, 2025**
KB BMO Senior Loan Private Special Asset Fund 2	Purchase agreements of securities	23,716	22,076
KB Global Infra Private Special Asset Fund No.6	Purchase agreements of securities	2,993,171	2,993,171
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	Purchase agreements of securities	30,000,000	462,000
Paramark KB Fund I	Purchase agreements of securities	176,000	290,000
KB Digital Platform Fund	Purchase agreements of securities	2,500,000	12,000,000
KB-NP Green ESG New Technology Venture Capital Fund	Purchase agreements of securities	420,000	420,000
KB Scale-up Fund No.2	Purchase agreements of securities	-	2,000,000
KB Overseas Investment Private Real Estate Investment Trust No. 22	Purchase agreements of securities	1,151,137	3,530,738
KB Global Platform Fund No.2	Purchase agreements of securities	3,000,000	5,400,000
KB North America Jefferies Private Special Asset Investment Trust No.1	Purchase agreements of securities	1,687,187	1,570,513
KB North America Jefferies Private Special Asset Investment Trust No.2	Purchase agreements of securities	88,799	82,659
Mirae Asset ESG Infrastructure General Investors Private Equity Fund No. 1	Purchase agreements of securities	579,000	604,238
U-KB Credit No.1 Private Equity	Purchase agreements of securities	12,953,488	12,953,488
Shinhan-Eco Venture Fund 2nd	Purchase agreements of securities	400,000	425,000
KB Apax Global Buyout Fund	Purchase agreements of securities	10,135,029	12,158,512
KB-CJ Venture Fund 1st	Purchase agreements of securities	2,400,000	4,200,000
KB-Cyrus Tourism Venture Fund	Purchase agreements of securities	3,000,000	3,000,000
KB Global Senior Loan Private Fund No.1(USD)	Purchase agreements of securities	10,568,046	18,420,801
KB Overseas Investment Private Real Estate Investment Trust No. 35	Purchase agreements of securities	186,306	184,387
Startup Korea KB Secondary Fund	Purchase agreements of securities	4,000,000	7,000,000
IMM global Secondary 1-1 Equity Private Fund	Purchase agreements of securities	10,009,854	10,847,438
PineStreet Global Corporate FoF 28-2	Purchase agreements of securities	111,352	143,227
KBSBI Global High-tech Strategic Private Equity Investment Limited Partnership	Purchase agreements of securities	9,837,254	14,725,902

KB-IMM New Star Real Estate Private Fund 1	Purchase agreements of securities	7,247,508	8,716,692
KBLB Middle Market Enterprises Innovation Private Equity Fund	Purchase agreements of securities	13,520,000	15,716,000
KB ValueRise Blind Private Real Estate Fund No.1	Purchase agreements of securities	-	1,815,790
KB BX Europe Infra Private SpecialAsset Fund 1(EUR)	Purchase agreements of securities	3,879,720	4,136,158
KB-IMM New Star Real Estate Private Fund 2	Purchase agreements of securities	15,562,959	25,490,182
KB Wisestar General Real Estate Fund 21	Purchase agreements of securities	11,101,000	11,101,000
KB-ANDA Deep Tech Venture Fund	Purchase agreements of securities	5,000,400	6,250,500
KB BXC GREEN CREDIT Infra General Private Special Asset Fund 2	Purchase agreements of securities	197,592	194,126
Bitgoeul Cheomdan Green 1st Co., Ltd.	Purchase agreements of securities	2,808,000	-
KB Deep tech Scale-up Fund	Purchase agreements of securities	17,000,000	-
KB PGIF Global Infra Secondary Private Special Asset Fund 2(FoFs)	Purchase agreements of securities	34,160,021	-
KB Crescent Senior Loan Private Special Asset Fund 1 (FoF)	Purchase agreements of securities	77,166	-

The Group received credit card commitment amounting to ₩ 30,000 million(₩ 30,000 million as at December 31, 2025) from KB Kookmin Card Co., Ltd. as at June 30, 2026.

(g) Debt instruments purchased or sold via the Group by the related party for the six-month periods ended June 30, 2026 and 2025, are as follows.

	2026	
(in thousands of Korean won)	**Sale**	**Purchase [1]**
KB Financial Group Inc.	-	160,000,000
Kookmin Bank	5,188,295,123	5,937,034,080
KB Insurance Co., Ltd	1,742,540,864	254,511,298
KB Life Insurance Co., Ltd	529,225,745	49,371,391
KB Capital Co., Ltd.	-	70,000,000
KB Kookmin Card Co., Ltd.	-	70,000,000

[1] Debt instruments issued by the related parties and purchased by the Group are included.

	2025	
(in thousands of Korean won)	**Sale**	**Purchase [1]**
KB Financial Group Inc.	-	210,000,000
Kookmin Bank	4,647,004,984	6,272,796,018
KB Insurance Co., Ltd.	566,846,735	-
KB Life Insurance Co., Ltd.	315,166,253	121,327,841
KB Capital Co., Ltd.	-	60,000,000
KB Kookmin Card Co., Ltd.	-	50,000,000

[1] Debt instruments issued by the related parties and purchased by the Group are included.

(h) The key management includes directors, members of BOD, CFO, person in charge for internal audit and their compensation for the six-month periods ended June 30, 2026 and 2025, are as follows.

(in thousands of Korean won)	2026	2025
Salaries	4,089,930	14,060,010
Post-employment benefits	389,356	428,507
Share-based payment	22,403,491	1,997,799
	26,882,777	16,486,316

30. Supplemental Cash Flow Information

Adjustments for non-cash items of cash flows from operating activities for the six-month periods ended June 30, 2026 and 2025, are as follows.

(in thousands of Korean won)	2026	2025
Interest income	(924,552,763)	(887,792,903)
Interest expenses	611,694,727	561,700,466
Dividend income and distribution income	(79,139,007)	(63,510,993)
Tax expenses	278,985,365	118,158,869
Gains on valuation of financial assets (liabilities) required to be mandatorily measured at FVTPL	(5,224,780,631)	(728,547,745)
Losses on valuation of financial assets (liabilities) required to be mandatorily measured at FVTPL	1,214,051,755	399,559,994
Gains on valuation of financial assets (liabilities) designated at FVTPL	(114,044,271)	(54,823,934)
Losses on valuation of financial assets (liabilities) designated at FVTPL	195,732,926	177,561,323
Gains on valuation of derivative financial assets (liabilities)	(3,242,445,911)	(1,148,845,202)
Losses on valuation of derivative financial assets (liabilities)	4,263,698,022	1,084,813,281
Gains or losses on disposal of financial assets at FVOCI	9,272,709	(20,186,581)
Provision for allowances for loan losses	49,837,401	78,947,626
Depreciation	29,019,134	30,230,501
Amortization	31,655,407	29,826,321
Foreign currency translations	(112,436,303)	31,504,721
Others	28,978,500	26,096,821
	(2,984,472,940)	(365,307,435)

Changes in operating assets and liabilities of cash flows for the six-month periods ended June 30, 2026 and 2025, are as follows.

(in thousands of Korean won)	2026	2025
Deposits in financial institutions	(3,052,096,161)	233,888,369
Financial assets required to be mandatorily measured at FVTPL	(4,749,855,778)	(1,935,827,951)
Derivative financial instruments	(454,183,686)	(137,973,056)
Loans measured at amortised cost	(1,745,172,989)	724,026,548
Other assets	(10,591,901,112)	(4,040,255,062)
Deposit liabilities	4,474,126,287	1,946,072,266
Financial liabilities required to be mandatorily measured at FVTPL	(181,634,878)	(339,576,001)
Financial liabilities designated at FVTPL	(192,212,162)	(490,195,053)
Defined benefit obligation	(21,436,948)	(20,802,207)
Securities sold under repurchase agreements	1,051,000,974	704,040,904
Other liabilities	11,151,728,190	4,966,499,172
	(4,311,638,263)	1,609,897,929

31. Events After The Reporting Period

(a) In accordance with the plan to establish a financial holding company approved by the Financial Services Authority of Indonesia (OJK, Otoritas Jasa Keuangan) on August 5, 2026, the parent company plans to transfer 262,500 issued shares (65% ownership of total shares) of PT KB Valbury Sekuritas as at June 30, 2026, to the Indonesian financial holding company that will be subsequently established as a subsidiary of Kookmin Bank. This restructuring of the shareholding structure must be completed within one year from the date of approval, and upon completion of the share transfer, the Group will lose control over PT KB Valbury Sekuritas, and PT KB Valbury Sekuritas will be excluded as a subsidiary from the scope of consolidation.

(b) After the end of the reporting period as at June 30, 2026, the Group decided on a paid-in capital increase following a board resolution on June 26, 2026, and completed the payment on July 23, 2026. The paid-in capital increase was conducted through a rights offering to existing shareholders, in which KB Financial Group participated. Through this capital increase, the Group issued 56,753,688 common shares at ₩17,620 per share, with gross proceeds of ₩1,000,000 million.

Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of KB Securities Co.,Ltd.

Opinion

We have audited the consolidated financial statements of KB Securities Co.,Ltd. and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of KB Securities Co.,Ltd. and its subsidiaries as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

Basis for Opinion

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

Other Matters

Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

/s/ Samil PricewaterhouseCoopers

Seoul, Korea

March 05, 2026

This report is effective as of March 05, 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.

KB SECURITIES CO., LTD. and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2025 and 2024

(in Korean won)	Notes	2025	2024
Assets			
Cash and deposits	5,36,37,38	4,106,569,157,278	3,322,504,801,129
Financial assets at fair value through profit or loss	6,36,37,38	42,787,453,810,773	37,098,018,781,130
Derivative financial assets	7,36,37,38,39	1,614,613,117,421	1,394,203,700,793
Financial assets at fair value through other comprehensive income	8,36,37,38	9,463,744,417,319	6,485,291,405,839
Investments in associates	9	524,795,447,807	417,779,179,720
Financial assets measured at amortised cost	10,36,37,38,39	10,648,276,534,803	10,605,842,882,283
Property and equipment	11,40	246,132,957,110	264,565,054,272
Investment properties	12	112,303,626,799	419,452,413,193
Intangible assets	13	247,707,431,208	270,013,083,580
Current tax assets		7,263,856,076	6,817,736,155
Deferred tax assets	35	1,028,672,514	101,231,125,789
Other financial assets	14,36,37,38,39	6,323,965,381,055	2,813,756,957,484
Other assets	15	391,035,926,032	191,058,232,236
Total assets		76,474,890,336,195	63,390,535,353,603
Liabilities			
Deposit liabilities	16,36,37,38	12,110,773,883,179	7,725,858,827,353
Financial liabilities at fair value through profit or loss	6,36,37,38,39	10,907,226,138,761	10,568,567,281,885
Derivative financial liabilities	7,36,37,38,39	2,088,322,937,570	1,924,224,653,973
Borrowings	17,36,37,38,39	37,823,437,013,085	33,454,601,384,335
Current tax liabilities		3,511,145,613	2,088,698,400
Net defined benefit liabilities	18	78,075,613,277	68,664,255,596
Deferred tax liabilities	35	83,098,965,782	-
Provisions	19	110,112,536,856	137,559,873,490
Other financial liabilities	20,36,37,38,39,40	5,861,140,105,763	2,210,452,579,371
Other liabilities	21	512,456,754,770	410,188,122,844
Total liabilities		69,578,155,094,656	56,502,205,677,247
Equity			
Share capital	22	1,493,102,120,000	1,493,102,120,000
Hybrid securities	23	756,092,772,000	756,092,772,000
Other paid-in capital	24	1,479,259,900,170	1,479,259,900,170
Retained earnings	25	2,776,090,156,504	2,709,817,622,121
Other components of equity	26	359,346,515,034	366,918,638,122
Equity attributable to shareholders of the Parent Company		6,863,891,463,708	6,805,191,052,413
Non-controlling interest		32,843,777,831	83,138,623,943
Total equity		6,896,735,241,539	6,888,329,676,356
Total liabilities and equity		76,474,890,336,195	63,390,535,353,603

The above consolidated statements of financial position should be read in conjunction with the accompanying notes.

KB SECURITIES CO., LTD. and Subsidiaries
Consolidated Statements of Profit or Loss
Years Ended December 31, 2025 and 2024

(in Korean won)	Notes	2025	2024
Operating income			
Fee and commission income	27	1,218,585,193,850	996,126,674,623
Gain on valuation and disposal of financial instruments	28	9,688,036,628,162	6,736,722,555,374
Interest income	29	1,767,647,609,350	1,786,484,002,043
Interest income from financial instruments at FVTPL		818,417,272,992	845,561,099,273
Interest income in applying of effective interest rate		949,230,336,358	940,922,902,770
Gain on valuation and disposal of financial assets measured at amortised costs	30	7,914,883,182	93,211,647,521
Gain on foreign currency transactions	31	1,197,533,309,395	1,003,250,074,144
Other operating income	32	268,507,921,807	216,235,771,509
		14,148,225,545,746	10,832,030,725,214
Operating expenses			
Fee and commission expense	27	277,509,273,615	224,247,029,796
Loss on valuation and disposal of financial instruments	28	9,426,444,322,313	6,596,582,730,529
Interest expense	29	1,132,588,335,404	1,179,191,194,744
Loss on valuation and disposal of financial assets measured at amortised costs	30	175,763,491,187	145,590,870,688
Loss on foreign currency transactions	31	1,101,757,751,711	855,259,385,623
Selling and administrative expenses	33	1,070,713,550,424	980,571,344,291
Other operating expenses	32	51,877,818,853	69,801,692,335
		13,236,654,543,507	10,051,244,248,006
Operating profit		911,571,002,239	780,786,477,208
Non-operating income	34	112,942,456,111	79,952,919,885
Non-operating expenses	34	117,621,747,035	112,106,383,967
Profit before income tax		906,891,711,315	748,633,013,126
Income tax expense	35	224,506,293,054	158,272,192,817
Profit for the year		682,385,418,261	590,360,820,309
Profit attributable to:			
Shareholders of the Parent Company		679,735,666,551	591,153,189,731
Non-controlling interest		2,649,751,710	(792,369,422)

The above consolidated statements of profit or loss should be read in conjunction with the accompanying notes.

KB SECURITIES CO., LTD. and Subsidiaries
Consolidated Statements of Comprehensive Income
Years Ended December 31, 2025 and 2024

(in Korean won)	Notes	2025	2024
Profit for the year		682,385,418,261	590,360,820,309
Other comprehensive income(loss)			
Items that will not be reclassified to profit or loss			
Net gains on valuation of equity instruments at fair value through other comprehensive income	8,26	67,227,217,044	8,839,011,424
Fair value changes on financial liabilities designated at fair value due to own credit risk	6,26	(3,225,599,161)	(5,514,924,589)
Remeasurements of the net defined benefit liabilities	18,26	(6,236,623,659)	(4,690,189,048)
Revaluation of property and equipment	26	(867,736,179)	-
Items that may be subsequently reclassified to profit or loss			
Net gains(losses) on valuation of debt instrument at fair value through other comprehensive income	8,26	(38,367,096,425)	(1,984,821,331)
Share of other comprehensive income(loss) of associates	9,26	(786,671,104)	6,533,680,406
Gains(losses) on hedge of net investments in foreign operations	7,26	6,040,168,716	(21,669,806,592)
Exchange difference on translation of foreign operations	26	(27,915,387,535)	66,396,452,674
Other comprehensive income for the year, net of tax		(4,131,728,303)	47,909,402,944
Total comprehensive income for the year		678,253,689,958	638,270,223,253
Total comprehensive income for the year attributable to:			
Shareholders of the Parent Company		677,300,111,295	636,999,680,242
Non-controlling interest		953,578,663	1,270,543,011

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

KB SECURITIES CO., LTD. and Subsidiaries
Consolidated Statements of Changes in Equity
Years Ended December 31, 2025 and 2024

(in Korean won)

	Attributable to the Shareholder of the Parent Company							
	Share Capital	Hybrid Securities	Other Paid In Capital	Retained Earnings	Other Components of Equity	Total	Non-controlling Interest	Total Equity
Balance at January 1, 2024	1,493,102,120,000	626,093,392,000	1,478,687,978,420	2,304,302,712,341	322,497,946,084	6,224,684,148,845	71,347,869,622	6,296,032,018,467
Issuance of hybrid securities	-	129,999,380,000	-	-	-	129,999,380,000	-	129,999,380,000
Dividends of hybrid securities	-	-	-	(37,064,078,424)	-	(37,064,078,424)	-	(37,064,078,424)
Dividends	-	-	-	(150,000,000,000)	-	(150,000,000,000)	-	(150,000,000,000)
Changes in scope of consolidation	-	-	571,921,750	-	-	571,921,750	10,520,211,310	11,092,133,060
Replacement due to disposal of equity investments at FVOCI	-	-	-	1,425,798,473	(1,425,798,473)	-	-	-
Total comprehensive income								
Profit for the year	-	-	-	591,153,189,731	-	591,153,189,731	(792,369,422)	590,360,820,309
Gains on financial instruments at fair value through other comprehensive income	-	-	-	-	6,854,190,093	6,854,190,093	-	6,854,190,093
Fair value changes on financial liabilities designated at fair value due to own credit risk	-	-	-	-	(5,514,924,589)	(5,514,924,589)	-	(5,514,924,589)
Share of other comprehensive income of associates	-	-	-	-	6,533,680,406	6,533,680,406	-	6,533,680,406
Revaluation of property and equipment	-	-		-	-	-	-	-
Remeasurements of net defined benefit liabilities	-	-	-	-	(4,690,189,048)	(4,690,189,048)	-	(4,690,189,048)
Gains on hedge of net investments in foreign operations	-	-	-	-	(21,669,806,592)	(21,669,806,592)	-	(21,669,806,592)
Exchange difference on translation of foreign operations	-	-	-	-	64,333,540,241	64,333,540,241	2,062,912,433	66,396,452,674
Balance at December 31, 2024	1,493,102,120,000	756,092,772,000	1,479,259,900,170	2,709,817,622,121	366,918,638,122	6,805,191,052,413	83,138,623,943	6,888,329,676,356
Balance at January 1, 2025	1,493,102,120,000	756,092,772,000	1,479,259,900,170	2,709,817,622,121	366,918,638,122	6,805,191,052,413	83,138,623,943	6,888,329,676,356
Dividends of hybrid securities	-	-	-	(38,599,700,000)	-	(38,599,700,000)	-	(38,599,700,000)
Dividends	-	-	-	(580,000,000,000)	-	(580,000,000,000)	(1,176,318,032)	(581,176,318,032)
Changes in scope of consolidation	-	-	-	-	-	-	(50,072,106,743)	(50,072,106,743)
Replacement due to disposal of equity investments at FVOCI	-	-	-	1,051,211,175	(1,051,211,175)	-	-	-
Replacement of Revaluation Surplus due to disposal of property and equipment	-	-	-	4,085,356,657	(4,085,356,657)	-	-	-
Total comprehensive income								
Profit for the year	-	-	-	679,735,666,551	-	679,735,666,551	2,649,751,710	682,385,418,261
Gains on financial instruments at fair value through other comprehensive income	-	-	-	-	29,108,189,243	29,108,189,243	(248,068,624)	28,860,120,619

Fair value changes on financial liabilities designated at fair value due to own credit risk	-	-	-	-	(3,225,599,161)	(3,225,599,161)	-	(3,225,599,161)
Share of other comprehensive income of associates	-	-	-	-	(786,671,104)	(786,671,104)	-	(786,671,104)
Revaluation of property and equipment	-	-		-	(867,736,179)	(867,736,179)	-	(867,736,179)
Remeasurements of net defined benefit liabilities	-	-	-	-	(6,236,623,659)	(6,236,623,659)	-	(6,236,623,659)
Gains on hedge of net investments in foreign operations	-	-	-	-	6,040,168,716	6,040,168,716	-	6,040,168,716
Exchange difference on translation of foreign operations	-	-	-	-	(26,467,283,112)	(26,467,283,112)	(1,448,104,423)	(27,915,387,535)
Balance at December 31, 2025	1,493,102,120,000	756,092,772,000	1,479,259,900,170	2,776,090,156,504	359,346,515,034	6,863,891,463,708	32,843,777,831	6,896,735,241,539

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

KB SECURITIES CO., LTD. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

(in Korean won)	Notes	2025	2024
Cash flows from operating activities			
Cash generated from operating activities			
Profit for the year		682,385,418,261	590,360,820,309
Adjustment for non-cash items	43	(927,921,963,551)	(235,405,440,147)
Changes in operating assets and liabilities	43	(511,465,876,887)	(1,481,806,807,935)
		(757,002,422,177)	(1,126,851,427,773)
Interest received		1,730,075,332,554	1,723,472,495,685
Interest paid		(1,129,884,884,732)	(1,162,048,104,085)
Dividends received		102,789,420,208	87,216,895,805
Income taxes paid		(248,855,506,454)	(265,384,713,273)
Net cash used in operating activities		(302,878,060,601)	(743,594,853,641)
Cash flows from investing activities			
Decrease(increase) in long-term deposit		(65,618,550,000)	4,904,563,265
Acquisition of financial assets at fair value through other comprehensive income		(11,735,348,404,508)	(5,810,505,707,282)
Disposal of financial assets at fair value through other comprehensive income		8,826,609,065,903	4,537,478,148,513
Acquisition of investments of associates	9	(216,945,692,143)	(189,694,468,319)
Disposal of investment of associates	9	67,631,618,701	39,028,047,799
Net cash flows from the acquisition of subsidiaries		(9,505,746,848)	-
Net cash flows from the disposal of subsidiaries		(55,401,797,923)	4,899,392,910
Acquisition of property and equipment	11	(25,320,731,420)	(29,580,876,276)
Disposal of property and equipment	11	30,108,643,761	868,027,735
Acquisition of intangible assets	13	(57,380,348,151)	(64,199,531,738)
Disposal of intangible assets	13	1,531,416,125	11,587,324,372
Disposal of investment properties	12	1,459,865,433	-
Others		(33,327,025)	(91,281,928)
Net cash used in investing activities		(3,238,213,988,095)	(1,495,306,360,949)
Cash flows from financing activities			
Increase in borrowings	43	2,861,360,138,473	1,685,010,912,522
Issuance of debentures	43	2,000,000,000,000	1,658,655,508,229
Repayment of debentures	43	(831,900,000,000)	(810,000,000,000)
Increase(decrease) in guarantee deposit liabilities	43	492,762,533	(565,525,605)
Dividends paid	25	(580,000,000,000)	(150,000,000,000)
Decrease of lease liabilities	43	(38,314,233,831)	(46,492,571,462)
Issuance of hybrid securities	23	-	129,999,380,000
Dividends of hybrid securities	25	(38,599,700,000)	(42,652,275,000)
Increase(decrease) in other liabilities	43	16,665,222,370	(32,697,142,966)
Net cash provided by financing activities		3,389,704,189,545	2,391,258,285,718
Effect of exchange rate changes on cash and cash equivalents		1,156,578,093	15,979,335,695
Net increase in cash and cash equivalents		(150,231,281,058)	168,336,406,823
Cash and cash equivalents at the beginning of the year	5	783,086,833,987	614,750,427,164
Cash and cash equivalents in consolidated statement of financial position as at the end of the year	5	632,855,552,929	783,086,833,987

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

1. General Information

General information of KB Securities Co., Ltd. (the "Parent Company" or "KB Securities") which is a controlling company in accordance with Korean IFRS No.1110 *Consolidated Financial Statements,* and 69 subsidiaries including KBFG Securities America Inc. is as follows:

The Parent Company was established on June 1, 1962, under the name of Kookil Securities Co., Ltd. On June 5, 1986, the Parent Company changed its name to "Hyundai Securities Co., Ltd.". After several capital increases, the share capital of the Parent Company amounts to ₩ 1,493,102 million as at December 31, 2025.

The Parent Company became a wholly owned subsidiary of KB Financial Group Inc. on October 19, 2016, through a comprehensive exchange of shares. At the end of the reporting period, KB Financial Group Inc. owns 100% of ordinary shares of the Parent Company.

Meanwhile, the Parent Company merged with KB Investment & Securities Co., Ltd. (the "KB Investment & Securities") on December 30, 2016 as a surviving company and changed its name to KB Securities Co., Ltd. As at December 31, 2025, the Parent Company has 74 branch offices in Korea and two overseas branch offices.

Details of the consolidated subsidiaries as at December 31, 2025 and 2024, are as follows:

	2025				
Investor	**Investee**	**Industry**	**Percentage of ownership (%)**	**Location**	**Date of financial statements**
The Parent Company	KBFG Securities America Inc.	Investment, advisory	100.00	USA	December
	KB Securities Hong Kong Ltd.	Investment, advisory	100.00	Hong Kong	December
	KB Securities Vietnam Joint Stock Company	Investment, advisory	99.81	Vietnam	December
	KB FINA COMPANY LIMITED(formerly, KB FINA Joint Stock Company)	IT(Fintech)	100.00	Vietnam	December
	PT. KB Valbury Sekuritas	Investment, advisory	65.00	Indonesia	December
	KB Digital Innovation&growth New Technology Business Investment Fund [1]	Other financial	20.00	Korea	December
	KB Pre-IPO 2nd (TCB) New Technology Business Investment Fund 1 [1]	Other financial	42.86	Korea	December
	KB Global Contents Private Investment Fund [1]	Other financial	27.27	Korea	December
	KB Securities ESG Value Enhancement Fund	Other financial	93.75	Korea	December
	LB Ireland Private Real Estate Investment Trust 8	Funds	96.64	Korea	December
	Pacific US BlackRock Private Placement Real Estate Fund Investment Trust No. 15	Funds	98.51	Korea	December
	JB Dry Street Private Fund 1	Funds	100.00	Korea	December
	JB Australia108 Private Fund 1	Funds	100.00	Korea	December
	JB Forge Private Fund 1	Funds	100.00	Korea	December
	JB Hall Street Private Fund 1	Funds	100.00	Korea	December
	JB Margaret Street Private Fund 1	Funds	100.00	Korea	December
	GVA Europe Pre-IPO Private Investment Trust No.1	Funds	100.00	Korea	December
	LIFE Global Reits Pre-IPO General Private Investment Trust 1	Funds	99.89	Korea	December
	Star-Lord Alpha Flux General Investors Private Real Estate Investment Company No.11	Funds	99.78	Korea	December
	Global One Professional Investment Type Private U.S. Real Estate Investment Trust No. 2(H)	Funds	99.99	Korea	December
	PineStreet AIOFⅢ Infrastructure General Private Trust No.2	Funds	99.92	Korea	December
	Samsung Vista Credit BDC Private Investment No.2(USD)	Funds	99.93	Korea	December
	Mangrove Feeder Fund	Funds	71.63	Cayman Islands	December
	GH Real Estate I LP	Investment	81.00	Guernsey	December

Investor	2025				
	Investee	Industry	Percentage of ownership (%)	Location	Date of financial statements
	Able Gwonseon 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Newstar Gimpo 1st Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	Able Sewoon Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	KB MyeongJi 1st Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	KB Mapo 2nd Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	Zitaress 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Newstar Gimpo 4th Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	Powerplay 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Able Maseok 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Newstar Wave 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Able Next 1st Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	YSMC 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Stoke 2nd Corp [1]	Asset-backed securitization	-	Korea	December
	Newstar Seongnam 1st Co.,Ltd [1]	Asset-backed securitization	-	Korea	December
	KPS Sihwa 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Able alpha Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Newstar Gimpo 7th Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	able hi position 1st [1]	Asset-backed securitization	-	Korea	December
	Able Yongin Wonsam 2nd Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	TRUE HOUSE FIRST CO., LTD. [1]	Asset-backed securitization	-	Korea	December
	Able Gongpyeong 3rd Co.,Ltd [1]	Asset-backed securitization	-	Korea	December
	NEW STAR L CARD 1ST CO.,LTD. [1]	Asset-backed securitization	-	Korea	December
	Olivia 1st Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	New Star Sinar Third Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	New Star YJ Second Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	HJ GALAXY No.4 Co.,ltd [1]	Asset-backed securitization	-	Korea	December
	Hyosung Vina Second Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	newstarwoncle 1st. Co.ltd [1]	Asset-backed securitization	-	Korea	December
	NetFabric Suncheon First Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	KB Infra 4th Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	Newstar Songam 1st Co.,ltd. [1]	Asset-backed securitization	-	Korea	December
	New Star SJ First Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	New Star REITs First Co., Ltd [1]	Asset-backed securitization	-	Korea	December

	2025				
Investor	**Investee**	**Industry**	**Percentage of ownership (%)**	**Location**	**Date of financial statements**
	Newstar Cine 1st Co.,ltd. [1]	Asset-backed securitization	-	Korea	December
	MS Cheongna No.2 Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Next Yeongjong First Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	New Star KM First Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	Newstar Next 1st Co.,ltd. [1]	Asset-backed securitization	-	Korea	December
	Newstar Next 2nd Co.,ltd. [1]	Asset-backed securitization	-	Korea	December
	Newstar Doan first Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	PAV Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	Still No.1 2nd Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	Newstar L Chemi 1st [1]	Asset-backed securitization	-	Korea	December
Mangrove Feeder Fund	Mangrove Master Fund	Funds	100.00	Cayman Islands	December
KB Securities Hong Kong Ltd.	Global Investment Opportunity Limited	Financial & real-estate	100.00	Malaysia	December

[1] The Group has a substantive power over the special purpose entities (“SPEs”) or investment trusts and is exposed to variable returns. Accordingly, these SPEs and investment trusts are included in subsidiaries although the Group’s ownership is less than 50%.

	2024				
Investor	**Investee**	**Industry**	**Percentage of ownership (%)**	**Location**	**Date of financial statements**
The Parent Company	KBFG Securities America Inc.	Investment, advisory	100.00	USA	December
	KB Securities Hong Kong Ltd.	Investment, advisory	100.00	Hong Kong	December
	KB Securities Vietnam Joint Stock Company	Investment, advisory	99.81	Vietnam	December
	KB FINA Joint Stock Company	IT(Fintech)	100.00	Vietnam	December
	PT. KB Valbury Sekuritas	Investment, advisory	65.00	Indonesia	December
	KB Digital Innovation&growth New Technology Business Investment Fund [1]	Other financial	20.00	Korea	December
	KB Pre-IPO 2nd (TCB) New Technology Business Investment Fund [1]	Other financial	42.86	Korea	December
	JB New Jersey Private Real Estate Fund 1	Funds	98.15	Korea	December
	LB Ireland Private Real Estate Investment Trust 8	Funds	96.64	Korea	December
	Pacific US BlackRock Private Placement Real Estate Fund Investment Trust No. 15	Funds	98.51	Korea	December
	JB Dry Street Private Fund 1	Funds	100.00	Korea	December
	JB Australia108 Private Fund 1	Funds	100.00	Korea	December
	JB Forge Private Fund 1	Funds	100.00	Korea	December
	JB Hall Street Private Fund 1	Funds	100.00	Korea	December
	JB Margaret Street Private Fund 1	Funds	100.00	Korea	December
	GH Real Estate I LP	Investment	81.00	Guernsey	December
	GVA Europe Pre-IPO Private Investment Trust No.1	Funds	100.00	Korea	December
	LIFE Global Reits Pre-IPO General Private Investment Trust 1	Funds	99.89	Korea	December
	Able Gwonseon 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Newstar Gimpo 1st Co., Ltd [1]	Asset-backed securitization	-	Korea	December

Investor	2024				
	Investee	Industry	Percentage of ownership (%)	Location	Date of financial statements
	Able Sewoon Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	KB MyeongJi 1st Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	Able Dangjin 1st Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	KB Mapo 2nd Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	Able Wonchang 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Zitaress 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Able Beomeo-one Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Newstar Gimpo 4th Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	Powerplay 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Able Dosan 1st Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	Able Maseok 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	TW Seocho 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	TW Seocho 2nd Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Newstar Wave 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Able Next 1st Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	YSMC 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Gyeongsan Logis 1st Co., Ltd [1]	Asset-backed securitization	-	Korea	December
	Stoke 2nd Corp [1]	Asset-backed securitization	-	Korea	December
	KB Global Contents Private Investment Fund [1]	Other financial	27.27	Korea	December
	Newstar Seongnam 1st Co.,Ltd [1]	Asset-backed securitization	-	Korea	December
	KPS Sihwa 1st Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Newstar NRB First Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Able alpha Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Star-Lord Alpha Flux General Investors Private Real Estate Investment Company No.11	Funds	99.78	Korea	December
	KB Securities ESG Value Enhancement Fund	Other financial	93.75	Korea	December
	Able Eunhwasam 2nd Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Newstar Sina 2nd Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	Newstar Gimpo 7th Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	NewStar Yui the 1st [1]	Asset-backed securitization	-	Korea	December
	able hi position 1st [1]	Asset-backed securitization	-	Korea	December
	Graha 2nd Co., Ltd.[1]	Asset-backed securitization	-	Korea	December
	Able Yongin Wonsam 2nd Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	ABLE GUNPO 1ST CO.,LTD. [1]	Asset-backed securitization	-	Korea	December
	TRUE HOUSE FIRST CO., LTD. [1]	Asset-backed securitization	-	Korea	December

Investor	2024				
	Investee	Industry	Percentage of ownership (%)	Location	Date of financial statements
	Breeze Air Primary Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	Able Gongpyeong 3rd Co.,Ltd [1]	Asset-backed securitization	-	Korea	December
	NEW STAR L CARD 1ST CO.,LTD. [1]	Asset-backed securitization	-	Korea	December
	Olivia 1st Co.,Ltd. [1]	Asset-backed securitization	-	Korea	December
	THE APOGEE THE FIRST CO.,LTD. [1]	Asset-backed securitization	-	Korea	December
	EULJI NAIN 1ST CO.,LTD. [1]	Asset-backed securitization	-	Korea	December
	E&F Blacksapphire Private Equity Fund	Other financial	98.76	Korea	December
	Global One Professional Investment Type Private U.S. Real Estate Investment Trust No. 2(H)	Funds	99.99	Korea	December
	Able Civic 4th Co., Ltd. [1]	Asset-backed securitization	-	Korea	December
	NEWSTAR EXPER 1ST CO.,LTD. [1]	Asset-backed securitization	-	Korea	December
	Mangrove Feeder Fund	Funds	74.90	Cayman Islands	December
Mangrove Feeder Fund	Mangrove Master Fund	Funds	100.00	Cayman Islands	December
KB Securities Hong Kong Ltd.	Global Investment Opportunity Limited	Financial & real-estate	100.00	Malaysia	December
E&F Blacksapphire Private Equity Fund	Black Sapphire Holdings Co.,Ltd.	Other financial	100.00	Korea	December
The Parent Company.	K-1 23th Yeoksam Real Estate	Real-estate	51.11	Korea	December
YSMC 1st Co., Ltd.	Investment Trust Company	Investment			

[1] The Group has a substantive power over the special purpose entities ("SPEs") or investment trusts and is exposed to variable returns. Accordingly, these SPEs and investment trusts are included in subsidiaries although the Group's ownership is less than 50%.

Summarized financial information of major subsidiaries as at and for the years ended December 31, 2025 and 2024, is as follows:

(in thousands of Korean won)	December 31, 2025		2025		
Name of subsidiary	Assets	Liabilities	Operating profit	Profit (loss) for the year	Total comprehensive income(loss)
KBFG Securities America Inc.	40,232,659	3,407,150	24,127,770	11,800,416	11,296,043
KB Securities Hong Kong Ltd.	329,258,232	27,059,189	32,834,058	15,138,328	7,694,138
KB Securities Vietnam Joint Stock Company	692,931,158	444,411,064	61,871,812	11,349,528	(2,228,063)
KB FINA COMPANY LIMITED(formerly, KB FINA Joint Stock Company)	2,327,616	4,931	6,563	(170,558)	(311,786)
PT. KB Valbury Sekuritas	242,695,761	150,190,089	34,158,077	7,516,684	2,736,180
LB Ireland Private Real Estate Investment Trust 8	57,101	4,383,978	1,245	(239,679)	(239,679)
Mangrove Feeder Fund	12,637,369	14,402	-	(612,121)	(2,150,623)
Mangrove Master Fund	26,427,117	8,904,190	2,554,967	1,487,459	(438,035)
GH Real Estate I LP	29,116,238	1,708,208	-	(2,368,340)	300,148
Global Investment Opportunity Limited	195,235	-	1,105	(17,544)	(22,910)
Pacific US BlackRock Private Placement Real Estate Fund Investment Trust No. 15	2,906,682	241,827	4,395,493	4,211,581	4,211,581
KB Digital Innovation&growth New	9,713,414	144,100	3,084,181	1,832,131	1,832,131

(in thousands of Korean won)

Name of subsidiary	December 31, 2025		2025		
	Assets	Liabilities	Operating profit	Profit (loss) for the year	Total comprehensive income(loss)
Technology Business Investment Fund					
KB Pre-IPO 2nd (TCB) New Technology Business Investment Fund 1	18,240,494	341,266	13,303,583	10,555,334	10,555,334
JB Dry Street Private Fund 1	112,070	9,230	5,312	(89,614)	(89,614)
JB Australia108 Private Fund 1	68,241	3,554	4,978	(62,665)	(62,665)
JB Forge Private Fund 1	48,977	2,882	2,498	(44,857)	(44,857)
JB Hall Street Private Fund 1	116,235	3,224	5,173	(82,282)	(82,282)
JB Margaret Street Private Fund 1	31,606	668	1,438	(23,385)	(23,385)
KB Global Contents Private Investment Fund	14,356,793	6,405	2,496	(1,331,692)	(1,331,692)
GVA Europe Pre-IPO Private Investment Trust No.1	26,154,749	16,975	18,669	1,225,242	1,225,242
LIFE Global Reits Pre-IPO General Private Investment Trust 1	59,395,925	35,392	3,991	4,086,257	4,086,257
Star-Lord Alpha Flux General Investors Private Real Estate Investment Company No.11	98,066,853	102,685,801	4,574,599	(35,702,583)	(35,702,583)
KB Securities ESG Value Enhancement Fund	2,972,631	1,430	485	(91,095)	(91,095)
Global One Professional Investment Type Private U.S. Real Estate Investment Trust No. 2(H)	1,247,218	25	132	(192,020)	(228,979)
PineStreet AIOFⅢ Infrastructure General Private Trust No.2	4,741,478	51,688	53,300	(41,989)	(41,989)
Samsung Vista Credit BDC Private Investment No.2(USD)	21,538,294	6,058	459	(5,741)	(508,448)
Able Gwonseon 1st Co., Ltd.	15,441,859	15,355,797	838,634	17,223	17,223
Newstar Gimpo 1st Co., Ltd	22,426,428	22,341,941	2,074,982	347,266	347,266
Able Sewoon Co., Ltd.	4,010,520	3,110,931	2,248,542	1,742,216	1,742,216
KB MyeongJi 1st Co.,Ltd.	10,565,777	10,970,839	1,094,510	(761,897)	(761,897)
KB Mapo 2nd Co.,Ltd.	9,686,143	10,104,501	643,193	(79,844)	(79,844)
Zitaress 1st Co., Ltd.	13,920,792	13,221,711	891,670	340,876	340,876
Newstar Gimpo 4th Co.,Ltd.	628,295	7,262,873	490,563	60,267	60,267
Powerplay 1st Co., Ltd.	9,410,968	15,161,151	738,673	(5,377,587)	(5,377,587)
Able Maseok 1st Co., Ltd.	3,985,918	4,081,361	1,341,776	364,322	364,322
Newstar Wave 1st Co., Ltd.	78,945,209	78,242,955	3,752,677	317,131	317,131
Able Next 1st Co., Ltd	20,404,750	21,157,794	704,547	(106,810)	(106,810)
YSMC 1st Co., Ltd.	47,749,856	46,800,000	14	1,169,670	1,169,670
Stoke 2nd Corp	46,255,750	81,745,000	5,476,268	(28,700,316)	(28,700,316)
Newstar Seongnam 1st Co.,Ltd	3,264,977	3,101,481	681,427	77,947	77,947
KPS Sihwa 1st Co., Ltd.	189,180,028	266,594,862	13,472,756	(35,120,641)	(35,120,641)
Able alpha Co., Ltd.	28,279,824	28,815,682	1,764,593	864,588	864,588
Newstar Gimpo 7th Co.,Ltd.	54,646,168	96,506,587	7,492,358	2,632,027	2,632,027
able hi position 1st	96,040,137	96,692,839	6,429,202	114,323	114,323
Able Yongin Wonsam 2nd Co.,Ltd.	50,448,809	50,989,039	3,754,458	(301,178)	(301,178)
TRUE HOUSE FIRST CO., LTD.	15,806,571	15,391,084	1,559,107	214,921	214,921
Able Gongpyeong 3rd Co.,Ltd	44,232,571	44,096,594	2,989,943	65,949	65,949
NEW STAR L CARD 1ST CO.,LTD.	118,174,139	117,066,951	7,318,224	1,500,051	1,500,051
Olivia 1st Co.,Ltd.	16,122,259	15,545,777	3,128,232	440,315	440,315
New Star Sinar Third Co., Ltd	29,963,490	29,819,053	3,817,336	144,437	144,437
New Star YJ Second Co., Ltd	101,571,593	101,814,025	5,111,186	(242,433)	(242,433)
HJ GALAXY No.4 Co.,ltd	77,308,346	79,100,000	857,226	(1,791,656)	(1,791,656)
Hyosung Vina Second Co., Ltd	80,442,497	79,635,668	3,204,145	806,828	806,828
newstarwoncle 1st. Co.ltd	30,050,556	29,819,691	1,746,917	230,855	230,855
NetFabric Suncheon First Co., Ltd.	69,900,222	70,786,426	1,863,942	(886,214)	(886,214)

(in thousands of Korean won)

	December 31, 2025		2025		
Name of subsidiary	Assets	Liabilities	Operating profit	Profit (loss) for the year	Total comprehensive income(loss)
KB Infra 4th Co.,Ltd.	20,019,960	20,513,907	973,980	(493,948)	(493,948)
Newstar Songam 1st Co.,ltd.	30,391,950	30,231,083	628,624	160,858	160,858
New Star SJ First Co., Ltd	30,176,874	30,268,673	237,622	(91,800)	(91,800)
New Star REITs First Co., Ltd	85,694,079	85,586,849	717,283	107,219	107,219
Newstar Cine 1st Co.,ltd.	170,902,334	173,085,365	1,037,552	(2,183,041)	(2,183,041)
MS Cheongna No.2 Co., Ltd.	100,586,714	100,606,755	1,040,158	(20,042)	(20,042)
Next Yeongjong First Co., Ltd.	109,743,337	116,041,616	1,402,033	(6,298,289)	(6,298,289)
New Star KM First Co., Ltd	40,259,681	40,376,169	131,082	(116,490)	(116,490)
Newstar Next 1st Co.,ltd.	54,851,677	55,947,995	671,298	(1,096,328)	(1,096,328)
Newstar Next 2nd Co.,ltd.	24,885,748	25,657,260	589,787	(771,522)	(771,522)
Newstar Doan first Co., Ltd	110,686,759	110,953,639	161,992	(266,881)	(266,881)
PAV Co., Ltd	30,416,264	30,300,115	206,138	116,140	116,140
Still No.1 2nd Co., Ltd	50,776,001	50,841,723	877,105	(65,725)	(65,725)
Newstar L Chemi 1st	316,865,568	316,865,568	2,104,083	(1)	(1)
JB New Jersey Private Real Estate Fund 1 [1]	-	-	15	(60)	(60)
K-1 23th Yeoksam Real Estate Investment Trust Company [1]	-	-	5,673,979	(2,343,177)	(2,343,177)
E&F Blacksapphire Private Equity Fund [1]	-	-	-	(722,520)	(722,520)
Able Dangjin 1st Co.,Ltd. [1]	-	-	1,282,298	(132,710)	(132,710)
Able Wonchang 1st Co., Ltd. [1]	-	-	62	267,240	267,240
Able Beomeo-one Co., Ltd. [1]	-	-	2,037,821	1,817,541	1,817,541
Able Dosan 1st Co., Ltd [1]	-	-	223,013	(139,123)	(139,123)
TW Seocho 1st Co., Ltd. [1]	-	-	10,062,742	(35,976,631)	(35,976,631)
TW Seocho 2nd Co., Ltd. [1]	-	-	1,827,203	(29,031,254)	(29,031,254)
Gyeongsan Logis 1st Co., Ltd [1]	-	-	916,997	(4,070,233)	(4,070,233)
Newstar NRB First Co., Ltd. [1]	-	-	1,147,001	820,512	820,512
Newstar Sina 2nd Co., Ltd. [1]	-	-	9,237,352	970,985	970,985
ABLE GUNPO 1ST CO.,LTD. [1]	-	-	577,447	(145,534)	(145,534)
Breeze Air Primary Co.,Ltd. [1]	-	-	2,754,784	(33,394)	(33,394)
THE APOGEE THE FIRST CO.,LTD. [1]	-	-	1,645,191	811,498	811,498
Able Civic 4th Co., Ltd. [1]	-	-	1,332,125	(407,806)	(407,806)
NEWSTAR EXPER 1ST CO.,LTD. [1]	-	-	13,050,226	2,736,298	2,736,298
New Star kumkang 1st Co., Ltd. [1]	-	-	10,674,909	75,080	75,080
Buu 1st Co., Ltd. [1]	-	-	109,073	(234,021)	(234,021)
Prime Twin Co., Ltd [1]	-	-	297,034	(483,610)	(483,610)
New Star Smile First Co., Ltd [1]	-	-	2,412,202	(285,066)	(285,066)
Newstar Solution 2nd Co., Ltd [1]	-	-	655,668	(202,082)	(202,082)
Sepia 1st Co., Ltd. [1]	-	-	54,918	(382,907)	(382,907)
ZeroWind pungmu First Co., Ltd. [1]	-	-	13,229	(303,238)	(303,238)
newstarseongsu 1st. Co.ltd [1]	-	-	156,000	(177,921)	(177,921)

[1] These companies are excluded from subsidiaries as at December 31, 2025.

(in thousands of Korean won)

	December 31, 2024		2024		
Name of subsidiary	Assets	Liabilities	Operating profit	Profit (loss) for the year	Total comprehensive income(loss)
KBFG Securities America Inc.	29,454,978	3,925,511	15,942,384	5,349,316	8,193,302
KB Securities Hong Kong Ltd.	322,077,995	27,573,090	34,975,931	5,010,632	42,442,728
KB Securities Vietnam Joint Stock Company	498,369,887	247,711,661	62,760,647	12,931,044	32,194,535
KB FINA Joint Stock Company	2,825,649	191,178	135,030	(7,100,031)	(6,620,633)

(in thousands of Korean won)

	December 31, 2024		2024		
Name of subsidiary	Assets	Liabilities	Operating profit	Profit (loss) for the year	Total comprehensive income(loss)
PT. KB Valbury Sekuritas	132,899,592	43,130,100	24,673,008	4,592,286	11,181,484
JB New Jersey Private Real Estate Fund 1	56,720	403	3,026	(15,900,215)	(15,900,215)
LB Ireland Private Real Estate Investment Trust 8	56,280	4,143,478	1,782	(257,351)	(257,351)
Mangrove Feeder Fund	18,580,918	18,487	-	(872,877)	1,055,937
Mangrove Master Fund	32,238,326	10,114,638	2,408,779	607,124	556,423
GH Real Estate I LP	28,473,558	1,365,676	-	(2,012,020)	(134,743)
Global Investment Opportunity Limited	218,145	-	1,615	(19,901)	7,988
Pacific US BlackRock Private Placement Real Estate Fund Investment Trust No. 15	6,401,893	1,496,961	2,279,870	(2,135,681)	(2,135,681)
KB Digital Innovation&growth New Technology Business Investment Fund	7,890,172	152,990	564,375	(93,036)	(93,036)
KB Pre-IPO 2nd (TCB) New Technology Business Investment Fund	25,661,250	432,356	6,794,487	811,785	811,785
Able Gwonseon 1st Co., Ltd.	13,676,445	13,607,606	1,068,184	83,897	83,897
JB Dry Street Private Fund 1	201,692	9,239	6,895	(17,362)	(17,362)
JB Australia108 Private Fund 1	130,906	3,555	5,488	(12,143)	(12,143)
JB Forge Private Fund 1	93,835	2,882	5,468	(8,700)	(8,700)
JB Hall Street Private Fund 1	198,516	3,223	6,743	(15,914)	(15,914)
JB Margaret Street Private Fund 1	54,995	672	1,871	(4,526)	(4,526)
Newstar Gimpo 1st Co., Ltd	39,827,673	40,090,452	11,720,670	9,688,247	9,688,247
Able Sewoon Co., Ltd.	24,430,465	25,273,091	1,310,863	(990,005)	(990,005)
KB MyeongJi 1st Co.,Ltd.	15,625,181	15,268,346	1,232,649	6,165	6,165
Able Dangjin 1st Co.,Ltd.	26,845,170	25,784,933	2,641,956	737,641	737,641
KB Mapo 2nd Co.,Ltd.	9,955,880	10,294,395	699,865	473,045	473,045
Able Wonchang 1st Co., Ltd.	9,349,684	10,560,000	763,969	137,169	137,169
Zitaress 1st Co., Ltd.	20,526,071	20,167,866	1,117,426	211,688	211,688
Able Beomeo-one Co., Ltd.	31,459,239	31,074,021	1,741,681	663,544	663,544
Newstar Gimpo 4th Co.,Ltd.	597,458	7,292,304	499,363	(12,916)	(12,916)
Powerplay 1st Co., Ltd.	13,150,423	13,523,019	404,946	(574,832)	(574,832)
Able Dosan 1st Co., Ltd	4,352,179	2,573,638	855,394	862,146	862,146
Able Maseok 1st Co., Ltd.	16,815,745	17,275,510	5,068,705	1,414,227	1,414,227
TW Seocho 1st Co., Ltd.	200,494,321	198,447,658	16,667,785	5,844,657	5,844,657
TW Seocho 2nd Co., Ltd.	32,208,486	31,281,734	4,182,068	1,676,119	1,676,119
Newstar Wave 1st Co., Ltd.	83,721,465	83,336,342	7,057,512	3,466,095	3,466,095
Able Next 1st Co., Ltd	20,417,274	21,063,508	1,402,326	(598,237)	(598,237)
YSMC 1st Co., Ltd.	47,680,186	47,900,000	13	731,524	731,524
Gyeongsan Logis 1st Co., Ltd	18,585,684	18,599,662	230,795	(183,069)	(183,069)
Stoke 2nd Corp	69,530,565	76,319,500	5,535,046	(7,568,667)	(7,568,667)
KB Global Contents Private Investment Fund	15,682,080	-	4,268	(265,948)	(265,948)
Newstar Seongnam 1st Co.,Ltd	1,944,770	1,859,222	2,947,194	1,007,564	1,007,564
KPS Sihwa 1st Co., Ltd.	218,185,315	260,479,507	17,178,878	(40,335,228)	(40,335,228)
Newstar NRB First Co., Ltd.	17,984,328	19,331,133	2,594,001	347,089	347,089
GVA Europe Pre-IPO Private Investment Trust No.1	29,638,647	20,032	3,688	2,182,228	2,182,228
LIFE Global Reits Pre-IPO General Private Investment Trust 1	59,383,526	24,950	12,061	4,401,787	4,401,787
Star-Lord Alpha Flux General Investors Private Real Estate Investment Company No.11	129,639,678	98,556,042	5,535,662	(7,152,201)	(7,152,201)
Able alpha Co., Ltd.	24,312,869	25,713,315	1,757,302	(1,056,473)	(1,056,473)

(in thousands of Korean won)

	December 31, 2024		2024		
Name of subsidiary	Assets	Liabilities	Operating profit	Profit (loss) for the year	Total comprehensive income(loss)
K-1 23th Yeoksam Real Estate Investment Trust Company	301,209,424	168,924,135	10,188,322	434,502	434,502
KB Securities ESG Value Enhancement Fund	1,996,726	1,430	538	(92,297)	(92,297)
Able Eunhwasam 2nd Co., Ltd.	42,955,135	44,324,704	8,439,125	1,678,170	1,678,170
Newstar Sina 2nd Co., Ltd.	74,387,881	73,529,437	15,460,085	1,852,670	1,852,670
Newstar Gimpo 7th Co.,Ltd.	52,004,996	96,497,442	6,340,484	(44,492,457)	(44,492,457)
NewStar Yui the 1st	100,316,599	101,385,834	7,263,486	(1,069,246)	(1,069,246)
able hi position 1st	86,563,317	87,330,342	4,450,126	(767,026)	(767,026)
Graha 2nd Co., Ltd.	20,473,692	20,461,687	759,786	12,004	12,004
Able Yongin Wonsam 2nd Co.,Ltd.	50,297,134	50,536,186	1,997,382	(239,052)	(239,052)
ABLE GUNPO 1ST CO.,LTD.	18,381,451	18,874,773	820,265	(493,322)	(493,322)
TRUE HOUSE FIRST CO., LTD.	29,957,465	29,756,900	1,108,310	200,555	200,555
Breeze Air Primary Co.,Ltd.	100,684,566	100,832,748	2,200,356	(148,192)	(148,192)
Able Gongpyeong 3rd Co.,Ltd	58,382,203	58,312,176	1,723,871	70,018	70,018
NEW STAR L CARD 1ST CO.,LTD.	147,837,864	148,230,726	2,076,295	(392,863)	(392,863)
Olivia 1st Co.,Ltd.	73,445,399	73,309,232	1,238,200	136,157	136,157
THE APOGEE THE FIRST CO.,LTD.	39,308,171	39,276,887	318,491	31,274	31,274
EULJI NAIN 1ST CO.,LTD.	38,589,392	39,236,893	585,154	(647,503)	(647,503)
E&F Blacksapphire Private Equity Fund	39,900,138	3,789	138	(603,651)	(603,651)
Black Sapphire Holdings Co.,Ltd.	175,847,940	140,837,315	56,835	(3,989,375)	(3,989,375)
Global One Professional Investment Type Private U.S. Real Estate Investment Trust No. 2(H)	1,476,198	26	36	(15,122)	60,913
Able Civic 4th Co., Ltd.	54,734,596	54,990,678	264,115	(256,092)	(256,092)
NEWSTAR EXPER 1ST CO.,LTD.	583,210,024	583,987,264	953,080	(777,240)	(777,240)
Newstar JH Center Co., Ltd. [1]	-	-	2,549,414	981,219	981,219
Newstar Sina Co., Ltd. [1]	-	-	1,979,995	25,050	25,050
Lalaroro 1st Co., Ltd. [1]	-	-	554,229	34,054	34,054
French Shine 1st Co., Ltd. [1]	-	-	1,574,900	142,774	142,774
KB Infra 2nd Co., Ltd. [1]	-	-	3,766,827	2,916,891	2,916,891
ABR Joongang2 1st Co.,Ltd [1]	-	-	1,148,655	43,405	43,405
Able MK 1st co.ltd [1]	-	-	2,308,411	14	14
Able Civic Third Co., Ltd. [1]	-	-	378,748	211	211
Newstar Believe Co., Ltd. [1]	-	-	793,424	582,759	582,759
Able NJ DSM Investment REIT [1]	-	-	73,467	(20,373,868)	(24,011,561)
Able PT 1st Co., Ltd [1]	-	-	335,359	39,151	39,151
KB Gold 1st Co.,Ltd. [1]	-	-	742,077	(124,010)	(124,010)
Able Gongpyeong 1st Co.,Ltd [1]	-	-	465,322	59,589	59,589
Vestas Qualified Investors' Private Real Estate Fund Investment Trust No. 38 [1]	-	-	422,989	343,694	343,694
Able Gasan 1st Co., Ltd. [1]	-	-	367,506	59,815	59,815
Able Bonri 1st Co., Ltd. [1]	-	-	7,308,998	(740,605)	(740,605)
Newstar Enerbil 1st Co., Ltd. [1]	-	-	393,852	(52,307)	(52,307)
Newstar Plus 1st Co., Ltd. [1]	-	-	269,260	(2,144)	(2,144)
Bighouse 7th Co., Ltd. [1]	-	-	3,113,874	1,519,228	1,519,228
HD Value 1st Co., Ltd. [1]	-	-	1,322,380	(479,809)	(479,809)
ABLE NJ DSM LLC [1]	-	-	1,647,158	180,171	(1,612,552)
Keppel Private Real Estate Investment Trust No.13 [1]	-	-	924,910	(147,569)	(147,569)
Lamdamine 1st Co.,Ltd [1]	-	-	-	-	-
KB SmartSchool 1st Co., Ltd. [1]	-	-	-	-	-
Able Chowall 2nd Co., Ltd. [1]	-	-	-	-	-
Able TY 2nd Co., Ltd. [1]	-	-	-	-	-

(in thousands of Korean won)

	December 31, 2024		2024		
Name of subsidiary	**Assets**	**Liabilities**	**Operating profit**	**Profit (loss) for the year**	**Total comprehensive income(loss)**
Able Dongtan 1st Co., Ltd. [1]	-	-	-	-	-
PT. Valbury Capital Management [1]	-	-	-	-	-
GDIC 2nd co.ltd [1]	-	-	-	-	-
Able Yongdap 2nd Co., Ltd. [1]	-	-	-	-	-
KB Samyoung Co., Ltd. [1]	-	-	-	-	-
Able Banpo 1st Co., Ltd. [1]	-	-	-	-	-
Able Banpo 2nd Co., Ltd. [1]	-	-	-	-	-
Newstar Gimpo 5th Co.,Ltd. [1]	-	-	-	-	-
KB Osansegyo 2nd Co.,Ltd. [1]	-	-	-	-	-
Newstar one-firm 2023-1 1st. Co., Ltd. [1]	-	-	-	-	-
Newstar one-firm 2023-1 3rd. Co., Ltd. [1]	-	-	-	-	-
Newstar one-firm 2023-1 4th. Co., Ltd. [1]	-	-	-	-	-
Newstar one-firm 2023-1 5th. Co., Ltd. [1]	-	-	-	-	-
Newstar IP Co., Ltd. [1]	-	-	-	-	-
Newstar Yangju Station 1st Co., Ltd. [1]	-	-	-	-	-
KB Tongyoung 1st Co., Ltd [1]	-	-	-	-	-

[1] These companies are excluded from subsidiaries as at December 31, 2024.

The details of changes in scope for consolidation for the year ended December 31, 2025, are as follows:

(a) Subsidiaries newly included in the consolidation

Name of entity	Reason
New Star kumkang 1st Co., Ltd. Buu 1st Co., Ltd. New Star Sinar Third Co., Ltd Prime Twin Co., Ltd New Star YJ Second Co., Ltd New Star Smile First Co., Ltd HJ GALAXY No.4 Co.,ltd Newstar Solution 2nd Co., Ltd Sepia 1st Co., Ltd. ZeroWind pungmu First Co., Ltd. Hyosung Vina Second Co., Ltd newstarwoncle 1st. Co.ltd NetFabric Suncheon First Co., Ltd. KB Infra 4th Co.,Ltd. newstarseongsu 1st. Co.ltd Newstar Songam 1st Co.,ltd.	Holding power over the relevant activities in the event of default and being a provider of credit facilities or purchase commitments, or being exposed to significant variable gains from the acquisition of subordinated bonds.
PineStreet AIOFⅢ Infrastructure General Private Trust No.2	Holding power and being exposed to significant variable gains from the relevant activities of subsidiaries
MS Cheongna No.2 Co., Ltd. New Star SJ First Co., Ltd New Star REITs First Co., Ltd Newstar Cine 1st Co.,ltd.	Holding power over the relevant activities in the event of default and being a provider of credit facilities or purchase commitments, or being exposed to significant variable gains from the acquisition of subordinated bonds.
Samsung Vista Credit BDC Private Investment No.2	Holding power and being exposed to significant variable gains from the relevant activities of subsidiaries
Next Yeongjong First Co., Ltd. New Star KM First Co., Ltd Newstar Next 1st Co.,ltd. Newstar Next 2nd Co.,ltd. Newstar Doan first Co., Ltd PAV Co., Ltd Still No.1 2nd Co., Ltd Newstar L Chemi 1st	Holding power over the relevant activities in the event of default and being a provider of credit facilities or purchase commitments, or being exposed to significant variable gains from the acquisition of subordinated bonds.

(b) Subsidiaries excluded from the consolidation

Name of entity	Reason
Able Eunhwasam 2nd Co., Ltd.	End of payment guarantee contract
EULJI NAIN 1ST CO.,LTD.	End of payment guarantee contract
NewStar Yui the 1st	End of payment guarantee contract
Graha 2nd Co., Ltd.	End of payment guarantee contract
Black Sapphire Holdings Co.,Ltd.	Disposal
E&F Blacksapphire Private Equity Fund	Disposal
Buu 1st Co., Ltd.	End of payment guarantee contract
Prime Twin Co., Ltd	End of payment guarantee contract
Able Civic 4th Co., Ltd.	End of payment guarantee contract
ABLE GUNPO 1ST CO.,LTD.	End of payment guarantee contract
Gyeongsan Logis 1st Co., Ltd	Repayment of loan
JB New Jersey Private Real Estate Fund 1	Liquidation
Sepia 1st Co., Ltd.	End of payment guarantee contract

Able Dosan 1st Co., Ltd	End of payment guarantee contract
New Star Smile First Co., Ltd	End of payment guarantee contract
K-1 23th Yeoksam Real Estate Investment Trust Company	Disposal
Breeze Air Primary Co.,Ltd.	End of payment guarantee contract
Newstar NRB First Co., Ltd.	End of payment guarantee contract
Newstar Solution 2nd Co., Ltd	End of payment guarantee contract
ZeroWind pungmu First Co., Ltd.	End of payment guarantee contract
New Star kumkang 1st Co., Ltd.	Disposal
NEWSTAR EXPER 1ST CO.,LTD.	End of payment guarantee contract
newstarseongsu 1st. Co.ltd	Disposal
Newstar Sina 2nd Co., Ltd.	End of payment guarantee contract
TW Seocho 1st Co., Ltd.	Disposal
TW Seocho 2nd Co., Ltd.	Disposal
Able Dangjin 1st Co.,Ltd.	Disposal
Able Beomeo-one Co., Ltd.	Repayment of loan
THE APOGEE THE FIRST CO.,LTD.	End of payment guarantee contract
Able Wonchang 1st Co., Ltd.	Repayment of loan

2. Material Accounting Policies

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

2.1 Basis of Preparation

The Group maintains its accounting records in Korean won and prepares statutory consolidated financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean 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 Korean IFRS. These are the standards and related interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the Republic of Korea.

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

- *Certain financial assets and liabilities (including derivatives instruments), certain classes of property, plant and equipment and investment properties measured at fair value*
- *Assets held for sale measured at fair value less costs to sell*
- *Conditional considerations measured at fair value, and*
- *Defined benefit obligation and plan assets measured at fair value*

The preparation of the consolidated financial statements requires the use of certain significant accounting estimates. Management also needs to exercise judgement in applying the Group’s accounting policies. The 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 3.

2.2 Changes in Accounting Policy and Disclosures

2.2.1 New and amended standards adopted by the Group

The Group has applied the following amended standards for the first time for its annual reporting period commencing January 1, 2025.

- *Amendment of Korean IFRS No.1021 “The Effects of Changes in Foreign Exchange Rates” and Korean IFRS No.1101 “First-time Adoption of International Financial Reporting Standards”—Lack of exchangeability*

The amendments require the Group to estimate the exchangeability of the currency, and to disclose information related to the currency not exchangeable into the other currency with estimation of foreign exchange rates. These amendments do not have a significant impact on the consolidated financial statements.

- Amendment of Korean IFRS No.1117 "Insurance contracts"

If the estimation methods of input variables used to measure an insurance contract differ from the principled estimation methods required by insurance-related regulations, and if the differences and their impact on the financial statements are judged to be relevant and material to users of the financial statements, they are disclosed.

2.2.2 The following amended standards have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Group.

- *Amendments to Korean IFRS No.1109 Financial Instruments and Korean IFRS No.1107 Financial Instruments - Disclosure*

The amendments of Korean IFRS 1109, Financial Instruments, and Korean IFRS 1107, Financial Instruments: Disclosure have been made for the purpose of addressing questions raised in practice and reflecting new requirements. The amendments should be applied for annual reporting periods beginning on or after January 1, 2026, and earlier application is permitted. The main amendments are as follows: The Group is in the process of reviewing the impact of these amendments on the consolidated financial statements.

- Allowing financial liabilities to be considered settled (derecognized) through electronic payment systems before the settlement date, if certain criteria are met.
- Clarifying and adding additional guidance for assessing whether a financial asset meets the criteria for payments of principal and interest only.
- Disclosing the impact on the company and the extent to which the company is exposed, of contractual terms that change the timing or amount of cash flows under the contract, for each type of financial instrument.
- Additional disclosures for equity instruments at designated FVOCI.

- *Annual Improvement of Korean IFRS Volume 11*

Annual Improvements to Korean IFRS Volume 11 should be applied for annual reporting periods beginning on or after January 1, 2026, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the consolidated financial statements.

· *Korean IFRS No. 1101, First-Time Adoption of Korean IFRS : Application of Hedge Accounting upon First-Time Adoption of K-IFRS*
· *Korean IFRS No. 1107, Financial Instruments: Disclosure: Derecognition of Profit and Loss, Guidance on Practice*
· *Korean IFRS No. 1109, Financial Instruments: Derecognition of Lease Liabilities and Definition of Transaction Price*
· *Korean IFRS No. 1110, Consolidated Financial Statements: Determination of De facto Agent*
· *Korean IFRS No. 1007, Cash Flow Statement: Cost Method*

- *Amendments to Korean Accounting Standards No. 1109, "Financial Instruments," and Korean Accounting Standards No. 1107, "Financial Instruments: Disclosures" - Contracts Related to Power Reliant on Nature*

The amendments define contracts related to power dependent on nature as contracts that expose companies to the volatility of the underlying electricity supply because the source of electricity generation depends on uncontrollable natural conditions (e.g., weather). The amendments also clarify that "contracts to purchase or sell power dependent on nature" are subject to the self-use exception. Furthermore, The amendments change hedge accounting requirements, including allowing the designation of "variable notional quantities" of "expected power transactions dependent on nature" as "hedged items," and add related disclosures. These amendments are effective for the year beginning on or after January 1, 2026, with early adoption permitted. These amendments do not have a significant impact on the financial statements.

- *Enactment of Corporate Accounting Standards No. 1118, "Presentation and Disclosure of Financial Statements"*

Korean IFRS 1118, "Presentation and Disclosure of Financial Statements," replaces Korean IFRS 1001, "Presentation of Financial Statements." The new presentation requirements introduced by Korean IFRS 1118, particularly regarding the definition of operating profit or loss, will enhance the comparability of financial performance across comparable companies. Furthermore, the disclosure requirement for "performance measures defined by management" will enhance transparency. The standard will be effective for the year beginning on or after January 1, 2027, with early adoption permitted. In accordance with the standard's retrospective requirement, comparative information for the year ended December 31, 2026, will be restated in accordance with Korean IFRS 1118.

The Group has not yet adopted Korean IFRS 1118 and is currently assessing the impact of its adoption. The Group is developing a transition plan and is preparing, as scheduled, its first interim financial statements under No. 1118 for the period ended March 31, 2027, and its annual financial statements for the year ended December 31, 2027.

2.3 Consolidation

The Group has prepared the consolidated financial statements in accordance with Korean IFRS No.1110 *Consolidated Financial Statements.*

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred is measured at the fair values of the assets transferred, and 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.

Meanwhile, the Group applies the book-value method to account for business combinations of entities under common control. Identifiable assets acquired and liabilities assumed in a business combination are measured at their book values on the consolidated financial statements of the ultimate parent entity. In addition, the difference between the sum of consolidated book values of the assets and liabilities transferred and accumulated other comprehensive income; and the consideration paid is recognized as capital surplus.

The excess of 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 the profit or loss as a bargain purchase.

Intergroup transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. If the Group’s share of losses of an associate equals or exceeds its interest in the associate (including long-term interests that, in substance, form part of the Group’s net investment in the associate), the Group discontinues recognizing its share of further losses. After the Group’s interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

If there is objective evidence of impairment on the investment in the associate, the Group recognizes the difference between the recoverable amount of the associate and its book amount as impairment loss.

If an associate uses accounting policies other than those of the Group for the identical transactions and events in similar circumstances, if necessary, adjustments shall be made to make the associate’s accounting policies conform to those of the Group when the associate’s financial statements are used by the Group in applying the equity method.

(c) Joint Arrangements

A joint arrangement, wherein 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-venturer has rights to the net assets relating to the joint venture and accounts for that investment using the equity method.

2.4 Foreign Currency Translation

(a) 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 Group operates (“the functional currency”). The financial statements are presented in Korean won, which is the Group’s functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges and qualifying effective portion of hedge of net investments in foreign operations, or are attributable to monetary part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities held at fair value through other comprehensive income are recognized in other comprehensive income.

2.5 Recognition and Measurement of Financial Assets

2.5.1 Classification

The Group classifies financial assets as follows.

- *Those to be measured at fair value (through profit or loss or other comprehensive income)*
- *Those to be measured at amortised cost*

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The Group reclassifies debt investments when, and only when its business model for managing those assets changes.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. Changes in fair value of non-designated equity investment are recognized in profit or loss.

2.5.2 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2.5.2.1 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. The Group classifies its debt instruments into one of the following three measurement categories:

(a) Amortised 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 amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in 'interest income' using the effective interest rate method.

(b) Fair value through other comprehensive income

Assets that are held for collection of contractual cash flows and for selling the financial assets, 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 (reversal of impairment 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. Interest income from these financial assets is included in 'interest income' using the effective interest rate method. Foreign exchange gains and losses are presented in 'gain or loss on foreign currency transaction' and impairment losses are presented in 'loss on valuation and disposal of financial instrument'.

(c) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit or loss within 'gain or loss on valuation and disposal of financial instrument' in the year in which it arises.

2.5.2.2 Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividend income from such investments continues to be recognized in profit or loss when the right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in 'gain or loss on valuation and disposal of financial instrument' in the statement of profit or loss. Impairment loss (reversal of impairment loss) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

2.5.3 Impairment

The Group assesses on a forward-looking basis expected credit losses associated with its debt instruments carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. The Group measures expected credit losses by reflecting reasonable and supportable information that is reasonably available at the reporting date without undue cost or effort, including information about past events, current conditions and forecasts of future economic conditions.

The Group uses the following three measurement techniques in accordance with Korean IFRS:

- *General approach: for financial assets and off-balance-sheet unused credit line that below two approaches are not applied*
- *Simplified approach: for receivables, contract assets and lease receivables*
- *Credit-impaired approach: for purchased or originated credit-impaired financial assets*

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

The Group determines whether the credit risk has increased significantly since initial recognition using the following information. One or more of the following circumstances is deemed significant increase in credit risk.

- *More than 30 days past due;*
- *Decline in credit rating at period end by more than certain notches as compared to that at initial recognition;*
- *Decline in ratings below certain level in the early warning system;*

Under simplified approach, the Group shall always measure the loss allowance at an amount equal to lifetime expected credit losses. Under credit-impaired approach, the Group shall only recognize the cumulative changes in lifetime expected credit losses since initial recognition as a loss allowance for purchased or originated credit-impaired financial assets.

The Group generally deems credit-impaired in case of one or more of the following circumstances:

- *90 days or more past due;*
- *Legal proceedings related to collection;*
- *Refinancing;*
- *Corporate borrowers that are rated C or D;*
- *Debt restructuring.*

2.5.3.1 Forward-looking information

The Group uses forward-looking information, when it determines whether the credit risk has increased significantly since initial recognition and measures expected credit losses.

The Group assumes the risk component has a certain correlation with the business cycle, and calculates the expected credit loss by reflecting the forward-looking information with macroeconomic variables on the measurement inputs.

Forward-looking information used in calculation of expected credit loss is derived after comprehensive consideration of a variety of factors including scenario in management planning, risk situation scenario for stress test, third party forecast, and others.

2.5.3.2 Measuring expected credit losses on financial assets at amortised cost

The amount of the loss on financial assets at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The Group estimates expected future cash flows for financial assets that are individually significant (individual assessment of impairment).

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

- Individual assessment of impairment

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

- Collective assessment of impairment

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

2.5.3.3 Measuring expected credit losses on financial assets at fair value through other comprehensive income

Measuring method of expected credit losses on financial assets at fair value through other comprehensive income is equal to the method of financial assets at amortised cost, except for loss allowances that are recognized as other comprehensive income. Amounts recognized in other comprehensive income for sale or repayment of financial assets at fair value through other comprehensive income are reclassified to profit or loss.

2.5.4 Recognition and Derecognition

Regular way purchases and sales of financial assets are recognized or derecognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

If a transfer does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received. The Group classified the financial liability as "borrowings" in the statement of financial position.

The Group writes off the carrying amount and allowance of 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.

2.5.5 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.6 Financial Liabilities

2.6.1 Classification and Measurement

The Group's financial liabilities at fair value through profit or loss are financial instruments held for trading. A financial liability is held for trading if it is incurred principally for the purpose of repurchasing in the near term. A derivative that is not designated as hedging instruments and an embedded derivative that is separated are also classified as held for trading.

The Group classifies non-derivative financial liabilities, except for financial liabilities at fair value through profit or loss, financial guarantee contracts and financial liabilities that arise when a transfer of financial assets does not qualify for derecognition, as financial liabilities carried at amortised cost and present as 'deposits liabilities', 'borrowings', and 'other financial liabilities' in the statement of financial position.

2.6.2 Derecognition

Financial liabilities are removed from the statement of financial position when it is extinguished; for example, when the obligation specified in the contract is discharged or canceled or expired or when the terms of an existing financial liability are substantially modified. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

The Group's financial liabilities at fair value through profit or loss are financial instruments held for trading. A financial liability is held for trading if it is incurred principally for the purpose of repurchasing in the near term. A derivative that is not a designated as hedging instruments and an embedded derivative that is separated are also classified as held for trading. Financial liabilities designated the financial liabilities at fair value through profit or loss is the structured financial liabilities containing embedded derivatives issued by the Group.

The changes in fair value of financial liabilities at fair value through profit or loss due to the change of credit risk is recognized as other comprehensive income(instead of profit and loss) and this other comprehensive income can not be transferred to profit and loss in subsequent events.

2.7 Derivative Financial Instruments

The Group enters into numerous derivative financial instrument contracts such as stock options, stock swaps, interest rate swaps and others for trading purposes or sale and issue of derivative combined securities. These derivative financial instruments are presented as derivative financial instruments within the financial statements irrespective of transaction purpose and subsequent measurement requirement.

Derivatives are initially recognized at fair value on the date a derivative contract enters into and are subsequently re-measured at their fair value. The changes of the fair value of derivatives financial instruments held for trading are recognized in profit or loss as 'gain or loss on valuation and disposal of financial instrument'.

Fair value of derivative instrument traded in active market is a quoted price. In case of fair value of relatively simple derivative instruments such as options, interest rate or currency swaps and others is calculated using one or more valuation techniques like cash flow discount model, option pricing model which is based on observable data and appropriate considering the nature of objects.

Also, fair value of more complex derivative instrument is calculated using valuation techniques based on unobservable data in the market. The accuracy of the valuation techniques is approved by periodical review.

2.7.1 Day 1 Profit and Loss

Accordance with Korean IFRS, if there is no available price from active market and if the Group uses a valuation technique that uses unobservable valuation parameters from market for the fair value at initial recognition of financial instruments, there could be a difference between the transaction price and the amount determined using that valuation technique. In these circumstances, the fair value of financial instruments is recognized as the transaction price and the difference is amortised by using the straight line method over the life of the financial instruments.

2.7.2 Credit risk adjustments

In case of exchange-traded derivative instrument, credit risk is not reflected on the fair value because exchange-traded derivative instrument is traded in public exchange, and it is not available to identify certain counterparties. Fair value of OTC derivative instrument only reflects credit risk.

2.7.3 Hedge accounting

The accounting treatment of changes of fair value for the derivatives varies as the character of hedging items and the purpose of hedging. The Group holds derivative contracts for the purpose of hedging the risk and the Group designates certain derivatives as hedging instruments to hedge the risk as follows.

(a) Fair value hedge : a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment
(b) Cash flow hedge : a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, the recognised asset or liability or a highly probable forecast transaction
(c) Hedge of net investments in foreign operations

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged items, including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship.

The fair value of derivatives for hedge is disclosed in note 37.

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognized in profit or loss. The gain or loss from remeasuring the hedging instrument at fair value and the gain or loss on the hedged item attributable to the hedged risk are recognized in profit or loss

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item is fully amortised to profit or loss by the maturity of the financial instrument using the effective interest method.

The accounting treatments of hedge of net investments in foreign operations are similar to those of cash flow hedge.

If hedging instruments qualify for a hedge of net investments in foreign operations, the effective portion of changes in fair value of hedging instrument is recognized in other comprehensive income or loss and the ineffective portion is recognized in profit or loss. The gain or loss on the hedging instrument relating to the effective portion of the hedge that has been recognized in other comprehensive income will be reclassified from other comprehensive income or loss to profit or loss as a reclassification adjustment on the disposal or partial disposal of the foreign operation.

2.8 Property and Equipment

All property and equipment except for land are recognized 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.

Land is measured at fair value on the basis of the valuation performed by an independent valuer. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

If an asset's carrying amount is increased as a result of a revaluation, the increase is recognized in other comprehensive income and the amount is accumulated in equity under the heading of revaluation surplus after netting deferred tax. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized in profit or loss. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus. The revaluation surplus included in equity in respect of an item of property and equipment is transferred directly to retained earnings when the asset is derecognized.

Depreciation of all property and equipment, except for land, is calculated using the following method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

Property and equipment	Estimated useful lives	Depreciation method
Buildings	40 years	Straight-line method
Vehicles	4 years	Straight-line method
Furniture and equipment	4 years	Straight-line method
Other	4 years	Straight-line method
Right-of-use assets	1~10 years (initial date of the contract entered into ~ maturity date)	Straight-line method

The residual value, the useful life and the depreciation method applied to an asset are reviewed at least at each financial year-end and, if needed, the changes are accounted for as a change in an accounting estimate.

2.9 Investment Property

Property held to earn rentals or for capital appreciation or both is classified as investment property. Investment property is measured initially at its cost. After recognition as an asset, investment property is carried at cost less accumulated depreciation and impairment losses. Investment property, except for land, is depreciated using the straight-line method over their useful lives of 40 years.

2.10 Intangible Assets

Intangible assets are measured initially at cost and subsequently carried at their cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets, except for goodwill, comprise software and membership rights, and are amortised using the straight-line method with no residual value over following estimated useful economic life since the asset is available for use. However, goodwill and membership rights are not amortised by considering their useful life as indefinite, because there is no expectable limit to period for use.

Intangible assets	Estimated useful lives	Amortization method
Development costs	4 years	Straight-line method
Software	4 years	Straight-line method

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at the end of each financial year. The management reviews the useful life of intangible assets that is not being amortised each period to determine whether events and circumstances continue to support an indefinite useful life. If management judges that previous estimates should be adjusted, the change is accounted for as a change in an accounting estimate.

2.11 Impairment of Non-financial Assets

Goodwill or intangible assets with indefinite useful lives are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. Non-financial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.12 Lease

Lease income from operating leases where the Group is a lessor is recognized on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

The Group should assess whether a contract is, or contains a lease at the date the contract entered into and the initial application date under Korean IFRS No.1116. But the Group may elect not to reassess whether a contract is, or contains a lease for the contract entered into before the transition date by applying practical expedient permitted by Korean IFRS No.1116. The Group has gone through all the contract to assess whether the contract is, or contains, a lease at the date the contract entered into after the date of initial application.

A lessee is required to recognize a right-of-use asset (lease asset) representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- *Fixed payments (including in-substance fixed payments), less any lease incentives receivable*
- *Variable lease payment that are based on an index or a rate*
- *Amounts expected to be payable by the lessee under residual value guarantees*
- *The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and*
- *Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease*

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate can not be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- *The amount of the initial measurement of lease liability*
- *Any lease payments made at or before the commencement date less any lease incentives received*
- *Any initial direct costs incurred by the lessee, and*
- *An estimate of restoration costs*

However, short-term lease (lease that, at the commencement date, has a lease term of 12 months or less) and lease of low-value assets (For example, underlying leased asset under $ 5,000) are permitted to elect exceptional conditions.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term.

Related to sale and leaseback, the Group (seller-lessee) is required to apply the Korean IFRS No.1115 '*Revenue from Contracts with Customers*' to determine whether the transfer of an asset is accounted for as a sale of that asset. However, the Group shall not reassess sale and leaseback transactions entered into before the date of initial application.

Large number of lease contracts held by the Group have extension option and termination option. These conditions are generally used for maximizing the flexibility of lease operation in a view of managing the contracts. Extension option or termination option included in the lease contracts are generally owned by the Group, not lessor. The Group re-evaluated the lease term of the lease contracts by taking into account the contract type, operation plan for branch offices, and costs related to lease termination . As a result, no significant change in the existing lease term has occurred.

2.13 Provisions

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation and the increase in the provision due to passage of time is recognized as interest expense.

2.14 Financial Guarantee Contracts

Financial guarantees contracts provided by the Group are initially measured at fair value on the date the guarantee was given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the amounts below and recognized as 'other financial liabilities':

- Loss allowance in accordance with Korean IFRS No.1109, '*Financial Instruments'*
- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Korean IFRS No.1115, '*Revenue from Contracts with Customers'*

2.15 Revenue Recognition

The Group recognizes revenues in accordance with the following five-step revenue recognition standard (Korean IFRS No.1115 *Revenue from Contracts with Customers*).

- Step 1: Identify the contract with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

2.16 Employee Benefits

2.16.1 Retirement benefit liabilities: Defined benefit plans and Defined contribution plans

The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The contributions are recognized as employee benefit expenses when an employee has rendered service. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent 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.

2.16.2 Short-term employee benefits

Short-term employee benefits, which are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the service, are recognized in profit or loss at the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service.

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.

2.16.3 Share-based payment

The Group is under share-based payment arrangements that grant shares to the executives of the Group. When the arrangements are exercised, the Group provides share or cash equal to the monetary value of the share.

The Group measures the services acquired and the liability incurred at fair value, and the fair value is recognized as expense and accrued expenses over the vesting period. Until the liability is settled, the Group remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss as share-based payments.

2.17 Income Tax Expenses

Income tax expense comprises current income tax and deferred income tax and is recognized in profit or loss for the year, except to the extent that the tax arises from (a) a transaction or event which is recognized either in other comprehensive income or directly in equity and (b) a business combination.

2.17.1 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. A difference between the taxable profit and accounting profit may arise when income or expense is included in accounting profit in one period but is included in taxable profit in a different period. Differences may also arise if there is revenue that is exempt from taxation or expenses that is not deductible in determining taxable profit (tax loss). Current income tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Group offsets current income tax assets and current income tax liabilities if, and only if, the Group (a) has a legally enforceable right to set off the recognized amounts and (b) intends to settle on a net basis.

2.17.2 Deferred income tax

Deferred income tax is recognized, using the asset-liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred income tax liabilities are recognized for all taxable temporary differences and deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax 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 profit nor taxable profit or loss.

Deferred income tax is recognized on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of a deferred income tax asset is reviewed at the end of each reporting period. The Group reduces the carrying amount of a deferred income tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred income tax liabilities and deferred income tax assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current income tax and deferred income tax are included in the calculation of income tax expense. Income taxes related to prior period are included in current income tax.

Deferred income taxes, recognized directly in equity or arisen from business combination, are directly deducted from equity or goodwill.

2.17.3 Tax Uncertainties

Due to the complexity of transactions and differences in tax law interpretation, tax policies adopted by the Group may present tax uncertainties. These tax uncertainties arise in tax correction claims, refund lawsuits for tax surcharges by the tax authorities, tax audits and so on. The Group accounts for such tax uncertainties in accordance with Korean IFRS No. 1012 and Korean IFRS No. 2123.

In other words, if the Group has paid an amount due to an additional tax assessment by the tax authorities but the likelihood of a future refund is high, it recognizes the amount as a corporate tax asset. Conversely, amounts expected to be paid as a result of a tax audit or similar investigation are recognized as a corporate tax liability. However, penalties and interest on refunds are regarded, based on their economic substance, as interest or fines, and are accounted for in accordance with Korean IFRS 1037.

2.18 Operating Segment Reporting

Operating segments are components of the Group, about which separate internal reporting information is evaluated regularly by the chief operating decision makers including Board of Directors in deciding how to allocate resources and to assess performance. 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, different technology required and marketing strategies.

Segment information includes the items which are directly attributable and reasonably allocated to the segment.

2.19 Other Receivables and Payables Related to Brokerage Transactions

Regarding customer brokerage transactions, the Group recognizes the receivable from and payable to the Korea Exchange (Clearing and settlement organization) and customers in total amounts, which the Group recognizes as other financial assets and other financial liabilities. The Group offsets the receivable and payable that arise between Korea Exchange and the Group within the same day.

2.20 Business Combinations

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred is measured at the fair values of the assets transferred, and 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 applies the book-value method to account for business combinations of entities under common control. Identifiable assets acquired and liabilities assumed in a business combination are measured at their book values on the consolidated financial statements of the ultimate parent entity. In addition, the difference between the sum of book values of the assets and liabilities transferred and accumulated other comprehensive income; and the consideration paid is recognized as capital surplus.

2.21 Approval of Issuance of the Financial Statements

The issuance of the December 31, 2025 consolidated financial statements of the Group was approved by the Board of Directors on February 4, 2026, which is subject to change with approval at the annual shareholder's meeting.

3. Critical Accounting Estimates and Assumptions

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

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

3.1 Income taxes

The Group recorded, based on its best estimate, current taxes and deferred taxes that the Group will be liable in the future for the operating results at the end of the reporting period. However, the final tax outcome in the future may be different from the amounts that were initially recorded. Such differences will impact the current and deferred income tax assets and liabilities in the period in which the final tax outcome is determined.

If certain portion of the taxable income is not used for investments or increase in wages in accordance with the Special Taxation for Facilitation of Investment and Mutually-Beneficial Cooperation, the Group is liable to pay additional income tax calculated based on the tax law. Accordingly, the measurement of current and deferred income tax is affected by the tax effects from such tax law. As the Group's income tax is dependent on the investments and increase in wages, there exists uncertainty with regard to measuring the final tax effects.

3.2 Fair value of financial instruments

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available is determined by using valuation techniques. Financial instruments, which are not actively traded in the market and those with less transparent market prices, will have less objective fair values and require broad judgment on liquidity, concentration, uncertainty in market factors and assumptions in price determination and other risks.

As described in Note 2.5, 'Recognition and Measurement of Financial Instruments', diverse valuation techniques are used to determine the fair value of financial instruments, from generally accepted market valuation models to internally developed valuation models that incorporate various types of assumptions and variables.

3.3 Impairment of financial assets

In accordance of Korean IFRS No.1109, the provision for impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period (Note 2.5).

3.4 Measurement of defined benefit obligation

The present value of the defined benefit liability depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the defined benefit liability. The Group determines the appropriate discount rate at the end of the reporting period. This is the interest rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit liability. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the pension benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. Other key assumptions for defined benefit liability are based in part on current market conditions.

4. Segment Information

4.1 Types of services from which each reportable segment derives its revenues

Management of the Group decides operating segment based on the information, which is to be reported to the Group's chief executive officer, in order to allocate resources to the segment and evaluate performance of the segment. The Group's operating segments consist of brokerage and wealth management, investment banking, trading and other business.

In accordance with Korean IFRS No.1108, reporting segments of the Group by type of services categories are as follows:

Reporting segment	Main business activities
Brokerage and wealth management	Sales and services relating to wealth management and brokerage provided to individuals, corporations and institutional investors
Investment banking	Underwriting and advisory services related to bond issuance, structured finance, initial public offering, and mergers and acquisition
Trading	Trading of securities and derivatives, and proprietary trading
Others	Other services and support services

4.2 Revenue and income of segment reporting

Financial information by operating segment for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

	2025				
	Operating income	Operating expense	Operating profit	Non-operating income(expense)	Profit(loss) before income tax expense(income)
Brokerage and wealth management	7,811,177,641	7,267,789,965	543,387,676	(16,795,662)	526,592,014
Investment banking	1,204,956,919	1,088,728,368	116,228,551	4,719,939	120,948,490
Trading	4,366,108,310	4,323,640,622	42,467,688	(4,838,649)	37,629,039
Others	765,982,676	556,495,589	209,487,087	12,235,081	221,722,168
	14,148,225,546	13,236,654,544	911,571,002	(4,679,291)	906,891,711

(in thousands of Korean won)

	2024				
	Operating income	Operating expense	Operating profit	Non-operating income(expense)	Profit(loss) before income tax expense(income)
Brokerage and wealth management	5,125,756,091	4,796,445,268	329,310,823	(58,644,234)	270,666,589
Investment banking	1,170,072,565	983,069,680	187,002,885	36,383,312	223,386,197
Trading	3,929,884,607	3,893,895,155	35,989,452	3,518,269	39,507,721
Others	606,317,462	377,834,145	228,483,317	(13,410,811)	215,072,506
	10,832,030,725	10,051,244,248	780,786,477	(32,153,464)	748,633,013

The above reported operating income is generated from external customers and inter-segment transactions, and expense includes expenses that can be directly attributed or reasonably allocated to each segment including internal interests. Segment profit represents the profit earned by each segment, reported to the chief executive officer to determine the allocation of resources and to measure the respective segments' performance.

4.3 Assets and liabilities of segments

Total assets and liabilities by each segment as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	
	Total assets	**Total liabilities**
Brokerage and wealth management	12,611,238,694	13,577,838,823
Investment banking	6,370,430,981	1,926,144,042
Trading	28,087,886,043	11,481,948,171
Others	29,405,334,618	42,592,224,059
	76,474,890,336	69,578,155,095

(in thousands of Korean won)	2024	
	Total assets	**Total liabilities**
Brokerage and wealth management	7,564,847,592	8,311,185,348
Investment banking	6,750,342,725	2,777,070,185
Trading	26,389,900,152	11,811,775,837
Others	22,685,444,884	33,602,174,307
	63,390,535,353	56,502,205,677

4.4 Information on principal customers

No single customer contributed 10% or more to the Group's revenue for the years ended December 31, 2025 and 2024.

5. Cash and Deposits

The details of cash and deposits as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	**2025**	**2024**
Cash and cash equivalents		
Cash on hand	298	256
Cash in foreign currency	2,472	3,006
Demand deposits	165,866,019	466,097,989
Checking deposit	16,244,316	12,908,712
Foreign currency deposits	184,852,869	192,459,262
Certificates of deposit	17,218,800	16,170,000
MMDA	248,670,778	88,351,061
Accommodation notes	-	7,096,548
	632,855,552	783,086,834
Deposits		
Deposits for securities subscription	21,538,625	1,083,733
Reserve for claims of customers' deposits	1,506,899,724	802,442,695
Guarantee deposits for securities lending and borrowing	389,805,311	46,752,791
Deposits for exchange-traded derivatives	472,541,683	584,738,144
Guarantee deposits for KSFC trading	1,294,281	-
Long-term deposits	155,081,447	109,213,322
Restricted due from financial institutes	42,000	39,000
Others	927,570,303	995,886,495
Allowances for credit losses of deposits	(1,059,769)	(738,213)
	3,473,713,605	2,539,417,967
	4,106,569,157	3,322,504,801

Restricted deposits as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Deposits for securities subscription [1]	21,538,625	1,083,733
Reserve for claims of customers' deposits [2]	1,506,899,724	802,442,695
Guarantee deposits for securities lending and borrowing [3]	389,805,311	46,752,791
Deposits for exchange-traded derivatives [4]	472,541,683	584,738,144
Guarantee deposits for KSFC trading [5]	1,294,281	-
Long-term deposits [6]	69,000,000	82,361,293
Restricted due from financial institutes [7]	42,000	39,000
Others [8]	927,570,303	995,886,495
	3,388,691,927	2,513,304,151

[1] Subscription deposits are subscription margin of investors and the Group that are separately deposited at Korea Securities Finance Corporation(KSFC) or other relevant financial institutions until due date for payment for the subscription of the newly issued or sold securities in accordance with the provisions of Article 4-44 of the Regulation on Financial Investment Business.
[2] The reserve for claims of customers' deposits is deposited separately in a form of trust in KSFC to meet the demands of investors, such as return of deposit and others, in accordance with Article 74 of the Financial Investment Services and Capital Markets Act.
[3] Deposited in Korea Securities Depository to guarantee for securities lending and borrowing.
[4] The deposits for exchange-traded derivatives that the investors and the Group pay for foreign futures option trading to KEB Hana Bank and Forex Dealer Member.
[5] In the case of an investor's loan transaction, a certain portion of the price of securities sold is deposited at KSFC as margin.
[6] Pledged deposits provided for securities lending and borrowing, repurchase agreements between institutions and retail payment through investment & securities companies are included.
[7] Guarantee deposits for checking accounts
[8] Deposits in foreign currency and others consist of the margin accounts for trading financial instruments in foreign markets and deposits to court.

Changes in allowances for credit losses of deposits for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025		
	12-month expected credit losses	Lifetime expected credit losses	
		Non- impaired	Impaired
Beginning	738,213	-	-
Provision	321,556	-	-
	1,059,769	-	-

(in thousands of Korean won)	2024		
	12-month expected credit losses	Lifetime expected credit losses	
		Non- impaired	Impaired
Beginning	290,229	-	-
Provision	448,028	-	-
Other changes (foreign exchange rate, etc.)	(44)	-	-
	738,213	-	-

6. Financial Instruments at FVTPL

The details of financial instruments at FVTPL as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	Financial Assets at FVTPL		Financial Liabilities at FVTPL	
	2025	2024	2025	2024
Financial assets required to be mandatorily measured at FVTPL	42,787,453,811	37,098,018,781	2,910,712,724	2,558,520,223
Financial assets designated at FVTPL	-	-	7,996,513,415	8,010,047,059
	42,787,453,811	37,098,018,781	10,907,226,139	10,568,567,282

6.1 Financial assets required to be mandatorily measured at FVTPL

The details of financial assets required to be mandatorily measured at FVTPL as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Deposits		
Reserve for claims of customers' deposits (trust) [1]	6,291,667,379	4,458,853,144
Equity instruments		
Stocks	4,090,047,147	1,629,488,642
Debt instruments		
Government and local government bonds	2,931,969,940	4,038,123,584
Special bonds	4,210,324,688	4,394,107,831
Corporate bonds	6,824,486,015	5,887,629,630
Corporate commercial papers	5,369,662,486	5,668,511,190
Asset-backed short-term bonds	1,124,792,053	1,731,958,269
Hybrid bond with security-like features	328,391,430	267,899,220
Investment in partnerships	717,130,999	621,369,479
Collective investment securities	6,587,303,623	4,889,259,964
Hybrid stock with bond-like features	137,557,530	191,300,842
Loans		
Loan receivables	960,390,430	937,623,364
Derivative linked securities		
Equity-linked securities	80,970,708	10,897,742
Other derivative linked securities	1,021,084,300	783,440,520
Other OTC derivative combined contract	143,046,855	102,732,731
Securities in foreign currency		
Stocks in foreign currency	50,592,275	56,718,799
Bonds in foreign currency	1,243,360,934	841,110,016
Investment in partnerships in foreign currency	49,909,886	52,692,465
Collective investment securities in foreign currency	231,861,157	148,454,235
Collective fund for default loss	96,241,957	82,900,562
Hybrid bonds	293,249,242	271,689,060
Exchange traded notes	134,273	-
Other short-term securities held for sale	3,278,504	31,257,492
	42,787,453,811	37,098,018,781

[1] The reserve for claims of customers' deposits is restricted to use because this reserve is deposited separately in a form of trust in KSFC to meet the demands of investors, such as return of deposit and others, in accordance with Article 74 of the Financial Investment Services and Capital Markets Act.

Details of securities sold which are classified as financial liabilities at FVTPL as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Equity Securities		
Stocks	1,640,199,761	798,188,133
Debt Securities		
Government and local government bonds	1,243,927,993	1,758,937,852
Collective investment securities	26,584,970	1,394,238
	2,910,712,724	2,558,520,223

The details of financial assets pledged as collateral as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	Description[1]	2025	2024	Security right holder
Financial assets at FVTPL	Guarantee deposits for lending and borrowing securities and bonds	11,148,996,178	9,908,290,516	Korea Securities Depository, KSFC, etc.
	Margin required and guarantee deposits for derivatives trading	1,741,587,209	1,591,262,017	Korea Stock Exchange, etc.
	Guarantee deposits for loan	105,943,750	-	Kookmin Bank
	Guarantee deposits for reverse repurchase agreements	4,148,851,974	4,232,134,843	Customer, Institution
Financial assets at FVOCI	Guarantee deposits for lending and borrowing securities and bonds	4,041,764,331	2,510,367,880	Korea Securities Depository, KSFC, etc.
	Guarantee deposits for derivatives trading	106,035,567	183,121,174	Korea Securities Depository, etc.
	Guarantee deposits for reverse repurchase agreements	2,601,915,338	1,811,592,215	Customer, Institution
		23,895,094,347	20,236,768,645	

[1] As at December 31, 2025 and 2024, the accrued interests related to debt securities provided as collateral of ₩ 235,903 million and ₩ 406,426 million, respectively, are excluded.

The Group provides ₩ 10,485,363 million and ₩ 8,027,229 million of its borrowing securities held as collateral to KSFC and others as at December 31, 2025 and 2024, respectively.

As at December 31, 2025 and 2024, the fair values of collaterals sold or repledged as collateral regardless of default are as follows:

(in thousands of Korean won)	Securities	
	2025	2024
Fair value of collateral held	2,034,440,723	2,255,447,484
Fair value of collaterals sold or re-provided as collateral	-	-
	2,034,440,723	2,255,447,484

6.2 Financial liabilities designated at FVTPL

The details of financial liabilities designated at FVTPL as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Derivative linked securities		
Equity-linked securities	3,959,492,400	4,437,103,116
Other derivative linked securities	2,440,972,492	2,062,512,677
Other OTC derivative combined contract	1,088,148,738	1,209,941,532
Exchange traded notes	507,899,785	300,489,734
	7,996,513,415	8,010,047,059

The differences between the contractual value to be paid at maturity and the carrying amount of financial liabilities at FVTPL as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Contractual value to be paid at maturity	7,909,016,857	7,947,235,520
Carrying amount	7,996,513,415	8,010,047,059
Differences	(87,496,558)	(62,811,539)

Accumulated changes in fair value of financial liabilities at FVTPL due to the change of credit risk as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	Other comprehensive income recognized from changes of fair value due to the change of credit risk (before tax) [1]	
	2025	2024
Beginning of the year	23,501,476	16,008,372
Change of fair value	4,805,676	7,493,104
End of the year	28,307,152	23,501,476

[1] The Group assessed OCI based on the probability of default corresponding to the Group's credit rating and loss given default. The amount is before tax.

7. Derivatives and Hedge Accounting

Derivatives owned by the Group as at December 31, 2025 and 2024, are as follows:

	2025				
	Assets		Liabilities		
(in thousands of Korean won)	Hedging	Trading	Hedging	Trading	Unsettled amount
Exchange-traded derivatives					
Interest rate:					
Futures	-	458,350	-	1,340,185	2,711,107,584
Equity:					
Futures	-	395,800	-	6,880,804	3,552,399,956
Purchase options	-	164,620,094	-	-	471,966,622
Written options	-	-	-	119,129,766	885,215,546
Currency:					
Futures	-	727,819	-	19,982	667,149,581
Goods:					
Futures	-	1,055,889	-	1,949,104	81,630,722
	-	167,257,952	-	129,319,841	8,369,470,011
OTC derivatives					
Interest rate:					
Forwards	-	831,678,574	-	789,179,537	24,953,579,400
Swaps	-	170,399,971	-	288,078,925	81,372,320,305
Options	-	9,462,701	-	12,711,975	450,000,000
Currency:					
Forwards	-	102,929,263	2,911,200	187,684,256	10,916,998,422
Swaps	-	1,624,649	-	897,916	307,834,412
Options	-	2,739,390	-	-	143,490,000
Equity:					
Swaps	-	237,065,442	-	379,735,597	6,120,873,935
Purchase options	-	41,840,388	-	-	444,767,350
Written options	-	-	-	42,262,638	450,988,980
Credit:					
Swaps	-	35,971,365	-	26,470,050	5,122,155,324
Goods:					
Swaps	-	10,571,788	-	10,185,126	568,777,593
Options	-	3,071,634	-	3,109,343	101,737,280
Others:					
Swaps	-	-	-	215,776,534	729,940,931
	-	1,447,355,165	2,911,200	1,956,091,897	131,683,463,932
	-	1,614,613,117	2,911,200	2,085,411,738	140,052,933,943

	2024				
	Assets		Liabilities		
(in thousands of Korean won)	Hedging	Trading	Hedging	Trading	Unsettled amount
Exchange-traded derivatives					
Interest rate:					
Futures	-	1,178,439	-	5,406,671	4,179,414,373
Equity:					
Futures	-	3,260,046	-	7,962,965	2,140,518,324

Purchase options	-	9,946,986	-	-	264,716,897
Written options	-	-	-	165,495,252	1,305,007,298
Currency:					
Futures	-	1,694,383	-	234,401	467,353,785
Goods:					
Futures	-	1,191,265	-	1,012,175	42,764,421
	-	17,271,119	-	180,111,464	8,399,775,098
OTC derivatives					
Interest rate:					
Forwards	-	697,806,221	-	674,883,353	17,627,246,000
Swaps	-	118,669,376	-	312,957,040	122,722,303,442
Options	-	10,235,246	-	12,676,965	450,100,000
Currency:					
Forwards	-	182,379,315	4,309,200	229,896,555	8,112,241,494
Swaps	-	28,173,803	-	28,835,713	682,131,009
Options	-	4,415,787	-	6,151	147,000,000
Equity:					
Swaps	-	278,277,987	-	156,824,783	4,963,174,354
Purchase options	-	4,396,416	-	-	471,018,000
Written options	-	-	-	5,872,788	483,738,001
Credit:					
Swaps	-	37,123,089	-	27,397,061	4,411,630,000
Goods:					
Swaps	-	12,389,787	-	11,780,566	1,297,182,950
Options	-	3,018,458	-	3,130,137	292,290,390
Others:					
Swaps	-	47,097	-	275,542,878	796,712,171
	-	1,376,932,582	4,309,200	1,739,803,990	162,456,767,811
	-	1,394,203,701	4,309,200	1,919,915,454	170,856,542,909

The Group entered into the derivative contracts for hedging foreign currency risk of foreign operations and applied hedge of net investments in foreign operations accounting.

Gain or loss on hedge of net investments in foreign operations for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	**2025**	**2024**
Gain(loss) on the hedging instrument	6,780,762	(32,456,592)
Effective portion of changes in fair value of hedging (other comprehensive income)	6,780,762	(32,456,592)
Ineffective portion of changes in fair value of hedging (profit or loss)	-	-

The effective portion of changes in fair value of hedge of net investments in foreign operations recognized as other comprehensive income for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	**2025**	**2024**
Other comprehensive income	6,780,762	(32,456,592)
Reclassification form other comprehensive income to net income	758,100	3,013,920
Tax effect	(1,498,693)	7,772,865
Other comprehensive income-net of tax	6,040,169	(21,669,807)

The average price related to hedge of net investments in foreign operations as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	
	The nominal amount of the hedging instrument	Average price (KRW/USD, Korean won)
1 year	242,498,100	1,173.81
2 year	-	-
3 year	-	-
Over 3 year	-	-
	242,498,100	1,173.81

(in thousands of Korean won)	2024	
	The nominal amount of the hedging instrument	Average price (KRW/USD, Korean won)
1 year	15,876,000	1,071.00
2 year	236,670,000	1,178.92
3 year	-	-
Over 3 year	-	-
	252,546,000	1,172.13

8. Financial Assets at FVOCI

The details of financial assets at FVOCI as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Equity instruments		
Stocks [1]	555,227,795	472,013,720
Investment in partnerships	1,200,000	1,200,000
Other	941,617,362	879,977,297
Debt instruments		
Government and municipal government bonds	113,091,530	70,709,895
Special bonds	2,331,033,103	1,821,452,212
Corporate bonds	4,657,305,415	2,595,239,175
Securities in foreign currency		
Debt instruments	860,204,442	641,121,645
Stocks	2,407,680	2,407,680
Investment in partnerships	1,657,090	1,169,782
	9,463,744,417	6,485,291,406

[1] Equity investment on Korea Stock Exchange and other relative institutions

Changes in gains and losses on valuation of financial assets at FVOCI (before tax) for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025			
	Beginning balance	Valuation[1]	Disposal / Transfer	Ending balance
Stocks	370,452,931	102,445,443	1,586,092	474,484,466
Government and local government bonds	(447,623)	(8,018,955)	447,623	(8,018,955)
Special bonds	9,273,877	(14,240,022)	(5,205,743)	(10,171,888)
Corporate bonds	13,629,179	(21,429,749)	(7,634,040)	(15,434,610)
Securities in foreign currency	(2,120,577)	3,583,955	420,107	1,883,485
Other securities in Korean won	10,515,554	(8,443,100)	1,094,085	3,166,539
	401,303,341	53,897,572	(9,291,876)	445,909,037

[1] Provision for credit loss of debt instruments at FVOCI of ₩ 1,746 million is excluded.

(in thousands of Korean won)	2024			
	Beginning balance	Valuation[1]	Disposal / Transfer	Ending balance
Stocks	386,171,268	(15,718,337)	-	370,452,931
Government and local government bonds	57,031	(447,623)	(57,031)	(447,623)
Special bonds	3,686,348	7,970,335	(2,382,806)	9,273,877
Corporate bonds	6,816,506	8,237,295	(1,424,622)	13,629,179
Securities in foreign currency	(1,426,312)	(832,697)	138,432	(2,120,577)
Other securities in Korean won	(1,588,431)	14,095,998	(1,992,013)	10,515,554
	393,716,410	13,304,971	(5,718,040)	401,303,341

[1] Provision for credit loss of debt instruments at FVOCI of ₩ 215 million is excluded.

The derecognized equity investments at FVOCI for the year ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Marketable securities	20,817,460	-
Other equity investments at FVOCI	136,243,062	151,937,226
	157,060,522	151,937,226

The dividend income from equity investments at FVOCI for the years ended December 31, 2025 and 2024, are as follows;

(in thousands of Korean won)	2025		2024	
	Derecognised	Held at the end of reporting period	Derecognised	Held at the end of reporting period
Equity investments at FVOCI				
Marketable securities	1,610,875	2,107,287	-	-
Non marketable securities	-	13,569,397	-	14,628,399
Other equity investments	143,647	45,823,737	698,774	31,745,544
	1,754,522	61,500,421	698,774	46,373,943

The Group recognized provision for credit loss of debt instruments at FVOCI amount (before tax) to ₩ 3,489 million and ₩ 1,743 million, as at December 31, 2025 and 2024, respectively.

9. Investments in Associates

Investments in associates as at December 31, 2025 and 2024, are as follows:

(in *thousands of Korean won)*

					2025			2024		
	Location	Industry	Closing month	Percentage of ownership (%)	Acquisition cost	Net asset amount	Book amount	Acquisition cost	Net asset amount	Book amount
KB Special Purpose Acquisition Company No.21	Korea	SPAC	-	-	-	-	-	10,000	20,894	20,894
KB Special Purpose Acquisition Company No.25 [1]	Korea	SPAC	November	0.12	5,000	10,165	10,165	5,000	9,965	9,965
KB Special Purpose Acquisition Company No.26	Korea	SPAC	-	-	-	-	-	5,000	9,836	9,836
KB Special Purpose Acquisition Company No.27 [1]	Korea	SPAC	November	0.04	5,000	10,460	10,460	5,000	10,236	10,236
KB Special Purpose Acquisition Company No.28	Korea	SPAC	-	-	-	-	-	5,000	9,645	9,645
KB Special Purpose Acquisition Company No.29 [1]	Korea	SPAC	November	0.16	10,000	20,367	20,367	10,000	19,982	19,982
KB Special Purpose Acquisition Company No.30 [1]	Korea	SPAC	November	0.19	10,000	19,930	19,930	10,000	19,518	19,518
KB Special Purpose Acquisition Company No.31 [1]	Korea	SPAC	November	0.16	10,000	20,046	20,046	10,000	22,618	22,618
KB Special Purpose Acquisition Company No.32 [1]	Korea	SPAC	November	0.16	10,000	19,599	19,599	-	-	-
KB Special Purpose Acquisition Company No.33 [1]	Korea	SPAC	November	1.08	160,000	169,648	169,648	-	-	-
KB New Paradigm Agriculture Venture Fund	Korea	Investment	December	25.00	900,000	589,976	589,976	1,275,000	1,291,253	1,291,253
KB KONEX Market Vitalization Fund	Korea	Investment	-	-	-	-	-	540,000	1,928,317	1,928,317
KB-KDBC New Technology Business Investment Fund	Korea	Investment	-	-	-	-	-	1,500,000	2,601,286	2,601,286
KBTS Technology Venture Private Equity Fund [1]	Korea	Investment	December	16.00	1,888,000	2,724,603	2,724,603	1,888,000	3,179,737	3,179,737
KB-SJ Tourism Venture Fund [1]	Korea	Investment	December	18.52	380,000	1,518,202	1,518,201	570,000	1,780,925	1,780,925
KB Shinjasanaubo Fund [1]	Korea	Investment	December	14.67	1,804,000	681,084	681,084	1,804,000	1,031,767	1,031,767
UNION Media Commerce Fund	Korea	Investment	December	28.99	1,000,000	940,711	940,711	1,000,000	945,674	945,674
KB SPROTT Renewable	Korea	Investment	December	26.69	3,682,135	822,106	822,106	3,682,135	3,052,067	3,052,067

Private Equity Fund I										
KB-Stonebridge Secondary Private Equity Fund [1]	Korea	Investment	December	4.16	3,371,606	3,430,784	3,430,784	4,620,046	4,819,055	4,819,055
KB-SP Private Equity Fund IV	Korea	Investment	-	-	-	-	-	6,100,000	3,995,113	3,995,113
KB-UTC Inno-Tech Venture Fund [1]	Korea	Investment	December	14.76	6,262,500	2,466,131	2,466,131	6,262,500	3,910,530	3,910,530
KB-NAU Special Situation Corporate Restructuring Private Equity Fund [1]	Korea	Investment	December	6.60	5,478,329	9,969,640	9,969,640	5,379,144	8,021,543	8,021,543
KB-KTB Technology Venture Fund [1]	Korea	Investment	December	18.18	10,000,000	8,780,181	8,780,181	10,000,000	9,088,456	9,088,456
KB Bio Global Expansion Private Equity Fund No.1	Korea	Investment	December	39.47	15,000,000	17,288,503	17,288,503	15,000,000	17,870,374	17,870,374
KB Digital Platform Fund [1]	Korea	Investment	December	16.67	38,000,000	51,887,076	51,887,076	28,000,000	28,288,502	28,288,502
KB-SOLIDUS Healthcare Investment Fund [1]	Korea	Investment	December	5.10	5,000,000	4,878,432	4,878,432	3,683,333	3,484,892	3,484,892
G Payment Joint Stock Company	Vietnam	Electrinic payment & settlement agency	December	20.72	5,870,702	1,910,047	2,385,554	5,870,702	1,504,194	2,520,780
KB-GeneN Medical Venture Fund 1	Korea	Investment	December	22.52	2,000,000	1,838,386	1,838,386	2,000,000	1,880,230	1,880,230
DA-Friend Investment Fund II	Korea	Investment	December	27.06	987,633	901,665	901,665	987,633	906,175	906,175
Cornerstone Pentastone IV Fund	Korea	Investment	December	21.52	817,742	763,413	763,413	817,742	763,949	763,949
JS Private Equity Fund III	Korea	Investment	December	20.48	195,773	410,733	410,733	945,021	742,406	742,406
Mirae Asset Mobility Investment Fund I	Korea	Investment	December	22.99	2,000,000	1,885,407	1,885,407	2,000,000	1,917,647	1,917,647
KB-FT 1st Green Growth Investment Fund [1]	Korea	Investment	December	10.34	2,000,000	1,847,275	1,847,275	2,000,000	1,888,925	1,888,925
THE CHAEUL FUND NO.1	Korea	Investment	-	-	-	-	-	1,000,000	953,961	953,961
POSITVE Sobujang Venture Fund #1	Korea	Investment	-	-	-	-	-	879,121	869,206	869,206
KB-NP Green ESG New Technology Venture Capital Fund [1]	Korea	Investment	December	11.59	18,443,847	18,661,880	18,661,879	16,100,000	15,436,985	15,436,985
Hisstory 2022 Fintech Fund	Korea	Investment	-	-	-	-	-	2,000,000	1,896,203	1,896,203
KB Star REIT	Korea	Investment	December	26.13	130,776,646	61,508,907	61,508,907	134,304,646	98,600,791	98,600,791
KB Bio Private Equity Investment Fund IV	Korea	Investment	-	-	-	-	-	7,500,000	7,369,339	7,369,339
Nextrade Co., Ltd. [1]	Korea	Other financial	September	6.64	9,700,000	8,373,711	8,373,711	9,700,000	8,180,476	8,180,476
MW-Pyco NewWave New Technology Investment Fund 4th	Korea	Investment	December	51.28	2,000,000	-	-	2,000,000	1,921,768	1,921,768
KB-SUSUNG 1st Investment Fund [1]	Korea	Investment	December	10.00	130,000	555,018	555,018	1,076,000	1,458,974	1,458,974
Sitgoeul Cheomdan Green 1st Co., Ltd.[1]	Korea	Investment	December	19.00	342,000	240,391	240,391	342,000	241,205	241,205
Shinhan-Eco Venture Fund 2nd	Korea	Investment	December	20.00	1,885,000	1,807,236	1,807,236	2,050,000	1,973,060	1,973,060

Leading H2O Fund 1	Korea	Investment	December	48.23	1,500,000	1,420,563	1,420,563	1,500,000	1,454,933	1,454,933
2023 JB Newtech No.2 Fund	Korea	Investment	-	-	-	-	-	1,405,557	1,705,208	1,705,208
U-KB Credit No.1 Private Equity	Korea	Investment	December	23.26	17,046,512	15,167,171	15,167,171	5,093,023	5,584,704	5,584,704
KB-BridgePole Venture Investment Fund #2 [1]	Korea	Investment	December	14.29	1,500,000	1,432,460	1,432,460	1,500,000	1,463,485	1,463,485
Sirius Silicon Valley Ⅰ New Technology Fund	Korea	Investment	December	23.81	500,000	462,967	462,967	500,000	474,480	474,480
Timefolio Athleisure Investment Fund	Korea	Investment	December	48.19	4,000,000	3,750,139	3,750,139	4,000,000	3,922,757	3,922,757
COMPA Global Scale-Up Fund No.3	Korea	Investment	December	29.99	1,000,000	957,102	957,102	1,000,000	979,681	979,681
AKK Robotech Valueup New Technology Investment Fund	Korea	Investment	-	-	-	-	-	1,000,000	1,126,629	1,126,629
YG MCE PROJECT No.1 Fund	Korea	Investment	December	27.78	1,500,000	-	-	1,500,000	1,476,809	1,476,809
HI YG Win-win Fund No.2	Korea	Investment	December	20.62	2,000,000	2,153,903	2,153,903	2,000,000	1,972,792	1,972,792
KB-CJ Venture Fund 1st	Korea	Investment	December	40.00	1,800,000	1,869,323	1,869,323	1,800,000	1,732,747	1,732,747
Elohim-Bilanx aerospace No.1 Fund	Korea	Investment	December	20.94	2,000,000	1,936,905	1,936,905	2,000,000	1,978,245	1,978,245
KB-SUSUNG 2nd Investment Fund [1]	Korea	Investment	December	12.66	2,000,000	1,958,918	1,958,918	2,000,000	1,980,873	1,980,873
IMM global Secondary 1-1 Equity Private Fund	Korea	Investment	December	41.65	3,412,973	4,975,463	4,975,463	2,819,038	3,753,976	3,753,976
LIB Material Investment Fund	Korea	Investment	December	27.26	4,098,144	829,346	829,346	4,098,144	1,474,980	1,474,980
NOVORSEC-SJG Consumer Secondary Fund	Korea	Investment	-	-	-	-	-	1,700,000	1,687,706	1,687,706
KBSBI Global High-tech Strategic Private Equity Investment Limited Partnership [1]	Korea	Investment	December	16.3	15,274,098	14,646,750	14,646,750	5,059,098	4,828,296	4,828,296
KB-Cyrus Tourism Venture Fund [1]	Korea	Investment	December	18.52	2,000,000	1,855,457	1,855,457	1,000,000	977,172	977,172
IBKS Design Fund	Korea	Investment	December	46.51	2,000,000	4,810,951	4,810,951	2,000,000	1,996,162	1,996,162
NICE DATA INTELLIGENCE VENTURE FUND	Korea	Investment	-	-	-	-	-	1,000,000	997,864	997,864
Pectus Hanwha Fund No.2	Korea	Investment	-	-	-	-	-	2,000,000	1,950,322	1,950,322
Korea Environment Technology Co., LTD	Korea	Waste disposal industry	-	-	-	-	-	107,427,843	43,155,859	107,427,843
KB-IMM Newstar Real Estate Private Fund 1	Korea	Investment	December	43.00	40,283,308	41,725,355	41,725,355	20,897,275	21,897,251	21,897,251
KBLB Middle Market Enterprises Innovation Private Equity Fund [1]	Korea	Investment	December	19.05	4,284,000	3,723,179	3,723,179	-	-	-
YG AI Industrial Automation Solutions FUND	Korea	Investment	December	28.17	2,000,000	1,992,299	1,992,299	-	-	-
KB-Novus Genesis Private Equity Fund [1]	Korea	Investment	December	9.39	2,300,000	2,267,326	2,267,326	-	-	-
Semicolon Susong	Korea	Investment	December	39.39	77,000,000	76,142,790	76,142,790	-	-	-

Commissioned Real Estate Investment Trust										
ATP TP VC Fund No.1	Korea	Investment	December	39.60	2,000,000	1,976,013	1,976,013	-	-	-
AIM-KB-DOUBLE Connected Future Investment Fund [1]	Korea	Investment	December	8.33	1,000,000	983,756	983,756	-	-	-
KB-IMM Newstar Real Estate Private Fund 2	Korea	Investment	December	38.18	16,509,818	16,524,813	16,524,813	-	-	-
K-1 23th Yeoksam Real Estate Investment Trust Company	Korea	Investment	December	41.30	16,050,000	62,424,217	62,424,217	-	-	-
IMM Korea Beauty Co-Invest Private Equity Fund	Korea	Investment	December	51.02	50,000,000	49,633,383	49,633,383	-	-	-
KB-GVA Premier Mezzanine Investment Fund [1]	Korea	Investment	December	3.07	500,000	498,181	498,181	-	-	-
KB-ANDA Deep Tech Venture Fund	Korea	Investment	December	30.00	1,249,500	1,249,500	1,249,500	-	-	-
					544,934,266	524,319,943	524,795,448	456,237,001	352,490,610	417,779,180

[1] Although the ownership of the Group is less than 20%, these are included as associates, since the Group has a significant influence over investee's policy and operations.

Changes in investments in associates for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025							
	Beginning balance	**Acquisition**	**Dividends**	**Disposal**	**Re-classification** [1]	**Changes in equity of associates**	**Profit (loss) of associates**	**Ending balance**
KB Special Purpose Acquisition Company No.21	20,894	-	-	(20,894)	-	-	-	-
KB Special Purpose Acquisition Company No.25	9,965	-	-	-	-	(3)	203	10,165
KB Special Purpose Acquisition Company No.26	9,836	-	-	(9,836)	-	-	-	-
KB Special Purpose Acquisition Company No.27	10,236	-	-	-	-	(3)	227	10,460
KB Special Purpose Acquisition Company No.28	9,645	-	-	(9,645)	-	-	-	-
KB Special Purpose Acquisition Company No.29	19,982	-	-	-	-	(8)	393	20,367
KB Special Purpose Acquisition Company No.30	19,518	-	-	-	-	(6)	418	19,930
KB Special Purpose Acquisition Company No.31	22,618	-	-	-	-	(2,888)	316	20,046
KB Special Purpose Acquisition Company No.32		10,000	-	-	-	10,622	(1,023)	19,599
KB Special Purpose Acquisition Company No.33	-	160,000	-	-	-	10,232	(584)	169,648
KB New Paradigm Agriculture Venture Fund	1,291,253	-	-	(375,000)	-	-	(326,277)	589,976
KB KONEX Market Vitalization Fund	1,928,317	-	-	(1,928,317)	-	-	-	-

KB-KDBC New Technology Business Investment Fund	2,601,286	-	-	(2,601,286)	-	-	-	-
KBTS Technology Venture Private Equity Fund	3,179,737	-	-	-	-	-	(455,134)	2,724,603
KB-SJ Tourism Venture Fund	1,780,925	-	(334,000)	(190,000)	-	-	261,276	1,518,201
KB Shinjasanaubo Fund	1,031,767	-	-	-	-	-	(350,683)	681,084
UNION Media Commerce Fund	945,674	-	-	-	-	-	(4,963)	940,711
KB SPROTT Renewable Private Equity Fund I	3,052,067	-	-	-	-	-	(2,229,961)	822,106
KB-Stonebridge Secondary Private Equity Fund	4,819,055	-	(61,961)	(1,248,439)	-	-	(77,871)	3,430,784
KB-SP Private Equity Fund IV	3,995,113	-	-	(3,995,113)	-	-	-	-
KB-UTC Inno-Tech Venture Fund	3,910,530	-	-	-	-	-	(1,444,399)	2,466,131
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	8,021,543	1,800,000	-	(1,700,814)	-	-	1,848,911	9,969,640
KB-KTB Technology Venture Fund	9,088,456	-	-	-	-	-	(308,275)	8,780,181
KB Bio Global Expansion Private Equity Fund No.1	17,870,374	-	-	-	-	-	(581,871)	17,288,503
KB Digital Platform Fund	28,288,502	10,000,000	-	-	-	-	13,598,574	51,887,076
KB-SOLIDUS Healthcare Investment Fund	3,484,892	1,316,667	-	-	-	-	76,873	4,878,432
G Payment Joint Stock Company	2,520,780	-	-	-	-	(135,432)	206	2,385,554
KB-GeneN Medical Venture Fund 1	1,880,230	-	-	-	-	-	(41,844)	1,838,386
DA-Friend Investment Fund II	906,175	-	-	-	-	-	(4,510)	901,665
Cornerstone Pentastone IV Fund	763,949	-	-	-	-	-	(536)	763,413
JS Private Equity Fund III	742,406	-	-	(749,248)	-	-	417,575	410,733
Mirae Asset Mobility Investment Fund I	1,917,647	-	-	-	-	-	(32,240)	1,885,407
KB-FT 1st Green Growth Investment Fund	1,888,925	-	-	-	-	-	(41,650)	1,847,275

THE CHAEUL FUND NO.1	953,961	-	-	(953,961)	-	-	-	-
POSITVE Sobujang Venture Fund #1	869,206	-	-	(869,206)	-	-	-	-
KB-NP Green ESG New Technology Venture Capital Fund	15,436,985	3,480,000	-	(1,136,153)	-	-	881,047	18,661,879
Hisstory 2022 Fintech Fund	1,896,203	-	-	(1,896,203)	-	-	-	-
KB Star REIT	98,600,791	-	(9,442,306)	(3,528,000)	-	(423,573)	(23,698,005)	61,508,907
KB Bio Private Equity Investment Fund IV	7,369,339	-	-	(7,369,339)	-	-	-	-
Nextrade Co., Ltd.	8,180,476	-	-	-	-	-	193,235	8,373,711
MW-Pyco NewWave New Technology Investment Fund 4th	1,921,768	-	-	-	-	-	(1,921,768)	-
KB-SUSUNG 1st Investment Fund	1,458,974	-	-	(946,000)	-	-	42,044	555,018
Bitgoeul Cheomdan Green 1st Co., Ltd.	241,205	-	-	-	-	-	(814)	240,391
Shinhan-Eco Venture Fund 2nd	1,973,060	25,000	-	(190,000)	-	-	(824)	1,807,236
Leading H2O Fund 1	1,454,933	-	-	-	-	-	(34,370)	1,420,563
2023 JB Newtech No.2 Fund	1,705,208	-	-	(1,705,208)	-	-	-	-
U-KB Credit No.1 Private Equity	5,584,704	11,953,488	-	-	-	-	(2,371,021)	15,167,171
KB-BridgePole Venture Investment Fund #2	1,463,485	-	-	-	-	-	(31,025)	1,432,460
Sirius Silicon Valley Ⅰ New Technology Fund	474,480	-	-	-	-	-	(11,513)	462,967
Timefolio Athleisure Investment Fund	3,922,757	-	-	-	-	-	(172,618)	3,750,139
COMPA Global Scale-Up Fund No.3	979,681	-	-	-	-	-	(22,579)	957,102
AKK Robotech Valueup New Technology Investment Fund	1,126,629	-	-	(1,126,629)	-	-	-	-
YG MCE PROJECT No.1 Fund	1,476,809	-	-	-	-	-	(1,476,809)	-
HI YG Win-win Fund No.2	1,972,792	-	-	-	-	-	181,111	2,153,903
KB-CJ Venture Fund 1st	1,732,747	-	-	-	-	-	136,576	1,869,323
Elohim-Bilanx aerospace No.1 Fund	1,978,245	-	-	-	-	-	(41,340)	1,936,905

KB-SUSUNG 2nd Investment Fund	1,980,873	-	-	-	-	-	(21,955)	1,958,918
IMM global Secondary 1-1 Equity Private Fund	3,753,976	756,186	(3,511)	(162,251)	-	-	631,063	4,975,463
LIB Material Investment Fund	1,474,980	-	-	-	-	-	(645,634)	829,346
NOVORSEC-SJG Consumer Secondary Fund	1,687,706	-	-	(1,687,706)	-	-	-	-
KBSBI Global High-tech Strategic Private Equity Investment Limited Partnership	4,828,296	10,215,000	-	-	-	-	(396,546)	14,646,750
KB-Cyrus Tourism Venture Fund	977,172	1,000,000	-	-	-	-	(121,715)	1,855,457
IBKS Design Fund	1,996,162	-	-	-	-	-	2,814,789	4,810,951
NICE DATA INTELLIGENCE VENTURE FUND	997,864	-	-	(997,864)	-	-	-	-
Pectus Hanwha Fund No.2	1,950,322	-	-	(1,950,322)	-	-	-	-
Korea Environment Technology Co., LTD	107,427,843	-	-	(107,427,843)	-	-	-	-
KB-IMM Newstar Real Estate Private Fund 1	21,897,251	19,386,033	(1,869,618)	-	-	-	2,311,689	41,725,355
E&I Holdings Co., Ltd	-	27,300,000	-	(27,300,000)	-	-	-	-
KBLB Middle Market Enterprises Innovation Private Equity Fund	-	4,284,000	-	-	-	-	(560,821)	3,723,179
YG AI Industrial Automation Solutions FUND	-	2,000,000	-	-	-	-	(7,701)	1,992,299
KB-Novus Genesis Private Equity Fund	-	2,300,000	-	-	-	-	(32,674)	2,267,326
Semicolon Susong Commissioned Real Estate Investment Trust	-	77,000,000	(857,210)	-	-	-	-	76,142,790
ATP TP VC Fund No.1	-	2,000,000	-	-	-	-	(23,987)	1,976,013
AIM-KB-DOUBLE Connected Future Investment Fund	-	1,000,000	-	-	-	-	(16,244)	983,756
KB-IMM Newstar Real Estate Private Fund 2	-	16,509,818	(138,002)	-	-	-	152,997	16,524,813
K-1 23th Yeoksam Real Estate Investment Trust Company [1]	-	-	(2,334,156)	-	61,901,346	-	2,857,027	62,424,217

IMM Korea Beauty Co-Invest Private Equity Fund	-	50,000,000	-	-	-	-	(366,617)	49,633,383
KB-GVA Premier Mezzanine Investment Fund	-	500,000	-	-	-	-	(1,819)	498,181
KB-ANDA Deep Tech Venture Fund	-	1,249,500	-	-	-	-	-	1,249,500
	417,779,180	244,245,692	(15,040,764)	(172,075,277)	61,901,346	(541,059)	(11,473,670)	524,795,448

[1] These investments are reclassified from investments in subsidiaries to associates due to disposal in partially for the year ended December 31, 2025.

(in thousands of Korean won)	2024						
	Beginning balance	**Acquisition**	**Dividends**	**Disposal**	**Changes in equity of associates**	**Profit (loss) of associates**	**Ending balance**
KB Special Purpose Acquisition Company No.21	20,529	-	-	-	1	364	20,894
KB Special Purpose Acquisition Company No.22	20,125	-	-	(20,125)	-	-	-
KB Special Purpose Acquisition Company No.25	9,771	-	-	-	-	194	9,965
KB Special Purpose Acquisition Company No.26	9,613	-	-	-	-	223	9,836
KB Special Purpose Acquisition Company No.27	9,959	-	-	-	-	277	10,236
KB Special Purpose Acquisition Company No.28	-	5,000	-	4,052	611	(18)	9,645
KB Special Purpose Acquisition Company No.29	-	10,000	-	6,452	3,988	(458)	19,982
KB Special Purpose Acquisition Company No.30	-	10,000	-	8,185	1,771	(438)	19,518
KB Special Purpose Acquisition Company No.31	-	10,000	-	-	13,498	(880)	22,618

KB New Paradigm Agriculture Venture Fund	2,615,088	-	-	(825,000)	-	(498,835)	1,291,253
KB KONEX Market Vitalization Fund	7,633,039	-	(3,084,375)	(75,000)	-	(2,545,347)	1,928,317
KB-KDBC New Technology Business Investment Fund	3,031,227	-	-	(300,000)	-	(129,941)	2,601,286
KBTS Technology Venture Private Equity Fund	3,534,896	-	-	(704,000)	-	348,841	3,179,737
KB-SJ Tourism Venture Fund	3,241,734	-	(1,517,461)	(4,030,000)	-	4,086,652	1,780,925
KB Shinjasanaubo Fund	1,765,941	-	-	-	-	(734,174)	1,031,767
UNION Media Commerce Fund	952,209	-	-	-	-	(6,535)	945,674
KB-Brain KOSDAQ Scale-Up Fund	2,304,484	-	-	(2,304,484)	-	-	-
KB SPROTT Renewable Private Equity Fund I	3,337,160	-	-	-	-	(285,093)	3,052,067
KB-Stonebridge Secondary Private Equity Fund	5,395,679	-	(14,746)	(190,539)	-	(371,339)	4,819,055
KB-SP Private Equity Fund IV	2,494,808	-	-	-	668,154	832,151	3,995,113
KB-UTC Inno-Tech Venture Fund	5,227,210	-	-	(112,500)	-	(1,204,180)	3,910,530
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	8,904,972	4,482,000	-	(3,889,195)	-	(1,476,234)	8,021,543
KB Material and Parts No. 1 PEF	3,299,669	-	-	(3,299,669)	-	-	-
KB Global Commerce Private Equity Investment Fund	8,635,840	-	-	(8,635,840)	-	-	-
KB-KTB Technology Venture Fund	7,639,550	2,000,000	-	-	-	(551,094)	9,088,456
KB Bio Global Expansion Private Equity Fund No.1	15,895,111	-	-	-	-	1,975,263	17,870,374
KB Digital Platform Fund	17,123,835	10,000,000	-	-	-	1,164,667	28,288,502
KB-SOLIDUS Healthcare Investment Fund	2,249,721	1,300,000	-	-	-	(64,829)	3,484,892
G Payment Joint Stock Company	8,966,066	-	-	(1,504,288)	432,445	(5,373,443)	2,520,780
KB-GeneN Medical Venture Fund 1	1,922,291	-	-	-	-	(42,061)	1,880,230
KB-BridgePole Venture Investment Fund	863,129	-	-	(863,129)	-	-	-

KB-Kyobo New Mobility Power Fund	2,621,880	-	-	(2,621,880)	-	-	-
DA-Friend Investment Fund II	927,462	-	-	-	-	(21,287)	906,175
Cornerstone Pentastone IV Fund	774,734	-	-	-	-	(10,785)	763,949
JS Private Equity Fund III	1,861,512	-	-	(754,979)	-	(364,127)	742,406
Mirae Asset Mobility Investment Fund I	1,948,750	-	-	-	-	(31,103)	1,917,647
KB-FT 1st Green Growth Investment Fund	1,928,089	-	-	-	-	(39,164)	1,888,925
THE CHAEUL FUND NO.1	972,191	-	-	-	-	(18,230)	953,961
POSITVE Sobujang Venture Fund #1	1,965,090	-	(2,128,815)	(1,120,879)	-	2,153,810	869,206
KB-NP Green ESG New Technology Venture Capital Fund	7,771,668	7,920,000	-	-	-	(254,683)	15,436,985
Hisstory 2022 Fintech Fund	1,937,813	-	-	-	-	(41,610)	1,896,203
KB Star REIT	120,231,339	-	(10,263,978)	(468,136)	8,222,578	(19,121,012)	98,600,791
KB Bio Private Equity Investment Fund IV	6,770,765	-	-	-	-	598,574	7,369,339
Nextrade Co., Ltd.	9,225,312	-	-	-	-	(1,044,836)	8,180,476
LAKEWOOD-AVES Fund No.1	1,976,715	-	-	(1,976,715)	-	-	-
MW-Pyco NewWave New Technology Investment Fund 4th	1,965,019	-	-	-	-	(43,251)	1,921,768
KB-SUSUNG 1st Investment Fund	1,968,977	-	-	(924,000)	-	413,997	1,458,974
Friend 55 New Technology Business Investment Fund	1,182,473	-	-	(1,182,473)	-	-	-
Bitgoeul Cheomdan Green 1st Co., Ltd.	165,451	152,000	-	-	(928)	(75,318)	241,205
DSIP-Pharos Bioenergy Fund	16,457,868	-	-	(16,457,868)	-	-	-
Shinhan-Eco Venture Fund 2nd	1,800,072	225,000	-	-	-	(52,012)	1,973,060
Leading H2O Fund 1	1,488,980	-	-	-	-	(34,047)	1,454,933
2023 JB Newtech No.2 Fund	1,785,594	-	(149,904)	(394,443)	-	463,961	1,705,208
U-KB Credit No.1 Private Equity	4,779,307	279,070	-	-	-	526,327	5,584,704

KB-BridgePole Venture Investment Fund #2	1,494,373	-	-	-	-	(30,888)	1,463,485
Sirius Silicon Valley Ⅰ New Technology Fund	485,282	-	-	-	-	(10,802)	474,480
Timefolio Athleisure Investment Fund	-	4,000,000	-	-	-	(77,243)	3,922,757
COMPA Global Scale-Up Fund No.3	-	1,000,000	-	-	-	(20,319)	979,681
AKK Robotech Valueup New Technology Investment Fund	-	1,000,000	-	-	-	126,629	1,126,629
YG MCE PROJECT No.1 Fund	-	1,500,000	-	-	-	(23,191)	1,476,809
HI YG Win-win Fund No.2	-	2,000,000	-	-	-	(27,208)	1,972,792
KB-CJ Venture Fund 1st	-	1,800,000	-	-	-	(67,253)	1,732,747
Elohim-Bilanx aerospace No.1 Fund	-	2,000,000	-	-	-	(21,755)	1,978,245
KB-SUSUNG 2nd Investment Fund	-	2,000,000	-	-	-	(19,127)	1,980,873
IMM global Secondary 1-1 Equity Private Fund	-	2,819,038	-	-	-	934,938	3,753,976
LIB Material Investment Fund	-	4,098,144	-	-	-	(2,623,164)	1,474,980
NOVORSEC-SJG Consumer Secondary Fund	-	1,700,000	-	-	-	(12,294)	1,687,706
KBSBI Global High-tech Strategic Private Equity Investment Limited Partnership	-	5,059,098	-	-	-	(230,802)	4,828,296
KB-Cyrus Tourism Venture Fund	-	1,000,000	-	-	-	(22,828)	977,172
IBKS Design Fund	-	2,000,000	-	-	-	(3,838)	1,996,162
NICE DATA INTELLIGENCE VENTURE FUND	-	1,000,000	-	-	-	(2,136)	997,864
Pectus Hanwha Fund No.2	-	2,000,000	-	-	-	(49,678)	1,950,322
KB-IMM Newstar Real Estate Private Fund 1	-	20,897,275	-	-	-	999,976	21,897,251
Korea Environment Technology Co., LTD	-	107,427,843	-	-	-	-	107,427,843
	311,590,372	189,694,468	(17,159,279)	(52,636,453)	9,342,118	(23,052,046)	417,779,180

Summarized financial information of the associates as at and for the years ended December 31, 2025 and 2024, are as follows:

	December 31, 2025			2025		
(in thousands of Korean won)	**Assets**	**Liabilities**	**Equity**	**Operating Revenue**	**Profit (loss) for the period**	**Total comprehensive Income(loss)**
KB Special Purpose Acquisition Company No.25	10,167,796	1,415,397	8,752,399	252,938	175,268	175,268
KB Special Purpose Acquisition Company No.27	31,230,135	4,233,877	26,996,258	840,597	587,123	587,123
KB Special Purpose Acquisition Company No.29	14,864,541	2,196,029	12,668,512	364,908	244,571	244,571
KB Special Purpose Acquisition Company No.30	12,131,810	1,548,853	10,582,957	308,533	222,034	222,034
KB Special Purpose Acquisition Company No.31	14,691,378	2,242,622	12,448,756	384,774	196,407	196,407
KB Special Purpose Acquisition Company No.32	14,470,529	2,064,333	12,406,196	152,650	52,673	52,673
KB Special Purpose Acquisition Company No.33	17,926,147	2,433,554	15,492,593	81,133	16,671	16,671
KB New Paradigm Agriculture Venture Fund	2,525,909	166,005	2,359,904	589,031	(1,305,109)	(1,305,109)
KBTS Technology Venture Private Equity Fund	23,948,498	6,919,730	17,028,768	1,659	(2,844,590)	(2,844,590)
KB-SJ Tourism Venture Fund	8,353,525	155,185	8,198,340	6,008,966	1,410,893	1,410,893
KB Shinjasanaubo Fund	5,315,521	671,768	4,643,753	279,035	(2,391,019)	(2,391,019)
UNION Media Commerce Fund	3,318,493	73,036	3,245,457	-	(17,122)	(17,122)
KB SPROTT Renewable Private Equity Fund I	8,890,204	815,261	8,074,943	6	(704,214)	(704,214)
KB-Stonebridge Secondary Private Equity Fund	82,581,950	140,215	82,441,735	2,348,555	(1,530,924)	(1,530,924)
KB-UTC Inno-Tech Venture Fund	16,914,343	210,399	16,703,944	27,922	(9,783,391)	(9,783,391)
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	150,637,690	501,541	150,136,149	10,187,428	27,109,631	27,109,631
KB-KTB Technology Venture Fund	49,092,706	801,713	48,290,993	135,375	(1,695,513)	(1,695,513)
KB Bio Global Expansion Private Equity Fund No.1	43,904,321	106,781	43,797,540	1,017	(1,474,073)	(1,474,073)
KB Digital Platform Fund	312,090,297	767,839	311,322,458	100,990,179	81,591,445	81,591,445
KB-SOLIDUS Healthcare Investment Fund	99,858,971	2,750	99,856,221	2,984,662	1,522,111	1,522,111
G Payment Joint Stock Company	12,588,727	5,714,098	6,874,629	5,072,407	908	908
KB-GeneN Medical Venture Fund 1	8,516,638	354,204	8,162,434	22	(185,786)	(185,786)
DA-Friend Investment Fund II	3,500,297	168,011	3,332,286	-	(16,670)	(16,670)
Cornerstone Pentastone IV Fund	3,550,289	2,750	3,547,539	64	(2,489)	(2,489)
JS Private Equity Fund III	2,005,840	495	2,005,345	2,151,879	2,038,746	2,038,746
Mirae Asset Mobility Investment Fund I	8,275,534	74,013	8,201,521	7,765	(140,242)	(140,242)
KB-FT 1st Green Growth Investment Fund	17,867,770	-	17,867,770	326	(402,862)	(402,862)
KB-NP Green ESG New Technology Venture Capital Fund	164,619,894	3,649,986	160,969,908	7,955,091	7,599,564	7,599,564
KB Star REIT	1,242,229,311	1,006,866,871	235,362,440	69,126,465	(94,618,921)	(96,188,602)
Nextrade Co., Ltd.	129,215,059	3,091,428	126,123,631	39,765,891	2,910,479	2,910,479
KB-SUSUNG 1st Investment Fund	5,550,179	-	5,550,179	1,651,762	420,435	420,435
Bitgoeul Cheomdan Green 1st Co., Ltd.	1,270,057	4,840	1,265,217	-	(4,284)	(4,284)

Shinhan-Eco Venture Fund 2nd	9,042,530	6,351	9,036,179	257,434	(4,122)	(4,122)
Leading H2O Fund 1	2,946,621	1,320	2,945,301	1,852	(71,260)	(71,260)
U-KB Credit No.1 Private Equity	70,559,464	1,018,146	69,541,318	591,081	(5,872,907)	(5,872,907)
KB-BridgePole Venture Investment Fund #2	10,027,217	-	10,027,217	3,278	(217,178)	(217,178)
Sirius Silicon Valley Ⅰ New Technology Fund	1,945,783	1,320	1,944,463	6,976	(48,354)	(48,354)
Timefolio Athleisure Investment Fund	7,781,539	-	7,781,539	81,272	(358,181)	(358,181)
COMPA Global Scale-Up Fund No.3	3,190,978	-	3,190,978	4,381	(75,279)	(75,279)
HI YG Win-win Fund No.2	10,446,432	-	10,446,432	5,636	878,392	878,392
KB-CJ Venture Fund 1st	4,731,516	58,210	4,673,306	726,024	341,440	341,440
Elohim-Bilanx aerospace No.1 Fund	9,248,721	-	9,248,721	3,297	(197,401)	(197,401)
KB-SUSUNG 2nd Investment Fund	15,475,453	-	15,475,453	458,405	(173,445)	(173,445)
IMM global Secondary 1-1 Equity Private Fund	12,152,002	205,915	11,946,087	1,555,417	1,515,184	1,515,184
LIB Material Investment Fund	3,041,835	-	3,041,835	-	(700,066)	(700,066)
KBSBI Global High-tech Strategic Private Equity Investment Limited Partnership	90,336,944	454,723	89,882,221	98,844	(2,433,470)	(2,433,470)
KB-Cyrus Tourism Venture Fund	10,019,466	-	10,019,466	18,179	(657,261)	(657,261)
IBKS Design Fund	10,343,544	-	10,343,544	6,114,301	6,051,796	6,051,796
KB-IMM Newstar Real Estate Private Fund 1	101,364,284	4,334,346	97,029,938	8,460,196	5,306,836	5,306,836
KBLB Middle Market Enterprises Innovation Private Equity Fund	20,062,146	515,454	19,546,692	267	(2,944,308)	(2,944,308)
YG AI Industrial Automation Solutions FUND	7,072,662	-	7,072,662	74,761	(27,338)	(27,338)
KB-Novus Genesis Private Equity Fund	24,244,681	92,733	24,151,948	3,792	(348,052)	(348,052)
Semicolon Susong Commissioned Real Estate Investment Trust	597,990,723	408,960,702	189,030,021	13,973,599	(17,316)	(17,316)
ATP TP VC Fund No.1	4,994,380	3,960	4,990,420	626	(60,580)	(60,580)
AIM-KB-DOUBLE Connected Future Investment Fund	11,868,321	63,255	11,805,066	572	(194,934)	(194,934)
KB-IMM Newstar Real Estate Private Fund 2	43,969,114	689,842	43,279,272	840,102	400,706	400,706
K-1 23th Yeoksam Real Estate Investment Trust Company	294,284,255	169,061,696	125,222,559	3,914,958	3,857,324	3,857,324
IMM Korea Beauty Co-Invest Private Equity Fund	97,550,330	268,899	97,281,431	1,424	(718,569)	(718,569)
KB-GVA Premier Mezzanine Investment Fund	16,212,787	-	16,212,787	-	(59,213)	(59,213)
KB-ANDA Deep Tech Venture Fund	4,435,147	270,147	4,165,000	-	-	-

Summarized financial information of associates for which financial information is not available as at December 31, 2025 are excluded.

(in thousands of Korean won)	December 31, 2024			2024		
	Assets	**Liabilities**	**Equity**	**Operating Revenue**	**Profit (loss) for the period**	**Total comprehensive Income(loss)**
KB Special Purpose Acquisition Company No.21	18,332,104	2,222,965	16,109,139	539,414	280,847	280,847
KB Special Purpose Acquisition Company No.25	9,960,644	1,380,515	8,580,129	297,025	167,600	167,600
KB Special Purpose Acquisition Company No.26	12,198,917	1,369,222	10,829,695	357,751	246,179	246,179
KB Special Purpose Acquisition Company No.27	30,491,081	4,071,785	26,419,296	993,859	715,088	715,088
KB Special Purpose Acquisition Company No.28	12,135,104	1,516,167	10,618,937	223,386	59,682	59,682
KB Special Purpose Acquisition Company No.29	14,557,704	2,129,143	12,428,561	219,019	98,029	98,029
KB Special Purpose Acquisition Company No.30	11,866,140	1,502,204	10,363,936	79,990	22,592	22,592
KB Special Purpose Acquisition Company No.31	2,588,400	2,113,426	474,974	8,356	(18,484)	(18,484)
KB New Paradigm Agriculture Venture Fund	5,519,607	354,593	5,165,014	2,051,864	(1,995,337)	(1,995,337)
KB KONEX Market Vitalization Fund	8,668,671	441,510	8,227,161	2,716,958	(10,860,148)	(10,860,148)
KB-KDBC New Technology Business Investment Fund	7,803,895	-	7,803,895	398,002	(389,823)	(389,823)
KBTS Technology Venture Private Equity Fund	26,460,488	6,587,130	19,873,358	1,832,117	2,180,255	2,180,255
KB-SJ Tourism Venture Fund	9,892,964	275,917	9,617,047	26,720,057	22,067,920	22,067,920
KB Shinjasanaubo Fund	7,547,286	512,514	7,034,772	489,073	(5,005,733)	(5,005,733)
UNION Media Commerce Fund	3,318,493	55,914	3,262,579	-	(22,543)	(22,543)
KB SPROTT Renewable Private Equity Fund I	24,548,257	251,342	24,296,915	573	(637,660)	(637,660)
KB-Stonebridge Secondary Private Equity Fund	115,992,985	193,139	115,799,846	6,646,286	(8,923,271)	(8,923,271)
KB-SP Private Equity Fund IV	22,631,499	560,136	22,071,363	8,362,610	8,143,386	8,143,386
KB-UTC Inno-Tech Venture Fund	26,935,093	447,758	26,487,335	967,517	(8,156,312)	(8,156,312)
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	123,434,421	407,903	123,026,518	24,533,608	(28,117,368)	(28,117,368)
KB-KTB Technology Venture Fund	50,673,348	686,842	49,986,506	692,694	(3,031,017)	(3,031,017)
KB Bio Global Expansion Private Equity Fund No.1	45,378,133	106,519	45,271,614	5,422,750	5,003,999	5,003,999
KB Digital Platform Fund	170,540,295	809,282	169,731,013	10,521,343	6,988,002	6,988,002
KB-SOLIDUS Healthcare Investment Fund	69,003,602	2,750	69,000,852	39,504	(1,283,621)	(1,283,621)
G Payment Joint Stock Company	10,253,233	2,993,608	7,259,625	1,410,529	(944,194)	(944,194)
KB-GeneN Medical Venture Fund 1	8,525,819	177,600	8,348,219	32	(186,754)	(186,754)
DA-Friend Investment Fund II	3,500,297	151,340	3,348,957	1	(78,670)	(78,670)
Cornerstone Pentastone IV Fund	3,552,778	2,750	3,550,028	37	(50,116)	(50,116)
JS Private Equity Fund III	3,625,184	495	3,624,689	308,810	(1,777,796)	(1,777,796)
Mirae Asset Mobility Investment Fund I	8,416,677	74,913	8,341,764	14,450	(135,298)	(135,298)
KB-FT 1st Green Growth Investment Fund	18,270,632	-	18,270,632	12,171	(378,806)	(378,806)
THE CHAEUL FUND NO.1	3,052,675	-	3,052,675	663	(58,337)	(58,337)

POSITVE Sobujang Venture Fund #1	2,003,047	25,603	1,977,444	5,741,836	4,899,917	4,899,917
KB-NP Green ESG New Technology Venture Capital Fund	133,928,517	775,262	133,153,255	766,791	(2,196,796)	(2,196,796)
Hisstory 2022 Fintech Fund	5,506,581	54,998	5,451,583	769	(119,630)	(119,630)
KB Star REIT	1,141,992,556	774,895,403	367,097,153	68,824,273	(71,231,027)	(40,599,665)
KB Bio Private Equity Investment Fund IV	30,459,936	-	30,459,936	2,806,489	2,474,105	2,474,105
Nextrade Co., Ltd.	125,776,463	2,563,311	123,213,152	3,855,984	(15,737,169)	(15,737,169)
MW-Pyco NewWave New Technology Investment Fund 4th	3,747,448	-	3,747,448	1,483	(84,338)	(84,338)
KB-SUSUNG 1st Investment Fund	14,589,744	-	14,589,744	5,164,403	4,139,974	4,139,974
Bitgoeul Cheomdan Green 1st Co., Ltd.	1,274,434	4,933	1,269,501	1,216	(396,409)	(396,409)
Shinhan-Eco Venture Fund 2nd	9,868,245	2,943	9,865,302	191	(260,058)	(260,058)
Leading H2O Fund 1	3,017,881	1,320	3,016,561	2,622	(70,591)	(70,591)
2023 JB Newtech No.2 Fund	6,634,045	2,680	6,631,365	2,532,646	1,804,292	1,804,292
U-KB Credit No.1 Private Equity	24,988,198	973,973	24,014,225	4,487,180	2,263,206	2,263,206
KB-BridgePole Venture Investment Fund #2	10,244,395	-	10,244,395	4,453	(216,217)	(216,217)
Sirius Silicon Valley Ⅰ New Technology Fund	1,994,137	1,320	1,992,817	10,018	(45,367)	(45,367)
Timefolio Athleisure Investment Fund	8,139,720	-	8,139,720	5,567	(160,280)	(160,280)
COMPA Global Scale-Up Fund No.3	3,266,256	-	3,266,256	8,701	(67,744)	(67,744)
AKK Robotech Valueup New Technology Investment Fund	22,650,742	5,500	22,645,242	2,975,886	2,545,242	2,545,242
YG MCE PROJECT No.1 Fund	5,316,511	-	5,316,511	2,202	(83,489)	(83,489)
HI YG Win-win Fund No.2	9,568,040	-	9,568,040	4,109	(131,960)	(131,960)
KB-CJ Venture Fund 1st	4,333,360	1,493	4,331,867	33,521	(168,133)	(168,133)
Elohim-Bilanx aerospace No.1 Fund	9,451,403	5,281	9,446,122	2,146	(103,878)	(103,878)
KB-SUSUNG 2nd Investment Fund	15,648,898	-	15,648,898	42,634	(151,102)	(151,102)
IMM global Secondary 1-1 Equity Private Fund	9,503,209	489,912	9,013,297	2,317,566	2,244,785	2,244,785
LIB Material Investment Fund	5,786,900	-	5,786,900	33	(19,095,757)	(19,095,757)
NOVORSEC-SJG Consumer Secondary Fund	6,949,377	-	6,949,377	7,076	(50,623)	(50,623)
KBSBI Global High-tech Strategic Private Equity Investment Limited Partnership	30,205,065	575,425	29,629,640	1,868	(1,416,360)	(1,416,360)
KB-Cyrus Tourism Venture Fund	5,276,727	-	5,276,727	4,805	(123,273)	(123,273)
IBKS Design Fund	4,291,749	-	4,291,749	121	(8,251)	(8,251)
NICE DATA INTELLIGENCE VENTURE FUND	4,240,923	-	4,240,923	40	(9,077)	(9,077)
Pectus Hanwha Fund No.2	6,631,425	330	6,631,095	330	(168,905)	(168,905)
Korea Environment Technology Co., LTD	232,104,396	54,581,324	177,523,072	63,023,649	21,181,267	21,181,267
KB-IMM Newstar Real Estate Private Fund 1	53,735,524	109,604	53,625,920	2,680,690	2,448,920	2,448,920

Summarized financial information of associates for which financial information is not available as at December 31, 2024 are excluded.

The fair value of marketable Investments in associates as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	
	Market value	**Carrying amount**
KB Special Purpose Acquisition Company No.25	10,500	10,165
KB Special Purpose Acquisition Company No.27	10,325	10,460
KB Special Purpose Acquisition Company No.29	20,800	20,367
KB Special Purpose Acquisition Company No.30	20,450	19,930
KB Special Purpose Acquisition Company No.31	20,150	20,046
KB Special Purpose Acquisition Company No.32	20,050	19,599
KB Special Purpose Acquisition Company No.33	168,895	169,648
KB Star REIT	86,665,798	61,508,907
	86,936,968	61,779,122

(in thousands of Korean won)	2024	
	Market value	**Carrying amount**
KB Special Purpose Acquisition Company No.21	20,800	20,894
KB Special Purpose Acquisition Company No.25	10,200	9,965
KB Special Purpose Acquisition Company No.26	10,675	9,836
KB Special Purpose Acquisition Company No.27	9,745	10,236
KB Special Purpose Acquisition Company No.28	10,475	9,645
KB Special Purpose Acquisition Company No.29	19,910	19,982
KB Special Purpose Acquisition Company No.30	20,050	19,518
KB Special Purpose Acquisition Company No.31	19,260	22,618
KB Star REIT	105,898,645	98,600,791
Korea Environment Technology Co., LTD	109,409,121	107,427,843
	215,428,881	206,151,328

10. Loans Measured at Amortised Cost

The details of loans measured at amortised cost as at December 31, 2025 and 2024, are as follows:

	2025		
(in thousands of Korean won)	**Total amount**	**Allowances**	**Book amount**
Retails			
Broker's loans	4,293,559,258	(6,163,088)	4,287,396,170
Loans to employees	37,762,930	(810)	37,762,120
Present value discount	-	-	-
	4,331,322,188	(6,163,898)	4,325158,290
Corporates			
Broker's loans	283,252,086	-	283,252,086
Securities purchased under repurchase agreements	1,832,100,000	-	1,832,100,000
Loans receivable	4,427,308,949	(262,832,584)	4,164,476,365
Purchased loans	28,248,225	(332,553)	27,915,672
Advances for customers	6,842,141	(6,842,141)	-
Privately placed bonds	39,450,000	(33,303,180)	6,146,820
Financial lease receivables	16,555,000	-	16,555,000
Net deferred origination fees and costs	(6,715,327)	-	(6,715,327)
Present value discount	(612,371)	-	(612,371)
	6,626,428,703	(303,310,458)	6,323,118,245
	10,957,750,891	(309,474,356)	10,648,276,535

	2024		
(in thousands of Korean won)	**Total amount**	**Allowances**	**Book amount**
Retails			
Broker's loans	2,917,855,002	(6,513,007)	2,911,341,995
Loans to employees	23,854,419	-	23,854,419
Present value discount	-	-	-
	2,941,709,421	(6,513,007)	2,935,196,414
Corporates			
Broker's loans	223,118,048	-	223,118,048
Securities purchased under repurchase agreements	2,091,017,404	-	2,091,017,404
Loans receivable	5,449,079,686	(185,654,487)	5,263,425,199
Purchased loans	56,718,382	(388,518)	56,329,864
Advances for customers	7,465,522	(7,465,522)	-
Privately placed bonds	52,762,000	(32,598,148)	20,163,852
Financial lease receivables	23,129,979	-	23,129,979
Net deferred origination fees and costs	(5,130,850)	-	(5,130,850)
Present value discount	(1,407,028)	-	(1,407,028)
	7,896,753,143	(226,106,675)	7,670,646,468
	10,838,462,564	(232,619,682)	10,605,842,882

The changes in book amount of loans measured at amortised cost for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won) 2025

	Retails				Corporates			
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying credit loss model	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying credit loss model
		Non-impaired	Impaired			Non-impaired	Impaired	
Beginning	2,935,196,415	-	6,513,006	-	7,050,884,447	768,517,308	77,351,388	-
Transfer between stages								
Transfer to 12-month expected credit Losses	-	-	-	-	-	-	-	-
Transfer to lifetime expected credit Losses (Non-impaired)	-	-	-	-	(82,075,000)	82,075,000	-	-
Transfer to lifetime expected credit Losses (impaired)	-	-	-	-	(1,975,000)	(73,000,000)	74,975,000	-
Write-off	-	-	-	-	-	-	(623,381)	-
Sales	-	-	-	-	(150,241,156)	-	-	-
Other changes (execution, recover, etc.)	1,389,962,686	-	(349,919)	-	(750,644,480)	(361,137,968)	(7,677,455)	-
Ending	4,325,159,101	-	6,163,087	-	6,065,948,811	416,454,340	144,025,552	-

(in thousands of Korean won) 2024

	Retails				Corporates			
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying credit loss model	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying credit loss model
		Non-impaired	Impaired			Non-impaired	Impaired	
Beginning	3,391,164,084	-	6,005,059	-	6,881,077,809	256,133,543	59,627,383	-
Transfer between stages								
Transfer to 12-month expected credit Losses	-	-	-	-	46,000,000	(46,000,000)	-	-
Transfer to lifetime expected credit Losses (Non-impaired)	-	-	-	-	(633,108,115)	633,108,115	-	-
Transfer to lifetime expected credit Losses (impaired)	-	-	-	-	(22,825,440)	(10,000,000)	32,825,440	-
Write-off	-	-	-	-	-	-	(2,069,426)	-
Sales	-	-	-	-	(577,401,682)	-	-	-
Other changes	(455,967,669)	-	507,947	-	1,357,141,875	(64,724,350)	(13,032,009)	-

(execution, recover, etc.)								
Ending	2,935,196,415	-	6,513,006	-	7,050,884,447	768,517,308	77,351,388	-

The changes in allowances for loan losses for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won) 2025

	Retails				Corporates			
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying credit loss model	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying credit loss model
		Non-impaired	Impaired			Non-impaired	Impaired	
Beginning	-	-	6,513,007	-	82,243,114	77,737,715	66,125,846	-
Transfer between stages								
Transfer to 12-month expected credit Losses	-	-	-	-	-	-	-	-
Transfer to lifetime expected credit Losses (Non-impaired)	-	-	-	-	-	-	-	-
Transfer to lifetime expected credit Losses (impaired)	-	-	-	-	(143,110)	(8,126,981)	8,270,091	-
Write-off	-	-	-	-	-	-	(623,381)	-
Recovery of write-off loans	-	-	-	-	-	-	(290,634)	-
Sale	-	-	-	-	(360,673)	-	-	-
Provision (Reversal)	810	-	-	-	8,303,081	41,858,670	32,383,088	-
Other transfer (changes in for FX rate, etc.)	-	-	(349,919)	-	(3,447,630)	(909,372)	290,634	-
Ending	810	-	6,163,088	-	86,594,782	110,560,032	106,155,644	-

(in thousands of Korean won) 2024

	Retails				Corporates			
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying credit loss model	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying credit loss model
		Non-impaired	Impaired			Non-impaired	Impaired	
Beginning	-	-	6,005,060	-	60,396,218	84,100,465	24,560,199	-
Transfer between stages								
Transfer to 12-month expected credit Losses	-	-	-	-	3,154,307	(3,154,307)	-	-
Transfer to lifetime expected	-	-	-	-	(16,884,362)	16,884,362	-	-

credit Losses (Non-impaired)								
Transfer to lifetime expected credit Losses (impaired)	-	-	-	-	(72,220)	(1,539,108)	1,611,328	-
Write-off	-	-	-	-	-	-	(2,069,426)	-
Sale	-	-	-	-	(1,738,460)	-	-	-
Provision (Reversal)	-	-	-	-	47,203,871	(25,219,828)	33,788,956	-
Execution of the contract	-	-	-	-	-	6,666,529	8,234,789	-
Other transfer (changes in for FX rate, etc.)	-	-	507,947	-	(9,816,240)	(398)	-	-
Ending	-	-	6,513,007	-	82,243,114	77,737,715	66,125,846	-

Among the loans which have been written-off, the Group manages loans for which the claims against borrowers have not been lost due to reasons such as incomplete extinctive prescription pursuant to relevant laws and uncollected receivables after writing-off, as the written-off loans. As at December 31, 2025 and 2024, the balances of the written-off loans are ₩ 31,293,471 thousand and ₩ 23,256,163 thousand, respectively.

Broker's loan

The Group provides loans for stock purchases with credit period of 180 days (can be extended for six times) for investors using margin transaction. As at December 31, 2025, interest rate of the loan is differentiated from 5.2% to 9.3% based on maturities, and overdue interest rate is 9.9%.

Also, as the Group operates loans secured by securities. At the initial transaction, in case of superior shares and common shares, the Group requires trading securities or cash as collateral, corresponding to 167% and 250% of the loan, respectively. Over 140% collateral of the loan is required. As at December 31, 2025, the interest rate of loans secured by securities is differentiated from Annual Percentage Rate (APR) 6.9% to 9.3% based on maturities, from APR 7.3% to 8.8% based on credit rating, and the loan with past due date is 9.9%.

For margin loans to customers, trading securities or cash is required to be pledged corresponding to 140% of the loan. Because of this condition, the Group pledged securities as collateral which are purchased with the margin loans. If the value of the pledged securities do not reach to 140% of the loan, the Group requires additional cash or trading securities as collateral.

Advances for Customers

Advances for customers consist of advanced payments on loss compensation and advanced payments for others.

Advanced payments on loss compensation are the monetary amount of claim for reimbursement, paid by the Group, if any losses from embezzlement and arbitrary trading are occurred.

Advanced payments for others consist of two types. The first type is the amount of recourse from paid Investor Protection Fund based on the previous Securities Exchange Act Article 69 Clause 2 or Clause 4. This recourse is driven by preferred payments to the securities company with reasonable reason for taking the preferred payments. The second type is the amount of recourse from Joint Compensation Fund based on Law relating to the Financial Investment Services and Capital Markets Act Article 323 Clause 14 and related Enforcement Decree Article 318 Clause 8. This recourse is driven by preferred payments to the securities company that occurred reasonable reasons for taking the preferred payments.

11. Property and Equipment

The details of property and equipment as at December 31, 2025 and 2024, are as follows:

	2025			
(in thousands of Korean won)	**Acquisition cost**	**Accumulated depreciation**	**Accumulated revaluation**	**Book amount**
Land	24,694,778	-	77,441,935	102,136,713
Buildings	47,823,084	(24,563,685)	-	23,259,399
Vehicles	972,676	(393,718)	-	578,958
Furniture and equipment	215,122,367	(182,713,110)	-	32,409,257
Others	70,248,449	(52,979,843)	-	17,268,606
Right-of-use assets	212,984,799	(142,504,775)	-	70,480,024
	571,846,153	(403,155,131)	77,441,935	246,132,957

	2024			
(in thousands of Korean won)	**Acquisition cost**	**Accumulated depreciation**	**Accumulated revaluation**	**Book amount**
Land	24,968,018	-	83,580,757	108,548,775
Buildings	43,177,253	(21,066,922)	-	22,110,331
Vehicles	1,111,482	(422,830)	-	688,652
Furniture and equipment	204,408,789	(168,536,319)	-	35,872,470
Others	64,523,074	(48,750,085)	-	15,772,989
Right-of-use assets	205,617,817	(124,045,980)	-	81,571,837
	543,806,433	(362,822,136)	83,580,757	264,565,054

The details of right-of-use assets as at December 31, 2025 and 2024, are as follows:

	2025		
(in thousands of Korean won)	**Acquisition cost**	**Accumulated depreciation**	**Book amount**
Buildings	202,537,391	(137,413,448)	65,123,943
Vehicles	4,432,343	(2,633,596)	1,798,747
Others	6,015,065	(2,457,731)	3,557,334
	212,984,799	(142,504,775)	70,480,024

	2024		
(in thousands of Korean won)	**Acquisition cost**	**Accumulated depreciation**	**Book amount**
Buildings	197,166,055	(118,804,496)	78,361,559
Vehicles	4,085,292	(2,526,905)	1,558,387
Others	4,366,469	(2,714,578)	1,651,891
	205,617,816	(124,045,979)	81,571,837

The changes in property and equipment for the years ended December 31, 2025 and 2024, are as follows:

	2025					
(in thousands of Korean won)	**Beginning balance**	**Acquisition**	**Disposal**	**Depreciation**	**Others [1]**	**Ending balance**
Land	108,548,775	2,005,290	(10,983,844)	-	2,566,492	102,136,713
Buildings	22,110,331	1,379,167	-	(2,637,275)	2,407,176	23,259,399
Vehicles	688,652	-	(68,118)	(92,865)	51,289	578,958
Furniture and equipment	35,872,470	13,570,526	(317,999)	(16,397,838)	(317,902)	32,409,257
Others	15,772,989	8,365,748	(4,214)	(7,021,469)	155,552	17,268,606
Right-of-use assets	81,571,837	17,921,689	(763,155)	(29,995,859)	1,745,512	70,480,024
	264,565,054	43,242,420	(12,137,330)	(56,145,306)	6,608,119	246,132,957

[1] Others consist of reclassification to investment properties, foreign exchange differences and others.

	2024					
(in thousands of Korean won)	**Beginning balance**	**Acquisition**	**Disposal**	**Depreciation**	**Others [1]**	**Ending balance**
Land	111,950,474	-	-	-	(3,401,699)	108,548,775
Buildings	25,600,365	1,884,571	-	(2,577,888)	(2,796,717)	22,110,331
Vehicles	737,884	-	(115,430)	(82,494)	148,692	688,652
Furniture and equipment	34,251,838	17,295,888	(895,755)	(15,194,265)	414,764	35,872,470
Others	11,838,618	10,400,418	(99,865)	(6,371,046)	4,864	15,772,989
Right-of-use assets	70,761,650	39,307,962	(1,174,990)	(28,253,667)	930,882	81,571,837
	255,140,829	68,888,839	(2,286,040)	(52,479,360)	(4,699,214)	264,565,054

[1] Others consist of reclassification to investment properties, foreign exchange differences and others.

The changes in right-of-use assets for the year ended December 31, 2025 and 2024, are as follows:

	2025					
(in thousands of Korean won)	**Beginning balance**	**Acquisition**	**Disposal**	**Depreciation**	**Others [1]**	**Ending balance**
Buildings	78,361,559	13,037,484	(373,581)	(27,491,861)	1,590,342	65,123,943
Vehicles	1,558,386	1,974,288	(389,574)	(1,390,454)	46,101	1,798,747
Others	1,651,892	3,003,446	-	(1,113,544)	15,540	3,557,334
	81,571,837	18,015,218	(763,155)	(29,995,859)	1,651,983	70,480,024

[1] Others consist of foreign exchange differences and others.

(in thousands of Korean won)	2024					
	Beginning balance	**Acquisition**	**Disposal**	**Depreciation**	**Others [1]**	**Ending balance**
Buildings	66,674,422	47,126,387	(799,115)	(25,889,842)	(8,750,293)	78,361,559
Vehicles	1,690,835	1,657,667	(416,583)	(1,326,898)	(46,634)	1,558,387
Others	2,396,393	308,090	-	(1,036,927)	(15,665)	1,651,891
	70,761,650	49,092,144	(1,215,698)	(28,253,667)	(8,812,592)	81,571,837

[1] Others consist of foreign exchange differences and others.

The Group applies the revaluation model in relation to the measurement after the initial recognition of the land and the date of revaluation of the land was August 5, 2022. The Group used the assessed price provided by a qualified appraiser for the revaluation of the land.

The land was measured using sales value of similar land, and the access condition, environment condition and other specific factors are considered when the value is adjusted. There is no change in the valuation technique for the year ended December 31, 2025.

Classification of land that is measured at fair value by fair value hierarchy levels as at December 31, 2025 and 2024, are as follows:

	2025			
(in thousands of Korean won)	**Level 1**	**Level 2**	**Level 3**	**Total**
Land	-	-	102,136,713	102,136,713

	,2024			
(in thousands of Korean won)	**Level 1**	**Level 2**	**Level 3**	**Total**
Land	-	-	108,548,775	108,548,775

Changes in land which is classified to Level 3 for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	**2025**	**2024**
Beginning balance	108,548,775	111,950,474
Reclassification from investment properties to property and equipment	2,566,492	-
Reclassification from property and equipment to investment properties	-	(3,401,699)
Acquisition	2,005,290	-
Disposal	(10,983,844)	-
Ending balance	102,136,713	108,548,775

Book amounts of land under cost model as at December 31, 2025 and 2024, are as follows:

	2025		2024	
(in thousands of Korean won)	**Under revaluation model**	**Under cost model**	**Under revaluation model**	**Under cost model**
Land	102,136,713	24,694,778	108,548,775	24,968,018

Changes in other comprehensive income related to the revaluation for the year ended December 31, 2025 and 2024, are as follows:

	2025			
(in thousands of Korean won)	**Beginning balance**	**Reclassification**	**Decrease due to disposal, etc.**	**Ending balance**
Land	84,032,663	(848,457)	(5,290,365)	77,893,841
Income tax effects	(22,282,377)	-	763,817	(21,518,560)
	61,750,286	(848,457)	(4,526,548)	56,375,281

	2024		
(in thousands of Korean won)	**Beginning balance**	**Other Change**	**Ending balance**
Land	84,032,665	-	84,032,665
Income tax effects	(22,282,379)	-	(22,282,379)
	61,750,286	-	61,750,286

12. Investment Properties

The details of investment properties as at December 31, 2025 and 2024, are as follows:

	2025				
(in thousands of Korean won)	**Acquisition cost**	**Accumulated depreciation**	**Accumulated impairment**	**Accumulated revaluation**	**Book amount**
Land	45,793,361	-	(6,865,414)	255,815	39,183,762
Buildings	109,305,810	(21,632,858)	(14,553,087)	-	73,119,865
	155,099,171	(21,632,858)	(21,418,501)	255,815	112,303,627

	2024				
(in thousands of Korean won)	**Acquisition cost**	**Accumulated depreciation**	**Accumulated impairment**	**Accumulated revaluation**	**Book amount**
Land	283,406,057	-	(332,250)	-	283,073,807
Buildings	160,308,605	(23,929,999)	-	-	136,378,606
	443,714,662	(23,929,999)	(332,250)	-	419,452,413

The changes in investment properties for the years ended December 31, 2025 and 2024, are as follows:

	2025						
(in thousands of Korean won)	**Beginning balance**	**Acquisition**	**Disposal [1]**	**Depreciation**	**Impairment**	**Others [2]**	**Ending balance**
Land	283,073,807	-	(234,458,139)	-	(6,865,414)	(2,566,492)	39,183,762
Buildings	136,378,606	-	(42,281,239)	(3,467,850)	(14,553,087)	(2,956,565)	73,119,865
	419,452,413	-	(276,739,378)	(3,467,850)	(21,418,501)	(5,523,057)	112,303,627

[1] It includes investment properties amount to ₩ 276,297,454 thousand held by subsidiaries excluded from the consolidation during the year ended December 31, 2025.
[2] Others consist of foreign exchange differences and transfer from/to property and equipment.

(in thousands of Korean won)	2024						
	Beginning balance	**Acquisition**	**Disposal [1]**	**Depreciation**	**Impairment**	**Others [2]**	**Ending balance**
Land	431,082,024	-	(151,833,802)	-	-	3,825,585	283,073,807
Buildings	185,840,323	-	(53,226,932)	(4,406,269)	-	8,171,484	136,378,606
	616,922,347	-	(205,060,734)	(4,406,269)	-	11,997,069	419,452,413

[1] It included investment properties amount to 167,353,980 thousand held by subsidiaries excluded from the consolidation during the year ended December 31, 2024.
[2] Others consist of foreign exchange differences and transfer from/to property and equipment.

Details of income and expenditure on investment properties for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	**2025**	**2024**
Rental income	12,173,919	18,893,181
Expenditure on operating investment properties	(9,013,054)	(14,431,151)
Expenditure on non-operating investment properties	(59)	-
	3,160,806	4,462,030

Details of fair value of investment properties as at December 31, 2025 and 2024, are as follows:

	2025		**2024**	
(in thousands of Korean won)	**Book amount**	**Fair value**	**Book amount**	**Fair value**
Land	39,183,762	78,407,423	283,073,807	321,994,864
Buildings	73,119,865	101,248,181	136,378,606	150,845,041
	112,303,627	179,655,604	419,452,413	472,839,905

The fair values of investment properties as at December 31, 2025 was evaluated by an independent appraiser. The independent appraiser has appropriate qualification and experience in evaluating real estate in the location of investment properties.

The fair value of investment property was measured by using benchmark price of similar properties and discounted cash flow (DCF) method. The fair value of investment property measured by DCF method is assessed by discounting net cash flow from investment property with risk adjusted discount rate, reflecting expected growth rate of rent market, period of empty, proportion of rent, period without rent charge and other cost related to promotion for rent. The factors which are significant but non-observable inputs for fair valuation are expected growth rate of rent market, period of empty, proportion of rent, period without rent charge and risk adjusted discount rate.

The fair value of investment property measured by using sales value of similar land is calculated by analyzing and comparing the sale prices of similar land, and also the access condition, environment condition and other specific factors for the purpose of estimation for fair value are considered.

The fair values of investment properties are classified as Level 3 based upon the inputs, which are used in valuation method.

There is no significant change in the valuation technique for the year ended December 31, 2025.

Details of investment properties provided as collaterals as at December 31, 2025 and 2024 is as follows:

	2025		
(in thousands of Korean won)	**Secured amount**	**Secured party**	**Details**
Land and buildings	25,022,287	Kookmin Bank	Collateralized borrowing
	18,285,517	Shinhan Bank	
	14,435,935	Hana Bank	
	2,887,187	Bukok branch of Uiwang Nonghyup	
	1,924,791	Dodram Pig Farmers Cooperative	
	962,396	Jeju Pig Farm Livestock Cooperative	
	1,924,791	Suncheon Nonghyup	
	1,924,791	Singimpo Nonghyup	

	2024		
(in thousands of Korean won)	**Secured amount**	**Secured party**	**Details**
Land and buildings	95,628,080	Hanhwa Life Insurance	Collateralized borrowing
	38,251,232	Tongyang Life Insurance	
	36,338,670	Lotte Capital	
	23,907,020	Kyobo Life Insurance	
	22,992,136	Kookmin Bank	
	16,801,945	Shinhan Bank	
	13,264,694	Hana Bank	
	2,652,939	Bukok branch of Uiwang Nonghyup	
	1,768,626	Dodram Pig Farmers Cooperative	
	884,313	Jeju Pig Farm Livestock Cooperative	
	1,768,626	Suncheon Nonghyup	
	1,768,626	Singimpo Nonghyup	
	2,400,000	Singimpo Nonghyup	

Investment properties are provided as collaterals for rental deposits and lease hold right, which amounts to ₩ 610,000 thousand and ₩ 610,000 thousand as at December 31, 2025 and 2024, respectively.

13. Intangible Assets

The details of intangible assets as at December 31, 2025 and 2024, are as follows:

	2025			
(in thousands of Korean won)	**Acquisition cost**	**Accumulated amortization**	**Accumulated impairment**	**Book amount**
Goodwill	84,406,666	-	-	84,406,666
Development costs	345,985,097	(257,483,826)	-	88,501,271
Software	140,489,023	(125,352,899)	-	15,136,124
Memberships	43,384,790	(283,546)	(6,732,591)	36,368,653
Others	23,294,717	-	-	23,294,717
	637,560,293	(383,120,271)	(6,732,591)	247,707,431

	2024			
(in thousands of Korean won)	**Acquisition cost**	**Accumulated amortization**	**Accumulated impairment**	**Book amount**
Goodwill	85,940,206	-	-	85,940,206
Development costs	312,698,214	(209,465,882)	-	103,232,332
Software	136,334,647	(115,218,996)	(1,036,376)	20,079,275
Memberships	44,946,885	(277,321)	(7,203,010)	37,466,554
Others	23,294,717	-	-	23,294,717
	603,214,669	(324,962,199)	(8,239,386)	270,013,084

The changes in intangible assets for the years ended December 31, 2025 and 2024, are as follows:

	2025							
(in thousands of Korean won)	**Beginning balance**	**Acquisition [1]**	**Disposal**	**Amorti -zation**	**Impairment [2]**	**Reversal of Impairment [3]**	**Others [4]**	**Ending balance**
Goodwill	85,940,206	-	-	-	-	-	(1,533,540)	84,406,666
Development costs	103,232,332	33,286,883	-	(48,017,944)	-	-	-	88,501,271
Software	20,079,275	5,565,827	(3,250)	(10,449,618)	-	-	(56,110)	15,136,124
Memberships	37,466,554	-	(1,214,941)	(9,584)	(265,526)	393,000	(850)	36,368,653
Others	23,294,717	-	-	-	-	-	-	23,294,717
	270,013,084	38,852,710	(1,218,191)	(58,477,146)	(265,526)	393,000	(1,590,500)	247,707,431

[1] Advance payments and others transferred from other accounts are included.
[2] Memberships are composed of condominium and golf memberships, which are intangible assets with indefinite useful lives. The Group recognized a impairment loss because the market price of the asset is lower than book amount as at December 31, 2025.
[3] Memberships are composed of condominium and golf memberships, which are intangible assets with indefinite useful lives. The Group recognized a reversal of impairment loss because the market price of the asset is higher than book amount as at December 31, 2025.
[4] Others consist of foreign exchange differences and others.

(in thousands of Korean won)	2024							
	Beginning balance	Acquisition [1]	Disposal	Amorti -zation	Impairment [2]	Reversal of Impairment [3]	Others [4]	Ending balance
Goodwill	83,778,170	-	-	-	-	-	2,162,036	85,940,206
Development costs	104,399,311	40,991,592	-	(42,158,571)	-	-	-	103,232,332
Software	26,148,342	7,357,584	(24,996)	(12,513,083)	(1,036,376)	-	147,804	20,079,275
Memberships	34,675,737	2,887,619	(970,900)	(20,606)	(128,738)	1,019,296	4,146	37,466,554
Others	23,294,717	-	-	-	-	-	-	23,294,717
	272,296,277	51,236,795	(995,896)	(54,692,260)	(1,165,114)	1,019,296	2,313,986	270,013,084

[1] Advance payments and others transferred from other accounts are included.
[2] Memberships are composed of condominium and golf memberships, which are intangible assets with indefinite useful lives. The Group recognized a impairment loss because the market price of the asset is lower than book amount as at December 31, 2024.
[3] Memberships are composed of condominium and golf memberships, which are intangible assets with indefinite useful lives. The Group recognized a reversal of impairment loss because the market price of the asset is higher than book amount as at December 31, 2024.
[4] Others consist of foreign exchange differences and others.

14. Other Financial Assets

The details of other financial assets as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Other receivables	5,646,643,059	2,061,323,408
Accrued income	382,898,196	308,011,193
Accrued interest on bonds	172,967,452	295,740,833
Guarantee deposits	63,371,824	62,846,557
Other	110,787,473	137,520,223
Provision for other financial assets	(52,702,623)	(51,685,257)
	6,323,965,381	2,813,756,957

15. Other Assets

The details of other assets as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Other receivables	195,150,962	-
Advance payments	57,923,580	41,944,463
Prepaid expenses	111,176,532	135,338,953
Prepaid value-added taxes	338,057	368,207
Others	26,446,795	13,406,609
	391,035,926	191,058,232

16. Deposit Liabilities

The details of deposit liabilities as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Customers' deposits		
Customers' deposits for brokerage	8,542,825,436	5,773,748,168
Customers' deposits for exchange-traded derivatives trading	637,491,603	438,187,733
Customers' deposits for subscription	-	-
Customers' deposits for savings	17,247,349	6,997,054
Customers' deposits for repo	61,456	61,541
Customers' deposits for the investor of collective investment securities	652,343,006	456,285,969
Others	80,017	7,780
	9,850,048,867	6,675,288,245
Guarantee deposits		
Guarantee deposits in foreign currency	1,529,562,995	680,406,569
Guarantee deposits in Korean won	731,162,021	370,164,013
	2,260,725,016	1,050,570,582
	12,110,773,883	7,725,858,827

17. Borrowings

The details of borrowings as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Call money	1,290,000,000	820,000,000
Borrowings:		
Borrowing from banks	647,398,189	346,270,177
Borrowing from KSFC	1,465,834,076	1,264,581,631
Asset-backed short-term bonds	2,238,362,671	2,767,930,379
CP borrowings	5,800,000,000	5,000,000,000
Others	105,252,357	247,783,272
Securities sold under repurchase agreements	10,719,460,118	9,419,893,685
Short-term note issued	10,943,325,311	10,130,450,816
Debentures:		
Debentures	4,620,670,000	3,463,100,000
Less: discount on debentures issued	(6,865,709)	(5,408,576)
	37,823,437,013	33,454,601,384

The details of call money as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	Interest rate (%)	2025	2024
Kiwoom Asset Management Co., Ltd. and others	2.60~2.90	1,290,000,000	820,000,000

The details of borrowings as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)		Interest rate (%)	2025	2024
Borrowings from banks	Kookmin Bank and other	0.00~7.70	647,398,189	346,270,177
Borrowings from KSFC	KSFC	2.73~2.94	1,465,834,076	1,264,581,631
Asset-backed short-term bonds	SK Securities co., Ltd., and other	2.00~7.00	2,238,362,671	2,767,930,379
CP borrowings	Hyundai Motor Securities Co., Ltd.and others	2.58~3.20	5,800,000,000	5,000,000,000
Others	KFCC and others	2.00~6.90	105,252,357	247,783,272
			10,256,847,293	9,626,565,459

The details of securities sold under repurchase agreements as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	Interest rate (%)	2025	2024
Customers	0.00~4.80	6,693,960,118	5,913,024,606
Financial institution	2.40~2.68	4,025,500,000	3,506,869,079
		10,719,460,118	9,419,893,685

The details of short-term note issued as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	Interest rate (%)	2025	2024
Individual	2.00~5.00	5,965,341,642	6,149,462,845
Corporate	2.00~4.50	4,977,983,669	3,980,987,971
		10,943,325,311	10,130,450,816

The details of debentures as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	Date issued	Maturity	Interest rate (%)	2025	2024
The 39-2nd unsecured public debenture	2021.03.04	2026.03.04	1.70	120,000,000	120,000,000
The 40-2nd unsecured public debenture	2021.04.23	2026.04.23	1.94	200,000,000	200,000,000
The 41-1st unsecured public debenture	2023.02.07	2025.02.07	3.88	-	330,000,000
The 41-2nd unsecured public debenture	2023.02.07	2026.02.06	3.85	210,000,000	210,000,000
The 42-1st unsecured public debenture	2023.06.26	2025.06.26	4.39	-	240,000,000
The 42-2nd unsecured public debenture	2023.06.26	2026.06.26	4.43	220,000,000	220,000,000
The 43-1st unsecured public debenture	2024.01.31	2025.07.31	3.94	-	160,000,000
The 43-2nd unsecured public debenture	2024.01.31	2026.01.30	3.94	230,000,000	230,000,000
The 43-3rd unsecured public debenture	2024.01.31	2027.01.29	3.98	410,000,000	410,000,000
The 44-1st unsecured public debenture	2024.04.23	2025.10.23	3.79	-	100,000,000

The 44-2nd unsecured public debenture	2024.04.23	2026.04.23	3.82	100,000,000	100,000,000
The 44-3rd unsecured public debenture	2024.04.23	2027.04.23	3.86	200,000,000	200,000,000
The 45-1st unsecured public debenture	2024.09.03	2026.09.03	3.56	220,000,000	220,000,000
The 45-2nd unsecured public debenture	2024.09.03	2027.09.03	3.56	280,000,000	280,000,000
The 2nd unsecured privately placed bond [1]	2024.12.12	2026.06.12	7.10	200,000	2,100,000
The 46-1st unsecured public debenture	2025.02.19	2027.02.19	3.03	120,000,000	-
The 46-2nd unsecured public debenture	2025.02.19	2028.02.18	3.08	450,000,000	-
The 46-3rd unsecured public debenture	2025.02.19	2030.02.19	3.17	230,000,000	-
The 47-1st unsecured public debenture	2025.05.28	2027.05.28	2.72	220,000,000	-
The 47-2nd unsecured public debenture	2025.05.28	2028.05.26	2.76	380,000,000	-
The 48-1st unsecured public debenture	2025.09.09	2030.09.09	2.91	100,000,000	-
The 48-2nd unsecured public debenture	2025.09.09	2028.09.08	2.79	440,000,000	-
The 48-3nd unsecured public debenture	2025.09.09	2027.09.09	2.72	60,000,000	-
The 21-1 public debenture in foreign currency [2]	2021.11.01	2026.11.01	2.13	430,470,000	441,000,000
				4,620,670,000	3,463,100,000
Less: Discount on debentures issued				(6,865,709)	(5,408,576)
				4,613,804,291	3,457,691,424

[1] This privately placed bond was issued by subsidiary named Able Seun Co., Ltd.
[2] The issuance price of this public debenture is US$ 300,000,000.

The changes in borrowings for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	**2025**	**2024**
Beginning balance	33,454,601,384	30,640,156,335
Increase(decrease) in call money	470,000,000	(420,000,000)
Increase(decrease) in borrowings from banks	301,128,012	(307,417,189)
Increase in borrowings from KSFC	201,252,445	1,761,697
Increase(decrease) in asset-backed short-term bond	(529,567,708)	422,841,700
Increase in CP borrowings	800,000,000	1,620,000,000
Decrease in other borrowings	(142,530,915)	(330,866,506)
Increase in securities sold under repurchase agreements	1,299,566,433	383,796,062
Increase in short-term note issued	812,874,495	542,939,794
Increase in debentures	1,156,112,867	901,389,491
Ending balance	37,823,437,013	33,454,601,384

18. Post-employment Benefits

18.1 Defined Benefit Plans

The details of defined benefit liabilities as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Present value of defined benefit obligations	84,113,110	79,636,084
Fair value of plan assets	(6,037,497)	(10,971,828)
Net defined benefit liabilities	78,075,613	68,664,256

The changes in the defined benefit obligation for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Beginning balance	79,636,084	75,835,223
Current service cost	23,603,780	22,515,097
Interest cost	2,099,064	2,436,755
Remeasurements		
Actuarial gains and losses arising from changes in demographic assumptions	2,888,700	34,904
Actuarial gains and losses arising from changes in financial assumptions	(636,407)	4,697,042
Actuarial gains and losses arising from experience adjustment	6,353,218	1,480,306
Payments from plans	(2,059,923)	(1,291,060)
Payments from the Group	(23,863,456)	(21,543,795)
Transfer to related companies	(3,907,950)	(2,777,338)
Settlement	-	(1,751,050)
Ending balance	84,113,110	79,636,084

The changes in the fair value of plan assets for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Beginning balance	(10,971,828)	(13,270,798)
Interest income	(378,524)	(549,651)
Remeasurements:		
Return on plan assets (excluding amounts included in interest income)	(8,352)	180,223
Contributions by employers	(500,000)	(1,400,000)
Payments from plans:		
Benefits paid	2,059,924	1,291,060
Transfer to related companies	3,761,283	2,777,338
Ending balance	(6,037,497)	(10,971,828)

Plan assets are composed of the detail assets that have no quoted price in active market. The details of plan assets as at December 31, 2025 and 2024, are as follows:

	2025		2024	
(in thousands of Korean won)	**Fair value**	**Composition(%)**	**Fair value**	**Composition(%)**
Cash and deposits	4,949,407	81.98	10,122,822	92.26
Investment funds	1,088,090	18.02	849,006	7.74
	6,037,497	100.00	10,971,828	100.00

Key actuarial assumptions used as at December 31, 2025 and 2024, are as follows:

	2025	**2024**
Discount rate	DB(including special retirement by salaries peak plan) 3.9% Compensation promotion DC 3.3 %	DB(including special retirement by salaries peak plan) 3.6% Compensation promotion DC 3.2 %
Expected salary growth rate	DB : executives 4.7% DC: Promotion + Base up 2.8% Special retirement by salaries peak plan: 4.7%	DB : executives 4.8% DC: Promotion + Base up 2.7% Special retirement by salaries peak plan: 4.8%

The sensitivity analysis for significant actuarial assumptions used to determine the present value of the defined benefit obligation as at December 31, 2025, are as follows:

		Effect on the present value of defined benefit obligation	
(in thousands of Korean won)	**Changes in assumption**	**Increase**	**Decrease**
Discount rate	0.50%	(1,787,989)	1,890,803
Expected salary growth rate[1]	0.50%	1,698,477	(1,611,528)
Retirement rate	0.50%	(1,706,156)	1,795,967

[1] The sensitivity analysis for the expected salary growth rate is limited to special retirement by salaries peak plan and DB.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. The sensitivity of the present value of the defined benefit obligation to changes in actuarial assumptions is calculated using the projected unit credit method, the same method applied when calculating the defined benefit obligations.

The methods and assumptions used in preparing the sensitivity analyses did not change compared to the previous period.

The effect of defined benefit plan on future cash inflows: Expected maturity analysis of undiscounted pension benefits as at December 31, 2025, is as follows:

(in thousands of Korean won)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Between 5 and 10 years	Over 10 years	Total
Pension benefits[1]	7,108,382	11,361,181	30,444,854	32,944,123	64,068,029	145,926,569

[1] Fixed pension benefits of ₩ 15,100,000 thousand under promotion compensation defined contribution plan are excluded.

The weighted average duration of the defined benefit obligations is 5.75 years.

Expected contribution to post-employment benefit plans for the year ending December 31, 2026 is ₩ 900,000 thousand.

18.2 Defined Contribution Plans

The Group recognized the expenses of ₩ 8,159,197 thousand and ₩ 4,775,485 thousand for defined contribution plans for the years ended December 31, 2025 and 2024, respectively.

19. Provisions

The details of provisions as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Provisions for unused commitments	6,462,778	4,363,358
Provisions for asset retirement obligation [1]	9,206,853	9,236,979
Provisions for lawsuits	56,008,858	75,204,159
Provisions for others	38,434,048	48,755,377
	110,112,537	137,559,873

[1] The Group recognized the provision for asset retirement obligation in connection with the leased asset for the expenditures expected to recover the asset.

The changes in provisions for non-financial guarantees for the years ended December 31, 2025 and 2024 are as follows,

	2025		
(in thousands of Korean won)	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses	
		Non-impaired	Impaired
Beginning	4,172,129	191,229	-
Transfer between stages			
Transfer to lifetime expected credit Losses	-	-	-
Provision for losses (reversal of provision)	2,290,649	(191,229)	-
Other transfer(foreign exchange and other)	-	-	-
Ending	6,462,778	-	-

	2024		
(in thousands of Korean won)	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses	
		Non-impaired	Impaired

Beginning	6,218,110	196,724	-
Transfer between stages			
Transfer to lifetime expected credit Losses	(274,031)	274,031	-
Provision for losses (reversal of provision)	(1,771,950)	(279,526)	-
Other transfer(foreign exchange and other)	-	-	-
Ending	4,172,129	191,229	-

The changes in other provisions for the years ended December 31, 2025 and 2024, are as follows:

	2025			
(in thousands of Korean won)	**Provisions for asset retirement obligation**	**Provisions for lawsuits**	**Provisions for others**	**Total**
Beginning	9,236,979	75,204,159	48,755,377	133,196,515
Contribution	214,584	33,784,354	7,452,000	41,450,938
Reversal	(28,790)	(25,038,145)	(7,350,798)	(32,417,733)
Use	(253,095)	(27,941,510)	(10,422,531)	(38,617,136)
Amortization of discounts	37,175	-	-	37,175
Ending	9,206,853	56,008,858	38,434,048	103,649,759

	2024			
(in thousands of Korean won)	**Provisions for asset retirement obligation**	**Provisions for lawsuits**	**Provisions for others**	**Total**
Beginning	9,058,920	111,425,114	86,089,255	206,573,289
Contribution	215,297	12,982,498	25,417,147	38,614,942
Reversal	-	(34,099,212)	(4,600,000)	(38,699,212)
Use	(87,527)	(15,104,241)	(58,151,025)	(73,342,793)
Amortization of discounts	50,289	-	-	50,289
Ending	9,236,979	75,204,159	48,755,377	133,196,515

20. Other Financial Liabilities

The details of other financial liabilities as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	**2025**	**2024**
Other payables	5,447,665,459	1,803,355,494
Accrued expenses	174,096,393	173,026,055
Financial guarantee liabilities	2,792,624	4,888,161
Provisions for financial guarantee contracts	245,001	-
Leasehold deposits received	10,555,100	15,879,109
Non-controlling liabilities	45,692,550	53,722,980
Lease liabilities	92,480,438	110,565,255
Others	87,612,541	49,015,525
	5,861,140,106	2,210,452,579

The changes in liabilities of the provisions for financial guarantee contracts for the years ended December 31, 2025 and 2024 are as follows:

(in thousands of Korean won)	2025		
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses	
		Non-impaired	Impaired
Beginning	-	-	-
Provision	1,070,001	-	-
Other transfer(foreign exchange and other)	(825,000)	-	-
Ending	245,001	-	-

(in thousands of Korean won)	2024		
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses	
		Non-impaired	Impaired
Beginning	142,308	-	-
Provision	14,759,010	-	-
Other transfer(foreign exchange and other)	(14,901,318)	-	-
Ending	-	-	-

21. Other Liabilities

The details of other liabilities as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Accounts payables	-	7,162,892
Accrued expenses	342,617,781	288,909,701
Accrued dividends	1,386,111	1,366,645
Advances from customers	13,906,331	7,819,439
Unearned revenue	40,324,441	26,427,136
Taxes withheld	96,187,722	58,844,142
Other long-term employee benefits	6,600,261	7,244,299
Others	11,434,108	12,413,869
	512,456,755	410,188,123

22. Share Capital

The details of share capital as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won except per share)	Authorized shares	Outstanding shares	Par value per share	2025	2024
Ordinary share	1,000,000,000 shares	298,620,424 shares	5,000 won	1,493,102,120	1,493,102,120

There are no changes in ordinary shares for the years ended December 31, 2025 and 2024.

After the year ended December 31, 2025, in February 2026, the Group issued 33,333,333 common shares at a per-share issuance price of ₩ 21,000 (par value of KRW 5,000) through a resolution of the board of directors.

23. Hybrid Securities

Details of hybrid security classified as equity as of December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	Issuance date	Maturity	Interest rate (%)	2025	2024
Bond-type Hybrid Securities No.1[1]	March 31, 2022	Permanent	4.30	208,010,652	208,010,652
Bond-type Hybrid Securities No.2	May 30, 2022	Permanent	4.80	48,170,880	48,170,880
Bond-type Hybrid Securities No.3[2]	September 30, 2022	Permanent	5.50	249,948,780	249,948,780
Bond-type Hybrid Securities No.4[3]	May 8, 2023	Permanent	5.35	119,963,080	119,963,080
Bond-type Hybrid Securities No.5	March 21, 2024	Permanent	5.22	129,999,380	129,999,380
				756,092,772	756,092,772

[1] As at December 31, 2025 and 2024, among the hybrid securities issued by the Group, the balance held by KB Financial Group, a related party of the Group, is ₩ 200,000 million.
[2] As at December 31, 2025 and 2024, among the hybrid securities issued by the Group, the balance held by KB Financial Group, a related party of the Group, is ₩ 230,000 million.
[3] As at December 31, 2025 and 2024, among the hybrid securities issued by the Group, the balance held by KB Financial Group, a related party of the Group, is ₩ 100,000 million.

The Group may extend the maturity under the same conditions at the time of maturity of the above hybrid securities, and interest payment may be deferred except in cases where a cash dividend or stock dividend has been resolved for common stock. Above hybrid securities are early redeemable by the Group after 5 years from the issuance date and each interest payment date thereafter.

24. Other Paid-in Capital

The details of other paid-in capital as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Share premium [1]	1,142,353,750	1,142,353,750
Gains and losses on sale of treasury share	(45,331,811)	(45,331,811)
Other equity [2]	382,237,961	382,237,961
	1,479,259,900	1,479,259,900

[1] Share premium was previously paid from stock issuance and new stock issuance due to merger and can only be used for capitalization and deficit recovery.
[2] Other equity arose from the paid-in capital increase of preferred share and gains on merger.

The changes in other paid-in capital for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	**2025**	**2024**
Beginning	1,479,259,900	1,478,687,978
Changes in scope of consolidation	-	571,922
Ending	1,479,259,900	1,479,259,900

25. Retained Earnings

The details of retained earnings as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	**2025**	**2024**
Legal reserve		
Earned surplus reserve [1]	201,656,298	173,656,298
Reserve for liability to compensate for damages [2]	500,000	500,000
Voluntary reserves	2,109,442,799	1,889,816,387
Regulatory reserve for credit losses [3]	66,404,685	47,300,393
Unappropriated retained earnings	398,086,375	598,544,544
	2,776,090,157	2,709,817,622

[1] The Commercial Act of the Republic of Korea requires the Group to 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 share capital. The reserve is not available for the payment of cash dividends, but may be transferred to share capital or used to reduce accumulated deficit.

[2] The Parent Company provides reserve for loss on electronic financial transactions to make reparation for the damage in process of the electronic transfers or operations. Also, the Parent Company provides reserve to compensate for inflicted damage on a credit information subject when violating the Credit Information Use and Protection Act.

[3] The Group accumulates allowances for possible loan losses in accordance with Korean IFRS and reserve for possible loan losses as much as the amount below the provision of allowances according to minimum accumulation ratio required by Financial Supervisory Service.

Changes in retained earnings for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	**2025**	**2024**
Beginning balance	2,709,817,622	2,304,302,712
Profit for the year	679,735,667	591,153,190
Dividends	(580,000,000)	(150,000,000)
Dividends of hybrid securities	(38,599,700)	(37,064,078)
Replacement due to disposal of equity investments at FVOCI	1,051,211	1,425,798
Reclassification of revaluation surplus due to disposal of property and equipment	4,085,357	-
Ending balance	2,776,090,157	2,709,817,622

The amount of dividends and dividends per share for the years ended December 31, 2025 and 2024, are as follows:

	2025					
(in Korean won and number of shares)	**Type of share**	**Number of shares outstanding**	**Number of treasury shares**	**Number of dividend shares**	**Dividend per share**	**Total dividend (In thousands of Korean won)**
Interim dividend	Ordinary share	298,620,424 shares	-	298,620,424 shares	1,004	300,000,000
Annual dividend	Ordinary share	298,620,424 shares	-	298,620,424 shares	937	280,000,000

	2024					
(in Korean won and number of shares)	**Type of share**	**Number of shares outstanding**	**Number of treasury shares**	**Number of dividend shares**	**Dividend per share**	**Total dividend (In thousands of Korean won)**
Annual dividend	Ordinary share	298,620,424 shares	-	298,620,424 shares	502	150,000,000

Payout and dividend yield ratios as at December 31, 2025 and 2024, are as follows:

	2025	2024
	Ordinary share Interim dividend	**Ordinary share** Annual dividend
Number of shares outstanding	298,620,424	298,620,424
Number of treasury shares	-	-
Number of dividend shares	298,620,424	298,620,424
Par value per share (in Korean won)	5,000	5,000
Payout ratio	20.08%	18.75%
Scheduled dividends (in thousands of Korean won)	300,000,000	280,000,000
Dividends per share (in Korean won)	1,004	937

The Group accumulates allowances for possible loan losses in accordance with Korean IFRS and reserve for possible loan losses as much as the amount below the provision of allowances according to minimum accumulation ratio required by Regulation on Supervision of Financial Investment.

Regulatory reserve for credit losses, a type of voluntary reserve for retained earnings, reverses the exceeding amount if the beginning balance of the reserve exceeds the ending balance at the closing date. Regulatory reserve for credit losses is generally recognized after unappropriated deficit is disposed.

The details of the regulatory reserve for credit losses (reversal of reserve) to be appropriated as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Beginning	66,404,685	47,300,393
Amounts to be reserved (reversed)	(8,837,499)	19,104,292
Ending	57,567,186	66,404,685

The adjusted profit of the year after reflection of reversal (provision) of reserve for credit losses for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Profit for the year before reserve for credit loss	679,735,667	590,360,820
Amounts to be reversed (reserved)	8,837,499	(19,104,292)
Adjusted profit after reversed (provision) of reserve for credit losses[1]	688,573,166	571,256,528

[1] Reserve for credit loss is announced by Article 3 Clause 8 of the Regulation on Financial Investment Business. Adjusted profit after reserve for credit losses is not based on Korean IFRS and is calculated on the assumption that provision or reversal of reserve for credit losses before tax is adjusted to the profit.

26. Other Components of Equity

The details of other components of equity as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Changes in the fair value of financial assets at FVOCI	323,157,359	295,100,380
Share of other comprehensive income of associates	(839,072)	(52,401)
Revaluation surplus	57,191,703	62,144,795
Remeasurements of net defined benefit liabilities	(53,717,375)	(47,480,752)
Exchange differences on translation of foreign operations	86,475,274	112,942,558
Hedge of net investments in foreign operations	(32,398,689)	(38,438,855)
Gain or loss on financial liabilities designated at FVTPL due to the change of credit risk	(20,522,685)	(17,297,087)
	359,346,515	366,918,638

The changes in gain or loss on valuation of financial assets at FVOCI for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Beginning balance	295,100,380	289,671,988
Gain (loss) on valuation	55,483,663	13,304,973
Tax effect of gain (loss) on valuation [1]	(20,300,855)	(3,668,103)
Transfer to gain due to disposal or impairment	(9,681,835)	(5,718,041)
Tax effect of transfer [1]	2,556,006	1,509,563
Ending balance	323,157,359	295,100,380

[1] Including income tax effect (Note 35)

The changes in the Group's share of other comprehensive income of associates for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Beginning balance	(52,401)	(6,586,082)
Changes of other comprehensive income of associates	(405,627)	8,909,673
Tax effect [1]	(381,044)	(2,375,992)
Ending balance	(839,072)	(52,401)

[1] Including income tax effect (Note 35)

The changes in gain on revaluation of property and equipment for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	**2025**	**2024**
Beginning balance	62,144,795	62,144,795
Replacement due to disposal of revaluated assets	(5,550,756)	-
Tax effect related to replacement due to disposal of revaluated assets [1]	597,664	-
Ending balance	57,191,703	62,144,795

[1] Including income tax effect (Note 35)

The changes in remeasurements of the net defined benefit liability for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	**2025**	**2024**
Beginning balance	(47,480,751)	(42,790,562)
Changes due to valuation	(8,597,161)	(6,392,474)
Tax effect [1]	2,360,537	1,702,285
Ending balance	(53,717,375)	(47,480,751)

[1] Including income tax effect (Note 35)

The changes in exchange differences on translation of foreign operations for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	**2025**	**2024**
Beginning balance	112,942,559	48,609,018
Exchange differences on foreign operations translation	(27,871,081)	63,911,262
Tax effect [1]	(44,308)	2,485,191
Non-controlling interest	1,448,104	(2,062,912)
Ending balance	86,475,274	112,942,559

[1] Including income tax effect (Note 35)

The changes in gain or loss on valuation of hedge of net investments in foreign operations for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	**2025**	**2024**
Beginning balance	(38,438,855)	(16,769,049)
Gain (loss) on net investment in a foreign operation hedge	7,538,862	(29,442,671)
Re-classification to net income due to the end of net investments in foreign operations	-	-
Tax effect [1]	(1,498,696)	7,772,865
Ending balance	(32,398,689)	(38,438,855)

[1] Including income tax effect (Note 35)

The change in gain or loss on financial liabilities designated at FVTPL due to the change of credit risk for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Beginning balance	(17,297,087)	(11,782,162)
Changes	(4,805,676)	(7,493,104)
Tax effect [1]	1,580,078	1,978,179
Ending balance	(20,522,685)	(17,297,087)

[1] Including income tax effect (Note 35)

27. Fee and Commission Income and Expense

The details of fee and commission income for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Brokerage commissions	777,313,489	550,643,935
Underwriting commissions	166,086,582	176,339,844
Brokerage commissions on collective investment securities	34,291,973	23,565,918
Management fee on collective investment securities	-	5,304
Management fee on asset management	50,209,302	38,160,750
Commissions on merger and acquisition	55,334,944	89,101,232
Trust fees and commissions	20,822,534	17,866,581
Other commissions	114,526,370	100,443,111
	1,218,585,194	996,126,675

The details of fee and commission expense for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Trading commission	63,932,836	53,916,826
Advisory fees	4,348,664	3,047,910
Investment management delegation fees	1,398,604	1,867,849
Commission fees on group brand	19,879,298	21,032,741
Contributions to external institutions	9,461,193	9,056,725
Others	178,488,679	135,324,979
	277,509,274	224,247,030

28. Gain or Loss on Valuation and Disposal of Financial Instruments

The details of gain or loss on valuation and disposal of financial instruments for the years ended December 31, 2025 and 2024, are as follows:

	2025		
(in thousands of Korean won)	Gain	Loss	Net
Financial instruments at FVTPL	3,789,035,307	1,721,960,987	2,067,074,320
Financial instruments designated at FVTPL	145,592,815	658,229,659	(512,636,844)
Derivative financial instruments	5,725,790,982	7,041,422,093	(1,315,631,111)
Financial assets at FVOCI [1]	27,617,524	4,831,583	22,785,941
	9,688,036,628	9,426,444,322	261,592,306

[1] Gain or loss on valuation of financial assets at FVOCI is excluded.

	2024		
(in thousands of Korean won)	**Gain**	**Loss**	**Net**
Financial instruments at FVTPL	1,859,276,411	1,572,167,286	287,109,125
Financial instruments designated at FVTPL	324,748,471	640,871,724	(316,123,253)
Derivative financial instruments	4,539,490,246	4,382,826,145	156,664,101
Financial assets at FVOCI [1]	13,207,427	717,576	12,489,851
	6,736,722,555	6,596,582,731	140,139,824

[1] Gain or loss on valuation of financial assets at FVOCI is excluded.

The details of gain or loss on valuation and disposal of financial instruments at FVTPL for the years ended December 31, 2025 and 2024, are as follows:

	2025		
(in thousands of Korean won)	**Gain**	**Loss**	**Net**
Financial assets at FVTPL	3,626,543,482	932,099,408	2,694,444,074
Financial liabilities at FVTPL	162,491,825	789,861,579	(627,369,754)
	3,789,035,307	1,721,960,987	2,067,074,320

	2024		
(in thousands of Korean won)	**Gain**	**Loss**	**Net**
Financial assets at FVTPL	1,502,637,546	1,214,255,744	288,381,802
Financial liabilities at FVTPL	356,638,865	357,911,542	(1,272,677)
	1,859,276,411	1,572,167,286	287,109,125

The details of gain or loss on valuation and disposal of financial instruments designated at FVTPL for the years ended December 31, 2025 and 2024, are as follows:

	2025		
(in thousands of Korean won)	**Gain**	**Loss**	**Net**
Financial liabilities designated at FVTPL			
Derivatives-linked securities sold	98,914,557	511,123,772	(412,209,215)
Other OTC derivative-combined contract sold	18,405,237	99,087,124	(80,681,887)
Exchange traded notes sold	28,273,021	48,018,763	(19,745,742)
	145,592,815	658,229,659	(512,636,844)

	2024		
(in thousands of Korean won)	**Gain**	**Loss**	**Net**
Financial liabilities designated at FVTPL			
Derivatives-linked securities sold	266,262,027	526,918,763	(260,656,736)
Other OTC derivative-combined contract sold	39,681,189	77,671,319	(37,990,130)
Exchange traded notes sold	18,805,255	36,281,642	(17,476,387)
	324,748,471	640,871,724	(316,123,253)

The details of gain or loss on valuation and disposal of derivative financial instruments for the years ended December 31, 2025 and 2024, are as follows:

	2025		
(in thousands of Korean won)	**Gain**	**Loss**	**Net**
Interest rate	2,084,073,388	1,999,400,554	84,672,834
Currency	591,709,604	670,752,733	(79,043,129)
Stock	2,782,166,804	4,157,849,499	(1,375,682,695)
Credit	59,327,916	55,681,259	3,646,657
Commodity	134,684,934	112,210,345	22,474,589
Others	73,828,336	45,527,703	28,300,633
	5,725,790,982	7,041,422,093	(1,315,631,111)

	2024		
(in thousands of Korean won)	**Gain**	**Loss**	**Net**
Interest rate	1,255,884,102	1,355,656,950	(99,772,848)
Currency	752,675,408	697,460,916	55,214,492
Stock	2,347,318,616	2,068,586,278	278,732,338
Credit	46,411,148	42,064,301	4,346,847
Commodity	63,666,021	57,086,321	6,579,700
Others	73,534,951	161,971,379	(88,436,428)
	4,539,490,246	4,382,826,145	156,664,101

The details of gain or loss on valuation and disposal of financial assets at FVOCI for the years ended December 31, 2025 and 2024, are as follows:

	2025		
(in thousands of Korean won)	**Gain**	**Loss**	**Net**
Debt instruments	27,617,524	4,831,583	22,785,941
	27,617,524	4,831,583	22,785,941

	2024		
(in thousands of Korean won)	**Gain**	**Loss**	**Net**
Debt instruments	13,207,427	717,576	12,489,851
	13,207,427	717,576	12,489,851

29. Interest Income and Interest Expense

The details of interest income for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Interest on financial assets at FVTPL		
Interest on debt instruments at FVTPL	670,653,926	681,520,108
Interest on loans at FVTPL	37,081,442	14,455,538
Interest on commercial papers	110,681,905	149,585,454
	818,417,273	845,561,100
Interest on financial assets at FVOCI and financial assets measured at amortised cost		
Interest on loans measured at amortised cost	19,230,528	22,463,982
Interest on debt instruments at FVOCI	217,346,070	199,362,668
Interest on broker's loans	279,844,192	259,639,549
Interest on loans	294,804,342	312,885,597
Interest on deposits with KSFC	36,351,403	32,054,407
Interest on certificates of deposit	854,168	3,234,932
Interest on deposits with financial institution	466,358	129,946
Interest on bonds purchased under resale agreements	43,788,732	53,913,386
Gains on transactions of certificates of deposits	62,968	1,922,735
Interest on deposits	42,517,336	37,066,255
Interest on other receivables	1,157,351	769,006
Others [1]	12,806,888	17,480,439
	949,230,336	940,922,902
	1,767,647,609	1,786,484,002

[1] Interest on lease receivables of ₩ 594 million and ₩ 779 million for the year ended December 31, 2025 and 2024, respectively, are included.

The details of interest expense for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Interest on borrowings	86,333,773	106,241,872
Fees for the proceeds from the sale of stocks loaned	264,455	441,330
Interest on customers' deposits	67,790,894	57,338,824
Interest on bonds sold under repurchase agreements	260,275,600	305,570,078
Losses on transactions of certificates of deposit	7	2,243
Interest on call money	22,920,036	26,066,872
Interest on debentures	150,024,106	112,488,174
Interest on short-term note issued	467,353,331	486,374,722
Interest on asset-backed short-term bonds	55,795,922	71,317,993
Others [1]	21,830,211	13,349,087
	1,132,588,335	1,179,191,195

[1] Interest on lease liabilities of ₩ 3,489 million and ₩ 4,292 million for the year ended December 31, 2025 and 2024, respectively, are included.

30. Gain or Loss on Valuation and Disposal of Financial Assets measured at Amortised Costs

The detail of gain or loss on valuation and disposal of financial assets measured at amortised cost for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Gain(loss) on valuation of financial assets measured at amortised cost		
Reversal(provision) of allowance for credit losses of loans	(81,894,343)	(52,630,200)
Reversal(provision) of allowance for credit losses of deposits	(321,555)	(448,028)
Reversal(provision) of allowance for credit losses of other financial assets	(6,710,818)	(971,963)
Gain(loss) on disposal of financial assets measured at amortised cost		
Gain(loss) on disposal of loans measured at amortised cost	(78,921,892)	1,670,968
	(167,848,608)	(52,379,223)

31. Gain or Loss on Foreign Currency Transactions

The details of gain on foreign currency transactions for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Gain on foreign currency transactions	939,706,730	596,499,597
Gain on foreign exchange translation	257,826,579	406,750,477
	1,197,533,309	1,003,250,074

The details of loss on foreign currency transactions for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Loss on foreign currency transactions	914,519,460	586,288,760
Loss on foreign exchange translation	187,238,292	268,970,626
	1,101,757,752	855,259,386

32. Other Operating Income and Other Operating Expenses

The details of other operating income for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Dividend income	107,957,832	86,535,185
Distribution income	141,024,848	97,789,107
Reversal of provision for credit loss	1,605,359	4,014,930
Operating lease income	9,982,891	16,640,506
Others	7,936,992	11,256,044
	268,507,922	216,235,772

The details of other operating expenses for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Provision for credit loss	4,774,780	16,722,464
Others	47,103,039	53,079,228
	51,877,819	69,801,692

33. Selling and Administrative Expenses

(a) The details of selling and administrative expenses for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Labor Costs		
Salaries	538,064,215	458,287,335
Post-employment benefits	33,483,517	27,426,636
Retirement bonus	2,662,080	15,802,956
Other long-term employee benefits	547,163	837,170
Employee benefits	103,170,487	102,637,110
	677,927,462	604,991,207
Other selling and administrative expenses		
Employee benefits	11,605,573	11,576,466
Sales promotion expenses	1,667,169	1,560,973
Computer system operation expenses	76,588,814	71,664,539
Management expenses for rent	21,309,385	20,352,347
Commissions	26,896,701	31,943,754
Research and development	437,305	377,327
Advertising expenses	32,685,742	30,550,556
Depreciation	56,145,306	52,479,360
Training expenses	2,670,955	2,553,712
Amortization expenses of intangible assets	58,477,146	54,692,261
Taxes and dues	56,705,654	45,034,513
Consignment fees	2,021,940	5,139,077
Others	45,574,398	47,655,252
	392,786,088	375,580,137
	1,070,713,550	980,571,344

(b) Stock Grant Agreement

KB Financial Group, the parent company, has entered into a stock-based compensation agreement (Stock Grant) with its executives and employees. KB Financial Group and the Group settle the expenses incurred pursuant to this agreement. The Group recognizes the compensation amount it incurs annually pursuant to the agreement as an expense, recognized as selling and administrative expenses.

The details of the share grants linked to long-term performance as at December 31, 2025, are as follows:

(In number of shares)	**Grant date**	**Granted shares**	**Payable shares**[1]	**Vesting conditions**
Series 1-1	2010-1-1	732	160	Service, vesting conditions : market 40%, non-market 60%
Series 1-8	2011-1-1	766	219	Service, vesting conditions : market 40%, non-market 60%
Series 1-10	2012-1-1	1,175	384	Service, vesting conditions : market 40%, non-market 60%
Series 1-11	2012-6-18	708	142	Service, vesting conditions : market 40%, non-market 60%
Series 1-13	2013-1-1	2,532	749	Service, vesting conditions : market 40%, non-market 60%
Series 1-19	2015-2-24	1,812	584	Service, vesting conditions : market 30%, non-market 70%
Series 1-21	2016-1-1	5,091	739	Service, vesting conditions : market 30%, non-market 70%
Series 1-22	2016-12-30	32,669	7,643	Service, vesting conditions : market 20%, non-market 80%
Series 1-24	2017-2-24	1,698	1,516	Service, vesting conditions : market 20%, non-market 80%
Series 1-26	2017-9-4	1,551	1,028	Service, vesting conditions : market 20%, non-market 80%
Series 1-28	2018-1-1	6,739	2,253	Service, vesting conditions : market 20%, non-market 80%
Series 1-30	2019-1-1	35,457	19,341	Service, vesting conditions : market 20%, non-market 80%
Series 1-31	2019-2-24	809	637	Service, vesting conditions : market 20%, non-market 80%
Series 1-32	2019-3-4	1,888	1,021	Service, vesting conditions : market 20%, non-market 80%
Series 1-33	2019-6-1	2,246	-	Service, vesting conditions : market 20%, non-market 80%
Series 1-34	2019-9-1	2,927	-	Service, vesting conditions : market 20%, non-market 80%
Series 1-35	2019-9-4	358	207	Service, vesting conditions : market 20%, non-market 80%
Series 1-36	2019-5-27	1,167	-	Service, vesting conditions : market 20%, non-market 80%
Series 1-37	2020-1-1	47,886	5,017	Service, vesting conditions : market 20%, non-market 80%
Series 1-38	2020-3-6	2,856	411	Service, vesting conditions : market 0%, non-market 100%
Series 1-39	2020-8-1	4,003	453	Service, vesting conditions : market 20%, non-market 80%
Series 1-40	2021-1-1	98,808	18,343	Service, vesting conditions : market 20%, non-market 80%
Series 1-40	2021-1-1	5,675	747	Service, vesting conditions : market 0%, non-market 100%
Series 1-41	2021-3-4	3,591	1,856	Service, vesting conditions : market 20%, non-market 80%
Series 1-42	2021-3-15	5,034	913	Service, vesting conditions : market 20%, non-market 80%

Series 1-43	2021-5-27	604	-	Service, vesting conditions : market 20%, non-market 80%
Series 1-44	2021-6-1	2,904	1,487	Service, vesting conditions : market 20%, non-market 80%
Series 1-45	2021-8-1	2,320	660	Service, vesting conditions : market 20%, non-market 80%
Series 1-46	2021-9-1	3,201	547	Service, vesting conditions : market 20%, non-market 80%
Series 1-47	2022-1-1	58,681	14,237	Service, vesting conditions : market 20%, non-market 80%
Series 1-48	2022-2-17	1,990	1,596	Service, vesting conditions : market 20%, non-market 80%
Series 1-49	2022-3-6	928	86	Service, vesting conditions : market 0%, non-market 100%
Series 1-50	2022-03-14	588	562	Service, vesting conditions : market 20%, non-market 80%
Series 1-51	2022-05-09	2,839	2,524	Service, vesting conditions : market 20%, non-market 80%
Series 1-52	2022-07-18	190	146	Service, vesting conditions : market 20%, non-market 80%
Series 1-53	2022-08-01	3,587	3,053	Service, vesting conditions : market 20%, non-market 80%
Series 1-54	2022-08-16	3,627	3,000	Service, vesting conditions : market 20%, non-market 80%
Series 1-55	2023-01-01	76,500	61,213	Service, vesting conditions : market 20%, non-market 80%
Series 1-55	2023-01-01	5,492	5,274	Service, vesting conditions : market 0%, non-market 100%
Series 1-56	2023-02-15	3,161	3,355	Service, vesting conditions : market 20%, non-market 80%
Series 1-57	2023-03-04	3,076	2,807	Service, vesting conditions : market 20%, non-market 80%
Series 1-58	2023-03-15	1,367	276	Service, vesting conditions : market 20%, non-market 80%
Series 1-59	2023-06-01	2,876	2,686	Service, vesting conditions : market 20%, non-market 80%
Series 1-60	2023-08-01	3,004	3,806	Service, vesting conditions : market 20%, non-market 80%
Series 1-61	2023-09-01	3,390	4,515	Service, vesting conditions : market 20%, non-market 80%
Series 1-62	2024-01-01	78,235	111,382	Service, vesting conditions : market 20%, non-market 80%
Series 1-63	2024-02-17	953	917	Service, vesting conditions : market 20%, non-market 80%
Series 1-64	2024-05-09	2,432	3,218	Service, vesting conditions : market 20%, non-market 80%
Series 1-65	2024-08-01	429	422	Service, vesting conditions : market 20%, non-market 80%
Series 1-66	2024-08-16	397	345	Service, vesting conditions : market 20%, non-market 80%
Series 1-67	2025-01-01	37,684	22,208	Service, vesting conditions : market 30%, non-market 70%
Series 1-67	2025-01-01	4,312	2,156	Service, vesting conditions : market 0%, non-market 100%
Series 1-68	2025-02-01	1,704	779	Service, vesting conditions : market 30%, non-market 70%
Series 1-69	2025-02-15	916	916	Service, vesting conditions : market 30%, non-market 70%
Series 1-70	2025-08-01	1,552	325	Service, vesting conditions : market 30%, non-market 70%
Series 1-71	2025-09-01	1,590	265	Service, vesting conditions : market 30%, non-market 70%
		578,707	319,126	

[1] The number of maximum payable shares per executive as at December 31, 2025.

The details of share grants linked to short-term performance as at December 31, 2025, are as follows:

(In number of shares)	Grant date	Granted shares	Payable shares[1]	Vesting conditions[2]
Series 2-3	2016-1-1	5,454	1,241	Proportional to service period, vesting conditions satisfied
Series 2-4	2017-1-1	21,346	6,970	Proportional to service period, vesting conditions satisfied
Series 2-5	2018-1-1	30,248	13,842	Proportional to service period, vesting conditions satisfied
Series 2-6	2019-1-1	21,853	13,182	Proportional to service period, vesting conditions satisfied
Series 2-7	2020-1-1	28,507	14,535	Proportional to service period, vesting conditions satisfied
Series 2-8	2021-1-1	63,350	15,444	Proportional to service period, vesting conditions satisfied
Series 2-9	2022-1-1	51,393	27,367	Proportional to service period, vesting conditions satisfied
Series 2-10	2023-1-1	71,755	54,262	Proportional to service period, vesting conditions satisfied
Series 2-11	2024-1-1	28,221	28,103	Proportional to service period, vesting conditions satisfied
Series 2-12	2025-1-1	22,418	22,418	Proportional to service period, vesting conditions satisfied
Series 3-3	2016-1-1	15,036	3,498	Proportional to service period, vesting conditions satisfied
Series 3-4	2017-1-1	12,112	5,631	Proportional to service period, vesting conditions satisfied
Series 3-5	2018-1-1	10,352	6,351	Proportional to service period, vesting conditions satisfied
Series 3-6	2019-1-1	18,194	11,852	Proportional to service period, vesting conditions satisfied
Series 3-7	2020-1-1	18,711	13,222	Proportional to service period, vesting conditions satisfied
Series 3-8	2021-1-1	89,386	23,467	Proportional to service period, vesting conditions satisfied
Series 3-9	2022-1-1	66,060	22,075	Proportional to service period, vesting conditions satisfied
Series 3-10	2023-1-1	76,048	52,628	Proportional to service period, vesting conditions satisfied
Series 3-11	2024-1-1	59,589	59,491	Proportional to service period, vesting conditions satisfied
Series 4-1	2017-12-31	23,667	21,865	Proportional to service period, vesting conditions satisfied
Series 4-2	2019-12-31	2,330	793	Proportional to service period, vesting conditions satisfied
Series 4-3	2020-12-31	10,649	1,396	Proportional to service period, vesting conditions satisfied
Series 4-4	2021-12-31	223,942	5,311	Proportional to service period, vesting conditions satisfied
Series 4-5	2022-12-31	205,947	60,248	Proportional to service period, vesting conditions satisfied
Series 4-6	2023-12-31	266,894	168,292	Proportional to service period, vesting conditions satisfied
Series 4-7	2024-12-31	247,951	238,014	Proportional to service period, vesting conditions satisfied
		1,691,413	891,498	

[1] The number of maximum payable shares per executive as at December 31, 2025.
[2] Number of vested shares is determined by performance and paid for a deferred payment schedule over 3 to 5 years.

Share grants are measured at fair value using the Monte Carlo Simulation Model and assumptions used in determining the fair value as at December 31, 2025, are as follows:

(In Korean won)	**Risk free rate (%)**	**Fair value (Market performance condition)**	**Fair value (Non-market performance condition)**
Series 1-1	2,556	-	125,944~125,944
Series 1-8	2,556	-	125,944~125,944
Series 1-10	2,556	-	125,944~125,944
Series 1-11	2,556	-	47,631~47,631
Series 1-13	2,556	-	47,631~125,944
Series 1-19	2,556	-	45,096~47,631
Series 1-21	2,556	-	45,096~125,944
Series 1-22	2,556	-	45,096~125,944
Series 1-24	2,556	-	45,096~56,379
Series 1-26	2,556	-	45,096~56,379
Series 1-28	2,556	-	45,096~125,944
Series 1-30	2,556	-	50,973~125,944
Series 1-31	2,556	-	45,096~56,379
Series 1-32	2,556	-	115,556~125,944
Series 1-35	2,556	-	45,096~56,379
Series 1-37	2,556	-	111,412~125,944
Series 1-38	2,556	-	125,944~125,944
Series 1-39	2,556	-	125,944~125,944
Series 1-40	2,556	-	107,266~125,944
Series 1-41	2,556	-	115,556~125,944
Series 1-42	2,556	-	120,094~125,944
Series 1-44	2,556	-	115,556~125,944
Series 1-45	2,556	-	120,094~125,944
Series 1-46	2,556	-	120,094~125,944
Series 1-47	2,556	-	111,412~125,944
Series 1-48	2,556	-	115,556~125,944
Series 1-49	2,556	-	125,944~125,944
Series 1-50	2,556	-	115,556~125,944
Series 1-51	2,556	-	115,556~125,944
Series 1-52	2,556	-	115,556~125,944
Series 1-53	2,556	-	115,556~125,944
Series 1-54	2,556	-	115,556~125,944
Series 1-55	2,556	-	107,266~125,944
Series 1-56	2,556	-	111,412~120,094
Series 1-57	2,556	-	115,556~125,944
Series 1-58	2,556	-	120,094~125,944
Series 1-59	2,556	-	115,556~125,944
Series 1-60	2,556	-	111,412~120,094
Series 1-61	2,556	-	111,412~120,094
Series 1-62	2,556	87,156~125,944	115,556~125,944
Series 1-63	2,556	72,231~87,156	72,231~79,280
Series 1-64	2,556	107,266~120,094	107,266~115,556
Series 1-65	2,556	87,156~125,944	115,556~125,944
Series 1-66	2,556	87,156~125,944	115,556~125,944
Series 1-67	2,556	74,382~115,478	107,266~120,094
Series 1-68	2,556	92,562~103,527	103,317~111,412
Series 1-69	2,556	105,128~118,841	111,412~120,094
Series 1-70	2,556	103,059~115,267	103,317~111,412
Series 1-71	2,556	103,317~115,556	103,317~111,412
Series 2-3	2,556	-	47,631~125,944
Series 2-4	2,556	-	45,096~125,944
Series 2-5	2,556	-	45,096~125,944
Series 2-6	2,556	-	45,096~125,944
Series 2-7	2,556	-	50,973~125,944
Series 2-8	2,556	-	111,412~125,944
Series 2-9	2,556	-	52,755~125,944

(In Korean won)	Risk free rate (%)	Fair value (Market performance condition)	Fair value (Non-market performance condition)
Series 2-10	2,556	-	107,266~125,944
Series 2-11	2,556	-	107,266~125,944
Series 2-12	2,556	-	103,317~120,094
Series 3-3	2,556	-	47,631~125,944
Series 3-4	2,556	-	45,096~125,944
Series 3-5	2,556	-	45,096~125,944
Series 3-6	2,556	-	45,096~125,944
Series 3-7	2,556	-	50,973~125,944
Series 3-8	2,556	-	111,412~125,944
Series 3-9	2,556	-	111,412~125,944
Series 3-10	2,556	-	107,266~125,944
Series 3-11	2,556	-	107,266~125,944
Series 4-1	2,556	-	45,096~56,379
Series 4-2	2,556	-	50,973~50,973
Series 4-3	2,556	-	50,973~50,973
Series 4-4	2,556	-	50,973~87,156
Series 4-5	2,556	-	52,755~125,944
Series 4-6	2,556	-	87,156~125,944
Series 4-7	2,556	-	115,556~125,944

The Group used the volatility of the stock price over the previous year as the expected volatility and used the dividend yield as the arithmetic mean of the dividend rate of one year before, two years before, and three years before the base year, in order to calculate fair value. Fair value is calculated based on risk free interest rate of 1 year-KTB rate.

In relation to the above share-based arrangements, the compensation cost amounting to ₩ 128,745,275 thousand and ₩ 92,491,618 thousand is recorded as accrued expenses to KB Financial Group Inc. as at December 31, 2025 and 2024, respectively.

34. Non-operating Income and Non-operating Expenses

The details of non-operating income for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Gain on disposal of property and equipment	18,746,946	2,397
Gain on disposal of investment properties	1,017,941	-
Gain on disposal of intangible assets	171,865	3,922,610
Reversal of impairment loss on intangible assets	393,000	1,019,296
Rent	7,205,543	7,299,613
Gain related to investments in associates	36,499,424	20,361,271
Others	48,907,737	47,347,733
	112,942,456	79,952,920

The details of non-operating expenses for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Loss on disposal of property and equipment	12,477	245,419
Depreciation of investment properties	558,673	533,251
Impairment loss on investment properties	21,418,501	-
Impairment loss on intangible assets	265,526	1,105,841
Donation	6,831,261	7,327,168
Loss related to investments in subsidiaries and associates	40,410,129	51,857,988

Others	48,125,180	51,036,717
	117,621,747	112,106,384

35. Tax Expense and Deferred Tax

The details of income tax expense for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	**2025**	**2024**
Current tax		
Current tax on profits for the year	47,823,561	275,696,796
Adjustments in respect of prior years	4,405,296	(763,297)
Deferred tax		
Origination and reversal of temporary differences	183,301,420	(113,145,045)
Tax recognized directly in equity		
Gain or loss on valuation for financial assets at FVOCI	(17,744,850)	(2,158,539)
Shares of other comprehensive income of associates	(381,044)	(2,375,992)
Gain on revaluation of property and equipment	597,663	-
Remeasurements of net defined benefit liabilities	2,360,537	1,702,285
Foreign operations translation	(44,307)	2,485,191
Hedge of net investments in foreign operations	(1,498,693)	7,772,865
Changes on the fair value of financial liabilities designated at FVTPL due to the change of credit risk	1,580,077	1,978,179
Tax effect derived from group's income tax system	4,106,633	(12,920,250)
Income tax expense	224,506,293	158,272,193

Reconciliations of profit before tax and tax expense for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	**2025**	**2024**
Profit before tax (A)	906,891,711	748,633,013
Tax based on statutory rate	229,057,412	187,277,115
Adjustments		
Non-deductible expense	4,844,479	5,532,864
Non-taxable income	(11,233,085)	(13,325,036)
Changes in deferred tax assets (liabilities) that have not been recognized	(4,549,456)	(25,982,120)
Effect from tax reduction and credit	(1,618,595)	(1,379,761)
Adjustment in respect of prior years	4,405,297	(763,296)
Tax effect from group's income tax system	4,106,633	(12,920,250)
Changes in tax rate	275,898	-
Others	(782,290)	19,832,677
Tax expense (B)	224,506,293	158,272,193
Effective tax rate (B/A)	24.76%	21.14%

The changes in deferred tax assets (liabilities) for the years ended December 31, 2025 and 2024, are as follows:

	2025			
(in thousands of Korean won)	**Beginning balance**	**Profit (loss) for the year**	**Other comprehensive income**	**Ending balance**
Provision for impairment	161,330	6,722	-	168,052
Commissions income	5,481,022	1,584,077	-	7,065,099
Financial assets at FVOCI	(108,200,232)	6,572,033	(17,744,850)	(119,373,049)
Defined benefit obligation	20,819,120	(361,935)	2,360,537	22,817,722
Other long-term employee benefits	1,912,495	(97,423)	-	1,815,072
Financial assets at FVTPL	56,750,938	(376,414,896)	-	(319,663,958)
Financial liabilities at FVTPL	(94,808,622)	152,845,998	1,580,077	59,617,453
Accrued expenses	84,761,464	22,248,030	-	107,009,494
Dividends (specific overseas company)	10,378,007	1,290,069	-	11,668,076
Accrued income	(46,431,479)	(10,515,424)	-	(56,946,903)
Property and equipment	(21,955,075)	11,649	597,663	(21,345,763)
Provisions for asset retirement obligation	2,438,563	93,322	-	2,531,885
Investments in associates and subsidiaries	(6,261,190)	7,382,301	-	1,121,111
Derivatives	96,628,841	61,258,035	-	157,886,876
Loans	1,340,363	166,200	-	1,506,563
Intangible assets	(21,107,281)	(178,045)	-	(21,285,326)
Plan assets	(2,896,563)	610,804	-	(2,285,759)
Advance depreciation provision	(2,401,725)	(100,072)	-	(2,501,797)
Interest related to loan for construction	(51,184)	1,745	-	(49,439)
Others	88,324,462	(23,732,404)	-	64,592,058
Subtotal	64,883,254	(157,329,214)	(13,206,573)	(105,652,533)
Deficit carryforward arising from the current year	-	-	-	-
Subtotal of deferred tax assets (liabilities) of the Parent Company	64,883,254	(157,329,214)	(13,206,573)	(105,652,533)
Unrecognized deferred tax assets (liabilities) of the Parent Company	(17,055,278)	1,963,622	-	(15,091,656)
Deferred tax assets (liabilities) of the Parent Company, net [1]	81,938,532	(159,292,836)	(13,206,573)	(90,560,877)
Deferred tax assets of subsidiaries	643,543	385,130	-	1,028,673
Deferred tax liabilities of subsidiaries	(929,584)	24,012	-	(905,572)
Changes in deferred tax assets due to adjustment of consolidation	19,578,635	(9,287,107)	(1,924,045)	8,367,483
Deferred tax assets of the Group	101,231,126	(100,202,453)	-	1,028,673
Deferred tax liabilities of the Group	-	(67,968,348)	(15,130,618)	(83,098,966)

[1] The income tax rates used in computing deferred tax assets (liabilities) are the expected average tax rate, applicable to the forecasted period when the temporary differences are reversed.

	2024			
(in thousands of Korean won)	**Beginning balance**	**Profit (loss) for the year**	**Other comprehensive income**	**Ending balance**
Provision for impairment	136,402	24,928	-	161,330
Commissions income	9,136,660	(3,655,638)	-	5,481,022
Financial assets at FVOCI	(105,219,053)	(822,640)	(2,158,539)	(108,200,232)
Defined benefit obligation	19,780,819	(663,984)	1,702,285	20,819,120
Other long-term employee benefits	1,867,887	44,608	-	1,912,495
Financial assets at FVTPL	35,908,444	20,842,494	-	56,750,938
Financial liabilities at FVTPL	(237,598,072)	140,811,271	1,978,179	(94,808,622)
Accrued expenses	69,216,464	15,545,000	-	84,761,464
Dividends (specific overseas company)	9,278,179	1,099,828	-	10,378,007
Accrued income	(34,529,235)	(11,902,244)	-	(46,431,479)
Property and equipment	(21,955,416)	341	-	(21,955,075)

Provisions for asset retirement obligation	2,391,555	47,008	-	2,438,563
Investments in associates and subsidiaries	(2,477,419)	(3,783,771)	-	(6,261,190)
Derivatives	154,172,948	(57,544,107)	-	96,628,841
Loans	1,506,318	(165,955)	-	1,340,363
Intangible assets	(20,852,423)	(254,858)	-	(21,107,281)
Plan assets	(3,503,491)	606,928	-	(2,896,563)
Advance depreciation provision	(2,401,725)	-	-	(2,401,725)
Interest related to loan for construction	(54,907)	3,723	-	(51,184)
Others	95,439,313	(7,114,851)	-	88,324,462
Subtotal	(29,756,752)	93,118,081	1,521,925	64,883,254
Deficit carryforward arising from the current year	-	-	-	-
Subtotal of deferred tax assets (liabilities) of the Parent Company	(29,756,752)	93,118,081	1,521,925	64,883,254
Unrecognized deferred tax assets (liabilities) of the Parent Company	(12,365,920)	(4,689,358)	-	(17,055,278)
Deferred tax assets (liabilities) of the Parent Company, net [1]	(17,390,832)	97,807,439	1,521,925	81,938,532
Deferred tax assets of subsidiaries	1,023,220	(379,677)	-	643,543
Deferred tax liabilities of subsidiaries	(810,550)	(119,034)	-	(929,584)
Changes in deferred tax assets due to adjustment of consolidation	6,287,460	5,409,109	7,882,066	19,578,635
Deferred tax assets of the Group	1,023,220	100,207,906	-	101,231,126
Deferred tax liabilities of the Group	(11,913,922)	2,509,931	9,403,991	-

[1] The income tax rates used in computing deferred tax assets (liabilities) are the expected average tax rate, applicable to the forecasted period when the temporary differences are reversed.

Temporary differences which were not recognized due to uncertainty of their realization as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	**2025**	**2024**
Taxable temporary difference		
Investments in subsidiaries	263,562,468	252,602,567
Intangible assets	58,888,990	58,888,990
Others	445,550	445,550
	322,897,008	311,937,107
Deductible temporary difference		
Commission	9,704,616	9,239,637
Dividends	27,650,075	24,531,338
Investments in subsidiaries	38,245,921	37,911,226
Others	2,705,305	2,705,305
	78,305,917	74,387,506
	244,591,091	237,549,601

Details of income taxes that are charged or credited directly to equity for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	**2025**	**2024**
Recognized in other comprehensive income		
Gain or loss on valuation for financial assets at FVOCI	(20,300,855)	(3,668,101)
Shares of other comprehensive income of associates	(381,044)	(2,375,992)
Gains on revaluation of property and equipment	597,663	-
Remeasurements of net defined benefit liabilities	2,360,537	1,702,285
Foreign operations translation	(44,307)	2,485,191
Hedge of net investments in foreign operations	(1,498,693)	7,772,865
Changes on the fair value of financial liabilities designated at FVTPL due to the change of credit risk	1,580,077	1,978,179
Reclassified to profit or loss		
Gain or loss on valuation for financial assets at FVOCI	2,556,004	1,509,563
	(15,130,618)	9,403,990

36. Carrying Amounts of Financial Instruments by Category

Financial assets and liabilities are measured at fair value or amortised cost. Measurement policies for each category of financial assets and financial liabilities are disclosed in Note 2, 'Material accounting policies'.

The carrying amounts of financial assets and liabilities by category as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025			
	Financial asset measured at fair value through profit or loss	**Financial asset measured at amortised cost**	**Financial asset measured at fair value through other comprehensive income**	**Totals**
Financial Assets				
Cash and deposits	-	4,106,569,157	-	4,106,569,157
Financial assets at FVTPL	42,787,453,811	-	-	42,787,453,811
Derivative financial assets	1,614,613,117	-	-	1,614,613,117
Equity instruments at FVOCI	-	-	1,502,109,926	1,502,109,926
Debt instruments at FVOCI	-	-	7,961,634,491	7,961,634,491
Loans measured at amortised cost	-	10,648,276,535	-	10,648,276,535
Other financial assets	-	6,323,965,381	-	6,323,965,381
	44,402,066,928	21,078,811,073	9,463,744,417	74,944,622,418

(in thousands of Korean won)	2025				
	Financial liabilities measured at fair value through profit or loss	**Financial liabilities designated at fair value through profit or loss**	**Financial liabilities measured at amortised cost**	**Derivative liabilities (hedging)**	**Totals**
Financial Liabilities					
Financial liabilities at FVTPL	2,910,712,724	-	-	-	2,910,712,724
Financial liabilities designated at FVTPL	-	7,996,513,415	-	-	7,996,513,415
Derivative financial liabilities	2,085,411,738	-	-	2,911,200	2,088,322,938
Deposit liabilities	-	-	12,110,773,883	-	12,110,773,883
Borrowings	-	-	37,823,437,013	-	37,823,437,013
Other financial liabilities	-	-	5,861,140,106	-	5,861,140,106
	4,996,124,462	7,996,513,415	55,795,351,002	2,911,200	68,790,900,079

(in thousands of Korean won)	2024			
	Financial asset measured at fair value through profit or loss	**Financial asset measured at amortised cost**	**Financial asset measured at fair value through other comprehensive income**	**Totals**
Financial Assets				
Cash and deposits	-	3,322,504,801	-	3,322,504,801
Financial assets at FVTPL	37,098,018,781	-	-	37,098,018,781
Derivative financial assets	1,394,203,701	-	-	1,394,203,701
Equity instruments at FVOCI	-	-	1,356,768,478	1,356,768,478
Debt instruments at FVOCI	-	-	5,128,522,928	5,128,522,928
Loans measured at amortised cost	-	10,605,842,882	-	10,605,842,882
Other financial assets	-	2,813,756,957	-	2,813,756,957
	38,492,222,482	16,742,104,640	6,485,291,406	61,719,618,528

(in thousands of Korean won)	2024				
	Financial liabilities measured at fair value through profit or loss	**Financial liabilities designated at fair value through profit or loss**	**Financial liabilities measured at amortised cost**	**Derivative liabilities (hedging)**	**Totals**
Financial Liabilities					
Financial liabilities at FVTPL	2,558,520,223	-	-	-	2,558,520,223
Financial liabilities designated at FVTPL	-	8,010,047,059	-	-	8,010,047,059
Derivative financial liabilities	1,919,915,454	-	-	4,309,200	1,924,224,654
Deposit liabilities	-	-	7,725,858,827	-	7,725,858,827
Borrowings	-	-	33,454,601,384	-	33,454,601,384
Other financial liabilities	-	-	2,210,452,579	-	2,210,452,579
	4,478,435,677	8,010,047,059	43,390,912,790	4,309,200	55,883,704,726

37. Financial Instruments

37.1 Fair Value of Financial Instruments by Class

Fair values of financial assets and financial liabilities as at December 31, 2025 and 2024, are as follows:

	2025		2024	
(in thousands of Korean won)	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Cash and deposits [2]	4,106,569,157	4,106,569,157	3,322,504,801	3,322,504,801
Financial assets at FVTPL [1]	42,787,453,811	42,787,453,811	37,098,018,781	37,098,018,781
Derivative financial assets [1]	1,614,613,117	1,614,613,117	1,394,203,701	1,394,203,701
Financial assets at FVOCI	9,463,744,417	9,463,744,417	6,485,291,406	6,485,291,406
Loans measured at amortised cost	10,648,276,535	10,644,089,728	10,605,842,882	10,617,262,736
Other financial assets[2]	6,323,965,381	6,323,965,381	2,813,756,957	2,813,756,957
	74,944,622,418	74,940,435,611	61,719,618,528	61,731,038,382

[1] Deferred transaction gain or losses are adjusted in the carrying amount.
[2] The fair value of cash and deposits, other financial assets, deposit liabilities and other financial liabilities with short maturity dates or uncertain maturity dates is presented at their book amounts.

	2025		2024	
(in thousands of Korean won)	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial liabilities				
Deposit liabilities [2]	12,110,773,883	12,110,773,883	7,725,858,827	7,725,858,827
Financial liabilities at FVTPL	2,910,712,724	2,910,712,724	2,558,520,223	2,558,520,223
Financial liabilities designated at FVTPL[1]	7,996,513,415	7,996,513,415	8,010,047,059	8,010,047,059
Derivative financial liabilities[1]	2,088,322,938	2,088,322,938	1,924,224,654	1,924,224,654
Borrowings	37,823,437,013	37,824,623,316	33,454,601,384	33,477,622,455
Other financial liabilities[2]	5,861,140,106	5,861,140,106	2,210,452,579	2,210,452,579
	68,790,900,079	68,792,086,382	55,883,704,726	55,906,725,797

[1] Deferred transaction gain or losses are adjusted in the carrying amount.
[2] The fair value of cash and deposits, other financial assets, deposit liabilities and other financial liabilities with short maturity dates or uncertain maturity dates is presented at their book amounts.

Fair value is the price that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For each class of financial assets and financial liabilities, the Group discloses the fair value of that class of assets and liabilities in a way that permits it to be compared with its carrying amount at the end of each reporting period. The best evidence of fair value of financial instruments is a quoted price in an active market.

37.2 Fair Value Hierarchy

Financial instruments measured at fair value are categorized within the fair value hierarchy, and the defined levels are as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	Fair value using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, prices) or indirectly (that is, derived from prices)
Level 3	Fair value using inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The observable input is generally used to the fair value measurement. However, if an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorized within Level 3 of the fair value hierarchy.

(a) Fair value hierarchy of financial instruments measured at fair value

The fair value hierarchy of financial assets and liabilities measured at fair value as at December 31, 2025 and 2024, are as follows:

	2025			
(in thousands of Korean won)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets at FVTPL – debt instruments [1]	8,237,651,395	25,584,247,608	3,571,635,320	37,393,534,323
Financial assets at FVTPL - equity instruments	3,949,515,695	221,251,741	262,761,622	4,433,529,058
Financial assets at FVTPL - loans	-	-	960,390,430	960,390,430
Derivative financial assets[1]	167,257,951	1,235,559,087	211,796,079	1,614,613,117
Financial assets at FVOCI	422,194,342	8,520,489,732	521,060,343	9,463,744,417
	12,776,619,383	35,561,548,168	5,527,643,794	53,865,811,345
Financial liabilities				
Financial liabilities at FVTPL	2,910,712,724	-	-	2,910,712,724
Financial liabilities designated at FVTPL[1]	507,899,785	1,391,155,566	6,097,458,064	7,996,513,415
Derivative financial liabilities[1]	129,319,840	1,538,119,632	420,883,466	2,088,322,938
	3,547,932,349	2,929,275,198	6,518,341,530	12,995,549,077

[1] Deferred transaction gain or losses are adjusted in the carrying amount.

	2024			
(in thousands of Korean won)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets at FVTPL – debt instruments [1]	7,516,138,758	23,854,828,909	2,831,841,789	34,202,809,456
Financial assets at FVTPL - equity instruments	1,476,635,311	209,125,333	271,825,317	1,957,585,961
Financial assets at FVTPL - loans	-	-	937,623,364	937,623,364
Derivative financial assets[1]	17,271,119	1,126,405,562	250,527,020	1,394,203,701
Financial assets at FVOCI	123,148,567	5,937,790,330	424,352,509	6,485,291,406
	9,133,193,755	31,128,150,134	4,716,169,999	44,977,513,888
Financial liabilities				
Financial liabilities at FVTPL	2,558,520,223	-	-	2,558,520,223
Financial liabilities designated at FVTPL[1]	300,489,734	1,529,491,945	6,180,065,380	8,010,047,059
Derivative financial liabilities[1]	180,111,464	1,150,851,062	593,262,128	1,924,224,654
	3,039,121,421	2,680,343,007	6,773,327,508	12,492,791,936

[1] Deferred transaction gain or losses are adjusted in the carrying amount.

37.3 Valuation techniques and inputs classified by Level 2

The details of the valuation techniques and inputs classified by Level 2 as at December 31, 2025 and 2024 are as follows:

(in thousands of Korean won)	**2025**	**Valuation techniques**	**Inputs**
Financial assets at FVTPL	25,805,499,349	DCF Model, Closed form formula, Monte Carlo model, Black Scholes model, Hull and White Model and others	Price of underlying asset, interest rate, dividend rate, volatility, discount rate and others
Derivative financial assets(trading)	1,235,559,087	DCF Model, Closed form formula, Monte Carlo model, Black Scholes model, Hull and White Model, Option Pricing model and others	Interest rate, price of underlying asset, exchange rate, credit spread, discount rate, volatility and others
Financial assets at FVOCI	8,520,489,732	DCF Model	Discount rate, Interest rate and others
	35,561,548,168		
Financial liabilities designated at FVTPL	1,391,155,566	DCF Model, Closed form formula, Monte Carlo model, Black Scholes model, Hull and White Model and others	Price of underlying asset, interest rate, dividend rate, volatility, discount rate
Derivative financial liabilities(trading)	1,535,208,432	DCF Model, Closed form formula, Monte Carlo model, Black Scholes model, Hull and White Model, Option Pricing model and others	Interest rate, price of underlying asset, exchange rate, credit spread, discount rate, volatility
Derivative financial liabilities(hedging)	2,911,200	DCF Model	Discount rate, exchange rate and others
	2,929,275,198		

(in thousands of Korean won)	**2024**	**Valuation techniques**	**Inputs**
Financial assets at FVTPL	24,063,954,242	DCF Model, Closed form formula, Monte Carlo model, Black Scholes model, Hull and White Model, Net asset value and others	Price of underlying asset, interest rate, dividend rate, volatility, discount rate and others
Derivative financial assets(trading)	1,126,405,562	DCF Model, Closed form formula, Monte Carlo model, Black Scholes model, Hull and White Model, Net asset value and others	Interest rate, price of underlying asset, exchange rate, credit spread, discount rate, volatility and others
Financial assets at FVOCI	5,937,790,330	DCF Model	Discount rate, Interest rate and others
	31,128,150,134		
Financial liabilities designated at FVTPL	1,529,491,945	DCF Model, Closed form formula, Monte Carlo model, Black Scholes model, Hull and White	Price of underlying asset, interest rate, dividend rate, volatility, discount rate

		Model, Net asset value and others	
Derivative financial liabilities(trading)	1,146,541,862	DCF Model, Closed form formula, Monte Carlo model, Black Scholes model, Hull and White Model, Net asset value and others	Interest rate, price of underlying asset, exchange rate, credit spread, discount rate, volatility
Derivative financial liabilities(hedging)	4,309,200	DCF Model	Discount rate, exchange rate and others
	2,680,343,007		

37.4 Level 3 of the Fair Value Hierarchy Disclosure

(a) Valuation Process for Fair Value Measurements Categorized Within Level 3 of the Fair Value Hierarchy

The fair value of financial instruments classified as Level 3 is determined by external valuation or self-valuation of the Group. Unobservable inputs are produced by the external appraiser or internal valuation system and the Group reviews the adequacy of the inputs. The Risk Management Council reviews the adequacy of the assessment methodology and valuation method of external appraiser and the internal valuation. The agenda of the Risk Management Council is being reported or approved by the Risk Committee.

(b) Changes in Fair Value Measurements Categories of the Fair Value hierarchy

The changes in financial instruments with Level 3 fair value for the years ended December 31, 2025 and 2024, are as follows:

	2025			
(in thousands of Korean won)	**Financial assets at FVTPL**	**Financial assets at FVOCI**	**Net derivatives**	**Financial liabilities designated at FVTPL**
Beginning balance	4,041,290,469	424,352,508	(342,735,108)	(6,180,065,380)
Total gains or losses				
Profit or loss	198,695,351	-	26,794,883	(398,176,409)
Other comprehensive income	-	96,279,136	-	(2,870,980)
Purchases	4,943,868,057	-	11,160	-
Sales	(4,395,018,375)	428,699	(2,931)	-
Issues	-	-	(6,709,605)	(4,575,977,509)
Settlements	-	-	117,963,852	5,059,632,214
Transfer within levels [1]	5,951,870	-	(4,409,636)	-
Ending balance	4,794,787,372	521,060,343	(209,087,385)	(6,097,458,064)

[1] Transfer within levels occurred due to the change in the availability of observable market data on the financial instruments.

	2024			
(in thousands of Korean won)	**Financial assets at FVTPL**	**Financial assets at FVOCI**	**Net derivatives**	**Financial liabilities designated at FVTPL**
Beginning balance	3,324,114,863	435,887,600	(663,925,237)	(7,037,370,505)
Total gains or losses				
Profit or loss	25,833,132	-	(254,234,941)	(266,914,729)
Other comprehensive income	-	(11,946,500)	-	(10,815,593)

Purchases	2,746,821,655		3,907,013	-
Sales	(2,056,851,294)	411,409	(5,253,440)	-
Issues	-	-	(2,960,406)	(4,200,663,614)
Settlements	-	-	579,731,903	5,335,699,061
Transfer within levels [1]	1,372,114	-	-	-
Ending balance	4,041,290,470	424,352,509	(342,735,108)	(6,180,065,380)

[1] Transfer within levels occurred due to the change in the availability of observable market data on the financial instruments.

In relation to changes in Level 3 fair value, total gains or losses related to the asset and liabilities held at the reporting date are included in the statements of comprehensive income for the years ended December 31, 2025 and 2024, are as follows:

	2025			
(in thousands of Korean won)	**Financial assets at FVTPL**	**Financial assets at FVOCI**	**Net derivatives**	**Financial liabilities designated at FVTPL**
Profit or loss				
Gain or loss on valuation of financial instruments[1]	113,867,583	-	115,017,628	(165,004,897)
Other comprehensive income				
Gain or loss on valuation of financial assets at FVOCI[2]	-	96,279,136	-	-
Changes in fair value of financial liabilities at FVTPL due to the change of credit risk[2]	-	-	-	(2,734,778)
	113,867,583	96,279,136	115,017,628	(167,739,675)

[1] Included in gain or loss on valuation and disposal of financial instruments on the statements of Profit or Loss.
[2] Included in other comprehensive income on the statements of comprehensive income.

	2024			
(in thousands of Korean won)	**Financial assets at FVTPL**	**Financial assets at FVOCI**	**Net derivatives**	**Financial liabilities designated at FVTPL**
Profit or loss				
Gain or loss on valuation of financial instruments[1]	(22,868,020)	-	(136,256,576)	(39,526,996)
Other comprehensive income				
Gain or loss on valuation of financial assets at FVOCI[2]	-	(11,946,500)	-	-
Changes in fair value of financial liabilities at FVTPL due to the change of credit risk[2]	-	-	-	(9,524,866)
	(22,868,020)	(11,946,500)	(136,256,576)	(49,051,862)

[1] Included in gain or loss on valuation and disposal of financial instruments on the statements of Profit or Loss.
[2] Included in other comprehensive income on the statements of comprehensive income.

(c) Valuation techniques and the Inputs classified by Level 3

Valuation techniques and inputs for level 3 financial instruments are as follows:

	2025						
(in thousands of Korean won)	**Type**	**Fair value**	**Valuation techniques**	**Inputs**	**Unobservable input**	**Range**	**Relevance**
Financial assets at FVTPL	Equity-linked securities	80,970,708	DCF model, Closed Form, FDM, Monte Carlo Simulation, Hull and White, Black-Scholes Model, Binomial Tree model, Net asset value, etc.	Price of underlying asset, interest rate, discount rate, dividend ratio, volatility of underlying assets, correlation of underlying assets, volatility of interest rate, probability of default	Underlying asset volatility	0.01 ~ 0.29	Proportional
					Correlation	-0.36 ~ 0.00	Proportional
	Other derivative linked securities	864,396,238			Underlying asset volatility	0.01 ~ 0.23	Proportional
					Correlation	-0.12 ~ 1.00	Proportional
	Other OTC derivative linked contract	136,170,152			Underlying asset volatility	0.01 ~ 0.29	Proportional
					Correlation	-0.58 ~ 0.71	Proportional
	Debt instruments	2,490,098,222			Underlying asset volatility	0.13 ~ 0.54	Proportional
	Equity instruments	262,761,622			Underlying asset volatility	0.24 ~ 0.36	Proportional
					Discount rate	0.05 ~ 0.13	Inversely proportional
	Loans	960,390,430			Discount rate	0.05 ~ 0.06	Inversely proportional
Derivative financial assets (trading)	[1]	211,796,079			Underlying asset volatility	0.01 ~ 0.59	Proportional
					Correlation	-0.58 ~ 1.00	Proportional
Financial assets at FVOCI	Equity instruments	521,060,344	DCF model, Risk-adjusted discount rate model, IMV model and others	, Interest rate, dividend ratio, growth rate, discount rate	Growth rate	0.01	Proportional
					Discount rate	0.10 ~ 0.13	Inversely proportional
		5,527,643,795					
Financial liabilities designated at FVTPL	Equity-linked securities sold	3,762,969,489	DCF model, Closed Form, FDM, Monte Carlo Simulation, Hull and White, Black-Scholes Model, Binomial Tree model, Net asset value, etc.	Price of underlying asset, interest rate, discount rate, dividend ratio, volatility of underlying assets, correlation of underlying assets, volatility of interest rate, probability of default	Underlying asset volatility	0.01 ~ 0.60	Proportional
					Correlation	-0.58 ~ 0.74	Proportional
	Derivatives linked securities sold	2,284,423,388			Underlying asset volatility	0.01 ~ 0.23	Proportional
					Correlation	-0.25 ~ 1.00	Proportional
	Other OTC derivatives linked contract sold	50,065,186			Underlying asset volatility	0.22 ~ 0.57	Proportional
					Correlation	-0.58 ~ 0.74	Proportional
Derivative financial liabilities (trading)	[1]	420,883,465			Underlying asset volatility	0.01 ~ 0.60	Proportional
					Correlation	-0.58 ~ 1.00	Proportional
		6,518,341,528					

[1] Derivatives which derive their value from interest rate, stock price, foreign exchange rate, commodity price, credit rate and others are included.

	2024						
(in thousands of Korean won)	**Type**	**Fair value**	**Valuation techniques**	**Inputs**	**Unobservable input**	**Range**	**Relevance**
Financial assets at FVTPL	Equity-linked securities	10,897,742	DCF model, Closed Form, FDM, Monte Carlo Simulation, Hull	Price of underlying asset, interest rate, discount rate, dividend	Underlying asset volatility	0.26 ~ 0.36	Proportional
					Correlation	0.56 ~ 0.75	Proportional
	Other derivative linked securities	613,969,159			Underlying asset volatility	0.01 ~ 0.23	Proportional

			and White, Black-Scholes Model, Binomial Tree model, Net asset value, etc.	ratio, volatility of underlying assets, correlation of underlying assets, volatility of interest rate, probability of default	Correlation	-0.12 ~ 1.00	Proportional
	Other OTC derivative linked contract	54,268,972			Underlying asset volatility	0.14 ~ 0.29	Proportional
					Correlation	-0.58 ~ 0.72	Proportional
	Debt instruments	2,152,705,915			Underlying asset volatility	0.18 ~ 0.37	Proportional
	Equity instruments	271,825,317			Underlying asset volatility	0.30 ~ 0.33	Proportional
					Discount rate	0.06 ~ 0.15	Inversely proportional
	Loans	937,623,364			Probability of default	-	Inversely proportional
Derivative financial assets (trading)	[1]	250,527,020			Underlying asset volatility	0.01 ~ 0.65	Proportional
					Correlation	-0.58 ~ 1.00	Proportional
Financial assets at FVOCI	Equity instruments	424,352,509	DCF model, Risk-adjusted discount rate model, IMV model and others	Growth rate, discount rate	Growth rate	0.01 ~ 0.01	Proportional
					Discount rate	0.14 ~ 0.16	Inversely proportional
		4,716,169,998					
Financial liabilities designated at FVTPL	Equity-linked securities sold	4,204,141,655	DCF model, Closed Form, FDM, Monte Carlo Simulation, Hull and White, Black-Scholes Model, Binomial Tree model, Net asset value, etc.	Price of underlying asset, interest rate, discount rate, dividend ratio, volatility of underlying assets, correlation of underlying assets, volatility of interest rate, probability of default	Underlying asset volatility	0.14 ~ 0.54	Proportional
					Correlation	-0.58 ~ 0.75	Proportional
	Derivatives linked securities sold	1,914,786,835			Underlying asset volatility	0.01 ~ 0.25	Proportional
					Correlation	-0.58 ~ 1.00	Proportional
	Other OTC derivatives linked contract sold	61,136,890			Underlying asset volatility	0.22 ~ 0.65	Proportional
					Correlation	-0.58 ~ 0.74	Proportional
Derivative financial liabilities (trading)	[1]	593,262,128			Underlying asset volatility	0.01 ~ 0.65	Proportional
					Correlation	-0.58 ~ 1.00	Proportional
		6,773,327,508					

[1] Derivatives which derive their value from interest rate, stock price, foreign exchange rate, commodity price, credit rate and others are included.

(d) Sensitivity Analysis of Recurring Fair Value Measurements Categorized Within Level 3 of the Fair Value Hierarchy

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 inputs, using a statistical technique. When the fair value is affected by more than two inputs, the amounts represent the most favorable or most unfavorable.

The results of the sensitivity analysis for the effect on profit or loss from changes in inputs for each financial instrument as at December 31, 2025 and 2024, are as follows.

	2025			
	Profit and loss		Other comprehensive income	
(in thousands of Korean won)	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets				
Financial assets at FVTPL[1]	28,738,378	(20,755,257)	-	-
Derivative financial assets [1]	6,334,446	(6,760,857)	-	-
Financial assets at FVOCI [2]	-	-	37,999,056	(27,026,364)
	35,072,824	(27,516,114)	37,999,056	(27,026,364)
Financial liabilities				
Financial liabilities designated at FVTPL[1]	14,921,342	(13,976,657)	-	-
Derivative financial liabilities [1]	9,342,825	(10,107,819)	-	-
	24,264,167	(24,084,476)	-	-

[1] Measured by changes in fair value based on the increasing or decreasing unobservable volatility of underlying assets by 10% or unobservable input(growth rate and discount rate) by 1%.
[2] Measured by changes in fair value based on growth rate ((-)1~1%) and discount rate ((-)1~1%) that are unobservable inputs.

	2024			
	Profit and loss		Other comprehensive income	
(in thousands of Korean won)	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets				
Financial assets at FVTPL[1]	26,980,468	(17,573,732)	-	-
Derivative financial assets [1]	14,841,168	(16,508,885)	-	-
Financial assets at FVOCI [2]	-	-	19,296,520	(14,882,691)
	41,821,636	(34,082,617)	19,296,520	(14,882,691)
Financial liabilities				
Financial liabilities designated at FVTPL[1]	16,840,216	(16,759,886)	-	-
Derivative financial liabilities [1]	22,092,417	(24,479,482)	-	-
	38,932,633	(41,239,368)	-	-

[1] Measured by changes in fair value based on the increasing or decreasing unobservable volatility of underlying assets by 10% or unobservable input(growth rate and discount rate) by 1%.
[2] Measured by changes in fair value based on growth rate ((-)1~1%) and discount rate ((-)1~1%) that are unobservable inputs.

(e) Day 1 Profit and Loss

If the Group uses a valuation technique that uses data not obtained from observable markets for the fair value at initial recognition of financial instruments, there could be a difference between the transaction price and the amount determined using that valuation technique. In these circumstances, the fair value of financial instruments is recognized as the transaction price and the difference is amortised by using the straight-line method over the life of the financial instruments. If the fair value of the financial instruments can be subsequently determined using observable market inputs, the remaining deferred amount is immediately recognized in profit or loss.

The aggregate difference yet to be recognized in profit or loss at the beginning and end of the year, and the changes in the balance of this difference, are as follows:

(in thousands of Korean won)	2025	2024
Balances at the beginning of the year (A)	18,603,619	32,605,297
Incurred during the year (B)	78,864,105	49,077,880
Amounts recognized in profit or loss during the year (C)	(60,941,447)	(63,079,559)
Balances at the end of year (A+B+C)	36,526,277	18,603,618

37.5 Fair value hierarchy of financial instruments which the fair value is disclosed

(a) The fair value hierarchy of financial assets and liabilities which the fair value is disclosed as at December 31, 2025 and 2024, are as follows:

	2025			
(in thousands of Korean won)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Loans measured at amortised cost	-	-	10,644,089,728	10,644,089,728
Financial liabilities				
Borrowings	-	-	37,824,623,316	37,824,623,316

Cash and deposits, other financial assets, deposit liabilities and other financial liabilities that use book amount as a substitute for fair value because their maturities are relatively short or are not set, are not disclosed.

	2024			
(in thousands of Korean won)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Loans measured at amortised cost	-	-	10,617,262,736	10,617,262,736
Financial liabilities				
Borrowings	-	-	33,477,622,455	33,477,622,455

Cash and deposits, other financial assets, deposit liabilities and other financial liabilities that use book amount as a substitute for fair value because their maturities are relatively short or are not set, are not disclosed.

(b) Valuation techniques and inputs

	Valuation technique and inputs
Cash and deposits	The fair value of cash is the same as the book amount. The book amount is used as a substitute value of fair value for the majority of deposits consisting of overnight deposits and deposits with variable interest rate.
Loans measured at amortised cost	The fair values are calculated by discount rate considering market interest rates and borrower's credit risk on expected cash flows.
Deposit liabilities and borrowings	The book amount is used as a substitute value of fair value for demand deposit liabilities, bank overdrafts and call money. With regard to the other deposits and borrowings, the fair values are calculated by discount rate considering residual risks at market interest rates on contractual cash flows.
Other financial assets and liabilities	As a temporary transitional account derived from various transactions, the book amount is used as a substitute value of fair value instead of applying DCF due to the relatively short-term or indefinite maturity.

37.6 Derecognition of financial assets

The Group continues to recognize bonds sold under repurchase agreements and securities lending agreement, because the Group transferred the financial asset, but the assets does not meet the derecognition criteria. Due to the nature of transaction that bonds sold under repurchase agreements are under repurchase condition with fixed price and securities lending agreement contains the retransfer back condition by the end of lending period, the Group is liable to almost all risks and rewards related to the ownership of the financial assets.

As at December 31, 2025 and 2024, relevant information about transferred financial assets which do not qualify for derecognition are as follows:

	2025			
	Financial assets at FVTPL		Financial assets at FVOCI	
(in thousands of Korean won)	Debt instruments[1,2,3]	Equity instruments[2]	Debt instruments[1,3]	Equity instruments
Carrying amount of transferred assets	4,157,455,753	631,623	2,601,915,338	-
Carrying amount of related liabilities	4,188,634,687	-	2,505,325,431	-

[1] Transferred debt instruments under repurchase agreements.
[2] Transferred equity instruments and debt instruments under securities lending agreements.
[3] As at December 31, 2025, the accrued interests related to debt securities of ₩ 36,562 million is excluded.

	2024			
	Financial assets at FVTPL		Financial assets at FVOCI	
(in thousands of Korean won)	Debt instruments[1,2,3]	Equity instruments[2]	Debt instruments[1,3]	Equity instruments
Carrying amount of transferred assets	4,245,358,415	6,046,174	1,811,592,215	-
Carrying amount of related liabilities	4,138,807,782	-	1,774,216,825	-

[1] Transferred debt instruments under repurchase agreements.
[2] Transferred equity instruments and debt instruments under securities lending agreements.
[3] As at December 31, 2024, the accrued interests related to debt securities of ₩ 44,110 million is excluded.

Meanwhile, the Group provided additional credit enhancements such as purchase agreements in addition to recourse limited to transferred assets to subsidiaries established for asset securitization purposes.

Details of carrying amounts of the underlying assets and the associated liabilities as of December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		2025	2024
Underlying assets	Financial assets at fair value through profit or loss	319,912,993	93,804,238
	Loans measured at amortized cost[1]	1,457,212,202	2,271,500,415
		1,777,125,195	2,365,304,653
Associated liabilities	Debentures	1,608,189,688	2,340,021,256

[1] The amounts disclosed in above table are before deduction of allowances.

38. Financial Risk Management

38.1 Summary

38.1.1 Overview of Financial Risk Management Policy

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

The note regarding financial risk management provides information about the risks that the Group is exposed to, including the objectives, policies and processes for assessing and managing the risks and net operating capital ratio management. Additional quantitative information is disclosed throughout the notes to the consolidated financial statements.

The Group's risk management system focuses on increasing transparency, developing the risk management environment, preventing transmission of risk to other related subsidiaries, and the preemptive response to risk due to rapid changes in the financial environment to support the Group's long-term strategy and business decisions efficiently. Credit risk, liquidity risk, market risk, operational risk, and credit concentration risk are recognized as the Group's key risks. These risks are measured and managed by quantification as regulatory capital and VaR (Value at Risk) using a statistical method.

38.1.2 Risk Management Organization

(a) Board of Directors

Board of Directors are the ultimate decision-making authority that appoint and dismiss Risk Management Committee, establish and amend the Risk Management Committee policies, establish the Group's criteria for risk limit, decide on basic policy of risk management, and approve large-scale investments.

(b) Risk Management Committee

The Risk Management Committee consists of more than three directors appointed by the Board of Directors (including more than a half of external director). The Risk Management Committee executes the operations delegated by Board Of Directors in accordance with Risk Management Committee policy

(c) Risk Management Council

Risk Management Council consists of members appointed by Company's executives, including the director who is responsible for risk management, compliance, planning/management. Also the organization is delegated by Risk Management Committee to perform deliberation/resolution for major policies and matters related to the risk.

(d) Risk management department

Risk management department carries out practical tasks, required for risk management of the Group, such as supporting the Risk Management Committee, reporting the Group's risk level and computing net operating capital ratio.

38.1.3 Risk Management System

In order to establishing risk management structure, the Group built the total risk management system, ERMS (Enterprise Risk Management System), which is designed for reasonable price valuation against risks and the management of risk limitation to raise the soundness of assets and allocate resources efficiently. Moreover, the Group performs business with risk management basis in mainly by constructing RAPM (Risk Adjusted Performance Measure) and enlarging the portion of performance evaluation.

38.1.4 Risk Management Strategy and Policy

As an allocation of risk capital and risk limit establishment process, the risk capital is allocated through resolution of Risk Management Committee meetings, and the amount of risk capital is anticipated for each risk sector, business sector and department by reflecting annual management strategy and business plans.

38.2 Credit Risk

38.2.1 Overview of Credit Risk

The Group is exposed to certain level of credit risk and the credit risk is the risk of possible loss to portfolio due to counterparty's credit event and breach of covenant. Credit risk exposure occurs in investment activities such as loans, debt instruments, derivative transactions, and non-trading accounts, or can exist in relating to off-balance accounts.

38.2.2 Credit Risk Management

Credit risk is the risk of financial loss to the Group if a customer or counterparty of a financial instrument fails to meet its contractual obligations. If the trading department of the Group wants to deal with the counterparty that may cause the credit risk, the trading department submits product management plan and application in advance to get approval by the Risk Management Council and the Risk Management Committee. The deal is executed when the approval by the Risk Management Council and the Risk Management Committee is completed. Credit risk limit depends on 1) standard credit risk limit, 2) concentration limit on the same person and 3) credit rating and additional limit may be added by the trading department. In addition, credit VaR is measured in addition to the credit management listed above and credit VaR due to the internal model is operated by the credit manager measurement system of the risk metrics group. Limit management is performed on a daily basis and stress test is performed on a regular basis and in case of excess of the limit, trading department expedite the process with the procedure set by the risk management department.

38.2.3 Maximum Exposure to Credit Risk

The maximum exposure of credit risk related to the off-balance as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	**2025**	**2024**
Agreement to purchase the commercial papers [1]	1,259,846,340	824,171,844
Guarantees and loan commitment	1,581,526,531	1,608,313,801
	2,841,372,871	2,432,485,645

[1] According to the above arrangement, the Group holds the asset-backed short-term bonds amounting to ₩ 86,450 million and ₩ 278,820 million as at December 31, 2025 and 2024, respectively.

The Group does not disclose financial assets (except above contracts) whose carrying amount represents the maximum exposure to credit risk.

38.2.4 Credit Risk Concentration Analysis

(a) Loans

Most of counterparties of loan transactions, before considering collaterals and other credit reinforcements, are concentrated in Korea. The ratios of loans to individuals and corporations and related allowances as at December 31, 2025 and 2024, are as follows:

	2025			
(in thousands of Korean won)	**Loans**	**Ratio (%)**	**Allowances**	**Carrying amount**
Individuals	4,331,322,187	39.53	(6,163,898)	4,325,158,289
Corporations	6,626,428,703	60.47	(303,310,457)	6,323,118,246
	10,957,750,890	100.00	(309,474,355)	10,648,276,535

	2024			
(in thousands of Korean won)	**Loans**	**Ratio (%)**	**Allowances**	**Carrying amount**
Individuals	2,941,709,421	24.98	(6,513,007)	2,935,196,414
Corporations	8,834,376,507	75.02	(226,106,675)	8,608,269,832
	11,776,085,928	100.00	(232,619,682)	11,543,466,246

The details of the Group's loans by industry as at December 31, 2025 and 2024, are as follows:

	2025			
(in thousands of Korean won)	**Loans**	**Ratio (%)**	**Allowances**	**Carrying amount**
Financial service	4,549,752,186	41.52	(247,339,457)	4,302,412,729
Manufacturing	240,473,566	2.19	(1,685,832)	238,787,734
Service	1,369,764,379	12.50	(53,293,224)	1,316,471,155
Others	466,438,573	4.26	(991,944)	465,446,629
Individuals	4,331,322,187	39.53	(6,163,899)	4,325,158,288
	10,957,750,891	100.00	(309,474,356)	10,648,276,535

	2024			
(in thousands of Korean won)	**Loans**	**Ratio (%)**	**Allowances**	**Carrying amount**
Financial service	6,601,761,843	56.06	(182,838,151)	6,418,923,692
Manufacturing	560,526,792	4.76	(3,170,539)	557,356,253
Service	1,067,869,776	9.07	(38,517,398)	1,029,352,378
Others	604,218,096	5.13	(1,580,587)	602,637,509
Individuals	2,941,709,421	24.98	(6,513,007)	2,935,196,414
	11,776,085,928	100.00	(232,619,682)	11,543,466,246

(b) Deposits, Securities (except equity instruments) and Derivatives

Most of deposits, securities (except equity instruments) and derivatives, before considering collaterals and other credit reinforcements, are concentrated in securities issued in Korea. The details of the Group's securities (except equity instruments) by industry as at December 31, 2025 and 2024, are as follows:

	2025			
(in thousands of Korean won)	**Amount**	**Ratio (%)**	**Allowances**	**Carrying amount**
Deposits measured at amortised cost				
Banking and insurance	3,474,773,373	100.00	(1,059,769)	3,473,713,604
	3,474,773,373	100.00	(1,059,769)	3,473,713,604
Securities at FVTPL				
Government and government funded institutions	14,054,984,211	37.59	-	14,054,984,211
Banking and insurance	12,115,937,613	32.40	-	12,115,937,613
Others	11,222,612,499	30.01	-	11,222,612,499
	37,393,534,323	100.00	-	37,393,534,323
Derivatives financial assets				
Government and government funded institutions	18,369,732	1.14	-	18,369,732
Banking and insurance	1,530,397,620	94.78	-	1,530,397,620
Others	65,845,765	4.08	-	65,845,765
	1,614,613,117	100.00	-	1,614,613,117
Securities at FVOCI				
Government and government funded institutions	2,523,115,968	31.69	-	2,523,115,968
Banking and insurance	2,592,129,018	32.56	-	2,592,129,018
Others	2,846,389,506	35.75	-	2,846,389,506
	7,961,634,492	100.00	-	7,961,634,492
	50,444,555,305		(1,059,769)	50,443,495,536

	2024			
(in thousands of Korean won)	**Amount**	**Ratio (%)**	**Allowances**	**Carrying amount**
Deposits measured at amortised cost				
Banking and insurance	2,540,156,180	100.00	(738,213)	2,539,417,967
	2,540,156,180	100.00	(738,213)	2,539,417,967
Securities at FVTPL				
Government and government funded institutions	13,578,873,618	39.70	-	13,578,873,618
Banking and insurance	11,270,347,932	32.95	-	11,270,347,932
Others	9,353,587,907	27.35	-	9,353,587,907
	34,202,809,457	100.00	-	34,202,809,457
Derivatives financial assets				
Government and government funded institutions	1,436,669	0.10	-	1,436,669
Banking and insurance	1,347,178,446	96.63	-	1,347,178,446
Others	45,588,586	3.27	-	45,588,586
	1,394,203,701	100.00	-	1,394,203,701
Securities at FVOCI				
Government and government funded institutions	2,108,565,891	41.11	-	2,108,565,891
Banking and insurance	1,767,614,427	34.47	-	1,767,614,427
Others	1,252,342,610	24.42	-	1,252,342,610

5,128,522,928	100.00	-	5,128,522,928
43,265,692,266		(738,213)	43,264,954,053

38.2.5 Credit Quality of Financial Assets

(a) Loans

The credit quality of loans measured at amortised cost and loans measured at fair value through profit or loss as at December 31, 2025 and 2024, are as follows:

	2025					
(in thousands of Korean won)	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying Credit loss model	The financial instruments not applying expected credit loss model	Total
		Non-impaired	Impaired			
Loans measured at amortised cost [1]						
Corporates						
Grade 1	3,678,792,235	-	-	-	-	3,678,792,235
Grade 2	2,310,742,921	-	-	-	-	2,310,742,921
Grade 3	30,000,000	115,930,236	-	-	-	145,930,236
Grade 4	46,413,654	300,524,105	-	-	-	346,937,759
Grade 5	-	-	144,025,553	-	-	144,025,553
	6,065,948,810	416,454,341	144,025,553	-	-	6,626,428,704
Retails						
Grade 1	4,325,038,175	-	-	-	-	4,325,038,175
Grade 2	120,924	-	-	-	-	120,924
Grade 3	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-
Grade 5	-	-	6,163,088	-	-	6,163,088
	4,325,159,099	-	6,163,088	-	-	4,331,322,187
Loans measured at FVTPL						
Corporates						
Grade 1	-	-	-	-	960,390,430	960,390,430
Grade 2	-	-	-	-	-	-
Grade 3	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-
	-	-	-	-	960,390,430	960,390,430
	10,391,107,909	416,454,341	150,188,641	-	960,390,430	11,918,141,321

[1] The amounts disclosed in above table are before deduction of allowances

	2024					
(in thousands of Korean won)	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying Credit loss model	The financial instruments not applying expected credit loss model	Total
		Non-impaired	Impaired			
Loans measured at amortised cost [1]						
Corporates						
Grade 1	4,388,199,086	-	-	-	-	4,388,199,086

Grade 2	2,599,570,638	15,388,889	-	-	-	2,614,959,527
Grade 3	21,023,545	644,666,419	-	-	-	665,689,964
Grade 4	42,091,180	108,462,000	-	-	-	150,553,180
Grade 5	-	-	77,351,386	-	-	77,351,386
	7,050,884,449	768,517,308	77,351,386	-	-	7,896,753,143
Retails						
Grade 1	2,933,509,136	-	-	-	-	2,933,509,136
Grade 2	252,574	-	-	-	-	252,574
Grade 3	-	-	-	-	-	-
Grade 4	1,434,704	-	-	-	-	1,434,704
Grade 5	-	-	6,513,007	-	-	6,513,007
	2,935,196,414	-	6,513,007	-	-	2,941,709,421
Loans measured at FVTPL						
Corporates						
Grade 1	-	-	-	-	937,623,364	937,623,364
Grade 2	-	-	-	-	-	-
Grade 3	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-
	-	-	-	-	937,623,364	937,623,364
	9,986,080,863	768,517,308	83,864,393	-	937,623,364	11,776,085,928

[1] The amounts disclosed in above table are before deduction of allowances

Ranges	Corporates	Retails
Grade 1	AAA ~ BBB+	1 ~ 5 grade
Grade 2	BBB ~ BB	6 ~ 8 grade
Grade 3	BB- ~ B	9 ~ 10 grade
Grade 4	B- ~ CCC	11 grade
Grade 5	Below CC	Below 12 grade

The effect of measured credit risk which is released due to enhancement of collateral and other credit supplements secured for loans as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025					
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying Credit loss model	The financial instruments not applying expected credit loss model	Total
		Non-impaired	Impaired			
Guarantee	42,295,857	-	-	-	28,527,899	70,823,756
Real estate	-	-	292,871	-	-	292,871
Securities	8,098,039,146	-	-	-	444,339,137	8,542,378,283
	8,140,335,003	-	292,871	-	472,867,036	8,613,494,910

(in thousands of Korean won)	2024					
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying Credit loss model	The financial instruments not applying expected credit loss model	Total
		Non-impaired	Impaired			
Guarantee	23,488,801	-	-	-	-	23,488,801
Real estate	242,619,244	92,237,004	290,222	-	-	335,146,470
Securities	8,083,758,642	2,258,741	-	-	752,340,997	8,838,358,380
	8,349,866,687	94,495,745	290,222	-	752,340,997	9,196,993,651

(b) Securities (debt instruments)

The credit quality of securities (debt instruments) as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025					
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying credit loss model	The financial instruments not applying expected credit loss model	Total
		Non-impaired	Impaired			
Financial assets at FVOCI [1]						
Grade 1	6,894,636,112	-	-	-	-	6,894,636,112
Grade 2	1,066,998,379	-	-	-	-	1,066,998,379
Grade 3	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-
	7,961,634,491	-	-	-	-	7,961,634,491

[1] Before deduction of allowances

(in thousands of Korean won)	2024					
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying credit loss model	The financial instruments not applying expected credit loss model	Total
		Non-impaired	Impaired			
Financial assets at FVOCI [1]						
Grade 1	4,711,912,740	-	-	-	-	4,711,912,740
Grade 2	416,610,187	-	-	-	-	416,610,187
Grade 3	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-
	5,128,522,927	-	-	-	-	5,128,522,927

[1] Before deduction of allowances

The Group's standard for credit quality of securities(except equity investments) linked to credit rating presented by 3rd party credit rating institutions is as follows.

Credit Quality	Domestic			Foreign		
	KIS	NICE	FnPricing	S&P	Fitch-IBCA	Moody's
Grade 1	AA0 to AAA	AA0 to AAA	AA0 to AAA	A- to AAA	A- to AAA	A3 to Aaa
Grade 2	A-To AA-	A- To AA-	A- To AA-	BBB- to BBB+	BBB- to BBB+	Baa3 to Baa1
Grade 3	BBB0 to BBB+	BBB0 to BBB+	BBB0 to BBB+	BB to BB+	BB to BB+	Ba2 to Ba1
Grade 4	BB0 to BBB-	BB0 to BBB-	BB0 to BBB-	B+ to BB-	B+ to BB-	B1 to Ba3
Grade 5	Below BB-	Below BB-	Below BB-	Below B	Below B	Below B2

The classification of credit quality for debt instruments in Korean won is based on lowest credit rating among the one of three domestic credit rating institutions and the classification of credit quality for debt instruments in foreign currency is based on lowest credit rating among the one of three foreign credit rating institutions.

(c) Deposits

The credit quality of deposits as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025				
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying credit loss model	Total
		Non-impaired	Impaired		
Deposits measured at amortised cost [1]					
Grade 1	3,474,773,373	-	-	-	3,474,773,373
Grade 2	-	-	-	-	-
Grade 3	-	-	-	-	-
Grade 4	-	-	-	-	-
Grade 5	-	-	-	-	-
	3,474,773,373	-	-	-	3,474,773,373

[1] Before deduction of allowances

(in thousands of Korean won)	2024				
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying credit loss model	Total
		Non-impaired	Impaired		
Deposits measured at amortised cost [1]					
Grade 1	2,540,156,180	-	-	-	2,540,156,180
Grade 2	-	-	-	-	-
Grade 3	-	-	-	-	-
Grade 4	-	-	-	-	-
Grade 5	-	-	-	-	-
	2,540,156,180	-	-	-	2,540,156,180

[1] Before deduction of allowances

The Group's standard for credit quality of deposits is same as the one of debt securities.

(d) Commitments

The credit quality of commitments as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025				
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying credit loss model	Total
		Non-impaired	Impaired		
Guaranteed payment and commitment					
Grade 1	942,025,741	-	-	-	942,025,741
Grade 2	1,268,934,683	-	-	-	1,268,934,683
Grade 3	78,914,494	22,725,000	-	-	101,639,494
Grade 4	493,607,523	35,165,430	-	-	528,772,953
Grade 5	-	-	-	-	-
	2,783,482,441	57,890,430	-	-	2,841,372,871

(in thousands of Korean won)	2024				
	The financial instruments applying 12-month expected credit losses	The financial instruments applying lifetime expected credit losses		The financial instruments applying credit loss model	Total
		Non-impaired	Impaired		
Guaranteed payment and commitment					
Grade 1	663,275,523	-	-	-	663,275,523
Grade 2	1,100,207,671	911,111	-	-	1,101,118,782
Grade 3	84,500,179	49,243,753	-	-	133,743,932
Grade 4	514,287,729	20,059,679	-	-	534,347,408
Grade 5	-	-	-	-	-
	2,362,271,102	70,214,543	-	-	2,432,485,645

(e) Other receivables from securities transactions

Among loan and receivables which are classified as other financial assets, other receivables from securities transactions, as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Other receivables related to proprietary trading	219,109,166	209,127,588
Other receivables related to brokerage transactions	4,831,990,679	1,652,090,991

The Group recognizes receivables and payables between Korea Exchange (Clearing and Settlement Organization) and customers regarding securities brokerage transactions on the trade date. The Group is exposed to credit risks between the trade date and settlement date (generally less than two business days from the trade date) relating to investment brokerage business, which is standardized by related regulations. As a central counterparty, Korea Exchange mitigates the payment default risk by managing collective fund for default loss, and the Group mitigates customer default risk through margin requirements system. Also, if the customers can not pay by the settlement date, the Group can collect the receivables through covering. Therefore, credit risk that the Group actually bears is linked to the price fluctuation risk of securities between the trade date and the settlement date.

In addition, related to standardized investment trading of securities, the Group recognizes the on-the-counter transactions on the Korea Exchange, the clearing and settlement institution, and over-the-counter transactions with the customer on the date which the sales contract is signed for the assets and liabilities. Accordingly, the Company is exposed to the risk of price fluctuation risk and credit risk of the securities subject to trading during the period between the date of execution of the sales contract and the settlement date.

38.3 Liquidity Risk

38.3.1 Overview of Liquidity Risk

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

38.3.2 Liquidity Risk Management Policy

The Group has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. Meanwhile, additional details of unused funding arrangement to reduce liquidity risk that the Group holds at its discretion are discussed in Note 41.

38.3.3 Analysis on Remaining Contractual Maturities of Financial Liabilities

Cash flows disclosed for the maturity analysis are undiscounted contractual principal and interest to be received (paid) and, thus, differ from the amount in the financial statements which is based on the present value of expected cash flows in some cases.

The remaining contractual maturities of financial liabilities as at December 31, 2025 and 2024, are as follows:

	2025						
(in thousands of Korean won)	**On demand**	**Up to one month**	**One to three months**	**Three to 12 months**	**12 months to five years**	**More than five years**	**Total**
Financial liabilities							
Financial liabilities at FVTPL	2,910,712,724	-	-	-	-	-	2,910,712,724
Financial liabilities designated at FVTPL [1]	7,996,513,415	-	-	-	-	-	7,996,513,415
Derivatives (trading) [2]	2,085,411,738	-	-	-	-	-	2,085,411,738
Derivatives (hedge)	-	-	2,911,200	-	-	-	2,911,200
Deposit liabilities [3]	12,110,773,883	-	-	-	-	-	12,110,773,883
Borrowings	11,632,795,178	8,790,095,974	3,781,201,622	10,851,412,625	3,160,804,746	21,622,839	38,237,932,984
Other financial liabilities	24,423,633	5,559,191,643	7,877,257	28,506,287	63,014,136	3,026,869	5,686,039,826

Guaranteed payments and commitment [4]	2,841,372,871	-	-	-	-	-	2,841,372,871

[1] Derivatives-linked securities as financial liabilities designated at FVTPL are classified as 'on demand' because derivatives-linked securities are subject to early settlement.
[2] Derivatives are classified as 'on demand' because contract maturity is not necessary in understanding the cash flow timing of the derivatives
[3] Deposits that are contractually repayable on demand or on short notice are classified as 'on demand' category.
[4] With respect to the guaranteed payments and commitments, the amounts included above, which the Group might pay at maximum based on the contract, if the warrantee claims the entire amount of the guarantee, are classified on the basis of the earliest period when those agreements may be executed.

	2024						
(in thousands of Korean won)	**On demand**	**Up to one month**	**One to three months**	**Three to 12 months**	**12 months to five years**	**More than five years**	**Total**
Financial liabilities							
Financial liabilities at FVTPL	2,558,520,223	-	-	-	-	-	2,558,520,223
Financial liabilities designated at FVTPL [1]	8,010,047,059	-	-	-	-	-	8,010,047,059
Derivatives (trading) [2]	1,919,915,454	-	-	-	-	-	1,919,915,454
Derivatives (hedge)	-	-	-	4,309,200	-	-	4,309,200
Deposit liabilities [3]	7,725,858,827	-	-	-	-	-	7,725,858,827
Borrowings	10,611,705,622	7,715,085,405	2,850,887,493	9,780,216,826	2,876,120,052	20,323,297	33,854,338,694
Other financial liabilities	17,893,430	1,927,935,637	7,749,439	28,071,301	86,844,309	3,954,341	2,072,448,458
Guaranteed payments and commitment [4]	2,432,485,645	-	-	-	-	-	2,432,485,645

[1] Derivatives-linked securities as financial liabilities designated at FVTPL are classified as 'on demand' because derivatives-linked securities are subject to early settlement.
[2] Derivatives are classified as 'on demand' because contract maturity is not necessary in understanding the cash flow timing of the derivatives
[3] Deposits that are contractually repayable on demand or on short notice are classified as 'on demand' category.
[4] With respect to the guaranteed payments and commitments, the amounts included above, which the Group might pay at maximum based on the contract, if the warrantee claims the entire amount of the guarantee, are classified on the basis of the earliest period when those agreements may be executed.

38.4 Market Risk

38.4.1 Overview of Market Risk

Market risk refers to the risk that the value of a position held by the Group may fluctuate due to price fluctuations of market factors such as stock, interest rates, foreign exchange rates, commodity and others.

Market risk is daily managed by establishing the limitations considering products' natures such as position limitations, loss limitations, VaR limitations, sensitivity limitations (duration, delta, gamma, vega, others) and others. Relevant business procedures are processed by written regulations and guidelines.

38.4.2 Value at Risk ("VaR")

The Exposure to market risk is measured by the Value at Risk (VaR). VaR is the potential loss that can occur in the holding position when the market price moves in an adverse direction within a given confidence level for a given holding period in the normal market.

Historical simulation model is used to calculate 10days VaR. Historical simulation model is based on past changes of market variables without assuming a specific probability distribution.

The Group uses the 10-day return of the past two-year time series of the asset risk factor and uses the 99% confidence level of the two-year time series of the portfolio. 10days VaR that is under 99% of confidence level that the Group uses reflects daily losses do not exceed the reported VaR with 99% chance.

The average, minimum and maximum amount of the Group's VaR (99%, 10 days) as at December 31, 2025 and 2024, are as follows:

	2025			
(in thousands of Korean won)	**Average**	**Maximum**	**Minimum**	**December 31, 2025**
Total VaR	46,894,143	65,355,956	30,981,690	45,316,446

	2024			
(in thousands of Korean won)	**Average**	**Maximum**	**Minimum**	**December 31, 2024**
Total VaR	32,714,101	52,796,377	15,391,508	31,000,920

38.4.3 Risk Management by Market Risk Factors

The Group's market risk is comprised of interest rate risk, foreign exchange rate risk and stock price risk.

(a) Stock price risk

Stock price risk arises from the Group's foreign currency stocks and Korean won stocks.

Hedging instruments of Equity Linked Security and Equity Linked Warrant comprise most of stock trading portfolio and certain security proprietary trading is composed of trading securities on the exchange, futures contracts maturing in a month or two, and others under the restriction of position limitation, sale at loss, loss limitation, and others. Marketable stocks among non-trading positions and stock beneficiary certificates are included in stock price risk as market VaR is computed.

Risk Management Council allocates position and loss limitations, and risk management department monitors asset management department's possible breach of limitations and other special matters on a daily basis.

(b) Interest rate risk

Trading position interest rate risk usually arises from debt instruments denominated in Korean won. The Group's trading strategy is to benefit from short-term movements in the prices of debt instruments arising from changes in interest rates.

The product prices of the Group's trading accounts are disclosed daily. The risks related to trading accounts are managed by using market price based method such as market VaR and sensitivity analysis.

(c) Foreign exchange rate risk

Foreign exchange rate risk arises through ownership of assets and liabilities, denominated in currencies other than Korean won, from non-trading positions, or through foreign currency forward contracts, currency swaps and foreign currency trading securities.

The Group computes foreign currency position's net position regularly to follow the Regulation on Financial Investment Business and reports it to the supervisory body.

Also, the Group manages the risk for total position exposed to foreign exchange rate including non-trading position by using market price base method such as market VaR and sensitivity analysis.

38.4.4 Current Status of Interest Rate Risk Management

The Group is closely monitoring the outputs of various industry working groups and markets managing the transition to new interest rate index, including announcements from IBOR regulators and various consultative bodies involved in the transition to alternative interest rates. In response to these announcements, the group established and IBOR transition plan comparing end-to-end workflows across risk management, according, taxation, legal, information technology and customer management functions. In accordance with this plan, the Group has substantially completed the required transition and replacement processes. Oversight of the plan and monitoring of its progress are led by CFO(Chief Financial Officer), with significant matters reported to the Board of Directors. The objective of the plan is to identify the impacts and risks arising from interest rate benchmark reform across the Group's business operations and to prepare for and execute an orderly transition to alternative reference interest rates.

As at December 31, 2025 and 2024, the Group has no financial instruments that had not yet transitioned to alternative reference interest rates.

38.5 Operational Risk

38.5.1 Concept

The Group defines operational risk to the extent of financial risk and non-financial risk incurred by unreasonable or wrong internal process, labor, system and external incidents.

38.5.2 Operational Risk Management

The purpose of operational risk management is to control activity through continuous improvement of internal controls, performing proactive preventive control, proliferation of culture of risk management by establishing internal control that could respond quickly against change of business environment. OMRS (Operational Risk Management System supports performing overall risk management such as recognition of operational risk, evaluation and monitoring. Periodically, through RCSA (Risk Control Self Assessment), management of KRI (Key Risk Indicator), management of data loss and related preparation of countermeasures, it controls the risks in advance, as well as collecting data for future advanced management method.

38.6 Capital Management

Main purpose of the capital risk management of the Group is optimizing use of capital and sustaining healthy financial status in order to maximize shareholder value. The Group has performed capital risk management through estimating net capital ratio based on 'Capital Market and Financial Investment Business Act', enforced in February 2009.

Net capital ratio is the net capital minus the total risk amount divided by the essential equity to sustain per each business unit. [(Net capital – total risk amounts) / essential equity to sustain per each business unit]. This formula is calculated based on the financial statements amount.

The net capital is calculated by subtracting deductible items from and including additional item to financial investor's net asset (asset-liability) as at date. The deductible item refers any asset that is difficult to be converted into cash immediately such as property, plant and equipment. The additional item includes any item recorded as liability without redemption obligation, internal reserves against future losses, items redeemable in kind and items that function as complemental capital.

Total amount of risk is quantification of all of possible losses from operation of business as a financial investor. Total amount of risk is comprised of the following ; market risks which quantify the possible losses due to fluctuation of stock price, interest rate, and exchange rate of the securities held by the investment firms ; credit risks which are the possible losses due to the breach of contract by the counterparties ; operation risks which are the possible losses due to accidents, errors, illegal conduct, and any other potential losses from deteriorated operation condition.

According to the Financial Investment Act, the regulation requires that net capital ratio must be maintained above 100% for the appropriation of the capital and it is required to improve the management if the financial investment firm does not meet the regulation for the net capital ratio.

39. Offsetting Financial Assets and Financial Liabilities

The Group enters into International Derivatives Swaps and Dealers Association ("ISDA") master netting agreements or similar agreement with the Group's derivative counterparties. The Group also enters into repurchase agreements and securities borrowing and lending agreements similar to the master netting agreement for derivatives. Master netting agreements provide protection in bankruptcy in certain circumstances and, where legally enforceable, enable receivables and payables with the same counterparty to be offset for accounting and risk management purposes.

	2025					
(in thousands of Korean won)			Net amounts presented in the statement of financial position	Amounts not offset		
	Gross Amount	Offset amount		Recognized financial instruments	Cash collateral	Net amount
Financial assets						
Derivatives assets, others [1]	1,808,461,566	-	1,808,461,566	1,427,458,830	177,659,247	203,343,489
Securities purchased under reverse repurchase agreements	1,832,100,000	-	1,832,100,000	1,832,100,000	-	-
Other receivables [4]	4,899,327,214	4,315,518,767	583,808,447	-	-	583,808,447
Other receivables (Payment and settlement)	227,717,069	182,255,426	45,461,643	-	-	45,461,643
	8,767,605,849	4,497,774,193	4,269,831,656	3,259,558,830	177,659,247	832,613,579
Financial liabilities						
Derivatives liabilities, others [1]	3,222,403,437	-	3,222,403,437	2,947,115,496	66,027,869	209,260,072
Securities sold under reverse resale agreements [2]	10,719,460,118	-	10,719,460,118	10,719,460,118	-	-
Securities sold [3]	2,910,712,724	-	2,910,712,724	2,910,712,724	-	-
Other payables [4]	4,480,531,619	4,315,518,767	165,012,852	-	-	165,012,852
Other payables (Payment and settlement)	182,255,426	182,255,426	-	-	-	-
	21,515,363,324	4,497,774,193	17,017,589,131	16,577,288,338	66,027,869	374,272,924

[1] Both derivatives (trading) and derivatives (hedge) are included.
[2] Securities sold under reverse resale agreements to the customers is included.
[3] Securities sold is from securities borrowing and lending agreement.
[4] In relation to customer brokerage transactions, the offset amount of receivables and liabilities arising from same-day transactions between the Korea Exchange and the Group is included. However, receivables of ₩ 4,360,987 million and payables of ₩ 4,183,015 million arising from same-day trans actions between customers and the Group are excluded.

	2024					
(in thousands of Korean won)			Net amounts presented in the statement of financial position	Amounts not offset		
	Gross Amount	Offset amount		Recognized financial instruments	Cash collateral	Net amount
Financial assets						
Derivatives assets, others [1]	1,390,150,719	-	1,390,150,719	1,114,549,100	193,074,080	82,527,539
Securities purchased under reverse repurchase agreements	2,091,017,404	-	2,091,017,404	2,091,017,404	-	-
Other receivables [4]	1,669,975,970	1,652,694,935	17,281,035	-	-	17,281,035
Other receivables (Payment and settlement)	136,966,708	123,672,076	13,294,632	-	-	13,294,632
	5,288,110,801	1,776,367,011	3,511,743,790	3,205,566,504	193,074,080	113,103,206
Financial liabilities						
Derivatives liabilities, others [1]	2,902,445,355	-	2,902,445,355	2,676,007,223	76,853,200	149,584,932
Securities sold under reverse resale agreements [2]	9,419,893,685	-	9,419,893,685	9,419,893,685	-	-
Securities sold [3]	2,558,520,223	-	2,558,520,223	2,558,520,223	-	-
Other payables [4]	1,740,843,763	1,652,694,935	88,148,828	-	-	88,148,828
Other payables (Payment and settlement)	123,672,076	123,672,076	-	-	-	-
	16,745,375,102	1,776,367,011	14,969,008,091	14,654,421,131	76,853,200	237,733,760

[1] Both derivatives (trading) and derivatives (hedge) are included.
[2] Securities sold under reverse resale agreements to the customers is included.
[3] Securities sold is from securities borrowing and lending agreement.
[4] In relation to customer brokerage transactions, the offset amount of receivables and liabilities arising from same-day transactions between the Korea Exchange and the Group is included. However, receivables of ₩ 1,922,392 million and payables of ₩ 1,785,683 million arising from same-day trans actions between customers and the Group are excluded.

40. Lease

40.1 As a lessee

(a) The amounts recognized in the consolidated statement of financial position

The amounts related to lease recognized in the consolidated statement of financial position as at December 31, 2025 and 2024, are as follows;

(in thousands of Korean won)	2025	2024
Right-of-use assets [1]		
Buildings	65,123,943	78,361,559
Vehicles	1,798,747	1,558,387
Others	3,557,333	1,651,891
	70,480,023	81,571,837
Lease liabilities	92,480,438	110,565,256

[1] The amount is included in property and equipment in the consolidated statement of financial position.

(b) The amounts recognized in the consolidated statement of profit or loss

The amounts related to lease recognized in the consolidated statement of profit or loss for the year ended December 31, 2025 and 2024, are as follows

(in thousands of Korean won)	**2025**	**2024**
Depreciation of the right-of-use assets		
Buildings	27,491,861	25,889,842
Vehicles	1,390,454	1,326,898
Others	1,113,544	1,036,927
	29,995,859	28,253,667
Interest income from lease receivables (included in financial income)	594,103	779,142
Interest expense to lease liabilities (included in financial cost)	3,488,809	4,291,797
Lease payment for leases for which the underlying asset is of low value (included in administrative expenses, not-including lease for short-term period)	248,697	248,493
Variable lease payments which are not included in the measurement of lease liabilities (included in administrative expenses)	158,422	147,052

The total cash outflows for leases in 2025 and 2024 are ₩ 39,895 million and ₩ 37,734 million, respectively.

40.2 As a Lessor

(a) Financial Lease

As at December 31, 2025 and 2024, total investment on financial lease and present value of minimum lease payments and unrealized interest income of financial lease are as follows:

(in thousands of Korean won)	**2025**	**2024**
Total Investment on lease	16,555,000	23,129,979
Net Investment on lease	15,942,629	21,923,504
Present value of minimum lease payments	15,942,629	21,923,504
Unrealized interest income	612,371	1,206,474

(b) Operating Lease

As at December 31, 2025 and 2024, future minimum lease receipts expected under non-cancellable lease contracts are as follows:

(in thousands of Korean won)	**2025**	**2024**
Within 1 year	5,657,448	12,069,349
1 - 5 years	19,132,715	43,145,853
Over 5 years	5,633,095	2,871,151
	30,423,258	58,086,353

41. Contingent Liabilities and Commitments

As at December 31, 2025 and 2024, the Group is involved in pending lawsuits, as follows:

(in thousands of Korean won)	2025		2024	
	Number of lawsuits	Amount	Number of lawsuits	Amount
Defendant	38	138,398,618	44	203,538,599
Plaintiff	13	226,629,322	16	236,163,306

The Group expects that these lawsuits do not have significant impact on the financial position.

The Group has entered into various agreements with financial institutions as at December 31, 2025 and 2024, as follows:

(in thousands of Korean won)	Financial institution	Credit line	
		2025	2024
Overdraft (including daily overdraft)	Kookmin Bank and others	1,287,450,000	1,265,000,000
General loan	Kookmin Bank	40,000,000	40,000,000
Securities underwriting loan	KSFC	600,000,000	600,000,000
Working capital loan (general)	KSFC	475,000,000	475,000,000
Note trading at a discount (general)	KSFC	300,000,000	300,000,000
Note trading at a discount (trust)	KSFC	Limit of subscription deposits	Limit of subscription deposits
Bond dealer's loan (general)	KSFC	300,000,000	300,000,000
Securities underwriting financing	KSFC	1,710,000,000	1,710,000,000
Committed line	Industrial and Commercial Bank of China, etc	480,634,000	452,746,000
Credit line	VIETCOMBANK and other	1,041,675,750	894,026,100

The guarantees and various commitment as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Agreement to purchase commercial papers [1]	1,259,846,340	824,171,844
Loan agreements	151,500,000	54,000,000
Credit line agreements	724,667,552	903,109,980
LOC and Investment commitments	705,358,979	651,203,821
	2,841,372,871	2,432,485,645

[1] According to the above arrangement, the Group holds the asset-backed short-term bonds amounting to ₩ 86,450 million and ₩ 278,820 million as at December 31, 2025 and 2024, respectively.

The Group has been provided with ₩ 18,557 million and ₩ 14,622 million in guarantees related to provisional attachment and others by Seoul Guarantee Insurance as at December 31, 2025 and 2024, respectively.

The securities in custody as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024	Valuation method
Trustor securities	300,600,043,794	240,661,735,301	Fair value
Saver securities	2,059,709,772	1,122,794,510	Fair value
Beneficiary securities	45,102,838,605	41,779,858,329	Standard selling price
	347,762,592,171	283,564,388,140	

As at December 31, 2025, the main lawsuits against the group as a defendant are as follows:

(in thousands of Korean won)	**No. of lawsuits**	**Amount**	**Contents**	**Situation of lawsuits**
Return of purchase price, etc Unjust gains (Fund in Australia)	3	59,926,668	The Group, as a selling company of qualified investor private equity fund that aims to lend money to corporations (borrowers) investing in apartment rental business for disabled people in Australia, intermediated ₩ 326.5 billion of trusts and funds to the individuals and institutional investors. However, the local borrower's breach of the contract made the fund inoperable and the Group was sued for unjust gains/return of sales price, etc.	1st lawsuit: 3rd trial in progress (1st trial : February 7, 2023. Judgment ordering payment of ₩ 29.8 billion in investment principal and delayed interest thereon 2nd trial : January 29, 2024. Judgment ordering payment of ₩ 12 billion in investment principal and delayed interest thereon with different conclusion) 2nd lawsuit: 2nd trial in progress (1st trial : February 14, 2024. Judgment ordering payment of ₩ 12.2 billion in investment principal and delayed interest thereon) 3rd lawsuit: 3rd trial in progress (1st trial :October 26, 2023. Judgment ordering payment of ₩ 8.46 billion in remaining principal and delayed interest on ₩ 8.29 billion in principal 2nd: January 16, 2025. Judgment ordering the return of ₩ 4.4 billion, a portion of 8.07 billion paid in ther first trial)
Compensation for damages (Winners Delegated Customer)	1	4,469,546	8 clients who had signed an investment agency contract with Winners Asset Management Co.,LTD.and opened accounts with the Group to trade Nikkei 225 options claimed damages from the company, claiming that the short sales that Group conducted as a result of increased intraday risk due to the sharp decline in the Nikkei 225 index caused by COVID-19 in August 2020 was illegal.	2 plaintiffs filed an appeal (1st trial : February 2, 2023. Judgment dismissing all plaintiffs' claims for damages 2nd trial : October 30, 2025. Judgment dismissing all plaintiffs' appeal against the first trial)
Damages and Unjust Gains (Winners Fund Investors)	4	7,202,350	Investors who invested in funds managed by Winners Asset Management Co.,LTD.filed lawsuits against the Group, which was an investment broker, claimed compensation for damages or return of unjust gains due to contract cancellation (60 plaintiffs in total)	1 cases: Appeal filed (1st trial : ① September 26, 2024. the Group wins in full ② September 18, 2025. the Group wins in full) 2 cases: 2nd trial in progress (1st trial : ① August 22, 2024. the Group wins in full ② November 28, 2025. the Group wins in full) 1 cases: 1st trial in progress
Damages and Unjust Gains (TA_DLS Trust)	7	9,082,031	Investors who invested in KB able DLS Trust (a specific money trust that includes derivative linked securities linked to TA-OPAL Fund, which TransAsia Management invests in trade finance loan receivables) argued that the Group's sales staff misleaded that the principal was guaranteed by an insurance company's guarantee, and claimed the return of unjust gains	2 cases: Appeal filed (1st trial : ① July 23, 2025. the plaintiff win in partially.② October 23, 2025. . the plaintiff win in partially . 5 cases: 1st trial in progress

			by the cancellation of the contract due to the error.	
Unjust Gains (Heritage Banzaran DLS)	3	38,768,140	The Group provided false information about the business capabilities of the operator (GPG), etc., thereby causing the plaintiff to misunderstand the key investment conditions of the DLS in this case. Therefore, the plaintiff requested to cancel the acquisition contract for the DLS in this case due to the mistake and claimed the return of the acquisition price of the DLS in this case and the delay damages as unjust gains.	3 cases: 1st trial In progress

The Fair Trade Commission is currently reviewing whether the Group has engaged in unfair joint activities with other banks and securities firms, and the results of the deliberation and decision are uncertain at this time.

During the year ended December 31, 2025, the Group underwent a regular tax audit by the Seoul Regional Tax Office for the fiscal years from 2020 to 2024, and paid ₩ 19,398 million in corporate taxes and other taxes (including local income tax) in December 2025 and January 2026. Accordingly, the Group filed an appeal for ₩ 15,249 million in February 2026, considering the items indicated in the tax notice. As at December 31, 2025, the Group did not recognize any tax liabilities for amounts it determined were likely to be refunded through an appeal. However, the final tax liability may change depending on the outcome of the appeal.

42. Related Party Transactions

KB Financial Group Inc. owns 100% of ordinary shares of the KB Securities Co., Ltd. as at December 31, 2025 and 2024.

Significant balances and transactions, excluding loan and borrowing transactions, with related parties as at December 31, 2025 and 2024, are as follows:

(a) Receivables and payables

(in thousands of Korean won)	2025		2024	
	Receivables	**Payables**	**Receivables**	**Payables**
The Parent Company				
KB Financial Group Inc.	177,981,457	129,572,183	-	100,482,725
Others				
Kookmin Bank	57,592,045	118,712,300	148,169,617	92,559,065
KB Asset Management Co., Ltd.	-	29,854	-	34,401
KB Real Estate Trust Co., Ltd.	-	355	-	417
KB Investment Co., Ltd.	751,581	131	848,476	165
KB Data System Co., Ltd.	5,356,594	356,049	925,927	331,681
KB Kookmin Card Co., Ltd.	14,395	9,066,102	455	8,427,724
KB Savings Bank Co., Ltd.	-	574	-	657
KB Capital Co., Ltd.	1,035,197	1,065,333	1,416,693	2,850,380
KB Insurance Co., Ltd	151,341,852	22,345,124	6,846,890	92,036,600
KB Life Insurance Co., Ltd.	44,486,042	18,286,691	1,062,706	4,440,280
KB Wisestar Private Real Estate Fund Investment Trust No. 1	-	-	5,274	-
Other funds	4,141,026	1,743,740	2,413,016	6,875,206

(b) Revenue and expenses

(in thousands of Korean won)	2025		2024	
	Revenue	**Expenses**	**Revenue**	**Expenses**
Associates				
KBTS Technology Venture Private Equity Fund	170,353	-	174,883	-
KB-SJ Tourism Venture Fund	788,468	-	272,001	-
KB SPROTT Renewable Private Equity Fund I	77,970	-	255,062	-
KB-Stonebridge Secondary Private Equity Fund	364,486	-	401,890	-
KB-UTC Inno-Tech Venture Fund	146,853	-	230,269	-
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	800,322	-	619,004	-
KB Material and Parts No. 1 PEF [1]	-	-	175,287	-
KB Special Purpose Acquisition Company No.21 [1]	-	-	135,842	-
KB-KTB Technology Venture Fund	398,659	-	341,826	-
KB-GeneN Medical Venture Fund 1	88,800	-	88,800	-
KB-BridgePole Venture Investment Fund [1]	-	-	100,973	-
KB-Kyobo New Mobility Power Fund [1]	-	-	75,523	-
KB-FT 1st Green Growth Investment Fund	135,415	-	135,639	-
KB-NP Green ESG New Technology Venture Capital Fund	1,095,469	-	1,133,636	-
KB Special Purpose Acquisition Company No.25	65,452	-	-	175,265

	2025		2024	
(in thousands of Korean won)	**Revenue**	**Expenses**	**Revenue**	**Expenses**
KB Special Purpose Acquisition Company No.26 [1]	-	-	-	53,795
KB-SUSUNG 1st Investment Fund	142,365	-	192,368	-
KB Special Purpose Acquisition Company No.27	405,334	-	-	176,877
KB-BridgePole Venture Investment Fund #2	105,000	-	105,000	-
U-KB Credit No.1 Private Equity	967,500	-	970,151	-
KB Special Purpose Acquisition Company No.28 [1]	-	-	1,292,589	-
KB Special Purpose Acquisition Company No.29	143,758	-	1,735,480	-
AKK Robotech Valueup New Technology Investment Fund [1]	235,495	-	101,116	-
KB-SOLIDUS Healthcare Investment Fund	860,181	-	768,198	-
KB-CJ Venture Fund 1st	150,000	-	79,918	-
KB-SUSUNG 2nd Investment Fund	154,772	-	77,518	-
KB Global Commerce Private Equity Investment Fund [1]	-	-	-	-
KB KONEX Market Vitalization Fund [1]	-	-	-	-
KB Star REIT	9,442,306	-	-	-
KB Special Purpose Acquisition Company No.30	57,619	-	1,620,135	-
KB Special Purpose Acquisition Company No.31	177,402	-	2,111,082	-
KB-Cyrus Tourism Venture Fund	337,500	-	63,627	-
KB-IMM Newstar Real Estate Private Fund 1	2,277,815	-	-	-
KB Special Purpose Acquisition Company No.33	2,214,139	-	-	-
KBLB Middle Market Enterprises Innovation Private Equity Fund	1,199,742	-	-	-
Semicolon Susong Commissioned Real Estate Investment Trust	5,650,210	-	-	-
KB-Novus Genesis Private Equity Fund	103,905	-	-	-
AIM-KB-DOUBLE Connected Future Investment Fund	30,378	-	-	-
KB-SP Private Equity Fund IV [1]	62,547	-	-	-
E&I Holdings Co., Ltd [1]	3,446,057	-	-	-
IMM global Secondary 1-1 Equity Private Fund	3,511	-	-	-
KB-IMM Newstar Real Estate Private Fund 2	138,002	-	-	-
The Parent Company				
KB Financial Group Inc.	1,421,759	65,443	778,875	99,196
Others				
Kookmin Bank	75,750,216	222,486,519	176,460,934	152,374,594
KB Asset Management Co., Ltd.	903	911,493	782	839,780
KB Real Estate Trust Co., Ltd.	622	7,014	215,636	937
KB Investment Co., Ltd.	1,570,303	5	1,666,529	6
KB Data System Co., Ltd.	1,021	2,722,953	8,483	5,749,905
KB Kookmin Card Co., Ltd.	111,825	1,017,147	57,063	837,257
KB Savings Bank Co., Ltd.	996	69	23	23
KB Capital Co., Ltd.	811,018	77,590	492,222	41,598
KB Insurance Co., Ltd.	215,567,089	-	6,994,519	56,730,129
KB Life Insurance Co., Ltd.	44,935,958	2,604,916	1,112,355	469,723
KB Wisestar Private Real Estate Fund Investment Trust No. 1	9,549	-	110,292	-

	2025		2024	
(in thousands of Korean won)	**Revenue**	**Expenses**	**Revenue**	**Expenses**
Other funds	17,455,819	168,140	23,588,133	-
Retirement pension	1,222,235	-	1,230,487	-
The Group				
Employees	773,600	-	379,157	-

[1] These companies are excluded from related parties during the year ended December 31, 2025 or 2024. The transaction amounts are up to the date of the exclusion.

(c) Significant loan and borrowing transactions with related parties for the years ended December 31, 2025 and 2024 are as follows:

		2025				
(in thousands of Korean won)	**Accounts**	**Beginning balance**	**Increase**	**Decrease**	**Other**	**Ending balance**
Associates						
KB Special Purpose Acquisition Company No.21 [1]	Hybrid bond with securities-like features	3,122,444	-	(3,122,444)	-	-
KB Special Purpose Acquisition Company No.25	Hybrid bond with securities-like features	1,849,919	-	-	65,453	1,915,372
KB Special Purpose Acquisition Company No.26 [1]	Hybrid bond with securities-like features	2,150,426	-	-	(2,150,426)	-
KB Special Purpose Acquisition Company No.27	Hybrid bond with securities-like features	5,876,876	-	-	405,334	6,282,210
KB Special Purpose Acquisition Company No.28 [1]	Hybrid bond with securities-like features	2,112,589	-	-	(2,112,589)	-
KB Special Purpose Acquisition Company No.29	Hybrid bond with securities-like features	3,015,480	-	-	143,758	3,159,238
KB Special Purpose Acquisition Company No.30	Hybrid bond with securities-like features	2,835,135	-	-	57,619	2,892,754
KB Special Purpose Acquisition Company No.31	Hybrid bond with securities-like features	4,301,082	-	-	177,402	4,478,484
KB Special Purpose Acquisition Company No.33	Hybrid bond with securities-like features	-	2,090,000	-	2,214,139	4,304,139
Others						
Kookmin Bank	Deposits [2]	499,683,258	-	-	(123,829,944)	375,853,314
	Borrowings	121,654,100	1,028,552,673	(852,271,239)	-	297,935,534
PT Bank KB Bukopin Tbk	Borrowings	-	8,560,000	-	-	8,560,000
KB Kookmin Card Co., Ltd.	Debt Securities	-	10,001,122	(10,001,122)	-	-

KB Capital Co., Ltd.	Debt Securities	-	10,002,628	(10,002,628)	-	-
Executives	Deposit Liabilities	373,997	510,499	(217,242)	-	667,254
The Group						
Employees	Loans to employees	23,488,800	20,235,774	(6,466,148)	-	37,258,426

[1] These companies are not related parties of the Group as at December 31, 2025.
[2] Transactions such as settlement payments for business reasons and deposits that can be deposited and withdrawn at any time between related parties are disclosed in net amounts.

		2024				
(in thousands of Korean won)	**Accounts**	**Beginning balance**	**Increase**	**Decrease**	**Other**	**Ending balance**
Associates						
KB Special Purpose Acquisition Company No.21	Hybrid bond with securities-like features	2,986,602	-	-	135,842	3,122,444
KB Special Purpose Acquisition Company No.22 [1]	Hybrid bond with securities-like features	2,984,646	-	-	(2,984,646)	-
KB Special Purpose Acquisition Company No.23 [1]	Hybrid bond with securities-like features	1,488,699	-	-	(1,488,699)	-
KB Special Purpose Acquisition Company No.25	Hybrid bond with securities-like features	2,025,184	-	-	(175,265)	1,849,919
KB Special Purpose Acquisition Company No.26	Hybrid bond with securities-like features	2,204,221	-	-	(53,795)	2,150,426
KB Special Purpose Acquisition Company No.27	Hybrid bond with securities-like features	6,053,752	-	-	(176,876)	5,876,876
KB Special Purpose Acquisition Company No.28	Hybrid bond with securities-like features	-	995,000	-	1,117,589	2,112,589
KB Special Purpose Acquisition Company No.29	Hybrid bond with securities-like features	-	1,490,000	-	1,525,480	3,015,480
KB Special Purpose Acquisition Company No.30	Hybrid bond with securities-like features	-	1,390,000	-	1,445,135	2,835,135
KB Special Purpose Acquisition Company No.31	Hybrid bond with securities-like features	-	2,190,000	-	2,111,082	4,301,082
Others						
Kookmin Bank	Deposits [2]	383,027,563	-	-	116,655,695	499,683,258
	Borrowings	265,927,798	811,389,573	(955,663,271)	-	121,654,100
KB Kookmin Card Co., Ltd.	Debt Securities	30,127,334	-	(30,127,334)	-	-
KB Savings Bank Co., Ltd.	Borrowings	3,000,000	-	(3,000,000)	-	-

KB Insurance Co., Ltd	Borrowings	70,500,000	-	(70,500,000)	-	-
KB Capital Co., Ltd.	Borrowings	43,312,000	-	(43,312,000)	-	-
KB STAR CLASBY 1 st Inc.	Borrowings	72,000,000	-	(72,000,000)	-	-
Executives	Deposit Liabilities	635,217	283,283	(544,503)	-	373,997
The Group						
Employees	Loans to employees	12,587,095	16,252,859	(5,351,154)	-	23,488,800

[1] These companies are not related parties of the Group as at December 31, 2024.
[2] Transactions such as settlement payments for business reasons and deposits that can be deposited and withdrawn at any time between related parties are disclosed in net amounts.

In addition to the above, the balance of hybrid securities held by KB Financial Group Inc., issued by the Group as at December 31, 2025, is ₩ 530,000 million (2024 : ₩ 530,000 million), and the related dividend payment for the year ended December 31, 2025 is ₩ 26,600 million (2024 : ₩ 31,913 million).

And the dividend paid by the Group to KB Financial Group Inc., the parent company, through disposal of retained earnings in 2025 during the year ended December 31, 2025 is ₩ 580,000 million (2024 : ₩ 150,000 million).

Meanwhile, the above financial transactions do not include details of increases or decreases in deposits that occur for business reasons between related parties.

(d) Other transactions with related parties for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)	**2025**	
	Contribution	**Collection and others**
Associates		
KB Special Purpose Acquisition Company No.21 [1]	-	10,000
KB Special Purpose Acquisition Company No.26 [1]	-	5,000
KB Special Purpose Acquisition Company No.28 [1]	-	5,000
KB Special Purpose Acquisition Company No.32	10,000	-
KB New Paradigm Agriculture Venture Fund	-	375,000
KB KONEX Market Vitalization Fund [1]	-	540,000
KB-KDBC New Technology Business Investment Fund	-	1,500,000
KB-SJ Tourism Venture Fund	-	190,000
KB-Stonebridge Secondary Private Equity Fund	-	1,248,439
KB-SP Private Equity Fund IV [1]	-	2,494,808
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	1,800,000	1,700,815
KB Digital Platform Fund	10,000,000	-
KB-SOLIDUS Healthcare Investment Fund	1,316,667	-
JS Private Equity Fund III	-	749,248
THE CHAEUL FUND NO.1 [1]	-	1,000,000
POSITVE Sobujang Venture Fund #1 [1]	-	879,121
KB-NP Green ESG New Technology Venture Capital Fund	3,480,000	1,136,153
Hisstory 2022 Fintech Fund [1]	-	2,000,000
KB Bio Private Equity Investment Fund IV [1]	-	7,500,000
KB-SUSUNG 1st Investment Fund	-	946,000
Shinhan-Eco Venture Fund 2nd	25,000	190,000
2023 JB Newtech No.2 Fund [1]	-	1,405,557
U-KB Credit No.1 Private Equity	11,953,489	-
AKK Robotech Valueup New Technology Investment Fund [1]	-	1,000,000
IMM global Secondary 1-1 Equity Private Fund	756,186	162,251

NOVORSEC-SJG Consumer Secondary Fund [1]	-	1,700,000
KBSBI Global High-tech Strategic Private Equity Investment Limited Partnership	10,215,000	-
KB-Cyrus Tourism Venture Fund	1,000,000	-
NICE DATA INTELLIGENCE VENTURE FUND [1]	-	1,000,000
Pectus Hanwha Fund No.2 [1]	-	2,000,000
KB-IMM Newstar Real Estate Private Fund 1	19,386,033	-
KBLB Middle Market Enterprises Innovation Private Equity Fund	4,284,000	-
YG AI Industrial Automation Solutions FUND	2,000,000	-
KB-Novus Genesis Private Equity Fund	2,300,000	-
KB Special Purpose Acquisition Company No.33	160,000	-
E&I Holdings Co., Ltd [1]	27,300,000	27,300,000
Korea Environment Technology Co., LTD [1]	-	107,427,843
Semicolon Susong Commissioned Real Estate Investment Trust	77,000,000	857,210
Others		
KB BMO Senior Loan Private Special Asset Fund 2	-	6,588,099
KB Overseas Investment Private Real Estate Investment Trust No. 22	4,016,340	-
KB Wisestar Private Real Estate Fund Investment Trust No. 1	-	2,414,882
KB North America Jefferies Private Special Asset Investment Trust No.1	4,683,542	1,346,657
KB North America Jefferies Private Special Asset Investment Trust No.2	262,750	89,659
KB Corporation Dollar MMF(USD)	28,989,000	43,844,420
Mirae Asset ESG Infrastructure General Investors Private Equity Fund No. 1	22,857	10,442
KB BXC GREEN CREDIT Infra General Private Special Asset Fund 2	44,338	28,032
KB Apax Global Buyout Fund	1,912,740	-
KB Global Infra Private Special Asset Fund No.6	-	130,507
KB Overseas Investment Private Real Estate Investment Trust No. 35	50,606	-
KB Global Senior Loan Private Fund No.1(USD)	18,489,479	5,808,597
KB Wisestar General Real Estate Fund 24	14,700,000	14,700,000
KB Global Platform Fund	-	2,880,000
KB New Deal Innovation Fund	-	1,000,000
Paramark KB Fund I	1,830,000	411,000
KB Secondary Plus Fund	-	1,676,310
KB Prime Digital Platform Fund	1,125,000	-
KB Scale-up Fund No.2	3,500,000	-
KB Global Platform Fund No.2	2,400,000	-
Startup Korea KB Secondary Fund	1,500,000	1,961
Timefolio The Time-Frontier Star Specialized Private Investment Trust	10,097,349	490,175
KB Wisestar General Real Estate Fund 21	8,899,000	230,400
KB ValueRise Blind Private Real Estate Fund No.1	10,684,210	-
PineStreet Global Corporate FoF 28-2(AOP II)	141,706	1,265
KB BX Europe Infra Private SpecialAsset Fund 1(EUR)	4,177,909	-
KB RISE Short-Term MSB ETF	71,909,225	71,909,111
KB Wisestar General Real Estate Fund 28	20,500,000	-

[1] These companies are not related parties of the Group as at December 31, 2025.

(In thousands of Korean won)

	2024	
	Contribution	**Collection and others**
Associates		
KB Special Purpose Acquisition Company No.22 [1]	-	10,000
KB Special Purpose Acquisition Company No.28	5,000	-
KB Special Purpose Acquisition Company No.29	10,000	-
KB Special Purpose Acquisition Company No.30	10,000	-
KB Special Purpose Acquisition Company No.31	10,000	-
KB New Paradigm Agriculture Venture Fund	-	825,000
KB KONEX Market Vitalization Fund	-	75,000
KB-KDBC New Technology Business Investment Fund	-	300,000
KBTS Technology Venture Private Equity Fund	-	704,000
KB-SJ Tourism Venture Fund	-	4,030,000
KB-Stonebridge Secondary Private Equity Fund	-	190,539
KB-UTC Inno-Tech Venture Fund	-	112,500
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	4,482,000	3,889,195
KB Material and Parts No. 1 PEF [1]	-	3,400,000
KB Global Commerce Private Equity Investment Fund [1]	-	7,000,000
KB-KTB Technology Venture Fund	2,000,000	-
KB Digital Platform Fund	10,000,000	-
KB-SOLIDUS Healthcare Investment Fund	1,300,000	-
KB-BridgePole Venture Investment Fund [1]	-	136,000
KB-Kyobo New Mobility Power Fund [1]	-	3,000,000
JS Private Equity Fund III	-	754,979
POSITVE Sobujang Venture Fund #1	-	1,120,879
KB-NP Green ESG New Technology Venture Capital Fund	7,920,000	-
LAKEWOOD-AVES Fund No.1 [1]	-	2,000,000
KB-SUSUNG 1st Investment Fund	-	924,000
Friend 55 New Technology Business Investment Fund [1]	-	1,200,000
Bitgoeul Cheomdan Green 1st Co., Ltd.	152,000	-
DSIP-Pharos Bioenergy Fund [1]	-	4,000,000
Shinhan-Eco Venture Fund 2nd	225,000	-
2023 JB Newtech No.2 Fund	-	394,443
U-KB Credit No.1 Private Equity	279,070	-
Timefolio Athleisure Investment Fund	4,000,000	-
COMPA Global Scale-Up Fund No.3	1,000,000	-
AKK Robotech Valueup New Technology Investment Fund	1,000,000	-
YG MCE PROJECT No.1 Fund	1,500,000	-
HI YG Win-win Fund No.2	2,000,000	-
KB-CJ Venture Fund 1st	1,800,000	-
Elohim-Bilanx aerospace No.1 Fund	2,000,000	-
KB-SUSUNG 2nd Investment Fund	2,000,000	-
IMM global Secondary 1-1 Equity Private Fund	2,819,038	-
LIB Material Investment Fund	4,098,144	-
NOVORSEC-SJG Consumer Secondary Fund	1,700,000	-
KBSBI Global High-tech Strategic Private Equity Investment Limited Partnership	5,059,098	-
KB-Cyrus Tourism Venture Fund	1,000,000	-
IBKS Design Fund	2,000,000	-
NICE DATA INTELLIGENCE VENTURE FUND	1,000,000	-
Pectus Hanwha Fund No.2	2,000,000	-
KB-IMM Newstar Real Estate Private Fund 1	20,897,275	-
G Payment Joint Stock Company	-	1,504,288
Korea Environment Technology Co., LTD	107,427,843	-
Others		
KB BMO Senior Loan Private Special Asset Fund 2	-	5,119,216
KB Overseas Investment Private Real Estate Investment	2,728,938	853,778

Trust No. 22		
KB Global Platform Fund	-	2,540,000
Paramark KB Fund I	2,710,000	-
KB Prime Digital Platform Fund	900,000	-
KB Scale-up Fund No.2	1,500,000	-
KB Global Platform Fund No.2	3,600,000	-
KB Overseas Investment Private Real Estate Investment Trust No. 35	50,535	-
KB North America Jefferies Private Special Asset Investment Trust No.2	38,129	-
KB KBSTAR Money Market Active	10,090,203	81,692,923
KB KBSTAR US Short-Term IG Corporate Bond ETF	-	30,915,000
KB Wise star General Real Estate Fund 22	-	96,145,931
Mirae Asset ESG Infrastructure General Investors Private Equity Fund No. 1	372,857	-
KB BXC GREEN CREDIT Infra General Private Special Asset Fund 2	64,458	-
KB Apax Global Buyout Fund	2,669,708	-
KB Global Infra Private Special Asset Fund No.6	2,006,602	-
KB Global Senior Loan Private Fund No.1(USD)	5,996,748	-
Startup Korea KB Secondary Fund	1,500,000	-
REKSA DANA VALBURY STABLE GROWTH FUND	-	126,277

[1] These companies are not related parties of the Group as at December 31, 2024.

(e) Details of guarantees and assets pledged as collateral to related parties as at December 31, 2025 and 2024 are as follows:

- Guarantees

		Limit amount	
(in thousands of Korean won)	**Details**	**2025**	**2024**
KB Star Galaxy Towers REIT	Funding replenishment agreement B	-	40,000,000

- Assets pledged as collateral

(in thousands of Korean won)		2025		2024	
	Details of assets pledged	**Carrying amount**	**Collateralized amount**	**Carrying amount**	**Collateralized amount**
Other related parties					
Kookmin Bank	Time deposits and others	173,000,000	167,000,000	173,000,000	167,000,000
	Bonds denominated in Korean won	100,962,906	105,126,000	19,197,211	20,000,000
	Stocks denominated in Korean won	105,943,750	119,887,500	-	-
	Investment Properties	25,022,287	25,022,287	32,449,970	22,992,136
KB Insurance Co., Ltd	Bonds denominated in Korean won	-	-	92,936,186	91,962,000

- Assets received as collateral

(in thousands of Korean won)	**Details of assets pledged**	**2025**	**2024**
		Collateralized amount	**Collateralized amount**
Other related parties			
Kookmin Bank	Bonds denominated in Korean won	585,760,000	108,891,000
KB Insurance Co., Ltd.	Bonds denominated in Korean won	277,790,000	10,000,000
KB Life Insurance Co., Ltd.	Bonds denominated in Korean won	143,738,832	-

As at December 31, 2025, the Group has ₩ 140,000 million (2024 : ₩ 144,362 million) of credit line such as loan agreement. . And the Group has entered into a CLS (Foreign Exchange Simultaneous Settlement) third-party service agreement with Kookmin Bank Co., Ltd., and according to the related agreement, it can receive intraday liquidity of USD 500 million on the condition of repayment on the settlement date.

(f) Details of unused loan commitments provided to the related parties as at December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)	**Details**	**Amounts**	
		2025	**2024**
KB BMO Senior Loan Private Special Asset Fund 2	Purchase agreements of securities	22,076	22,616
KB Global Infra Private Special Asset Fund No.6	Purchase agreements of securities	2,993,171	2,993,171
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	Purchase agreements of securities	462,000	2,262,000
Paramark KB Fund I	Purchase agreements of securities	290,000	2,120,000
KB-SOLIDUS Healthcare Investment Fund 1	Purchase agreements of securities	-	1,316,667
KB Digital Platform Fund	Purchase agreements of securities	12,000,000	22,000,000
KB-NP Green ESG New Technology Venture Capital Fund	Purchase agreements of securities	420,000	3,900,000
KB Prime Digital Platform Fund	Purchase agreements of securities	-	1,125,000
KB Scale-up Fund No.2	Purchase agreements of securities	2,000,000	5,500,000
KB Overseas Investment Private Real Estate Investment Trust No. 22	Purchase agreements of securities	3,530,738	7,709,267
KB Global Platform Fund No.2	Purchase agreements of securities	5,400,000	7,800,000
KB North America Jefferies Private Special Asset Investment Trust No.1	Purchase agreements of securities	1,570,513	6,416,289
KB North America Jefferies Private Special Asset Investment Trust No.2	Purchase agreements of securities	82,659	337,699
Mirae Asset ESG Infrastructure General Investors Private Equity Fund No. 1	Purchase agreements of securities	604,238	727,095
U-KB Credit No.1 Private Equity	Purchase agreements of securities	12,953,488	24,906,977
KB Wisestar Private Real Estate Fund Investment Trust No. 1	Purchase agreements of securities	-	19,000

Shinhan-Eco Venture Fund 2nd	Purchase agreements of securities	425,000	450,000
KB Apax Global Buyout Fund	Purchase agreements of securities	12,158,512	13,069,562
KB-CJ Venture Fund 1st	Purchase agreements of securities	4,200,000	4,200,000
KB-Cyrus Tourism Venture Fund	Purchase agreements of securities	3,000,000	4,000,000
KB Global Senior Loan Private Fund No.1(USD)	Purchase agreements of securities	18,420,801	38,119,931
KB Overseas Investment Private Real Estate Investment Trust No. 35	Purchase agreements of securities	184,387	241,039
KB Development Blind General Private Real Estate Investment Trust No.2	Purchase agreements of securities	-	360,000
Startup Korea KB Secondary Fund	Purchase agreements of securities	7,000,000	8,500,000
IMM global Secondary 1-1 Equity Private Fund	Purchase agreements of securities	10,847,438	11,814,216
PineStreet Global Corporate FoF 28-2	Purchase agreements of securities	143,227	200,526
KBSBI Global High-tech Strategic Private Equity Investment Limited Partnership	Purchase agreements of securities	14,725,902	24,940,902
KB-IMM Newstar Real Estate Private Fund 1	Purchase agreements of securities	8,716,692	28,102,725
KBLB Middle Market Enterprises Innovation Private Equity Fund	Purchase agreements of securities	15,716,000	-
KB ValueRise Blind Private Real Estate Fund No.1	Purchase agreements of securities	1,815,790	-
KB BX Europe Infra Private SpecialAsset Fund 1(EUR)	Purchase agreements of securities	4,136,158	-
KB-IMM Newstar Real Estate Private Fund 2	Purchase agreements of securities	25,490,182	-
KB Wisestar General Real Estate Fund 21	Purchase agreements of securities	11,101,000	-
KB-ANDA Deep Tech Venture Fund	Purchase agreements of securities	6,250,500	-

The Group received credit card commitment amounting to ₩ 30,000 million(₩ 23,000 million as at December 31, 2024) from KB Kookmin Card Co., Ltd. as at December 31, 2025.

(g) Debt instruments purchased or sold via the Group by the related party for the years ended December 31, 2025 and 2024, are as follows.

	2025	
(in thousands of Korean won)	**Sale**	**Purchase** [1]
KB Financial Group Inc.	-	210,000,000
Kookmin Bank	10,734,429,024	10,324,889,295
KB Insurance Co., Ltd	1,405,912,442	189,055,117
KB Life Insurance Co., Ltd	832,968,613	335,653,115
KB Capital Co., Ltd.	-	260,320,000
KB Kookmin Card Co., Ltd.	-	90,000,000

[1] Debt instruments issued by the related parties and purchased by the Group are included.

(in thousands of Korean won)	2024	
	Sale	**Purchase [1]**
KB Financial Group Inc.	-	20,000,000
Kookmin Bank	8,981,924,390	8,213,942,162
KB Insurance Co., Ltd.	969,601,763	395,133,652
KB Life Insurance Co., Ltd.	538,960,937	431,117,063
KB Capital Co., Ltd.	-	220,000,000
KB Kookmin Card Co., Ltd.	-	130,000,000

[1] Debt instruments issued by the related parties and purchased by the Group are included.

(h) The key management includes directors, members of BOD, CFO, person in charge for internal audit and their compensation for the years ended December 31, 2025 and 2024, are as follows.

(in thousands of Korean won)	**2025**	**2024**
Salaries	26,372,671	17,868,966
Post-employment benefits	857,002	845,549
Share-based payment	29,144,965	24,598,629
	56,374,638	43,313,144

43. Supplemental Cash Flow Information

Adjustments for non-cash items of cash flows from operating activities for the years ended December 31, 2025 and 2024, are as follows.

(in thousands of Korean won)	**2025**	**2024**
Interest income	(1,767,447,056)	(1,786,484,002)
Interest expenses	1,148,067,884	1,179,191,195
Dividend income and distribution income	(116,166,843)	(91,056,529)
Tax expenses	224,506,293	158,272,193
Gains on valuation of financial assets (liabilities) required to be mandatorily measured at FVTPL	(1,846,047,283)	(593,355,209)
Losses on valuation of financial assets (liabilities) required to be mandatorily measured at FVTPL	757,388,551	523,121,917
Gains on valuation of financial assets (liabilities) designated at FVTPL	(49,800,640)	(138,878,158)
Losses on valuation of financial assets (liabilities) designated at FVTPL	236,511,091	187,567,451
Gains on valuation of derivative financial assets (liabilities)	(2,201,611,473)	(1,224,670,567)
Losses on valuation of derivative financial assets (liabilities)	2,482,180,251	1,422,207,317
Gains or losses on disposal of financial assets at FVOCI	(24,498,535)	(12,705,258)
Provision for allowances for loan losses	88,926,716	54,050,191
Depreciation	59,613,156	56,885,629
Amortization	58,477,146	54,692,261
Foreign currency translations	(70,588,288)	(137,779,851)
Others	92,567,066	113,535,980
	(927,921,964)	(235,405,440)

Changes in operating assets and liabilities of cash flows for the years ended December 31, 2025 and 2024, are as follows.

(in thousands of Korean won)	**2025**	**2024**
Deposits in financial institutions	(796,908,552)	(41,876,130)
Financial assets required to be mandatorily measured at FVTPL	(4,253,091,457)	(1,121,560,056)
Derivative financial instruments	(342,484,895)	(329,637,150)
Loans measured at amortised cost	(173,999,549)	(142,436,152)
Other assets	(3,525,638,264)	1,197,627,263
Deposit liabilities	4,312,800,785	413,778,005
Financial liabilities required to be mandatorily measured at FVTPL	11,909,296	(185,579,133)
Financial liabilities designated at FVTPL	(205,049,772)	(21,982,796)
Defined benefit obligation	(24,515,202)	(22,923,860)
Securities sold under repurchase agreements	791,868,208	325,265,250
Other liabilities	3,693,643,525	(1,552,482,049)
	(511,465,877)	(1,481,806,808)

Changes in liabilities of cash flows from financing activities for the years ended December 31, 2025 and 2024, are as follows.

	2025					
(in thousands of Korean won)	**Borrowings**	**Debentures**	**Guarantee deposits**	**Lease liabilities**	**Others**	**Total**
Beginning balance (net)	24,083,885,354	3,457,691,424	15,879,110	110,565,256	55,089,625	27,723,110,769
Cash Transactions	2,861,360,138	1,168,100,000	492,762	(38,314,233)	16,665,222	4,008,303,889
Exchanges in foreign currency	(18,155,048)	(10,530,000)	(7,185)	175,035	-	(28,517,198)
Changes in consolidation scope	(411,417,840)	-	(6,031,442)	-	(21,238)	(417,470,520)
Non-cash transactions	-	(1,457,133)	221,855	20,054,380	(24,654,948)	(5,835,846)
Ending balance(net)	26,515,672,604	4,613,804,291	10,555,100	92,480,438	47,078,661	31,279,591,094

	2024					
(in thousands of Korean won)	**Borrowings**	**Debentures**	**Guarantee deposits**	**Lease liabilities**	**Others**	**Total**
Beginning balance (net)	22,505,037,220	2,556,301,933	16,255,758	108,095,746	92,117,465	25,277,808,122
Cash Transactions	1,685,010,913	848,655,508	(565,526)	(46,492,571)	(32,697,143)	2,453,911,181
Exchanges in foreign currency	28,537,841	54,036,492	26,348	(485,759)	-	82,114,922
Changes in consolidation scope	(134,700,620)	-	-	-	(57,391,789)	(192,092,409)
Non-cash transactions	-	(1,302,509)	162,530	49,447,840	53,061,092	101,368,953
Ending balance(net)	24,083,885,354	3,457,691,424	15,879,110	110,565,256	55,089,625	27,723,110,769

44. Non-cash Transactions

Significant non-cash transactions from investing activities and financing activities which are not included in consolidated statements of cash flows for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Increase due to gains on valuation of financial assets at FVOCI	43,057,273	7,160,042

45. Interests in Unconsolidated Structured Entities

Information about interests in unconsolidated structured entities, which the Group does not have control over, including the nature, purpose and activities of the structured entity and how the structured entity is financed, is as follows:

Nature	Purpose	Activities	Method of financing
Asset-backed securitization	- Early cash generation through transfer of securitization assets - Fees earned as services to SPC, such as providing lines of credit and ABCP purchase commitments	- Fulfillment of Asset-backed securitization plan - Purchase and transfer of securitization assets - Issuance and repayment of ABS and ABCP	- Issuance of ABS and ABCP based on securitization assets
Project financing	- Granting PF loans to SOC and real estate - Granting loans to ships/ aircrafts SPC	- Construction of SOC and real estate - Building ships/ construction and purchase of aircrafts	- Loan commitments through Credit Line, providing lines of credit and investment agreements
Trust	Management of financial trusts; - Development trust - General unspecified money trust - Principal non-guaranteed trust	- Development, management, and disposal of trusted real estate assets - Payment of trust fees and allocation of trust profits.	- Sales of financial trusts
Investment funds	-Investment in beneficiary certificates - Investment in PEF and partnerships	- Management of fund assets - Payment of fund fees and allocation of fund profits	- Sales of beneficiary certificate instruments - Investment of managing partners and limited partners

Details of the size of the interest in unconsolidated structured entities and the nature of risks related are as follows:

	2025			
(in thousands of Korean won)	Asset-backed securitization	Investment fund	Others	Total
Total assets of unconsolidated structured entities	28,050,654,761	45,393,658,753	6,258,050,875	79,702,364,389
Assets recognized in the consolidated financial statements of the Group				
Loans	1,355,306,045	119,127,758	187,729,852	1,662,163,655
Securities	5,220,766,756	2,264,299,591	5,100,000	7,490,166,347

Investments in associates	-	375,198,960	-	375,198,960
Derivative financial assets	-	-	-	-
Other assets	9,894,795	-	-	9,894,795
	6,585,967,596	2,758,626,309	192,829,852	9,537,423,757
Liabilities recognized in the consolidated financial statements of the Group				
Derivatives financial liabilities	-	-	-	-
Other liabilities	347,666	-	99,046	446,712
	347,666	-	99,046	446,712
Maximum exposure to loss				
Holding assets	6,585,967,596	2,758,626,309	192,829,852	9,537,423,757
Payment guarantee and loan commitments	825,879,042	498,872,419	-	1,324,751,461
	7,411,846,638	3,257,498,728	192,829,852	10,862,175,218
The way that the maximum exposure to loss is determined	Amount of credit offerings and purchase agreement	Amount of investment commitment	Amount of investment commitment	

	2024			
(in thousands of Korean won)	**Asset-backed securitization**	**Investment fund**	**Others**	**Total**
Total assets of unconsolidated structured entities	27,494,499,486	36,922,739,184	1,747,360,472	66,164,599,142
Assets recognized in the consolidated financial statements of the Group				
Loans	1,215,820,606	101,876,459	391,718,184	1,709,415,249
Securities	4,527,878,198	1,855,322,317	4,390,000	6,387,590,515
Investments in associates	-	299,527,388	-	299,527,388
Derivative financial assets	7,741,844	4,110,593	-	11,852,437
Other assets	4,153,655	188,710	-	4,342,365
	5,755,594,303	2,261,025,467	396,108,184	8,412,727,954
Liabilities recognized in the consolidated financial statements of the Group				
Derivatives financial liabilities	-	-	-	-
Other liabilities	514,822	-	-	514,822
	514,822	-	-	514,822
Maximum exposure to loss				
Holding assets	5,755,594,303	2,261,025,467	396,108,184	8,412,727,954
Payment guarantee and loan commitments	611,068,184	528,516,403	-	1,139,584,587
	6,366,662,487	2,789,541,870	396,108,184	9,552,312,541
The way that the maximum exposure to loss is determined	Amount of credit offerings and purchase agreement	Amount of investment commitment	Amount of investment commitment	

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