IMPORTANT NOTICE

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

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

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

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

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

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

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

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

The following offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently, none of the issuer or the guarantor or Crédit Agricole Corporate and Investment Bank, The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc, Mizuho Securities Asia Limited, Morgan Stanley & Co. International plc, MUFG Securities Asia Limited or Standard Chartered Bank (collectively, the "Managers"), or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the offering circular distributed to you in electronic format and the hard copy version available to you on request from the Managers.

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

SK BATTERY AMERICA, INC.

(a corporation organized under the laws of the state of Delaware)

US$1,000,000,000 4.250% Guaranteed Senior Unsecured Green Notes due 2029

Unconditionally and Irrevocably Guaranteed by

KOOKMIN BANK

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

Issue Price: 99.813%

The US$1,000,000,000 4.250% Guaranteed Senior Unsecured Green Notes due 2029 (the "Notes") will be issued by SK Battery America, Inc. (the "Issuer") and unconditionally and irrevocably guaranteed by Kookmin Bank (the "Guarantor" or the "Bank," and such guarantee, the "Guarantee"). The Notes constitute direct, general and unconditional obligations of the Issuer which will be unsecured and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for such as may be preferred by mandatory provision of applicable law). The Guarantee relating to the Notes constitutes a direct, general and unconditional obligation of the Guarantor which will be unsecured and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor (save for such as may be preferred by mandatory provision of applicable law).

The Notes will bear interest from and including January 22, 2026 (the "Issue Date") at a rate of 4.250% per annum. Interest will be payable semi-annually in arrear on January 22 and July 22 of each year (each an "Interest Payment Date," with the first Interest Payment Date on July 22, 2026 in respect of the period from and including the Issue Date to but excluding such Interest Payment Date). Unless previously redeemed or purchased and canceled, the Notes will be redeemed at their outstanding principal amount on the Interest Payment Date on January 22, 2029 (the "Maturity Date"). The Notes are subject to redemption in whole, but not in part, at their outstanding principal amount together with any accrued but unpaid interest thereon, in the event of certain changes to tax laws. See "Terms and Conditions of the Notes – Redemption."

The Notes are being issued by the Issuer as "Green Bonds" under SK on Co., Ltd.'s Green Financing Framework (the "Green Financing Framework"). The Issuer expects to use an amount equal to the net proceeds from the offering of the Notes to finance or refinance, in part or in full, new and/or existing Eligible Projects (as defined in the Green Financing Framework). See "Use of Proceeds."

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

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

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

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

The Notes will initially be represented by beneficial interests in a global certificate (the "Global Certificate") in registered form which will be registered in the name of a nominee of, and shall be deposited on or about January 22, 2026 with a common depositary for, Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, S.A. ("Clearstream"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described herein, certificates for Notes will not be issued in exchange for interests in the Global Certificate.

Joint Bookrunners and Joint Lead Managers

Crédit Agricole CIB	**HSBC**
J.P. Morgan	**Mizuho**
Morgan Stanley	**MUFG**

Standard Chartered Bank

The date of this Offering Circular is January 12, 2026.

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

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

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

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

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

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

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

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

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

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

Important Notice to Prospective Investors

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

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

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

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

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

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

ENFORCEABILITY OF CIVIL LIABILITIES

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

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

AVAILABLE INFORMATION

Copies of the Fiscal Agency Agreement dated January 22, 2026 (the "Fiscal Agency Agreement") will be on file and available for inspection at the specified office of the Fiscal Agent (as defined in this Offering Circular) upon prior written request during normal office hours. In accordance with the Notes and the Fiscal Agency Agreement, the Fiscal Agent also will make available for inspection by holders of the Notes or, in certain cases, arrange for the mailing to such holders, certain documents or communications received from the Issuer or the Guarantor, as the case may be. See "*Terms and Conditions of the Notes*."

PRESENTATION OF FINANCIAL INFORMATION

The Issuer maintains its financial books and records and prepares its financial statements in U.S. dollars in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). The Issuer's audited consolidated financial statements as of and for the years ended December 31, 2024 and 2023 included elsewhere in this Offering Circular have been prepared in accordance with U.S. GAAP.

The Guarantor maintains its financial books and records and prepares its financial statements in Won in accordance with International Financial Reporting Standards as adopted by Korea ("Korean IFRS"). Unless otherwise stated, the financial data of the Guarantor contained in this Offering Circular as of and for the years ended December 31, 2024 and 2023 and as of September 30, 2025 and for the nine-month periods ended September 30, 2025 and 2024 are derived from the Guarantor's audited consolidated financial statements as of and for the years ended December 31, 2024 and 2023 and its unaudited consolidated interim financial statements as of September 30, 2025 and for the nine-month periods ended September 30, 2025 and 2024, respectively, which have been prepared in accordance with Korean IFRS.

CERTAIN DEFINED TERMS AND CONVENTIONS

All references to the "Issuer" in this Offering Circular are references to SK Battery America, Inc. and its consolidated subsidiaries collectively, as required or as indicated by the context. All references to the "Bank" or the "Guarantor" in this Offering Circular are references to Kookmin Bank or Kookmin Bank and its consolidated subsidiaries collectively, as required or as indicated by the context.

All references to "Korea" contained in this Offering Circular are references to The Republic of Korea. All references to the "Government" are references to the government of Korea. All references to "U.S." and the "United States" are references to the United States of America. All references to "Singapore" are references to the Republic of Singapore. In this Offering Circular, all references to "Won" or "₩" are to the lawful currency of Korea, all references to "U.S. dollar" or "US$" are to the lawful currency of the United States, all references to "Euro" are to the lawful currency of the European Union, all references to "Japanese yen" are to the lawful currency of Japan and all references to "Chinese Renminbi" are to the lawful currency of People's Republic of China. For the reader's convenience, certain Won amounts in this Offering Circular have been translated into U.S. dollars at the market average exchange rate, announced by Seoul Money Brokerage Services, Ltd. in Seoul, between Won and dollars, rounded to the nearest tenth of one Won (the "Market Average Exchange Rate") on December 31, 2024, which was ₩1,470.0 to US$1.00. No representation is made that the Won or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or Won, as the case may be, at any particular rate, or at all. For historical information regarding the rate of exchange between the Won and the U.S. dollar, see "*Exchange Rates*." In this Offering Circular, where information has been prepared in thousands, millions or billions of units, amounts may have been rounded up or down. Accordingly, actual numbers may differ from those contained herein due to rounding. All discrepancies in any table between totals and the sums of the amounts listed are due to rounding.

FORWARD-LOOKING STATEMENTS

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

SUMMARY

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

Issuer	SK Battery America, Inc., a corporation organized under the laws of the state of Delaware.
Notes	US$1,000,000,000 4.250% Guaranteed Senior Unsecured Green Notes due 2029.
Guarantor	Kookmin Bank, a bank incorporated under the laws of Korea.
Guarantee	The Guarantor has given for the benefit of the Holders of the Notes an unconditional and irrevocable guarantee for the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes as and when the same shall become due according to the Conditions. The Guarantee relating to the Notes constitutes a direct, general and unconditional obligation of the Guarantor which will be unsecured and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor (save for such as may be preferred by mandatory provision of applicable law). The Guarantee will remain in full effect until the earlier of (i) when all of the obligations in respect of the Notes shall have been paid in full and (ii) the Maturity Date.
Issue Price	99.813%
Issue Date	January 22, 2026.
Interest Commencement Date	January 22, 2026.
Interest Payment Dates	January 22 and July 22 of each year, commencing on July 22, 2026 and up to and including January 22, 2029, each subject to the following business day convention.
Rate of Interest	4.250% per annum, from and including, the Issue Date to, but excluding, the Maturity Date, payable semi-annually in arrear.
Day Count Fraction	30/360.
Maturity Date	January 22, 2029.
Form and Denomination	The Notes will be issued in registered form in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. Upon issue, the Global Certificate will be deposited with, and registered in the name of a nominee of, a common depositary for, Euroclear and Clearstream.

Redemption at Maturity	Unless previously redeemed or purchased and canceled, the Notes will be redeemed at their outstanding principal amount on the Maturity Date.
Redemption for Tax Reasons	The Issuer may redeem the Notes in whole, but not in part, at their outstanding principal amount together with any accrued but unpaid interest thereon, in the event that the Issuer is obliged to pay Additional Amounts as provided in Condition 8.1.
Taxation	All payments in respect of the Notes by or on behalf of the Issuer or, as the case may be, the Guarantor, will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction, as defined in Condition 16, unless the withholding or deduction of such taxes is required by law. In that event, subject to certain exceptions, the Issuer or, as the case may be, the Guarantor, will pay such Additional Amounts as may be necessary in order that the net amounts received by the Holders after the withholding or deduction (including any withholding or deduction in respect of such payment of Additional Amounts) will equal the respective amounts which would otherwise have been receivable in respect of the Notes in the absence of the withholding or deduction as described in Condition 8.
Negative Pledge	The Notes will contain a negative pledge provision given by the Issuer as described in Condition 3.2.
Cross Acceleration	The Notes will contain a cross-acceleration provision relating to indebtedness for money borrowed of the Issuer as described in Condition 11.3.
Status of the Notes	The Notes will constitute direct, general and unconditional obligations of the Issuer which will be unsecured and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for such as may be preferred by mandatory provision of applicable law).
Governing Law	The Notes and the Guarantee will be governed by, and construed in accordance with, the laws of the State of New York.
Rating	The Notes are expected to be rated "Aa3" by Moody's. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision or withdrawal at any time by the assigning rating organization.
Fiscal Agent, Paying Agent, Transfer Agent and Registrar . . .	The Hongkong and Shanghai Banking Corporation Limited.

Listing	Application will be made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of SGD200,000 (or its equivalent in foreign currencies). Accordingly, the Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of US$200,000.
Use of Proceeds	The Issuer expects to use an amount equal to the net proceeds from the offering of the Notes to finance or refinance, in part or in full, new and/or existing Eligible Projects (as defined in the Green Financing Framework). See "*Use of Proceeds*."
Green Bonds	The Notes are being issued by the Issuer as "Green Bonds" under the Green Financing Framework.
Selling Restrictions	The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. For additional selling restrictions in relation to other jurisdictions, see "*Subscription and Sale*."
Clearance and Settlement	The Notes have been accepted for clearance by Euroclear and Clearstream under the following codes: ISIN: XS3273749823 Temporary ISIN: XS3273749823 Common Code: 327374982 The Legal Entity Identifier (LEI) of the Issuer is 54930012FBFVNU7RWO57.

RISK FACTORS

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

Risks Relating to the Bank's Retail Credit Portfolio

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

For most of the recent past, consumer debt has increased significantly in Korea. The Bank's portfolio of retail loans on a separate basis, including mortgage and home equity loans, increased from ₩166,906 billion as of December 31, 2023 to ₩177,227 billion as of December 31, 2024. As of December 31, 2024, on a separate basis, the Bank's retail loans represented 44.4% of the Bank's total lending. On a separate basis, within the Bank's retail loan portfolio, the outstanding balance of other consumer loans, which unlike mortgage or home equity loans are often unsecured and therefore tend to carry a higher credit risk, amounted to ₩43,391 billion as of December 31, 2023 and ₩42,897 billion as of December 31, 2024; such amounts represented 26.0% and 24.2% of the Bank's total outstanding retail loans on a separate basis as of December 31, 2023 and 2024, respectively. The Bank's retail lending business, which generally offers higher margins than other lending activities, has contributed significantly to its interest income and profitability in recent years.

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

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

In addition, the Bank is exposed to changes in regulations and policies on retail lending by the Korean government (the "Government"), which may adopt measures to restrict retail lending or encourage financial institutions to provide financial support to certain types of retail borrowers. From the second half of 2016 to 2021, the Government introduced various measures to tighten regulations on mortgage and other lending and housing subscription in response to the rapid growth in consumer debt and concerns over speculative investments in real estate in certain areas. The Government subsequently relaxed some of these measures by introducing a number of policy measures that seek to sustain housing prices and activity levels in the Korean real estate market, in light of an overall decrease in housing prices over the course of 2022. However, in recent years, the Government began tightening regulations again in response to the continued rise in the level of consumer debt, most recently in June 2025. A decrease in housing prices as a result of the implementation of such measures, together with the high level of consumer debt and higher interest rate levels, could result in declines in consumer spending and reduced economic growth, which may lead to an increase in the delinquency level of the Bank's retail loan portfolio.

Under a pre-workout program established by the Credit Counseling and Recovery Service, a public service organization that provides debt adjustment services to low-income families in Korea, a number of Korean banks, including the Bank, have provided individual borrowers with outstanding short-term debt in default with maturity extensions and/or interest reductions since April 2009. Such borrowers must have total loans of ₩1.5 billion or less (consisting of no more than ₩500 million of unsecured loans and ₩1 billion of secured loans) from one or more financial institutions, be in arrears on their payments for more than one day but less than 90 days (so far as those who have been delinquent in their payment for a period of between one day and 30 days have an annual income of ₩40 million or less and a cumulative delinquency period of 30 days or more during the year immediately preceding the application date), and either have an income in excess of the minimum cost of living or be deemed by the Credit Counseling and Recovery Service to have the ability to repay their loans. In addition, in March 2015 and September 2019, in response to increasing levels of consumer debt and amid concerns over the debt servicing capacity of retail borrowers if interest rates were to rise, the Government launched, and requested Korean banks to participate in, mortgage loan refinancing programs aimed at reducing the payment burden on and improving the asset quality of outstanding mortgage loans. Under such refinancing programs, qualified retail borrowers were able to convert their outstanding non-amortising floating rate mortgage loans from Korean commercial banks (including the Bank) into amortising fixed rate mortgage loans with lower interest rates. The Bank's participation in such refinancing programs may lead to a decrease in its interest income on its outstanding mortgage loans, as well as in its overall net interest margin. Moreover, the Bank's participation in such initiatives led by the Government to provide financial support to retail borrowers may lead the Bank to offer credit terms for such borrowers that it would not generally offer, which may have an adverse effect on the Bank's results of operations and financial condition.

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

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

One of the Bank's core businesses is lending to SMEs. The Bank's loans to SMEs increased from ₩138,259 billion as of December 31, 2023 to ₩147,247 billion as of December 31, 2024. During that period, non-performing loans (defined as those loans that are past due by 90 days or more) to SMEs increased from ₩145 billion to ₩328 billion. The non-performing loan ratio for such loans was 0.2% as of December 31, 2024. However, the Bank's non-performing loans and non-performing loan ratio may further increase in the future. According to data compiled by the Korea Federation of Banks, the delinquency ratio for Won currency loans by Korean commercial banks to SMEs was 0.6% as of December 31, 2024. The delinquency ratio for Won currency loans to SMEs is calculated as the ratio of (1) the outstanding balance of such loans in respect of which either principal or interest payments are overdue by one month or more to (2) the aggregate outstanding balance of such loans. The Bank's delinquency ratio for such loans was 0.3% as of December 31, 2023 and 0.4% as of December 31, 2024. The Bank's delinquency ratio for such Won currency loans may further increase in the future.

The Government has historically introduced policies and initiatives intended to encourage Korean banks to provide financial support to SME borrowers. For example, the Government implemented various emergency aid initiatives involving Korean banks, including the Bank, to provide liquidity assistance to SME borrowers adversely affected by the COVID-19 pandemic. Such initiatives included the provision of new loans to borrowers with low credit ratings, extension of maturity dates for existing loans and suspension of interest payment obligations for an extended period of time. More recently, in December 2023, the Government announced a financial support program where participating Korean banks, including the Bank, would provide an aggregate amount of approximately ₩2 trillion in liquidity support to small business owners, in response to mounting pressure from the public and regulators to share profits from higher interest rates. Most recently, in December 2024, the Korea Federation of Banks, in line with similar initiatives of the Government, announced that 20 participating banks, including the Bank, would collectively provide approximately ₩600 billion to ₩700 billion annually in

various forms of financial support to small business owners over the next three years to help them overcome the prevailing adverse economic conditions in Korea. See "*– Risks Relating to the Bank's Strategy – The Bank may suffer customer attrition or the Bank's net interest margin may decrease as a result of government regulations or its competition strategy.*"

The overall prospects for the Korean economy in 2025 and beyond remain uncertain, and the Government may extend or renew existing or past policies and initiatives or introduce new policies or initiatives to encourage Korean banks to provide financial support to SMEs. The Bank's participation in such Government-led initiatives may lead the Bank to extend credit to SME borrowers that the Bank would not otherwise lend to, or offer terms for such credit that the Bank would not otherwise offer, in the absence of such initiatives. Furthermore, there is no guarantee that the financial condition and liquidity position of the Bank's SME borrowers benefiting from such initiatives will improve sufficiently for them to service their debt on a timely basis, or at all. Accordingly, increases in the Bank's exposure to SME borrowers resulting from such Government-led initiatives may have a material adverse effect on the Bank's financial condition and results of operations.

A substantial part of the Bank's SME lending comprises loans to "small office/home office" customers ("SOHOs"). SOHOs, which the Bank currently defines to include sole proprietorships and individual business interests, are usually dependent on a limited number of suppliers or customers. SOHOs tend to be affected to a greater extent than larger corporate borrowers by fluctuations in the Korean economy. In addition, SOHOs often maintain less sophisticated financial records than other corporate borrowers. Although the Bank continues to make efforts to improve its internally developed credit rating systems to rate potential borrowers, particularly with respect to SOHOs, and intends to manage its exposure to these borrowers closely in order to prevent any deterioration in the asset quality of the Bank's loans to this segment, the Bank may not be able to do so as intended.

In addition, many SMEs have close business relationships with the largest Korean commercial conglomerates, known as "*chaebols*," primarily as suppliers. Any difficulties encountered by those *chaebols* would likely hurt the liquidity and financial condition of related SMEs, including those to which the Bank has exposure, also resulting in an impairment of their ability to repay loans.

In recent years, the Bank has taken measures which sought to stem rising delinquencies in its loans to SMEs, including through strengthening of the review of loan applications and closer monitoring of the post-loan performance of SME borrowers in industry sectors that are relatively more sensitive to downturns in the economy and have shown higher delinquency ratios, such as the shipping, construction, lodging, retail and wholesale, restaurants and real estate development and supplier industries. Despite such efforts, however, there is no assurance that delinquency levels of the Bank's loans to SMEs will not rise in the future. In particular, financial difficulties experienced by SMEs as a result of, among other things, adverse economic conditions in Korea and globally, as well as aggressive marketing and competition among banks to lend to this segment, may lead to a deterioration in the asset quality of the Bank's loans to this segment in the future. Any such deterioration would result in increased charge-offs and higher provisioning and reduced interest and fee income from this segment, which would have an adverse impact on the Bank's financial condition and results of operations.

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

As of December 31, 2024, on a separate basis, the Bank had loans outstanding to real estate project financing, construction (most of which are SMEs), shipbuilding and shipping companies in the amount of ₩6,990 billion, ₩4,411 billion, ₩377 billion and ₩145 billion, or 1.8%, 1.1%, 0.1% and 0.0% of its total loans, respectively. The Bank also has other exposures to Korean real estate project financing, construction, shipbuilding and shipping companies, including in the form of guarantees extended on behalf of such companies and debt and equity securities of such companies held by the Bank. In the case of real estate project financing, such exposures include purchase guarantees, where the Bank

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

The construction industry in Korea has undergone significant fluctuations in recent years. After undergoing a period of prosperity from 2015 to 2018, the construction industry experienced stagnation from 2019 to 2020, caused mainly by the uncertainty resulting from the Government's strengthening of mortgage and other lending regulations to control the rising real property prices, as well as temporary suspensions in construction projects due to the COVID-19 pandemic. After a brief period of recovery, the construction industry has experienced a rapid downturn starting in the second half of 2022, caused by a rise in interest rates and the resulting decline in demand for residential property throughout Korea, adverse changes in the price and availability of construction materials due to disruptions in global supply chains caused by, among others, the Russia-Ukraine war, and financing difficulties faced by construction companies as investors became reluctant to invest in real estate. Such downturn in the construction industry, which continued throughout 2024, has also resulted in a similar downturn for the real estate project financing industry. The high levels of interest rates that prevailed in Korea until the end of 2024 resulted in increases in both the number of insolvent real estate projects and delinquency rates for project financing loans, including short-term bridge loans. The prospects for these industries remain uncertain, among others, due to the expected decline in the number of new construction projects compared to completed ones and the continued downturn of the local housing market. The shipbuilding industry in Korea has also fluctuated significantly in recent years, with a long period of severe downturn followed by rapid growth since 2022, which has continued through 2024, resulting from an increase in demand for large container ships and high-priced environmentally friendly ships, including liquefied natural gas carriers. The prospects for this industry remain uncertain, however, given a rise in shipbuilding costs and resulting prices, as well as increased competition from shipbuilding companies in China and escalations in trade protectionism. Shipping companies in Korea have also experienced significant fluctuations in recent years. The shipping industry experienced a severe downturn in 2020 resulting from the COVID-19 pandemic and the ensuing global lockdown. Following a brief period of recovery as consumer spending and global trade returned to pre-pandemic levels, it has again experienced a downturn since 2022 arising from, among others, a deteriorating global economy, escalations in trade protectionism, an increase in global military conflicts, decreases in shipping volume and freight rates and the strengthening of international shipping regulations.

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

Risks Relating to the Bank's Strategy

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

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

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

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

For example, the successive increases in interest rates in Korea from August 2021 to the first quarter of 2023 led to a significant increase in the net interest spreads reported by many Korean banks, including the Bank, as the rise in interest rates for loans have generally outpaced the rise in interest rates for deposit products. Although the Bank of Korea (the "BOK") began lowering its policy rate in October 2024, the net interest spreads of Korean banks remain relatively high. See "– *Significant changes in interest rates could adversely affect the Bank's business, financial condition and results of operations*." As such increase in net interest spreads and the high levels of profits realized by Korean banks became a point of public issue, the Government and the Financial Services Commission (the "FSC") have pursued various measures to increase competition among financial institutions in Korea. Such measures could force the Bank to compete to a greater extent based on interest rates, which could lead to a decrease in its net interest margins. In addition, if other banks and financial institutions adopt a strategy of expanding market share through interest rate competition, the Bank may suffer customer attrition due to rate sensitivity. See "– *Competition in the Korean banking industry is intense, and the Bank may lose market share and experience declining margins as a result*."

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

Risks Relating to the Bank's Competition

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

Competition in the Korean banking industry has been and is likely to remain intense. Some of the banks that the Bank competes with have greater financial resources or more specialised capabilities than the Bank. In the retail and SME lending business, which has been the Bank's traditional core business, competition is expected to continue to increase. Although most Korean banks had generally been increasing their exposure to large corporate borrowers, they have recently begun to increasingly focus on retail customers and SMEs again. In addition, the profitability of the Bank's retail banking operations may decline as a result of growing market saturation in the retail lending segment, increased interest rate

competition and higher marketing expenses. Intense and increasing competition has made and continues to make it more difficult for the Bank to secure retail and SME customers with the credit quality and on credit terms necessary to achieve the Bank's business objectives in a commercially acceptable manner.

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

In addition, the Bank believes that various structural changes to the Korean financial investment industry in recent years will lead to increased competition among financial institutions in Korea. For example, an increase in foreign investments made by Korean investors and the emergence of alternative trading systems in recent years have been reshaping the Korean financial investment market, as well as the competitive strategies of financial institutions. An increase in the overall trading volumes of these investments in recent years has prompted certain securities firms to offer very low commission rates on foreign investments to capitalize on such increase, thereby further intensifying competition. In March 2025, Nextrade emerged as the first alternative to the Korea Exchange, which the Bank expects will further alter the competitive landscape for financial institutions in Korea.

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

The Bank expects that consolidation in the Korean financial industry may continue. The financial institutions resulting from such consolidation may, by virtue of their increased size and business scope, provide significantly greater competition for the Bank. The Bank also believes that foreign financial institutions, many of which have greater experience and resources than the Bank, may seek to compete with the Bank in providing financial products and services either by themselves or in partnership with existing Korean financial institutions. Increased competition and continuing consolidation may lead to decreased margins, resulting in a material adverse impact on the Bank's future profitability. Accordingly, the Bank's results of operations and financial condition may suffer as a result of increasing competition in the Korean financial industry.

Risks Relating to the Bank's Large Corporate Loan Portfolio

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

Of the Bank's 20 largest corporate exposures (including loans, debt and equity securities and guarantees and acceptances) as of December 31, 2024 on a separate basis, 14 were to companies that were members of the 36 largest highly-indebted business groups among *chaebols* in Korea designated as such by the Financial Supervisory Service (the "FSS") based on their outstanding exposures. As of that date, on a separate basis, the total amount of the Bank's exposures to such largest highly-indebted business groups among *chaebols* was ₩39,366 billion, or 7.6% of the Bank's total exposures. If the credit quality of the Bank's exposures to *chaebols* declines as a result of financial difficulties they experience or for other reasons, the Bank could require substantial additional loan loss provisions, which would hurt its results of operations and financial condition.

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

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

As of December 31, 2024, on a separate basis, the Bank's loans and guarantees to large corporate borrowers that were in workout, restructuring or rehabilitation amounted to ₩72 billion or 0.02% of the Bank's total loans and guarantees, most of which were classified as impaired. As of the same date, on a separate basis, the Bank's allowances for credit losses on these loans and guarantees amounted to ₩55 billion, or 76.4% of these loans and guarantees. These allowances may not be sufficient to cover all future losses arising from the Bank's exposure to these companies. Furthermore, the Bank has other exposure to such companies, in the form of debt and equity securities of such companies held by the Bank (including equity securities the Bank acquired as a result of debt-to-equity conversions). In addition, in the case of borrowers that are or become subject to workout or restructuring, the Bank may be forced to restructure its credits pursuant to restructuring plans approved by other creditor financial institutions of the borrower, or to dispose of the Bank's credits to other creditors on unfavourable terms.

In particular, as of September 30, 2025, the Bank had ₩10 billion of outstanding exposures to Taeyoung Engineering & Construction Co. ("Taeyoung E&C"), which commenced workout procedures in January 2024. Pursuant to the workout procedures, the creditors of Taeyoung E&C, including the Bank, agreed to temporarily defer all of Taeyoung E&C's payment obligations. Subsequently, the Korea Development Bank, as the lead creditor, worked together with external consultants to evaluate Taeyoung E&C's ability to maintain its business and repay its loans. In April 2024, the Korea Development Bank proposed a corporate improvement plan to restructure Taeyoung E&C based on such evaluation, which would involve debt-to-equity swaps and capital reductions, among others, and the creditors approved such corporate improvement plan, following which the Korea Development Bank entered into an agreement with Taeyoung E&C to implement such plan. The term of the agreement is three years, and is expected to expire in May 2027.

Furthermore, Homeplus Co., Ltd. ("Homeplus"), one of the country's largest supermarket chains, commenced rehabilitation proceedings in March 2025 in order to address its financial challenges. Although Homeplus was initially required to submit its rehabilitation plans to the Seoul Bankruptcy Court by July 2025, such deadline was extended to September 2025 and subsequently further extended to November 2025. In June 2025, Homeplus announced that it was seeking to be acquired by a third

party. However, as no potential acquirer has emerged since then, an open competitive bidding process for the acquisition of Homeplus commenced in October 2025. The Bank's outstanding direct exposures to Homeplus as of September 30, 2025 amounted to ₩54 billion.

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

As of December 31, 2024, the Bank's loans and guarantees to its 20 largest borrowers totalled ₩16,449 billion and accounted for 3.9% of the Bank's total loans and guarantees. As of that date, the Bank's single largest corporate credit exposure was to SK on Co., Ltd., to which the Bank had outstanding loans (in Won and other currencies) of ₩1,522 billion, representing 0.4% of the Bank's total loans and guarantees. Any deterioration in the financial condition of SK on Co., Ltd. or the Bank's other large corporate borrowers, and certain sectors of the manufacturing industry, may require the Bank to record substantial additional provisions and charge-offs and may have a material adverse impact on its results of operations and financial condition.

Other Risks Relating to the Bank's Business

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

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

- an increase in defaults on loan payments from the Bank's customers that are particularly affected by the disease, who may not be able to meet payment obligations, which may lead to an increase in delinquency ratios and a deterioration in asset quality (see "*Assets and Liabilities of the Bank – Loan Portfolio – Loan Concentration by Industry*");

- decreases in interest rates followed by increases in interest rates worldwide;

- depreciation of the Won against major foreign currencies, which in turn may increase the Bank's cost in servicing its foreign currency denominated debt and result in foreign exchange losses;

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

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

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

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

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

The overall prospects for the Korean and global economy in 2025 and beyond remain uncertain. In recent years, the global financial markets have experienced significant volatility as a result of, among other things:

- the occurrence of severe health epidemics;

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

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

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

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

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

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

- escalations in trade protectionism globally and geopolitical tensions in East Asia and the Middle East (including those resulting from the hostilities in the Middle East following the Israel-Hamas war and the Iran-Israel conflict);

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

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

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

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

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

In early 2023, difficulties at several banks in the United States and Europe have caused uncertainty for financial services companies, in particular the banking sector, and fear of instability in the global financial system generally, including in Korea. Such difficulties were caused, among others, by rising levels of inflation rates and rapid increases in interest rates, which have led to declines in the values of previously issued government securities held by such banks. Although the relevant financial authorities have intervened directly and indirectly in notable cases, there is a risk that other financial institutions could face difficulties, including from contagion disconnected from market fundamentals or for other reasons, and it is unclear what steps regulators would take, if any, in the event of further bank difficulties or continuing (or increasing) market distress. Many financial institutions have experienced volatile stock prices and significant losses in their equity value, and there is concern that depositors have withdrawn, or could withdraw in the future, significant sums from their accounts at these institutions, often at a rapid pace through digital bank runs. Any negative perceptions resulting from such developments concerning the soundness of savings banks, Internet-only banks or the banking system generally in Korea could impact where customers choose to maintain deposits, which could lead certain banks in Korea to experience closure or other significant distress. In such event, the Government has in the past and may in the future require the Bank, as one of the largest banks in Korea, to intervene, which could strain the Bank's resources, divert its management's attention and have an adverse impact on its results of operations and financial condition.

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

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

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

The Bank is unable to predict the outcome of the legal claims and regulatory actions in which it is involved, and the scope of the claims or actions or the total amount in dispute in such matters may increase. Furthermore, adverse final determinations, decisions or resolutions in such matters could encourage other parties to bring related claims and actions against the Bank. Accordingly, the outcome of current and future legal claims and regulatory actions, particularly those for which it is difficult to

assess the maximum potential exposure or the ultimate adverse impact with any degree of certainty, may materially and adversely impact the Bank's business, reputation, results of operations and financial condition.

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

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

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

The Bank may suffer losses due to employee misconduct.

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

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

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

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

A substantial portion of the Bank's loans is secured by real estate, the values of which have fluctuated significantly in recent years. Although it is the Bank's general policy to lend up to 60% to 70% of the appraised value of collateral (except in certain regulated areas designated by the Government where the Bank generally limits its lending to between 30% and 50% of the appraised value of collateral and in the case of first-time home buyers where the Bank generally limits its lending to 80% of the appraised value of collateral) and to periodically re-appraise its collateral, a downturn in the real estate market in Korea may result in declines in the value of the collateral securing the Bank's mortgage and home equity loans**.** If collateral values decline, they may not be sufficient to cover uncollectible amounts in respect of the Bank's secured loans. Any future declines in the value of the real estate or other collateral securing the Bank's loans, or its inability to obtain additional collateral in the event of such declines, could result in a deterioration in the Bank's asset quality and may require the Bank to take additional loan loss provisions.

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

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

As of December 31, 2024, the Bank held debt securities issued by Korean companies and financial institutions (other than those issued by the Government and government-owned or -controlled enterprises or financial institutions, including the BOK, Korea Housing Finance Corporation, the Korea Development Bank, Industrial Bank of Korea, the Export-Import Bank of Korea, the Korea Deposit Insurance Corporation (the "KDIC") and Korea Land & Housing Corporation) with a total carrying amount of ₩25,738 billion in the Bank's trading and investment securities portfolio. The market value of these securities could decline significantly due to various factors, including future increases in interest rates or a deterioration in the financial and economic condition of any particular issuer or of Korea in general. Any of these factors individually or a combination of these factors would require the Bank to write down the fair value of these debt securities, resulting in impairment losses. Because the secondary market for corporate bonds in Korea is not fully developed, the market value of many of these securities as reflected on the Bank's statements of financial position is determined by references to suggested prices posted by Korean rating agencies or the Korea Financial Investment Association. These valuations, however, may differ significantly from the actual value that the Bank could realise in the event it elects to sell these securities. As a result, the Bank may not be able to realise the full book value at the time of any such sale of these securities and thus may incur losses.

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

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

If, at any time, the income from the Bank's guaranteed trust accounts is not sufficient to pay any guaranteed amount, the Bank will have to cover the shortfall first from the special reserves maintained in these trust accounts, then from the Bank's fees from such trust accounts and finally from funds transferred from the Bank's general banking operations. As of December 31, 2024, the Bank had ₩116 billion of special reserves in respect of trust accounts for which the Bank provided guarantees of principal. There was no transfer from general banking operations to cover deficiencies in guaranteed trust accounts in 2023 and 2024. However, the Bank may be required to make transfers from its general banking operations to cover shortfalls, if any, in its guaranteed trust accounts in the future. Such transfers may adversely impact the Bank's results of operations.

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

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

Risks Relating to the Bank's Liquidity and Capital Management

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

Interest rates in Korea have been subject to significant fluctuations in recent years. After the BOK reduced its policy rate to 1.50% in June 2015 and again to 1.25% in June 2016 amid deflationary concerns and interest rate cuts by central banks around the world, it increased its policy rate to 1.50% in November 2017 and 1.75% in November 2018 in light of improved growth prospects in Korea and rising interest rate levels globally. However, the BOK again lowered its policy rate to 1.50% in July 2019 and to 1.25% in October 2019 in order to address the sluggishness of the global and domestic

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

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

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

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

The Bank meets a significant amount of its funding requirements through short-term funding sources, which consist primarily of customer deposits. As of December 31, 2024, 94.6% of the Bank's deposits had maturities of one year or less or were payable on demand. In the past, a substantial proportion of the Bank's customer deposits have been rolled over upon maturity. The Bank cannot guarantee, however, that depositors will continue to roll over their deposits in the future. In the event that a substantial number of the Bank's short-term deposit customers withdraw their funds or fail to roll over their deposits as higher-yielding investment opportunities emerge, the Bank's liquidity position could be adversely affected. The Bank may also be required to seek more expensive sources of short-term and long-term funding to finance its operations.

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

Under the capital adequacy requirements of the FSC, as of December 31, 2024, the Bank was required to maintain a total minimum common equity Tier I capital adequacy ratio of 9.0%, Tier I capital adequacy ratio of 10.5% and combined Tier I and Tier II capital adequacy ratio of 12.5%, on a consolidated basis (including applicable additional capital buffers and requirements as described below). As of December 31, 2024, the Bank's common equity Tier I capital, Tier I capital and combined Tier I and Tier II capital adequacy ratios were 14.50%, 14.95% and 17.31%, respectively, all of which exceeded the minimum levels required by the FSC. However, the Bank's capital base and capital

adequacy ratios may deteriorate in the future if its results of operations or financial condition deteriorates for any reason, including as a result of a deterioration in the asset quality of the Bank's retail loans and loans to SMEs, or if the Bank is not able to deploy its funding into suitably low-risk assets.

The current capital adequacy requirements of the FSC are derived from a new set of bank capital measures, referred to as Basel III, which the Basel Committee on Banking Supervision initially introduced in 2009 and began phasing in starting from 2013. Commencing in July 2013, the FSC promulgated a series of amended regulations implementing Basel III, pursuant to which Korean banks and bank holding companies were required to maintain a minimum ratio of common equity Tier I capital to risk-weighted assets of 3.5% and Tier I capital to risk-weighted assets of 4.5% from December 1, 2013, which minimum ratios were increased to 4.0% and 5.5%, respectively, from January 1, 2014 and increased further to 4.5% and 6.0%, respectively, from January 1, 2015. The amended regulations also require an additional capital conservation buffer of 2.5% from January 2019, as well as a potential counter-cyclical capital buffer of up to 2.5%, which is determined on a quarterly basis by the FSC and is set at 1.0% as of the date of this Offering Circular. Furthermore, the Bank was designated as one of the domestic systemically important banks for 2024 by the FSC and was subject to an additional capital requirement of 1.0% in 2024. In July 2024, the Bank was again designated as a domestic systemically important bank for 2025, which again subjects the Bank to the same additional capital requirement of 1.0% in 2025. In addition, the FSC had indicated that it may introduce a stress buffer capital requirement of up to 2.5% in the latter half of 2025, although it has since indicated that it may delay the introduction of such measures. Such requirements are in addition to the pre-existing requirement for a minimum ratio of Tier I and Tier II capital (less any capital deductions) to risk-weighted assets. The implementation of Basel III in Korea may have a significant effect on the capital requirements of Korean financial institutions, including the Bank. See "*Regulation and Supervision of the Bank – Legal and Regulatory Framework in Korea – Capital Adequacy.*"

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

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

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

Risks of the Bank Relating to Government Regulation and Policy

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

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

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

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

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

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

In the past, the Government has also announced policies under which financial institutions in Korea are encouraged to provide financial support to particular sectors. For example, in light of the deteriorating financial condition and liquidity position of SMEs in Korea and adverse conditions in the Korean economy affecting such enterprises, the Government had temporarily introduced measures from April 2020 to September 2023 intended to encourage Korean banks to provide financial support to SMEs and retail borrowers, including guidelines for Korean banks to extend loan terms and defer interest payments

with respect to SMEs and SOHOs affected by the COVID-19 pandemic. See "*– Risks Relating to the Bank's Retail Credit Portfolio – Future changes in market conditions as well as other factors may lead to increases in delinquency levels of the Bank's retail loan portfolio*" and "*– Risks Relating to the Bank's Small- and Medium-Sized Enterprise ("SME") Loan Portfolio – The Bank has significant exposure to SMEs, and any financial difficulties experienced by these customers may result in a deterioration of the Bank's asset quality and have an adverse impact on the Bank*." The Government may in the future request financial institutions in Korea, including the Bank, to make investments in or provide other forms of financial support to particular sectors of the Korean economy as a matter of policy, which financial institutions, including the Bank, may decide to accept. The Bank may incur costs or losses as a result of providing such financial support.

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

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

- capital increases or reductions;
- stock cancellations or consolidations;
- transfers of businesses;
- sales of assets;
- closures of subsidiaries or branch offices;
- mergers with other financial institutions; and
- suspensions of a part of the Bank's business operations.

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

Risks Relating to Korea

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

Relations between Korea and North Korea have been tense throughout Korea's modern history. The level of tension between 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 programs 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 Gaeseong 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 Bank's business, financial condition and results of operations and the market price and ratings of the Notes.

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

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

In addition, future growth of the Korean economy is subject to many factors beyond the Bank's control, including developments in the global economy. In recent years, adverse conditions and volatility in the worldwide financial markets, fluctuations in oil and commodity prices, supply chain disruptions and the increasing weakness of the global economy, mainly due to the COVID-19 pandemic, the Russia-Ukraine war and the ensuing sanctions against Russia, difficulties faced by several banks in the United States and Europe, and the hostilities in the Middle East following the Israel-Hamas war and the Iran-Israel conflict 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. See "– *Other Risks Relating to the Bank's Business – Unfavourable changes in the global financial markets could adversely affect the Bank's results of operations and financial condition.*"

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

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

- declines in consumer confidence and a slowdown in consumer spending in the Korean or global economy, including as a result of higher levels of market interest rates;
- political uncertainty or increasing strife among or within political parties in Korea following the declaration of martial law by former President Yoon in December 2024 that led to his impeachment and subsequent removal in April 2025 and the election of Mr. Lee Jae-myung as President in June 2025;
- the imposition of significant tariffs on Korea's exports by any of its major export markets, including the United States;
- rising inflationary pressures leading to increases in the costs of goods and services and a decrease in purchasing power;
- the occurrence of severe health epidemics in Korea or other parts of the world;
- deterioration in economic or diplomatic relations between Korea and its trading partners or allies, including deterioration resulting from territorial or trade disputes or disagreements in foreign policy;
- adverse conditions or developments in the economies of countries and regions that are important export markets for Korea, such as China, the United States, Europe and Japan, or in emerging market economies in Asia or elsewhere, including as a result of the deterioration of economic and trade relations among such countries (including escalations of tariffs) and increased uncertainties in the global financial markets and industry;
- adverse changes or volatility in foreign currency reserve levels, commodity prices (including oil prices), exchange rates (including fluctuations of the U.S. dollar, Euro or Japanese Yen exchange rates or revaluation of the Chinese Renminbi), interest rates, inflation rates or stock markets;
- hostilities or political or social tensions involving Russia (including the Russia-Ukraine war and the ensuing actions against Russia) and any resulting adverse effects on the global supply of oil and other natural resources or the global financial markets;
- increased sovereign default risks in select countries and the resulting adverse effects on the global financial markets;
- a continuing rise in the level of household debt and increasing delinquencies and credit defaults by retail and SME borrowers in Korea;
- a deterioration in the financial condition or performance of SMEs and other companies in Korea;
- investigations of large Korean business groups and their senior management for possible misconduct;
- shortages of imported raw materials, natural resources, rare earth minerals or component parts, including semiconductors, due to disruptions to the global supply chain;
- social and labour unrest;
- substantial changes in the market prices of Korean real estate;

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

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

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

- increases in social expenditures to support an aging population in Korea or decreases in economic productivity due to the declining population size in Korea;

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

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

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

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

- hostilities or political or social tensions involving countries in the Middle East (including those resulting from the hostilities in the Middle East following the Israel-Hamas war and the Iran-Israel conflict) and Northern Africa and any material disruption in the global supply of oil or sudden increase in the price of oil;

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

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

- changes in financial regulations in Korea.

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

Economic difficulties in Korea or increases in corporate reorganisations and bankruptcies could result in layoffs and higher unemployment. Such developments could lead to social unrest and substantially increase government expenditures for unemployment compensation and other costs for social programs. According to statistics from the Korea National Statistical Office, the unemployment rate decreased from 2.9% in 2022 to 2.7% in 2023 but increased to 2.8% in 2024. Increases in unemployment and any resulting labour unrest in the future could adversely affect the Bank's operations, as well as the operations of many of the Bank's customers and their ability to repay their loans, and could adversely affect the financial condition of Korean companies in general, depressing the price of their securities. These developments would likely have an adverse effect on the Bank's financial condition and results of operations.

Risks Relating to the Notes

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

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

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

The liquidity and price of the Notes may be volatile.

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

An active trading market for the Notes may not develop.

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

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

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

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

The Conditions of the Notes also provide that the Fiscal Agent may agree, without the consent of Holders, to the waiver or authorization of any breach or proposed breach of, any of the Conditions of the Notes or any of the provisions of the Fiscal Agency Agreement, provided that it is not, in the opinion of the Issuer, materially prejudicial to the interests of the Holders, or may agree, among other things, to make any modifications to the Notes or the Fiscal Agency Agreement of a formal, minor or technical nature or necessary in the reasonable opinion of the Issuer to correct a manifest error or to comply with mandatory provisions of the laws of Korea so long as such modification does not adversely affect the rights of any Holder in any material respect.

The Notes are represented by the Global Certificate and Holders must rely on the procedures of the relevant Clearing System(s).

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

While the Notes are represented by the Global Certificate, the Issuer and the Guarantor will discharge their payment obligations under the Notes by making payments to the relevant Clearing System for distribution to their account holders.

A holder of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

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

The Notes are unsecured obligations.

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

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

If any of these events occurs, the Issuer's assets may not be sufficient to pay amounts due on any of the Notes.

The Notes are subject to transfer restrictions.

The Notes will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to 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*."

The Issuer may issue additional notes in the future.

The Issuer may, from time to time, and without prior consultation with the Holders, create and issue further notes (see "*Terms and Conditions of the Notes – Further Issues*") or otherwise raise additional capital through such means and in such manner as the Issuer may consider necessary. There can be no assurance that such future issuance or capital raising activity will not adversely affect the market price of the Notes.

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

Pursuant to the recommendation in the International Capital Market Association ("ICMA")'s Green Bond Principles 2025 (the "2025 Green Bond Principles") that issuers use external assurance to confirm their alignment with the key features of the 2025 Green Bond Principles, at SK on Co., Ltd.'s request, Moody's Ratings has issued a framework overview and second party opinion dated December 23, 2025 (the "Second Party Opinion").

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

The Second Party Opinion may not reflect the potential impact of all risks related to the structure, marketability, trading price, or liquidity and other factors that may affect the price or value of the Notes. The Second Party Opinion is not a recommendation to buy, sell or hold securities and is only current as of the date it was initially issued and is subject to certain disclaimers set out therein, and may be updated, suspended or withdrawn at any time. Furthermore, the Second Party Opinion is for information purposes only and none of the Issuer, the Guarantor, the Managers or Moody's Ratings accepts any form of liability for the substance of its Second Party Opinion and/or any liability for loss arising from the use of its Second Party Opinion and/or the information provided therein.

Currently, the providers of second party opinions and providers of similar opinions, certifications and validations are not subject to any specific regulatory or other regime or oversight. Any such opinion, certification or validation is not, nor should be deemed to be, a recommendation by the Issuer, the Guarantor, or the Managers, any second-party opinion provider or any other person to buy, sell or hold the Notes. Noteholders have no recourse against the Issuer, the Guarantor or any of the Managers or the provider of any such opinion, certification or validation for the contents of any such opinion,

certification or validation, which is only current as at the date it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion, certification or validation and/or the information contained therein and/or the provider of such opinion, certification or validation for the purpose of any investment in the Notes. Any withdrawal of any such opinion, certification or validation or any such opinion, certification or validation attesting that the Issuer is not complying in whole or in part with any matters for which such opinion, certification or validation is opining on or certifying on may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

The Issuer has agreed to use an amount equal to the net proceeds from this offering as described under the section "Use of Proceeds"; however, it will not be an event of default under the Notes if the Issuer fails to comply with such obligations. A withdrawal of either of the Second Party Opinion may affect the value of the Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets. In the event that the Notes are included in any dedicated "green," "environmental," "sustainable" or other equivalently-labeled index, no representation or assurance is given by the Issuer or any other person that such listing or admission, or inclusion in such index, satisfies any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates.

No assurance can be provided with respect to the suitability or reliability of the Second Party Opinion or that the Notes will fulfill the environmental criteria to qualify as green bonds. The Managers have not undertaken, nor are responsible for, any assessment of the eligibility of the Green Financing Framework, or Eligible Projects, or the monitoring of the use of proceeds from the offering of the Notes. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Circular regarding the use of proceeds and its purchase of the Notes should be based upon such investigation as it deems necessary. Therefore, the Notes may not be a suitable investment for all investors seeking exposure to green assets.

The Second Party Opinion provides an opinion on certain environmental and related considerations but is not intended to address any credit, market or other aspects of an investment in the Notes including, without limitation, market price, marketability, investor preference or suitability of any security. None of SK on Co., Ltd., the Issuer or the Managers makes any representation as to the suitability of the Second Party Opinion. Further, the Managers make no assurances as to (i) whether the Notes will meet investor criteria and expectations with regard to environmental impact and sustainability performance for any investors, (ii) whether the use of an amount equal to the net proceeds will be used for projects meeting green criteria or (iii) the characteristics of any such projects, including their environmental criteria. The Second Party Opinion is not a recommendation to buy, sell or hold securities and is only current as of the date it was initially issued. The Second Party Opinion is not incorporated into, and does not form part of, this Offering Circular.

TERMS AND CONDITIONS OF THE NOTES

The US$1,000,000,000 4.250% Guaranteed Senior Unsecured Green Notes due 2029 (the "**Notes**," which expression, unless the context otherwise requires, includes any further Notes issued pursuant to Condition 10 and forming a single series with the Notes) of SK Battery America, Inc. (the "**Issuer**") are issued under a fiscal agency agreement dated January 22, 2026 (as amended from time to time, the "**Fiscal Agency Agreement**"), among the Issuer, Kookmin Bank as the guarantor (the "**Guarantor**") and The Hongkong and Shanghai Banking Corporation Limited, as fiscal agent (the "**Fiscal Agent**," which expression shall include its successor(s)), paying agent (the "**Paying Agent**," which expression shall include its successor(s)), transfer agent (the "**Transfer Agent**," which expression shall include its successor(s)) and registrar (the "**Registrar**," which expression shall include its successor(s)). References herein to the "**Agents**" are to the Fiscal Agent, the Paying Agent, the Transfer Agent and the Registrar, and any reference to an "**Agent**" is to any one of them. The Notes are issued, and may or must be redeemed by the Issuer, on the terms set out in these Terms and Conditions (the "**Conditions**").

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

1. FORM AND TRANSFER

1.1 Form and Principal Amount

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

1.2 Title

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

2. TRANSFERS OF NOTES AND ISSUE OF DEFINITIVE CERTIFICATES

2.1 Transfers

Subject as provided in Condition 2.4, a Note may be transferred by depositing the Definitive Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the specified office of the Fiscal Agent (or, in the case of a Note represented by a Global Certificate, delivery of a duly executed form of transfer as set forth in the Fiscal Agency Agreement), together with such evidence as the Fiscal Agent may reasonably require to prove title to the Notes that are the subject of the transfer and the authority of the individuals who have executed the form of transfer. Legal title to the Notes will pass upon registration of such transfer in the Register.

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

2.2 Delivery of new Definitive Certificates

Each new Definitive Certificate to be issued upon transfer of Notes will, within five business days of receipt by the Fiscal Agent of the duly completed form of transfer endorsed on the relevant Definitive Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Note to the address specified in the form of transfer. For the purposes of this Condition, "**business day**" shall mean a day on which banks are open for business in the city where the Agents have their specified offices.

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

2.3 Formalities free of charge

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

2.4 Closed periods

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

3. STATUS AND NEGATIVE PLEDGE

3.1 Status of the Notes

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

3.2 Negative Pledge

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

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

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

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

without, in any such case and at the same time, according to the Notes the same security as is available for the benefit of the holders of such International Investment Securities.

"**International Investment Securities**" means notes, bonds, debentures, certificates of deposit or investment securities of any person which (i) by their terms either are payable, or confer a right to receive payment, in any currency other than Korean Won or are denominated in Korean Won and more than one-half of the aggregate principal amount of which is initially distributed outside Korea by or with the authorization of the Issuer and (ii) are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market outside of Korea.

4. GUARANTEE

Pursuant to the guarantee set out in Section 3 of the Fiscal Agency Agreement as evidenced by the notation of guarantee dated January 22, 2026 (the "**Guarantee**"), the Guarantor has given for the benefit of the Holders an unconditional and irrevocable guarantee for the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes as and when the same shall become due according to these Conditions. The Guarantee relating to the Notes constitutes a direct, general and unconditional obligation of the Guarantor which will be unsecured and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor (save for such as may be preferred by mandatory provision of applicable law).

5. INTEREST

5.1 Interest Payment Dates

The Notes bear interest from and including January 22, 2026 to but excluding the due date for redemption of the Notes and such interest will be payable in equal installments on each January 22 and July 22 (each an "**Interest Payment Date**") for interest accrued during each Interest Period (as defined herein). If any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day. The period beginning on January 22, 2026 and ending on (but excluding) the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an "**Interest Period**".

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

5.2 Interest Payments

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

5.3 Rate of Interest

Interest on the Notes will accrue from and including January 22, 2026 to but excluding the due date for redemption of the Notes at the rate of 4.250% per annum.

6. REDEMPTION

6.1 Maturity

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on January 22, 2029 (the "**Maturity Date**"). The Notes may not be redeemed at the option of the Issuer other than in accordance with Condition 6.2.

6.2 Early Redemption for Tax Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date, at their outstanding principal amount together with any accrued but unpaid interest thereon, on giving not less than 30 nor more than 60 days' notice to the Fiscal Agent and the Guarantor and, in accordance with Condition 13, the Holders (which notice shall be irrevocable), if

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay Additional Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations, which (including the cessation of tax exemptions presently applicable) change or amendment becomes effective on or after January 12, 2026; and

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

6.3 Cancellations

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

7. PAYMENTS

7.1 Payments of principal and interest in respect of each Note will be made by transfer to the registered account of the Holder or by U.S. dollar check drawn on a bank (nominated in writing to the Paying Agent by the Holder) that processes payments in U.S. dollars mailed to the registered address of the Holder if it does not have a registered account, provided that the nomination is received by the Paying Agent not later than 10 Payment Business Days before any date on which payment is scheduled. Interest on Notes due on an Interest Payment Date will be paid to the holder shown on the Register at the close of business on the date (the "**record date**") being the fifteenth day before the due date for the payment of interest; provided that, the record date for any Interest Payment Date will be, with respect to Notes represented by a Global Certificate, the close of business on the Clearing System Business Day immediately prior to the Interest Payment Date, where "**Clearing System Business Day**" means Monday to Friday inclusive except December 25 and January 1.

For the purposes of this Condition 7.1, a Holder's "**registered account**" means the U.S. dollar account maintained by or on behalf of it with a bank that processes payments in U.S. dollars, details of which appear on the Register at the close of business on the relevant record date, and a Holder's "**registered address**" means its address appearing on the Register at that time.

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

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

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

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

8. TAXATION AND GROSS-UP

8.1 Payment without withholding

All payments in respect of the Notes by or on behalf of the Issuer or, as the case may be, the Guarantor, will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of a Relevant Jurisdiction ("**Relevant Taxes**"), unless the withholding or deduction of such Relevant Taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantor, will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by the Holders after the withholding or deduction (including any withholding or deduction in respect of such payment of Additional Amounts) will equal the respective amounts which would otherwise have been receivable in respect of the Notes in the absence of the withholding or deduction; except that no Additional Amounts will be payable in relation to any Relevant Taxes imposed on, withheld or deducted from any payment in respect of any Note:

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

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

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

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

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

(f) by or on behalf of a Holder who does not qualify for the portfolio interest exemption under Sections 871(h) or 881(c) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or any successor provisions (including by failing to deliver appropriate U.S. Internal Revenue Service forms to the relevant withholding agent); or

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

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

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

8.2 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes will be deemed also to refer to any Additional Amounts which may be payable under this Condition 8 or under any undertakings given in addition to, or in substitution for, this Condition pursuant to the Fiscal Agency Agreement.

8.3 Documentation

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

8.4 Other Taxes

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

9. PRESCRIPTION

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

10. FURTHER ISSUES

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

11. EVENTS OF DEFAULT

If any of the following events (each an "**Event of Default**") occurs and is continuing:

11.1 Non-payment: default is made in the payment of any amount of principal or interest in respect of the Notes on the due date for payment thereof and, in the case of default in the payment of principal, such default remains unremedied for 10 days or, in the case of default in the payment of interest, such default remains unremedied for 15 days; or

11.2 Breach of other obligations: default is made in the performance or observance of any other obligation of the Issuer or the Guarantor under or in respect of the Notes and such default remains unremedied for 60 days after written notice thereof, addressed to the Issuer by any holder of Notes, has been delivered to the Issuer; or

11.3 Cross-acceleration: (1) any Indebtedness in aggregate exceeding US$30,000,000 (or its equivalent in one or more currencies) of the Issuer is not paid within 30 days after the due date or, as the case may be, the expiry of any originally applicable grace period, (2) any Indebtedness of the Issuer becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (in the absence of any event of default, howsoever described) any person entitled to such Indebtedness or (3) the Issuer fails to pay within 30 days after the due date or, as the case may be, the expiry of any originally applicable grace period, any amount payable by it under any Surety; or

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

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

11.6 Cessation of Business: the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its respective business save for the purposes of, or pursuant to and followed by, a consolidation, amalgamation, merger or reorganization the terms of which shall have previously been approved as a Special Matter by the Holders; or

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

11.8 Winding-up: an order is made or an effective resolution is passed for the Winding-Up of the Issuer or the Guarantor; or

11.9 Analogous event: any event occurs which under the laws of the Relevant Jurisdiction has an analogous effect to any of the events referred to in Conditions 11.1 to 11.8,

then the holder of any Note may, by written notice addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor or to the Fiscal Agent in accordance with Condition 13, declare such Note to be immediately due and payable whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further action or formality. Any such notice shall specify the serial number of each Note in respect of which it is given.

12. VARIATION OF RIGHTS

12.1 Variation without consent

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

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

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

(c) not materially prejudicial to the interests of Holders as a whole; or

(d) to comply with mandatory provisions of law.

Meetings

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

(f) Notwithstanding Condition 12.1 above, for the purposes of passing a resolution at a meeting the business of which includes a Special Matter, no amendment, modification or abrogation shall be made to the Notes (including these Conditions) or the Fiscal Agency Agreement without the approval or written consent of the Holders of not less than 90% in Principal Amount of the then outstanding Notes or the approval of persons entitled to vote not less than 75% of the Principal Amount of such Notes represented and voting at a meeting of the Holders duly called, and where at such meeting a special quorum shall be required comprising one or more persons entitled to vote two-thirds in Principal Amount of the then outstanding Notes, or at an adjourned meeting, one or more persons entitled to vote one-third in Principal Amount of the then outstanding Notes.

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

(h) The Issuer, the Guarantor and the Fiscal Agent may, at any time and from time to time, without the consent of any Holders, amend or supplement the Fiscal Agency Agreement or these Conditions: (i) to evidence the succession of another person to the Issuer or the Guarantor and the assumption by any such successor of the covenants of the Issuer or the Guarantor, as applicable, in the Fiscal Agency Agreement and the Notes; (ii) to add to the covenants of the Issuer or the Guarantor for the benefit of the Holders or to surrender any right or power conferred on the Issuer or the Guarantor; (iii) to provide for the issuance of additional Notes in accordance with the limitations set forth in these Conditions and the Fiscal Agency Agreement; (iv) to cure any ambiguity or to correct or supplement any provision in the Fiscal Agency Agreement or these Conditions, which may be inconsistent with any other provision therein, or to make any other provisions with respect to matters or questions arising under the Fiscal Agency Agreement that are not inconsistent with the provisions of the Fiscal Agency Agreement; provided that such action shall not adversely affect the interests of the Holders in any material respect; or (v) to make any other modifications to the Notes or the Fiscal Agency Agreement of a formal, minor or technical nature or necessary in the reasonable opinion of the Issuer to correct a manifest error or, in reliance on an opinion of counsel delivered to the Fiscal Agent, to comply with mandatory provisions of the laws of the Relevant Jurisdiction so long as such modification does not adversely affect the rights of any Holder in any material respect.

12.2 Waiver, authorization and determination

The Fiscal Agent may agree, without the consent of the Holders, to the waiver or authorization of any breach or proposed breach of, any of these Conditions or any of the provisions of the Fiscal Agency Agreement, provided that it is not, in the opinion of the Issuer, materially prejudicial to the interests of the Holders.

12.3 Notification to the Holders

Any modification, abrogation, waiver, determination, authorization or substitution pursuant to or described in this Condition 12 shall be (i) binding on the Holders, whether or not they are present at any meeting and whether or not they voted, and (ii) notified by the Issuer to the Holders as soon as practicable thereafter in accordance with Condition 13.

12.4 Compliance with stock exchange rules

In connection with any amendment, modification, alteration, addition or substitution under this Condition 12, the Issuer will comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

13. NOTICES

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

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

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

14. AGENTS

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

(a) at least one paying agent, provided that so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that the Global Certificate is exchanged for Definitive Certificates, and unless the Issuer obtains an exemption from the SGX-ST, the Issuer will appoint and maintain a paying agent in Singapore, where the Definitive Certificates may be presented or surrendered for payment or redemption. In addition, in the event that the Global Certificate is exchanged for Definitive Certificates, an announcement of

such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Certificates, including details of the paying agent in Singapore;

(b) a fiscal agent;

(c) a registrar; and

(d) a transfer agent.

15. GOVERNING LAW AND SUBMISSION TO JURISDICTION

15.1 Governing law

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

15.2 Jurisdiction

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

15.3 Appointment of process agent

The Issuer has irrevocably and unconditionally appointed SK Americas Inc. at 55 E 59th St., 11th Floor, New York, NY 10022 in respect of any suit, action or proceedings arising out of or in connection with the Notes.

The Guarantor has irrevocably and unconditionally appointed Kookmin Bank, New York Branch at 565 Fifth Avenue, 24th Floor, New York, NY 10017, United States as its agent for service of process in respect of any suit, action or proceedings arising out of or in connection with the Notes and has undertaken that in the event of such agent ceasing so to act it will appoint another person as its agent for that purpose.

15.4 Waiver of Immunity

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

16. DEFINITIONS

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

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

"**Business Day**" means a day on which banks are open for business in New York City, Seoul and Hong Kong.

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

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

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

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

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

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

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

"**Interest Amount**" means the amount payable per U.S.$1,000 in principal amount of the Notes on an Interest Payment Date.

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

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

"**International Investment Securities**" has the meaning specified in Condition 3.2.

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

"**Issuer**" means SK Battery America, Inc.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(v) alteration of the obligations of the Issuer under Conditions 6 (Redemption), 8 (Taxation and Gross-up) or 11 (Events of Default);

(vi) the terms of any consolidation, amalgamation, merger or reorganization of the Issuer;

(vii) reduction of any of the percentage voting and quorum provisions in Condition 12; or

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

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

"**Surety**" means any obligation of any person(s) to pay any Indebtedness of another person(s) in an aggregate principal amount of not less than US$10,000,000 including, without limitation, (1) any obligation to purchase such Indebtedness, (2) any obligation to lend or give money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness, (3) any indemnity against the consequences of a default in the payment of such Indebtedness and (4) any other agreement to be responsible for such Indebtedness.

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

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

THE GLOBAL CERTIFICATE

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

Form

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

Meetings

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

Cancellation

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

Transfers

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

Notices

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

Singapore Paying Agent

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

USE OF PROCEEDS

The net proceeds to the Issuer from this offering (after deducting underwriting commissions but not other estimated expenses relating to the offering) are expected to be US$993,130,000.

The Notes are being issued by the Issuer as "Green Bonds" under SK on Co., Ltd.'s Green Financing Framework (the "Green Financing Framework"), which is in alignment with the ICMA Green Bond Principles 2025 and the Green Loan Principles 2025. Moody's Ratings, an external consultant, issued an opinion dated December 23, 2025 (the "Second Party Opinion") regarding the Green Financing Framework's alignment with the ICMA Green Bond Principles 2025 and the Green Loan Principles 2025. The Green Financing Framework and the Second Party Opinion are publicly available on the following website: (https://www.skinnovation.com/ir/greenloan). The Green Financing Framework, the Second Party Opinion and the content of SK on Co., Ltd.'s website are not incorporated by reference into, and do not form any part of, this Offering Circular.

The Issuer expects to use an amount equal to the net proceeds from the offering of the Notes to finance and/or refinance, in whole or in part, Eligible Green Projects (as defined in the Green Financing Framework).

The Issuer expects to allocate the amount equal to the net proceeds of the sale of Notes to Eligible Green Projects within 24 months of the issue date of the Notes in accordance with the evaluation and selection process described in the Green Financing Framework. Any portion of the net proceeds from the Notes that has not yet been allocated to Eligible Green Projects will be managed as cash or equivalent financial instruments in accordance with the Issuer's internal treasury policy.

CAPITALIZATION OF THE BANK

The following table sets forth the Bank's capitalization, defined as the sum of its borrowings and debentures and its equity, as of September 30, 2025:

	As of September 30, 2025
	(in billions of Won)
Borrowings and debentures[(1)]	₩ 62,528
Equity	
Capital stock, par value ₩5,000	
Authorized – 1,000,000,000 shares	
Issued and outstanding common stock – 404,379,116 shares	₩ 2,022
Hybrid securities	1,066
Capital surplus	4,650
Accumulated other comprehensive income	691
Retained earnings	31,128
Non-controlling interests in equity	59
Total equity	₩ 39,615
Total capitalization	₩ 102,143

Note:

(1) Consists of borrowings of ₩28,009 billion (excluding call money and bonds sold under repurchase agreements and others) and debentures of ₩34,519 billion.

Except as set forth herein, there has been no material change in the capitalization of the Bank since September 30, 2025.

EXCHANGE RATES

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

Period	At End of Period	Average Rate[(1)]	High	Low
		(Won per US$1.00)		
2021	1,185.5	1,144.4	1,199.1	1,083.1
2022	1,267.3	1,292.0	1,436.6	1,185.5
2023	1,289.4	1,305.4	1,360.6	1,219.3
2024	1,470.0	1,364.0	1,474.1	1,289.4
2025	1,434.9	1,422.2	1,483.4	1,352.6
July	1,382.9	1,375.2	1,391.9	1,352.6
August	1,388.6	1,389.7	1,399.3	1,382.2
September	1,402.2	1,391.8	1,411.6	1,380.0
October	1,423.2	1,423.4	1,436.6	1,401.9
November	1,464.8	1,457.8	1,473.5	1,427.4
December	1,434.9	1,467.4	1,483.4	1,433.9
2026 (through January 9)	1,449.4	1,444.5	1,449.4	1,434.9

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.

SELECTED FINANCIAL AND OPERATING DATA OF THE BANK

SELECTED FINANCIAL DATA

The selected financial data of the Bank as of and for the years ended December 31, 2024 and 2023 set forth below have been derived from the Bank's audited consolidated financial statements included elsewhere in this Offering Circular, which have been prepared in accordance with Korean IFRS. The selected financial data as of September 30, 2025 and for the nine months ended September 30, 2025 and 2024 have been derived from the Bank's unaudited interim consolidated financial statements included elsewhere in this Offering Circular, which have been prepared in accordance with Korean IFRS 1034 *Interim Financial Reporting*.

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

	For the Year ended December 31,		For the Nine Months ended September 30,	
	2023	2024	2024	2025
	(in billions of Won)			
Consolidated statements of comprehensive income data				
Interest income	₩ 22,347	₩ 23,211	₩ 17,451	₩ 16,446
Interest expense	(12,477)	(12,987)	(9,803)	(8,559)
Net interest income	9,870	10,224	7,649	7,887
Fee and commission income	1,603	1,544	1,156	1,199
Fee and commission expense	(435)	(431)	(321)	(332)
Net fee and commission income	1,168	1,113	835	867
Net gains on financial instruments at fair value through profit or loss	760	768	531	743
Net other operating expenses	(1,340)	(1,391)	(747)	(998)
General and administrative expenses	(4,522)	(4,634)	(3,225)	(3,273)
Operating income before provision for credit losses	5,936	6,079	5,042	5,226
Provision for credit losses	(1,608)	(680)	(590)	(707)
Net operating income	4,328	5,399	4,452	4,519
Share of profit of associates	0	7	7	8
Net other non-operating expenses	(98)	(961)	(886)	(37)
Net non-operating expenses	(98)	(954)	(879)	(29)
Profit before income tax expense	4,230	4,445	3,573	4,490
Income tax expense	(1,080)	(1,294)	(1,035)	(1,145)
Profit for the period	₩ 3,150	₩ 3,151	₩ 2,538	₩ 3,345
(Adjusted profit after provision of regulatory reserve for credit losses) [1]	3,483	3,313	2,712	3,210
Items that will not be reclassified to profit or loss:				
Remeasurements of net defined benefit liabilities	(48)	(42)	16	17
Net gains (losses) on equity instruments at fair value through other comprehensive income	26	(273)	(224)	71
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	(34)	429	95	(145)
Net gains (losses) on debt securities at fair value through other comprehensive income	696	219	211	(80)
Share of other comprehensive income (loss) of associates	1	(1)	(1)	(0)
Gains (losses) on hedging instruments of net investments in foreign operations	(17)	(165)	(15)	63
Gains (losses) on cash flow hedging instruments	(13)	1	(25)	(21)
Other comprehensive income (loss) for the period, net of tax	611	168	58	(95)
Total comprehensive income for the period	₩ 3,761	₩ 3,320	₩ 2,596	₩ 3,250
Profit attributable to:				
Shareholders of the parent company	₩ 3,261	₩ 3,252	₩ 2,618	₩ 3,365
Non-controlling interests	(112)	(100)	(79)	(19)
	₩ 3,150	₩ 3,151	₩ 2,538	₩ 3,345
Total comprehensive income (loss) attributable to:				
Shareholders of the parent entity	₩ 3,890	₩ 3,409	₩ 2,668	₩ 3,275
Non-controlling interests	(129)	(89)	(71)	(26)
	₩ 3,761	₩ 3,320	₩ 2,596	₩ 3,250

Note:

(1) Please see Note 25 of the notes to the Bank's audited annual consolidated financial statements as of and for the years ended December 31, 2024 and 2023 and Note 18 of the notes to the Bank's unaudited interim consolidated financial statements as of September 30, 2025 and for the nine months ended September 30, 2025 and 2024 included elsewhere in this Offering Circular.

	As of December 31,		As of September 30,
	2023	2024	2025
	(in billions of Won)		
Consolidated balance sheet data			
Assets			
Cash and due from financial institutions	₩ 23,637	₩ 22,910	₩ 18,356
Financial assets at fair value through profit or loss	19,701	22,090	28,905
Derivative financial assets	5,039	10,250	5,443
Loans measured at amortised cost	385,404	409,867	424,220
Financial investments	78,351	81,227	76,181
Investments in associates	589	586	592
Property and equipment	3,769	4,199	3,904
Investment property	347	125	138
Intangible assets	1,020	969	891
Net defined benefit asset	229	164	195
Current income tax assets	229	319	347
Deferred income tax assets	250	137	120
Assets held for sale	208	137	252
Other assets	11,241	9,909	23,233
Total assets	₩ 530,013	₩ 562,887	₩ 582,775
Liabilities			
Financial liabilities at fair value through profit or loss	93	159	306
Derivative financial liabilities	4,445	9,643	4,782
Deposits	393,247	421,201	429,582
Borrowings[(1)]	34,990	32,226	30,143
Debentures	31,811	34,737	34,519
Provisions	930	544	480
Net defined benefit liabilities	8	11	9
Current income tax liabilities	39	25	52
Deferred income tax liabilities	503	673	641
Other liabilities	27,398	25,640	42,645
Total liabilities	493,464	524,860	543,160
Equity			
Capital stock	2,022	2,022	2,022
Hybrid securities	1,283	1,066	1,066
Capital surplus	4,735	4,650	4,650
Accumulated other comprehensive income	614	776	691
Retained earnings	27,718	29,428	31,128
(Provision of regulatory reserve for credit losses)	(3,018)	(2,797)	(2,736)
(Amounts estimated to be reversed)	221	61	(154)
Equity attributable to shareholders of the parent company	36,373	37,941	39,556
Non-controlling interests	176	86	59
Total equity	36,549	38,027	39,615
Total liabilities and equity	₩ 530,013	₩ 562,887	₩ 582,775

Note:

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

SELECTED OPERATING DATA

Unless otherwise stated, the selected ratios and other operating data set forth below as of and for the years ended December 31, 2024 and 2023 and as of and for the nine months ended September 30, 2025 and 2024 have been calculated based on the separate financial statements of the Bank prepared in accordance with Korean IFRS, which are not included in this Offering Circular.

	As of or for the year ended December 31,		As of or for the nine months ended September 30,	
	2023	2024	2024	2025
		(%)		
Ratio of non-performing credits to total credits[(1)]	0.20	0.23	0.24	0.31
Ratio of allowance to total credits[(2)]	0.69	0.64	0.66	0.61
Net interest spread[(3)]	1.75	1.71	1.74	1.67
Net interest margin[(4)]	1.83	1.78	1.80	1.74
Total capital adequacy ratio[(5)(9)]	18.08	17.31	18.18	17.93
Tier I capital adequacy ratio[(6)(9)]	15.50	14.95	15.82	15.93
Common equity Tier I capital adequacy ratio[(7)(9)]	14.91	14.50	15.35	15.49
Tier II capital adequacy ratio[(8)(9)]	2.58	2.35	2.36	2.00

Notes:

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

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

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

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

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

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

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

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

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

THE ISSUER

The Issuer was incorporated in the State of Georgia on November 27, 2018 and was later converted to a Delaware corporation on February 21, 2019. The Issuer is a wholly-owned subsidiary of SK on Co., Ltd. On November 1, 2025, SK on Co., Ltd., which is the electric vehicle battery manufacturing subsidiary of SK Innovation Co., Ltd., absorbed and merged with SK Enmove Co., Ltd., the lubricant and base oil manufacturing subsidiary of SK Innovation Co., Ltd., as part of SK on Co., Ltd.'s strategy to become a leading total energy company.

The Issuer is one of the leading global manufacturers of rechargeable lithium-ion batteries, including high-nickel lithium-ion batteries, for use in battery electric vehicles, as well as in energy storage solutions. Its main production facilities are located in Georgia, United States. In January 2022, the Issuer commenced production at its first plant with an annual capacity of 10.3 GWh. In the first quarter of 2023, the Issuer commenced production at its second plant with an annual capacity of 11.7 GWh. The Issuer currently supplies battery cells to Hyundai Motor Group, Volkswagen AG, the Ford Motor Company and other major automakers.

The Issuer's office and production plants are located at 1760 SK Boulevard, Commerce, GA 30529, United States.

THE BANK

BUSINESS

Overview

The Bank is one of the largest commercial banks in Korea in terms of total assets (including loans). As of December 31, 2024, the Bank had total assets of ₩562,887 billion and total deposits of ₩421,201 billion.

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

By their nature, the Bank's core consumer and SME operations place a high premium on customer access and convenience. The Bank's network of 800 branches as of December 31, 2024, one of the most extensive in Korea, provides the Bank with access to a large, stable and cost-effective funding source, enables the Bank to provide its customers convenient access and gives the Bank the ability to provide the customer attention and service essential to conducting its business, particularly in an increasingly competitive environment. The Bank's branch network is further enhanced by automated banking machines and fixed-line, smartphone and Internet banking. As of December 31, 2024, the Bank had a customer base of approximately 33.7 million retail customers, which represented over one-half of the Korean population.

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

	As of December 31,					
	2023			2024		
	(in billions of Won, except percentages)					
Retail	₩	166,906	44.4%	₩	177,227	44.4%
Corporate		191,340	50.9		203,416	51.0
Foreign		17,853	4.7		18,284	4.6
Total loans	₩	376,099	100.0%	₩	398,927	100.0%

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

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

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

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

Organisational Structure

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

The following tables provide summary information for the Bank's main operating subsidiaries, including their total assets, net income, operating income and shareholder's equity as of and for the year ended December 31, 2024:

	As of December 31, 2024			Year ended December 31, 2024	
	Percentage of ownership	Total assets	Equity	Operating revenue	Profit (Loss) for the period
		(in millions of Won, except percentages)			
Subsidiaries					
Kookmin Bank (China) Ltd.	100.0%	₩4,316,008	₩ 625,512	₩ 195,087	₩ 22,999
KB Microfinance Myanmar Co., Ltd.	100.0	19,235	10,241	4,127	(2,486)
KB Bank Myanmar Co., Ltd.	100.0	318,276	298,188	12,319	5,224
KB PRASAC Bank Plc.	100.0	8,297,865	1,691,450	1,227,612	131,927
PT Bank KB Bukopin, Tbk	66.9	7,222,025	285,788	523,058	(360,617)
KB Fund Partners Co., Ltd.	100.0	26,047	20,752	14,937	1,934

For additional information, see Note 38 of the notes to the Bank's consolidated financial statements for 2023 and 2024 included elsewhere in this Offering Circular.

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

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

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

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

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

- Through a series of acquisitions from July 2018 to September 2020, the Bank obtained a 67.0% interest in *PT Bank Bukopin TBK* of Indonesia, and changed its name to *PT Bank KB Bukopin, Tbk* in February 2021.

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

HISTORY AND DEVELOPMENT

History of the Former Kookmin Bank

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

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

History of Housing & Commercial Bank

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

The Merger of the Former Kookmin Bank and H&CB

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

The Merger with Kookmin Credit Card

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

Establishment of KB Financial Group

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

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

Spin-off of the Credit Card Business

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

MAIN BUSINESSES

Branch Network

As of December 31, 2024, the Bank had 800 branches and sub-branches in Korea, which represented one of the largest branch networks among Korean commercial banks. An extensive branch network is important to attracting and maintaining retail customers, who use branches extensively and value convenience. The following table presents the geographical distribution of the Bank's branch network in Korea as of December 31, 2024:

	Number of Branches	Percentage
Area		
Seoul	302	37.8%
Six largest cities (other than Seoul)	169	21.1
Other	329	41.1
Total	800	100.0%

In addition, the Bank has continued to implement the specialisation of its branch functions. Of its branch network as of December 31, 2024, the Bank had two branches that primarily handled large corporate banking.

In order to support the Bank's branch network, the Bank has established an extensive network of ATMs, which are located in branches and in unmanned outlets known as "autobanks." As of December 31, 2024, the Bank had 4,288 ATMs.

The Bank has actively promoted the use of these distribution outlets in order to provide convenient service to customers, as well as to maximise the marketing and sales functions at the branch level, reduce employee costs and improve profitability. The aggregate number of transactions conducted using the Bank's ATMs amounted to approximately 205 million in 2023 and 192 million in 2024.

Retail Banking

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

Lending Activities

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

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

Note:

(1) Includes overdraft loans.

The Bank's retail loans consist of:

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

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

For secured loans, including mortgage and home equity loans, the Bank's policy is to lend up to 100% of the adjusted collateral value (except in areas of high speculation designated by the government where the Bank generally limits its lending to between 30% to 50% of the appraised value of collateral) minus the value of any lien or other security interests that are prior to the Bank's security interest. In calculating the adjusted collateral value for real estate, the Bank uses the appraisal value of the collateral multiplied by a factor, generally between 60% to 80%. This factor varies depending upon the location and use of the real estate and is established in part by taking into account court-supervised auction prices for nearby properties.

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

Mortgage and Home Equity Lending

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

Private sector mortgage and home equity lending in Korea has expanded substantially in recent years. The Bank provides customers with a number of mortgage and home equity loan products that have flexible features, including terms, repayment schedules, amounts and eligibility for loans, and the Bank offers interest rates on a commercial basis. The maximum term of mortgage loans is 50 years and the majority of the Bank's mortgage loans have long-term maturities, which may be renewed. Non-amortising home equity loans have a maturity of one to five years and home equity loans subject to amortisation of principal may have a maximum term of up to 50 years. Any customer is eligible for a mortgage or an individual home equity loan regardless of whether it participates in one of the Bank's housing related savings programs and so long as that customer is not barred by regulation from obtaining a loan because of bad credit history. However, customers with whom the Bank frequently transacts business and who provide the Bank with significant revenue receive preferential interest rates on loans.

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

Pricing. The interest rates on the Bank's retail mortgage loans are generally based on a periodic floating rate (which is based on a base rate determined for three-month, six-month or 12-month periods using the Bank's Market Opportunity Rate system, which reflects the Bank's internal cost of funding, further adjusted to account for the Bank's expenses related to lending). The Bank's interest rates also incorporate a margin based among other things on the type of security, the credit score of the borrower and the estimated loss on the security. The Bank can adjust the price to reflect the borrower's current and/or expected future contribution to it. The applicable interest rate is determined at the time of the loan. If a loan is terminated prior to its maturity, the borrower is obligated to pay the Bank an early termination fee of approximately 1.2% to 1.4% of the loan amount in addition to the accrued interest.

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

Other Consumer Loans

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

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

Deposit-taking Activities

Due to the Bank's extensive nationwide network of branches, together with the Bank's long history of development and the Bank's resulting know-how and expertise, as of December 31, 2024, the Bank had one of the largest numbers of retail customers and retail deposits among Korean commercial banks. The total amount of deposits from the Bank's retail customers amounted to ₩238,633 billion as of December 31, 2024, or 56.7% of the Bank's total deposits.

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

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

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

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

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

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

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

In 2002, after significant research and planning, the Bank launched private banking operations at its headquarters. Shortly thereafter, the Bank launched a comprehensive strategy with respect to customers with higher net worth, which included staffing appropriate representatives, marketing aggressively, establishing IT systems, selecting appropriate branch locations and readying such branches with the necessary facilities to service such customers. As of December 31, 2024, the Bank operated 24 main private banking centres.

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

The Depositor Protection Act provides for a deposit insurance system where the KDIC guarantees to depositors the repayment of their eligible bank deposits. The deposit insurance system insures up to a total of ₩100 million per depositor per bank, following an amendment to the Depositor Protection Act of Korea in January 2025 which became effective in September 2025. See "*Regulation and Supervision of the Bank – Legal and Regulatory Framework in Korea – Deposit Insurance System*." The Bank paid ₩561 billion of premiums to the KDIC in 2024 for such deposit insurance.

Corporate Banking

The Bank lends to and takes deposits from SMEs and, to a lesser extent, large corporate customers. The Bank also receives fee revenue from "cash management" services offered to corporate customers, which include "firm banking" services such as inter-account transfers, transfers of funds from various branches and agencies of a company (such as insurance premium payments) to the account of the headquarters of such company and transfers of funds from various customers of a company to the main account of such company. Of the Bank's branch network as of December 31, 2024, two branches primarily handled large corporate banking.

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

	As of December 31,					
	2023			2024		
	(in billions of Won, except percentages)					
Corporate:						
SME loans	₩	138,259	72.3%	₩	147,247	72.4%
Large corporate loans		53,081	27.7		56,169	27.6
Total	₩	191,340	100.0%	₩	203,416	100.0%

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

The total amount of deposits from the Bank's corporate customers amounted to ₩172,663 billion as of December 31, 2024, or 41.0% of the Bank's total deposits.

SME Banking

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

The Bank uses the term "SMEs" as defined in the Framework Act on Small and Medium Enterprises and related regulations. Under the Framework Act on Small and Medium Enterprises and related regulations, an enterprise must meet each of the following criteria in order to meet the definition of an SME: (i) total assets at the end of the immediately preceding fiscal year must be less than ₩500 billion, (ii) the average or annual sales revenue standards as prescribed by the Enforcement Decree of the Framework Act on Small and Medium Enterprises that are applicable to the enterprise's primary business must be met and (iii) the standards of management independence as prescribed by the

Enforcement Decree of the Framework Act on Small and Medium Enterprises must be met. However, pursuant to an amendment to the Framework Act on Small and Medium Enterprises, which has become effective in June 2020, an enterprise that qualifies as an SME pursuant to the above definition shall no longer be considered an SME if it is incorporated into, or is deemed to be incorporated into, a business group subject to certain disclosure requirements under the Monopoly Regulation and Fair Trade Act. Moreover, certified social enterprises (as defined in the Social Enterprise Promotion Act) and cooperatives and federations of cooperatives (each as defined in the Framework Act on Cooperatives, the Consumer Cooperatives Act and the Small and Medium Enterprise Cooperatives Act) that satisfy the requirements prescribed by the Framework Act on Small and Medium Enterprises may also qualify as SMEs.

Lending Activities

The Bank's principal loan products for its SME customers are working capital loans and facilities loans. Working capital loans are provided to finance working capital requirements and include notes discounted and trade financing. Facilities loans are provided to finance the purchase of equipment and the establishment of manufacturing assembly plants. As of December 31, 2024, the Bank had over 429,262 SME customers on the lending side.

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

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

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

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

A substantial number of the Bank's SME customers are SOHOs, which the Bank currently defines to include sole proprietorships and individual business interests. With respect to SOHOs, the Bank applies credit risk evaluation models, which not only uses quantitative analysis related to a customer's accounts, personal credit and financial information and due amounts but also requires the Bank's credit officers to perform a qualitative analysis of each potential SOHO customer. With respect to SOHO loans in excess of ₩1 billion, the Bank's credit risk evaluation model also includes a quantitative analysis of the financial statements of the underlying business. The Bank generally lends to SOHOs on a secured basis, although a small portion of the Bank's SOHO exposures are unsecured.

Pricing

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

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

Large Corporate Banking

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

Lending Activities

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

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

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

Pricing

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

Capital Markets Activities and International Banking

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

Securities Investment and Trading

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

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

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

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

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

	As of December 31, 2023				As of December 31, 2024			
	Amortised Cost	Net Unrealized Gain and Loss	Loss Allowance for Expected Credit Losses	Fair Value	Amortised Cost	Net Unrealized Gain and Loss	Loss Allowance for Expected Credit Losses	Fair Value
				(in billions of Won)				
Financial assets at fair value through profit or loss								
Debt securities:								
Government and public bonds	₩ 5,543	₩ –	₩ –	₩ 5,543	₩ 7,904	₩ –	₩ –	₩ 7,904
Financial bonds	4,794	–	–	4,794	3,495	–	–	3,495
Corporate bonds	1,751	–	–	1,751	2,321	–	–	2,321
Asset-backed securities	68	–	–	68	39	–	–	39
Beneficiary certificates	4,606	–	–	4,606	4,577	–	–	4,577
Others	2,436	–	–	2,436	3,181	–	–	3,181
Equity securities:								
Stocks	226	–	–	226	162	–	–	162
Others	94	–	–	94	159	–	–	159
Total financial assets at fair value through profit or loss	₩ 19,518	₩ –	₩ –	₩ 19,518	₩ 21,838	₩ –	₩ –	₩ 21,838
Financial investments								
Financial assets at fair value through other comprehensive income								
Debt securities:								
Government and public bonds	₩ 9,137	₩ 19	₩ 1	₩ 9,155	₩ 10,907	₩ 104	₩ 2	₩ 11,009
Financial bonds	16,318	56	5	16,370	21,296	154	4	21,446
Corporate bonds	11,315	(19)	10	11,287	9,973	88	9	10,052
Asset-backed securities	815	7	–	822	1,016	10	1	1,025
Others	–	–	–	–	–	–	–	–
Equity securities:								
Stocks	488	920	–	1,408	495	555	–	1,050
Equity investments	57	(49)	–	8	57	(49)	–	8
Beneficiary certificates	–	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–	–
Total financial assets at fair value through other comprehensive income	₩ 38,130	₩ 934	₩ 16	₩ 39,050	₩ 43,744	₩ 862	₩ 16	₩ 44,590
Financial instruments at amortised cost								
Debt securities:								
Government and public bonds	₩ 6,503	₩ (239)	₩ –	₩ 6,264	₩ 6,029	₩ (113)	₩ –	₩ 5,916
Financial bonds	13,590	(16)	13	13,561	12,024	(5)	12	12,007
Corporate bonds	9,369	(223)	–	9,146	8,945	(63)	–	8,882
Asset-backed securities	9,398	(248)	5	9,145	9,301	(81)	5	9,215
Others	148	(6)	–	142	73	(4)	–	69
Financial instruments at amortised cost	39,008	(732)	18	38,258	36,372	(266)	17	36,089
Total financial investments	₩ 77,138	₩ 204	₩ 34	₩ 77,308	₩ 80,116	₩ 596	₩ 33	₩ 80,679

Derivatives Trading

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

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

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

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

Note:

(1) Includes those for trading purposes and hedging purposes

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

Asset Securitisation Transactions

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

Call Loans

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

Investment Banking

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

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

International Banking

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

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

	As of December 31,	
	2023	2024
	(in billions of Won)	
Total foreign currency assets	₩ 68,015	₩ 74,275
Foreign currency borrowings:		
Debts	18,854	19,403
Debentures	10,582	12,336
Total borrowings	₩ 29,436	₩ 31,739

The table below sets forth the Bank's overseas branches and subsidiaries in operation as of September 30, 2025:

Branches	
Kookmin Bank (China) Ltd. (including five branches)	China
Kookmin Bank, Tokyo Branch	Japan
Kookmin Bank, Auckland Branch	New Zealand
Kookmin Bank, New York Branch	United States
Kookmin Bank, London Branch	United Kingdom
Kookmin Bank, Ho Chi Minh City Branch	Vietnam
Kookmin Bank, Hanoi Branch	Vietnam
Kookmin Bank, Hong Kong Branch	Hong Kong
Kookmin Bank, Gurugram Branch	India
Kookmin Bank, Chennai Branch	India
Kookmin Bank, Pune Branch	India
Kookmin Bank, Singapore Branch	Singapore
KB Microfinance Myanmar Co., Ltd. (including 19 branches)	Myanmar
PT Bank KB Bukopin, Tbk (including 171 branches)	Indonesia
KB PRASAC Bank Plc. (including 187 branches)	Cambodia
KB Bank Myanmar Co., Ltd.	Myanmar

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

Trustee and Custodian Services Relating to Investment Trusts and Other Functions

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

- holding assets for the benefit of the investment trusts or institutional investors;

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

OTHER BUSINESSES

Trust Account Management Services

Money Trust Management Services

The Bank provides trust account management services for both specified money trusts and unspecified money trusts. The Bank receives fees for its trust account management services consisting of basic fees that are based upon a percentage of either the net asset value of the assets or the principal under management and, for certain types of trust account operations, performance fees that are based upon the performance of the trust account operations. In 2024, the Bank's basic money trust fees ranged from 0.1% to 2.0% of total assets under management depending on the type of trust account. The Bank also charges performance fees with respect to certain types of trust account products. The Bank receives penalty payments when customers terminate their trust accounts prior to the original contract maturity.

The Bank provides trust account management services for various types of money trusts. The maturities of the money trusts the Bank manages vary by the type of the trust. Approximately 2.4% of the Bank's money trusts also provide periodic payments of dividends which are added to the assets held in such trusts and not distributed.

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

As of December 31, 2024, the total balance of the Bank's money trusts was ₩67,465 billion (as calculated in accordance with Statement of Korea Accounting Standard No. 5004, *Trust Accounts*, and the Enforcement Regulations of Financial Investment Services under the FSCMA, which the Bank refers to as an "SKAS basis").

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

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

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

Notes:

(1) Calculated on an SKAS basis.

(2) Trusts which are primarily non-guaranteed.

As of December 31, 2024, the trust assets the Bank managed consisted principally of securities investments and loans from the trust accounts. As of December 31, 2024, on an SKAS basis, the Bank's trust accounts had invested in securities in the aggregate amount of ₩19,874 billion, of which ₩8,802 billion was debt securities and derivative-linked securities. Securities investments consist of Government-related debt securities, corporate debt securities, including bonds and commercial paper, equity securities, derivative-linked securities and other securities. Loans made by the Bank's trust account operations are similar in type to the loans made by the Bank's bank account operations. As of December 31, 2024, on an SKAS basis, the Bank's trust accounts had made loans in the principal amount of ₩211 billion (excluding loans from the trust accounts to the Bank's banking accounts of ₩5,540 billion), which accounted for 0.3% of the Bank's money trust assets. Loans by the Bank's money trusts are subject to the same credit approval process as loans from the Bank's banking accounts. As of December 31, 2024, substantially all of the loans from the Bank's money trust accounts were collateralised or guaranteed.

The Bank's money trust accounts also invest, to a lesser extent, in equity securities, including beneficiary certificates issued by financial investment companies with a collective investment licence. On an SKAS basis, as of December 31, 2024, equity securities in the Bank's money trust accounts amounted to ₩11,072 billion, which accounted for 15.8% of the Bank's total money trust assets. Of this amount, ₩11,026 billion was from specified money trusts and ₩46 billion was from unspecified money trusts.

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

Property Trust Management Services

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

In 2024, the Bank's property trust fees ranged from 0.001% to 0.3% of total assets under management depending on the type of trust accounts. On an SKAS basis, as of December 31, 2024, the aggregate balance of the Bank's property trusts was ₩30,069 billion, compared to ₩28,113 billion as of December 31, 2023.

Bancassurance

The Bank offers insurance products of other institutions to retail customers in Korea. The Bank currently markets a wide range of bancassurance products and seeks to generate additional fee-based revenues by expanding its offering of these products. As of December 31, 2024, the Bank's bancassurance business had alliances with 22 life insurance companies (including its affiliate KB Life Insurance) and 11 non-life insurance companies (including its affiliate, KB Insurance) and offered 98 different products through the Bank's branch network.

Management of the National Housing and Urban Fund

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

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

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

Other Banking Channels

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

	For the year ended December 31,	
	2023	2024
Internet banking:		
Number of users[(1)]	28,767,620	29,780,549
Number of transactions (thousands)[(2)]	4,403,908	4,671,153
Phone banking:		
Number of users[(3)]	5,075,039	5,071,952
Number of transactions (thousands)[(2)]	43,922	37,602
Smartphone banking:		
Number of users[(4)]	20,909,030	22,222,534
Number of transactions (thousands)[(2)]	21,876,061	24,912,884

Notes:

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

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

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

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

Internet Banking

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

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

Phone Banking

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

- advise clients with respect to deposits and loans and to provide the Bank's customers a way to report any emergencies with respect to their accounts;
- allow the Bank's customers to conduct transactions with respect to their accounts, such as balance and transfer inquiries, transfers or payments and opening accounts; and
- conduct telemarketing to the Bank's customers or potential customers to advertise products or services.

Smartphone Banking

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

- basic banking services, including fund transfers, balance and transaction inquiries, bill payments and foreign exchange services;
- investment services, including investing in savings deposits that are designed specifically for and offered to smartphone banking customers; and
- processing of loan applications and bancassurance services.

The Bank also continues to develop innovative mobile applications that cater to specific customer needs and lifestyles. For example, the Bank offers "KB StarTeens," a service offered through its main KB Star Banking mobile application that provides easy-to-use banking services as well as a variety of non-banking services to the Bank's teenage customers. The Bank also offers a range of other mobile

applications, including "Liiv Talk Talk," a mobile peer-to-peer payment and messaging application, "KB Liiv M," a mobile virtual network operator (MVNO) that offers a fusion of finance and mobile services and "KB Real Estate," the Bank's new cloud-based real estate application that provides various information on real properties. The Bank also offers MyData services through several channels including KB Star Banking, its mobile banking application.

Other Channels

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

Competition

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

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

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

In addition, the Bank believes that various structural changes to the Korean financial investment industry in recent years will lead to increased competition among financial institutions in Korea. For example, an increase in foreign investments made by Korean investors and the emergence of alternative trading systems in recent years have been reshaping the Korean financial investment market, as well as the competitive strategies of financial institutions. An increase in the overall trading volumes of these investments in recent years has prompted certain securities firms to offer very low commission rates on foreign investments to capitalize on such increase, thereby further intensifying competition. In March 2025, Nextrade emerged as the first alternative to the Korea Exchange, which the Bank expects will further alter the competitive landscape for financial institutions in Korea.

Moreover, the Korean commercial banking sector is undergoing significant consolidation. The number of nationwide commercial banks in Korea has decreased from 16 as of December 31, 1997, to seven as of December 31, 2024. A number of significant mergers and acquisitions in the financial industry have taken place in Korea in recent years, including Hana Financial Group's acquisition of a controlling interest in Korea Exchange Bank in 2012 and the subsequent merger of Hana Bank into Korea Exchange Bank in 2015. In addition, as part of the Government's plans to privatise Woori Finance Holdings (the financial holding company of Woori Bank), certain subsidiaries of Woori Finance Holdings were sold to other financial institutions and Woori Finance Holdings itself was merged into Woori Bank in 2014, which established a new financial holding company, Woori Financial Group Inc., in January 2019. The Bank expects that consolidation in the Korean financial industry will continue. The financial institutions resulting from such consolidation may, by virtue of their increased size and business scope, provide significantly greater competition for the Bank. The Bank and its parent, KB Financial Group, intend to review potential acquisition opportunities as they arise. The Bank cannot guarantee that it will not be involved in any future mergers or acquisitions. The Bank also believes that foreign financial institutions, many of which have greater experience and resources than the Bank does, may seek to compete with the Bank in providing financial products and services either by themselves or in partnership with existing Korean financial institutions.

Information Technology

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

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

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

Cybersecurity

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

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

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

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

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

Property, Plant and Equipment

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

Type of facility/building	Location	Area (square metres)
Registered office and headquarters #1	Yeongdeungpo-gu, Seoul	5,354
Headquarters #2	Yeongdeungpo-gu, Seoul	4,727
Training institute	Ilsan	207,560
Training institute	Daecheon	4,158
Training institute	Sokcho	15,559
Training institute	Cheonan	196,649
IT centre	Gangseo-gu, Seoul	13,116
IT centre	Yeouido, Seoul	5,928
IT centre	Yeouido, Seoul	2,006
IT centre	Gimpo	13,144
Support centre	Seongbuk-gu, Seoul	9,939

As of December 31, 2024, the Bank had a countrywide network of 800 branches and sub-branches. Approximately 24.4% of these facilities are housed in buildings owned by the Bank, while the remaining branches are leased properties. See "– *Organisational Structure*" for a list of the Bank's overseas subsidiaries as of December 31, 2024 and see "– *Capital Markets Activities and International Banking – International Banking*" for a list of the Bank's overseas branches and representative and liaison offices in operation as of September 30, 2025.

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

Employees

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

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

Note:

(1) Excluding executive officers.

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

The Bank's compensation packages consist of base salary and base bonuses. The Bank also provides performance-based compensation to employees and management. Executive officers, heads of regional headquarters and employees in positions that require professional skills, such as fund managers and

dealers, are compensated depending on their individual annual performance evaluation. The Bank has also implemented a profit-sharing system in order to enhance the performance of its employees. Under this system, the Bank pays bonuses to its employees, in addition to the base salary, depending on the Bank's annual performance.

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

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

In accordance with the National Pension Act, the Bank contributes an amount equal to 4.5% of employee wages, and each employee contributes 4.5% of his or her wages, into each employee's personal pension account. In addition, in accordance with the Guarantee of Worker's Retirement Benefits Act, the Bank has adopted retirement pension plans for its employees. Contributions under the retirement pension plans are deposited annually into a financial institution, and an employee may elect to receive a monthly pension or a lump-sum amount upon retirement. The Bank's retirement pension plans are provided in the form of a defined benefit plan and a defined contribution plan. The defined benefit plan guarantees a certain payout at retirement, according to a fixed formula based on the employee's average salary and the number of years for which the employee has been a plan member. The defined contribution plan, in which the employer's contribution is determined in advance based on one-twelfth of an employee's total annual pay, is managed directly by the employees. Under Korean law, the Bank may not terminate the employment of full-time employees except under certain limited circumstances. However, the Bank regularly invites its employees to apply for its early retirement programs, which provide for varying amounts of severance pay based on the duration of time an employee has worked for the Bank, along with several other key features. The Bank believes that such programs enhance its productivity and efficiency by improving its labour structure.

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

The employee stock ownership association will be terminated once all of KB Financial Group's common stock held by the association (which the association received following the transfer of the Bank's shares held by it as a result of the comprehensive stock transfer pursuant to which KB Financial Group was established) has been distributed to the relevant employees of the Bank at the request of such employees following the expiration of the required holding periods. As of December 31, 2024, the Bank's employee stock ownership association held 167,116 shares of KB Financial Group common stock.

Legal Proceedings

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

In June 2010, Fairfield Sentry Limited ("Fairfield"), which is currently in liquidation and whose assets were directly or indirectly invested with Bernard L. Madoff Investment Securities LLC ("BLMIS"), filed a lawsuit in the Supreme Court of the State of New York against the Bank, which acted as a trustee

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

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

In November 2023, the FSS commenced an on-site inspection at the Bank in order to determine whether the Bank was in compliance with the Financial Consumer Protection Act in connection with its past sales of certain equity-linked securities products tied to the performance of the Hang Seng China Enterprise Index (the "HSCEI"), which resulted in substantial losses to the customers who purchased such products upon maturity. The FSS commenced similar inspections at other banks in Korea as well starting in January 2024. Approximately ₩5.2 trillion of such products sold by the Bank matured in 2024, and the Bank has ceased all sales of equity-linked securities products tied to the performance of the HSCEI, which has fluctuated widely in recent years. In March 2024, the FSS released an interim inspection report on the Bank and other banks involved as well as dispute resolution guidelines for those customers who incurred losses from the purchase of such products. Subsequently, in March 2024, the Bank's board of directors resolved to compensate such customers on a voluntary basis by engaging in private negotiations with each one of such customers based on the FSS's dispute resolution guidelines. The compensation amount recognized by the Bank as provisions in 2024 in connection with such matter was ₩744.8 billion, which adversely affected its profit for the year. In November 2025, the FSS announced administrative fines and penalties against the banks involved, including the Bank, which penalties are expected to be finalized in 2026 by the Financial Services Commission following a review by the sanctions committee in December 2025. No assurance can be given that the final resolution of such matter would not have a material adverse effect on the Bank's results of operations and financial condition.

In February 2023, the Korea Fair Trade Commission (the "KFTC") commenced investigations into banks in Korea with respect to whether they had engaged in any unfair practices in violation of competition laws. In January 2024, the KFTC issued a review report addressed to the four largest banks in Korea, including the Bank, which alleged that the banks had colluded among themselves by sharing certain information to maintain similar loan-to-value ratios for real estate collateral. In April 2024, the Bank responded to the KFTC with a denial of such allegations, to which the KFTC responded in November 2024 with a decision made through a plenary session of its members to conduct a reexamination of the incident. The KFTC concluded its reexamination in April 2025 and sent a report to the four relevant banks, including the Bank, maintaining its allegations that the banks had colluded among themselves. In August 2025, the four relevant banks, including the Bank, submitted written responses to the KFTC denying such allegations, in accordance with the relevant laws and regulations. As of the date of this Offering Circular, it is difficult to predict the final outcome of this matter.

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

ASSETS AND LIABILITIES OF THE BANK

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

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

Loan Portfolio

Loan Types

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

	As of December 31,	
	2023	2024
	(in billions of Won)	
Domestic:		
Corporate		
SME	₩ 138,259	₩ 147,247
Large corporate[(1)]	53,081	56,169
Retail		
Mortgage and home equity	123,515	134,330
Other consumer	43,391	42,897
Total domestic	358,246	380,643
Foreign	17,853	18,284
Total gross loans	₩ 376,099	₩ 398,927

Note:

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

Loan Concentration by Industry

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

	As of December 31,			
	2023		2024	
	Amount	%	Amount	%
	(in billions of Won, except percentages)			
Industry				
Services	₩ 98,222	46.8%	₩ 106,153	47.8%
Manufacturing	48,769	23.3	52,098	23.4
Wholesale and retail	26,774	12.8	27,784	12.5
Financial institutions	20,855	9.9	20,473	9.2
Construction	4,487	2.1	4,411	2.0
Public sector	1,621	0.8	1,815	0.8
Others	8,967	4.3	9,507	4.3
Total	₩ 209,695	100.0%	₩ 222,241	100.0%

Maturity Analysis

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

The following table sets out, on a separate basis, the scheduled maturities (time remaining until maturity) of the Bank's loan portfolio as of December 31, 2024. The amounts disclosed are before deduction of allowances for loan losses:

	1 Year or Less	Over 1 year But Not More Than 5 Years	Over 5 Years But Not More Than 15 Years	Over 15 Years	Total
			(in billions of Won)		
Domestic:					
Corporate					
SMEs	₩ 111,644	₩ 31,298	₩ 4,116	₩ 189	₩ 147,247
Large corporate	36,525	15,705	2,723	1,216	56,169
Total corporate	148,169	47,003	6,839	1,405	203,416
Retail					
Mortgage and home equity	17,994	20,817	6,021	89,498	134,330
Other consumer	29,096	5,694	2,852	5,255	42,897
Total retail	47,090	26,511	8,873	94,753	177,227
Total domestic	195,259	73,514	15,712	96,158	380,643
Foreign	10,181	6,715	1,348	40	18,284
Total gross loans	₩ 205,440	₩ 80,229	₩ 17,060	₩ 96,198	₩ 398,927

Interest Rate Sensitivity

The following table shows, on a separate basis, the total amount of loans due after one year which have fixed interest rates and variable or adjustable interest rates as of December 31, 2024:

	Fixed Rate[(1)]	Variable or Adjustable Rates[(2)]	Total
		(in billions of Won)	
Domestic:			
Corporate			
SMEs	₩ 15,803	₩ 19,800	₩ 35,603
Large corporate	7,135	12,510	19,645
Total corporate	22,938	32,310	55,248
Retail			
Mortgage and home equity	19,164	97,171	116,335
Other consumer	175	13,626	13,801
Total retail	19,339	110,797	130,136
Foreign	890	7,213	8,103
Total	₩ 43,167	₩ 150,321	₩ 193,487

Notes:

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

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

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

Credit Exposures to Companies in Workout, Restructuring or Rehabilitation

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

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

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

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

As of December 31, 2024, on a separate basis, the Bank's loans and guarantees to companies that were in workout, restructuring or rehabilitation amounted to ₩251 billion or 0.06% of the Bank's total loans and guarantees, most of which were classified as impaired.

Provisioning Policy

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

with respect to a loan or receivable since its initial recognition is (i) the amount of the expected 12-month credit loss for stage 1 loans or receivables and (ii) the expected lifetime credit loss for stages 2 and 3 loans or receivables.

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

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

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

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

Non-Performing Loans

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

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

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

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

Analysis of Non-Performing Loans

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

	As of December 31,			
	2023		2024	
	Amount	%	Amount	%
	(in billions of Won, except percentages)			
Domestic:				
Corporate				
SMEs	₩ 145	37.0%	₩ 327	55.4%
Large corporate	7	1.9	2	0.3
Total corporate	152	38.9	329	55.7
Retail				
Mortgage and home equity	193	49.3	209	35.4
Other consumer	44	11.3	51	8.6
Total retail	237	60.7	260	44.0
Total domestic	389	99.6	589	99.7
Foreign	2	0.4	2	0.3
Total non-performing loans	₩ 390	100.0%	₩ 591	100.0%

Top 20 Non-Performing Loans

As of December 31, 2024, the Bank's 20 largest non-performing loans accounted for, on a separate basis, 14.9% of its total non-performing loan portfolio. The following table shows, on a separate basis, certain information regarding the Bank's 20 largest non-performing loans as of December 31, 2024:

	Industry	Gross Principal Outstanding	Allowances for Loan Losses[(1)]
		(in millions of Won)	
Borrower A	Wholesale and retail	₩ 20,000	₩ 12,995
Borrower B	Services	15,830	10,365
Borrower C	Manufacturing	9,689	1,352
Borrower D	Wholesale and retail	6,708	711
Borrower E	Manufacturing	6,500	4,749
Borrower F	Others	4,957	4,953
Borrower G	Services	2,616	441
Borrower H	Construction	2,283	614
Borrower I	Manufacturing	2,276	365
Borrower J	Manufacturing	2,064	321
Borrower K	Manufacturing	1,796	537
Borrower L	Wholesale and retail	1,780	1,777
Borrower M	Manufacturing	1,609	329
Borrower N	Services	1,500	230
Borrower O	Services	1,500	108
Borrower P	Manufacturing	1,493	511
Borrower Q	Services	1,460	285
Borrower R	Financial institutions	1,325	1,118
Borrower S	Services	1,318	66
Borrower T	Wholesale and retail	1,200	269
Total		₩ 87,904	₩ 42,096

Note:

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

Non-performing Loan Strategy

One of the Bank's primary objectives is to prevent the Bank's loans from becoming non-performing. Through the Bank's corporate credit rating systems, the Bank believes that it has reduced its risks relating to future non-performing loans. The Bank's credit rating systems are designed to prevent the Bank's loan officers from extending new loans to borrowers with high credit risks based on the borrower's credit rating. The Bank's early warning system is designed to bring any sudden increase in a borrower's credit risk to the attention of the Bank's loan officers, who then closely monitor such loans. See "*Risk Management of the Bank – Credit Risk Management*."

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

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

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

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

Methods for resolving non-performing loans include the following:

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

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

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

- selling the Bank's non-performing loans to third parties, including the Korea Asset Management Corporation; and

- entering into asset securitisation transactions with respect to the Bank's non-performing loans.

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

Regulatory Reserve For Credit Losses

If the Bank's allowances for credit losses are deemed insufficient for regulatory purposes, the Bank is required to compensate for the difference by recording a regulatory reserve for credit losses, which is segregated within the Bank's retained earnings. Regulatory reserve for credit losses is not available for distribution to shareholders as dividends. The level of regulatory reserve for credit losses required to be recorded is equal to the amount by which the Bank's allowances for credit losses are less than the greater of (x) the amount of expected loss calculated using the internal ratings-based approach under Basel III and as approved by the FSS and (y) the required amount of credit loss reserve calculated based on standards prescribed by the FSC. In November 2023, the FSC amended the Regulation on Supervision of Banking Business to allow the FSC to ask banks to increase their reserves for credit losses if the banks' existing allowances and reserves for credit losses are deemed insufficient to cover their expected future losses, taking into account a number of factors, including the banks' existing allowances and reserves for credit losses, expected changes in delinquency rates or the level of distressed debt and general market conditions. As of December 31, 2024, on a separate basis, the Bank's regulatory reserve for credit losses was ₩2,373 billion.

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

Loan Classification	Loan Characteristics
Normal	Loans extended to customers that, based on the Bank's consideration of their business, financial position and future cash flows, do not raise concerns regarding their ability to repay the loans.
Precautionary	Loans extended to customers that (i) based on the Bank's consideration of their business, financial position and future cash flows, show potential risks with respect to their ability to repay the loans, although showing no immediate default risk or (ii) are in arrears for one month or more but less than three months.
Substandard	(i) Loans extended to customers that, based on the Bank's consideration of their business, financial position and future cash flows, are judged to have incurred considerable default risks as their ability to repay has deteriorated; or

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

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

Notes:

(1) Subject to certain exceptions pursuant to the Banking Industry Supervision Regulation of Korea.

(2) Or 0.90% or above for certain industries that are more vulnerable to fluctuations in market conditions, such as the construction, retail and wholesale, lodging and food, and real estate industries.

Loan Charge-Offs

Basic Principles

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

Loans to Be Charged Off

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

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

Procedure for Charge-off Approval

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

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

Treatment of Loans Charged Off

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

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

Net Charge-Offs

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

	For the years ended December 31,					
	2023			2024		
	Average Loans[(1)]	Net Charge-Offs	Net Charge-Offs/Average Loans	Average Loans[(1)]	Net Charge-Offs	Net Charge-Offs/Average Loans
	(in billions of Won, except percentages)					
Domestic:						
Corporate						
Small- and medium sized enterprise	₩ 137,663	₩ 5	0.0%	₩ 142,225	₩ 8	0.0%
Large corporate	47,399	151	0.3	52,212	303	0.6
Total corporate	185,062	156	0.1	194,437	311	0.2
Retail						
Mortgage and home equity	119,309	2	0.0	129,458	5	0.0
Other consumer	45,542	152	0.3	43,774	161	0.4
Total retail	164,851	154	0.1	173,232	166	0.1
Foreign:	31,518	302	1.0	32,748	253	0.8
Total	₩ 381,431	₩ 612	0.2%	₩ 400,417	₩ 730	0.2%

Note:

(1) Average loans are based on daily balances.

Investment Portfolio

Investment Policy

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

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

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

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

For the definitions of the three categories of securities the Bank holds (financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial instruments at amortised cost), see Note 3.5 of the notes to the Bank's consolidated financial statements for 2023 and 2024 included elsewhere in this Offering Circular. The Bank also holds limited balances of venture capital securities, non-marketable and restricted equity securities and derivative instruments.

Maturity Analysis

The following table categorizes the Bank's debt securities by maturity and weighted average yield as of December 31, 2024:

	Within 1 Year	Weighted Average Yield[(1)]	Over 1 But within 5 Years	Weighted Average Yield[(1)]	Over 5 But within 10 Years	Weighted Average Yield[(1)]	Over 10 Years	Weighted Average Yield[(1)]	Total	Weighted Average Yield[(1)]
					(in billions of Won, except percentages)					
Financial assets at fair value through other comprehensive income:										
Korean treasury securities and government agencies	₩ 1,379	3.08%	₩ 9,072	2.91%	₩ 557	3.31%	₩ –	–%	₩ 11,009	2.95%
Debt securities issued by financial institutions	6,835	3.50	14,518	3.57	92	4.13	–	–	21,446	3.55
Corporate debt securities	2,801	2.73	7,180	3.40	70	4.13	–	–	10,052	3.22
Asset-backed securities	432	4.00	593	3.96	–	–	–	–	1,025	3.98
Total	₩ 11,447	3.28%	₩ 31,363	3.35%	₩ 719	3.50%	₩ –	–%	₩ 43,532	3.33%
Financial assets at amortised cost:										
Korean treasury securities and government agencies	₩ 1,494	1.10%	₩ 3,884	1.48%	₩ 651	1.49%	₩ –	–%	₩ 6,029	1.38%
Debt securities issued by financial institutions	3,823	2.25	6,335	4.21	1,321	5.90	544	3.45	12,024	3.74
Corporate debt securities	2,503	2.48	5,878	2.85	565	1.71	–	–	8,946	2.67
Asset-backed securities	1,915	1.91	5,583	2.97	1,748	2.46	55	3.32	9,301	2.66
Other debt securities	40	5.28	–	–	–	–	33	2.35	73	3.94
Total	₩ 9,775	2.08%	₩ 21,680	3.03%	₩ 4,285	3.27%	₩ 632	3.38%	₩ 36,373	2.81%
Total	₩ 21,222	2.73%	₩ 53,043	3.22%	₩ 5,004	3.30%	₩ 632	3.38%	₩ 79,905	3.09%

Note:

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

Funding

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

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

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

Deposits

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

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

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

Note:

(1) Average balances are based on daily balances.

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

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

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

The Bank's total uninsured deposits, including uninsured deposits at its foreign branches, amounted to ₩310,380 billion and ₩342,992 billion as of December 31, 2023 and 2024, respectively.

Uninsured Time Deposits

The following table presents the remaining maturities of the Bank's uninsured time deposits, including uninsured time deposits at its foreign subsidiaries, as of December 31, 2024:

	As of December 31, 2024
	(in billions of Won)
Maturing within three months	₩ 135,157
After three but within six months	45,857
After six but within 12 months	79,330
After 12 months	16,450
Total	₩ 276,794

RISK MANAGEMENT OF THE BANK

Overview

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

Organisation

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

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

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

Credit Risk Management

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

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

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

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

The Bank's credit risk management processes include:

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

Credit Evaluation

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

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

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

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

Retail Loan Approval Process

Mortgage Loans and Secured Retail Loans

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

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

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

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

Unsecured Retail Loans

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

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

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

Corporate Loan Approval Process

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

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

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

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

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

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

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

Total Exposure Management

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

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

The Bank manages and controls exposure limits on a daily basis. The principal system that the Bank uses for this purpose is the Total Exposure Management System. This system allows the Bank to monitor and control its total exposure to corporations, *chaebols* and industries. The Bank monitors its exposure to large corporations and companies affiliated with the 36 largest highly-indebted business groups (such groups being the main debtor groups in Korea designated as such by the FSS based on their outstanding exposures) to which it has an exposure of ₩40 billion or more, SMEs to which it has an exposure of ₩30 billion or more, and also its exposure to 156 business groups, which comprise the 36 largest highly-indebted business groups as well as 120 business groups to which it has exposures (in the form of securities or loans) of ₩70 billion or more. The Bank also monitors its exposure across 37 industries. The Bank's Total Exposure Management System integrates all of its credit-related risk including credit extended by its overseas branches and affiliates. The assets subject to the system include all Won-denominated and foreign currency-denominated loans, all assets in trust accounts except specified money trusts, guarantees, trade-related credits, commercial paper, corporate bonds and other securities and derivatives.

Collateral Evaluation and Monitoring System

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

Credit Risk Management and Monitoring

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

Credit Review

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

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

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

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

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

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

Market Risk Management

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

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

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

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

Market Risk Management for Trading Activities

The Bank's trading activities consist of:

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

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

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

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

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

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

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

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

In addition, the Bank has implemented internal processes which include a number of key controls designed to ensure that fair value is measured appropriately, particularly where a fair value model is internally developed and used to price a significant product. See Notes 4.4 and 6 of the notes to the Bank's consolidated financial statements for 2023 and 2024 included elsewhere in this Offering Circular. For example, each year the Risk Management Department reviews the existing pricing and valuation models, with a focus on their underlying modelling assumptions and restrictions, to assess the appropriateness of their continued use. In consultation with the Trading Department, the Risk

Management Department recommends potential valuation models to the Fair Value Evaluation Committee. Upon approval by the Fair Value Evaluation Committee, the selected valuation models are reported to the Market Risk Management Subcommittee.

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

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

- risk capital measured using the sensitivities-based method represents the linear and non-linear losses that can result from adverse changes in interest rates, credit spreads, equity prices, foreign exchange rates and commodities prices;

- default risk capital represents the losses that can result from any unexpected default of an entity not contemplated under the sensitivities-based method; and

- residual risk add-on capital represents any other losses that are not contemplated under the sensitivities-based method or are not considered to result from the risk of default.

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

Risk categories		Risk Capital	
		As of December 31,	
		2023	2024
		(in billions of Won)	
Sensitivities-based method	General interest rate risk	₩ 90.7	₩ 108.5
	Equity risk	17.6	5.9
	Commodities risk	0.1	0.0
	Foreign exchange risk	234.1	179.5
	Credit spread risk: non-securitizations	136.1	122.8
	Credit spread risk: securitizations (non-correlation trading portfolio)	0.6	1.0
	Credit spread risk: securitizations (correlation trading portfolio)	0.0	0.0
Default risk		85.4	52.3
Residual risk add-on		0.9	1.1
Total		₩ 565.4	₩ 471.1

Stress testing. In addition, the Bank uses stress testing to assess its market risk exposure to abnormal market fluctuations. Abnormal market fluctuations include significant declines in the stock market and significant increases in the general level of interest rates. As the Basel III standardized method assumes normal market situations, stress testing is an important way to supplement this method since it does not cover potential loss if the market moves in a manner that is outside the Bank's normal expectations. Stress testing projects the anticipated change in value of holding positions under certain scenarios assuming that no action is taken during a stress event to change the risk profile of a portfolio. According to its stress testing, the Bank estimates that as of December 31, 2024, its trading portfolio could have lost ₩495 billion for an assumed short-term extreme decline of approximately 25% in the equity market and an approximate 91 basis point increase in the Korean treasury bond rates under an abnormal stress environment.

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

Interest Rate Risk

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

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

Foreign Exchange Risk

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

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

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

	As of December 31,	
	2023	2024
	(in millions of US$)	
Currency:		
US$	US$ (288.1)	US$ 216.1
Japanese Yen	1.8	1.3
Euro	8.9	25.8
Chinese Renminbi	61.6	72.4
Others	1,153.4	800.4
Total	US$ 937.7	US$ 1,115.9

Equity Price Risk

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

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

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

As of December 31, 2024, the Bank's equity trading position was ₩15.2 billion.

Derivative Market Risk

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

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

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

Market Risk Management For Non-Trading Activities

Interest Rate Risk

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

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

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

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

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

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

The following table shows the Bank's consolidated interest rate gap for Won-denominated accounts and foreign currency-denominated accounts as of December 31, 2024:

	As of December 31, 2024					
	0-3 Months	3-6 Months	6-12 Months	1-3 Years	Over 3 Years	Total
	(in billions of Won, except percentages)					
Won-denominated Interest-earning assets:						
Loans	₩ 128,561	₩ 95,840	₩ 77,544	₩ 25,134	₩ 36,068	₩ 363,147
Securities	7,104	5,098	7,562	38,167	12,247	70,178
Others	2,262	4	14	0	0	2,280
Total	₩ 137,927	₩ 100,942	₩ 85,120	₩ 63,301	₩ 48,315	₩ 435,605
Interest-bearing liabilities:						
Deposits	₩ 151,353	₩ 45,462	₩ 85,000	₩ 55,917	₩ 42,081	₩ 379,813
Borrowings	10,563	0	0	0	0	10,563
Others	13,866	3,120	5,470	5,900	3,498	31,854
Total	₩ 175,782	₩ 48,582	₩ 90,470	₩ 61,817	₩ 45,579	₩ 422,230
Sensitivity gap	(37,855)	52,360	(5,350)	1,484	2,736	13,375
Cumulative gap	(37,855)	14,505	9,155	10,639	13,375	
% of total assets	(8.7)%	3.3%	2.1%	2.4%	3.1%	
Foreign currency-denominated Interest-earning assets:						
Due from banks	₩ 3,802	₩ 731	₩ 632	₩ 3,637	₩ 3,428	₩ 12,230
Loans	29,108	3,808	2,506	3,643	4,863	43,928
Securities	7,105	224	48	162	556	8,095
Total	₩ 40,015	₩ 4,763	₩ 3,186	₩ 7,442	₩ 8,847	₩ 64,253
Interest-bearing liabilities:						
Deposits	₩ 23,359	₩ 5,943	₩ 5,422	₩ 2,916	₩ 2,632	₩ 40,272
Borrowings	14,109	2,258	2,566	6,628	4,185	29,746
Others	2,026	0	0	0	0	2,026
Total	₩ 39,494	₩ 8,201	₩ 7,988	₩ 9,544	₩ 6,817	₩ 72,044
Sensitivity gap	521	(3,438)	(4,802)	(2,102)	2,030	(7,791)
Cumulative gap	521	(2,917)	(7,719)	(9,821)	(7,791)	
% of total assets	0.8%	(4.5)%	(12.0)%	(15.3)%	(12.1)%	

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

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

Won-denominated	Asset Duration	Liability Duration	Duration Gap	Net Asset Value Change
Date	(in years)	(in years)	(in years)	(in billions of Won)
June 30, 2024	1.013	0.865	0.190	₩ (810)
December 31, 2024	0.966	0.906	0.109	(478)

Foreign currency-denominated	Asset Duration	Liability Duration	Duration Gap	Net Asset Value Change
Date	(in years)	(in years)	(in years)	(in billions of Won)
June 30, 2024	1.063	0.699	0.296	₩ (183)
December 31, 2024	1.037	0.741	0.253	(165)

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

The following table summarises the Bank's interest rate risk, taking into account asset and liability durations as of December 31, 2024.

	As of December 31, 2024					
	3 Months or Less	3-6 Months	6-12 Months	1-3 Years	Over 3 Years	Total
	(in billions of Won, except percentages and maturities in years)					
Won-denominated:						
Asset position	₩ 137,927	₩ 100,942	₩ 85,120	₩ 63,301	₩ 48,315	₩ 435,605
Liability position	175,782	48,582	90,470	61,817	45,579	422,230
Gap	(37,855)	52,360	(5,350)	1,484	2,736	13,375
Average maturity	0.058	0.375	0.779	1.885	6.241	
Interest rate volatility	3%	3%	3%	3%	3%	
Amount at risk	1,593	908	(633)	120	(1,507)	482
Foreign currency-denominated:						
Asset position	₩ 40,015	₩ 4,763	₩ 3,186	₩ 7,442	₩ 8,847	₩ 64,253
Liability position	39,494	8,201	7,988	9,544	6,817	72,044
Gap	521	(3,438)	(4,802)	(2,102)	2,030	(7,790)
Average maturity	0.072	0.375	0.712	1.938	7.369	
Interest rate volatility	2%	2%	2%	2%	2%	
Amount at risk	2	(32)	(71)	(50)	499	348

IRRBB Analysis. Since November 2019, banks, including the Bank, have been required to adopt the standards of the IRRBB issued by the Basel Committee on Banking Supervision for calculating interest rate risk exposure. Such requirements were adopted in order to promote more financial stability for banks by requiring them to maintain a sufficient level of capital through a more robust risk management system. The Bank estimates its interest rate risk pursuant to such standards by calculating the changes in economic value of equity and the changes in net interest income based on various interest rate risk scenarios. Under this method, the Bank's interest rate risk exposure was ₩830 billion as of December 31, 2024.

For additional information, see Note 4.4 of the notes to the Bank's consolidated financial statements for 2023 and 2024 included elsewhere in this Offering Circular.

Foreign Exchange Risk

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

Liquidity Risk Management

Liquidity risk is the risk of insolvency or loss due to a disparity between the inflow and outflow of funds resulting from, for example, maturity mismatches, obtaining funds at a high price or disposing of securities at an unfavourable price due to lack of available funds. The Bank manages its liquidity in order to meet its financial liabilities from withdrawals of deposits, redemption of matured debentures and repayments at maturity of borrowed funds. The Bank also requires sufficient liquidity to fund loans, to extend other credits and to invest in securities. The Bank's liquidity management goal is to meet all its liability repayments on time and fund all investment opportunities even under adverse conditions. To date, the Bank has not experienced significant liquidity risk.

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

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

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

The Bank manages liquidity risk within the limits set on Won and foreign currency accounts in accordance with the regulations of the FSC. The FSC generally requires Korean banks, including the Bank, to maintain a liquidity coverage ratio of not less than 100%. The FSC defines the liquidity coverage ratio as the ratio of highly liquid assets to total net cash outflows over a 30-day period. The highly liquid assets and total net cash outflows included in the calculation of the liquid coverage ratio are determined in accordance with the "Standards for Calculation of Liquidity Coverage Ratio" under the Detailed Regulation on the Supervision of the Banking Business. In addition, the FSC requires Korean banks, including the Bank, to maintain a foreign currency liquidity coverage ratio of not less than 80%. In April 2020, in order to encourage financial institutions to provide financial support to companies adversely affected by COVID-19, the FSC announced that it would temporarily lower the required liquidity coverage ratio to 85%, and the required foreign currency liquidity coverage ratio to 70%. In June 2022, the FSC began phasing out such temporary measures, and as of the date of this Offering Circular, both the liquidity coverage ratio and the foreign liquidity coverage ratio requirements have returned to their pre-pandemic levels of 100% and 80%, respectively.

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

The following tables show the Bank's liquidity coverage ratio and foreign currency liquidity coverage ratio on an average balance basis for the month of December 2024 in accordance with FSC regulations:

Liquidity coverage ratio:	**30 Days or Less**
	(in billions of Won, except percentages)
Highly liquid assets (A)	₩81,704
Cash outflows (B)	99,992
Cash inflows (C)	21,347
Total net cash outflows (D = B-C)	78,644
Liquidity coverage ratio (A/D)	103.89%
Minimum limit	97.50%

Foreign currency liquidity coverage ratio:	**30 Days or Less**
	(in millions of US$, except percentages)
Highly liquid assets (A)	US$5,593
Cash outflows (B)	12,381
Cash inflows (C)	9,230
Total net cash outflows (D = B-C)	3,151
Liquidity coverage ratio (A/D)	177.50%
Minimum limit	80.00%

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

Operational Risk Management

Overall Status

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

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

- calculates its operational risk-weighted assets on a quarterly basis using its business indicator components (''BICs''), and internal loss multipliers (''ILMs''), and monitors operational risk in terms of Key Risk Indicators (''KRI'') using tolerance levels for each indicator;

- executes integrated compliance and operational risk Control Self Assessments (''CSAs''), that enhance the effect on internal controls, which the Bank's employees are able to access and use for process improvement;

- collects and analyses internal and external loss data;

- conducts scenario analyses to recognize the operational risks for incidents with a high probability of potential loss and to identify weaknesses and areas of improvement;

- manages certain insurance-related activities relating to insurance strategies established to mitigate operational risk;

- examines operational risks arising in connection with the development of, changes in or discontinuance of products, policies or systems;

- uses a detailed business continuity plan covering all of its operations and locations to prepare against unexpected events, including an alternate back-up site for use in disaster events as well as annual full-scale testing of such site;

- refines bank-wide operational risk policies and procedures;

- provides appropriate training and support to business line operational risk managers; and

- reports overall operational risk status to the Bank's senior management.

While the Bank's Risk Management Department advises relevant business units with respect to the review of and suggested improvements on related operational processes and procedures, each of the Bank's relevant business units has primary responsibility for the management of its own operational risk. In addition, the Operational Risk Unit, which is part of the Bank's Risk Management Department, monitors bank-wide operational risk. The Bank also has business line operational risk managers in all of its subsidiaries, departments and branches who periodically conduct CSAs and monitor KRIs. For example, the Bank has developed KRIs relating to customer data protection, which are applied and monitored at all domestic branches and offices. In addition, in order to strengthen risk management of its overseas operations, the Bank designates expert auditors for overseas branches and conducts internal audits designed especially to check key risks identified for each overseas branch. The Bank has also established a risk CSA system for overseas branches, pursuant to which all employees (including locally hired staff) of such branches are required to perform a risk CSA on a quarterly basis. Furthermore, the Bank regularly monitors operational risks related to new businesses as well as existing operating processes and seeks to develop appropriate new KRIs and risk CSA measures on an ongoing basis. Through such methods, the Bank is able to ensure proper monitoring of operational risk in each of its business groups and overseas operations.

Internal Control

To monitor and control operational risks, the Bank maintains a system of comprehensive policies and has put in place a control framework designed to provide a stable and well-managed operational environment throughout its organisation. The Bank has in place regular staff rotation and a prescribed leave policy for employees in certain high-risk categories to safeguard against fraud and to check for weaknesses in internal controls. In addition, the Bank maintains an external whistleblower "ombudsman" channel to encourage whistleblowing and voluntary reporting of fraudulent behaviour.

The Bank maintains its internal control system in accordance with the group-level internal control principles established by KB Financial Group. The Bank reviews its operations and its level of compliance with internal control systems and business processes on a periodic basis and, as part of this process, the Bank is required to report any problems discovered and any remedial actions taken to KB Financial Group's chief compliance officer.

The Bank's Audit Department is the execution body for the Bank's Audit Committee and supports the Bank's management objectives by auditing the operations of its branches using a risk analysis system and reviewing the operations of its headquarters and subsidiaries through the use of "risk-based audit" in accordance with the "business measurement process" audit methodology, which requires that the

Bank's Audit Department evaluate the risk and process of its business units and concentrate their audit capacity with respect to high risk areas. As a result of recent regulatory trends, the Bank's Audit Department is continuing its efforts to establish an advanced audit system and value-added internal audit by introducing risk-based audit techniques. In addition, in December 2024, the Bank newly established an internal control committee in order to enhance its internal control systems.

The FSS periodically conducts a general examination of the Bank's operations. The FSS also performs specific audits on particular aspects of the Bank's operations, such as risk management, investor protection, credit monitoring and liquidity, as the need arises.

Legal Risk

The Bank considers legal risk as a part of its operational risk. The uncertainty of the enforceability of the obligations of its customers and counterparties creates legal risk. Changes in laws and regulations could also adversely affect the Bank. Legal risk is higher in new areas of business where the law is often untested in the courts, although legal risk can also increase in the Bank's traditional business to the extent that the legal and regulatory landscape in Korea is changing and many new laws and regulations governing the banking industry remain untested. The Bank's Compliance Supporting Department seeks to minimise legal risk by using stringent legal documentation, employing procedures designed to ensure that transactions are properly authorised and consulting legal advisers.

IT System Operational Risk

The integrity of the Bank's IT systems, and its ability to withstand potential catastrophic events, is crucial to the Bank's continuing operations. Accordingly, the Bank is continuing to strengthen its disaster recovery capabilities. In order to minimise operational risks relating to its IT systems, the Bank has implemented a multi-CPU system that runs multiple CPUs simultaneously on-site and ensures system continuity in case any of the CPUs fail. This system backs up the Bank's data systems at an off-site location on a real-time basis to ensure that its operations can be carried out normally and without material interruption in the event of CPU failure. Also, in order to protect the Bank's Internet banking services from system failures and cyber attacks, the Bank processes its Internet transactions through three separate data processing centres.

The Bank generally tests its disaster recovery systems on a quarterly basis, with the comprehensive testing covering branches and the main IT centre's disaster recovery system. In addition, the Bank monitors and reports on any unusual delays or irregularities reported by the Bank's branches. Moreover, the Bank's Information Security Department is responsible for the daily monitoring of the Bank's entire information security system. Furthermore, the Bank has established technical as well as management-related standards governing information protection under which it operates its business.

The Bank has taken steps to establish a comprehensive security system aimed at detecting and responding to internal and external threats to its IT system and has implemented network segregation on the computers of all employees so that Intranet and Extranet functions are segregated. The Bank has endeavoured to enhance protection of customer data by using personal identification numbers internally generated and managed by the Bank in all customer financial transactions, in lieu of the resident registration numbers of its customers, and by amending forms and templates to minimise collection of potentially sensitive customer data. The Bank's chief information security officer is responsible for ensuring protection of information assets and technologies and reducing IT risks.

The Bank has obtained ISO 27001 certification, which relates to information security, ISO 20000 certification, which relates to IT service management, and BS 25999 (now ISO 22301) certification, which relates to business continuity management. The Bank is the first Korean bank to have obtained all three such international certifications and it continually renews such certifications following annual reviews. In addition, the Bank obtained ISMS certification, which relates to information security management, and ISMS-P certification, which relates to personal information in addition to information security management.

The Bank implements various year-round education programs and training sessions designed to raise the information security awareness of both management and employees.

MANAGEMENT OF THE BANK

Directors and Senior Management

The Bank's board of directors has ultimate responsibility for the management of the Bank's affairs. The Bank's Articles of Incorporation provide for a board of no more than 30 directors, of which three or more must be non-executive directors and non-executive directors must comprise more than half of the board of directors. The Bank currently has three executive directors and five non-executive directors. The Bank elects its directors at a general meeting of shareholders by a majority vote of those present or represented at such meeting as long as the affirmative votes represent at least a quarter of the Bank's total issued and outstanding shares with voting rights.

The term of office for each of the Bank's executive directors is one or two years and for each of the Bank's non-executive directors is two years for the initial term and one year for any subsequent term, provided that, if a director's term of office expires after the end of a fiscal year but before the convening of the general shareholders' meeting concerning the said fiscal year, his/her term of office shall be extended until the end of the general shareholders' meeting. The Bank's directors may serve consecutive terms (with the term of office for non-executive directors limited to five consecutive years) and are subject to the Korean Commercial Code, the Act on the Corporate Governance of Financial Companies and related regulations.

In respect of the members of the Bank's board of directors and senior management, there are no potential conflicts between their duties to the Bank and their other duties or private interests. The business address of all of the directors is the Bank's registered office at 26, Gukjegeumyung-ro 8-gil, Yeongdeungpo-gu, Seoul 07331, Korea.

Executive Directors

The table below sets forth the names, years of birth and positions of the Bank's executive directors as of the date of this Offering Circular.

Name	Year of Birth	Position	Start of Term	End of Term
Hwan Ju Lee	1964	President and CEO	January 1, 2025	December 31, 2026
Seong Jae Lee.	1963	Chief Audit Executive	January 1, 2025	December 31, 2026
Byoung Gon Park	1967	Senior Executive Vice President; Sales Group	January 1, 2025	December 31, 2025

Non-executive Directors

The non-executive directors are outside directors elected from among those persons who do not have a special relationship with the Bank that would interfere with the exercise of their independent judgment. The Bank's non-executive directors are selected based on the candidates' talents and skills in diverse areas, such as law, finance, economics, management and accounting. The table below sets forth the names, years of birth and positions of the Bank's non-executive directors as of the date of this Offering Circular.

Name	Year of Birth	Position	Start of Term	End of Term[(1)]
Tae Jong Seo	1964	Non-executive Director	March 25, 2021	March 2026
Sue Bok Moon	1965	Non-executive Director	March 24, 2022	March 2026
Sung Jin Kim	1963	Non-executive Director	March 21, 2024	March 2026
Jung Sook Lee	1965	Non-executive Director	March 21, 2024	March 2026
Dae Hee Yoon	1972	Non-executive Director	March 25, 2025	March 2027

Note:

(1) The date on which each term will end will be the date of the general shareholders' meeting in the relevant year unless otherwise specified.

Executive Officers

The table below sets forth the names, years of birth and positions of the Bank's executive officers (other than its executive directors) as of the date of this Offering Circular.

Name	Year of Birth	Position
Duck Kyun Ko	1969	Senior Executive Vice President; Gangnam Sales Initiative Group
Kyung Jin Kim	1969	Senior Executive Vice President; Retail Customer Group
Young Il Kim	1972	Senior Executive Vice President; Institutional Sales Group
Hyun Uk Kim	1972	Senior Executive Vice President; Corporate Customer Group
Sun Hyun Park	1970	Senior Executive Vice President; Consumer Protection Group
Jin Young Park	1972	Senior Executive Vice President; Brand and PR Group
Ki Won Seo	1972	Senior Executive Vice President; Corporate Planning Group
Byung Chul Song	1972	Senior Executive Vice President; Digital Sales Group
Sung Ju Song	1972	Senior Executive Vice President; Metropolitan Area Sales Initiative Group
Yong Hoon Song	1968	Senior Executive Vice President; Credit Management Analysis Group
Sang Won Oh	1967	Senior Executive Vice President; Tech Group
Yong Hwan Yun	1971	Senior Executive Vice President; Yeongnam Sales Initiative Group
Seong Hee Lee	1967	Senior Executive Vice President; Capital Markets Business Group
Soo Jin Lee	1969	Senior Executive Vice President; Chief Compliance Officer
Won Jong Lee	1970	Senior Executive Vice President; Corporate Investment Banking Sales Group
Jong Min Lee	1970	Senior Executive Vice President; Global Business Group
Chang Yong Jang	1969	Senior Executive Vice President; Chungcheong • Honam Sales Initiative Group
Hyo Sung Jeon	1971	Senior Executive Vice President; Wealth Management Customer Group
Min Su Jeong	1970	Senior Executive Vice President; Customer Contact Sales Group
Wui Jip Choi	1971	Senior Executive Vice President; Gangbuk Sales Initiative Group
Jong Jin Choi	1969	Senior Executive Vice President; Corporate Support Group
Young Jin Park	1972	Managing Director; Risk Management Group
Kyeong Jong Lee	1978	Managing Director; Financial AI Center 2
Yun Seok Lee	1970	Managing Director; Wealth Management Initiative Division
Jae Yong Lee	1968	Managing Director; Information Security Division
Jong Hoon Lee	1972	Managing Director; Anti Money Laundering Division
Eun Young Jung	1973	Managing Director; Head of GOLD&WISE the FIRST, Banpo Center

Compensation

The aggregate remuneration paid and benefits in kind granted by the Bank to its president and chief executive officer, its other executive directors, its non-executive directors and its executive officers for the year ended December 31, 2024 was ₩36,700 million. In addition, for the year ended December 31, 2024, the Bank set aside ₩493 million for allowances for severance and retirement benefits for the Bank's president and chief executive officer, the other executive directors and the Bank's executive officers.

Committees of the Board of Directors

The Bank currently has the following committees that serve under the board:

(a) the Audit Committee;

(b) the Risk Management Committee;

(c) the Evaluation & Compensation Committee;

(d) the Non-executive Director Nominating Committee;

(e) the Audit Committee Members Nominating Committee;

(f) the President Nominating Committee; and

(g) the Internal Control Committee.

Each committee member is appointed by the board of directors, except for members of the Audit Committee, who are elected at the general meeting of shareholders.

Audit Committee

The Audit Committee currently consists of two non-executive directors, Sue Bok Moon and Jung Sook Lee, and one executive director, Seong Jae Lee. The chairperson of the Audit Committee is Jung Sook Lee. The Audit Committee oversees the Bank's financial reporting and approves the appointment of the Bank's independent accountants. The committee also reviews the Bank's financial information, auditor's examinations, key financial statement issues, the plans and evaluation of internal control and the administration of the Bank's financial affairs by the board of directors. In connection with the general meetings of shareholders, the committee examines the agenda for, and financial statements and other reports to be submitted by, the board of directors to each general meeting of shareholders. The committee holds regular meetings every quarter.

Risk Management Committee

The Risk Management Committee currently consists of three non-executive directors, Tae Jong Seo, Sung Jin Kim and Dae Hee Yoon. The chairperson of the Risk Management Committee is Sung Jin Kim. The Risk Management Committee oversees and makes determinations on all issues relating to the Bank's comprehensive risk management function. In order to ensure the Bank's stable financial condition and to maximise the Bank's profits, the committee monitors the Bank's overall risk exposure and reviews the Bank's compliance with risk policies and risk limits. In addition, the committee reviews risk and control strategies and policies, evaluates whether each risk is at an adequate level, establishes or abolishes risk management divisions and reviews risk-based capital allocations. The committee holds regular meetings every quarter. See "*Risk Management of the Bank*."

Evaluation & Compensation Committee

The Evaluation & Compensation Committee currently consists of three non-executive directors, Sue Bok Moon, Sung Jin Kim and Jung Sook Lee. The chairperson of the Evaluation & Compensation Committee is Sue Bok Moon. The Evaluation & Compensation Committee reviews compensation schemes and compensation levels and is also responsible for evaluating management's performance.

Non-executive Director Nominating Committee

The committee currently consists of five non-executive directors, Tae Jong Seo, Sue Bok Moon, Sung Jin Kim, Jung Sook Lee and Dae Hee Yoon. The chairperson of the Non-executive Director Nominating Committee is Dae Hee Yoon. The committee oversees the selection of non-executive director candidates and recommends them annually sometime prior to the general shareholders' meeting. The term of office of its members is from the first meeting of the committee held to nominate the non-executive directors until the nominated non-executive directors are appointed.

Audit Committee Members Nominating Committee

The committee currently consists of five non-executive directors, Tae Jong Seo, Sue Bok Moon, Sung Jin Kim, Jung Sook Lee and Dae Hee Yoon. The committee oversees the selection of Audit Committee member candidates and recommends them annually sometime prior to the general shareholders' meeting. The term of office of its members runs from the first meeting of the committee held to nominate the Audit Committee members until the Audit Committee members are appointed.

President Nominating Committee

The committee currently consists of five non-executive directors, Tae Jong Seo, Sue Bok Moon, Sung Jin Kim, Jung Sook Lee and Dae Hee Yoon. The committee oversees the selection of candidates for the Bank's President and recommends them sometime prior to a general shareholders' meeting at which the President is to be elected. The term of office of its members is from the first meeting of the committee held to nominate the President until the President is appointed.

Internal Control Committee

The Bank established the committee in December 2024 in accordance with recent amendments to the Act on the Corporate Governance of Financial Companies, which provides for the establishment of an internal control committee as a means of enhancing the internal control systems of financial companies in Korea. The committee currently consists of two non-executive directors, Tae Jong Seo and Dae Hee Yoon, and one executive director, Seong Jae Lee. The chairperson of the Internal Control Committee is Dae Hee Yoon. The committee is responsible for establishing and amending the Bank's strategies and standards relating to internal control and overseeing their proper implementation, except that the Audit Committee will continue to oversee matters relating to internal control over financial reporting, among others. The committee will hold regular meetings semi-annually.

REGULATION AND SUPERVISION OF THE BANK

Legal and Regulatory Framework in Korea

Overview

The banking system in Korea is governed by the Bank Act and the Bank of Korea Act of 1950, as amended (the "Bank of Korea Act"). In addition, Korean banks are subject to the regulations and supervision of the BOK, the MPB, the FSC and its executive body, the FSS.

The BOK, established in June 1950 under the Bank of Korea Act, performs the customary functions of a central bank. It seeks to contribute to the sound development of the national economy by price stabilisation through establishing and implementing efficient monetary and credit policies with a focus on financial stability. The BOK acts under instructions of the MPB, the supreme policy-making body of the BOK.

Under the Bank of Korea Act, the MPB's primary responsibilities are to formulate monetary and credit policies and to determine the operations, management and administration of the BOK.

The FSC, established in April 1998, regulates commercial banks pursuant to the Bank Act, including establishing guidelines on capital adequacy of commercial banks, and promulgates regulations relating to supervision of banks. Furthermore, the FSC regulates market entry into the banking business.

The FSS, established in January 1999, is subject to the instructions and directives of the FSC and carries out supervision and examination of commercial banks. In particular, the FSS sets requirements both for the prudent control of liquidity and for capital adequacy and establishes reporting requirements pursuant to the authority delegated to it under the FSC regulations, pursuant to which banks are required to submit annual reports on financial performance and shareholdings, regular reports on management strategy and non-performing loans, including write-offs, and management of problem companies and plans for the settlement of bad loans.

Under the Bank Act, approval to commence a commercial banking business or a long-term financing business must be obtained from the FSC. Commercial banking business is defined as the lending of funds acquired predominantly from the acceptance of demand deposits for a period not exceeding one year or subject to the limitation established by the FSC, for a period between one year and three years. Long-term financing business is defined as the lending, for periods in excess of one year, of funds acquired predominantly from paid-in capital, reserves or other retained earnings, the acceptance of time deposits with maturities of at least one year, or the issuance of debentures or other bonds. A bank wishing to enter into any business other than commercial banking and long-term financing businesses must file a report to the FSC. For businesses that are subject to a licence or approval requirement under applicable laws, such as approval to commence a trust business under the FSCMA, such report must be filed concurrently with a relevant licence or approval application to the FSC. In addition, approval to merge with any other banking institution, to liquidate, spin off or close a banking business or to transfer all or a part of a business must be obtained from the FSC.

If the FSC deems a bank's financial condition to be unsound or if a bank fails to meet the applicable capital adequacy ratio set forth under Korean law, the FSC may order:

- admonitions or warnings with respect to the bank or its officers;
- capital increases or reductions;
- assignments of contractual rights and obligations relating to financial transactions;
- a suspension of performance by its officers of their duties and the appointment of receivers;

- disposals of property holdings or closures of subsidiaries or branch offices or downsizing;
- stock cancelations or consolidations;
- mergers with other financial institutions;
- acquisition of such bank by a third party; and
- suspensions of a part or all of its business operations for not more than six months.

Capital Adequacy

The Bank Act requires nationwide banks, such as the Bank, to maintain a minimum paid-in capital of ₩100 billion and regional banks to maintain a minimum paid-in capital of ₩25 billion. All banks, including foreign bank branches in Korea, are also required to maintain a prescribed solvency position. A bank must also set aside in its legal reserve an amount equal to at least 10% of the net income after tax each time it pays dividends on net profits earned until its legal reserve reaches at least the aggregate amount of its paid-in capital.

Under the Regulation on the Supervision of the Banking Business, the capital of a bank is divided into two categories, Tier I and Tier II capital. Tier I capital (core capital) consists of (i) common equity Tier I capital, including paid-in capital, capital surplus and retained earnings related to common equity and accumulated other comprehensive gains and losses, and (ii) additional Tier I capital, including paid-in capital and capital surplus from the issuance of additional Tier I capital, hybrid capital instruments and other capital securities which meet the standards prescribed by the governor of the FSS under Article 26(2) of the Regulation on Supervision of the Banking Business. Tier II capital (supplementary capital) consists of, among other things, capital and capital surplus from the issuance of Tier II capital, allowances for loan losses on loans classified as "normal" or "precautionary," subordinated debt and other capital securities which meet the standards prescribed by the governor of the FSS under Article 26(2) of the Regulation on Supervision of the Banking Business.

All banks must meet minimum ratios of Tier I and Tier II capital (less any capital deductions) to risk-weighted assets, determined in accordance with FSC requirements that have been formulated based on Bank for International Settlements standards. These requirements were adopted and became effective in 1996, and were amended effective January 1, 2008 upon the implementation by the FSS of Basel II. Under such requirements, all domestic banks and foreign bank branches are required to meet a minimum ratio of Tier I and Tier II capital (less any capital deductions) to risk-weighted assets. Commencing in July 2013, the FSC promulgated a series of amended regulations implementing Basel III, pursuant to which Korean banks and bank holding companies were required to maintain a minimum ratio of common equity Tier I capital to risk-weighted assets of 3.5% and Tier I capital to risk-weighted assets of 4.5% from December 1, 2013, which minimum ratios were increased to 4.0% and 5.5%, respectively, from January 1, 2014 and increased further to 4.5% and 6.0%, respectively, from January 1, 2015. The amended regulations also require an additional capital conservation buffer of 2.5% from January 2019, as well as a potential counter-cyclical capital buffer of up to 2.5%, which is determined on a quarterly basis by the FSC and is set at 1.0% as of the date of this Offering Circular. Furthermore, the Bank was designated as one of the domestic systemically important banks for 2024 by the FSC and was subject to an additional capital requirement of 1.0% in 2024. In July 2024, the Bank was again designated as a domestic systemically important bank for 2025, which again subjects the Bank to the same additional capital requirement of 1.0% in 2025. In addition, the FSC had indicated that it may introduce a stress buffer capital requirement of up to 2.5% in the latter half of 2025, although it has since indicated that it may delay the introduction of such measures. Such requirements are in addition to the pre-existing requirement for a minimum ratio of Tier I and Tier II capital (less any capital deductions) to risk-weighted assets.

Under the Detailed Regulation on the Supervision of the Banking Business, the following risk-weight ratios must be applied by Korean banks in respect of home mortgage loans:

- for those banks which adopted a standardized approach for calculating credit risk capital requirements, a risk-weight ratio between 20% and 70% depending on the loan-to-value ratio, to the extent that the home mortgage loan is not financed through cash flows from the mortgaged property and provided that a higher risk-weight ratio may apply to home mortgage loans subject to certain exceptions; and

- for those banks which adopted an internal ratings-based approach for calculating credit risk capital requirements, a risk-weight ratio calculated with reference to the probability of default, loss given default and exposure at default, each as defined under the Detailed Regulation on the Supervision of the Banking Business; provided, however, that such risk-weight ratio must be at least 15% (which minimum is scheduled to increase to 20% on January 1, 2026).

Liquidity

All banks are required to ensure adequate liquidity by matching the maturities of their assets and liabilities in accordance with the Regulation on Supervision of the Banking Business. Banks may not invest an amount exceeding 100% of their Tier I and Tier II capital (less any capital deductions) in equity securities and certain other securities with a redemption period of over three years. This stipulation does not apply to Government bonds, Monetary Stabilisation Bonds issued by the BOK or debentures and stocks referred to in items 1 and 2, respectively, of paragraph (6) of Article 11 of the Act on the Structural Improvement of the Financial Industry. The FSC uses the liquidity coverage ratio (described below) as the principal liquidity risk management measure, and currently requires each Korean bank to:

- maintain a liquidity coverage ratio (defined as the ratio of highly liquid assets to total net cash outflows over a 30-day period) of not less than 100% (such requirement was temporarily reduced to 92.5% until June 2023 in response to the COVID-19 pandemic, but has since gradually returned to its pre-pandemic level of 100%);

- maintain a foreign currency liquidity coverage ratio of not less than 80%; and

- submit monthly reports with respect to the maintenance of these ratios.

The MPB of the BOK is empowered to fix and alter minimum reserve requirements that banks must maintain against their deposit liabilities. The current minimum reserve ratios are:

- 7% of average balances for Won currency demand deposits outstanding;

- 0% of average balances for long-term house purchase savings deposits and property formation savings; and

- 2% of average balances for Won currency time deposits, instalment savings deposits, mutual instalments, housing instalments and certificates of deposit outstanding.

For foreign currency deposit liabilities, a 2% minimum reserve ratio is applied to time deposits with a maturity of one month or longer, certificates of deposit with a maturity of 30 days or longer and savings deposits with a maturity of one month or longer and a 7% minimum reserve ratio is applied to other deposits. A 1% minimum reserve ratio applies to deposits in offshore accounts, immigrant accounts and resident accounts opened by financial institutions (excluding bank holding companies) and the Export-Import Bank of Korea, as well as foreign currency certificates of deposit held by account holders of such offshore accounts, immigrant accounts and resident accounts opened by such financial institutions.

Furthermore, under the Regulation on Supervision of the Banking Business, the Bank is required to maintain a minimum "mid- to long-term foreign exchange funding ratio" of 100% "Mid- to long-term foreign exchange funding ratio" refers to the ratio of (1) the total outstanding amount of foreign exchange borrowing with a maturity of more than one year to (2) the total outstanding amount of foreign exchange lending with a maturity of one year or more.

Net Stable Funding Ratio and Leverage Ratio Requirements

The FSC implemented the Regulation on Supervision of the Banking Business that impose certain liquidity- and leverage-related ratio requirements on banks in Korea, in accordance with Basel III. Pursuant to such Regulation, each Korean bank is required to:

- maintain a net stable funding ratio (defined as the ratio of the available amount of stable funding to the required amount of stable funding) of not less than 100%, where (i) the available amount of stable funding generally refers to the portion of liabilities and capital expected to be reliable over a one-year time horizon and (ii) the required amount of stable funding generally refers to the amount of stable funding that is required to be maintained based on the liquidity characteristics, residual maturities and off-balance sheet exposures of the bank's assets, each as calculated in accordance with the Detailed Regulation on the Supervision of the Banking Business;

- maintain a leverage ratio (defined as the ratio of core capital to total exposures) of not less than 3%, where (i) the core capital includes paid-in capital, capital surplus, retained earnings and hybrid Tier I capital instruments and (ii) total exposures include on-balance sheet exposures, derivative exposures, securities financing transaction exposures and off-balance sheet exposures, each as calculated in accordance with the Detailed Regulation on the Supervision of the Banking Business; and

- submit periodic reports with respect to the maintenance of these ratios (monthly reports for the net stable funding ratio and quarterly reports for the leverage ratio).

Financial Exposure to Any Individual Customer or Major Shareholder

Under the Bank Act, subject to certain exceptions, the sum of large exposures by a bank – in other words, the total sum of its credits to single individuals, juridical persons or business groups that exceed 10% of the sum of Tier I and Tier II capital (less any capital deductions) – generally must not exceed five times the sum of Tier I and Tier II capital (less any capital deductions). In addition, subject to certain exceptions, banks generally may not extend credit (including loans, guarantees, purchases of securities (extended for financial support) and any other transactions that directly or indirectly create credit risk) in excess of 20% of the sum of Tier I and Tier II capital (less any capital deductions) to a single individual or juridical person, or grant credit in excess of 25% of the sum of Tier I and Tier II capital (less any capital deductions) to a single group of companies as defined in the Monopoly Regulations and Fair Trade Act.

The Bank Act also provides for certain restrictions on extending credits to a major shareholder. A "major shareholder" is defined as:

- a shareholder holding (together with persons who have a special relationship with that shareholder) in excess of 10% (or 15% in the case of regional banks) in the aggregate of the bank's total issued and outstanding voting shares; or

- a shareholder holding (together with persons who have a special relationship with such shareholder) in excess of 4% in the aggregate of the bank's (excluding regional banks) total issued and outstanding voting shares of a bank (excluding shares subject to the shareholding restrictions on "non-financial business group companies" as described below), where such shareholder is the largest shareholder or has actual control over the major business affairs of the bank through, for example, appointment and dismissal of the officers as prescribed by the Enforcement Decree of the

Bank Act. Non-financial business group companies primarily consist of: (i) any single shareholding group whose non-financial company assets comprise no less than 25% of its aggregate net assets; (ii) any single shareholding group whose non-financial company assets comprise no less than ₩2 trillion in aggregate; or (iii) any investment company under the FSCMA of which any single shareholding group identified in (i) or (ii) above, owns more than 4% of the total issued and outstanding shares.

Under these restrictions, banks may not extend credits to a major shareholder (together with persons who have a special relationship with that shareholder) in an amount greater than the lesser of (x) 25% of the sum of the bank's Tier I and Tier II capital (less any capital deductions) and (y) the relevant major shareholder's shareholding ratio multiplied by the sum of the bank's Tier I and Tier II capital (less any capital deductions). In addition, the total sum of credits granted to all major shareholders must not exceed 25% of the bank's Tier I and Tier II capital (less any capital deductions).

Interest Rates

Korean banks generally depend on deposits as their primary funding source. Under the Act on Registration of Credit Business, Etc. and Protection of Finance Users and the regulations thereunder, interest rates on loans made by registered banks in Korea may not exceed 20% per annum, commencing July 2021. Historically, interest rates on deposits and lending were regulated by the MPB. There are no controls on deposit interest rates in Korea, except for the prohibition on interest payments on current account deposits.

Lending to SMEs

In order to obtain funding from the BOK at concessionary rates for their SME loans, banks are required to allocate a certain minimum percentage of any quarterly increase in their Won currency lending to SMEs. Currently, this minimum percentage is 50% for both nationwide banks and regional banks. If a bank does not comply with this requirement, the BOK may:

- require the bank to prepay all or a portion of funds provided to that bank in support of loans to SMEs; or

- lower the bank's credit limit.

Disclosure of Management Performance

For the purpose of protecting depositors and investors in commercial banks, the FSC requires commercial banks to publicly disclose certain material matters, including:

- the financial condition and profit and loss of the bank and its subsidiaries;

- fundraising by the bank and the appropriation of such funds;

- any sanctions levied on the bank under the Bank Act or any corrective measures or sanctions under the Act on the Structural Improvement of the Financial Industry; and

- the occurrence of any of the following events, or any other event as prescribed by the applicable regulations, that have damaged or are likely to damage the soundness of the bank's management, except as may otherwise have been disclosed by a bank or its financial holding company listed on the KRX KOSPI Market in accordance with the FSCMA:

    (i) loans bearing no profit made to a single business group in an amount exceeding 10% of the sum of the bank's Tier I and Tier II capital (less any capital deductions) as of the end of the previous month (where the loan exposure to that borrower is calculated pursuant to the criteria under the Detailed Regulation on the Supervision of the Banking Business), unless the loan exposure to that group is not more than ₩4 billion; and

(ii) any loss due to court judgments or similar decisions in civil proceedings in an amount exceeding 1% of the sum of the bank's Tier I and Tier II capital (less any capital deductions) as of the end of the previous month, unless the loss is not more than ₩1 billion.

Restrictions on Lending

Pursuant to the Bank Act and its sub-regulations, a commercial bank may not provide:

- loans secured by a pledge of the bank's own shares, whether direct or indirect;
- loans to enable a natural or juridical person to buy the shares issued by the bank, whether direct or indirect;
- loans to any of the bank's officers or employees, other than *de minimis* loans of up to (i) ₩20 million in the case of a general loan, (ii) ₩50 million in the case of a general loan plus a housing loan or (iii) ₩60 million in the aggregate for general loans, housing loans and loans to pay damages arising from wrongful acts of employees in financial transactions;
- credit (including loans) secured by a pledge of the equity securities of its subsidiary corporation or to enable a natural or juridical person to buy shares of its subsidiary corporation; or
- loans to any officers or employees of its subsidiary corporation, other than general loans of up to ₩20 million or general and housing loans of up to ₩50 million in the aggregate.

Regulations Relating to Retail Household Loans

The FSC has implemented a number of changes in recent years, most recently in October 2025, to the regulations relating to retail household lending by banks. Under the currently applicable regulations:

- as to any new loans secured by housing (including apartments), a loan limit of ₩600 million is applied generally, except that a differentiated loan limit based on the market price of the property is applied for housing located in the Seoul metropolitan area and other regulated zones: (i) for homes with a market price of up to ₩1.5 billion, the mortgage loan limit shall be ₩600 million; (ii) for homes with a market price exceeding ₩1.5 billion and up to ₩2.5 billion, the limit shall be ₩400 million; and (iii) for homes with a market price exceeding ₩2.5 billion, the limit shall be ₩200 million;
- as to any new loans secured by housing (including apartments) located nationwide, the loan-to-value ratio (the aggregate principal amount of loans secured by such collateral over the appraised value of the collateral) should not exceed 70%;
- as to any new loans secured by housing (including apartments) located in "excessive investment," "high speculation" or "adjustment target" areas, in each case as designated by the Government, the loan-to-value ratio should not exceed 40%, except that such maximum loan-to-value ratio shall be 70% for low-income households that (i) have a combined annual income of no more than ₩90 million, (ii) do not currently own any housing and (iii) are using the loan to purchase low-price housing valued at no more than ₩900 million (or ₩800 million in the case of adjustment target areas designated by the Minister of Land, Infrastructure and Transport);
- as to any new loans secured by housing (including apartments) located nationwide to be extended to a household that already owns one or more houses, the maximum loan-to-value ratio must be adjusted to 10% lower than the applicable loan-to-value ratio described above;
- as to any new loans secured by housing (including apartments) located in areas of excessive investment or high speculation, in each case, as designated by the Government, extended to a household that already owns one or more houses, the maximum loan-to-value ratio shall be 30%;

- as to any new loans secured by housing (including apartments) located in excessive investment or high speculation areas, in each case as designated by the Government, the borrower's debt-to-income ratio (calculated as (1) the aggregate annual total payment amount of (x) the principal of and interest on loans secured by such housing and existing mortgage and home equity loans and (y) the interest on other debts of the borrower over (2) the borrower's annual income) should not exceed 40%, except that such maximum debt-to-income ratio is increased to 60% for (i) low-income households that (x) have an annual income of less than ₩90 million, (y) do not currently own any housing and (z) are using the loan to purchase low-price housing valued at ₩900 million or less (₩800 million or less in the case of adjustment target areas) or (ii) first-time home buyers;

- as to any new loans secured by housing (including apartments) located in adjustment target areas designated by the Government, the borrower's debt-to-income ratio should not exceed 50%, except that such maximum debt-to-income ratio is increased to 60% for low-income households that (a)(i) have an annual income of less than ₩90 million, (ii) do not currently own any housing and (iii) are using the loan to purchase low-price housing valued at ₩800 million or less or (b) are first-time homebuyers; and

- as to any new loans extended to a household that has already obtained loans in an aggregate principal amount of more than ₩100 million (including the new loan being applied for), the borrower's debt-service-ratio (calculated as (1) the aggregate annual total payment amount of the principal of and interest on financial liabilities, including (i) the loans secured by such high-priced housing, subject to certain adjustments relating to stress buffers and (ii) the interest portion of any *jeonse* loan for single-home owners, divided by (2) the borrower's annual income) should not exceed 40% unless otherwise specified by the applicable regulations.

Restrictions on Investment in Property

A bank may not invest in the following securities in excess of 100% of the sum of the bank's Tier I and Tier II capital (less any capital deductions):

- debt securities (within the meaning of paragraph (3) of Article 4 of the FSCMA) the maturity of which exceeds three years, but excluding Government bonds, Monetary Stabilisation Bonds issued by the BOK and bonds within the meaning of item 2, paragraph (6) of Article 11 of the Act on the Structural Improvement of the Financial Industry;

- equity securities, but excluding securities within the meaning of item 1, paragraph (6) of Article 11 of the Act on the Structural Improvement of the Financial Industry;

- derivatives-linked securities (within the meaning of paragraph (7) of Article 4 of the FSCMA) the maturity of which exceeds three years; and

- beneficiary certificates, investment contracts and depositary receipts (within the meaning of paragraph (2) of Article 4 of the FSCMA) the maturity of which exceeds three years.

A bank may possess real estate property only to the extent necessary to conduct its business. The aggregate value of such property may not exceed 60% of the sum of the bank's Tier I and Tier II capital (less any capital deductions). Any property that a bank acquires by exercising its rights as a secured party, or which a bank is prohibited from acquiring under the Bank Act, must be disposed of within three years, unless otherwise specified by the regulations thereunder.

Restrictions on Shareholdings in Other Companies

Under the Bank Act, a bank may not own more than 15% of the shares outstanding with voting rights of another corporation, except where, among other reasons:

- that corporation engages in a category of financial businesses set forth by the FSC; or

- the acquisition of such shares by the bank is necessary for the corporate restructuring of such corporation and is approved by the FSC.

In the above exceptional cases, the total investment in corporations in which the bank owns more than 15% of the outstanding shares with voting rights may not exceed (i) 20% of the sum of Tier I and Tier II capital (less any capital deductions) or (ii) 30% of the sum of Tier I and Tier II capital (less any capital deductions) where the acquisition satisfies the requirements determined by the FSC.

The Bank Act provides that a bank using its bank accounts and its trust accounts is not permitted to acquire the equity securities issued by the major shareholder of such bank in excess of an amount equal to 1% of the sum of Tier I and Tier II capital (less any capital deductions).

Restrictions on Bank Ownership

Under the Bank Act, a single shareholder and persons who have a special relationship with that shareholder generally may acquire beneficial ownership of no more than 10% of a nationwide bank's total issued and outstanding shares with voting rights and no more than 15% of a regional bank's total issued and outstanding shares with voting rights. The Government, the KDIC and bank holding companies qualifying under the Financial Holding Company Act are not subject to this limit. Pursuant to the Bank Act, non-financial business group companies may not acquire beneficial ownership of shares of a nationwide bank in excess of 4% (or 15% in the case of a regional bank) of that bank's outstanding voting shares, unless they satisfy certain requirements set forth by the Enforcement Decree of the Bank Act, obtain the approval of the FSC and agree not to exercise voting rights in respect of shares in excess of the 4% limit (or the 15% limit in the case of a regional bank), in which case they may acquire beneficial ownership of up to 10% of a nationwide bank's outstanding voting shares. The Bank Act grants an exception for non-financial business group companies which, at the time of the enactment of the amended provisions, held more than 4% of the shares of a bank.

In addition, if a foreign investor, as defined in the Foreign Investment Promotion Act, owns in excess of 4% of a nationwide bank's outstanding voting shares, non-financial business group companies may acquire beneficial ownership of up to 10% (or 15% in the case of a regional bank) of that bank's outstanding voting shares, and in excess of 10% (or 15% in the case of a regional bank), 25% or 33% of that bank's outstanding voting shares with the approval of the FSC in each instance, up to the number of shares owned by the foreign investor. Any other person (whether a Korean national or a foreign investor), with the exception of non-financial business group companies described above, may acquire no more than 10% of a nationwide bank's total voting shares issued and outstanding, unless they obtain approval from the FSC in each instance where the total holding will exceed 10% (or 15% in the case of regional banks), 25% or 33% of the bank's total voting shares issued and outstanding provided that, in addition to the foregoing threshold shareholding ratios, the FSC may, at its discretion, designate a separate and additional threshold shareholding ratio.

Deposit Insurance System

The Depositor Protection Act provides insurance for certain deposits of banks in Korea through a deposit insurance system. Under the Depositor Protection Act, all banks governed by the Bank Act are required to pay an insurance premium to the KDIC on a quarterly basis and the rate is determined under the Enforcement Decree to the Depositor Protection Act. If the KDIC makes a payment on an insured amount, it will acquire the depositors' claims with respect to that payment amount. The KDIC insures a maximum of ₩100 million per individual for deposits and interest in a single financial institution, regardless of when the deposits were made and the size of the deposits, following an amendment to the Depositor Protection Act of Korea in January 2025, which became effective in September 2025.

Act on the Corporate Governance of Financial Companies

The Act on the Corporate Governance of Financial Companies, which became effective on August 1, 2016, was enacted to address the need for strengthened regulations on corporate governance of financial institutions and to serve as a uniform set of regulations on corporate governance matters applicable to financial institutions across a variety of industry sectors. It contains several key measures, including (i) eligibility requirements for officers of financial institutions and standards for determining whether officers of financial institutions may hold concurrent positions in other companies, (ii) standards for composition and operation of the board of directors of financial institutions, (iii) standards for establishment, composition and operation of various committees of the board of directors of financial institutions, (iv) regulations on internal control and risk management, (v) requirements and procedures for the approval of a change of major shareholders and (vi) special regulations to protect the rights of minority shareholders of financial institutions. An amendment to the Act on the Corporate Governance of Financial Companies, which became effective on July 3, 2024, added certain additional requirements including (i) preparing and submitting a "responsibilities map" to the financial authorities which clarifies the scope and details of each officer's accountability concerning internal control-related matters and (ii) establishing an internal control committee, of which more than half of the members must be outside directors.

The Financial Consumer Protection Act

The Financial Consumer Protection Act became effective on March 25, 2021, and certain provisions relating to internal control under such Act have become effective on September 25, 2021. The Financial Consumer Protection Act aims to enhance measures to protect financial consumers and to establish a sound market order in the financial product sales and advisory businesses. The Financial Consumer Protection Act consolidates existing regulations relating to the sale of financial products and consumer protection stipulated in other laws governing the financial sector, such as the FSCMA, the Banking Act and the Insurance Business Act, and applies to the financial industry on a cross-sectoral basis.

Application of the Financial Consumer Protection Act

All financial products that are classified as (i) deposits, (ii) loans, (iii) investment products or (iv) insurance products are subject to the Financial Consumer Protection Act. These four types of products encompass most of the products covered by the Bank Act, the FSCMA and the Insurance Business Act. Financial products offered by credit unions, peer-to-peer (P2P) lending firms and registered credit service providers are also regulated by the Financial Consumer Protection Act.

Six Principles Regulating Selling Activities

The Financial Consumer Protection Act consolidates previously scattered regulations regarding financial business operations into six uniform standards that cover the following: (i) suitability, (ii) appropriateness, (iii) duty to explain, (iv) unfair sales practices, (v) improper solicitation and (vi) advertisements. Among these six principles, suitability, appropriateness and duty to explain apply only to "general financial consumers," although "professional financial consumers" may elect to be treated as "general financial consumers," in which case all six principles would apply to them.

Internal Control Requirements for Consumer Protection

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

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

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

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

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

Right to Withdraw Subscriptions and Right to Terminate Contracts

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

Punitive Penalty Surcharges

In case of a violation of the principles regarding the duty to explain, unfair sales practices, improper solicitation and advertisements, sellers are subject to a punitive penalty of up to half the "amount that is the purpose of the contract" (which would be the deposit amount in case of deposit products, loan amount in case of loan products, investment amount in case of investment products, and insurance premium in case of insurance products), depending on the severity of the violation of the Financial Consumer Protection Act.

Restrictions on Foreign Exchange Position

Under the Foreign Exchange Transaction Regulation of Korea, each of a bank's net overpurchased and oversold positions may not exceed 50% of its shareholders' equity as of the end of the prior month.

Laws and Regulations Governing Other Business Activities

A bank must register with the Ministry of Economy and Finance to enter the foreign exchange business, which is governed by the Foreign Exchange Transaction Act of Korea. A bank must obtain the permission of the FSC to enter the securities business, which is governed by regulations under the FSCMA. Under these laws, a bank may engage in the foreign exchange business, securities repurchase business, governmental/public bond underwriting business and governmental bond dealing business, among others.

Trust Business

A bank must obtain approval from the FSC to engage in trust businesses. The Trust Act and the FSCMA govern the trust activities of banks, and they are subject to various legal and accounting procedures and requirements, including the following:

- under the Trust Act, assets accepted in trust by a bank in Korea must be segregated from other assets in the accounts of that bank; and

- depositors and other general creditors cannot obtain or assert claims against the assets comprising the trust accounts in the event the bank is liquidated or wound-up.

The bank must make a special reserve of 25% or more of fees from each unspecified money trust account for which a bank guarantees the principal amount and a fixed rate of interest until the total reserve for that account equals 5% of the trust amount.

Under the FSCMA, a bank with a trust business licence (such as the Bank) is permitted to offer both specified money trust account products and unspecified money trust account products. However, pursuant to guidelines from regulatory authorities that discourage the sale of unspecified money trust account products, sales of such products have generally been suspended.

TAXATION

Korean Taxation

The information provided below does not purport to be a complete summary of Korean tax law and practice currently applicable. Prospective investors who are in any doubt as to their tax position should consult with their own professional advisers.

The taxation of non-resident individuals and non-resident corporations ("Non-Residents") depends on whether they have a "permanent establishment" (as defined under Korean law and applicable tax treaty) in Korea to which the relevant Korean-sourced income is attributable or with which such income is effectively connected. Non-Residents without a permanent establishment in Korea are taxed in the manner described below. Non-Residents with permanent establishments in Korea are taxed in accordance with different rules.

Tax on Interest

All payments, other than the payment of the principal amount, under the Guarantee by the Guarantor to a Non-Resident holder of the Notes may be subject to withholding tax at the rate of 22%. (including the local income tax) or such reduced rate as applicable under the relevant tax treaty between Korea and the country of tax residence of the Non-Resident holder. The Korean tax authorities have taken inconsistent positions with regard to the issue of whether the payment of any interest under a guarantee by a resident-guarantor to a Non-Resident will be subject to withholding tax in Korea where the primary obligor is a Non-Resident. The Ministry of Economy and Finance had found that the payment of such interest would not be subject to withholding tax in 2011, reasoning that the payment of such interest does not fall within the scope of the definition of "Korean-source income" as defined under Korean tax laws. However, contrary to the aforementioned position taken by the Ministry of Economy and Finance, in an administrative appeals case in 2011 and decisions by the Seoul High Court in 2013 and the Supreme Court of Korea in 2016, it was held that the payment of such interest would be subject to withholding tax since such payment does fall under the definition of "Korean-source income" under Korean tax laws. In light of the above, while a court may determine otherwise, given the current state, the Issuer believes that it is likely that the payment of any interest on the Notes under the Guarantee by the Guarantor to a Non-Resident holder of the Notes will be subject to withholding tax in Korea. If that is the case, the Guarantor would need to pay such additional amounts, in accordance with the terms of the Notes, as may be necessary to ensure that the Holders of the Notes receive the amounts guaranteed under the Guarantee that they would otherwise have been entitled to receive in the absence of such deduction or withholding, subject to certain exceptions.

In order to obtain the benefit of a reduced rate available under applicable tax treaties, a Non-Resident holder must submit an application for entitlement to reduced tax rate to the party liable for the withholding before the receipt of the relevant interest payment (if there is no change in the contents of such application, it is not required to submit such application again within 3 years thereafter), together with the documents proving the identity of the beneficial owner of such Korean-sourced income, including a certificate of the Non-Resident holder's tax residence issued by a competent authority of the Non-Resident's resident country. If the Non-Resident holder was unable to receive the benefit of a reduced rate due to his or her failure to timely submit the aforementioned application, the Non-Resident holder may still receive a tax treaty benefit by submitting evidentiary documents to the relevant tax office within 5 years thereafter. If interest is paid to an overseas investment vehicle, the overseas investment vehicle (subject to certain exceptions) must obtain an application for entitlement to reduced tax rate from the beneficial owner and submit a report of overseas investment vehicle and a schedule of beneficial owners together with the application for entitlement to reduced tax rate obtained from the beneficial owner and the documents proving the identity of the beneficial owner of such Korean-sourced income, including a certificate of the Non-Resident holder's tax residence to the party liable for the withholding before the receipt of the relevant interest payment. Effective January 1, 2022, an overseas investment vehicle is deemed to be a beneficial owner of Korean-sourced income for income tax purposes, if (i) under the applicable tax treaty, the overseas investment vehicle bears tax liabilities in the

country in which it is established or the overseas investment vehicle is deemed to be the beneficial owner of the Korean-sourced income; and (ii) the Korean-sourced income is eligible for the treaty benefits under the tax treaty. According to an amendment proposal released on July 31, 2025, in the case of an application for entitlement to a reduced tax rate with respect to Korean-sourced income paid on or after January 1, 2026, the party liable for the withholding is required to submit such application (together with the applicable report of overseas investment vehicle and a schedule of beneficial owners in the case of income paid to an overseas investment vehicle) to the relevant district tax office by the end of February of the year following the year of the payment of such income.

Tax Treaties

At the date of this Offering Circular, Korea has tax treaties with, *inter alia*, Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, The Netherlands, New Zealand, Norway, Singapore, Sweden, Switzerland, the United Kingdom and the United States of America, under which the rate of withholding tax on interest is reduced, generally to between 5 and 16.5% (including local income tax), and the tax on capital gains is often eliminated.

A special withholding tax system took effect on July 1, 2006. Under the system, there is a special procedure to apply the Korea-Malaysia tax treaty on certain Korean-sourced income. Payments made to the residents of Labuan, Malaysia will be subject to the default Korean withholding tax rates (generally 15.4% or 22% for interest and the lower of 11% of gross realization proceeds or 22% of capital gains (including local income tax)) rather than the reduced or exempted rate available under the Korea Malaysia tax treaty. A Labuan taxpayer, however, will be given an opportunity to obtain a refund by proving that it is entitled to the tax treaty benefits as a beneficial owner of the income and is an actual resident of Labuan, Malaysia. A Labuan taxpayer may also file an application with the National Tax Service (the "NTS") for confirmation that it is entitled to the tax treaty benefits and obtain an advance confirmation from the NTS prior to receiving Korean-sourced income.

United States Federal Income Taxation

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a Non-U.S. holder (as defined below) of a Note. This summary is based on provisions of the Internal Revenue Code of 1986, as amended (the "Code"), applicable Treasury regulations, laws, rulings and decisions now in effect, all of which are subject to change, possibly with retroactive effect. This summary deals only with Non-U.S. holders that will hold Notes as capital assets and acquired notes upon original issuance at their original issue price. This summary does not address particular tax considerations that may be applicable to investors that are subject to special tax rules, such as banks, tax-exempt entities, insurance companies, regulated investment companies, dealers in securities or currencies, traders in securities electing to mark to market, persons that will hold Notes as a position in a "straddle" or conversion transaction, or as part of a "synthetic security" or other integrated financial transaction, entities taxed as partnerships or the partners therein, U.S. expatriates, nonresident alien individuals present in the United States for more than 182 days in a taxable year.

This summary addresses only U.S. federal income tax consequences, and does not address consequences arising under state, local, foreign tax laws, the alternative minimum tax or the Medicare tax on net investment income. Investors should consult their own tax advisers in determining the tax consequences to them of holding Notes under such tax laws, as well as the application to their particular situation of the U.S. federal income tax considerations discussed below.

As used herein, a "Non-U.S. holder" is a beneficial owner of a Note that is none of the following: (i) a citizen or resident of the United States; (ii) a U.S. domestic corporation or (iii) otherwise subject to U.S. federal income taxation on a net income basis in respect of the Note.

Payments of Interest

Subject to the discussions below under "– FATCA" and "– Information Reporting and Backup Withholding," payments of interest on the Notes to a Non-U.S. holder generally will be exempt from withholding of U.S. federal income tax under the portfolio interest exemption provided that (i) the Non-U.S. holder properly certifies as to its foreign status by providing a properly executed IRS Form W-8BEN or W-8BEN-E (or appropriate substitute form) to the applicable withholding agent; (ii) the Non-U.S. holder does not actually or constructively own 10% or more of the total combined voting power of the Issuer's stock entitled to vote; and (iii) the Non-U.S. holder is not a controlled foreign corporation that is related to us actually or constructively through stock ownership.

Sale, Exchange and Retirement of Notes

Subject to the discussion below under "*Information Reporting and Backup Withholding,"* a Non-U.S. holder generally will not be subject to U.S. federal income tax on gain recognized on a sale, exchange or retirement of Notes.

FATCA

Under the U.S. tax rules known as the Foreign Account Tax Compliance Act ("FATCA"), a holder of Notes will generally be subject to 30% U.S. withholding tax on interest payments on the Notes if the holder is not FATCA compliant, or holds its Notes through a foreign financial institution that is not FATCA compliant. In order to be treated as FATCA compliant, a holder must provide certain documentation (usually an IRS Form W-8BEN or W-8BEN-E) containing information about its identity, its FATCA status, and if required, its direct and indirect U.S. owners. These requirements may be modified by the adoption or implementation of an intergovernmental agreement between the United States and another country or by future U.S. Treasury Regulations. If any taxes are required to be deducted or withheld from any payments in respect of the Notes as a result of a beneficial owner or intermediary's failure to comply with the foregoing rules, no additional amounts will be paid on the Notes as a result of the deduction or withholding of such tax.

Documentation that holders provide in order to be treated as FATCA compliant may be reported to the IRS and other tax authorities, including information about a holder's identity, its FATCA status, and if applicable, its direct and indirect U.S. owners. Prospective investors should consult their own tax advisers about how information reporting and the possible imposition of withholding tax under FATCA may apply to their investment in the Notes.

Information Reporting and Backup Withholding

Information returns will be filed with the IRS in connection with payments on the Notes and the proceeds of dispositions of Notes. In addition, certain U.S. persons (as defined in the Code) may be subject to backup withholding in respect of such amounts if they do not provide their taxpayer identification numbers to the person from whom they receive payments. Non-U.S. holders may be required to comply with applicable certification procedures to establish that they are not U.S. persons in order to avoid the application of such information reporting requirements and backup withholding. The amount of any backup withholding from a payment will be allowed as a credit against the Non-U.S. holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS.

SUBSCRIPTION AND SALE

Crédit Agricole Corporate and Investment Bank, The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc, Mizuho Securities Asia Limited, Morgan Stanley & Co. International plc, MUFG Securities Asia Limited and Standard Chartered Bank (the "Managers") have, pursuant to a Subscription Agreement (the "Subscription Agreement") dated January 12, 2026, agreed to subscribe and pay for, or to procure subscriptions and payment for, the principal amount of the Notes subject to certain conditions contained therein.

The Issuer will also reimburse the Managers in respect of certain of their expenses, and the Issuer and the Guarantor have agreed to indemnify the Managers against certain liabilities (including liabilities under the Securities Act), incurred in connection with the issue and sale of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the issue price to the Issuer.

The initial issue price is set forth on the cover of this Offering Circular. After the Notes are released for sale, the Managers may change the issue price and other selling terms. The offering of the Notes by the Managers is subject to receipt and acceptance and subject to the Managers' right to reject any order in whole or in part.

The Managers and certain of their respective affiliates have, from time to time, performed, and may in the future perform, certain investment banking, commercial banking and advisory services for the Issuer, the Guarantor and/or their respective affiliates for which they have received or will receive customary fees and expenses.

The Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of their various business activities, the Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and instruments of the Issuer and the Guarantor.

The Managers or their affiliates may subscribe the Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of the Issuer, the Guarantor or their respective subsidiaries or associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be subscribers of the Notes).

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

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the Guarantor, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer, the Guarantor or any CMI (including its group companies) and inform the relevant Managers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer or the Guarantor. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Manager(s) (if any) to categorize it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to: HKG-Syndicate@ca-cib.com; hk_syndicate_omnibus@hsbc.com.hk; Investor.info.hk.bond.deals@jpmorgan.com; Omnibus_Bond@hk.mizuho-sc.com; omnibus_debt@morganstanley.com; Asia-Syndicate@hk.sc.mufg.jp; synhk@sc.com.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The relevant Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Manager with such evidence within the timeline requested.

Selling Restrictions

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Notes and the Guarantee (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes and the Guarantee during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes and the Guarantee within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes and the Guarantee are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes and the Guarantee, an offer or sale of Notes and the Guarantee within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Hong Kong

Each Manager has represented and agreed that:

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

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

Japan

The Notes have not been, and will not be, registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "Financial Instruments and Exchange Act"). Accordingly, each Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Singapore

Each Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning

of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Circular nor any other offering or marketing material relating to the offering, nor the Issuer nor the Notes have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority ("FINMA"), and investors in the Notes will not benefit from protection or supervision by such authority.

Canada

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

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

Korea

The Notes have not been and will not be registered with the Financial Services Commission of Korea under the FSCMA. Accordingly, the Notes may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined in the Foreign Exchange Transactions Law of Korea and regulation thereunder), or to others for re-offering or resale directly or indirectly in Korea or to any resident of Korea except as otherwise permitted under applicable Korean laws and regulations. In addition, within one year following the issuance of the Notes, the Notes may not be transferred to any resident of Korea other than a Korean "qualified institutional buyer" (as defined in the Regulation on Securities Issuance, Public Disclosure, Etc. of Korea, a "Korean QIB") registered with the Korea Financial Investment Association as a Korean QIB, provided that the amount of the Notes acquired by such Korean QIBs in the primary market is limited to no more than 20% of the aggregate principal amount of the Notes. Each Manager severally but not jointly has undertaken to ensure that any securities dealer to which it sells Notes confirms that it is purchasing such Notes as principal and agrees with such Manager that it will comply with the restrictions described above.

Transfer Restrictions

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

Transfer Restrictions under Korean Law

Each purchaser of the Notes, by accepting delivery of this Offering Circular, will be deemed to have acknowledged and represented and agreed as follows:

(a) The Notes have not been registered under the FSCMA. Accordingly, the Notes may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined in the Foreign Exchange Transactions Law of Korea and

regulation thereunder), or to others for re-offering or resale directly or indirectly in Korea or to any resident of Korea except as otherwise permitted under applicable Korean laws and regulations. In addition, within one year following the issuance of the Notes, the Notes may not be transferred to any resident of Korea other than a Korean QIB registered with the Korea Financial Investment Association as a Korean QIB, provided that the amount of the Notes acquired by such Korean QIBs in the primary market is limited to no more than 20% of the aggregate principal amount of the Notes.

(b) The Notes will bear legends to the effect described in paragraph (a) above.

Other Transfer Restrictions Applicable to the Notes

The Notes and the Guarantee have not been and will not be registered under the Securities Act. The Notes and the Guarantee may not be offered or sold to any person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Except in certain limited circumstances, interests in the Notes may only be held through interests in the Global Certificates. Such interests in the Global Certificates will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear, Clearstream and their respective direct and indirect participants. See "*Terms and Conditions of the Notes*" and "*The Global Certificate*."

Each purchaser of the Notes, by accepting delivery of this Offering Circular, will be deemed to have acknowledged and represented and agreed as follows:

(a) The Notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States or any other jurisdiction and are subject to significant restrictions on transfer.

(b) Until forty (40) days after the commencement of offering of the Notes, an offer or sale of Notes and the Guarantee within the United States or to, or for the account or benefit of, U.S. persons by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

(c) Such purchaser will not offer, sell, pledge or otherwise transfer any interest in the Notes or the Guarantee except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

(d) The Notes will bear legends to the following effect, unless the Issuer determines otherwise in compliance with applicable law, and such purchaser will observe the restrictions contained therein:

THE NOTES EVIDENCED HEREBY (THE "NOTES") OF SK BATTERY AMERICA, INC. (THE "ISSUER") HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT").

PRIOR TO THE EXPIRATION OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE LATEST CLOSING DATE (THE "DISTRIBUTION COMPLIANCE PERIOD"), THE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED TO ANY U.S. PERSON OUTSIDE THE UNITED STATES OR ANY PERSON IN THE UNITED STATES. EACH HOLDER AND BENEFICIAL OWNER, BY ITS ACCEPTANCE OF THE NOTES EVIDENCED HEREBY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING AND FOLLOWING RESTRICTIONS.

THE FOREGOING PARAGRAPH WILL BE NO LONGER EFFECTIVE AFTER THE END OF THE DISTRIBUTION COMPLIANCE PERIOD WITH RESPECT TO THE NOTES, AFTER WHICH THE NOTES EVIDENCED HEREBY WILL NO LONGER BE SUBJECT TO THE RESTRICTIONS SET FORTH THEREIN, PROVIDED THAT AT SUCH TIME AND THEREAFTER THE OFFER OR SALE OF THE NOTES EVIDENCED HEREBY WOULD NOT BE RESTRICTED UNDER ANY APPLICABLE SECURITIES LAWS OF THE UNITED STATES OR OF THE STATES OR TERRITORIES OF THE UNITED STATES.

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

LEGAL MATTERS

Certain legal matters relating to the issue and sale of the Notes will be passed upon for the Issuer and the Guarantor by Cleary Gottlieb Steen & Hamilton LLP as to matters of New York law and Shin & Kim LLC as to matters of Korean law and for the Managers by Linklaters LLP as to matters of New York law. Shin & Kim LLC may rely as to all matters of New York law on the opinion of Cleary Gottlieb Steen & Hamilton LLP and Linklaters LLP, and Cleary Gottlieb Steen & Hamilton LLP and Linklaters LLP may rely as to all matters of Korean law on the opinion of Shin & Kim LLC.

INDEPENDENT ACCOUNTANTS

The annual consolidated financial statements of the Issuer as of and for the years ended December 31, 2024 and 2023, included elsewhere in this Offering Circular, have been audited by Ernst & Young LLP, independent auditors, as stated in their audit report included therein.

With respect to the unaudited consolidated interim financial statements of the Bank as of September 30, 2025 and for the three-month and nine-month periods ended September 30, 2025 and 2024 included elsewhere in this Offering Circular, Samil PricewaterhouseCoopers, independent accountants, reported that they have applied limited procedures in accordance with professional standards for a review of such information. In addition, their separate report dated November 14, 2025 appearing herein states that they did not audit and they do not express an opinion on such interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

The annual consolidated financial statements of the Bank as of and for the years ended December 31, 2024 and 2023, included elsewhere in this Offering Circular, have been audited by Samil PricewaterhouseCoopers, independent accountants, as stated in their audit report included elsewhere in this Offering Circular.

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Report of Independent Auditors

The Board of Directors
SK Battery America, Inc.

Opinion

We have audited the consolidated financial statements of SK Battery America, Inc. and its subsidiary (the Company), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive loss, changes in stockholder's equity and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Restatement of 2023 Financial Statements

As discussed in Note 19 to the financial statements, the financial statements as of and for the year ended December 31, 2023 have been restated to correct misstatements related to the recognition of revenue and expense. Our opinion is not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst & Young LLP

April 30, 2025

SK Battery America, Inc.
(A Wholly Owned Subsidiary of SK On Co., Ltd.)

Consolidated Balance Sheets
(In Thousands)

	December 31	
	2024	(As Restated) 2023
Assets		
Current assets:		
Cash and cash equivalents	**$ 639,477**	$ 737,962
Short-term financial instruments	**9,771**	4,275
Trade receivables	**224,531**	59,756
Other receivables	**122,918**	486,290
Contract assets	**–**	33,428
Inventories	**642,059**	855,612
Current derivative financial assets	**–**	1,364
Prepaid expenses and other current assets	**44,425**	11,525
Total current assets	**1,683,181**	2,190,212
Property, plant, and equipment, net	**15,215,959**	10,425,285
Right-of-use assets, net	**42,853**	13,144
Intangible assets, net	**46,351**	50,461
Investments in securities measured at fair value	**8,184**	–
Investments in associates and joint ventures	**26,614**	–
Other non-current assets	**10,442**	12,105
Total non-current assets	**15,350,403**	10,500,995
Total assets	**$ 17,033,584**	$ 12,691,207
Liabilities and stockholder's equity		
Current liabilities:		
Accounts payable	**$ 550,105**	$ 626,125
Accrued expenses and other current liabilities	**599,616**	1,162,191
Current lease liabilities	**5,106**	3,074
Short-term borrowings	**3,547,000**	2,464,899
Current portion of long-term debt	**–**	379,939
Current provisions	**3,612**	–
Current deferred government incentives	**4,424**	4,424
Total current liabilities	**4,709,863**	4,640,652
Long-term debt	**5,184,874**	1,183,329
Non-current lease liabilities	**40,315**	10,264
Non-current provisions	**24,954**	32,659
Long-term security deposits	**26**	–
Non-current deferred government incentives	**504,850**	509,274
Total non-current liabilities	**5,755,019**	1,735,526
Total liabilities	**10,464,882**	6,376,178
Commitments and contingencies (*Note 16*)		
Stockholder's equity:		
Common stock, no par value, 40,000 shares authorized, 38,176 shares issued and outstanding	**3,817,600**	3,689,300
Accumulated other comprehensive income	**(621)**	1,364
Accumulated deficit	**(1,303,488)**	(626,833)
Total equity attributable to owner of the controlling company	**2,513,491**	3,063,831
Non-controlling interest	**4,055,211**	3,251,198
Total stockholder's equity	**6,568,702**	6,315,029
Total liabilities and stockholder's equity	**$ 17,033,584**	$ 12,691,207

See accompanying notes.

SK Battery America, Inc.
(A Wholly Owned Subsidiary of SK On Co., Ltd.)

Consolidated Statements of Comprehensive Loss
(In Thousands)

	Year Ended December 31	
		(As Restated)
	2024	**2023**
Net sales	**$ 901,420**	$ 1,881,505
Cost of sales	**1,145,198**	2,246,774
Gross loss	**(243,778)**	(365,269)
Other operating income	**179,744**	472,678
Other operating expenses	**99,324**	–
Selling, general and administrative expenses	**233,545**	164,497
Operating loss	**(396,903)**	(57,088)
Other expenses:		
Interest expenses, net	**(280,628)**	(97,084)
Other, net	**(51,678)**	(46,601)
Loss before income tax expense	**(729,209)**	(200,773)
Income tax expense	**1,433**	1,385
Net loss	**(730,642)**	(202,158)
Less: non-controlling interests	**(53,987)**	(26,168)
Net loss attributable to owner of the controlling company	**(676,655)**	(175,990)
Other comprehensive income (loss):		
Unrealized loss on interest rate swap	**(1,364)**	(18,499)
Foreign currency translation adjustment from equity method investments	**(621)**	–
Comprehensive loss	**(732,627)**	(220,657)
Less: non-controlling interests	**(53,987)**	(26,168)
Comprehensive loss attributable to owner of the controlling company	**$ (678,640)**	$ (194,489)

See accompanying notes.

SK Battery America, Inc.
(A Wholly Owned Subsidiary of SK On Co., Ltd.)

Consolidated Statements of Changes in Stockholder's Equity
(In Thousands, Except Share Amounts)

	Common Stock		Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity Attributable to Owner of the Controlling Company	Non-Controlling Interests	Total Stockholder's Equity
	Shares	Amount					
Balance at January 1, 2023	16,178	$ 1,617,800	$ (450,843)	$ 19,863	$ 1,186,820	$ 687,366	$ 1,874,186
Capital contributions from the Parent	20,715	2,071,500	–	–	2,071,500	–	2,071,500
Net loss	–	–	(175,990)	–	(175,990)	(26,168)	(202,158)
Unrealized loss on interest rate swap	–	–	–	(18,499)	(18,499)	–	(18,499)
Issuance of non-controlling interests	–	–	–	–	–	2,590,000	2,590,000
Balance at December 31, 2023 (As Restated)	36,893	3,689,300	(626,833)	1,364	3,063,831	3,251,198	6,315,029
Capital contributions from the Parent	**1,283**	**128,300**	**–**	**–**	**128,300**	**–**	**128,300**
Net loss	**–**	**–**	**(676,655)**	**–**	**(676,655)**	**(53,987)**	**(730,642)**
Unrealized loss on interest rate swap	**–**	**–**	**–**	**(1,364)**	**(1,364)**	**–**	**(1,364)**
Foreign currency translation adjustment from equity method investments	**–**	**–**	**–**	**(621)**	**(621)**	**–**	**(621)**
Issuance of non-controlling interests	**–**	**–**	**–**	**–**	**–**	**2,298,000**	**2,298,000**
Return of capital to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**(1,440,000)**	**(1,440,000)**
Balance at December 31, 2024	**38,176**	**$ 3,817,600**	**$ (1,303,488)**	**$ (621)**	**$ 2,513,491**	**$ 4,055,211**	**$ 6,568,702**

See accompanying notes.

SK Battery America, Inc.
(A Wholly Owned Subsidiary of SK On Co., Ltd.)

Consolidated Statements of Cash Flows
(In Thousands)

	Year Ended December 31	
	2024	(As Restated) 2023
Operating activities		
Net loss	**$ (730,642)**	$ (202,158)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	**192,815**	147,392
Inventory valuation	**4,646**	43,266
Provision for product warranty accruals	**14,082**	26,065
Recognition of deferred government incentives	**(4,424)**	(4,424)
Impairment loss	**29,607**	–
Loss on disposal of property, plant and equipment	**69,716**	–
Others	**(1,435)**	2,828
Changes in operating assets and liabilities:		
Trade receivables	**(164,774)**	36,807
Other receivables	**363,373**	(474,221)
Inventories	**208,907**	(229,017)
Contract assets	**33,428**	(33,428)
Prepaid expenses and other assets	**(25,968)**	8,548
Accounts payable	**(158,894)**	(331,505)
Accrued expenses and other current liabilities	**(6,450)**	43,347
Others	**(16,737)**	(8,652)
Net cash used in operating activities	**(192,750)**	(975,152)
Investing activities		
Proceeds from disposal of property, plant, and equipment	**607**	–
Purchase of financial instruments	**(5,496)**	(4,275)
Purchase of property, plant, and equipment	**(5,540,006)**	(5,164,482)
Purchase of investments in associates and joint ventures	**(26,912)**	–
Purchase of investments in securities measured at fair value	**(8,184)**	–
Proceeds received from government grants	**–**	240,000
Net cash used in investing activities	**(5,579,991)**	(4,928,757)

SK Battery America, Inc.
(A Wholly Owned Subsidiary of SK On Co., Ltd.)

Consolidated Statements of Cash Flows (continued)
(In Thousands)

	Year Ended December 31	
	2024	(As Restated) 2023
Financing activities		
Proceeds from corporate bond – Green bond	**$ 492,596**	$ 485,841
Proceeds from long-term loan	**3,510,500**	–
Loan issuance costs	**(18,315)**	–
Principal payments on finance leases	**(591)**	–
Repayments of borrowings	**(1,214,948)**	(905,137)
Repayments of cash pooling from affiliates	**(1,655,000)**	(289,000)
Borrowings against revolving line of credit	**2,566,049**	1,631,036
Borrowings against cash pooling from affiliates	**1,006,000**	689,000
Capital contribution from the Parent	**128,300**	2,071,500
Issuance of non-controlling interests	**2,298,000**	2,590,000
Return of capital to non-controlling interests	**(1,440,000)**	–
Net cash provided by financing activities	**5,672,591**	6,273,240
Net increase (decrease) in cash, cash equivalents	**(100,150)**	369,331
Cash, cash equivalents, and restricted cash at beginning of year	**749,962**	380,631
Cash, cash equivalents, and restricted cash at end of year	**$ 649,812**	$ 749,962
Non-cash investing activities		
Accounts payable and accrued expenses related to construction-in-progress	**$ 625,851**	$ 1,167,451
Increase of right of use assets with lease liabilities	**$ 37,946**	$ 5,062
Supplemental disclosure of cash flow information		
Cash paid during the year for:		
Interest expenses	**$ 323,053**	$ 86,720
Income taxes	**$ 1,682**	$ 913

See accompanying notes.

SK Battery America, Inc.
(A Wholly Owned Subsidiary of SK On Co., Ltd.)

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

1. Organization and Description of Business

SK Battery America, Inc. (the Company or SKBA), is a corporation formed and existing under the laws of the State of Georgia in November 2018. The Company was originally a wholly owned subsidiary of SK Innovation Co., Ltd. (the Ultimate Parent or SKI). However, in 2021, the Ultimate Parent spun off its electric vehicle batteries business and created a new company called SK On Co., Ltd. in Korea. The Company is wholly owned by SK On Co., Ltd. (the Parent or SKO). The Company was established to construct and operate a new manufacturing plant in Commerce, Georgia for the production of electric vehicle batteries (the Project I). In late 2021, the Company began producing lithium-ion batteries for hybrid and fully electric automobiles from the Project I.

In 2022, BlueOval SK, LLC (BOSK), a joint venture under the laws of the State of Delaware was established by the Company and Ford Motor Company (Ford). The Company, Ford and SKO executed an LLC agreement that outlines the purpose of BOSK. The Company and SKO are jointly and severally liable for obligations of BOSK as a member under the LLC agreement. Under the LLC agreement, two members are committed to make $6.6 billion in contributions, totaling $13.2 billion.

BOSK was established to design, build, own and operate battery plants for electric vehicles (EV) (the Project II). Each member holds equal ownership in the venture. The project II includes two 45 gigawatt hours (GWh) facilities, including one to be built in Tennessee and one to be built in Kentucky, and one 37 GWh expansion facility to be built in Kentucky.

The construction of the three battery manufacturing facilities is currently in process, including land development, grading and piling, and construction of the manufacturing plants. The project could create more than nearly 7,000 new jobs – close to 4,000 in Stanton, Tennessee, and 3,000 in Glendale, Kentucky. Production of the new EV advanced lithium-ion batteries is expected to begin in early 2025 or later depending on the facility.

1. Organization and Description of Business (continued)

Going Concern

The accompanying audited consolidated financial statements have been prepared assuming that the Company and BOSK (collectively referred to as "the Group") will continue as a going concern; however, as of December 31, 2024, the Group has accounts payable of $550 million, short-term borrowings of $3,547 million and long-term debt of $5,185 million. Based on cash held as of December 31, 2024 and the current projected cash flows, the Group may not be able to pay its payables, short-term and long-term borrowings. The Ultimate Parent has informed the Group that it will, and has the ability to, provide financial support necessary to maintain the financial viability of the Group and sustain its operations through at least May 31, 2026.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The Company is the primary beneficiary of BOSK, a variable interest entity (VIE) as the Company has more power than Ford in directing key activities, including cost-efficient manufacturing, approval of operating plans and profits (via call options), marketing activities including decisions third party customers for, and the ability to hire and terminate key executives.

Accordingly, the consolidated financial statements of the Company include financial information of BOSK under the VIE provisions of Accounting Standards Codification (ASC) 810, "Consolidation" after elimination of intercompany transactions and accounts.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Group maintains cash in bank deposit accounts, which, at times, may exceed federally insured limits. At December 31, 2024 and 2023, the Group's cash balance were approximately $639.5 million and $737.9 million, respectively.

Trade and Other Receivables

Trade receivables are recorded at the invoiced amount and do not bear interest. The Group establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends, and other information. Trade receivables are written off when deemed uncollectible.

Other receivables primarily include Section 45x Credits, which are described in Note 5.

The Group believes trade and other receivable as of December 31, 2024 and 2023 were fully collectible, and, therefore, no allowance for doubtful accounts was recognized.

Inventories

Inventories are carried at the lower of cost or net realizable value using the average-cost method. The cost of inventory includes acquisition costs, production or conversion costs, and other costs incurred to bring it to a current location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. An allowance for excess or slow-moving inventory is recorded based on an analysis that considers current inventory levels, historical usage patterns, current demands, and market conditions that affect estimates of future sales and salvage value.

Property, Plant, and Equipment

Property, plant, and equipment are recorded at historical cost. Historical cost includes expenditures that are directly attributable to the acquisition of the items. Costs may also include costs of major maintenance arising from turnarounds of major units and committed decommissioning costs. Routine maintenance costs are expensed as incurred.

2. Summary of Significant Accounting Policies (continued)

The Group evaluates property, plant, and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If it is determined that an asset or asset group's undiscounted future cash flows will not be sufficient to recover the carrying amount, the asset is written down to its estimated fair value. An impairment charge of $28.0 million was recognized for the year ended December 31, 2024, and was recorded as part of other operating expense in the consolidated statements of operations. No impairment charges were recognized for the year ended December 31, 2023.

Depreciation is computed using the straight-line method over the estimated useful lives of assets to their residual values. The residual values and useful lives of assets are reviewed, and adjusted if appropriate, whenever events or circumstances indicate that a revision is warranted.

Capitalized Interest

Interest costs incurred to finance major projects with an expected construction period of longer than one year and interest costs for construction-in-progress are capitalized until commercial production begins. Capitalized interest is added to the cost of the related asset and amortized over the useful life of the related asset. For the years ended December 31, 2024 and 2023, the Group capitalized approximately $9.9 million and $17.2 million, respectively, of interest incurred and included such amounts as a component of construction-in-progress.

Loan Issuance Costs

Loan issuance costs consist of the amounts paid to lenders and third parties in connection with the issuance of loan. Loan issuance costs are presented as a reduction to loan payable on the balance sheet. These costs effectively reduce the proceeds of loans, thereby increasing the effective interest rate. These costs are amortized using the effective interest method over the loan term and are reported within interest expense on the statement of Comprehensive loss. At December 31, 2024, $11.6 million of loan issuance costs related to the unused portion of the loan is included in the prepaid expenses and other current assets and $6 million is presented as a reduction to long-term debt on the consolidated balance sheets.

2. Summary of Significant Accounting Policies (continued)

Leases

The Group leases office space, equipment and vehicle under operating lease arrangements and air gas equipment under finance lease arrangements. Right-of-use assets and lease liabilities for operating leases are recorded on the consolidated balance sheet and the related lease expense is recorded on a straight-line basis over the lease term in operating expenses. Right-of-use assets under finance leases are amortized over their estimated useful lives using the same basis as owned assets, and leasehold improvements associated with assets utilized under finance or operating leases are amortized on a straight-line basis over the shorter of the remaining lease term or the asset's useful life. Amortization of right-of-use assets under finance leases is included in depreciation expense. Obligations under the finance lease arrangements are included in current lease liabilities and non-current lease liabilities. The Group has elected the short-term lease recognition exemption such that The Group will not recognize right-of-use assets or lease liabilities for leases with a term of 12 months or less from the commencement date.

Government Grants

The Group receives incentives from U.S. governmental entities in the form of tax credits and grants. Government incentives are recorded in the consolidated financial statements in accordance with their purpose as either a reduction of expense or as other income, by analogy to International Accounting Standards 20 (IAS 20), *Accounting for Government Grants and Disclosure of Government Assistance*. Government incentives are measured at fair value at the time of initial recognition, in accordance with IAS 20. The benefit is generally recorded when all conditions attached to the incentive have been met and there is reasonable assurance of receipt.

Government incentives received in return for both capital investment and employment obligations are allocated separately between the investment portion and the employment portion. Incentives related to capital investments are recorded as a reduction to the carrying amount of property, plant and equipment. The related benefit is then recognized as a reduction of depreciation and amortization expense over the useful life of the asset. Incentives related to operating expenses, such as employment costs, are recognized in profit or loss as a reduction of the related expense, on a systematic basis over the periods in which the expenses are incurred.

2. Summary of Significant Accounting Policies (continued)

In certain cases where incentives are received prior to satisfying all performance obligations, the Group initially records such amounts as deferred income. These deferred government incentives are recognized in profit or loss over the period in which the corresponding obligations are fulfilled, in a manner consistent with the recognition of the related expenses.

This accounting policy reflects the Group's selection among the acceptable alternatives under IAS 20 and is consistently applied.

Derivative Instruments

The Group uses derivative instruments to mitigate exposures associated with interest rates. The Group may designate derivatives as cash flow hedges. For cash flow hedges, the effective part of the hedge is initially reported as a component of other comprehensive income or loss and subsequently reclassified into earnings in the period that the forecasted transaction affects earnings. The ineffective part of the hedge is recognized immediately in earnings.

Income Taxes

The Group accounts for income taxes in accordance with ASC 740, Income Taxes. Deferred tax assets and liabilities are computed for temporary differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in future years. Such deferred tax asset and liability computations are based on enacted tax laws and rates applicable to periods in which the differences are expected to affect taxable income.

Deferred tax assets are required to be reduced by a valuation allowance to the extent that, based on the weight of available evidence, it is more likely than not that the deferred tax assets will not be realized.

In accordance with the provision of ASC 740, the Group only recognizes the tax benefit from an uncertain tax position if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Interest related to unrecognized tax benefits is recognized as a component of income tax expense, while penalties are recorded within operating expenses. The Group did not recognize any significant interest or penalties related to uncertain tax positions for the years presented.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Group recognizes revenue in accordance with ASC Topic 606 – *Revenue from Contracts with Customers*. Revenue is recognized when control of goods or services is transferred to customers in an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods or services. In determining when and how to recognize revenue, the Group applies the following five-step model: (i) identification of contracts with a customer; (ii) determination of performance obligations; (iii) measurement of the transaction price; (iv) allocation of the transaction price to the performance obligations, and (v) recognition of revenues when (or as) the Group satisfies each performance obligation.

The Group primarily generates revenue through the manufacture and sale of automotive batteries to original equipment manufacturers. Customer contracts are typically established through purchase orders governed by master supply agreements.

Each contract generally includes a single performance obligation – to deliver finished battery products. Revenue is recognized at a point in time, typically when the product is shipped or delivered, depending on the terms of sale, which reflects the transfer of control to the customer.

Payment terms are generally less than one year, and as such, the Group does not consider any significant financing components in its contracts. Shipping and handling activities are considered fulfillment costs and are expensed as incurred in operating expenses.

The Group's products are primarily sold to customers in the automotive industries in the United States. For the year ended December 31, 2024, three major customers accounted for 97.9% of the Group's net sales, and 96.7% of accounts receivable as of December 31, 2024, are due from these three customers. For the year ended December 31, 2023, two major customers accounted for 98.9% of the Group's net sales, and 76.1% of accounts receivable as of December 31, 2023, were due from these two customers.

2. Summary of Significant Accounting Policies (continued)

Warranty Obligations

The Company provides warranties for certain products sold and accrues estimated costs related to warranty obligations at the time of sale. The estimated liability is based on historical warranty claim experience, product failure rates, and repair or replacement costs. The Company periodically reviews warranty cost experience and updates its estimates when appropriate. Actual warranty costs incurred could differ from those estimated, requiring adjustments to the liability in future periods.

Investments

Investments in associates and joint ventures

The Group accounts for investments in entities over which it has significant influence, but not control, using the equity method of accounting. Under the equity method, the Group recognizes its share of the investee's net income or loss and other comprehensive income or loss in the consolidated statements of comprehensive loss. The investment balance is adjusted for the Group's proportionate share of net income, losses, other comprehensive income or loss and dividends received.

Equity method investments are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Investments in securities measured at fair value

The Group holds investments in equity securities that are not accounted for under the equity method. These investments are measured at fair value with changes in fair value recognized in earnings. Unrealized gains and losses on equity securities are included in other income (expense), net in the consolidated statements of comprehensive loss.

2. Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

The Group applies ASC 820, Fair Value Measurement, guidance which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establishes a framework for measuring fair value, and which establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or a liability as of the measurement date.

The guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Three levels of inputs that may be used to measure fair value are as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or a liability. Items valued using internal valuation techniques are classified according to the lowest level of input that is significant to the valuation and are typically classified as Level 3.

Fair value is based upon quoted market data when available. If listed prices or quotes are not available, the Group considers relevant and observable market prices in its valuations where possible. The frequency of transaction, the size of the bid-ask spread and the amount of adjustment necessary when comparing similar transactions are all factors in determining the liquidity of markets and the relevance of observed prices in those markets.

The carrying amounts reported on the consolidated balance sheets for cash and cash equivalents, other receivable, and accounts payable are of approximate fair value, considering the short-term maturity of those financial instruments.

3. Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents, and restricted cash reported at December 31, 2024 and 2023 are summarized as follows (in millions):

	2024	2023
Cash and cash equivalents	**$ 639.5**	$ 737.9
Restricted cash included in other non-current assets	**10.3**	12.0
Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows	**$ 649.8**	$ 749.9

Restricted cash recorded as other non-current assets on the consolidated balance sheets represented amounts pledged as security for the Group's payment obligations for supplier's services.

4. Inventories

As of December 31, 2024 and 2023, inventories consisted of the following (in millions):

	2024	2023
Raw materials	**$ 149.3**	$ 434.7
Supplies	**42.2**	39.7
Semi-finished goods	**39.0**	51.0
Work-in-progress	**74.3**	60.8
Finished goods	**384.8**	357.9
Goods-in-transit	**65.2**	19.7
	754.8	963.8
Allowance for inventory reserve	**(112.8)**	(108.2)
	$ 642.0	$ 855.6

For the years ended December 31, 2024 and 2023, the Group recognized inventory valuation losses of $4.6 million and $43.3 million, respectively, within cost of sales.

5. Property, Plant, and Equipment

Property, plant, and equipment at December 31, 2024 and 2023, are summarized as follows (in millions):

	2024	2023	Estimated Useful Life
Land	**$ 55.5**	$ 55.5	N/A
Building	**1,604.0**	1,600.4	39 years
Structure	**253.0**	250.1	20 years
Machinery	**958.9**	998.2	10 years
Other property, plant, and equipment	**102.9**	66.0	Varies
Construction-in-process	**12,633.2**	7,687.5	N/A
	15,607.5	10,657.7	
Accumulated depreciation	**(378.9)**	(218.9)	
Government grants	**(12.7)**	(13.5)	
	$ 15,215.9	$ 10,425.3	

The Group includes advance payments for purchases of construction in construction-in-progress in property, plant, and equipment on the consolidated balance sheets. Payments made soon before or after purchase of property, plant, and equipment are reflected as cash outflows for investing activities on the statements of cash flows in the period in which the payment is made.

Prior to the commencement of commercial operations, the Group decided to discontinue the acquisition and development of certain assets due to changes in business strategy and market conditions. Accordingly, the carrying amounts of the affected assets were evaluated for impairment in accordance with ASC 360, *Property, Plant, and Equipment*, and were written down to their estimated fair values. Fair value was estimated using a cost approach, representing the recoverable amount of materials and construction work performed to date. During the year ended December 31, 2024, the Group recognized an impairment loss of $28.0 million related to property, plant and equipment that were initially intended for operational use. The resulting impairment loss was recognized as other operating expenses in the consolidated statements of comprehensive loss.

In addition, the Group recorded a loss on disposal of $69.7 million in connection with the sale or retirement of certain assets.

5. Property, Plant, and Equipment (continued)

Government Grants and Tax Incentives (Project I)

In 2019, the State of Georgia (and its agencies) provided the Project I site of $18.4 million (included in land on the consolidated balance sheets) and cash reimbursement of site improvement costs of $8.5 million, totaling $26.9 million in aggregate incentives. The Company also received cash grants of $3.5 million and $15.3 million in 2022 and 2020, respectively, under the Regional Economic Business Assistance (REBA) grant. The compliance requirements associated with these incentives with the State of Georgia require the Company to:

- Make a private capital investment in the Project I of at least $2.5 billion
- Create a total of 2,600 net new full-time jobs located in Jackson County and maintain them for certain periods
- Make $2.5 billion of capital investments in the Project I

If such compliance requirements are not met, the Company is required to repay to the State of Georgia amounts proportionally based on predetermined formula. Incentives received in return for capital expenditures are included in property, plant, and equipment as a reduction to the book value. Incentives received in return for Company's expenses are included in deferred government incentives and amortized over the performance period. The Company recognized each $4.5 million and $4 million as a deduction of cost of sales in 2024 and 2023. Deferred income of $15.6 million and $20.1 million were included in the deferred government incentives as of December 31, 2024 and 2023, respectively.

Real and Personal Property Tax Savings

The Company and the Parent entered into a project agreement in 2019 with the Jackson County Industrial Development Authority and the Georgia Department of Economic Development (collectively the State governmental agencies) to establish a bond-lease agreement that is necessary for the provision of certain of the incentives contemplated including ad valorem property tax savings for the Project I.

5. Property, Plant, and Equipment (continued)

The State governmental agencies issue industrial revenue bonds in a principal amount not to exceed $2.5 billion or such other amount designated by the Company as required to cover the costs of the Project I to the Company. The State governmental agencies hold legal title to all bond-financed assets and lease them to the Company, subject to an option to purchase for a nominal consideration, which can be exercised at any time. The Company is the lessee of the Project I property. The revenue bond issued by the State governmental agencies is referred as "bonds for title", in which the Company pays for project costs from out of its equity or funds from a commercial loan and purchases all of the outstanding bonds. For accounting purposes, the cost of Project I were recorded as property, plant, and equipment on the consolidated balance sheet as of December 31, 2024.

As of December 31, 2024 and 2023, the Group has recognized $2.5 billion under the bond for title transaction and has included such leased assets in property, plant, and equipment on its consolidated balance sheets. The title to these assets will revert to the Company upon retirement or cancellation of the applicable bonds, which is expected in December 2039.

Sales & Use Tax Exemption

Sales and use tax exemptions have been granted to the Company by the State of Georgia, with no specified expiration date. To make purchases exempt from Georgia sales and use tax, the Company must provide a copy of the Letter of Authorization (LOA) to suppliers when making purchases of qualifying materials. The Company is required to maintain a listing of all Approved Purchasers utilizing the LOA to make qualifying purchases and submit such listing to the Georgia Department of Revenue annually.

Mega Project Tax Credit

The Mega Project Tax Credit for employee withholding tax can be claimed on all eligible net new full-time jobs created by the close of the seventh year following the year in which the Company begins withholding personal income taxes from the wages of employees at the project I site. The compliance requirement is for the Group to (i) create a minimum of 1,800 net new full-time jobs, (ii) either make $450 million minimum in qualified investments or annually exceed $150 million to the Georgia W-2 reported payroll and (iii) maintain a required minimum number of jobs for at least 5 years. If the requirements are not met, the Company will be required to file amended income

5. Property, Plant, and Equipment (continued)

tax and withholding tax returns for all affected periods that recalculate those liabilities. For the years ended December 31, 2024 and 2023, Mega Project Tax Credits recognized for employee withholding tax were $10.8 million and $17.5 million, respectively.

Section 45 X Credit

In August 2022, the U.S. President signed the Inflation Reduction Act (IRA) into law. Among other things, the IRA offers a tax credit, pursuant to Section 45X of the Internal Revenue Code (IRC), for qualifying battery components including battery cells manufactured in the United States and sold to third parties. Such credit may be refundable by the IRS or transferable to a third party and is available from 2023 to 2032, subject to phase down beginning in 2030. For eligible components, the credit is equal to (i) $35 per kilowatt-hour for a battery cell, (ii) $10 per kilowatt-hour for a battery module or $45 per kilowatt-hour for a battery module which does not use battery cells. Based on the current form factor of the Group's modules, the Group is qualified for a credit of $45 per kilowatt-hour for each battery module produced in the United States and sold to a third party. For the years ended December 31, 2024 and 2023, Section 45X Credit recognized for other operating income were $179.7 million and $472.7 million, respectively. Such credits which have not been collected or realized are reflected on our consolidated balance sheets within "Other receivables".

Government Grants and Tax Incentives (Project II)

BOSK received government grants and tax incentives in various forms through the Project. BOSK received $25 million and $225 million in cash from the State of Kentucky in the form of an interest-free forgivable loan in 2023 and 2022, respectively. The compliance requirements associated with these incentives with the State of Kentucky require BOSK to:

- Create or cause to create 2,500 new full-time jobs as of the initial compliance date and 5,000 net full-time jobs by 2037, located in Glendale, Kentucky
- Satisfy at least a 90% compliance threshold of the job target and wage target, located in Glendale, Kentucky
- Make $2 billion of capital investments in the Project in Kentucky

5. Property, Plant, and Equipment (continued)

Additionally, BOSK received leasehold interests in land sites from the State of Kentucky and the State of Tennessee worth $27.6 million and $1.0 million, respectively, totaling $28.6 million as incentives where BOSK is currently constructing three manufacturing facilities.

BOSK also received $215 million as a cash grant from the State of Tennessee in 2023. The compliance requirement associated with the incentive is to make a capital investment of $3.1 billion and to create at least 90% of 2,500 new full-time jobs by 2031 in Haywood County and Fayette County, Tennessee.

If such compliance requirements are not met, BOSK is required to repay to the state of Kentucky and Tennessee amounts proportionally based on predetermined formulas. BOSK has not recognized incentives received as government grants. All incentives received of $493.6 million are included in other non-current liabilities on the balance sheet as of December 31, 2024.

In December 2023, BOSK closed an industrial revenue bond transaction with Hardin County (the County), Kentucky in order to receive real property tax abatement on a land site, buildings and the fixed assets thereon (together as “Facility I”) in the County until 2053. Pursuant to this transaction, the County issued a principal amount up to $5.8 billion of its industrial revenue bonds to BOSK and then used the proceeds to purchase Facility I from BOSK. The County then leased Facility I back to BOSK under a finance lease, the terms of which provide for the payment of basic rent in an amount sufficient to pay principal and interest on the bonds. BOSK’s obligation to pay rent under the lease is in the same amount and due on the same date as the County’s obligation to pay debt service on the bonds which BOSK holds. There are no cash payments or receipts related to the bond and rent. The lease permits BOSK to present the bonds at any time for cancellation or to purchase Facility I for a nominal consideration at the end of the lease, December 2053.

In July 2022, BOSK entered into a sublease agreement with Ford to lease a land site and buildings thereon (together as “Facility II”) which are under construction in Haywood County, Tennessee. Facility II was included as a portion in the Ford’s lease agreement with State of Tennessee. The sublease, together with a payment in lieu of tax agreement, was used to facilitate a real property tax abatement to structure its ownership in Facility II as a leasehold interest with State of Tennessee serving as lessor. Under the sublease agreement, BOSK can acquire the ownership of Facility II for a nominal consideration at the end of the lease term, December 2052.

For accounting purposes, both Facility I and II were recorded as property, plant, and equipment on the balance sheet as of December 31, 2024 and 2023.

5. Property, Plant, and Equipment (continued)

BOSK is also entitled to certain tax incentives, including property tax, sales and use tax, payroll and other tax exemptions. No other material government incentives or tax incentives were recorded, except for as disclosed in this note.

6. Intangible Assets

Intangible Assets at December 31, 2024 and 2023 are summarized as follows (in millions):

	2024	2023	Estimated Useful Life
Internal use software	**$ 74.2**	$ 64.1	3~5 years
Accumulated amortization	**(27.9)**	(13.7)	
	$ 46.3	$ 50.4	

Amortization expense of intangible assets was $12.8 million and $8.3 million for the years ended December 31, 2024 and 2023, respectively.

7. Investments

As of December 31, 2024, the Group's financial instruments measured at fair value on a recurring basis totaled approximately $18 million, consisting of $9.8 million of short-term financial instruments classified as Level 2, and $8.2 million of non-listed equity securities classified as Level 3. As of December 31, 2023, the Group's financial instruments measured at fair value on a recurring basis totaled approximately $5.6 million, consisting of $4.2 million of short-term financial instruments and $1.4 million of derivatives classified as Level 2.

There were no transfers into or out of Level 3 measurements during the year ended December 31, 2024 and 2023.

Short-term financial instruments include time deposits and similar instruments with maturities greater than three months, valued using observable market inputs.

7. Investments (continued)

The Group holds a 13.47% interest in Yuilrobotics Co., Ltd, which is accounted for using the equity method. Although the ownership percentage is less than 20%, the Group has determined that it exercises significant influence over the investee through its contractual right to appoint a member of the board of directors.

The Group evaluates its equity method investment for indicators of impairment at each reporting period. No impairments were recognized during the year ended December 31, 2024.

The equity method investment includes goodwill of $16.6 million recognized at the time of acquisition and the market value of the investment as of December 31, 2024, was $30.9 million.

The Group's equity method investment activity for the year ended December 31, 2024, is summarized as follows (in millions):

	2024	2023
Equity at the beginning of the year	**$ –**	$ –
Acquisition of equity interests	**26.9**	–
Changes in the investee's net income	**0.3**	–
Changes due to foreign currency translation differences	**(0.6)**	–
Equity at the end of the year	**$ 26.6**	$ –

8. Leases

The Group has entered into various noncancelable operating and finance lease agreements for office space, equipment, and vehicles, with maturities ranging from 20 to 240 months. The Group determines if an arrangement is a lease, or contains a lease, at inception and records the lease in the financial statements upon lease commencement, which is the date when the underlying asset is made available for use by the lessor.

All lease assets and lease liabilities are recognized based on the present value of lease payments over the lease term at commencement date. The Group used its incremental borrowing rate based on the information available at lease commencement date in determining the present value of lease payments.

8. Leases (continued)

During the year ended December 31, 2024, the Group recognized an impairment loss of $1.6 million related to certain right-of-use assets.

The components of operating lease expense for the years ended December 31, 2024 and 2023, were as follows (in millions):

	2024	2023
Operating lease expense	**$ 5.2**	$ 2.1
Short-term lease expense	**1.3**	1.3
Total operating lease expense	**$ 6.5**	$ 3.4

The components of finance lease cost for the years ended December 31, 2024 and 2023, were as follows (in millions):

	2024	2023
Amortization of right-of-use assets	**$ 1.0**	$ –
Interest on lease liabilities	**1.4**	–
Total finance lease cost	**$ 2.4**	$ –

8. Leases (continued)

The future minimum lease payments required under operating and finance leases as of December 31, 2024, are as follows (in millions):

	Operating Leases	Finance Leases
Year ending December 31:		
2025	**$ 4.2**	$ 4.7
2026	**3.1**	4.7
2027	**2.9**	4.7
2028	**1.8**	4.7
2029	**1.4**	4.8
After 2029	**0.1**	33.2
Total undiscounted lease payments	**13.5**	56.8
Less interest	**(1.4)**	(23.5)
Lease liabilities	**$ 12.1**	$ 33.3
Weighted average remaining lease term (in years)	**4.50**	12.03
Weighted average discount rate	**5.97%**	9.08%

9. Short-Term Borrowings

The Group has revolving lines of credit with multiple banks totaling $1,070 million and $630 million as of December 31, 2024 and 2023. Under these lines of credit, the outstanding balances as of December 31, 2024 and 2023 were $1,070 million and $630 million, respectively. Such lines of credit bear interest at the Secured Overnight Financing Rate (SOFR) plus a margin ranging from 1.05% to 2.50%.

Since 2021, loans and borrowings have been made between the affiliates for cash pooling purposes to assist in the funding of operating activities. The interest rates on these loans and borrowings are determined by market rates and are adjusted quarterly. The Group has been in a borrowing position since September 2022, and the outstanding balance was fully repaid during the year ended December 31, 2024. As of December 31, 2023, the Group had an outstanding balance of $649 million related to these borrowings, bearing a fixed interest rate of 5.50%.

9. Short-Term Borrowings (continued)

The Group has short-term borrowings from Hana Bank in 2024, with a balance of $40 million as of December 31, 2024. These borrowings bear interest at the SOFR plus a margin of 1.65%. The borrowing was originally included in the Group's 2023 short-term borrowings from multiple banks, which totaled $342 million as of December 31, 2023, and was extended upon maturity in 2024 under substantially similar terms.

The Group borrowed from the Parent in 2024 and the outstanding balance of $2,437 million bears a fixed interest rate at 4.6% as of December 31, 2024.

10. Long-Term Debt

In 2019, the Group qualified for a Green Loan, a type of loan given to companies that are committed to improving climate and environment through projects such as low carbon transportation, energy efficiency, green buildings, and other clean energy businesses. In August 2019, the Group entered into a long-term credit agreement (First Green Loan) for $220 million syndicated by two commercial banks. In June 2020, the Group entered into a long-term credit agreement (Second Green Loan) for $450 million syndicated by eight commercial banks. In securing the loans, the Group incurred debt issuance costs of $3.3 million, which have been deferred and are recognized as interest expense using the effective interest method. In 2023, the Group repaid $450 million (Second Green Loan) due and entered into a long-term credit agreement (Syndicated Loan) for $490 million syndicated by nine commercial banks. In 2024, the Group entered into a $500 million long-term credit agreement (Green Bond) with a syndicate of four commercial banks, with guarantees provided by Kookmin Bank and the Group's parent company, SKO.

In January 2021, the Group entered into a long-term credit agreement for $1 billion syndicated by five commercial banks. The remaining $700 million is due in 2026 and bears interest at a fixed rate of 2.125%. The credit agreement requires semi-annual interest payments payable January 26 and July 26 of each year.

10. Long-Term Debt (continued)

In December 2024, the Group entered into a loan agreement with the United States Department of Energy ("DOE") of up to $9.6 billion (the "DOE Loan") with a maturity in July 2040. The Group drew its first tranche of the DOE Loan in the amount of $3.5 billion. The unamortized loan issuance cost presented as a deduction of the loan was $6 million as of December 31, 2024. The interest rate for the DOE Loan was 4.55% and there was no cash payments for interest on the DOE Loan for the year ended December 31, 2024.

The DOE Loan is guaranteed by Ford, SKO, and SKI. The DOE Loan is secured by a security interest to all assets, all existing and after-acquired personal property, all cash and investments of the Group.

Long-term debt at December 31 is as follows (in millions):

Description	2024	2023
First Green Loan – interest payable quarterly at the 1-month SOFR plus 1.94%, due August 2024	**$ –**	$ 80.0
Syndicated Loan – interest payable quarterly at 3-month SOFR plus 2.20%, due June 2026	**290.0**	290.0
Syndicated Loan – interest payable quarterly at 3-month SOFR plus 2.75%, due June 2026	**200.0**	200.0
Corporate Bond I – interest payable semi-annually at a fixed rate of 1.625%, due January 2024	**–**	300.0
Corporate Bond II – interest payable semi-annually at a fixed rate of 2.125%, due January 2026	**700.0**	700.0
Corporate Bond III – interest payable semi-annually at a fixed rate of 4.875%, due January 2027	**500.0**	–
DOE Loan – interest payable quarterly at a fixed rate of 4.55%, due July 2040	**3,510.0**	–
Total long-term debt	**5,200.0**	1,570.0
Unamortized issuance costs	**(6.0)**	–
Discount on bond issued	**(10.0)**	(6.7)
Current portion of long-term debt	**–**	(380.0)
Long-term debt	**$ 5,184.0**	$ 1,183.3

10. Long-Term Debt (continued)

As of December 31, 2024, future maturities of long-term debt are as follows: (in millions):

Year ending December 31:		
2025	$	–
2026		1,190.0
2027		500.0
2030-2034		1,356.0
2035-2040		2,154.0
Total	$	5,200.0

All of the outstanding loans, including short-term borrowings described in Note 9, are guaranteed by the Parent. There is a guarantee fee on the used portion of the financing of 0.3% which is paid by the Group to the Parent. The guarantee fee was $14.2 million and $7.7 million for the years ended December 31, 2024 and 2023, respectively.

The loans contain financial covenants, which are applied to the Group and the guarantor, the Parent. The Parent as well as the Group were in compliance with all covenants at December 31, 2024 and 2023.

11. Derivatives

As described in Note 10 Long-term Debt, a portion of the Group's borrowings is subject to variable interest rates. The Group uses interest rate swaps to hedge future interest payments, which have the economic effect of converting borrowings with floating interest rates to fixed interest rates. Under the interest rate swaps, the Group agrees with counter parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. The Group's interest rate swaps effectively convert the floating rate interest payments into a fixed rate interest payment. The Group designated the interest rate swaps as qualifying hedging instruments and accounts for them as cash flow hedges.

11. Derivatives (continued)

At December 31, 2023, the Group had $80.0 million of variable rate debt outstanding under the current financing arrangements. In order to hedge interest rate risk, in 2020 and 2021, the Group entered into interest rate swap contracts with two commercial banks, converting floating rate interest payments into fixed rates of 2.56%. These interest rate swaps were designed to effectively hedge all of the loans with a floating interest payment feature under the financing. Under the interest rate swap agreements, the Group pays the fixed rate on the notional amount and receives the variable rate on a quarterly basis. Payments are settled on a net basis, and during 2024 and 2023, the Group received $1.4 million and $15.2 million, respectively, of settlements related to the interest rate swaps, which were included in interest expense on the consolidated statements of Comprehensive loss. In 2023, the Group received $3.0 million from the termination of interest rate swaps amounting to $490.0 million and recorded it as other income.

In 2024, the interest rate swap contracts were terminated, and the previously recognized fair value of $1.4 million was reclassified as a loss into accumulated other comprehensive income on the consolidated balance sheets. As of December 31, 2023, the interest rate swaps' fair value was an asset of $1.4 million. The mark-to-market adjustment for 2023 was a loss of $18.5 million, and was included in accumulated other comprehensive income on the consolidated balance sheets. The fair value of the interest rate swap was determined using Level 2 inputs. The Group determines the fair value based on observed market valuations for interest rate swaps that have notional amounts, terms and payment frequencies similar to the Group's swaps.

12. Product Warranty Liability

The Group's product warranty liability activity for the year ended December 31, 2024 and 2023, is summarized as follows (in millions):

	2024	**2023**
Balance at beginning of year	**$ 32.7**	$ 10.8
Provision for warranty liability	**14.1**	26.1
Actual warranty costs incurred	**(18.2)**	(4.2)
Balance at end of year	**$ 28.6**	$ 32.7

12. Product Warranty Liability (continued)

As of December 31, 2024, the total warranty provision of $28.6 million includes $3.6 million classified as current and $25.0 million as non-current. As of December 31, 2023, the entire balance of $32.7 million was classified as non-current.

13. Income Taxes

The provision for income taxes consists of the following (in millions):

	December 31, 2024		
	Current	**Deferred**	**Total**
Federal	**$ –**	**$ –**	**$ –**
State	**1.4**	**–**	**1.4**
	$ 1.4	**$ –**	**$ 1.4**

	December 31, 2023		
	Current	**Deferred**	**Total**
Federal	$ –	$ –	$ –
State	1.4	–	1.4
	$ 1.4	$ –	$ 1.4

The effective tax rate differs from the statutory federal rate of 21%, primarily due to the government grants that are treated as taxable income for federal income tax purposes and the effects of a valuation allowance on deferred tax assets.

13. Income Taxes (continued)

The tax effects of temporary differences that give rise to the deferred tax assets are presented as follows (in millions):

	December 31	
		(As Restated)
	2024	**2023**
Deferred tax assets:		
Net operating loss	**$ 374.8**	$ 262.7
Capitalized start-up costs	**5.2**	5.7
Government grants	**7.0**	8.5
Inventory allowance	**27.9**	27.3
Partnership income	**65.2**	1.9
Tax credit	**19.0**	19.4
R&E expense	**39.4**	32.8
Section 163j	**104.6**	36.3
Other	**31.6**	22.7
Deferred tax assets	**674.7**	417.3
Valuation allowance	**(489.9)**	(292.3)
	184.8	125.0
Deferred tax liabilities:		
Depreciation	**(184.8)**	(124.7)
Others	**–**	(0.3)
	(184.8)	(125.0)
Net deferred tax assets	**$ –**	$ –

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of existing temporary differences, projected future taxable income, and tax planning strategies in making this assessment. Based upon the periods in which the deferred tax assets are deductible, management believes that it is not more likely than not that the Group will realize the

13. Income Taxes (continued)

benefits through the reversal of existing temporary tax liabilities in the future as of December 31, 2024 and 2023. The Group has a full valuation allowance of $489.9 million and $292.3 million against its deferred tax assets in all tax jurisdictions as of December 31, 2024 and 2023, respectively. The valuation allowance increased by $197.6 million and $161.9 million in 2024 and 2023, respectively.

At December 31, 2024, the group has net operating loss (NOL) carryforwards of $1,488.6 million and $1,430.6 million for federal income tax and state income tax purposes, respectively.

The amount and timing of realizing the benefits of NOL carryforwards depend on future taxable income and limitation imposed by tax laws. There is no expiration for $1,488.6 million of federal NOL carryforward. There is no expiration for $228.6 million of state NOL carryforward. The remaining $1,202.0 million of state NOL carryforward expires beginning in 2031 and fully expiring by the end of 2044.

The Group's federal and some state income tax returns for the years 2021 and forward remain open and most state income tax returns for the years 2020 and forward remain open and subject to examination by federal and state tax authorities.

14. Employee Benefit Plans

The Group has a 401(k) retirement saving plan, qualified under Section 401(k) of the Internal Revenue Code, in which all eligible employees of the Group may participate. Under the 401(k) plan, employees who have met certain service requirements may contribute a certain portion of their eligible compensation each year, subject to certain limitations and Internal Revenue Service regulations. The Group matches contributions equal to 100% of the first 4% of employees' contributions. Additionally, there is a 50% or 100% match on contributions up to an additional 2%. The Group made 401(k) matching contributions of approximately $4.1 million and $2.4 million for the years ended December 31, 2024 and 2023, respectively.

15. Related-Party Transactions

The Parent provides guarantees associated with SKBA's debt obligations in exchange for a guarantee fee. The fees incurred to the Parent during the years ended December 31, 2024 and 2023, were approximately $14.2 million and $7.7 million, respectively. Unpaid guarantee fees payable to the Parent of $2.6 million and $5.4 million are recorded in accounts payable as of December 31, 2024 and 2023.

SKBA participates in a cash pooling arrangement with its affiliates. As of December 31, 2024, there were no outstanding borrowings under this arrangement, the outstanding balance as of December 31, 2023, was $649 million, bearing fixed interest at 5.50%.

SKBA borrowed from the Parent in 2024 and the outstanding balance of $2,437 million bears fixed interest at 4.6% as of December 31, 2024.

BOSK has various transactions with member and their affiliates in 2024 in connection with the Project.

Plant Development Service Agreement

Ford, SKO and BOSK entered into a plant development service agreement in July 2022, which describes the roles and the responsibilities of Ford and SKO as developers on behalf of BOSK.

Under this agreement, Ford is responsible for the oversight, management, and administration of contractors on the Project, while SKO is responsible for the engineering and facility requirements necessary for the contractors to design and build the Project.

Services Agreement

BOSK entered into a services agreement with SKBA and SKO in July 2022 to receive certain administrative and IT services.

15. Related-Party Transactions (continued)

IP and Technology License Agreement

BOSK entered into an IP and Technology License Agreement with SKO in July 2022. SKO will license BOSK to use SKO's licensed background technology and background intellectual property rights to exploit products and conduct business. BOSK will pay SKO a royalty of 4% of net sales in consideration for the license and other engineering, development and testing services.

No royalty payments were made in 2024 and 2023 as BOSK is still in construction of manufacturing facilities.

SKI Parent Guaranty Agreement

SKI executed a guaranty agreement in December 2022 for BOSK and Ford to guarantee: (1) to make capital contributions to BOSK in accordance with the LLC Agreement, and (2) to meet all obligations of SKO and SKI's affiliates under the LLC Agreement. SKO is a subsidiary of SKI. Guarantee fees of $0.4 million and $0.3 million were incurred by BOSK to SKI in 2024 and 2023, respectively.

SKI, SKO, and SKBA Sponsor Support Agreement

SKI, SKO, SKBA and Ford entered into a Sponsor Support Agreement in December 2024 to guarantee the BOSK's DOE Loan. Each sponsor entity has agreed to (1) comply with the obligations and covenants specified in the DOE Loan agreement, (2) make or fund each equity contribution as and when required pursuant to the terms of the agreement, and (3) unconditionally and irrevocably guarantee the payment of all secured obligations when due and payable, in each case, solely in accordance with the terms and conditions of the agreement. In connection with these guarantees, BOSK incurred $376 thousand in fees owed to Ford, SKI, and SKO for the year ended December 31, 2024.

15. Related-Party Transactions (continued)

Related parties also provided equipment and services in connection with the construction of property, plant, and equipment during 2024 and 2023. In addition, the Group has transactions with related parties in the normal course of business. Transactions and balances with related parties as of and for the years ended December 31, 2024 and 2023 were as follows (in millions):

Related Parties	Purchase and Other Expenses	Revenue and Other Incomes	Accounts Receivable and Other Assets	Accounts Payable and Other Liabilities
2024				
Ultimate parent:				
SK Innovation Co., Ltd.	**$ 1.1**	**$ –**	**$ –**	**$ 0.7**
Parent:				
SK On Co., Ltd.	**813.6**	**2.2**	**58.8**	**209.3**
Affiliate:				
SK Inc.	**5.4**	**–**	**–**	**0.0**
SK AMERICAS, INC.	**34.3**	**–**	**–**	**6.1**
SK IE Technology Co., Ltd.	**25.9**	**–**	**–**	**9.0**
SK Nexilis Co., Ltd.	**1.9**	**–**	**–**	**0.0**
SK Nexilis Malaysia Sdn Bhd	**8.3**	**–**	**–**	**2.3**
SK Ecoengineering Co. Ltd.	**168.5**	**–**	**–**	**3.7**
SK C&C USA, Inc.	**332.6**	**–**	**–**	**128.2**
HAPPYNARAE AMERICA LLC	**47.3**	**–**	**–**	**1.8**
Mobile Energy Battery America LLC	**27.9**	**–**	**–**	**4.4**
SK Signet Inc.	**3.4**	**–**	**–**	**1.3**
Samkoo Battery America, Inc.	**9.5**	**–**	**–**	**2.2**
SK On Hungary Kft.	**–**	**16.8**	**5.4**	**0.0**
FSK L&S USA, Inc.	**3.8**	**–**	**–**	**0.1**
SK On Jiangsu Co., Ltd	**1.1**	**–**	**–**	**0.0**
Others	**1.2**	**–**	**–**	**0.1**
Total	**$ 1,485.8**	**$ 19.0**	**$ 64.2**	**$ 369.2**

15. Related-Party Transactions (continued)

Related Parties	Purchase and Other Expenses	Revenue and Other Incomes	Accounts Receivable and Other Assets	Accounts Payable and Other Liabilities
2023				
Ultimate parent:				
SK Innovation Co., Ltd.	$ 0.3	$ –	$ –	$ –
Parent:				
SK On Co., Ltd.	60.7	3.4	–	24.8
Affiliate:				
SK IE Technology Co., Ltd.	82.1	–	–	14.2
SK Nexilis Co., Ltd.	50.5	–	–	1.4
SK Ecoengineering Co., Ltd.	98.6	–	–	8.2
SK C&C USA, Inc.	378.6	–	–	206.4
Happynarae America LLC	68.6	–	–	3.5
SK Ecoplant Co., Ltd.	–	–	–	10.0
Mobile Energy Battery America LLC	15.6	–	–	0.2
SK Battery Manufacturing Kft.	1.8	0.1	–	–
SK On Hungary Kft.	0.1	0.4	–	–
Baic Electronics SK (Jiangsu) Technology Co., Ltd.	5.7	–	–	3.0
SK Shieldus America Inc.*	16.7	–	–	–
SK Shieldus Co., Ltd.*	0.3	–	–	–
Others	0.9	0.1	–	0.1
Total	$ 780.5	$ 4.0	$ –	$ 272.3

* SK Shieldus America Inc. and SK Shieldus Co., Ltd ceased to be related parties in 2023. Accordingly, the transactions cover the period of their relationship during 2023, and account balances were not included as of December 31, 2023.

16. Commitments and Contingencies

Production Purchasing Multi-Year Sourcing Agreement

A Production Purchasing Multi-Year Sourcing Agreement was entered into by Ford and BOSK in July 2022. This sourcing agreement governs all purchase orders during the term between Ford and BOSK, and the initial term of the sourcing agreement is 12 years from the start of production of the products at the facilities. BOSK will manufacture, sell and supply all of its capacity solely to Ford, subject to certain exceptions where there is excess capacity.

The transaction prices will be determined based on actual net costs to produce the products plus margin, with a ceiling price for the first two years following the start of operations. BOSK expects to begin commercial productions for sales under this agreement in June 2025.

Litigation

As of December 31, 2024, the Company was involved in two civil actions; the first was filed by a former subcontractor employee in connection with a personal accident. The Company obtained a summary judgment in this case, and the matter has been dismissed. However, the Company is currently monitoring the appeals court docket with respect to the summary judgment awarded to the Company. The second was filed by Banks County, Georgia, in relation to a waste battery fire. The related claim amount has not yet been determined.

The Company is not able to make a reasonable estimate of the liability because of the uncertainties related to the outcome and/or the amount or range of loss. Accordingly, no provision has been recorded.

17. Supplier Finance Program

The Company has a supplier finance program which provides certain suppliers the opportunity to sell their receivables due from the Company to a participating financial institution in exchange for receipt of a payment amount made earlier than the payment term stipulated between the Company and the supplier. The Company is not a party to the arrangements between the suppliers and the third-party financial institution. The Company's amounts due are not impacted by a participating supplier's decision to participate in the program. Under the program, the Company pays service fees. The due dates of the confirmed invoices range up to 90 days from original invoice due dates. The Company has not pledged any assets and does not provide guarantees under the program. The Company's payment obligations outstanding under the program were $3.5 million and $179.6 million as of December 31, 2024 and 2023, respectively, and were recorded within accounts payable in the consolidated balance sheets.

The roll-forward of the Company's outstanding obligations confirmed as valid under its supplier finance program for the year ended December 31, 2024 and 2023 are as follows (in millions):

Description	**2024**	**2023**
Confirmed obligations outstanding at the beginning of the year	**$ 179.6**	$ 123.1
Invoices confirmed during the year	**32.8**	500.9
Confirmed invoices paid during the year	**(208.9)**	(444.4)
Confirmed obligations outstanding at the end of the year	**$ 3.5**	$ 179.6

18. Contract Assets and Contract Liabilities

The Group recognizes revenue in accordance with ASC 606, Revenue from Contracts with Customers. Under ASC 606, the timing of revenue recognition may differ from the timing of billing to customers, resulting in the recognition of contract assets and contract liabilities.

- Contract assets primarily relate to the Company's rights to consideration for goods or services transferred to customers, but for which the right to payment is contingent on something other than the passage of time. These assets are transferred to accounts receivable when the right to payment becomes unconditional.

18. Contract Assets and Contract Liabilities (continued)

- Contract liabilities consist of advance payments received from customers for which performance obligations have not yet been satisfied. These amounts are recognized as revenue when the related performance obligations are fulfilled.

As of December 31, 2024 and 2023, contract assets consisted of the following (in millions):

	2024	(As Restated) 2023
Contract assets	$ –	$ 33.4

There were no significant changes in contract asset and liability balances outside of those arising from performance obligations satisfied or new contracts initiated.

As of December 31, 2024 and 2023, the Group had remaining performance obligations totaling $112.0 million and $268.0 million, respectively, representing the estimated amount of consideration the Group expects to be entitled to under customer contracts for the sale of automotive battery products.

Under certain customer arrangements, if actual purchase volumes fall below the guaranteed minimum specified in the contract, the Group is entitled to compensation. These minimum volume guarantees represent enforceable rights and obligations under the contract, and the related consideration has been appropriately allocated to performance obligations in accordance with ASC 606.

This amount includes consideration allocated to guaranteed minimum purchase volumes under long-term supply agreements. The Group expects to recognize the full amount of this revenue within the next 12 months.

19. Restatement of Previously Issued Financial Statements

The Group identified errors in the previously issued consolidated financial statements for the year ended December 31, 2023, related to the recognition of revenue and expense. The errors were primarily caused by incorrect timing of revenue and expense recognition, which resulted in the misstatement of operating results in those financial statements.

19. Restatement of Previously Issued Financial Statements (continued)

As a result, the Group has restated its consolidated financial statements for the year ended December 31, 2023, to correct these errors. The restatement was made in accordance with the guidance under ASC 250, – *Accounting Changes and Error Corrections*.

The following tables summarize the impact of the restatement on the previously reported amounts (in millions):

Consolidated Balance Sheets (as of December 31, 2023)	As Previously Reported	Adjustment	As Restated
Contract assets	$ –	$ 33.4	$ 33.4
Total assets	12,657.8	33.4	12,691.2
Accrued expenses and other current liabilities	1,166.7	(4.5)	1,162.2
Total liabilities	6,380.6	(4.5)	6,376.1
Accumulated deficit	(664.7)	37.9	(626.8)
Total equity	6,277.1	37.9	6,315.0

Consolidated Statements of Operations (Year Ended December 31, 2023)	As Previously Reported	Adjustment	As Restated
Revenue	1,748.1	133.4	1,881.5
Cost of sales	2,150.6	96.2	2,246.8
Selling, general and administrative expenses	165.1	(0.7)	164.4
Operating Income (loss)	(95.0)	37.9	(57.1)
Income tax expense	1.4	–	1.4
Net Income (loss)	(240.1)	37.9	(202.2)

20. Subsequent Events

The Group has performed an evaluation of subsequent events through April 30, 2025, which is the date these financial statements were available to be issued, and has determined that there are no subsequent events to be disclosed other than those listed below.

Additional Long-Term Loan

On January 15, 2025, BOSK drew two additional tranches of the DOE Loan in the amounts of $520 million and $3,805 million, with an interest rates of 4.8%. After the additional draws on the DOE Loan, BOSK distributed $1.7 billion each to Ford and SKBA, totaling $3.4 billion, as a return of capital.

Entry into Shareholders' Agreement with Call Option Rights

On April 1, 2025, the Company entered into a shareholders' agreement with the largest shareholder of Yuilrobotics Co., Ltd. Under the agreement, the Company was granted a call option to acquire up to 23% of Yuilrobotics Co., Ltd.'s shares on a fully diluted basis. The call option is exercisable within five years and may enable the Company to become the largest shareholder of Yuilrobotics Co., Ltd.

Report on Review of Condensed Consolidated Interim Financial Statements

(English Translation of a Report Originally Issued in Korean)

To the Shareholders and Board of Directors of
Kookmin Bank

Reviewed Financial Statements
We have reviewed the accompanying condensed consolidated interim financial statements of Kookmin Bank and its subsidiaries (collectively referred to as the "Group"). These condensed consolidated interim financial statements consist of the consolidated interim statement of financial position of the Group as at September 30, 2025, and the related consolidated interim statements of comprehensive income for the three-month and nine-month periods ended September 30, 2025 and 2024, and consolidated interim statements of changes in equity and cash flows for the nine-month periods ended September 30, 2025 and 2024, 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, 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, not presented herein, in accordance with Korean Standards on Auditing. We expressed an unqualified opinion on those financial statements in our audit report dated March 5, 2025. The consolidated statement of financial position as at December 31, 2024, presented herein for comparative purposes, is consistent, in all material respects, with the above audited statement of financial position as at December 31, 2024.

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.

Samil PricewaterhouseCoopers

November 14, 2025
Seoul, Korea

This report is effective as of November 14, 2025, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that there is a possibility that the above review report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Kookmin Bank and Subsidiaries

Consolidated Interim Statements of Financial Position

September 30, 2025 (Unaudited) and December 31, 2024

(In millions of Korean won)	Notes	September 30, 2025 (Unaudited)	December 31, 2024
Assets			
Cash and due from financial institutions	4,6,7,28	₩ 18,355,743	₩ 22,910,149
Financial assets at fair value through profit or loss	4,6,11	28,905,104	22,089,847
Derivative financial assets	4,6,8	5,443,290	10,249,619
Loans measured at amortized cost	4,6,9,10	424,219,637	409,867,155
Financial investments	4,6,11	76,180,580	81,226,618
Investments in associates		591,633	585,509
Property and equipment		3,903,647	4,199,120
Investment property		137,659	125,014
Intangible assets		890,820	968,603
Net defined benefit asset	17	194,617	163,892
Current income tax assets		346,610	318,833
Deferred income tax assets	12	120,069	137,117
Assets held for sale		251,937	136,838
Other assets	4,6	23,233,361	9,908,866
Total assets		₩ 582,774,707	₩ 562,887,180
Liabilities			
Financial liabilities at fair value through profit or loss	4,6	₩ 305,547	₩ 159,212
Derivative financial liabilities	4,6,8	4,782,442	9,643,135
Deposits	4,6,13	429,582,034	421,200,651
Borrowings	4,6,14	30,142,833	32,226,416
Debentures	4,6,15	34,519,363	34,736,771
Provisions	16	480,193	543,694
Net defined benefit liabilities	17	9,026	11,283
Current income tax liabilities		51,825	25,178
Deferred income tax liabilities	12	641,328	673,452
Other liabilities	4,6	42,645,310	25,640,068
Total liabilities		543,159,901	524,859,860
Equity			
Capital stock	18	2,021,896	2,021,896
Hybrid securities	18	1,065,612	1,065,612
Capital surplus	18	4,650,118	4,650,118
Accumulated other comprehensive income	18,26	690,724	775,726
Retained earnings	18,25	31,127,626	29,427,755
(Provision of regulatory reserve for credit losses September 30, 2025 (Unaudited) : ₩ 2,736,034 million December 31, 2024 : ₩ 2,796,799 million) (Amounts estimated to be appropriated (reversed) September 30, 2025 (Unaudited) : ₩ 154,089 million December 31, 2024 : ₩ (60,765) million)			
Equity attributable to the owners of the parent		39,555,976	37,941,107
Non-controlling interests		58,830	86,213
Total equity		39,614,806	38,027,320
Total liabilities and equity		₩ 582,774,707	₩ 562,887,180

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

Kookmin Bank and Subsidiaries

Consolidated Interim Statements of Comprehensive Income

Three-Month and Nine-Month Periods Ended September 30, 2025 and 2024 (Unaudited)

(In millions of Korean won)	Notes	2025 (Unaudited)		2024 (Unaudited)	
		Three months	Nine months	Three months	Nine months
Interest income		₩ 5,366,364	₩ 16,446,466	₩ 5,815,388	₩ 17,451,388
Interest income from financial instruments at fair value through other comprehensive income and amortized cost		5,238,741	16,088,981	5,707,426	17,128,419
Interest income from financial instruments at fair value through profit or loss		127,623	357,485	107,962	322,969
Interest expense		(2,683,301)	(8,559,075)	(3,299,604)	(9,802,791)
Net interest income	19	2,683,063	7,887,391	2,515,784	7,648,597
Fee and commission income		404,799	1,198,791	380,281	1,156,189
Fee and commission expense		(110,358)	(332,258)	(106,885)	(321,449)
Net fee and commission income	20	294,441	866,533	273,396	834,740
Net gains on financial instrument at fair value through profit or loss	21	169,035	743,077	333,057	530,940
Net other operating expenses	22	(392,495)	(998,409)	(208,396)	(747,184)
General and administrative expenses	23	(1,094,271)	(3,272,885)	(1,082,804)	(3,224,785)
Operating income before provision for credit losses		1,659,773	5,225,707	1,831,037	5,042,308
Provision for credit losses	7,10,11,16	(85,921)	(706,521)	(240,819)	(590,159)
Net operating income		1,573,852	4,519,186	1,590,218	4,452,149
Share of profit of associates		3,371	8,166	3,066	7,318
Net other non-operating income (expenses)		1,707	(37,174)	(27,482)	(886,168)
Net non-operating income (expenses)		5,078	(29,008)	(24,416)	(878,850)
Profit before income tax expense		1,578,930	4,490,178	1,565,802	3,573,299
Income tax expense	24	(403,602)	(1,145,010)	(493,676)	(1,034,841)
Profit for the period		1,175,328	3,345,168	1,072,126	2,538,458
(Adjusted profit after provision of regulatory reserve for credit losses	18				
September 30, 2025 (Nine Months) : ₩ 3,210,459 million					
September 30, 2025 (Three Months) : ₩ 1,019,005 million					
September 30, 2024 (Nine Months) : ₩ 2,711,905 million					
September 30, 2024 (Three Months) : ₩ 1,159,984 million					
Items that will not be reclassified to profit or loss:					
Remeasurements of net defined benefit liabilities		17,799	16,569	4,963	16,333
Gains (losses) on equity securities at fair value through other comprehensive income		(102,909)	71,266	24,112	(223,891)
Items that may be subsequently reclassified to profit or loss:					
Currency translation differences		124,498	(145,414)	(121,179)	95,094
Gains (losses) on debt securities at fair value through other comprehensive income		(92,179)	(79,815)	138,917	210,696
Share of other comprehensive income (loss) of associates		1,154	(35)	339	(645)
Gains (losses) on hedging instruments of net investments in foreign operations		(47,162)	63,280	66,047	(14,751)
Losses on cash flow hedging instruments		(2,193)	(21,236)	(36,883)	(24,890)
Other comprehensive income (loss) for the period, net of tax	26	(100,992)	(95,385)	76,316	57,946
Total comprehensive income for the period		₩ 1,074,336	₩ 3,249,783	₩ 1,148,442	₩ 2,596,404
Profit attributable to:					
Owners of the parent		₩ 1,176,943	₩ 3,364,548	₩ 1,112,032	₩ 2,617,890
Non-controlling interests		(1,615)	(19,380)	(39,906)	(79,432)
		₩ 1,175,328	₩ 3,345,168	₩ 1,072,126	₩ 2,538,458
Total comprehensive income (loss) for the period attributable to:					
Owners of the parent		₩ 1,075,581	₩ 3,275,347	₩ 1,182,629	₩ 2,667,867
Non-controlling interests		(1,245)	(25,564)	(34,187)	(71,463)
		₩ 1,074,336	₩ 3,249,783	₩ 1,148,442	₩ 2,596,404

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

Kookmin Bank and Subsidiaries
Consolidated Interim Statements of Changes in Equity
Nine-Month Periods Ended September 30, 2025 and 2024 (Unaudited)

(In millions of Korean won)	Attributable to the owners of the parent					Non-controlling interests	Total equity
	Capital stock	Hybrid securities	Capital surplus	Accumulated other comprehensive income	Retained earnings		
Balance as of January 1, 2024	₩ 2,021,896	₩ 1,282,935	₩ 4,735,404	₩ 614,395	₩ 27,718,412	₩ 175,685	₩ 36,548,727
Comprehensive income (losses) for the period							
Profit (loss) for the period	-	-	-	-	2,617,890	(79,432)	2,538,458
Remeasurements of net defined benefit liabilities	-	-	-	15,925	-	408	16,333
Losses on equity securities at fair value through other comprehensive income	-	-	-	(219,780)	(4,111)	-	(223,891)
Currency translation differences	-	-	-	88,622	-	6,472	95,094
Gains on debt securities at fair value through other comprehensive income	-	-	-	209,607	-	1,089	210,696
Share of other comprehensive loss of associates	-	-	-	(645)	-	-	(645)
Losses on hedging instruments of net investments in foreign operations	-	-	-	(14,751)	-	-	(14,751)
Losses on cash flow hedging instruments	-	-	-	(24,890)	-	-	(24,890)
Total comprehensive income (loss) for the period	-	-	-	54,088	2,613,779	(71,463)	2,596,404
Transactions with the shareholder							
Dividends	-	-	-	-	(1,467,896)	-	(1,467,896)
Issuance of hybrid securities	-	357,200	-	-	-	-	357,200
Repayment of hybrid securities	-	(574,523)	(85,286)	-	-	-	(659,809)
Dividends on hybrid securities	-	-	-	-	(58,178)	-	(58,178)
Total transactions with the shareholder	-	(217,323)	(85,286)	-	(1,526,074)	-	(1,828,683)
Balance as of September 30, 2024 (Unaudited)	₩ 2,021,896	₩ 1,065,612	₩ 4,650,118	₩ 668,483	₩ 28,806,117	₩ 104,222	₩ 37,316,448
Balance as of January 1, 2025	₩ 2,021,896	₩ 1,065,612	₩ 4,650,118	₩ 775,726	₩ 29,427,755	₩ 86,213	₩ 38,027,320
Comprehensive income (loss) for the period							
Profit (loss) for the period	-	-	-	-	3,364,548	(19,380)	3,345,168
Remeasurements of net defined benefit liabilities	-	-	-	17,274	-	(705)	16,569
Gains (losses) on equity securities at fair value through other comprehensive income	-	-	-	75,465	(4,199)	-	71,266
Currency translation differences	-	-	-	(139,727)	-	(5,687)	(145,414)
Gains (losses) on debt securities at fair value through other comprehensive income	-	-	-	(80,023)	-	208	(79,815)
Share of other comprehensive loss of associates	-	-	-	(35)	-	-	(35)
Gains on hedging instruments of net investments in foreign operations	-	-	-	63,280	-	-	63,280
Losses on cash flow hedging instruments	-	-	-	(21,236)	-	-	(21,236)
Total comprehensive income (loss) for the period	-	-	-	(85,002)	3,360,349	(25,564)	3,249,783
Transactions with the shareholder							
Dividends	-	-	-	-	(1,625,604)	-	(1,625,604)
Dividends on hybrid securities	-	-	-	-	(34,874)	(1,819)	(36,693)
Total transactions with the shareholder	-	-	-	-	(1,660,478)	(1,819)	(1,662,297)
Balance as of September 30, 2025 (Unaudited)	₩ 2,021,896	₩ 1,065,612	₩ 4,650,118	₩ 690,724	₩ 31,127,626	₩ 58,830	₩ 39,614,806

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

Kookmin Bank and Subsidiaries
Consolidated Interim Statements of Cash Flows
Nine-Month Periods Ended September 30, 2025 and 2024 (Unaudited)

(In millions of Korean won)	Notes	2025 (Unaudited)	2024 (Unaudited)
Cash flows from operating activities			
Profit for the period		₩ 3,345,168	₩ 2,538,458
Adjustment for non-cash items			
Net gains on financial instruments at fair value through profit or loss		(452,766)	(545,772)
Net losses (gains) on derivative financial instrument for hedging purposes		(24,427)	6,380
Provision for credit losses		706,521	590,159
Net gains on financial investments		(111,497)	(43,574)
Share of profit of associates		(8,167)	(7,318)
Depreciation and amortization expense		419,296	435,982
Other net losses on property and equipment/intangible assets		6,046	68,807
Share-based payments		42,489	40,838
Post-employment benefits		102,972	95,258
Net interest expense (income)		112,189	(18,280)
Losses on foreign currency translation		270,666	1,172,383
Other expenses		80,661	791,510
		1,143,983	2,586,373
Changes in operating assets and liabilities			
Financial assets at fair value through profit or loss		(4,801,950)	2,186
Derivative financial instrument		431,548	191,852
Loans measured at amortized cost		(16,964,413)	(19,262,729)
Current income tax assets		(27,777)	(66,578)
Deferred income tax assets		12,336	129,538
Other assets		(13,027,480)	(5,711,359)
Financial liabilities at fair value through profit or loss		71,831	9,411
Deposits		9,859,231	16,824,107
Deferred income tax liabilities		(49,660)	185,311
Other liabilities		15,975,604	6,379,800
		(8,520,730)	(1,318,461)
Net cash inflow (outflow) from operating activities		(4,031,579)	3,806,370
Cash flows from investing activities			
Net cash flows from derivative financial instrument for hedging purposes		2,997	27,891
Disposal of financial assets at fair value through profit or loss		9,549,955	5,332,007
Acquisition of financial assets at fair value through profit or loss		(11,527,400)	(5,643,340)
Disposal of financial investments		31,952,431	27,346,401
Acquisition of financial investments		(27,274,951)	(27,244,631)
Disposal of investments in associates		46,644	63,334
Acquisition of investments in associates		(44,650)	(41,600)
Disposal of property and equipment		34,100	3,924
Acquisition of property and equipment		(108,624)	(111,083)
Disposal of intangible assets		3,370	4,619
Acquisition of intangible assets		(38,143)	(54,312)
Net cash flows from changes in ownership of subsidiaries		(145,443)	(44,267)
Others		57,782	(11,095)
Net cash inflow (outflow) from investing activities		2,508,068	(372,152)
Cash flows from financing activities			
Net cash flows from derivative financial instrument for hedging purposes		(15,586)	(33,194)
Decrease in borrowings		(1,178,075)	(6,093,765)
Increase in debentures		15,454,781	15,482,608
Decrease in debentures		(15,569,184)	(15,356,349)
Payment of dividends		(1,625,604)	(1,467,896)
Increase in other payables to trust accounts		1,236,045	544,993
Issuance of hybrid securities		-	357,200
Repayment of hybrid securities		-	(690,400)
Others		(496,844)	(366,625)
Net cash outflow from financing activities		(2,194,467)	(7,623,428)
Effect of exchange rate changes on cash and cash equivalents		(257,927)	259,925
Net decrease in cash and cash equivalents		(3,975,905)	(3,929,285)
Cash and cash equivalents at the beginning of the period	28	21,489,706	22,561,791
Cash and cash equivalents at the end of the period	28	₩ 17,513,801	₩ 18,632,506

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

1. Reporting Entity

Kookmin Bank (the "Bank") was incorporated in 1963 under the Citizens National Bank Act to provide banking services to the general public and to small and medium-sized enterprises. Pursuant to the Repeal Act of the Citizens National Bank Act, effective January 5, 1995, the Bank's status changed to a financial institution which operates under the Banking Act and Commercial Act.

The Bank merged with Korea Long Term Credit Bank on December 31, 1998, and with its subsidiaries, Daegu, Busan, Jeonnam Kookmin Mutual Savings & Finance Co., Ltd., on August 22, 1999. Pursuant to the directive from the Financial Services Commission related to the Structural Improvement of the Financial Industry Act, the Bank acquired certain assets, including performing loans, and assumed most of the liabilities of Daedong Bank on June 29, 1998. Also, the Bank completed the merger with Housing and Commercial Bank ("H&CB") on October 31, 2001, and merged with Kookmin Credit Card Co., Ltd., a majority-owned subsidiary, on September 30, 2003. Meanwhile, the Bank spun off its credit card business segment on February 28, 2011, and KB Kookmin Card Co., Ltd. became a subsidiary of KB Financial Group Inc.

The Bank listed its shares on the Stock Market Division of the Korea Exchange ("KRX") in September 1994. As a result of the merger with H&CB, the shareholders of the former Kookmin Bank and H&CB received new common shares of the Bank which were relisted on the KRX on November 9, 2001. In addition, H&CB listed its American Depositary Shares ("ADS") on the New York Stock Exchange ("NYSE") on October 3, 2000, prior to the merger. Following the merger with H&CB, the Bank listed its ADS on the NYSE on November 1, 2001. The Bank became a wholly owned subsidiary of KB Financial Group Inc. through a comprehensive stock transfer on September 29, 2008. Subsequently, the Bank's shares and its ADS, each listed on the KRX and the NYSE, were delisted on October 10, 2008 and September 26, 2008, respectively. As of September 30, 2025, the Bank's paid-in capital is ₩ 2,021,896 million.

The Bank engages in the banking business in accordance with the Banking Act, trust business in accordance with the Financial Investment Services and Capital Markets Act, mobile virtual network business in accordance with the Special Act on Support for Financial Innovation, and other relevant businesses. As of September 30, 2025, the Bank operates its Seoul headquarters and 773 domestic branches, and eleven overseas branches (excluding five subsidiaries).

2. Basis of Preparation

2.1 Application of Korean IFRS

The Bank and its subsidiaries (collectively the "Group") maintains its accounting records in Korean won and prepares statutory consolidated financial statements in the Korean language in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("Korean IFRS"). The accompanying condensed consolidated interim financial statements have been translated into English from the Korean language consolidated financial statements.

The consolidated financial statements of the Group have been prepared in accordance with Korean IFRS. Korean IFRS are the standards and related interpretations issued by the International Accounting Standards Board ("IASB") that have been adopted by the Republic of Korea.

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. Management also needs to exercise judgment in applying the Group's accounting policies. The areas that require a more complex and higher level of judgment or areas that require significant assumptions and estimations are disclosed in Note 2.4.

The Group's condensed consolidated interim financial statements for the six-month periods ended September 30, 2025, have been prepared in accordance with Korean IFRS No.1034 *Interim Financial Reporting* and contain less information than is required in annual consolidated financial statements. Selected explanatory notes include descriptions of transactions or events that are significant in understanding changes in the financial position and financial performance of the Group since the end of the previous annual reporting period. These consolidated interim financial statements have been prepared in accordance with Korean IFRS which is effective or early adopted as of September 30, 2025.

2.1.1 The Group has applied the following issuance and 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 determine a spot exchange rate when exchangeability is lacking, and to disclose information on the nature and financial effects of the currency not being exchangeable into the other currency, the spot exchange rate(s) used, the estimation process, and the risks to which the Group is exposed. These amendments do not have a significant impact on the financial statements.

2.1.2 The following new and amended standards have been published that are not mandatory for September 30, 2025 reporting period and have not been adopted by the Group.

- Amendment of Korean IFRS No.1109 "Financial Instruments" and No.1107 "Financial Instruments : Disclosures"

The amendments respond to recent questions arising in practice. The amendments will be applicable from the accounting year beginning on or after January 1, 2026, and early adoption is permitted. The main amendments are as follows. The Group is reviewing the impact of these amendments on the financial statements. These amendments do not have a significant impact on the financial statements.

- allow the consideration of a financial liability as settled (derecognized) through an electronic payment system before the settlement date if certain criteria are met;
- clarify and provide additional guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- disclose the impact of contractual terms that change the timing or amount of cash flows on the company, as well as the extent of the company's exposure, for each type of financial instrument;
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

- Korean IFRS Accounting Standards Annual Improvements Volume 11

Korean IFRS Accounting Standards Annual Improvements Volume 11 will be effective for annual reporting periods beginning on or after January 1, 2026. These amendments do not have a significant impact on the financial statements.

· Korean IFRS No.1101 "First-time adoption of International Financial Reporting Standards": Hedge accounting by a first-time adopter
· Korean IFRS No.1107 "Financial Instruments: Disclosures": Gain or loss on derecognition, Application guidance
· Korean IFRS No.1109 "Financial Instruments": Derecognition of lease liabilities, Definition of transaction price

· Korean IFRS No.1110 “Consolidated Financial Statements”: Determination of a ‘de facto agent’

2.2 Measurement Basis

The consolidated financial statements have been prepared based on the historical cost accounting model unless otherwise specified.

2.3 Functional and Presentation Currency

Items included in the financial statements of each entity of the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The consolidated financial statements are presented in Korean won, which is the reporting entity’s functional and presentation currency.

2.4 Significant Accounting Estimates

The Group applies accounting policies and uses judgements, accounting estimates, and assumptions that may have a significant impact on the assets (liabilities) and incomes (expenses) in preparing the consolidated financial statements. Management’s estimates of outcomes may differ from actual outcomes if management’s estimates and assumptions based on management’s best judgment are different from the actual environment.

Estimates and underlying assumptions are continually evaluated, and changes in accounting estimates are recognized in the period in which the estimates are changed and in any future periods affected.

Significant accounting estimates and assumptions applied in the preparation of these condensed consolidated interim financial statements are the same as those applied to the consolidated financial statements for the year ended December 31, 2024, except for the estimates used to determine income tax expense

3. Material Accounting Policies

The material accounting policies and calculation methods applied in the preparation of these consolidated interim financial statements are the same as those applied to the consolidated financial statements for the year ended December 31, 2024, except for the impact of changes due to adopting new and amended standards and interpretations described in Note 2.1 and the paragraph below.

The Group is within the scope of the Pillar Two model rules and has applied the exception to the recognition and disclosure of deferred tax. Income tax expense for the interim period is measured by using the expected average annual income tax rate applicable to expected total annual income.

4. Financial Risk Management

4.1 Summary
4.1.1 Overview of financial risk management policy

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

This note regarding financial risk management provides information about the risks that the Group is exposed to and about its objectives, policies, risk assessment and management procedures, and capital management. Additional quantitative information is disclosed throughout the consolidated financial statements.

The Group's risk management system focuses on efficiently supporting long-term strategy and management decisions of each business group through increased risk transparency, spread of risk management culture, prevention of risk transfer between risk types, and preemptive response to rapidly changing financial environments. Credit risk, market risk, liquidity risk, and operational risk are recognized as the Group's significant risks and measured and managed by quantifying them in the form of internal capital or Value at Risk ("VaR") using statistical methods.

4.1.2 Risk management organization

4.1.2.1 Risk Management Committee

The Risk Management Committee, as the ultimate decision-making body, approves risk-related issues, such as establishing risk management strategies in accordance with the strategic direction determined by the board of directors, determining the affordable level of risk appetite, and reviewing the level of risk and the status of risk management activities.

4.1.2.2 Risk Management Council

The Risk Management Council deliberates on and resolves matters delegated by the Risk Management Committee and discusses the details of risk management of the Group.

4.1.2.3 Risk Management Subcommittees

The Risk Management Subcommittee implements decisions made by the Risk Management Council and makes practical decisions regarding the implementation of risk management policies and procedures.

- Credit Risk Management Subcommittee
  The Credit Risk Management Subcommittee conducts deliberation and resolution on new approval of non-standard and compound instruments with embedded credit risks, review of credit risks for new products with credit risks, and establishment of exposure limits by industry.

- Market Risk Management Subcommittee
  The Market Risk Management Subcommittee conducts deliberation and resolution on market risk-related matters, such as setting limits on market risk and approving detailed investment standards for new standard, non-standard and compound products.

- Operational Risk Management Subcommittee
  The Operational Risk Management Subcommittee reviews the issues that have a significant effect on the Group's operational risk such as establishment, amendment and abolition of major systems, process and others.

- Trust & Fund Customer Asset Risk Management Subcommittee
  The Trust & Fund Customer Asset Risk Management Subcommittee reviews the issues that have a significant effect on the trust & fund customer asset risk management such as setting limits on trust & fund customer assets.

4.1.2.4 Risk Management Group

The Risk Management Group manages detailed risk management policies, procedures, and business processes.

4.2 Credit Risk

4.2.1 Overview of credit risk

Credit risk is the risk of loss from the portfolio of assets held due to the counterparty's default, breach of contract, and deterioration of credit quality. For risk management reporting purposes, the Group considers all factors of credit risk exposure, such as default risk of individual borrowers, country risk, and risk of specific sectors. The Group defines default as the definition applied to the calculation of Capital Adequacy Ratio under the new Basel Accord (Basel III).

4.2.2 Credit risk management

The Group measures the expected loss and internal capital for the assets subject to credit risk management, including on-balance and off-balance assets, and uses them as management indicators. The Group allocates and manages credit risk internal capital limits.

In addition, to prevent excessive concentration of exposures by borrower and industry, the total exposure limit at the Group level is introduced, applied, and managed to control the credit concentration risk.

All of the Group's loan customers (individuals and corporates) are assigned a credit rating and managed by a comprehensive internal credit evaluation system. For individuals, the credit rating is evaluated by utilizing personal information, income and job information, asset information, and bank transaction information. For corporates, the credit rating is evaluated by analyzing and utilizing financial and non-financial information which measures current and future corporate value and ability to repay the debt. Also, the extent to which corporates have the ability to meet debt obligations is comprehensively considered.

The credit rating, once assigned, serves as the fundamental instrument in the Group’s credit risk management, and is applied in a wide range of credit risk management processes, including credit approval, credit limit management, loan pricing, and assessment of allowances for credit losses. For corporates, the Group conducts a regular credit evaluation at least once a year, and the review and supervision departments regularly validate the adequacy of credit ratings to manage credit risks.

In order to establish a credit risk management system, the Group manages credit risk by forming a separate risk management organization. In particular, independently of the Sales Group, the Credit Management & Analysis Group, Retail Customer Group and Corporate Customer Group are in charge of loan policy, loan system, credit rating, credit analysis, follow-up management, and corporate restructuring. The Risk Management Group is responsible for establishing policies on credit risk management, measuring and limiting internal capital of credit risk, setting credit limits, credit review, and verification of credit rating models.

4.2.3 Maximum exposure to credit risk

The Group's maximum exposures to credit risk without consideration of collateral values in relation to financial instruments other than equity securities as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	**September 30, 2025**	**December 31, 2024**
Financial assets		
Due from financial institutions [1]	15,797,118	20,832,755
Financial assets at fair value through profit or loss:		
Securities measured at fair value through profit or loss	28,137,212	21,518,992
Loans measured at fair value through profit or loss	261,961	250,141
Due from financial institutions measured at fair value through profit or loss	301,251	158,519
Derivatives	5,443,290	10,249,619
Loans measured at amortized cost [1]	424,219,637	409,867,155
Financial investments:		
Securities measured at fair value through other comprehensive income	41,334,411	43,531,616
Securities measured at amortized cost [1]	33,374,135	36,355,808
Loans measured at fair value through other comprehensive income	331,481	280,908
Other financial assets [1]	22,536,822	9,328,611
	571,737,318	552,374,124
Off-balance sheet items [2]		
Acceptances and guarantees contracts	14,873,044	16,420,629
Financial guarantee contracts	4,607,426	5,717,630
Commitments	120,509,287	122,784,119
	139,989,757	144,922,378
	711,727,075	697,296,502

[1] Net of allowance
[2] Refer to Note 16 for related provisions

4.2.4 Credit risk of loans

The Group maintains allowances for loan losses associated with credit risk of loans to manage its credit risk.

The Group assesses expected credit losses and recognizes loss allowances of financial assets at amortized cost and financial assets at fair value through other comprehensive income (debt instruments). Financial assets at fair value through profit or loss are excluded. Expected credit losses are a probability-weighted estimate of possible credit losses occurring in a certain range by reflecting reasonable and supportable information that is reasonably available at the end of the reporting period without undue cost or effort, including information about past events, current conditions, and forecasts of future economic conditions. The Group measures the expected credit losses of loans classified as financial assets at amortized cost, by deducting allowances for credit losses. The expected credit losses of loans classified as financial assets at fair value through other comprehensive income are presented in other comprehensive income in the consolidated financial statements.

4.2.4.1 Credit risk exposure

Credit qualities of loans as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)

	September 30, 2025					
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	Not applying expected credit losses	Total
		Not impaired	Impaired			
Loans measured at amortized cost *						
Corporate						
Grade 1	135,253,577	10,280,602	2,258	-	-	145,536,437
Grade 2	68,375,525	11,957,574	8,066	-	-	80,341,165
Grade 3	3,567,858	5,212,028	20,590	-	-	8,800,476
Grade 4	745,317	1,237,753	18,424	-	-	2,001,494
Grade 5	21,721	656,690	2,675,547	-	-	3,353,958
	207,963,998	29,344,647	2,724,885	-	-	240,033,530
Retail						
Grade 1	171,640,603	5,294,347	3,513	-	-	176,938,463
Grade 2	3,170,651	4,124,323	9,052	-	-	7,304,026
Grade 3	232,418	1,169,618	13,127	-	-	1,415,163
Grade 4	168,751	590,228	21,432	-	-	780,411
Grade 5	23,486	467,365	880,923	-	-	1,371,774
	175,235,909	11,645,881	928,047	-	-	187,809,837
Credit card						
Grade 1	-	-	-	-	-	-
Grade 2	15,770	-	-	-	-	15,770
Grade 3	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-
Grade 5	-	1,834	11,138	-	-	12,972
	15,770	1,834	11,138	-	-	28,742
	383,215,677	40,992,362	3,664,070	-	-	427,872,109
Loans measured at fair value through other comprehensive income						
Corporate						
Grade 1	282,345	-	-	-	-	282,345
Grade 2	49,136	-	-	-	-	49,136
Grade 3	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-
	331,481	-	-	-	-	331,481
	331,481	-	-	-	-	331,481
	383,547,158	40,992,362	3,664,070	-	-	428,203,590

Credit qualities of loans as of September 30, 2025 and December 31, 2024, are as follows: (cont'd)

(In millions of Korean won)

	December 31, 2024					
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	Not applying expected credit losses	Total
		Not impaired	Impaired			
Loans measured at amortized cost *						
Corporate						
Grade 1	132,941,051	7,550,591	2,515	-	-	140,494,157
Grade 2	66,438,146	11,122,290	5,113	-	-	77,565,549
Grade 3	3,484,997	4,493,219	14,477	-	-	7,992,693
Grade 4	778,312	894,939	8,942	-	-	1,682,193
Grade 5	17,805	676,510	2,786,832	-	-	3,481,147
	203,660,311	24,737,549	2,817,879	-	-	231,215,739
Retail						
Grade 1	167,237,076	4,653,883	6,215	-	-	171,897,174
Grade 2	3,530,814	3,795,083	9,988	-	-	7,335,885
Grade 3	262,081	1,202,051	15,107	-	-	1,479,239
Grade 4	101,340	145,095	5,359	-	-	251,794
Grade 5	21,538	526,127	822,774	-	-	1,370,439
	171,152,849	10,322,239	859,443	-	-	182,334,531
Credit card						
Grade 1	-	-	-	-	-	-
Grade 2	19,418	-	-	-	-	19,418
Grade 3	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-
Grade 5	-	1,900	13,324	-	-	15,224
	19,418	1,900	13,324	-	-	34,642
	374,832,578	35,061,688	3,690,646	-	-	413,584,912
Loans measured at fair value through other comprehensive income						
Corporate						
Grade 1	236,614	-	-	-	-	236,614
Grade 2	44,294	-	-	-	-	44,294
Grade 3	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-
	280,908	-	-	-	-	280,908
	280,908	-	-	-	-	280,908
	375,113,486	35,061,688	3,690,646	-	-	413,865,820

* Before netting of allowance

Credit qualities of loans graded according to internal credit ratings as of September 30, 2025 and December 31, 2024, are as follows:

	Corporate	Retail
Grade 1	AAA ~ BBB+	1 ~ 5 grade
Grade 2	BBB ~ BB	6 ~ 8 grade
Grade 3	BB- ~ B	9 ~ 10 grade
Grade 4	B- ~ CCC	11 grade
Grade 5	CC or under	12 grade or under

4.2.4.2 Credit risk mitigation by collateral

Quantification of the extent to which collateral and other credit enhancements mitigate credit risk of loans as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)

	September 30, 2025					
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	Not applying expected credit losses	Total
		Not impaired	Impaired			
Guarantees	116,404,543	13,440,770	413,633	-	-	130,258,946
Deposits and savings	3,102,942	205,829	8,266	-	-	3,317,037
Property and equipment	4,754,356	638,944	126,632	-	-	5,519,932
Real estate	216,956,268	22,405,810	1,956,817	-	-	241,318,895
	341,218,109	36,691,353	2,505,348	-	-	380,414,810

(In millions of Korean won)

	December 31, 2024					
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	Not applying expected credit losses	Total
		Not impaired	Impaired			
Guarantees	119,686,001	8,303,088	482,439	-	-	128,471,528
Deposits and savings	2,851,931	127,130	11,704	-	-	2,990,765
Property and equipment	4,027,487	682,702	134,826	-	-	4,845,015
Real estate	210,244,585	20,653,660	2,074,757	-	-	232,973,002
	336,810,004	29,766,580	2,703,726	-	-	369,280,310

4.2.5 Credit risk of securities

Credit qualities of securities exposed to credit risk other than equity securities among financial investments as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)

	September 30, 2025					
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	Not applying expected credit losses	Total
		Not impaired	Impaired			
Securities measured at amortized cost *						
Grade 1	29,916,782	-	-	-	-	29,916,782
Grade 2	3,466,640	-	-	-	-	3,466,640
Grade 3	7,013	-	-	-	-	7,013
Grade 4	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-
	33,390,435	-	-	-	-	33,390,435
Securities measured at fair value through other comprehensive income						
Grade 1	39,562,928	-	-	-	-	39,562,928
Grade 2	1,771,483	-	-	-	-	1,771,483
Grade 3	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-
	41,334,411	-	-	-	-	41,334,411
	74,724,846	-	-	-	-	74,724,846

(In millions of Korean won)

	December 31, 2024					
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	Not applying expected credit losses	Total
		Not impaired	Impaired			
Securities measured at amortized cost *						
Grade 1	33,003,394	-	-	-	-	33,003,394
Grade 2	3,369,418	-	-	-	-	3,369,418
Grade 3	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-
	36,372,812	-	-	-	-	36,372,812
Securities measured at fair value through other comprehensive income						
Grade 1	40,326,065	-	-	-	-	40,326,065
Grade 2	3,201,273	-	-	-	-	3,201,273
Grade 3	4,278	-	-	-	-	4,278
Grade 4	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-
	43,531,616	-	-	-	-	43,531,616
	79,904,428	-	-	-	-	79,904,428

* Before netting of allowance

Credit qualities of securities other than equity securities, according to the credit ratings by external credit rating agencies as of September 30, 2025 and December 31, 2024, are as follows:

Credit quality	Domestic			Foreign		
	KIS	NICE P&I	FnPricing Inc.	S&P	Fitch-IBCA	Moody's
Grade 1	AA0 to AAA	AA0 to AAA	AA0 to AAA	A- to AAA	A- to AAA	A3 to Aaa
Grade 2	A- to AA-	A- to AA-	A- to AA-	BBB- to BBB+	BBB- to BBB+	Baa3 to Baa1
Grade 3	BBB0 to BBB+	BBB0 to BBB+	BBB0 to BBB+	BB to BB+	BB to BB+	Ba2 to Ba1
Grade 4	BB0 to BBB-	BB0 to BBB-	BB0 to BBB-	B+ to BB-	B+ to BB-	B1 to Ba3
Grade 5	BB- or under	BB- or under	BB- or under	B or under	B or under	B2 or under

Credit qualities of debt securities denominated in Korean won are based on the lowest credit rating by the three domestic credit rating agencies above, and those denominated in foreign currencies are based on the lowest credit rating by the three foreign credit rating agencies above.

4.2.6 Credit risk of due from financial institutions

Credit qualities of due from financial institutions as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)

	September 30, 2025				
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	Total
		Not impaired	Impaired		
Due from financial institutions measured at amortized cost *					
Grade 1	13,951,765	-	-	-	13,951,765
Grade 2	904,279	-	-	-	904,279
Grade 3	27,969	-	-	-	27,969
Grade 4	-	-	-	-	-
Grade 5	913,523	-	-	-	913,523
	15,797,536	-	-	-	15,797,536

(In millions of Korean won)

	December 31, 2024				
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	Total
		Not impaired	Impaired		
Due from financial institutions measured at amortized cost *					
Grade 1	19,525,749	-	-	-	19,525,749
Grade 2	583,467	-	-	-	583,467
Grade 3	62,213	-	-	-	62,213
Grade 4	-	-	-	-	-
Grade 5	661,849	-	-	-	661,849
	20,833,278	-	-	-	20,833,278

* Before netting of allowance

The classification criteria of the credit qualities of due from financial institutions as of September 30, 2025 and December 31, 2024, are the same as the criteria for securities other than equity securities.

4.2.7 Credit risk concentration analysis

4.2.7.1 Classifications of corporate loans by industry as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025			
	Loans *	%	Allowances	Carrying amount
Financial institutions	23,702,668	9.85	(69,671)	23,632,997
Manufacturing	56,696,585	23.56	(552,571)	56,144,014
Service	110,262,514	45.82	(972,380)	109,290,134
Wholesale and retail	30,662,438	12.74	(532,898)	30,129,540
Construction	5,294,228	2.20	(245,975)	5,048,253
Public sector	1,939,434	0.81	(52,372)	1,887,062
Others	12,069,105	5.02	(205,749)	11,863,356
	240,626,972	100.00	(2,631,616)	237,995,356

(In millions of Korean won)	December 31, 2024			
	Loans *	%	Allowances	Carrying amount
Financial institutions	20,580,442	8.88	(64,648)	20,515,794
Manufacturing	54,054,594	23.32	(586,228)	53,468,366
Service	107,974,154	46.59	(1,018,072)	106,956,082
Wholesale and retail	30,129,095	13.00	(544,323)	29,584,772
Construction	5,043,621	2.18	(261,595)	4,782,026
Public sector	1,993,068	0.86	(63,589)	1,929,479
Others	11,971,814	5.17	(190,407)	11,781,407
	231,746,788	100.00	(2,728,862)	229,017,926

* Expected credit losses of loans measured at fair value through other comprehensive income as of September 30, 2025 and December 31, 2024, are ₩ 749 million and ₩ 744 million, respectively.

4.2.7.2 Classifications of retail loans and credit card receivables as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025			
	Loans	%	Allowances	Carrying amount
Housing loan	110,365,408	58.76	(299,513)	110,065,895
General loan	77,444,429	41.22	(710,448)	76,733,981
Credit card	28,742	0.02	(10,895)	17,847
	187,838,579	100.00	(1,020,856)	186,817,723

(In millions of Korean won)	December 31, 2024			
	Loans	%	Allowances	Carrying amount
Housing loan	103,744,074	56.89	(282,053)	103,462,021
General loan	78,590,457	43.09	(693,887)	77,896,570
Credit card	34,642	0.02	(12,955)	21,687
	182,369,173	100.00	(988,895)	181,380,278

4.2.7.3 Classifications of domestic mortgage loans as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025			
	Loans *	%	Allowances	Carrying amount
Group1	25,626,383	20.21	(26,731)	25,599,652
Group2	26,580,434	20.96	(17,807)	26,562,627
Group3	35,417,551	27.93	(49,985)	35,367,566
Group4	36,746,017	28.98	(79,684)	36,666,333
Group5	2,400,991	1.89	(11,692)	2,389,299
Group6	28,697	0.03	(367)	28,330
	126,800,073	100.00	(186,266)	126,613,807

(In millions of Korean won)	December 31, 2024			
	Loans *	%	Allowances	Carrying amount
Group1	25,297,580	20.88	(30,320)	25,267,260
Group2	27,953,280	23.07	(21,900)	27,931,380
Group3	35,511,454	29.31	(48,993)	35,462,461
Group4	30,704,076	25.34	(69,972)	30,634,104
Group5	1,677,549	1.39	(8,806)	1,668,743
Group6	16,176	0.01	(200)	15,976
	121,160,115	100.00	(180,191)	120,979,924

* Retail loans for general purpose with the real estate as collateral are included.

	Ranges
Group1	LTV 0% to less than 20% *
Group2	LTV 20% to less than 40%
Group3	LTV 40% to less than 60%
Group4	LTV 60% to less than 80%
Group5	LTV 80% to less than 100%
Group6	LTV over 100%

* LTV: Loan to Value ratio

4.2.7.4 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by industry as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025			
	Amount	%	**Allowances**	**Carrying amount**
Due from financial institutions measured at amortized cost				
Government and government funded institutions	264,368	1.67	-	264,368
Finance and insurance	15,533,165	98.33	(418)	15,532,747
Others	3	-	-	3
	15,797,536	100.00	(418)	15,797,118
Due from financial institutions measured at fair value through profit or loss				
Finance and insurance	301,251	100.00	-	301,251
	301,251	100.00	-	301,251
Securities measured at fair value through profit or loss				
Government and government funded institutions	13,687,112	48.64	-	13,687,112
Finance and insurance [1]	12,846,084	45.66	-	12,846,084
Others	1,604,016	5.70	-	1,604,016
	28,137,212	100.00	-	28,137,212
Derivative financial assets				
Government and government funded institutions	13,624	0.25	-	13,624
Finance and insurance [1]	4,827,544	88.69	-	4,827,544
Others	602,122	11.06	-	602,122
	5,443,290	100.00	-	5,443,290
Securities measured at fair value through other comprehensive income [2]				
Government and government funded institutions	18,143,722	43.89	-	18,143,722
Finance and insurance	18,878,133	45.67	-	18,878,133
Others	4,312,556	10.44	-	4,312,556
	41,334,411	100.00	-	41,334,411
Securities measured at amortized cost				
Government and government funded institutions	14,138,489	42.34	(1,174)	14,137,315
Finance and insurance	18,964,910	56.80	(14,742)	18,950,168
Others	287,036	0.86	(384)	286,652
	33,390,435	100.00	(16,300)	33,374,135
	124,404,135		(16,718)	124,387,417

4.2.7.4 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by industry as of September 30, 2025 and December 31, 2024, are as follows: (cont'd)

(In millions of Korean won)	December 31, 2024			
	Amount	%	Allowances	Carrying amount
Due from financial institutions measured at amortized cost				
Government and government funded institutions	-	-	-	-
Finance and insurance	20,833,278	100.00	(523)	20,832,755
Others	-	-	-	-
	20,833,278	100.00	(523)	20,832,755
Due from financial institutions measured at fair value through profit or loss				
Finance and insurance	158,519	100.00	-	158,519
	158,519	100.00	-	158,519
Securities measured at fair value through profit or loss				
Government and government funded institutions	9,932,370	46.16	-	9,932,370
Finance and insurance [1]	9,987,433	46.41	-	9,987,433
Others	1,599,188	7.43	-	1,599,188
	21,518,991	100.00	-	21,518,991
Derivative financial assets				
Government and government funded institutions	49,939	0.49	-	49,939
Finance and insurance [1]	8,906,997	86.90	-	8,906,997
Others	1,292,683	12.61	-	1,292,683
	10,249,619	100.00	-	10,249,619
Securities measured at fair value through other comprehensive income [2]				
Government and government funded institutions	15,555,820	35.73	-	15,555,820
Finance and insurance	22,464,794	51.61	-	22,464,794
Others	5,511,002	12.66	-	5,511,002
	43,531,616	100.00	-	43,531,616
Securities measured at amortized cost				
Government and government funded institutions	15,444,860	42.46	(779)	15,444,081
Finance and insurance	20,716,357	56.96	(15,863)	20,700,494
Others	211,595	0.58	(362)	211,233
	36,372,812	100.00	(17,004)	36,355,808
	132,664,835		(17,527)	132,647,308

[1] Collective investment securities (including transactions with collective investment schemes) are classified as finance and insurance.

[2] Expected credit losses of securities measured at fair value through other comprehensive income as of September 30, 2025 and December 31, 2024, are ₩ 9,770 million and ₩ 14,010 million, respectively.

Due from financial institutions, financial instruments at fair value through profit or loss linked to the gold price, and derivative financial instruments are mostly related to the finance and insurance industries with high credit ratings.

4.3 Liquidity Risk

4.3.1 Overview of liquidity risk

Liquidity risk is a risk that the Group becomes insolvent due to the mismatch between the inflow and outflow of funds, unexpected cash outflows, or a risk of loss due to financing funds at a high interest rate or disposing of securities at an unfavorable price due to lack of available funds. The Group manages its liquidity risk through analysis of the contractual maturity of interest-bearing assets and liabilities, assets and liabilities related to the other inflows and outflows of funds, and off-balance sheet items related to the inflows and outflows of funds such as currency derivative instruments and others.

4.3.2 Liquidity risk management and indicator

The liquidity risk is managed by comprehensive risk management policies and Asset Liability Management ("ALM") risk management guidelines set forth in these policies that apply to all risk management policies and procedures that may arise throughout the overall business of the Group.

The Group establishes a liquidity risk management strategy, including objectives of liquidity risk management, management policies, and internal control systems, and obtains a resolution from the Risk Management Committee. The Risk Management Committee establishes the Risk Management Council for efficient risk management to supervise the establishment and implementation of policies according to risk management strategies.

The Group calculates and manages the Liquidity Coverage Ratio ("LCR"), Net Stable Funding Ratio ("NSFR"), liquidity ratio, maturity mismatch ratio and liquidity stress testing results for all transactions and off-balance transactions, that affect the cash flows in Korean won and foreign currency funds raised and operated for the management of liquidity risks and periodically reports them to the Risk Management Council and the Risk Management Committee.

4.3.3 Analysis of remaining contractual maturity of financial liabilities

The cash flows disclosed in the maturity analysis are undiscounted contractual amounts including principal and future interest payments; as such, amounts in the table below do not match with those in the consolidated statements of financial position which are based on discounted cash flows. The future interest payments of floating-rate liabilities are calculated on the assumption that the current interest rate is the same until maturity.

4.3.3.1 Remaining contractual maturity of financial liabilities other than derivatives held for cash flow hedge, and off-balance sheet items as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025						
	On demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Financial liabilities							
Financial liabilities at fair value through profit or loss [1]	305,547	-	-	-	-	-	305,547
Derivatives held for trading [1]	4,744,716	-	-	-	-	-	4,744,716
Derivatives held for hedging [2]	-	(1,986)	9,908	(7,073)	19,194	(454)	19,589
Deposits [3]	180,296,047	41,489,906	67,078,465	119,773,985	28,032,702	1,364,886	438,035,991
Borrowings	6,190	11,091,041	4,215,342	8,138,311	6,495,403	911,766	30,858,053
Debentures	920	1,148,853	3,065,636	14,133,645	15,722,356	2,698,784	36,770,194
Lease liabilities	1,159	24,224	44,429	174,402	479,907	42,344	766,465
Other financial liabilities	2,965	33,968,359	26,609	135,803	1,088	-	34,134,824
	185,357,544	87,720,397	74,440,389	142,349,073	50,750,650	5,017,326	545,635,379
Off-balance sheet items							
Commitments [4]	120,509,287	-	-	-	-	-	120,509,287
Acceptances and guarantees contracts [5]	14,873,044	-	-	-	-	-	14,873,044
Financial guarantee contracts [5]	4,607,426	-	-	-	-	-	4,607,426
	139,989,757	-	-	-	-	-	139,989,757

(In millions of Korean won)	December 31, 2024						
	On demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Financial liabilities							
Financial liabilities at fair value through profit or loss [1]	159,212	-	-	-	-	-	159,212
Derivatives held for trading [1]	9,577,007	-	-	-	-	-	9,577,007
Derivatives held for hedging [2]	-	309	6,074	9,715	21,356	(3,206)	34,248
Deposits [3]	168,376,031	41,485,645	57,566,816	136,747,218	24,290,213	1,504,585	429,970,508
Borrowings	2,105	10,945,009	5,137,355	9,241,974	6,895,462	970,093	33,191,998
Debentures	1,113	1,515,914	3,629,101	11,878,286	16,151,920	4,084,998	37,261,332
Lease liabilities	196	22,118	42,394	174,266	482,320	107,434	828,728
Other financial liabilities	2,966	17,652,160	23,715	137,009	9,076	-	17,824,926
	178,118,630	71,621,155	66,405,455	158,188,468	47,850,347	6,663,904	528,847,959
Off-balance sheet items							
Commitments [4]	122,784,119	-	-	-	-	-	122,784,119
Acceptances and guarantees contracts [5]	16,420,629	-	-	-	-	-	16,420,629
Financial guarantee contracts [5]	5,717,630	-	-	-	-	-	5,717,630
	144,922,378	-	-	-	-	-	144,922,378

[1] Financial liabilities at fair value through profit or loss and derivatives held for trading are not managed by contractual maturity because they are expected to be traded or redeemed before maturity. Therefore, the carrying amounts of those financial instruments are included in the 'On demand' category.

[2] Cash flows of derivative instruments held for hedging are shown at net amount of cash inflows and outflows by remaining contractual maturity.

[3] Deposits that are contractually repayable on demand or on short notice are included in the 'On demand' category.

[4] Unused lines of credit within commitments are included in the 'On demand' category because payments can be requested at any time.

[5] Cash flows under acceptances and financial guarantee contracts are classified based on the earliest period that the contract can be executed.

4.4 Market Risk

4.4.1 Concept

Market risk refers to risks that can result in losses due to changes in market factors such as interest rate, stock price, and foreign exchange rate, etc., which arise from securities, derivatives, and others. The most significant risks associated with trading positions are interest rate risk, currency risk, and additional risks including stock price risk. The non-trading position is also exposed to interest rate risk. The Group manages the market risks by dividing them into those arising from the trading position and those arising from the non-trading position.

4.4.2 Risk management

The Group sets and monitors internal capital limits for market risk and interest rate risk to manage the risks of trading and non-trading positions. In order to manage market risk efficiently, the Group maintains risk management systems and procedures such as trading policies and procedures, market risk management guidelines for trading positions, and ALM risk management guidelines for non-trading positions. The entire process is carried out through the approval by the Risk Management Council and the Risk Management Committee of the Group.

The Group's Risk Management Council establishes and enforces overall market risk management policies for market risk management and decides to establish position limits, loss limits, VaR limits, and approves non-standard new products. In addition, the Market Risk Management Subcommittee, chaired by Chief Risk Officer ("CRO"), is a practical decision-making body for market risk management and determines position limits, loss limits, VaR limits, sensitivity limits, and scenario loss limits for each department of the business group.

The Asset-Liability Management Committee ("ALCO") determines interest rate and commission operating standards and ALM operation policies and enacts and revises relevant guidelines. The Risk Management Council monitors the establishment and enforcement of ALM risk management policies and enacts and revises ALM risk management guidelines. Interest rate risk limits are set based on future asset and liability positions and expected interest rate volatility, which reflect annual business plans. The Treasury Department and the Risk Management Department regularly measure and monitor interest rate risk and report the status and limit of interest rate risk including changes in Economic Value of Equity ("△EVE"), changes in Net Interest Income ("△NII"), and duration gap to the ALCO and the Risk Management Council on a monthly basis, and to the Risk Management Committee on a quarterly basis. To ensure the adequacy of interest rate risk and liquidity risk management, the Risk Management Department assigns the limits, monitors and reviews the procedures and tasks of ALM operations conducted by the Treasury Department, and reports related matters to management independently.

4.5 Operational Risk

4.5.1 Concept

The Group defines operational risk as loss risk arising from improper or incorrect internal procedures, personnel, systems or external events and includes financial and non-financial risks.

4.5.2 Risk management

The purpose of operational risk management is not only to comply with supervisory and regulatory requirements, but also to spread risk management culture, strengthen internal control, improve processes, and provide timely feedback to management and all employees. The Group established a Business Continuity Planning (BCP) to carry out continuous work in emergency situations and established alternative facilities. The Group conducts simulation training for headquarters and IT departments to check the business continuity framework.

5. Segment Information

5.1 Overall Segment Information and Business Segments

The Group is organized into Corporate Banking, Retail Banking and Other Activities. These segments are based on the nature of the products and services provided, the type or class of customer, and the Group's management organization.

- Corporate banking: The activities within this segment include providing credit, deposit products, and other related financial services to large, small and medium-sized enterprises and SOHOs and foreign subsidiaries-related works.
- Retail banking: The activities within this segment include providing credit, deposit products, and other related financial services to individuals and households.
- Other activities: The activities within this segment include trading activities in securities and derivatives, funding, trust, and other activities.

Financial information by business segment for the nine-month periods ended September 30, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025				
	Corporate banking	**Retail banking**	**Others**	**Consolidation adjustments**	**Total**
Net operating revenues from external customers	3,494,537	2,928,660	2,075,395	-	8,498,592
Intersegment net operating revenues (expenses)	134,722	-	22,953	(157,675)	-
	3,629,259	2,928,660	2,098,348	(157,675)	8,498,592
Net interest income	4,394,079	2,653,418	859,093	(19,199)	7,887,391
Interest income	8,411,605	5,634,276	2,513,136	(112,551)	16,446,466
Interest expense	(4,017,526)	(2,980,858)	(1,654,043)	93,352	(8,559,075)
Net fee and commission income	345,314	249,541	290,891	(19,213)	866,533
Fee and commission income	488,875	355,346	397,306	(42,736)	1,198,791
Fee and commission expense	(143,561)	(105,805)	(106,415)	23,523	(332,258)
Net gains (losses) on financial instruments at fair value through profit or loss	(18,829)	-	824,183	(62,277)	743,077
Net other operating income (expenses)	(1,091,305)	25,701	124,181	(56,986)	(998,409)
General and administrative expenses	(1,371,303)	(1,304,503)	(597,897)	818	(3,272,885)
Operating income before provision for credit losses	2,257,956	1,624,157	1,500,451	(156,857)	5,225,707
Provision of credit losses	(530,689)	(167,126)	(4,584)	(4,122)	(706,521)
Net operating income	1,727,267	1,457,031	1,495,867	(160,979)	4,519,186
Share of profit of associates	-	-	175,146	(166,980)	8,166
Net other non-operating expenses	(8,452)	-	(28,948)	226	(37,174)
Segment profit before income tax expense	1,718,815	1,457,031	1,642,065	(327,733)	4,490,178
Income tax expense	(441,370)	(353,330)	(373,059)	22,749	(1,145,010)
Profit (loss) for the period	1,277,445	1,103,701	1,269,006	(304,984)	3,345,168
Profit (loss) attributable to the owners of the parent	1,270,544	1,103,701	1,269,006	(278,703)	3,364,548
Profit (loss) attributable to non-controlling interests	6,901	-	-	(26,281)	(19,380)
Total assets *	244,360,466	181,339,678	162,805,507	(5,730,944)	582,774,707
Total liabilities *	218,834,406	215,598,036	110,784,799	(2,057,340)	543,159,901

* Assets and liabilities of the reporting segments are amounts before intersegment transactions.

Financial information by business segment for the nine-month periods ended September 30, 2025 and 2024 are as follows: (cont'd)

(In millions of Korean won)

	2024				
	Corporate banking	Retail banking	Others	Consolidation adjustments	Total
Net operating revenues from external customers	4,182,518	3,109,765	974,810	-	8,267,093
Intersegment net operating revenues (expenses)	(34,959)	-	64,220	(29,261)	-
	4,147,559	3,109,765	1,039,030	(29,261)	8,267,093
Net interest income	4,345,431	2,457,563	870,190	(24,587)	7,648,597
Interest income	9,116,422	5,816,676	2,695,101	(176,811)	17,451,388
Interest expense	(4,770,991)	(3,359,113)	(1,824,911)	152,224	(9,802,791)
Net fee and commission income	312,743	190,569	337,779	(6,351)	834,740
Fee and commission income	449,474	297,656	439,304	(30,245)	1,156,189
Fee and commission expense	(136,731)	(107,087)	(101,525)	23,894	(321,449)
Net gains on financial instruments at fair value through profit or loss	33,671	-	506,895	(9,626)	530,940
Net other operating income (expenses)	(544,286)	461,633	(675,834)	11,303	(747,184)
General and administrative expenses	(1,395,678)	(1,389,404)	(440,106)	403	(3,224,785)
Operating income before provision for credit losses	2,751,881	1,720,361	598,924	(28,858)	5,042,308
Provision of credit losses	(436,904)	(154,448)	(3,108)	4,301	(590,159)
Net operating income	2,314,977	1,565,913	595,816	(24,557)	4,452,149
Share of profit or loss of associates	-	-	(134,373)	141,691	7,318
Net other non-operating expenses	(54,650)	-	(831,121)	(397)	(886,168)
Segment profit (loss) before income tax expense	2,260,327	1,565,913	(369,678)	116,737	3,573,299
Income tax benefit (expense)	(748,248)	(413,401)	142,343	(15,535)	(1,034,841)
Profit (loss) for the period	1,512,079	1,152,512	(227,335)	101,202	2,538,458
Profit (loss) attributable to the owners of the parent	1,499,336	1,152,512	(227,335)	193,377	2,617,890
Profit (loss) attributable to non-controlling interests	12,743	-	-	(92,175)	(79,432)
Total assets *	239,124,552	176,075,559	155,245,988	(7,558,919)	562,887,180
Total liabilities *	222,291,921	210,839,098	95,814,090	(4,085,249)	524,859,860

* Assets and liabilities of the reporting segments are amounts before intersegment transactions and as at December 31, 2024.

5.2 Services and Geographical Segments

5.2.1 Services information

Net operating revenues from external customers by service for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	**2025**	**2024**
Corporate banking service	3,494,537	4,182,518
Retail banking service	2,928,660	3,109,765
Others	2,075,395	974,810
	8,498,592	8,267,093

5.2.2 Geographical information

Geographical net operating revenues from external customers for the nine-month periods ended September 30, 2025 and 2024, and major non-current assets as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	**Net operating revenues from external customers**		**Major non-current assets**	
	2025	**2024**	**September 30, 2025**	**December 31, 2024**
Domestic	7,624,331	7,386,735	3,995,424	4,297,870
United States	27,170	69,806	28,083	30,206
New Zealand	1,157	9,841	655	829
China	101,570	124,258	17,678	19,180
Japan	15,039	6,756	1,755	1,329
Myanmar	5,264	7,195	-	-
Vietnam	21,499	27,416	2,307	1,685
Cambodia	511,242	406,061	87,301	92,324
United Kingdom	49,429	56,556	10,980	9,023
Singapore	8,500	29,245	7,406	7,825
Indonesia	129,451	138,347	289,540	313,389
India	3,940	4,877	3,421	5,508
Consolidation adjustments	-	-	487,576	513,569
	8,498,592	8,267,093	4,932,126	5,292,737

6. Financial Assets and Financial Liabilities

6.1 Classification and Fair Value of Financial Instruments

6.1.1 Carrying amount and fair value of financial assets and liabilities by category as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and due from financial institutions	18,355,743	18,355,743	22,910,149	22,910,374
Financial assets at fair value through profit or loss:	28,905,104	28,905,104	22,089,847	22,089,847
Debt securities	28,137,212	28,137,212	21,518,991	21,518,991
Equity securities	204,680	204,680	162,196	162,196
Loans	261,961	261,961	250,141	250,141
Others	301,251	301,251	158,519	158,519
Derivatives held for trading	5,342,192	5,342,192	10,128,282	10,128,282
Derivatives held for hedging	101,098	101,098	121,337	121,337
Loans measured at amortized cost	424,219,637	426,058,456	409,867,155	410,625,723
Financial assets at fair value through other comprehensive income:	42,806,445	42,806,445	44,870,810	44,870,810
Debt securities	41,334,411	41,334,411	43,531,616	43,531,616
Equity securities	1,140,553	1,140,553	1,058,286	1,058,286
Loans	331,481	331,481	280,908	280,908
Securities measured at amortized cost	33,374,135	33,298,368	36,355,808	36,089,307
Other financial assets	22,536,822	22,536,822	9,328,611	9,328,611
	575,641,176	577,404,228	555,671,999	556,164,291
Financial liabilities				
Financial liabilities at fair value through profit or loss	305,547	305,547	159,212	159,212
Derivatives held for trading	4,744,716	4,744,716	9,577,007	9,577,007
Derivatives held for hedging	37,726	37,726	66,128	66,128
Deposits	429,582,034	430,110,636	421,200,651	421,544,630
Borrowings	30,142,833	30,163,083	32,226,416	32,204,642
Debentures	34,519,363	34,693,712	34,736,771	34,934,652
Other financial liabilities	40,783,969	40,783,969	24,117,660	24,117,660
	540,116,188	540,839,389	522,083,845	522,603,931

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Group discloses the fair value of each class of assets and liabilities in a way that permits it to be compared with its carrying amount at the end of each reporting period. The best evidence of fair value of financial instruments is a quoted price in an active market.

Methods of determining fair value of financial instruments are as follows:

Cash and due from financial institutions	Fair value of cash is the same as its carrying amount. Carrying amount of demand deposits and settlement deposits is a reasonable approximation of fair value because these financial instruments do not have a fixed maturity and are receivable on demand. Fair value of general deposits is measured using Discounted Cash Flow ("DCF") Model.
Securities, due from financial institutions and deposits indexed to gold price	Fair value of securities and others that are traded in an active market and due from financial institutions and deposits indexed to the gold price is determined using the quoted prices. If there is no quoted price, fair value is determined using external professional valuation institutions. The institutions use one or more valuation techniques that are deemed appropriate considering the characteristics of the financial instruments including a DCF Model, Monte Carlo Simulation, Free Cash Flow to Equity Model, Comparable Company Analysis, Dividend Discount Model, and Net Asset Value Method.
Loans	Fair value of loans is determined using a DCF Model and independent external professional valuation institutions. Fair value measured by using a DCF Model is determined by discounting the expected cash flows, which are contractual cash flows adjusted by the expected prepayment rate, at an appropriate discount rate.
Derivatives	Fair value of exchange traded derivatives is determined using quoted prices in an active market, and fair value of OTC derivatives is determined using valuation techniques. The Group uses internally developed valuation models that are widely used by market participants to determine the fair value of plain vanilla OTC derivatives including options, interest rate swaps, and currency swaps, based on observable market parameters. However, some complex financial instruments are valued using appropriate models developed from generally accepted market valuation models including a Finite Difference Method ("FDM"), Monte Carlo Simulation, and Tree Model or valuation results from independent external professional valuation institutions. For OTC derivatives, the credit risk of counterparty and the Group's own credit risk are applied through Credit Valuation Adjustment Method.
Deposits	Carrying amount of demand deposits is a reasonable approximation of fair value because they do not have a fixed maturity and are payable on demand. Fair value of time deposits is determined using a DCF Model discounting the expected cash flows, which are contractual cash flows adjusted by the expected prepayment rate, at an appropriate discount rate.
Borrowings	Carrying amount of overdrafts in foreign currency is a reasonable approximation of fair value because they do not have a fixed maturity and are payable on demand. Fair value of other borrowings is determined using a DCF Model.
Debentures	Fair value is determined using valuation results (DCF Model) of external professional valuation institutions, which are calculated using market inputs.
Other financial assets and other financial liabilities	Carrying amount is a reasonable approximation of fair value because other financial assets and other financial liabilities are temporary accounts used for other various transactions and their maturities are relatively short or not defined.

6.1.2 Fair value hierarchy

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

The Group classifies and discloses fair value of the financial instruments into the three fair value levels as follows:

Level 1: The fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: The fair values are based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: The fair values are based on unobservable inputs for the asset or liability.

The fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorized within Level 3 of the fair value hierarchy.

6.1.2.1 Fair value hierarchy of financial assets and liabilities at fair value in the consolidated statements of financial position

Fair value hierarchy of financial assets and liabilities at fair value in the consolidated statements of financial position as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025			
	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss:	13,643,852	8,296,783	6,964,469	28,905,104
Debt securities	13,173,115	8,296,783	6,667,314	28,137,212
Equity securities	169,486	-	35,194	204,680
Loans	-	-	261,961	261,961
Others	301,251	-	-	301,251
Derivatives held for trading	-	5,342,192	-	5,342,192
Derivatives held for hedging	-	101,098	-	101,098
Financial assets at fair value through other comprehensive income:	16,870,145	25,379,903	556,397	42,806,445
Debt securities	16,285,989	25,048,422	-	41,334,411
Equity securities	584,156	-	556,397	1,140,553
Loans	-	331,481	-	331,481
	30,513,997	39,119,976	7,520,866	77,154,839
Financial liabilities				
Financial liabilities at fair value through profit or loss	305,547	-	-	305,547
Derivatives held for trading	-	4,743,874	842	4,744,716
Derivatives held for hedging	-	37,726	-	37,726
	305,547	4,781,600	842	5,087,989

(In millions of Korean won)	December 31, 2024			
	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss:	10,098,491	5,300,027	6,691,329	22,089,847
Debt securities	9,813,428	5,300,027	6,405,536	21,518,991
Equity securities	126,544	-	35,652	162,196
Loans	-	-	250,141	250,141
Others	158,519	-	-	158,519
Derivatives held for trading	-	10,128,245	37	10,128,282
Derivatives held for hedging	-	121,337	-	121,337
Financial assets at fair value through other comprehensive income:	17,439,293	26,910,592	520,925	44,870,810
Debt securities	16,901,932	26,629,684	-	43,531,616
Equity securities	537,361	-	520,925	1,058,286
Loans	-	280,908	-	280,908
	27,537,784	42,460,201	7,212,291	77,210,276
Financial liabilities				
Financial liabilities at fair value through profit or loss	159,212	-	-	159,212
Derivatives held for trading	-	9,575,981	1,026	9,577,007
Derivatives held for hedging	-	66,128	-	66,128
	159,212	9,642,109	1,026	9,802,347

Valuation techniques and inputs of financial assets and liabilities classified as Level 2 and measured at fair value in the consolidated statements of financial position as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025		
	Fair value	**Valuation techniques**	**Inputs**
Financial assets			
Financial assets at fair value through profit or loss:	8,296,783		
Debt securities	8,296,783	DCF Model, Monte Carlo Simulation, Net Asset Value Method	Discount rate, interest rate, prices of underlying assets (debt securities, stocks, etc.)
Derivatives held for trading	5,342,192	DCF Model, Closed Form, FDM	Discount rate, volatility, foreign exchange rate, stock price, and others
Derivatives held for hedging	101,098	DCF Model, Closed Form, FDM	Discount rate, volatility, foreign exchange rate, and others
Financial assets at fair value through other comprehensive income:	25,379,903		
Debt securities	25,048,422	DCF Model	Discount rate
Loans	331,481	DCF Model	Discount rate
	39,119,976		
Financial liabilities			
Derivatives held for trading	4,743,874	DCF Model, Closed Form, FDM	Discount rate, volatility, foreign exchange rate, stock price, and others
Derivatives held for hedging	37,726	DCF Model, Closed Form, FDM	Discount rate, volatility, foreign exchange rate, and others
	4,781,600		

(In millions of Korean won)	December 31, 2024		
	Fair value	**Valuation techniques**	**Inputs**
Financial assets			
Financial assets at fair value through profit or loss:	5,300,027		
Debt securities	5,300,027	DCF Model, Monte Carlo Simulation, Net Asset Value Method	Discount rate, interest rate, prices of underlying assets (debt securities, stocks, etc.)
Derivatives held for trading	10,128,245	DCF Model, Closed Form, FDM	Discount rate, volatility, foreign exchange rate, stock price, and others
Derivatives held for hedging	121,337	DCF Model, Closed Form, FDM	Discount rate, volatility, foreign exchange rate, and others
Financial assets at fair value through other comprehensive income:	26,910,592		
Debt securities	26,629,684	DCF Model	Discount rate
Loans	280,908	DCF Model	Discount rate
	42,460,201		
Financial liabilities			
Derivatives held for trading	9,575,980	DCF Model, Closed Form, FDM	Discount rate, volatility, foreign exchange rate, stock price, and others
Derivatives held for hedging	66,128	DCF Model, Closed Form, FDM	Discount rate, volatility, foreign exchange rate, and others
	9,642,108		

6.1.2.2 Fair value hierarchy of financial assets and liabilities whose fair value is disclosed

Fair value hierarchy of financial assets and liabilities whose fair value is disclosed as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025			
	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and due from financial institutions [1]	2,558,753	13,439,313	2,357,677	18,355,743
Loans measured at amortized cost	-	-	426,058,456	426,058,456
Securities measured at amortized cost	3,637,809	29,660,559	-	33,298,368
Other financial assets [2]	-	-	22,536,822	22,536,822
	6,196,562	43,099,872	450,952,955	500,249,389
Financial liabilities				
Deposits [1]	-	179,644,722	250,465,914	430,110,636
Borrowings [1]	-	8,888	30,154,195	30,163,083
Debentures	-	34,693,712	-	34,693,712
Other financial liabilities [2]	-	-	40,783,969	40,783,969
	-	214,347,322	321,404,078	535,751,400

(In millions of Korean won)	December 31, 2024			
	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and due from financial institutions [1]	2,077,679	18,572,062	2,260,633	22,910,374
Loans measured at amortized cost	-	-	410,625,723	410,625,723
Securities measured at amortized cost	4,746,587	31,342,720	-	36,089,307
Other financial assets [2]	-	-	9,328,611	9,328,611
	6,824,266	49,914,782	422,214,967	478,954,015
Financial liabilities				
Deposits [1]	-	166,872,039	254,672,591	421,544,630
Borrowings [1]	-	15,158	32,189,484	32,204,642
Debentures	-	34,934,652	-	34,934,652
Other financial liabilities [2]	-	-	24,117,660	24,117,660
	-	201,821,849	310,979,735	512,801,584

[1] The amounts included in Level 2 are the carrying amounts which are reasonable approximations of fair value.

[2] Other financial assets and other financial liabilities included in Level 3 are the carrying amounts which are reasonable approximations of fair value.

For financial assets and liabilities whose carrying amount is a reasonable approximation of fair value, valuation techniques and inputs are not disclosed.

Valuation techniques and inputs of financial assets and liabilities classified as Level 2, and whose fair value is disclosed as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025		
	Fair value	Valuation techniques	Inputs
Financial assets			
Securities measured at amortized cost	29,660,559	DCF Model, MonteCarlo Simulation	Discount rate, interest rate
Financial liabilities			
Debentures	34,693,712	DCF Model	Discount rate

(In millions of Korean won)	December 31, 2024		
	Fair value	Valuation techniques	Inputs
Financial assets			
Securities measured at amortized cost	31,342,720	DCF Model, MonteCarlo Simulation	Discount rate, interest rate
Financial liabilities			
Debentures	34,934,652	DCF Model	Discount rate

Valuation techniques and inputs of financial assets and liabilities classified as Level 3, and whose fair value is disclosed as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)

	September 30, 2025			
	Fair value	Valuation techniques	Inputs	Unobservable inputs
Financial assets				
Cash and due from financial institutions	2,357,677	DCF Model	Credit spread, other spread, interest rate	Credit spread, other spread
Loans measured at amortized cost	426,058,456	DCF Model	Credit spread, other spread, prepayment rate, interest rate	Credit spread, other spread, prepayment rate
	428,416,133			
Financial liabilities				
Deposits	250,465,914	DCF Model	Other spread, prepayment rate, interest rate	Other spread, prepayment rate
Borrowings	30,154,195	DCF Model	Other spread, interest rate	Other spread
	280,620,109			

Valuation techniques and inputs of financial assets and liabilities classified as Level 3, and whose fair value is disclosed as of September 30, 2025 and December 31, 2024, are as follows: (cont'd)

(In millions of Korean won)

	December 31, 2024			
	Fair value	**Valuation techniques**	**Inputs**	**Unobservable inputs**
Financial assets				
Cash and due from financial institutions	2,260,633	DCF Model	Credit spread, other spread, interest rate	Credit spread, other spread
Loans measured at amortized cost	410,625,723	DCF Model	Credit spread, other spread, prepayment rate, interest rate	Credit spread, other spread, prepayment rate
	412,886,356			
Financial liabilities				
Deposits	254,672,591	DCF Model	Other spread, prepayment rate, interest rate	Other spread, prepayment rate
Borrowings	32,189,484	DCF Model	Other spread, interest rate	Other spread
	286,862,075			

6.2 Disclosure of Fair Value Hierarchy Level 3

6.2.1 Valuation policy and process of Level 3 fair value

The Group uses external, independent and qualified valuation service in addition to internal valuation models to determine the fair value of financial instruments at the end of every reporting period.

If changes in situations or events cause transfers between the fair value hierarchy level for a financial asset or liability to occur, the Group's policy is to recognize such transfers as having occurred at the beginning of the reporting period.

6.2.2 Changes in fair value (Level 3) measured using valuation technique based on unobservable inputs in the market

6.2.2.1 Changes in financial instruments classified as Level 3 of the fair value hierarchy for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)

	2025				
	Financial assets at fair value through profit or loss		Financial investments	Net derivative financial instruments	
	Securities measured at fair value through profit or loss	Loans measured at fair value through profit or loss	Equity securities measured at fair value through other comprehensive income	Derivatives held for trading	Derivatives held for hedging
Beginning	6,441,188	250,141	520,925	(990)	-
Total gains or losses:					
- Profit or loss	(74,835)	4,652	-	184	-
- Other comprehensive income	-	-	35,223	-	-
Purchases	925,567	31,121	1,433	-	-
Sales	(589,411)	(23,953)	(1,184)	(36)	-
Ending	6,702,509	261,961	556,397	(842)	-

(In millions of Korean won)

	2024				
	Financial assets at fair value through profit or loss		Financial investments	Net derivative financial instruments	
	Securities measured at fair value through profit or loss	Loans measured at fair value through profit or loss	Equity securities measured at fair value through other comprehensive income	Derivatives held for trading	Derivatives held for hedging
Beginning	5,360,776	183,490	709,834	(772)	-
Total gains or losses:					
- Profit or loss	191,322	16,457	-	(330)	-
- Other comprehensive loss	-	-	(121,549)	-	-
Purchases	811,020	50,563	3,819	184	-
Sales	(319,862)	(3,383)	-	(32)	-
Ending	6,043,256	247,127	592,104	(950)	-

6.2.2.2 In relation to changes in financial instruments classified as Level 3 of the fair value hierarchy, total gains or losses recognized in profit or loss for the period, and total gains or losses recognized in profit or loss from financial instruments held at the end of the reporting period for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	2025		
	Net gains on financial instruments at fair value through profit or loss	**Other operating income**	**Net interest income**
Total gains (losses) recognized in profit or loss for the period	15,504	(85,503)	-
Total gains (losses) recognized in profit or loss from financial instruments held at the end of the reporting period	5,591	(73,475)	-

(In millions of Korean won)	2024		
	Net gains on financial instruments at fair value through profit or loss	**Other operating income**	**Net interest income**
Total gains recognized in profit or loss for the period	123,069	84,380	-
Total gains recognized in profit or loss from financial instruments held at the end of the reporting period	120,963	74,753	-

6.2.3 Sensitivity analysis of changes in unobservable inputs

6.2.3.1 Information about fair value measurements using unobservable inputs as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)

	September 30, 2025					
	Fair value	Valuation techniques	Inputs	Unobservable inputs	Range of unobservable inputs (%)	Relationship of unobservable inputs to fair value
Financial assets						
Financial assets at fair value through profit or loss:						
Debt securities	6,667,314	MonteCarlo Simulation, Net Asset Value Method, DCF Model, Tree Model and others	Price of underlying asset, interest rate, dividend yield, discount rate, rate of real estate sale price fluctuation, stock price, volatility of stock price	Rate of real estate sale price fluctuation	0.00	Higher the real estate sale price, higher the fair value
				Volatility of stock price	27.96	Higher the volatility, higher the fair value fluctuation
Equity securities	35,194	DCF Model, Comparable Company Analysis and others	Growth rate, discount rate	Growth rate	0.00	Higher the growth rate, higher the fair value
				Discount rate	6.70 ~ 12.59	Lower the discount rate, higher the fair value
Loans	261,961	DCF Model	Discount rate	Discount rate	8.44	Lower the discount rate, higher the fair value
Financial assets at fair value through other comprehensive income:						
Equity securities	556,397	DCF Model, Comparable Company Analysis, , Net Asset Value Method, Tree Model and others	Growth rate, discount rate, stock price, volatility of stock price, liquidation value	Growth rate	0.00 ~ 1.00	Higher the growth rate, higher the fair value
				Liquidation value	0.00	Higher the liquidation value, higher the fair value
				Discount rate	4.88 ~ 12.33	Lower the discount rate, higher the fair value
				Volatility of stock price	24.72 ~ 29.47	Higher the volatility, higher the fair value fluctuation
	7,520,866					
Financial liabilities						
Derivatives held for trading:						
Others	842	DCF Model	Interest rate, discount rate	Discount rate	2.96	Higher the discount rate, lower the fair value
	842					

6.2.3.1 Information about fair value measurements using unobservable inputs as of September 30, 2025 and December 31, 2024, are as follows: (cont'd)
(In millions of Korean won)

	December 31, 2024					
	Fair value	Valuation techniques	Inputs	Unobservable inputs	Range of unobservable inputs (%)	Relationship of unobservable inputs to fair value
Financial assets						
Financial assets at fair value through profit or loss:						
Debt securities	6,405,536	MonteCarlo Simulation, Net Asset Value Method, DCF Model, Tree Model, and others	Price of underlying asset, interest rate, dividend yield, discount rate, rate of real estate sale price fluctuation, stock price, volatility of stock price	Rate of real estate sale price fluctuation	0.00	Higher the real estate sale price, higher the fair value
				Volatility of stock price	28.87 ~ 29.45	Higher the volatility, higher the fair value fluctuation
Equity securities	35,652	DCF Model, Comparable Company Analysis, and others	Growth rate, discount rate	Growth rate	0.00	Higher the growth rate, higher the fair value
				Discount rate	5.90 ~ 13.00	Lower the discount rate, higher the fair value
Loans	250,141	DCF Model	Discount rate	Discount rate	8.54	Lower the discount rate, higher the fair value
Derivatives held for trading:						
Stock and index	37	Tree Model	Price of underlying asset, volatility of underlying asset	Volatility of underlying asset	29.45 ~ 31.79	Higher the volatility, higher the fair value fluctuation
Financial assets at fair value through other comprehensive income:						
Equity securities	520,925	DCF Model, Comparable Company Analysis, Net Asset Value Method *, Tree Model, and others	Growth rate, discount rate, stock price, volatility of stock price, liquidation value	Growth rate	0.00 ~ 1.00	Higher the growth rate, higher the fair value
				Liquidation value	0.00	Higher the liquidation value, higher the fair value
				Discount rate	6.01 ~ 12.54	Lower the discount rate, higher the fair value
				Volatility of stock price	22.95 ~ 31.79	Higher the volatility, higher the fair value fluctuation
	7,212,291					
Financial liabilities						
Derivatives held for trading:						
Others	1,027	DCF Model	Interest rate, discount rate	Discount rate	3.70 ~ 3.74	Higher the discount rate, lower the fair value
	1,027					

* The Group has changed its fair value assessment technique to the net asset value method in the prior period for certain financial assets at fair value through other comprehensive income classified as Level 3, reflecting improvements in valuation techniques using new information.

6.2.3.2 Sensitivity analysis of changes in unobservable inputs

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in fair value of financial instruments which are affected by unobservable parameters, using a statistical technique. When the fair value is affected by more than one input parameter, the amounts represent the most favorable or most unfavorable outcome. Level 3 financial instruments subject to sensitivity analysis are debt securities, loans, equity-related derivatives, currency-related derivatives, interest rate-related derivatives, and other derivatives whose fair value changes are recognized in profit or loss as well as equity securities whose fair value changes are recognized in profit or loss or other comprehensive income or loss.

Results of the sensitivity analysis of changes in unobservable inputs as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	**September 30, 2025**			
	Profit or loss		**Other comprehensive income or loss**	
	Favorable changes	**Unfavorable changes**	**Favorable changes**	**Unfavorable changes**
Financial assets				
Financial assets at fair value through profit or loss:				
Debt securities [4, 6]	4,331	(4,331)	-	-
Equity securities [3, 6]	3,079	(1,378)	-	-
Loans [5, 6]	2,229	(2,037)	-	-
Derivatives held for trading [1]	-	-	-	-
Financial assets at fair value through other comprehensive income:				
Equity securities [3, 6, 7]	-	-	16,959	(11,337)
	9,639	(7,746)	16,959	(11,337)
Financial liabilities				
Derivatives held for trading [2]	7	(8)	-	-
	7	(8)	-	-

Results of the sensitivity analysis of changes in unobservable inputs as of September 30, 2025 and December 31, 2024, are as follows: (cont'd)

(In millions of Korean won)	December 31, 2024			
	Profit or loss		Other comprehensive income or loss	
	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets				
Financial assets at fair value through profit or loss:				
Debt securities [4, 6]	6,946	(6,946)	-	-
Equity securities [3, 6]	3,633	(1,509)	-	-
Loans [5, 6]	2,329	(2,120)	-	-
Derivatives held for trading [1]	36	(25)	-	-
Financial assets at fair value through other comprehensive income:				
Equity securities [3, 6, 7]	-	-	28,151	(15,662)
	12,944	(10,600)	28,151	(15,662)
Financial liabilities				
Derivatives held for trading [2]	26	(26)	-	-
	26	(26)	-	-

[1] For derivative held for trading financial instruments, changes in fair value are calculated by shifting principal unobservable input parameters such as price and the volatility of underlying asset by ± 10%.

[2] For derivative held for trading financial instruments, changes in fair value are calculated by shifting principal unobservable input parameters such as discount rate (-1%p~1%p).

[3] For equity securities, changes in fair value are calculated by shifting principal unobservable input parameters such as liquidation value (-1%p~1%p), discount rate (-1%p~1%p) and growth rate (0%p~1%p).

[4] For beneficiary certificates, it is practically impossible to analyze sensitivity of changes in unobservable inputs. However, for beneficiary certificates whose underlying assets are real estates, changes in fair value are calculated by shifting the rate of real estate sale price fluctuation (-1%p~1%p). There is no significant correlation among major unobservable inputs

[5] For loans, changes in fair value are calculated by shifting principal unobservable input parameters such as the discount rate (-1%p~1%p).

[6] The amounts of ₩ 6,626,073 million and ₩ 6,307,265 million of financial assets classified as level 3 as of September 30, 2025 and December 31, 2024, respectively, are excluded because it is practically impossible to analyze the sensitivity of changes in unobservable inputs.

[7] For some equity securities, changes in fair value are calculated by shifting principal unobservable input parameters such as stock price and volatility of stock price by ±10%.

6.2.4 Day one gains or losses

When the Group measures the fair value of OTC derivatives using inputs that are not based on observable market data, there could be a difference between the transaction price and the amount determined using that valuation technique. In these circumstances, the fair value of financial instruments is recognized as the transaction price, and the difference is not recognized in profit or loss but deferred and amortized using the straight-line method over the life of the financial instrument. When the fair value of the financial instruments is subsequently determined using observable market inputs, the remaining deferred amount is recognized in profit or loss.

Changes in deferred day one gains or losses for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	**2025**	**2024**
Balance at the beginning of the period (A)	(2,662)	(4,707)
New transactions (B)	-	-
Amounts recognized in profit or loss (C=a+b)	1,503	1,531
a. Amortization	1,503	1,531
b. Settlement	-	-
Balance at the end of the period (A+B+C)	(1,159)	(3,176)

6.3 Carrying Amount of Financial Instruments by Category

Financial assets and liabilities are measured at fair value or amortized cost. Carrying amount of financial assets and liabilities by category as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)

	September 30, 2025					
	Financial instruments at fair value through profit or loss	**Financial instruments at fair value through other comprehensive income**	**Financial instruments designated at fair value through other comprehensive income**	**Financial instruments at amortized cost**	**Derivatives held for hedging**	**Total**
Financial assets						
Cash and due from financial institutions	-	-	-	18,355,743	-	18,355,743
Financial assets at fair value through profit or loss	28,905,104	-	-	-	-	28,905,104
Derivative financial assets	5,342,192	-	-	-	101,098	5,443,290
Loans measured at amortized cost	-	-	-	424,219,637	-	424,219,637
Financial investments	-	41,665,892	1,140,553	33,374,135	-	76,180,580
Other financial assets	-	-	-	22,536,822	-	22,536,822
	34,247,296	41,665,892	1,140,553	498,486,337	101,098	575,641,176

6.3 Carrying Amount of Financial Instruments by Category (cont'd)

(In millions of Korean won)

	September 30, 2025			
	Financial instruments at fair value through profit or loss	Financial instruments at amortized cost	Derivatives held for hedging	Total
Financial liabilities				
Financial liabilities at fair value through profit or loss	305,547	-	-	305,547
Derivative financial liabilities	4,744,716	-	37,726	4,782,442
Deposits	-	429,582,034	-	429,582,034
Borrowings	-	30,142,833	-	30,142,833
Debentures	-	34,519,363	-	34,519,363
Other financial liabilities	-	40,783,969	-	40,783,969
	5,050,263	535,028,199	37,726	540,116,188

(In millions of Korean won)

	December 31, 2024					
	Financial instruments at fair value through profit or loss	Financial instruments at fair value through other comprehensive income	Financial instruments designated at fair value through other comprehensive income	Financial instruments at amortized cost	Derivatives held for hedging	Total
Financial assets						
Cash and due from financial institutions	-	-	-	22,910,149	-	22,910,149
Financial assets at fair value through profit or loss	22,089,847	-	-	-	-	22,089,847
Derivative financial assets	10,128,282	-	-	-	121,337	10,249,619
Loans measured at amortized cost	-	-	-	409,867,155	-	409,867,155
Financial investments	-	43,812,524	1,058,286	36,355,808	-	81,226,618
Other financial assets	-	-	-	9,328,611	-	9,328,611
	32,218,129	43,812,524	1,058,286	478,461,723	121,337	555,671,999

(In millions of Korean won)

	December 31, 2024			
	Financial instruments at fair value through profit or loss	Financial instruments at amortized cost	Derivatives held for hedging	Total
Financial liabilities				
Financial liabilities at fair value through profit or loss	159,212	-	-	159,212
Derivative financial liabilities	9,577,007	-	66,128	9,643,135
Deposits	-	421,200,651	-	421,200,651
Borrowings	-	32,226,416	-	32,226,416
Debentures	-	34,736,771	-	34,736,771
Other financial liabilities	-	24,117,660	-	24,117,660
	9,736,219	512,281,498	66,128	522,083,845

7. Due from Financial Institutions

7.1 Details of due from financial institutions as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)

		Financial institutions	Interest rate (%)	September 30, 2025 *	December 31, 2024 *
Due from financial institutions in Korean won	Due from Bank of Korea	Bank of Korea	-	7,063,080	11,635,481
	Due from banks	Hana Bank and others	0.00~2.07	50,289	58,880
	Due from others	CITIBANK N.A. SINGAPORE(Custody)	-	3,243	10,478
				7,116,612	11,704,839
Due from financial institutions in foreign currencies	Due from banks in foreign currencies	CITIBANK N.A. and others	0.00~3.93	7,407,716	7,639,684
	Time deposits in foreign currencies	BANK OF INDUSTRIAL BANK OF COMMUNICATIONS CO LTD NEW YORK B and others	1.60~9.75	395,716	521,924
	Due from others	Yuanta Bank (TAIWAN) and others	0.00~5.25	877,492	966,831
				8,680,924	9,128,439
				15,797,536	20,833,278

* Before netting of allowance, including ₩ 14,955,175 million and ₩ 19,286,008 million classified as cash as of September 30, 2025 and December 31, 2024, respectively.

7.2 Details of restricted due from financial institutions as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)

		Financial institutions	September 30, 2025 *	December 31, 2024 *	Reasons of restriction
Due from financial institutions in Korean won	Due from Bank of Korea	Bank of Korea	7,063,080	11,635,481	Bank of Korea Act
	Due from others	CITIBANK N.A. SINGAPORE(Custody)	2,734	9,949	Derivatives margin account
			7,065,814	11,645,430	
Due from financial institutions in foreign currencies	Due from banks in foreign currencies	CITIBANK N.A and others	1,509,656	2,736,871	Bank of Korea Act and others
	Time deposits in foreign currencies	BANK OF COMMUNICATIONS CO LTD NEW YORK B and others	70,110	88,200	New York State Banking Law
	Due from others	Yuanta Bank (TAIWAN) and others	763,210	881,802	Derivatives margin account
			2,342,976	3,706,873	
			9,408,790	15,352,303	

* Before netting of allowance, including ₩ 8,595,521 million and ₩ 14,176,162 million classified as cash as of September 30, 2025 and December 31, 2024, respectively.

7.3 Changes in allowances for credit losses of due from financial institutions for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)

	2025		
	12-month expected credit losses	Lifetime expected credit losses	
		Not impaired	Impaired
Beginning	523	-	-
Provision (reversal) for credit losses	(80)	-	-
Others (exchange differences, etc.)	(25)	-	-
Ending	418	-	-

(In millions of Korean won)

	2024		
	12-month expected credit losses	Lifetime expected credit losses	
		Not impaired	Impaired
Beginning	619	-	-
Provision (reversal) for credit losses	163	-	-
Others (exchange differences, etc.)	34	-	-
Ending	816	-	-

8. Derivative Financial Instruments and Hedge Accounting

The Group engages in derivative trading activities to hedge the interest rate risk and currency risk arising from the Group's own assets and liabilities. In particular, the Group applies fair value hedge accounting using interest rate swaps and interest rate futures to hedge the risk of changes in fair value due to the changes in interest rate of debentures, deposits, and debt securities at fair value through other comprehensive income. Also, the Group applies cash flow hedge accounting using interest rate swaps to hedge the risk of changes in cash flows of debentures in foreign currencies, and borrowings in foreign currencies. In addition, the Group applies net investments in foreign operations hedge accounting by designating debentures in foreign currencies as hedging instruments to hedge the currency risk of net investments in foreign operations.

8.1 Details of derivative financial instruments held for trading as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)

	September 30, 2025			December 31, 2024		
	Notional Amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Interest rate						
Forwards	8,638,295	209,582	262,600	4,982,518	82,163	275,132
Futures [1]	2,906,798	-	-	2,024,156	-	-
Swaps [2]	188,016,299	208,026	287,116	213,123,811	304,454	253,395
Options	6,138,000	137,413	105,142	6,658,000	141,985	133,971
	205,699,392	555,021	654,858	226,788,485	528,602	662,498
Currency						
Forwards	126,366,343	2,592,731	1,155,492	128,595,383	5,829,612	2,913,841
Swaps	72,229,916	2,186,800	2,920,045	84,077,057	3,748,266	5,971,810
Options	1,926,402	5,442	11,395	1,970,373	21,765	27,832
	200,522,661	4,784,973	4,086,932	214,642,813	9,599,643	8,913,483
Stock and index						
Futures [1]	37,680	-	-	-	-	-
Options	202,602	2,184	2,060	577	37	-
	240,282	2,184	2,060	577	37	-
Credit						
Swaps	595,576	-	-	385,480	-	-
Others	249,779	14	866	94,300	-	1,026
	407,307,690	5,342,192	4,744,716	441,911,655	10,128,282	9,577,007

[1] Gains or losses arising from daily mark-to-market futures are reflected in the margin accounts.

[2] Notional amounts of ₩ 145,233,880 million and ₩ 176,601,953 million as of September 30, 2025 and December 31, 2024, respectively, were traded through the Central Counterparty, ("CCP").

8.2 Average price conditions of future nominal cash flows by type of hedge accounting as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)

	September 30, 2025						
	1 year	2 years	3 years	4 years	5 years	Over 5 years	Total
Fair value hedge							
Nominal amount of the hedging instrument	1,981,824	320,755	150,405	865,608	1,549,038	604,929	5,472,559
Average price condition (SOFR, CD)	4.09%	4.45%	4.31%	5.95%	2.67%	3.73%	3.97%
Cash flow hedge							
Nominal amount of the hedging instrument	532,836	1,003,976	483,759	44,870	-	-	2,065,441
Average price condition (SOFR, CD)	4.51%	5.27%	5.07%	5.17%	-	-	5.02%

(In millions of Korean won)

	December 31, 2024						
	1 year	2 years	3 years	4 years	5 years	Over 5 years	Total
Fair value hedge							
Nominal amount of the hedging instrument	3,641,362	1,168,695	428,780	189,448	941,835	1,998,080	8,368,200
Average price condition (SOFR, CD)	4.58%	4.65%	4.71%	5.74%	6.69%	3.81%	4.68%
Cash flow hedge							
Nominal amount of the hedging instrument	-	558,600	1,052,520	507,150	47,040	-	2,165,310
Average price condition (SOFR, CD)	-	4.86%	5.57%	5.55%	5.75%	-	5.39%

8.3 Fair Value Hedge

8.3.1 Details of fair value hedged items as of September 30, 2025 and December 31, 2024 and changes in fair value for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)		September 30, 2025				2025
		Carrying amount		Accumulated amount of hedge adjustments		Changes in fair value
		Assets	Liabilities	Assets	Liabilities	
Interest rate	Debt securities in Korean won	704,567	-	(4,129)	-	2,222
	Debt securities in foreign currencies	1,365,825	-	(2,264)	-	34,812
	Deposits in Korean won	-	202,420	-	12,420	(9,180)
	Deposits in foreign currencies	-	798,763	-	(1,693)	(5,913)
	Debentures in Korean won	-	1,368,535	-	(91,465)	(17,600)
	Debentures in foreign currencies	-	789,516	-	(23,760)	(29,119)
		2,070,392	3,159,234	(6,393)	(104,498)	(24,778)

(In millions of Korean won)		December 31, 2024				2024
		Carrying amount		Accumulated amount of hedge adjustments		Changes in fair value
		Assets	Liabilities	Assets	Liabilities	
Interest rate	Debt securities in Korean won	2,062,063	-	(15,065)	-	23,303
	Debt securities in foreign currencies	1,699,241	-	(44,081)	-	46,662
	Deposits in Korean won	-	246,258	-	6,258	(7,256)
	Deposits in foreign currencies	-	301,107	-	(7,593)	(2,931)
	Debentures in Korean won	-	2,320,923	-	(109,077)	(28,418)
	Debentures in foreign currencies	-	1,523,883	-	(63,717)	(32,809)
		3,761,304	4,392,171	(59,146)	(174,129)	(1,449)

8.3.2 Details of derivative instruments designated as fair value hedge as of September 30, 2025 and December 31, 2024 and changes in fair value for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	September 30, 2025			2025
	Notional amount	Assets	Liabilities	Changes in fair value
Interest rate				
Futures	334,200	-	-	8,170
Swaps	5,138,359	85,400	25,700	16,218
	5,472,559	85,400	25,700	24,388

(In millions of Korean won)	December 31, 2024			2024
	Notional amount	Assets	Liabilities	Changes in fair value
Interest rate				
Futures	720,000	-	-	(4,675)
Swaps	7,648,200	84,530	62,666	3,357
	8,368,200	84,530	62,666	(1,318)

8.3.3 Details of hedge ineffectiveness recognized in profit or loss on derivative instruments designated as fair value hedge for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	2025	2024
Interest rate	(390)	(5,989)

8.3.4 Gains or losses on fair value hedging instruments and hedged items attributable to the hedged risk for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	2025	2024
Gains (losses) on hedging instruments	24,388	(4,540)
Gains (losses) on hedged items attributable to the hedged risk	(32,439)	968
	(8,051)	(3,572)

8.4 Cash Flow Hedge

8.4.1 Details of cash flow hedged items as of September 30, 2025 and December 31, 2024 and changes in fair value for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)

	Cash flow hedge reserve		Changes in fair value	
	September 30, 2025	December 31, 2024	2025	2024
Interest rate risk	921	22,158	29,193	33,580

8.4.2 Details of derivative instruments designated as cash flow hedge as of September 30, 2025 and December 31, 2024 and changes in fair value for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	September 30, 2025			2025
	Notional amount	Assets	Liabilities	Changes in fair value
Interest rate				
Swaps	2,065,441	15,698	12,026	(28,814)

(In millions of Korean won)	December 31, 2024			2024
	Notional amount	Assets	Liabilities	Changes in fair value
Interest rate				
Swaps	2,165,310	36,807	3,462	(33,554)

8.4.3 Gains or losses on cash flow hedging instruments and hedged items attributable to the hedged risk for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	2025	2024
Gains (losses) on hedging instruments:	(28,814)	(33,554)
Effective portion of gains (losses) on cash flow hedging instruments (recognized in other comprehensive income or loss)	(28,853)	(31,723)
Ineffective portion of gains (losses) on cash flow hedging instruments (recognized in profit or loss)	39	(1,831)

8.4.4 Amounts recognized in other comprehensive income and reclassified from equity to profit or loss related to derivative instruments designated as cash flow hedge for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	2025	2024
Other comprehensive income (loss)	(28,853)	(31,723)
Reclassification to profit or loss	-	(2,095)
Income tax effect	7,617	8,928
	(21,236)	(24,890)

8.4.5 As of September 30, 2025, the hedged items subject to cash flow hedge are exposed to the risk of changes in cash flows until March 5, 2029.

8.5 Hedge of Net Investments in Foreign Operations

8.5.1 Details of net investments in foreign operations hedged items as of September 30, 2025 and December 31, 2024 and changes in fair value for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)

	Foreign currency translation reserve		Changes in fair value	
	September 30, 2025	December 31, 2024	2025	2024
Currency-related (currency risk)	(214,378)	(277,658)	(85,978)	20,043

8.5.2 Details of financial instruments designated as hedge of net investments in foreign operations as of September 30, 2025 and December 31, 2024 and changes in fair value for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	September 30, 2025			2025
	Notional amount	Assets	Liabilities	Changes in fair value
Debentures in foreign currencies	1,545,074	-	1,545,074	85,978

(In millions of Korean won)	December 31, 2024			2024
	Notional amount	Assets	Liabilities	Changes in fair value
Debentures in foreign currencies	2,029,237	-	2,029,237	(20,043)

8.5.3 Fair value of non-derivative financial instruments designated as hedge of net investments in foreign operations as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025	December 31, 2024
Debentures in foreign currencies	1,512,661	1,943,867

8.5.4 Gains or losses on net investments in foreign operations hedging instruments and hedged items attributable to the hedged risk for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	2025	2024
Gains (losses) on hedging instruments:	85,978	(20,042)
Effective portion of gains (losses) on hedge of net investments in foreign operations (recognized in other comprehensive income or loss)	85,978	(20,042)
Ineffective portion of losses on hedge of net investments in foreign operations (recognized in profit or loss)	-	-

8.5.5 Effective portion of gains or losses on net investments in foreign operations hedging instruments recognized in other comprehensive loss for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	**2025**	**2024**
Other comprehensive income (loss)	85,978	(20,042)
Reclassification to profit or loss	-	-
Income tax effect	(22,698)	5,291
	63,280	(14,751)

9. Loans Measured at Amortized Cost

9.1 Details of loans as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025	December 31, 2024
Loans	427,413,567	413,116,283
Deferred loan origination fees and costs	458,542	468,629
Less: Allowances for credit losses	(3,652,472)	(3,717,757)
	424,219,637	409,867,155

9.2 Details of loans to other banks as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025	December 31, 2024
Loans	8,885,293	9,687,354
Less: Allowances for credit losses	(3,628)	(30,727)
	8,881,665	9,656,627

9.3 Details of loan types and customer types of loans to customers other than banks as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025			
	Retail	Corporate	Credit card	Total
Loans in Korean won	182,694,911	194,492,689	-	377,187,600
Loans in foreign currencies	5,114,926	24,480,989	-	29,595,915
Domestic import usance bills	-	3,934,040	-	3,934,040
Off-shore funding loans	-	1,039,793	-	1,039,793
Call loans	-	2,578,455	-	2,578,455
Bills bought in Korean won	-	1,296	-	1,296
Bills bought in foreign currencies	-	2,287,553	-	2,287,553
Guarantee payments under acceptances and guarantees	-	8,240	-	8,240
Credit card receivables in foreign currencies	-	-	28,742	28,742
Bonds purchased under repurchase agreements	-	2,307,818	-	2,307,818
Privately placed bonds	-	17,364	-	17,364
	187,809,837	231,148,237	28,742	418,986,816
Proportion (%)	44.82	55.17	0.01	100.00
Less: Allowances for credit losses	(1,009,961)	(2,627,988)	(10,895)	(3,648,844)
	186,799,876	228,520,249	17,847	415,337,972

9.3 Details of loan types and customer types of loans to customers other than banks as of September 30, 2025 and December 31, 2024, are as follows: (cont'd)

(In millions of Korean won)	December 31, 2024			
	Retail	**Corporate**	**Credit card**	**Total**
Loans in Korean won	177,437,548	185,641,458	-	363,079,006
Loans in foreign currencies	4,896,983	26,184,305	-	31,081,288
Domestic import usance bills	-	3,790,808	-	3,790,808
Off-shore funding loans	-	626,058	-	626,058
Call loans	-	-	-	-
Bills bought in Korean won	-	1,862	-	1,862
Bills bought in foreign currencies	-	2,379,270	-	2,379,270
Guarantee payments under acceptances and guarantees	-	16,930	-	16,930
Credit card receivables in foreign currencies	-	-	34,642	34,642
Bonds purchased under repurchase agreements	-	2,873,550	-	2,873,550
Privately placed bonds	-	14,144	-	14,144
	182,334,531	221,528,385	34,642	403,897,558
Proportion (%)	45.14	54.85	0.01	100.00
Less: Allowances for credit losses	(975,940)	(2,698,135)	(12,955)	(3,687,030)
	181,358,591	218,830,250	21,687	400,210,528

10. Allowances for Credit Losses

10.1 Changes in allowances for credit losses of loans for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)

	2025											
	Retail				Corporate				Credit card			
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach
		Not impaired	Impaired			Not impaired	Impaired			Not impaired	Impaired	
Beginning	410,668	182,336	382,936	-	727,465	798,694	1,202,703	-	752	494	11,709	-
Transfer between stages:												
Transfer to 12-month expected credit losses	113,379	(110,903)	(2,476)	-	199,454	(194,089)	(5,365)	-	-	-	-	-
Transfer to lifetime expected credit losses (not impaired)	(100,379)	109,688	(9,309)	-	(216,583)	272,126	(55,543)	-	-	-	-	-
Transfer to lifetime expected credit losses (impaired)	(14,765)	(50,780)	65,545	-	(19,246)	(180,069)	199,315	-	(161)	(29)	190	-
Write-offs	-	(1)	(245,207)	-	-	(7)	(430,880)	-	-	-	(1,168)	-
Sales	(1,159)	(900)	(7,393)	-	(26)	(522)	(116,582)	-	-	-	-	-
Provision (reversal) for credit losses [1, 2]	(23,552)	89,399	260,045	-	(33,279)	21,163	565,344	-	118	88	635	-
Others (exchange differences, etc.)	(1,466)	(972)	(34,773)	-	(4,366)	(2,779)	(95,312)	-	(87)	(68)	(1,578)	-
Ending [3]	382,726	217,867	409,368	-	653,419	714,517	1,263,680	-	622	485	9,788	-

10.1 Changes in allowances for credit losses of loans for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)

	2024											
	Retail				Corporate				Credit card			
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach
		Not impaired	Impaired			Not impaired	Impaired			Not impaired	Impaired	
Beginning	397,695	184,162	269,329	-	794,123	780,653	1,169,980	-	872	310	12,728	-
Transfer between stages:												
Transfer to 12-month expected credit losses	93,447	(92,381)	(1,066)	-	301,063	(265,811)	(35,252)	-	200	(66)	(134)	-
Transfer to lifetime expected credit losses (not-impaired)	(77,342)	91,570	(14,228)	-	(217,405)	247,630	(30,225)	-	(57)	81	(24)	-
Transfer to lifetime expected credit losses (impaired)	(2,285)	(54,979)	57,264	-	(37,189)	(131,051)	168,240	-	(50)	(208)	258	-
Write-offs	-	-	(234,141)	-	-	(1)	(352,991)	-	-	-	(15,279)	-
Sales	(1,917)	(586)	(6,369)	-	-	(458)	(58,853)	-	-	-	-	-
Provision (reversal) for credit losses [1, 2]	9,484	50,063	282,939	-	(92,662)	98,437	323,991	-	(190)	341	14,205	-
Others (exchange differences, etc.)	336	36	(4,490)	-	1,811	69	(7,434)	-	(17)	6	287	-
Ending [3]	419,418	177,885	349,238	-	749,741	729,468	1,177,456	-	758	464	12,041	-

[1] Provision (reversal) for credit losses in the consolidated statements of comprehensive income also includes provision (reversal) for credit losses of unused commitments, acceptances and guarantees (Note 16.2), provision (reversal) for credit losses of financial guarantee contracts (Note 16.4), provision (reversal) for credit losses of other financial assets, provision (reversal) for credit losses of due from financial institutions (Note 7.3) and provision (reversal) for credit losses of debt securities (Note 11.5).

[2] Includes ₩ 157,727 million and ₩ 113,983 million of collections from written-off loans for the nine-month periods ended September 30, 2025 and 2024, respectively.

[3] Includes additional allowances of ₩ 126,372 million and ₩ 163,707million for the borrowers which are highly affected by the termination of COVID-19 financial support as of September 30, 2025 and December 31, 2024, respectively.

The amounts of financial assets that the group wrote off but still performed recovery efforts for during the nine-month periods ended September 30, 2025 and 2024 are ₩ 658,365 million and ₩ 602,412 million. The Group manages the written-off loans for which their legal extinctive prescriptions have not been completed, and that have not been collected. The balances of those loans are ₩ 9,041,076million and ₩ 8,833,236 million as of September 30, 2025 and December 31, 2024, respectively.

10.2 Changes in gross carrying amount of loans for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)

	2025			
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach
		Not impaired	Impaired	
Beginning	374,832,578	35,061,688	3,690,646	-
Transfer between stages:				
Transfer to 12-month expected credit losses	24,233,669	(24,191,588)	(42,081)	-
Transfer to lifetime expected credit losses (not-impaired)	(36,227,038)	37,271,848	(1,044,810)	-
Transfer to lifetime expected credit losses (impaired)	(399,728)	(3,121,280)	3,521,008	-
Write-offs	-	(8)	(677,255)	-
Sales	(486,412)	(11,315)	(729,046)	-
Net increase (decrease) (execution, repayment, and others)	21,262,608	(4,016,983)	(1,054,392)	-
Ending	383,215,677	40,992,362	3,664,070	-

(In millions of Korean won)

	2024			
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach
		Not impaired	Impaired	
Beginning	353,906,746	31,715,563	3,391,613	-
Transfer between stages:				
Transfer to 12-month expected credit losses	22,821,615	(22,496,635)	(324,980)	-
Transfer to lifetime expected credit losses (not-impaired)	(28,447,121)	29,070,728	(623,607)	-
Transfer to lifetime expected credit losses (impaired)	(769,380)	(2,456,758)	3,226,138	-
Write-offs	-	(1)	(602,411)	-
Sales	(2,542,100)	(74,287)	(539,198)	-
Net increase (decrease) (execution, repayment, and others)	26,013,442	(1,847,913)	(866,352)	-
Ending	370,983,202	33,910,697	3,661,203	-

11. Financial Assets at Fair Value through Profit or Loss and Financial Investments

11.1 Details of financial assets at fair value through profit or loss and financial investments as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025	December 31, 2024
Financial assets at fair value through profit or loss		
Debt securities:		
Government and public bonds	11,189,218	7,904,303
Financial bonds	4,211,177	3,495,489
Corporate bonds	2,805,018	2,321,229
Asset-backed securities	29,715	39,444
Beneficiary certificates	6,573,634	4,577,202
Investment funds	956,105	906,460
Other debt securities	2,372,345	2,274,864
Equity securities:		
Stocks	204,680	162,196
Loans:		
Privately placed bonds	220,753	208,857
Other loans	41,208	41,284
Others:		
Financial instruments indexed to the price of gold	301,251	158,519
	28,905,104	22,089,847
Financial investments		
Debt securities:		
Government and public bonds	11,520,181	11,008,793
Financial bonds	17,890,060	21,446,125
Corporate bonds	10,936,096	10,051,926
Asset-backed securities	929,098	1,024,772
Other debt securities	58,976	-
Equity securities:		
Stocks	1,127,971	1,050,418
Equity investments	12,582	7,868
Loans:		
Privately placed bonds	331,481	280,908
	42,806,445	44,870,810
Financial assets at amortized cost		
Debt securities:		
Government and public bonds	5,187,725	6,029,059
Financial bonds	12,371,515	12,023,577
Corporate bonds	8,239,469	8,946,009
Asset-backed securities	7,398,193	9,301,199
Other debt securities	193,533	72,968
Less: Allowances for credit losses	(16,300)	(17,004)
	33,374,135	36,355,808
	76,180,580	81,226,618

11.2 Dividend income from equity securities designated at fair value through other comprehensive income for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)		2025		2024	
		From the equity securities derecognized	From the equity securities held	From the equity securities derecognized	From the equity securities held
Stocks	Listed	109	8,384	-	3,597
	Unlisted	-	4,037	-	2,974
		109	12,421	-	6,571

11.3 Derecognized equity securities measured at fair value through other comprehensive income for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)		2025		2024	
		Disposal price	Accumulated other comprehensive loss as of disposal date	Disposal price	Accumulated other comprehensive loss as of disposal date
Stocks	Listed	14,757	(6,047)	8,054	(5,586)
	Unlisted	1,198	342	-	-
		15,955	(5,705)	8,054	(5,586)

11.4 Provision (reversal) for credit losses of financial investments for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	2025		
	Provision	Reversal	Total
Financial assets at fair value through other comprehensive income	3,720	(5,154)	(1,434)
Securities measured at amortized cost	3,422	(4,051)	(630)
	7,142	(9,205)	(2,064)

(In millions of Korean won)	2024		
	Provision	Reversal	Total
Financial assets at fair value through other comprehensive income	5,515	(4,990)	525
Securities measured at amortized cost	1,609	(2,374)	(765)
	7,124	(7,364)	(240)

11.5 Changes in allowances for credit losses of financial investments for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)

	2025		
	12-month expected credit losses	Lifetime expected credit losses	
		Not impaired	Impaired
Beginning	31,758	-	-
Sales	(2,565)	-	-
Provision (reversal) for credit losses	(2,064)	-	-
Others (exchange differences, etc.)	(311)	-	-
Ending	26,818	-	-

(In millions of Korean won)

	2024		
	12-month expected credit losses	Lifetime expected credit losses	
		Not impaired	Impaired
Beginning	33,817	-	-
Sales	(1,472)	-	-
Provision (reversal) for credit losses	(240)	-	-
Others (exchange differences, etc.)	424	-	-
Ending	32,529	-	-

12. Deferred Income Tax Assets and Liabilities

Details of deferred income tax assets and liabilities as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025		
	Assets	**Liabilities**	**Net amount**
Other provisions	103,863	-	103,863
Impairment losses of property and equipment	15,588	-	15,588
Equity-linked deposit interests	174	-	174
Share-based payments	25,938	-	25,938
Provisions for acceptances and guarantees	14,002	-	14,002
Gains or losses on valuation of derivatives	7,434	(166,153)	(158,719)
Present value discount	-	(297)	(297)
Gains or losses on fair value hedge	-	(27,458)	(27,458)
Accrued interest	-	(105,902)	(105,902)
Deferred loan origination fees and costs	11,732	(125,005)	(113,273)
Gains or losses on revaluation *	-	(256,574)	(256,574)
Investments in subsidiaries and others	28,938	(245,879)	(216,941)
Gains or losses on valuation of security investment	-	(197,919)	(197,919)
Defined benefit liabilities	437,282	-	437,282
Accrued expenses	154,389	-	154,389
Retirement insurance expense	-	(462,244)	(462,244)
Adjustments to the prepaid contributions	-	(68,483)	(68,483)
Others	813,194	(477,879)	335,315
	1,612,534	(2,133,793)	(521,259)
Offsetting of deferred income tax assets and liabilities	(1,492,465)	1,492,465	-
	120,069	(641,328)	(521,259)

Details of deferred income tax assets and liabilities as of September 30, 2025 and December 31, 2024, are as follows: (cont'd)

(In millions of Korean won)	December 31, 2024		
	Assets	**Liabilities**	**Net amount**
Other provisions	115,168	-	115,168
Impairment losses of property and equipment	9,322	-	9,322
Share-based payments	23,729	-	23,729
Provisions for acceptances and guarantees	16,010	-	16,010
Gains or losses on valuation of derivatives	-	(136,533)	(136,533)
Present value discount	90	-	90
Gains or losses on fair value hedge	-	(45,741)	(45,741)
Accrued interest	1,680	(124,508)	(122,828)
Deferred loan origination fees and costs	12,635	(126,717)	(114,082)
Gains or losses on revaluation *	-	(259,519)	(259,519)
Investments in subsidiaries and others	28,638	(233,762)	(205,124)
Gains or losses on valuation of security investment	-	(328,616)	(328,616)
Defined benefit liabilities	437,558	-	437,558
Accrued expenses	212,155	-	212,155
Retirement insurance expense	-	(440,187)	(440,187)
Adjustments to the prepaid contributions	-	(49,134)	(49,134)
Others	867,671	(516,274)	351,397
	1,724,656	(2,260,991)	(536,335)
Offsetting of deferred income tax assets and liabilities	(1,587,539)	1,587,539	-
	137,117	(673,452)	(536,335)

* Gains on land revaluation

13. Deposits

Details of deposits as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	**September 30, 2025**	**December 31, 2024**
Demand deposits		
Demand deposits in Korean won	164,274,214	151,469,914
Demand deposits in foreign currencies	11,350,063	11,868,489
	175,624,277	163,338,403
Time deposits		
Time deposits in Korean won	216,678,543	219,690,355
Fair value adjustments of fair value hedged time deposits in Korean won	12,420	6,258
Time deposits in foreign currencies	26,287,132	28,367,857
Fair value adjustments of fair value hedged time deposits in foreign currencies	(1,693)	(7,593)
	242,976,402	248,056,877
Certificates of deposits	10,981,355	9,805,371
	429,582,034	421,200,651

14. Borrowings

14.1 Details of borrowings as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025	December 31, 2024
General borrowings	28,008,911	26,887,092
Bonds sold under repurchase agreements and others	600,723	3,318,612
Call money	1,533,199	2,020,712
	30,142,833	32,226,416

14.2 Details of general borrowings as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)		Lenders	Annual interest rate (%)	September 30, 2025	December 31, 2024
Borrowings in Korean won	Borrowings from the Bank of Korea	Bank of Korea	1.00	7,152,396	4,618,026
	Borrowings from the government	SEMAS and others	0.00~3.50	2,471,270	2,409,409
	Borrowings from non-banking financial institutions	Korea Development Bank	0.98~1.73	453,644	474,148
	Other borrowings	Korea SMEs and Startups Agency and others	0.00~5.23	2,884,888	3,061,648
				12,962,198	10,563,231
Borrowings in foreign currencies	Due to banks	Hana Bank and others	-	8,884	15,155
	Borrowings from banks	CITICORP INTERNATIONAL LTD and others	0.00~10.50	11,801,893	13,427,010
	Borrowings from other financial institutions	The Export-Import Bank of Korea	4.75~4.93	5,749	6,027
	Other borrowings	The Bank of New York Mellon, Hong Kong and others	0.00~4.54	3,230,187	2,875,669
				15,046,713	16,323,861
				28,008,911	26,887,092

15. Debentures

Details of debentures as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	Annual interest rate (%)	September 30, 2025	December 31, 2024
Debentures in Korean won			
Structured debentures	3.45~5.86	110,440	40,560
Subordinated fixed rate debentures	2.02~3.50	3,180,150	3,180,150
Fixed rate debentures	1.33~5.95	18,565,603	19,319,003
Floating rate debentures	2.56~2.60	469,500	-
		22,325,693	22,539,713
Fair value adjustments of fair value hedged debentures in Korean won		(90,974)	(108,207)
Less: Discount on debentures in Korean won		(64,258)	(31,214)
		22,170,461	22,400,292
Debentures in foreign currencies			
Floating rate debentures	1.96~5.46	1,464,037	1,211,201
Fixed rate debentures	0.05~9.06	10,944,599	11,219,231
		12,408,636	12,430,432
Fair value adjustments of fair value hedged debentures in foreign currencies		(23,760)	(63,717)
Less: Discount on debentures in foreign currencies		(35,974)	(30,236)
		12,348,902	12,336,479
		34,519,363	34,736,771

16. Provisions

16.1 Details of provisions as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025	December 31, 2024
Provisions for credit losses of unused loan commitments	122,908	147,381
Provisions for credit losses of acceptances and guarantees	50,720	56,500
Provisions for restoration costs	154,524	155,686
Others	152,041	184,129
	480,193	543,696

16.2 Changes in provisions for credit losses of unused loan commitments, and acceptances and guarantees for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)

	2025					
	Provisions for credit losses of unused loan commitments			Provisions for credit losses of acceptances and guarantees		
	12-month expected credit losses	Lifetime expected credit losses		12-month expected credit losses	Lifetime expected credit losses	
		Not impaired	Impaired		Not impaired	Impaired
Beginning	118,282	29,099	-	39,865	2,489	14,146
Transfer between stages:						
Transfer to 12-month expected credit losses	7,575	(7,570)	(5)	116	(116)	-
Transfer to lifetime expected credit losses	(10,419)	12,219	(1,800)	(826)	862	(36)
Impairment	(1,094)	(2,510)	3,604	(48)	(165)	213
Provision (reversal) for credit losses	(18,847)	(2,590)	(1,784)	(4,989)	3,541	(3,387)
Others (exchange differences, etc.)	(1,153)	(84)	(15)	(769)	(38)	(138)
Ending *	94,344	28,564	-	33,349	6,573	10,798

(In millions of Korean won)

	2024					
	Provisions for credit losses of unused loan commitments			Provisions for credit losses of acceptances and guarantees		
	12-month expected credit losses	Lifetime expected credit losses		12-month expected credit losses	Lifetime expected credit losses	
		Not impaired	Impaired		Not impaired	Impaired
Beginning	129,023	73,291	-	31,293	148,198	4,409
Transfer between stages:						
Transfer to 12-month expected credit losses	15,400	(15,309)	(91)	826	(826)	-
Transfer to lifetime expected credit losses	(11,430)	11,481	(51)	(459)	459	-
Impairment	(186)	(921)	1,107	(52)	(81)	133
Provision (reversal) for credit losses	(14,386)	12,521	(965)	872	(9,291)	10,004
Others (exchange differences, etc.)	631	616	-	364	1,851	48
Ending *	119,052	81,679	-	32,844	140,310	14,594

* Includes additional provisions of ₩ 10,819 and ₩ 15,027 million for the borrowers and others which are highly affected by the termination of COVID-19 financial support as of September 30, 2025 and 2024, respectively.

16.3 Changes in provisions for restoration costs for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	2025	2024
Beginning	155,686	130,966
Provision	4,344	4,351
Reversal	(457)	(135)
Used	(8,467)	(2,297)
Unwinding of discount	3,418	3,587
Ending	154,524	136,472

Provisions for restoration costs are the present value of estimated costs to be incurred for the restoration of the leased properties. The expenditure of the restoration cost will be incurred at the end of each lease contract, and the lease period is used to reasonably estimate the time of expenditure. Also, the average restoration expense based on actual three-year historical data and three-year historical average inflation rate are used to estimate the present value of estimated costs.

16.4 Changes in other provisions for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)

	2025					
	Membership rewards program	Dormant accounts	Litigations	Financial guarantee contracts	Others[1, 2]	Total
Beginning	73	3,154	60,069	7,378	113,455	184,129
Provision (reversal)	77	10,684	10,890	(2,567)	(17,600)	1,484
Used and others	(59)	(9,063)	(977)	-	(23,473)	(33,572)
Ending[1, 2]	91	4,775	69,982	4,811	72,382	152,041

(In millions of Korean won)

	2024					
	Membership rewards program	Dormant accounts	Litigations	Financial guarantee contracts	Others[1, 2]	Total
Beginning	47	3,360	50,051	6,358	352,598	412,414
Provision (reversal)	57	1,881	10,094	752	700,557	713,341
Used and others	(38)	(2,303)	(29,287)	-	(864,733)	(896,361)
Ending[1, 2]	66	2,938	30,858	7,110	188,422	229,394

[1] Includes other provisions of ₩ 9,337 and ₩ 32,311 million related to the Livelihood finance support program as of September 30, 2025 and 2024, respectively.

[2] Includes other provisions of ₩ 33,170 million and ₩ 140,356 million related to the Hong Kong H-index ELS voluntary adjustment compensation as of September 30, 2025 and 2024, respectively.

17. Net Defined Benefit Liabilities (Assets)

17.1 Defined Benefit Plan

The Group operates defined benefit plans which have the following characteristics:

- The Group has the obligation to pay the agreed benefits to all its current and former employees.
- The Group assumes actuarial risk (that benefits will cost more than expected) and investment risk.

The net defined benefit liabilities (assets) recognized in the consolidated statements of financial position are calculated in accordance with an actuarial valuation method using assumptions based on market data and historical data such as discount rate, future salary increase rate, and mortality. Actuarial assumptions may differ from actual results, due to changes in the market conditions, economic trends, and mortality trends.

17.2 Details of net defined benefit liabilities (assets) as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	**September 30, 2025**	**December 31, 2024**
Present value of defined benefit obligation	1,757,996	1,763,788
Fair value of plan assets	(1,943,587)	(1,916,397)
Net defined benefit liabilities (assets)	(185,591)	(152,609)

18. Equity

18.1 Capital Stock

Details of capital stock as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won and in number of shares)	**Ordinary shares**	
	September 30, 2025	**December 31, 2024**
Type of share	Ordinary share	Ordinary share
Number of authorized shares	1,000,000,000	1,000,000,000
Par value per share *(In Korean won)*	5,000	5,000
Number of issued shares	404,379,116	404,379,116
Capital stock	2,021,896	2,021,896

18.2 Hybrid Security

Details of hybrid security classified as equity as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	Issuance date	Maturity *	Interest rate (%)	September 30, 2025	December 31, 2024
Hybrid Security	June 23, 2022	Permanent	4.89	299,327	299,327
	February 27, 2023		4.67	409,085	409,085
	May 29, 2024		4.22	357,200	357,200
				1,065,612	1,065,612

* Notwithstanding the perpetual bond, early redemption is available by the Bank only when prior approval from the head of the Financial Supervisory Service is obtained after 5 years from the issuance date.

18.3 Capital Surplus

Details of capital surplus as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025	December 31, 2024
Paid-in capital in excess of par value	4,604,417	4,604,417
Gains on business combination	397,669	397,669
Revaluation reserve	177,229	177,229
Other capital surplus	(529,197)	(529,197)
	4,650,118	4,650,118

18.4 Accumulated Other Comprehensive Income

Details of accumulated other comprehensive income as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025	December 31, 2024
Remeasurements of net defined benefit liabilities	(188,333)	(205,607)
Currency translation differences	463,795	603,522
Gains on debt securities measured at fair value through other comprehensive income	183,141	263,164
Gains on equity securities measured at fair value through other comprehensive income	447,833	372,368
Share of other comprehensive loss of associates	(2,255)	(2,220)
Gains on cash flow hedging instruments	921	22,157
Losses on hedging instruments of net investments in foreign operations	(214,378)	(277,658)
	690,724	775,726

18.5 Retained Earnings

18.5.1 Details of retained earnings as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025	December 31, 2024
Legal reserves	2,055,706	2,051,668
Regulatory reserve for credit losses	2,736,034	2,796,799
Voluntary reserves	22,712,832	21,311,309
Unappropriated retained earnings	3,623,054	3,267,979
	31,127,626	29,427,755

With respect to the allocation of net profit earned in a fiscal term, the Bank must set aside in its legal reserve an amount equal to at least 10% of its profit after tax as reported in the financial statements, each time it pays dividends on its net profits earned until its legal reserve reaches the aggregate amount of its paid-in capital in accordance with Article 40 of the Banking Act. This reserve is not available for the payment of cash dividends, but may be transferred to capital stock, or used to reduce an accumulated deficit. The Bank is reserving other reserves (legal reserves) in accordance with local laws and regulations of overseas branches.

18.5.2 Regulatory reserve for credit losses

Measurement and disclosure of regulatory reserve for credit losses are required in accordance with Articles 29.1 through 29.2 of Regulations on Supervision of Banking Business.

18.5.2.1 Details of regulatory reserve for credit losses as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025	December 31, 2024
Regulatory reserve for credit losses attributable to:		
Owners of the parent	2,890,123	2,736,034
Non-controlling interests	128,340	153,446
	3,018,463	2,889,480

18.5.2.2 Regulatory reserve for credit losses estimated to be appropriated and adjusted profit after provision of regulatory reserve for credit losses for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	2025		2024	
	Three Months	Nine months	Three months	Nine months
Regulatory reserve for credit losses estimated to be appropriated (reversed)	157,938	154,089	(47,952)	(94,015)
Adjusted profit after provision of regulatory reserve for credit losses *	1,019,005	3,210,459	1,159,984	2,711,905

* Adjusted profit after provision of regulatory reserve for credit losses is not based on Korean IFRS. It is calculated by reflecting provision of regulatory reserve for credit losses before tax to the net profit attributable to the owners of the parent.

19. Net Interest Income

Details of interest income, interest expense, and net interest income for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	2025		2024	
	Three months	Nine months	Three months	Nine months
Interest income				
Due from financial institutions measured at fair value through profit or loss	-	-	1	1
Securities measured at fair value through profit or loss	123,666	346,422	102,695	311,086
Loans measured at fair value through profit or loss	3,957	11,063	5,266	11,882
Securities measured at fair value through other comprehensive income	347,129	1,097,372	376,968	1,089,801
Loans measured at fair value through other comprehensive income	4,290	12,680	4,295	14,816
Due from financial institutions measured at amortized cost	50,347	163,959	57,317	188,052
Securities measured at amortized cost	265,231	810,184	307,408	915,769
Loans measured at amortized cost	4,429,893	13,565,754	4,831,993	14,521,957
Others	141,851	439,032	129,445	398,024
	5,366,364	16,446,466	5,815,388	17,451,388
Interest expense				
Deposits	2,089,756	6,681,469	2,540,701	7,576,489
Borrowings	245,609	785,225	333,461	965,610
Debentures	271,766	850,540	321,757	942,699
Others	76,170	241,841	103,685	317,993
	2,683,301	8,559,075	3,299,604	9,802,791
Net interest income	2,683,063	7,887,391	2,515,784	7,648,597

Interest income recognized on impaired loans is ₩ 34,533 million and ₩ 27,012 million for the nine-month periods ended September 30, 2025 and 2024, respectively.

20. Net Fee and Commission Income

Details of fee and commission income, fee and commission expense, and net fee and commission income for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	2025		2024	
	Three months	Nine months	Three months	Nine months
Fee and commission income				
Banking activity fees	53,355	156,052	49,659	149,125
Lending activity fees	16,883	57,084	19,316	63,724
Credit card related fees	189	592	243	710
Debit card related fees	254	667	203	577
Agent activity fees	79,170	263,238	78,664	224,949
Trust and other fiduciary fees	66,603	161,776	45,279	137,460
Acceptances and guarantees fees	13,988	60,387	21,887	67,713
Foreign currency related fees	47,247	121,308	37,611	116,502
Securities agency fees	39,295	95,222	27,918	75,202
Other business account commission on consignment	6,174	24,378	6,820	28,197
Others	81,641	258,087	92,681	292,030
	404,799	1,198,791	380,281	1,156,189
Fee and commission expense				
Trading activity related fees *	3,965	11,128	4,117	12,767
Lending activity fees	14,842	39,427	12,784	32,708
Credit card related fees	13,645	34,288	12,000	33,250
Outsourcing related fees	23,085	68,742	23,335	70,249
Foreign currency related fees	8,165	26,774	12,462	30,016
Management fees of written-off loans	2,929	9,090	2,814	9,073
Contributions to external institutions	7,290	23,202	7,119	22,266
Others	36,437	119,607	32,254	111,120
	110,358	332,258	106,885	321,449
Net fee and commission income	294,441	866,533	273,396	834,740

* Fees from financial instruments at fair value through profit or loss

21. Net Gains or Losses on Financial Instruments at Fair Value through Profit or Loss

Net gains or losses on financial instruments at fair value through profit or loss include dividend income, gains or losses arising from changes in fair value, and gains or losses arising from sales and redemptions.

Details of net gains or losses on financial instruments at fair value through profit or loss for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	2025		2024	
	Three months	Nine months	Three months	Nine months
Gains on financial instruments at fair value through profit or loss				
Financial assets at fair value through profit or loss:				
Debt securities	101,435	630,829	383,672	765,671
Equity securities	25,691	53,634	6,155	27,634
	127,126	684,463	389,827	793,305
Derivatives held for trading:				
Interest rate	298,347	2,154,999	1,133,185	3,141,389
Currency	(527,118)	7,585,116	(872,293)	8,776,008
Stock or stock index	31,883	39,015	1,806	3,966
Credit	975	3,217	120	120
Others	(24,906)	(23,122)	284	475
	(220,819)	9,759,225	263,102	11,921,958
Financial liabilities at fair value through profit or loss	-	-	-	188
Other financial instruments	(537)	1,138	698	749
	(94,230)	10,444,826	653,627	12,716,200
Losses on financial instruments at fair value through profit or loss				
Financial assets at fair value through profit or loss:				
Debt securities	137,587	429,228	(42,394)	152,103
Equity securities	4,272	7,377	5,253	16,005
	141,859	436,605	(37,141)	168,108
Derivatives held for trading:				
Interest rate	153,019	2,067,140	1,608,791	3,333,947
Currency	(562,427)	7,183,479	(1,256,089)	8,672,862
Stock or stock index	2,216	5,878	2,333	5,559
Credit	1,333	3,895	1,369	1,496
Others	1,013	3,282	617	1,906
	(404,846)	9,263,674	357,021	12,015,770
Financial liabilities at fair value through profit or loss	-	-	-	529
Other financial instruments	(278)	1,470	690	853
	(263,265)	9,701,749	320,570	12,185,260
Net gains (losses) on financial instruments at fair value through profit or loss	169,035	743,077	333,057	530,940

22. Net Other Operating Income and Expenses

Details of other operating income and expenses for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	2025		2024	
	Three months	Nine months	Three months	Nine months
Other operating income				
Gains on financial assets at fair value through other comprehensive income:				
Gains on redemption of securities measured at fair value through other comprehensive income	817	1,530	4,438	8,354
Gains on disposal of securities measured at fair value through other comprehensive income	29,241	112,030	22,723	69,018
Gains on financial assets at amortized cost:				
Gains on sale of loans measured at amortized cost	22,765	35,464	6,551	42,392
Gains on foreign exchange transactions	667,257	2,910,521	869,047	2,373,296
Dividend income	140	12,530	130	6,570
Others	47,513	263,545	119,127	273,578
	767,733	3,335,620	1,022,016	2,773,208
Other operating expenses				
Losses on financial assets at fair value through other comprehensive income:				
Losses on redemption of securities measured at fair value through other comprehensive income	2	3	27	60
Losses on disposal of securities measured at fair value through other comprehensive income	417	2,060	26,221	33,738
Losses on financial assets at amortized cost:				
Losses on sale of loans measured at amortized cost	50,189	141,963	6,524	26,353
Losses on foreign exchanges transactions	722,184	2,969,540	780,737	2,294,092
Deposit insurance fee	149,564	445,679	142,562	421,863
Credit guarantee fund fee	104,830	306,185	95,226	267,009
Others	133,042	468,599	179,115	477,277
	1,160,228	4,334,029	1,230,412	3,520,392
Net other operating expenses	(392,495)	(998,409)	(208,396)	(747,184)

23. General and Administrative Expenses

Details of general and administrative expenses for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	2025		2024	
	Three months	Nine months	Three months	Nine months
Expenses related to employee				
Employee benefits - salaries	444,640	1,341,114	442,067	1,306,191
Employee benefits - welfare	154,260	475,673	160,746	490,101
Post-employment benefits - defined benefit plans	35,240	102,972	30,983	95,258
Post-employment benefits - defined contribution plans	3,671	12,559	2,965	11,383
Termination benefits	-	395	-	-
Share-based payments	12,536	42,488	8,763	40,839
	650,347	1,975,201	645,524	1,943,772
Depreciation and amortization	143,131	419,296	149,312	435,982
Other general and administrative expenses				
Rental expense	17,263	52,058	16,323	46,774
Tax and dues	51,844	180,690	44,424	158,818
Communication	7,345	23,031	8,962	28,097
Electricity and utilities	9,941	26,703	9,856	26,610
Publication	1,173	3,124	1,180	3,621
Repairs and maintenance	10,010	19,995	7,481	20,067
Vehicle	4,156	11,718	3,785	10,728
Travel	1,937	5,889	2,236	7,367
Training	4,738	14,880	5,973	14,966
Service fees	43,147	116,518	42,959	120,297
Supplies	4,048	11,780	3,970	11,956
Electronic data processing expenses	63,911	188,602	60,745	175,312
Others	81,280	223,400	80,074	220,418
	300,793	878,388	287,968	845,031
	1,094,271	3,272,885	1,082,804	3,224,785

24. Income Tax Expense

Details of income tax expense for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	2025	2024
Income tax payable		
Current income tax expense	1,278,885	743,581
Adjustments of income tax of prior years recognized in current tax	(92,062)	(11,800)
	1,186,823	731,781
Changes in deferred income tax assets and liabilities	(15,076)	292,434
Income tax expense of overseas branches	49,948	40,861
Income tax recognized directly in equity:		
Net gains (losses) on equity instruments at fair value through other comprehensive income	(27,069)	78,834
Net losses on debt instruments at fair value through other comprehensive income	26,278	(73,883)
Currency translation differences	3,225	(3,032)
Remeasurements of net defined benefit liabilities	(6,424)	(5,601)
Gains (losses) on hedging instruments of net investments in foreign operations	(22,698)	5,291
Gains or losses on cash flow hedging instruments	7,617	8,928
Share of other comprehensive income or loss of associates	13	232
	(19,058)	10,769
Reclassification from AOCI to retained earnings due to sale of equity securities measured at fair value through other comprehensive income	1,506	1,475
Consolidated tax return effect	(52,073)	(49,995)
Others	(7,060)	7,516
Income tax expense	1,145,010	1,034,841

25. Dividends

The annual dividends to the shareholder of the Group for the year ended December 31, 2024, amounting to ₩ 1,625,604 million (₩ 4,020 per share) were paid in March 2025.

26. Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss) for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	2025					
	Beginning	Changes (excluding reclassification)	Reclassification to profit or loss	Tax effect	Transfer to retained earnings	Ending
Remeasurements of net defined benefit liabilities	(205,607)	23,698	-	(6,424)	-	(188,333)
Currency translation differences	603,522	(142,952)	-	3,225	-	463,795
Gains (losses) on debt securities measured at fair value through other comprehensive income	263,164	(10,243)	(96,058)	26,278	-	183,141
Gains (losses) on equity securities measured at fair value through other comprehensive income	372,368	96,829	-	(27,069)	5,705	447,833
Share of other comprehensive gain (loss) of associates	(2,220)	(48)	-	13	-	(2,255)
Gains (losses) on cash flow hedging instruments	22,157	(28,853)	-	7,617	-	921
Gains (losses) on hedging instruments of net investments in foreign operations	(277,658)	85,978	-	(22,698)	-	(214,378)
	775,726	24,409	(96,058)	(19,058)	5,705	690,724

(In millions of Korean won)	2024					
	Beginning	Changes (excluding reclassification)	Reclassification to profit or loss	Tax effect	Transfer to retained earnings	Ending
Remeasurements of net defined benefit liabilities	(163,030)	21,526	-	(5,601)	-	(147,105)
Currency translation differences	185,486	91,654	-	(3,032)	-	274,108
Gains (losses) on debt securities measured at fair value through other comprehensive income	43,821	292,882	(9,392)	(73,883)	-	253,428
Gains (losses) on equity securities measured at fair value through other comprehensive income	641,179	(304,200)	-	78,834	5,586	421,399
Share of other comprehensive gain (loss) of associates	(1,458)	(877)	-	232	-	(2,103)
Gains (losses) on cash flow hedging instruments	21,017	(31,723)	(2,095)	8,928	-	(3,873)
Gains (losses) on hedging instruments of net investments in foreign operations	(112,620)	(20,042)	-	5,291	-	(127,371)
	614,395	49,220	(11,487)	10,769	5,586	668,483

27. Trust Accounts

27.1 Total assets of the trust accounts the Group manages, as of September 30, 2025 and December 31, 2024, and operating revenues for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)

	Total assets		Operating revenues	
	September 30, 2025	December 31, 2024	2025	2024
Consolidated	3,818,580	3,934,458	119,707	119,166
Unconsolidated (non-guaranteed)	109,159,660	96,358,706	2,184,658	4,528,744
	112,978,240	100,293,164	2,304,365	4,647,910

* Financial information of the trust accounts has been prepared in accordance with the Statement of Korea Accounting Standard No.5004, *Trust Accounts*, and enforcement regulations of the Financial Investment Services under the Financial Investment Services and Capital Markets Act.

27.2 Significant receivables and payables related to the Group's trust accounts as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)		September 30, 2025	December 31, 2024
Trust segment	**Receivables**		
	Accrued trust fees	80,496	63,728
	Other accrued income	44,884	32,799
		125,380	96,527
	Payables		
	Due to trust accounts	4,310,379	4,956,065
	Accrued interest on due to trust accounts	6,805	7,449
	Unearned trust fees	389	321
	Deposits	927,585	846,110
	Accrued interest on deposits	9,828	11,243
		5,254,986	5,821,188
Custody segment	**Receivables**		
	Accrued trust fees	9,992	9,613
	Payables		
	Due to trust accounts	5,157,668	3,275,937
	Accrued interest on due to trust accounts	7,489	6,954
		5,165,157	3,282,891

27.3 Significant revenues and expenses related to the Group's trust accounts for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)		2025	2024
Trust segment	**Revenues**		
	Fees and commissions from trust accounts	130,778	106,594
	Management fees and commissions from retirement pension	31,201	30,706
	Commissions from early termination in trust accounts	1	13
		161,980	137,313
	Expenses		
	Interest expenses on due to trust accounts	94,476	121,075
	Interest expenses on deposits	23,230	31,091
		117,706	152,166
Custody segment	**Revenues**		
	Fees and commissions from trust accounts	30,998	30,866
	Expenses		
	Interest expenses on due to trust accounts	62,381	79,564

28. Statement of Cash Flows

28.1 Details of cash and cash equivalents as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025	December 31, 2024
Cash	2,355,516	1,953,029
Checks issued by other banks	203,109	124,366
Due from the Bank of Korea	7,861,040	13,629,381
Due from other financial institutions	7,936,078	7,203,373
	18,355,743	22,910,149
Deduction:		
Restricted due from financial institutions *	(813,108)	(1,176,050)
Due from financial institutions with original maturities over three months	(28,834)	(244,393)
	(841,942)	(1,420,443)
	17,513,801	21,489,706

* Items that meet the definition of cash are excluded in accordance with Korean IFRS No.1007 *Statement of Cash Flows*.

Items that meet the definition of cash in restricted due from financial institutions as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)		Financial institutions	September 30, 2025	December 31, 2024
Due from financial institutions in Korean won	Due from Bank of Korea	Bank of Korea	7,063,080	11,635,481
Due from financial institutions in foreign currencies	Due from banks in foreign currencies	Bank of Korea	797,960	1,993,900
		Bank Indonesia and others	734,481	546,781
			8,595,521	14,176,162

28.2 Cash inflows and outflows from income tax, interest, and dividends for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	**Activities**	**2025**	**2024**
Income tax paid	Operating	739,270	633,619
Interest received	Operating	16,340,959	17,489,564
Interest paid	Operating	8,064,167	9,028,878
Dividends received	Operating	234,804	186,427
Dividends paid	Financing	1,625,604	1,467,896
Interest (dividends) paid on hybrid securities	Financing	36,693	58,178

29. Contingent Liabilities and Commitments

29.1 Details of acceptances and guarantees as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025	December 31, 2024
Confirmed acceptances and guarantees		
Confirmed acceptances and guarantees in Korean won:		
Acceptances and guarantees for KB purchasing loan	111,767	152,128
Refund guarantees	-	160
Others	967,738	900,077
	1,079,505	1,052,365
Confirmed acceptances and guarantees in foreign currencies:		
Acceptances of letter of credit	320,234	331,423
Letter of guarantees	64,354	45,274
Bid bond	9,372	12,782
Performance bond	1,942,564	1,927,572
Refund guarantees	3,330,169	4,644,429
Others	4,209,298	4,765,054
	9,875,991	11,726,534
Financial guarantee contracts:		
Acceptances and guarantees for mortgage	24,093	20,789
Overseas debt guarantees	387,688	588,020
International financing guarantees in foreign currencies	698,132	842,838
	252,323	-
	1,362,236	1,451,647
	12,317,732	14,230,546
Unconfirmed acceptances and guarantees		
Guarantees of letter of credit	2,416,906	2,268,081
Refund guarantees	1,500,642	1,373,649
	3,917,548	3,641,730
	16,235,280	17,872,276

29.2 Details of commitments as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	September 30, 2025	December 31, 2024
Commitments		
Corporate loan commitments	54,566,141	56,791,977
Retail loan commitments	59,033,282	59,086,425
Other commitments in Korean won	1,700,000	1,700,000
Purchase of other securities	5,209,864	5,205,717
	120,509,287	122,784,119
Financial guarantee contracts		
Credit line	2,392,332	3,790,836
Purchase of securities	852,858	475,147
	3,245,190	4,265,983
	123,754,477	127,050,102

29.3 Other Matters (including litigation)

29.3.1 The Group has 35 pending lawsuits as a plaintiff (excluding simple lawsuits related to the collection or management of loans), with an aggregate claim amount of ₩ 1,142,478 million, and has 170 pending lawsuits as a defendant (excluding simple lawsuits related to the collection or management of loans), with aggregate claims amount of ₩ 1,013,309 million. Details of significant pending lawsuits in which the Group is a defendant as of September 30, 2025, are as follows:

(In number of cases, in millions of Korean won)

Lawsuits	Amount	Description of the lawsuits	Status of the lawsuits
Request for a return of redemption amount	58,907	The Bank invested the assets entrusted by OO Asset Management and OO Investment Trust Management in the Fairfield Sentry Limited (the Fairfield Sentry Limited reinvested the assets in Bernard L. Madoff Investment Securities LLC managed by Bernard Madoff) and subsequently redeemed them and returned the proceeds to the beneficiaries. Following the occurrence of Ponzi scheme-related losses, Bernard L. Madoff Investment Securities LLC is undergoing a liquidation process. The bankruptcy trustee of Bernard L. Madoff Investment Securities LLC filed a lawsuit against the Bank, seeking the return of the redemption proceeds received by the Bank through Fairfield Sentry Limited	Application for dismissal by the defendant has been denied, and further proceedings are scheduled. [Related litigation is in progress at the New York Southern District Federal Bankruptcy Court (10-3777) at the written complaint review stage] The financial impact on the bank is not significant due to the possibility of winning the case.
Expropriation of long-term leasehold rights	350,550	The Bank invested assets entrusted by OO Asset Management Co., Ltd. in loans that are directly or indirectly collateralized by the building and land leasehold rights (hereinafter referred to as "the real estate in this case") of Union Station in Washington, D.C., United States. The plaintiff, the operator of the railway facility, filed this lawsuit against the Bank and other stakeholders of the real estate in this case to expropriate the real estate and determine the amount of compensation. ※ Stakeholders in the real estate in this case USI – the holder of the real estate in the case USSM – the 100% shareholder of USI at the time the lawsuit was filed The Bank - the trustee of the relevant fund, invested the fund assets in USI and USSM (loans) and acquired senior liens over the real estate in this case, as well as the pledge on 100% of USI's shares held by USSM	February 5, 2025: The plaintiff, the bank, and USI agreed to exclude USSM as a defendant and entered into a settlement agreement for USD 505,000,000, concluding the dispute. February 6, 2025: The plaintiff, the bank, and USI jointly submitted a motion to exclude USSM as a defendant and a request for judgment in accordance with the settlement agreement to the court. March 5, 2025: The court ruled to exclude USSM as a defendant. March 6, 2025: USSM submitted a preliminary appeal. March 7, 2025: The court rendered a judgment (Stipulated Judgment) in

			accordance with the settlement agreement. An appeal is currently in progress. This lawsuit is related to a fund managed by the bank and does not have a significant financial impact on the bank's own assets. However, depending on the outcome after the distribution of the fund's assets, the settlement amount or any potential losses in a separate lawsuit could be subject to recovery.
Return of unjust enrichment	153,182	MTS Bank, which was transacting through correspondent accounts with the Bank, was listed on the OFAC (Office of Foreign Assets Control of the U.S. Department of the Treasury) SDN (Specially Designated Nationals) List. Consequently, the Bank has frozen the foreign currency accounts held under the name of MTS Bank. Subsequently, MTS Bank filed a lawsuit with the Moscow City Commercial Court seeking the restitution of account balances.	Responding to local court trial schedule Due to compliance with U.S. OFAC regulations, it is difficult to easily predict the likelihood of winning the lawsuit proceeding in the Russian court. However, the claim amount can be covered by the balance in the plaintiff's account, and the bank is expected to experience a financial impact equivalent to the delayed interest.

(In number of cases, in millions of Korean won)

Lawsuits	Amount	Description of the lawsuits	Status of the lawsuits
Claim for damages	97,278	PT Bank KB Indonesia Tbk. requested an auction of TMJ's shares in order to collect the loan to TMJ (a distressed company); NKLI won the auction and then received a loan from the bank for the purpose of purchasing TMJ shares. NKLI's intention was to take control over TMJ and launch a mining business; however, NKLI was unable to take control and launch the business due to legal disputes with the bankruptcy trustee of TMJ and court-appointed mine management company, and also lost a lawsuit against the mine management company. As a result, NKLI filed a legal suit to PT Bank KB Indonesia Tbk. stating that the bank's recommendation to purchase TMJ's shares was inappropriate since the bank did not intentionally share the legal issues and associated risks thereof.	A legal representative has been appointed to handle the case, and the legal proceedings are in progress.

29.3.2 On April 7, 2023, Kookmin Bank entered into a new share subscription agreement with STIC Eugene Star Holdings Inc. (hereinafter referred to as STIC"), under which STIC will acquire 31,900,000,000 shares at a price of IDR 3.19 trillion, of which Kookmin Bank's subsidiary, PT Bank KB Indonesia Tbk, will issue. As a result of the agreement, Kookmin Bank will hold a call option to purchase the shares held by the STIC, starting from 2 years and 6 months after the date of acquisition, for a period of 6 months. If Kookmin Bank does not exercise the call option during the designated period, STIC will have the right to sell the acquired shares back to the Bank, also known as holding a put option right, within 1 year after the expiration of the call option period.

29.3.3 As of September 30, 2025, total of seven lawsuits related to the wage peak system are pending in court, amounting to ₩ 37,944 million. The timing and amount of potential outflows of resources cannot be predicted.

29.3.4 As of September 30, 2025, KB PRASAC BANK is undergoing a tax audit by the tax authorities. Currently, it is impossible to predict the impact of the tax audit on KB PRASAC BANK.

29.3.5 The Group is currently under investigation by the Fair Trade Commission regarding the possibility of unfair joint actions by financial institutions. It is impossible to predict the outcome of the investigation.

29.3.6 During the current period (From August 22, 2024 to November 1, 2024), regular inspections by the Financial Supervisory Service of the Group's overall business have been conducted. The results of the inspections and action requirements will be notified in the future.

29. 3.7 On July 1, 2025, the Group entered into a share purchase agreement with a third party to sell its equity interest in its subsidiary, PT KB Bukopin Finance. The Group is currently in the process of executing the transaction. Upon completion of the transaction in accordance with the terms of the agreement, the Group will lose control over PT KB Bukopin Finance.

30. Subsidiaries

30.1 Details of subsidiaries as of September 30, 2025, are as follows:

Investor	Investee	Ownership (%)	Location	Industry
Kookmin Bank	Kookmin Bank (China) Ltd.	100.00	China	Banking and foreign exchange transaction
Kookmin Bank	KB Microfinance Myanmar Co., Ltd.	100.00	Myanmar	Microfinance services
Kookmin Bank	KB BANK MYANMAR LTD	100.00	Myanmar	Banking and foreign exchange transaction
Kookmin Bank	KB PRASAC BANK PLC.	100.00	Cambodia	Banking and foreign exchange transaction
Kookmin Bank	PT Bank KB Indonesia Tbk. [3]	66.88	Indonesia	Banking and foreign exchange transaction
PT Bank KB Indonesia Tbk	PT Bank KB Bukopin Syariah	95.92	Indonesia	Banking
PT Bank KB Indonesia Tbk	PT KB Bukopin Finance	99.24	Indonesia	Installment financing
Kookmin Bank	KB FUND PARTNERS Co., Ltd.	100.00	Korea	Other financial services
Kookmin Bank	Personal pension trust and 10 others [1]	-	Korea	Trust
Kookmin Bank	KB DTower 1st L.L.C. and 28 others [2]	-	Korea	Asset-backed securitization and others
Kookmin Bank	IDMB UNITED PTE.LTD. and 2 others [2]	-	Singapore	Asset-backed securitization and others
Kookmin Bank	Kiwoom Frontier Private Securities Fund No.10(Bond) [2]	99.82	Korea	Investment trust
Kookmin Bank	AIP US Red Private Real Estate Trust No.10 [2]	99.97	Korea	Investment trust
Kookmin Bank	KB RISE KTB 3Y Futures Inverse ETF(Debt-Derivative) [2]	81.98	Korea	Investment trust
Kookmin Bank	KB Core Blind Private Real Estate Fund No.1 [2]	90.09	Korea	Investment trust
Kookmin Bank	KB Global Private Real Estate Fund No.3(USD) [2]	99.50	Korea	Investment trust
Kookmin Bank	Samsung SRA Private Real Estate Investment Trust No.28D(FoFs) [2]	99.50	Korea	Investment trust
Kookmin Bank	KB Global Private Real Estate Fund No.10(FoFs) [2]	99.84	Korea	Investment trust
Kookmin Bank	KTB Global CREDebt Private Investment Trust No.52(USD) [2]	99.44	Korea	Investment trust
Kookmin Bank	Hyundai Invest KKR Europe Real Estate No.1-3(EUR) [2]	99.32	Korea	Investment trust
Kookmin Bank	Vestas Private Real Estate Investment Trust No.69-3(USD)(FoFs) [2]	99.53	Korea	Investment trust

30.1 Details of subsidiaries as of September 30, 2025, are as follows: (cont'd)

Investor	Investee	Ownership (%)	Location	Industry
Kookmin Bank	SHINHAN ASP PCF II Private Investment Trust No.2(USD) [2]	99.75	Korea	Investment trust
Kookmin Bank	Vestas Europe Logistics General Private Real Estate Investment Trust No.73-1 [2]	97.40	Korea	Investment trust
Kookmin Bank	Vestas Europe Logistics General Private Real Estate Investment Trust No.73-2 [2]	97.40	Korea	Investment trust
Kookmin Bank	KB RISE KTB 10Y Futures Inverse ETF (Debt-Derivative) [2]	76.47	Korea	Investment trust
Kookmin Bank	VI ESG Private Securities Investment Trust No.1(Bond) [2]	100.00	Korea	Investment trust
Kookmin Bank	SHINHAN AIM Private Real Estate Investment Trust No.26-C(USD) [2]	99.98	Korea	Investment trust
Kookmin Bank	IGIS HSBC UK Senior Direct Lending Private Investment Trust No.465-1 [2]	99.01	Korea	Investment trust
Kookmin Bank	Mirae Asset ESG Infra Private Investment Trust 1 [2]	95.24	Korea	Investment trust
Kookmin Bank	KB NA Sound Point Private Special Asset Fund 2(USD) [2]	99.96	Korea	Investment trust
Kookmin Bank	KB Global Private Real Estate Fund No.35(USD)(FoFs) [2]	99.01	Korea	Investment trust
Kookmin Bank	PineStreet Global Private Investment Trust 28-2 [2]	99.01	Korea	Investment trust
Kookmin Bank	iM Asset General Private Securities Investment Trust No.55(Bond) [2]	97.99	Korea	Investment trust
Kookmin Bank	KB Leaders Private Securities Fund 44(Bond-Derivatives) [2]	99.50	Korea	Investment trust
Kookmin Bank	Samsung Total Strategy Fixed Income Private Investment Trust 1(Bond-Derivatives) [2]	99.99	Korea	Investment trust
Kookmin Bank	NH-Amundi Private Securities Investment Trust 51[Bond-Derivatives]	99.99	Korea	Investment trust
Kookmin Bank	Mirae Asset Signature Privately Placed Investment Trust 6 (*2)	99.67	Korea	Investment trust
Kookmin Bank	Shinhan Instituitonal Discretionary Private Security Investment Trust No.4[Bond-Derivative] (*2)	99.67	Korea	Investment trust
Kookmin Bank	Kiwoom Frontier Private Securities Fund 36(Bond-Derivatives) (*2)	99.67	Korea	Investment trust

[1] The Group controls the trust because it has power to determine the management performance of the trust and is exposed to variable returns that absorb losses through the guarantees of payment of principal, or payment of principal and fixed rate of return.

[2] The Group controls these investees because it is significantly exposed to variable returns from the investees' performance and has the ability to affect those returns through its power.

[3] During the current peroid, PT Bank KB Bukopin Tbk. changed its name to PT Bank KB Indonesia Tbk.

The Group holds more than half of the ownership interests of Koreit BN Private Equity Fund and 15 other investment trusts but does not have the power over relevant activities in accordance with agreements with trust and other shareholders, therefore these entities are not consolidated.

30.2 The condensed financial information of major subsidiaries as of September 30, 2025 and December 31, 2024 and for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	September 30, 2025			2025		
	Assets	Liabilities	Equity	Operating revenue	Profit (loss) for the period [1]	Profit (loss) attributable to shareholders of the Parent Company
Kookmin Bank (China) Ltd.	4,654,634	4,030,825	623,809	173,476	18,050	18,050
KB Microfinance Myanmar Co., Ltd.	18,659	8,157	10,502	3,881	723	723
KB BANK MYANMAR LTD	306,505	17,201	289,304	9,185	4,934	4,934
KB PRASAC BANK PLC.	8,295,233	6,536,438	1,758,795	803,678	146,494	146,494
Financial status of KB Indonesia-related subsidiaries						
PT Bank KB Indonesia Tbk.	7,085,560	6,653,067	432,493	633,281	(79,632)	(53,064)
IDMB UNITED PTE.LTD. [2]	198,353	266,564	(68,211)	9,401	(13,631)	(7,607)
SMMK PTE.LTD. [2]	109,089	227,376	(118,287)	2,969	(11,196)	(29,522)
TLDC PTE.LTD. [2]	129,717	156,117	(26,400)	2,610	(21,255)	(16,142)
KB FUND PARTNERS Co., Ltd.	28,750	5,323	23,427	21,040	4,027	4,027
Personal pension trust and 10 others	3,829,144	3,712,002	117,142	130,598	(3,155)	(3,155)

(In millions of Korean won)	December 31, 2024			2024		
	Assets	Liabilities	Equity	Operating revenue	Profit (loss) for the period [1]	Profit (loss) attributable to shareholders of the Parent Company
Kookmin Bank (China) Ltd.	4,316,008	3,690,496	625,512	142,460	16,895	16,895
KB Microfinance Myanmar Co., Ltd.	19,235	8,994	10,241	2,801	(2,010)	(2,010)
KB BANK MYANMAR LTD	318,276	20,088	298,188	9,297	4,916	4,916
KB PRASAC BANK PLC.	8,297,865	6,606,415	1,691,450	936,736	87,511	87,511
Financial status of KB Indonesia-related subsidiaries						
PT Bank KB Indonesia Tbk	7,222,025	6,936,237	285,788	406,398	(278,657)	(186,116)
IDMB UNITED PTE.LTD. [2]	218,256	277,734	(59,478)	9,849	(507)	(7,330)
SMMK PTE.LTD. [2]	117,457	233,753	(116,296)	5,909	(1,688)	(4,756)
TLDC PTE.LTD. [2]	157,390	163,579	(6,189)	1,299	2,607	(610)
KB FUND PARTNERS Co., Ltd.	26,047	5,295	20,752	8,411	1,001	1,001
Personal pension trust and 10 others	3,938,698	3,818,400	120,298	147,767	7,236	7,236

[1] Includes profit (loss) attributable to non-controlling interests.

[2] These SPCs are established for the purpose of selling non-performing loans of PT Bank KB Indonesia Tbk. Classified as a subsidiary of KB Kookmin Bank, not a subsidiary of PT Bank KB Indonesia Tbk., the gains and losses on the transfer and sale of loans between PT Bank KB Indonesia Tbk. and SPC were removed from the consolidation process of KB Kookmin Bank.

30.3 The Characteristics of Risks Associated with Consolidated Structured Entities

The terms of contractual arrangements to provide financial support to consolidated structured entities are as follows:

30.3.1 The Bank has provided capital commitments to consolidated investment funds.

(In millions of Korean won)	**September 30, 2025**	
	Capital commitments	Unused amount
KTB Global CREDebt Private Investment Trust No.52(USD)	70,110	2,043
Hyundai Invest KKR Europe Real Estate No.1-3(EUR)	65,780	5,907
Vestas Private Real Estate Fund Investment Trust No.69-3(USD)(FoFs)	89,741	9,852
SHINHAN AIM Private Real Estate Investment Trust No.26-C(USD)	91,143	39,001
KB Global Private Real Estate Debt Fund No.35(USD)(FoFs)	28,044	20,686
Mirae Asset ESG Infra Private Investment Trust 1	20,000	12,542
KB NA Sound Point Private Special Asset Fund 2(USD)	28,044	12,198
PineStreet Global Private Investment Trust 28-2	28,044	17,022

30.3.2 The Bank has provided purchase commitments and credit lines to consolidated structured entities. The purchase commitment guarantees that the Bank will purchase and pay any remaining commercial paper securities issued by consolidated structured entities. The credit line agreement requires the Bank to provide loans under certain conditions if there is a reason for suspension of issuance of commercial paper securities or if consolidated structured entities become insolvency due to other reasons.

(In millions of Korean won)	**September 30, 2025**
Ryan Mobility 1st L.L.C.	50,246
KB Liiv DS 1st Co., Ltd.	50,189
Liiv H 3rd Co., Ltd.	40,300
LEP 2nd Co., Ltd.	70,000
LOG the 3rd L.L.C.	24,300
KB Great On 1st. L.L.C.	50,101
KB Glass 1st. L.L.C.	20,140
KB the first 1st. L.L.C.	65,000
KB D Tower 1st L.L.C.	51,033
KB Liiv H 1st L.L.C.	30,298
KB Liiv L 1st L.L.C.	50,281
KB Value 1st. L.L.C.	96,900
KB Icon 1st L.L.C.	49,992
KB SI 1st, L.L.C.	30,124
KB ANT 1st, L.L.C.	20,200
KB HR 1st L.L.C.	25,128
KB HL, L.L.C.	52,405
KB HY, L.L.C.	30,152
KB H housing 1st L.L.C.	30,000
KB Yongsan 1st L.L.C.	100,000
KB Eagles 3rd Co., Ltd.	50,382
KB Eagles 2nd Co., Ltd.	50,388
KB Eagles 1st Co., Ltd.	30,300
KB ESG 1st Co., Ltd.	37,500
KB Chemical 1st Co., Ltd.	50,691
KB TECH ONE INC.	60,200
KB Harim 1st L.L.C.	25,199
IDMB UNITED PTE.LTD.	287,451
SMMK PTE.LTD.	291,658
TLDC PTE.LTD.	189,297

30.3.3 The Group has provided the guarantees of payment of principal, or principal and fixed rate of return in case the operating results of the trusts are less than the guaranteed principal, or principal and fixed rate of return.

30.4 Changes in Subsidiaries

KB HL, L.L.C. and 20 other subsidiaries were newly included in the scope of consolidation, and KB One West 1st Co., Ltd. and 10 other subsidiaries were excluded from the scope of consolidation for the nine-month period ended September 30, 2025.

31. Related Party Transactions

According to Korean IFRS No.1024, the Bank includes the Parent, subsidiaries, the Parent's subsidiaries, associates, associates of the Parent's subsidiaries, associates of the Parent, key management personnel (including family members), and post-employment benefit plans of the Bank and its related party companies in the scope of related parties. The Bank discloses balances (receivables and payables) and other amounts arising from transactions with related parties in the notes to the financial statements.

Key management personnel include the executives of the Parent Company and the executives (managing director and above) of the Bank, and companies where the executives and/or their close family members have control or joint control.

31.1 Details of significant profit or loss arising from transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)		2025	2024
Parent			
KB Financial Group Inc.	Fee and commission income	7,571	6,712
	Other non-operating income	1,833	2,168
	Interest expense	9,407	9,515
	General and administrative expenses	886	981
Parent's subsidiaries			
KB Asset Management Co., Ltd.	Fee and commission income	1,896	2,465
	Gains on financial instruments at fair value through profit or loss	-	168
	Other non-operating income	4	4
	Interest expense	465	251
	Fee and commission expense	9,119	720
	General and administrative expenses	375	375
KB Real Estate Trust Co., Ltd.	Fee and commission income	202	214
	Other non-operating income	37	55
	Interest expense	3	488
	Fee and commission expense	5,369	5,806
KB Investment Co., Ltd.	Fee and commission income	66	75
	Gains on financial instruments at fair value through profit or loss	199	-
	Other non-operating income	4	4
	Interest expense	841	1,276
KB Kookmin Card Co., Ltd.	Interest income	14,074	15,581
	Fee and commission income	95,418	92,454
	Gains on financial instruments at fair value through profit or loss	27,494	5,928
	Reversal of credit losses	45	269
	Other non-operating income	3,084	2,798
	Interest expense	3,155	2,353
	Fee and commission expense	21,020	21,874
	Losses on financial instruments at fair value through profit or loss	15,232	5,091
	Provision for credit losses	45	364
	General and administrative expenses	65	69

31.1 Details of significant profit or loss arising from transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)		2025	2024
KB Data System Co., Ltd.	Fee and commission income	2,715	2,549
	Other non-operating income	178	179
	Interest expense	155	241
	Fee and commission expense	447	312
	Other operating expenses	188	434
	General and administrative expenses	80,019	71,494
KB Savings Bank Co., Ltd.	Fee and commission income	340	334
	Other non-operating income	77	80
	Interest expense	14	17
	Fee and commission expense	3	3
	General and administrative expenses	20	2
KB Capital Co., Ltd.	Interest income	2,461	2,875
	Fee and commission income	3,974	3,496
	Gains on financial instruments at fair value through profit or loss	176	53
	Reversal of credit losses	95	168
	Other non-operating income	393	321
	Interest expense	183	222
	Fee and commission expense	94	95
	Losses on financial instruments at fair value through profit or loss	397	-
	Provision for credit losses	223	-
	General and administrative expenses	12	79
KB Securities Co., Ltd.	Interest income	5,540	7,749
	Fee and commission income	21,005	21,405
	Gains on financial instruments at fair value through profit or loss	44,534	81,045
	Reversal of credit losses	-	157
	Other non-operating income	4,771	4,866
	Interest expense	4,239	6,477
	Fee and commission expense	1,986	1,810
	Losses on financial instruments at fair value through profit or loss	30,871	120,078
	Provision for credit losses	9,268	-
	General and administrative expenses	2,988	2,907
KB Insurance Co., Ltd.	Interest income	4	5
	Fee and commission income	19,266	16,920
	Gains on financial instruments at fair value through profit or loss	71,922	97,845
	Other non-operating income	1,969	1,955
	Interest expense	350	325
	Fee and commission expense	1,796	1,786
	Losses on financial instruments at fair value through profit or loss	76,750	24,753
	Other operating expenses	-	6
	General and administrative expenses	11,227	10,772

31.1 Details of significant profit or loss arising from transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)		2025	2024
KB Life Insurance Co., Ltd.	Interest income	1,133	1,004
	Fee and commission income	26,535	20,484
	Gains on financial instruments at fair value through profit or loss	7,213	19,281
	Reversal of credit losses	-	7
	Other non-operating income	377	392
	Interest expense	2,767	5,232
	Fee and commission expense	434	472
	Losses on financial instruments at fair value through profit or loss	11,641	5,318
	Other operating expenses	1	-
	Provision for credit losses	7	-
	General and administrative expenses	1,545	1,562
KB STAR REIT Co., Ltd.	Fee and commission income	126	110
	Gains on financial instruments at fair value through profit or loss	15,204	18,422
	Interest expense	394	722
	Losses on financial instruments at fair value through profit or loss	-	1,342
KB Hanbando BTL Private Special Asset Fund No.1	Fee and commission income	53	62
KB IDF Infra Private Special Asset Fund 1	Fee and commission income	3	4
KB IDF Infra Private Special Asset Fund 13	Fee and commission income	12	10
	Gains on financial instruments at fair value through profit or loss	173	2,143
	Losses on financial instruments at fair value through profit or loss	2,003	944
KB IDF Infra Note Private Special Asset Fund 14	Fee and commission income	10	6
	Gains on financial instruments at fair value through profit or loss	153	2,655
	Losses on financial instruments at fair value through profit or loss	2,619	477
KB Muni bond Private Securities Fund No.1(USD)	Fee and commission income	8	8
KB Global Private Real Estate Fund No.1(FoFs)	Fee and commission income	10	9

31.1 Details of significant profit or loss arising from transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)		2025	2024
KB Global Private Real Estate Fund No.11(FoFs)	Fee and commission income	5	4
KB Global Private Real Estate Fund No.15	Fee and commission income	11	12
	Gains on financial instruments at fair value through profit or loss	-	2,090
	Losses on financial instruments at fair value through profit or loss	2,202	-
KB Global Private Real Estate Fund No.17(FoFs)	Fee and commission income	7	5
KB Global Private Real Estate Fund No.27(FoFs)	Fee and commission income	8	8
	Gains on financial instruments at fair value through profit or loss	-	1,491
KB Global Private Real Estate Fund No.29(FoFs)	Fee and commission income	4	3
	Gains on financial instruments at fair value through profit or loss	2,433	14
	Losses on financial instruments at fair value through profit or loss	2,922	62
KB Global Private Real Estate Fund No.22(FoFs)	Fee and commission income	1	1
	Gains on financial instruments at fair value through profit or loss	166	318
	Losses on financial instruments at fair value through profit or loss	292	8
KB Global Private Real Estate Fund No.30(FoFs)	Fee and commission income	2	1
	Gains on financial instruments at fair value through profit or loss	-	133
	Losses on financial instruments at fair value through profit or loss	272	87
KB Global Private Real Estate Fund No.31(FoFs)	Fee and commission income	2	2
KB Global Private Real Estate Fund No.36(FoFs)	Fee and commission income	1	-
KB Global Private Real Estate Fund No.40(FoFs)	Fee and commission income	1	-
KB Star Office Private Real Estate Feeder Fund No.4	Interest income	581	569
	Fee and commission income	28	28
KB Star Office Private Real Estate Feeder Fund No.3	Other non-operating income	31,454	-
	Interest expense	(6,218)	-
KB Global Core Bond Securities Feeder Fund(Bond)	Fee and commission income	9	6
KB New Renewable Energy Private Special Asset Fund No.1	Fee and commission income	7	7
KB New Renewable Energy Private Special Asset Fund No.3	Fee and commission income	4	3
KB North America Private Real Estate Debt Fund No.1 *	Fee and commission income	1	3

31.1 Details of significant profit or loss arising from transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)		2025	2024
	Gains on financial instruments at fair value through profit or loss	-	2,114
	Losses on financial instruments at fair value through profit or loss	1,596	741
KB North America Private Real Estate Debt Fund No.3 *	Fee and commission income	-	6
	Gains on financial instruments at fair value through profit or loss	-	9,270
	Losses on financial instruments at fair value through profit or loss	-	41
KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs)	Fee and commission income	6	5
KB Europe Renewable Private Special Asset Fund No.3	Fee and commission income	4	3
	Gains on financial instruments at fair value through profit or loss	623	382
	Losses on financial instruments at fair value through profit or loss	18	18
KB Global Infrastructure Private Special Asset Fund No.6	Fee and commission income	5	4
KB Global Infrastructure Synergy Private Special Asset Fund (Monetary Receivables)	Fee and commission income	3	3
	Losses on financial instruments at fair value through profit or loss	-	166
KB BMO Senior Loan Private Special Asset Fund No.1	Fee and commission income	6	7
	Gains on financial instruments at fair value through profit or loss	967	-
KB BMO Senior Loan Private Special Asset Fund No.2 (USD)	Fee and commission income	6	7
KB BMO Senior Loan Private Special Asset Fund No.4 (USD)	Fee and commission income	6	6
	Gains on financial instruments at fair value through profit or loss	-	1,886
KB BMO Senior Loan Private Special Asset Fund No.5 (Loan-FOFs)	Fee and commission income	10	10
	Gains on financial instruments at fair value through profit or loss	1,737	6,466
	Losses on financial instruments at fair value through profit or loss	2,082	258
KB BMO Senior Loan Private Special Asset Fund No.6 (Loan-FOFs)	Fee and commission income	1	-
KB BMO Senior Loan Private Special Asset Fund No.7 (Loan-FOFs)	Fee and commission income	4	-
KB BMO Senior Loan Private Special Asset Fund No.9 (Loan-FOFs)	Fee and commission income	2	-
KB New Renewable Green New Deal Private Special Asset No.2	Fee and commission income	9	9
KB Sinansan Line Private Special Asset Fund (SOC)	Fee and commission income	37	31

31.1 Details of significant profit or loss arising from transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)		2025	2024
KB MCF Senior Loan Private Special Asset Fund No.3 (Loan-FoFs)	Fee and commission income	43	28
KB New Deal Infra Private Special Asset Fund	Fee and commission income	17	15
KB Korea Infrastructure Credit Guarantee Private Special Asset No.1	Fee and commission income	11	11
Hanwha Europe Credit Private Fund No.16 (FoFs)	Gains on financial instruments at fair value through profit or loss	3,460	1,967
	Losses on financial instruments at fair value through profit or loss	-	369
KB Logistics Blind Private Real Estate Fund No.1	Interest income	168	1,785
	Fee and commission income	5	19
	Reversal of credit losses	8,801	-
	Interest expense	-	4
	Provision for credit losses	-	8,716
KB Aircraft Private Special Asset Fund No.1	Fee and commission income	7	8
KB Aircraft Private Special Asset Fund No.2	Fee and commission income	3	2
KB Star ESG Prime Mid-Short Bond Securities Feeder Fund(Bond)	Fee and commission income	57	32
KB Oaktree Private Special Asset Fund No.3	Fee and commission income	2	2
KB Oaktree Opportunities Private Special Asset Fund No.3	Fee and commission income	3	-
KB GK Project Private Special Asset Fund No.3	Fee and commission income	29	31
KB ASF Infra Private Special Asset Fund(FoFs)	Fee and commission income	4	2
KB Duke Private Special Asset Fund *	Fee and commission income	-	1
KB Core Blind Private Real Estate Fund No.2	Interest income	1,604	-
	Fee and commission income	12	1
Ares Special Opportunities Fund II (453)	Gains on financial instruments at fair value through profit or loss	142	-
	Losses on financial instruments at fair value through profit or loss	101	-
KB Star Reits Private Real Estate Feeder Fund No.1 (FoFs)	Fee and commission income	3	3
KB Star Reits Private Real Estate Feeder Fund No.2 (FoFs)	Fee and commission income	5	5
KB Development Blind Private Real Estate Fund No.2	Fee and commission income	1	1
IGIS HSBC UK Senior Direct Lending Private Investment Trust No.465	Gains on financial instruments at fair value through profit or loss	1,263	-
	Losses on financial instruments at fair value through profit or loss	18	-

31.1 Details of significant profit or loss arising from transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)		2025	2024
HSBC Senior UK Direct Lending Fund 2020 RAIF SICAV-S.A.	Fee and commission income	2	2
NB Private Debt Fund IV LUX (B) SCSP	Fee and commission income	3	2
KB NA Jefferies Private Special Asset Fund 2	Fee and commission income	-	1
KB NA Jefferies Private Special Asset Fund 1	Fee and commission income	4	3
KB Europe ICG PDF Private Special Asset Fund 4(FoFs)	Fee and commission income	1	1
	Gains on financial instruments at fair value through profit or loss	-	447
	Losses on financial instruments at fair value through profit or loss	59	40
KB Institutional USD MMF1(USD) *	Fee and commission income	4	11
KB RISE Short Term Specialized Bank Bond Active ETF(Bond)	Fee and commission income	12	-
KB RISE Fixed Short-Term MSB ETF(Bond)	Interest expense	-	(17)
KB RISE Short-term KTB Active ETF(Bond) (*)	Interest expense	-	(26)
KB Senior Private Special Asset Fund No.5-1	Fee and commission income	6	5
KB Core Plus Blind Private Real Estate Fund 1(FoFs)	Fee and commission income	13	10
KB Wise Star Private Real Estate19 *	Fee and commission income	-	2
KB Wise Star Private Real Estate21	Fee and commission income	1	-
KB Wise Star Private Real Estate22	Interest income	1,421	1,422
	Fee and commission income	27	27
	Provision for credit losses	-	1
KB Wise Star Private Real Estate24	Interest income	1,009	-
	Fee and commission income	1,693	-
KB Wise Star Private Real Estate27	Fee and commission income	1	-
KB Korea Short Term Premium Private Securities Fund No.34(USD)(Bond) *	Fee and commission income	-	1
	Losses on financial instruments at fair value through profit or loss	-	3,499
KB Korea Short Term Premium Private Securities Fund No.35(USD)(Bond) *	Fee and commission income	-	1
	Losses on financial instruments at fair value through profit or loss	-	3,342
KB Korea Short Term Premium Private Securities Fund No.43(USD)(Bond) *	Gains on financial instruments at fair value through profit or loss	1,110	-
	Losses on financial instruments at fair value through profit or loss	-	1,522

31.1 Details of significant profit or loss arising from transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)		2025	2024
KB RISE Money Market Active ETF(Bond) *	Other non-operating income	-	(189)
	Interest expense	-	(221)
KB Money Market Active ETF (Bond) *	Fee and commission income	-	9
KB Daegu Busan Highway Private Special Asset Fund(SOC)	Fee and commission income	29	29
KB Daegu Busan Highway Private Special Asset Fund No.2(SOC)	Fee and commission income	13	2
KB Apax Global Buyout PrivateFund 1	Fee and commission income	1	-
	Gains on financial instruments at fair value through profit or loss	-	34
	Losses on financial instruments at fair value through profit or loss	12	6
PineStreet PECP VI Global Corporate FoF 21	Losses on financial instruments at fair value through profit or loss	497	-
KB NA Summit Private Special Asset fund 1(USD)(FoFs)	Fee and commission income	1	-
KB Star Mid Term G.B.F.I C-F Class *	Fee and commission income	17	11
KB Innovative Growth Infra Private Special Asset Fund	Fee and commission income	1	-
KB Pantheon Global Secondary Private Special Asset 1(FoFs)	Fee and commission income	2	-
KB Global Senior Loan PrivateDebt 1(USD)	Fee and commission income	2	-
KB Global Senior Loan PrivateDebt 2	Fee and commission income	2	-
	Gains on financial instruments at fair value through profit or loss	849	-
	Losses on financial instruments at fair value through profit or loss	183	-
KB HL Infra Private Special Asset Fund No.1 (SOC-FoFs)	Fee and commission income	2	-
KB IncomeFocus Blind Private Real Estate Fund 1(FoFs)	Fee and commission income	2	-
KB ICG Secondary Private SpecialAsset Fund 1(FoFs)	Fee and commission income	2	-
KB Europe M&G Senior Loan Private Special Asset Fund 1(FoFs)	Fee and commission income	7	-
KB Apogem Senior Loan Private Special Asset Fund No.5	Fee and commission income	2	-
KB BDS V Global Private RealEstate Debt Fund 48	Fee and commission income	3	-

31.1 Details of significant profit or loss arising from transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)		2025	2024
Associates			
Korea Credit Bureau Co., Ltd.	Fee and commission income	39	39
	Interest expense	5	-
	Fee and commission expense	2,007	1,784
	Other operating expenses	7	9
Incheon Bridge Co., Ltd.	Interest income	6,658	10,435
	Fee and commission income	34	25
	Gains on financial instruments at fair value through profit or loss	-	1,281
	Reversal of credit losses	3	3
	Interest expense	658	746
	Fee and commission expense	10	7
	Losses on financial instruments at fair value through profit or loss	75	-
Skydigital Inc.	Fee and commission income	2	1
TMAPMOBILITY CO., LTD.	Fee and commission income	2	2
	Interest expense	1,737	2,177
KB High-Tech Company Investment Fund *	Interest expense	(7)	64
Aju Good Technology Venture Fund	Interest expense	-	3
KB Digital Innovation & Growth New Technology Business Investment Fund	Interest expense	-	1
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund *	Interest expense	-	4
KB Global Platform Fund	Interest expense	68	51
WJ Private Equity Fund No.1	Fee and commission income	5	5
KB Smart Scale-Up Fund	Interest expense	39	-
KB Bio Global Expansion Private Equity Fund No.1	Interest expense	-	3
KB Digital Platform Fund	Interest expense	31	-
KY Global Cell & Gene Private Equity Fund 2nd *	Interest expense	-	(38)
Associates of Parent			
Star-Lord General Investors Private Real Estate Investment Company No.10	Interest income	4,080	4,449
	Interest expense	56	76
	Provision for credit losses	1	-

31.1 Details of significant profit or loss arising from transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)		2025	2024
Associates of Parent's subsidiaries			
Food Factory Co., Ltd.	Interest income	37	36
	Interest expense	1	1
	Provision for credit losses	1	-
Banksalad Co., Ltd.	Fee and commission income	45	27
Spark Biopharma Inc.	Interest expense	55	259
Channel Corporation	Interest expense	-	10
ASSEMBLE CORPORATION	Interest income	100	84
	Fee and commission income	-	1
	Reversal of credit losses	10	20
S&E Bio Co., Ltd.	Interest income	56	25
	Interest expense	6	11
	Provision for credit losses	-	14
Xenohelix Co., Lt	Interest income	20	-
	Provision for credit losses	8	-
Contents First Inc	Interest income	290	384
	Interest expense	10	27
	Provision for credit losses	11	5
Pin Therapeutics Inc.	Interest expense	122	44
SuperNGine Co., Ltd	Interest income	26	32
	Reversal of credit losses	19	-
	Provision for credit losses	-	36
Desilo Inc.	Interest income	11	11
Turing Co., Ltd	Interest income	31	55
	Reversal of credit losses	-	7
	Interest expense	-	29
KB No.21 Special Purpose Acquisition Company *	Interest expense	(1)	57
KB No.22 Special Purpose Acquisition Company *	Interest expense	-	1
KB No.25 Special Purpose Acquisition Company	Interest expense	28	40
KB No.26 Special Purpose Acquisition Company*	Interest expense	(29)	42
KB No.27 Special Purpose Acquisition Company	Interest expense	107	120
KB No.28 Special Purpose Acquisition Company *	Interest expense	9	32
KB No.29 Special Purpose Acquisition Company	Interest expense	39	29
KB No.30 Special Purpose Acquisition Company	Interest expense	28	10

31.1 Details of significant profit or loss arising from transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)		2025	2024
KB No.31 Special Purpose Acquisition Company	Interest expense	38	-
KB No.32 Special Purpose Acquisition Company	Interest expense	23	-
KB No.33 Special Purpose Acquisition Company	Interest expense	13	-
TeamSparta Inc. *	Fee and commission income	3	3
	Interest expense	87	116
Chabot Mobility Co., Ltd. *	Fee and commission income	1	1
	Interest expense	5	-
Wemade Connect Co., Ltd.	Interest expense	120	222
Nextrade Co., Ltd.	Fee and commission income	2	-
	Interest expense	565	2,038
Bitgoeul Cheomdan Green 1st Co., Ltd.	Interest expense	1	1
Bigwave Robotics Crop.	Interest expense	(5)	2
New Daegu Busan Expressway Co., Ltd	Interest income	346	2,070
	Reversal of credit losses	-	3
	Interest expense	1,623	3,048
AIM FUTURE, Inc	Interest income	31	33
	Interest expense	-	48
	Provision for credit losses	-	3
Novorex Inc.	Interest expense	4	-
ADP Holdings	Interest expense	43	44
ADP GREEN	Interest expense	75	12
Logpresso Inc.	Interest expense	1	3
Onheal Co., Ltd.	Interest expense	-	(20)
DYNE MEDICAL GROUP Inc.	Interest income	44	1
	Reversal of credit losses	1	-
	Interest expense	32	95
	Provision for credit losses	-	13
SDT Inc.	Interest expense	-	13
TriOar Inc.	Interest expense	78	190
Yeoulhyulgangho	Interest expense	5	-
Allra Fintech Corp.	Interest expense	4	-
Koru Pharma Co., Ltd.	Interest expense	1	-
Al Spera Inc.	Interest expense	26	-
Aldaver	Interest expense	18	-
ANTIGRAVIT	Interest income	2	-
	Provision for credit losses	1	-
enParticle Co., Ltd	Interest expense	2	-
Emocog Inc.	Interest expense	46	-
Lemontree Inc.	Fee and commission income	126	-
	Interest expense	1	-
	Fee and commission expense	38	-
	Provision for credit losses	2	-
WhaTap Laps Inc.	Interest expense	80	-

31.1 Details of significant profit or loss arising from transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)		2025	2024
Fine KB Corporates Financial Stabilization No.1 Private Equity Fund	Interest expense	1	-
KBFT Green Growth No.1 New Technology Business Investment Association	Interest expense	-	12
Semicolon Susong REITs Co., Ltd.	Interest income	342	-
	Provision for credit losses	5	-
Others			
Retirement pension	Fee and commission income	1,124	1,296
	Interest expense	20	40

* Excluded from the Group's related party as of September 30, 2025.

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)		September 30, 2025	December 31, 2024
Parent			
KB Financial Group Inc.	Other assets	7,522	20
	Deposits	335,106	316,781
	Other liabilities	916,707	468,312
Parent's subsidiaries			
KB Asset Management Co., Ltd.	Other assets	860	508
	Deposits	78,588	19,305
	Other liabilities [2]	792	1,183
KB Real Estate Trust Co., Ltd.	Other assets	179	2
	Deposits	3,725	2,324
	Other liabilities [3]	1	2,267
KB Investment Co., Ltd.	Derivative assets	199	-
	Other assets	66	-
	Deposits	35,375	41,110
	Other liabilities	76	94
KB Kookmin Card Co., Ltd.	Derivative assets	6,754	2,005
	Loans measured at amortized cost (gross amount)	309,499	268,264
	Allowances for credit losses	992	913
	financial investments	8,831	9,566
	Other assets	22,827	20,205
	Derivative liabilities	-	22,744
	Deposits	303,299	269,396
	Borrowings	8,392	-
	Provisions	1,489	1,568
	Other liabilities	61,624	72,129

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of September 30, 2025 and December 31, 2024, are as follows: (cont'd)

(In millions of Korean won)		September 30, 2025	December 31, 2024
KB Data System Co., Ltd.	Other assets	2,148	603
	Deposits	28,945	30,222
	Other liabilities	9,672	267
KB Savings Bank Co., Ltd.	Other assets	294	-
	Other liabilities	689	689
KB Capital Co., Ltd.	Derivative assets	79	-
	Loans measured at amortized cost (gross amount)	63,794	54,697
	Allowances for credit losses	333	180
	Other assets	3,676	385
	Deposits	481,218	447,402
	Provisions	-	26
	Other liabilities	2,980	2,838
KB Securities Co., Ltd.	cash and deposits	1,802	6,380
	Derivative assets	67,754	75,249
	Loans measured at amortized cost (gross amount)	145,587	122,249
	Allowances for credit losses	9,511	294
	Other assets	20,912	6,855
	Derivative liabilities	74,814	101,601
	Deposits	354,216	499,092
	Provisions	150	162
	Other liabilities [4]	28,755	29,212
KB Insurance Co., Ltd.	Derivative assets	114,569	185,401
	Other assets	20,376	4,626
	Derivative liabilities	18,965	16,322
	Deposits	3,240	22,980
	Debentures	845	-
	Provisions	30	30
	Other liabilities [5]	19,463	17,295
KB Life Insurance Co., Ltd.	Derivative assets	18,119	28,146
	Loans measured at amortized cost (gross amount)	50,996	25,260
	Allowances for credit losses	20	13
	Other assets	10,996	6,476
	Derivative liabilities	399	-
	Deposits	36,077	15,825
	Debentures	20,000	20,000
	Provisions	2	2
	Other liabilities [6]	43,258	51,387
KB STAR REIT Co., Ltd.	Derivative assets	-	54,285
	Other assets	107	64
	Deposits	425	19,013
	Other liabilities	-	19
KB Hanbando BTL Private Special Asset Fund	Other assets	18	20

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of September 30, 2025 and December 31, 2024, are as follows: (cont'd)

(In millions of Korean won)		September 30, 2025	December 31, 2024
No.1			
KB IDF Infra Private Special Asset Fund No.13	Derivative assets	1,673	5,436
	Other assets	4	4
	Derivative liabilities	711	-
KB IDF Infra Note Private Special Asset Fund No.14	Derivative assets	3,362	5,339
	Other assets	3	3
	Derivative liabilities	631	-
KB Muni bond Private Securities Fund No.1 (USD)	Other assets	2	2
KB Global Private Real Estate Fund No.1 (FoFs)	Other assets	3	3
KB Global Private Real Estate Fund No.11 (FoFs)	Other assets	1	1
KB Global Private Real Estate Fund No.15	Derivative assets	3,810	6,396
	Other assets	2	3
KB Global Private Real Estate Fund No.17 (FoFs)	Other assets	2	2
KB Global Private Real Estate Fund No.27 (FoFs)	Derivative assets	-	8,336
	Other assets	1	1
KB Global Private Real Estate Fund No.29 (FoFs)	Derivative assets	153	841
KB Global Private Real Estate Fund No.22 (FoFs)	Derivative assets	1,286	1,325
	Other assets	1	-
	Derivative liabilities	88	-
KB Global Private Real Estate Fund No.30 (FoFs)	Derivative assets	196	779
KB Global Private Real Estate Fund No.31 (FoFs)	Other assets	2	2
KB Star Office Private Real Estate Feeder Fund No.4	Loans measured at amortized cost (gross amount)	20,000	20,000
	Allowances for credit losses	3	3
	Other assets	23	1
KB Global Core Bond Securities Feeder Fund(Bond)	Other assets	-	2
KB New Renewable Energy Private Special Asset Fund No.1	Other assets	2	2
KB New Renewable Energy Private Special Asset Fund No.3	Other assets	1	1
KB North America Private Real Estate Debt Fund No.1 [1]	Derivative assets	-	3,091
	Other assets	-	1
KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs)	Other assets	2	2
KB Europe Renewable Private Special Asset Fund No.3	Derivative assets	264	225
	Other assets	1	1
KB Global Infrastructure Private Special Asset Fund No.6	Other assets	2	2
KB Global Infrastructure Synergy Private Special Asset Fund (Monetary Receivables)	Other assets	1	1
KB BMO Senior Loan Private Special Asset	Derivative assets	573	-

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of September 30, 2025 and December 31, 2024, are as follows: (cont'd)

(In millions of Korean won)		September 30, 2025	December 31, 2024
Fund No.1	Other assets	2	2
KB BMO Senior Loan Private Special Asset Fund No.2(USD)	Other assets	2	2
KB BMO Senior Loan Private Special Asset Fund No.4(USD)	Other assets	2	2
KB BMO Senior Loan Private Special Asset Fund No.5 (Loan-FoFs)	Derivative assets	1,737	3,409
	Other assets	3	3
KB BMO Senior Loan Private Special Asset Fund No.6 (USD)	Other assets	1	-
KB BMO Senior Loan Private Special Asset Fund No.7	Other assets	4	-
KB BMO Senior Loan Private Special Asset Fund No.9	Other assets	2	-
KB New Renewable Green New Deal Private Special Asset No.2	Other assets	3	3
KB Sinansan Line Private Special Asset Fund (SOC)	Other assets	13	11
KB MCF Senior Loan Private Special Asset Fund No.3 (Loan-FoFs)	Other assets	14	15
KB New Deal Infra Private Special Asset Fund	Other assets	6	6
KB Korea Infrastructure Credit Guarantee Private Special Asset No.1	Other assets	3	3
Hanwha Europe Credit Private Fund No.16 (FoFs)	Derivative assets	6,107	3,245
KB Logistics Blind Private Real Estate Fund No.1	Loans measured at amortized cost (gross amount)	-	40,000
	Allowances for credit losses	-	8,729
	Other assets	4	262
	Deposits	-	1,237
	Other liabilities	-	15
KB Aircraft Private Special Asset Fund No.1	Other assets	1	2
KB Aircraft Private Special Asset Fund No.2	Other assets	1	1
KB Star ESG Prime Mid-Short Bond Securities Feeder Fund(Bond)	Other assets	9	1
KB Oaktree Private Special Asset Fund No.	Other assets	1	-
KB GK Project Private Special Asset Fund No.3	Other assets	5	5
KB ASF Infra Private Special Asset Fund(FoFs)	Other assets	2	1
KB Core Blind Private Real Estate Fund No.2	Loans measured at amortized cost (gross amount)	44,524	44,428
	Allowances for credit losses	71	71
	Other assets	507	504
	Deposits	643	643
Ares Special Opportunities Fund Ⅱ(453)	Derivative assets	284	-
KB Star Reits Private Real Estate Feeder Fund No.1 (FoFs)	Other assets	1	2
KB Star Reits Private Real Estate Feeder Fund	Other assets	2	4

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of September 30, 2025 and December 31, 2024, are as follows: (cont'd)

(In millions of Korean won)		September 30, 2025	December 31, 2024
No.2 (FoFs)			
KB Development Blind Private Real Estate Fund No.2	Other assets	3	2
IGIS HSBC UK Senior Direct Lending Private Investment Trust No.465	Derivative assets	4,615	-
HSBC Senior UK Direct Lending Fund 2020 RAIF SICAV-S.A.	Other assets	1	1
NB Private Debt Fund IV LUX (B) SCSP	Other assets	1	1
KB NA Jefferies Private Special Asset Fund 1	Other assets	1	1
KB Europe ICG PDF Private Special Asset Fund 4(FoFs)	Derivative assets	-	186
	Other assets	1	-
KB Institutional USD MMF1(USD) (*1)	Other assets	-	1
KB RISE Short Term Specialized Bank Bond Active ETF(Bond)	Other assets	11	-
KB Senior Private Special Asset Fund No.5-1	Other assets	1	2
KB Core Plus Blind Private Real Estate Fund 1	Other assets	8	2
KB Wise Star Private Real Estate 21	Other assets	1	-
KB Wise Star Private Real Estate22	Loans measured at amortized cost (gross amount)	38,000	38,000
	Allowances for credit losses	4	3
	Other assets	359	349
KB Wise Star Private Real Estate24	Loans measured at amortized cost (gross amount)	41,800	-
	Other assets	161	-
KB Wise Star Private Real Estate No. 22	Other assets	1	-
KB Korea Short Term Premium Private Securities Fund No.43(USD)(Bond) [1]	Derivative liabilities	-	2,978
KB Daegu Busan Highway Private Special Asset Fund(SOC)	Other assets	1	1
KB Apax Global Buyout PrivateFund 1	Derivative assets	-	75
PineStreet PECP VI Global Corporate FoF 21	Derivative assets	1,111	-
KB Pantheon Global Secondary Private Special Asset 1(FoFs)	Other assets	1	-
KB Global Senior Loan PrivateDebt 2	Derivative assets	308	-
KB ICG Secondary Private SpecialAsset Fund 1(FoFs)	Other assets	2	-
KB Europe M&G Senior Loan Private Special Asset Fund 1(FoFs)	Other assets	7	-
KB Apogem Senior Loan Private Special Asset Fund No.5	Other assets	1	-
KB BDS V Global Private RealEstate Debt Fund 48	Other assets	3	-
KB Credit Alpha Short TermSecurities Feeder Fund 1(Bond) A1	Other assets	2	-
Associates			
Korea Credit Bureau Co., Ltd.	Deposits	8,933	40,570
	Other liabilities	3	-
Incheon Bridge Co., Ltd.	Financial assets at fair	35,336	35,411

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of September 30, 2025 and December 31, 2024, are as follows: (cont'd)

(In millions of Korean won)		September 30, 2025	December 31, 2024
	value through profit or loss		
	Loans measured at amortized cost (gross amount)	62,125	70,000
	Allowances for credit losses	24	27
	Other assets	310	389
	Deposits	63,458	43,867
	Provisions	30	30
	Other liabilities	325	442
Jungdo Co., Ltd.	Deposits	4	4
Iwon Alloy Co., Ltd.	Deposits	-	2
Skydigital Inc.	Deposits	10	30
TMAPMOBILITY CO., LTD.	Deposits	1	100,010
	Other liabilities	13	547
KB High-Tech Company Investment Fund [1]	Deposits	-	11,615
	Other liabilities	-	65
Aju Good Technology Venture Fund	Deposits	39	1,809
KB-KDBC Pre-IPO New Technology Business Investment Fund	Deposits	250	39
KB Digital Innovation & Growth New Technology Business Investment Fund	Deposits	219	388
KB Global Platform Fund	Deposits	1,083	12,109
	Other liabilities	3	7
WJ Private Equity Fund No.1	Other assets	2	2
	Deposits	38	46
KB Smart Scale-Up Fund	Deposits	-	40,000
	Other liabilities	-	161
KB Digital Platform Fund	Deposits	-	8,000
	Other liabilities	-	35
Associate of Parent			
Star-Lord General Investors Private Real Estate Investment Company No.10	Loans measured at amortized cost (gross amount)	149,523	149,898
	Allowances for credit losses	6	5
	Other assets	3,171	3,240
Associates of Parent's subsidiaries			
RAND Bio Science Co., Ltd. [1]	Deposits	-	4
Food Factory Co., Ltd.	Loans measured at amortized cost (gross amount)	1,984	1,755
	Allowances for credit losses	2	1
	Other assets	12	4
	Deposits	851	907
	Other liabilities	1	1
Big Dipper Co., Ltd.	Deposits	44	123
Spark Biopharma Inc.	Deposits	1,557	4,759

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of September 30, 2025 and December 31, 2024, are as follows: (cont'd)

(In millions of Korean won)		September 30, 2025	December 31, 2024
	Other liabilities	5	22
Wyatt Corp. [1]	Deposits	-	1
CellinCells Co., Ltd. [1]	Deposits	-	13
Channel Corporation	Deposits	-	6
ASSEMBLE CORPORATION	Loans measured at amortized cost (gross amount)	1,950	2,000
	Allowances for credit losses	31	41
	Other assets	7	11
	Deposits	18	18
	Other liabilities	1	1
S&E bio Co., Ltd.	Loans measured at amortized cost (gross amount)	2,000	2,000
	Allowances for credit losses	13	13
	Other assets	3	3
	Deposits	663	772
	Other liabilities	3	3
4N Inc.	Deposits	-	4
Xenohelix Co., Ltd	Loans measured at amortized cost (gross amount)	550	-
	Allowances for credit losses	8	-
	Other assets	1	-
	Deposits	305	302
Contents First Inc.	Loans measured at amortized cost (gross amount)	10,000	10,000
	Allowances for credit losses	21	10
	Other assets	2	3
	Deposits	2	729
	Other liabilities	4	4
Newavel Co., Ltd.	Deposits	1	-
Pin Therapeutics Inc.	Deposits	2,045	11,133
	Other liabilities	8	117
SuperNGine Co., Ltd.	Loans measured at amortized cost (gross amount)	250	480
	Allowances for credit losses	21	39
	Other assets	1	1
	Deposits	76	217
Desilo Inc.	Loans measured at amortized cost (gross amount)	300	300
	Allowances for credit losses	5	5
	Deposits	3	3
Turing Co., Ltd.	Loans measured at amortized cost (gross amount)	900	900

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of September 30, 2025 and December 31, 2024, are as follows: (cont'd)

(In millions of Korean won)		September 30, 2025	December 31, 2024
	Allowances for credit losses	6	6
	Other assets	2	2
	Deposits	64	819
ZIPDOC Inc. [1]	Deposits	-	1
KB No.21 Special Purpose Acquisition Company [1]	Deposits	-	2,247
	Other liabilities	-	36
KB No.25 Special Purpose Acquisition Company	Deposits	1,593	1,545
	Other liabilities	11	39
KB No.26 Special Purpose Acquisition Company [1]	Deposits	-	1,763
	Other liabilities	-	31
KB No.27 Special Purpose Acquisition Company	Deposits	4,680	4,613
	Other liabilities	13	55
KB No.28 Special Purpose Acquisition Company [1]	Deposits	-	1,910
	Other liabilities	-	45
KB No.29 Special Purpose Acquisition Company	Deposits	2,352	2,338
	Other liabilities	24	43
KB No.30 Special Purpose Acquisition Company	Deposits	1,792	1,786
	Other liabilities	7	20
KB No.31 Special Purpose Acquisition Company	Deposits	2,272	2,352
	Other liabilities	50	13
KB No.32 Special Purpose Acquisition Company	Deposits	2,332	-
	Other liabilities	23	-
KB No.33 Special Purpose Acquisition Company	Deposits	2,849	-
	Other liabilities	13	-
TeamSparta Inc. [1]	Deposits	-	18,635
	Other liabilities	-	34
Chabot Mobility Co., Ltd. [1]	Deposits	-	631
Wemade Connect Co., Ltd.	Deposits	3,445	5,465
	Other liabilities	21	38
Nextrade Co., Ltd.	Deposits	15,972	15,281
	Other liabilities	2,144	1,579
Bitgoeul Cheomdan Green 1st Co., Ltd.	Deposits	1,247	1,239
3D Interactive Co., Ltd.	Deposits	90	1,779
Bigwave Robotics Crop.	Deposits	212	501
	Other liabilities	-	6
New Daegu Busan Expressway Co., Ltd.	Loans measured at amortized cost (gross amount)	-	24,250
	Other assets	-	22

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of September 30, 2025 and December 31, 2024, are as follows: (cont'd)

(In millions of Korean won)		September 30, 2025	December 31, 2024
	Deposits	84,201	150,007
	Other liabilities	51	1,928
AIM FUTURE, Inc	Loans measured at amortized cost (gross amount)	900	900
	Allowances for credit losses	5	5
	Other assets	1	1
	Deposits	381	760
Novorex Inc.	Deposits	246	6
ADP Holdings	Deposits	2,058	2,058
	Other liabilities	5	7
ADP GREEN	Deposits	4,695	1,802
	Other liabilities	41	8
Logpresso Inc.	Deposits	74	457
Onheal Co., Ltd.	Deposits	1	5,001
DYNE MEDICAL GROUP Inc.	Loans measured at amortized cost (gross amount)	2,000	2,007
	Allowances for credit losses	12	14
	Other assets	1	1
	Deposits	311	3,813
	Other liabilities	6	23
TriOar Inc.	Deposits	5,811	6,054
	Other liabilities	41	73
Yeoulhyulgangho	Deposits	906	456
	Other liabilities	3	-
Allra Fintech Corp.	Deposits	383	1,671
	Other liabilities	-	1
Koru Pharma Co., Ltd.	Deposits	109	-
Aldaver	Deposits	817	-
	Other liabilities	4	-
ANTIGRAVITY	Loans measured at amortized cost (gross amount)	41	-
	Allowances for credit losses	1	-
enParticle Co., Ltd	Deposits	2,109	-
	Other liabilities	1	-
Emocog Inc.	Deposits	3,138	-
Lemontree Inc.	Deposits	449	-
	Provisions	2	-
WhaTap Laps Inc.	Deposits	2,939	-
	Other liabilities	55	-
BYEL CO.,LTD.	Deposits	5,000	-
eRoun & company Co., Ltd.	Deposits	800	-
Fine KB Corporates Financial Stabilization No.1 Private Equity Fund	Deposits	1,000	-
	Other liabilities	1	-
Semicolon Susong REITs Co., Ltd.	Loans measured at	24,920	-

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of September 30, 2025 and December 31, 2024, are as follows: (cont'd)

(In millions of Korean won)		September 30, 2025	December 31, 2024
	amortized cost (gross amount)		
	Allowances for credit losses	5	-
	Other assets	173	-
Key management personnel	Loans measured at amortized cost (gross amount)	6,152	6,556
	Allowances for credit losses	3	3
	Other assets	6	8
	Deposits	11,012	12,922
	Provisions	1	1
	Other liabilities	361	496
Others			
Retirement pension	Other assets	1,093	739
	Other liabilities	779	1,215

[1] Excluded from the Group's related party as of September 30, 2025.

[2] Non-controlling interests classified as liabilities include ₩ 652 million and ₩ 822 million as of September 30, 2025 and December 31, 2024, respectively.

[3] Non-controlling interests classified as liabilities include ₩ 1,927 million as of December 31, 2024, respectively.

[4] Non-controlling interests classified as liabilities include ₩ 580 million and ₩ 433 million as of September 30, 2025 and December 31, 2024, respectively.

[5] Non-controlling interests classified as liabilities include ₩ 3,258 million and ₩ 4,110 million as of September 30, 2025 and December 31, 2024, respectively.

[6] Non-controlling interests classified as liabilities include ₩ 3,258 million and ₩ 13,744 million as of September 30, 2025 and December 31, 2024, respectively.

31.3 Details of right-of-use assets and lease liabilities with related parties as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)		September 30, 2025	December 31, 2024
Parent's subsidiaries			
KB Kookmin Card Co., Ltd.	Right-of-use assets	100	281
	Lease liabilities	21	58
KB Securities Co., Ltd.	Right-of-use assets	12,856	16,086
	Lease liabilities	16,093	19,623
KB Insurance Co., Ltd.	Right-of-use assets	2	10
	Lease liabilities	26	30
KB Life Insurance Co., Ltd.	Right-of-use assets	2,236	4,074
	Lease liabilities	2,469	4,294
Associate of Parent			
Star-Lord General Investors Private Real Estate Investment Company No.10	Right-of-use assets	1,018	3,151
	Lease liabilities	1,244	3,335

31.4 Notional amount of derivative assets and liabilities arising from transactions with related parties as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)		September 30, 2025	December 31, 2024
Parent's subsidiaries			
KB Investment Co., Ltd.	Notional amount of derivative financial instruments	19,631	-
KB Kookmin Card Co., Ltd.	Notional amount of derivative financial instruments	70,110	220,500
KB Capital Co., Ltd.	Notional amount of derivative financial instruments	5,068	-
KB Securities Co., Ltd.	Notional amount of derivative financial instruments	2,546,350	2,768,719
KB Insurance Co., Ltd.	Notional amount of derivative financial instruments	2,845,822	2,101,840
KB Life Insurance Co., Ltd.	Notional amount of derivative financial instruments	452,218	379,796
KB STAR REIT Co., Ltd.	Notional amount of derivative financial instruments	-	450,975
KB IDF Infra Private Special Asset Fund No.13	Notional amount of derivative financial instruments	56,777	58,095
KB IDF Infra Note Private Special Asset Fund No.14	Notional amount of derivative financial instruments	84,520	63,889
KB Global Private Real Estate Fund No.15	Notional amount of derivative financial instruments	43,028	65,596
KB Global Private Real Estate Fund No.27 (FoFs)	Notional amount of derivative financial instruments	-	45,432
KB Global Private Real Estate Fund No.29 (FoFs)	Notional amount of derivative financial instruments	12,419	9,039
KB Global Private Real Estate Fund No.22 (FoFs)	Notional amount of derivative financial instruments	16,509	10,000
KB Global Private Real Estate Fund No.30 (FoFs)	Notional amount of derivative financial instruments	4,336	8,526
KB North America Private Real Estate Debt Fund No.1 *	Notional amount of derivative financial instruments	-	36,750
KB Europe Renewable Private Special Asset Fund No.3	Notional amount of derivative financial instruments	6,798	5,375
KB BMO Senior Loan Private Special Asset Fund No.1	Notional amount of derivative financial instruments	78,868	-
KB BMO Senior Loan Private Special Asset Fund No.5 (Loan-FoFs)	Notional amount of derivative financial instruments	140,220	36,635
Hanwha Europe Credit Private Fund No.16 (FoFs)	Notional amount of derivative financial instruments	49,435	45,955
Ares Special Opportunities Fund Ⅱ(453)	Notional amount of derivative financial instruments	6,635	-
IGIS HSBC UK Senior Direct Lending Private Investment Trust No.465	Notional amount of derivative financial instruments	31,638	-
KB Europe ICG PDF Private Special Asset Fund 4(FoFs)	Notional amount of derivative financial instruments	-	3,057

31.4 Notional amount of derivative assets and liabilities arising from transactions with related parties as of September 30, 2025 and December 31, 2024, are as follows: (cont'd)

(In millions of Korean won)		September 30, 2025	December 31, 2024
KB Korea Short Term Premium Private Securities Fund No.43(USD)(Bond) *	Notional amount of derivative financial instruments	-	46,746
KB Apax Global Buyout PrivateFund 1	Notional amount of derivative financial instruments	-	1,100
PineStreet PECP VI Global Corporate FoF 21	Notional amount of derivative financial instruments	15,967	-
KB Global Senior Loan PrivateDebt 2	Notional amount of derivative financial instruments	14,434	-

* Excluded from the Group's related parties as of September 30, 2025

31.5 Details of significant lending transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	2025 [1]				
	Beginning	**Loan**	**Collection**	**Others**	**Ending**
Parent's subsidiaries					
KB Securities Co., Ltd.	122,249	669,828	646,504	14	145,587
KB Life Insurance Co., Ltd.	25,260	51,400	25,700	36	50,996
KB Kookmin Card Co., Ltd.	277,830	270,162	189,505	(40,157)	318,330
KB Capital Co., Ltd.	54,697	16,820	5,452	(2,271)	63,794
KB Star Office Private Real Estate Feeder Fund No.4	20,000	-	-	-	20,000
KB Logistics Blind Private Real Estate Fund No.1	40,000	-	40,000	-	-
KB Wise Star Private Real Estate22	38,000	-	-	-	38,000
KB Wise Star Private Real Estate24	-	41,800	-	-	41,800
KB Core Blind Private Real Estate Fund No.2	44,428	-	-	96	44,524
Associates					
Incheon Bridge Co., Ltd.	105,411	-	7,875	(75)	97,461
Associate of Parent					
Star-Lord General Investors Private Real Estate Investment Company No.10	149,898	150,000	150,000	(375)	149,523
Associates of Parent's subsidiaries					
Food Factory Co., Ltd.	1,755	500	270	(1)	1,984
ASSEMBLE CORPORATION	2,000	-	50	-	1,950
Desilo Inc.	300	-	-	-	300
Contents First Inc.	10,000	-	-	-	10,000
SuperNGine Co., Ltd.	480	-	230	-	250
Turing Co., Ltd.	900	-	-	-	900
New Daegu Busan Expressway Co., Ltd.	24,250	-	24,253	3	-
S&E bio Co., Ltd.	2,000	-	-	-	2,000
AIM FUTURE, Inc.	900	-	-	-	900
DYNE MEDICAL GROUP Inc.	2,007	-	-	(7)	2,000
Xenohelix Co., Ltd	-	550	-	-	550
ANTIGRAVITY	-	-	3	44	41
Semicolon Susong REITs Co., Ltd.	-	25,000	-	(80)	24,920
Key management personnel [2]	6,556	2,642	2,861	(185)	6,152

31.5 Details of significant lending transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)	2024 [1]				
	Beginning	**Loan**	**Collection**	**Others**	**Ending**
Parent's subsidiaries					
KB Securities Co., Ltd.	338,290	721,081	757,561	(171,487)	130,323
KB Life Insurance Co., Ltd.	30,271	-	5,000	(11)	25,260
KB Kookmin Card Co., Ltd.	212,001	161,248	107,256	(8,068)	257,925
KB Capital Co., Ltd.	41,622	11,876	-	(4,059)	49,439
KB Star Office Private Real Estate Feeder Fund No.4	20,000	-	-	-	20,000
KB Logistics Blind Private Real Estate Fund No.1	52,500	-	12,500	-	40,000
KB Wise Star Private Real Estate22	38,000	-	-	-	38,000
Associates					
Incheon Bridge Co., Ltd.	113,782	-	7,875	1,281	107,188
Associate of Parent					
Star-Lord General Investors Private Real Estate Investment Company No.10	149,590	-	-	229	149,819
Associates of Parent's subsidiaries					
Food Factory Co., Ltd.	2,133	-	320	(1)	1,812
ASSEMBLE CORPORATION	2,150	-	150	-	2,000
Desilo Inc.	300	-	-	-	300
Contents First Inc.	10,000	1,000	1,000	-	10,000
SuperNGine Co., Ltd.	600	-	120	-	480
Turing Co., Ltd.	1,901	-	1,000	(1)	900
New Daegu Busan Expressway Co., Ltd.	72,742	-	36,379	11	36,374
S&E bio Co., Ltd.	-	2,000	-	-	2,000
AIM FUTURE, Inc	900	-	-	-	900
DYNE MEDICAL GROUP Inc.	-	2,000	-	-	2,000
Key management personnel [2]	4,119	3,618	2,529	1,928	7,136

[1] Transactions between related parties, such as settlements arising from operating activities and daylight overdraft to be repaid on the day of handling, are excluded.

[2] Includes loan transactions that occurred before they became related parties.

31.6 Details of significant borrowing transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)		2025				
		Beginning	**Borrowing**	**Repayment**	**Others [1]**	**Ending**
Parent						
KB Financial Group Inc.	Deposits	316,781	-	-	18,325	335,106
Parent's subsidiaries						
KB Securities Co., Ltd.	Deposits	499,092	86,343	75,000	(156,219)	354,216
KB Asset Management Co., Ltd.	Deposits	19,305	-	-	59,283	78,588
KB Real Estate Trust Co., Ltd.	Deposits	2,324	-	-	1,401	3,725
KB Investment Co., Ltd.	Deposits	41,110	130,800	124,412	(12,123)	35,375
KB Data System Co., Ltd.	Deposits	30,222	12,000	8,000	(5,277)	28,945
KB Kookmin Card Co., Ltd.	Deposits	269,396	5,085	3,130	31,948	303,299
	Borrowings	-	-	-	8,392	8,392
KB Capital Co., Ltd.	Deposits	447,402	2,300	1,600	33,116	481,218
KB Insurance Co., Ltd.	Deposits	22,980	150	150	(19,740)	3,240
	Debentures	-	-	-	845	845
KB Life Insurance Co., Ltd.	Deposits	15,825	64,900	40,700	(3,948)	36,077
	Debentures	20,000	-	-	-	20,000
KB STAR REIT Co., Ltd.	Deposits	19,013	8,100	24,600	(2,088)	425
KB Logistics Blind Private Real Estate Fund No.1	Deposits	1,237	-	-	(1,237)	-
KB Core Blind Private Real Estate Fund No.2	Deposits	643	-	-	-	643

(In millions of Korean won)		2025				
		Beginning	**Borrowing**	**Repayment**	**Others [1]**	**Ending**
Associates						
Korea Credit Bureau Co., Ltd.	Deposits	40,570	1,000	-	(32,637)	8,933
Incheon Bridge Co., Ltd.	Deposits	43,867	66,100	39,500	(7,009)	63,458
Jungdo Co., Ltd.	Deposits	4	-	-	-	4
Iwon Alloy Co., Ltd.	Deposits	2	-	-	(2)	-
Skydigital Inc.	Deposits	30	-	-	(20)	10
KB High-Tech Company Investment Fund [2]	Deposits	11,615	-	2,856	(8,759)	-
Aju Good Technology Venture Fund	Deposits	1,809	-	-	(1,770)	39
KB-KDBC Pre-IPO New Technology Business Investment Fund	Deposits	39	-	-	211	250
KB Digital Innovation & Growth New Technology Business Investment Fund	Deposits	388	-	-	(169)	219
KB Global Platform Fund	Deposits	12,109	-	-	(11,026)	1,083
WJ Private Equity Fund No.1	Deposits	46	-	-	(8)	38
TMAPMOBILITY CO., LTD.	Deposits	100,010	244,626	345,241	606	1
KB Digital Platform Fund	Deposits	8,000	-	8,000	-	-
KB Smart Scale-Up Fund	Deposits	40,000	-	40,000	-	-

31.6 Details of significant borrowing transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)

		2025				
		Beginning	Borrowing	Repayment	Others [1]	Ending
Associates of Parent's subsidiaries						
RAND Bio Science Co., Ltd. [2]	Deposits	4	-	-	(4)	-
Food Factory Co., Ltd.	Deposits	907	-	-	(56)	851
Big Dipper Co., Ltd.	Deposits	123	-	-	(79)	44
Spark Biopharma Inc.	Deposits	4,759	7,600	10,449	(353)	1,557
Wyatt Corp. [2]	Deposits	1	-	-	(1)	-
CellinCells Co., Ltd. [2]	Deposits	13	-	-	(13)	-
KB No.21 Special Purpose Acquisition Company [2]	Deposits	2,247	-	2,115	(132)	-
KB No.25 Special Purpose Acquisition Company	Deposits	1,545	1,500	1,545	93	1,593
KB No.26 Special Purpose Acquisition Company [2]	Deposits	1,763	-	110	(1,653)	-
KB No.27 Special Purpose Acquisition Company	Deposits	4,613	4,600	4,532	(1)	4,680
KB No.28 Special Purpose Acquisition Company [2]	Deposits	1,910	-	-	(1,910)	-
KB No.29 Special Purpose Acquisition Company	Deposits	2,338	2,148	2,100	(34)	2,352
KB No.30 Special Purpose Acquisition Company	Deposits	1,786	1,535	1,500	(29)	1,792
KB No.31 Special Purpose Acquisition Company	Deposits	2,352	-	-	(80)	2,272
KB No.32 Special Purpose Acquisition Company	Deposits	-	2,000	-	332	2,332
KB No.33 Special Purpose Acquisition Company	Deposits	-	2,400	-	449	2,849
ASSEMBLE CORPORATION	Deposits	18	-	-	-	18
S&E bio Co., Ltd.	Deposits	772	1,180	730	(559)	663
4N Inc.	Deposits	4	-	-	(4)	-
Contents First Inc.	Deposits	729	-	-	(727)	2
Newavel Co., Ltd.	Deposits	-	-	-	1	1
Pin Therapeutics Inc.	Deposits	11,133	2,000	10,000	(1,088)	2,045
SuperNGine Co., Ltd.	Deposits	217	-	-	(141)	76
Desilo Inc.	Deposits	3	-	-	-	3
Turing Co., Ltd.	Deposits	819	-	-	(755)	64
ZIPDOC Inc. [2]	Deposits	1	-	-	(1)	-
TeamSparta Inc. [2]	Deposits	18,635	-	-	(18,635)	-
Chabot Mobility Co., Ltd. [2]	Deposits	631	-	-	(631)	-
Wemade Connect Co., Ltd.	Deposits	5,465	7,051	9,000	(71)	3,445
Channel Corporation	Deposits	6	-	-	(6)	-
Nextrade Co., Ltd.	Deposits	15,281	-	-	691	15,972

31.6 Details of significant borrowing transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)

		2025				
		Beginning	**Borrowing**	**Repayment**	**Others** [1]	**Ending**
Bitgoeul Cheomdan Green 1st Co., Ltd.	Deposits	1,239	-	-	8	1,247
Bigwave Robotics Crop.	Deposits	501	-	501	212	212
3D Interactive Co., Ltd.	Deposits	1,779	-	-	(1,689)	90
AIM FUTURE, Inc	Deposits	760	-	-	(379)	381
New Daegu Busan Expressway Co., Ltd.	Deposits	150,007	61,000	130,500	3,694	84,201
Novorex Inc.	Deposits	6	-	-	240	246
Xenohelix Co., Ltd	Deposits	302	-	-	3	305
ADP Holdings	Deposits	2,058	10,236	10,235	(1)	2,058
ADP GREEN	Deposits	1,802	7,800	4,950	43	4,695
Logpresso Inc.	Deposits	457	874	974	(283)	74
DYNE MEDICAL GROUP Inc.	Deposits	3,813	3,300	5,800	(1,002)	311
Onheal Co., Ltd.	Deposits	5,001	-	-	(5,000)	1
TriOar Inc.	Deposits	6,054	4,000	5,000	757	5,811
Yeoulhyulgangho	Deposits	456	1,360	860	(50)	906
Allra Fintech Corp.	Deposits	1,671	2,000	3,000	(288)	383
Koru Pharma Co., Ltd.	Deposits	-	200	100	9	109
Emocog Inc.	Deposits	-	3,000	3,000	3,138	3,138
WhaTap Laps Inc.	Deposits	-	-	-	2,939	2,939
Aldaver	Deposits	-	817	815	815	817
Lemontree Inc.	Deposits	-	-	-	449	449
enParticle Co., Ltd	Deposits	-	-	-	2,109	2,109
ANTIGRAVITY	Deposits	-	-	-	126	126
Fine KB Corporates Financial Stabilization No.1 Private Equity Fund	Deposits	-	1,000	-	-	1,000
BYEL CO., Ltd.	Deposits	-	-	-	5,000	5,000
eRoun & company Co., Ltd.	Deposits	-	-	-	800	800
Key management personnel [3]	Deposits	12,922	18,858	18,454	(2,314)	11,012

31.6 Details of significant borrowing transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)		2024				
		Beginning	**Borrowing**	**Repayment**	**Others [1]**	**Ending**
Parent						
KB Financial Group Inc.	Deposits	114,336	-	-	235,184	349,520
Parent's subsidiaries						
KB Securities Co., Ltd.	Deposits	381,909	75,000	143,554	148,436	461,791
KB Asset Management Co., Ltd.	Deposits	11,709	-	-	34,633	46,342
KB Real Estate Trust Co., Ltd.	Deposits	23,135	50,000	50,000	129,010	152,145
KB Investment Co., Ltd.	Deposits	66,778	153,412	180,000	5,083	45,273
KB Data System Co., Ltd.	Deposits	18,257	11,000	10,336	(451)	18,470
KB Kookmin Card Co., Ltd.	Deposits	156,578	4,279	4,040	162,530	319,347
KB Capital Co., Ltd.	Deposits	227,893	600	2,900	318,445	544,038
KB Insurance Co., Ltd.	Deposits	142,229	150	401	(135,550)	6,428
KB Life Insurance Co., Ltd.	Deposits	13,134	-	-	(6,918)	6,216
	Debentures	20,000	-	-	-	20,000
KB STAR REIT Co., Ltd.	Deposits	35,975	63,600	71,300	(17,130)	11,145
KB Logistics Blind Private Real Estate Fund No.1	Deposits	-	1,237	-	-	1,237
Associates						
Korea Credit Bureau Co., Ltd.	Deposits	17,003	-	-	(14,245)	2,758
Incheon Bridge Co., Ltd.	Deposits	40,992	72,000	60,800	(4,194)	47,998
Jungdo Co., Ltd.	Deposits	4	-	-	-	4
Dae-A Leisure Co., Ltd.	Deposits	150	-	-	(150)	-
Iwon Alloy Co., Ltd.	Deposits	1	-	-	2	3
Computerlife Co., Ltd.	Deposits	-	-	-	4	4
Skydigital Inc.	Deposits	65	-	-	(56)	9
KB High-Tech Company Investment Fund [2]	Deposits	2,935	2,856	2,818	3,109	6,082
Aju Good Technology Venture Fund	Deposits	1,202	-	-	(754)	448
KB-KDBC Pre-IPO New Technology Business Investment Fund	Deposits	46	-	-	512	558
KB Digital Innovation & Growth New Technology Business Investment Fund	Deposits	572	-	-	(182)	390
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund [2]	Deposits	-	-	-	1	1
KB Global Platform Fund	Deposits	5,774	-	-	(352)	5,422
WJ Private Equity Fund No.1	Deposits	103	-	-	(55)	48
TMAPMOBILITY CO., LTD.	Deposits	80,016	260,000	240,000	(7)	100,009
KB Bio Global Expansion Private Equity Fund No.1	Deposits	1,400	-	1,400	-	-
KY Global Cell & Gene Private Equity Fund 2nd [2]	Deposits	3,790	2,910	308	(6,392)	-

31.6 Details of significant borrowing transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)		2024				
		Beginning	**Borrowing**	**Repayment**	**Others** [1]	**Ending**
Associates of Parent's subsidiaries						
RAND Bio Science Co., Ltd. [2]	Deposits	4	-	-	(3)	1
Food Factory Co., Ltd.	Deposits	629	-	-	374	1,003
Big Dipper Co., Ltd.	Deposits	40	-	-	5	45
Spark Biopharma Inc.	Deposits	11,419	26,308	34,156	3,079	6,650
Wyatt Corp. [2]	Deposits	1	-	-	-	1
CellinCells Co., Ltd. [2]	Deposits	37	-	-	24	61
COSES GT Co., Ltd. [2]	Deposits	1	-	-	(1)	-
KB No.21 Special Purpose Acquisition Company [2]	Deposits	2,261	2,115	2,050	(61)	2,265
KB No.22 Special Purpose Acquisition Company [2]	Deposits	1,848	-	-	(1,848)	-
KB No.25 Special Purpose Acquisition Company	Deposits	1,586	1,545	1,500	(83)	1,548
KB No.26 Special Purpose Acquisition Company [2]	Deposits	1,761	1,724	1,670	(50)	1,765
KB No.27 Special Purpose Acquisition Company	Deposits	4,497	4,532	4,390	(26)	4,613
KB No.28 Special Purpose Acquisition Company [2]	Deposits	-	1,890	-	63	1,953
KB No.29 Special Purpose Acquisition Company	Deposits	-	2,100	-	246	2,346
KB No.31 Special Purpose Acquisition Company	Deposits	-	2,000	-	-	2,000
Gomi CORPORATION	Deposits	78	-	-	(78)	-
S&E bio Co., Ltd.	Deposits	2,342	990	500	(757)	2,075
4N Inc.	Deposits	49	-	-	(49)	-
Contents First Inc.	Deposits	1,072	-	-	(250)	822
Newavel Co., Ltd.	Deposits	46	-	-	(30)	16
Pin Therapeutics Inc.	Deposits	265	14,000	-	(56)	14,209
SuperNGine Co., Ltd.	Deposits	69	-	-	33	102
Desilo Inc.	Deposits	3	-	-	1	4
Turing Co., Ltd.	Deposits	1,726	1,000	1,700	394	1,420
IGGYMOB Co., Ltd.	Deposits	-	-	-	18	18
Kukka Co., Ltd. [2]	Deposits	-	-	-	4	4
ZIPDOC Inc. [2]	Deposits	181	-	-	(151)	30
TeamSparta Inc. [2]	Deposits	7,672	3,000	4,000	9,089	15,761
Chabot Mobility Co., Ltd. [2]	Deposits	164	-	-	125	289
Wemade Connect Co., Ltd.	Deposits	8,843	19,942	23,500	58	5,343
Channel Corporation	Deposits	2,030	-	2,000	(25)	5
Nextrade Co., Ltd.	Deposits	56,203	6,000	17,200	49	45,052
Bitgoeul Cheomdan Green 1st Co., Ltd.	Deposits	833	-	-	512	1,345

31.6 Details of significant borrowing transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)		2024				
		Beginning	**Borrowing**	**Repayment**	**Others** [1]	**Ending**
KBFT Green Growth No.1 New Technology Business Investment Association	Deposits	700	-	700	-	-
Bigwave Robotics Crop.	Deposits	4	501	-	(4)	501
3D Interactive Co., Ltd.	Deposits	1,501	-	-	(691)	810
AIM FUTURE, Inc	Deposits	3,393	1,000	4,000	1,215	1,608
New Daegu Busan Expressway Co., Ltd.	Deposits	146,169	104,500	93,932	(8,382)	148,355
Novorex Inc.	Deposits	7	-	-	(1)	6
Xenohelix Co., Ltd	Deposits	904	-	-	(879)	25
ADP Holdings	Deposits	-	4,037	2,003	-	2,034
ADP GREEN	Deposits	-	9,401	7,801	243	1,843
Logpresso Inc.	Deposits	-	100	200	930	830
DYNE MEDICAL GROUP Inc.	Deposits	-	2,650	5,300	8,163	5,513
TriOar Inc.	Deposits	-	3,500	6,000	9,617	7,117
Yeoulhyulgangho	Deposits	-	-	-	640	640
SDT Inc.	Deposits	-	-	1,000	1,000	-
KB No.30 Special Purpose Acquisition Company	Deposits	-	1,500	-	294	1,794
Allra Fintech Corp.	Deposits	-	8,000	8,000	8,739	8,739
Key management personnel [3]	Deposits	10,308	13,724	10,077	(213)	13,742

[1] Transactions between related parties, such as settlements arising from operating activities and deposits, are expressed in net amount.

[2] Excluded from the Group's related party as of September 30, 2025.

[3] Includes borrowing transactions that occurred before they became related parties.

31.7 Details of significant investment and withdrawal transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)

	2025	
	Equity investment and others	Withdrawal and others
Parent's subsidiaries		
KB Hanbando BTL Private Special Asset Fund No.1	-	13,596
KB Hope Sharing BTL Private Special Asset Fund	-	991
KB Intellectual Property Fund	-	110
KB Star Office Private Real Estate Feeder Fund No.3 *	-	128,938
KB Star Office Private Real Estate Feeder Fund No.4	-	1,617
KB New Renewable Energy Private Special Asset Fund No.1	-	1,330
KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs)	331	855
KB Global Infrastructure Private Special Asset Fund No.6	-	356
KB BMO Senior Loan Private Special Asset Fund No.2 (USD)	-	5,259
KB Sinansan Line Private Special Asset Fund (SOC)	19,221	5,452
KB New Renewable Green New Deal Private Special Asset No.2	158	1,757
KB MCF Senior Loan Private Special Asset Fund No.3 (Loan-FoFs)	3,062	11,705
KB New Deal Infra Private Special Asset Fund	456	961
KB GK Project Private Special Asset Fund No.3	-	15,146
KB BMO Senior Loan Private Special Asset Fund No.4 (USD)	-	2,607
KB Core Blind Private Real Estate Fund No.2	-	421
KB Star Reits Private Real Estate Feeder Fund No.2 (FoFs)	-	2,375
KB NA Jefferies Private Special Asset Fund 1	18,706	3,750
KB Scale Up Fund Ⅱ	7,500	-
KB New Renewable Energy Private Special Asset Fund No.3	4,556	5,351
KB Institutional USD MMF1(USD) *	-	20,197
KB Senior Private Special Asset Fund No.5-1	-	40,487
KB Mezzanine Capital 4th Private Equity Fund	14,308	4,822
KB Core Plus Blind Private Real Estate Fund 1	22,582	1,071
KB Korea Short Term Premium Private Securities Fund No.43(USD)(Bond) *	-	43,914
KB Daegu Busan Highway Private Special Asset Fund(SOC)	-	5,032
KB NA Summit Private Special Asset fund 1(USD)(FoFs)	1,909	344
KB Star Mid Term G.B.F.I C-F Class *	-	53,099
KB Innovative Growth Infra Private Special Asset Fund	7,600	97
KB Daegu Busan Highway Private Special Asset Fund No.2(SOC)	-	3,986
KB East-side Expressway Private Special Asset(SOC)	353	127
KB Global Senior Loan PrivateDebt 1(USD)	28,326	11,627
KB RISE KTB ETF(Bond)	-	440
KB IncomeFocus Blind Private RealEstate Fund 1(FoFs)	16,129	13
KB Senior Loan Private Fund 6-1	47,027	440
KB RISE Mar2025 Term Credit ETF *	99,932	100,172
KB RISE Short Term Specialized Bank Bond Active ETF(Bond)	49,878	-
KB BMO Senior Loan Private Special Asset Fund No.6(USD)	20,433	-
KB RISE Active Korea Short Term Bond Market(AA-) ETF(Bond)	149,948	-
KB RISE Credit Bond Securities ETF(Bond)	49,942	491
KB Wise Star Private Real Estate 21	10,000	103

31.7 Details of significant investment and withdrawal transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)

	2025	
	Equity investment and others	Withdrawal and others
KB Value Rise Blind Private RealEstate 1(Fofs)	5,516	-
KB BX Europe Infra Private SpecialAsset Fund 1(EUR)	12,911	-
Associates		
Korea Credit Bureau Co., Ltd.	-	90
Future Planning KB Start-up Creation Fund *	-	1,716
KB High-Tech Company Investment Fund *	-	3,172
Aju Good Technology Venture Fund	-	780
KB-KDBC Pre-IPO New Technology Business Investment Fund	-	1,400
KB Intellectual Property Fund No.2	-	3,000
KB Digital Innovation Investment Fund Limited Partnership	-	2,275
KB SPROTT Renewable Private Equity Fund No.1	-	5,535
KB Global Platform Fund	-	7,200
KB Pre-IPO New Technology Business Investment Fund No.2	-	220
KB Smart Scale-Up Fund	-	19,250
KB Digital Platform Fund	28,000	-
KB-SOLIDUS Healthcare Investment Fund	900	-
KB New Deal Innovation Fund	-	2,000
KB Prime Digital Platform Fund	3,250	-
KB Global Platform Fund No.2	8,000	-
Startup Korea KB Secondary Fund	4,500	-
Associate of Parent		
Balhae Infrastructure Company	-	9,321
Associate of Parent's subsidiaries		
KB-Stonebridge Secondary Private Equity Fund	-	2,621
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	1,200	1,478
KB Co-Investment Private Equity Fund No.1	3,380	698
KB-NP Green ESG New Technology Venture Capital Fund	2,610	-
KB-Badgers Future Mobility ESG Fund No.1	600	-
KB-SBI Global Advanced Strategy Private Equity Limited Partnership	2,290	-
KB IMM New Star Real Estate No.1 Private Equity Limited Partnership	4,813	1,733
KB-LB Middle Market Enterprises Innovation Private Equity Fund	3,213	-
KB-IMM New Star Real Estate Private Fund II	320	-

31.7 Details of significant investment and withdrawal transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)

	2024	
	Equity investment and others	Withdrawal and others
Parent's subsidiaries		
KB Investment Co., Ltd.	-	68
KB Hanbando BTL Private Special Asset Fund No.1	-	14,113
KB Hope Sharing BTL Private Special Asset Fund	-	990
KB Star Office Private Real Estate Feeder Fund No.3 *	-	2,006
KB Star Office Private Real Estate Feeder Fund No.4	-	1,455
KB New Renewable Energy Private Special Asset Fund No.1	-	1,329
KB Mezzanine Private Securities Fund No.3 *	-	21,572
KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs)	96	705
KB Global Infrastructure Private Special Asset Fund No.6	10,033	223
KB BMO Senior Loan Private Special Asset Fund No.2 (USD)	-	7,948
KB Sinansan Line Private Special Asset Fund (SOC)	17,450	4,821
KB New Renewable Green New Deal Private Special Asset No.2	275	1,807
KB MCF Senior Loan Private Special Asset Fund No.3 (Loan-FoFs)	2,390	4,102
KB New Deal Infra Private Special Asset Fund	1,518	745
KB Global Commerce Private Equity Investment Fund *	-	7,139
KB GK Project Private Special Asset Fund No.3	-	16,072
KB BMO Senior Loan Private Special Asset Fund No.4 (USD)	-	3,148
KB Core Blind Private Real Estate Fund No.2	24,893	-
KB Star Reits Private Real Estate Feeder Fund No.2 (FoFs)	-	2,481
KB Korea Short Term Premium Private Securities Fund No.34(USD)(Bond) *	-	42,938
KB Korea Short Term Premium Private Securities Fund No.35(USD)(Bond) *	-	44,952
RISE Nov2025 Term Credit ETF *	-	53,762
KB RISE Money Market Active ETF(Bond) *	249,807	561,580
KB NA Jefferies Private Special Asset Fund 1	-	4,557
KB RISE Fixed Short-Term MSB ETF(Bond)	100,078	100,029
KB Scale Up Fund Ⅱ	4,500	-
KB New Renewable Energy Private Special Asset Fund No.3	5,176	874
KB Institutional USD MMF1(USD) *	2,320	2,320
KB Senior Private Special Asset Fund No.5-1	17,506	2,480
KB Mezzanine Capital 4th Private Equity Fund	12,975	-
KB Core Plus Blind Private Real Estate Fund 1	-	484
KB Daegu Busan Highway Private Special Asset Fund(SOC)	-	31,550
KB NA Summit Private Special Asset fund 1(USD)(FoFs)	4,437	-
KB Star Mid Term G.B.F.I C-F Class *	50,000	-
KB Innovative Growth Infra Private Special Asset Fund	1,248	-
KB Daegu Busan Highway Private Special Asset Fund No.2(SOC)	39,990	795
KB East-side Expressway Private Special Asset(SOC)	4,399	-
Associates		
Korea Credit Bureau Co., Ltd.	-	90

31.7 Details of significant investment and withdrawal transactions with related parties for the nine-month periods ended September 30, 2025 and 2024, are as follows: (cont'd)

(In millions of Korean won)

	2024	
	Equity investment and others	**Withdrawal and others**
Future Planning KB Start-up Creation Fund *	-	4,000
Aju Good Technology Venture Fund	-	2,120
KB-TS Technology Venture Private Equity Fund	-	1,320
KB Intellectual Property Fund No.2	-	1,050
KB Digital Innovation Investment Fund Limited Partnership	-	5,040
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund *	-	2,825
KB SPROTT Renewable Private Equity Fund No.1	-	6,331
KB Global Platform Fund	-	6,350
KB-UTC Inno-Tech Venture Fund	-	225
KB Pre-IPO New Technology Business Investment Fund No.2	-	2,000
KB Smart Scale-Up Fund	-	4,950
KB-KTB Technology Venture Fund	3,000	-
KB Digital Platform Fund	28,000	-
KB Prime Digital Platform Fund	2,600	-
KB Global Platform Fund No.2	8,000	-
Associate of Parent		
Balhae Infrastructure Company	-	6,350
Associates of Parent's subsidiaries		
KB-Stonebridge Secondary Private Equity Fund	-	411
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	728	1,803
KB Co-Investment Private Equity Fund No.1	7,940	2,769
KB-NP Green ESG New Technology Venture Capital Fund	4,635	-
KB-Badgers Future Mobility ESG Fund No.1	4,424	-

* Excluded from the Group's related party as of September 30, 2025.

31.8 Acceptances and guarantees and unused commitments provided to related parties as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)		September 30, 2025	December 31, 2024
Parent's subsidiaries			
KB Investment Co., Ltd.	Purchase of securities	9,000	16,500
	Loss sharing agreements	1,000	1,000
KB Kookmin Card Co., Ltd.	Loan commitments in Korean won	820,000	820,000
	Other commitments in Korean won	1,700,000	1,700,000
	Other commitments in foreign currency	82,092	160,369
KB Capital Co., Ltd.	Other commitments in foreign currency	-	5,464
KB Securities Co., Ltd.	Loan commitments in Korean won	140,000	140,000
	Other commitments in foreign currency	-	4,553
KB Insurance Co., Ltd.	Loan commitments in Korean won	20,000	20,000
KB Life Insurance Co., Ltd.	Loan commitments in Korean won	1,000	1,000
KB New Renewable Energy Private Special Asset Fund No.3	Purchase of securities	6,935	11,491
KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs)	Purchase of securities	1,624	1,831
KB Global Infrastructure Private Special Asset Fund No.6	Purchase of securities	966	966
KB BMO Senior Loan Private Special Asset Fund No.2 (USD)	Purchase of securities	16	17
KB BMO Senior Loan Private Special Asset Fund No.6(USD)	Purchase of securities	6,921	-
KB New Renewable Green New Deal Private Special Asset No.2	Purchase of securities	2,609	2,767
KB Sinansan Line Private Special Asset Fund (SOC)	Purchase of securities	127,662	146,883
KB MCF Senior Loan Private Special Asset Fund No.3 (Loan-FoFs)	Purchase of securities	8,950	11,662
KB New Deal Infra Private Special Asset Fund	Purchase of securities	1,568	2,024
KB GK Project Private Special Asset Fund No.3	Purchase of securities	23	23
KB Core Blind Private Real Estate Fund No.2	Purchase of securities	714	714
KB Mezzanine Capital 4th Private Equity Fund	Purchase of securities	14,763	29,071
KB NA Jefferies Private Special Asset Fund 1	Purchase of securities	7,488	25,506
KB Senior Private Special Asset Fund No.5-1	Purchase of securities	370	370
KB Senior Loan Private Fund 6-1	Purchase of securities	32,973	-
KB Core Plus Blind Private Real Estate Fund 1	Purchase of securities	19,350	41,932
KB Wise Star Private Real Estate 21	Purchase of securities	40,000	-
KB Daegu Busan Highway Private Special Asset Fund(SOC)	Purchase of securities	31	31
KB Daegu Busan Highway Private Special Asset Fund No.2(SOC)	Purchase of securities	10	10
KB NA Summit Private Special Asset fund 1(USD)(FoFs)	Purchase of securities	20,712	23,640
KB Innovative Growth Infra Private Special Asset Fund	Purchase of securities	10,051	17,652

31.8 Acceptances and guarantees and unused commitments provided to related parties as of September 30, 2025 and December 31, 2024, are as follows: (cont'd)

(In millions of Korean won)		September 30, 2025	December 31, 2024
KB East-side Expressway Private Special Asset(SOC)	Purchase of securities	33,797	34,150
KB Global Senior Loan PrivateDebt 1(USD)	Purchase of securities	44,331	-
KB IncomeFocus Blind Private RealEstate Fund 1(FoFs)	Purchase of securities	33,871	-
KB Value Rise Blind Private RealEstate 1(Fofs)	Purchase of securities	14,484	-
KB BX Europe Infra Private SpecialAsset Fund 1(EUR)	Purchase of securities	18,009	-
Associates			
Incheon Bridge Co., Ltd.	Loan commitments in Korean won	20,000	20,000
KB Global Platform Fund No.2	Purchase of securities	18,000	26,000
All Together Korea Fund No.2 (Stock-FoFs)	Purchase of securities	990,000	990,000
KB Digital Platform Fund	Purchase of securities	33,600	61,600
KB-SOLIDUS Healthcare Investment Fund	Purchase of securities	7,000	7,900
KB Prime Digital Platform Fund	Purchase of securities	-	3,250
Startup Korea KB Secondary Fund	Purchase of securities	21,000	25,500
Associate of Parent			
Balhae Infrastructure Company	Purchase of securities	6,154	6,154
Associates of Parent's subsidiaries			
TeamSparta Inc. *	Loan commitments in Korean won	-	1,000
Lemontree Inc.	Loan commitments in Korean won	450	-
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	Purchase of securities	308	1,508
KB Co-Investment Private Equity Fund No.1	Purchase of securities	440	3,820
KB-Badgers Future Mobility ESG Fund No.1	Purchase of securities	11,364	11,964
KB-NP Green ESG New Technology Venture Capital Fund	Purchase of securities	315	2,925
KB-SBI Global Advanced Strategy Private Equity Limited Partnership	Purchase of securities	14,337	16,627
KB IMM New Star Real Estate No.1 Private Equity Limited Partnership	Purchase of securities	6,658	11,471
KB IMM New Star Real Estate No.2 Private Equity Limited Partnership	Purchase of securities	19,680	-
Key management personnel	Loan commitments in Korean won	1,001	1,829

31.9 Acceptances and guarantees and unused commitments provided by related parties as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)		September 30, 2025	December 31, 2024
Parent Company's subsidiaries			
KB Investment Co., Ltd.	Loss sharing agreements	3,440	5,564
KB Kookmin Card Co., Ltd.	Loan commitment in Korean won	82,722	76,749

31.10 Details of compensation to key management personnel for the nine-month periods ended September 30, 2025 and 2024, are as follows:

(In millions of Korean won)	2025			
	Short-term employee benefits	Post-employment benefits	Share-based payments	Total
Registered directors (executive)	1,436	13	1,142	2,591
Registered directors (non-executive)	250	-	-	250
Non-registered directors	6,584	282	10,278	17,144
	8,270	295	11,420	19,985

(In millions of Korean won)	2024			
	Short-term employee benefits	Post-employment benefits	Share-based payments	Total
Registered directors (executive)	1,564	50	2,276	3,890
Registered directors (non-executive)	289	-	-	289
Non-registered directors	9,214	340	12,999	22,553
	11,067	390	15,275	26,732

31.11 Major types of transactions between the Group and the related parties include deposit taking transactions, loan transactions such as general-purpose loans, corporate purchase loans, B2B loans, etc., settlements of funds arising from overseas remittance, providing credit lines through the acceptance of letter of credit issued by the Bank, and overdraft accounts arising from net settlement agreement between the Bank and KB Kookmin Card Co., Ltd.

31.12 Details of collateral provided to related parties as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)		September 30, 2025		December 31, 2024	
	Assets pledged *	Carrying amount	Collateralized amount	Carrying amount	Collateralized amount
Parent's subsidiaries					
KB Securities Co., Ltd.	Securities	89,096	88,969	108,669	108,891
KB Life Insurance Co., Ltd.	Securities	25,437	25,000	25,435	25,000
KB Insurance Co., Ltd.	Securities	50,000	50,000	50,000	50,000

* Collaterals related to lease contracts arising from operating activities between related parties are excluded.

31.13 Details of collateral provided by related parties as of September 30, 2025 and December 31, 2024, are as follows:

(In millions of Korean won)	**Assets held as collateral** *	**September 30, 2025**	**December 31, 2024**
Parent's subsidiaries			
KB Securities Co., Ltd.	Time deposits / Beneficiary right certificate	167,000	167,000
	Securities	20,000	20,000
	Real estate	31,200	31,200
KB Life Insurance Co., Ltd.	Time deposit	13,700	-
	Securities	35,315	54,155
	Real estate	49,761	34,138
KB Kookmin Card Co., Ltd.	Time deposits	24,312	24,198
KB Insurance Co., Ltd.	Securities	210,450	222,249
KB Star Office Private Real Estate Feeder Fund No.4	Real estate	24,000	24,000
KB Core Blind Private Real Estate Fund No.2	Real estate	58,240	-
KB Wise Star Private Real Estate22	Real estate	45,600	-
KB Wise Star Private Real Estate24	Real estate	50,160	-
KB Logistics Blind Private Real Estate Fund No.1	Real estate	-	48,000
Key management personnel	Time deposits and others	682	1,411
	Real estate	7,136	7,949

* Collaterals related to lease contracts arising from operating activities between related parties are excluded.

As of September 30, 2025, Incheon Bridge Co., Ltd., a related party, provides fund management account, civil engineering works insurance, and management and operations rights as senior collateral amounting to ₩ 611,000 million to the project financing group consisting of the Bank and 5 other institutions, and as subordinated collateral amounting to ₩ 384,800 million to subordinated debt holders consisting of the Bank and 2 other institutions. Also, it provides certificate of credit guarantees amounting to ₩ 400,000 million as collateral to the project financing group consisting of the Bank and 5 other institutions.

31.14 The amounts of debt securities and others purchased through KB Securities Co., Ltd. are ₩ 7,585,005 million and ₩ 6,290,102 million for the nine-month periods ended September 30, 2025 and 2024 respectively, and the amounts of debt securities and others sold through KB securities Co., Ltd. are ₩ 8,514,571 million and ₩ 7,088,826 million for the nine-month periods ended September 30, 2025 and 2024, respectively. Also, the amount of debentures issued by the Bank and acquired by KB Securities Co., Ltd. during the nine-month period ended September 30, 2024 is ₩ 65,000 million.

31.15 The amounts of bonds sold by Kookmin Bank through KB Insurance Co., Ltd. are ₩ 142,293 million and ₩ 291,298 million for the year ended September 30, 2025 and 2024, respectively.

31.16 The amounts of intangible assets and others purchased from KB Data System Co., Ltd. are ₩ 12,895 million and ₩ 11,343 million for the nine-month periods ended September 30, 2025 and 2024, respectively.

31.17 The Bank has entered into CLS (Continuous Linked Settlement) service agreement with KB Securities Co., Ltd. and accordingly the Bank is able to provide intraday liquidity of USD 500 million on the condition of repayment on the day of payment.

32. Events after the Reporting Period

On October 29, 2025, the Board of Directors declared an interim dividend of ₩2,480 per share, with a record date of October 29, 2025. The dividend has not been recognized as a liability in the consolidated financial statements as at September 30, 2025.

Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of Kookmin Bank

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

Basis for Opinion

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

Other Matter

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

/s/ Samil PricewaterhouseCoopers

Seoul, Korea

March 5, 2025

This report is effective as of March 5, 2025, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Kookmin Bank and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2024 and December 31, 2023

(In millions of Korean won)	Notes	December 31, 2024	December 31, 2023
Assets			
Cash and due from financial institutions	4,6,7,36	₩ 22,910,149	₩ 23,637,007
Financial assets at fair value through profit or loss	4,6,8,12	22,089,847	19,700,714
Derivative financial assets	4,6,9	10,249,619	5,038,961
Loans measured at amortized cost	4,6,8,10,11	409,867,155	385,404,070
Financial investments	4,6,8,12	81,226,618	78,350,848
Investments in associates	13	585,509	589,311
Property and equipment	8,14	4,199,120	3,768,598
Investment property	14	125,014	347,480
Intangible assets	15	968,603	1,019,673
Net defined benefit asset	23	163,892	228,565
Current income tax assets	32	318,833	228,880
Deferred income tax assets	16,32	137,117	249,512
Assets held for sale	17	136,838	208,229
Other assets	4,6,18	9,908,866	11,241,005
Total assets		₩ 562,887,180	₩ 530,012,853
Liabilities			
Financial liabilities at fair value through profit or loss	4,6	₩ 159,212	₩ 93,438
Derivative financial liabilities	4,6,9	9,643,135	4,445,352
Deposits	4,6,19	421,200,651	393,246,702
Borrowings	4,6,20	32,226,416	34,990,075
Debentures	4,6,21	34,736,771	31,811,407
Provisions	22	543,694	929,594
Net defined benefit liabilities	23	11,283	7,841
Current income tax liabilities	32	25,178	38,545
Deferred income tax liabilities	16,32	673,452	502,992
Other liabilities	4,6,24,30	25,640,068	27,398,180
Total liabilities		524,859,860	493,464,126
Equity			
Capital stock	25	2,021,896	2,021,896
Hybrid securities	25	1,065,612	1,282,935
Capital surplus	25	4,650,118	4,735,404
Accumulated other comprehensive income	25,34	775,726	614,395
Retained earnings	25,33,34	29,427,755	27,718,412
(Provision of regulatory reserve for credit losses			
December 31, 2024 : ₩ 2,796,799 million			
December 31, 2023 : ₩ 3,018,015 million)			
(Amounts estimated to be appropriated (reversed)			
December 31, 2024 : ₩ (60,765) million			
December 31, 2023 : ₩ (221,216) million)			
Equity attributable to the owners of the parent		37,941,107	36,373,042
Non-controlling interests		86,213	175,685
Total equity		38,027,320	36,548,727
Total liabilities and equity		₩ 562,887,180	₩ 530,012,853

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

Kookmin Bank and Subsidiaries
Consolidated Statements of Comprehensive Income
Years Ended December 31, 2024 and 2023

(In millions of Korean won)	Notes	2024	2023
Interest income		₩ 23,211,072	₩ 22,347,123
Interest income from financial instruments at fair value through other comprehensive income and amortized cost		22,778,587	21,901,583
Interest income from financial instruments at fair value through profit or loss		432,485	445,540
Interest expense		(12,987,200)	(12,477,056)
Net interest income	26	10,223,872	9,870,067
Fee and commission income		1,544,109	1,602,820
Fee and commission expense		(431,231)	(434,537)
Net fee and commission income	27	1,112,878	1,168,283
Net gains on financial instrument at fair value through profit or loss	28	767,877	759,985
Net other operating expenses	29	(1,391,357)	(1,340,451)
General and administrative expenses	14,15,23,30,40	(4,634,318)	(4,521,766)
Operating income before provision for credit losses		6,078,952	5,936,118
Provision for credit losses	7,11,12,18,22	(680,087)	(1,608,128)
Net operating income		5,398,865	4,327,990
Share of profit of associates	13	7,402	117
Net other non-operating expenses	31	(960,969)	(98,330)
Net non-operating expenses		(953,567)	(98,213)
Profit before income tax expense		4,445,298	4,229,777
Income tax expense	32	(1,293,896)	(1,079,825)
Profit for the period		3,151,402	3,149,952
(Adjusted profit after provision of regulatory reserve for credit losses December 31, 2024 : ₩ 3,312,524 million December 31, 2023 : ₩ 3,482,715 million)	25		
Items that will not be reclassified to profit or loss:			
Remeasurements of net defined benefit liabilities	23	(41,968)	(48,416)
Gains (losses) on equity securities at fair value through other comprehensive income		(272,923)	26,125
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences		428,808	(33,925)
Gains on debt securities at fair value through other comprehensive income		218,847	696,233
Share of other comprehensive income (loss) of associates		(762)	1,132
Losses on hedging instruments of net investments in foreign operations	9	(165,038)	(17,324)
Gains (losses) on cash flow hedging instruments	9	1,140	(12,904)
Other comprehensive income for the period, net of tax	34	168,104	610,921
Total comprehensive income for the period		₩ 3,319,506	₩ 3,760,873
Profit (loss) attributable to:			
Shareholder of the Parent Company		₩ 3,251,759	₩ 3,261,499
Non-controlling interests		(100,357)	(111,547)
		₩ 3,151,402	₩ 3,149,952
Total comprehensive income (loss) for the period attributable to:			
Shareholder of the Parent Company		₩ 3,408,978	₩ 3,889,625
Non-controlling interests		(89,472)	(128,752)
		₩ 3,319,506	₩ 3,760,873

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

Kookmin Bank and Subsidiaries
Consolidated Statements of Changes in Equity
Years Ended December 31, 2024 and 2023

(In millions of Korean won)	Attributable to the owners of the parent					Non-controlling interests	Total equity
	Capital stock	Hybrid securities	Capital surplus	Accumulated other comprehensive income	Retained earnings		
Balance as of January 1, 2023	₩ 2,021,896	₩ 873,850	₩ 5,025,335	₩ 12,751	₩ 25,834,192	₩ (44,765)	₩ 33,723,259
Comprehensive income for the period							
Profit (loss) for the period	-	-	-	-	3,261,499	(111,547)	3,149,952
Remeasurements of net defined benefit liabilities	-	-	-	(49,108)	-	692	(48,416)
through other comprehensive income	-	-	-	(357)	26,482	-	26,125
Currency translation differences	-	-	-	(15,802)	-	(18,123)	(33,925)
Gains on debt securities at fair value through other comprehensive income	-	-	-	696,007	-	226	696,233
Share of other comprehensive gains of associates	-	-	-	1,132	-	-	1,132
Losses on hedging instruments of net investments in foreign operations	-	-	-	(17,324)	-	-	(17,324)
Losses on cash flow hedging instruments	-	-	-	(12,904)	-	-	(12,904)
Total comprehensive income for the period	-	-	-	601,644	3,287,981	(128,752)	3,760,873
Transactions with the shareholder							
Dividends	-	-	-	-	(1,346,582)	-	(1,346,582)
Issuance of hybrid securities	-	409,085	-	-	-	-	409,085
Dividends on hybrid securities	-	-	-	-	(57,179)	-	(57,179)
Ownership changes in subsidiaries	-	-	(289,931)	-	-	349,202	59,271
Total transactions with the shareholder	-	409,085	(289,931)	-	(1,403,761)	349,202	(935,405)
Balance as of December 31, 2023	₩ 2,021,896	₩ 1,282,935	₩ 4,735,404	₩ 614,395	₩ 27,718,412	₩ 175,685	₩ 36,548,727
Balance as of January 1, 2024	₩ 2,021,896	₩ 1,282,935	₩ 4,735,404	₩ 614,395	₩ 27,718,412	₩ 175,685	₩ 36,548,727
Comprehensive income for the period							
Profit (loss) for the period	-	-	-	-	3,251,759	(100,357)	3,151,402
Remeasurements of net defined benefit liabilities	-	-	-	(42,577)	-	609	(41,968)
Losses on equity securities at fair value through other comprehensive income	-	-	-	(268,811)	(4,112)	-	(272,923)
Currency translation differences	-	-	-	418,036	-	10,772	428,808
Gains (losses) on debt securities at fair value through other comprehensive income	-	-	-	219,343	-	(496)	218,847
Share of other comprehensive income of associates	-	-	-	(762)	-	-	(762)
Losses on hedging instruments of net investments in foreign operations	-	-	-	(165,038)	-	-	(165,038)
Gains on cash flow hedging instruments	-	-	-	1,140	-	-	1,140
Total comprehensive income for the period	-	-	-	161,331	3,247,647	(89,472)	3,319,506
Transactions with the shareholder							
Dividends	-	-	-	-	(1,467,896)	-	(1,467,896)
Issuance of hybrid securities	-	357,200	-	-	-	-	357,200
Redemption of hybrid securities	-	(574,523)	(85,286)	-	-	-	(659,809)
Dividends on hybrid securities	-	-	-	-	(70,408)	-	(70,408)
Total transactions with the shareholder	-	(217,323)	(85,286)	-	(1,538,304)	-	(1,840,913)
Balance as of December 31, 2024	₩ 2,021,896	₩ 1,065,612	₩ 4,650,118	₩ 775,726	₩ 29,427,755	₩ 86,213	₩ 38,027,320

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

Kookmin Bank and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023

(In millions of Korean won)	Notes	2024	2023
Cash flows from operating activities			
Profit for the period		₩ 3,151,402	₩ 3,149,952
Adjustment for non-cash items			
Net gains on financial instruments at fair value through profit or loss		(752,292)	(845,293)
Net losses (gains) on derivative financial instrument for hedging purposes		2,248	(6,597)
Provision for credit losses		680,085	1,608,128
Net losses (gains) on financial investments		(58,904)	74,549
Share of profit of associates		(7,401)	(117)
Depreciation and amortization expense		591,105	569,173
Other net losses on property and equipment/intangible assets		96,652	18,801
Share-based payments		52,197	24,330
Post-employment benefits		127,523	108,299
Net interest income		(32,139)	(183,360)
Losses on foreign currency translation		1,137,356	98,458
Other expenses		869,848	86,745
		2,706,278	1,553,116
Changes in operating assets and liabilities			
Financial assets at fair value through profit or loss		(1,611,425)	964,757
Derivative financial instrument		179,974	(71,173)
Loans measured at amortized cost		(20,545,720)	(11,836,507)
Current income tax assets		(89,953)	(16,330)
Deferred income tax assets		122,112	(68,331)
Other assets		909,400	(3,571,681)
Financial liabilities at fair value through profit or loss		23,953	(29,240)
Deposits		23,713,337	11,055,701
Deferred income tax liabilities		252,983	122,482
Other liabilities		(3,515,238)	6,169,494
		(560,577)	2,719,172
Net cash inflow from operating activities		5,297,103	7,422,240
Cash flows from investing activities			
Net cash flows from derivative financial instrument for hedging purposes		29,389	21,497
Disposal of financial assets at fair value through profit or loss		8,037,318	7,283,632
Acquisition of financial assets at fair value through profit or loss		(7,884,004)	(5,820,627)
Disposal of financial investments		34,596,068	33,011,892
Acquisition of financial investments		(36,304,181)	(34,487,072)
Disposal of investments in associates		68,071	62,988
Acquisition of investments in associates		(57,900)	(120,660)
Disposal of property and equipment		4,038	3,028
Acquisition of property and equipment		(188,218)	(156,262)
Disposal of Investment Property		264,948	-
Disposal of intangible assets		4,619	-
Acquisition of intangible assets		(81,231)	(106,633)
Net cash flows from changes in ownership of subsidiaries		77,094	(24,037)
Others		(23,052)	(18,676)
Net cash outflow from investing activities		(1,457,041)	(350,930)
Cash flows from financing activities			
Net cash flows from derivative financial instrument for hedging purposes		(16,790)	32,370
Decrease in borrowings		(5,164,339)	(10,475,975)
Increase in debentures		20,162,078	25,538,802
Decrease in debentures		(18,796,179)	(23,923,149)
Payment of dividends		(1,467,896)	(1,346,582)
Increase in other payables to trust accounts		89,900	2,333,656
Issuance of hybrid securities		357,200	409,085
Redemption of hybrid securities		(690,400)	-
Net cash outflow from consolidated equtiy transactions		-	349,201
Others		(297,105)	(743,350)
Net cash outflow from financing activities		(5,823,531)	(7,825,942)
Effect of exchange rate changes on cash and cash equivalents		911,384	(38,098)
Net decrease in cash and cash equivalents		(1,072,085)	(792,730)
Cash and cash equivalents at the beginning of the period	36	22,561,791	23,354,521
Cash and cash equivalents at the end of the period	36	₩ 21,489,706	₩ 22,561,791

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

1. Reporting Entity

Kookmin Bank (the "Bank") was incorporated in 1963 under the Citizens National Bank Act to provide banking services to the general public and to small and medium-sized enterprises. Pursuant to the Repeal Act of the Citizens National Bank Act, effective January 5, 1995, the Bank's status changed to a financial institution which operates under the Banking Act and Commercial Act.

The Bank merged with Korea Long Term Credit Bank on December 31, 1998, and with its subsidiaries, Daegu, Busan, Jeonnam Kookmin Mutual Savings & Finance Co., Ltd., on August 22, 1999. Pursuant to the directive from the Financial Services Commission related to the 1998 Structural Improvement of the Financial Industry Act, the Bank acquired certain assets, including performing loans, and assumed most of the liabilities of Daedong Bank on June 29, 1998. Also, the Bank completed the merger with Housing and Commercial Bank ("H&CB") on October 31, 2001, and merged with Kookmin Credit Card Co., Ltd., a majority-owned subsidiary, on September 30, 2003. Meanwhile, the Bank spun off its credit card business segment on February 28, 2011, and KB Kookmin Card Co., Ltd. became a subsidiary of KB Financial Group Inc.

The Bank listed its shares on the Stock Market Division of the Korea Exchange ("KRX") in September 1994. As a result of the merger with H&CB, the shareholders of the former Kookmin Bank and H&CB received new common shares of the Bank which were relisted on the KRX on November 9, 2001. In addition, H&CB listed its American Depositary Shares ("ADS") on the New York Stock Exchange ("NYSE") on October 3, 2000, prior to the merger. Following the merger with H&CB, the Bank listed its ADS on the NYSE on November 1, 2001. The Bank became a wholly owned subsidiary of KB Financial Group Inc. through a comprehensive stock transfer on September 29, 2008. Subsequently, the Bank's shares and its ADS, each listed on the KRX and the NYSE, were delisted on October 10, 2008 and September 26, 2008, respectively. As of December 31, 2024, the Bank's paid-in capital is ₩ 2,021,896 million.

The Bank engages in the banking business in accordance with the Banking Act, trust business in accordance with the Financial Investment Services and Capital Markets Act, mobile virtual network business in accordance with Special Act on Support for Financial Innovation, and other relevant businesses. As of December 31, 2024, the Bank operates its Seoul headquarters and 800 domestic branches, and 11 overseas branches (excluding five subsidiaries).

2. Basis of Preparation

2.1 Application of Korean IFRS

The Bank and its subsidiaries (collectively the "Group") maintains its accounting records in Korean won and prepares statutory consolidated financial statements in the Korean language in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("Korean IFRS"). The accompanying consolidated financial statements have been translated into English from the Korean language consolidated financial statements.

The consolidated financial statements of the Group have been prepared in accordance with Korean IFRS. Korean IFRS are the standards and related interpretations issued by the International Accounting Standards Board ("IASB") that have been adopted by the Republic of Korea.

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. Management also needs to exercise judgment in applying the Group's accounting policies. The areas that require a more complex and higher level of judgment or areas that require significant assumptions and estimations are disclosed in Note 2.4.

2.1.1 The Group has applied the following amended standards for the first time for its annual reporting period commencing January 1, 2024.

- Amendment of Korean IFRS No.1001 "Presentation of Financial Statements" - Classification of Liabilities into Current and Non-Current

Liabilities are classified as current or non-current based on their substantive rights existing at the end of the reporting period, without considering the possibility of exercising the right to delay the payment or the management's expectations. Also, if the transfer of equity instruments is included in the payment of liabilities, it is excluded if the option to pay with equity instruments is recognized separately from the liability in a compound financial instrument and meets the definition of equity instruments. These amendments do not have a significant impact on the consolidated financial statements.

- Amendment of Korean IFRS No.1007 "Statement of Cash Flows" and No.1107 "Financial Instruments: Disclosures" – Disclosure of Supplier Finance Arrangements

The amendments require disclosure of the effects of supplier finance arrangements on the Group's liabilities, cash flows and exposure to liquidity risk. These amendments do not have a significant impact on the consolidated financial statements.

- Amendment of Korean IFRS No.1116 "Leases" - Lease Liability in a Sale and Leaseback

The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. These amendments do not have a significant impact on the consolidated financial statements.

- Amendment of Korean IFRS No.1001 "Presentation of Financial Statements" – Disclosure of Virtual Asset

The amendments require additional disclosure for virtual assets held by the Group, virtual assets entrusted by customers to the Group, and the issuance and transfer of virtual assets. These amendments do not have a significant impact on the consolidated financial statements.

2.1.2 The following new and amended standards have been published that are not mandatory for December 31, 2024 reporting period and have not been adopted by the Group.

- Amendment of Korean IFRS No.1021 "The Effects of Changes in Foreign Exchange Rates" - Lack of exchangeability

The amendments require the Company to determine a spot exchange rate when exchangeability is lacking, and to disclose information on the nature and financial effects of the currency not being exchangeable into the other currency, the spot exchange rate(s) used, the estimation process, and the risks to which the Company is exposed. This amendment will be applied to the financial statements for the accounting year beginning on or after January 1, 2025.The Group expects that the amendment will not have a significant impact on the consolidated financial statements.

2.2 Measurement Basis

The consolidated financial statements have been prepared based on the historical cost accounting model unless otherwise specified.

2.3 Functional and Presentation Currency

Items included in the financial statements of each entity of the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Korean won, which is the reporting entity's functional and presentation currency.

2.4 Significant Accounting Estimates

The Group applies accounting policies and uses judgements, accounting estimates, and assumptions that may have a significant impact on the assets (liabilities) and incomes (expenses) in preparing the consolidated financial statements. Management's estimates of outcomes may differ from actual outcomes if management's estimates and assumptions based on management's best judgment are different from the actual environment.

Estimates and underlying assumptions are continually evaluated, and changes in accounting estimates are recognized in the period in which the estimates are changed and in any future periods affected.

Uncertainties in estimates and assumptions with significant risks that may result in material adjustments to the consolidated financial statements are as follows:

2.4.1 Income taxes

As the income taxes on the Group's taxable income is calculated by applying the tax laws of various countries and the decisions of tax authorities, there is uncertainty in calculating the final tax effect.

2.4.2 Fair value of financial instruments

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available is determined by using valuation techniques. Financial instruments, which are not actively traded in the market and those with less transparent market prices, will have less objective fair values and require broad judgment on liquidity, concentration, uncertainty in market factors, assumptions in fair value determination, and other risks.

As described in the significant accounting policies in Note 3.3 Recognition and Measurement of Financial Instruments, diverse valuation techniques are used to determine the fair value of financial instruments, from generally accepted market valuation models to internally developed valuation models that incorporate various types of assumptions and variables.

2.4.3 Allowances and provisions for credit losses

The Group recognizes and measures allowances for credit losses of debt instruments measured at amortized cost and debt instruments measured at fair value through other comprehensive income. Also, the Group recognizes and measures provisions for credit losses of acceptances and guarantees, and unused loan commitments. Accuracy of allowances and provisions for credit losses is dependent upon estimation of expected cash flows of the borrower subject to individual assessment of impairment, and upon assumptions and variables of model used in collective assessment of impairment and estimation of provisions for credit losses of acceptances and guarantees, and unused loan commitments.

- Allowances and provisions for credit losses (Allowances, acceptances and guarantees, and unused commitments)

Economic uncertainty arising from the complex crises is increasing such as real economic recession, etc., and asset quality deterioration may be raised from increased pressure of debt repayment increased by high interest rates. Accordingly, the Group reflected this effect on expected credit losses by employing additional method based on the comprehensive review of the effect on vulnerable sectors in the event of the discontinuation of COVID-19 financial support policies. In addition, the Group has expanded the scope of lenders for individual assessment of allowance, and estimates the elements of risk measures reflecting the future economic prospects based on the comprehensive reviews. The Group will continue to monitor the impact on expected credit losses by considering the duration of economic uncertainty and government policies, and the impact on expected credit losses is described in Note 11.1 Changes in allowances for credit losses of loans measured at amortized cost and Note 22.2 Changes in provisions for credit losses of unused loan commitments, and acceptances and guarantees.

2.4.4 Net defined benefit asset (liability)

The present value of the net defined benefit asset(liability) is affected by changes in the various factors determined by the actuarial method.

2.4.5 Impairment of goodwill

The recoverable amounts of cash-generating units are determined based on value-in-use calculations to test whether impairment of goodwill has occurred.

3. Material Accounting Policies

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

3.1 Consolidation

3.1.1 Subsidiaries

Subsidiaries are companies that are controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Also, the existence and effects of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls the investee. Subsidiaries are fully consolidated from the date when control is transferred to the Group and de-consolidated from the date when control is lost.

If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests, if any. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions (i.e., transactions with owners in their capacity as owners). The difference between fair value of any consideration paid and carrying amount of the subsidiary's net assets attributable to the additional interests acquired, is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group loses control, any investment retained in the former subsidiary is recognized at its fair value at the date when control is lost, with the resulting difference recognized in profit or loss. This fair value will be the fair value on initial recognition of a financial asset in accordance with Korean IFRS No.1109 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. In addition, all amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for on the same basis as would be required if the Group had directly disposed of the related assets or liabilities. Therefore, amounts previously recognized in other comprehensive income are reclassified to profit or loss.

The Group accounts for each business combination by applying the acquisition method. The consideration transferred is measured at fair value, and identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are initially measured at acquisition-date fair values. For each business combination, the Group measures non-controlling interests in the acquiree that entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation at either (a) fair value or (b) the proportionate share in the recognized amounts of the acquiree's identifiable net assets. Acquisition-related costs are expensed in the periods in which the costs are incurred.

In a business combination achieved in stages, the Group shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate. In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that

was recognized in other comprehensive income shall be reclassified as profit or loss, or retained earnings, on the same basis as would be required if the Group had directly disposed of the previously held equity interest.

The Group applies the book-value method to account for business combinations of entities under common control. Identifiable assets acquired and liabilities assumed in a business combination are measured at their book value on the consolidated financial statements of the Group. In addition, the difference between (a) the sum of consolidated net book value of the assets and liabilities transferred and accumulated other comprehensive income and (b) the consideration paid, is recognized as capital surplus.

3.1.2 Associates

Associates are entities over which the Group has significant influence over the financial and operating policy decisions. Generally, if the Group holds 20% or more of the voting power of the investee, it is presumed that the Group has significant influence.

Investments in associates are initially recognized at cost and equity method is applied after initial recognition. The carrying amount is increased or decreased to recognize the Group's share of the profit or loss of the investee and changes in the investee's equity after the date of acquisition. Distributions received from an investee reduce the carrying amount of the investment. Unrealized gains and losses resulting from transactions between the Group and associates are eliminated to the extent of the Group's share in associates. If unrealized losses are an indication of an impairment that requires recognition in the consolidated financial statements, those losses are recognized for the period.

If associates use accounting policies other than those of the Group for like transactions and events in similar circumstances, if necessary, adjustments shall be made to make the associates' accounting policies conform to those of the Group when the associates' financial statements are used by the Group in applying the equity method.

If the Group's share of losses of associates equals or exceeds its interest in the associates (including long-term interests that, in substance, form part of the Group's net investment in the associates), the Group discontinues recognizing its share of further losses. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

The Group determines at each reporting period whether there is any objective evidence that the investments in the associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying amount and recognizes the amount as non-operating expenses in the consolidated statement of comprehensive income.

3.1.3 Structured entity

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. When the Group decides whether it has power over the structured entities in which the Group has interests, it considers factors such as the purpose, the form, the substantive ability to direct the relevant activities of a structured entity, the nature of its relationship with a structured entity, and the amount of exposure to variable returns.

3.1.4 Funds management

The Group manages and operates trust assets, collective investment, and other funds on behalf of investors. These trusts and funds are not consolidated, except for trusts and funds over which the Group has control.

3.1.5 Intragroup transactions

Intragroup balances, income, expenses, and any unrealized gains and losses resulting from intragroup transactions are eliminated in full, in preparing the consolidated financial statements. If unrealized losses are an indication of an impairment that requires recognition in the consolidated financial statements, those losses are recognized for the period.

3.2 Foreign Currency

3.2.1 Foreign currency transactions

A foreign currency transaction is recorded, at initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of each reporting period, foreign currency monetary items are translated using the closing rate which is the spot exchange rate at the end of the reporting period. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was measured and non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Except for the exchange differences for the net investment in a foreign operation and the financial liability designated as a hedging instrument of net investment, exchange differences arising on the settlement of monetary items or on translating monetary items are recognized in profit or loss. When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

3.2.2 Foreign operations

The results and financial position of a foreign operation, whose functional currency differs from the Group's presentation currency, are translated into the Group's presentation currency based on the following procedures.

If the functional currency of a foreign operation is not the currency of a hyperinflationary economy, assets and liabilities for each statement of financial position presented (including comparatives) are translated at the closing rate at the end of the reporting period, income and expenses for each statement of comprehensive income presented (including comparatives) are translated using the average exchange rates for the period. All resulting exchange differences are recognized in other comprehensive income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation. Thus, they are expressed in the functional currency of the foreign operation and are translated into the presentation currency at the closing rate.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognized. On the partial disposal of a subsidiary that includes a foreign operation, the Group re-attributes the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income to the non-controlling interests in that foreign operation. In any other partial disposal of a foreign operation, the Group reclassifies to profit or loss only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income.

3.2.3 Translation of the net investment in a foreign operation

A monetary item that is receivable from or payable to a foreign operation, for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the Group's net investment in that foreign operation. The foreign currency difference arising from that monetary item is recognized in other comprehensive income and shall be reclassified to profit or loss on disposal of the net investment.

3.3 Recognition and Measurement of Financial Instruments

3.3.1 Initial recognition

The Group recognizes a financial asset or a financial liability in its consolidated statement of financial position when the Group becomes party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets (a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned) is recognized and derecognized using trade date accounting.

For financial reporting purpose, the Group classifies (a) financial assets as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, or financial assets at amortized cost and (b) financial liabilities as financial liabilities at fair value through profit or loss, or other financial liabilities. These classifications are based on the business model for managing financial instruments and the contractual cash flow characteristics of the financial instrument at initial recognition.

At initial recognition, a financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value of a financial instrument on initial recognition is normally the transaction price (that is, the fair value of the consideration given or received) in an arm's length transaction.

3.3.2 Subsequent measurement

After initial recognition, financial instruments are measured at amortized cost or fair value based on classification at initial recognition.

3.3.2.1 Amortized cost

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

3.3.2.2 Fair value

The Group uses quoted price in an active market which is based on listed market price or dealer price quotations of financial instruments traded in an active market as best estimate of fair value. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

If there is no active market for a financial instrument, fair value is determined either by using a valuation technique or independent third-party valuation service. Valuation techniques include using recent arm's length market transactions between knowledgeable and willing parties, if available, referencing the current fair value of another instrument that is substantially the same, discounted cash flow analysis, and option pricing models.

The Group uses valuation models that are commonly used by market participants and customized for the Group to determine fair values of common over-the-counter (“OTC”) derivatives such as options, interest rate swaps, and currency swaps which are based on the inputs observable in markets. However, for some complex financial instruments that require fair value measurement by valuation techniques based on certain assumptions because some or all inputs used in the model are not observable in the market, the Group uses internal valuation models developed from general valuation models or valuation results from independent external valuation institutions.

In addition, the fair value information recognized in the consolidated statement of financial position is classified into the following fair value hierarchy, reflecting the significance of the input variables used in the fair value measurement.

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date
Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 : Unobservable inputs for the asset or liability

The fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment using unobservable inputs, that measurement is a Level 3 measurement.

The Group’s Fair Value Evaluation Committee, which consists of the risk management department, trading department and accounting department, reviews the appropriateness of internally developed valuation models, and approves the selection and changing of the external valuation institution and other considerations related to fair value measurement. The results of regular verification of the internally developed valuation models are reported to the Market Risk Management Subcommittee.

If the valuation technique does not reflect all factors which market participants would consider in pricing the asset or liability, the fair value is adjusted to reflect those factors. Those factors include counterparty credit risk, liquidity risk, and others.

The Group uses a valuation technique which maximizes the use of market inputs and minimizes the use of entity-specific inputs. It incorporates all factors that market participants would consider in pricing the asset or liability and is consistent with economic methodologies applied for pricing financial instruments. Periodically, the Group calibrates the valuation technique and tests its validity using prices of observable current market transactions of the same instrument or based on other relevant observable market data.

3.3.3 Derecognition

Derecognition is the removal of a previously recognized financial asset or financial liability from the consolidated statement of financial position. The derecognition criteria for financial assets and financial liabilities are as follows:

3.3.3.1 Derecognition of financial assets

A financial asset is derecognized when the contractual rights to the cash flows from the financial assets expire or the Group transfers substantially all the risks and rewards of ownership of the financial asset, or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and the Group has not retained control. Therefore, if the Group does not transfer substantially all the risks and rewards of ownership of the financial asset, the Group continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

If the Group transfers the contractual rights to receive the cash flows of the financial asset but retains substantially all the risks and rewards of ownership of the financial asset, the Group continues to recognize the transferred asset in its entirety and recognize a financial liability for the consideration received.

The Group writes off a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. In general, the Group considers write-off when it is determined that the debtor does not have sufficient funds or income to cover the principal and interest. The write-off decision is made in accordance with internal policy. After the write-off, the Group can continue to collect the written-off loans according to the internal policy. Recovered amounts from financial assets previously written-off are recognized in profit or loss.

3.3.3.2 Derecognition of financial liabilities

A financial liability is derecognized from the consolidated statement of financial position when it is extinguished (i.e., the obligation specified in the contract is discharged, canceled or expires).

3.3.4 Offsetting

A financial asset and a financial liability are offset, and the net amount is presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on a future event and must be legally enforceable in the normal course of business, the event of default, and the event of insolvency or bankruptcy of the Group and all of the counterparties.

3.4 Cash and Due from Financial Institutions

Cash and due from financial institutions include cash on hand, foreign currency, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and due from financial institutions. Cash and due from financial institutions are measured at amortized cost.

3.5 Non-derivative Financial Assets

3.5.1 Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss unless they are classified as financial assets at amortized cost or at fair value through other comprehensive income.

The Group may designate certain financial assets upon initial recognition as at fair value through profit or loss when the designation eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

After initial recognition, a financial asset at fair value through profit or loss is measured at fair value and gains or losses arising from a change in fair value are recognized in profit or loss. Interest income using the effective interest method and dividend income from financial assets at fair value through profit or loss are also recognized in profit or loss.

3.5.2 Financial assets at fair value through other comprehensive income

The Group classifies below financial assets as financial assets at fair value through other comprehensive income:

Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and where the assets' cash flows solely represent payments of principal and interest on the principal amount outstanding and;
Equity instruments that are not held for short-term trading but held for strategic investment, and designated as financial assets at fair value through other comprehensive income

After initial recognition, a financial asset at fair value through other comprehensive income is measured at fair value. Gains or losses arising from a change in fair value, other than dividend income, interest income calculated using the effective interest method and exchange differences arising on monetary items which are recognized directly in profit or loss, are recognized in other comprehensive income in equity.

When the financial assets at fair value through other comprehensive income is disposed of, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. However, cumulative gain or loss of equity instruments designated at fair value through other comprehensive income is reclassified to retained earnings not to profit or loss at disposal.

A financial asset at fair value through other comprehensive income denominated in foreign currency is translated at the closing rate. Exchange differences resulting from changes in amortized cost are recognized in profit or loss, and other changes are recognized in equity.

3.5.3 Financial assets at amortized cost

A financial asset, which is held within the business model whose objective is achieved by collecting contractual cash flows, and where the assets' cash flows represent solely payments of principal and interest on the principal amount outstanding, is classified as a financial asset at amortized cost. After initial recognition, a financial asset at amortized cost is measured at amortized cost using the effective interest method and interest income is calculated using the effective interest method.

3.6 Expected Credit Losses of Financial Assets (Debt Instruments)

The Group recognizes loss allowances for expected credit losses at the end of the reporting period for financial assets at amortized cost and fair value through other comprehensive income except for financial assets at fair value through profit or loss.

Expected credit losses are estimated at present value of probability-weighted amount that is determined by evaluating a range of possible outcomes. The Group measures expected credit losses by reflecting all reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

The approaches of measuring expected credit losses in accordance with Korean IFRS are as follows:

- General approach: for financial assets and unused loan commitments not subject to the below approach
- Credit-impaired approach: for financial assets that are credit-impaired at the time of acquisition

Application of general approach is differentiated depending on whether credit risk has increased significantly after initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures loss allowances for that financial instrument at an amount equal to 12-month expected credit losses, whereas if the credit risk on a financial instrument has increased significantly since initial recognition, the Group measures loss allowances for a financial instrument at an amount equal to the lifetime expected credit losses. Lifetime is the period until the contractual maturity date of financial instruments and means the expected life.

The Group assesses whether the credit risk has increased significantly using the following criteria, and if one or more of the following criteria are met, it is deemed as significant increase in credit risk. Criterion of more than 30 days past due is applied to all subsidiaries, and other criteria are applied selectively considering specific indicators of each subsidiary or additionally considering specific indicators of each subsidiary. If the contractual cash flows of a financial asset have been renegotiated or modified, the Group assesses whether the credit risk has increased significantly using the same following criteria.

- More than 30 days past due
- Decline in credit rating at the end of the reporting period by certain notches or more compared to the time of initial recognition
- Subsequent managing ratings below certain level in the early warning system
- Debt restructuring (except for impaired financial assets) and
- Credit delinquency information of Korea Federation of Banks, etc.

The Group generally considers the loan to be credit-impaired if one or more of the following criteria are met:

- 90 days or more past due
- Legal proceedings related to collection
- A borrower registered on the credit management list of Korea Federation of Banks
- A corporate borrower with the credit rating C and D
- Refinancing and
- Debt restructuring

3.6.1 Forward-looking information

The Group uses forward-looking information, when determining whether credit risk has increased significantly and measuring expected credit losses.

The Group assumes that the risk components have a constant correlation with the economic cycle and uses statistical methodologies to estimate the relation between key macroeconomic variables and risk components for the expected credit losses. The Bank has derived a correlation between the time series data of 14 years or more and the key macroeconomic variables and calculates the expected credit losses by reflecting the results of the correlation on the risk component.

The correlation between the major macroeconomic variables and the credit risk are as follows:

Key macroeconomic variables	Correlation between the major macroeconomic variables and the credit risk
Benchmark interest rate	(+)
AA- rated corporate bond (3-year)	(+)
BBB- rated corporate bond (3-year)	(+)
Composite stock index	(-)
Rate of increase in housing transaction price index (Whole Country)	(-)
Rate of increase in housing transaction price index (Metropolitan Area)	(-)
WTI crude oil price	(+)
Growth rate of private consumption	(-)
Rate of increase or decrease in unemployment rate	(+)

Forward-looking information used in the calculation of expected credit losses is based on the macroeconomic forecasts utilized by management of the Group for its business plan considering reliable external agency's forecasts and others. The forward-looking information is generated by KB Research with a comprehensive approach to capture the possibility of various economic forecast scenarios that are derived from the internal and external viewpoints of the macroeconomic situation. The Group determines the macroeconomic variables to be used in forecasting future conditions of the economy, considering the direction of the forecast scenario based on GDP growth and the significant relationship between macroeconomic variables and time series data. Some macroeconomic variables used are different than those used in the previous year.

As of December 31, 2024, the Bank measures expected credit losses by applying both the worse scenario and the crisis scenario, taking into consideration the potential credit risk resulting from the uncertain financial environment locally and globally and the rapid economic recession.

If we assume a probability weight of 100% for each scenario, the impact of the bank on expected credit loss allowances and provisions would be as follows.

(In millions of Korean won)

Scenario	Applied probability weight	Assumption of 100%	Difference from the book value
Deterioration	80%	2,152,009	(607,040)
Crisis situation	20%	4,323,709	1,564,660

3.6.2 Measuring expected credit losses on financial assets at amortized cost

The expected credit losses of financial assets at amortized cost are measured as present value of the difference between the contractual cash flows to be received and the cash flows expected to be received. The Group estimates expected future cash flows for financial assets that are individually significant. The Group selects the individually significant financial assets by comprehensively considering quantitative and qualitative factors (such as debt restructuring or negative net assets, etc.) when the credit risk has increased significantly or the financial asset in credit-impaired (individual assessment of impairment).

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

3.6.2.1 Individual assessment of impairment

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

3.6.2.2 Collective assessment of impairment

Collective assessment of impairment losses is performed by using a methodology based on historical loss experience and reflecting forward-looking information. Such a process incorporates factors such as type of collateral, type of product, type of borrower, credit rating, size of portfolio, and recovery period and applies Probability of Default (“PD”) on a group of assets and Loss Given Default (“LGD”) by type of recovery method. Also, the Group applies certain assumptions to model expected credit losses assessment and to determine input based on loss experience and forward-looking information. These models and assumptions are periodically reviewed to reduce the gap between loss estimate and actual loss experience.

The lifetime expected credit losses are measured by applying the PD to the carrying amount, which is calculated by deducting the expected principal repayment amount from the carrying amount as of the reporting date, and the LGD adjusted to reflect changes in the carrying amount.

3.6.3 Measuring expected credit losses on financial assets at fair value through other comprehensive income

The Group measures expected credit losses on financial assets at fair value through other comprehensive income in a manner that is consistent with the requirements that are applicable to financial assets at amortized cost. However, loss allowances are recognized in other comprehensive income. Upon disposal or repayment of financial assets at fair value through other comprehensive income, the amount of loss allowances is reclassified from other comprehensive income to profit or loss.

3.7 Derivative Financial Instruments

The Group enters into numerous derivative financial instrument contracts such as currency forwards, interest rate swaps, currency swaps, and others for trading purposes or to manage its interest rate risk, currency risk,

and others. The Group's derivative financial instruments business focuses on addressing the needs of the Group's corporate clients to hedge their risk exposure and to hedge the Group's risk exposure that results from such client contracts. These derivative financial instruments are presented as derivative financial instruments in the consolidated financial statements irrespective of transaction purpose and subsequent measurement requirement.

The Group designates certain derivative financial instruments as hedging instruments to hedge the risk of changes in fair value of a recognized asset or liability or of an unrecognized firm commitment (fair value hedge) and the risk of changes in cash flow (cash flow hedge). The Group designates certain derivative and non-derivative financial instruments as hedging instruments to hedge the currency risk of the net investment in a foreign operation (hedge of net investment).

At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. This documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, the inception date of hedging relationship and how the Group will assess the hedging instrument's effectiveness in offsetting the changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Derivative financial instruments are initially recognized at fair value. After initial recognition, derivative financial instruments are measured at fair value, and changes therein are accounted for as described below.

3.7.1 Derivative financial instruments held for trading

All derivative financial instruments, except for derivatives that are designated and qualify for hedge accounting, are measured at fair value. Gains or losses arising from changes in fair value are recognized in profit or loss as part of net gains or losses on financial instruments at fair value through profit or loss.

3.7.2 Derivative financial instruments for fair value hedges

If derivative financial instruments are designated and qualify for fair value hedges, changes in fair value of the hedging instrument and changes in fair value of the hedged item attributable to the hedged risk are recognized in profit or loss as part of other operating income or expenses. If the hedged items are equity instruments for which the Group has elected to present changes in fair value in other comprehensive income, changes in fair value of the hedging instrument and changes in fair value of the hedged item attributable to the hedged risk are recognized in other comprehensive income.

Fair value hedge accounting is discontinued prospectively if the hedging instrument expires or is sold, terminated or exercised, or the hedging relationship ceases to meet the qualifying criteria. Once fair value hedge accounting is discontinued, the adjustment to the carrying amount of a hedged item is amortized to profit or loss by the maturity of the financial instrument using the effective interest method.

3.7.3 Derivative financial instruments for cash flow hedges

The effective portion of changes in fair value of derivative financial instruments that are designated and qualify for cash flow hedges is recognized in other comprehensive income, limited to the cumulative change in fair value (present value) of the hedged item (the present value of the cumulative change in the hedged expected future cash flows) from inception of the hedge. The ineffective portion is recognized in profit or loss as other operating income or expenses. The associated gains or losses that were previously recognized in other comprehensive income are reclassified from equity to profit or loss (other operating income or expenses) as a reclassification adjustment in the same period or periods during which the hedged forecast cash flows affect

profit or loss. Cash flow hedge accounting is discontinued prospectively if the hedging instrument expires or is sold, terminated or exercised, or the hedging relationship ceases to meet the qualifying criteria. When the cash flow hedge accounting is discontinued, the cumulative gains or losses on the hedging instrument that have been recognized in other comprehensive income are reclassified to profit or loss over the period in which the forecast transaction occurs. If the forecast transaction is no longer expected to occur, the cumulative gains or losses that have been recognized in other comprehensive income are immediately reclassified to profit or loss.

3.7.4 Derivative and non-derivative financial instruments designated for net investments hedges

If derivative and non-derivative financial instruments are designated and qualify for the net investment hedge, the effective portion of changes in fair value of the hedging instrument is recognized in other comprehensive income and the ineffective portion is recognized in profit or loss as other operating income or expenses. The cumulative gains or losses on the hedging instrument relating to the effective portion of the hedge that have been accumulated in other comprehensive income will be reclassified from other comprehensive income to profit or loss as a reclassification adjustment on the disposal or partial disposal of the foreign operation.

3.7.5 Risk management strategy

Interest rate risk arises from changes in fair value resulting from changes in the discount rate of fixed rate financial instruments and changes in cash flows resulting from changes in the nominal interest rate of floating rate financial instruments. Foreign currency risk arises from the net investment in a foreign operation, whose functional currency differs from the Group's functional currency.

While the Group hedges the interest rate risk in its entirety, the Group only hedges the foreign currency risk related to the proportional part of the notional amount.

At inception of the hedge relationship, the Group reviews the hedge effectiveness; and periodically reviews the effectiveness in order to confirm that economic relationship between the hedged item and the hedging instrument exists. The requirement that an economic relationship exists means that the hedging instrument and the hedged item have values that generally move in the opposite direction due to the same risk, which is the hedged risk. The Group designates the exposure of the hedged item opposite to the exposure of hedging instruments in order to meet economic relationship requirement.

The Group designates the hedge relationship at a one-on-one ratio between the nominal amount of the hedging instrument and the nominal amount of the hedged item.

Hedge ineffectiveness could arise because of differences in the underlying parameters (acquisition date, credit risk or liquidity and others) or other differences between the hedging instrument and the hedged item that the Group accepts in order to achieve a cost-effective hedging relationship.

The Group avoids the cash flow variability of its floating rate debt securities by using interest rate swaps. Both are linked to the same interest rate; however, the paid amount of the floating rate may be set on different dates. Even if the variability of interest rate related cash flows (as a risk factor) is designated as a hedged item, the difference in set-up dates creates a hedge ineffectiveness.

The Group avoids the variability of fair values of its fixed rate debt securities by using interest rate swaps. The method of calculating the number of dates for paying fixed-rate interest can be different between hedging instruments and hedged items. Even if the variability of the fair value due to the benchmark interest rate (as a risk factor) is designated as a hedged item, the difference in the method of calculating the number of the dates creates a hedge ineffectiveness.

3.7.6 Embedded derivatives

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if, (a) the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract, (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and (c) the hybrid contract contains a host that is not a financial asset and is not designated as at fair value through profit or loss. Gains or losses arising from a change in fair value of an embedded derivative separated from the host contract are recognized in profit or loss as part of net gains or losses on financial instruments at fair value through profit or loss.

3.7.7 Day one gains or losses

If the Group uses a valuation technique that incorporates unobservable inputs for the fair value of the OTC derivatives at initial recognition, there may be a difference between the transaction price and the amount determined using that valuation technique. In these circumstances, the difference is not recognized in profit or loss but deferred and amortized using the straight-line method over the life of the financial instrument. If the fair value is subsequently determined using observable inputs, the remaining deferred amount is recognized in profit or loss as part of net gains or losses on financial instruments at fair value through profit or loss or other operating income or expenses.

3.8 Property and Equipment

3.8.1 Recognition and measurement

Property and equipment that qualify for recognition as an asset are measured at cost and subsequently carried at its cost less any accumulated depreciation and any accumulated impairment losses.

The cost of property and equipment includes any costs directly attributable to bringing the asset to the location and the asset's condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditures are capitalized only when they prolong the useful life or enhance values of the assets, but the costs of the day-to-day servicing of the assets such as repair and maintenance costs are recognized in profit or loss as incurred. When part of an item of property and equipment has a useful life different from that of the entire asset, it is recognized as a separate asset.

3.8.2 Depreciation

Land is not depreciated, whereas other property and equipment are depreciated using the method that reflects the pattern in which the asset’s future economic benefits are expected to be consumed by the Group. The depreciable amount of an asset is determined after deducting its residual value.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method and estimated useful life of property and equipment are as follows:

Property and equipment	Depreciation method	Estimated useful life
Buildings	Straight-line	20 ~ 40 years
Leasehold improvements	Diminishing-balance	4 years

Equipment and vehicles	Diminishing-balance	4 years

The residual value, the useful life, and the depreciation method applied to an asset are reviewed at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

3.9 Investment Properties

3.9.1 Recognition and measurement

Properties held to earn rentals or for capital appreciation or both are classified as investment properties. Investment properties are measured initially at their cost and subsequently the cost model is used.

3.9.2 Depreciation

Land is not depreciated, whereas other investment properties are depreciated using the method that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Group. The depreciable amount of an asset is determined after deducting its residual value.

The depreciation method and estimated useful life of investment properties are as follows:

Investment properties	Depreciation method	Estimated useful life
Buildings	Straight-line	40 years

The residual value, the useful life, and the depreciation method applied to an asset are reviewed at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

3.10 Intangible Assets

Intangible assets are measured initially at cost and subsequently carried at their cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets, except for goodwill and membership rights, are amortized using the straight-line or declining-balance method with no residual value over their estimated useful life since the assets are available for use.

Intangible assets	Amortization method	Estimated useful life
Industrial property rights	Straight-line	5 years
Software	Straight-line	4 ~ 5 years
Others	Straight-line / Declining-balance	1 ~ 13 years

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Where an intangible asset is not being amortized because its useful life is indefinite, the Group carries out a review in each accounting period to confirm whether events and circumstances still support an indefinite useful life assessment. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate.

3.10.1 Goodwill

3.10.1.1 Recognition and measurement

Goodwill related to business combinations before January 1, 2010, is stated at its carrying amount, which was recognized under the Group's previous accounting policy, prior to the transition to Korean IFRS.

Goodwill acquired from business combinations after January 1, 2010, is initially measured as the excess of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, the difference is recognized in profit or loss.

For each business combination, the Group decides at the acquisition date whether the non-controlling interests in the acquiree are initially measured at fair value or at the non-controlling interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets.

Acquisition-related costs incurred to effect a business combination are charged to expenses in the periods in which the costs are incurred and the services are received, except for the costs to issue debt or equity securities.

3.10.1.2 Additional acquisitions of non-controlling interests

Additional acquisitions of non-controlling interests are accounted for as equity transactions. Therefore, no additional goodwill is recognized.

3.10.1.3 Subsequent measurement

Goodwill is not amortized and is stated at cost less accumulated impairment losses. Goodwill that forms part of the carrying amount of an investment in associates is not separately recognized, and an impairment loss recognized is not allocated to any asset, including goodwill, which forms part of the carrying amount of the investment in the associates.

3.10.2 Subsequent expenditures

Subsequent expenditures are capitalized only when they enhance values of the assets. Internally generated intangible assets, such as goodwill and trade name, are not recognized as assets but expensed as incurred.

3.11 Impairment of Non-financial Assets

The Group assesses at the end of each reporting period whether there is any indication that a non-financial asset, except for (a) deferred income tax assets, (b) assets arising from employee benefits and (c) non-current assets (or group of assets to be sold) classified as held for sale, may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. However, irrespective of whether there is any indication of impairment, the Group tests (a) goodwill acquired in a business combination, (b) intangible assets with an indefinite useful life and (c) intangible assets not yet available for use for impairment annually by comparing their carrying amount with their recoverable amount.

The recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable

amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit that are discounted by a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss and recognized immediately in profit or loss. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units that is expected to benefit from the synergies of the combination. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

An impairment loss recognized for goodwill is not reversed in a subsequent period. The Group assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset, other than goodwill, may no longer exist or may have decreased, and an impairment loss recognized in prior periods for an asset other than goodwill shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss cannot exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

3.12 Non-current Assets Held for Sale

A non-current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition and its sale must be highly probable. A non-current asset (or disposal group) classified as held for sale is measured at the lower of (a) its carrying amount measured in accordance with the applicable Korean IFRS, immediately before the initial classification of the asset (or disposal group) as held for sale and (b) fair value less costs to sell.

A non-current asset is not depreciated (or amortized) while it is classified as held for sale or is part of a disposal group classified as held for sale.

Impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. Gain is recognized for any subsequent increase in fair value less costs to sell of an asset, but not in excess of the cumulative impairment loss that has been recognized.

3.13 Financial Liabilities

The Group classifies financial liabilities into financial liabilities at fair value through profit or loss or other financial liabilities in accordance with the substance of the contractual arrangement and the definitions of financial liabilities. The Group recognizes financial liabilities in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the financial liability.

3.13.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading or designated as such at initial recognition. After initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. At initial recognition, transaction costs that are directly attributable to the acquisition are recognized in profit or loss as incurred.

In relation to securities lending or borrowing transactions, when the Group borrows securities from the Korea Securities Depository and others, these transactions are managed as off-balance sheet items. The borrowed securities are treated as financial liabilities at fair value through profit or loss when they are sold. Changes in fair value at the end of the reporting period and difference between carrying amount at redemption and purchased amount are recognized in profit or loss.

3.13.2 Other financial liabilities

Non-derivative financial liabilities other than financial liabilities at fair value through profit or loss are classified as other financial liabilities. Other financial liabilities include deposits, borrowings, debentures, and others. At initial recognition, other financial liabilities are measured at fair value minus transaction costs that are directly attributable to the acquisition. After initial recognition, other financial liabilities are measured at amortized cost, and its interest expense is recognized, using the effective interest method.

When an asset is sold under repurchase agreement, the Group continues to recognize the asset with the amount sold being accounted for as borrowings. The Group derecognizes a financial liability from the consolidated statement of financial position only when it is extinguished (i.e., when the obligation specified in the contract is discharged, canceled or expires).

3.14 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Inevitable risks and uncertainties surrounding related events and circumstances are considered in measuring the best estimate of the provisions, and where the effect of the time value of money is material, the amount of provisions is the present value of the expenditures expected to be required to settle the obligation.

Provisions for confirmed and unconfirmed acceptances and guarantees, and unused credit lines of consumer and corporate loans are recognized using a valuation model that applies the credit conversion factor, PD, and LGD.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it. If the Group has a contract that is onerous, the present obligation under the contract is recognized and measured as provisions.

3.15 Financial Guarantee Contracts

Financial guarantee contracts require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognized at fair value, and classified as other liabilities and are amortized over the contractual term. After initial recognition, financial guarantee contracts are measured at the higher of:

- The amount determined in accordance with Korean IFRS No.1109 *Financial Instruments* and
- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with Korean IFRS No.1115 *Revenue from Contracts with Customers*.

3.16 Equity Instrument Issued by the Group

An equity instrument is any contract or agreement that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

3.16.1 Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or the exercise of stock option are deducted from the equity, net of any tax effects.

3.16.2 Hybrid securities

The financial instruments can be classified as either financial liabilities or equity in accordance with the terms of the contract. The Group classifies hybrid securities as an equity if the Group has the unconditional right to avoid any contractual obligation to deliver cash or another financial asset in relation to the financial instruments. However, hybrid securities issued by subsidiaries are classified as non-controlling interests, dividends are recognized in the consolidated statement of comprehensive income as profit attributable to non-controlling interests.

3.16.3 Compound financial instruments

A compound financial instrument is classified as a financial liability or an equity instrument depending on the substance of the contractual arrangement of such financial instrument. The liability component of the compound financial instrument is measured at fair value of the similar liability without conversion option at initial recognition and subsequently measured at amortized cost using effective interest method until it is extinguished by conversion or matured. The equity component is initially measured at fair value of compound financial instrument in its entirety less fair value of liability component net of tax effect, and it is not remeasured subsequently.

3.17 Revenue Recognition

The Group recognizes revenues in accordance with the following steps determined in accordance with Korean IFRS No.1115 *Revenue from Contracts with Customers*.

- Step 1: Identify the contract with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

3.17.1 Interest income and expense

Interest income and expense on debt securities at fair value through profit or loss (excluding beneficiary certificates, equity investments, and other debt instruments), loans, financial instruments at amortized cost, and debt securities at fair value through other comprehensive income are recognized in the consolidated statement of comprehensive income using the effective interest method in accordance with Korean IFRS No.1109 *Financial Instruments*. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, where appropriate, a shorter period, to the gross carrying amount of a financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates expected cash flows by considering all contractual terms of the financial instrument but does not consider expected credit losses. The calculation includes all fees and points paid (main components of effective interest rate only) or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. In those rare cases when it is not possible to reliably estimate the cash flows and the expected life of a financial instrument, the Group uses the contractual cash flows over the full contractual term of the financial instrument.

Interest income on impaired financial assets is recognized using the interest rate used to discount the expected cash flows for the purpose of measuring the impairment loss. Interest income on debt securities at fair value through profit or loss is also classified as interest income in the consolidated statement of comprehensive income.

3.17.2 Fee and commission income

The Group recognizes financial service fees in accordance with the purpose of charging the fees and the accounting standards of the financial instrument related to the fees earned.

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

Such fees are generally treated as adjustments of effective interest rate. Such fees may include compensation for activities such as evaluating the borrower's financial condition, evaluating and recording guarantees, collateral and other security arrangements, negotiating the terms of the instrument, preparing and processing documents, and closing the transaction and origination fees received on issuing financial liabilities at amortized cost. However, fees relating to the creation or acquisition of a financial instrument at fair value through profit or loss are recognized as revenue immediately.

3.17.2.2 Fees related to performance obligations satisfied over time

If the control of a good or service is transferred over time, the Group recognizes revenue related to performance obligations over the period of performance obligations. Fees charged in return for the services for a certain period of time, such as asset management fees, consignment business fees, etc. are recognized over the period of performance obligations.

3.17.2.3 Fees related to performance obligations satisfied at a point in time

Fees earned at a point in time are recognized as revenue when a customer obtains control of a promised good or service and the Group satisfies a performance obligation.

Commission on negotiation or participation in negotiation for the third party such as trading stocks or other securities, arranging merger and acquisition of business, is recognized as revenue when the transaction has been completed.

If the Group arranges a syndicated loan but does not participate in the syndicated loan or participates in the syndicated loan with the same effective profit as other participants, a syndication arrangement fee is recognized as revenue at the completion of the syndication service.

3.17.3 Net gains or losses on financial instruments at fair value through profit or loss

Net gains or losses on financial instruments at fair value through profit or loss (including changes in fair value, dividends, and gains or losses from foreign currency translation) include gains or losses on financial instruments as follows:

- Gains or losses relating to financial instruments at fair value through profit or loss (excluding interest income using the effective interest rate method)
- Gains or losses relating to derivative financial instruments for trading (including derivative financial instruments for hedging purpose but do not qualify for hedge accounting)

3.17.4 Dividend income

Dividend income is recognized in profit or loss when the right to receive payment is established. Dividend income is recognized as net gains or losses on financial instruments at fair value through profit or loss or other operating income depending on the classification of equity securities.

3.18 Employee Compensation and Benefits

3.18.1 Post-employment benefits

3.18.1.1 Defined contribution plans

When an employee has rendered service to the Group during a period, the Group recognizes the contribution payable to a defined contribution plan in exchange for that service as post-employment benefits for the period.

3.18.1.2 Defined benefit plans

All post-employment benefits, other than defined contribution plans, are classified as defined benefit plans. The amount recognized as a net defined benefit liability is the present value of the defined benefit obligation less the fair value of plan assets at the end of the reporting period.

The present value of the defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method. The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The currency and term of the corporate bonds are consistent with the currency and estimated term of the post-employment benefit obligations. Actuarial gains and losses resulting from changes in actuarial assumptions and experience adjustments are recognized in other comprehensive income.

When the present value of the defined benefit obligation minus the fair value of plan assets results in an asset, it is recognized to the extent of the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from the introduction or changes to a defined benefit plan. Such past service cost is immediately recognized as an expense for the period.

3.18.2 Short-term employee benefits

Short-term employee benefits are employee benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. When an employee has rendered service to the Group during an accounting period, the Group recognizes the

undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense for the period.

The expected cost of profit-sharing and bonus payments is recognized as liabilities when the Group has a present legal or constructive obligation to make payments as a result of past events, such as service rendered by employees, and a reliable estimate of the obligation can be made.

3.18.3 Share-based payment

The Group provides its executives and employees with stock grants and mileage stock programs. When stock grants are exercised, the Group can either select to distribute shares of KB Financial Group Inc., the Parent Company or compensate in cash based on the share price. When mileage stock is exercised, the Group pays the amount equivalent to share price of KB Financial Group Inc. in cash.

For a share-based payment transaction in which the terms of the arrangement provide the Group with the choice of whether to settle in cash or by issuing equity instruments, the Group accounts for the transaction in accordance with the requirements applying to cash-settled share-based payment transactions because the Group determines that it has a present obligation to settle in cash based on a past practice and a stated policy of settling in cash. Therefore, the Group measures the liability incurred as consideration for the service received at fair value and recognizes related expense and accrued expense over the vesting periods. For mileage stock, the Group accounts for the transaction in accordance with the requirements applying to cash-settled share-based payment transactions, which are recognized as expenses and accrued expenses at the time of vesting.

Until the liability is settled, the Group remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss as share-based payments.

3.18.4 Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The Group recognizes a liability and expense for termination benefits at the earlier of the following dates; when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring that is within the scope of Korean IFRS No.1037 and involves the payment of termination benefits. If the termination benefits are not expected to be settled wholly before twelve months after the end of the annual reporting period, then the termination benefits are discounted to present value.

3.19 Income Tax Expense

Income tax expense comprises current tax expense and deferred income tax expense. Current and deferred income taxes are recognized as income or expense and included in profit or loss for the period, except to the extent that the tax arises from (a) a transaction or event which is recognized, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity and (b) a business combination.

3.19.1 Current income tax

Current income tax is the amount of income tax payable (recoverable) in respect of the taxable profit (tax loss) for a period. A difference between the taxable profit and accounting profit may arise when income or expense is included in accounting profit in one period but is included in taxable profit in a different period. Differences may also arise if there is revenue that is exempt from taxation, or expense that is not deductible in determining taxable profit (loss). Current income tax liabilities for the current and prior periods are measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

The Group offsets current income tax assets and current income tax liabilities if, and only if, the Group (a) has a legally enforceable right to offset the recognized amounts and (b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.19.2 Deferred income tax

Deferred income tax is recognized, using the asset-liability method, on temporary differences arising between the tax-based amount of assets and liabilities and their carrying amount in the financial statements. Deferred income tax liabilities are recognized for all taxable temporary differences and deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax assets and liabilities are not recognized if they arise from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting nor taxable profit or loss.

The Group recognizes a deferred income tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, except to the extent that the Group is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of a deferred income tax asset is reviewed at the end of each reporting period. The Group reduces the carrying amount of a deferred income tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred income tax liabilities and deferred income tax assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

3.19.3 Uncertain tax positions

Uncertain tax positions arise from tax treatments applied by the Group which may be challenged by the tax authorities due to the complexity of the transaction or different interpretation of the tax laws, such as a claim for rectification, a claim for a refund related to additional tax or a tax investigation by the tax authorities. The Group recognizes its uncertain tax positions in the consolidated financial statements in accordance with Korean IFRS No.1012 and Interpretation of Korean IFRS No.2123. The income tax asset is recognized if a tax refund is probable for taxes levied by the tax authority, and the amount to be paid as a result of the tax investigation and

others is recognized as the current tax payable. However, penalty tax and additional refund on tax are regarded as penalty or interest and are accounted for in accordance with Korean IFRS No.1037.

3.19.4 Global Minimum Tax

The Group is subject to the global minimum tax under Pillar 2 legislation and has applied the exemption from recognizing and disclosing related deferred tax.

3.20 Transactions with the Trust Accounts

The Group accounts for trust assets separately from its own assets in accordance with the Financial Investment Services and Capital Markets Act. The borrowings from trust accounts represent transfer of funds in trust accounts into banking accounts. Such borrowings from trust accounts are recorded as receivables from the banking accounts in the trust accounts and as borrowings from trust accounts in the banking accounts. The Group earns trust fees from the trust accounts for its management of trust assets and operations. The reserves for future profits and losses are set up in the trust accounts for profits and losses related to those trust funds with a guarantee of the principal or of the principal and a certain minimum rate of return in accordance with the relevant laws and regulations applicable to trust operations. The reserves are used to provide for the losses on such trust funds and, if the losses incurred are in excess of the reserves, the excess losses are compensation paid as a loss on trust management in other operating expenses and the trust accounts recognize the corresponding compensation as compensation from banking accounts.

3.21 Leases

The Group as a lessor recognizes lease payments from operating leases as income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated statement of financial position based on their nature.

A lessee is required to recognize a right-of-use asset (lease assets) representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Assets and liabilities arising from a lease are initially measured at the present value.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, which is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received

- Any initial direct costs incurred by the lessee, and
- An estimate of restoration costs

However, the Group can elect not to apply the requirements of Korean IFRS No.1116 to short-term lease (lease that, at the commencement date, has a lease term of 12 months or less) and leases for which the underlying asset is of low value (for example, underlying leased asset under USD 5,000). The Group applies the exemption of the standard for one time lease of real estate (for training purpose) and leases of low-value assets (underlying assets less than ₩ 5 million or USD 5,000).

The right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

For sale and leaseback transactions, the Group applies the requirements of Korean IFRS No.1115 *Revenue from Contracts with Customers*, to determine whether the transfer of an asset is accounted for as a sale of that asset.

3.22 Operating Segments

The Group identifies its operating segments based on internal reports which are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

Segment information includes items which are directly attributable and can be allocated to the segment on a reasonable basis.

4. Financial Risk Management

4.1 Summary

4.1.1 Overview of financial risk management policy

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

This note regarding financial risk management provides information about the risks that the Group is exposed to and about its objectives, policies, risk assessment and management procedures, and capital management. Additional quantitative information is disclosed throughout the consolidated financial statements.

The Group's risk management system focuses on efficiently supporting long-term strategy and management decisions of each business group through increased risk transparency, spread of risk management culture, prevention of risk transfer between risk types, and preemptive response to rapidly changing financial environments. Credit risk, market risk, liquidity risk, and operational risk are recognized as the Group's significant risks and measured and managed by quantifying them in the form of internal capital or Value at Risk ("VaR") using statistical methods.

4.1.2 Risk management organization

4.1.2.1 Risk Management Committee

The Risk Management Committee, as the ultimate decision-making body, approves risk-related issues, such as establishing risk management strategies in accordance with the strategic direction determined by the board of directors, determining the affordable level of risk appetite, and reviewing the level of risk and the status of risk management activities.

4.1.2.2 Risk Management Council

The Risk Management Council deliberates on and resolves matters delegated by the Risk Management Committee and discusses the details of risk management policies and procedures of the Group.

4.1.2.3 Risk Management Subcommittees

The Risk Management Subcommittee implements decisions made by the Risk Management Council and makes practical decisions regarding the implementation of risk management policies and procedures.

- Credit Risk Management Subcommittee
  The Credit Risk Management Subcommittee conducts deliberation and resolution on new approval of non-standard and compound instruments with embedded credit risks, review of credit risks for new products with credit risks, and establishment of exposure limits by industry.

- Market Risk Management Subcommittee
  The Market Risk Management Subcommittee conducts deliberation and resolution on market risk-related matters, such as setting limits on market risk and approving detailed investment standards for new standard, non-standard and compound products.

- Operational Risk Management Subcommittee
  The Operational Risk Management Subcommittee reviews the issues that have a significant effect on the Group's operational risk such as establishment, amendment and abolition of major system, process and others.

- Trust & Fund Customer Asset Risk Management Subcommittee
The Trust & Fund Customer Asset Risk Management Subcommittee reviews the issues that have a significant effect on the trust & fund customer asset risk management such as setting limits on trust & fund customer assets.

4.1.2.4 Risk Management Group

The Risk Management Group manages detailed risk management policies, procedures, and business processes.

4.2 Credit Risk

4.2.1 Overview of credit risk

Credit risk is the risk of loss from the portfolio of assets held due to the counterparty's default, breach of contract, and deterioration of credit quality. For risk management reporting purposes, the Group considers all factors of credit risk exposure, such as default risk of individual borrowers, country risk, and risk of specific sectors. The Group defines default as the definition applied to the calculation of Capital Adequacy Ratio under the new Basel Accord (Basel III).

4.2.2 Credit risk management

The Group measures the expected loss and internal capital for the assets subject to credit risk management, including on-balance and off-balance sheet assets, and uses them as management indicators. The Group allocates and manages credit risk internal capital limits.

In addition, to prevent excessive concentration of exposures by borrower and industry, the total exposure limit at the Group level is introduced, applied, and managed to control the credit concentration risk.

All of the Group's loan customers (individuals and corporates) are assigned a credit rating and managed by a credit evaluation system. For individuals, the credit rating is evaluated by utilizing personal information, income and job information, asset information, and bank transaction information. For corporates, the credit rating is evaluated by analyzing and utilizing financial and non-financial information which measures current and future corporate value and ability to repay the debt. Also, the extent to which corporates have the ability to meet debt obligations is comprehensively considered.

The credit rating, once assigned, serves as the fundamental instrument in the Group’s credit risk management, and is applied in a wide range of credit risk management processes, including credit approval, credit limit management, loan pricing, and assessment of allowances for credit losses. For corporates, the Group conducts a regular credit evaluation at least once a year, and the review and supervision departments regularly validate the adequacy of credit ratings to manage credit risks.

In order to establish a credit risk management system, the Group manages credit risk by forming a separate risk management organization. In particular, independently of the Sales Group, the Credit Management & Analysis Group, Retail Customer Group and SME/SOHO Customer Group are in charge of loan policy, loan system, credit rating, credit analysis, follow-up management, and corporate restructuring. The Risk Management Group is responsible for establishing policies on credit risk management, measuring and limiting internal capital of credit risk, setting credit limits, credit review, and verification of credit rating models.

4.2.3 Maximum exposure to credit risk

The Group's maximum exposures to credit risk without consideration of collateral values in relation to financial instruments other than equity securities as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	December 31, 2023
Financial assets		
Due from financial institutions [1]	20,832,755	21,382,146
Financial assets at fair value through profit or loss:		
Securities measured at fair value through profit or loss	21,518,992	19,197,608
Loans measured at fair value through profit or loss	250,141	183,490
Due from financial institutions measured at fair value through profit or loss	158,519	93,743
Derivatives	10,249,619	5,038,961
Loans measured at amortized cost [1]	409,867,155	385,404,070
Financial investments:		
Securities measured at fair value through other comprehensive income	43,531,616	37,634,240
Securities measured at amortized cost [1]	36,355,808	38,989,046
Loans measured at fair value through other comprehensive income	280,908	311,610
Other financial assets [1]	9,328,611	10,703,605
	552,374,124	518,938,519
Off-balance sheet items [2]		
Acceptances and guarantees contracts	16,420,629	13,912,781
Financial guarantee contracts	5,717,630	7,092,532
Commitments	122,784,119	117,424,480
	144,922,378	138,429,793
	697,296,502	657,368,312

[1] After netting of allowance
[2] For details of related provisions, see Note 22.

4.2.4 Credit risk of loans

The Group maintains allowances for loan losses associated with credit risk of loans to manage its credit risk.

The Group assesses expected credit losses and recognizes loss allowances of financial assets at amortized cost and financial assets at fair value through other comprehensive income (debt instruments). Financial assets at fair value through profit or loss are excluded. Expected credit losses are a probability-weighted estimate of possible credit losses occurring in a certain range by reflecting supportable information that is reasonably available at the end of the reporting period without undue cost or effort, including information about past events, current conditions, and forecasts of future economic conditions. The Group measures the expected credit losses of loans classified as financial assets at amortized cost, by deducting allowances for credit losses in the consolidated statements of financial position. The expected credit losses of loans classified as financial assets at fair value through other comprehensive income are presented in other comprehensive income in the consolidated statements of financial position .

4.2.4.1 Credit risk exposure

Credit qualities of loans as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	December 31, 2024					
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	Not applying expected credit losses	Total
		Non-impaired	Impaired			
Loans measured at amortized cost *						
Corporate						
Grade 1	132,941,051	7,550,591	2,515	-	-	140,494,157
Grade 2	66,438,146	11,122,290	5,113	-	-	77,565,549
Grade 3	3,484,997	4,493,219	14,477	-	-	7,992,693
Grade 4	778,312	894,939	8,942	-	-	1,682,193
Grade 5	17,805	676,510	2,786,832	-	-	3,481,147
	203,660,311	24,737,549	2,817,879	-	-	231,215,739
Retail						
Grade 1	167,237,076	4,653,883	6,215	-	-	171,897,174
Grade 2	3,530,814	3,795,083	9,988	-	-	7,335,885
Grade 3	262,081	1,202,051	15,107	-	-	1,479,239
Grade 4	101,340	145,095	5,359	-	-	251,794
Grade 5	21,538	526,127	822,774	-	-	1,370,439
	171,152,849	10,322,239	859,443	-	-	182,334,531
Credit card						
Grade 1	-	-	-	-	-	-
Grade 2	19,418	-	-	-	-	19,418
Grade 3	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-
Grade 5	-	1,900	13,324	-	-	15,224
	19,418	1,900	13,324	-	-	34,642
	374,832,578	35,061,688	3,690,646	-	-	413,584,912
Loans measured at fair value through other comprehensive income						
Corporate						
Grade 1	236,614	-	-	-	-	236,614
Grade 2	44,294	-	-	-	-	44,294
Grade 3	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-
	280,908	-	-	-	-	280,908
	280,908	-	-	-	-	280,908
	375,113,486	35,061,688	3,690,646	-	-	413,865,820

4.2.4.1 Credit risk exposure (cont'd)

(In millions of Korean won)

	December 31, 2023					
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	Not applying expected credit losses	Total
		Non-impaired	Impaired			
Loans measured at amortized cost *						
Corporate						
Grade 1	130,751,140	6,839,018	2,192	-	-	137,592,350
Grade 2	58,563,932	10,117,059	2,192	-	-	68,683,183
Grade 3	3,092,186	3,760,990	7,988	-	-	6,861,164
Grade 4	562,657	1,084,339	5,351	-	-	1,652,347
Grade 5	15,392	567,803	2,578,537	-	-	3,161,732
	192,985,307	22,369,209	2,596,260	-	-	217,950,776
Retail						
Grade 1	157,016,292	4,003,383	11,252	-	-	161,030,927
Grade 2	2,732,469	3,500,585	7,952	-	-	6,241,006
Grade 3	1,101,340	1,220,790	8,674	-	-	2,330,804
Grade 4	24,356	151,599	3,590	-	-	179,545
Grade 5	24,460	468,804	749,402	-	-	1,242,666
	160,898,917	9,345,161	780,870	-	-	171,024,948
Credit card						
Grade 1	-	-	-	-	-	-
Grade 2	22,522	-	-	-	-	22,522
Grade 3	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-
Grade 5	-	1,193	14,483	-	-	15,676
	22,522	1,193	14,483	-	-	38,198
	353,906,746	31,715,563	3,391,613	-	-	389,013,922
Loans measured at fair value through other comprehensive income						
Corporate						
Grade 1	272,601	-	-	-	-	272,601
Grade 2	39,009	-	-	-	-	39,009
Grade 3	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-
	311,610	-	-	-	-	311,610
	311,610	-	-	-	-	311,610
	354,218,356	31,715,563	3,391,613	-	-	389,325,532

* Before netting of allowance

Credit qualities of loans graded according to internal credit ratings as of December 31, 2024 and 2023, are as follows:

	Corporate	Retail
Grade 1	AAA ~ BBB+	1 ~ 5 grade
Grade 2	BBB ~ BB	6 ~ 8 grade
Grade 3	BB- ~ B	9 ~ 10 grade
Grade 4	B- ~ CCC	11 grade
Grade 5	CC or under	12 grade or under

4.2.4.2 Credit risk mitigation by collateral

Quantification of the extent to which collateral and other credit enhancements mitigate credit risk of loans as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	December 31, 2024					
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	Not applying expected credit losses	Total
		Non-impaired	Impaired			
Guarantees	119,686,001	8,303,088	482,439	-	-	128,471,528
Deposits and savings	2,851,931	127,130	11,704	-	-	2,990,765
Property and equipment	4,027,487	682,702	134,826	-	-	4,845,015
Real estate	210,244,585	20,653,660	2,074,757	-	-	232,973,002
	336,810,004	29,766,580	2,703,726	-	-	369,280,310

(In millions of Korean won)

	December 31, 2023					
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	Not applying expected credit losses	Total
		Non-impaired	Impaired			
Guarantees	113,459,252	7,626,289	415,765	-	-	121,501,306
Deposits and savings	2,518,301	129,853	15,176	-	-	2,663,330
Property and equipment	4,154,922	742,276	372,224	-	-	5,269,422
Real estate	191,315,010	18,567,084	2,738,148	-	-	212,620,242
	311,447,485	27,065,502	3,541,313	-	-	342,054,300

4.2.5 Credit risk of securities

Credit qualities of securities exposed to credit risk other than equity securities among financial investments as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	December 31, 2024					
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	Not applying expected credit losses	Total
		Non-impaired	Impaired			
Securities measured at amortized cost *						
Grade 1	33,003,394	-	-	-	-	33,003,394
Grade 2	3,369,418	-	-	-	-	3,369,418
Grade 3	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-
	36,372,812	-	-	-	-	36,372,812
Securities measured at fair value through other comprehensive income						
Grade 1	40,326,065	-	-	-	-	40,326,065
Grade 2	3,201,273	-	-	-	-	3,201,273
Grade 3	4,278	-	-	-	-	4,278
Grade 4	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-
	43,531,616	-	-	-	-	43,531,616
	79,904,428	-	-	-	-	79,904,428

(In millions of Korean won)

	December 31, 2023					
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	Not applying expected credit losses	Total
		Non-impaired	Impaired			
Securities measured at amortized cost *						
Grade 1	35,124,325	-	-	-	-	35,124,325
Grade 2	3,883,557	-	-	-	-	3,883,557
Grade 3	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-
	39,007,882	-	-	-	-	39,007,882
Securities measured at fair value through other comprehensive income						
Grade 1	34,525,564	-	-	-	-	34,525,564
Grade 2	3,082,530	-	-	-	-	3,082,530
Grade 3	26,146	-	-	-	-	26,146
Grade 4	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-
	37,634,240	-	-	-	-	37,634,240
	76,642,122	-	-	-	-	76,642,122

* Before netting of allowance

Credit qualities of securities other than equity securities, according to the credit ratings by external credit rating agencies as of December 31, 2024 and 2023, are as follows:

Credit quality	Domestic			Foreign		
	KIS	NICE P&I	FnPricing Inc.	S&P	Fitch-IBCA	Moody's
Grade 1	AA0 to AAA	AA0 to AAA	AA0 to AAA	A- to AAA	A- to AAA	A3 to Aaa
Grade 2	A- to AA-	A- to AA-	A- to AA-	BBB- to BBB+	BBB- to BBB+	Baa3 to Baa1
Grade 3	BBB0 to BBB+	BBB0 to BBB+	BBB0 to BBB+	BB to BB+	BB to BB+	Ba2 to Ba1
Grade 4	BB0 to BBB-	BB0 to BBB-	BB0 to BBB-	B+ to BB-	B+ to BB-	B1 to Ba3
Grade 5	BB- or under	BB- or under	BB- or under	B or under	B or under	B2 or under

Credit qualities of debt securities denominated in Korean won are based on the lowest credit rating by the domestic credit rating agencies above, and those denominated in foreign currencies are based on the lowest credit rating by the foreign credit rating agencies above.

4.2.6 Credit risk of due from financial institutions

Credit qualities of due from financial institutions as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	December 31, 2024				
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	Total
		Non-impaired	Impaired		
Due from financial institutions measured at amortized cost *					
Grade 1	19,525,749	-	-	-	19,525,749
Grade 2	583,467	-	-	-	583,467
Grade 3	62,213	-	-	-	62,213
Grade 4	-	-	-	-	-
Grade 5	661,849	-	-	-	661,849
	20,833,278	-	-	-	20,833,278

(In millions of Korean won)

	December 31, 2023				
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	Total
		Non-impaired	Impaired		
Due from financial institutions measured at amortized cost *					
Grade 1	20,081,533	-	-	-	20,081,533
Grade 2	505,155	-	-	-	505,155
Grade 3	107,590	-	-	-	107,590
Grade 4	-	-	-	-	-
Grade 5	688,487	-	-	-	688,487
	21,382,765	-	-	-	21,382,765

* Before netting of allowance

The classification criteria of the credit qualities of due from financial institutions as of December 31, 2024 and 2023, are the same as the criteria for securities other than equity securities.

4.2.7 Credit risk mitigation of derivative financial instruments

Quantification of the extent to which collateral mitigates credit risk of derivative financial instruments as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	December 31, 2023
Deposits, savings, securities, and others	730,787	1,096,855

4.2.8 Credit risk concentration analysis

4.2.8.1 Classifications of loans by country as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	December 31, 2024						
	Retail	Corporate *	Credit card	Total	%	Allowances	Carrying amount
Korea	177,437,549	202,815,337	-	380,252,886	91.82	(2,357,985)	377,894,901
Japan	-	1,143,582	-	1,143,582	0.28	(2,946)	1,140,636
United States	-	4,840,908	-	4,840,908	1.17	(112,283)	4,728,625
China	181,539	7,095,199	-	7,276,738	1.76	(30,199)	7,246,539
Cambodia	3,276,314	4,263,552	-	7,539,866	1.82	(351,986)	7,187,880
Indonesia	1,361,157	3,940,205	34,642	5,336,004	1.29	(526,735)	4,809,269
Others	77,972	7,648,005	-	7,725,977	1.86	(335,623)	7,390,354
	182,334,531	231,746,788	34,642	414,115,961	100.00	(3,717,757)	410,398,204

(In millions of Korean won)

	December 31, 2023						
	Retail	Corporate *	Credit card	Total	%	Allowances	Carrying amount
Korea	167,179,510	190,714,241	-	357,893,751	91.88	(2,280,454)	355,613,297
Japan	-	986,037	-	986,037	0.25	(2,369)	983,668
United States	-	5,553,289	-	5,553,289	1.43	(164,141)	5,389,148
China	73,105	7,259,906	-	7,333,011	1.88	(38,198)	7,294,813
Cambodia	2,546,085	3,931,738	-	6,477,823	1.66	(198,976)	6,278,847
Indonesia	1,111,809	3,216,033	38,198	4,366,040	1.12	(707,763)	3,658,277
Others	114,439	6,784,632	-	6,899,071	1.78	(217,951)	6,681,120
	171,024,948	218,445,876	38,198	389,509,022	100.00	(3,609,852)	385,899,170

* Expected credit losses of loans measured at fair value through other comprehensive income as of December 31, 2024 and 2023, are ₩ 744 million and ₩ 880 million, respectively.

4.2.8.2 Classifications of corporate loans by industry as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024			
	Loans	%	Allowances	Carrying amount
Financial institutions	20,580,442	8.88	(64,648)	20,515,794
Manufacturing	54,054,594	23.32	(586,228)	53,468,366
Service	107,974,154	46.59	(1,018,072)	106,956,082
Wholesale and retail	30,129,095	13.00	(544,323)	29,584,772
Construction	5,043,621	2.18	(261,595)	4,782,026
Public sector	1,993,068	0.86	(63,589)	1,929,479
Others	11,971,814	5.17	(190,407)	11,781,407
	231,746,788	100.00	(2,728,862)	229,017,926

(In millions of Korean won)	December 31, 2023			
	Loans	%	Allowances	Carrying amount
Financial institutions	19,070,640	8.73	(40,663)	19,029,977
Manufacturing	50,491,376	23.11	(609,431)	49,881,945
Service	100,234,934	45.89	(1,077,465)	99,157,469
Wholesale and retail	29,092,661	13.32	(495,159)	28,597,502
Construction	5,381,063	2.46	(257,525)	5,123,538
Public sector	1,829,097	0.84	(82,328)	1,746,769
Others	12,346,105	5.65	(182,185)	12,163,920
	218,445,876	100.00	(2,744,756)	215,701,120

4.2.8.3 Classifications of retail loans and credit card receivables as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024			
	Loans	%	Allowances	Carrying amount
Housing loan	103,744,074	56.89	(282,053)	103,462,021
General loan	78,590,457	43.09	(693,887)	77,896,570
Credit card	34,642	0.02	(12,955)	21,687
	182,369,173	100.00	(988,895)	181,380,278

(In millions of Korean won)	December 31, 2023			
	Loans	%	Allowances	Carrying amount
Housing loan	96,593,547	56.47	(225,697)	96,367,850
General loan	74,431,401	43.51	(625,489)	73,805,912
Credit card	38,198	0.02	(13,910)	24,288
	171,063,146	100.00	(865,096)	170,198,050

4.2.8.4 Classifications of domestic mortgage loans as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024			
	Loans *	%	Allowances	Carrying amount
Group 1	25,297,580	20.88	(30,320)	25,267,260
Group 2	27,953,280	23.07	(21,900)	27,931,380
Group 3	35,511,454	29.31	(48,993)	35,462,461
Group 4	30,704,076	25.34	(69,972)	30,634,104
Group 5	1,677,549	1.39	(8,806)	1,668,743
Group 6	16,176	0.01	(200)	15,976
	121,160,115	100.00	(180,191)	120,979,924

(In millions of Korean won)	December 31, 2023			
	Loans *	%	Allowances	Carrying amount
Group 1	21,006,447	19.73	(26,612)	20,979,835
Group 2	27,707,017	26.03	(22,614)	27,684,403
Group 3	34,998,430	32.88	(47,932)	34,950,498
Group 4	21,280,610	19.99	(51,066)	21,229,544
Group 5	1,437,246	1.36	(5,195)	1,432,051
Group 6	14,329	0.01	(127)	14,202
	106,444,079	100.00	(153,546)	106,290,533

* Retail loans for general purpose with the real estate as collateral are included.

	Ranges
Group 1	LTV 0% to less than 20%
Group 2	LTV 20% to less than 40%
Group 3	LTV 40% to less than 60%
Group 4	LTV 60% to less than 80%
Group 5	LTV 80% to less than 100%
Group 6	LTV over 100%

* LTV: Loan to Value ratio

4.2.8.5 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by industry as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024			
	Amount	%	**Allowances**	**Carrying amount**
Due from financial institutions measured at amortized cost				
Finance and insurance	20,833,278	100.00	(523)	20,832,755
	20,833,278	100.00	(523)	20,832,755
Securities measured at fair value through profit or loss				
Government and government funded institutions	9,932,370	46.16	-	9,932,370
Finance and insurance [1]	9,987,433	46.41	-	9,987,433
Others	1,599,188	7.43	-	1,599,188
	21,518,991	100.00	-	21,518,991
Derivative financial assets				
Government and government funded institutions	49,939	0.49	-	49,939
Finance and insurance [1]	8,906,997	86.90	-	8,906,997
Others	1,292,683	12.61	-	1,292,683
	10,249,619	100.00	-	10,249,619
Securities measured at fair value through other comprehensive income [2]				
Government and government funded institutions	15,555,820	35.73	-	15,555,820
Finance and insurance	22,464,794	51.61	-	22,464,794
Others	5,511,002	12.66	-	5,511,002
	43,531,616	100.00	-	43,531,616
Securities measured at amortized cost				
Government and government funded institutions	15,444,860	42.46	(779)	15,444,081
Finance and insurance	20,716,357	56.96	(15,863)	20,700,494
Others	211,595	0.58	(362)	211,233
	36,372,812	100.00	(17,004)	36,355,808
	132,506,316		(17,527)	132,488,789

4.2.8.5 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by industry as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)	December 31, 2023			
	Amount	%	**Allowances**	**Carrying amount**
Due from financial institutions measured at amortized cost				
Finance and insurance	21,382,765	100.00	(619)	21,382,146
	21,382,765	100.00	(619)	21,382,146
Securities measured at fair value through profit or loss				
Government and government funded institutions	6,953,789	36.22	-	6,953,789
Finance and insurance [1]	10,778,511	56.15	-	10,778,511
Others	1,465,308	7.63	-	1,465,308
	19,197,608	100.00	-	19,197,608
Derivative financial assets				
Government and government funded institutions	50,165	1.00	-	50,165
Finance and insurance [1]	4,687,288	93.02	-	4,687,288
Others	301,508	5.98	-	301,508
	5,038,961	100.00	-	5,038,961
Securities measured at fair value through other comprehensive income [2]				
Government and government funded institutions	14,486,159	38.49	-	14,486,159
Finance and insurance	17,191,632	45.68	-	17,191,632
Others	5,956,449	15.83	-	5,956,449
	37,634,240	100.00	-	37,634,240
Securities measured at amortized cost				
Government and government funded institutions	16,338,816	41.89	(652)	16,338,164
Finance and insurance	22,312,351	57.20	(17,532)	22,294,819
Others	356,715	0.91	(652)	356,063
	39,007,882	100.00	(18,836)	38,989,046
	122,261,456		(19,455)	122,242,001

[1] Collective investment securities (including transactions with collective investment schemes) are classified as finance and insurance.

[2] Expected credit losses of securities measured at fair value through other comprehensive income as of December 31, 2024 and 2023, are ₩ 14,010 million and ₩ 14,102 million, respectively.

4.2.8.6 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by country as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024			
	Amount	%	Allowances	Carrying amount
Due from financial institutions measured at amortized cost				
Korea	13,853,047	66.49	-	13,853,047
United States	2,867,699	13.76	(91)	2,867,608
Others	4,112,532	19.75	(432)	4,112,100
	20,833,278	100.00	(523)	20,832,755
Securities measured at fair value through profit or loss				
Korea	18,817,222	87.44	-	18,817,222
United States	412,623	1.92	-	412,623
Others	2,289,146	10.64	-	2,289,146
	21,518,991	100.00	-	21,518,991
Derivative financial assets				
Korea	3,932,304	38.37	-	3,932,304
United States	2,796,950	27.29	-	2,796,950
France	1,117,765	10.91	-	1,117,765
Others	2,402,600	23.43	-	2,402,600
	10,249,619	100.00	-	10,249,619
Securities measured at fair value through other comprehensive income *				
Korea	38,303,118	87.99	-	38,303,118
United States	2,670,207	6.13	-	2,670,207
Others	2,558,291	5.88	-	2,558,291
	43,531,616	100.00	-	43,531,616
Securities measured at amortized cost				
Korea	31,752,689	87.30	(12,380)	31,740,309
United States	1,706,669	4.69	(1,112)	1,705,557
United Kingdom	859,745	2.36	(953)	858,792
Others	2,053,709	5.65	(2,559)	2,051,150
	36,372,812	100.00	(17,004)	36,355,808
	132,506,316		(17,527)	132,488,789

4.2.8.6 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by country as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)	December 31, 2023			
	Amount	%	Allowances	Carrying amount
Due from financial institutions measured at amortized cost				
Korea	15,576,425	72.85	-	15,576,425
United States	2,968,918	13.88	(89)	2,968,829
Others	2,837,422	13.27	(530)	2,836,892
	21,382,765	100.00	(619)	21,382,146
Securities measured at fair value through profit or loss				
Korea	17,310,219	90.17	-	17,310,219
United States	281,543	1.47	-	281,543
Others	1,605,846	8.36	-	1,605,846
	19,197,608	100.00	-	19,197,608
Derivative financial assets				
Korea	2,102,364	41.72	-	2,102,364
United States	983,392	19.52	-	983,392
France	863,376	17.13	-	863,376
Others	1,089,829	21.63	-	1,089,829
	5,038,961	100.00	-	5,038,961
Securities measured at fair value through other comprehensive income *				
Korea	34,023,560	90.41	-	34,023,560
United States	778,474	2.07	-	778,474
Others	2,832,206	7.52	-	2,832,206
	37,634,240	100.00	-	37,634,240
Securities measured at amortized cost				
Korea	35,280,415	90.44	(14,644)	35,265,771
United States	1,082,997	2.78	(1,003)	1,081,994
United Kingdom	737,765	1.89	(909)	736,856
Others	1,906,705	4.89	(2,280)	1,904,425
	39,007,882	100.00	(18,836)	38,989,046
	122,261,456		(19,455)	122,242,001

* Expected credit loss of securities measured at fair value through other comprehensive income as of December 31, 2024 and 2023, are ₩ 14,010 million and ₩ 14,102 million, respectively.

Due from financial institutions, financial instruments at fair value through profit or loss linked to gold price, and derivative financial instruments are mostly related to the finance and insurance industry with high credit ratings.

4.3 Liquidity Risk

4.3.1 Overview of liquidity risk

Liquidity risk is a risk that the Group becomes insolvent due to the mismatch between the inflow and outflow of funds, unexpected cash outflows, or a risk of loss due to financing funds at a high interest rate or disposing of securities at an unfavorable price due to lack of available funds. The Group manages its liquidity risk through analysis of the contractual maturity of interest-bearing assets and liabilities, assets and liabilities related to the other inflows and outflows of funds, and off-balance sheet items related to the inflows and outflows of funds such as currency derivative instruments and others.

4.3.2 Liquidity risk management and indicator

The liquidity risk is managed by comprehensive risk management policies and Asset Liability Management ("ALM") risk management guidelines set forth in these policies that apply to all risk management policies and procedures that may arise throughout the overall business of the Group.

The Group establishes a liquidity risk management strategy, including objectives of liquidity risk management, management policies, and internal control systems, and obtains approval from the Risk Management Committee. The Risk Management Committee establishes the Risk Management Council for efficient risk management to supervise the establishment and implementation of policies according to risk management strategies.

The Group calculates and manages the Liquidity Coverage Ratio ("LCR"), Net Stable Funding Ratio ("NSFR"), liquidity ratio, maturity mismatch ratio and liquidity stress testing results for all transactions and off-balance sheet transactions, that affect the cash flows in Korean won and foreign currency funds raised and operated for the management of liquidity risks and periodically reports them to the Risk Management Council and the Risk Management Committee.

4.3.3 Analysis of remaining contractual maturity of financial liabilities

The cash flows disclosed in the maturity analysis are undiscounted contractual amounts including principal and future interest and payments; as such, amounts in the table below do not match with those in the consolidated statements of financial position which are based on discounted cash flows. The future interest payments of floating-rate liabilities are calculated on the assumption that the current interest rate is the same until maturity.

4.3.3.1 Remaining contractual maturity of financial liabilities other than derivatives held for cash flow hedge, and off-balance sheet items as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	December 31, 2024						
	On demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Financial liabilities							
Financial liabilities at fair value through profit or loss [1]	159,212	-	-	-	-	-	159,212
Derivatives held for trading [1]	9,577,007	-	-	-	-	-	9,577,007
Derivatives held for hedging [2]	-	309	6,074	9,715	21,356	(3,206)	34,248
Deposits [3]	168,376,031	41,485,645	57,566,816	136,747,218	24,290,213	1,504,585	429,970,508
Borrowings	2,105	10,945,009	5,137,355	9,241,974	6,895,462	970,093	33,191,998
Debentures	1,113	1,515,914	3,629,101	11,878,286	16,151,920	4,084,998	37,261,332
Lease liabilities	196	22,118	42,394	174,266	482,320	107,434	828,728
Other financial liabilities	2,966	17,652,160	23,715	137,009	9,076	-	17,824,926
	178,118,630	71,621,155	66,405,455	158,188,468	47,850,347	6,663,904	528,847,959
Off-balance sheet items							
Commitments [4]	122,784,119	-	-	-	-	-	122,784,119
Acceptances and guarantees contracts [5]	16,420,629	-	-	-	-	-	16,420,629
Financial guarantee contracts [5]	5,717,630	-	-	-	-	-	5,717,630
	144,922,378	-	-	-	-	-	144,922,378

(In millions of Korean won)

	December 31, 2023						
	On demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Financial liabilities							
Financial liabilities at fair value through profit or loss [1]	93,438	-	-	-	-	-	93,438
Derivatives held for trading [1]	4,367,529	-	-	-	-	-	4,367,529
Derivatives held for hedging [2]	-	210	8,197	34,520	48,684	(4,255)	87,356
Deposits [3]	163,446,965	35,508,997	55,044,408	130,318,931	16,763,729	1,900,021	402,983,051
Borrowings	59,790	11,884,748	4,478,449	10,571,466	7,915,800	1,004,486	35,914,739
Debentures	10,077	1,605,013	2,527,478	12,065,631	13,501,873	4,364,158	34,074,230
Lease liabilities	243	16,629	29,600	116,673	220,830	17,257	401,232
Other financial liabilities	2,966	20,016,794	20,227	135,406	50,387	-	20,225,780
	167,981,008	69,032,391	62,108,359	153,242,627	38,501,303	7,281,667	498,147,355
Off-balance sheet items							
Commitments [4]	117,424,480	-	-	-	-	-	117,424,480
Acceptances and guarantees contracts [5]	13,912,781	-	-	-	-	-	13,912,781
Financial guarantee contracts [5]	7,092,532	-	-	-	-	-	7,092,532
	138,429,793	-	-	-	-	-	138,429,793

[1] Financial liabilities at fair value through profit or loss and derivatives held for trading are not managed by contractual maturity because they are expected to be traded or redeemed before maturity. Therefore, the carrying amounts of those financial instruments are included in the 'On demand' category.

[2] Cash flows of derivative instruments held for hedging are shown at net amount of cash inflows and outflows by remaining contractual maturity.

[3] Deposits that are contractually repayable on demand or on short notice are included in the 'On demand' category.

[4] Unused lines of credit within commitments are included in the 'On demand' category because payments can be requested at any time.

[5] Cash flows under acceptances and financial guarantee contracts are classified based on the earliest period that the contract can be executed.

4.3.3.2 Contractual cash flows of derivatives held for cash flow hedge as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024					
	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Cash flow to be received from net-settled derivatives	1,158	5,372	19,528	45,759	-	71,817
Cash flow to be paid from net-settled derivatives	-	-	-	-	-	-

(In millions of Korean won)	December 31, 2023					
	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Cash flow to be received from net-settled derivatives	1,127	6,638	22,111	69,344	-	99,220
Cash flow to be paid from net-settled derivatives	133	-	-	-	-	133

4.4 Market Risk

4.4.1 Concept

Market risk refers to risks that can result in losses due to changes in market factors such as interest rate, stock price, and foreign exchange rate, etc., which arise from securities, derivatives, and others. The most significant risks associated with trading positions are interest rate risk, currency risk, and additional risks including stock price risk. The non-trading position is also exposed to interest rate risk. The Group manages the market risks by dividing them into those arising from the trading position and those arising from the non-trading position.

4.4.2 Risk management

The Group sets and monitors internal capital limits for market risk and interest rate risk to manage the risks of trading and non-trading positions. In order to manage market risk efficiently, the Group maintains risk management systems and procedures such as trading policies and procedures, market risk management guidelines for trading positions, and ALM risk management guidelines for non-trading positions. The entire process is carried out through the approval by the Risk Management Council and the Risk Management Committee of the Group.

The Group's Risk Management Council establishes and enforces overall market risk management policies for market risk management and decides to establish position limits, loss limits, VaR limits, and approves non-standard new products. In addition, the Market Risk Management Subcommittee, chaired by Chief Risk Officer ("CRO"), is a practical decision-making body for market risk management and determines position limits, loss limits, VaR limits, sensitivity limits, and scenario loss limits for each department of the business group.

The Asset-Liability Management Committee ("ALCO") determines interest rate and commission operating standards and ALM operation policies and enacts and revises relevant guidelines. The Risk Management Council monitors the establishment and enforcement of ALM risk management policies and enacts and revises ALM risk management guidelines. Interest rate risk limits are set based on future asset and liability positions and expected interest rate volatility, which reflect annual business plans. The Financial Planning Department and the Risk Management Department regularly measure and monitor interest rate risk and report the status and limit of interest rate risk including changes in Economic Value of Equity ("△EVE"), changes in Net Interest Income ("△NII"), and duration gap to the ALCO and the Risk Management Council on a monthly basis, and to the Risk Management Committee on a quarterly basis. To ensure the adequacy of interest rate risk and liquidity risk management, the Risk Management Department assigns the limits, monitors and reviews the procedures and tasks of ALM operations conducted by the financial planning department, and reports related matters to the management independently.

4.4.3 Trading position

4.4.3.1 Definition of a trading position

The trading position, which is subject to market risk management, includes interest rate position and stock position held for short-term trading profit. The Group also includes and manages all foreign currency positions in our trading positions. The trading position subject to market risk management is the trading position defined in "Trading Policy and Guidelines" and the basic requirements for the trading position are as follows:

- The target position has no restrictions on the sale, the daily fair value assessment should be made, and the embedded significant risk can be hedged in the market.
- The trading position classification criteria should be clearly defined in the Trading Policy and Guidelines, and the trading position should be managed by a separate trading department.
- The target position must be operated according to the documented trading strategy, and the management of position limit must be carried out.
- The specialized dealer or operating department shall have the authority to execute the transaction without prior approval from the Risk Management Department, etc. within the predetermined limits of the target position.
- The target positions should be periodically reported to management for risk management of the Group.

4.4.3.2 Methods of observing market risk arising from trading positions

The group is required to calculate regulatory capital for all trading positions using the standard method through market risk management systems, following the adoption of Basel III market risk standard approach regulation in 2023.
Furthermore, risk control and management for derivative financial product transactions are conducted in accordance with regulations and guidelines set by the Financial Supervisory Service.

4.4.3.3 Standard Method

Market risk regulatory capital is calculated using the Basel III standard method as follows.

[Market risk regulatory capital = (a) Sensitivity-based risk + (b) Default risk + (c) Residual risk]

- Sensitivity-based risk, which forms the basis of the Basel III standard method for market risk, involves calculating the expected losses for each risk factor by applying and aggregating the risk weights and correlation coefficients specified by the Basel Committee.
- Default risk is the risk that arises from the issuer default of securities and derivatives that are not considered in sensitivity-based risk. It is calculated by applying risk weights based on the issuer's credit rating and other factors.
- Residual risk is the risk that is not considered by sensitivity-based and default risk calculations. It is calculated by applying a certain percentage determined by the Basel Committee to the nominal value of structured products and other non-standard underlying assets.

			Description
Sensitivity-based risk	Interest rate risk group	GIRR	The risk associated with risk-free interest rates (typically OIS rates) defined by currency and maturity.
		CSR	The risk associated with the issuer's interest rate credit spread, defined by creditworthiness and sector.
	Equity risk group		The risk factors associated with equity, defined by market capitalization, economic conditions, and sector
	Foreign exchange risk group		The risk factors associated with exchange rate, defined by currency pairs
	Commodity risk group		The risk factors associated with commodities, defined by commodity types.
Default risk			Issuer default risk in securities (bonds, etc.) and derivatives.
Residual risk			Additional risks imposed on non-standard underlying asset products, etc.

The table below represents regulatory capital for sensitivity-based risk, default risk, and residual risk of trading positions at the end of 2024 and 2023, respectively.

(In millions of Korean won)		December 31, 2024	December 31, 2023
Sensitivity-based risk	GIRR(General interest rate))	108,534	90,697
	CSR(Non- securitization)	122,780	136,109
	CSR(Securitization n-CTP)	1,036	552
	CSR(Securitization CTP)	-	-
	Equity risk	5,909	17,642
	Foreign exchange risk	179,482	234,114
	General commodity risk	15	61
Default risk		52,293	85,375
Residual risk		1,070	862
Total		471,119	565,411

4.4.4 Non-trading position (Interest Rate Risk of Banking Book (“IRRBB”))

4.4.4.1 Definition of IRRBB

IRRBB is a change in equity and earnings due to the changes in value of interest-sensitive assets and liabilities, etc., and is measured by △EVE and △NII.

4.4.4.2 The Bank’s overall interest rate risk management and mitigation strategy

The Risk Management Committee approves policies, procedures and limits for managing interest rate risk, and the management department regularly reports on interest rate risk levels of △EVE and △NII against the set limit, changes in market conditions, and others. In order to measure the sensitivity of the economic value and earnings to changes in interest rates, the Bank calculates monthly interest rate gap and duration gap for assets and liabilities. In addition, the management department conducts an interest rate risk crisis analysis at least once a quarter assuming abnormal interest rate fluctuations and reports the results to the Risk Management Council. Independent internal and external audit department regularly check the process of identifying, measuring and monitoring interest rate risk. The interest rate risk model adequacy test is carried out regularly at least once a year by the verification department independent of the management department.

4.4.4.3 Main modeling assumption used for the Bank’s interest rate risk measurement system for internal management

The bank measures adverse fluctuations in economic value resulting from changes in interest rates following the interest rate risk calculation standards set by the Financial Supervisory Service.

4.4.4.4 The Bank’s interest rate risk hedging methodology and related accounting

The Bank hedges interest rate risk through back-to-back interest rate swap transactions, which are the same as interest payment cash flows. The Bank officially documents and manages the risk management strategy for hedge accounting, risk management objectives, hedging relationship, and assessment method for hedge effectiveness.

4.4.4.5 Main assumptions used for calculating △EVE, △NII

The Bank calculates interest rate risk, including all cash flow of interest-sensitive assets and liabilities, and off-balance sheet items in the banking book. △EVE assumes a run-off balance sheet where the existing bank account positions are amortized and not replaced by new businesses. In addition, the contractual interest rate, including commercial margins and other spread components, is applied to generate cash flows. When discounting cash flows, △EVE is calculated by applying risk-free interest rate that do not include commercial margins and other spread components.

△NII assumes a constant balance sheet where maturing or repricing cash flows during the target management period are replaced by new cash flows with identical features. The interest rate risk is calculated for the interest rate shock scenario by adding up only if the risk is a loss for each currency. After classifying into retail/transactional, retail/non-transactional, and wholesale according to customers and regular transactions, the average repricing maturity of non-maturity deposits is determined by taking into account the proportion of core deposits and cap on average maturity of core deposits for each category. The average repricing maturity of non-maturity deposits is 2.5 years for core deposits, 1 day for non-core deposits, and the longest repricing maturity is five years. The prepayment rate of fixed rate loans and term deposit redemption ratio are estimated by dividing the amount of prepayment amount and redemption amount during the previous month by the balance at the end of the previous month, respectively.

4.4.4.6 △EVE and △NII

The Bank calculates △EVE by applying six interest rate shock and stress scenarios, and △NII is calculated by applying parallel shock up and parallel shock down scenarios. Results as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	**December 31, 2024**		**December 31, 2023**	
	△EVE	**△NII**	**△EVE**	**△NII**
Scenario 1 (Parallel shock up)	830,102	205,111	1,211,285	494,957
Scenario 2 (Parallel shock down)	-	-	-	-
Scenario 3 (Short rates down and long rates up)	398,065		338,439	
Scenario 4 (Short rates up and long rates down)	447,275		620,553	
Scenario 5 (Short rates shock up)	540,388		901,087	
Scenario 6 (Short rates shock down)	132,113		90,869	
Maximum out of six scenarios	830,102	205,111	1,211,285	494,957
Basic capital	35,059,009		33,507,818	

4.4.5 Financial assets and liabilities denominated in foreign currencies

Details of financial instruments denominated in foreign currencies and translated into Korean won as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024						
	USD	**JPY**	**EUR**	**GBP**	**CNY**	**Others**	**Total**
Financial assets							
Cash and due from financial institutions	7,596,258	538,385	121,164	45,365	463,645	980,489	9,745,306
Financial assets at fair value through profit or loss	2,727,566	-	561,866	29,154	-	167,050	3,485,636
Derivatives held for trading	184,605	104	36	91	13,604	1,993	200,433
Derivatives held for hedging	66,724	-	-	2	-	76	66,802
Loans measured at amortized cost	31,381,203	877,024	3,238,842	981,516	2,114,302	6,378,649	44,971,536
Financial assets at fair value through other comprehensive income	5,012,179	-	74,586	50,415	549,307	1,280,473	6,966,960
Financial assets at amortized cost	3,117,597	-	6,140	227,140	200,747	1,559,289	5,110,913
Other financial assets	3,335,330	37,769	91,749	44,459	50,833	167,001	3,727,141
	53,421,462	1,453,282	4,094,383	1,378,142	3,392,438	10,535,020	74,274,727
Financial liabilities							
Derivatives held for trading	176,726	850	113	91	2,850	28	180,658
Derivatives held for hedging	65,926	-	-	-	-	202	66,128
Deposits	28,425,204	1,570,196	1,632,913	1,057,406	2,513,885	5,029,136	40,228,740
Borrowings	15,329,541	452,189	939,858	179,758	372,293	2,129,477	19,403,116
Debentures	7,876,061	-	3,902,818	-	-	557,601	12,336,480
Other financial liabilities	4,447,288	121,120	112,814	25,741	87,376	16,793	4,811,132
	56,320,746	2,144,355	6,588,516	1,262,996	2,976,404	7,733,237	77,026,254
Off-balance sheet items	26,589,498	69,921	233,081	20,660	319,934	519,447	27,752,541

(In millions of Korean won)	December 31, 2023						
	USD	**JPY**	**EUR**	**GBP**	**CNY**	**Others**	**Total**
Financial assets							
Cash and due from financial institutions	5,704,904	454,527	216,391	38,699	306,669	954,489	7,675,679
Financial assets at fair value through profit or loss	2,074,675	-	414,888	31,443	-	122,298	2,643,304
Derivatives held for trading	301,091	342	65	109	859	220	302,686
Derivatives held for hedging	108,152	-	-	-	-	190	108,342
Loans measured at amortized cost	31,446,213	785,006	2,646,927	901,085	1,648,885	5,837,975	43,266,091
Financial assets at fair value through other comprehensive income	4,044,205	-	33,596	4,591	654,436	866,177	5,603,005
Financial assets at amortized cost	2,356,158	-	5,741	199,590	32,579	1,613,208	4,207,276
Other financial assets	3,076,445	100,419	79,994	36,865	510,275	404,892	4,208,890
	49,111,843	1,340,294	3,397,602	1,212,382	3,153,703	9,799,449	68,015,273
Financial liabilities							
Derivatives held for trading	251,375	1,107	343	108	11	208	253,152
Derivatives held for hedging	77,342	-	-	-	-	-	77,342
Deposits	24,990,120	1,667,195	1,813,477	761,031	1,783,511	4,192,353	35,207,687
Borrowings	15,419,190	743,356	430,211	262,687	506,248	1,492,572	18,854,264
Debentures	6,713,658	-	2,959,534	-	-	909,225	10,582,417
Other financial liabilities	4,701,050	91,519	840,630	8,995	544,345	(106,833)	6,079,706
	52,152,735	2,503,177	6,044,195	1,032,821	2,834,115	6,487,525	71,054,568
Off-balance sheet items	24,598,474	-	329,194	36,936	204,314	518,693	25,687,611

4.5 Operational Risk

4.5.1 Concept

The Group defines operational risk as loss risk arising from improper or incorrect internal procedures, personnel, systems or external events and includes financial and non-financial risks.

4.5.2 Risk management

The purpose of operational risk management is not only to comply with supervisory and regulatory requirements, but also to spread risk management culture, strengthen internal control, improve processes, and provide timely feedback to management and all employees. The Group established a Business Continuity Planning (BCP) to carry out continuous work in emergency situations and established alternative facilities. The Group conducts simulation training for headquarters and IT departments to check the business continuity framework.

4.6 Capital Management

The Group complies with the capital adequacy standard established by the financial supervisory authority. This capital adequacy standard is based on Basel III revised by Basel Committee on Banking Supervision in Bank for International Settlements ("BIS") in June 2011 and was implemented in Korea in December 2013.

According to this standard, the Group is required to maintain a minimum capital adequacy ratio to risk-weighted assets (Common Equity Tier 1 Capital ratio of 4.5%, Tier 1 Capital ratio of 6.0%, and Total Capital ratio of 8.0%) as of December 31, 2024. Capital Conservation Buffer of 2.5%, a Countercyclical Capital Buffer of 1.0%, and Capital Requirement of Domestic Systemically Important Bank (D-SIB) of 1.0% are additionally applied. Therefore, the Group is required to maintain a capital adequacy ratio including a minimum capital adequacy ratio and additional capital requirements (Common Equity Tier 1 Capital ratio of 9.0% (December 31, 2023: 8.0%), Tier 1 Capital ratio of 10.5% (December 31, 2023: 9.5%), and Total Capital ratio of 12.5% (December 31, 2023: 11.5%)).

The Group's capital is classified into three categories in accordance with the Detailed Regulations on Supervision of Banking Business as follows:

- Common Equity Tier 1 Capital: Common equity Tier 1 Capital is the first to take losses of the Group and is the last to be compensated in liquidation of the Group and not repaid except for liquidation. It includes capital, capital surplus, retained earnings, non-controlling interests of the consolidated subsidiaries, accumulated other comprehensive income, and other capital surplus, etc.

- Additional Tier 1 Capital: Additional Tier 1 Capital includes capital, capital surplus, etc. related to the issuance of capital securities of a permanent nature that meet the conditional capital securities requirements.

- Tier 2 Capital: Tier 2 Capital means capital that can compensate for losses of the Group upon liquidation, including (a) the amount of subordinated bonds with maturity of not less than 5 years that meet the conditional capital securities requirements, and (b) the allowances for credit losses accumulated on the loans which are classified as normal or precautionary in accordance with Regulations on Supervision of Banking Business, and others.

The risk-weighted assets are the magnitude of assets that reflect the risk that the Group has to bear, including risks inherent in all assets, errors in the operation of internal processes, and risk of loss that may arise from external events. The Group calculates risk-weighted assets by each risk (credit risk, market risk, and operational risk) based on the Detailed Regulations on Supervision of Banking Business and uses them to calculate capital adequacy ratio. The Group complied with external capital adequacy requirements as of December 31, 2024 and

2023.

Apart from the capital adequacy ratio, the Group evaluates and manages capital adequacy through internal policies. The evaluation of capital adequacy compares the size of available capital (the amount of capital actually available) to the size of internal capital (the amount of capital required to cover all the significant risks faced by the Group under its target credit rating), which monitors financial soundness and provides a risk-adjusted performance measurement basis. The internal capital for capital adequacy assessment is calculated by adding the results of a stress test and other additional capital requirements to the internal capital calculated for each individual risk.

The Risk Management Committee of the Group determines the risk appetite of the Group, allocates internal capital by risk type and business group, and each business group operates capital efficiently within the range of the allocated internal capital. The Risk Management Department of the Group monitors internal capital limit management and reports it to management and the Risk Management Committee. If the limit of internal capital is expected to be exceeded, the Group's capital adequacy management is carried out through review and approval by the Risk Management Committee in advance.

Details of the Group's capital adequacy ratio in accordance with Basel III requirements as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	**December 31, 2024**	**December 31, 2023**
Total Capital:	40,573,940	39,039,876
Tier 1 Capital	35,059,009	33,478,665
Common Equity Tier 1 Capital	33,993,396	32,195,730
Additional Tier 1 Capital	1,065,613	1,282,935
Tier 2 Capital	5,514,931	5,561,211
Risk-Weighted Assets:	234,435,856	215,962,186
Credit risk [1]	205,655,976	194,210,167
Market risk [2]	5,888,995	7,067,638
Operational risk [3]	22,890,885	14,684,381
Total Capital ratio (%):	17.31	18.08
Tier 1 Capital ratio (%)	14.95	15.50
Common Equity Tier 1 Capital ratio (%)	14.50	14.91

[1] Credit risk weighted assets are measured using the Internal Rating-Based Method and Standard Method.
[2] Market risk weighted assets are measured using the Standard Method.
[3] Operational risk weighted assets are measured using the Standard Method.

5. Segment Information

5.1 Overall Segment Information and Business Segments

The Group is organized into Corporate Banking, Retail Banking and Other Activities. These segments are based on the nature of the products and services provided, the type or class of customer, and the Group's management organization.

- Corporate banking: The activities within this segment include providing credit, deposit products, and other related financial services to large, small and medium-sized enterprises and SOHOs and foreign subsidiaries-related works.
- Retail banking: The activities within this segment include providing credit, deposit products, and other related financial services to individuals and households.
- Other activities: The activities within this segment include trading activities in securities and derivatives, funding, trust, and other activities.

Financial information by business segment as of and for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	2024				
	Corporate banking	Retail banking	Others	Consolidation adjustments	Total
Net operating revenues from external customers	5,647,129	4,165,446	900,695	-	10,713,270
Intersegment net operating revenues (expenses)	(274,253)	-	135,649	138,604	-
	5,372,876	4,165,446	1,036,344	138,604	10,713,270
Net interest income	5,765,967	3,319,728	1,159,404	(21,227)	10,223,872
Interest income	12,100,679	7,760,970	3,579,845	(230,422)	23,211,072
Interest expense	(6,334,712)	(4,441,242)	(2,420,441)	209,195	(12,987,200)
Net fee and commission income	410,424	241,799	468,661	(8,006)	1,112,878
Fee and commission income	600,466	390,775	592,752	(39,884)	1,544,109
Fee and commission expense	(190,042)	(148,976)	(124,091)	31,878	(431,231)
Net gains (losses) on financial instruments at fair value through profit or loss	23,652	-	734,513	9,712	767,877
Net other operating income (expenses)	(827,167)	603,919	(1,326,234)	158,125	(1,391,357)
General and administrative expenses	(2,004,769)	(1,984,805)	(645,371)	627	(4,634,318)
Operating income before provision for credit losses	3,368,107	2,180,641	390,973	139,231	6,078,952
Provision for credit losses	(482,326)	(196,996)	(4,577)	3,812	(680,087)
Net operating income	2,885,781	1,983,645	386,396	143,043	5,398,865
Share of profit (loss) of associates	-	-	(236,141)	243,543	7,402
Net other non-operating expenses	(61,903)	-	(841,283)	(57,783)	(960,969)
Segment profit (loss) before income tax expense	2,823,878	1,983,645	(691,028)	328,803	4,445,298
Income tax expense	(927,629)	(523,682)	220,152	(62,737)	(1,293,896)
Profit (loss) for the year	1,896,249	1,459,963	(470,876)	266,066	3,151,402
Profit (loss) attributable to the shareholder of the Parent Company	1,877,266	1,459,963	(470,876)	385,406	3,251,759
Loss attributable to non-controlling interests	18,983	-	-	(119,340)	(100,357)
Total assets *	239,124,552	176,075,559	155,245,988	(7,558,919)	562,887,180
Total liabilities *	222,291,921	210,839,098	95,814,090	(4,085,249)	524,859,860

5.1 Overall Segment Information and Business Segments (cont'd)

(In millions of Korean won)

	2023				
	Corporate banking	Retail banking	Others	Consolidation adjustments	Total
Net operating revenues from external customers	5,761,241	4,443,943	252,700	-	10,457,884
Intersegment net operating revenues (expenses)	(3,611)	-	72,643	(69,032)	-
	5,757,630	4,443,943	325,343	(69,032)	10,457,884
Net interest income	5,645,899	3,397,242	841,948	(15,022)	9,870,067
Interest income	11,687,624	7,723,196	3,168,101	(231,798)	22,347,123
Interest expense	(6,041,725)	(4,325,954)	(2,326,153)	216,776	(12,477,056)
Net fee and commission income	427,004	252,118	503,795	(14,634)	1,168,283
Fee and commission income	612,643	403,042	629,193	(42,058)	1,602,820
Fee and commission expense	(185,639)	(150,924)	(125,398)	27,424	(434,537)
Net gains (losses) on financial instruments at fair value through profit or loss	(6,449)	-	768,262	(1,828)	759,985
Net other operating income (expenses)	(308,824)	794,583	(1,788,662)	(37,548)	(1,340,451)
General and administrative expenses	(1,959,016)	(1,952,434)	(611,132)	816	(4,521,766)
Operating income before provision for credit losses	3,798,614	2,491,509	(285,789)	(68,216)	5,936,118
Provision for credit losses	(1,563,255)	(92,464)	(20,439)	68,030	(1,608,128)
Net operating income	2,235,359	2,399,045	(306,228)	(186)	4,327,990
Share of profit of associates	-	-	(301,241)	301,358	117
Net other non-operating income	(14,754)	-	(78,883)	(4,693)	(98,330)
Segment profit (loss) before income tax expense	2,220,605	2,399,045	(686,352)	296,479	4,229,777
Income tax expense	(633,917)	(633,348)	240,516	(53,076)	(1,079,825)
Profit (loss) for the year	1,586,688	1,765,697	(445,836)	243,403	3,149,952
Profit (loss) attributable to the shareholder of the Parent Company	1,612,409	1,765,697	(445,836)	329,229	3,261,499
Loss attributable to non-controlling interests	(25,721)	-	-	(85,826)	(111,547)
Total assets *	221,851,975	165,821,667	150,210,256	(7,871,045)	530,012,853
Total liabilities *	201,871,592	203,560,029	92,181,066	(4,148,561)	493,464,126

* Assets and liabilities of the reporting segments are amounts before intersegment transactions.

5.2 Services and Geographical Segments

5.2.1 Services information

Net operating revenues from external customers by service for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	**2024**	**2023**
Corporate banking service	5,647,129	5,761,241
Retail banking service	4,165,446	4,443,943
Others	900,695	252,700
	10,713,270	10,457,884

5.2.2 Geographical information

Geographical net operating revenues from external customers for the years ended December 31, 2024 and 2023, and major non-current assets as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	**Net operating revenues from external customers**		**Major non-current assets**	
	2024	**2023**	**December 31, 2024**	**December 31, 2023**
Domestic	9,605,060	9,372,917	4,297,870	4,219,601
United States	71,137	83,173	30,206	15,224
New Zealand	12,580	12,611	829	1,051
China	155,288	154,357	19,180	19,135
Japan	10,073	13,164	1,329	1,977
Myanmar	11,743	9,399	-	1,288
Vietnam	35,963	42,189	1,685	2,417
Cambodia	568,495	544,091	92,324	44,570
United Kingdom	71,736	52,783	9,023	4,616
Singapore	1,192	19,900	7,825	7,058
Indonesia	164,607	148,809	313,389	309,655
India	5,396	4,491	5,508	174
Consolidation adjustments	-	-	513,569	508,985
	10,713,270	10,457,884	5,292,737	5,135,751

6. Financial Assets and Financial Liabilities

6.1 Classification and Fair Value of Financial Instruments

6.1.1 Carrying amount and fair value of financial assets and liabilities by category as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and due from financial institutions	22,910,149	22,910,374	23,637,007	23,635,395
Financial assets at fair value through profit or loss:	22,089,847	22,089,847	19,700,714	19,700,714
Debt securities	21,518,991	21,518,991	19,197,608	19,197,608
Equity securities	162,196	162,196	225,873	225,873
Loans	250,141	250,141	183,490	183,490
Others	158,519	158,519	93,743	93,743
Derivatives held for trading	10,128,282	10,128,282	4,892,633	4,892,633
Derivatives held for hedging	121,337	121,337	146,328	146,328
Loans measured at amortized cost	409,867,155	410,625,723	385,404,070	385,486,929
Financial assets at fair value through other comprehensive income:	44,870,810	44,870,810	39,361,802	39,361,802
Debt securities	43,531,616	43,531,616	37,634,240	37,634,240
Equity securities	1,058,286	1,058,286	1,415,952	1,415,952
Loans	280,908	280,908	311,610	311,610
Securities measured at amortized cost	36,355,808	36,089,307	38,989,046	38,258,067
Other financial assets	9,328,611	9,328,611	10,703,605	10,703,605
	555,671,999	556,164,291	522,835,205	522,185,473
Financial liabilities				
Financial liabilities at fair value through profit or loss	159,212	159,212	93,438	93,438
Derivatives held for trading	9,577,007	9,577,007	4,367,529	4,367,529
Derivatives held for hedging	66,128	66,128	77,823	77,823
Deposits	421,200,651	421,544,630	393,246,702	393,450,003
Borrowings	32,226,416	32,204,642	34,990,075	34,921,129
Debentures	34,736,771	34,934,652	31,811,407	31,856,315
Other financial liabilities	24,117,660	24,117,660	26,040,801	26,040,801
	522,083,845	522,603,931	490,627,775	490,807,038

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Group discloses the fair value of each class of assets and liabilities in a way that permits it to be compared with its carrying amount at the end of each reporting period. The best evidence of fair value of financial instruments is a quoted price in an active market.

Methods of determining fair value of financial instruments are as follows:

Cash and due from financial institutions	Fair value of cash is the same as its carrying amount. Carrying amount of demand deposit and settlement deposit is a reasonable approximation of fair value because these financial instruments do not have a fixed maturity and are receivable on demand. Fair value of general deposits is measured using a Discounted Cash Flow ("DCF") Model.
Securities, Due from financial institutions and deposits indexed to gold price	Fair value of securities and others that are traded in an active market and due from financial institutions and deposits indexed to the gold price is determined using the quoted prices. If there is no quoted price, fair value is determined using external professional valuation institutions. The institutions use one or more valuation techniques that are deemed appropriate considering the characteristics of the financial instruments including a DCF Model, MonteCarlo Simulation, Free Cash Flow to Equity Model, Comparable Company Analysis, Dividend Discount Model, and Net Asset Value Method.
Loans	Fair value of loans is determined using a DCF Model and independent external professional valuation institutions. Fair value measured using a DCF Model is determined by discounting the expected cash flows, which are contractual cash flows adjusted by the expected prepayment rate, at an appropriate discount rate.
Derivatives	Fair value of exchange traded derivatives is determined using quoted prices in an active market, and fair value of OTC derivatives is determined using valuation techniques. The Group uses internally developed valuation models that are widely used by market participants to determine fair value of plain vanilla OTC derivatives including options, interest rate swaps, and currency swaps, based on observable market parameters. However, some complex financial instruments are valued using appropriate models developed from generally accepted market valuation models including a Finite Difference Method ("FDM"), MonteCarlo Simulation, and Tree Model or valuation results from independent external professional valuation institutions. For OTC derivatives, the credit risk of the counterparty and the Group's own credit risk are applied through a credit valuation adjustment method.
Deposits	Carrying amount of demand deposits is a reasonable approximation of fair value because they do not have a fixed maturity and are payable on demand. Fair value of time deposits is determined using a DCF Model discounting the expected cash flows, which are contractual cash flows adjusted by the expected prepayment rate, at an appropriate discount rate.
Borrowings	Carrying amount of overdrafts in foreign currency is a reasonable approximation of fair value because they do not have a fixed maturity and are payable on demand. Fair value of other borrowings is determined using a DCF Model.
Debentures	Fair value is determined using the valuation results (DCF Model) of external professional valuation institutions, which are calculated using market inputs.
Other financial assets and other financial liabilities	Carrying amount is a reasonable approximation of fair value because other financial assets and other financial liabilities are temporary accounts used for other various transactions, and their maturities are relatively short or not defined.

6.1.2 Fair value hierarchy

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

The Group classifies and discloses fair value of the financial instruments into the three fair value levels as follows:

Level 1: The fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: The fair values are based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: The fair values are based on unobservable inputs for the asset or liability.

The fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorized within Level 3 of the fair value hierarchy.

6.1.2.1 Fair value hierarchy of financial assets and liabilities at fair value in the consolidated statements of financial position

Fair value hierarchy of financial assets and liabilities at fair value in the consolidated statements of financial position as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024			
	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss:	10,098,491	5,300,027	6,691,329	22,089,847
Debt securities	9,813,428	5,300,027	6,405,536	21,518,991
Equity securities	126,544	-	35,652	162,196
Loans	-	-	250,141	250,141
Others	158,519	-	-	158,519
Derivatives held for trading	-	10,128,245	37	10,128,282
Derivatives held for hedging	-	121,337	-	121,337
Financial assets at fair value through other comprehensive income:	17,439,293	26,910,592	520,925	44,870,810
Debt securities	16,901,932	26,629,684	-	43,531,616
Equity securities	537,361	-	520,925	1,058,286
Loans	-	280,908	-	280,908
	27,537,784	42,460,201	7,212,291	77,210,276
Financial liabilities				
Financial liabilities at fair value through profit or loss	159,212	-	-	159,212
Derivatives held for trading	-	9,575,981	1,026	9,577,007
Derivatives held for hedging	-	66,128	-	66,128
	159,212	9,642,109	1,026	9,802,347

(In millions of Korean won)	December 31, 2023			
	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss:	6,629,880	7,526,568	5,544,266	19,700,714
Debt securities	6,465,500	7,526,568	5,205,540	19,197,608
Equity securities	70,637	-	155,236	225,873
Loans	-	-	183,490	183,490
Others	93,743	-	-	93,743
Derivatives held for trading	-	4,892,600	33	4,892,633
Derivatives held for hedging	-	146,328	-	146,328
Financial assets at fair value through other comprehensive income:	14,947,243	23,704,725	709,834	39,361,802
Debt securities	14,241,125	23,393,115	-	37,634,240
Equity securities	706,118	-	709,834	1,415,952
Loans	-	311,610	-	311,610
	21,577,123	36,270,221	6,254,133	64,101,477
Financial liabilities				
Financial liabilities at fair value through profit or loss	93,438	-	-	93,438
Derivatives held for trading	-	4,366,724	805	4,367,529
Derivatives held for hedging	-	77,823	-	77,823
	93,438	4,444,547	805	4,538,790

Valuation techniques and inputs of financial assets and liabilities classified as Level 2 and measured at fair value in the consolidated statements of financial position as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024		
	Fair value	**Valuation techniques**	**Inputs**
Financial assets			
Financial assets at fair value through profit or loss:	5,300,027		
Debt securities	5,300,027	DCF Model, MonteCarlo Simulation, Net Asset Value Method	Discount rate, interest rate, prices of underlying assets (debt securities, stocks, etc.)
Derivatives held for trading	10,128,245	DCF Model, Closed Form, FDM	Discount rate, volatility, foreign exchange rate, stock price, and others
Derivatives held for hedging	121,337	DCF Model, Closed Form, FDM	Discount rate, volatility, foreign exchange rate, and others
Financial assets at fair value through other comprehensive income:	26,910,592		
Debt securities	26,629,684	DCF Model	Discount rate
Loans	280,908	DCF Model	Discount rate
	42,460,201		
Financial liabilities			
Derivatives held for trading	9,575,980	DCF Model, Closed Form, FDM	Discount rate, volatility, foreign exchange rate, stock price, and others
Derivatives held for hedging	66,128	DCF Model, Closed Form, FDM	Discount rate, volatility, foreign exchange rate, and others
	9,642,108		

(In millions of Korean won)	December 31, 2023		
	Fair value	**Valuation techniques**	**Inputs**
Financial assets			
Financial assets at fair value through profit or loss:	7,526,568		
Debt securities	7,526,568	DCF Model, MonteCarlo Simulation, Net Asset Value Method	Discount rate, interest rate, prices of underlying assets (debt securities, stocks, etc.)
Derivatives held for trading	4,892,600	DCF Model, Closed Form, FDM	Discount rate, volatility, foreign exchange rate, stock price, and others
Derivatives held for hedging	146,328	DCF Model, Closed Form, FDM	Discount rate, volatility, foreign exchange rate, and others
Financial assets at fair value through other comprehensive income:	23,704,725		
Debt securities	23,393,115	DCF Model	Discount rate
Loans	311,610	DCF Model	Discount rate
	36,270,221		
Financial liabilities			
Derivatives held for trading	4,366,724	DCF Model, Closed Form, FDM	Discount rate, volatility, foreign exchange rate, stock price, and others
Derivatives held for hedging	77,823	DCF Model, Closed Form, FDM	Discount rate, volatility, foreign exchange rate, and others
	4,444,547		

6.1.2.2 Fair value hierarchy of financial assets and liabilities whose fair value is disclosed

Fair value hierarchy of financial assets and liabilities whose fair value is disclosed as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024			
	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and due from financial institutions [1]	2,077,679	18,572,062	2,260,633	22,910,374
Loans measured at amortized cost	-	-	410,625,723	410,625,723
Securities measured at amortized cost	4,746,587	31,342,720	-	36,089,307
Other financial assets [2]	-	-	9,328,611	9,328,611
	6,824,266	49,914,782	422,214,967	478,954,015
Financial liabilities				
Deposits [1]	-	166,872,039	254,672,591	421,544,630
Borrowings [1]	-	15,158	32,189,484	32,204,642
Debentures	-	34,934,652	-	34,934,652
Other financial liabilities [2]	-	-	24,117,660	24,117,660
	-	201,821,849	310,979,735	512,801,584

(In millions of Korean won)	December 31, 2023			
	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and due from financial institutions [1]	2,252,575	19,256,112	2,126,708	23,635,395
Loans measured at amortized cost	-	-	385,486,929	385,486,929
Securities measured at amortized cost	4,328,010	33,930,057	-	38,258,067
Other financial assets [2]	-	-	10,703,605	10,703,605
	6,580,585	53,186,169	398,317,242	458,083,996
Financial liabilities				
Deposits [1]	-	160,173,544	233,276,459	393,450,003
Borrowings [1]	-	38,194	34,882,935	34,921,129
Debentures	-	31,856,315	-	31,856,315
Other financial liabilities [2]	-	-	26,040,801	26,040,801
	-	192,068,053	294,200,195	486,268,248

[1] The amounts included in Level 2 are the carrying amounts which are reasonable approximations of fair value.
[2] Other financial assets and other financial liabilities included in Level 3 are the carrying amounts which are reasonable approximations of fair value.

For financial assets and liabilities whose carrying amount is a reasonable approximation of fair value, valuation techniques and inputs are not disclosed.

Valuation techniques and inputs of financial assets and liabilities classified as Level 2, and whose fair value is disclosed as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024		
	Fair value	**Valuation techniques**	**Inputs**
Financial assets			
Securities measured at amortized cost	31,342,720	DCF Model, MonteCarlo Simulation	Discount rate, interest rate
Financial liabilities			
Debentures	34,934,652	DCF Model	Discount rate

(In millions of Korean won)	December 31, 2023		
	Fair value	**Valuation techniques**	**Inputs**
Financial assets			
Securities measured at amortized cost	33,930,057	DCF Model, MonteCarlo Simulation	Discount rate, interest rate
Financial liabilities			
Debentures	31,856,315	DCF Model	Discount rate

Valuation techniques and inputs of financial assets and liabilities classified as Level 3, and whose fair value is disclosed as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024			
	Fair value	Valuation techniques	Inputs	Unobservable inputs
Financial assets				
Cash and due from financial institutions	2,260,633	DCF Model	Credit spread, other spread, interest rate	Credit spread, other spread
Loans measured at amortized cost	410,625,723	DCF Model	Credit spread, other spread, prepayment rate, interest rate	Credit spread, other spread, prepayment rate
	412,886,356			
Financial liabilities				
Deposits	254,672,591	DCF Model	Other spread, prepayment rate, interest rate	Other spread, prepayment rate
Borrowings	32,189,484	DCF Model	Other spread, interest rate	Other spread
	286,862,075			

(In millions of Korean won)	December 31, 2023			
	Fair value	Valuation techniques	Inputs	Unobservable inputs
Financial assets				
Cash and due from financial institutions	2,126,708	DCF Model	Credit spread, other spread, interest rate	Credit spread, other spread
Loans measured at amortized cost	385,486,929	DCF Model	Credit spread, other spread, prepayment rate, interest rate	Credit spread, other spread, prepayment rate
	387,613,637			
Financial liabilities				
Deposits	233,276,459	DCF Model	Other spread, prepayment rate, interest rate	Other spread, prepayment rate
Borrowings	34,882,935	DCF Model	Other spread, interest rate	Other spread
	268,159,394			

6.2 Disclosure of Fair Value Hierarchy Level 3

6.2.1 Valuation policy and process of Level 3 fair value

The Group uses an external, independent and qualified valuation service in addition to internal valuation models to determine the fair value of financial instruments at the end of every reporting period.

If the changes in situation and events cause transfers between the fair value hierarchy level for a financial asset or liability occur, the Group's policy is to recognize such transfers as having occurred at the beginning of the reporting period.

6.2.2 Changes in fair value (Level 3) measured using valuation technique based on unobservable inputs in the market

6.2.2.1 Changes in financial instruments classified as Level 3 of the fair value hierarchy for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	2024				
	Financial assets at fair value through profit or loss		Financial investments	Net derivative financial instruments	
	Securities measured at fair value through profit or loss	Loans measured at fair value through profit or loss	Equity securities measured at fair value through other comprehensive income	Derivatives held for trading	Derivatives held for hedging
Beginning	5,360,776	183,490	709,834	(772)	-
Total gains or losses:					
- Profit or loss	443,177	25,146	-	(369)	-
- Other comprehensive loss	-	-	(189,265)	-	-
Purchases	1,180,331	54,999	356	184	-
Sales	(431,821)	(13,494)	-	(33)	-
Transfer from Level 3 to another level *	(111,275)	-	-	-	-
Ending	6,441,188	250,141	520,925	(990)	-

(In millions of Korean won)

	2023				
	Financial assets at fair value through profit or loss		Financial investments	Net derivative financial instruments	
	Securities measured at fair value through profit or loss	Loans measured at fair value through profit or loss	Equity securities measured at fair value through other comprehensive income	Derivatives held for trading	Derivatives held for hedging
Beginning	4,234,762	149,075	805,596	(417)	-
Total gains or losses:					
- Profit or loss	189,155	(11,955)	-	(355)	-
- Other comprehensive income	-	-	(95,600)	-	-
Purchases	1,313,979	50,435	152	-	-
Sales	(377,120)	(4,065)	(314)	-	-
Ending	5,360,776	183,490	709,834	(772)	-

* Transfers between levels occurred due to changes in the availability of observable market data for the financial instrument. The Bank recognizes changes in level at the end of the reporting period in which the event or change in circumstances that triggered the transfer occurs.

6.2.2.2 In relation to changes in financial instruments classified as Level 3 of the fair value hierarchy, total gains or losses recognized in profit or loss for the period, and total gains or losses recognized in profit or loss from financial instruments held at the end of the reporting period for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024		
	Net gains on financial instruments at fair value through profit or loss	**Other operating income**	**Net interest income**
Total gains recognized in profit or loss for the period	186,278	281,676	-
Total gains recognized in profit or loss from financial instruments held at the end of the reporting period	171,843	224,343	-

(In millions of Korean won)	2023		
	Net gains on financial instruments at fair value through profit or loss	**Other operating expenses**	**Net interest income**
Total gains recognized in profit or loss for the period	142,995	33,850	-
Total gains recognized in profit or loss from financial instruments held at the end of the reporting period	143,076	57,361	-

6.2.3 Sensitivity analysis of changes in unobservable inputs

6.2.3.1 Information about fair value measurements using unobservable inputs as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	December 31, 2024					
	Fair value	**Valuation techniques**	**Inputs**	**Unobservable inputs**	**Range of unobservable inputs (%)**	**Relationship of unobservable inputs to fair value**
Financial assets						
Financial assets at fair value through profit or loss:						
Debt securities	6,405,536	MonteCarlo Simulation, Net Asset Value Method, DCF Model, Tree Mode and others	Price of underlying asset, interest rate, dividend yield, discount rate, rate of real estate sale price fluctuation, stock price, volatility of stock price	Rate of real estate sale price fluctuation	0.00	Higher the real estate sale price, higher the fair value
				Volatility of stock price	28.87 ~ 29.45	Higher the volatility, higher the fair value fluctuation
Equity securities	35,652	DCF Model, Comparable Company Analysis and others	Growth rate, discount rate	Growth rate	0.00	Higher the growth rate, higher the fair value
				Discount rate	5.90 ~ 13.00	Lower the discount rate, higher the fair value
Loans	250,141	DCF Model	Discount rate	Discount rate	8.54	Lower the discount rate, higher the fair value
Derivatives held for trading:						
Stock and index	37	Tree Model	Price of underlying asset, volatility of underlying asset	Volatility of underlying asset	29.45 ~ 31.79	Higher the volatility, higher the fair value fluctuation
Financial assets at fair value through other comprehensive income:						
Equity securities	520,925	DCF Model, Comparable Company Analysis, Net Asset Value Method *, Tree Model and others	Growth rate, discount rate, stock price, volatility of stock price, liquidation value	Growth rate	0.00 ~ 1.00	Higher the growth rate, higher the fair value
				Liquidation Value	0.00	Higher the liquidation value, higher the fair value
				Discount rate	6.01 ~ 12.54	Lower the discount rate, higher the fair value
				Volatility of stock price	22.95 ~ 31.79	Higher the volatility, higher the fair value fluctuation
	7,212,291					
Financial liabilities						
Derivatives held for trading:						
Others	1,027	DCF Model	Interest rate, discount rate	Discount rate	3.70 ~ 3.74	Higher the discount rate, lower the fair value
	1,027					

* The Group has changed its fair value assessment technique to the net asset value method during the current period for certain financial assets at fair value through other comprehensive income classified as Level 3, reflecting improvements in valuation techniques using new information.

6.2.3.1 Information about fair value measurements using unobservable inputs as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	December 31, 2023					
	Fair value	**Valuation techniques**	**Inputs**	**Unobservable inputs**	**Range of unobservable inputs (%)**	**Relationship of unobservable inputs to fair value**
Financial assets						
Financial assets at fair value through profit or loss:						
Debt securities	5,205,540	MonteCarlo Simulation, Net Asset Value Method, DCF Model, Tree Model	Price of underlying asset, interest rate, dividend yield, discount rate, liquidation value, rate of real estate sale price fluctuation, stock price, volatility of stock price	Rate of real estate sale price fluctuation	0.00	Higher the real estate sale price, higher the fair value
				Volatility of stock price	20.03 ~ 32.55	Higher the volatility, higher the fair value fluctuation
Equity securities	155,236	DCF Model, Comparable Company Analysis, Risk Adjusted Discount Rate Method	Growth rate, discount rate	Growth rate	0.00	Higher the growth rate, higher the fair value
				Discount rate	8.81 ~ 19.32	Lower the discount rate, higher the fair value
Loans	183,490	DCF Model	Discount rate	Discount rate	9.65	Lower the discount rate, higher the fair value
Derivatives held for trading:						
Stock and index	33	Tree Model	Price of underlying asset, volatility of underlying asset	Volatility of underlying asset	19.59 ~ 20.03	Higher the volatility, higher the fair value fluctuation
Financial assets at fair value through other comprehensive income:						
Equity securities	709,834	DCF Model, Comparable Company Analysis, Risk Adjusted Discount Rate Method, Tree Model	Growth rate, discount rate, stock price, volatility of stock price	Growth rate	0.00 ~ 1.00	Higher the growth rate, higher the fair value
				Discount rate	9.25 ~ 19.90	Lower the discount rate, higher the fair value
				Volatility of stock price	20.60 ~ 27.96	Higher the volatility, higher the fair value fluctuation
	6,254,133					
Financial liabilities						
Derivatives held for trading:						
Others	805	DCF Model	Interest rate, discount rate	Discount rate	5.07 ~ 5.19	Higher the discount rate, lower the fair value
	805					

6.2.3.2 Sensitivity analysis of changes in unobservable inputs

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in fair value of financial instruments which are affected by unobservable parameters, using a statistical technique. When the fair value is affected by more than one input parameter, the amounts represent the most favorable or most unfavorable outcome. Level 3 financial instruments subject to sensitivity analysis are debt securities, loans, equity-related derivatives, currency-related derivatives, interest rate-related derivatives, and other derivatives whose fair value changes are recognized in profit or loss as well as equity securities whose fair value changes are recognized in profit or loss or other comprehensive income or loss.

Results of the sensitivity analysis of changes in unobservable inputs as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024			
	Profit or loss		Other comprehensive income or loss	
	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets				
Financial assets at fair value through profit or loss:				
Debt securities [4, 6]	6,946	(6,946)	-	-
Equity securities [3, 6]	3,633	(1,509)	-	-
Loans [5]	2,329	(2,120)	-	-
Derivatives held for trading [1]	36	(25)	-	-
Financial assets at fair value through other comprehensive income:				
Equity securities [3, 6, 7]	-	-	28,151	(15,662)
	12,944	(10,600)	28,151	(15,662)
Financial liabilities				
Derivatives held for trading [2]	26	(26)	-	-
	26	(26)	-	-

6.2.3.2 Sensitivity analysis of changes in unobservable inputs (cont'd)

(In millions of Korean won)	December 31, 2023			
	Profit or loss		Other comprehensive income or loss	
	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets				
Financial assets at fair value through profit or loss:				
Debt securities [4, 6]	6,061	(6,060)	-	-
Equity securities [3, 6]	5,150	(2,455)	-	-
Loans [5]	2,218	(2,011)	-	-
Derivatives held for trading [1]	3	(2)	-	-
Financial assets at fair value through other comprehensive income:				
Equity securities [3, 6, 7]	-	-	57,932	(31,594)
	13,432	(10,528)	57,932	(31,594)
Financial liabilities				
Derivatives held for trading [2]	55	(55)	-	-
	55	(55)	-	-

[1] For derivative held for trading financial instruments, changes in fair value are calculated by shifting principal unobservable input parameters such as price and the volatility of underlying asset by ± 10%.

[2] For derivative held for trading financial instruments, changes in fair value are calculated by shifting principal unobservable input parameters such as discount rate (-1%p~1%p).

[3] For equity securities, changes in fair value are calculated by shifting principal unobservable input parameters such as liquidation value (-1%p~1%p), discount rate (-1%p~1%p) and growth rate (0%p~1%p).

[4] For beneficiary certificates, it is practically impossible to analyze sensitivity of changes in unobservable inputs. However, for beneficiary certificates whose underlying assets are real estates, changes in fair value are calculated by shifting the rate of real estate sale price fluctuation (-1%p~1%p). There is no significant correlation among major unobservable inputs

[5] For loans, changes in fair value are calculated by shifting principal unobservable input parameters such as the discount rate (-1%p~1%p).

[6] The amounts of ₩ 6,307,265 million and ₩ 5,062,883 million of financial assets classified as level 3 as of December 31, 2024 and 2023, respectively, are excluded because it is practically impossible to analyze the sensitivity of changes in unobservable inputs.

[7] For some equity securities, changes in fair value are calculated by shifting principal unobservable input parameters such as stock price and volatility of stock price by ±10%.

6.2.4 Day one gains or losses

When the Group measures the fair value of OTC derivatives using inputs that are not based on observable market data, there could be a difference between the transaction price and the amount determined using that valuation technique. In these circumstances, the fair value of financial instruments is recognized as the transaction price, and the difference is not recognized in profit or loss but deferred and amortized using the straight-line method over the life of the financial instrument. When the fair value of the financial instruments is subsequently determined using observable market inputs, the remaining deferred amount is recognized in profit or loss.

Changes in deferred day one gains or losses for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	**2024**	**2023**
Balance at the beginning of the year (A)	(4,707)	(6,746)
New transactions (B)	-	-
Amounts recognized in profit or loss (C=a+b)	2,045	2,039
a. Amortization	2,045	2,039
b. Settlement	-	-
Balance at the end of the year (A+B+C)	(2,662)	(4,707)

6.3 Carrying Amount of Financial Instruments by Category

Financial assets and liabilities are measured at fair value or amortized cost. Carrying amount of financial assets and liabilities by category as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	December 31, 2024					
	Financial instruments at fair value through profit or loss	**Financial instruments at fair value through other comprehensive income**	**Financial instruments designated at fair value through other comprehensive income**	**Financial instruments at amortized cost**	**Derivatives held for hedging**	**Total**
Financial assets						
Cash and due from financial institutions	-	-	-	22,910,149	-	22,910,149
Financial assets at fair value through profit or loss	22,089,847	-	-	-	-	22,089,847
Derivative financial assets	10,128,282	-	-	-	121,337	10,249,619
Loans measured at amortized cost	-	-	-	409,867,155	-	409,867,155
Financial investments	-	43,812,524	1,058,286	36,355,808	-	81,226,618
Other financial assets	-	-	-	9,328,611	-	9,328,611
	32,218,129	43,812,524	1,058,286	478,461,723	121,337	555,671,999

6.3 Carrying Amount of Financial Instruments by Category (cont'd)

(In millions of Korean won)

	December 31, 2024			
	Financial instruments at fair value through profit or loss	Financial instruments at amortized cost	Derivatives held for hedging	Total
Financial liabilities				
Financial liabilities at fair value through profit or loss	159,212	-	-	159,212
Derivative financial liabilities	9,577,007	-	66,128	9,643,135
Deposits	-	421,200,651	-	421,200,651
Borrowings	-	32,226,416	-	32,226,416
Debentures	-	34,736,771	-	34,736,771
Other financial liabilities	-	24,117,660	-	24,117,660
	9,736,219	512,281,498	66,128	522,083,845

(In millions of Korean won)

	December 31, 2023					
	Financial instruments at fair value through profit or loss	Financial instruments at fair value through other comprehensive income	Financial instruments designated at fair value through other comprehensive income	Financial instruments at amortized cost	Derivatives held for hedging	Total
Financial assets						
Cash and due from financial institutions	-	-	-	23,637,007	-	23,637,007
Financial assets at fair value through profit or loss	19,700,714	-	-	-	-	19,700,714
Derivative financial assets	4,892,633	-	-	-	146,328	5,038,961
Loans measured at amortized cost	-	-	-	385,404,070	-	385,404,070
Financial investments	-	37,945,850	1,415,952	38,989,046	-	78,350,848
Other financial assets	-	-	-	10,703,605	-	10,703,605
	24,593,347	37,945,850	1,415,952	458,733,728	146,328	522,835,205

(In millions of Korean won)

	December 31, 2023			
	Financial instruments at fair value through profit or loss	Financial instruments at amortized cost	Derivatives held for hedging	Total
Financial liabilities				
Financial liabilities at fair value through profit or loss	93,438	-	-	93,438
Derivative financial liabilities	4,367,529	-	77,823	4,445,352
Deposits	-	393,246,702	-	393,246,702
Borrowings	-	34,990,075	-	34,990,075
Debentures	-	31,811,407	-	31,811,407
Other financial liabilities	-	26,040,801	-	26,040,801
	4,460,967	486,088,985	77,823	490,627,775

6.4 Transfer of Financial Assets

6.4.1 Transferred financial assets that are derecognized in their entirety

The Group transferred loans and other financial assets to companies specialized in asset-backed securitization and derecognized them from the consolidated financial statement. While the maximum exposure to loss (carrying amount) from its continuing involvement and fair value of its continuing involvement of the derecognized financial assets as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	December 31, 2024			
	Type of continuing involvement	**Classification of financial instruments**	**Carrying amount of continuing involvement**	**Fair value of continuing involvement**
Discovery 2nd Securitization Specialty Co., Ltd.	Subordinated bond	Financial assets at fair value through profit or loss	564	564
AP 4D ABS Ltd.	Subordinated bond	Financial assets at fair value through profit or loss	39	39
			603	603

(In millions of Korean won)

	December 31, 2023			
	Type of continuing involvement	**Classification of financial instruments**	**Carrying amount of continuing involvement**	**Fair value of continuing involvement**
Discovery 2nd Securitization Specialty Co., Ltd.	Subordinated bond	Financial assets at fair value through profit or loss	564	564
AP 4D ABS Ltd.	Subordinated bond	Financial assets at fair value through profit or loss	257	257
			821	821

6.4.2 Bonds sold under repurchase agreements and loaned securities

The Group continues to recognize the financial assets related to bonds sold under repurchase agreements and securities lending transactions in the consolidated statement of financial position since those transactions are not qualified for derecognition even though the Group transfers the financial assets. Bonds sold under repurchase agreements are sold on the condition that they will be repurchased at a fixed price, and loaned securities will be returned at the expiration of the loan period. Thus, the Group retains substantially all the risks and rewards of ownership of the financial assets.

The carrying amount of transferred assets and related liabilities as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	
	Carrying amount of transferred assets	**Carrying amount of related liabilities**
Bonds sold under repurchase agreements	3,412,140	3,310,040
Loaned securities:		
Government and public bonds	-	-
	3,412,140	3,310,040

(In millions of Korean won)	December 31, 2023	
	Carrying amount of transferred assets	**Carrying amount of related liabilities**
Bonds sold under repurchase agreements	7,177,954	6,528,900
Loaned securities:		
Government and public bonds	170,203	-
	7,348,157	6,528,900

6.4.3 Liquidation of financial assets

The consolidated structured entities securitized the loans held by the Group and issued asset-backed securities. As a result of these transactions, the contractual cash flow of the securitized assets is generally transferred to the holders of the asset-backed securities, and the Group is contractually obligated to make cash payment to one or more recipients in the purchase commitment and other arrangements for all the transferred financial assets that are not derecognized on the reporting date in connection with the securitization of financial assets.

The carrying amount of underlying assets and liabilities related to securitization transactions as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)		**December 31, 2024**	**December 31, 2023**
Underlying assets	Financial assets at fair value through profit or loss	-	104,545
	Loans measured at amortized cost *	740,546	830,076
		740,546	934,621
Associated liabilities	Debentures	809,000	931,076

* Before netting of allowance

6.5 Offsetting Financial Assets and Financial Liabilities

The Group enters into International Swaps and Derivatives Association ("ISDA") master netting agreements and other similar arrangements with the Group's OTC derivative and spot exchange counterparties. Similar netting agreements are also entered into with the Group's (a) sales or purchases of bonds under repurchase agreements and (b) securities lending and borrowing transactions, etc. Pursuant to these agreements, in the event of default by one party, contracts are to be terminated and receivables and payables are to be offset. As the Group has the legal right of offset and settles in net amount, domestic exchange settlement debits and domestic exchange settlement credits are recognized in its net settlement balance in the consolidated statement of financial position. Other financial instruments such as account receivables and account payables related to listed securities, and derivatives or OTC derivatives settled by the central clearing house are also recognized in its net settlement balance in the consolidated statement of financial position as the Group has the legal right of offset and settles in net amount.

6.5.1 Details of financial assets subject to enforceable master netting agreements or similar arrangements as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	December 31, 2024					
		Gross liabilities offset	Net amount in the statement of financial position	Non-offsetting amount		
	Gross assets			Financial instruments	Cash collateral	Net amount
Derivatives held for trading	10,128,245	-	10,128,245	(5,728,320)	(2,510)	4,518,752
Derivatives held for hedging	121,337	-	121,337			
Unsettled spot exchange receivable	6,268,218	-	6,268,218	(6,193,841)	-	74,377
Bonds purchased under repurchase agreements	3,218,060	-	3,218,060	(2,722,835)	-	495,225
Domestic exchange settlement debits	62,914,800	(62,453,824)	460,976	-	-	460,976
Other financial instruments	49,571	(35,036)	14,535	-	-	14,535
	82,700,231	(62,488,860)	20,211,371	(14,644,996)	(2,510)	5,563,865

(In millions of Korean won)

	December 31, 2023					
		Gross liabilities offset	Net amount in the statement of financial position	Non-offsetting amount		
	Gross assets			Financial instruments	Cash collateral	Net amount
Derivatives held for trading	4,892,600	-	4,892,600	(4,131,142)	(12,419)	895,367
Derivatives held for hedging	146,328	-	146,328			
Unsettled spot exchange receivable	7,141,469	-	7,141,469	(6,854,055)	-	287,414
Bonds purchased under repurchase agreements	2,466,558	-	2,466,558	(2,445,990)	-	20,568
Domestic exchange settlement debits	63,172,013	(62,367,444)	804,569	-	-	804,569
Other financial instruments	44,738	(39,487)	5,251	-	-	5,251
	77,863,706	(62,406,931)	15,456,775	(13,431,187)	(12,419)	2,013,169

6.5.2 Details of financial liabilities subject to enforceable master netting agreements or similar arrangements as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	December 31, 2024					
		Gross assets offset	Net amount in the statement of financial position	Non-offsetting amount		
	Gross liabilities			Financial instruments	Cash collateral	Net amount
Derivatives held for trading	9,575,980	-	9,575,980			
Derivatives held for hedging	66,128	-	66,128	(7,911,953)	-	1,730,155
Unsettled spot exchange payable	6,270,179	-	6,270,179	(6,193,841)	-	76,338
Bonds sold under repurchase agreements *	3,310,040	-	3,310,040	(3,310,040)	-	-
Domestic exchange settlement credits	62,745,597	(62,453,824)	291,773	(291,773)	-	-
Other financial instruments	43,593	(35,036)	8,557	-	-	8,557
	82,011,517	(62,488,860)	19,522,657	(17,707,607)	-	1,815,050

(In millions of Korean won)

	December 31, 2023					
		Gross assets offset	Net amount in the statement of financial position	Non-offsetting amount		
	Gross liabilities			Financial instruments	Cash collateral	Net amount
Derivatives held for trading	4,366,724	-	4,366,724			
Derivatives held for hedging	77,823	-	77,823	(3,354,179)	-	1,090,368
Unsettled spot exchange payable	7,140,872	-	7,140,872	(6,854,055)	-	286,817
Bonds sold under repurchase agreements *	6,528,900	-	6,528,900	(6,528,900)	-	-
Domestic exchange settlement credits	65,227,189	(62,367,444)	2,859,745	(2,859,745)	-	-
Other financial instruments	48,143	(39,487)	8,656	-	-	8,656
	83,389,651	(62,406,931)	20,982,720	(19,596,879)	-	1,385,841

* Includes bonds sold under repurchase agreements to customers.

7. Due from Financial Institutions

7.1 Details of due from financial institutions as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)		Financial institutions	Interest rate (%)	December 31, 2024 [1]	December 31, 2023 [2]
Due from financial institutions in Korean won	Due from Bank of Korea	Bank of Korea	0.00	11,635,481	13,731,708
	Due from banks	Hana Bank and others	0.00~2.99	58,880	611,951
	Due from others	Hana Bank and others	0.00~3.86	10,478	18,005
				11,704,839	14,361,664
Due from financial institutions in foreign currencies	Due from banks in foreign currencies	Bank of Korea and others	0.00~5.25	7,639,684	6,147,140
	Time deposits in foreign currencies	Industrial Bank Changsha Br. and others	1.95~7.55	521,924	348,863
	Due from others	The Bank of New York Mellon and others	0.00~6.25	966,831	525,098
				9,128,439	7,021,101
				20,833,278	21,382,765

[1] Before netting of allowance, including ₩ 19,286,008 million and ₩ 20,306,930 million classified as cash of December 31, 2024 and 2023, respectively.
[2] Before netting of allowance.

7.2 Details of restricted due from financial institutions as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)		Financial institutions	December 31, 2024 [1]	December 31, 2023 [2]	Reasons of restriction
Due from financial institutions in Korean won	Due from Bank of Korea	Bank of Korea	11,635,481	13,731,708	Bank of Korea Act
	Due from others	KB Securities Co., Ltd. and others	9,949	16,829	Derivatives margin account
			11,645,430	13,748,537	
Due from financial institutions in foreign currencies	Due from banks in foreign currencies	Bank of Korea and others	2,736,871	1,630,348	Bank of Korea Act and others
	Time deposits in foreign currencies	Agricultural Bank Of China New York Branch	88,200	77,364	New York State Banking Law
	Due from others	State Street Bank and Trust Company Seoul Branch	881,802	207,532	Derivatives margin account
			3,706,873	1,915,244	
			15,352,303	15,663,781	

[1] Before netting of allowance, including ₩ 14,176,162 million and ₩ 14,676,625 million classified as cash as of December 31, 2024 and 2023, respectively.

7.3 Changes in allowances for credit losses of due from financial institutions for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024		
	12-month expected credit losses	Lifetime expected credit losses	
		Non-impaired	Impaired
Beginning	618	-	-
Transfer between stages	-	-	-
Provision (reversal) for credit losses	(167)	-	-
Others (exchange differences, etc.)	72	-	-
Ending	523	-	-

(In millions of Korean won)	2023		
	12-month expected credit losses	Lifetime expected credit losses	
		Non-impaired	Impaired
Beginning	1,875	-	-
Transfer between stages	-	-	-
Provision (reversal) for credit losses	(1,252)	-	-
Others (exchange differences, etc.)	(4)	-	-
Ending	619	-	-

8. Assets Pledged as Collateral

8.1 Details of assets pledged as collateral as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

		December 31, 2024	
Assets pledged	**Pledgee**	**Carrying amount**	**Reasons of pledge**
Securities measured at fair value through profit or loss	Korea Securities Depository and others	134,290	Repurchase agreements
		134,290	
Securities measured at fair value through other comprehensive income	Bank of Korea and others	2,246,594	Repurchase agreements
	Bank of Korea	2,237,952	Borrowings from Bank of Korea
		994,678	Settlement risk of Bank of Korea
	MUFG Bank and others	1,921,735	Derivatives transactions
	Others	565,153	Others
		7,966,112	
Securities measured at amortized cost	Bank of Korea and others	1,031,256	Repurchase agreements
	Bank of Korea	2,802,901	Borrowings from Bank of Korea
		7,627,587	Settlement risk of Bank of Korea
	KB Securities Co., Ltd. and others	1,142,081	Derivatives transactions
	Others	893,704	Others
		13,497,529	
Loans	Others	14,572,141	Covered bond and others
		36,170,072	

(In millions of Korean won)

		December 31, 2023	
Assets pledged	**Pledgee**	**Carrying amount**	**Reasons of pledge**
Securities measured at fair value through profit or loss	Korea Securities Depository and others	73,891	Repurchase agreements
	Bank of Korea	266,575	Settlement risk of Bank of Korea
		340,466	
Securities measured at fair value through other comprehensive income	Bank of Korea and others	5,783,458	Repurchase agreements
	Bank of Korea	527,494	Borrowings from Bank of Korea
		830,504	Settlement risk of Bank of Korea
	MUFG Bank and others	89,941	Derivatives transactions
	Others	1,241,904	Others
		8,473,301	
Securities measured at amortized cost	Bank of Korea and others	625,003	Repurchase agreements
	Bank of Korea	2,357,018	Borrowings from Bank of Korea
		6,746,440	Settlement risk of Bank of Korea
	KB Securities Co., Ltd. and others	401,448	Derivatives transactions
	Others	1,699,145	Others
		11,829,054	
Loans	Others	13,733,819	Covered bond and others
Building / Land	Hanwha Life Insurance Co., Ltd. and others	225,438	Others
		34,602,078	

8.2 Fair value of collateral available to sell or repledge, and collateral sold or repledged, regardless of debtor's default as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	
	Fair value of collateral held	**Fair value of collateral sold or repledged**
Securities	2,678,044	-

(In millions of Korean won)	December 31, 2023	
	Fair value of collateral held	**Fair value of collateral sold or repledged**
Securities	2,417,243	-

9. Derivative Financial Instruments and Hedge Accounting

The Group engages in derivative trading activities to hedge the interest rate risk and currency risk arising from the Group's own assets and liabilities. In particular, the Group applies fair value hedge accounting using interest rate swaps and interest rate futures to hedge the risk of changes in fair value due to the changes in interest rate of debentures, deposits, and debt securities at fair value through other comprehensive income. Also, the Group applies cash flow hedge accounting using interest rate swaps to hedge the risk of changes in cash flows of debentures in foreign currencies, and borrowings in foreign currencies. In addition, the Group applies net investments in foreign operations hedge accounting by designating debentures in foreign currencies as hedging instruments to hedge the currency risk of net investments in foreign operations.

9.1 Details of derivative financial instruments held for trading as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	December 31, 2024			December 31, 2023		
	Notional Amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Interest rate						
Forwards	4,982,518	82,163	275,132	3,847,049	156,650	135,761
Futures [1]	2,024,156	-	-	1,274,123	-	-
Swaps [2]	213,123,811	304,454	253,395	222,282,689	455,913	339,944
Options	6,658,000	141,985	133,971	9,074,000	201,700	205,239
	226,788,485	528,602	662,498	236,477,861	814,263	680,944
Currency						
Forwards	128,595,383	5,829,612	2,913,841	132,177,258	1,292,051	1,246,743
Swaps	84,077,057	3,748,266	5,971,810	85,656,633	2,784,209	2,430,844
Options	1,970,373	21,765	27,832	1,238,255	2,077	8,193
	214,642,813	9,599,643	8,913,483	219,072,146	4,078,337	3,685,780
Stock and index						
Futures [1]	-	-	-	27,424	-	-
Options	577	37	-	72	33	-
	577	37	-	27,496	33	-
Others						
	385,480	-	-	-	-	-
	94,300	-	1,026	94,300	-	805
	441,911,655	10,128,282	9,577,007	455,671,803	4,892,633	4,367,529

[1] Gains or losses arising from daily mark-to-market futures are reflected in the margin accounts.

[2] Notional amounts of ₩ 176,601,953 million and ₩ 188,969,696 million as of December 31, 2024 and 2023, respectively, were traded through the central clearing house.

9.2 Average price conditions of future nominal cash flows by type of hedge accounting as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024						
	1 year	2 years	3 years	4 years	5 years	Over 5 years	Total
Fair value hedge							
Nominal amount of the hedging instrument	3,641,362	1,168,695	428,780	189,448	941,835	1,998,080	8,368,200
Average price condition (%), (SOFR and CD)	4.58	4.65	4.71	5.74	6.69	3.81	4.68
Cash flow hedge							
Nominal amount of the hedging instrument	-	558,600	1,052,520	507,150	47,040	-	2,165,310
Average price condition (%), (SOFR and CD)	-	4.86	5.57	5.55	5.75	-	5.39

(In millions of Korean won)	December 31, 2023						
	1 year	2 years	3 years	4 years	5 years	Over 5 years	Total
Fair value hedge							
Nominal amount of the hedging instrument	1,802,610	3,370,605	1,559,872	349,482	267,778	2,304,270	9,654,617
Average price condition (%), (SOFR and CD)	4.77	4.86	5.18	5.23	5.73	4.93	4.95
Cash flow hedge							
Nominal amount of the hedging instrument	1,028,940	-	386,820	820,058	-	-	2,235,818
Average price condition (%), (SOFR and CD)	4.12	-	5.37	6.33	-	-	5.15

9.3 Fair Value Hedge

9.3.1 Details of fair value hedged items as of December 31, 2024 and 2023 and changes in fair value for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)		December 31, 2024				2024
		Carrying amount		Accumulated amount of hedge adjustments		Changes in fair value
		Assets	Liabilities	Assets	Liabilities	
Interest rate	Debt securities in Korean won	2,062,063	-	(15,065)	-	27,699
	Debt securities in foreign currencies	1,699,241	-	(44,081)	-	21,357
	Deposits in Korean won	-	246,258	-	6,258	(6,272)
	Deposits in foreign currencies	-	301,107	-	(7,593)	926
	Debentures in Korean won	-	2,320,923	-	(109,077)	(35,453)
	Debentures in foreign currencies	-	1,523,883	-	(63,717)	(4,989)
		3,761,304	4,392,171	(59,146)	(174,129)	3,268

(In millions of Korean won)		December 31, 2023				2023
		Carrying amount		Accumulated amount of hedge adjustments		Changes in fair value
		Assets	Liabilities	Assets	Liabilities	
Interest rate	Debt securities in Korean won	1,975,442	-	(50,746)	-	49,323
	Debt securities in foreign currencies	2,585,073	-	(111,902)	-	74,080
	Deposits in Korean won	-	49,985	-	(15)	15
	Deposits in foreign currencies	-	32,015	-	(6,667)	(1,924)
	Debentures in Korean won	-	5,678,927	-	(141,073)	(94,418)
	Debentures in foreign currencies	-	1,310,952	-	(68,706)	(27,159)
		4,560,515	7,071,879	(162,648)	(216,461)	(83)

9.3.2 Details of derivative instruments designated as fair value hedge as of December 31, 2024 and 2023 and changes in fair value for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024			2024
	Notional amount	Carrying amount		Changes in fair value
		Assets	Liabilities	
Interest Rate				
Futures	720,000	-	-	1,787
Swaps	7,648,200	84,530	62,666	(3,658)
	8,368,200	84,530	62,666	(1,871)

(In millions of Korean won)	December 31, 2023			2023
	Notional amount	Carrying amount		Changes in fair value
		Assets	Liabilities	
Interest rate Swaps	9,654,617	111,359	75,776	(15,927)

9.3.3 Details of hedge ineffectiveness recognized in profit or loss on derivative instruments designated as fair value hedge for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	**2024**	**2023**
Interest rate	1,397	6,513

9.3.4 Gains or losses on fair value hedging instruments and hedged items attributable to the hedged risk for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	**2024**	**2023**
Gains and Losses on hedging instruments	(1,871)	6,597
Gains on hedged items attributable to the hedged risk	5,582	(5,846)
	3,711	751

9.4 Cash Flow Hedge

9.4.1 Details of cash flow hedged items as of December 31, 2024 and 2023 and changes in fair value for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	Cash flow hedge reserve		**Changes in fair value**	
	December 31, 2024	**December 31, 2023**	**2024**	**2023**
Interest rate risk	22,158	21,017	(1,837)	13,824

9.4.2 Details of derivative instruments designated as cash flow hedges as of December 31, 2024 and 2023 and changes in fair value for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	**December 31, 2024**			**2024**
	Notional amount	**Assets**	**Liabilities**	**Changes in fair value**
Interest rate Swaps	2,165,310	36,807	3,462	3,278

(In millions of Korean won)	**December 31, 2023**			**2023**
	Notional amount	**Assets**	**Liabilities**	**Changes in fair value**
Interest rate Swaps	2,235,818	34,969	2,047	(12,455)

9.4.3 Gains on cash flow hedging instruments and hedged items attributable to the hedged risk for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024	2023
Gains on hedging instruments:	3,278	(12,455)
Effective portion of gains on cash flow hedging instruments (recognized in other comprehensive income or loss)	3,644	(12,395)
Ineffective portion of gains on cash flow hedging instruments (recognized in profit or loss)	(366)	(60)

9.4.4 Amounts recognized in other comprehensive income and reclassified from equity to profit related to derivative instruments designated as cash flow hedges for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024	2023
Other comprehensive income	3,644	(12,395)
Reclassification to profit	(2,095)	(5,200)
Income tax effect	(409)	4,691
	1,140	(12,904)

9.4.5 As of December 31, 2024, the hedged items subject to cash flow hedges are exposed to the risk of changes in cash flows until March 5, 2029.

9.5 Hedge of Net Investments in Foreign Operations

9.5.1 Details of net investments in foreign operations hedged items as of December 31, 2024 and 2023 and changes in fair value for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	Foreign currency translation reserve		Changes in fair value	
	December 31, 2024	December 31, 2023	2024	2023
Currency-related (currency risk)	(277,658)	(112,620)	224,237	23,362

9.5.2 Details of financial instruments designated as hedges of net investments in foreign operations as of December 31, 2024 and 2023 and changes in fair value for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024			2024
	Notional amount	Carrying amount		Changes in fair value
		Assets	Liabilities	
Debentures in foreign currencies	2,029,237	-	2,029,237	(224,237)

(In millions of Korean won)	December 31, 2023			2023
	Notional amount	Carrying amount		Changes in fair value
		Assets	Liabilities	
Debentures in foreign currencies	1,418,340	-	1,418,340	(23,362)

9.5.3 Fair value of non-derivative financial instruments designated as hedges of net investments in foreign operations as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	December 31, 2023
Debentures in foreign currencies	1,943,867	1,302,385

9.5.4 Losses on net investments in foreign operations hedging instruments and hedged items attributable to the hedged risk for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024	2023
Losses on hedging instruments:	(224,237)	(23,362)
Effective portion of losses on hedge of net investments in foreign operations (recognized in other comprehensive loss)	(224,237)	(23,362)
Ineffective portion of losses on hedge of net investments in foreign operations (recognized in loss)	-	-

9.5.5 Effective portion of gains (losses) on net investments in foreign operations hedging instruments recognized in other comprehensive loss for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024	2023
Other comprehensive loss	(224,237)	(23,362)
Reclassification to income	-	-
Income tax effect	59,199	6,038
	(165,038)	(17,324)

10. Loans Measured at Amortized Cost

10.1 Details of loans as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	December 31, 2023
Loans	413,116,283	388,568,495
Deferred loan origination fees and costs	468,629	445,427
Less: Allowances for credit losses	(3,717,757)	(3,609,852)
	409,867,155	385,404,070

10.2 Details of loans to banks as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	December 31, 2023
Loans	9,687,354	11,569,466
Less: Allowances for credit losses	(30,727)	(20,429)
	9,656,628	11,549,037

10.3 Details of loan types and customer types of loans to customers other than banks as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024			
	Retail	Corporate	Credit card	Total
Loans in Korean won	177,437,548	185,641,458	-	363,079,006
Loans in foreign currencies	4,896,983	26,184,305	-	31,081,288
Domestic import usance bills	-	3,790,808	-	3,790,808
Off-shore funding loans	-	626,058	-	626,058
Call loans	-	-	-	-
Bills bought in Korean won	-	1,862	-	1,862
Bills bought in foreign currencies	-	2,379,270	-	2,379,270
Guarantee payments under acceptances and guarantees	-	16,930	-	16,930
Credit card receivables in foreign currencies	-	-	34,642	34,642
Bonds purchased under repurchase agreements	-	2,873,550	-	2,873,550
Privately placed bonds	-	14,144	-	14,144
	182,334,531	221,528,385	34,642	403,897,558
Proportion (%)	45.14	54.85	0.01	100.00
Less: Allowances for credit losses	(975,940)	(2,698,135)	(12,955)	(3,687,030)
	181,358,591	218,830,250	21,687	400,210,528

10.3 Details of loan types and customer types of loans to customers other than banks as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)	December 31, 2023			
	Retail	Corporate	Credit card	Total
Loans in Korean won	167,179,509	173,672,974	-	340,852,483
Loans in foreign currencies	3,845,439	24,809,381	-	28,654,820
Domestic import usance bills	-	3,398,981	-	3,398,981
Off-shore funding loans	-	507,683	-	507,683
Call loans	-	269,198	-	269,198
Bills bought in Korean won	-	1,861	-	1,861
Bills bought in foreign currencies	-	1,276,579	-	1,276,579
Guarantee payments under acceptances and guarantees	-	20,085	-	20,085
Credit card receivables in foreign currencies	-	-	38,198	38,198
Bonds purchased under repurchase agreements	-	2,208,673	-	2,208,673
Privately placed bonds	-	215,895	-	215,895
	171,024,948	206,381,310	38,198	377,444,456
Proportion (%)	45.31	54.68	0.01	100.00
Less: Allowances for credit losses	(851,186)	(2,724,327)	(13,910)	(3,589,423)
	170,173,762	203,656,983	24,288	373,855,033

10.4 Changes in deferred loan origination fees and costs for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024				
	Beginning	Increase	Decrease	Others	Ending
Deferred loan origination costs					
Loans in Korean won	533,220	391,167	(339,182)	-	585,205
Others	106	23	(103)	1	27
	533,326	391,190	(339,285)	1	585,232
Deferred loan origination fees					
Loans in Korean won	20,575	32,904	(17,972)	-	35,507
Loans in foreign currencies and others	67,324	41,758	(36,597)	8,611	81,096
	87,899	74,662	(54,569)	8,611	116,603
	445,427	316,528	(284,716)	(8,610)	468,629

10.4 Changes in deferred loan origination fees and costs for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	2023				
	Beginning	**Increase**	**Decrease**	**Others**	**Ending**
Deferred loan origination costs					
Loans in Korean won	522,284	338,908	(327,972)	-	533,220
Others	379	76	(349)	-	106
	522,663	338,984	(328,321)	-	533,326
Deferred loan origination fees					
Loans in Korean won	23,720	7,882	(11,027)	-	20,575
Loans in foreign currencies and others	62,815	6,965	(5,969)	3,513	67,324
	86,535	14,847	(16,996)	3,513	87,899
	436,128	324,137	(311,325)	(3,513)	445,427

11. Allowances for Credit Losses

11.1 Changes in allowances for credit losses of loans for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	2024											
	Retail				Corporate				Credit card			
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach
		Non-impaired	Impaired			Non-impaired	Impaired			Non-impaired	Impaired	
Beginning	397,695	184,162	269,329	-	794,123	780,653	1,169,980	-	872	310	12,728	-
Transfer between stages:												
Transfer to 12-month expected credit losses	112,393	(111,257)	(1,136)	-	349,600	(297,184)	(52,416)	-	174	(69)	(105)	-
Transfer to lifetime expected credit losses (non-impaired)	(98,661)	203,764	(105,103)	-	(255,909)	314,792	(58,883)	-	(63)	68	(5)	-
Transfer to lifetime expected credit losses (impaired)	(2,684)	(151,408)	154,092	-	(53,797)	(188,611)	242,408	-	(61)	(211)	272	-
Write-offs	-	-	(309,154)	-	-	(2)	(572,614)	-	-	-	(15,810)	-
Sales	(3,881)	(953)	(6,931)	-	-	(499)	(64,078)	-	-	-	-	-
Provision (reversal) for credit losses [1,2]	4,228	57,370	377,617	-	(114,724)	182,211	505,051	-	(132)	377	13,926	-
Others (exchange differences, etc.)	1,578	658	4,222	-	8,172	7,334	33,255	-	(38)	19	703	-
Ending [3]	410,668	182,336	382,936	-	727,465	798,694	1,202,703	-	752	494	11,709	-

11.1 Changes in allowances for credit losses of loans for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	2023											
	Retail				Corporate				Credit card			
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach
		Non-impaired	Impaired			Non-impaired	Impaired			Non-impaired	Impaired	
Beginning	437,540	205,369	303,562	-	405,702	526,079	870,602	-	887	288	14,582	-
Transfer between stages:												
Transfer to 12-month expected credit losses	129,241	(124,492)	(4,749)	-	119,215	(115,760)	(3,455)	-	1,467	(118)	(1,349)	-
Transfer to lifetime expected credit losses (non-impaired)	(108,823)	119,741	(10,918)	-	(117,787)	151,624	(33,837)	-	(18)	2,416	(2,398)	-
Transfer to lifetime expected credit losses (impaired)	(2,756)	(60,993)	63,749	-	(6,706)	(86,309)	93,015	-	(39)	(132)	171	-
Write-offs	-	14	(377,430)	-	-	9	(382,552)	-	-	-	(3,184)	-
Sales	(1,040)	(506)	(3,062)	-	-	(315)	(31,689)	-	-	-	-	-
Provision (reversal) for credit losses [1,2]	(60,168)	44,865	299,281	-	393,505	305,226	654,498	-	(1,447)	(2,183)	5,048	-
Others (exchange differences, etc.)	3,701	164	(1,104)	-	194	99	3,398	-	22	39	(142)	-
Ending	397,695	184,162	269,329	-	794,123	780,653	1,169,980	-	872	310	12,728	-

[1] Provision (reversal) for credit losses in the consolidated statements of comprehensive income also includes provision (reversal) for credit losses of unused commitments, acceptances and guarantees (Note 22.2), provision (reversal) for credit losses of financial guarantee contracts (Note 22.4), provision (reversal) for credit losses of other financial assets (Note 18.2), provision (reversal) for credit losses of due from financial institutions (Note 7.3) and provision (reversal) for credit losses of debt securities (Note 12.5).

[2] Includes ₩ 167,719 million and ₩ 151,794 million of collections from written-off loans for the years ended December 31, 2024 and 2023, respectively.

[3] Includes additional allowances of ₩ 156,111 million and 214,276 million for the borrowers which are highly affected by the termination of COVID-19 financial support as of December 31, 2024 and 2023, respectively.

The amount of financial assets that the group wrote off during the current year but is continuing recovery activities is ₩ 897,580 million. The Group manages the written-off loans for which their legal extinctive prescriptions have not been completed, and that have not been collected. The balances of those loans are ₩ 8,833,236 million and ₩ 8,056,767 million as of December 31, 2024 and 2023, respectively.

11.2 Changes in gross carrying amount of loans for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	2024			
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach
		Non-impaired	Impaired	
Beginning	353,906,746	31,715,563	3,391,613	-
Transfer between stages:				
Transfer to 12-month expected credit losses	27,936,340	(27,494,039)	(442,301)	-
Transfer to lifetime expected credit losses (non-impaired)	(34,227,418)	36,057,313	(1,829,895)	-
Transfer to lifetime expected credit losses (impaired)	(996,094)	(4,177,692)	5,173,786	-
Write-offs	-	(2)	(897,578)	-
Sales	(2,984,653)	(88,841)	(753,376)	-
Net increase (decrease) (execution, repayment, and others)	31,197,657	(950,614)	(951,603)	-
Ending	374,832,578	35,061,688	3,690,646	-

(In millions of Korean won)

	2023			
	12-month expected credit losses	Lifetime expected credit losses		Credit impaired approach
		Non-impaired	Impaired	
Beginning	348,132,282	26,670,823	2,633,482	-
Transfer between stages:				
Transfer to 12-month expected credit losses	31,902,059	(31,589,214)	(312,845)	-
Transfer to lifetime expected credit losses (non-impaired)	(39,863,618)	40,497,104	(633,486)	-
Transfer to lifetime expected credit losses (impaired)	(1,221,127)	(2,464,258)	3,685,385	-
Write-offs	-	23	(763,166)	-
Sales	(2,898,483)	(39,365)	(410,460)	-
Net increase (decrease) (execution, repayment, and others)	17,855,633	(1,359,550)	(807,297)	-
Ending	353,906,746	31,715,563	3,391,613	-

12. Financial Assets at Fair Value through Profit or Loss and Financial Investments

12.1 Details of financial assets at fair value through profit or loss and financial investments as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	December 31, 2023
Financial assets at fair value through profit or loss		
Debt securities:		
Government and public bonds	7,904,303	5,542,619
Financial bonds	3,495,489	4,793,951
Corporate bonds	2,321,229	1,750,530
Asset-backed securities	39,444	68,093
Beneficiary certificates	4,577,202	4,605,932
Investment funds	906,460	769,382
Other debt securities	2,274,864	1,667,101
Equity securities:		
Stocks	162,196	225,873
Loans:		
Privately placed bonds	208,857	150,208
Other loans	41,284	33,282
Others:		
Financial instruments indexed to the price of gold	158,519	93,743
	22,089,847	19,700,714
Financial investments		
Financial assets at fair value through other comprehensive income		
Debt securities:		
Government and public bonds	11,008,793	9,155,459
Financial bonds	21,446,125	16,369,804
Corporate bonds	10,051,926	11,287,148
Asset-backed securities	1,024,772	821,829
Equity securities:		
Stocks	1,050,418	1,407,933
Equity investments	7,868	8,019
Loans:		
Privately placed bonds	280,908	311,610
	44,870,810	39,361,802
Financial assets at amortized cost		
Debt securities:		
Government and public bonds	6,029,059	6,502,633
Financial bonds	12,023,577	13,589,961
Corporate bonds	8,946,009	9,368,943
Asset-backed securities	9,301,199	9,398,498
Other debt securities	72,968	147,847
Less: Allowances for credit losses	(17,004)	(18,836)
	36,355,808	38,989,046
	81,226,618	78,350,848

12.2 Dividend income from equity securities designated at fair value through other comprehensive income for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024		2023	
	From the equity securities derecognized	From the equity securities held	From the equity securities derecognized	From the equity securities held
Listed Stocks	-	3,597	-	1,999
Unlisted Stocks	-	2,975	-	2,537
	-	6,572	-	4,536

12.3 Derecognized equity securities measured at fair value through other comprehensive income for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024		2023	
	Disposal price	Accumulated other comprehensive income as of disposal date	Disposal price	Accumulated other comprehensive loss as of disposal date
Listed Stocks	8,054	(5,586)	36,595	36,719
Unlisted Stocks	-	-	282	(738)
	8,054	(5,586)	36,877	35,981

12.4 Provision (reversal) for credit losses of financial investments for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024		
	Provision	Reversal	Total
Financial assets at fair value through other comprehensive income	6,316	(5,711)	605
Securities measured at amortized cost	2,299	(4,217)	(1,918)
	8,615	(9,928)	(1,313)

(In millions of Korean won)	2023		
	Provision	Reversal	Total
Financial assets at fair value through other comprehensive income	11,191	(1,975)	9,216
Securities measured at amortized cost	14,893	(1,475)	13,418
	26,084	(3,450)	22,634

12.5 Changes in allowances for credit losses of financial investments for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024		
	12-month expected credit losses	Lifetime expected credit losses	
		Non-impaired	Impaired
Beginning	33,817	-	-
Transfer between stages:			
Transfer to 12-month expected credit losses	-	-	-
Transfer to lifetime expected credit losses	-	-	-
Sales	(1,883)	-	-
Provision (reversal) for credit losses	(1,313)	-	-
Others (exchange differences, etc.)	1,138	-	-
Ending	31,759	-	-

(In millions of Korean won)	2023		
	12-month expected credit losses	Lifetime expected credit losses	
		Non-impaired	Impaired
Beginning	12,093	270	-
Transfer between stages:			
Transfer to 12-month expected credit losses	-	-	-
Transfer to lifetime expected credit losses	-	-	-
Sales	(532)	(270)	-
Provision for credit losses	22,634	-	-
Others (exchange differences, etc.)	(378)	-	-
Ending	33,817	-	-

13. Investments in Associates

13.1 Details of investments in associates as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	December 31, 2024					
	Ownership (%)	Acquisition cost	Share of net asset amount	Carrying amount	Industry	Location
Korea Credit Bureau Co., Ltd. [1]	9.00	4,500	7,948	7,948	Credit information	Korea
Incheon Bridge Co., Ltd. [1]	14.99	9,159	(536)	-	Operation of highways and related facilities	Korea
KB SPROTT Renewable Private Equity Fund No.1	18.88	5,536	4,588	4,588	Investment finance	Korea
KB Digital Innovation & Growth New Technology Business Investment Fund	45.00	4,500	3,482	3,482	Discovery of and investment in promising FinTech-business venture	Korea
KB Digital Platform Fund	46.67	78,400	79,280	79,280	Digital platform and Tech-based investment in promising companies	Korea
KB Prime Digital Platform Fund	43.33	9,750	9,669	9,669	Digital platform and Tech-based investment in promising companies	Korea
Future Planning KB Start-up Creation Fund	50.00	1,500	2,305	2,305	Investment finance	Korea
KB High-tech Company Investment Fund	50.00	1,500	4,470	4,470	Investment finance	Korea
Aju Good Technology Venture Fund	38.46	344	9,313	9,313	Investment finance	Korea
KB-KDBC Pre-IPO New Technology Business Investment Fund	33.33	1,500	2,601	2,601	Investment finance	Korea
KB-TS Technology Venture Private Equity Fund	30.00	3,540	5,962	5,962	Investment finance	Korea
KB Intellectual Property Fund No.2	37.50	12,450	16,334	16,334	Investment finance	Korea
KB Digital Innovation Investment Fund Limited Partnership	25.74	27,615	23,486	25,236	Investment finance	Korea
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund [2]	22.73	37,500	43,498	43,498	Investment finance	Korea
KB Global Platform Fund	20.00	24,000	22,778	22,778	Investment finance	Korea
KB Global Platform Fund No.2	29.53	12,586	7,821	11,571	Investment finance	Korea
KB-UTC Inno-Tech Venture Fund	26.95	10,000	9,423	9,423	Investment finance	Korea
WJ Private Equity Fund No.1	28.57	7,110	7,208	7,208	Investment finance	Korea
KB-KDBC Pre-IPO New Technology Business Investment Fund No.2	25.00	45,050	55,821	55,821	Investment finance	Korea
KB Smart Scale Up Fund	26.32	10,000	11,914	11,914	Investment finance	Korea
KB Bio Global Expansion Private Equity Fund No.1	27.27	15,000	13,633	13,633	Investment finance	Korea
KB-KTB Technology Venture Fund	30.30	22,100	20,909	20,909	Investment finance	Korea
KB-SOLIDUS Healthcare Investment Fund	20.00	20,000	19,324	19,324	Investment finance	Korea

13.1 Details of investments in associates as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	December 31, 2024					
	Ownership (%)	Acquisition cost	Share of net asset amount	Carrying amount	Industry	Location
KB New Deal Innovation Fund	29.27	4,500	4,500	4,500	Investment finance	Korea
All Together Korea Fund No.2 [3]	99.99	10,000	10,847	10,847	Asset management	Korea
Terra Corporation [4]	24.06	-	2	-	Manufacture of fabricated and processed metal products	Korea
MJT&I Corp. [4]	22.89	-	(882)	-	Wholesale of other merchandise	Korea
DSMETAL Co., Ltd. [4]	26.49	-	(101)	-	Manufacture of metal door, windows, shutter and relevant products	Korea
Shinhwa Underwear Co., Ltd. [4]	26.05	-	(120)	120	Manufacture of underwear and sleepwear	Korea
Jaeyang Industry Co., Ltd. [4]	20.86	-	(552)	-	Manufacture of luggage and other protective cases	Korea
Kendae Co., Ltd. [4]	41.01	-	(252)	98	Screen printing	Korea
Jinseung Tech Co., Ltd. [4]	30.04	-	(99)	92	Manufacture of other general-purpose machinery	Korea
Dongjo Co., Ltd. [4]	29.29	-	168	-	Wholesale of agricultural and forestry machinery and equipment	Korea
Korea NM Tech Co., Ltd. [4]	22.41	-	539	-	Manufacture of motor vehicles, trailers and semitrailers	Korea
Jungdo Co., Ltd. [4]	25.34	-	1,231	-	Office, commercial and institutional building construction	Korea
Dae-A Leisure Co., Ltd. [4]	49.36	-	150	-	Earth works	Korea
Chongil Machine & Tools Co., Ltd. [4]	20.40	-	(178)	-	Wholesale of machinery and equipment	Korea
Imt Technology Co., Ltd. [4]	25.29	-	16	-	Computer Peripherals Distribution	Korea
Iwon Alloy Co., Ltd. [4]	23.20	-	371	-	Manufacture of smelting, refining and alloys	Korea
Computerlife Co., Ltd. [4]	25.41	-	(124)	56	Publishing of magazines and periodicals (publishing industry)	Korea
Skydigital Inc. [4]	20.40	-	(335)	-	Manufacture of multimedia and video devices	Korea
Jo Yang Industrial Co., Ltd. [4]	22.77	-	(196)	-	Manufacture of special glass	Korea
Il-Kwang Electronic Materials Co., Ltd. [4]	29.06	-	(555)	-	Manufacture of electronic parts	Korea
So-Myung Recycling Co., Ltd. [4]	20.23	-	201	17	Manufacture of nonferrous metal	Korea
PIP System Co., Ltd. [4]	20.72	-	27	-	Print equipment	Korea
Gwang Myung Paper Co., Ltd. [4]	20.54	-	84	-	Wholesale of luggage and other protective cases	Korea
D-Partner [4]	20.94	-	910	462	Backlight film	Korea
Chunsung-meat Co., Ltd. [4]	26.74	-	237	-	Wholesale of meat	Korea
DS Fashionbiz Co., Ltd. [4]	47.64	-	16	18	Manufacture of textiles	Korea

13.1 Details of investments in associates as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	December 31, 2024					
	Ownership (%)	Acquisition cost	Share of net asset amount	Carrying amount	Industry	Location
ALTSCS Co., Ltd. [4]	47.11	-	29	-	Manufacture of motor vehicle parts	Korea
E-Won Chemical Co., Ltd. [4]	24.30	-	23	-	Manufacture, wholesale and retail trade of feeds	Korea
TMAPMOBILITY CO.,LTD. [1]	8.24	200,000	52,287	182,000	Application software development and supply	Korea
TKDS CO., LTD [4]	20.03	-	(6)	-	Manufacture of video and other imaging equipment	Korea
SANDLE FARMING ASSOCIATION [4]	23.04	-	323	17	Manufacture of edible refined oil and processed oil	Korea
TAEYEONG PRECISION IND. CO.,LTD. [4]	28.51	-	(38)	-	Manufacture of mould and metallic patterns	Korea
Seokwang T&I Co., Ltd [4]	33.64	-	714	9	Brokerage, agency, and related services of cargo	Korea
MJK TRADING CO.,LTD. [4]	25.05	-	(99)	-	Manufacture of knitting cloth	Korea
ONIGYU CO.,LTD. [4]	32.45	-	39	6	Brokerage of food and tobacco	Korea
DNGV CO.,LTD. [4]	22.39	-	365	-	Manufacture of automotive engine	Korea
Alpa information & Communication Co.,Ltd. [4]	22.91	-	16	-	Manufacture of computers and peripheral equipment	Korea
JC TECHNO CO.,LTD.[4]	29.32	-	495	-	Manufacture of industrial electrical and electronic equipment	Korea
SD Speed Co.,Ltd. [4]	27.04	-	(193)	-	Manufacture, wholesale, and retail trade of sports and leisure goods	Korea
		578,140	451,091	585,509		

13.1 Details of investments in associates as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	December 31, 2023					
	Ownership (%)	Acquisition cost	Share of net asset amount	Carrying amount	Industry	Location
Korea Credit Bureau Co., Ltd. [1]	9.00	4,500	5,617	5,617	Credit information	Korea
Incheon Bridge Co., Ltd. [1]	14.99	9,159	(12,640)	-	Operation of highways and related facilities	Korea
KB SPROTT Renewable Private Equity Fund No.1	29.63	13,886	12,588	12,573	Investment finance	Korea
KB Digital Innovation & Growth New Technology Business Investment Fund	45.00	4,500	3,524	3,523	Discovery of and investment in promising FinTech-business venture	Korea
KB Digital Platform Fund	46.67	50,400	47,947	47,947	Digital platform and Tech-based investment in promising companies	Korea
KB Prime Digital Platform Fund	43.33	7,150	6,916	6,916	Digital platform and Tech-based investment in promising companies	Korea
Future Planning KB Start-up Creation Fund	50.00	1,500	7,814	7,814	Investment finance	Korea
KB High-tech Company Investment Fund	50.00	1,500	9,424	9,424	Investment finance	Korea
Aju Good Technology Venture Fund	38.46	344	14,297	14,296	Investment finance	Korea
KB-KDBC Pre-IPO New Technology Business Investment Fund	33.33	1,800	3,031	3,031	Investment finance	Korea
KB-TS Technology Venture Private Equity Fund	30.00	4,860	6,628	6,628	Investment finance	Korea
KB Intellectual Property Fund No.2	37.50	15,000	16,936	16,936	Investment finance	Korea
KB Digital Innovation Investment Fund Limited Partnership	25.74	32,655	34,721	34,721	Investment finance	Korea
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund [2]	21.28	-	3,072	3,072	Investment finance	Korea
KB Global Platform Fund	22.73	43,850	43,755	43,850	Investment finance	Korea
KB Global Platform Fund No.2	20.00	12,000	11,172	11,172	Investment finance	Korea
KB-UTC Inno-Tech Venture Fund	29.53	12,750	10,454	12,750	Investment finance	Korea
WJ Private Equity Fund No.1	26.95	10,000	9,483	9,483	Investment finance	Korea
KB-KDBC Pre-IPO New Technology Business Investment Fund No.2	28.57	9,700	9,566	9,700	Investment finance	Korea
KB Smart Scale Up Fund	25.00	50,000	52,905	52,905	Investment finance	Korea
KB Bio Global Expansion Private Equity Fund No.1	26.32	10,000	10,597	10,597	Investment finance	Korea
KB-KTB Technology Venture Fund	27.27	12,000	11,459	11,459	Investment finance	Korea
KB-SOLIDUS Healthcare Investment Fund	30.30	14,300	13,498	13,498	Investment finance	Korea

13.1 Details of investments in associates as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	December 31, 2023					
	Ownership (%)	Acquisition cost	Share of net asset amount	Carrying amount	Industry	Location
KB New Deal Innovation Fund	20.00	20,000	19,372	19,372	Investment finance	Korea
KY Global Cell & Gene Private Equity Fund 2nd	20.43	27,034	26,969	26,969	Investment finance	Korea
All Together Korea Fund No.2 [3]	99.99	10,000	10,541	10,541	Asset management	Korea
Shinla Construction Co., Ltd. [4]	20.17	-	(551)	-	Specialty construction	Korea
Terra Corporation [4]	24.06	-	2	-	Manufacture of fabricated and processed metal products	Korea
MJT&I Corp. [4]	22.89	-	(880)	-	Wholesale of other merchandise	Korea
Jungdong Steel Co., Ltd. [2]	42.65	-	(433)	-	Wholesale of primary metal	Korea
DSMETAL Co., Ltd. [4]	26.49	-	(101)	-	Manufacture of metal door, windows, shutter and relevant products	Korea
Shinhwa Underwear Co., Ltd. [4]	26.05	-	(96)	144	Manufacture of underwear and sleepwear	Korea
Jaeyang Industry Co., Ltd. [4]	20.86	-	(552)	-	Manufacture of luggage and other protective cases	Korea
Kendae Co., Ltd. [4]	41.01	-	(252)	98	Screen printing	Korea
Jinseung Tech Co., Ltd. [4]	30.04	-	(33)	158	Manufacture of other general-purpose machinery	Korea
Dongjo Co., Ltd. [4]	29.29	-	142	-	Wholesale of agricultural and forestry machinery and equipment	Korea
Korea NM Tech Co., Ltd. [4]	22.41	-	546	-	Manufacture of motor vehicles, trailers and semitrailers	Korea
Jungdo Co., Ltd. [4]	25.34	-	1,231	-	Office, commercial and institutional building construction	Korea
Dae-A Leisure Co., Ltd. [4]	49.36	-	436	-	Earth works	Korea
Chongil Machine & Tools Co., Ltd. [4]	20.40	-	(178)	-	Wholesale of machinery and equipment	Korea
Imt Technology Co., Ltd. [4]	25.29	-	30	12	Computer Peripherals Distribution	Korea
Iwon Alloy Co., Ltd. [4]	23.20	-	376	-	Manufacture of smelting, refining and alloys	Korea
Computerlife Co., Ltd. [4]	25.41	-	(124)	56	Publishing of magazines and periodicals (publishing industry)	Korea
Skydigital Inc. [4]	20.40	-	(338)	-	Manufacture of multimedia and video devices	Korea
Jo Yang Industrial Co., Ltd. [4]	22.77	-	(72)	-	Manufacture of special glass	Korea
Il-Kwang Electronic Materials Co., Ltd. [4]	29.06	-	(555)	-	Manufacture of electronic parts	Korea
So-Myung Recycling Co., Ltd. [4]	20.23	-	243	59	Manufacture of nonferrous metal	Korea
PIP System Co., Ltd. [4]	20.72	-	27	-	Print equipment	Korea
Gwang Myung Paper Co., Ltd. [4]	20.54	-	84	-	Wholesale of luggage and other protective cases	Korea

13.1 Details of investments in associates as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	December 31, 2023					
	Ownership (%)	Acquisition cost	Share of net asset amount	Carrying amount	Industry	Location
D-Partner [4]	20.94	-	844	397	Backlight film	Korea
Chunsung-meat Co., Ltd. [4]	26.74	-	237	-	Wholesale of meat	Korea
DS Fashionbiz Co., Ltd. [4]	47.64	-	16	18	Manufacture of textiles	Korea
ALTSCS Co., Ltd. [4]	47.11	-	14	-	Manufacture of motor vehicle parts	Korea
E-Won Chemical Co., Ltd. [4]	24.30	-	31	-	Manufacture, wholesale and retail trade of feeds	Korea
TMAPMOBILITY CO.,LTD. [1]	8.24	200,000	51,866	183,572	Application software development and supply	Korea
TKDS CO., LTD [4]	20.03	-	63	-	Manufacture of video and other imaging equipment	Korea
SANDLE FARMING ASSOCIATION [4]	23.04	-	309	3	Manufacture of edible refined oil and processed oil	Korea
TAEYEONG PRECISION IND. CO.,LTD. [4]	28.51	-	4	-	Manufacture of mould and metallic patterns	Korea
Seokwang T&I Co., Ltd [4]	33.64	-	705	-	Brokerage, agency, and related services of cargo	Korea
MJK TRADING CO.,LTD. [4]	25.05	-	(62)	-	Manufacture of knitting cloth	Korea
ONIGYU CO.,LTD. [4]	32.45	-	33	-	Brokerage of food and tobacco	Korea
DNGV CO.,LTD. [4]	22.39	-	411	-	Manufacture of automotive engine	Korea
Alpa information & Communication Co.,Ltd. [4]	22.91	-	93	-	Manufacture of computers and peripheral equipment	Korea
JC TECHNO CO.,LTD.[4]	29.32	-	737	-	Manufacture of industrial electrical and electronic equipment	Korea
		578,888	443,899	589,311		

[1] As of December 31, 2024 and 2023, the Group can exercise significant influence on the decision-making processes of the associate's financial and business policies through participation in governing bodies.

[2] As of December 31, 2024, the Group has fully redeemed its investment stake but retains rights over the remaining stake due to incomplete liquidation.

[3] As of December 31, 2024 and 2023, the Group participates in the investment management committee but cannot exercise control.

[4] The investment in associates was reclassified from financial assets at fair value through profit or loss due to termination of rehabilitation procedures.

Although the Group holds 20% or more of the ownership in several investment trusts including KB Hanbando BTL Private Special Asset Fund No.1, those investment trusts are excluded from associates because the Group's influence on those trusts is limited according to the trust agreement. In addition, the Group holds 20% or more of its ownership in KLB Securities Co., Ltd. and one other company, but those companies are excluded from associates, because the Group's influence on those companies is limited due to the status of those companies such as bankruptcy and rehabilitation proceedings.

13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates as of and for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	December 31, 2024 *						
	Total assets	Total liabilities	Paid-in capital	Equity	Share of net asset amount	Unrealized gains (losses) and others	Carrying amount
Korea Credit Bureau Co., Ltd.	150,657	62,343	10,000	88,314	7,948	-	7,948
Incheon Bridge Co., Ltd.	517,004	520,576	61,096	(3,572)	(535)	535	-
KB SPROTT Renewable Private Equity Fund No.1	24,548	251	29,313	24,297	4,588	-	4,588
KB Digital Innovation & Growth New Technology Business Investment Fund	7,890	153	10,000	7,737	3,482	-	3,482
KB Digital Platform Fund	170,694	809	168,000	169,885	79,280	-	79,280
KB Prime Digital Platform Fund	22,431	119	22,500	22,312	9,669	-	9,669
Future Planning KB Start-up Creation Fund	5,794	1,184	3,000	4,610	2,305	-	2,305
KB High-tech Company Investment Fund	12,922	3,982	3,000	8,940	4,470	-	4,470
Aju Good Technology Venture Fund	24,214	-	900	24,214	9,313	-	9,313
KB-KDBC Pre-IPO New Technology Business Investment Fund	7,804	-	4,500	7,804	2,601	-	2,601
KB-TS Technology Venture Private Equity Fund	26,460	6,587	11,800	19,873	5,962	-	5,962
KB Intellectual Property Fund No.2	44,265	709	33,200	43,556	16,334	-	16,334
KB Digital Innovation Investment Fund Limited Partnership	92,884	1,623	107,304	91,261	23,486	1,750	25,236
KB Global Platform Fund	195,862	4,470	165,000	191,392	43,498	-	43,498
KB Global Platform Fund No.2	121,421	7,529	120,000	113,892	22,778	-	22,778
KB-UTC Inno-Tech Venture Fund	26,935	448	42,418	26,487	7,821	3,750	11,571
WJ Private Equity Fund No.1	35,435	475	37,100	34,960	9,423	-	9,423
KB-KDBC Pre-IPO New Technology Business Investment Fund No.2	25,661	432	24,885	25,229	7,208	-	7,208
KB Smart Scale Up Fund	225,921	2,635	180,200	223,286	55,821	-	55,821
KB Bio Global Expansion Private Equity Fund No.1	45,378	106	38,000	45,272	11,914	-	11,914
KB-KTB Technology Venture Fund	50,673	686	55,000	49,987	13,633	-	13,633
KB-SOLIDUS Healthcare Investment Fund	69,004	3	72,930	69,001	20,909	-	20,909
KB New Deal Innovation Fund	100,137	3,517	100,000	96,620	19,324	-	19,324
Startup Korea KB Secondary Fund	15,375	-	15,375	15,375	4,500	-	4,500
All Together Korea Fund No.2	10,849	1	10,001	10,848	10,847	-	10,847
TMAPMOBILITY CO.,LTD.	797,292	163,070	8,681	634,222	52,287	129,713	182,000

13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates as of and for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	2024 *				
	Operating revenue	Net profit (loss)	Other comprehensive income	Total comprehensive income (loss)	Dividends
Korea Credit Bureau Co., Ltd.	175,338	26,589	-	26,589	90
Incheon Bridge Co., Ltd.	171,687	66,701	-	66,701	-
KB SPROTT Renewable Private Equity Fund No.1	1	(681)	-	(681)	-
KB Digital Innovation & Growth New Technology Business Investment Fund	1	(93)	-	(93)	-
KB Digital Platform Fund	10,558	7,142	-	7,142	-
KB Prime Digital Platform Fund	820	352	-	352	-
Future Planning KB Start-up Creation Fund	5,534	(3,019)	-	(3,019)	4,000
KB High-tech Company Investment Fund	3,753	(7,921)	-	(7,921)	-
Aju Good Technology Venture Fund	3,396	(7,447)	-	(7,447)	2,120
KB-KDBC Pre-IPO New Technology Business Investment Fund	398	(541)	-	(541)	-
KB-TS Technology Venture Private Equity Fund	1,832	946	-	946	-
KB Intellectual Property Fund No.2	10,721	5,193	-	5,193	-
KB Digital Innovation Investment Fund Limited Partnership	13,264	(24,073)	-	(24,073)	-
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund	833	376	-	376	3,153
KB Global Platform Fund	44,045	26,809	-	26,809	-
KB Global Platform Fund No.2	5,512	(1,969)	-	(1,969)	-
KB-UTC Inno-Tech Venture Fund	963	(2,620)	(561)	(3,181)	-
WJ Private Equity Fund No.1	425	(222)	-	(222)	-
KB-KDBC Pre-IPO New Technology Business Investment Fund No.2	6,626	3,198	(2,386)	812	-
KB Smart Scale Up Fund	48,053	31,416	-	31,416	-
KB Bio Global Expansion Private Equity Fund No.1	5,423	5,004	-	5,004	-
KB-KTB Technology Venture Fund	693	(3,031)	-	(3,031)	-
KB-SOLIDUS Healthcare Investment Fund	40	(1,284)	-	(1,284)	-
KB New Deal Innovation Fund	7,218	(240)	-	(240)	-
Startup Korea KB Secondary Fund	-	-	-	-	-
All Together Korea Fund No.2	313	307	-	307	-
TMAPMOBILITY CO.,LTD.	321,542	(58,287)	-	(58,287)	-

13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates as of and for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	December 31, 2023 *						
	Total assets	Total liabilities	Paid-in capital	Equity	Share of net asset amount	Unrealized gains (losses) and others	Carrying amount
Korea Credit Bureau Co., Ltd.	131,164	68,756	10,000	62,408	5,617	-	5,617
Incheon Bridge Co., Ltd.	518,133	602,458	61,096	(84,325)	(12,640)	12,640	-
KB SPROTT Renewable Private Equity Fund No.1	42,868	378	46,868	42,490	12,588	(15)	12,573
KB Digital Innovation & Growth New Technology Business Investment Fund	7,998	168	10,000	7,830	3,524	(1)	3,523
KB Digital Platform Fund	103,502	759	108,000	102,743	47,947	-	47,947
KB Prime Digital Platform Fund	16,521	560	16,500	15,961	6,916	-	6,916
Future Planning KB Start-up Creation Fund	18,095	2,466	3,000	15,629	7,814	-	7,814
KB High-tech Company Investment Fund	22,826	3,979	3,000	18,847	9,424	-	9,424
Aju Good Technology Venture Fund	37,568	394	900	37,174	14,297	(1)	14,296
KB-KDBC Pre-IPO New Technology Business Investment Fund	9,095	1	5,400	9,094	3,031	-	3,031
KB-TS Technology Venture Private Equity Fund	28,233	6,140	16,200	22,093	6,628	-	6,628
KB Intellectual Property Fund No.2	47,461	2,298	40,000	45,163	16,936	-	16,936
KB Digital Innovation Investment Fund Limited Partnership	137,175	2,257	126,888	134,918	34,721	-	34,721
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund	14,441	-	-	14,441	3,073	(1)	3,072
KB Global Platform Fund	197,354	4,831	192,940	192,523	43,755	95	43,850
KB Global Platform Fund No.2	58,384	2,523	60,000	55,861	11,172	-	11,172
KB-UTC Inno-Tech Venture Fund	35,978	572	43,180	35,406	10,454	2,296	12,750
WJ Private Equity Fund No.1	35,342	160	37,100	35,182	9,483	-	9,483
KB-KDBC Pre-IPO New Technology Business Investment Fund No.2	33,611	129	33,950	33,482	9,566	134	9,700
KB Smart Scale Up Fund	213,141	1,523	200,000	211,618	52,905	-	52,905
KB Bio Global Expansion Private Equity Fund No.1	40,373	105	38,000	40,268	10,597	-	10,597
KB-KTB Technology Venture Fund	42,263	245	44,000	42,018	11,459	-	11,459
KB-SOLIDUS Healthcare Investment Fund	44,875	331	47,190	44,544	13,498	-	13,498
KB New Deal Innovation Fund	100,599	3,739	100,000	96,860	19,372	-	19,372
KY Global Cell & Gene Private Equity Fund 2nd	132,025	11	132,331	132,014	26,969	-	26,969
All Together Korea Fund No.2	10,543	1	10,001	10,542	10,541	-	10,541
TMAPMOBILITY CO.,LTD.	849,894	220,825	8,680	629,069	51,866	131,706	183,572

13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates as of and for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	2023 *				
	Operating revenue	Net profit (loss)	Other comprehensive income	Total comprehensive income (loss)	Dividends
Korea Credit Bureau Co., Ltd.	163,707	8,012	-	8,012	90
Incheon Bridge Co., Ltd.	128,860	22,110	-	22,110	-
KB SPROTT Renewable Private Equity Fund No.1	26	(689)	-	(689)	-
KB Digital Innovation & Growth New Technology Business Investment Fund	2	(1,143)	-	(1,143)	-
KB Digital Platform Fund	649	(2,593)	-	(2,593)	-
KB Prime Digital Platform Fund	80	(453)	-	(453)	-
Future Planning KB Start-up Creation Fund	5,961	3,243	-	3,243	2,900
KB High-tech Company Investment Fund	6,560	3,324	-	3,324	2,900
Aju Good Technology Venture Fund	20,386	15,176	-	15,176	3,577
KB-KDBC Pre-IPO New Technology Business Investment Fund	-	(12)	-	(12)	-
KB-TS Technology Venture Private Equity Fund	836	362	-	362	-
KB Intellectual Property Fund No.2	6,837	4,619	-	4,619	-
KB Digital Innovation Investment Fund Limited Partnership	27,782	9,221	-	9,221	-
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund	7,610	2,302	-	2,302	-
KB Global Platform Fund	7,880	(29,086)	-	(29,086)	-
KB Global Platform Fund No.2	102	(4,139)	-	(4,139)	-
KB-UTC Inno-Tech Venture Fund	758	(5,024)	2,208	(2,816)	-
WJ Private Equity Fund No.1	430	(218)	-	(218)	-
KB-KDBC Pre-IPO New Technology Business Investment Fund No.2	343	26	5,176	5,202	-
KB Smart Scale Up Fund	30,569	22,468	-	22,468	-
KB Bio Global Expansion Private Equity Fund No.1	713	294	-	294	-
KB-KTB Technology Venture Fund	166	(917)	-	(917)	-
KB-SOLIDUS Healthcare Investment Fund	16	(1,344)	-	(1,344)	-
KB New Deal Innovation Fund	576	(1,345)	-	(1,345)	-
KY Global Cell & Gene Private Equity Fund 2nd	-	(225)	(93)	(318)	-
All Together Korea Fund No.2	303	297	-	297	-
TMAPMOBILITY CO.,LTD.	294,015	(100,433)	-	(100,433)	-

* The condensed financial information of the associates is adjusted to reflect adjustments, such as fair value adjustments recognized at the time of acquisition and adjustments for differences in accounting policies.

13.3 Changes in carrying amount of investments in associates for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	2024						
	Beginning	Acquisition and others	Disposal and others	Dividends	Gains (losses) on equity-method accounting	Other comprehen-sive income (loss)	Ending
Korea Credit Bureau Co., Ltd.	5,617	-	-	(90)	2,421	-	7,948
Incheon Bridge Co., Ltd.	-	-	-	-	-	-	-
KB SPROTT Renewable Private Equity Fund No.1	12,573	-	(8,349)	-	364	-	4,588
KB Digital Innovation & Growth New Technology Business Investment Fund	3,523	-	-	-	(41)	-	3,482
KB Digital Platform Fund	47,947	28,000	-	-	3,333	-	79,280
KB Prime Digital Platform Fund	6,916	2,600	-	-	153	-	9,669
Future Planning KB Start-up Creation Fund	7,814	-	-	(4,000)	(1,509)	-	2,305
KB High-tech Company Investment Fund	9,424	-	-	-	(4,954)	-	4,470
Aju Good Technology Venture Fund	14,296	-	-	(2,120)	(2,863)	-	9,313
KB-KDBC Pre-IPO New Technology Business Investment Fund	3,031	-	(300)	-	(130)	-	2,601
KB-TS Technology Venture Private Equity Fund	6,628	-	(1,320)	-	654	-	5,962
KB Intellectual Property Fund No.2	16,936	-	(2,550)	-	1,948	-	16,334
KB Digital Innovation Investment Fund Limited Partnership	34,721	-	(5,040)	-	(4,445)	-	25,236
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund	3,072	-	(94)	(3,153)	175	-	-
KB Global Platform Fund	43,850	-	(6,350)	-	5,998	-	43,498
KB Global Platform Fund No.2	11,172	12,000	-	-	(394)	-	22,778
KB-UTC Inno-Tech Venture Fund	12,750	-	(164)	-	(849)	(166)	11,571
WJ Private Equity Fund No.1	9,483	-	-	-	(60)	-	9,423
KB-KDBC Pre-IPO New Technology Business Investment Fund No.2	9,700	-	(2,590)	-	780	(682)	7,208
KB Smart Scale Up Fund	52,905	-	(4,950)	-	7,866	-	55,821
KB Bio Global Expansion Private Equity Fund No.1	10,597	-	-	-	1,317	-	11,914
KB-KTB Technology Venture Fund	11,459	3,000	-	-	(826)	-	13,633
KB-SOLIDUS Healthcare Investment Fund	13,498	7,800	-	-	(389)	-	20,909

13.3 Changes in carrying amount of investments in associates for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	2024						
	Beginning	Acquisition and others	Disposal and others	Dividends	Gains (losses) on equity-method accounting	Other comprehen-sive income (loss)	Ending
KB New Deal Innovation Fund	19,372	-	-	-	(48)	-	19,324
KY Global Cell & Gene Private Equity Fund 2nd	26,969	-	(26,969)	-	-	-	-
Startup Korea KB Secondary Fund	-	4,500	-	-	-	-	4,500
All Together Korea Fund No.2	10,541	-	-	-	306	-	10,847
Shinla Construction Co., Ltd.	-	-	-	-	-	-	-
Terra Corporation	-	-	-	-	-	-	-
MJT&I Corp.	-	-	-	-	-	-	-
Jungdong Steel Co., Ltd.	-	-	-	-	-	-	-
DSMETAL Co., Ltd.	-	-	-	-	-	-	-
Shinhwa Underwear Co., Ltd.	144	-	-	-	(24)	-	120
Jaeyang Industry Co., Ltd.	-	-	-	-	-	-	-
Kendae Co., Ltd.	98	-	-	-	-	-	98
Jinseung Tech Co., Ltd.	158	-	-	-	(66)	-	92
Dongjo Co., Ltd.	-	-	-	-	-	-	-
Korea NM Tech Co., Ltd.	-	-	-	-	-	-	-
Jungdo Co., Ltd.	-	-	-	-	-	-	-
Dae-A Leisure Co., Ltd.	-	-	-	-	-	-	-
Chongil Machine & Tools Co., Ltd.	-	-	-	-	-	-	-
Imt Technology Co., Ltd.	12	-	-	-	(12)	-	-
Iwon Alloy Co., Ltd.	-	-	-	-	-	-	-
Computerlife Co., Ltd.	56	-	-	-	-	-	56
Skydigital Inc.	-	-	-	-	-	-	-
Jo Yang Industrial Co., Ltd.	-	-	-	-	-	-	-
Il-Kwang Electronic Materials Co., Ltd.	-	-	-	-	-	-	-
So-Myung Recycling Co., Ltd.	59	-	-	-	(42)	-	17
PIP System Co., Ltd.	-	-	-	-	-	-	-
Gwang Myung Paper Co., Ltd.	-	-	-	-	-	-	-
D-Partner	397	-	-	-	65	-	462
Chunsung-meat Co., Ltd.	-	-	-	-	-	-	-
DS Fashionbiz Co., Ltd.	18	-	-	-	-	-	18
ALTSCS Co., Ltd.	-	-	-	-	-	-	-
E-Won Chemical Co., Ltd.	-	-	-	-	-	-	-
TMAPMOBILITY CO.,LTD.	183,572	-	-	-	(1,385)	(187)	182,000
TKDS CO., LTD	-	-	-	-	-	-	-
SANDLE FARMING ASSOCIATION	3	-	-	-	14	-	17
TAEYEONG PRECISION IND. CO.,LTD.	-	-	-	-	-	-	-
Seokwang T&I Co., Ltd	-	-	-	-	9	-	9
MJK TRADING CO.,LTD.	-	-	-	-	-	-	-
ONIGYU CO.,LTD.	-	-	-	-	6	-	6

13.3 Changes in carrying amount of investments in associates for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	2024						
	Beginning	Acquisition and others	Disposal and others	Dividends	Gains (losses) on equity-method accounting	Other comprehen-sive income (loss)	Ending
DNGV CO.,LTD.	-	-	-	-	-	-	-
Alpa information & Communication Co.,Ltd.	-	-	-	-	-	-	-
JC TECHNO CO.,LTD.	-	-	-	-	-	-	-
SD Speed Co.,Ltd.	-	-	-	-	-	-	-
	589,311	57,900	(58,676)	(9,363)	7,372	(1,035)	585,509

13.3 Changes in carrying amount of investments in associates for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	2023						
	Beginning	Acquisition and others	Disposal and others	Dividends	Gains (losses) on equity-method accounting	Other comprehen-sive income (loss)	Ending
Korea Credit Bureau Co., Ltd.	4,959	-	-	(90)	748	-	5,617
Incheon Bridge Co., Ltd.	-	-	-	-	-	-	-
KB SPROTT Renewable Private Equity Fund No.1	13,165	-	(475)	-	(117)	-	12,573
KB Digital Innovation & Growth New Technology Business Investment Fund	4,038	-	-	-	(515)	-	3,523
KB Digital Platform Fund	25,358	23,800	-	-	(1,211)	-	47,947
KB Prime Digital Platform Fund	2,563	4,550	-	-	(197)	-	6,916
Future Planning KB Start-up Creation Fund	9,793	-	(700)	(2,900)	1,621	-	7,814
KB High-tech Company Investment Fund	10,662	-	-	(2,900)	1,662	-	9,424
Aju Good Technology Venture Fund	19,836	-	(7,800)	(3,577)	5,837	-	14,296
KB-KDBC Pre-IPO New Technology Business Investment Fund	2,989	-	-	-	42	-	3,031
KB-TS Technology Venture Private Equity Fund	7,390	-	(360)	-	(402)	-	6,628
KB Intellectual Property Fund No.2	15,204	-	-	-	1,732	-	16,936
KB Digital Innovation Investment Fund Limited Partnership	35,000	-	(2,345)	-	2,066	-	34,721
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund	8,901	-	(6,600)	-	771	-	3,072
KB Global Platform Fund	50,366	-	-	-	(6,516)	-	43,850
KB Global Platform Fund No.2	-	12,000	-	-	(828)	-	11,172
KB-UTC Inno-Tech Venture Fund	12,786	-	(1,500)	-	812	652	12,750
WJ Private Equity Fund No.1	9,542	-	-	-	(59)	-	9,483
KB-KDBC Pre-IPO New Technology Business Investment Fund No.2	8,380	-	(300)	-	141	1,479	9,700
KB Smart Scale Up Fund	40,288	7,000	-	-	5,617	-	52,905
KB Scale Up Fund Ⅱ	4,438	-	(4,322)	-	(116)	-	-
KB Bio Global Expansion Private Equity Fund No.1	10,519	-	-	-	78	-	10,597
KB-KTB Technology Venture Fund	8,709	3,000	-	-	(250)	-	11,459

13.3 Changes in carrying amount of investments in associates for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	2023						
	Beginning	Acquisition and others	Disposal and others	Dividends	Gains (losses) on equity-method accounting	Other comprehen-sive income (loss)	Ending
KB-SOLIDUS Healthcare Investment Fund	6,217	7,700	(12)	-	(407)	-	13,498
KB New Deal Innovation Fund	13,241	6,400	-	-	(269)	-	19,372
KB MEZZANINE CAPITAL 4TH PRIVATE EQUITY FUND	-	29,176	(29,111)	-	(65)	-	-
KY Global Cell & Gene Private Equity Fund 2nd	-	27,034	-	-	(46)	(19)	26,969
All Together Korea Fund No.2	10,244	-	-	-	297	-	10,541
Shinla Construction Co., Ltd.	-	-	-	-	-	-	-
Terra Corporation	-	-	-	-	-	-	-
MJT&I Corp.	-	-	-	-	-	-	-
Jungdong Steel Co., Ltd.	-	-	-	-	-	-	-
DSMETAL Co., Ltd.	-	-	-	-	-	-	-
Shinhwa Underwear Co., Ltd.	167	-	-	-	(23)	-	144
Jaeyang Industry Co., Ltd.	-	-	-	-	-	-	-
Kendae Co., Ltd.	98	-	-	-	-	-	98
Jinseung Tech Co., Ltd.	-	-	-	-	158	-	158
Dongjo Co., Ltd.	-	-	-	-	-	-	-
Korea NM Tech Co., Ltd.	-	-	-	-	-	-	-
Jungdo Co., Ltd.	-	-	-	-	-	-	-
Dae-A Leisure Co., Ltd.	-	-	-	-	-	-	-
Chongil Machine & Tools Co., Ltd.	-	-	-	-	-	-	-
Imt Technology Co., Ltd.	15	-	-	-	(3)	-	12
Iwon Alloy Co., Ltd.	-	-	-	-	-	-	-
Computerlife Co., Ltd.	50	-	-	-	6	-	56
Skydigital Inc.	-	-	-	-	-	-	-
Jo Yang Industrial Co., Ltd.	-	-	-	-	-	-	-
Il-Kwang Electronic Materials Co., Ltd.	-	-	-	-	-	-	-
So-Myung Recycling Co., Ltd.	61	-	-	-	(2)	-	59
IDTECK Co., Ltd.	164	-	(297)	-	1,732	(1,599)	-
PIP System Co., Ltd.	-	-	-	-	-	-	-
Gwang Myung Paper Co., Ltd.	-	-	-	-	-	-	-
D-Partner	384	-	-	-	13	-	397
Inter Shipping Co., Ltd.	-	-	-	-	-	-	-
Chunsung-meat Co., Ltd.	-	-	-	-	-	-	-
DS Fashionbiz Co., Ltd.	1	-	-	-	17	-	18
ALTSCS CO., LTD.	-	-	-	-	-	-	-
E-Won Chemical Co., Ltd.	-	-	-	-	-	-	-
TMAPMOBILITY CO.,LTD.	194,454	-	(18)	-	(11,892)	1,028	183,572
TKDS CO., LTD	-	-	-	-	-	-	-
SANDLE FARMING ASSOCIATION	-	-	-	-	3	-	3

13.3 Changes in carrying amount of investments in associates for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	2023						
	Beginning	Acquisition and others	Disposal and others	Dividends	Gains (losses) on equity-method accounting	Other comprehen-sive income (loss)	Ending
TAEYEONG PRECISION IND. CO.,LTD.	-	-	-	-	-	-	-
Seokwang T&I Co., Ltd	-	-	-	-	-	-	-
MJK TRADING CO.,LTD.	-	-	-	-	-	-	-
Youngwon Corporation	-	-	-	-	-	-	-
ONIGYU CO.,LTD.	-	-	-	-	-	-	-
DNGV CO.,LTD.	-	-	-	-	-	-	-
Alpa information & Communication Co.,Ltd.	-	-	-	-	-	-	-
JC TECHNO CO.,LTD.	-	-	-	-	-	-	-
	529,982	120,660	(53,840)	(9,467)	435	1,541	589,311

13.4 Unrecognized share of losses of investments in associates and joint ventures due to the discontinuation of recognizing share of losses, for the years ended December 31, 2024 and 2023, and accumulated amount of unrecognized losses as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	Unrecognized losses for the period		Accumulated unrecognized losses	
	2024	2023	December 31, 2024	December 31, 2023
Incheon Bridge Co., Ltd.	(12,105)	(3,323)	535	12,640
Shinla Construction Co., Ltd.	-	-	-	183
Terra Corporation	-	-	14	14
MJT&I Corp.	1	(1)	153	152
Jungdong Steel Co., Ltd.	-	-	-	487
DSMETAL Co., Ltd.	1	-	104	103
Jaeyang Industry Co., Ltd.	-	-	30	30
Jinseung Tech Co., Ltd.	-	(18)	-	-
Dongjo Co., Ltd.	(26)	(147)	523	549
Korea NM Tech Co., Ltd.	7	3	41	34
Jungdo Co., Ltd.	-	(119)	420	420
Dae-A Leisure Co., Ltd.	287	88	885	599
Chongil Machine & Tools Co., Ltd.	-	-	71	71
Imt Technology Co., Ltd.	2	-	2	-
Iwon Alloy Co., Ltd.	4	(1)	22	18
Skydigital Inc.	(3)	20	193	196
Jo Yang Industrial Co., Ltd.	124	36	271	147
Il-Kwang Electronic Materials Co., Ltd.	-	-	158	158
Chunsung-meat Co., Ltd.	-	9	33	33
ALTSCS Co., Ltd.	(16)	395	380	396
E-Won Chemical Co., Ltd.	8	4	12	4
TKDS CO., LTD	69	108	177	108
TAEYEONG PRECISION IND. CO.,LTD.	42	-	42	-
MJK TRADING CO.,LTD.	36	-	36	-
DNGV CO.,LTD.	46	-	46	-
Alpa information & Communication Co.,Lt	77	-	77	-
JC TECHNO CO.,LTD.	243	-	243	-
	(11,203)	(2,946)	4,468	16,342

14. Property and Equipment, and Investment Properties

14.1 Property and Equipment

14.1.1 Details of property and equipment as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024			
	Acquisition cost	Accumulated depreciation	Accumulated impairment losses	Carrying amount
Land	2,026,787	-	(4)	2,026,783
Buildings	1,864,237	(676,661)	(5,746)	1,181,830
Leasehold improvements	989,540	(934,951)	-	54,589
Equipment and vehicles	1,332,595	(1,183,789)	-	148,806
Construction in-progress	30,586	-	-	30,586
Right-of-use assets	1,785,116	(1,027,619)	(971)	756,526
	8,028,861	(3,823,020)	(6,721)	4,199,120

(In millions of Korean won)	December 31, 2023			
	Acquisition cost	Accumulated depreciation	Accumulated impairment losses	Carrying amount
Land	2,010,674	-	(4)	2,010,670
Buildings	1,833,654	(629,065)	(5,747)	1,198,842
Leasehold improvements	948,393	(893,118)	-	55,275
Equipment and vehicles	1,263,107	(1,148,667)	-	114,440
Construction in-progress	26,235	-	-	26,235
Right-of-use assets	1,186,700	(823,564)	-	363,136
	7,268,763	(3,494,414)	(5,751)	3,768,598

14.1.2 Changes in property and equipment for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	2024						
	Beginning	Acquisition	Transfer [2]	Disposal	Depreciation	Others	Ending
Land	2,010,670	1	(313)	(806)	-	17,231	2,026,783
Buildings	1,198,842	660	29,060	(3,498)	(47,581)	4,347	1,181,830
Leasehold Improvements	55,275	2,479	37,368	(36)	(41,082)	585	54,589
Equipment and vehicles	114,440	95,254	10,759	(307)	(74,162)	2,822	148,806
Construction in-progress	26,235	90,209	(84,637)	(1,402)	-	181	30,586
Right-of-use assets [1]	363,136	1,160,083	3,126	(527,839)	(264,549)	22,569	756,526
	3,768,598	1,348,686	(4,637)	(533,888)	(427,374)	47,735	4,199,120

14.1.2 Changes in property and equipment for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	2023						
	Beginning	Acquisition	Transfer [2]	Disposal	Depreciation	Others [3]	Ending
Land	2,017,246	717	(10,510)	(2,074)	-	5,291	2,010,670
Buildings	1,220,522	722	22,781	(483)	(47,199)	2,499	1,198,842
Leasehold Improvements	53,387	247	40,610	(10)	(41,215)	2,256	55,275
Equipment and vehicles	153,695	57,118	1,470	(752)	(96,496)	(595)	114,440
Construction in-progress	5,829	97,460	(77,008)	-	-	(46)	26,235
Right-of-use assets [1]	386,832	602,832	319	(426,943)	(210,123)	10,219	363,136
	3,837,511	759,096	(22,338)	(430,262)	(395,033)	19,624	3,768,598

[1] Effect of change in the lease term is reflected in acquisition and disposal based on gross amount.
[2] Includes transfers with investment properties and assets held for sale.
[3] Kookmin Bank Cambodia PLC. of KB PRASAC BANK PLC. includes merger effects.

14.1.3 Changes in accumulated impairment losses of property and equipment for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	2024				
	Beginning	Impairment	Reversal	Others	Ending
Accumulated impairment losses of property and equipment	(5,751)	(970)	-	-	(6,721)

(In millions of Korean won)

	2023				
	Beginning	Impairment	Reversal	Others	Ending
Accumulated impairment losses of property and equipment	(5,751)	-	-	-	(5,751)

14.2 Investment Properties

14.2.1 Details of investment properties as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	December 31, 2024		
	Acquisition cost	Accumulated depreciation	Carrying amount
Land	65,456	-	65,456
Buildings	76,494	(16,936)	59,558
	141,950	(16,936)	125,014

(In millions of Korean won)

	December 31, 2023		
	Acquisition cost	Accumulated depreciation	Carrying amount
Land	232,219	-	232,219
Buildings	136,687	(21,426)	115,261
	368,906	(21,426)	347,480

14.2.2 Valuation techniques and inputs used to measure the fair value of investment properties as of December 31, 2023, are as follows:

(In millions of Korean won)	December 31, 2024		
	Fair value	**Valuation techniques**	**Inputs**
Land and buildings	236,575	Cost approach method	- Price per square meter - Replacement cost

Fair value of investment properties amounts to ₩ 236,575 million and ₩ 451,967 million as of December 31, 2024 and 2023, respectively. Investment properties are measured by qualified independent appraisers with recent experience in valuing similar properties in the same area. In addition, all investment properties are classified as Level 3 in accordance with fair value hierarchy in Note 6.1.2.

Rental income from above investment properties amounts to ₩ 6,862 million and ₩ 6,408 million for the years ended December 31, 2024 and 2023, respectively.

14.2.3 Changes in investment properties for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	2024					
	Beginning	**Acquisition**	**Transfer**	**Disposal**	**Depreciation**	**Ending**
Land	232,220	-	6,189	(172,953)	-	65,456
Buildings	115,260	-	11,138	(64,947)	(1,893)	59,558
	347,480	-	17,327	(237,900)	(1,893)	125,014

(In millions of Korean won)

	2023					
	Beginning	**Acquisition**	**Transfer**	**Disposal**	**Depreciation**	**Ending**
Land	230,597	-	1,622	-	-	232,219
Buildings	114,559	-	2,518	-	(1,816)	115,261
	345,156	-	4,140	-	(1,816)	347,480

15. Intangible Assets

15.1 Details of intangible assets as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024				
	Acquisition cost	Accumulated amortization	Accumulated impairment losses	Others	Carrying amount
Goodwill	552,652	-	(58,549)	85,265	579,368
Other intangible assets	2,032,757	(1,614,219)	(29,303)	-	389,235
	2,585,409	(1,614,219)	(87,852)	85,265	968,603

(In millions of Korean won)	December 31, 2023				
	Acquisition cost	Accumulated amortization	Accumulated impairment losses	Others	Carrying amount
Goodwill	552,652	-	(1,202)	22,823	574,273
Other intangible assets	1,883,049	(1,422,264)	(15,385)	-	445,400
	2,435,701	(1,422,264)	(16,587)	22,823	1,019,673

15.2 Details of goodwill as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024		December 31, 2023	
	Acquisition cost	Carrying amount [1]	Acquisition cost	Carrying amount [1]
PT Bank KB Bukopin Tbk	89,220	94,162	89,220	86,410
KB PRASAC BANK PLC. [2]	398,144	419,918	398,144	422,575
Housing & Commercial Bank	65,288	65,288	65,288	65,288
	552,652	579,368	552,652	574,273

[1] Includes the effect of exchange differences.
[2] Kookmin Bank Cambodia PLC merged with KB PRASAC BANK PLC on June 30, 2023.

15.3 Changes in accumulated impairment losses of goodwill for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024			
	Beginning	Impairment	Others	Ending
Accumulated impairment losses of goodwill	(1,202)	(57,347)	-	(58,549)

(In millions of Korean won)	2023			
	Beginning	Impairment	Others	Ending
Accumulated impairment losses of goodwill	(1,202)	-	-	(1,202)

15.4 Details of goodwill allocation to cash-generating units and related information for impairment testing as of December 31, 2024 are as follows:

(In millions of Korean won)	December 31, 2024				
	Retail banking	Corporate banking	KB PRASAC BANK PLC.	PT Bank KB Bukopin Tbk.	Total
Carrying amounts [1]	49,315	15,973	432,472	94,162	591,922
Recoverable amount exceeding carrying amount [2]	7,134,305	19,335,298	(55,450)	497,709	26,911,862
Discount rate (%)	16.15	15.01	21.73	26.12	
Permanent growth rate (%)	1.00	1.00	4.00	4.00	

[1] The carrying amount of goodwill at the time of the impairment test
[2] If the carrying amount of goodwill is bigger than the recoverable amount, it is indicated as a negative number.

For impairment testing, goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the business combination, and cash-generating units consist of an operating segment or units which are not larger than an operating segment. The Group recognized goodwill amounting to ₩ 65,288 million arising from the merger of Housing & Commercial Bank, and the amounts of ₩ 49,315 million and ₩ 15,973 million were allocated to the retail banking and corporate banking, respectively. The Group acquired a 70% stake in KB PRASAC BANK PLC. with an acquisition date of April 10, 2020, and an additional 30% stake with an acquisition date of October 19, 2021. The goodwill recognized due to the business combination is ₩ 419,918 million as of December 31, 2024. The Group acquired a 66.88% stake in PT Bank KB Bukopin Tbk with an acquisition date of September 2, 2020, and the goodwill recognized due to the business combination is ₩ 94,162 million as of December 31, 2024. Cash-generating units to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit including the goodwill with the recoverable amount of the unit. The valuation dates of the recoverable amounts of the KB PRASAC BANK PLC. and PT Bank KB Bukopin TBK are September 30, 2024 and December 31, 2024, respectively.

The recoverable amount of a cash-generating unit is measured at the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal is the amount obtainable from the disposal in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal. If it is difficult to measure the amount obtainable from the disposal of the cash-generating unit, the disposal amount of a similar cash-generating unit in the past transaction is used by reflecting the characteristics of the cash-generating unit to be measured. If it is not possible to obtain reliable information to measure the fair value less costs of disposal, the Group uses the asset's value in use as its recoverable amount. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. The estimated future cash flows are based on the most recent financial budget approved by management with maximum period of 5 years. The future cash flows of retail banking and corporate banking after the projection period are estimated on the assumption that the future cash flows will increase by 1.0% per year. The key assumptions used for the estimation of the future cash flows are based on the market size and the Group's market share.

The future cash flows of KB PRASAC BANK PLC. after five years are estimated on the assumption that the future cash flows will increase by 4.0% per year. The future cash flows of PT Bank KB Bukopin Tbk after five years are estimated on the assumption that the future cash flows will increase by 4.0% per year. The key assumptions used for the estimation of the future cash flows are the GDP growth rate and the market size of Cambodia and Indonesia, and the recent growth rate of KB PRASAC BANK PLC. and PT Bank KB Bukopin Tbk. The discount rate is a pre-tax rate that reflects assumptions regarding risk-free interest rate, market risk premium, and the risks specific to the cash-generating unit.

15.5 Details of intangible assets other than goodwill as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024			
	Acquisition cost	Accumulated amortization	Accumulated impairment losses	Carrying amount
Industrial property rights	2,314	(1,950)	-	364
Software	1,670,540	(1,372,344)	(56)	298,140
Other intangible assets	324,776	(205,386)	(29,247)	90,143
Right-of-use assets	35,127	(34,539)	-	588
	2,032,757	(1,614,219)	(29,303)	389,235

(In millions of Korean won)	December 31, 2023			
	Acquisition cost	Accumulated amortization	Accumulated impairment losses	Carrying amount
Industrial property rights	2,190	(1,821)	-	369
Software	1,531,414	(1,222,219)	-	309,195
Other intangible assets	314,318	(164,691)	(15,385)	134,242
Right-of-use assets	35,127	(33,533)	-	1,594
	1,883,049	(1,422,264)	(15,385)	445,400

15.6 Changes in intangible assets other than goodwill for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024						
	Beginning	Acquisition	Transfer	Disposal	Amortization	Others	Ending
Industrial property rights	369	124	-	-	(129)	-	364
Software	309,195	146,697	(158)	(3,119)	(159,225)	4,750	298,140
Other intangible assets	134,242	758	158	(1,500)	(33,056)	(10,459)	90,143
Right-of-use assets	1,594	-	-	-	(1,006)	-	588
	445,400	147,579	-	(4,619)	(193,416)	(5,709)	389,235

(In millions of Korean won)	2023						
	Beginning	Acquisition	Transfer	Disposal	Amortization	Others*	Ending
Industrial property rights	300	197	-	-	(129)	1	369
Software	363,416	114,629	249	-	(169,872)	773	309,195
Other intangible assets	124,139	63,791	-	-	(42,535)	(11,153)	134,242
Right-of-use assets	2,602	-	-	-	(1,008)	-	1,594
	490,457	178,617	249	-	(213,544)	(10,379)	445,400

* Kookmin Bank Cambodia PLC. of KB PRASAC BANK PLC. includes merger effects.

15.7 Changes in accumulated impairment losses of other intangible assets for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024				
	Beginning	**Impairment**	**Reversal**	**Others**	**Ending**
Accumulated impairment losses of other intangible assets	(15,385)	(13,950)	-	32	(29,303)

(In millions of Korean won)	2023				
	Beginning	**Impairment**	**Reversal**	**Others**	**Ending**
Accumulated impairment losses of other intangible assets	(14,978)	(11,891)	-	11,484	(15,385)

16. Deferred Income Tax Assets and Liabilities

16.1 Details of deferred income tax assets and liabilities as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024		
	Assets	**Liabilities**	**Net amount**
Other provisions	115,168	-	115,168
Impairment losses of property and equipment	9,322	-	9,322
Share-based payments	23,729	-	23,729
Provisions for acceptances and guarantees	16,010	-	16,010
Gains or losses on valuation of derivatives	-	(136,533)	(136,533)
Present value discount	90	-	90
Gains or losses on fair value hedge	-	(45,741)	(45,741)
Accrued interest	1,680	(124,508)	(122,828)
Deferred loan origination fees and costs	12,635	(126,717)	(114,082)
Gains or losses on revaluation *	-	(259,519)	(259,519)
Investments in subsidiaries and others	28,638	(233,762)	(205,124)
Gains or losses on valuation of security investment	-	(328,616)	(328,616)
Defined benefit liabilities	437,558	-	437,558
Accrued expenses	212,155	-	212,155
Retirement insurance expense	-	(440,187)	(440,187)
Adjustments to the prepaid contributions	-	(49,134)	(49,134)
Others	867,671	(516,274)	351,397
	1,724,656	(2,260,991)	(536,335)
Offsetting of deferred income tax assets and liabilities	(1,587,539)	1,587,539	-
	137,117	(673,452)	(536,335)

16.1 Details of deferred income tax assets and liabilities as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)	December 31, 2023		
	Assets	**Liabilities**	**Net amount**
Other provisions	179,786	-	179,786
Impairment losses of property and equipment	7,295	-	7,295
Share-based payments	15,229	-	15,229
Provisions for acceptances and guarantees	48,917	-	48,917
Gains or losses on valuation of derivatives	-	(147,458)	(147,458)
Present value discount	370	-	370
Gains or losses on fair value hedge	-	(57,146)	(57,146)
Accrued interest	146	(102,407)	(102,261)
Deferred loan origination fees and costs	11,604	(113,810)	(102,206)
Gains or losses on revaluation *	-	(259,839)	(259,839)
Investments in subsidiaries and others	27,393	(201,916)	(174,523)
Gains or losses on valuation of security investment	-	(253,504)	(253,504)
Defined benefit liabilities	408,732	-	408,732
Accrued expenses	201,386	-	201,386
Retirement insurance expense	-	(461,169)	(461,169)
Adjustments to the prepaid contributions	-	(33,005)	(33,005)
Others	815,848	(339,932)	475,916
	1,716,706	(1,970,186)	(253,480)
Offsetting of deferred income tax assets and liabilities	(1,467,194)	1,467,194	-
	249,512	(502,992)	(253,480)

* Gains on Land revaluation

16.2 Unrecognized Deferred Income Tax Assets

16.2.1 No deferred income tax assets have been recognized for the deductible temporary differences of ₩ 3,815,447 million and ₩ 2,868,380 million associated with investments in subsidiaries and others as of December 31, 2024 and 2023, because it is not probable that these temporary differences will reverse in the foreseeable future.

16.2.2 No deferred income tax assets have been recognized for the deductible temporary differences of ₩ 47,015 million and ₩ 42,288 million associated with others as of December 31, 2024 and 2023 due to the uncertainty that these temporary differences will be realized in the future.

16.3 Unrecognized Deferred Income Tax Liabilities

16.3.1 No deferred income tax liabilities have been recognized for the taxable temporary differences of ₩ 1,491,442 million and ₩ 1,086,031 million associated with investments in subsidiaries and others as of December 31, 2024 and 2023, due to the following reasons:
- The Group is able to control the timing of the reversal of the temporary differences.
- It is probable that these temporary differences will not reverse in the foreseeable future.

16.3.2 No deferred income tax liabilities have been recognized as of December 31, 2024 and 2023 for the taxable temporary differences of ₩ 65,288 million related to the initial recognition of goodwill arising from the merger of Housing and Commercial Bank in 2001.

16.4 Changes in cumulative temporary differences for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024			
	Beginning	**Decrease**	**Increase**	**Ending**
Deductible temporary differences				
Other provisions	681,009	681,009	436,241	436,241
Impairment losses of property and equipment	27,634	21,585	29,262	35,311
Deferred loan origination fees and costs	43,955	-	3,904	47,859
Accrued interest	729	-	7,672	8,401
Share-based payments	57,685	57,685	89,884	89,884
Provisions for acceptances and guarantees	185,290	185,290	60,642	60,642
Present value discount	1,401	1,401	342	342
Investments in subsidiaries and others	2,925,500	25,525	1,019,015	3,918,990
Defined benefit liabilities	1,548,227	170,955	280,143	1,657,415
Accrued expenses	764,170	758,620	799,755	805,305
Others	2,497,257	706,076	1,218,295	3,009,476
	8,732,857	2,608,146	3,945,155	10,069,866
Unrecognized deferred income tax assets				
Investments in subsidiaries and others	2,868,380			3,815,447
Others	42,288			47,015
	5,822,189			6,207,404
Tax rate (%)	26.40			26.40
	1,537,058			1,638,756
Tax loss carryforwards and tax credit	179,648	-	(93,748)	85,900
Total deferred income tax assets	1,716,706			1,724,656
Taxable temporary differences				
Gains or losses on fair value hedge	(216,460)	(43,200)	-	(173,260)
Accrued interest	(387,905)	(296,788)	(380,505)	(471,622)
Deferred loan origination fees and costs	(431,098)	(431,098)	(479,989)	(479,989)
Gains or losses on valuation of derivatives	(558,554)	(558,554)	(517,170)	(517,170)
Goodwill arising from the merger	(65,288)	-	-	(65,288)
Gains or losses on revaluation *	(984,239)	(1,212)	-	(983,027)
Investments in subsidiaries and others	(1,954,707)	-	(419,922)	(2,374,629)
Gains or losses on valuation of security investment	(960,241)	(960,241)	(1,244,757)	(1,244,757)
Retirement insurance expense	(1,746,854)	(213,148)	(133,671)	(1,667,377)
Adjustments to the prepaid contributions	(125,019)	(125,019)	(186,113)	(186,113)
Others	(1,183,779)	(281,760)	(1,055,836)	(1,957,855)
	(8,614,144)	(2,911,020)	(4,417,963)	(10,121,087)
Unrecognized deferred income tax liabilities				
Goodwill arising from the merger	(65,288)			(65,288)
Investments in subsidiaries and others	(1,086,031)			(1,491,442)
	(7,462,825)			(8,564,357)
Tax rate (%)	26.40			26.40
Total deferred income tax liabilities	(1,970,186)			(2,260,991)

16.4 Changes in cumulative temporary differences for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	2023			
	Beginning	Decrease	Increase	Ending
Deductible temporary differences				
Other provisions	325,422	325,422	681,009	681,009
Impairment losses of property and equipment	19,453	19,383	27,564	27,634
Deferred loan origination fees and costs	39,160	-	4,795	43,955
Accrued interest	-	-	729	729
Share-based payments	49,479	49,479	57,685	57,685
Provisions for acceptances and guarantees	150,140	150,140	185,290	185,290
Present value discount	358	358	1,401	1,401
Investments in subsidiaries and others	1,242,222	47,194	1,730,472	2,925,500
Gains or losses on valuation of security investment	928,258	928,258	-	-
Defined benefit liabilities	1,436,700	175,699	287,226	1,548,227
Accrued expenses	650,357	650,357	764,170	764,170
Others	1,820,526	527,313	1,204,044	2,497,257
	6,662,075	2,873,603	4,944,385	8,732,857
Unrecognized deferred income tax assets				
Investments in subsidiaries and others	1,099,572			2,868,380
Others	34,908			42,288
	5,527,595			5,822,189
Tax rate (%)	26.50			26.40
	1,464,813			1,537,058
Tax loss carryforwards and tax credit	164,287	-	15,361	179,648
Total deferred income tax assets	1,629,100			1,716,706
Taxable temporary differences				
Gains or losses on fair value hedge	(354,085)	(354,085)	(216,460)	(216,460)
Accrued interest	(274,975)	(216,794)	(329,724)	(387,905)
Deferred loan origination fees and costs	(436,047)	(436,047)	(431,098)	(431,098)
Gains or losses on valuation of derivatives	(558,566)	(559,692)	(559,680)	(558,554)
Present value discount	-	-	-	-
Goodwill arising from the merger	(65,288)	-	-	(65,288)
Gains or losses on revaluation *	(986,800)	(2,561)	-	(984,239)
Investments in subsidiaries and others	(1,119,930)	-	(834,777)	(1,954,707)
Gains or losses on valuation of security investment	-	-	(960,241)	(960,241)
Retirement insurance expense	(1,733,297)	(174,146)	(187,703)	(1,746,854)
Adjustments to the prepaid contributions	(105,608)	(105,608)	(125,019)	(125,019)
Others	(918,011)	(344,331)	(610,099)	(1,183,779)
	(6,552,607)	(2,193,264)	(4,254,801)	(8,614,144)
Unrecognized deferred income tax liabilities				
Goodwill arising from the merger	(65,288)			(65,288)
Investments in subsidiaries and others	(443,216)			(1,086,031)
	(6,044,103)			(7,462,825)
Tax rate (%)	26.50			26.40
Total deferred income tax liabilities	(1,601,687)			(1,970,186)

* Gains on Land revaluation

17. Assets Held for Sale

17.1 Details of assets held for sale as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024			
	Acquisition cost *	Accumulated impairment losses	Carrying amount	Fair value less costs to sell
Land held for sale	82,878	(48,986)	33,892	44,905
Buildings held for sale	179,430	(76,907)	102,523	124,095
Other assets held for sale	2,664	(2,241)	423	423
	264,972	(128,134)	136,838	169,423

(In millions of Korean won)	December 31, 2023			
	Acquisition cost *	Accumulated impairment losses	Carrying amount	Fair value less costs to sell
Land held for sale	107,452	(21,604)	85,848	104,024
Buildings held for sale	162,004	(41,390)	120,614	134,801
Other assets held for sale	3,431	(1,664)	1,767	1,768
	272,887	(64,658)	208,229	240,593

* Acquisition cost of buildings held for sale is net of the accumulated depreciation amount immediately before the initial classification of the assets as held for sale.

17.2 Valuation techniques and inputs used to measure the fair value of assets held for sale as of December 31, 2024 are as follows:

(In millions of Korean won)

	December 31, 2024				
	Fair value	Valuation techniques [1]	Unobservable inputs [2]	Estimated range of unobservable inputs (%)	Effect of unobservable inputs to fair value
Land and buildings	169,423	Market comparison approach model and others	Adjustment index	0.54 ~ 2.01	Fair value increases as the adjustment index rises

[1] The appraisal value is adjusted by the adjustment ratio in the event the public sale is unsuccessful.
[2] Adjustment index is calculated using the time factor correction or individual factors.

Among assets held for sale, real estate was measured by independent appraisers with professional qualifications and recent experience in evaluating similar properties in the area of the property to be assessed. All assets held for sale are classified as Level 3 in accordance with fair value hierarchy in Note 6.1.2.

17.3 Changes in accumulated impairment losses of assets held for sale for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024				
	Beginning	**Provision**	**Reversal**	**Others**	**Ending**
Accumulated impairment losses of assets held for sale	(64,658)	(49,259)	2	(14,219)	(128,134)

(In millions of Korean won)	2023				
	Beginning	**Provision**	**Reversal**	**Others**	**Ending**
Accumulated impairment losses of assets held for sale	(62,111)	(5,660)	-	3,113	(64,658)

17.4 As of December 31, 2024, land, buildings and other assets held for sale consist of 16 real estates of closed offices and 352 foreclosure assets on loans of PT Bank KB Bukopin Tbk, which were determined to sell by management, but not yet sold as of December 31, 2024. The remaining 368 assets are also being actively marketed.

18. Other Assets

18.1 Details of other assets as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	**December 31, 2024**	**December 31, 2023**
Other financial assets		
Other receivables	6,359,355	7,292,496
Accrued income	1,781,258	1,835,332
Guarantee deposits	763,441	787,481
Domestic exchange settlement debits	460,976	804,570
Others	20,464	36,707
Less: Allowances for credit losses	(55,633)	(51,628)
Present value discount	(1,250)	(1,353)
	9,328,611	10,703,605
Other non-financial assets		
Other receivables	796	720
Prepaid expenses	420,606	409,001
Guarantee deposits	4,514	4,070
Prepayments	15,391	44,871
Others	146,148	83,943
Less: Allowances for credit losses	(7,200)	(5,205)
	580,255	537,400
	9,908,866	11,241,005

18.2 Changes in allowances for credit losses of other assets for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024		
	Other financial assets	Other non-financial assets	Total
Beginning	51,628	5,205	56,833
Provision (reversal)	24,333	1,993	26,326
Write-offs	(4,404)	(143)	(4,547)
Others	(15,924)	145	(15,779)
Ending	55,633	7,200	62,833

(In millions of Korean won)	2023		
	Other financial assets	Other non-financial assets	Total
Beginning	33,461	10,966	44,427
Provision (reversal)	27,303	(1,450)	25,853
Write-offs	(5,095)	(5,911)	(11,006)
Others	(4,041)	1,600	(2,441)
Ending	51,628	5,205	56,833

19. Deposits

Details of deposits as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	December 31, 2023
Demand deposits		
Demand deposits in Korean won	151,469,914	146,451,160
Demand deposits in foreign currencies	11,868,489	10,475,002
	163,338,403	156,926,162
Time deposits		
Time deposits in Korean won	219,690,355	199,442,287
Fair value adjustments of fair value hedged time deposits in Korean won	6,258	(15)
Time deposits in foreign currencies	28,367,857	24,739,425
Fair value adjustments of fair value hedged time deposits in foreign currencies	(7,593)	(6,667)
	248,056,877	224,175,030
Certificates of deposits	9,805,371	12,145,510
	421,200,651	393,246,702

20. Borrowings

20.1 Details of borrowings as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	December 31, 2023
General borrowings	26,887,092	26,438,995
Bonds sold under repurchase agreements and others	3,318,612	6,535,538
Call money	2,020,712	2,015,542
	32,226,416	34,990,075

20.2 Details of general borrowings as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

		Lenders	Annual interest rate (%)	December 31, 2024	December 31, 2023
Borrowings in Korean won	Borrowings from Bank of Korea	Bank of Korea	1.50	4,618,026	2,520,472
	Borrowings from government	SEMAS and others	0.00~3.50	2,409,409	2,500,160
	Borrowings from non-banking financial institutions	Korea Development Bank	0.98~2.23	474,148	503,504
	Other borrowings	Korea Development Bank and others	0.00~5.23	3,061,648	4,291,240
				10,563,231	9,815,376
Borrowings in foreign currencies	Due to banks	Woori Bank and others	-	15,155	38,191
	Borrowings from banks	Citicorp International LTD and others	1.97~5.42	13,427,010	13,619,440
	Borrowings from other financial institutions	The Export-Import Bank of Korea	5.00~5.26	6,027	24,662
	Other borrowings	DBS Bank and others	0.00~5.60	2,875,669	2,941,326
				16,323,861	16,623,619
				26,887,092	26,438,995

20.3 Details of bonds sold under repurchase agreements and others as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	Lenders	Annual interest rate (%)	December 31, 2024	December 31, 2023
Bonds sold under repurchase agreements	Individuals, groups, and corporations	0.00~6.60	3,310,040	6,528,901
Bills sold	Counter sale	1.55~2.00	8,572	6,637
			3,318,612	6,535,538

20.4 Details of call money as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	Lenders	Annual interest rate (%)	December 31, 2024	December 31, 2023
Call money in Korean won	Samsung Asset Management	-	-	300,000
Call money in foreign currencies	Central Bank Uzbekistan and others	1.45~8.80	2,020,712	1,715,542
			2,020,712	2,015,542

21. Debentures

21.1 Details of debentures as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	Annual interest rate (%)	December 31, 2024	December 31, 2023
Debentures in Korean won			
Structured debentures	5.15~5.86	40,560	110,640
Subordinated fixed rate debentures	2.02~3.50	3,180,150	3,188,970
Fixed rate debentures	2.92~4.45	19,319,003	13,649,139
Floating rate debentures	-	-	4,430,000
		22,539,713	21,378,749
Fair value adjustments of fair value hedged debentures in Korean won		(108,207)	(141,073)
Less: Discount on debentures in Korean won		(31,214)	(8,686)
		22,400,292	21,228,990
Debentures in foreign currencies			
Floating rate debentures	3.27~6.08	1,211,201	1,372,460
Fixed rate debentures	0.05~8.21	11,219,231	9,307,083
		12,430,432	10,679,543
Fair value adjustments of fair value hedged debentures in foreign currencies		(63,717)	(68,705)
Less: Discount on debentures in foreign currencies		(30,236)	(28,421)
		12,336,479	10,582,417
		34,736,771	31,811,407

21.2 Changes in debentures based on par value for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024				
	Beginning	**Issue**	**Repayment**	**Others**	**Ending**
Debentures in Korean won					
Structured debentures	110,640	-	(70,080)	-	40,560
Subordinated fixed rate debentures	3,188,970	-	(8,820)	-	3,180,150
Fixed rate debentures	13,649,139	17,416,560	(11,746,696)	-	19,319,003
Floating rate debentures	4,430,000	-	(4,430,000)	-	-
	21,378,749	17,416,560	(16,255,596)	-	22,539,713
Debentures in foreign currencies					
Floating rate debentures	1,372,460	441,355	(728,965)	126,351	1,211,201
Fixed rate debentures	9,307,083	2,586,142	(1,811,618)	1,137,624	11,219,231
	10,679,543	3,027,497	(2,540,583)	1,263,975	12,430,432
	32,058,292	20,444,057	(18,796,179)	1,263,975	34,970,145

(In millions of Korean won)	2023				
	Beginning	**Issue**	**Repayment**	**Others**	**Ending**
Debentures in Korean won					
Structured debentures	30,710	90,000	(10,070)	-	110,640
Subordinated fixed rate debentures	4,089,890	-	(900,920)	-	3,188,970
Fixed rate debentures	12,204,848	17,179,439	(15,735,148)	-	13,649,139
Floating rate debentures	4,100,000	4,370,000	(4,040,000)	-	4,430,000
	20,425,448	21,639,439	(20,686,138)	-	21,378,749
Debentures in foreign currencies					
Floating rate debentures	1,312,914	1,012,144	(1,000,513)	47,915	1,372,460
Fixed rate debentures	8,434,760	2,888,614	(2,236,500)	220,209	9,307,083
	9,747,674	3,900,758	(3,237,013)	268,124	10,679,543
	30,173,122	25,540,197	(23,923,151)	268,124	32,058,292

22. Provisions

22.1 Details of provisions as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	**December 31, 2024**	**December 31, 2023**
Provisions for credit losses of unused loan commitments	147,381	202,314
Provisions for credit losses of acceptances and guarantees	56,500	183,900
Provisions for restoration costs	155,686	130,966
Others	184,129	412,414
	543,696	929,594

22.2 Changes in provisions for credit losses of unused loan commitments, and acceptances and guarantees for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	2024					
	Provisions for credit losses of unused loan commitments			Provisions for credit losses of acceptances and guarantees		
	12-month expected credit losses	Lifetime expected credit losses		12-month expected credit losses	Lifetime expected credit losses	
		Non-impaired	Impaired		Non-impaired	Impaired
Beginning	129,023	73,291	-	31,293	148,198	4,409
Transfer between stages:						
Transfer to 12-month expected credit losses	60,162	(60,069)	(93)	87,306	(87,306)	-
Transfer to lifetime expected credit losses	(13,252)	13,398	(146)	(464)	464	-
Impairment	(226)	(1,206)	1,432	(52)	(85)	137
Provision (reversal) for credit losses	(64,515)	3,532	(1,167)	(90,329)	(58,819)	9,309
Others (exchange differences, etc.)	7,090	153	(26)	12,111	37	291
Ending *	118,282	29,099	-	39,865	2,489	14,146

(In millions of Korean won)

	2023					
	Provisions for credit losses of unused loan commitments			Provisions for credit losses of acceptances and guarantees		
	12-month expected credit losses	Lifetime expected credit losses		12-month expected credit losses	Lifetime expected credit losses	
		Non-impaired	Impaired		Non-impaired	Impaired
Beginning	103,797	57,530	4	27,217	118,725	7,901
Transfer between stages:						
Transfer to 12-month expected credit losses	14,029	(13,993)	(36)	421	(421)	-
Transfer to lifetime expected credit losses	(13,497)	13,629	(132)	(356)	457	(101)
Impairment	(125)	(685)	810	(3,994)	(113)	4,107
Provision (reversal) for credit losses	24,826	16,350	(603)	7,840	28,401	(7,604)
Others (exchange differences, etc.)	(7)	460	(43)	165	1,149	106
Ending *	129,023	73,291	-	31,293	148,198	4,409

* Includes additional provisions of ₩ 15,548 million and ₩ 21,456 million for the borrowers which are highly affected by the termination of COVID-19 financial support as of December 31, 2024 and 2023, respectively.

22.3 Changes in provisions for restoration costs for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024	2023
Beginning	130,966	135,477
Provision	5,807	3,772
Reversal	(569)	(2,167)
Used	(3,196)	(12,319)
Unwinding of discount	4,785	5,742
Effect of changes in discount rate	17,893	461
Ending	155,686	130,966

Provisions for restoration costs are the present value of estimated costs to be incurred for the restoration of the leased properties. The expenditure of the restoration cost will be incurred at the end of each lease contract, and the lease period is used to reasonably estimate the time of expenditure. Also, the average restoration expense based on actual three-year historical data and three-year historical average inflation rate are used to estimate the present value of estimated costs.

22.4 Changes in other provisions for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024					
	Membership rewards program	Dormant accounts	Litigations	Financial guarantee contracts	Others[1,2]	Total
Beginning[1]	47	3,360	50,051	6,358	352,598	412,414
Provision (reversal)	80	2,803	38,760	1,020	711,788	754,451
Used and others	(54)	(3,009)	(28,742)	-	(950,931)	(982,736)
Ending[1,2]	73	3,154	60,069	7,378	113,455	184,129

(In millions of Korean won)	2023					
	Membership rewards program	Dormant accounts	Litigations	Financial guarantee contracts	Others[1]	Total
Beginning	46	2,794	41,230	2,955	35,694	82,719
Provision (reversal)	64	4,687	15,893	3,403	325,829	349,876
Used and others	(63)	(4,121)	(7,072)	-	(8,925)	(20,181)
Ending[1]	47	3,360	50,051	6,358	352,598	412,414

[1] Includes other provisions of ₩ 17,064 million and ₩ 333,290 million related to the Livelihood finance support program as of December 31, 2024 and 2023, respectively.

[2] The other provisions related to the Hong Kong H-index ELS voluntary adjustment compensation as of December 31, 2024, are included amounting to ₩ 55,182 million.

23. Net Defined Benefit Liabilities (Assets)

23.1 Defined Benefit Plan

The Group operates defined benefit plans which have the following characteristics:

- The Group has the obligation to pay the agreed benefits to all its current and former employees.
- The Group assumes actuarial risk (that benefits will cost more than expected) and investment risk.

The net defined benefit liabilities (assets) recognized in the consolidated statements of financial position are calculated in accordance with an actuarial valuation method using assumptions based on market data and historical data such as discount rate, future salary increase rate, and mortality. Actuarial assumptions may differ from actual results due to changes in the market conditions, economic trends, and mortality trends.

23.2 Changes in net defined benefit liabilities (assets) for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	2024		
	Present value of defined benefit obligation	**Fair value of plan assets**	**Net defined benefit liabilities (assets)**
Beginning	1,654,069	(1,874,793)	(220,724)
Current service cost	137,303	-	137,303
Interest expense (income)	65,500	(75,280)	(9,780)
Remeasurements:			
Actuarial gains and losses by experience adjustments	(107)	-	(107)
Actuarial gains and losses by changes in demographic assumptions	-	-	-
Actuarial gains and losses by changes in financial assumptions	85,243	-	85,243
Return on plan assets (excluding amounts included in interest income)	-	(26,415)	(26,415)
Contributions by the Group	-	(105,600)	(105,600)
Payments from plans (benefit payments)	(169,302)	169,302	-
Payments from the Group	(12,961)	-	(12,961)
Transfer in	8,890	(8,557)	333
Transfer out	(4,946)	4,946	-
Effect of exchange differences	99	-	99
Ending	1,763,788	(1,916,397)	(152,609)

23.2 Changes in net defined benefit liabilities (assets) for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)	2023		
	Present value of defined benefit obligation	**Fair value of plan assets**	**Net defined benefit liabilities (assets)**
Beginning	1,550,620	(1,842,126)	(291,506)
Current service cost	124,478	-	124,478
Interest expense (income)	75,408	(91,587)	(16,179)
Remeasurements:			
Actuarial gains and losses by experience adjustments	7,371	-	7,371
Actuarial gains and losses by changes in demographic assumptions	(525)	-	(525)
Actuarial gains and losses by changes in financial assumptions	84,927	-	84,927
Return on plan assets (excluding amounts included in interest income)	-	(21,146)	(21,146)
Contributions by the Group	-	(92,000)	(92,000)
Payments from plans (benefit payments)	(171,669)	171,669	-
Payments from the Group	(12,670)	-	(12,670)
Transfer in	5,143	(4,506)	637
Transfer out	(5,066)	5,066	-
Effect of exchange differences	(3,639)	-	(3,639)
Impact of business combination	(309)	-	(309)
Others	-	(163)	(163)
Ending	1,654,069	(1,874,793)	(220,724)

23.3 Details of net defined benefit liabilities (assets) as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	**December 31, 2024**	**December 31, 2023**
Present value of defined benefit obligation	1,763,788	1,654,069
Fair value of plan assets	(1,916,397)	(1,874,793)
Net defined benefit liabilities (assets)	(152,609)	(220,724)

23.4 Details of remeasurements of net defined benefit liabilities (asset) recognized in other comprehensive income (loss) for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	**2024**	**2023**
Remeasurements:		
Actuarial losses arising from experience adjustments	107	(7,371)
Actuarial losses arising from changes in demographic assumptions	-	525
Actuarial losses arising from changes in financial assumptions	(85,243)	(84,927)
Return on plan assets (excluding amounts included in interest income)	26,415	21,146
Income tax effect	15,530	17,634
Effect of exchange differences	1,223	4,577
Remeasurements after income tax expense	(41,968)	(48,416)

23.5 Details of fair value of plan assets as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024		
	Assets quoted in an active market	Assets not quoted in an active market	Total
Time deposits	-	1,256,694	1,256,694
Others	-	659,704	659,704
	-	1,916,398	1,916,398

(In millions of Korean won)	December 31, 2023		
	Assets quoted in an active market	Assets not quoted in an active market	Total
Time deposits	-	1,261,011	1,261,011
Others	-	613,782	613,782
	-	1,874,793	1,874,793

23.6 Details of significant actuarial assumptions used as of December 31, 2024 and 2023, are as follows:

	December 31, 2024	December 31, 2023
Discount rate (%)	3.60	4.20
Salary increase rate (%)	0.00 ~ 5.16	0.00~5.04
Turnover rate (%)	1.68 ~ 38.60	1.68~38.60

Mortality assumptions are based on the experience-based mortality table issued by Korea Insurance Development Institute in 2023.

23.7 Results of sensitivity analysis of significant actuarial assumptions as of December 31, 2024, are as follows:

		Effect on defined benefit obligation	
	Changes in assumptions	Increase in assumptions	Decrease in assumptions
Discount rate	0.5%p	3.26% decrease	3.47% increase
Salary increase rate	0.5%p	3.40% increase	3.22% decrease
Turnover rate	0.5%p	0.10% decrease	0.10% increase

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. The sensitivity of the defined benefit obligation to changes in significant actuarial assumptions is calculated using the same projected unit credit method used in calculating the defined benefit obligation recognized in the consolidated statement of financial position.

23.8 Expected maturity analysis of undiscounted pension benefit payments as of December 31, 2024, are as follows:

(In millions of Korean won)

	Up to 1 year	1~2 years	2~5 years	5~10 years	Over 10 years	Total
Pension benefits	171,692	217,391	672,696	1,113,354	5,737,734	7,912,867

The weighted average duration of the defined benefit obligation is 7.06 and 6.87 years as of December 31, 2024 and 2023, respectively.

23.9 Reasonable estimation of expected contribution to plan assets for the next annual reporting period after December 31, 2024, is ₩ 105,600 million.

24. Other Liabilities

Details of other liabilities as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	December 31, 2023
Other financial liabilities		
Other payables	7,251,206	8,001,405
Prepaid card and debit card payables	6,896	3,367
Accrued expenses	5,215,449	5,026,652
Financial guarantee contracts liabilities	26,780	35,270
Deposits for letter of guarantees and others	500,633	539,173
Domestic exchange settlement credits	291,773	2,859,746
Foreign exchange settlement credits	268,794	215,730
Other accounting business borrowings	4,404	2,792
Due to trust accounts	8,232,002	8,142,102
Liabilities incurred from agency relationships	794,661	514,642
Account for agency business	733,654	249,379
Lease liabilities	751,936	366,112
Others	39,472	84,431
	24,117,660	26,040,801
Other non-financial liabilities		
Other payables	623,728	497,937
Unearned revenue	104,931	101,962
Accrued expenses	538,038	465,880
Withholding taxes	206,545	244,047
Others	49,166	47,553
	1,522,408	1,357,379
	25,640,068	27,398,180

25. Equity

25.1 Capital Stock

Details of capital stock as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won and in number of shares)

	December 31, 2024	December 31, 2023
Type of share	Ordinary share	Ordinary share
Number of authorized shares	1,000,000,000	1,000,000,000
Par value per share *(In Korean won)*	5,000	5,000
Number of issued shares	404,379,116	404,379,116
Capital stock	2,021,896	2,021,896

25.2 Hybrid Security

Details of hybrid security classified as equity as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	Issuance date	Maturity *	Interest rate (%)	December 31, 2024	December 31, 2023
Hybrid Security	July 2, 2019	Permanent	4.35	-	574,523
	June 23, 2022		4.89	299,327	299,327
	February 27, 2023		4.67	409,085	409,085
	May 29, 2024		4.22	357,200	-
				1,065,612	1,282,935

* Early redeemable by the Group only when prior approval from the head of the Financial Supervisory Service is obtained after 5 years from the issuance date.

25.3 Capital Surplus

Details of capital surplus as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	December 31, 2023
Paid-in capital in excess of par value	4,604,417	4,604,417
Gains on business combination	397,669	397,669
Revaluation reserve	177,229	177,229
Other capital surplus	(529,197)	(443,911)
	4,650,118	4,735,404

25.4 Accumulated Other Comprehensive Income

Details of accumulated other comprehensive income as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	December 31, 2023
Remeasurements of net defined benefit liabilities	(205,607)	(163,030)
Currency translation differences	603,522	185,486
Gains (losses) on debt securities measured at fair value through other comprehensive income	263,164	43,821
Gains on equity securities measured at fair value through other comprehensive income	372,368	641,179
Share of other comprehensive loss of associates	(2,220)	(1,458)
Gains on cash flow hedging instruments	22,157	21,017
Losses on hedging instruments of net investments in foreign operations	(277,658)	(112,620)
	775,726	614,395

25.5 Retained Earnings

25.5.1 Details of retained earnings as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	December 31, 2023
Legal reserves	2,051,668	2,047,321
Regulatory reserve for credit losses	2,796,799	3,018,015
Voluntary reserves	21,311,309	19,452,441
Unappropriated retained earnings	3,267,979	3,200,635
	29,427,755	27,718,412

With respect to the allocation of net profit earned in a fiscal term, the Bank must set aside in its legal reserve an amount equal to at least 10% of its profit after tax as reported in the financial statements, each time it pays dividends on its net profits earned until its legal reserve reaches the aggregate amount of its paid-in capital in accordance with Article 40 of the Banking Act. This reserve is not available for the payment of cash dividends, but may be transferred to capital stock, or used to reduce an accumulated deficit. The Bank is reserving other reserves (legal reserves) in accordance with local laws and regulations of overseas branches.

25.5.2 Regulatory reserve for credit losses

Measurement and disclosure of regulatory reserve for credit losses are required in accordance with Articles 29.1 through 29.2 of Regulations on Supervision of Banking Business.

25.5.2.1 Details of regulatory reserve for credit losses as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	December 31, 2023
Regulatory reserve for credit losses attributable to:		
Shareholder of the Parent Company	2,736,034	2,796,799
Non-controlling interests	153,446	160,997
	2,889,480	2,957,796

25.5.2.2 Regulatory reserve for credit losses estimated to be appropriated (reversed) and adjusted profit after provision (reversal) of regulatory reserve for credit losses for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	**2024**	**2023**
Regulatory reserve for credit losses estimated to be appropriated (reversed)	(60,765)	(221,216)
Adjusted profit after provision (reversal) of regulatory reserve for credit losses *	3,312,524	3,482,715

* Adjusted profit after provision (reversal) of regulatory reserve for credit losses is not based on Korean IFRS. It is calculated by reflecting provision (reversal) of regulatory reserve for credit losses before tax to the net profit attributable to shareholder of the Parent Company.

26. Net Interest Income

Details of interest income, interest expense, and net interest income for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	**2024**	**2023**
Interest income		
Deposits measured at fair value through profit or loss	1	-
Securities measured at fair value through profit or loss	414,670	434,372
Loans measured at fair value through profit or loss	17,814	11,168
Securities measured at fair value through other comprehensive income	1,479,767	1,125,407
Loans measured at fair value through other comprehensive income	19,101	16,641
Due from financial institutions measured at amortized cost	248,928	192,406
Securities measured at amortized cost	1,209,827	1,100,753
Loans measured at amortized cost	19,269,883	18,997,716
Others	551,081	468,660
	23,211,072	22,347,123
Interest expense		
Deposits	10,068,828	9,672,896
Borrowings	1,243,610	1,304,029
Debentures	1,260,822	1,146,157
Others	413,940	353,974
	12,987,200	12,477,056
Net interest income	10,223,872	9,870,067

Interest income recognized on impaired loans is ₩ 36,922 million and ₩ 25,092 million for the years ended December 31, 2024 and 2023, respectively.

27. Net Fee and Commission Income

Details of fee and commission income, fee and commission expense, and net fee and commission income for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024	2023
Fee and commission income		
Banking activity fees	197,544	191,311
Lending activity fees	80,690	76,061
Credit card related fees	905	1,149
Debit card related fees	775	737
Agent activity fees	300,089	292,123
Trust and other fiduciary fees	182,442	240,541
Acceptances and guarantees fees	91,343	74,791
Foreign currency related fees	154,014	182,745
Securities agency fees	101,010	95,164
Other business account commission on consignment	34,453	33,873
Others	400,843	414,325
	1,544,108	1,602,820
Fee and commission expense		
Trading activity related fees *	16,776	17,195
Lending activity fees	43,446	40,263
Credit card related fees	44,914	42,842
Outsourcing related fees	96,712	101,860
Foreign currency related fees	41,332	32,310
Management fees of written-off loans	11,888	12,346
Contributions to external institutions	29,479	30,467
Others	146,684	157,254
	431,231	434,537
Net fee and commission income	1,112,877	1,168,283

* Fees from financial instruments at fair value through profit or loss

28. Net Gains or Losses on Financial Instruments at Fair Value through Profit or Loss

Net gains or losses on financial instruments at fair value through profit or loss include dividend income, gains or losses arising from changes in fair value, and gains or losses arising from sales and redemptions.

Details of net gains or losses on financial instruments at fair value through profit or loss for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024	2023
Gains on financial instruments at fair value through profit or loss		
Financial assets at fair value through profit or loss:		
Debt securities	1,011,931	1,083,669
Equity securities	50,703	51,231
	1,062,634	1,134,900
Derivatives held for trading:		
Interest rate	3,932,804	5,270,304
Currency	17,196,835	8,827,632
Stock or stock index	5,611	4,730
Credit	208	8,603
Others	632	946
	21,136,090	14,112,215
Financial liabilities at fair value through profit or loss	189	661
Other financial instruments	522	502
	22,199,435	15,248,278
Losses on financial instruments at fair value through profit or loss		
Financial assets at fair value through profit or loss:		
Debt securities	237,002	216,490
Equity securities	23,038	15,519
	260,040	232,009
Derivatives held for trading:		
Interest rate	3,978,542	5,555,826
Currency	17,179,618	8,682,323
Stock or stock index	7,784	3,314
Credit	1,757	9,282
Others	2,595	3,321
	21,170,296	14,254,066
Financial liabilities at fair value through profit or loss	529	1,831
Other financial instruments	693	387
	21,431,558	14,488,293
Net gains on financial instruments at fair value through profit or loss	767,877	759,985

29. Net Other Operating Income and Expenses

Details of other operating income and expenses for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024	2023
Other operating income		
Gains on financial assets at fair value through other comprehensive income:		
Gains on redemption of securities measured at fair value through other comprehensive income	9,738	7,326
Gains on disposal of securities measured at fair value through other comprehensive income	84,054	18,241
Gains on financial assets at amortized cost:		
Gains on sale of loans measured at amortized cost	49,506	38,909
Gains on foreign exchange transactions	4,049,120	5,323,065
Dividend income	6,571	4,536
Others	343,722	441,822
	4,542,711	5,833,899
Other operating expenses		
Losses on financial assets at fair value through other comprehensive income:		
Losses on redemption of securities measured at fair value through other comprehensive income	63	8
Losses on disposal of securities measured at fair value through other comprehensive income	34,825	100,108
Losses on financial assets at amortized cost:		
Losses on sale of loans measured at amortized cost	62,067	30,512
Losses on foreign exchange transactions	4,246,630	5,147,519
Deposit insurance fee	566,917	535,983
Credit guarantee fund fee	362,234	327,765
Others	661,332	1,032,455
	5,934,068	7,174,350
Net other operating expenses	(1,391,357)	(1,340,451)

30. General and Administrative Expenses

30.1 Details of general and administrative expenses for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024	2023
Expenses related to employee		
Employee benefits - salaries	1,756,416	1,683,117
Employee benefits - welfare	642,089	660,086
Post-employment benefits - defined benefit plans	127,523	108,299
Post-employment benefits - defined contribution plans	16,635	15,886
Termination benefits	249,345	250,215
Share-based payments	52,198	24,330
	2,844,206	2,741,933
Depreciation and amortization	591,105	569,174
Other general and administrative expenses		
Rental expense	66,389	73,771
Tax and dues	205,776	198,703
Communication	40,705	40,770
Electricity and utilities	35,102	34,059
Publication	5,105	5,368
Repairs and maintenance	34,998	32,723
Vehicle	14,570	14,126
Travel	9,455	10,576
Training	22,321	24,508
Service fees	170,568	172,940
Supplies	17,286	18,000
Electronic data processing expenses	237,726	244,737
Others	339,006	340,378
	1,199,007	1,210,659
	4,634,318	4,521,766

30.2 Share-based Payments

30.2.1 Stock grants

The Group changed the scheme of share-based payments awarded to executives and employees from stock options to stock grants in November 2007. The stock grants award program is an incentive plan that sets, on grant date, the maximum number of shares that can be awarded. Actual shares to be granted is determined in accordance with achievement of pre-set performance targets over the vesting period.

30.2.1.1 Details of stock grants linked to long-term performance as of December 31, 2024, are as follows:

(In number of shares)

Stock grants	Grant date	Number of granted shares [1]	Vesting conditions [2]
Series 85	Jan. 1, 2022	6,740	Services fulfillment, TSR 0~30%, and Company and work performance 70~100%
Series 86	Feb. 1, 2022	1,525	Services fulfillment, TSR 0~30%, and Company and work performance 70~100%
Series 90	Jul. 18, 2022	3,716	Services fulfillment, TSR 0~30%, and Company and work performance 70~100%
Series 91	Aug. 24, 2022	7,277	Services fulfillment, TSR 0~30%, and Company and work performance 70~100%
Series 92	Jan. 1, 2023	160,673	Services fulfillment, TSR 0~30%, and Company and work performance 70~100%
Series 94	Apr. 1, 2023	5,849	Services fulfillment, TSR 0~30%, and Company and work performance 70~100%
Series 96	Jan. 1, 2024	291,303	Services fulfillment, TSR 0~30%, and Company and work performance 70~100%, Services fulfillment, TSR 30%, and EPS and Asset Quality 70%
Series 97	Feb. 1, 2024	2,045	Services fulfillment, TSR 0~30%, and Company and work performance 70~100%
Series 98	Apr. 22, 2024	2,959	Services fulfillment, TSR 0~30%, and Company and work performance 70~100%
Series 99	Jul. 5, 2024	4,926	Services fulfillment, TSR 0~30%, and Company and work performance 70~100%
Series 100	Jul 18, 2024	549	Services fulfillment, TSR 0~30%, and Company and work performance 70~100%
Series 101	Aug 24, 2024	4,453	Services fulfillment, TSR 0~30%, and Company and work performance 70~100%
Deferred grant in 2021		52,347	Satisfied
Deferred grant in 2022		58,485	Satisfied
Deferred grant in 2023		137,828	Satisfied
Deferred grant in 2024		6,993	Satisfied
		747,668	

[1] Granted shares represent the total number of shares initially granted to executives and employees who have residual shares as of December 31, 2024 (Deferred grants are residual shares vested as of December 31, 2024).

[2] Executives and employees were given the right of choice about the timing of the deferred payment (after the date of retirement), payment ratio, and payment period. Accordingly, a certain percentage of the granted shares is deferred for up to five years after the date of retirement after the deferred grant has been confirmed.

30.2.1.2 Details of stock grants linked to short-term performance as of December 31, 2024, are as follows:

(In number of shares)

Stock grants *	Grant date	Estimated number of vested shares	Vesting conditions
Stock granted in 2016	Jan. 1, 2016	706	Satisfied
Stock granted in 2020	Jan. 1, 2020	-	Satisfied
Stock granted in 2021	Jan. 1, 2021	42,816	Satisfied
Stock granted in 2022	Jan. 1, 2022	107,840	Satisfied
Stock granted in 2023	Jan. 1, 2023	178,808	Satisfied
Stock granted in 2024	Jan. 1, 2024	86,113	Proportion to service period

* Executives and employees were given the right of choice about the timing of the deferred payment (after the date of retirement), payment ratio, and payment period. Accordingly, a certain percentage of the granted shares is deferred for up to five years after the date of retirement after the deferred grant has been confirmed.

30.2.1.3 Stock grants are measured at fair value using the MonteCarlo simulation model and assumptions used in measuring the fair value as of December 31, 2024, are as follows:

(In Korean won)

	Expected exercise period(years)	Risk-free rate (%)	Fair value (market performance condition)	Fair value (non-market performance condition)
Series 85	0.00~2.00	2.69	65,860~79,468	72,231~87,156
Series 86	0.00~3.00	2.69	63,498~76,618	72,231~87,156
Series 90	0.00~3.00	2.69	72,231~87,156	72,231~87,156
Series 91	0.00~3.00	2.69	72,231~87,156	72,231~87,156
Series 92	0.00~3.00	2.69	72,231~87,156	72,231~87,156
Series 94	0.00~4.00	2.69	72,231~87,156	72,231~87,156
Series 96	0.00~4.00	2.69	68,992~87,156	68,992~87,156
Series 97	0.00~5.00	2.69	65,949~75,790	65,949~75,790
Series 98	0.00~5.00	2.69	65,949~75,790	65,949~75,790
Series 99	0.00~5.00	2.69	65,949~75,790	65,949~75,790
Series 100	0.00~5.00	2.69	72,231~87,156	72,231~87,156
Series 101	0.00~5.00	2.69	65,949~75,790	65,949~75,790
Grant deferred in 2021	0.00~1.00	2.69	-	0~87,156
Grant deferred in 2022	0.00~2.00	2.69	-	75,790~87,156
Grant deferred in 2023	0.00~3.00	2.69	-	68,298~87,156
Grant deferred in 2024	0.00~2.21	2.69	-	70,431~87,156
Stock granted in 2015	0.00	2.69	-	-
Stock granted in 2016	0.00	2.69	-	87,156
Stock granted in 2017	0.00	2.69	-	-
Stock granted in 2018	0.00	2.69	-	-
Stock granted in 2019	0.00	2.69		-
Stock granted in 2020	0.00	2.69	-	
Stock granted in 2021	0.00~1.00	2.69	-	87,156
Stock granted in 2022	0.00~3.00	2.69	-	72,231~87,156
Stock granted in 2023	0.00~2.00	2.69	-	75,790~87,156
Stock granted in 2024	0.20~4.00	2.69		68,992~82,229

The Group uses the volatility of the stock price over the previous year as the expected volatility, and uses the arithmetic mean of the price-dividend ratio of one year before, two years before, and three years before the base year as the dividend yield and uses one-year risk-free rate of Korea Treasury Bond in order to measure the fair value.

30.2.1.4 The accrued expenses for share-based payments related to stock grants are ₩ 84,817 million and ₩ 53,774 million as of December 31, 2024 and 2023, respectively, and the compensation costs amounting to ₩ 52,198 million and ₩ 24,330 million were recognized for the years ended December 31, 2024 and 2023, respectively.

30.2.2 Mileage stock

30.2.2.1 Details of mileage stock as of December 31, 2024, are as follows:

(In number of shares)

Grant date	Number of granted shares [1]	Expected exercise period (years) [2]	Remaining shares
Stock granted in 2020			
Jan. 18, 2020	28,645	0.00~0.04	10,037
May 12, 2020	46	0.00~0.36	25
Jun. 30, 2020	206	0.00~0.49	118
Aug. 26, 2020	40	0.00~0.65	16
Oct. 29, 2020	160	0.00~0.82	80
Nov. 6, 2020	45	0.00~0.85	35
Nov. 30, 2020	35	0.00~0.91	26
Dec. 2, 2020	57	0.00~0.92	22
Dec. 4, 2020	154	0.00~0.92	21
Dec. 30, 2020	88	0.00~0.99	25
Stock granted in 2021			
Jan. 15, 2021	28,156	0.00~1.04	10,375
Apr. 5, 2021	89	0.00~1.26	53
Jul. 1, 2021	54	0.00~1.50	18
Jul. 2, 2021	11	0.00~1.50	11
Jul. 27, 2021	70	0.00~1.57	32
Nov. 1, 2021	71	0.00~1.83	53
Nov. 16, 2021	53	0.00~1.87	13
Dec. 3, 2021	91	0.00~1.92	39
Dec. 6, 2021	87	0.00~1.93	26
Dec. 30, 2021	76	0.00~1.99	38
Stock granted in 2022			
Jan. 14, 2022	20,909	0.00~2.04	10,827
Apr. 4, 2022	65	0.00~2.25	33
Apr. 19, 2022	33	0.00~2.30	20
Aug. 3, 2022	62	0.00~2.59	6
Aug. 9, 2022	80	0.00~2.60	21
Oct. 19, 2022	55	0.00~2.80	5
Nov. 1, 2022	177	0.00~2.83	90
Dec. 1, 2022	49	0.00~2.92	48
Dec. 6, 2022	88	0.00~2.93	10
Dec. 12, 2022	114	0.00~2.95	48
Dec. 15, 2022	42	0.00~2.95	28
Dec. 30, 2022	114	0.00~2.99	63

30.2.2.1 Details of mileage stock as of December 31, 2024, are as follows: (cont'd)

(In number of shares)

Grant date	Number of granted shares [1]	Expected exercise period (years) [2]	Remaining shares
Stock granted in 2023			
Jan. 9, 2023	23,071	0.00~3.02	9,867
Jan. 14, 2023	742	0.00~3.04	377
Mar. 7, 2023	58	0.00~3.18	29
Mar. 27, 2023	58	0.00~3.23	54
Mar. 31, 2023	97	0.00~3.24	38
May. 4, 2023	105	0.00~3.34	56
Jul. 3, 2023	63	0.00~3.50	21
Jul. 26, 2023	38	0.00~3.56	31
Jul. 31, 2023	220	0.00~3.58	126
Oct. 20, 2023	80	0.00~3.80	59
Nov. 1, 2023	78	0.00~3.83	58
Dec. 1, 2023	49	0.00~3.92	36
Dec. 13, 2023	115	0.00~3.95	115
Dec. 14, 2023	57	0.00~3.95	57
Dec. 27, 2023	19	0.00~3.99	19
Dec. 28, 2023	162	0.00~3.99	162
Dec. 29, 2023	95	0.00~3.99	95
Stock granted in 2024			
Jan. 13, 2024	17,523	0.00~4.03	16,849
Jan. 31, 2024	297	0.00~4.08	297
Apr. 1, 2024	89	0.00~4.25	87
Jul. 1, 2024	38	0.00~4.50	38
Aug. 1, 2024	141	0.00~4.58	141
Sep. 2, 2024	14	0.00~4.67	14
Nov. 1, 2024	55	0.00~4.84	55
Dec. 4, 2024	26	0.00~4.93	26
Dec. 19, 2024	88	0.00~4.97	88
Dec. 30, 2024	73	0.00~5.00	73
	123,473		61,130

[1] Mileage stock is exercisable for four years after one year from the grant date at the closing price of the end of the previous month. However, mileage stock can be exercised at the closing price of the end of the previous month on the date of occurrence of retirement or transfer despite a one-year grace period.

[2] Assessed based on the stock price as of December 31, 2024. These shares are vested immediately at grant date.

30.2.2.2 The accrued expenses for share-based payments related to mileage stock are ₩ 5,067 million and ₩ 3,910 million as of December 31, 2024 and 2023, respectively. The compensation costs amounting to ₩ 3,183 million and ₩ 1,645 million were recognized as expenses for the years ended December 31, 2024 and 2023, respectively.

31. Net Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024	2023
Other non-operating income		
Gains on disposal of property and equipment and assets held for sale	33,719	6,957
Rental income	33,162	28,914
Others	31,846	28,597
	98,727	64,468
Other non-operating expenses		
Losses on disposal of property and equipment and assets held for sale	11,915	8,554
Donation	117,837	91,799
Restoration costs	2,471	3,144
Others	927,473	59,301
	1,059,696	162,798
Net other non-operating income (expenses)	(960,969)	(98,330)

32. Income Tax Expense

32.1 Details of income tax expense for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024	2023
Income tax payable		
Current income tax expense	952,073	1,095,319
Adjustments of income tax of prior years recognized in current tax	(29,614)	(43,951)
	922,459	1,051,368
Changes in deferred income tax assets and liabilities	282,854	280,893
Income tax expense of overseas branches	56,363	54,735
Income tax recognized directly in equity:		
Net gains or losses on equity instruments at fair value through other comprehensive income	96,421	1,314
Net gains or losses on debt instruments at fair value through other comprehensive income	(74,525)	(250,651)
Currency translation differences	(15,404)	4,218
Remeasurements of net defined benefit liabilities	15,537	17,634
Gains or losses on hedging instruments of net investments in foreign operations	59,199	6,038
Gains or losses on cash flow hedging instruments	(409)	4,691
Share of other comprehensive income or loss of associates	273	(410)
	81,092	(217,166)
Reclassification from AOCI to retained earnings due to sale of equity securities measured at fair value through other comprehensive income	1,475	(9,499)
Consolidated tax return effect	(61,538)	(83,348)
Others	11,191	2,842
Income tax expense	1,293,896	1,079,825

32.2 Analysis of the relationship between net profit before income tax expense and income tax expense for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	**2024**	**2023**
Profit before income tax expense	4,445,298	4,229,777
Income tax at the applicable tax rate *	1,163,197	1,106,299
Non-taxable income	(19,517)	(17,278)
Non-deductible expenses	12,232	10,866
Tax credit and tax exemption	-	-
Temporary difference for which no deferred tax is recognized	(49,314)	(46,172)
Changes in recognition and measurement of deferred tax	225,930	71,419
Income tax refund for tax of prior years	(75,518)	(48,825)
Income tax expense of overseas branches	56,363	54,735
Tax effect of investments in subsidiaries	1,741	(1,064)
Foreign subsidiary tax rate difference effect	(867)	16,383
Effect of tax rate change	-	(583)
Consolidated tax return effect	(61,538)	(83,349)
Others	41,187	17,394
Income tax expense	1,293,896	1,079,825
Income tax expense/Profit before income tax (%)	29.11	25.53

* Applicable income tax rate for ₩ 200 million and below is 9.9%, for over ₩ 200 million to ₩ 20 billion is 20.9%, for over ₩ 20 billion to ₩ 300 billion is 23.1% and for over ₩ 300 billion is 26.4% for the year ended December 31, 2024 and 2023.

32.3 The Group is required to pay an additional tax amount on the difference between the GloBE effective tax rate of each subsidiary's jurisdiction and the minimum tax rate of 15%, in accordance with the Pillar 2 legislation. The parent company of the Group has recognized the related effect of the difference in the minimum tax rate of 15% arising from the group's Singapore branch in its financial statements where the group expects to pay additional tax.

32.4 Details of current tax liabilities (income tax payables) and current tax assets (income tax refund receivables) before offsetting as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	**December 31, 2024**	**December 31, 2023**
Tax payables after offsetting [1, 2]	429,937	339,146
Adjustment on consolidated tax payable and others [3]	(61,538)	(83,348)
Consolidated tax return accounts payables [4]	(343,221)	(217,253)
Current tax payable	25,178	38,545

[1] Current tax assets of ₩ 288,692 million and ₩ 218,000 million due to uncertain tax position and current tax assets of ₩ 30,141 million and ₩ 106,870 million for overseas branches were excluded, which do not qualify for offsetting as of December 31, 2024 and 2023, respectively.

[2] Includes income tax payable of ₩ 25,178 million and ₩ 38,545 million under current tax liabilities, which are not to be offset against any income tax refund receivables, such as those of overseas branches as of December 31, 2024 and 2023, respectively.

[3] Tax expense reduced due to the adoption of consolidated tax return was recognized as tax benefit.

[4] The amount of income tax payable is reclassified as accounts payable, not to the tax authority, but to KB Financial Group Inc. due to the adoption of consolidated tax return.

33. Dividends

The annual dividends to the shareholder of the Bank for the year ended December 31, 2024, amounting to ₩ 1,625,604 million (₩ 4,020 per share) is to be proposed at the general shareholder's meeting scheduled for March 25, 2025. The Group's consolidated financial statements as of and for the year ended December 31, 2024, do not reflect this dividend payable.

34. Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss) for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024					
	Beginning	Changes (excluding reclassification)	Reclassification to profit or loss	Tax effect	Transfer to retained earnings	Ending
Remeasurements of net defined benefit liabilities	(163,030)	(58,114)	-	15,537	-	(205,607)
Currency translation differences	185,486	433,440	-	(15,404)	-	603,522
Gains (losses) on debt securities measured at fair value through other comprehensive income	43,821	285,725	8,143	(74,525)	-	263,164
Gains (losses) on equity securities measured at fair value through other comprehensive income	641,179	(370,818)	-	96,421	5,586	372,368
Share of other comprehensive gain (loss) of associates	(1,458)	(1,035)	-	273	-	(2,220)
Gains (losses) on cash flow hedging instruments	21,017	3,644	(2,095)	(409)	-	22,157
Gains (losses) on hedging instruments of net investments in foreign operations	(112,620)	(224,237)	-	59,199	-	(277,658)
	614,395	68,605	6,048	81,092	5,586	775,726

(In millions of Korean won)	2023					
	Beginning	Changes (excluding reclassification)	Reclassification to profit or loss	Tax effect	Transfer to retained earnings	Ending
Remeasurements of net defined benefit liabilities	(113,922)	(66,742)	-	17,634	-	(163,030)
Currency translation differences	201,288	3,733	(23,753)	4,218	-	185,486
Gains on (losses) debt securities measured at fair value through other comprehensive income	(652,186)	719,376	227,282	(250,651)	-	43,821
Gains on equity securities measured at fair value through other comprehensive income	641,536	34,310	-	1,314	(35,981)	641,179
Share of other comprehensive loss of associates	(2,590)	1,542	-	(410)	-	(1,458)
Gains (losses) on cash flow hedging instruments	33,921	(12,395)	(5,200)	4,691	-	21,017
Gains (losses) on hedging instruments of net investments in foreign operations	(95,296)	(23,362)	-	6,038	-	(112,620)

	12,751	656,462	198,329	(217,166)	(35,981)	614,395

35. Trust Accounts

35.1 Financial information of the trust accounts the Group manages, as of and for the years ended December 31, 2023 and 2023, are as follows:

(In millions of Korean won)

	Total assets		Operating revenues	
	December 31, 2024	December 31, 2023	2024	2023
Consolidated	3,934,458	4,130,129	162,070	192,689
Unconsolidated (non-guaranteed)	96,358,706	98,607,952	5,314,933	3,825,217
	100,293,164	102,738,081	5,477,003	4,017,906

* Financial information of the trust accounts has been prepared in accordance with the Statement of Korea Accounting Standard No.5004, *Trust Accounts*, and enforcement regulations of the Financial Investment Services under the Financial Investment Services and Capital Markets Act.

35.2 Significant receivables and payables related to the Group's trust accounts as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)		December 31, 2024
Trust segment	**Receivables**	
	Accrued trust fees	63,728
	Other accrued income	32,799
		96,527
	Payables	
	Due to trust accounts	4,956,065
	Accrued interest on due to trust accounts	7,449
	Unearned fees on trust accounts	321
	Deposits	846,110
	Accrued interest on deposits	11,243
		5,821,188
Custody segment	**Receivables**	
	Accrued trust fees	9,613
	Payables	
	Due to trust accounts	3,275,937
	Accrued interest on due to trust accounts	6,954
		3,282,891

35.2 Significant receivables and payables related to the Group's trust accounts as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		December 31, 2023
Trust segment	**Receivables**	
	Accrued trust fees	62,594
	Other accrued income	32,328
		94,922
	Payables	
	Due to trust accounts	4,442,147
	Accrued interest on due to trust accounts	10,975
	Unearned fees on trust accounts	323
	Deposits	889,966
	Accrued interest on deposits	11,522
		5,354,933
Custody segment	**Receivables**	
	Accrued trust fees	9,460
	Payables	
	Due to trust accounts	3,699,955
	Accrued interest on due to trust accounts	9,144
		3,709,099

35.3 Significant revenues and expenses related to the Group's trust accounts for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)		2024	2023
Trust segment	**Revenues**		
	Fees and commissions from trust accounts	141,447	200,877
	Management fees and commissions from retirement pension	37,175	35,833
	Commissions from early termination in trust accounts	13	18
		178,635	236,728
	Expenses		
	Interest expenses on due to trust accounts	157,644	85,148
	Interest expenses on deposits	51,147	62,917
		208,791	148,065
Custody segment	**Revenues**		
	Fees and commissions from trust accounts	40,995	39,664
	Expenses		
	Interest expenses on due to trust accounts	103,234	124,095

36. Statements of Cash Flows

36.1 Details of cash and cash equivalents as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	December 31, 2023
Cash	1,953,029	2,112,424
Checks issued by other banks	124,366	142,437
Due from Bank of Korea	13,629,381	14,628,378
Due from other financial institutions	7,203,373	6,753,768
	22,910,149	23,637,007
Deduction:		
Restricted due from financial institutions *	(1,176,050)	(987,067)
Due from financial institutions with original maturities over three months	(244,393)	(88,149)
	(1,420,443)	(1,075,216)
	21,489,706	22,561,791

* Items that meet the definition of cash are excluded in accordance with Korean IFRS No.1007 *Statement of Cash Flows*.

Items that meet the definition of cash in restricted due from financial institutions as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)		Financial institutions	December 31, 2024	December 31, 2023
Due from financial institutions in Korean won	Due from Bank of Korea	Bank of Korea	11,635,481	13,731,708
Due from financial institutions in foreign currencies	Due from banks in foreign currencies	Bank of Korea	1,993,900	896,670
		Bank Indonesia and others	546,781	48,247
			14,176,162	14,676,625

36.2 Significant non-cash transactions for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024	2023
Write-offs of loans	897,580	763,143
Changes in accumulated other comprehensive income from valuation of debt securities measured at fair value through other comprehensive income	219,343	696,007
Changes in accumulated other comprehensive income from valuation of equity securities measured at fair value through other comprehensive income	(268,811)	(357)
Changes in accumulated other comprehensive income from valuation of investments in associates	(762)	1,132

36.3 Cash inflows and outflows from income tax, interest, and dividends for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	Activities	2024	2023
Income tax paid	Operating	794,873	1,619,882
Interest received	Operating	23,335,925	21,995,428
Interest paid	Operating	12,756,740	10,823,532
Dividends received	Operating	286,440	193,554
Dividends paid	Financing	1,467,896	1,346,582
Interest (dividends) paid on hybrid securities	Financing	70,409	57,179

36.4 Changes in liabilities arising from financing activities for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	2024							
	Derivatives held for hedging *	Borrowings	Debentures	Due to trust accounts	Lease liabilities	Deposits for letter of guarantees	Other payables	Total
Beginning	3,662	34,990,075	31,811,407	8,142,103	366,113	539,172	411,347	76,263,879
Cash flow	(16,790)	(5,164,339)	1,365,899	89,899	(217,144)	(37,556)	22,993	(3,957,038)
New lease and termination	-	-	-	-	560,350	-	-	560,350
Exchange differences	-	1,059,360	1,263,974	-	-	-	-	2,323,334
Changes in fair values	(5,024)	-	38,129	-	-	-	-	33,105
Changes from business combination	-	(23,626)	-	-	-	-	(34,562)	(58,188)
Other changes from non-cash transactions	(11,776)	1,364,946	257,362	-	42,616	(983)	26,808	1,678,973
Ending	(29,928)	32,226,416	34,736,771	8,232,002	751,935	500,633	426,586	76,844,415

(In millions of Korean won)

	2023							
	Derivatives held for hedging *	Borrowings	Debentures	Due to trust accounts	Lease liabilities	Deposits for letter of guarantees	Other payables	Total
Beginning	7,720	45,073,117	29,787,722	5,808,447	372,003	1,116,184	117,087	82,282,280
Cash flow	32,370	(10,475,975)	1,615,653	2,333,656	(132,984)	(577,040)	43,026	(7,161,294)
New lease and termination	-	-	-	-	112,967	-	-	112,967
Exchange differences	-	183,268	233,865	-	-	-	-	417,133
Changes in fair values	(14,648)	-	136,120	-	-	-	-	121,472
Changes from business combination	-	-	-	-	-	-	(80,210)	(80,210)
Other changes from non-cash transactions	(21,780)	209,665	38,047	-	14,127	28	331,444	571,531
Ending	3,662	34,990,075	31,811,407	8,142,103	366,113	539,172	411,347	76,263,879

* Derivatives held for hedging purposes are the net amount after offsetting liabilities and assets.

37. Contingent Liabilities and Commitments

37.1 Details of acceptances and guarantees as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	December 31, 2023
Confirmed acceptances and guarantees		
Confirmed acceptances and guarantees in Korean won:		
Acceptances and guarantees for KB purchasing loan	152,128	148,786
Refund guarantees	160	-
Others	900,077	945,027
	1,052,365	1,093,813
Confirmed acceptances and guarantees in foreign currencies:		
Acceptances of letter of credit	331,423	277,370
Letter of guarantees	45,274	47,665
Bid bond	12,782	12,549
Performance bond	1,927,572	1,111,589
Refund guarantees	4,644,429	3,561,227
Others	4,765,054	3,721,708
	11,726,534	8,732,108
Financial guarantee contracts:		
Acceptances and guarantees for mortgage	20,789	94,027
Overseas debt guarantees	588,020	470,579
International financing guarantees in foreign currencies	842,838	616,554
	1,451,647	1,181,160
	14,230,546	11,007,081
Unconfirmed acceptances and guarantees		
Guarantees of letter of credit	2,268,081	2,785,483
Refund guarantees	1,373,649	1,301,377
	3,641,730	4,086,860
	17,872,276	15,093,941

37.2 Credit qualities of acceptances and guarantees as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024			
	12-month expected credit losses	Lifetime expected credit losses		Total
		Non-impaired	Impaired	
Confirmed acceptances and guarantees *				
Grade 1	12,164,821	-	-	12,164,821
Grade 2	1,898,667	23,840	-	1,922,507
Grade 3	98,224	16,147	-	114,371
Grade 4	8,291	2,975	457	11,723
Grade 5	-	230	16,894	17,124
	14,170,003	43,192	17,351	14,230,546
Unconfirmed acceptances and guarantees *				
Grade 1	2,281,647	2,441	-	2,284,088
Grade 2	1,306,932	15,349	-	1,322,281
Grade 3	13,982	14,781	-	28,763
Grade 4	1,171	2,652	21	3,844
Grade 5	-	175	2,579	2,754
	3,603,732	35,398	2,600	3,641,730
	17,773,735	78,590	19,951	17,872,276

(In millions of Korean won)	December 31, 2023			
	12-month expected credit losses	Lifetime expected credit losses		Total
		Non-impaired	Impaired	
Confirmed acceptances and guarantees *				
Grade 1	8,608,327	170,322	-	8,778,649
Grade 2	1,790,315	22,065	-	1,812,380
Grade 3	40,595	7,368	-	47,963
Grade 4	67,729	294,635	457	362,821
Grade 5	-	1,182	4,086	5,268
	10,506,966	495,572	4,543	11,007,081
Unconfirmed acceptances and guarantees *				
Grade 1	3,071,076	-	-	3,071,076
Grade 2	734,886	19,210	-	754,096
Grade 3	8,600	10,692	-	19,292
Grade 4	1,828	237,200	-	239,028
Grade 5	-	-	3,368	3,368
	3,816,390	267,102	3,368	4,086,860
	14,323,356	762,674	7,911	15,093,941

* Applied same criteria as the credit qualities classification of loans.

37.3 Classifications of acceptances and guarantees by counterparty as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	December 31, 2024			
	Confirmed guarantees	Unconfirmed guarantees	Total	Proportion (%)
Large companies	13,385,392	2,972,146	16,357,538	91.52
Small and medium-sized companies	747,170	423,299	1,170,469	6.55
Public sector and others	97,984	246,285	344,269	1.93
	14,230,546	3,641,730	17,872,276	100.00

(In millions of Korean won)

	December 31, 2023			
	Confirmed guarantees	Unconfirmed guarantees	Total	Proportion (%)
Large companies	10,138,448	3,397,689	13,536,137	89.68
Small and medium-sized companies	736,810	454,574	1,191,384	7.89
Public sector and others	131,823	234,597	366,420	2.43
	11,007,081	4,086,860	15,093,941	100.00

37.4 Classifications of acceptances and guarantees by industry as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

	December 31, 2024			
	Confirmed guarantees	Unconfirmed guarantees	Total	Proportion (%)
Financial institutions	1,980,812	1,244	1,982,056	11.09
Manufacturing	8,139,583	2,709,624	10,849,207	60.70
Service	926,446	48,709	975,155	5.46
Wholesale and retail	2,410,725	594,407	3,005,132	16.81
Construction	334,561	73,389	407,950	2.28
Public sector	24,929	101,456	126,385	0.71
Others	413,490	112,901	526,391	2.95
	14,230,546	3,641,730	17,872,276	100.00

(In millions of Korean won)

	December 31, 2023			
	Confirmed guarantees	Unconfirmed guarantees	Total	Proportion (%)
Financial institutions	1,412,811	591	1,413,402	9.36
Manufacturing	5,527,285	3,109,101	8,636,386	57.22
Service	788,908	102,028	890,936	5.90
Wholesale and retail	2,297,162	614,053	2,911,215	19.29
Construction	363,517	116,950	480,467	3.18
Public sector	31,732	62,440	94,172	0.62
Others	585,666	81,697	667,363	4.43
	11,007,081	4,086,860	15,093,941	100.00

37.5 Details of commitments as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	December 31, 2023
Commitments		
Corporate loan commitments	56,791,977	54,704,534
Retail loan commitments	59,086,425	56,129,471
Other commitments in Korean won	1,700,000	1,700,000
Purchase of other securities	5,205,717	4,890,475
	122,784,119	117,424,480
Financial guarantee contracts		
Credit line	3,790,836	5,145,972
Purchase of securities	475,147	765,400
	4,265,983	5,911,372
	127,050,102	123,335,852

37.6 Other Matters (including litigation)

37.6.1 The Group has 40 pending lawsuits as a plaintiff (excluding simple lawsuits related to the collection or management of loans), with aggregate claims amount of ₩ 1,153,999 million, and has 155 pending lawsuits as a defendant (excluding simple lawsuits related to the collection or management of loans), with aggregate claims amount of ₩ 1,021,512 million. Details of pending lawsuits in which the Group is a defendant as of December 31, 2024, are as follows:

(In number of cases, in millions of Korean won)

Lawsuits	Amount	Description of the lawsuits	Status of the lawsuits
Claims on a return of redemption amount	61,755	Kookmin Bank invested the assets entrusted by OO Asset Management and OO Investment Trust Management in the Fairfield Sentry Limited and the Fairfield Sentry Limited reinvested the assets in Bernard L. Madoff Investment Securities LLC managed by Bernard Madoff. Bernard L. Madoff Investment Securities LLC is in the liquidation process due to Ponzi scheme fraud-related losses. The bankruptcy trustee of Bernard L. Madoff Investment Securities LLC filed a lawsuit against The Bank seeking to return the amount of redemptions received by The Bank through Fairfield Sentry Limited.	Application for dismissal by the defendant has been denied, and further proceedings are in progress. [Related litigation is pending at the New York Southern District Federal Bankruptcy Court (10-3777)] The financial impact on the bank is not significant due to the possibility of winning the case.
Expropriation of long-term leasehold rights	367,500	Kookmin Bank invested the assets entrusted by OO Asset Management Co., Ltd. in loans that are directly or indirectly collateralized by leasehold rights of the building and land (hereinafter referred to as "the real estate in this case") of Union Station in Washington, D.C., the United States. The Plaintiff, who is the operator of the railway facility, filed this lawsuit against those concerned with the real estate in this case, including Kookmin Bank, to expropriate the real estate in this case and determine indemnity.	The plaintiff's emergency motion for transfer of possession was granted, and the real estate in this case has been delivered to the plaintiff. The main proceedings are currently in progress. This lawsuit is related to the fund entrusted by the bank, and the financial impact on the bank's own property is not significant.
Return of unjust enrichment	160,589	MTS Bank, which was transacting through accounts with Kookmin bank, has been listed on OFAC's (Office of Foreign Assets Control) SDN (Specially Designated Nationals) List. In response, Kookmin Bank has frozen the foreign currency accounts under the name of MTS Bank. Subsequently, the Russian MTS Bank has filed a lawsuit with the Moscow City Commercial Court seeking the restitution of account balances.	Kookmin Bank plans to respond in accordance with the local court's trial schedule. Due to compliance with US OFAC regulations, it is not likely to win a lawsuit in Russian courts, and the litigation cost can be covered by the balance of the plaintiff's account, and the financial impact of interest for arrears on the bank is expected.

37.6.1 The Group has 37 pending lawsuits as a plaintiff (excluding simple lawsuits related to the collection or management of loans), with aggregate claims amount of ₩ 1,049,598 million. Details of pending lawsuits in which the Group is a defendant as of December 31, 2024, are as follows: (cont'd)

(In number of cases, in millions of Korean won)

Claim for damages	102,441	PT Bank KB Bukopin Tbk requested an auction of TMJ's shares in order to collect the loan to TMJ (a distressed company); NKLI won the auction and then received a loan from the bank for the purpose of purchasing TMJ shares. NKLI's intention was to take control over TMJ and launch a mining business; however, NKLI was unable to take control and launch the business due to legal disputes with the bankruptcy trustee of TMJ and court-appointed mine management company, and also lost a lawsuit against the mine management company. As a result, NKLI filed a legal suit to PT Bank KB Bukopin Tbk stating that the bank's recommendation to purchase TMJ's shares was inappropriate since the bank did not intentionally share the legal issues and associated risks thereof.	The case is currently in the second trial, and the Group plans to respond in cooperation with the legal representatives.

37.6.2 On April 7, 2023, Kookmin Bank entered into a new share subscription agreement with STIC Eugene Star Holdings Inc. (hereinafter referred to as STIC"), under which STIC will acquire 31,900,000,000 shares at a price of IDR 3.19 trillion, of which Kookmin Bank's subsidiary, PT Bank KB Bukopin Tbk, will issue. As a result of the agreement, Kookmin Bank will hold a call option to purchase the shares held by the STIC, starting from 2 years and 6 months after the date of acquisition, for a period of 6 months. If Kookmin Bank does not exercise the call option during the designated period, STIC will have the right to sell the acquired shares back to the bank, also known as holding a put option right, within 1 year after the expiration of the call option period.

37.6.3 As of the end of 2024, total of eight lawsuits related to the wage peak system are pending in court, amounting to ₩ 39,144 million. The timing and amount of potential outflows of resources cannot be predicted.

37.6.4 As of the end of 2024, KB PRASAC BANK is undergoing a tax audit by the tax authorities for the fiscal years from 2020 to 2021. Currently, it is impossible to predict the impact of the tax audit on KB PRASAC BANK.

37.6.5 The Group is currently under investigation by the Fair Trade Commission regarding the possibility of unfair joint actions by commercial banks. It is impossible to predict the outcome of the investigation.

37.6.6 During the current period(August 22, 2024 to November 1, 2024), regular inspections by the Financial Supervisory Service of the Group's overall business have been conducted. The results of the inspections and action requirements will be notified in the future.

38. Subsidiaries

38.1 Details of subsidiaries as of December 31, 2024, are as follows:

Investor	Investee	Ownership (%)	Location	Industry
Kookmin Bank	Kookmin Bank (China) Ltd.	100.00	China	Banking and foreign exchange transaction
Kookmin Bank	KB Microfinance Myanmar Co., Ltd.	100.00	Myanmar	Microfinance services
Kookmin Bank	KB BANK MYANMAR LTD	100.00	Myanmar	Banking and foreign exchange transaction
Kookmin Bank .	KB PRASAC BANK PLC.	100.00	Cambodia	Banking and foreign exchange transaction
Kookmin Bank	PT Bank KB Bukopin Tbk	66.88	Indonesia	Banking and foreign exchange transaction
PT Bank KB Bukopin Tbk	PT Bank Syariah Bukopin	95.92	Indonesia	Banking
PT Bank KB Bukopin Tbk	PT Bukopin Finance	99.24	Indonesia	Installment financing
Kookmin Bank	KB FUND PARTNERS Co., Ltd.	100.00	Korea	Other financial services
Kookmin Bank	Personal pension trust and 10 others [1]	-	Korea	Trust
Kookmin Bank	KB DTower 1st L.L.C. and 21 others [2]	-	Korea	Asset-backed securitization and others
Kookmin Bank	IDMB UNITED PTE.LTD. and 2 others [2]	-	Singapore	Asset-backed securitization and others
Kookmin Bank	KB Wise Star Private Real Estate Feeder Fund No.1 [2]	86.00	Korea	Investment trust
Kookmin Bank	Kiwoom Frontier Private Securities Fund No.10 (Bond) [2]	99.82	Korea	Investment trust
Kookmin Bank	AIP US Red Private Real Estate Trust No.10 [2]	99.97	Korea	Investment trust
Kookmin Bank	KB RISE 3-Year Futures Inverse Securities ETF (Debt-Derivative) [2]	99.36	Korea	Investment trust
Kookmin Bank	KB Core Blind Private Real Estate Fund No.1 [2]	90.09	Korea	Investment trust
KB Core Blind Private Real Estate Fund NO.1	KB Wise Star Private Real Estate No.3 [2]	46.65	Korea	Investment trust
Kookmin Bank	KB Global Private Real Estate Fund No.3 (USD) [2]	99.50	Korea	Investment trust
Kookmin Bank	Samsung SRA Private Real Estate Investment Trust No.28D (FoFs) [2]	99.50	Korea	Investment trust
Kookmin Bank	KB Global Private Real Estate Fund No.10 (FoFs) [2]	99.84	Korea	Investment trust

38.1 Details of subsidiaries as of December 31, 2024, are as follows: (cont'd)

Investor	Investee	Ownership (%)	Location	Industry
Kookmin Bank	KTB Global CREDebt Private Investment Trust No.52(USD) [2]	99.44	Korea	Investment trust
Kookmin Bank	Hyundai Invest KKR Europe Real Estate No.1-3(EUR) [2]	99.29	Korea	Investment trust
Kookmin Bank	Vestas Private Real Estate Investment Trust No.69-3(USD)(FoFs) [2]	99.53	Korea	Investment trust
Kookmin Bank	SHINHAN ASP PCF II Private Investment Trust No.2(USD) [2]	99.75	Korea	Investment trust
Kookmin Bank	Vestas Europe Logistics General Private Real Estate Investment Trust No.73-1 [2]	97.40	Korea	Investment trust
Kookmin Bank	Vestas Europe Logistics General Private Real Estate Investment Trust No.73-2 [2]	97.40	Korea	Investment trust
Kookmin Bank	KB RISE KTB 10Y Futures Inverse ETF [2]	95.76	Korea	Investment trust
Kookmin Bank	VI ESG Private Securities Investment Trust No.1(Bond) [2]	100.00	Korea	Investment trust
Kookmin Bank	SHINHAN AIM Private Real Estate Investment Trust No.26-C(USD) [2]	99.98	Korea	Investment trust
Kookmin Bank	IGIS HSBC UK Senior Direct Lending Private Investment Trust No.465-1 [2]	99.01	Korea	Investment trust
Kookmin Bank	Mirae Asset ESG Infra Private Investment Trust 1 [2]	95.24	Korea	Investment trust
Kookmin Bank	KB NA Sound Point Private Special Asset Fund 2(USD) [2]	99.96	Korea	Investment trust
Kookmin Bank	KB Global Private Real Estate Fund No.35(USD)(FoFs) [2]	99.01	Korea	Investment trust
Kookmin Bank	KB RISE Jun2025 Term Credit ETF [2]	59.19	Korea	Investment trust
Kookmin Bank	PineStreet Global Private Investment Trust 28-2 [2]	99.01	Korea	Investment trust
Kookmin Bank	SAMSUNG KODEX 3Y F-KTB INVERSE ETF [2]	67.39	Korea	Investment trust

[1] The Group controls the trust because it has power to determine the management performance of the trust and is exposed to variable returns that absorb losses through the guarantees of payment of principal, or payment of principal and fixed rate of return

[2] The Group controls these investees because it is significantly exposed to variable returns from the investees' performance and has the ability to affect those returns through its power.

The Group holds more than half of the ownership interests of Koreit BN Private Equity Fund and fourteen other investment trusts but does not have the power over relevant activities in accordance with agreements with trust and other shareholders, therefore these entities are not consolidated.

38.2 The condensed financial information of major subsidiaries as of and for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024			2024		
	Assets	Liabilities	Equity	Operating revenue	Profit (loss) for the period [1]	Profit (loss) attributable to shareholders of the Parent Company
Kookmin Bank (China) Ltd.	4,316,008	3,690,496	625,512	195,087	22,999	22,999
KB Microfinance Myanmar Co., Ltd.	19,235	8,994	10,241	4,127	(2,486)	(2,486)
KB BANK MYANMAR LTD	318,276	20,088	298,188	12,319	5,224	5,224
KB PRASAC BANK PLC.	8,297,865	6,606,415	1,691,450	1,227,612	131,927	131,927
Financial status of KB Bukopin-related subsidiaries						
PT Bank KB Bukopin Tbk	7,222,025	6,936,237	285,788	523,058	(360,617)	(240,968)
IDMB UNITED PTE.LTD. [2]	218,256	277,734	(59,478)	6,981	(18,291)	(29,773)
SMMK PTE.LTD. [2]	117,457	233,753	(116,296)	2,664	(21,176)	(23,870)
TLDC PTE.LTD. [2]	157,390	163,579	(6,189)	447	(5,857)	(10,973)
KB FUND PARTNERS Co., Ltd. [3]	26,047	5,295	20,752	14,937	1,934	1,934
Personal pension trust and 10 others	3,938,698	3,818,400	120,298	188,851	7,746	7,746

(In millions of Korean won)	December 31, 2023			2023		
	Assets	Liabilities	Equity	Operating revenue	Profit (loss) for the period [1]	Profit (loss) attributable to shareholders of the Parent Company
Kookmin Bank (China) Ltd.	3,754,281	3,224,225	530,056	200,572	30,328	30,328
KB Microfinance Myanmar Co., Ltd.	18,867	7,640	11,227	5,581	421	421
KB BANK MYANMAR LTD	269,898	13,330	256,568	7,391	3,450	3,450
KB PRASAC BANK PLC. [4]	7,367,854	6,009,050	1,358,804	1,551,144	115,652	115,652
Financial status of KB Bukopin-related subsidiaries						
PT Bank KB Bukopin Tbk	6,526,747	5,913,206	613,541	545,593	(261,263)	(173,296)
IDMB UNITED PTE.LTD. [2]	215,055	251,861	(36,806)	12,686	(4,313)	(1,635)
SMMK PTE.LTD. [2]	124,685	210,827	(86,142)	2,533	(88,270)	(67,368)
Personal pension trust and 10 others	4,113,285	4,000,734	112,551	257,713	69,092	69,092

[1] Includes profit (loss) attributable to non-controlling interests.

[2] These SPCs are established for the purpose of selling non-performing loans of PT Bank KB Bukopin Tbk.. Classified as a subsidiary of KB Kookmin Bank, not a subsidiary of PT Bank KB Bukopin Tbk., the gains and losses on the transfer and sale of loans between PT Bank KB Bukopin Tbk. and SPC were removed from the consolidation process of KB Kookmin Bank.

[3] A KB FUND PARTNERS Co., Ltd. was formed with a split date of June 1, 2024 and consolidated as a wholly owned subsidiary.

[4] Kookmin Bank Cambodia PLC. was merged with KB PRASAC BANK PLC. in August 2023. Kookmin Bank Cambodia PLC. had operating income of ₩ 28,822 million and net profit and loss of ₩ 2,001 million for the eight-month period ending August 31, 2023 before the merger.

38.3 The Characteristics of Risks Associated with Consolidated Structured Entities

The terms of contractual arrangements to provide financial support to consolidated structured entities are as follows:

38.3.1 The Bank has provided capital commitments to consolidated investment funds.

(In millions of Korean won)	**December 31, 2024**	
	Capital commitments	Unused amount
KTB Global CREDebt Private Investment Trust No.52(USD)	73,500	2,141
Hyundai Invest KKR Europe Real Estate No.1-3(EUR)	61,149	7,091
Vestas Private Real Estate Fund Investment Trust No.69-3(USD)(FoFs)	94,080	14,797
SHINHAN ASP PCF II Private Investment Trust No.2(USD)	29,400	2,297
SHINHAN AIM Private Real Estate Investment Trust No.26-C(USD)	95,550	50,455
Mirae Asset ESG Infra Private Investment Trust 1	20,000	12,542
KB NA Sound Point Private Special Asset Fund 2(USD)	29,400	12,788
KB Global Private Real Estate Debt Fund No.35(USD)(FoFs)	29,400	24,104
PineStreet Global Private Investment Trust 28-2	29,400	20,053

38.3.2 The Bank has provided purchase commitments and credit lines to structured entities. The purchase commitment guarantees that the Bank will purchase and pay any remaining commercial paper securities issued by structured entities. The credit line agreement requires the Bank to provide loans under certain conditions if there is a reason for suspension of issuance of commercial paper securities or if structured entities become insolvent due to other reasons.

(In millions of Korean won)	**December 31, 2024**
Ryan Mobility 1st L.L.C.	50,228
KB Liiv DS 1st L.L.C.	50,171
Liiv H 3rd Co., Ltd.	50,668
Liiv H 1st L.L.C.	50,131
LEP 2nd Co., Ltd.	70,000
LOG the 3rd L.L.C.	24,300
KB DTower 1st L.L.C.	50,107
KB Livv H 1st L.L.C.	30,276
KB Livv L 1st Co., Ltd.	50,255
KB H housing 1st LLC	29,800
KB One West 1st Co., Ltd.	101,860
KB Eagles 3rd Co., Ltd.	50,352
KB Eagles 2nd Co., Ltd.	50,359
KB Eagles 1st Co., Ltd.	30,291
KB ESG 1st Co.,Ltd.	45,000
KB Chemical 1st Co., Ltd	50,641
KB Harim 1st L.L.C.	30,164
IDMB UNITED PTE.LTD.	301,350
SMMK PTE.LTD.	305,760
TLDC PTE.LTD.	198,450

38.3.3 The Group has provided the guarantees of payment of principal, or principal and fixed rate of return in case the operating results of the trusts are less than the guaranteed principal, or principal and fixed rate of return.

38.4 Changes in Subsidiaries

KB ESG 1st Co., Ltd. and 7 other subsidiaries were newly included in the scope of consolidation, and Beomeo Landmark 2nd Inc. and 20 other subsidiaries were excluded from the scope of consolidation for the year ended December 31, 2024.

38.5 Net Cash Flow from Changes in Subsidiaries

The net cash outflows arising from acquisition of subsidiaries amount to ₩ 55,504 million, while the net cash inflows arising from the disposal of subsidiaries amount to ₩ 149,152 million for the year ended December 31, 2024.

39. Unconsolidated Structured Entities

39.1 Nature, purpose, and activities of the unconsolidated structured entities and how the structured entities are financed, are as follows:

Nature	Purpose	Activity	Method of financing
Asset-backed securitization	Early cash generation through transfer of securitized assets Fees earned through services to SPC, such as providing lines of credit and ABCP purchase commitments	Fulfillment of asset-backed securitization plan Purchase and collection of securitized assets Issuance and repayment of ABS and ABCP	Issuance of ABS and ABCP based on securitized assets
Structured financing	Granting PF loans to SOC and real estate Granting loans to ships/aircrafts SPC Project financing to M&A and others	Construction of SOC and real estate Building ships, construction and purchase of aircrafts M&A	Loan commitments through credit line, providing credit line, and investment agreements
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 from general partners and limited partners

39.2 Details of the scale of unconsolidated structured entities and nature of the risks associated with the Group's interests in unconsolidated structured entities as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024			
	Asset-backed securitization	**Structured financing**	**Investment funds**	**Total**
Total assets of unconsolidated structured entities	107,755,434	83,054,620	464,450,118	655,260,172
Carrying amount in the financial statements				
Assets:				
Financial assets at fair value through profit or loss	29,371	35,811	6,689,471	6,754,653
Loans measured at amortized cost	531,021	7,127,982	126,989	7,785,992
Financial investments	9,892,484	-	12,317	9,904,801
Investments in associates	-	-	394,666	394,666
Other assets	-	389	41,107	41,496
	10,452,876	7,164,182	7,264,550	24,881,608
Liabilities:				
Deposits	355,385	2,511,200	120,289	2,986,874
Derivative financial liabilities	-	-	18,383	18,383
Other liabilities	951	5,422	444	6,817
	356,336	2,516,622	139,116	3,012,074
Maximum exposure				
Assets held *	10,452,876	7,164,182	7,264,550	24,881,608
Purchase and investment commitments	440,000	-	4,267,362	4,707,362
Acceptances and guarantees and unused line of credit	4,311,893	1,601,847	-	5,913,740
	15,204,769	8,766,029	11,531,912	35,502,710
Methods of determining the maximum exposure	Providing lines of credit / Unproviding lines of credit / Purchase commitments/ Investment commitments	Acceptances and guarantees / Unproviding lines of credit	Purchase commitments /Investment commitments	

39.2 Details of the scale of unconsolidated structured entities and nature of the risks associated with the Group's interests in unconsolidated structured entities as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)	December 31, 2023			
	Asset-backed securitization	**Structured Financing**	**Investment funds**	**Total**
Total assets of unconsolidated structured entities	94,183,359	64,863,161	344,618,252	503,664,772
Carrying amount in the financial statements				
Assets:				
Financial assets at fair value through profit or loss	48,532	33,682	6,076,725	6,158,939
Loans measured at amortized cost	306,145	7,188,263	-	7,494,408
Financial investments	9,878,280	-	8,510	9,886,790
Investments in associates	-	-	396,106	396,106
Other assets	-	528	2	530
	10,232,957	7,222,473	6,481,343	23,936,773
Liabilities:				
Deposits	359,418	2,202,888	64,478	2,626,784
Derivative financial liabilities	-	-	48,678	48,678
Other liabilities	1,650	3,482	7,261	12,393
	361,068	2,206,370	120,417	2,687,855
Maximum exposure				
Assets held *	10,232,957	7,222,473	6,481,343	23,936,773
Purchase and investment commitments	440,000	-	4,275,238	4,715,238
Acceptances and guarantees and unused line of credit	4,906,963	1,726,555	-	6,633,518
	15,579,920	8,949,028	10,756,581	35,285,529
Methods of determining the maximum exposure	Providing lines of credit / Purchase commitments/ Acceptances and guarantees / Investment commitments	Acceptances and guarantees / Providing lines of credit	Purchase commitments /Investment commitments	

* Maximum exposure includes the asset amounts, after deducting losses (provisions for credit losses, impairment losses, and others), recognized in the consolidated financial statements of the Group.

40. Leases

40.1 The Group as a Lessee

40.1.1 Amounts recognized in the consolidated statements of financial position related to leases as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	December 31, 2023
Right-of-use property and equipment: *		
Real estate	745,807	349,485
Vehicles	9,641	11,137
Others	2,048	2,514
	757,496	363,136
Right-of-use intangible assets *	588	1,595
	758,084	364,731
Lease liabilities *	751,935	366,112

* Included in property and equipment, intangible assets, and other liabilities.

40.1.2 Amounts recognized in the consolidated statements of comprehensive income related to leases for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024	2023
Depreciation and amortization of right-of-use assets:		
Real estate	251,513	195,707
Vehicles	11,895	12,327
Others	1,142	2,089
Intangible asset	1,007	1,007
	265,557	211,130
Interest expenses on the lease liabilities	31,490	13,234
Expense relating to short-term lease	2,347	2,998
Expense relating to lease of low-value assets that are not short-term lease	3,667	4,156

Total lease cash outflows for the years ended December 31, 2024 and 2023, are ₩ 214,930 million and ₩ 126,300 million, respectively.

40.2 The Group as an Operating Lessor

The future minimum lease payments to be received from the non-cancellable lease contracts as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	December 31, 2024	December 31, 2023
Up to 1 year	13,422	23,525
1-5 years	13,511	35,984
Over 5 years	1,403	-
	28,336	59,508

41. Related Party Transactions

According to Korean IFRS No.1024, the Group includes the Parent, the Parent's subsidiaries, associates, associates of the Parent's subsidiaries, associates of the Parent, key management personnel (including family members), and post-employment benefit plans of the Group and its related party companies in the scope of related parties. The Group discloses balances (receivables and payables) and other amounts arising from transactions with related parties in the notes to the consolidated financial statements. Refer to Note 13 for details of investments in associates.

Key management personnel include the executives of the Parent Company and the executives (managing director and above) of the Bank, and companies where the executives and/or their close family members have control or joint control.

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)		2024	2023
Parent			
KB Financial Group Inc.	Fee and commission income	9,993	10,063
	Other operating income	32	95
	Other non-operating income	2,905	2,377
	Interest expense	10,816	11,985
	Other operating expenses	4	5
	General and administrative expenses	1,327	1,259
Parent's subsidiaries			
KB Asset Management Co., Ltd.	Fee and commission income	4,189	2,034
	Gains on financial instruments at fair value through profit or loss	168	-
	Other non-operating income	5	3
	Interest expense	344	235
	Fee and commission expense	898	874
	General and administrative expenses	500	500
KB Real Estate Trust Co., Ltd.	Fee and commission income	290	292
	Other non-operating income	75	66
	Interest expense	515	205
	Fee and commission expense	7,177	6,382
KB Investment Co., Ltd.	Fee and commission income	100	78
	Other non-operating income	5	3
	Interest expense	1,571	2,674

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		2024	2023
KB Kookmin Card Co., Ltd.	Interest income	21,507	19,696
	Fee and commission income	125,923	156,497
	Gains on financial instruments at fair value through profit or loss	2,005	-
	Reversal of credit losses	76	-
	Other non-operating income	3,767	2,800
	Interest expense	3,693	2,316
	Fee and commission expense	28,111	24,363
	Losses on financial instruments at fair value through profit or loss	21,431	3,019
	Provision for credit losses	-	1,929
	General and administrative expenses	92	19
KB Data System Co., Ltd.	Fee and commission income	3,391	3,083
	Other non-operating income	239	236
	Interest expense	338	349
	Fee and commission expense	475	-
	Other operating expenses	578	491
	General and administrative expenses	94,563	98,049
KB Savings Bank Co., Ltd.	Fee and commission income	442	796
	Other non-operating income	106	71
	Interest expense	22	18
	Fee and commission expense	4	-
	General and administrative expenses	2	4
KB Capital Co., Ltd.	Interest income	3,871	3,588
	Fee and commission income	4,661	4,184
	Gains on financial instruments at fair value through profit or loss	139	298
	Reversal of credit losses	166	-
	Other non-operating income	420	629
	Interest expense	325	698
	Fee and commission expense	127	111
	Losses on financial instruments at fair value through profit or loss	-	29
	Provision for credit losses	-	138
	General and administrative expenses	117	87

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		2024	2023
KB Securities Co., Ltd.	Interest income	10,296	15,227
	Fee and commission income	28,576	33,658
	Gains on financial instruments at fair value through profit or loss	102,750	157,397
	Other operating income	(70)	-
	Reversal of credit losses	220	-
	Other non-operating income	6,486	5,491
	Interest expense	8,295	10,876
	Fee and commission expense	3,041	1,554
	Losses on financial instruments at fair value through profit or loss	152,360	228,537
	Other operating expenses	263	-
	Provision for credit losses	-	339
	General and administrative expenses	3,885	4,052
KB Insurance Co., Ltd.	Interest income	6	6
	Fee and commission income	22,741	28,124
	Gains on financial instruments at fair value through profit or loss	257,080	69,434
	Reversal of credit losses	3	-
	Other non-operating income	2,614	2,498
	Interest expense	443	862
	Fee and commission expense	2,255	3,401
	Losses on financial instruments at fair value through profit or loss	17,208	60,534
	Other operating expenses	8	5
	Provision for credit losses	-	26
	Other non-operating expenses	14	-
	General and administrative expenses	14,491	13,398

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		2024	2023
KB Life Insurance Co., Ltd.	Interest income	1,309	1,508
	Fee and commission income	28,602	16,530
	Gains on financial instruments at fair value through profit or loss	48,369	8,209
	Reversal of credit losses	6	208
	Other non-operating income	522	591
	Interest expense	6,071	3,400
	Fee and commission expense	609	1,581
	Losses on financial instruments at fair value through profit or loss	-	1,594
	Other operating expenses	5	17
	General and administrative expenses	2,089	2,016
KB STAR REIT Co., Ltd.	Fee and commission income	159	137
	Gains on financial instruments at fair value through profit or loss	37,953	27,731
	Interest expense	784	1,117
	Losses on financial instruments at fair value through profit or loss	2,402	4,568
KB Hanbando BTL Private Special Asset Fund No.1	Fee and commission income	84	96
KB IDF Infra Private Special Asset Fund 1(FoFs)	Fee and commission income	5	7
KB Muni bond Private Securities Fund No.1 (USD)	Fee and commission income	11	10
KB Global Private Real Estate Fund No.1 (FoFs)	Fee and commission income	12	11
KB Star Office Private Real Estate Feeder Fund No.4	Interest income	748	760
	Fee and commission income	37	37
	Reversal of credit losses	-	1
	Interest expense	-	(2)
KB Global Core Bond Securities Feeder Fund(Bond)	Fee and commission income	15	14
KB New Renewable Energy Private Special Asset Fund No.1	Fee and commission income	9	9
KB Renewable Private SpecialAsset Fund 3	Fee and commission income	5	1

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		2024	2023
KB North America Private Real Estate Debt Fund No.1	Fee and commission income	3	3
	Gains on financial instruments at fair value through profit or loss	5,205	1,798
	Losses on financial instruments at fair value through profit or loss	-	591
KB North America Private Real Estate Debt Fund No.3 *	Fee and commission income	6	11
	Gains on financial instruments at fair value through profit or loss	9,270	10,096
	Losses on financial instruments at fair value through profit or loss	41	5,802
KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs)	Fee and commission income	7	6
KB Global Infra Private Special Asset Fund No.6	Fee and commission income	5	-
KB Global Infrastructure Synergy Private Special Asset Fund (Monetary Receivables)	Fee and commission income	4	4
	Gains on financial instruments at fair value through profit or loss	-	917
	Losses on financial instruments at fair value through profit or loss	166	-
KB BMO Senior Loan Private Special Asset Fund No.1	Fee and commission income	9	11
	Gains on financial instruments at fair value through profit or loss	-	3,037
KB BMO Senior Loan Private Special Asset Fund No.2(USD)	Fee and commission income	9	10
KB BMO Senior Loan Private Special Asset Fund No.4(USD)	Fee and commission income	8	8
	Gains on financial instruments at fair value through profit or loss	-	1,622
KB BMO Senior Loan Private Special Asset Fund No.5(Loan-FOFs)	Fee and commission income	13	13
	Gains on financial instruments at fair value through profit or loss	9,874	5,862
	Losses on financial instruments at fair value through profit or loss	-	2,075
KB New Renewable Green New Deal Private Special Asset No.2	Fee and commission income	12	11
KB Sinansan Line Private Special Asset Fund(SOC)	Fee and commission income	42	33

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		2024	2023
KB Global Private Real Estate Fund No.11 (FoFs)	Fee and commission income	6	5
KB Global Private Real Estate Fund No.15	Fee and commission income	16	15
	Gains on financial instruments at fair value through profit or loss	8,701	734
	Losses on financial instruments at fair value through profit or loss	198	340
KB Global Private Real Estate Fund No.17 (FoFs)	Fee and commission income	7	4
KB Global Private Real Estate Fund No.22 (FoFs)	Fee and commission income	1	1
	Gains on financial instruments at fair value through profit or loss	1,055	293
	Losses on financial instruments at fair value through profit or loss	8	13
KB Global Private Real Estate Fund No.27 (FoFs)	Fee and commission income	11	11
	Gains on financial instruments at fair value through profit or loss	6,354	2,375
KB Global Private Real Estate Debt Fund No.29	Fee and commission income	4	4
	Gains on financial instruments at fair value through profit or loss	855	-
KB Global Private Real Estate Fund No.30 (FoFs)	Fee and commission income	1	-
	Gains on financial instruments at fair value through profit or loss	871	-
	Losses on financial instruments at fair value through profit or loss	-	84
KB Global Private Real Estate Fund No.31 (FoFs)	Fee and commission income	2	-
KB MCF Senior Loan Private Special Asset Fund No.3(FoFs)	Fee and commission income	62	62
KB New Deal Infra Private Special Asset Fund	Fee and commission income	21	9
KB Korea Infrastructure Credit Guarantee Private Special Asset No.1	Fee and commission income	15	16
KB Wise Star Private Real Estate No.19 *	Fee and commission income	2	4
KB Wise Star Private Real Estate22	Interest income	1,900	344
	Fee and commission income	36	3,847
	Provision for credit losses	-	3

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		2024	2023
Hanwha Europe Credit Private Fund No.16 (FOF)	Gains on financial instruments at fair value through profit or loss	3,665	3,001
	Losses on financial instruments at fair value through profit or loss	369	775
KB IDF Infra Private Special Asset Fund 13(FoFs)	Fee and commission income	14	9
	Gains on financial instruments at fair value through profit or loss	8,482	1,327
	Losses on financial instruments at fair value through profit or loss	1,231	1,041
KB Logistics Blind Private Real Estate Fund No.1	Interest income	2,282	2,415
	Fee and commission income	30	88
	Interest expense	15	-
	Provision for credit losses	8,795	4
KB Aircraft Private Special Asset Fund No.1	Fee and commission income	11	12
	Gains on financial instruments at fair value through profit or loss	-	5,874
	Losses on financial instruments at fair value through profit or loss	-	37
KB Aircraft Private Special Asset Fund No.2	Fee and commission income	2	-
KB Star ESG Prime Mid-Short Bond Securities Feeder Fund(Bond)	Fee and commission income	45	24
KB Oaktree Private Special Asset Fund No.3	Fee and commission income	3	3
KB GK Project Private Special Asset Fund No.3	Fee and commission income	41	43
KB IDF Infra Note Private SpecialAsset Fund 14	Fee and commission income	13	9
	Gains on financial instruments at fair value through profit or loss	9,818	1,184
	Losses on financial instruments at fair value through profit or loss	1,081	2,102
KB ASF Infra Private Special Asset Fund(FoFs)	Fee and commission income	3	2
	Gains on financial instruments at fair value through profit or loss	-	325
KB Duke Private Special Asset Fund *	Fee and commission income	1	4

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		2024	2023
KB Core Blind Private Real Estate Fund No.2	Interest income	129	-
	Fee and commission income	5	3
	Provision for credit losses	72	-
KB Star Reits Private Real Estate Feeder Fund No.1 (FoFs)	Fee and commission income	4	4
KB Star Reits Private Real Estate Feeder Fund No.2 (FoFs)	Fee and commission income	7	7
KB PF Blind Private Real Estate Fund 2	Fee and commission income	1	1
HSBC Senior UK Direct Lending Fund 2020 RAIF SICAV-S.A.	Fee and commission income	3	2
NB Private Debt Fund IV LUX (B) SCSP	Fee and commission income	3	3
KB Europe Renewable Private Special Asset Fund No.3	Fee and commission income	5	3
	Gains on financial instruments at fair value through profit or loss	587	244
	Losses on financial instruments at fair value through profit or loss	18	204
KB Korea Short Term Premium Private Securities No.34(USD)(Bond) *	Fee and commission income	-	9
	Gains on financial instruments at fair value through profit or loss	-	199
	Losses on financial instruments at fair value through profit or loss	3,499	2,396
KB Korea Short Term Premium Private Securities No.35(USD)(Bond) *	Fee and commission income	1	6
	Losses on financial instruments at fair value through profit or loss	3,342	2,386
KB Korea Short Term Premium Private Securities Fund 43(USD)(Bond)	Fee and commission income	-	1
	Gains on financial instruments at fair value through profit or loss	-	746
	Losses on financial instruments at fair value through profit or loss	6,482	-
KB RISE Money Market Active ETF(Bond) *	Interest expense	-	21
KB Money Market Active ETF (Bond) *	Fee and commission income	9	13
KB NA Jefferies Private Special Asset Fund 1(USD)(FoFs)	Fee and commission income	4	2
KB RISE Fixed Short-Term MSB ETF *	Interest expense	(17)	(3)

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		2024	2023
KB Europe ICG PDF Private SpecialAsset Fund 4(FoFs)	Fee and commission income	2	-
	Gains on financial instruments at fair value through profit or loss	689	72
	Losses on financial instruments at fair value through profit or loss	40	-
KB Star Institutional USD MMF1(USD)	Fee and commission income	13	4
KB Senior Loan Private Fund 5-1	Fee and commission income	8	1
KB Core Plus Blind Private RealEstate Fund 1	Fee and commission income	14	2
KB Daegu Busan Highway Private Special Asset Fund(SOC)	Fee and commission income	38	1
KB Daegu Busan Highway Private Special Asset Fund No.2(SOC)	Fee and commission income	6	-
KB Apax Global Buyout PrivateFund 1	Gains on financial instruments at fair value through profit or loss	75	-
	Losses on financial instruments at fair value through profit or loss	6	-
KB RISE Short-term KTB Active ETF *	Interest expense	(26)	-
KB Star Mid Term G.B.F.I C-F Class	Fee and commission income	19	-
KB Multi Alpha Plus Private Fund No.1 *	Fee and commission income	-	7
KB Korea Short Term Premium Private Securities No.25(USD)(Bond) *	Fee and commission income	-	1
	Gains on financial instruments at fair value through profit or loss	-	1,254
KB Korea Short Term Premium Private Securities No.26(USD)(Bond) *	Fee and commission income	-	1
	Gains on financial instruments at fair value through profit or loss	-	1,073
KB Korea Short Term Premium Private Securities No.27(USD)(Bond) *	Fee and commission income	-	2
	Losses on financial instruments at fair value through profit or loss	-	451
KB Korea Short Term Premium Private Securities No.32(USD)(Bond) *	Fee and commission income	-	2
	Losses on financial instruments at fair value through profit or loss	-	2,697
KB Korea Short Term Premium Private Securities No.33(USD)(Bond) *	Fee and commission income	-	7
	Losses on financial instruments at fair value through profit or loss	-	3,152

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		2024	2023
Associates			
Korea Credit Bureau Co., Ltd.	Fee and commission income	52	52
	Interest expense	1	1
	Fee and commission expense	2,407	2,444
	Other operating expenses	11	15
Incheon Bridge Co., Ltd.	Interest income	14,006	10,420
	Fee and commission income	34	28
	Gains on financial instruments at fair value through profit or loss	2,129	334
	Reversal of credit losses	7	-
	Interest expense	986	979
	Fee and commission expense	9	7
	Provision for credit losses	-	52
MJT&I Corp.	Other non-operating expenses	-	1
Dongjo Co., Ltd.	Interest income	34	36
Skydigital Inc.	Fee and commission income	2	3
TMAPMOBILITY CO.,LTD.	Fee and commission income	2	-
	Interest expense	3,077	1,460
Taeyoungjungkong Co., Ltd.	Interest income	-	2
KB High-Tech Company Investment Fund	Interest expense	99	39
Aju Good Technology Venture Fund	Interest expense	3	111
KB Digital Innovation & Growth New Technology Business Investment Fund	Interest expense	1	1
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund	Interest expense	4	4
KB Global Platform Fund	Interest expense	80	149
WJ Private Equity Fund No.1	Fee and commission income	7	7
KB Smart Scale Up Fund	Interest expense	161	-
KB Bio Global Expansion Private Equity Fund No.1	Interest expense	3	49
KB Digital Platform Fund	Interest expense	35	71
KY Global Cell & Gene Private Equity Fund 2nd *	Interest expense	(38)	42
Associates of Parent			
Star-Lord General Investors Private Real Estate Investment Company No.10	Interest income	5,939	5,934
	Interest expense	95	104
	Provision for credit losses	1	4
Associates of Parent's subsidiaries			
Food Factory Co., Ltd.	Interest income	46	62
	Reversal of credit losses	-	2
	Interest expense	1	1
Banksalad Co., Ltd.	Fee and commission income	36	37
Spark Biopharma Inc.	Interest expense	293	468
Channel Corporation	Interest expense	10	67

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		2024	2023
COSES GT Co., Ltd. *	Interest income	-	21
	Reversal of credit losses	-	5
ASSEMBLE CORPORATION	Interest income	117	88
	Fee and commission income	1	1
	Reversal of credit losses	20	-
	Provision for credit losses	-	47
S&E Bio Co., Ltd.	Interest income	44	-
	Interest expense	16	43
	Provision for credit losses	13	-
Contents First Inc.	Interest income	482	346
	Fee and commission income	1	1
	Interest expense	36	73
	Provision for credit losses	5	3
Pin Therapeutics Inc.	Interest expense	154	101
SuperNGine Co., Ltd.	Interest income	43	25
	Fee and commission income	-	1
	Provision for credit losses	33	6
Desilo Inc.	Interest income	14	13
	Provision for credit losses	-	3
Turing Co., Ltd.	Interest income	61	24
	Reversal of credit losses	8	-
	Interest expense	29	7
	Provision for credit losses	-	14
Grinergy *	Interest expense	-	1
KB No.21 Special Purpose Acquisition Company	Interest expense	75	68
KB No.22 Special Purpose Acquisition Company *	Interest expense	1	2
KB No.25 Special Purpose Acquisition Company	Interest expense	53	39
KB No.26 Special Purpose Acquisition Company	Interest expense	57	38
KB No.27 Special Purpose Acquisition Company	Interest expense	158	65
KB No.28 Special Purpose Acquisition Company	Interest expense	45	-
KB No.29 Special Purpose Acquisition Company	Interest expense	43	-
KB No.30 Special Purpose Acquisition Company	Interest expense	21	-
KB No.31 Special Purpose Acquisition Company	Interest expense	13	-
TeamSparta Inc.	Fee and commission income	3	-
	Interest expense	165	212
Chabot Mobility Co., Ltd.	Fee and commission income	1	-
	Interest expense	1	-

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		2024	2023
Wemade Connect Co., Ltd.	Interest expense	270	316
Nextrade Co., Ltd.	Interest expense	2,481	2,911
Bitgoeul Cheomdan Green 1st Co., Ltd.	Interest expense	1	1
3D Interactive Co., Ltd.	Fee and commission income	-	7
	Interest expense	1	10
Bigwave Robotics Crop.	Interest income	-	(1)
	Interest expense	6	1
New Daegu Busan Expressway Co., Ltd.	Interest income	2,458	-
	Reversal of credit losses	3	-
	Interest expense	3,680	-
AIM FUTURE, Inc.	Interest income	44	-
	Interest expense	48	-
	Provision for credit losses	3	-
ADP Holdings Co., Ltd.	Interest expense	61	-
ADPGREEN	Interest expense	26	-
Logpresso Inc.	Interest expense	3	-
Onheal Co., Ltd.	Interest expense	(20)	-
DYNE MEDICAL GROUP Inc.	Interest income	26	-
	Fee and commission income	1	-
	Interest expense	118	-
	Provision for credit losses	14	-
SDT Inc.	Interest expense	13	-
TriOar Inc.	Interest expense	235	-
Yeoulhyulgangho	Interest expense	1	-
Allra Fintech Corp.	Interest expense	17	-
KB-FT Green Growth 1st Technology Investment Association	Interest expense	12	14
KG Capital Co., Ltd. *	Fee and commission income	-	2
KB No.23 Special Purpose Acquisition Company *	Interest expense	-	46
KB No.24 Special Purpose Acquisition Company *	Interest expense	-	7
Others			
Retirement pension	Fee and commission income	1,720	1,567
	Interest expense	47	27

* Excluded from the Group's related party as of December 31, 2024.

41.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)		December 31, 2024	December 31, 2023
Parent			
KB Financial Group Inc.	Other assets	20	45
	Deposits	316,781	114,336
	Other liabilities	468,312	309,665
Parent's subsidiaries			
KB Asset Management Co., Ltd.	Other assets	508	441
	Deposits	19,305	11,709
	Other liabilities [2]	1,183	1,400
KB Real Estate Trust Co., Ltd.	Other assets	2	2
	Deposits	2,324	23,135
	Other liabilities [3]	2,267	2,273
KB Investment Co., Ltd.	Deposits	41,110	66,778
	Other liabilities	94	640
KB Kookmin Card Co., Ltd.	Derivative assets	2,005	-
	Loans measured at amortized cost (gross amount)	268,264	212,001
	Allowances for credit losses	913	969
	Financial investments	9,566	-
	Other assets	20,205	21,085
	Derivative liabilities	22,744	3,018
	Deposits	269,396	156,578
	Provisions	1,568	1,589
	Other liabilities	72,129	69,531
KB Data System Co., Ltd.	Other assets	603	453
	Deposits	30,222	18,257
	Other liabilities	267	7,461
KB Savings Bank Co., Ltd.	Other liabilities	689	689
KB Capital Co., Ltd.	Loans measured at amortized cost (gross amount)	54,697	41,622
	Allowances for credit losses	180	209
	Other assets	385	252
	Derivative liabilities	-	29
	Deposits	447,402	227,893
	Provisions	26	163
	Other liabilities	2,838	2,996
KB Securities Co., Ltd.	Cash and due from financial institutions	6,380	6,843
	Derivative assets	75,249	66,731
	Loans measured at amortized cost (gross amount)	122,249	338,290
	Allowances for credit losses	294	516
	Other assets	6,855	7,762
	Derivative liabilities	101,601	53,280
	Deposits	499,092	381,909
	Provisions	162	216
	Other liabilities[4]	29,212	28,338
KB Insurance Co., Ltd.	Derivative assets	185,401	95,728
	Other assets	4,626	14,537
	Derivative liabilities	16,322	28,401
	Deposits	22,980	142,229
	Provisions	30	33
	Other liabilities [5]	17,295	54,892

41.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		December 31, 2024	December 31, 2023
KB Life Insurance Co., Ltd.	Derivative assets	28,146	9,714
	Loans measured at amortized cost (gross amount)	25,260	30,271
	Allowances for credit losses	13	19
	Other assets	6,476	5,848
	Derivative liabilities	-	1,228
	Deposits	15,825	13,134
	Debentures	20,000	20,000
	Provisions	2	2
	Other liabilities [6]	51,387	50,581
KB STAR REIT Co., Ltd.	Derivative assets	54,285	19,443
	Other assets	64	64
	Deposits	19,013	35,975
	Other liabilities	19	331
KB Hanbando BTL Private Special Asset Fund No.1	Other assets	20	23
KB IDF Infra Private Special Asset Fund 1(FoFs)	Other assets	-	1
KB Muni bond Private Securities Fund No.1 (USD)	Other assets	2	2
KB Global Private Real Estate Fund No.1 (FoFs)	Other assets	3	3
KB Star Office Private Real Estate Feeder Fund No.4	Loans measured at amortized cost (gross amount)	20,000	20,000
	Allowances for credit losses	3	3
	Other assets	1	13
KB Global Core Bond Securities Feeder Fund(Bond)	Other assets	2	2
KB New Renewable Energy Private Special Asset Fund No.1	Other assets	2	2
KB Renewable Private SpecialAsset Fund 3	Other assets	1	1
KB North America Private Real Estate Debt Fund No.1	Derivative assets	3,091	-
	Other assets	1	1
	Derivative liabilities	-	399
KB North America Private Real Estate Debt Fund No.3 [1]	Other assets	-	3
	Derivative liabilities	-	3,822
KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs)	Other assets	2	2
KB Global Infra Private Special Asset Fund No.6	Other assets	2	-
KB Global Infrastructure Synergy Private Special Asset Fund (Monetary Receivables)	Derivative assets	-	799
	Other assets	1	1
KB BMO Senior Loan Private Special Asset Fund No.1	Other assets	2	3
KB BMO Senior Loan Private Special Asset Fund No.2(USD)	Other assets	2	2
KB BMO Senior Loan Private Special Asset Fund No.4(USD)	Other assets	2	2

41.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		December 31, 2024	December 31, 2023
KB BMO Senior Loan Private Special Asset Fund No.5(Loan-FOFs)	Derivative assets	3,409	-
	Other assets	3	3
	Derivative liabilities	-	1,846
KB New Renewable Green New Deal Private Special Asset No.2	Other assets	3	3
KB Sinansan Line Private Special Asset Fund(SOC)	Other assets	11	9
KB Global Private Real Estate Fund No.11 (FoFs)	Other assets	1	1
KB Global Private Real Estate Fund No.15	Derivative assets	6,396	59
	Other assets	3	3
	Derivative liabilities	-	1,712
KB Global Private Real Estate Fund No.17 (FoFs)	Other assets	2	1
KB Global Private Real Estate Fund No.22 (FoFs)	Derivative assets	1,325	272
KB Global Private Real Estate Fund No.27 (FoFs)	Derivative assets	8,336	1,982
	Other assets	1	1
KB Global Private Real Estate Debt Fund No.29	Derivative assets	841	-
KB Global Private Real Estate Fund No.30 (FoFs)	Derivative assets	779	-
	Derivative liabilities	-	84
KB Global Private Real Estate Fund No.31 (FoFs)	Other assets	2	-
KB MCF Senior Loan Private Special Asset Fund No.3(FoFs)	Other assets	15	16
KB New Deal Infra Private Special Asset Fund	Other assets	6	3
KB Korea Infrastructure Credit Guarantee Private Special Asset No.1	Other assets	3	3
KB Wise Star Private Real Estate22	Loans measured at amortized cost (gross amount)	38,000	38,000
	Allowances for credit losses	3	3
	Other assets	349	350
Hanwha Europe Credit Private Fund No.16 (FOF)	Derivative assets	3,245	90
	Derivative liabilities	-	644
KB IDF Infra Private Special Asset Fund 13(FoFs)	Derivative assets	5,436	-
	Other assets	4	3
	Derivative liabilities	-	494
KB Logistics Blind Private Real Estate Fund No.1	Loans measured at amortized cost (gross amount)	40,000	52,500
	Allowances for credit losses	8,729	6
	Other assets	262	366
	Deposits	1,237	-
	Other liabilities	15	-
KB Aircraft Private Special Asset Fund No.1	Other assets	2	2
KB Aircraft Private Special Asset Fund No.2	Other assets	1	-
KB Star ESG Prime Mid-Short Bond Securities Feeder Fund(Bond)	Other assets	1	3

41.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		December 31, 2024	December 31, 2023
KB GK Project Private Special Asset Fund No.3	Other assets	5	5
KB IDF Infra Note Private SpecialAsset Fund 14	Derivative assets	5,339	-
	Other assets	3	3
	Derivative liabilities	-	997
KB ASF Infra Private Special Asset Fund(FoFs)	Other assets	1	1
KB Duke Private Special Asset Fund [1]	Other assets	-	1
KB Core Blind Private Real Estate Fund No.2	Loans measured at amortized cost (gross amount)	44,428	-
	Allowances for credit losses	71	-
	Other assets	504	1
	Deposits	643	-
KB Star Reits Private Real Estate Feeder Fund No.1 (FoFs)	Other assets	2	2
KB Star Reits Private Real Estate Feeder Fund No.2 (FoFs)	Other assets	4	3
KB PF Blind Private Real Estate Fund 2	Other assets	2	1
HSBC Senior UK Direct Lending Fund 2020 RAIF SICAV-S.A.	Other assets	1	1
NB Private Debt Fund IV LUX (B) SCSP	Other assets	1	1
KB Europe Renewable Private Special Asset Fund No.3	Derivative assets	225	99
	Other assets	1	1
KB Korea Short Term Premium Private Securities No.34(USD)(Bond) [1]	Derivative assets	-	199
KB Korea Short Term Premium Private Securities No.35(USD)(Bond) [1]	Other assets	-	1
	Derivative liabilities	-	2,386
KB Korea Short Term Premium Private Securities Fund 43(USD)(Bond)	Derivative assets	-	746
	Other assets	-	1
	Derivative liabilities	2,978	-
KB Money Market Active ETF (Bond) [1]	Other assets	-	3
KB NA Jefferies Private Special Asset Fund 1(USD)(FoFs)	Other assets	1	2
KB Europe ICG PDF Private SpecialAsset Fund 4(FoFs)	Derivative assets	186	55
KB Star Institutional USD MMF1(USD)	Other assets	1	2
KB Senior Loan Private Fund 5-1	Other assets	2	1
KB Core Plus Blind Private RealEstate Fund 1	Other assets	2	2
KB Daegu Busan Highway Private Special Asset Fund(SOC)	Other assets	1	1
KB Apax Global Buyout PrivateFund 1	Derivative assets	75	-

41.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		December 31, 2024	December 31, 2023
Associates			
Korea Credit Bureau Co., Ltd.	Deposits	40,570	17,003
Incheon Bridge Co., Ltd.	Financial assets at fair value through profit or loss	35,411	33,282
	Loans measured at amortized cost (gross amount)	70,000	80,500
	Allowances for credit losses	27	34
	Other assets	389	528
	Deposits	43,867	40,992
	Provisions	30	33
	Other liabilities	442	504
Jungdo Co., Ltd.	Deposits	4	4
Dae-A Leisure Co., Ltd.	Deposits	-	150
Iwon Alloy Co., Ltd.	Deposits	2	1
Skydigital Inc.	Deposits	30	65
TMAPMOBILITY CO.,LTD.	Deposits	100,010	80,016
	Other liabilities	547	759
KB High-Tech Company Investment Fund	Deposits	11,615	2,935
	Other liabilities	65	18
Aju Good Technology Venture Fund	Deposits	1,809	1,202
	Other liabilities	-	1
KB-KDBC Pre-IPO New Technology Business Investment Fund	Deposits	39	46
KB Digital Innovation & Growth New Technology Business Investment Fund	Deposits	388	572
KB Global Platform Fund	Deposits	12,109	5,774
	Other liabilities	7	4
WJ Private Equity Fund No.1	Other assets	2	2
	Deposits	46	103
KB Smart Scale Up Fund	Deposits	40,000	-
	Other liabilities	161	-
KB Bio Global Expansion Private Equity Fund No.1	Deposits	-	1,400
	Other liabilities	-	10
KB Digital Platform Fund	Deposits	8,000	-
	Other liabilities	35	-
KY Global Cell & Gene Private Equity Fund 2nd [1]	Deposits	-	3,790
	Other liabilities	-	42
Associates of Parent			
Star-Lord General Investors Private Real Estate Investment Company No.10	Loans measured at amortized cost (gross amount)	149,898	149,590
	Allowances for credit losses	5	5
	Other assets	3,240	3,191
Associates of Parent's subsidiaries			
RAND Bio Science Co., Ltd.	Deposits	4	4
Food Factory Co., Ltd.	Loans measured at amortized cost (gross amount)	1,755	2,133
	Allowances for credit losses	1	2
	Other assets	4	5
	Deposits	907	629
	Other liabilities	1	1
Big Dipper Co., Ltd.	Deposits	123	40

41.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		December 31, 2024	December 31, 2023
Spark Biopharma Inc.	Deposits	4,759	11,419
	Other liabilities	22	90
Wyatt Corp.	Deposits	1	1
CellinCells Co., Ltd.	Deposits	13	37
Channel Corporation	Deposits	6	2,030
	Other liabilities	-	11
COSES GT Co., Ltd. [1]	Deposits	-	1
ASSEMBLE CORPORATION	Loans measured at amortized cost (gross amount)	2,000	2,150
	Allowances for credit losses	41	61
	Other assets	11	5
	Deposits	18	78
	Other liabilities	1	1
S&E Bio Co., Ltd.	Loans measured at amortized cost (gross amount)	2,000	-
	Allowances for credit losses	13	-
	Other assets	3	-
	Deposits	772	2,342
	Other liabilities	3	13
4N Inc.	Deposits	4	49
Xenohelix Co., Ltd	Deposits	302	904
Contents First Inc.	Loans measured at amortized cost (gross amount)	10,000	10,000
	Allowances for credit losses	10	4
	Other assets	3	4
	Deposits	729	1,072
	Other liabilities	4	6
Newavel Co., Ltd.	Deposits	-	46
Pin Therapeutics Inc.	Deposits	11,133	265
	Other liabilities	117	-
SuperNGine Co., Ltd.	Loans measured at amortized cost (gross amount)	480	600
	Allowances for credit losses	39	6
	Other assets	1	1
	Deposits	217	69
Desilo Inc.	Loans measured at amortized cost (gross amount)	300	300
	Allowances for credit losses	5	5
	Deposits	3	3
Turing Co., Ltd.	Loans measured at amortized cost (gross amount)	900	1,901
	Allowances for credit losses	6	14
	Other assets	2	11
	Deposits	819	1,726
	Other liabilities	-	6
ZIPDOC Inc.	Deposits	1	181
KB No.21 Special Purpose Acquisition Company	Deposits	2,247	2,261
	Other liabilities	36	38
KB No.22 Special Purpose Acquisition Company [1]	Deposits	-	1,848
KB No.25 Special Purpose Acquisition Company	Deposits	1,545	1,586
	Other liabilities	39	39

41.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		December 31, 2024	December 31, 2023
KB No.26 Special Purpose Acquisition Company	Deposits	1,763	1,761
	Other liabilities	31	37
KB No.27 Special Purpose Acquisition Company	Deposits	4,613	4,497
	Other liabilities	55	65
KB No.28 Special Purpose Acquisition Company	Deposits	1,910	-
	Other liabilities	45	-
KB No.29 Special Purpose Acquisition Company	Deposits	2,338	-
	Other liabilities	43	-
KB No.30 Special Purpose Acquisition Company	Deposits	1,786	-
	Other liabilities	20	-
KB No.31 Special Purpose Acquisition Company	Deposits	2,352	-
	Other liabilities	13	-
TeamSparta Inc.	Deposits	18,635	7,672
	Other liabilities	34	62
Chabot Mobility Co., Ltd.	Deposits	631	164
Wemade Connect Co., Ltd.	Deposits	5,465	8,843
	Other liabilities	38	53
Nextrade Co., Ltd.	Deposits	15,281	56,203
	Other liabilities	1,579	3,174
Bitgoeul Cheomdan Green 1st Co., Ltd.	Deposits	1,239	833
3D Interactive Co., Ltd.	Deposits	1,779	1,501
Bigwave Robotics Crop.	Deposits	501	4
	Other liabilities	6	-
New Daegu Busan Expressway Co., Ltd.	Loans measured at amortized cost (gross amount)	24,250	72,742
	Allowances for credit losses	-	4
	Other assets	22	57
	Deposits	150,007	146,169
	Other liabilities	1,928	1,891
AIM FUTURE, Inc.	Loans measured at amortized cost (gross amount)	900	900
	Allowances for credit losses	5	2
	Other assets	1	1
	Deposits	760	3,393
	Other liabilities	-	48
Novorex Inc.	Deposits	6	7
ADP Holdings Co., Ltd.	Deposits	2,058	-
	Other liabilities	7	-
ADPGREEN	Deposits	1,802	-
	Other liabilities	8	-
Logpresso Inc.	Deposits	457	-
Onheal Co., Ltd.	Deposits	5,001	-
DYNE MEDICAL GROUP Inc.	Loans measured at amortized cost (gross amount)	2,007	-
	Allowances for credit losses	14	-
	Other assets	1	-
	Deposits	3,813	-
	Other liabilities	23	-
TriOar Inc.	Deposits	6,054	-
	Other liabilities	73	-
Yeoulhyulgangho	Deposits	456	-

41.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		December 31, 2024	December 31, 2023
Allra Fintech Corp.	Deposits	1,671	-
	Other liabilities	1	-
KB-FT Green Growth 1st Technology Investment Association	Deposits	-	700
	Other liabilities	-	14
Key management personnel	Loans measured at amortized cost (gross amount)	6,556	4,119
	Allowances for credit losses	3	3
	Other assets	8	6
	Deposits	12,922	10,308
	Provisions	1	2
	Other liabilities	496	289
Others			
Retirement pension	Other assets	739	364
	Other liabilities	1,215	606

[1] Excluded from the Group's related parties as of December 31, 2024.

[2] Non-controlling interests classified as liabilities include ₩ 822 million and ₩ 1,172 million as of December 31, 2024 and 2023, respectively.

[3] Non-controlling interests classified as liabilities include ₩ 1,927 million and ₩ 1,932 million as of December 31, 2024 and 2023, respectively.

[4] Non-controlling interests classified as liabilities include ₩ 433 million and ₩ 1,932 million as of December 31, 2024 and 2023, respectively.

[5] Non-controlling interests classified as liabilities include ₩ 4,110 million and ₩ 41,449 million as of December 31, 2024 and 2023, respectively.

[6] Non-controlling interests classified as liabilities include ₩ 13,744 million and ₩ 15,519 million as of December 31, 2024 and 2023, respectively.

41.3 Details of right-of-use assets and lease liabilities with related parties as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)		December 31, 2024	December 31, 2023
Parent's subsidiaries			
KB Kookmin Card Co., Ltd.	Right-of-use assets	281	302
	Lease liabilities	58	28
KB Securities Co., Ltd.	Right-of-use assets	16,086	18,883
	Lease liabilities	19,623	22,873
KB Insurance Co., Ltd.	Right-of-use assets	10	21
	Lease liabilities	30	35
KB Life Insurance Co., Ltd.	Right-of-use assets	4,074	5,028
	Lease liabilities	4,294	5,190
Associate of Parent			
Star-Lord General Investors Private Real Estate Investment Company No.10	Right-of-use assets	3,151	3,319
	Lease liabilities	3,335	3,496

41.4 Notional amount of derivative assets and liabilities arising from transactions with related parties as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)		December 31, 2024	December 31, 2023
Parent's subsidiaries			
KB Kookmin Card Co., Ltd.	Notional amount of derivative financial instruments	220,500	128,940
KB Capital Co., Ltd.	Notional amount of derivative financial instruments	-	1,448
KB Securities Co., Ltd.	Notional amount of derivative financial instruments	2,768,719	2,971,395
KB Insurance Co., Ltd.	Notional amount of derivative financial instruments	2,101,840	2,214,458
KB Life Insurance Co., Ltd.	Notional amount of derivative financial instruments	379,796	293,253
KB STAR REIT Co., Ltd.	Notional amount of derivative financial instruments	450,975	444,139
KB North America Private Real Estate Debt Fund No.1	Notional amount of derivative financial instruments	36,750	32,235
KB North America Private Real Estate Debt Fund No.3 *	Notional amount of derivative financial instruments	-	106,376
KB Global Infrastructure Synergy Private Special Asset Fund (Monetary Receivables)	Notional amount of derivative financial instruments	-	44,004
KB BMO Senior Loan Private Special Asset Fund No.5(Loan-FOFs)	Notional amount of derivative financial instruments	36,635	96,806
KB Global Private Real Estate Fund No.15	Notional amount of derivative financial instruments	65,596	57,537
KB Global Private Real Estate Fund No.22 (FoFs)	Notional amount of derivative financial instruments	10,000	8,772
KB Global Private Real Estate Fund No.27 (FoFs)	Notional amount of derivative financial instruments	45,432	39,851
KB Global Private Real Estate Debt Fund No.29 (FoFs)	Notional amount of derivative financial instruments	9,039	-
KB Global Private Real Estate Fund No.30 (FoFs)	Notional amount of derivative financial instruments	8,526	3,491
Hanwha Europe Credit Private Fund No.16 (FOF)	Notional amount of derivative financial instruments	45,955	41,669
KB IDF Infra Private Special Asset Fund 13	Notional amount of derivative financial instruments	58,095	27,771
KB IDF Infra Note Private SpecialAsset Fund 14	Notional amount of derivative financial instruments	63,889	56,051
KB Europe Renewable Private Special Asset Fund No.3	Notional amount of derivative financial instruments	5,375	8,794
KB Korea Short Term Premium Private Securities No.34(USD)(Bond) *	Notional amount of derivative financial instruments	-	39,842
KB Korea Short Term Premium Private Securities No.35(USD)(Bond) *	Notional amount of derivative financial instruments	-	40,745

41.4 Notional amount of derivative assets and liabilities arising from transactions with related parties as of December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)		December 31, 2024	December 31, 2023
KB Korea Short Term Premium Private Securities Fund 43(USD)	Notional amount of derivative financial instruments	46,746	41,196
KB Europe ICG PDF Private SpecialAsset Fund 4(FoFs)	Notional amount of derivative financial instruments	3,057	11,413
KB Apax Global Buyout PrivateFund 1	Notional amount of derivative financial instruments	1,100	-

* Excluded from the Group's related parties as of December 31, 2024.

41.5 Details of significant lending transactions with related parties for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024 [1]				
	Beginning	Loan	Collection	Others	Ending
Parent's subsidiaries					
KB Securities Co., Ltd.	338,290	819,958	864,517	(171,482)	122,249
KB Life Insurance Co., Ltd.	30,271	-	5,000	(11)	25,260
KB Kookmin Card Co., Ltd.	212,001	229,290	190,613	27,152	277,830
KB Capital Co., Ltd.	41,622	13,230	-	(155)	54,697
KB Star Office Private Real Estate Feeder Fund No.4	20,000	-	-	-	20,000
KB Logistics Blind Private Real Estate Fund No.1	52,500	-	12,500	-	40,000
KB Wise Star Private Real Estate22	38,000	-	-	-	38,000
KB Core Blind Private Real Estate Fund No.2	-	44,800	-	(372)	44,428
Associates					
Incheon Bridge Co., Ltd.	113,782	-	10,500	2,129	105,411
Associate of Parent					
Star-Lord General Investors Private Real Estate Investment Company No.10	149,590	-	-	308	149,898
Associates of Parent's subsidiaries					
Food Factory Co., Ltd.	2,133	-	377	(1)	1,755
ASSEMBLE CORPORATION	2,150	-	150	-	2,000
Desilo Inc.	300	-	-	-	300
Contents First Inc.	10,000	1,000	1,000	-	10,000
SuperNGine Co., Ltd.	600	-	120	-	480
Turing Co., Ltd.	1,901	-	1,000	(1)	900
New Daegu Busan Expressway Co., Ltd.	72,742	-	48,505	13	24,250
S&E Bio Co., Ltd.	-	2,000	-	-	2,000
AIM FUTURE, Inc.	900	-	-	-	900
DYNE MEDICAL GROUP Inc.	-	2,000	-	7	2,007
Key management personnel [3]	4,119	4,956	4,395	1,876	6,556

41.5 Details of significant lending transactions with related parties for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	2023 [1]				
	Beginning	Loan	Collection	Others	Ending
Parent's subsidiaries					
KB Securities Co., Ltd.	141,922	1,451,347	1,255,162	183	338,290
KB Insurance Co., Ltd.	18,390	13,862	984	(31,268)	-
KB Life Insurance Co., Ltd.	-	4	1,979	32,246	30,271
KB Kookmin Card Co., Ltd.	197,647	198,305	164,935	(19,016)	212,001
KB Capital Co., Ltd.	45,192	35,411	40,963	1,982	41,622
KB Star Office Private Real Estate Feeder Fund No.4	20,000	-	-	-	20,000
KB Logistics Blind Private Real Estate Fund No.1	52,500	-	-	-	52,500
KB Wise Star Private Real Estate 22	-	-	-	38,000	38,000
Associates					
Incheon Bridge Co., Ltd.	128,148	-	14,700	334	113,782
TAEYEONG PRECISION IND. CO.,LTD	-	-	46	46	-
Youngwon Corporation [2]	-	306	4,793	4,487	-
Associate of Parent					
Star-Lord General Investors Private Real Estate Investment Company No.10	149,294	-	-	296	149,590
Associates of Parent's subsidiaries					
Food Factory Co., Ltd.	3,337	400	1,603	(1)	2,133
COSES GT Co., Ltd. [2]	500	-	500	-	-
ASSEMBLE CORPORATION	2,200	-	50	-	2,150
Desilo Inc.	300	-	-	-	300
Contents First Inc.	10,017	-	-	(17)	10,000
SuperNGine Co., Ltd.	-	600	-	-	600
Turing Co., Ltd.	-	1,900	-	1	1,901
New Daegu Busan Expressway Co., Ltd.	-	-	-	72,742	72,742
AIM FUTURE, Inc.	-	-	-	900	900
Key management personnel [3]	4,391	2,928	3,471	271	4,119

[1] Transactions between related parties, such as settlements arising from operating activities and daylight overdraft to be repaid on the day of handling, are excluded.

[2] Excluded from the Group's related parties as of December 31, 2024.

[3] Includes loan transactions that occurred before they became related parties.

41.6 Details of significant borrowing transactions with related parties for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)

		2024				
		Beginning	Borrowing	Repayment	Others [1]	Ending
Parent						
KB Financial Group Inc.	Deposits	114,336	-	-	202,445	316,781
Parent's subsidiaries						
KB Securities Co., Ltd.	Deposits	381,909	75,000	142,198	184,381	499,092
KB Asset Management Co., Ltd.	Deposits	11,709	-	-	7,596	19,305
KB Real Estate Trust Co., Ltd.	Deposits	23,135	50,000	50,000	(20,811)	2,324
KB Investment Co., Ltd.	Deposits	66,778	178,412	228,000	23,920	41,110
KB Data System Co., Ltd.	Deposits	18,257	22,000	23,336	13,301	30,222
KB Kookmin Card Co., Ltd.	Deposits	156,578	30,866	29,589	111,541	269,396
KB Capital Co., Ltd.	Deposits	227,893	900	3,200	221,809	447,402
KB Insurance Co., Ltd.	Deposits	142,229	150	401	(118,998)	22,980
KB Life Insurance Co., Ltd.	Deposits	13,134	-	-	2,691	15,825
	Debenture	20,000	-	-	-	20,000
KB STAR REIT Co., Ltd.	Deposits	35,975	80,100	82,100	(14,962)	19,013
KB Logistics Blind Private Real Estate Fund No.1	Deposits	-	1,237	-	-	1,237
KB Core Blind Private Real Estate Fund No.2	Deposits	-	-	-	643	643
Associates						
Korea Credit Bureau Co., Ltd.	Deposits	17,003	-	-	23,567	40,570
Incheon Bridge Co., Ltd.	Deposits	40,992	72,000	74,300	5,175	43,867
Jungdo Co., Ltd.	Deposits	4	-	-	-	4
Dae-A Leisure Co., Ltd.	Deposits	150	-	-	(150)	-
Iwon Alloy Co., Ltd.	Deposits	1	-	-	1	2
Skydigital Inc.	Deposits	65	-	-	(35)	30
KB High-Tech Company Investment Fund	Deposits	2,935	2,856	2,818	8,642	11,615
Aju Good Technology Venture Fund	Deposits	1,202	-	-	607	1,809
KB-KDBC Pre-IPO New Technology Business Investment Fund	Deposits	46	-	-	(7)	39
KB Digital Innovation & Growth New Technology Business Investment Fund	Deposits	572	-	-	(184)	388
KB Global Platform Fund	Deposits	5,774	-	-	6,335	12,109
WJ Private Equity Fund No.1	Deposits	103	-	-	(57)	46
TMAPMOBILITY CO.,LTD.	Deposits	80,016	360,000	340,000	(6)	100,010
KB Bio Global Expansion Private Equity Fund No.1	Deposits	1,400	-	1,400	-	-
KB Digital Platform Fund	Deposits	-	8,000	-	-	8,000
KY Global Cell & Gene Private Equity Fund 2nd [2]	Deposits	3,790	2,910	308	(6,392)	-
KB Smart Scale Up Fund	Deposits	-	40,000	-	-	40,000
Associates of Parent's subsidiaries						
RAND Bio Science Co., Ltd.	Deposits	4	-	-	-	4
Food Factory Co., Ltd.	Deposits	629	-	-	278	907
Big Dipper Co., Ltd.	Deposits	40	-	-	83	123
Spark Biopharma Inc.	Deposits	11,419	32,649	38,908	(401)	4,759
Wyatt Corp.	Deposits	1	-	-	-	1
CellinCells Co., Ltd.	Deposits	37	-	-	(24)	13
COSES GT Co., Ltd.	Deposits	1	-	-	(1)	-
KB No.21 Special Purpose Acquisition Company	Deposits	2,261	2,115	2,050	(79)	2,247

41.6 Details of significant borrowing transactions with related parties for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

		2024				
		Beginning	Borrowing	Repayment	Others [1]	Ending
KB No.22 Special Purpose Acquisition Company [2]	Deposits	1,848	-	-	(1,848)	-
KB No.25 Special Purpose Acquisition Company	Deposits	1,586	1,545	1,500	(86)	1,545
KB No.26 Special Purpose Acquisition Company	Deposits	1,761	1,724	1,670	(52)	1,763
KB No.27 Special Purpose Acquisition Company	Deposits	4,497	4,532	4,390	(26)	4,613
KB No.28 Special Purpose Acquisition Company	Deposits	-	1,890	-	20	1,910
KB No.29 Special Purpose Acquisition Company	Deposits	-	2,100	-	238	2,338
KB No.31 Special Purpose Acquisition Company	Deposits	-	2,000	-	352	2,352
ASSEMBLE CORPORATION	Deposits	78	-	-	(60)	18
S&E Bio Co., Ltd.	Deposits	2,342	990	1,490	(1,070)	772
4N Inc.	Deposits	49	-	-	(45)	4
Contents First Inc.	Deposits	1,072	-	-	(343)	729
Newavel Co., Ltd.	Deposits	46	-	-	(46)	-
Pin Therapeutics Inc.	Deposits	265	14,000	4,000	868	11,133
SuperNGine Co., Ltd.	Deposits	69	-	-	148	217
Desilo Inc.	Deposits	3	-	-	-	3
Turing Co., Ltd.	Deposits	1,726	1,000	1,700	(207)	819
ZIPDOC Inc.	Deposits	181	-	-	(180)	1
TeamSparta Inc.	Deposits	7,672	3,000	6,000	13,963	18,635
Chabot Mobility Co., Ltd.	Deposits	164	300	-	167	631
Wemade Connect Co., Ltd.	Deposits	8,843	24,056	27,556	122	5,465
Channel Corporation	Deposits	2,030	-	2,000	(24)	6
Nextrade Co., Ltd.	Deposits	56,203	6,000	47,200	278	15,281
Bitgoeul Cheomdan Green 1st Co., Ltd.	Deposits	833	-	-	406	1,239
KB-FT Green Growth 1st Technology Investment Association	Deposits	700	-	700	-	-
Bigwave Robotics Crop.	Deposits	4	501	-	(4)	501
3D Interactive Co., Ltd.	Deposits	1,501	-	-	278	1,779
AIM FUTURE, Inc.	Deposits	3,393	1,000	4,000	367	760
New Daegu Busan Expressway Co., Ltd.	Deposits	146,169	104,500	93,932	(6,730)	150,007
Novorex Inc.	Deposits	7	-	-	(1)	6
Xenohelix Co., Ltd	Deposits	904	-	-	(602)	302
ADP Holdings Co., Ltd.	Deposits	-	6,094	4,037	1	2,058
ADPGREEN	Deposits	-	10,551	9,001	252	1,802
Logpresso Inc.	Deposits	-	100	200	557	457
DYNE MEDICAL GROUP Inc.	Deposits	-	5,150	7,800	6,463	3,813
Onheal Co., Ltd.	Deposits	-	-	-	5,001	5,001
TriOar Inc.	Deposits	-	10,500	8,500	4,054	6,054
Yeoulhyulgangho	Deposits	-	200	-	256	456
SDT Inc.	Deposits	-	-	1,000	1,000	-
KB No.30 Special Purpose Acquisition Company	Deposits	-	1,500	-	286	1,786
Allra Fintech Corp.	Deposits	-	12,500	19,500	8,671	1,671
Key management personnel [3]	Deposits	10,308	18,563	15,815	(134)	12,922

41.6 Details of significant borrowing transactions with related parties for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

		2023				
		Beginning	Borrowing	Repayment	Others [1]	Ending
Parent						
KB Financial Group Inc.	Deposits	231,056	800,000	800,000	(116,720)	114,336
Parent's subsidiaries						
KB Securities Co., Ltd.	Deposits	863,614	235,095	222,389	(494,411)	381,909
KB Asset Management Co., Ltd.	Deposits	25,950	-	-	(14,241)	11,709
KB Real Estate Trust Co., Ltd.	Deposits	48,600	-	-	(25,465)	23,135
KB Investment Co., Ltd.	Deposits	81,064	181,800	187,800	(8,286)	66,778
KB Credit Information Co., Ltd. [4]	Deposits	13,430	14,233	14,040	(13,623)	-
KB Data System Co., Ltd.	Deposits	20,924	11,336	12,714	(1,289)	18,257
KB Kookmin Card Co., Ltd.	Deposits	110,252	22,836	22,809	46,299	156,578
	Borrowing	3,694	22,000	22,000	(3,694)	-
KB Capital Co., Ltd.	Deposits	708,518	2,600	-	(483,225)	227,893
KB Insurance Co., Ltd.	Deposits	65,231	401	2,937	79,534	142,229
	Borrowing	23,000	150	-	(23,150)	-
KB Life Insurance Co., Ltd.	Deposits	8,567	-	-	4,567	13,134
	Debenture	30,000	-	-	(10,000)	20,000
KB Star Office Private Real Estate Master Fund No.4	Deposits	215	-	215	-	-
KB STAR REIT Co., Ltd.	Deposits	35,053	95,000	76,500	(17,578)	35,975
Associates						
Korea Credit Bureau Co., Ltd.	Deposits	27,889	-	-	(10,886)	17,003
Incheon Bridge Co., Ltd.	Deposits	48,639	67,100	76,017	1,270	40,992
Jungdo Co., Ltd.	Deposits	4	-	-	-	4
Dae-A Leisure Co., Ltd.	Deposits	154	-	-	(4)	150
Iwon Alloy Co., Ltd.	Deposits	1	-	-	-	1
Computerlife Co., Ltd.	Deposits	3	-	-	(3)	-
Skydigital Inc.	Deposits	10	-	-	55	65
KB High-Tech Company Investment Fund	Deposits	688	2,818	-	(571)	2,935
Aju Good Technology Venture Fund	Deposits	7,222	1,323	7,900	557	1,202
KB-KDBC Pre-IPO New Technology Business Investment Fund	Deposits	317	-	-	(271)	46
KB Digital Innovation & Growth New Technology Business Investment Fund	Deposits	674	-	-	(102)	572
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund [2]	Deposits	1,526	-	-	(1,526)	-
KB Global Platform Fund	Deposits	19,655	-	-	(13,881)	5,774
WJ Private Equity Fund No.1	Deposits	221	-	-	(118)	103
TMAPMOBILITY CO.,LTD.	Deposits	30,000	170,000	120,000	16	80,016

41.6 Details of significant borrowing transactions with related parties for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

		2023				
		Beginning	Borrowing	Repayment	Others [1]	Ending
KB Bio Global Expansion Private Equity Fund No.1	Deposits	1,400	5,600	5,600	-	1,400
KB Digital Platform Fund	Deposits	15,000	14,000	29,000	-	-
KY Global Cell & Gene Private Equity Fund 2nd [2]	Deposits	-	3,983	-	(193)	3,790
Associates of Parent's subsidiaries						
RAND Bio Science Co., Ltd.	Deposits	3	-	-	1	4
Food Factory Co., Ltd.	Deposits	664	-	-	(35)	629
Paycoms Co., Ltd. [2]	Deposits	1	-	-	(1)	-
Big Dipper Co., Ltd.	Deposits	19	-	-	21	40
Spark Biopharma Inc.	Deposits	17,534	26,369	30,779	(1,705)	11,419
Wyatt Corp.	Deposits	1	-	-	-	1
UPRISE, Inc.	Deposits	27	-	-	(27)	-
CellinCells Co., Ltd.	Deposits	37	-	-	-	37
COSES GT Co., Ltd. [2]	Deposits	1,213	-	-	(1,212)	1
KB No.21 Special Purpose Acquisition Company	Deposits	2,263	2,050	2,000	(52)	2,261
KB No.22 Special Purpose Acquisition Company [2]	Deposits	1,948	-	-	(100)	1,848
KB No.23 Special Purpose Acquisition Company [2]	Deposits	2,205	2,089	4,223	(71)	-
KB No.24 Special Purpose Acquisition Company [2]	Deposits	9,983	-	-	(9,983)	-
KB No.25 Special Purpose Acquisition Company	Deposits	-	1,500	-	86	1,586
KB No.26 Special Purpose Acquisition Company	Deposits	-	1,670	-	91	1,761
KB No.27 Special Purpose Acquisition Company	Deposits	-	4,390	-	107	4,497
ASSEMBLE CORPORATION	Deposits	915	-	-	(837)	78
S&E Bio Co., Ltd.	Deposits	6,419	2,500	2,000	(4,577)	2,342
4N Inc.	Deposits	5	-	-	44	49
Contents First Inc.	Deposits	5,010	6,000	10,000	62	1,072
December & Company Inc. [2]	Deposits	1	-	-	(1)	-
Newavel Co., Ltd.	Deposits	623	-	-	(577)	46
Pin Therapeutics Inc.	Deposits	6,033	7,217	12,017	(968)	265
SuperNGine Co., Ltd.	Deposits	17	-	-	52	69
Desilo Inc.	Deposits	1	1	-	1	3
Turing Co., Ltd.	Deposits	2,788	700	-	(1,762)	1,726
IGGYMOB Co., Ltd.	Deposits	254	-	-	(254)	-
ZIPDOC Inc.	Deposits	915	-	-	(734)	181
TeamSparta Inc.	Deposits	12,502	7,000	8,000	(3,830)	7,672
Chabot Mobility Co., Ltd.	Deposits	86	-	-	78	164
Wemade Connect Co., Ltd.	Deposits	10,370	31,000	30,217	(2,310)	8,843
Channel Corporation	Deposits	3,000	7,000	8,000	30	2,030
Nextrade Co., Ltd.	Deposits	56,202	-	-	1	56,203
KG Capital Co., Ltd [2]	Deposits	10	-	-	(10)	-

41.6 Details of significant borrowing transactions with related parties for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

		2023				
		Beginning	**Borrowing**	**Repayment**	**Others [1]**	**Ending**
Bitgoeul Cheomdan Green 1st Co., Ltd.	Deposits	-	-	-	833	833
KBFT Green Growth No.1 New Technology Business Investment Association	Deposits	-	700	-	-	700
Bigwave Robotics Crop.	Deposits	-	-	-	4	4
3D Interactive Co., Ltd.	Deposits	-	2,000	2,000	1,501	1,501
AIM FUTURE, Inc.	Deposits	-	3,000	-	393	3,393
New Daegu Busan Expressway Co., Ltd.	Deposits	-	-	-	146,169	146,169
Novorex Inc.	Deposits	-	-	-	7	7
Xenohelix Co., Ltd	Deposits	-	-	-	904	904
Key management personnel [3]	Deposits	11,974	16,979	14,879	(3,766)	10,308

[1] Transactions between related parties, such as settlements arising from operating activities and deposits, are expressed in net amount.
[2] Excluded from the Group's related parties as of December 31, 2024.
[3] Includes borrowing transactions that occurred before they became related parties.
[4] KB Credit Information Co., Ltd. became the subsidiary of KB Kookmin Card Co., Ltd. as of June 30, 2023.

41.7 Details of significant investment and withdrawal transactions with related parties for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024	
	Equity investment and others	Withdrawal and others
Parent's subsidiaries		
KB Investment Co., Ltd.	-	68
KB Hanbando BTL Private Special Asset Fund No.1	-	18,852
KB Hope Sharing BTL Private Special Asset Fund	-	1,321
KB Star Office Private Real Estate Master Fund No.3	-	4,535
KB Star Office Private Real Estate Feeder Fund No.4	-	2,887
KB New Renewable Energy Private Special Asset Fund No.1	-	1,786
KB Mezzanine Private Securities Fund No.3 *	-	21,572
Koreit BN Private Equity Fund	-	3,087
KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs)	286	876
KB Global Infra Private Special Asset Fund No.6	10,033	223
KB BMO Senior Loan Private Special Asset Fund No.2(USD)	-	10,850
KB Sinansan Line Private Special Asset Fund(SOC)	24,812	6,561
KB New Renewable Green New Deal Private Special Asset No.2	602	2,467
KB MCF Senior Loan Private Special Asset Fund No.3(FoFs)	2,390	8,598
KB New Deal Infra Private Special Asset Fund	1,657	1,052
KB Global Commerce Private Equity Investment Fund *	-	7,139
KB GK Project Private Special Asset Fund No.3	-	21,379
KB BMO Senior Loan Private Special Asset Fund No.4(USD)	-	4,243
KB Core Blind Private Real Estate Fund No.2	24,893	428
KB Star Reits Private Real Estate Feeder Fund No.2 (FoFs)	-	4,962
KB RISE US Short-Term IG Corporate Bond ETF *	-	23,026
KB Korea Short Term Premium Private Securities No.34(USD)(Bond) *	-	42,938
KB Korea Short Term Premium Private Securities No.35(USD)(Bond) *	-	44,952
KB RISE Nov2025 Term Credit ETF *	-	53,762
KB RISE Money Market Active ETF(Bond) *	398,671	711,194
KB NA Jefferies Private Special Asset Fund 1(USD)(FoFs)	-	5,934
KB RISE Fixed Short-Term MSB ETF *	100,078	282,959
KB Scale Up Fund Ⅱ	4,500	-
KB Renewable Private SpecialAsset Fund 3	6,377	1,196
KB Star Institutional USD MMF1(USD)	-	27,615
KB Senior Loan Private Fund 5-1	37,121	3,776
KB Mezzanine Capital 4th Private Equity Fund	12,975	-
KB Core Plus Blind Private RealEstate Fund 1	-	961
KB Korea Short Term Premium Private Securities Fund 43(USD)(Bond)	-	2,798
KB Daegu Busan Highway Private Special Asset Fund(SOC)	-	33,279
KB NA Summit Private Special Asset fund 1(USD)(FoFs)	5,300	-
KB Star Mid Term G.B.F.I C-F Class	50,000	-
KB Innovative Growth Infra Private Special Asset Fund	1,248	7
KB Daegu Busan Highway Private Special Asset Fund No.2(SOC)	39,990	2,113
KB East-side Expressway Private Special Asset(SOC)	4,550	-
KB Global Senior Loan PrivateDebt 1	11,993	-

41.7 Details of significant investment and withdrawal transactions with related parties for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024	
	Equity investment and others	Withdrawal and others
Associates		
Korea Credit Bureau Co., Ltd.	-	90
Future Planning KB Start-up Creation Fund	-	4,000
Aju Good Technology Venture Fund	-	2,120
KB-KDBC Pre-IPO New Technology Business Investment Fund	-	300
KB-TS Technology Venture Private Equity Fund	-	1,320
KB Intellectual Property Fund No.2	-	2,550
KB Digital Innovation Investment Fund Limited Partnership	-	5,040
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund *	-	3,153
KB SPROTT Renewable Private Equity Fund No.1	-	8,349
KB Global Platform Fund	-	6,350
KB-UTC Inno-Tech Venture Fund	-	225
KB Pre-IPO New Technology Business Investment Fund No.2	-	2,590
KB Smart Scale Up Fund	-	4,950
KB-KTB Technology Venture Fund	3,000	-
KB Digital Platform Fund	28,000	-
KB-SOLIDUS Healthcare Investment Fund	7,800	-
KB Prime Digital Platform Fund	2,600	-
KB Global Platform Fund No.2	12,000	-
Startup Korea KB Secondary Fund	4,500	-
Associate of Parent		
Balhae Infrastructure Company	-	6,350
Associates of Parent's subsidiaries		
KB-Stonebridge Secondary Private Equity Fund	-	411
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	2,988	3,379
KB Co-Investment Private Equity Fund No.1	7,940	2,769
KB-NP Green ESG New Technology Venture Capital Fund	5,940	-
KB-Badgers Future Mobility ESG Fund No.1	4,624	-
KB-SBI Global Advanced Strategy Private Equity Limited Partnership	3,373	-
KB IMM New Star Real Estate No.1 Private Equity Limited Partnership	8,530	-

41.7 Details of significant investment and withdrawal transactions with related parties for the years ended December 31, 2024 and 2023, are as follows (cont'd)

(In millions of Korean won)	2023	
	Equity investment and others	Withdrawal and others
Parent's subsidiaries		
KB Investment Co., Ltd.	-	66
KB Hanbando BTL Private Special Asset Fund No.1	-	19,584
KB Hope Sharing BTL Private Special Asset Fund	-	1,297
KB Star Office Private Real Estate Master Fund No.3	-	3,414
KB Star Office Private Real Estate Feeder Fund No.4	-	2,690
KB New Renewable Energy Private Special Asset Fund No.1	-	1,787
KB Mezzanine Private Securities Fund No.3 *	-	1,200
Koreit BN Private Equity Fund	-	3,308
KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs)	92	2,428
KB BMO Senior Loan Private Special Asset Fund No.2(USD)	-	5,573
KB Korea Short Term Premium Private Securities No.25(USD)(Bond) *	-	50,275
KB Korea Short Term Premium Private Securities No.26(USD)(Bond) *	-	37,620
KB Korea Short Term Premium Private Securities No.27(USD)(Bond) *	-	65,082
KB Sinansan Line Private Special Asset Fund(SOC)	29,294	5,082
KB New Renewable Green New Deal Private Special Asset No.2	1,932	2,109
KB Multi Alpha Plus Private Fund No.1 *	-	9,661
KB MCF Senior Loan Private Special Asset Fund No.3(FoFs)	917	5,660
KB New Deal Infra Private Special Asset Fund	3,811	568
KB Logistics Blind Private Real Estate Fund No.1	-	1,412
KB GK Project Private Special Asset Fund No.3	-	22,217
KB BMO Senior Loan Private Special Asset Fund No.4(USD)	-	3,363
KB Star Reits Private Real Estate Feeder Fund No.2 (FoFs)	-	4,644
KB Korea Short Term Premium Private Securities No.32(USD)(Bond) *	-	106,271
KB KBSTAR Nov2023 Term Credit ETF *	9,695	200,152
KB Korea Short Term Premium Private Securities No.33(USD)(Bond) *	-	56,889
KB Korea Short Term Premium Private Securities No.34(USD)(Bond) *	-	30,148
KB Korea Short Term Premium Private Securities No.35(USD)(Bond) *	36,942	-
KB KBSTAR 10-Year Futures Securities ETF (Debt-Derivative) *	5,030	28,081
KB RISE Nov2025 Term Credit ETF *	-	1,705
KB KBSTAR 3-Year Futures Securities ETF (Debt-Derivative) *	7,002	70,130
KB RISE Money Market Active ETF(Bond) *	599,679	301,032
KB NA Jefferies Private Special Asset Fund 1(USD)(FoFs)	26,579	537
KB Scale Up Fund Ⅱ	4,500	-
KB Renewable Private SpecialAsset Fund 3	12,132	24
KB Star Institutional USD MMF1(USD)	39,765	-
KB Senior Loan Private Fund 5-1	42,509	59
KB Mezzanine Capital 4th Private Equity Fund	29,176	11,350
KB Core Plus Blind Private RealEstate Fund 1	58,068	-
KB Korea Short Term Premium Private Securities Fund 43(USD)(Bond)	40,296	-
KB Daegu Busan Highway Private Special Asset Fund(SOC)	119,660	-

41.7 Details of significant investment and withdrawal transactions with related parties for the years ended December 31, 2024 and 2023, are as follows: (cont'd)

(In millions of Korean won)

	2023	
	Equity investment and others	Withdrawal and others
Associates		
Korea Credit Bureau Co., Ltd.	-	90
Future Planning KB Start-up Creation Fund	-	3,600
KB High-tech Company Investment Fund	-	2,900
Aju Good Technology Venture Fund	-	11,377
KB-TS Technology Venture Private Equity Fund	-	360
KB Digital Innovation Investment Fund Limited Partnership	-	2,345
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund *	-	6,600
KB SPROTT Renewable Private Equity Fund No.1	-	476
KB-UTC Inno-Tech Venture Fund	-	1,500
KB-KDBC Pre-IPO New Technology Business Investment Fund No.2	-	300
KB Smart Scale Up Fund	7,000	-
KB-KTB Technology Venture Fund	3,000	-
KB Digital Platform Fund	23,800	-
KB-SOLIDUS Healthcare Investment Fund	7,700	-
KB New Deal Innovation Fund	6,400	-
KB Prime Digital Platform Fund	4,550	-
KB Global Platform Fund No.2	12,000	-
KY Global Cell & Gene Private Equity Fund 2nd *	27,034	-
Associate of Parent		
Balhae Infrastructure Company	-	10,661
Hahn & Company No. 4-3 Private Equity Fund *	4,489	20
Associates of Parent's subsidiaries		
KB-Stonebridge Secondary Private Equity Fund	-	4,206
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	600	970
KB Co-Investment Private Equity Fund No.1	1,920	-
KB-NP Green ESG New Technology Venture Capital Fund	3,330	-
KB-Badgers Future Mobility ESG Fund No.1	2,462	-

* Excluded from the Group's related parties as of December 31, 2024.

41.8 Acceptances and guarantees and unused commitments provided to related parties as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)		December 31, 2024	December 31, 2023
Parent's subsidiaries			
KB Investment Co., Ltd.	Purchase of securities	16,500	21,000
	Loss sharing agreements	1,000	1,000
KB Kookmin Card Co., Ltd.	Loan commitments in Korean won	820,000	820,000
	Other commitments in Korean won	1,700,000	1,700,000
	Other commitments in foreign currency	160,369	105,777
KB Capital Co., Ltd.	Loan commitments in foreign currency	-	11,605
	Other commitments in foreign currency	5,464	27,056
KB Securities Co., Ltd.	Loan commitments in Korean won	140,000	140,000
	Other commitments in foreign currency	4,553	16,726
KB Insurance Co., Ltd.	Loan commitments in Korean won	20,000	20,000
KB Life Insurance Co., Ltd.	Loan commitments in Korean won	1,000	1,000
KB Renewable Private SpecialAsset Fund 3	Purchase of securities	11,491	-
KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs)	Purchase of securities	1,831	1,985
KB Global Infra Private Special Asset Fund No.6	Purchase of securities	966	10,999
KB BMO Senior Loan Private Special Asset Fund No.2(USD)	Purchase of securities	17	15
KB New Renewable Green New Deal Private Special Asset No.2	Purchase of securities	2,767	3,369
KB Sinansan Line Private Special Asset Fund(SOC)	Purchase of securities	146,883	171,695
KB MCF Senior Loan Private Special Asset Fund No.3(FoFs)	Purchase of securities	11,662	4,438
KB New Deal Infra Private Special Asset Fund	Purchase of securities	2,024	3,681
KB GK Project Private Special Asset Fund No.3	Purchase of securities	23	23
KB Core Blind Private Real Estate Fund No.2	Purchase of securities	714	25,607
KB Mezzanine Capital 4th Private Equity Fund	Purchase of securities	29,071	42,046
KB NA Jefferies Private Special Asset Fund 1(USD)(FoFs)	Purchase of securities	25,506	22,373
KB Senior Loan Private Fund 5-1	Purchase of securities	370	37,491
KB Core Plus Blind Private RealEstate Fund 1	Purchase of securities	41,932	-
KB Daegu Busan Highway Private Special Asset Fund(SOC)	Purchase of securities	31	40
KB Daegu Busan Highway Private Special Asset Fund No.2(SOC)	Purchase of securities	10	-
KB NA Summit Private Special Asset fund 1(USD)(FoFs)	Purchase of securities	23,640	-

41.8 Acceptances and guarantees and unused commitments provided to related parties as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)		December 31, 2024	December 31, 2023
KB Innovative Growth Infra Private Special Asset Fund	Purchase of securities	17,652	-
KB East-side Expressway Private Special Asset(SOC)	Purchase of securities	34,150	-
Associates			
Incheon Bridge Co., Ltd.	Loan commitments in Korean won	20,000	20,000
KB Global Platform Fund No.2	Purchase of securities	26,000	38,000
All Together Korea Fund No.2	Purchase of securities	990,000	990,000
KB-KTB Technology Venture Fund	Purchase of securities	-	3,000
KB Digital Platform Fund	Purchase of securities	61,600	89,600
KB-SOLIDUS Healthcare Investment Fund	Purchase of securities	7,900	15,700
KB Prime Digital Platform Fund	Purchase of securities	3,250	5,850
Startup Korea KB Secondary Fund	Purchase of securities	25,500	-
Associates of Parent			
Balhae Infrastructure Company	Purchase of securities	6,154	6,154
Associates of Parent's subsidiaries			
TeamSparta Inc.	Loan commitments in Korean won	1,000	1,000
KB-Stonebridge Secondary Private Equity Fund	Purchase of securities	-	691
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	Purchase of securities	1,508	4,496
KB Co-Investment Private Equity Fund No.1	Purchase of securities	3,820	11,760
KB-Badgers Future Mobility ESG Fund No.1	Purchase of securities	11,964	16,588
KB-NP Green ESG New Technology Venture Capital Fund	Purchase of securities	2,925	8,865
KB-SBI Global Advanced Strategy Private Equity Limited Partnership	Purchase of securities	16,627	-
KB IMM New Star Real Estate No.1 Private Equity Limited Partnership	Purchase of securities	11,471	-
Key management personnel	Loan commitments in Korean won	1,829	1,442

41.9 Acceptances and guarantees and unused commitments provided by related parties as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)		December 31, 2024	December 31, 2023
Parent's subsidiaries			
KB Investment Co., Ltd.	Loss sharing agreements	5,564	7,219
KB Kookmin Card Co., Ltd.	Loan commitment in Korean won	76,749	71,708

41.10 Details of compensation to key management personnel for the years ended December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	2024			
	Short-term employee benefits	Post-employment benefits	Share-based payments	Total
Registered directors (executive)	2,106	67	3,110	5,283
Registered directors (non-executive)	403	-	-	403
Non-registered directors	12,990	426	17,598	31,014
	15,499	493	20,708	36,700

(In millions of Korean won)	2023			
	Short-term employee benefits	Post-employment benefits	Share-based payments	Total
Registered directors (executive)	1,908	70	1,702	3,680
Registered directors (non-executive)	416	-	-	416
Non-registered directors	11,319	444	9,115	20,878
	13,643	514	10,817	24,974

41.11 Major types of transactions between the Group and the related parties include deposit taking transactions, loan transactions such as general purpose loans, corporate purchase loans, B2B loans, etc., settlements of funds arising from overseas remittances, providing credit lines through the acceptance of letters of credit issued by the Bank, and overdraft accounts arising from net settlement agreement between the Bank and KB Kookmin Card Co., Ltd.

41.12 Details of collateral provided to related parties as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)		December 31, 2024		December 31, 2023	
	Assets pledged *	Carrying amount	Collateralized amount	Carrying amount	Collateralized amount
Parent's subsidiaries					
KB Securities Co., Ltd.	Securities	108,669	108,891	77,073	77,000
KB Life Insurance Co., Ltd.	Securities	25,435	25,000	25,431	25,000
KB Insurance Co., Ltd.	Securities	50,000	50,000	50,000	50,000

* Collaterals related to lease contracts arising from operating activities between related parties are excluded.

41.13 Details of collateral provided by related parties as of December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	Assets held as collateral *	December 31, 2024	December 31, 2023
Parent's subsidiaries			
KB Securities Co., Ltd.	Time deposits / Beneficiary right certificate	167,000	167,000
	Securities	20,000	71,244
	Real estate	31,200	150,600
KB Life Insurance Co., Ltd.	Securities	54,155	29,629
	Real estate	34,138	40,638
KB Kookmin Card Co., Ltd.	Time deposits	24,198	24,421
KB Insurance Co., Ltd.	Securities	222,249	165,000
KB Star Office Private Real Estate Feeder Fund No.4	Real estate	24,000	24,000
KB Logistics Blind Private Real Estate Fund No.1	Real estate	48,000	63,000
Key management personnel	Time deposits and others	1,411	638
	Real estate	7,949	4,892

* Collaterals related to lease contracts arising from operating activities between related parties are excluded.

As of December 31, 2024, Incheon Bridge Co., Ltd., a related party, provides fund management account, civil engineering works insurance, and management and operations rights as senior collateral amounting to ₩ 611,000 million to the project financing group consisting of the Bank and 5 other institutions, and as subordinated collateral amounting to ₩ 384,800 million to subordinated debt holders consisting of the Bank and 2 other institutions. Also, it provides certificate of credit guarantees amounting to ₩ 400,000 million as collateral to the project financing group consisting of the Bank and 5 other institutions.

41.14 The amounts of debt securities and others purchased through KB securities Co., Ltd. are ₩ 8,981,924 million and ₩ 8,337,915 million for the years ended December 31, 2024 and 2023, respectively, and the amounts of debt securities and others sold through KB securities Co., Ltd. are ₩ 8,148,942 million and ₩ 6,000,690 million for the years ended December 31, 2024 and 2023, respectively. In addition, KB Securities Co., Ltd. acquired ₩ 65,000 million and ₩ 100,000 million of debentures issued by the Bank through underwriting for the years ended December 31, 2024 and 2023, respectively.

41.15 The amounts of bonds sold by Kookmin Bank through KB Insurance Co., Ltd. are ₩ 326,136 million won and ₩ 49,629 million for the years ended December 31, 2024 and 2023, respectively.

41.16 The amounts of intangible assets and others purchased from KB Data System Co., Ltd. are ₩ 16,627 million and ₩ 16,918 million for the years ended December 31, 2024 and 2023, respectively.

41.17 The Bank has entered into CLS (Continuous Linked Settlement) service agreement with KB Securities Co., Ltd. and accordingly the Bank is able to provide intraday liquidity of USD 500 million on the condition of repayment on the day of payment.

42. Approval of Issuance of the Consolidated Financial Statements

The issuance of the Group's consolidated financial statements as of and for the year ended December 31, 2024, was approved by the Board of Directors on February 4, 2025.

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