As filed with the Securities and Exchange Commission on April 25, 2025

# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
## WASHINGTON, D.C. 20549
# FORM 20-F

**(Mark One)**

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2024**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from _____ to _____.**

**OR**

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of event requiring this shell company report _____.**

**Commission file number 000-53445**

# KB Financial Group Inc.

**(Exact name of Registrant as specified in its charter)**

# KB Financial Group Inc.

**(Translation of Registrant's name into English)**

**The Republic of Korea**

**(Jurisdiction of incorporation or organization)**

**26, Gukjegeumyung-ro 8-gil, Yeongdeungpo-gu, Seoul 07331, Korea**

**(Address of principal executive offices)**

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**Facsimile No.: +82-2-2073-2848**

**(Name, telephone, e-mail and/or facsimile number and address of company contact person)**

**Securities registered or to be registered pursuant to Section 12(b) of the Act.**

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| American Depositary Shares, each representing one share of Common Stock | KB | New York Stock Exchange |
| Common Stock, par value ₩5,000 per share | KB | New York Stock Exchange* |

**Securities registered or to be registered pursuant to Section 12(g) of the Act.**

**None**

**Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.**

**None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

**373,600,719 shares of Common Stock, par value ₩5,000 per share**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

☒ Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act: ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (§ 15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒ Yes ☐ No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements: ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b): ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

☐ U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other

Auditor Name: Samil PricewaterhouseCoopers Auditor Location: Seoul, Korea Auditor Firm ID: 1103

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. ☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

* Not for trading, but only in connection with the registration of the American Depositary Shares.

**TABLE OF CONTENTS**


| | | | |
|---|---|---|---|
| PRESENTATION OF FINANCIAL AND OTHER INFORMATION | | | 1 |
| FORWARD-LOOKING STATEMENTS | | | 2 |
| Item 1. | IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS | | 3 |
| Item 2. | OFFER STATISTICS AND EXPECTED TIMETABLE | | 3 |
| Item 3. | KEY INFORMATION | | 3 |
| | Item 3.A. | [Reserved] | 3 |
| | Item 3.B. | Capitalization and Indebtedness | 3 |
| | Item 3.C. | Reasons for the Offer and Use of Proceeds | 3 |
| | Item 3.D. | Risk Factors | 3 |
| Item 4. | INFORMATION ON THE COMPANY | | 32 |
| | Item 4.A. | History and Development of the Company | 32 |
| | Item 4.B. | Business Overview | 34 |
| | Item 4.C. | Organizational Structure | 107 |
| | Item 4.D. | Property, Plants and Equipment | 109 |
| Item 4A. | UNRESOLVED STAFF COMMENTS | | 110 |
| Item 5. | OPERATING AND FINANCIAL REVIEW AND PROSPECTS | | 110 |
| | Item 5.A. | Operating Results | 110 |
| | Item 5.B. | Liquidity and Capital Resources | 148 |
| | Item 5.C. | Research and Development, Patents and Licenses, etc. | 153 |
| | Item 5.D. | Trend Information | 153 |
| | Item 5.E. | Critical Accounting Estimates | 153 |
| Item 6. | DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES | | 153 |
| | Item 6.A. | Directors and Senior Management | 153 |
| | Item 6.B. | Compensation | 158 |
| | Item 6.C. | Board Practices | 159 |
| | Item 6.D. | Employees | 161 |
| | Item 6.E. | Share Ownership | 163 |
| | Item 6.F. | Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation | 164 |
| Item 7. | MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS | | 165 |
| | Item 7.A. | Major Shareholders | 165 |
| | Item 7.B. | Related Party Transactions | 165 |
| | Item 7.C. | Interests of Experts and Counsel | 166 |

| | | | |
|---|---|---|---|
| Item 8. | FINANCIAL INFORMATION | | 166 |
| | Item 8.A. | Consolidated Statements and Other Financial Information | 166 |
| | Item 8.B. | Significant Changes | 173 |
| Item 9. | THE OFFER AND LISTING | | 173 |
| | Item 9.A. | Offering and Listing Details | 173 |
| | Item 9.B. | Plan of Distribution | 175 |
| | Item 9.C. | Markets | 175 |
| | Item 9.D. | Selling Shareholders | 175 |
| | Item 9.E. | Dilution | 175 |
| | Item 9.F. | Expenses of the Issue | 176 |
| Item 10. | ADDITIONAL INFORMATION | | 176 |
| | Item 10.A. | Share Capital | 176 |
| | Item 10.B. | Memorandum and Articles of Association | 176 |
| | Item 10.C. | Material Contracts | 182 |
| | Item 10.D. | Exchange Controls | 182 |
| | Item 10.E. | Taxation | 183 |
| | Item 10.F. | Dividends and Paying Agents | 190 |
| | Item 10.G. | Statement by Experts | 190 |
| | Item 10.H. | Documents on Display | 190 |
| | Item 10.I. | Subsidiary Information | 190 |
| | Item 10.J. | Annual Report to Security Holders | 190 |
| Item 11. | QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK | | 190 |
| Item 12. | DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES | | 209 |
| Item 13. | DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES | | 210 |
| Item 14. | MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS | | 210 |
| Item 15. | CONTROLS AND PROCEDURES | | 210 |
| Item 16. | [RESERVED] | | 212 |
| | Item 16A. | AUDIT COMMITTEE FINANCIAL EXPERT | 212 |
| | Item 16B. | CODE OF ETHICS | 212 |
| | Item 16C. | PRINCIPAL ACCOUNTANT FEES AND SERVICES | 212 |
| | Item 16D. | EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES | 213 |
| | Item 16E. | PURCHASE OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS | 213 |
| | Item 16F. | CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT | 214 |

Item 16G. CORPORATE GOVERNANCE . . . . . 214
Item 16H. MINE SAFETY DISCLOSURE . . . . . 215
Item 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS . . . . . 215
Item 16J. INSIDER TRADING POLICIES . . . . . 216
Item 16K. CYBERSECURITY . . . . . 216
Item 17. FINANCIAL STATEMENTS . . . . . 219
Item 18. FINANCIAL STATEMENTS . . . . . 219
Item 19. EXHIBITS . . . . . 219

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The financial statements included in this annual report are prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB. As such, we make an explicit and unreserved statement of compliance with IFRS as issued by the IASB with respect to our consolidated financial statements as of December 31, 2023 and 2024 and for the years ended December 31, 2022, 2023 and 2024 included in this annual report. Unless indicated otherwise, the financial information in this annual report as of and for the years ended December 31, 2022, 2023 and 2024 has been prepared in accordance with IFRS as issued by the IASB, which is not comparable to information prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP.

IFRS 17 *Insurance Contracts*, or IFRS 17, became effective for annual periods beginning on or after January 1, 2023 and replaced IFRS 4 *Insurance Contracts*, or IFRS 4. We have applied IFRS 17 in our consolidated financial statements as of and for the years ended December 31, 2022, 2023 and 2024 included elsewhere in this annual report. However, business figures and other financial information as of and for the year ended December 31, 2021 in this annual report have not been restated to retroactively apply IFRS 17, and as such, may not be directly comparable to corresponding figures and information as of and for the years ended December 31, 2022, 2023 and 2024, which reflect the application of IFRS 17, where applicable. See "Item 3.D. Risk Factors—Risks relating to our insurance operations—Changes in accounting standards for insurance contracts and their implementation could adversely impact our reported results of operations and financial condition and their comparability with those from prior periods." Furthermore, certain figures as of and for the years ended December 31, 2022 and 2023 have been retroactively adjusted to reflect, among others, changes in our accounting policies relating to the application of IFRS 17, a detailed description of which can be found in Note 2.1.3 of the notes to our consolidated financial statements included elsewhere in this annual report.

Unless expressly stated otherwise, all financial data included in this annual report are presented on a consolidated basis.

In this annual report:

- references to "we," "us" or "KB Financial Group" are to KB Financial Group Inc. and, unless the context otherwise requires, its subsidiaries;
- references to "Korea" are to the Republic of Korea;
- references to the "government" are to the government of the Republic of Korea;
- references to "Won" or "₩" are to the currency of Korea; and
- references to "U.S. dollars," "$" or "US$" are to United States dollars.

Discrepancies between totals and the sums of the amounts contained in any table may be a result of rounding.

For your convenience, this annual report contains translations of Won amounts into U.S. dollars at the noon buying rate of the Federal Reserve Bank of New York for Won in effect on December 31, 2024, which was ₩1,477.9 = US$1.00.

## FORWARD-LOOKING STATEMENTS

The U.S. Securities and Exchange Commission encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This annual report contains forward-looking statements.

Words and phrases such as "aim," "anticipate," "assume," "believe," "contemplate," "continue," "estimate," "expect," "future," "goal," "intend," "may," "objective," "plan," "positioned," "predict," "project," "risk," "seek to," "shall," "should," "will likely result," "will pursue," "plan" and words and terms of similar substance used in connection with any discussion of future operating or financial performance or our expectations, plans, projections or business prospects identify forward-looking statements. In particular, the statements under the headings "Item 3.D. Risk Factors," "Item 5. Operating and Financial Review and Prospects" and "Item 4.B. Business Overview" regarding our financial condition and other future events or prospects are forward-looking statements. All forward-looking statements are management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

In addition to the risks related to our business discussed under "Item 3.D. Risk Factors," other factors could cause actual results to differ materially from those described in the forward-looking statements. These factors include, but are not limited to:

- our ability to successfully implement our strategy;
- future levels of non-performing loans;
- our growth and expansion;
- the adequacy of allowances for credit and investment losses;
- technological changes;
- interest rates;
- investment income;
- availability of funding and liquidity;
- cash flow projections;
- our exposure to market risks; and
- adverse market and regulatory conditions.

By their nature, certain disclosures relating to these and other risks are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on our income or results of operations could materially differ from those that have been estimated. For example, revenues could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this annual report could include, but are not limited to:

- the occurrence of severe health epidemics (including the COVID-19 pandemic) in Korea or other parts of the world;
- general economic and political conditions in Korea or other countries that have an impact on our business activities or investments;
- the monetary and interest rate policies of Korea;
- inflation or deflation;

- unanticipated volatility in interest rates;
- foreign exchange rates;
- prices and yields of equity and debt securities;
- the performance of the financial markets in Korea and globally;
- changes in domestic and foreign laws, regulations and taxes;
- changes in competition and the pricing environments in Korea; and
- regional or general changes in asset valuations.

For further discussion of the factors that could cause actual results to differ, see the discussion under "Item 3.D. Risk Factors" contained in this annual report. We caution you not to place undue reliance on the forward-looking statements, which speak only as of the date of this annual report. Except as required by law, we are not under any obligation, and expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

All subsequent forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this annual report.

## Item 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

## Item 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

## Item 3. KEY INFORMATION

### Item 3.A. [Reserved]

### Item 3.B. *Capitalization and Indebtedness*

Not applicable.

### Item 3.C. *Reasons for the Offer and Use of Proceeds*

Not applicable.

### Item 3.D. *Risk Factors*

**Risks relating to our retail credit portfolio**

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

For most of the recent past, consumer debt has increased significantly in Korea. Although our portfolio of retail loans, including mortgage and home equity loans, decreased from ₩191,641 billion as of December 31, 2021 (under IFRS 4) to ₩186,939 billion (under IFRS 4) or ₩183,092 billion (under IFRS 17) as of December 31, 2022, it increased to ₩184,016 billion as of December 31, 2023 (under IFRS 17) and ₩193,803 billion as of December 31, 2024 (under IFRS 17). As of December 31, 2024, our domestic retail loans represented 40.6% of our total lending. Within our 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, decreased from ₩71,223 billion as of December 31, 2021 to ₩57,673 billion as of December 31, 2024; as a percentage of total outstanding retail loans, such balance decreased from 37.2% as of December 31, 2021 to 29.8% as of December 31, 2024. Our retail lending business, which generally offers higher margins than other lending activities, has contributed significantly to our interest income and profitability in recent years.

The growth of our 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. The amount of our non-performing retail loans (defined as those loans that are past due by 90 days or more) was ₩259 billion as of December 31, 2021 (under IFRS 4), ₩311 billion (under IFRS 4) or ₩308 billion (under IFRS 17) as of December 31, 2022, ₩451 billion as of December 31, 2023 (under IFRS 17) and ₩506 billion (under IFRS 17) as of December 31, 2024. Higher delinquencies in our retail loan portfolio in the future will require us to increase our loan loss provisions and charge-offs, which in turn will adversely affect our financial condition and results of operations.

Our large exposure to consumer debt means that we are 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 our retail loan and credit card portfolios. 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 and credit card spending. See “Risks relating to Korea—Unfavorable financial and economic developments in Korea may have an adverse effect on us.” Despite our efforts to minimize our risk as a result of such exposure, there is no assurance that we will be able to prevent significant credit quality deterioration in our retail loan portfolio.

In addition, we are exposed to changes in regulations and policies on retail lending by the Korean 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 Korean 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 Korean 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 Korean government began tightening regulations again in response to the continued rise in the level of consumer debt. Housing prices in Korea fluctuated throughout 2024, with prices increasing in certain areas while decreasing in others. A decrease in housing prices, together with the high level of consumer debt and higher interest rate levels, could result in declines in consumer spending and reduced economic growth, which may lead to an increase in the delinquency level of our 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 us, 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 Korean 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-amortizing floating-rate mortgage loans from Korean commercial banks (including us) into amortizing fixed-rate mortgage loans with lower interest rates. Our participation in such refinancing programs may lead to a decrease in our interest income on our outstanding mortgage loans, as well as in our overall net interest margin. Moreover, our participation in such initiatives led by the Korean government to provide financial support to retail borrowers may lead us to offer credit terms for such borrowers that we would not generally offer, which may have an adverse effect on our results of operations and financial condition.

***Our credit card operations may generate losses in the future, which could hurt our financial condition and results of operations.***

With respect to our credit card portfolio, our delinquency ratio (which represents the ratio of amounts that are overdue by 30 days or more to total outstanding balances) was 1.01% as of December 31, 2022, which increased to 1.08% as of December 31, 2023 and 1.36% as of December 31, 2024. In line with industry practice, we have restructured a portion of delinquent credit card account balances (defined as balances overdue by 30 days or more) as loans. As of December 31, 2024, these restructured loans outstanding amounted to ₩169 billion. Because these loans are not treated as being delinquent at the time of conversion or for a period of time thereafter, our delinquency ratios may not fully reflect all delinquent amounts relating to our outstanding loans. Including all restructured loans, outstanding balances overdue by 30 days or more accounted for 2.1% of our credit card receivables (including credit card loans) as of December 31, 2024, which increased from 2.0% as of December 31, 2023. Many credit card companies in Korea, including our subsidiary KB Kookmin Card, have reported a sharp increase in credit card balances and delinquency ratios in recent years, as a response to which KB Kookmin Card developed a contingency plan involving the implementation of different plans of action for each risk level corresponding to the rate of increase in its delinquency ratio. In addition, in June 2023, KB Kookmin Card acquired KB Credit Information from us in order to strengthen its loan collection capabilities. Despite such efforts, delinquencies may further increase in 2025 and in the future as a result of, among other things, adverse economic conditions in Korea, increases in interest rates, increasing inflation rates, additional government regulations or the inability of Korean consumers to manage increased household debt.

Although we continually strive to sustain and improve our credit card asset quality and performance, we may experience increased delinquencies or deterioration of the asset quality of our credit card portfolio, which would require us to increase our loan loss provisions and charge-offs and adversely affect our overall financial condition and results of operations.

**Risks relating to our small- and medium-sized enterprise loan portfolio**

***We have significant exposure to small- and medium-sized enterprises, and any financial difficulties experienced by these customers may result in a deterioration of our asset quality and have an adverse impact on us.***

One of our core businesses is lending to small- and medium-sized enterprises (as defined under "Item 4.B. Business Overview—Corporate Banking—Small- and Medium-sized Enterprise Banking"). Our loans to small- and medium-sized enterprises increased from ₩138,627 billion as of December 31, 2021 to ₩161,239 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 small- and medium-sized enterprises increased from ₩102 billion as of December 31, 2021 to ₩123 billion as of December 31, 2022, ₩201 billion as of December 31, 2023 and ₩480 billion as of December 31, 2024. The non-performing loan ratio for such loans increased from 0.07% as of December 31, 2021 to 0.08% as of December 31, 2022, 0.13% as of December 31, 2023 and 0.30% as of December 31, 2024. Our non-performing loans and non-performing loan ratio may further increase in 2025. According to data compiled by the Korea Federation of Banks, the delinquency ratio for Won-currency loans by Korean commercial banks to small- and medium-sized enterprises was 0.6% as of December 31, 2024. The delinquency

ratio for Won-currency loans to small- and medium-sized enterprise 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. Our delinquency ratio for such Won currency loans increased from 0.11% as of December 31, 2021 to 0.41% as of December 31, 2024. Our delinquency ratio for such Won currency loans may further increase in 2025.

The Korean government has historically introduced policies and initiatives intended to encourage Korean banks to provide financial support to small- and medium-sized enterprise borrowers. For example, the Korean government implemented various emergency aid initiatives involving Korean banks, including Kookmin Bank, to provide liquidity assistance to small- and medium-sized 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 Korean government announced a financial support program where participating Korean banks, including Kookmin 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 Korean government, announced that 20 participating banks, including Kookmin 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 our financial holding company structure and strategy—We may suffer customer attrition or our net interest margin may decrease as a result of government regulations or our competition strategy."

The overall prospects for the Korean economy in 2025 and beyond remain uncertain, and the Korean 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 small- and medium-sized enterprises. Our participation in such government-led initiatives may lead us to extend credit to small- and medium-sized enterprise borrowers that we would not otherwise lend to, or offer terms for such credit that we would not otherwise offer, in the absence of such initiatives. Furthermore, there is no guarantee that the financial condition and liquidity position of our small- and medium-sized enterprise borrowers benefiting from such initiatives will improve sufficiently for them to service their debt on a timely basis, or at all. Accordingly, increases in our exposure to small- and medium-sized enterprise borrowers resulting from such government-led initiatives may have a material adverse effect on our financial condition and results of operations.

A substantial part of our small- and medium-sized enterprise lending comprises loans to "small office/home office" customers, or SOHOs. SOHOs, which we currently define 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 we continue to make efforts to improve our internally developed credit rating systems to rate potential borrowers, particularly with respect to SOHOs, and intend to manage our exposure to these borrowers closely in order to prevent any deterioration in the asset quality of our loans to this segment, we may not be able to do so as intended.

In addition, many small- and medium-sized enterprises 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 small- and medium-sized enterprises, including those to which we have exposure, also resulting in an impairment of their ability to repay loans.

In recent years, we have taken measures which sought to stem rising delinquencies in our loans to small- and medium-sized enterprises, including through strengthening of the review of loan applications and closer monitoring of the post-loan performance of small- and medium-sized enterprise borrowers in industry sectors that are relatively more sensitive to downturns in the economy and have shown higher delinquency ratios, such as

shipping, construction, lodging, retail and wholesale, restaurants and real estate. Despite such efforts, however, there is no assurance that delinquency levels of our loans to small- and medium-sized enterprises will not rise in the future. In particular, financial difficulties experienced by small- and medium-sized enterprises as a result of, among other things, adverse economic conditions in Korea and globally, as well as aggressive marketing and competition among banks to lend to this segment, may lead to a deterioration in the asset quality of our 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 our financial condition and results of operations.

***We have 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 us.***

As of December 31, 2024, we had loans outstanding to real estate project financing, construction (most of which are small- and medium-sized enterprises), shipbuilding and shipping companies in the amount of ₩9,305 billion, ₩5,825 billion, ₩377 billion and ₩145 billion, or 1.95%, 1.22%, 0.08% and 0.03% of our total loans, respectively.

We also have 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 us. In the case of real estate project financing, such exposures include purchase guarantees, where we subscribe 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 we guarantee the payments of principal and interest on securities issued by such entities, which expose us to credit risk as well as liquidity risk. In the case of construction companies, such exposures include guarantees provided to us by general contractors with respect to financing extended by us for residential and commercial real estate development projects. In the case of shipbuilding companies, such exposures include refund guarantees extended by us 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 Korean 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 we have established against our 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 our exposures to such companies declines further, we may incur substantial additional provisions (including in connection with restructurings of such companies) and charge-offs, which could adversely impact our results of operations and financial condition. See "—Risks relating to our large corporate loan portfolio—We have exposure to large corporate borrowers that are currently or may in the future be put in restructuring, and we may suffer losses as a result of additional loan loss provisions being required and/or the adoption of restructuring plans with which we do not agree." Furthermore, although a portion of our 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 our business—A decline in the value of the collateral securing our loans and our inability to realize full collateral value may adversely affect our credit portfolio."

**Risks relating to our financial holding company structure and strategy**

***We may not succeed in implementing our strategy to take advantage of, or fail to realize the anticipated benefits of, our financial holding company structure.***

One of our principal strategies is to take advantage of our financial holding company structure to become a comprehensive financial services provider capable of offering a full range of products and services to our large existing base of retail and corporate banking customers. The continued implementation of these plans may require additional investments of capital, infrastructure, human resources and management attention. This strategy entails certain risks, including the possibility that we may face significant competition from other financial holding companies and more specialized financial institutions in particular segments. If our strategy does not succeed, we may incur losses on our investments and our results of operations and financial condition may suffer.

Furthermore, our success under a financial holding company structure depends on our ability to operate a capital-efficient business portfolio and realize the anticipated synergies, growth opportunities and cost savings from coordinating the businesses of our various subsidiaries. Although we generally operate as a financial holding company, our subsidiaries will generally continue to operate as independent entities with separate management and staff and our ability to direct our subsidiaries' day-to-day operations may be limited. Some of our major acquisitions include the following:

- KB Capital became our wholly-owned subsidiary through our acquisition in March 2014 of 52% of the outstanding shares of KB Capital Co., Ltd. (formerly named Woori Financial Co., Ltd.), a publicly listed Korean specialized credit finance company, from Woori Finance Holdings Co., Ltd. for ₩280 billion, followed by a tender offer in May 2017 and a comprehensive stock swap effected in July 2017.
- Through a series of acquisitions of stock between June 2015 and December 2016 for an aggregate of ₩1.1 trillion, followed by a tender offer in May 2017 and a comprehensive stock swap effected in July 2017, we acquired all of the outstanding shares of KB Insurance Co., Ltd. (formerly named LIG Insurance Co., Ltd.), a publicly listed Korean non-life insurance company, as a result of which KB Insurance became our wholly-owned subsidiary.
- In May 2016, we acquired 22.6% of the outstanding shares of Hyundai Securities Co., Ltd., a publicly listed Korean securities firm, from Hyundai Merchant Marine Co., Ltd. for ₩1.2 trillion, after which

we further increased our shareholding in Hyundai Securities to 29.6% in June 2016. Subsequently, we effected a comprehensive stock swap to acquire all of its remaining shares in October 2016. Following such transactions, we merged an existing subsidiary, KB Investment & Securities, with and into Hyundai Securities in December 2016 and changed the name of the surviving entity to KB Securities Co., Ltd.

- In August 2020, we acquired all of the outstanding shares of The Prudential Life Insurance Company of Korea, Ltd. ("Prudential Life Insurance") from Prudential Financial, Inc. for ₩2.3 trillion, as a result of which Prudential Life Insurance became a wholly-owned subsidiary. In January 2023, we merged an existing wholly-owned subsidiary, KB Life Insurance Co., Ltd. (the "Former KB Life Insurance"), with and into Prudential Life Insurance, which had been renamed KB Life Insurance Co., Ltd. in December 2022 shortly before the merger and became the surviving entity ("KB Life Insurance").

See "Item 5.A. Operating Results—Overview—Acquisitions."

We may continue to increase our equity interest in our subsidiaries or investees and may also consider acquiring or merging with other financial institutions to achieve more balanced growth and further diversify our revenue base. For example, as part of our continued efforts to expand our businesses abroad, in particular in Southeast Asia, we acquired a 70% stake in PRASAC Microfinance Institution Plc., or PRASAC, a provider of microfinance and deposit-taking services in Cambodia, through Kookmin Bank, in April 2020. Subsequently, in October 2021, we acquired the remaining 30% interest in PRASAC, which increased our ownership of PRASAC to 100%. In August 2023, we merged PRASAC with Kookmin Bank's existing subsidiary in Cambodia, Kookmin Bank Cambodia Plc., to form KB PRASAC Bank Plc. In addition, through a series of acquisitions from July 2018 to September 2020, we obtained a 67% interest in PT Bank Bukopin TBK of Indonesia, or Bank Bukopin, through Kookmin Bank, and changed its name to PT Bank KB Bukopin, Tbk in February 2021. The integration of our new subsidiaries' or investees' separate businesses and operations, as well as those of any companies we may acquire or merge with in the future, under our financial holding company structure could require a significant amount of time, financial resources and management attention. Moreover, that process could disrupt our operations (including our risk management operations) or information technology systems, reduce employee morale, produce unintended inconsistencies in our standards, controls, procedures or policies, and affect our relationships with customers and our ability to retain key personnel. The realization of the anticipated benefits of our financial holding company structure and any mergers or acquisitions we decide to pursue may be blocked, delayed or reduced as a result of many factors, some of which may be outside our control. These factors include:

- difficulties in integrating the diverse activities and operations of our subsidiaries or investees or any companies we may merge with or acquire, including risk management operations and information technology systems, personnel, policies and procedures;
- difficulties in reorganizing or reducing overlapping personnel, branches, networks and administrative functions;
- restrictions under the Financial Holding Company Act and other regulations on transactions between a financial holding company and, or among, its subsidiaries;
- unforeseen contingent risks, including lack of required capital resources, increased tax liabilities or restrictions in our overseas operations, relating to our financial holding company structure;
- unexpected business disruptions;
- failure to attract, develop and retain personnel with necessary expertise;
- loss of customers; and
- labor unrest.

Accordingly, we may not be able to realize the anticipated benefits of our financial holding company structure, and our business, results of operations and financial condition may suffer as a result.

***As a financial holding company, we are subject to certain regulatory requirements under Korean law, and our ability to fund our operations is dependent on the dividends we receive from our subsidiaries.***

We are a financial holding company with no significant assets other than the shares of our subsidiaries. In addition, as a financial holding company, we are required to meet certain minimum financial ratios under Korean law, including with respect to liquidity, leverage and capital adequacy. Our primary sources of funding and liquidity are dividends from our subsidiaries, direct borrowings and issuances of equity or debt securities at the holding company level. Our ability to meet our obligations to our direct creditors and employees and our other liquidity needs and regulatory requirements at the holding company level depends on timely and adequate distributions from our subsidiaries and our ability to sell our securities or obtain credit from our lenders.

In addition, creditors of our subsidiaries will generally have claims that are prior to any claims of our creditors with respect to their assets. Furthermore, our inability to sell our securities or obtain funds from our lenders on favorable terms, or at all, could also result in our inability to meet our liquidity needs and regulatory requirements and may disrupt our operations at the holding company level.

***The dividends that we receive from our subsidiaries may be affected by potential restrictions on their ability to pay such dividends, as well as their financial conditions and operating results.***

Since our principal assets at the holding company level are the shares of our subsidiaries, our ability to pay dividends on our common stock largely depends on dividend payments from those subsidiaries. The ability of our subsidiaries to pay dividends to us depends on their financial condition and operating results. In the future, our subsidiaries may enter into agreements, such as credit agreements with lenders or indentures relating to high-yield or subordinated debt instruments, that impose restrictions on their ability to make distributions to us, and the terms of future obligations and the operation of Korean law could prevent our subsidiaries from making sufficient distributions to us to allow us to make payments on our outstanding obligations. Any delay in receipt of or shortfall in payments to us from our subsidiaries could result in our inability to meet our liquidity needs and regulatory requirements, including minimum liquidity and capital adequacy ratios, and may disrupt our operations at the holding company level.

Furthermore, the dividend payments from our shares of our subsidiaries are subject to restrictions under the Korean Commercial Code, the Bank Act and regulations, generally based on capital levels and retained earnings, imposed by the various regulatory agencies with authority over those entities. The ability of our subsidiaries to pay dividends may be subject to regulatory restrictions to the extent that paying dividends would impair their respective non-consolidated profitability, financial condition or cash flow needs.

For example:

- under the Korean Commercial Code, dividends may only be paid out of distributable income, an amount which is calculated by subtracting the aggregate amount of a company's paid-in capital and certain mandatory legal reserves as well as certain unrealized profits from its net assets, in each case as of the end of the prior fiscal period;
- under the Bank Act, a bank also must credit at least 10% of its net profit to a legal reserve each time it pays dividends on distributable income until that reserve equals the amount of its total paid-in capital; and
- under the Bank Act and the requirements of the Financial Services Commission, if a bank fails to meet its required capital adequacy ratio or otherwise becomes subject to management improvement measures imposed by the Financial Services Commission, then the Financial Services Commission may restrict the declaration and payment of dividends by that bank.

Our subsidiaries may not continue to meet the applicable legal and regulatory requirements for the payment of dividends in the future. If they fail to do so, they may stop paying or reduce the amount of the dividends they pay to us, which would have an adverse effect on our ability to pay dividends on our common stock.

***Although increasing our fee income is an important part of our strategy, we may not be able to do so.***

We have historically relied on interest income as our primary revenue source. While we have developed new sources of fee income as part of our business strategy, our ability to increase our fee income and thereby reduce our dependence on interest income will be affected by the extent to which our 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 our strategy to increase our fee income. Furthermore, the fees that we charge 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 our ability to achieve this aspect of our strategy.

***We may suffer customer attrition or our net interest margin may decrease as a result of government regulations or our competition strategy.***

We have pursued a strategy of enhancing our margins by maximizing our net interest spreads, which represent the difference between the average yield on our interest-earning assets and the average cost of our interest-bearing liabilities. We 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 Kookmin 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 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 our 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 Korean government and the Financial Services Commission have pursued various measures to increase competition among financial institutions in Korea. Such measures could force us to compete to a greater extent based on interest rates, which could lead to a decrease in our net interest margins. In addition, if other banks and financial institutions adopt a strategy of expanding market share through interest rate competition, we may suffer customer attrition due to rate sensitivity. See "—Competition in the Korean financial industry is intense, and we 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 us and the financial industry, such regulations could reduce our profit margins, limit our operational flexibility and increase competition, which, in turn, could have a materially adverse effect on our results of operations and financial condition.

**Risks relating to competition**

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

Competition in the Korean financial industry has been and is likely to remain intense. Some of the financial institutions that we compete with have longer operating histories as financial holding companies, greater financial resources or more specialized capabilities than us and our subsidiaries. In the retail and small- and medium-sized enterprise lending business, which has been our traditional core business, competition is expected to continue to increase. Although most Korean banks had generally been increasing their exposures to large

corporate borrowers, they have recently begun to increasingly focus on retail customers and small- and medium-sized enterprises again. In addition, the profitability of our retail lending and credit card operations may decline as a result of growing market saturation in the retail lending and credit card segments, increased interest rate competition, pressure to lower the fee rates applicable to our credit cards (particularly merchant fee rates) and higher marketing expenses. Intense and increasing competition has made and continues to make it more difficult for us to secure retail, credit card and small- and medium-sized customers with the credit quality and on credit terms necessary to achieve our business objectives in a commercially acceptable manner.

Furthermore, 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. Our failure to adopt such technologies in a timely and competitive manner could negatively impact our 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 minimize 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 Kookmin 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 Financial Services Commission 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 Financial Services Commission 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 the Korean insurance industry, there has been downward pressure in recent years on margins of insurance products as some of our competitors have sought to obtain or maintain market share by reducing margins and increasing marketing efforts. As the Korean non-life insurance and life insurance sectors continue to mature, they may experience a slowdown in growth as well as a stagnation in market penetration. Due to these and other factors, we believe that competition in the Korean insurance industry will likely remain intense in the future. Sustained or increased competition may lead to decreases in the market share and profitability of our non-life insurance and life insurance businesses.

In addition, we believe 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 we expect will further alter the competitive landscape for financial institutions in Korea.

Moreover, 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 Korean government's plans to privatize 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. In the insurance sector, China's Anbang Insurance Group acquired controlling interests in Tong Yang Life Insurance Co., Ltd. and Allianz Life

Insurance Korea Co., Ltd. in 2015 and 2016, respectively, while Mirae Asset Life Insurance Co., Ltd. acquired PCA Life Insurance Co., Ltd. in 2017. Meanwhile, Orange Life Insurance, Ltd. (formerly known as ING Life Insurance Korea, Ltd.) became a wholly-owned subsidiary of Shinhan Financial Group following the acquisition of equity interests by Shinhan Financial Group in February 2019 and January 2020, and subsequently merged with and into Shinhan Life Insurance Co., Ltd. in July 2021. In 2022, Shinhan Financial Group also acquired BNP Paribas Cardif General Insurance, which was subsequently renamed Shinhan EZ General Insurance. In 2024, Woori Financial Group agreed to acquire 75.3% of the shares of Tong Yang Life Insurance Co., Ltd. and 100.0% of the shares of ABL Life Insurance Co., Ltd., which acquisitions remain subject to approval from the regulatory authorities. In the securities sector, in 2016, Mirae Asset Securities Co., Ltd. acquired a 43% interest in KDB Daewoo Securities Co., Ltd., which subsequently merged with and into Mirae Asset Securities to create Mirae Asset Daewoo Securities Co., Ltd., one of the largest securities companies in Korea in terms of capital. In 2024, Woori Financial Group acquired Korea Foss Securities Co., Ltd. by merging it with its then wholly-owned subsidiary Woori Investment Bank Co., Ltd., with Korea Foss Securities Co., Ltd. remaining as the surviving entity, which was subsequently renamed Woori Investment Securities Co., Ltd.

We expect 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 us. We also believe that foreign financial institutions, many of which have greater experience and resources than we do, may seek to compete with us 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 our future profitability. Accordingly, our results of operations and financial condition may suffer as a result of increasing competition in the Korean financial industry.

**Risks relating to our large corporate loan portfolio**

***We have exposure to chaebols, and, as a result, financial difficulties of chaebols may have an adverse impact on us.***

Of our 20 largest corporate exposures (including loans, debt and equity securities and guarantees and acceptances) as of December 31, 2024, 11 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 based on their outstanding exposures. As of that date, the total amount of our exposures to 36 of such largest highly-indebted business groups among *chaebols* was ₩47,477 billion, or 6.7% of our total exposures. If the credit quality of our exposures to *chaebols* declines as a result of financial difficulties they experience or for other reasons, we could require substantial additional loan loss provisions, which would hurt our results of operations and financial condition.

We cannot assure you that the allowances we have 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, we may not be able to make any recoveries against such companies. We may, therefore, experience future losses with respect to those loans.

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

As of December 31, 2024, our loans and guarantees to large corporate borrowers that were in workout, restructuring or rehabilitation amounted to ₩112 billion, or 0.02% of our total loans and guarantees, most of which was classified as impaired. As of the same date, our allowances for credit losses on these loans and guarantees amounted to ₩56 billion, or 50.0% of these loans and guarantees. These allowances may not be sufficient to cover all future losses arising from our exposure to these companies. Furthermore, we have other exposure to such companies, in the form of debt and equity securities of such companies held by us (including

equity securities we acquired as a result of debt-to-equity conversions). Our exposures as of December 31, 2024 with respect to such securities of large corporate borrowers in workout, restructuring or rehabilitation amounted to approximately ₩11 billion, or less than 0.01% of our total debt securities and equity securities, but may increase in the future. In addition, in the case of borrowers that are or become subject to workout or restructuring, we may be forced to restructure our credits pursuant to restructuring plans approved by other creditor financial institutions of the borrower, or to dispose of our credits to other creditors on unfavorable terms.

In particular, as of December 31, 2024, we had ₩26 billion of outstanding exposures to Taeyoung Engineering & Construction Co., or Taeyoung E&C, which had commenced workout procedures in January 2024. Pursuant to the workout procedures, the creditors of Taeyoung E&C, including us, 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.

Furthermore, Homeplus Co., Ltd., or Homeplus, one of the country's largest supermarket chains, commenced rehabilitation proceedings in March 2025 in order to address its financial challenges, and our outstanding direct exposures to Homeplus as of such date amounted to ₩55 billion.

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

As of December 31, 2024, our loans and guarantees to our 20 largest borrowers totaled ₩16,859 billion and accounted for 3.4% of our total loans and guarantees. As of that date, our single largest corporate credit exposure was to the Korea Securities Finance Corporation, to which we had outstanding debt securities of ₩4,509 billion and an additional exposure of ₩80 billion in the form of equity securities. Any deterioration in the financial condition of the Korea Securities Finance Corporation or our other large corporate borrowers may require us to record substantial additional provisions and charge-offs and may have a material adverse impact on our results of operations and financial condition.

**Risks relating to our insurance operations**

***Our profitability may be adversely affected if actual benefits and claims amounts on our in-force insurance policies exceed the amounts that we have reserved, or we increase the amount of reserves due to a change in our underlying assumptions.***

We operate our insurance business through KB Insurance Co., Ltd., our non-life insurance subsidiary which became a consolidated subsidiary in May 2017, and KB Life Insurance, which was formed in January 2023 through a merger of our existing life insurance subsidiaries, the Former KB Life Insurance and Prudential Life Insurance. With respect to our insurance operations, we establish and carry, as a liability, policy reserves based on the greater of statutory reserves and actuarial estimates of how much we will need to pay for future benefits and claims on our in-force non-life insurance and life insurance policies. The profitability of our insurance operations depends significantly upon the extent to which our actual claims results are consistent with the assumptions used in setting the prices for our insurance products and establishing the liabilities in our financial statements for our obligations for future insurance policy benefits and claims. We establish the liabilities for obligations for future insurance policy benefits and claims based on the expected payout of benefits, calculated through the use of assumptions for investment returns, mortality, morbidity, expenses and persistency, as well as certain macroeconomic factors such as inflation. We also use methods to analyze loss trends with respect to certain risk assumptions relating to natural disasters. These assumptions are based on our previous experience and published data from third party industry sources, as well as judgments made by our management. These assumptions and estimates may deviate from our actual experience due to various factors that are beyond our

control, including as a result of unexpected changes in the scope of coverage by the Korean national health insurance program and advancements in health care that result in increased life expectancy and early detection of diseases, as well as re-interpretations of our insurance policy terms by Korean regulators or courts. In addition, the occurrence of unexpected catastrophic events in Korea, including pandemics or natural or man-made disasters, may result in claims that significantly exceed our expectations. As a result, we cannot determine with precision the ultimate amounts that we will pay for, or the timing of payment of, actual benefits and claims or whether the assets supporting the insurance policy liabilities will grow to the level we assume prior to payment of benefits or claims. These amounts may vary from the estimated amounts, particularly when those payments may not occur until well into the future.

We evaluate the adequacy of our insurance policy liabilities periodically based on changes in the assumptions used to determine our best estimates of claims, expenses, persistency rates and interest rates, as well as based on our actual policy benefits and claims results. To the extent that trends in actual claims results are less favorable than our underlying assumptions used in establishing these liabilities, and our total insurance policy liabilities are considered to be inadequate to meet our future contractual obligations as and when they arise, we could be required to increase our liabilities. We record increases in our insurance policy liabilities as expenses in the period in which the liabilities are established or re-evaluated. If actual benefits and claims amounts exceed the amounts that we have reserved, or we increase the amount of insurance policy liabilities due to a change in our underlying assumptions, it could have a material adverse effect on our results of operations and financial condition.

***Our insurance subsidiaries may be required to raise additional capital or reduce their growth or business scale if their solvency ratio deteriorates or the applicable capital requirements change in the future.***

Pursuant to the solvency requirements implemented by the Financial Services Commission, insurance companies in Korea are required to maintain a statutory ratio of available capital to required capital of not less than 100% on a consolidated basis. Furthermore, the Financial Supervisory Service had previously recommended that insurance companies maintain a risk-based capital adequacy ratio of not less than 150%, and its former administrative guidelines had required insurance companies failing to maintain such recommended 150% ratio to submit a capital increase plan. Although the Financial Supervisory Service has since withdrawn such administrative guidelines, we believe that a risk-based capital adequacy ratio of not less than 150% is still considered standard in the Korean insurance industry. Solvency requirements require insurance companies to hold adequate capital to cover their exposures to life/long-term non-life insurance risk, general non-life insurance risk, market risk, credit risk and operational risk by reflecting such risks in their calculation of required capital. Based on preliminary data, which are subject to change, KB Insurance and KB Life Insurance had solvency ratios of 186.19% and 265.33%, respectively, as of December 31, 2024.

On January 1, 2023, the Financial Supervisory Service introduced the Korean-Insurance Capital Standard, or K-ICS, a new regulatory solvency regime for insurance companies based on the International Capital Standard developed by the International Association of Insurance Supervisors, which is similar in substance to the Solvency II Directive of the European Union. The Solvency II Directive, which has been in effect in the European Union since January 1, 2016, is a comprehensive program of regulatory requirements for insurance companies, covering authorization, corporate governance, supervisory reporting, public disclosure and risk assessment and management, as well as solvency. Under K-ICS, insurance contract liabilities are expected to be measured based on market value, rather than book value, at the time of the computation of available capital. K-ICS has also introduced new risk subcategories, including those related to termination, business expenses, longevity, catastrophes and asset concentration, to be considered at the time of the computation of required capital. It is expected that these changes, among others, would require a number of insurance companies in Korea with a large portfolio of high guaranteed rate of return products to obtain additional capital to meet their solvency requirements. However, the Financial Supervisory Service has allowed for a gradual deduction from available capital and a gradual recognition of risks in relation to required capital, for up to ten years. In order to ease the burden on insurance companies, corrective measures will be withheld for up to five years even if the solvency

ratio under K-ICS is less than 100%, if the risk-based capital adequacy ratio exceeds 100%. See "Item 4.B. Business Overview—Supervision and Regulation—Principal Regulations Applicable to Insurance Companies—Capital Adequacy."

There is no guarantee that our insurance subsidiaries will not be required to raise additional capital to sustain their solvency ratio above the required level in connection with the implementation of K-ICS. Any material deterioration in the solvency ratio of our insurance subsidiaries, as a result of the implementation of K-ICS or otherwise, could change their customers' or business counterparties' perception of their financial health, which in turn could adversely affect their business and profitability. Furthermore, if they grow rapidly or if their asset quality deteriorates in the future, our insurance subsidiaries may be required to raise additional capital, which we may need to provide in whole or in part, to meet their capital adequacy requirements. If we or our insurance subsidiaries are not able to raise any required additional capital, we may be forced to reduce the growth or scale of our insurance operations.

***Changes in accounting standards for insurance contracts and their implementation could adversely impact our reported results of operations and financial condition and their comparability with those from prior periods.***

In response to a lack of comparability in the global insurance industry stemming from variations in accounting policies being applied, in May 2017, the IASB issued IFRS 17, a new IFRS accounting standard for insurance contracts to supersede IFRS 4 with an effective date of January 1, 2023. With IFRS 17 currently in effect, we expect compliance with such revised accounting standards to significantly affect the way in which we and other operators of insurance businesses in Korea account for insurance policies, annuity contracts and financial instruments and how our financial statements are presented.

IFRS 17 has introduced a fundamentally different approach to previous accounting policies under IFRS 4 in terms of both liability measurement and profit recognition. Under IFRS 17, insurance contract liabilities are no longer calculated based on historical or past assumptions and are now based on the present value of future insurance cash flows using a discount rate reflecting current interest rates and the characteristics of the insurance contracts, with a risk adjustment and deferral of up-front profits. Among other effects, this may result in an increase in the level of the liabilities of our insurance subsidiaries, which would lead to a decrease in the balance of their available capital, which in turn may lower their solvency ratio, depending on the solvency regime applicable at the time. In addition, under IFRS 17, certain parts of premium income from insurance contracts will be recognized over the coverage period in proportion to the value of expected coverage and other services that the insurer will provide over such period, rather than recognized at the time of receipt of premium payments, and the investment component of an insurance contract (which refers to amounts to be repaid to policyholders even if the insured event does not occur) will be disaggregated and excluded from premium income. Such changes to revenue recognition methodology will likely have the effect of, among other things, reducing the reported revenue from our insurance operations in our financial statements.

Given the complexity of IFRS 17 and the significant amount of time and resources required to adopt IFRS 17 accounting, we have been investing in information technology systems and processes designed to enhance our financial analysis and impact assessment with respect to our insurance operations. We have also taken other measures to reduce the amount of our statutorily required capital under IFRS 17, including developing new products with improved capital efficiency and strengthening our asset-liability management and our monitoring of interest rate risk. Potential challenges that we have faced, and may continue to face, in terms of implementation of IFRS 17 include:

- interpretation of the requirements and potential operational difficulties when applying such requirements;
- data collection, storage and analysis;
- integration of existing systems and processes with new actuarial systems;

- increased finance, actuarial and risk management coordination;
- implementation of new business strategies in preparation for IFRS 17, including adjusting the duration of interest-earning assets and interest-bearing liabilities and our asset-liability management policies within our insurance operations;
- impact of the transition to a new Korean regulatory solvency regime, which was implemented on January 1, 2023; and
- changes to other aspects of our insurance business, such as product design, remuneration policies and business planning.

The implementation of IFRS 17, as well as any other new or revised insurance accounting standards we are required to adopt in the future, could result in significant costs and may have a material adverse effect on our business and our reported results of operations and financial condition.

We have applied IFRS 17 in our consolidated financial statements as of and for the years ended December 31, 2022, 2023 and 2024 included elsewhere in this annual report. However, business figures and other financial information as of and for the year ended December 31, 2021 in this annual report have not been restated to retroactively apply IFRS 17, and as such, may not be directly comparable to corresponding figures and information as of and for the years ended December 31, 2022, 2023 and 2024, which reflect the application of IFRS 17, where applicable. You must therefore exercise caution when making comparisons of any business or financial figures in this annual report and evaluating our financial condition, results of operations and results.

**Other risks relating to our business**

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

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

- an increase in defaults on loan payments from our 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 "Item 4.B. Business Overview—Assets and Liabilities—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 our cost in servicing our foreign currency denominated debt and result in foreign exchange losses;
- disruption in the normal operations of our business resulting from contraction of infectious diseases by our employees, which may necessitate our employees to be quarantined and/or our 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 our 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, our business, financial condition and results of operations will likely suffer.

***Unfavorable changes in the global financial markets could adversely affect our 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, including the COVID-19 pandemic;
- hostilities, political or social tensions involving Russia (including the Russia-Ukraine war and the ensuing sanctions against Russia) and the resulting adverse effects on the global supply of oil and other natural resources and the global financial markets;
- interest rate fluctuations as well as perceived or actual changes in policy rates, or other monetary and fiscal policies set forth, by the U.S. Federal Reserve and other central banks;
- a rise in inflation rates and volatility in stock markets and exchange rates worldwide;
- increased uncertainties in the global financial markets and industry, including difficulties faced by several banks in the United States and Europe;
- a deterioration in economic and trade relations between the United States and its trading partners, including as a result of the imposition of significant tariffs by the United States on its trading partners, which has been followed by retaliatory tariffs in some cases;
- financial and social difficulties affecting many countries worldwide, in particular in Latin America and Europe;
- 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);
- 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, unfavorable changes in the global financial markets, including as a result of any of the foregoing developments, could have a material adverse effect on the Korean economy and financial markets, and in turn on our business, financial condition and results of operations.

We are also exposed to adverse changes and volatility in the global and Korean financial markets as a result of our liabilities and assets denominated in foreign currencies and our 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 depreciated 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, the difference in policy rates between the United States and Korea and, more recently, the political instability in Korea relating to the impeachment of former President Yoon in April 2025 following his declaration of martial law in December 2024, among others. A depreciation of the Won will increase our cost in Won of servicing our foreign currency-denominated debt, while continued exchange rate volatility may also result in foreign exchange losses for us. 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 we hold an interest. Such developments have resulted in and may lead to further trading and valuation losses on our trading and investment securities portfolio as well as impairment losses on our 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 our 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 Korean government has in the past and may in the future require us, as one of the largest financial holding companies in Korea, to intervene, which could strain our resources, divert our management's attention and have an adverse impact on our results of operations and financial condition.

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect the financial services industry generally or financial institutions, transactional counterparties or other companies in the financial services industry, or concerns or rumors about any events of these kinds or other similar risks, may in the future lead to market-wide liquidity problems or increase our risk in various dealings with our counterparties, among others. If, as a result of such developments, any parties with whom we conduct 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 us, or to enter into new commercial arrangements requiring additional payments to us could be adversely affected. In addition, our ability to access funding sources and other arrangements in amounts adequate to finance or capitalize our current and projected future business operations could also be affected by such disruptions or instability in the financial services industry or financial markets. Furthermore, we 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 our results of operations and financial condition.

***Our business may be materially and adversely affected by legal claims and regulatory actions against us.***

We are subject to the risk of legal claims and regulatory actions in the ordinary course of our business, which may expose us to substantial monetary damages and legal costs, injunctive relief, criminal and civil penalties, sanctions against our management and employees and regulatory restrictions on our operations, as well as significant reputational harm. See "Item 8A. Consolidated Statements and Other Financial Information—Legal Proceedings."

We are unable to predict the outcome of the legal claims and regulatory actions in which we are 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 us. 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 our business, reputation, results of operations and financial condition.

***Our risk management system may not be effective in mitigating risk and loss, including operational risk.***

We seek to monitor and manage our risk exposure through a group-wide risk management platform, encompassing a multi-layered risk management governance structure, reporting and monitoring systems, early

warning systems, credit risk management systems for our banking operations and other risk management infrastructure, using a variety of risk management strategies and techniques. See “Item 11. Quantitative and Qualitative Disclosures about Market Risk.” However, there can be no assurance that our risk management efforts will be effective in mitigating our risk and loss, especially since such risk management strategies and techniques employed by us and the judgments that accompany their application cannot anticipate the economic and financial outcome in all market environments, and many of our risk management strategies and techniques have a basis in historical market behavior that may limit the effectiveness of such strategies and techniques in times of significant market stress or other unforeseen circumstances. Furthermore, our 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 us to deal with such market conditions. In such circumstances, it may be difficult for us to reduce our risk positions due to the activity of such other market participants.

We also seek to identify and manage our exposure to operational risk, which we define 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 our operations that could negatively impact our 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 our internal audits and inspections, the Financial Supervisory Service conducts general annual audits of our operations, as well as special audits and investigations as the need arises on particular aspects of our operations, such as risk management, internal control, credit monitoring and liquidity. Pursuant to certain amendments made to the Act on the Corporate Governance of Financial Companies aimed at strengthening the internal control systems of financial companies in Korea, which became effective in July 2024, we established an internal control committee under our board of directors in March 2025. This new committee will be responsible for establishing and amending our strategies and standards relating to internal control and overseeing their proper implementation, among others. In the ordinary course of its audits or investigations, the Financial Supervisory Service 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 Financial Supervisory Service. We have in the past received, and may in the future receive, such notices, and we have taken and will continue to take appropriate actions in response to such notices. While we intend to fully cooperate with the Financial Supervisory Service 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.

***We may suffer losses due to employee misconduct.***

Our businesses are exposed to risk from potential non-compliance by our 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, our employees, including those of our 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 we will be able to fully recoup any financial losses that we 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 we take 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.

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

Companies in Korea, including us, are subject to corporate governance standards applicable to Korean public companies which may differ in some respects from standards applicable in other countries, including the United States. As a reporting company registered with the U.S. Securities and Exchange Commission and listed on the New York Stock Exchange, we are subject to certain corporate governance standards as mandated by the

Sarbanes-Oxley Act of 2002. However, foreign private issuers, including us, are exempt from certain corporate governance requirements under the Sarbanes-Oxley Act or under the rules of the New York Stock Exchange. There may also be less publicly available information about Korean companies, such as us, 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 our loans and our inability to realize full collateral value may adversely affect our credit portfolio.***

A substantial portion of our loans is secured by real estate, the values of which have fluctuated significantly in recent years. Although it is our general policy to lend up to 60% to 70% of the appraised value of collateral (except in certain regulated areas designated by the Korean government where we generally limit our lending to between 30% and 50% of the appraised value of collateral and in the case of first-time home buyers where we generally limit our lending to 80% of the appraised value of collateral) and to periodically re-appraise our collateral, a downturn in the real estate market in Korea may result in declines in the value of the collateral securing our mortgage and home equity loans. If collateral values decline, they may not be sufficient to cover uncollectible amounts in respect of our secured loans. Any future declines in the value of the real estate or other collateral securing our loans, or our inability to obtain additional collateral in the event of such declines, could result in a deterioration in our asset quality and may require us 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 realized with respect to such collateral. We cannot guarantee that we will be able to realize the full value on our collateral as a result of, among other factors, delays in foreclosure proceedings and defects in the perfection of our security interest in collateral. Our failure to recover the expected value of collateral could expose us to losses.

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

As of December 31, 2024, we held debt securities issued by Korean companies and financial institutions (other than those issued by the Bank of Korea, the Korea Development Bank, Korea Housing Finance Corporation, Industrial Bank of Korea and Korea Electric Power Corporation, which are government-owned or -controlled enterprises or financial institutions) with a total carrying amount of ₩56,301 billion in our 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 us 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 our 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 we could realize in the event we elect to sell these securities. As a result, we may not be able to realize the full book value at the time of any such sale of these securities and thus may incur losses.

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

We manage a number of money trust accounts through Kookmin Bank, our banking subsidiary. 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 we manage, we have 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 our guaranteed trust accounts is not sufficient to pay any guaranteed amount, we will have to cover the shortfall first from the special reserves maintained in these trust accounts, then from our fees from such trust accounts and finally from funds transferred from our general banking operations. As of December 31, 2024, we had ₩116 billion of special reserves in respect of trust accounts for which we provided guarantees of principal. There was no transfer from general banking operations to cover deficiencies in guaranteed trust accounts in 2022, 2023 and 2024. However, we may be required to make transfers from our general banking operations to cover shortfalls, if any, in our guaranteed trust accounts in the future. Such transfers may adversely impact our results of operations.

***Our 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, our 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. Our computer systems, software and networks are subject to cyber incidents, such as disruptions, delays or other difficulties from our information technology system, computer viruses or other malicious codes, loss or destruction of data (including confidential client information), unauthorized access, account takeover attempts and cyber attacks. A significant portion of our daily operations relies on our 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. See "Item 16K. Cybersecurity." Although we have made substantial and continual investments to build systems and defenses 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 recognized until launched, we 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 we do business. Although we maintain insurance coverage that may cover certain aspects of cyber risks, such insurance coverage may be insufficient to cover all losses. If we were to be subject to a cyber incident, it could result in the disclosure of confidential client information, damage to our reputation with our customers and in the market, customer dissatisfaction, additional costs to us, regulatory penalties, exposure to litigation and other financial losses to both us and our customers, which could have an adverse effect on our business and results of operations.

**Risks relating to liquidity and capital management**

***Our funding is highly dependent on short-term deposits, which dependence may adversely affect our operations.***

We meet a significant amount of our funding requirements through short-term funding sources, which consist primarily of customer deposits. As of December 31, 2024, approximately 94.6% of our deposits had maturities of one year or less or were payable on demand. In the past, a substantial proportion of our customer deposits have been rolled over upon maturity. We cannot guarantee, however, that depositors will continue to roll over their deposits in the future. In the event that a substantial number of our short-term deposit customers withdraw their funds or fail to roll over their deposits as higher-yielding investment opportunities emerge, our liquidity position could be adversely affected. We may also be required to seek more expensive sources of short-term and long-term funding to finance our operations. See "Item 5.B. Liquidity and Capital Resources—Financial Condition—Liquidity."

***We may be required to raise additional capital if our capital adequacy ratio deteriorates or the applicable capital requirements change in the future, but we may not be able to do so on favorable terms or at all.***

Under the capital adequacy requirements of the Financial Services Commission, as of December 31, 2024, both we and Kookmin Bank, our banking subsidiary, were 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, our common equity Tier I capital, Tier I capital and combined Tier I and Tier II capital adequacy ratios were 13.53%, 15.17% and 16.43%, respectively, and Kookmin 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 Financial Services Commission. However, our capital base and capital adequacy ratios may deteriorate in the future if our results of operations or financial condition deteriorates for any reason, including as a result of a deterioration in the asset quality of our retail loans (including credit card balances) and loans to small- and medium-sized enterprises, or if we are not able to deploy our funding into suitably low-risk assets.

The current capital adequacy requirements of the Financial Services Commission are derived from a new set of bank capital measures, referred to as Basel III, which the Basel Committee on Banking Supervision initially introduced in 2009 and began phasing in starting from 2013. Commencing in July 2013, the Financial Services Commission promulgated a series of amended regulations implementing Basel III, pursuant to which Korean banks 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 Financial Services Commission and is set at 1.0% as of the date of this annual report. Furthermore, we and Kookmin Bank were each designated as a domestic systemically important bank holding company and a domestic systemically important bank, respectively, for 2024 by the Financial Services Commission and were subject to an additional capital requirement of 1.0% in 2024. In July 2024, we and Kookmin Bank were each again designated as a domestic systemically important bank holding company and a domestic systemically important bank, respectively, for 2025, which again subjects us to an additional capital requirement of 1.0% in 2025. In addition, the Financial Services Commission indicated that it may introduce a stress buffer capital requirement of up to 2.5% sometime in 2025. All such requirements are in addition to the pre-existing requirement for minimum ratios of Tier I and Tier II capital (less any capital deductions) to risk-weighted assets set forth above. The implementation of Basel III in Korea may have a significant effect on the capital requirements of Korean financial institutions, including us. See "Item 4.B. Business Overview—Supervision and Regulation—Principal Regulations Applicable to Financial Holding Companies—Capital Adequacy" and "—Principal Regulations Applicable to Banks—Capital Adequacy."

We 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, we may not be able to obtain additional capital on favorable terms, or at all. Our 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 we fail to comply with applicable capital adequacy ratios or other regulatory requirements in the future, Korean regulatory authorities may impose penalties on us ranging from a warning to suspension or revocation of our banking license.

***Significant changes in interest rates could adversely affect our business, financial condition and results of operations.***

Interest rates in Korea have been subject to significant fluctuations in recent years. After the Bank of Korea 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 Bank of Korea 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 Bank of Korea 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 Bank of Korea 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 Bank of Korea continued to raise its policy rate to 3.50% from April 2022 through January 2023. More recently, the Bank of Korea lowered its policy rate to 3.25% in October 2024, 3.00% in November 2024 and 2.75% in February 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 our portfolio of debt securities, which generally pay interest based on a fixed rate. A sustained increase in interest rates will also raise our funding costs, while reducing loan demand, especially among retail borrowers. Rising interest rates may therefore require us to re-balance our asset portfolio and our liabilities in order to minimize the risk of potential mismatches and maintain our profitability.

In addition, rising interest rate levels may adversely affect the Korean economy and the financial condition and repayment ability of our corporate and retail borrowers both domestically and abroad, including holders of our credit cards, which in turn may lead to a deterioration in our credit portfolio. Since most of our 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 our 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 our customers and a reduction in our funding costs as well as an appreciation of the value of our debt securities, it would also lead to decreases in the interest rates we charge on our loan products. If the effects of a decrease in the interest rates we charge on our loan products outweigh the combined effects of increases in loan demand and the value of our debt securities and a decrease in funding costs, our business, financial condition and results of operations would be adversely affected.

Furthermore, in periods of increasing interest rates, the yields on the general account assets of our insurance subsidiaries may not be sufficient to fund the higher floating interest credit rates necessary to keep their interest-sensitive insurance products competitive. They may therefore have to accept a lower spread and thus lower profitability or face a decline in sales and greater attrition among their existing policyholders. In addition, in periods of increasing interest rates, the value of the debt securities and other general account assets of our insurance subsidiaries may decline, resulting in lower unrealized gains within other comprehensive income in their total equity, which in turn would lower their available capital and their solvency ratio. Moreover, surrenders and withdrawals of insurance policies may increase as policyholders seek to buy products with perceived higher returns. This process may lead to a cash outflow from our insurance subsidiaries. Such cash outflows may require them to sell their investment assets at a time when the prices of those assets are lower because of the increase in market interest rates, which may result in investment losses.

**Risks relating to government regulation and policy**

***Strengthening of consumer protection laws applicable to financial institutions could adversely affect our operations.***

As a financial service provider, we are 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 Korean 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, utilize 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 the 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, we, as a financial instrument distributor, 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 Korean government to strengthen consumer protection laws applicable to financial institutions may limit our operational flexibility and cause us to incur significant additional compliance costs, as well as subject us to increased potential liability to our customers, which could adversely affect our business and performance.

***The Korean 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 us, may decide to follow.***

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

In the past, the Korean 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 small- and medium-sized enterprises in Korea and adverse conditions in the Korean economy affecting such enterprises, the Korean government had temporarily introduced measures from April 2020 to September 2023 intended to encourage Korean banks to provide financial support to small- and medium-sized enterprise and retail borrowers, including guidelines for Korean banks to extend loan terms and defer interest payments with respect to small- and medium-sized enterprises and SOHOs affected by the COVID-19 pandemic. See "—Risks relating to our small- and medium-sized enterprise loan portfolio—We have significant exposure to small- and medium-sized enterprises, and any financial difficulties experienced by these customers may result in a deterioration of our asset quality and have an adverse impact on us." and "—Risks relating to our retail credit portfolio—Future changes in market conditions as well as other factors may lead to increases in delinquency levels of our retail loan portfolio." The Korean government may in the future request financial institutions in Korea, including us, 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 us, may decide to accept. We may incur costs or losses as a result of providing such financial support.

***The Financial Services Commission may impose burdensome measures on us if it deems us or one of our subsidiaries to be financially unsound.***

If the Financial Services Commission deems our financial condition or the financial condition of our subsidiaries to be unsound, or if we or our subsidiaries fail to meet applicable regulatory standards, such as minimum capital adequacy and liquidity ratios, the Financial Services Commission may order or recommend, among other things:

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

If any of these measures is imposed on us by the Financial Services Commission, they could hurt our business, results of operations and financial condition. In addition, if the Financial Services Commission orders us to partially or completely reduce our capital, you may lose part or all of your investment.

**Risks relating to Korea**

***Escalations in tensions with North Korea could have an adverse effect on us and the market value of our ADSs.***

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 Korean government has repeatedly condemned the provocations and flagrant violations of relevant United Nations Security Council resolutions. In February 2016, the government also closed the inter-Korea Gaesong Industrial Complex in response to North Korea's fourth nuclear test in January 2016. Internationally, the United Nations Security Council has passed a series of resolutions condemning North Korea's actions and significantly expanding the scope of sanctions applicable to North Korea, most recently in December 2017 in response to North Korea's intercontinental ballistic missile test in November 2017. Over the years, the United States and the European Union have also expanded their sanctions applicable to North Korea.
- In March 2010, a Korean naval vessel was destroyed by an underwater explosion, killing many of the crewmen on board. The Korean 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 Korean 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 our business, financial condition and results of operations and the market value of our common stock and American depositary shares, or ADSs.

***Unfavorable financial and economic developments in Korea may have an adverse effect on us.***

We are incorporated in Korea, and substantially all of our operations are located in Korea. As a result, we are subject to political, economic, legal and regulatory risks specific to Korea, and our performance and successful fulfillment of our 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 our 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 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 our business—Unfavorable changes in the global financial markets could adversely affect our results of operations and financial condition."

The value of the Won relative to major foreign currencies, in particular the U.S. dollar, has depreciated 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, or 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 our 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 and the ensuing societal unrest, including as a result of political uncertainty following the removal of President Yoon from office on April 4, 2025 by the Constitutional Court of Korea, which upheld the National Assembly's vote to impeach him following his declaration of martial law in December 2024 (which declaration had been swiftly rescinded), as a result of which a special presidential election to elect his successor must be held by June 3, 2025;
- the imposition of significant tariffs on Korea's exports by any of its major export markets, such as the imposition of a 25% tariff on Korea's exports to the United States announced in April 2025, which has since been paused for a period of 90 days;

- rising inflationary pressures leading to increases in the costs of goods and services and a decrease in purchasing power;
- the occurrence of severe health epidemics, such as the COVID-19 pandemic, or other severe health epidemics in Korea or other parts of the world, such as the Middle East Respiratory Syndrome outbreak in Korea in 2015;
- 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 deteriorating economic and trade relations between the United States and China and increased uncertainties in the global financial markets and industry;
- adverse changes or volatility in foreign currency reserve levels, commodity prices (including oil prices), exchange rates (including fluctuation of the U.S. dollar, Euro or Japanese Yen exchange rates or revaluation of the Chinese Renminbi), interest rates, inflation rates or stock markets;
- hostilities, political or social tensions involving Russia (including the Russia-Ukraine war and the ensuing sanctions against Russia) and the resulting adverse effects on the global supply of oil and other natural resources and the global financial markets;
- increased sovereign default risks in select countries and the resulting adverse effects on the global financial markets;
- a continuing rise in the level of household debt and increasing delinquencies and credit defaults by retail and small- and medium-sized enterprise borrowers in Korea;
- a deterioration in the financial condition or performance of small- and medium-sized enterprises and other companies in Korea due to the Korean government's policies to increase minimum wages and limit working hours of employees;
- 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 labor unrest;
- substantial changes in the market prices of Korean real estate;
- a substantial decrease in tax revenues or a substantial increase in the Korean 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 Korean government's debt;
- financial problems or lack of progress in the restructuring of *chaebols*, other large troubled companies (including those in the construction, shipbuilding, shipping and real estate project financing sectors) and their suppliers or the financial sector;
- loss of investor confidence arising from corporate accounting irregularities or corporate governance issues at certain *chaebols*;
- 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 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 borrowings, 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.

***Labor unrest in Korea may adversely affect our operations.***

Economic difficulties in Korea or increases in corporate reorganizations 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 labor unrest in the future could adversely affect our operations, as well as the operations of many of our 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 our financial condition and results of operations.

**Risks relating to our common stock and ADSs**

***We or our major stockholders may sell shares of our common stock or ADSs in the future, and these and other sales may adversely affect the market price of our common stock and ADSs and may dilute your investment and relative ownership in us.***

We have no current plans for any public offerings of our common stock, ADSs or securities exchangeable for or convertible into such securities. However, it is possible that we may decide to offer or sell such securities in the future. In addition, our major stockholder, the Korean National Pension Service, held approximately 8.41% of our total issued common stock (or 8.86% of our total outstanding common stock) as of December 31, 2024, which it may sell at any time.

Any future offerings or sales by us of our common stock or ADSs or securities exchangeable for or convertible into such securities, significant sales of our common stock by a major stockholder, or the public perception that an offering or sales may occur, could have an adverse effect on the market price of our common stock and ADSs. Furthermore, any offerings by us in the future of any such securities could have a dilutive impact on your investment and relative ownership interest in us.

***Ownership of our common stock is restricted under Korean law.***

Under the Financial Holding Company Act, a single stockholder, together with its affiliates, is generally prohibited from owning more than 10.0% of the issued and outstanding shares of voting stock of a bank holding company such as us that controls a nationwide bank, with the exception of certain stockholders that are non-financial business group companies, whose applicable limit has been reduced from 9.0% to 4.0% pursuant to an amendment of the Financial Holding Company Act which became effective from February 14, 2014. To the extent that the total number of shares of our common stock (including those represented by ADSs) that a holder

and its affiliates own exceeds the applicable limits, that holder will not be entitled to exercise the voting rights for the excess shares, and the Financial Services Commission may order that holder to dispose of the excess shares within a period of up to six months. Failure to comply with such an order would result in an administrative fine of up to 0.03% of the book value of such shares per day until the date of disposal. Non-financial business group companies can no longer acquire more than 4.0% of the issued and outstanding shares of voting stock of a bank holding company pursuant to the amended Financial Holding Company Act, which grants an exception for non-financial business group companies which, at the time of the enactment of the amended provisions, held more than 4.0% of the shares thereof with the approval of the Financial Services Commission before the amendment. See "Item 4.B. Business Overview—Supervision and Regulation—Principal Regulations Applicable to Financial Holding Companies—Restrictions on Ownership of a Financial Holding Company."

***A holder of our ADSs may not be able to exercise dissent and appraisal rights unless it has withdrawn the underlying shares of our common stock and become our direct stockholder.***

In some limited circumstances, including the transfer of the whole or any significant part of our business and the merger or consolidation of us with another company, dissenting stockholders have the right to require us to purchase their shares under Korean law. However, holders of our ADSs will not be able to exercise such dissent and appraisal rights if the depositary refuses to do so on their behalf. Our deposit agreement does not require the depositary to take any action in respect of exercising dissent and appraisal rights. In such a situation, holders of our ADSs must withdraw the underlying common stock from the ADS facility (and incur charges relating to that withdrawal) and become our direct stockholder prior to the record date of the stockholders' meeting at which the relevant transaction is to be approved, in order to exercise dissent and appraisal rights.

***A holder of our ADSs may be limited in its ability to deposit or withdraw common stock.***

Under the terms of our deposit agreement, holders of common stock may deposit such stock with the depositary's custodian in Korea and obtain ADSs, and holders of ADSs may surrender ADSs to the depositary and receive common stock. However, to the extent that a deposit of common stock exceeds the difference between:

(1) the aggregate number of common shares we have deposited or we have consented to allow to be deposited for the issuance of ADSs (including deposits in connection with offerings of ADSs and stock dividends or other distributions relating to ADSs); and

(2) the number of shares of common stock on deposit with the custodian for the benefit of the depositary at the time of such proposed deposit,

such common stock will not be accepted for deposit unless:

(A) our consent with respect to such deposit has been obtained; or

(B) such consent is no longer required under Korean laws and regulations.

Under the terms of the deposit agreement, no consent is required if the shares of common stock are obtained through a dividend, free distribution, rights offering or reclassification of such stock. We have consented, under the terms of the deposit agreement, to any deposit to the extent that, after the deposit, the number of deposited shares does not exceed such number of shares as we determine from time to time (which number shall at no time be less than 100,000,000 shares), unless the deposit would be prohibited by applicable laws or ownership restrictions or violate our articles of incorporation. We might not consent to the deposit of any additional common stock. As a result, if a holder surrenders ADSs and withdraws common stock, it may not be able to deposit the stock again to obtain ADSs.

***A holder of our ADSs will not have preemptive rights in some circumstances.***

The Korean Commercial Code and our articles of incorporation require us, with some exceptions, to offer stockholders the right to subscribe for new shares of our common stock in proportion to their existing

shareholding ratio whenever new shares are issued. If we offer any rights to subscribe for additional shares of our common stock or any rights of any other nature, to the extent practicable, the depositary may make the rights available to holders of our ADSs or dispose of the rights on behalf of such holders and make the net proceeds available to such holders. The depositary, however, is not required to make available to holders any rights to purchase any additional shares of our common stock unless it timely receives evidence satisfactory to it from us that it may lawfully do so and:

- a registration statement filed by us under the U.S. Securities Act of 1933, as amended, is in effect with respect to those shares; or
- the offering and sale of those shares is exempt from or is not subject to the registration requirements of the Securities Act.

Similarly, holders of our common stock located in the United States may not exercise any such rights they receive absent registration or an exemption from the registration requirements under the Securities Act.

We are under no obligation to file any registration statement with the U.S. Securities and Exchange Commission or to endeavor to cause such a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. Accordingly, a holder of our ADSs may be unable to participate in our rights offerings and may experience dilution in its holdings. If a registration statement is required for a holder of our ADSs to exercise preemptive rights but is not filed by us or is not declared effective, the holder will not be able to exercise its preemptive rights for additional ADSs and it will suffer dilution of its equity interest in us. If the depositary is unable to sell rights that are not exercised or not distributed or if the sale is not lawful or practicable, it will allow the rights to lapse, in which case the holder will receive no value for these rights.

***Dividend payments and the amount a holder of our ADSs may realize upon a sale of its ADSs will be affected by fluctuations in the exchange rate between the U.S. dollar and the Won.***

Our common stock is listed on the KRX KOSPI Market of the Korea Exchange and quoted and traded in Won. Cash dividends, if any, in respect of the shares represented by the ADSs will be paid to the depositary in Won and then converted by the depositary into U.S. dollars, subject to certain conditions. Accordingly, fluctuations in the exchange rate between the Won and the U.S. dollar will affect, among other things, the amounts a holder of our ADSs will receive from the depositary in respect of dividends, the U.S. dollar value of the proceeds that it would receive upon sale in Korea of the shares of our common stock obtained upon surrender of ADSs and the secondary market price of ADSs. Such fluctuations will also affect the U.S. dollar value of dividends and sales proceeds received by holders of our common stock.

***The market value of an investment in our ADSs may fluctuate due to the volatility of the Korean securities market.***

Our common stock is listed on the KRX KOSPI Market, which has a smaller market capitalization and is more volatile than other securities markets, such as those in the United States and other countries. The market value of ADSs may fluctuate in response to the fluctuation of the trading price of shares of our common stock on the KRX KOSPI Market. The KRX KOSPI Market has experienced substantial fluctuations in the prices and volumes of sales of listed securities and the KRX KOSPI Market has prescribed a fixed range in which share prices are permitted to move on a daily basis. The KOSPI was 2,522.3 on April 24, 2025. There is no guarantee that the stock prices of Korean companies will not decline again in the future. Like other securities markets, including those in developed markets, the Korean securities market has experienced problems including market manipulation, insider trading and settlement failures. The recurrence of these or similar problems could have a material adverse effect on the market price and liquidity of the securities of Korean companies, including our common stock and ADSs, in both the domestic and the international markets.

The Korean government has the potential ability to exert substantial influence over many aspects of the private sector business community, and in the past has exerted that influence from time to time. For example, the Korean government has promoted mergers to reduce what it considers excess capacity in a particular industry and has also encouraged private companies to publicly offer their securities. Similar actions in the future could have the effect of depressing or boosting the Korean securities market, whether or not intended to do so. Accordingly, actions by the government, or the perception that such actions are taking place, may take place or has ceased, may cause sudden movements in the market prices of the securities of Korean companies in the future, which may affect the market price and liquidity of our common stock and ADSs.

***If the Korean government deems that emergency circumstances are likely to occur, it may restrict holders of our ADSs and the depositary from converting and remitting dividends and other amounts in U.S. dollars.***

If the Korean government deems that certain emergency circumstances, including, but not limited to, severe and sudden changes in domestic or overseas economic circumstances, extreme difficulty in stabilizing the balance of payments or implementing currency exchange rate and other macroeconomic policies, have occurred or are likely to occur, it may impose certain restrictions provided for under the Foreign Exchange Transaction Act, including the suspension of payments or requiring prior approval from governmental authorities for any transaction. See "Item 10.D. Exchange Controls—General."

***A holder of our ADSs may not be able to enforce a judgment of a foreign court against us.***

We are a corporation with limited liability organized under the laws of Korea. Substantially all of our directors and officers and other persons named in this document reside in Korea, and all or a significant portion of the assets of our directors and officers and other persons named in this document and substantially all of our assets are located in Korea. As a result, it may not be possible for holders of our ADSs to effect service of process within the United States, or to enforce against them or us in the United States judgments obtained in United States courts based on the civil liability provisions of the federal securities laws of the United States. There is doubt as to the enforceability in Korea, either in original actions or in actions for enforcement of judgments of United States courts, of civil liabilities predicated on the United States federal securities laws.

## Item 4. INFORMATION ON THE COMPANY

For certain of the information required by subpart 1400 of Regulation S-K not included in this Item 4, see "Item 8.A. Consolidated Statements and Other Financial Information."

### Item 4.A. *History and Development of the Company*

**Overview**

We were established as a new financial holding company on September 29, 2008 pursuant to a "comprehensive stock transfer" under Korean law, whereby holders of the common stock of Kookmin Bank and certain of its subsidiaries transferred all of their shares to us in return for shares of our common stock. We were established pursuant to the Financial Holding Company Act, which was enacted in October 2000 and which, together with associated regulations and a related Enforcement Decree, has enabled banks and other financial institutions, including insurance companies, investment trust companies, credit card companies and securities companies, to be organized and managed under the auspices of a single financial holding company.

Our legal and commercial name is KB Financial Group Inc. Our registered office and principal executive offices are located at 26, Gukjegeumyung-ro 8-gil, Yeongdeungpo-gu, Seoul 07331, Korea. Our telephone number is +82-2-2073-7114. Our agent in the United States, Kookmin Bank, New York Branch, is located at 565 Fifth Avenue, 24th Floor, New York, NY 10017. Its telephone number is (212) 697-6100. The address of our English website is *https://www.kbfg.com/Eng/index.jsp*.

The U.S. Securities and Exchange Commission maintains a website (http://www.sec.gov), which contains reports, proxy and information statements and other information regarding issuers that file electronically with the U.S. Securities and Exchange Commission.

**History of the Former Kookmin Bank**

The former Kookmin Bank was established by the Korean 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, we were limited to providing banking services to the general public and to small- and medium-sized enterprises. In September 1994, we completed our initial public offering in Korea and listed our shares on 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. Our status was changed from a specialized bank to a nationwide commercial bank and in February 1995, we changed our name to Kookmin Bank. The Repeal Act allowed us to engage in lending to large businesses.

**History of H&CB**

H&CB was established by the Korean 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.

**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 Kookmin Bank becoming the largest commercial bank in Korea. Kookmin Bank's ADSs were listed on the New York Stock Exchange on November 1, 2001 and its common shares were listed on the KRX KOSPI Market on November 9, 2001.

**Establishment of KB Financial Group**

We were 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 Kookmin Bank and certain of its subsidiaries transferred all of their shares to us, a new financial holding company, and in return received shares of our common stock. In the stock transfer, each holder of one share of Kookmin Bank common stock received one share of our common stock, par value ₩5,000 per share. Holders of Kookmin Bank ADSs and global depositary shares, each of which represented one share of Kookmin Bank common stock, received one of our ADSs for every ADS or global depositary share they owned. In addition, holders of the common stock of certain of Kookmin Bank's subsidiaries transferred all of their shares to us and, as consideration for such transferred shares, received shares of our common stock in accordance with the specified stock transfer ratio applicable to each such subsidiary. Following the completion of the stock transfer, Kookmin Bank and these subsidiaries — 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. — became our wholly-owned subsidiaries.

The purpose of the stock transfer and our establishment as a financial holding company was to reorganize the different businesses of Kookmin Bank and its subsidiaries under a holding company structure, the adoption of which we believed would:

- assist us in creating an integrated system that facilitates the sharing of customer information and the development of integrated products and services by the different businesses within our subsidiaries;
- assist us in expanding our business scope to include new types of business with higher profit margins;
- enhance our ability to pursue strategic investments or reorganizations by way of mergers, acquisitions, spin-offs or other means;
- maximize our management efficiency; and
- further enhance our capacity to expand our overseas operations.

Following the stock transfer, our common stock was listed on the KRX KOSPI Market on October 10, 2008 and our ADSs were listed on the New York Stock Exchange on September 29, 2008.

## Item 4.B. *Business Overview*

### Business

We are one of the largest financial holding companies in Korea, in terms of consolidated total assets, and our operations include Kookmin Bank, one of the leading commercial banks in Korea. Our subsidiaries collectively engage in a broad range of businesses, including commercial banking, credit cards, asset management, non-life and life insurance, capital markets activities and international banking and finance. As of December 31, 2024, we had consolidated total assets of ₩758 trillion, consolidated total deposits of ₩436 trillion and consolidated total equity of ₩60 trillion.

As part of our commercial banking activities, we provide credit and related financial services to individuals, small- and medium-sized enterprises and large corporate customers. We also provide a full range of deposit products and related services to both individuals and enterprises of all sizes. We provide these services predominantly through Kookmin Bank.

By their nature, our core consumer and small- and medium-sized enterprise operations place a high premium on customer access and convenience. Our combined banking network of 800 branches as of December 31, 2024, one of the most extensive in Korea, provides a solid foundation for our business and is a major source of our competitive strength. This network provides us with a large, stable and cost effective funding source, enables us to provide our customers convenient access and gives us the ability to provide the customer attention and service essential to conducting our business, particularly in an increasingly competitive environment. Our branch network is supplemented by our advanced digital platforms, including KB Star Banking. As of December 31, 2024, we had a customer base of approximately 38.0 million retail customers, which represented over one-half of the Korean population.

The following table sets forth the principal components of our lending business as of the dates indicated. As of December 31, 2024, retail loans and credit card loans and receivables accounted for 45.5% of our total loan portfolio:

| | As of December 31, | | | |
|---|---|---|---|---|
| | 2023 | | 2024 | |
| | (in billions of Won, except percentages) | | | |
| Retail | | | | |
| Mortgage and home equity[1] | ₩125,338 | 27.8% | ₩136,130 | 28.5% |
| Other consumer[2] | 58,678 | 13.0 | 57,673 | 12.1 |
| Total retail | 184,016 | 40.8 | 193,803 | 40.6 |
| Credit card | 22,311 | 5.0 | 23,443 | 4.9 |
| Corporate | 209,918 | 46.6 | 223,603 | 46.8 |
| Foreign | 34,023 | 7.6 | 36,856 | 7.7 |
| Total loans | ₩450,268 | 100.0% | ₩477,705 | 100.0% |

(1) Includes ₩4,231 billion and ₩5,170 billion of overdraft loans secured by real estate in connection with home equity loans as of December 31, 2023 and 2024, respectively.

(2) Includes ₩10,254 billion and ₩11,210 billion of overdraft loans as of December 31, 2023 and 2024, respectively.

We provide a full range of personal lending products and retail banking services to individual customers, including mortgage loans. We are the largest private sector mortgage lender in Korea.

Lending to small- and medium-sized enterprises is the single largest component of our 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 collateralized loans to SOHO customers that are among the smallest of the small- and medium-sized enterprises. The volume of our loans to small- and medium-sized enterprises requires a customer-oriented approach that is facilitated by our large and geographically diverse branch network.

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

**Strategy**

Our strategic focus is to become a world-class financial group that achieves sustainable growth amidst a rapidly evolving financial landscape and an increasingly digitalized environment. We plan to continue to solidify our market position as Korea's leading financial group, enhance our ability to provide comprehensive financial services to our retail and corporate customers and strengthen our overseas operating platform and network. In addition, we continually strive to achieve our goal of creating "a happier life and a better world" through a customer-centric management philosophy. We believe our strong market position in the commercial banking area in Korea is an important competitive advantage, which will enable us to compete more effectively based on convenient delivery, product breadth and differentiation, and service quality while focusing on our profitability.

The key elements of our strategy are as follows:

***Providing comprehensive financial services and maximizing synergies among our subsidiaries through our financial holding company structure***

We believe the Korean financial services market has been undergoing and will continue to undergo significant change, resulting from, among other things, fluctuations in the Korean and global economy and the evolving social landscape in Korea, including the acceleration of population aging in Korea, the prevalence of

smartphone usage and developments in digital technologies. In the context of such changes, we plan to become a comprehensive financial services provider capable of offering a full range of products and services to our large existing base of retail and corporate customers, as well as a global firm that can effectively compete with leading international financial institutions.

We believe our financial holding company structure gives us a competitive advantage over commercial banks and unaffiliated financial services providers by:

- allowing us to offer a more extensive range of financial products and services;
- enabling us to share customer information, which is not permitted outside a financial holding company structure, thereby enhancing our risk management capabilities;
- enhancing our ability to reduce costs in areas such as back-office processing and procurement; and
- enabling us to raise and manage capital on a centralized basis.

***Identifying, targeting and marketing to attractive customer segments and providing superior customer value and service to such segments***

In recent years, rather than focusing on developing products and services to satisfy the overall needs of the general population, we have increasingly targeted specific market segments in Korea that we expect to generate superior growth and profitability. For example, we have made it a priority to focus on wealth management solutions for high net worth and ultra-high net worth individuals, who seek more personalized and sophisticated financial services to manage and grow their assets. We will continue to implement a targeted marketing approach that seeks to identify the most attractive customer segments and to develop strategies to build market share in those segments.

In particular, we intend to increase our "wallet share" of existing high net worth customers by using our advanced customer relationship management technology to better identify and meet the needs of our most creditworthy customers, on whom we intend to concentrate our marketing efforts. For example, as part of this strategy, we operate a "priority customer" program called KB Star Club through seven of our subsidiaries, Kookmin Bank, KB Securities, KB Insurance, KB Kookmin Card, KB Life Insurance, KB Capital and KB Savings Bank. We select and classify KB Star Club customers based on their transaction history with the seven entities and provide such customers with preferential treatment in various areas, including interest rates and transaction fees, depending upon how they are classified. We also provide private banking services, including wealth management services through our exclusive brand "Gold & Wise," to increase our share of the high net worth customer market and in turn increase our profitability and strengthen our position in retail banking.

We are also focusing on attracting and retaining creditworthy customers by offering more differentiated fee-based products and services that are tailored to meet their specific needs. The development and marketing of our products and services are, in part, driven by customer segmentation to ensure that we meet the needs of each customer segment. For instance, we continue to develop hybrid financial products with enhanced features, including various deposit products and investment products, for which consumer demand has increased in recent years. We are also focusing on addressing the needs of our customers by providing the highest-quality products and services and developing an open-architecture strategy, which allows us to sell such products through one of the largest branch networks in Korea. In short, we aim to offer our customers a convenient one-stop financial services destination where they can meet their traditional retail and corporate banking requirements, as well as find a broad array of fee-based products and services tailored to address more specific financial needs, including in investment banking, securities brokerage, insurance and wealth management. We believe such differentiated, comprehensive services and cross-selling will not only enhance customer loyalty but also increase profitability.

One of our key customer-related strategies continues to be creating greater value and better service for our customers. We intend to continue improving our customer service, including through:

- *Improved customer relationship management technology*. Management has devoted substantial resources toward development of our customer relationship management system, which is designed to provide our employees with the information needed to continually improve the level of service and incentives offered to our preferred customers. Our integrated customer relationship system allows for better customer management and streamlines our customer reward system. We have also developed state-of-the-art call centers, smartphone applications and online Internet capabilities to provide shorter response times to customers seeking information or to execute transactions. Furthermore, we are focused on improving our customer channels to offer the same quality of service for both our in-branch and non-face-to-face interactions, including online platforms and mobile banking. Our goals are to continually focus on improving customer service to satisfy our customers' needs through continuing efforts to deliver new and improved services and to upgrade our customer relationship management system to provide the best possible service to our customers in the future.
- *Enhanced distribution channels*. We also believe we can improve customer retention and usage rates by increasing the range of products and services we offer and by developing a differentiated, multi-channel distribution network, including branches, digital platforms and call centers. We are committed to leveraging advanced technology, including artificial intelligence technology, across such channels to offer more efficient and personalized services, ensuring that we meet the evolving expectations of our customers. We believe that our leading market position in the commercial banking area in Korea gives us a competitive advantage in developing and enhancing our distribution capabilities.

***Focusing on expanding and improving credit quality in our corporate lending business and increasing market share in the corporate financial services market***

We plan to focus on corporate lending as one of our core businesses through attracting top-tier corporate customers and providing customized and distinctive products and services to build our position as a leading service provider in the Korean corporate financial market. To increase our market share in providing financial services to the corporate market, we intend to:

- promote a more balanced and strengthened portfolio with respect to our corporate business by developing our large corporate customer base and utilizing our improved credit management operations to better evaluate new large corporate and small- and medium-sized enterprise customers;
- develop and sell more varied corporate financial products, consisting of transactional banking products which provide higher margin and less risk;
- generate more fee income from large corporate customers through business-to-business transactions, foreign exchange transactions and derivative and other investment products, as well as investment banking services;
- strengthen our marketing system based on our accumulated expertise in order to attract top-tier corporate customers;
- focus on enhancing our channel network in order to provide the best service by strengthening our corporate customer management; and
- further develop and train our core professionals with respect to this market, including through programs such as the "Career Development Path."

***Strengthening internal risk management capabilities***

We believe that ensuring strong asset quality through effective credit risk management is critical to maintaining stable growth and profitability and risk management will continue to be one of our key focus areas.

One of our highest priorities is to improve our asset quality and more effectively price our lending products to take into account inherent credit risk in our portfolio. Our goal is to maintain the soundness of our credit portfolio, profitability and capital base. To this end, we intend to continue to strengthen our internal risk management capabilities by tightening our underwriting and management policies and improving our internal compliance policies. To accomplish this objective, we have undertaken the following initiatives:

- *Strengthening underwriting procedures with advanced credit scoring techniques.* We have centralized our credit management operations into our Credit Management and Analysis Group. Through such centralization, we aim to enhance our credit management expertise and improve our system of checks-and-balances with respect to our credit portfolio. We have also improved our ability to evaluate the credit of our small- and medium-sized enterprise customers through assigning experienced credit officers to our regional credit offices. We also require the same officer to evaluate, review and monitor the outstanding loans and other credits with respect to a customer, which we believe enhances the expertise and improves the efficiency and accountability of such officer, while enabling us to maintain a consistent credit policy. We have also, as a general matter, implemented enhanced credit analysis and scoring techniques, which we believe will enable us to make better-informed decisions about the credit we extend and improve our ability to respond more quickly to incipient credit problems. We are also focusing on enhancing our asset quality through improvement of our early monitoring systems and collection procedures.
- *Improving our internal compliance policy and ensuring strict application in our daily operations.* We have improved our monitoring capabilities with respect to our internal compliance by providing training and educational programs to our management and employees. We have also implemented strict compliance policies to maintain the integrity of our risk management system.

***Cultivating a performance-based, customer-oriented culture that emphasizes market best practices***

We believe a strong and dedicated workforce is critical to our ability to offer our customers the highest quality financial services and is integral to our goal of maintaining our position as one of Korea's leading financial services providers. In the past, we have dedicated significant resources to develop and train our core professionals, and we intend to continue to enhance the productivity of our employees, including by regularly sponsoring in-house training and educational programs. We have also been seeking to cultivate a performance-based culture to create a work environment where members of our staff are incentivized to maximize their potential and in which our employees are directly rewarded for superior performance. We intend to maintain a professional workforce whose high quality of customer service reflects our goal to achieve and maintain global best practice standards in all areas of operations.

**Retail Banking**

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

***Lending Activities***

We offer 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 our total retail lending represented by the categories of our retail loans as of the dates indicated:

| | As of December 31, | | | |
|---|---|---|---|---|
| | 2023 | | 2024 | |
| | (in billions of Won, except percentages) | | | |
| Retail: | | | | |
| Mortgage and home equity loans | ₩125,338 | 68.1% | ₩136,130 | 70.2% |
| Other consumer loans[(1)] | 58,678 | 31.9 | 57,673 | 29.8 |
| Total | ₩184,016 | 100.0% | ₩193,803 | 100.0% |

(1) Excludes credit card loans, but includes overdraft loans.

Our 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 our customers secured by their homes to ensure loan repayment. We also provide overdraft loans in connection with our 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 us in excess of the amount in such accounts up to a limit established by us.

For secured loans, including mortgage and home equity loans, our policy is to lend up to 100% of the adjusted collateral value (except in areas of high speculation designated by the government where we generally limit our lending to between 30% and 50% of the appraised value of collateral) minus the value of any lien or other security interests that are prior to our security interest. In calculating the adjusted collateral value for real estate, we use 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 our 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 us to recover the loan. As a result, we review 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. We provide 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 we offer interest rates on a commercial basis. The maximum term of mortgage loans is 50 years and the majority of our mortgage loans have long-term maturities, which may be renewed. Non-amortizing home equity loans have a maturity of one to five years and home equity loans subject to amortization of principal may have a maximum term of up to 50 years. As of December 31, 2024, we had ₩33,608 billion of amortizing home equity loans, representing 98.4% of our total home equity loans, and ₩556 billion of non-amortizing home equity loans, representing 1.6% of our total home equity loans. Any customer is eligible for a mortgage or an individual home equity loan regardless of whether it participates in one of our 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 we frequently transact business and provide us with significant revenue receive preferential interest rates on loans.

As of December 31, 2024, 49.2% of our mortgage loans were secured by residential property which is the subject of the loan, 25.9% of our mortgage loans were guaranteed by the Housing Finance Credit Guarantee Fund, a government housing-related entity, and the remaining 24.9% of our mortgage loans, contrary to general practices in the United States, were unsecured (although the use of proceeds from these loans is restricted to financing of home purchases and some of these loans are guaranteed by a third party). One reason that a relatively high percentage of our mortgage loans are unsecured is that we, along with other Korean banks, provide 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. For the year ended December 31, 2024, the average initial loan-to-value ratio of our mortgage loans, which is a measure of the amount of loan exposure to the appraised value of the security collateralizing the loan, was approximately 48.1%. There are three reasons that our loan-to-value ratio is relatively lower (as is the case with other Korean banks) compared to similar ratios in other countries, such as the United States. The first reason is that housing prices are high in Korea relative to average income, so most people cannot afford to borrow an amount equal to the entire value of their collateral and make interest payments on such an amount. The second reason relates to the "*jeonsae*" system, through which people provide a key money deposit while residing in the property prior to its purchase. At the time of purchase, most people use the key money deposit as part of their payment and borrow the remaining amount from Korean banks, which results in a loan that will be for an amount smaller than the appraised value of the property for collateral and assessment purposes. The third reason is that Korean banks discount the appraised value of the borrower's property for collateral and assessment purposes so that a portion of the appraised value is reserved in order to provide recourse to a renter who lives at the borrower's property. This is in the event that the borrower's property is seized by a creditor, and the renter is no longer able to reside at that property. See "Item 3.D. Risk Factors—Other risks relating to our business—A decline in the value of the collateral securing our loans and our inability to realize full collateral value may adversely affect our credit portfolio."

The following table sets forth our unsecured and secured mortgage loans and home equity loans as of December 31, 2023 and 2024, based on their loan classification categories under IFRS and our internal credit ratings for loans (which are described in Note 4.2.4 of the notes to our consolidated financial statements):

| | As of December 31, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 | | | | | Stage 2 | Stage 3 | Total |
| | Grade 1 | Grade 2 | Grade 3 | Grade 4 | Grade 5 | | | |
| | (in billions of Won) | | | | | | | |
| Mortgage: | | | | | | | | |
| Secured[1] | ₩ 84,065 | ₩1,141 | ₩127 | ₩ 7 | ₩13 | ₩5,767 | ₩220 | ₩ 91,340 |
| Unsecured | 3,749 | 22 | — | — | — | 40 | 4 | 3,815 |
| Home Equity: | | | | | | | | |
| Secured | 27,912 | 280 | 82 | 7 | 1 | 1,812 | 89 | 30,183 |
| Unsecured | — | — | — | — | — | — | — | — |
| Total | ₩115,726 | ₩1,443 | ₩209 | ₩14 | ₩14 | ₩7,619 | ₩313 | ₩125,338 |

| | As of December 31, 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 | | | | | Stage 2 | Stage 3 | Total |
| | Grade 1 | Grade 2 | Grade 3 | Grade 4 | Grade 5 | | | |
| | (in billions of Won) | | | | | | | |
| Mortgage: | | | | | | | | |
| Secured[1] | ₩ 90,608 | ₩1,023 | ₩124 | ₩ 5 | ₩10 | ₩6,538 | ₩189 | ₩ 98,497 |
| Unsecured | 3,390 | 14 | — | — | — | 59 | 6 | 3,469 |
| Home Equity: | | | | | | | | |
| Secured | 31,703 | 232 | 73 | 3 | 1 | 2,076 | 76 | 34,164 |
| Unsecured | — | — | — | — | — | — | — | — |
| Total | ₩125,701 | ₩1,269 | ₩197 | ₩ 8 | ₩11 | ₩8,673 | ₩271 | ₩136,130 |

(1) Includes advance loans guaranteed by the Housing Finance Credit Guarantee Fund to borrowers for the down payment of new housing that is in the process of being built.

Our home equity loan portfolio includes loans that are in a second lien position. In addition to the underwriting procedures we perform when we issue home equity loans in general, we perform additional underwriting procedures with respect to home equity loans secured by a second lien to assess and confirm the value and status of any loans secured by security interests on the collateral which would be prior to our security interest under the second lien home equity loan. Under regulations implemented by the Financial Supervisory Service, our home equity loans are subject to maximum loan-to-value ratios (i.e., the ratio of the aggregate principal amount of loans, including first and second lien loans, secured by a particular item of collateral to the appraised value of such collateral) of between 30% and 70%. As such, for home equity loans, we do not lend more than an amount equal to the adjusted collateral value (i.e., the collateral value as discounted by the required loan-to-value ratio) minus the value of any loans secured by security interests on the collateral that are prior to our security interest. Accordingly, in order to ascertain the value of loans secured by security interests on the collateral which would be prior to our security interest and to confirm the status of such loans, we perform additional underwriting procedures including a review of the relevant title and security interest registration documents and bank documents and certificates regarding such loans. In addition, for purposes of calculating debt-to-income ratios applicable to loans secured by certain types of housing under regulations implemented by the Financial Supervisory Service (see "—Supervision and Regulation—Principal Regulations Applicable to Banks—Regulations Relating to Retail Household Loans"), which we apply on a nationwide basis for our home equity loans, we perform additional adjustments in our debt-to-income ratio calculations with respect to second lien home equity loans to account for the value of loans secured by security interests on the collateral that are prior to our security interest.

Following the issuance of a home equity loan, we make use of the Korea Credit Information Services' database of delinquent borrowers to generally monitor the compliance of our borrowers with their other loan obligations, including the compliance of our second lien borrowers with their first lien loans. If a borrower in Korea is past due on payments of interest or principal for more than three months on any of its outstanding loans to Korean financial institutions (including mortgage, home equity, other consumer and credit card loans), such borrower is registered on the Korea Credit Information Services' database of delinquent borrowers, which we monitor on a daily basis. Likewise, if a borrower in Korea is past due on payments of interest or principal for more than five business days and the overdue amount is ₩100,000 or more on any of its outstanding loans to Korean financial institutions (including mortgage, home equity, other consumer and credit card loans), such borrower is registered on the databases of delinquent borrowers of the Korea Credit Bureau and the NICE Information Service, which we also monitor on a daily basis. The information disclosed by such database, which includes the outstanding loan amount which is past due, the identity of the delinquent borrower and the name of the applicable lending institution for such loan, provides an early warning about such borrower to our loan officers at the branch level, who then closely monitor our outstanding loans to such delinquent borrower and take appropriate preventive and remedial measures (including requiring such borrower to provide additional collateral) as necessary. Upon the occurrence of a default in a borrower's loan obligation at a different lending institution, we treat the borrower's loan with us as part of our potential problem loans or non-performing loans.

More specifically, upon learning of the occurrence of a default at the other lending institution, we deem the borrower's ability to repay its loans to be precarious and re-classify its loans with us as "precautionary," "substandard," "doubtful" or an "estimated loss" according to the asset classification guidelines of the Financial Services Commission. Assuming that such loan is not delinquent, if the outstanding principal amount of the loan at the other lending institution is less than ₩15 million, we classify the loan as "precautionary" and closely monitor it to determine whether it may become problematic. If the outstanding principal amount of the loan at the other lending institution is ₩15 million or more and more than three months have passed since the default, we classify the loan with us as "doubtful." If the borrower is registered as being in default by the Korea Credit Information Services, then we classify the loan as an "estimated loss." However, among the mortgage loans that are classified as "doubtful" or an "estimated loss," if there are any expected amounts to be recovered, we classify such amount as "substandard."

*Pricing*. The interest rates on our 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 twelve-month periods using our Market Opportunity Rate system, which reflects our internal cost of funding, further adjusted to account for our expenses related to lending). Our 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. We can adjust the price to reflect the borrower's current and/or expected future contribution to us. 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 us 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 our home equity loans are determined on the same basis as our retail mortgage loans.

As of December 31, 2024, the Market Opportunity Rate was 3.39% for a three-month period, 3.30% for a six-month period and 3.01% for a twelve-month period.

*Other Consumer Loans*

Other consumer loans are primarily unsecured. However, such loans may be secured by real estate, deposits or securities. As of December 31, 2024, approximately ₩34,719 billion, or 60.2% of our consumer loans (other than mortgage and home equity loans) were unsecured loans (although some of these loans were 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. The amount of overdraft loans as of December 31, 2024 was approximately ₩11,210 billion.

*Pricing*. The interest rates on our other consumer loans (including overdraft loans) are determined on the same basis as on our mortgage and home equity loans, except that, for unsecured loans, the borrower's credit score as determined during our loan approval process is also taken into account. See "Item 11. Quantitative and Qualitative Disclosures about Market Risk—Credit Risk Management."

***Deposit-taking Activities***

Due to our extensive nationwide network of branches, together with our long history of development and our resulting know-how and expertise, as of December 31, 2024, we had one of the largest numbers of retail customers and retail deposits among Korean commercial banks. The balance of our deposits from retail customers was ₩240,513 billion and ₩245,846 billion as of December 31, 2023 and 2024, respectively, which constituted 59.2% and 56.4%, respectively, of the balance of our total deposits.

We offer many deposit products that target different segments of our 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. Retail and corporate demand deposits constituted 35.0% of our total deposits as of December 31, 2024 and paid average interest of 0.50% for 2024.

- *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 installment 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 installment savings deposits ranges from six months to five years. Retail and corporate time deposits constituted 49.5% of our total deposits as of December 31, 2024 and paid average interest of 3.77% for 2024. Most installment 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. Our 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. We offer 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.

We offer varying interest rates on our deposit products depending upon average funding costs, the rate of return on our interest-earning assets and the interest rates offered by other commercial banks.

We also offer comprehensive savings deposits for housing subscription, which are monthly installment 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 installments 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 installment amounts, subject to a maximum deductible amount, in its income tax return for the year under the Special Tax Treatment Control Law.

In 2002, after significant research and planning, we launched private banking operations at Kookmin Bank's headquarters. Shortly thereafter, we 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, we operated 24 main private banking centers through Kookmin Bank.

The Monetary Policy Board of the Bank of Korea, or the Monetary Policy Board, 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 "—Supervision and Regulation—Principal Regulations Applicable to Banks—Liquidity."

The Depositor Protection Act provides for a deposit insurance system where the Korea Deposit Insurance Corporation guarantees to depositors the repayment of their eligible bank deposits. The deposit insurance system insures up to a total of ₩50 million per depositor per bank, but such limit was increased to ₩100 million through an amendment to the Depositor Protection Act of Korea in January 2025, and is expected to become effective by January 2026. See "—Supervision and Regulation—Principal Regulations Applicable to Banks—Deposit Insurance System."

## Credit Cards

Credit cards are another of our core retail products. We issue most of our credit cards under the "KB Kookmin Card" brand. Our credit card business is operated by our subsidiary, KB Kookmin Card Co., Ltd.

The following table sets forth certain data relating to our credit card operations, on a non-consolidated basis, as of the dates and for the periods indicated:

| | As of and for the Year Ended December 31, | | |
|---|---|---|---|
| | 2022[1] | 2023[1] | 2024 |
| | (in billions of Won, except percentages and numbers of holders and merchants) | | |
| Number of credit cardholders (at year end) (thousands) | | | |
| General accounts | 11,493 | 12,032 | 12,447 |
| Corporate accounts | 611 | 656 | 678 |
| Total | 12,104 | 12,688 | 13,125 |
| Number of merchants (at year end) (thousands) | 2,924 | 2,972 | 2,991 |
| Active ratio (at year end)[2] | 90.2% | 90.2% | 90.7% |
| Credit card fees | | | |
| Merchant fees[3] | ₩ 1,344 | ₩ 1,473 | ₩ 1,526 |
| Installment and cash advance fees | 541 | 739 | 764 |
| Annual membership fees | 180 | 181 | 184 |
| Other fees | 1,094 | 1,202 | 1,272 |
| Total | ₩ 3,159 | ₩ 3,595 | ₩ 3,746 |
| Charge volume[4] | | | |
| General purchase | ₩ 105,479 | ₩ 105,092 | ₩ 108,877 |
| Installment purchase | 22,174 | 22,377 | 23,264 |
| Cash advance | 9,424 | 10,330 | 9,927 |
| Card loan[5] | 7,178 | 6,853 | 6,918 |
| Total | ₩ 144,255 | ₩ 144,652 | ₩ 148,986 |
| Outstanding balance (at year end) | | | |
| General purchase | ₩ 8,611 | ₩ 8,785 | ₩ 9,412 |
| Installment purchase | 6,514 | 5,677 | 6,049 |
| Cash advance | 1,237 | 1,258 | 1,198 |
| Card loan[5] | 6,249 | 6,661 | 6,850 |
| Total | ₩ 22,612 | ₩ 22,381 | ₩ 23,509 |
| Average outstanding balances | | | |
| General purchase | ₩ 8,631 | ₩ 9,156 | ₩ 9,429 |
| Installment purchase | 6,126 | 5,814 | 5,897 |
| Cash advance | 1,155 | 1,289 | 1,225 |
| Card loan[5] | 6,146 | 6,503 | 6,803 |
| Total | ₩ 22,058 | ₩ 22,762 | ₩ 23,355 |
| Delinquency ratios (at year end)[6] | | | |
| From 1 month to 3 months | 0.62% | 0.82% | 0.89% |
| From 3 months to 6 months | 0.36 | 0.23 | 0.39 |
| Over 6 months | 0.03 | 0.04 | 0.07 |
| Total | 1.01% | 1.08% | 1.36% |
| Non-performing loan ratio | 0.40% | 0.28% | 0.49% |
| Write-offs (gross) | ₩ 444 | ₩ 661 | ₩ 691 |
| Recoveries[7] | 123 | 113 | 122 |
| Net write-offs | ₩ 321 | ₩ 548 | ₩ 569 |
| Gross write-off ratio[8] | 2.04% | 2.96% | 3.01% |
| Net write-off ratio[9] | 1.47% | 2.45% | 2.48% |

(1) Certain figures with respect to our credit card fees, outstanding balances and average outstanding balances as of and for the years ended December 31, 2022 and 2023 above have been restated to reflect certain changes in our accounting policies relating to the accumulation of points for our coupon-type card services.

(2) The active ratio represents the ratio of accounts used at least once within the last six months to total accounts as of year-end.

(3) Merchant fees consist of maintenance fees and costs associated with prepayment by us (on behalf of customers) of sales proceeds to merchants, processing fees relating to sales and membership applications, costs relating to the management of delinquencies and recoveries, provision for loan losses, general variable expenses and other fixed costs that are charged to our member merchants. We typically charge our member merchants fees that range from 0.5% to 2.3%. We offer discounts for member merchants that are small- and medium-sized enterprises pursuant to applicable laws.

(4) Represents the aggregate cumulative amount charged during the year.

(5) Card loans consist of loans that are provided on an unsecured basis to cardholders upon prior agreement. Payment on such a loan can be due either in one payment or in installments after a fixed period, in the case of principal payments, and will be due in installments, in the case of interest payments.

(6) Represents ratio of credit card balances overdue by one month or more to outstanding balance. In line with industry practice, we have restructured a portion of delinquent credit card account balances as loans. As of December 31, 2023 and 2024, these restructured loans amounted to ₩204 billion and ₩169 billion, respectively. Because these restructured loans are not treated as being delinquent at the time of conversion or for a period of time thereafter, our delinquency ratios may not fully reflect all delinquent amounts relating to our outstanding balances.

(7) Does not include proceeds that we received from sales of our non-performing loans that were written off.

(8) Represents the ratio of gross write-offs for the year to average outstanding balance for the year. Our charge-off policy is generally to write off balances which have been overdue for four payment cycles or more or which have been classified as expected loss.

(9) Represents the ratio of net write-offs for the year to average outstanding balances for the year. Our charge-off policy is generally to write off balances which have been overdue for four payment cycles or more or which have been classified as expected loss.

In contrast to the system in the United States and many other countries, where most credit cards are revolving cards that allow outstanding amounts to be rolled over from month to month so long as a required minimum percentage is repaid, credit cardholders in Korea are generally required to pay for their purchases within approximately 14 to 44 days of purchase depending on their payment cycle. However, we also offer revolving payment plans to individuals that allow outstanding amounts to be rolled over to subsequent payment periods. Delinquent accounts (defined as amounts overdue for one day or more) are charged penalty interest and closely monitored. For installment purchases, we charge interest on unpaid installments at rates that vary according to the individual cardholder's membership level, which is based on, among others, transaction history, the length of the cardholder's relationship with us and contribution to our profitability.

We are committed to continuing to enhance our credit card business by strengthening our risk management and maximizing our operational efficiency. In addition, we believe that our extensive branch network, brand recognition and overall size will enable us to cross-sell products such as credit cards to our existing and new customers.

To promote our credit card business, we offer services targeted to various financial profiles and customer requirements and are concentrating on**:**

- strengthening cross-sales to existing customers and offering integrated financial services;
- offering cards that provide additional benefits such as frequent flyer miles and reward program points that can be redeemed by the customer for complementary services, prizes and cash;
- offering platinum cards, VVIP cards and other prime members' cards, which have a higher credit limit and provide additional services in return for a higher fee;
- acquiring new customers through strategic alliances and cross-marketing with retailers;
- encouraging increased use of credit cards by existing customers through special offers for frequent users;
- introducing new features such as travel services and insurance through alliance partners; and
- developing fraud detection and security systems to prevent the misuse of credit cards.

As of December 31, 2024, we had approximately 13.1 million credit cardholders. Of the credit cards outstanding, approximately 90.7% were active, meaning that they had been used at least once during the previous six months.

Our card revenues consist principally of cash advance fees, merchant fees, credit card installment fees, interest income from credit card loans, annual fees paid by cardholders, interest and fees on late payments and, with respect to revolving payment plans we offer, interest and fees relating to revolving balances.

Under non-exclusive license agreements with overseas financial services corporations, we also issue MasterCard, Visa, American Express, JCB and China UnionPay credit cards.

We issue debit cards and charge merchants commissions in the amount of approximately 1.0% of the amounts purchased using a debit card. We also issue "check cards," which are similar to debit cards except that "check cards" are accepted by all merchants that accept credit cards, and charge merchants commissions that typically range from 0.25% to 1.50%. Much like debit cards, check card purchases are also debited directly from customers' accounts with us.

**Corporate Banking**

We lend to and take deposits from small- and medium-sized enterprises and, to a lesser extent, large corporate customers. Kookmin Bank, our banking subsidiary, had 429,262 small- and medium-sized enterprise borrowers and 1,894 large corporate borrowers for Won-currency loans as of December 31, 2024. For 2024, we received 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, in the amount of ₩124.4 billion. Of our branch network as of December 31, 2024, we had two branches that primarily handled large corporate banking.

The following table sets forth the balances and the percentage of our total corporate lending represented by our small- and medium-sized enterprise business loans and our large corporate business loans as of the dates indicated, estimated based on our internal classifications of corporate borrowers:

| | As of December 31, | | | |
|---|---|---|---|---|
| | 2023 | | 2024 | |
| | (in billions of Won, except percentages) | | | |
| Corporate: | | | | |
| Small- and medium-sized enterprise loans | ₩150,045 | 76.5% | ₩158,778 | 75.6% |
| Large corporate loans | 46,055 | 23.5 | 51,305 | 24.4 |
| Total | ₩196,100 | 100.0% | ₩210,083 | 100.0% |

On the deposit-taking side, we currently offer our corporate customers several types of corporate deposits. Our 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. We also offer installment savings deposits, certificates of deposit and repurchase instruments. We offer varying interest rates on deposit products depending upon the rate of return on our income-earning assets, average funding costs and interest rates offered by other nationwide commercial banks.

The total amount of deposits from our corporate customers amounted to ₩179,935 billion as of December 31, 2024, or 41.3% of our total deposits.

***Small- and Medium-sized Enterprise Banking***

Our small- and medium-sized enterprise banking business has traditionally been and will remain one of our core businesses because of both our historical development and our accumulated expertise. We believe that we possess the necessary elements to succeed in the small- and medium-sized enterprise market, including our extensive branch network, our credit rating system for credit approval, our marketing capabilities (which we believe have provided us with significant brand loyalty) and our ability to take advantage of economies of scale.

We use the term "small- and medium-sized enterprises" 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 a small- and medium-sized enterprise: (i) total assets at the end of the immediately preceding fiscal year must be less than ₩500 billion, (ii) the average 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 a small- and medium-sized enterprise pursuant to the above definition shall no longer be considered a small- and medium-sized enterprise 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 small- and medium-sized enterprises.

*Lending Activities*

Our principal loan products for our small- and medium-sized enterprise customers are working capital loans and facilities loans. Working capital loans are provided to finance working capital requirements and include notes discounted and trade financing. Facilities loans are provided to finance the purchase of equipment and the establishment of manufacturing assembly plants. As of December 31, 2024, working capital loans and facilities loans accounted for 46.0% and 54.0%, respectively, of our total small- and medium-sized enterprise loans. As of December 31, 2024, Kookmin Bank, our banking subsidiary, had 429,262 small- and medium-sized enterprise customers on the lending side.

Loans to small- and medium-sized enterprises may be secured by real estate or deposits or may be unsecured. As of December 31, 2024, secured loans and guaranteed loans accounted for, in the aggregate, 86.6% of our small- and medium-sized enterprise loans. Among the secured loans, 97.7% were secured by real estate and 2.3% were secured by deposits or securities. 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, we review the corporate customer's creditworthiness and capability to generate cash. Furthermore, we take credit guaranty letters from other financial institutions and use time deposits that the borrower has with us 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. We revalue any collateral on a periodic basis (generally every year) or if a trigger event occurs with respect to the loan in question.

We also offer 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 categorized as small- and medium-sized enterprises. We offer 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 us to the risk that the housing units will not be sold. As a result, we review the probability of the sale of the housing unit when evaluating the extension of a loan. We also review the borrower's creditworthiness and the adequacy of the intended use of proceeds. Furthermore, we take 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, we also take a guarantee from the Housing Finance Credit Guarantee Fund as security.

A substantial number of our small- and medium-sized enterprise customers are SOHOs, which we currently define to include sole proprietorships and individual business interests. With respect to SOHOs, we apply credit risk evaluation models, which not only use quantitative analysis related to a customer's accounts, personal credit and financial information and due amounts but also require our credit officers to perform a qualitative analysis of each potential SOHO customer. With respect to SOHO loans in excess of ₩1 billion, our credit risk evaluation model also includes a quantitative analysis of the financial statements of the underlying business. We generally lend to SOHOs on a secured basis, although a small portion of our SOHO exposures are unsecured.

*Pricing*

We establish the price for our corporate loan products based principally on transaction risk, our 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. Our 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. For the Market Opportunity Rate as of December 31, 2024, see "—Retail Banking—Lending Activities—Mortgage and Home Equity Lending—Pricing."

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

***Large Corporate Banking***

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

*Lending Activities*

Our principal loan products for our large corporate customers are working capital loans and facilities loans. As of December 31, 2024, working capital loans and facilities loans accounted for 75.4% and 24.6%, respectively, of our total large corporate loans. We also offer mortgage loans to large corporate clients who build or sell single- or multi-family housing units, as described above under "—Small- and Medium-sized Enterprise Banking—Lending Activities."

As of December 31, 2024, secured loans and guaranteed loans accounted for, in the aggregate, 43.0% of our large corporate loans. Among the secured loans, 72.1% were secured by real estate and 27.9% were secured by deposits or securities. 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.

In our unsecured lending to large corporate customers, a critical consideration in our policy regarding the extension of such unsecured loans is the borrower's creditworthiness. We assign each borrower a credit rating based on the judgment of our experts or scores calculated using the appropriate credit rating system, taking into account both financial factors and non-financial factors (such as our 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 our 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 small- and medium-sized enterprise borrowers. In addition, large corporate borrowers generally are affected to a lesser extent than small- and medium-sized enterprise borrowers by fluctuations in the Korean economy and also maintain more sophisticated financial records. As of December 31, 2024, 93.3% of our large corporate customers had credit ratings of BBB- or above according to the internal credit rating system of Kookmin Bank, compared to 81.6% of our small- and medium-sized enterprise customers. A credit rating of BBB- is assigned to customers whose ability to repay the principal and interest on their outstanding loans is determined by us to be generally satisfactory but nonetheless subject to adverse effects under unfavorable economic conditions or during downturns in the business environment. Based on our internal analysis of historical data, we believe that the probability of default for loans extended to large corporate customers with a credit rating of BBB- or above is between 0.00% and 2.26%.

We monitor the credit status of large corporate borrowers and collect information to adjust our ratings appropriately. We also manage and monitor our large corporate customers through a dedicated Corporate Banking Branch and Kookmin Bank's Large Corporate Business Department. In addition, Kookmin Bank's Credit Risk Department manages the exposures to each large corporate customer and conducts in-depth analysis of various economic and industry-related risks that are relevant to large corporate customers.

As of December 31, 2024, in terms of our outstanding loan balance, 26.4% was extended to borrowers in the manufacturing industry, 26.3% was extended to borrowers in the financial industry and 26.0% of our large corporate loans was extended to borrowers in the service industry.

*Pricing*

We determine pricing of our large corporate loans in the same way as we determine the pricing of our small- and medium-sized enterprise loans. See "—Small- and Medium-sized Enterprise Banking—Pricing" above. As of December 31, 2024, the Market Opportunity Rate, which is utilized in pricing loans offered by us, was the same for our large corporate loans as for our small- and medium-sized enterprise loans.

**Capital Markets Activities and International Banking/Finance**

Through our capital markets operations, we invest and trade in debt and equity securities and, to a lesser extent, engage in derivatives and asset securitization transactions and make call loans. We also provide investment banking and securities brokerage services.

***Securities Investment and Trading***

We invest in and trade securities for our 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, our investment portfolio, which consists primarily of financial assets at amortized cost and financial assets at fair value through other comprehensive income and our trading portfolio had a combined total carrying amount of ₩198,915 billion and ₩208,730 billion (including the investment and trading portfolios of our insurance operations) and represented 27.8% and 27.5% of our total assets, respectively.

Our trading and investment portfolios consist primarily of Korean treasury securities and debt securities issued by Korean government agencies, local governments or certain government-invested enterprises and debt

securities issued by financial institutions. As of December 31, 2023 and 2024, we held debt securities with a total carrying amount of ₩191,305 billion and ₩199,636 billion, respectively, of which:

- financial assets at amortized cost accounted for ₩39,721 billion and ₩37,131 billion, or 20.8% and 18.6%, respectively;
- debt securities at fair value through other comprehensive income accounted for ₩78,926 billion and ₩88,736 billion, or 41.3% and 44.4%, respectively; and
- debt securities at fair value through profit or loss accounted for ₩72,658 billion and ₩73,769 billion, or 37.9% and 36.9%, respectively.

Of these amounts, debt securities issued by the Korean government and government agencies as of December 31, 2023 and 2024 amounted to:

- ₩6,508 billion and ₩6,029 billion, or 16.4% and 16.2%, respectively, of our financial assets at amortized cost;
- ₩33,455 billion and ₩38,108 billion, or 42.4% and 42.9%, respectively, of our financial assets at fair value through other comprehensive income; and
- ₩10,100 billion and ₩13,390 billion, or 13.9% and 18.2%, respectively, of our debt securities at fair value through profit or loss.

From time to time we also purchase equity securities for our securities portfolios. Our equity securities consist primarily of marketable beneficiary certificates and equities listed on the KRX KOSPI Market, the KRX KOSDAQ Market or the KRX KONEX Market. As of December 31, 2023 and 2024:

- equity securities at fair value through other comprehensive income had a carrying amount of ₩2,771 billion and ₩3,713 billion, or 3.4% and 4.0%, respectively, of our securities at fair value through other comprehensive income portfolio; and
- equity securities at fair value through profit or loss had a carrying amount of ₩4,023 billion and ₩4,275 billion, or 5.2% and 5.5%, respectively, of our securities at fair value through profit or loss portfolio.

Our 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. As of December 31, 2023 and 2024, derivative-linked securities in our trading portfolio had a carrying amount of ₩2,198 billion and ₩1,924 billion, or 2.9% and 2.5% of our trading portfolio, respectively. See "—Derivatives Trading."

The following tables show, as of the dates indicated, the unrealized gains and losses on financial assets at fair value through other comprehensive income and financial assets at amortized cost within our investment portfolio, and the amortized cost and fair value of the portfolio by type of financial asset:

| | As of December 31, 2023 | | | |
|---|---|---|---|---|
| | Amortized Cost[7] | Net Unrealized Gain and Loss[8] | Loss Allowance for Expected Credit Losses[9] | Fair Value |
| | (in billions of Won) | | | |
| **Financial assets at fair value through other comprehensive income:** | | | | |
| Debt securities | | | | |
| Korean treasury securities and government agencies | ₩37,031 | ₩(3,575) | ₩ 1 | ₩33,455 |
| Financial institutions[1] | 21,028 | (121) | 8 | 20,899 |
| Corporate[2] | 23,636 | (1,127) | 16 | 22,493 |
| Asset-backed securities[3] | 2,029 | (65) | 1 | 1,963 |
| Others | 179 | (63) | — | 116 |
| Subtotal | 83,903 | (4,951) | 26 | 78,926 |
| Equity securities | 1,446 | 1,325 | — | 2,771 |
| Total financial assets at fair value through other comprehensive income | ₩85,349 | ₩(3,626) | ₩26 | ₩81,697 |
| **Financial assets at amortized cost:** | | | | |
| Korean treasury securities and government agencies | ₩ 6,508 | ₩ (239) | ₩— | ₩ 6,269 |
| Financial institutions[4] | 14,258 | (222) | 13 | 14,023 |
| Corporate[5] | 9,369 | (223) | — | 9,146 |
| Asset-backed securities[6] | 9,418 | (248) | 5 | 9,165 |
| Others | 168 | (6) | — | 162 |
| Total financial assets at amortized cost | ₩39,721 | ₩ (938) | ₩18 | ₩38,765 |

| | As of December 31, 2024 | | | |
|---|---|---|---|---|
| | Amortized Cost[7] | Net Unrealized Gain and Loss[8] | Loss Allowance for Expected Credit Losses[9] | Fair Value |
| | (in billions of Won) | | | |
| **Financial assets at fair value through other comprehensive income:** | | | | |
| Debt securities | | | | |
| Korean treasury securities and government agencies | ₩40,287 | ₩(2,177) | ₩ 2 | ₩38,108 |
| Financial institutions[1] | 26,146 | (50) | 5 | 26,091 |
| Corporate[2] | 22,749 | (678) | 12 | 22,059 |
| Asset-backed securities[3] | 2,385 | (18) | 1 | 2,366 |
| Others | 197 | (86) | — | 111 |
| Subtotal | 91,764 | (3,009) | 20 | 88,735 |
| Equity securities | 2,736 | 977 | — | 3,713 |
| Total financial assets at fair value through other comprehensive income | ₩94,500 | ₩(2,032) | ₩20 | ₩92,448 |
| **Financial assets at amortized cost:** | | | | |
| Korean treasury securities and government agencies | ₩ 6,029 | ₩ (113) | ₩— | ₩ 5,916 |
| Financial institutions[4] | 12,762 | (4) | 12 | 12,746 |
| Corporate[5] | 8,946 | (64) | — | 8,882 |
| Asset-backed securities[6] | 9,321 | (81) | 5 | 9,235 |
| Others | 73 | (4) | — | 69 |
| Total financial assets at amortized cost | ₩37,131 | ₩ (266) | ₩17 | ₩36,848 |

(1) Includes debt securities issued by Korea Housing Finance Corporation, the Korea Development Bank, the Bank of Korea and Industrial Bank of Korea in the aggregate amount of ₩12,792 billion as of December 31, 2023 and debt securities issued by Korea Housing Finance Corporation, the Korea Development Bank, the Bank of Korea, Industrial Bank of Korea and Korea Electric Power Corporation in the aggregate amount of ₩18,749 billion as of December 31, 2024. These financial institutions are owned or controlled by the Korean government.

(2) Includes debt securities issued by Korea Housing Finance Corporation, the Korea Development Bank and Korea Electric Power Corporation in the aggregate amount of ₩1,868 billion as of December 31, 2023 and debt securities issued by Korea Housing Finance Corporation and Korea Electric Power Corporation in the aggregate amount of ₩2,208 billion as of December 31, 2024. These entities are owned or controlled by the Korean government.

(3) Includes mortgage-backed securities issued by Korea Housing Finance Corporation, which have residential mortgage loans as underlying assets, in the amount of ₩1,559 billion as of December 31, 2023 and ₩1,842 billion as of December 31, 2024. Korea Housing Finance Corporation is owned by the Korean government.

(4) Includes debt securities issued by the Korea Development Bank, the Bank of Korea and Industrial Bank of Korea in the aggregate amount of ₩3,774 billion as of December 31, 2023 and debt securities issued by the Korea Development Bank, the Bank of Korea and Industrial Bank of Korea in the aggregate amount of ₩1,823 billion as of December 31, 2024. These financial institutions are owned or controlled by the Korean government.

(5) Includes debt securities issued by Korea Housing Finance Corporation, the Korea Development Bank and Korea Electric Power Corporation in the aggregate amount of ₩1,738 billion as of December 31, 2023 and debt securities issued by Korea Housing Finance Corporation, the Korea Development Bank and Korea Electric Power Corporation in the aggregate amount of ₩1,810 billion as of December 31, 2024. These entities are owned or controlled by the Korean government.

(6) Includes mortgage-backed securities issued by Korea Housing Finance Corporation, which have residential mortgage loans as underlying assets, in the amount of ₩9,329 billion as of December 31, 2023 and ₩9,261 billion as of December 31, 2024. Korea Housing Finance Corporation is owned by the Korean government.

(7) Gross carrying amount before adjusting for loss allowance for expected credit losses in accordance with IFRS 9.

(8) Net unrealized gain and loss after adjusting for loss allowance for expected credit losses in accordance with IFRS 9.

(9) Loss allowance for expected credit losses in accordance with IFRS 9.

***Derivatives Trading***

We engage in derivatives trading, including on behalf of our customers. Our trading volume increased from ₩612,302 billion in 2022 to ₩684,128 billion in 2023 but decreased to ₩605,459 billion in 2024. Our net trading revenue (expense) from derivatives for the years ended December 31, 2022, 2023 and 2024 was ₩161 billion, ₩(431) billion and ₩(583) billion, respectively.

We provide and trade 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.

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

The following shows the estimated fair value of our derivatives as of December 31, 2023 and 2024:

| | 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)] | ₩4,161 | ₩3,862 | ₩ 9,925 | ₩ 9,618 |
| Interest rate derivatives[(1)] | 1,531 | 1,341 | 1,449 | 1,509 |
| Equity derivatives | 422 | 747 | 297 | 336 |
| Credit derivatives | 18 | 9 | 37 | 27 |
| Commodity derivatives | 7 | 6 | 17 | 16 |
| Others | 19 | 246 | 6 | 277 |
| Total | ₩6,158 | ₩6,211 | ₩11,731 | ₩11,783 |

(1) Includes those for trading purposes and hedging purposes.

The following table shows certain information related to our derivatives designated as fair value hedges for the years ended December 31, 2023 and 2024:

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2024 | | |
| | Hedging Instruments | Hedged Item | Ineffective Portion | Hedging Instruments | Hedged Item | Ineffective Portion |
| | (in billions of Won) | | | | | |
| Foreign exchange derivatives | ₩(43) | ₩41 | ₩(2) | ₩(190) | ₩218 | ₩28 |
| Interest rate derivatives | 7 | (6) | 1 | (2) | 6 | 4 |
| Total | ₩(36) | ₩35 | ₩(1) | ₩(192) | ₩224 | ₩32 |

The following table shows certain information related to our derivatives designated as cash flow hedges for the years ended December 31, 2023 and 2024:

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2024 | | |
| | Hedging Instruments | Effective Portion | Ineffective Portion | Hedging Instruments | Effective Portion | Ineffective Portion |
| | (in billions of Won) | | | | | |
| Foreign exchange derivatives | ₩(9) | ₩(8) | ₩(1) | ₩278 | ₩277 | ₩ 1 |
| Interest rate derivatives | 17 | 16 | 1 | 65 | 65 | — |
| Total | ₩ 8 | ₩ 8 | ₩— | ₩343 | ₩342 | ₩ 1 |

The following table shows certain information related to financial instruments designated as net investment hedges in foreign operations for the years ended December 31, 2023 and 2024:

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2024 | | |
| | Hedging instruments | Effective Portion | Ineffective Portion | Hedging instruments | Effective Portion | Ineffective Portion |
| | (in billions of Won) | | | | | |
| Foreign exchange derivatives[1] | ₩ 4 | ₩ 4 | ₩— | ₩ (29) | ₩ (29) | ₩— |
| Interest rate derivatives | (23) | (23) | — | (224) | (224) | — |
| Total | ₩(19) | ₩(19) | ₩— | ₩(253) | ₩(253) | ₩— |

(1) Includes the gain (loss) on a non-derivative instrument designated as a hedging instrument.

***Asset Securitization Transactions***

We are active in the Korean asset-backed securities market. Based on our diverse experience with respect to product development and management capabilities relating to asset securitization, we offer customers a wide range of financial products and participate in various asset securitization transactions, including through our subsidiary KB Securities, to reinforce our position as a leading financial services provider with respect to the asset securitization market. We were involved in asset securitization transactions with an initial aggregate issue amount of ₩6,013 billion in 2022, ₩8,502 billion in 2023 and ₩8,844 billion in 2024, a significant portion of which were public offerings of asset-backed securities.

***Call Loans***

We make call loans and borrow 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. As of December 31, 2024, we had made call loans of ₩5,403 billion and borrowed call money of ₩2,841 billion, compared to ₩7,454 billion and ₩3,256 billion, respectively, as of December 31, 2023.

***Investment Banking***

We have focused on selectively expanding our investment banking activities in order to increase our fee income and diversify our revenue base. We provide investment banking services primarily through KB Securities and Kookmin Bank. Our principal investment banking services include:

- securities underwriting;
- financing and financial advisory services for mergers and acquisitions;

- 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; and
- structured finance.

In May 2016, we acquired 22.56% of the outstanding shares of Hyundai Securities Co., Ltd., a publicly listed Korean securities firm, and further increased our shareholding in Hyundai Securities to 29.62% in June 2016 by acquiring treasury shares of Hyundai Securities. In October 2016, we effected a comprehensive stock swap of the outstanding shares of Hyundai Securities for newly issued shares of our company, as a result of which Hyundai Securities became a wholly-owned subsidiary. Following such transaction, we merged our existing subsidiary, KB Investment & Securities, with and into Hyundai Securities in December 2016 and changed the name of the surviving entity to KB Securities. Through the acquisition of Hyundai Securities and the creation of an integrated securities firm, we sought to strengthen our investment banking and securities brokerage capabilities, as well as to achieve economies of scale.

In 2024, we generated net investment banking income of ₩1,879 billion, consisting of ₩648 billion of net interest income and ₩1,231 billion of net non-interest income.

***Securities Brokerage***

We provide securities brokerage services through KB Securities. Our activities include provision of brokerage services to our retail and corporate customers relating to a wide range of investment products, including stocks, futures, options, equity- and derivative-linked securities and debt instruments, as well as provision of prime brokerage services to hedge funds. In addition, we offer self-directed brokerage services through KB Securities' online and smartphone brokerage platforms.

As of December 31, 2024, KB Securities operated a brokerage network consisting of 80 branches and sub-branches in Korea. In 2024, KB Securities generated commission income of ₩610 billion through its securities brokerage activities.

***International Banking and Finance***

We engage in various international banking and finance activities, including foreign exchange services and derivatives dealing, import and export-related services, offshore lending, syndicated loans, foreign currency securities investment and non-life insurance. These services are provided primarily to our domestic customers and overseas subsidiaries and affiliates of Korean corporations and, to a limited extent, to local companies and individuals. We also raise foreign currency funds through our international banking and finance operations.

The table below sets forth certain information regarding our foreign currency assets and borrowings:

| | As of December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | (in millions of US$) | |
| Total foreign currency assets | US$64,606 | US$61,957 |
| Foreign currency borrowings: | | |
| Borrowings | 16,368 | 15,072 |
| Debentures | 9,590 | 9,707 |
| Total borrowings | US$25,958 | US$24,779 |

The table below sets forth our overseas subsidiaries, branches and representative and liaison offices in operation as of December 31, 2024:

| Business Unit[1] | Location |
|---|---|
| **Subsidiaries (22)** | |
| Kookmin Bank (China) Ltd. (including five branches) | China |
| KB Microfinance Myanmar Co., Ltd. (including 20 branches) | Myanmar |
| KB PRASAC Bank Plc. (including 188 branches) | Cambodia |
| PT Bank KB Bukopin, Tbk (including 171 branches) | Indonesia |
| KB Bank Myanmar Ltd. | Myanmar |
| KBFG Securities America Inc. | United States |
| KB Securities Hong Kong Ltd. | Hong Kong |
| KB Securities Vietnam Joint Stock Company (including three branches) | Vietnam |
| KB FINA Joint Stock Company | Vietnam |
| PT KB Valbury Sekuritas (including 15 branches) | Indonesia |
| KBFG Insurance (China) Co., Ltd. (including one branch) | China |
| PT. Kookmin Best Insurance Indonesia (including six branches) | Indonesia |
| Leading Insurance Services, Inc. | United States |
| KB Daehan Specialized Bank PLC. (including eight branches) | Cambodia |
| PT. KB Finansia Multi Finance (including 132 branches) | Indonesia |
| KB J Capital Co., Ltd. | Thailand |
| KB Asset Management Singapore Pte. Ltd. | Singapore |
| PT KB Valbury Asset Management | Indonesia |
| KBAM Shanghai Advisory Services Co., Ltd. | China |
| KB KOLAO Leasing Co., Ltd. (including one branch) | Laos |
| PT Sunindo Kookmin Best Finance (including one branch) | Indonesia |
| PT KB Data Systems Indonesia | Indonesia |
| **Branches (13)** | |
| 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 |
| Kookmin Best Insurance Co., Ltd. U.S. Branch | United States |
| KBFG Investment, Boston Branch | United States |
| **Representative and Liaison Offices (5)** | |
| KB Securities Shanghai Representative Office | China |
| KB Insurance, Hanoi Liaison Office | Vietnam |
| KB Insurance, Ho Chi Minh City Liaison Office | Vietnam |
| KB Kookmin Card, Yangon Representative Office | Myanmar |
| KB Asset Management, Ho Chi Minh City Representative Office | Vietnam |

(1) Does not include subsidiaries and branches in liquidation or dissolution.

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

We act as a trustee for 109 financial investment companies with a collective investment license, which invest in investment assets using funds raised by the sale of beneficiary certificates of investment trusts to investors. We also act as custodian for 276 financial institutions and as fund administrator for 150 financial institutions with respect to various investments, as well as acting as settlement agent in connection with such services. We receive a fee for acting in these capacities and generally perform 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.

For the year ended December 31, 2024, our fee income from our trustee and custodian services was ₩41 billion and revenue collected as a result of administration of the underlying investments was ₩72 billion.

**Other Businesses**

***Trust Account Management Services***

*Money Trust Management Services*

We provide trust account management services for both specified money trusts and unspecified money trusts. We receive fees for our 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, our basic money trust fees ranged from 0.1% to 2.0% of total assets under management depending on the type of trust account. We also charge performance fees with respect to certain types of trust account products. We receive penalty payments when customers terminate their trust accounts prior to the original contract maturity.

We currently provide trust account management services for 20 types of money trusts. The maturities of the money trusts we manage vary by the type of the trust. Approximately 2.4% of our 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 our trust accounts are segregated from our banking account assets and are not available to satisfy the claims of any of our potential creditors. We are, however, permitted to deposit surplus funds generated by trust assets into our banking accounts in certain circumstances as set forth under the Financial Investment Services and Capital Markets Act and the regulations thereunder.

As of December 31, 2024, the total balance of our 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 Financial Investment Services and Capital Markets Act, which we refer to as an "SKAS basis"). As for unspecified money trust accounts, we have 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 our investment of trust assets.

The following table shows the balances of our money trusts by type as of the dates indicated. Under IFRS, we consolidate trust accounts for which we guarantee both the repayment of the principal amount and a fixed rate of interest as well as trust accounts for which we guarantee only the repayment of the principal amount.

| | As of December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | (in billions of Won) | |
| Principal and interest guaranteed trusts[1] | ₩ 0.1 | ₩ 0.1 |
| Principal guaranteed trusts[1] | 3,615 | 3,403 |
| Performance trusts[1][2] | 68,801 | 64,062 |
| Total | ₩72,416 | ₩67,465 |

(1) Calculated on an SKAS basis.

(2) Trusts which are primarily non-guaranteed.

The balance of our money trusts decreased 6.8% between December 31, 2023 and December 31, 2024. As of December 31, 2024, the trust assets we managed consisted principally of securities investments and loans from the trust accounts. As of December 31, 2024, on an SKAS basis, our 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 our trust account operations are similar in type to the loans made by our bank account operations. As of December 31, 2024, on an SKAS basis, our trust accounts had made loans in the principal amount of ₩211 billion (excluding loans from the trust accounts to our banking accounts of ₩5,540 billion), which accounted for 0.3% of our money trust assets. Loans by our money trusts are subject to the same credit approval process as loans from our banking accounts. As of December 31, 2024, substantially all loans from our money trust accounts were collateralized or guaranteed.

Our money trust accounts also invest, to a lesser extent, in equity securities, including beneficiary certificates issued by financial investment companies with a collective investment license. On an SKAS basis, as of December 31, 2024, equity securities in our money trust accounts amounted to ₩11,072 billion, which accounted for 15.8% of our 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 we provide a guarantee is less than the amount of the payments we have guaranteed, we 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 our general banking operations. In 2022, 2023 and 2024, we made no payment from our banking accounts to cover shortfalls in our guaranteed trusts. On an SKAS basis, we derived trust fees with regard to trust account management services (including those fees related to property trust management services) of ₩176 billion in 2022, ₩212 billion in 2023 and ₩146 billion in 2024.

*Property Trust Management Services*

We also offer property trust management services, where we manage 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, we render custodial services for the property in question and collect fee income in return.

In 2024, our basic 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 our property trusts was ₩30,069 billion, compared to ₩28,113 billion as of December 31, 2023.

Under IFRS, the property trusts are not consolidated within our financial statements.

*Investment Trust Management*

Through KB Asset Management and KB Securities, we offer investment trust products to customers and manage the funds invested by them in investment trusts. As of December 31, 2024, KB Asset Management and KB Securities had an aggregate of ₩103,030 billion of investment trust assets under management.

***Insurance***

*Non-Life Insurance*

Through a series of acquisitions of stock between June 2015 and December 2016 for an aggregate of ₩1.1 trillion, followed by a tender offer in May 2017 and a comprehensive stock swap effected in July 2017, we acquired all of the outstanding shares of KB Insurance Co., Ltd. (formerly named LIG Insurance Co., Ltd.), as a result of which KB Insurance became our wholly-owned subsidiary. KB Insurance offers a variety of non-life insurance products, including principally the following:

- *Long-term insurance products*. Long-term insurance products are sold to retail customers and provide protection against various types of losses, with specified coverage periods of at least three years and ranging up to 30 years or ending at specified ages. Unlike general property and casualty insurance products, which usually have a coverage period of one year or less and only have pure protection features, substantially all long-term insurance policies in Korea also have an integrated savings feature. KB Insurance offers a broad range of long-term insurance products covering the policyholder's injuries, illnesses, long-term care, disabilities, accidents, property losses or other events.
- *Automobile insurance products*. Automobile insurance products are sold to both retail and institutional customers and generally provide coverage for the following types of losses resulting from the policyholder's ownership or use of an insured automobile: (i) liability to third parties for bodily injuries or death as well as damage to automobiles or other personal property; and (ii) the policyholder's own bodily injuries and automobile damage or theft. KB Insurance's automobile insurance policies typically have a coverage period of one year or less.
- *General property and casualty insurance products.* General property and casualty insurance products are sold to institutional customers and include the following: (i) fire and allied lines insurance policies, providing protective coverage for damage to buildings and facilities and their contents against fire, flood, storm, lightening, explosion, theft and other risks; (ii) marine insurance policies, providing protective coverage for damage to marine vessels and their cargo; and (iii) specialty insurance policies, which cover various other types of specified risks faced by businesses, including liabilities and business interruption.

The following table sets forth certain information regarding the operations of KB Insurance, on a standalone basis, as of the dates or for the periods indicated:

| | As of or for the Year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2023 | 2024 |
| | (in billions of Won, except as otherwise indicated) | | |
| Total policies in force (in thousands) | 19,579 | 20,876 | 23,012 |
| Number of new policies sold (in thousands) | 10,818 | 9,595 | 12,233 |
| Gross direct written premiums[1] | ₩12,233 | ₩12,752 | ₩13,545 |
| Long-term insurance | 7,841 | 8,383 | 9,131 |
| Automobile insurance | 2,816 | 2,938 | 2,967 |
| General property and casualty insurance | 1,292 | 1,249 | 1,336 |
| Other | 285 | 182 | 111 |
| Net earned premiums[2] | ₩10,889 | ₩11,340 | ₩12,149 |
| Loss ratio[3] | 82.51% | 82.15% | 80.55% |
| Solvency ratio[4][5] | 171.66%[6] | 215.94% | 186.19%[7] |

(1) The amount of direct written premiums recognized in a specified period in respect of policies in force during such period, on a standalone basis.
(2) The sum of (i) gross direct written premiums for the specified period, (ii) reinsurance premium income for such period, (iii) return of surrender refunds for such period and (iv) total unearned premiums deferred from the previous period, less the sum of (x) reinsurance expenses for the specified period, (y) surrender refunds for such period and (z) total unearned premiums deferred to the next period, on a standalone basis.
(3) The ratio of (i) total claims paid for the specified period to (ii) net earned premiums for such period, on a standalone basis**.**
(4) Known as "risk-based capital adequacy ratio" as of December 31, 2022, prior to the implementation of K-ICS.
(5) Calculated in accordance with the applicable requirements of the Financial Supervisory Service. See "—Regulation and Supervision—Principal Regulations Applicable to Insurance Companies—Capital Adequacy."
(6) Calculated in accordance with IFRS 4 and is not directly comparable to the figures as of December 31, 2023 and 2024, which are calculated in accordance with IFRS 17.
(7) Preliminary.

KB Insurance operates a multi-channel distribution platform in Korea, comprising agencies (which are independent insurance brokerage companies), a network of financial consultants, bancassurance arrangements with commercial banks and other financial institutions, direct marketing channels (including home shopping television networks and the Internet) and a corporate sales force.

As of December 31, 2024, KB Insurance had ₩38,051 billion of general account investment assets on a standalone basis, of which domestic debt securities, loans, beneficiary certificates, domestic equity securities and overseas securities accounted for 44.3%, 18.6%, 19.6%, 0.6% and 9.2%, respectively.

*Life Insurance*

In January 2023, in order to maximize the synergy effects in our life insurance operations, we merged the Former KB Life Insurance with and into Prudential Life Insurance, with the surviving entity being called KB Life Insurance Co., Ltd. Through KB Life Insurance, we offer a variety of individual and group life insurance products, including annuities, savings insurance, variable life insurance, whole life insurance and term life insurance as well as health insurance. We utilize our multi-channel distribution platforms to market these products, which includes sales through agencies, financial consultants, telemarketers and bancassurance arrangements with commercial banks and other financial institutions.

In 2024, KB Life Insurance generated gross premium of ₩4,531 billion, on a standalone basis. As of December 31, 2024, KB Life Insurance had ₩26,800 billion of general account investment assets on a standalone basis, of which domestic debt securities, beneficiary certificates, loans, domestic equity securities and overseas securities accounted for 82.2%, 11.4%, 0.0%, 0.2% and 5.3%, respectively. Based on preliminary data, which are subject to change, KB Life Insurance had a solvency ratio of 265.33% as of December 31, 2024.

For further information regarding our insurance-related assets and liabilities, see Note 38 of the notes to our consolidated financial statements included elsewhere in this annual report.

***Bancassurance***

Through the bancassurance operations of Kookmin Bank, we offer insurance products of other institutions to retail customers in Korea. We currently market a wide range of bancassurance products and seek to generate additional fee-based revenues by expanding our offering of these products.

Currently, our bancassurance business has alliances with 22 life insurance companies (including our subsidiary, KB Life Insurance) and 11 non-life insurance companies (including our subsidiary, KB Insurance) and offers 98 different products through our branch network. These products are composed of 89 types of life insurance policies, such as annuities, savings insurance and variable life insurance, and 9 types of non-life insurance products. In 2024, our commission income from our bancassurance business amounted to ₩143.7 billion.

***Consumer Finance***

We provide consumer finance services through KB Capital Co., Ltd. We acquired 52.02% of the outstanding shares of KB Capital (formerly known as Woori Financial Co., Ltd.) in March 2014 for ₩280 billion. We conducted a tender offer in May 2017, through which we acquired 5,949,300 shares of KB Capital at ₩27,500 per share, increasing our shareholding in KB Capital to 79.70%. We subsequently acquired the remaining outstanding shares of KB Capital in exchange for 2,269,057 shares of common stock of our company through a comprehensive stock swap effected in July 2017, as a result of which KB Capital became a wholly-owned subsidiary. KB Capital provides leasing services and installment finance services for various products, including automobiles, heavy machineries and medical equipment, as well as microlending services. We expect KB Capital to continue to expand our customer base by providing a variety of non-banking financial services to retail customers, as well as synergies through coordinated business operations with our other subsidiaries, including Kookmin Bank.

***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 us as one of the managers of the National Housing and Urban Fund. In 2024, we received total fees of ₩26 billion for managing the National Housing and Urban Fund, compared to ₩27 billion in 2023 and ₩29 billion in 2022.

The financial accounting for the National Housing and Urban Fund is entirely separate from our financial accounting, and the non-performing loans and loan losses of the National Housing and Urban Fund, in general, do not impact our 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.

**Distribution Channels**

***Banking Branch Network***

As of December 31, 2024, Kookmin Bank operated a network of 800 branches and sub-branches in Korea, which was 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. We believe that our extensive branch network in Korea and retail customer base provide us with a source of stable and relatively low cost funding. Approximately 37.8% of our branches and sub-branches are located in Seoul, and approximately 21.1% of our branches are located in the six next largest cities. The following table presents the geographical distribution of our branch network in Korea as of December 31, 2024:

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

In addition, we have continued to implement the specialization of our branch functions. Of our branch network as of December 31, 2024, we had two branches that primarily handled large corporate banking.

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

We have actively promoted the use of these distribution outlets in order to provide convenient service to customers, as well as to maximize the marketing and sales functions at the branch level, reduce employee costs and improve profitability. The aggregate number of transactions conducted using our ATMs amounted to approximately 224 million in 2022, 205 million in 2023 and 192 million in 2024.

***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 our retail and corporate banking customers, which are discussed below:

| | For the Year Ended December 31, | | |
|---|---|---|---|
| | **2022** | **2023** | **2024** |
| **Internet banking:** | | | |
| Number of users[1] | 27,711,718 | 28,767,620 | 29,780,549 |
| Number of transactions (thousands)[2] | 4,827,755 | 4,403,908 | 4,671,153 |
| **Phone banking:** | | | |
| Number of users[3] | 5,076,895 | 5,075,039 | 5,071,952 |
| Number of transactions (thousands)[2] | 51,594 | 43,922 | 37,602 |
| **Smartphone banking:** | | | |
| Number of users[4] | 19,584,887 | 20,909,030 | 22,222,534 |
| Number of transactions (thousands)[2] | 21,741,324 | 21,876,061 | 24,912,884 |

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

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

*Internet Banking*

Our goal is to consolidate our position as a market leader in online banking. Our Internet banking services currently include:

- basic banking services, including fund transfers, balance and transaction inquiries, pre-set automatic transfers, product inquiries, online bill and tax payments and foreign exchange services;
- investment services, including opening deposit accounts and investing in funds;
- processing of loan applications;
- electronic certification services, which permit 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*

We offer a variety of phone banking services, including inter-account fund transfers, balance and transaction inquiries, customer service inquiries and bill payments. We also have call centers, which we primarily use to:

- advise clients with respect to deposits, loans and credit cards and to provide our customers a way to report any emergencies with respect to their accounts;

- allow our 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 our customers or potential customers to advertise products or services.

*Smartphone Banking*

"KB Star Banking," our mobile banking application for smartphones, allows our customers the flexibility to conduct a variety of financial transactions, including balance and transaction inquiries, fund transfers and asset management, anywhere at any time. It is also intended to act as a hub for all of our finance services, including securities transactions and insurance, by providing our customers with access to the key services offered by a number of our subsidiaries, such as KB Securities and KB Insurance. Our 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.

We also continue to develop innovative mobile applications that cater to specific customer needs and lifestyles. For example, we offer "KB StarTeens," a service offered from our main KB Star Banking application that provides easy-to-use banking services as well as a variety of non-banking services to our teenage customers. We also offer a range of other mobile applications, including "Liiv Talk Talk," our 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," our new cloud-based real estate application that provides various information on real properties. We also offer MyData services through several channels including KB Star Banking, our mobile banking application, KB Pay, our credit card services application, and KB M-able, our securities trading application.

*Other Channels*

We provide 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.

***Distribution Channels for Other Services***

Through our non-banking subsidiaries, we operate a network of dedicated branches and other distribution channels through which our customers can access credit card, securities brokerage, insurance and consumer finance products and services. The following table sets forth information regarding the number and geographical distribution of the branches in Korea operated by KB Kookmin Card, KB Securities and KB Insurance as of December 31, 2024:

| Area | KB Kookmin Card | KB Securities | KB Insurance |
|---|---|---|---|
| Seoul | 5 | 27 | 52 |
| Six largest cities (other than Seoul) | 7 | 16 | 71 |
| Other | 8 | 37 | 140 |
| Total | 20 | 80 | 263 |

Our other non-banking subsidiaries also operate a number of branches in Seoul and other areas. We also provide credit card, securities brokerage, insurance and consumer finance services through dedicated call centers,

smartphone applications and Internet websites operated by KB Kookmin Card, KB Securities, KB Insurance, KB Life Insurance and KB Capital.

**Competition**

We compete principally with other financial holding companies and nationwide commercial banks, as well as regional banks, development banks, specialized banks and branches of foreign banks operating in Korea. We also compete 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 our traditional core businesses, retail banking, small- and medium-sized enterprise banking and credit card lending, contributing to some extent to the asset quality deterioration in retail and small- and medium-sized loans. As a result, our margins on lending activities may decrease in the future.

Furthermore, 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. 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 minimize 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 Kookmin 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 Financial Services Commission 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 Financial Services Commission 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 the Korean insurance industry, competition is based on a number of factors, including brand recognition, service, product features and pricing, investment performance and perceived financial strength. There has been downward pressure in recent years on margins of insurance products as some of our competitors have sought to obtain or maintain market share by reducing margins and increasing marketing efforts. As the Korean non-life insurance and life insurance sectors continue to mature, they may experience a slowdown in growth as well as a stagnation in market penetration. Due to these and other factors, we believe that competition in the Korean insurance industry will likely remain intense in the future.

In addition, we believe 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 we expect will further alter the competitive landscape for financial institutions in Korea.

Moreover, the Korean financial industry 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 Korean government's plans to privatize 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. In the insurance sector, China's Anbang Insurance Group acquired controlling interests in Tong Yang Life Insurance Co., Ltd. and Allianz Life Insurance Korea Co., Ltd. in 2015 and 2016, respectively, while Mirae Asset Life Insurance Co., Ltd. acquired PCA Life Insurance Co., Ltd. in 2017. Meanwhile, Orange Life Insurance, Ltd. (formerly known as ING Life Insurance Korea, Ltd.) became a wholly-owned subsidiary of Shinhan Financial Group following the acquisition of equity interests by Shinhan Financial Group in February 2019 and January 2020, and subsequently merged with and into Shinhan Life Insurance Co., Ltd. in July 2021. In 2022, Shinhan Financial Group also acquired BNP Paribas Cardif General Insurance, which was subsequently renamed Shinhan EZ General Insurance. In 2024, Woori Financial Group agreed to acquire 75.3% of the shares of Tong Yang Life Insurance Co., Ltd. and 100.0% of the shares of ABL Life Insurance Co., Ltd., which acquisitions remain subject to approval from the regulatory authorities. In the securities sector, in 2016, Mirae Asset Securities Co., Ltd. acquired a 43% interest in KDB Daewoo Securities Co., Ltd., which subsequently merged with and into Mirae Asset Securities to create Mirae Asset Daewoo Securities Co., Ltd., one of the largest securities companies in Korea in terms of capital. In 2024, Woori Financial Group acquired Korea Foss Securities Co., Ltd. by merging it with its then wholly-owned subsidiary Woori Investment Bank Co., Ltd., with Korea Foss Securities Co., Ltd. remaining as the surviving entity, which was subsequently renamed Woori Investment Securities Co., Ltd. We expect 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 us. We intend to review potential acquisition opportunities as they arise. We cannot guarantee that we will not be involved in any future mergers or acquisitions. We also believe that foreign financial institutions, many of which have greater experience and resources than we do, may seek to compete with us in providing financial products and services either by themselves or in partnership with existing Korean financial institutions.

**Information Technology**

We regularly implement various IT system-related initiatives and upgrades at the group and subsidiary level. We believe that continual improvement of our IT systems is crucial in supporting our operations and management and providing high-quality customer service. Accordingly, we continue to upgrade and improve our systems through various activities, including projects to develop next generation banking systems for Kookmin Bank, further strengthen system security and timely develop and implement various new IT systems and services (including group-wide software) that support our business operations and risk management activities.

Our mainframe-based banking and X86 Linux-based credit card systems are designed to ensure continuity of services even where there is a failure of the host data center due to a natural disaster or other accidents by utilizing backup systems in disaster recovery data centers. In addition, through the implementation of Parallel Sysplex, a "multi-CPU system," our bank and credit card systems are designed and operated to be able to process transactions without material interruption in the event of CPU failure. From 2019 to 2020, we implemented a next-generation credit card IT system that applies an enhanced platform to ensure greater flexibility and versatility, as well as a banking IT system designed to promote digital transformation and innovation in our IT infrastructure. In addition, we implemented new technologies, including Multi Channel Integration and Enterprise Application Integration systems, to standardize our IT system and better manage IT system operational risk.

The integrity of our IT systems, and their ability to withstand potential catastrophic events (such as natural calamities and internal system failures), are crucial to our continuing operations. We currently test our disaster

recovery systems on a quarterly basis using a new disaster recovery system that has been implemented to ensure the continuity of our operations. For additional information, see "Item 11. Quantitative and Qualitative Disclosures about Market Risk—Operational Risk Management" and "Item 16K. Cybersecurity."

In 2024, we spent approximately ₩977 billion for our IT system implementation and operations, including expenses related to the construction of new IT systems, implementation of hardware and software technologies and other new systems, as well as related labor costs.

As of December 31, 2024, we employed a total of 2,358 full-time employees in our IT operations.

**Assets and Liabilities**

The tables below set out selected financial highlights regarding our operations and our assets and liabilities. Except as otherwise indicated, amounts as of and for the years ended December 31, 2022, 2023 and 2024 are presented on a consolidated basis under IFRS.

Certain information with respect to our loan portfolio and the asset quality of our loans is presented below on a basis consistent with certain requirements of the Financial Services Commission applicable to Korean financial institutions, which differs (as described below where applicable) from the presentation of such information in our financial statements prepared in accordance with IFRS, as we believe that such alternative presentation allows us to provide additional details regarding our loan portfolio and the asset quality of our loans which would be helpful to our investors.

***Loan Portfolio***

As of December 31, 2024, our total loan portfolio was ₩477,705 billion compared to ₩450,268 billion as of December 31, 2023. As of December 31, 2024, 90.1% of our total loans were Won-denominated loans compared to 89.9% as of December 31, 2023.

*Loan Types*

The following table presents loans by type as of the dates indicated. Except where we specify otherwise, all loan amounts stated below are before deduction of allowances for loan losses. Total loans reflect our loan portfolio, including past due amounts.

| | As of December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | (in billions of Won) | |
| **Domestic:** | | |
| Corporate | | |
| Small- and medium-sized enterprise | ₩151,892 | ₩161,239 |
| Large corporate[(1)] | 58,026 | 62,364 |
| Retail | | |
| Mortgage and home equity | 125,338 | 136,130 |
| Other consumer | 58,678 | 57,673 |
| Credit cards | 22,311 | 23,443 |
| Total domestic | 416,245 | 440,849 |
| **Foreign** | 34,023 | 36,856 |
| Total gross loans | ₩450,268 | ₩477,705 |

(1) Large corporate loans include ₩1,894 billion and ₩2,635 billion of loans to the Korean government and government related agencies (including the Korea Deposit Insurance Corporation) as of December 31, 2023 and 2024, respectively.

*Loan Concentrations*

On a consolidated basis, our exposure to any single person (including an individual or an entity) or any single borrower (any single person together with any individual and/or entity that shares the same credit risk with such person) is limited by law to 20% and 25%, respectively, of our "net aggregate equity capital," as defined under the Enforcement Decree of the Financial Holding Company Act. See "—Supervision and Regulation—Principal Regulations Applicable to Financial Holding Companies—Financial Exposure to Any Individual Customer and Major Investor." In addition, Kookmin Bank's exposure to any single person or any single borrower is limited by the Bank Act to 20% and 25%, respectively, of its total Tier I and Tier II capital. Starting in 2024, Basel III also restricts the total exposure of a bank to any single counterparty or counterparty group to 25% (or 20% in the case of domestic or global systemically important banks) of the bank's total Tier I capital.

*Loan Concentration by Industry*

The following table presents the aggregate balance of our domestic and foreign corporate loans, by industry concentration, as of December 31, 2023 and 2024:

| | As of December 31, | | | |
|---|---|---|---|---|
| | 2023 | | 2024 | |
| **Industry** | **Amount** | **%** | **Amount** | **%** |
| | (in billions of Won, except percentages) | | | |
| Services | ₩106,786 | 44.8% | ₩113,801 | 44.9% |
| Manufacturing | 51,480 | 21.6 | 55,302 | 21.8 |
| Wholesale and retail | 29,700 | 12.5 | 30,732 | 12.1 |
| Financial institutions | 24,938 | 10.5 | 28,149 | 11.1 |
| Construction | 6,984 | 2.9 | 6,709 | 2.6 |
| Public sector | 2,259 | 0.9 | 2,317 | 0.9 |
| Others | 16,108 | 6.8 | 16,394 | 6.6 |
| Total | ₩238,255 | 100.0% | ₩253,404 | 100.0% |

*Maturity Analysis*

We typically roll over our working capital loans and unsecured consumer loans (other than those payable in installments) after we conduct our normal loan review in accordance with our 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 10 years.

The following table sets out the scheduled maturities (time remaining until maturity) of our 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 | | | | | |
| Small- and medium-sized enterprises | ₩116,136 | ₩ 37,658 | ₩ 6,023 | ₩ 1,422 | ₩161,239 |
| Large corporate | 38,516 | 18,590 | 3,280 | 1,978 | 62,364 |
| Total corporate | 154,652 | 56,248 | 9,303 | 3,400 | 223,603 |
| Retail | | | | | |
| Mortgage and home equity | 18,148 | 20,933 | 6,086 | 90,963 | 136,130 |
| Other consumer | 33,433 | 14,316 | 4,670 | 5,254 | 57,673 |
| Total retail | 51,581 | 35,249 | 10,756 | 96,217 | 193,803 |
| Credit cards | 19,039 | 4,148 | 256 | — | 23,443 |
| Total domestic | 225,272 | 95,645 | 20,315 | 99,617 | 440,849 |
| **Foreign:** | 15,088 | 12,326 | 7,866 | 1,576 | 36,856 |
| Total | ₩240,360 | ₩ 107,971 | ₩ 28,181 | ₩ 101,193 | ₩477,705 |

*Interest Rate Sensitivity*

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

| | Fixed Rate[1] | Variable or adjustable rates[2] | Total |
|---|---|---|---|
| | (in billions of Won) | | |
| **Domestic:** | | | |
| Corporate | | | |
| Small- and medium-sized enterprises | ₩ 23,615 | ₩ 21,488 | ₩ 45,103 |
| Large corporate | 10,429 | 13,419 | 23,848 |
| Total corporate | 34,044 | 34,907 | 68,951 |
| Retail | | | |
| Mortgage and home equity | 20,244 | 97,738 | 117,982 |
| Other consumer | 10,178 | 14,062 | 24,240 |
| Total retail | 30,422 | 111,800 | 142,222 |
| Credit cards | 4,404 | — | 4,404 |
| Total domestic | 68,870 | 146,707 | 215,577 |
| **Foreign:** | 13,968 | 7,800 | 21,768 |
| Total | ₩ 82,838 | ₩ 154,507 | ₩237,345 |

(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 our management of interest rate risk, see "Item 11. Quantitative and Qualitative Disclosures about Market Risk—Market Risk Management—Market Risk Management for Non-Trading Activities."

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

Workout is a voluntary procedure through which we, together with the borrower and its other creditors, seek 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 authorized to prohibit such creditors from exercising their rights against the borrower, commence workout procedures and approve or make revisions to a reorganization plan prepared by the lead creditor bank, the borrower and external experts. 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 were excluded by a resolution of the committee at its initial meeting and those who exercised their right to request that their claims be purchased. Creditors that voted against commencement of workout, approval or revision of the reorganization 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 voted in favor 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 the workout plan, a credit exposure is initially classified as precautionary or lower and thereafter cannot be classified higher than precautionary with limited exceptions. If a corporate borrower is in workout, restructuring or rehabilitation, we take the status of the borrower into account in valuing our loans to and collateral from that borrower for purposes of establishing our 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.

A portion of our loans to and debt securities of corporate customers are currently in workout, restructuring or rehabilitation. As of December 31, 2024, ₩717 billion or 0.11% of our total loans and debt securities were in workout, restructuring or rehabilitation. This included ₩100 billion of loans to large corporate borrowers and ₩617 billion of loans to and debt securities of small- and medium-sized enterprises.

*Provisioning Policy*

Under IFRS 9 *Financial Instruments*, or IFRS 9, we establish 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 IFRS 9, 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 we record 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 we deem to be uncollectible, including actual loan losses, net of recoveries of previously charged-off amounts, are charged directly against the allowances for loan losses.

We generally consider 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 Kookmin Bank's internal credit ratings for large companies or small-and medium-sized enterprises;
- 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.

We regularly evaluate the adequacy of the overall allowances for loan losses and we believe that the allowances for loan losses reflect our 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, as of the dates indicated, certain details of our total non-performing loan portfolio:

| | As of December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | (in billions of Won, except percentages) | |
| Total non-performing loans | ₩2,379 | ₩2,646 |
| As a percentage of total loans | 0.5% | 0.6% |

*Analysis of Non-Performing Loans*

The following table sets forth, as of the dates indicated, our total non-performing loans by type of borrower:

| | As of December 31, | | | |
|---|---|---|---|---|
| | 2023 | | 2024 | |
| | Amount | % | Amount | % |
| | (in billions of Won, except percentages) | | | |
| **Domestic:** | | | | |
| Corporate | | | | |
| Small- and medium-sized enterprise | ₩ 201 | 8.5% | ₩ 480 | 18.1% |
| Large corporate | 96 | 4.0 | 36 | 1.3 |
| Total corporate | 297 | 12.5 | 516 | 19.4 |
| Retail | | | | |
| Mortgage and home equity | 199 | 8.4 | 216 | 8.2 |
| Other consumer | 252 | 10.6 | 290 | 11.0 |
| Total retail | 451 | 19.0 | 506 | 19.2 |
| Credit cards | 63 | 2.6 | 114 | 4.3 |
| Total domestic | 811 | 34.1 | 1,136 | 42.9 |
| **Foreign:** | 1,568 | 65.9 | 1,510 | 57.1 |
| Total non-performing loans | ₩2,379 | 100.0% | ₩2,646 | 100.0% |

*Top 20 Non-Performing Loans*

As of December 31, 2024, our 20 largest non-performing loans accounted for 10.4% of our total non-performing loan portfolio. The following table shows, as of December 31, 2024, certain information regarding our 20 largest non-performing loans:

| | Industry | Gross Principal Outstanding | Allowances for Loan Losses[1] |
|---|---|---|---|
| | | (in billions of Won) | |
| Borrower A | Construction | ₩ 31 | ₩12 |
| Borrower B | Wholesale and retail | 20 | 13 |
| Borrower C | Manufacturing | 20 | 2 |
| Borrower D | Others | 19 | 3 |
| Borrower E | Construction | 18 | 5 |
| Borrower F | Financial institutions | 18 | 7 |
| Borrower G | Services | 17 | 5 |
| Borrower H | Services | 16 | 10 |
| Borrower I | Others | 14 | 4 |
| Borrower J | Services | 13 | 4 |
| Borrower K | Financial institutions | 12 | — |
| Borrower L | Wholesale and retail | 12 | 3 |
| Borrower M | Construction | 10 | 5 |
| Borrower N | Manufacturing | 10 | 1 |
| Borrower O | Manufacturing | 10 | 10 |
| Borrower P | Services | 8 | 2 |
| Borrower Q | Services | 7 | 2 |
| Borrower R | Wholesale and retail | 7 | 1 |
| Borrower S | Manufacturing | 7 | 5 |
| Borrower T | Services | 6 | 5 |
| Total | | ₩275 | ₩99 |

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

*Non-Performing Loan Strategy*

One of our primary objectives is to prevent our loans from becoming non-performing. Through our corporate credit rating systems, we believe that we have reduced our risks relating to future non-performing loans. Our credit rating systems are designed to prevent our loan officers from extending new loans to borrowers with high credit risks based on the borrower's credit rating. Our early warning system is designed to bring any sudden increase in a borrower's credit risk to the attention of our loan officers, who then closely monitor such loans. See "Item 11. Quantitative and Qualitative Disclosures about Market Risk—Credit Risk Management—Credit Review and Monitoring."

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 we will take legal action and prepare for legal action.

At the same time, we also initiate our 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 normalization efforts based on the cash-flow situation of the borrower.

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

In addition, we use the services of KB Kookmin Card's wholly-owned loan collection subsidiary, KB Credit Information Co., Ltd. (which KB Kookmin Card acquired from us in June 2023), which receives payments from recoveries made on charged-off loans and certain loans that are overdue for over three months (28 days on average in the case of credit card loans). KB Credit Information has approximately 126 employees, including legal experts and management employees. The fees that it receives are based on the amounts of non-performing and charged-off loans that are recovered. In 2022, 2023 and 2024, the amount recovered was ₩238 billion, ₩316 billion and ₩341 billion, respectively.

Methods for resolving non-performing loans include the following:

- non-performing loans are managed by the operating branches of Kookmin Bank 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 Kookmin Bank's 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 Credit Information Services' database of non-performing loans;
- for unsecured loans other than credit card loans, the loans are transferred to 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 five 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.

In addition, credit card loans that are in arrears for over 28 days on average are transferred to KB Credit Information for collection.

If a loan becomes non-performing, it is managed by an operating branch of Kookmin Bank until such loan is charged off. However, in order to promote speedy recovery on loans subject to foreclosures and litigation, our policy is to permit the branch responsible for handling these loans to request one of Kookmin 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, we also undertake measures to reduce the level of our non-performing loans, which include:

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

We generally expect to suffer a partial loss on loans that we sell or securitize, to the extent such sales and securitizations are recognized under IFRS as sale transactions.

*Regulatory Reserve for Credit Losses*

If our allowances for credit losses are deemed insufficient for regulatory purposes, we are required to compensate for the difference by recording a regulatory reserve for credit losses, which is segregated within our retained earnings. Regulatory reserve for credit losses are 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 our allowances for credit losses under IFRS 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 Financial Supervisory Service and (y) the required amount of credit loss reserve calculated based on standards prescribed by the Financial Services Commission. In November 2023, the Financial Services Commission amended the Regulation on Supervision of Banking Business to allow the Financial Services Commission 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, our regulatory reserve for credit losses was ₩4,370 billion.

The following tables set forth the Financial Services Commission'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 our 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 our 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 our consideration of their business, financial position and future cash flows, are judged to have incurred considerable default risks as their ability to repay has deteriorated; or<br>(ii) the portion that we expect 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 we expect to collect of total loans to customers that:<br>(i) based on our consideration of their business, financial position and future cash flows, have incurred serious default risks due to noticeable deterioration in their ability to repay; or<br>(ii) have been in arrears for three months or more but less than 12 months. |
| Estimated loss | Loans exceeding the amount that we expect to collect of total loans to customers that:<br>(i) based on our consideration of their business, financial position and future cash flows, are judged to be accounted as a loss because the inability to repay became certain due to serious deterioration in their ability to repay;<br>(ii) have been in arrears for 12 months or more; or<br>(iii) have incurred serious risks of default in repayment due to the occurrence of, among other things, final refusal to pay their debt instruments, liquidation or bankruptcy proceedings or closure of their business. |

| Loan Classifications | Corporate[1] | Consumer | Credit Card Balances[2] | Credit Card Loans[3] |
|---|---|---|---|---|
| Normal | 0.85% or above[4] | 1% or above | 1.1% or above | 2.5% or above |
| Precautionary | 7% or above | 10% or above | 40% or above | 50% or above |
| Substandard | 20% or above | 20% or above | 60% or above | 65% or above |
| Doubtful | 50% or above | 55% or above | 75% or above | 75% or above |
| Estimated loss | 100% | 100% | 100% | 100% |

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

(2) Applicable for credit card balances from general purchases.

(3) Applicable for cash advances, card loans and revolving credit card assets.

(4) 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*

We attempt to minimize 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, we charge off loans subject to our charge-off policy at an early stage in order to maximize accounting transparency, to minimize any waste of resources in managing loans which have a low probability of being collected and to reduce our 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, disorganization, 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;
- payments in arrears in respect of credit cards that have been overdue for a period of six months or more and have been classified as expected loss (excluding instances where there has been partial payment of the overdue balance, where a related balance is not overdue or where a charge off is not possible due to Korean regulations); 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 Kookmin Bank's 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 Kookmin Bank's Audit Department for their review to ensure compliance with our 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 Financial Supervisory Service for our charge-offs, which is typically granted. Once we receive approval from the Financial Supervisory Service, we must also obtain approval from our senior management to charge off those loans.

With respect to credit card balances and unsecured retail loans, we follow a different process to determine which credit card balances and unsecured retail loans should be charged off, based on the length of time those loans or balances are past due. We charge off unsecured retail loans deemed to be uncollectible and credit card balances which have been overdue for a period of six months or more or which have been deemed to be uncollectible under IFRS.

*Treatment of Loans Charged Off*

Once loans are charged off, we classify them as charged-off loans and remove them from our balance sheet. These loans are managed based on a different set of procedures. We continue our collection efforts in respect of these loans, including through KB Kookmin Card's subsidiary, KB Credit Information, although loans may be charged off before we begin collection efforts in some circumstances.

If a collateralized loan is overdue, we 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, we will sell the collateral, net of expenses incurred from the auction.

*Net Charge-Offs*

The following table presents our net charge-offs for each of the years indicated:

| | For the Year Ended December 31, | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | | 2023 | | | 2024 | | |
| | Average Loans | Net Charge-Offs | Net Charge-Offs/ Average Loans | Average Loans | Net Charge-Offs | Net Charge-Offs/ Average Loans | Average Loans | Net Charge-Offs | Net Charge-Offs/ Average Loans |
| | (in billions of Won, except percentages) | | | | | | | | |
| **Domestic:** | | | | | | | | | |
| Corporate | | | | | | | | | |
| Small- and medium-sized enterprise | ₩149,542 | ₩ (3) | 0.0% | ₩150,011 | ₩ 47 | 0.0% | ₩154,742 | ₩ 26 | 0.0% |
| Large corporate | 49,469 | 72 | 0.1 | 53,939 | 162 | 0.3 | 59,483 | 304 | 0.5 |
| Total corporate | 199,011 | 69 | 0.0 | 203,950 | 209 | 0.1 | 214,225 | 330 | 0.2 |
| Retail | | | | | | | | | |
| Mortgage and home equity | 119,039 | (9) | 0.0 | 120,640 | 2 | 0.0 | 131,217 | 5 | 0.0 |
| Other consumer | 69,793 | 204 | 0.3 | 61,922 | 331 | 0.5 | 59,016 | 358 | 0.6 |
| Total retail | 188,832 | 195 | 0.1 | 182,562 | 333 | 0.2 | 190,233 | 363 | 0.2 |
| Credit cards | 22,126 | 327 | 1.5 | 22,787 | 555 | 2.4 | 23,365 | 579 | 2.5 |
| Total domestic | 409,969 | 591 | 0.1 | 409,299 | 1,097 | 0.3 | 427,823 | 1,272 | 0.3 |
| **Foreign:** | 24,412 | 509 | 2.1 | 34,045 | 372 | 1.1 | 36,721 | 395 | 1.1 |
| Total | ₩434,381 | ₩ 1,100 | 0.3% | ₩443,344 | ₩ 1,469 | 0.3% | ₩464,544 | ₩ 1,667 | 0.4% |

## Investment Portfolio

### *Investment Policy*

We invest in and trade Won-denominated and, to a lesser extent, foreign currency-denominated securities for our own account to:

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

We also invest in and trade such securities as part of the general account investments of our insurance subsidiaries that support their insurance policy liabilities. In making securities investments, we take into account a number of factors, including macroeconomic trends, industry analysis, credit evaluation and maturity in determining whether to make particular investments in securities.

Our 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, a bank holding company may not own (i) more than 5% of the total issued and outstanding shares of another finance-related company, (ii) any shares of its affiliates, other than its direct or indirect subsidiaries or (iii) any shares of a non-finance-related company. In addition, Kookmin Bank must limit its investments in equity securities and debt securities with a redemption period of over three years (other than government bonds, the Monetary Stabilization Bonds issued by the Bank of Korea, among others) to 100.0% of its total Tier I and Tier II capital amount (less any capital deductions). Generally, Kookmin Bank is also prohibited from acquiring more than 15.0% 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 "—Supervision and Regulation—Principal Regulations Applicable to Banks—Financial Exposure to Any Individual Customer and 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 our investment activities is set out in "—Supervision and Regulation—Principal Regulations Applicable to Financial Holding Companies—Liquidity," "—Supervision and Regulation—Principal Regulations Applicable to Financial Holding Companies—Restrictions on Shareholdings in Other Companies," "—Supervision and Regulation—Principal Regulations Applicable to Banks—Liquidity" and "—Supervision and Regulation—Principal Regulations Applicable to Banks—Restrictions on Shareholdings in Other Companies."

The following table sets out the definitions of the three categories of securities we hold:

| Category | Classification |
|---|---|
| Financial assets at fair value through profit or loss | Financial assets that are either classified as held for trading, designated by us at fair value through profit or loss upon initial recognition or required to be mandatorily measured at fair value through profit or loss. |
| Financial assets at fair value through other comprehensive income | Debt instruments held with a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and are consistent with representing solely payments of principal and interest on the principal amount outstanding; or |
| | Equity instruments not held for trading with the objective of generating a profit from short-term fluctuations in price or dealers' margin, designated as financial assets at fair value through other comprehensive income. |
| Financial assets at amortized cost | Financial assets held with a business model whose objective is to hold assets in order to collect contractual cash flows, and are consistent with representing solely payments of principal and interest on the principal amount outstanding. |

We also hold limited balances of venture capital securities, non-marketable and restricted equity securities and derivative instruments.

*Maturity Analysis*

The following table categorizes our 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 | ₩ 1,610 | 3.00% | ₩12,922 | 3.32% | ₩ 3,126 | 3.09% | ₩20,450 | 2.03% | ₩ 38,108 | 2.60% |
| Debt securities issued by financial institutions | 9,027 | 3.49 | 16,210 | 3.60 | 293 | 3.50 | 561 | 3.69 | 26,091 | 3.56 |
| Corporate debt securities | 4,891 | 2.95 | 10,802 | 3.39 | 2,280 | 3.79 | 4,086 | 3.06 | 22,059 | 3.28 |
| Asset-backed securities | 511 | 3.83 | 898 | 3.54 | 324 | 2.80 | 633 | 3.39 | 2,366 | 3.46 |
| Other debt securities | — | — | — | — | — | — | 111 | 2.60 | 111 | 2.60 |
| Total | ₩16,039 | 3.29% | ₩40,832 | 3.45% | ₩ 6,023 | 3.36% | ₩25,841 | 2.26% | ₩ 88,735 | 3.07% |
| **Financial assets at amortized 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 | 6,329 | 4.20 | 1,353 | 5.87 | 1,257 | 1.50 | 12,762 | 3.53 |
| 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 | 75 | 3.51 | 9,321 | 2.66 |
| Other debt securities | 40 | 5.28 | — | — | — | — | 33 | 2.35 | 73 | 3.94 |
| Total | ₩ 9,775 | 2.06% | ₩21,674 | 3.03% | ₩ 4,317 | 3.28% | ₩ 1,365 | 1.57% | ₩ 37,131 | 2.75% |
| **Total** | ₩25,814 | 2.82% | ₩62,506 | 3.31% | ₩10,340 | 3.33% | ₩27,206 | 2.22% | ₩125,866 | 2.98% |

(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 amortized cost in the case of financial assets at amortized cost and the fair value in the case of financial assets at fair value through other comprehensive income).

## Funding

We obtain funding for our lending activities from a variety of sources, both domestic and foreign. Our principal source of funding is customer deposits. In addition, we acquire funding through long-term borrowings (comprising debentures and borrowings), short-term borrowings, including borrowings from the Bank of Korea, and call money.

Our 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. We also have focused our marketing efforts on higher net worth individuals, who account for a significant portion of the assets in our retail deposit base. Customer deposits accounted for 74.6% of total funding as of December 31, 2023 and 75.1% of total funding as of December 31, 2024.

Our borrowings consist of issuances of debentures and borrowings from financial institutions, the Korean government and government-affiliated funds. The majority of our borrowings is long-term, with maturities ranging from one year to 15 years.

***Deposits***

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

The following table shows the average balances of our deposits and the average rates paid on our deposits for the periods indicated:

| | 2022 | | 2023 | | 2024 | |
|---|---|---|---|---|---|---|
| | Average Balance[1] | Average Rate Paid | Average Balance[1] | Average Rate Paid | Average Balance[1] | Average Rate Paid |
| | (in billions of Won, except percentages) | | | | | |
| Demand deposits: | | | | | | |
| Non-interest bearing | ₩ 5,452 | — | ₩ 4,459 | — | ₩ 4,542 | — |
| Interest bearing | 183,252 | 0.24% | 157,486 | 0.44% | 163,101 | 0.50% |
| Time deposits | 190,210 | 2.13 | 223,607 | 4.00 | 242,061 | 3.77 |
| Certificates of deposit | 5,512 | 2.36 | 10,418 | 4.07 | 11,148 | 3.84 |
| Average total deposits | ₩384,426 | 1.22% | ₩395,970 | 2.57% | ₩420,852 | 2.49% |

(1) Average balances are based on daily balances for our banking, credit card and securities operations and monthly or quarterly balances for our other operations.

For a description of our retail deposit products, see "—Business—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 "—Supervision and Regulation—Principal Regulations Applicable to Banks—Deposit Insurance System." Other than the maximum ₩50 million per individual or entity for deposits and interest in a single financial institution insured by the Korea Deposit Insurance Corporation in accordance with the foregoing (which limit is expected to increase to ₩100 million by January 2026, following an amendment to the Depositor Protection Act of Korea in January 2025), all deposits are uninsured. Although the Depositor Protection Act provides insurance for the deposits at our 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 our foreign branches, the amount of which we do not consider to be material as of the date of this annual report, are determined based on the individual insurance limits enacted within local regulations, and are thus subject to differing national deposit insurance regimes.

Our total uninsured deposits, including uninsured deposits at our foreign branches, amounted to ₩303,961 billion, ₩310,380 billion and ₩342,992 billion as of December 31, 2022, 2023 and 2024, respectively.

***Uninsured Time Deposits***

The following table presents the remaining maturities of our uninsured time deposits, including uninsured time deposits at our 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 |

**Supervision and Regulation**

***Principal Regulations Applicable to Financial Holding Companies***

*General*

The Financial Holding Company Act, last amended in September 2023, regulates Korean financial holding companies and their subsidiaries. The entities that regulate and supervise Korean financial holding companies and their subsidiaries are the Financial Services Commission and the Financial Supervisory Service.

The Financial Services Commission exerts direct control over financial holding companies pursuant to the Financial Holding Company Act. Among other things, the Financial Services Commission approves the establishment of financial holding companies, issues regulations on the capital adequacy of financial holding companies and their subsidiaries, and drafts regulations relating to the supervision of financial holding companies.

Following the instructions and directives of the Financial Services Commission, the Financial Supervisory Service supervises and examines financial holding companies and their subsidiaries. In particular, the Financial Supervisory Service sets requirements relating to Korean financial holding companies' liquidity and capital adequacy ratios and establishes reporting requirements within the authority delegated under the Financial Services Commission regulations. Financial holding companies must submit quarterly reports to the Financial Supervisory Service discussing business performance, financial status and other matters identified in the Enforcement Decree of the Financial Holding Company Act.

Under the Financial Holding Company Act, a financial holding company is a company which primarily engages in controlling its subsidiaries by holding equity stakes in them equal in aggregate to at least 50% of the financial holding company's aggregate assets based on its balance sheet as of the end of the immediately preceding fiscal year. A company is required to obtain approval from the Financial Services Commission to become a financial holding company.

A financial holding company may engage only in controlling the management of its subsidiaries, as well as certain ancillary activities including:

- financially supporting its direct and indirect subsidiaries;
- raising capital necessary for investment in its subsidiaries or providing financial support to its direct and indirect subsidiaries;
- supporting the business of its direct and indirect subsidiaries, including the development and marketing of financial products;

- providing data processing, legal, accounting and other resources and services that have been commissioned by its direct and indirect subsidiaries so as to support their operations; and
- any other businesses exempted from authorization, permission or approval under the applicable laws and regulations.

The Financial Holding Company Act requires every financial holding company (other than a financial holding company that is controlled by another financial holding company) and its subsidiaries to obtain prior approval from the Financial Services Commission before acquiring control of another company or to file a report with the Financial Services Commission within 30 days thereafter in certain cases (including acquiring control of another financial company whose assets are less than ₩100 billion as of the end of the immediately preceding fiscal year). In addition, the Financial Services Commission must grant permission to liquidate or to merge with any other company before the liquidation or merger. A financial holding company must report to the Financial Services Commission when certain events, including the following, occur:

- when the largest shareholder changes;
- in the case of a bank holding company, when a major investor changes;
- when the shareholding of the controlling shareholder (i.e., the "largest shareholder" or a "principal shareholder," each as defined in the Financial Holding Company Act) or a person who has a "special relationship" with such controlling shareholder (as defined in the Enforcement Decree of the Financial Holding Company Act) changes by 1% or more of the total issued and outstanding voting shares of the financial holding company;
- when it changes its corporate name;
- when there is a cause for its dissolution; and
- when it or its subsidiaries cease to control any of their respective direct or indirect subsidiaries by disposing of their shares of such direct or indirect subsidiary.

*Capital Adequacy*

The Financial Holding Company Act does not provide for a minimum paid-in capital requirement related to financial holding companies. However, all financial holding companies are required to maintain a specified level of solvency. In addition, with respect to the allocation of net profit earned in a fiscal term, a financial holding company must set aside in its legal reserve an amount equal to at least 10% of its net income after tax each time it pays dividends on its net profits earned until its legal reserve reaches at least the aggregate amount of its paid-in capital.

A bank holding company, which is a financial holding company controlling banks or other financial institutions conducting banking business as prescribed in the Financial Holding Company Act, is required to maintain a total minimum consolidated capital adequacy ratio of 12.5% (including applicable additional capital buffers and requirements as described below), which was increased from 11.5% in May 2024. "Consolidated capital adequacy ratio" is defined as the ratio of equity capital as a percentage of risk-weighted assets on a consolidated basis, determined in accordance with the Financial Services Commission requirements that have been formulated based on Bank of International Settlements (or BIS) standards. "Equity capital," as applicable to bank holding companies, is defined as the sum of common equity Tier I capital, additional Tier I capital and Tier II capital less any deductible items, each as defined under the Regulation on the Supervision of Financial Holding Companies. "Risk-weighted assets" is defined as the sum of credit risk-weighted assets and market risk-weighted assets.

Pursuant to regulations promulgated by the Financial Services Commission commencing in 2013 to implement Basel III, Korean 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 Financial Services Commission and is set at 1.0% as of the date of this annual report. Furthermore, we and Kookmin Bank were each designated as a domestic systemically important bank holding company and a domestic systemically important bank, respectively, for 2024 by the Financial Services Commission and were subject to an additional capital requirement of 1.0% in 2024. In July 2024, we and Kookmin Bank were each again designated as a domestic systemically important bank holding company and a domestic systemically important bank, respectively, for 2025, which would again subject us to an additional capital requirement of 1.0% in 2025. In addition, the Financial Services Commission indicated that it may introduce a stress buffer capital requirement of up to 2.5% sometime in 2025. All such requirements are in addition to the pre-existing requirement for a minimum ratio of Tier I and Tier II capital (less any capital deductions) to risk-weighted assets set forth above.

*Liquidity*

All financial holding companies are required to match the maturities of their assets and liabilities on a non-consolidated basis in accordance with the Financial Holding Company Act in order to ensure liquidity. Financial holding companies must:

- maintain a Won liquidity ratio (defined as Won assets due within one month, including marketable securities, divided by Won liabilities due within one month) of not less than 100% on a non-consolidated basis;
- maintain a foreign currency liquidity ratio (defined as foreign currency liquid assets due within three months divided by foreign currency liabilities due within three months) of not less than 80% on a non-consolidated basis (except that such requirement is not applicable to a financial holding company whose foreign currency liabilities constitute less than 1% of its total assets);
- maintain a maturity mismatch ratio for foreign currency assets and liabilities due within seven days (defined as foreign currency assets due within seven days less foreign currency liabilities due within seven days, divided by total foreign currency assets) of 0% or more on a non-consolidated basis (except that such requirement is not applicable to a financial holding company whose foreign currency liabilities constitute less than 1% of its total assets);
- maintain a maturity mismatch ratio for foreign currency liabilities and assets due within a month (defined as foreign currency liabilities due within a month less foreign currency assets due within a month, divided by total foreign currency assets) of 10% or less on a non-consolidated basis (except that such requirement is not applicable to a financial holding company whose foreign currency liabilities constitute less than 1% of its total assets); and
- make quarterly reports regarding their Won liquidity and foreign currency liquidity to the Financial Supervisory Service.

*Financial Exposure to Any Individual Customer and Major Investor*

Subject to certain exceptions, the aggregate credit (as defined in the Financial Holding Company Act, the Bank Act, the Financial Investment Services and Capital Markets Act, the Insurance Business Act, the Mutual Savings Bank Act and the Specialized Credit Financial Business Act, respectively) of a financial holding company and its direct and indirect subsidiaries that are banks, merchant banks, financial investment companies, insurance companies, savings banks or specialized credit financial business companies (which we refer to as "Financial Holding Company Total Credit") to a single group of companies that belong to the same conglomerate as defined in the Monopoly Regulations and Fair Trade Act will not be permitted to exceed 25% of net aggregate equity capital (as defined below).

"Net aggregate equity capital" is defined under the Enforcement Decree of the Financial Holding Company Act as the sum of:

(1) in case of a financial holding company, the capital amount as defined in Article 24-3(7), Item 2 of the Enforcement Decree of the Financial Holding Company Act;

(2) in case of a bank, the capital amount as defined in Article 2(1), Item 5 of the Bank Act;

(3) in case of a merchant bank, the capital amount as defined in Article 342(1) of the Financial Investment Services and Capital Markets Act; and

(4) in case of a financial investment company, the capital amount as defined in Article 37(3) of the Enforcement Decree of the Financial Investment Services and Capital Markets Act;

(5) in case of an insurance company, the capital amount as defined in Article 2, Item 15 of the Insurance Business Act;

(6) in case of a savings bank, the capital amount as defined in Article 2, Item 4 of the Mutual Savings Bank Act; and

(7) in case of a specialized credit financial business company, the capital amount as defined in Article 2, Item 19 of the Specialized Credit Financial Business Act;

less the sum of:

(1) the amount of shares of direct and indirect subsidiaries held by the financial holding company;

(2) the amount of shares that are cross-held by each direct and indirect subsidiary that is a bank, merchant bank, financial investment company, insurance company, savings bank or specialized credit financial business company; and

(3) the amount of shares of a financial holding company held by such direct and indirect subsidiaries that are banks, merchant banks, financial investment companies, insurance companies, savings banks or specialized credit financial business companies.

The Financial Holding Company Total Credit to a single individual or judicial person may not exceed 20% of the net aggregate equity capital. In addition, the Financial Holding Company Total Credit to a shareholder holding (together with the persons who have a "special relationship" with the shareholder, as defined in the Enforcement Decree of the Financial Holding Company Act) in aggregate more than 10% of the total issued and outstanding voting shares of a financial holding company generally may not exceed the lesser of (x) 25% of the net aggregate equity capital and (y) the amount of the equity capital of the financial holding company multiplied by the shareholding ratio of the shareholder (together with the persons who have a special relationship with the shareholder).

Further, the total sum of credits (as defined in the Financial Holding Company Act, the Bank Act, the Financial Investment Services and Capital Markets Act, the Insurance Business Act, the Mutual Savings Bank Act and the Specialized Credit Financial Business Act, respectively) of a bank holding company and its direct and indirect subsidiaries that are banks, merchant banks, financial investment companies, insurance companies, savings banks or specialized credit financial business companies as applicable ("Bank Holding Company Total Credit") extended to a "major investor" (as defined below) (together with the persons who have a special relationship with that major investor) will not be permitted to exceed the lesser of (x) 25% of the net aggregate equity capital and (y) the amount of the equity capital of the bank holding company multiplied by the shareholding ratio of the major investor, except for certain cases.

"Major investor" is defined as:

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

- a shareholder holding (together with persons who have a special relationship with that shareholder) more than 4% in the aggregate of the total issued and outstanding voting shares of the bank holding company controlling nationwide banks, where the shareholder is the largest shareholder or has actual control over the major business affairs of the bank holding company through, for example, appointment and dismissal of the officers pursuant to the Enforcement Decree of the Financial Holding Company Act.

In addition, the total sum of the Bank Holding Company Total Credit granted to all of a bank holding company's major investor must not exceed 25% of the bank holding company's net aggregate equity capital. Furthermore, any bank holding company that, together with its direct and indirect subsidiaries, intends to extend credit to the bank holding company's major investor in an amount equal to or exceeding the lesser of (x) the amount equivalent to 0.1% of the net aggregate equity capital and (y) ₩5 billion, in any single transaction, must obtain prior unanimous board resolutions and then, immediately after providing the credit, must file a report to the Financial Services Commission and publicly disclose the filing of the report.

*Restrictions on Transactions Among Direct and Indirect Subsidiaries and Financial Holding Company*

Generally, a direct or indirect subsidiary of a financial holding company may not extend credits (excluding the amount of corporate credit card payments issued by a direct or indirect subsidiary of a financial holding company that is engaged in the banking business) to that financial holding company. In addition, a direct or indirect subsidiary of a financial holding company may not extend credits (excluding the amount of corporate credit card payments issued by a direct or indirect subsidiary of a financial holding company that is engaged in the banking business) to other direct or indirect subsidiaries of the financial holding company in excess of 10% of its capital amount on an individual basis or to those subsidiaries in excess of 20% of its capital amount on an aggregate basis. The subsidiary extending the credit must also obtain an adequate level of collateral depending on the type of such collateral from the other subsidiaries unless the credit is otherwise approved by the Financial Services Commission. The adequate level of collateral for each type of collateral is as follows:

(1) for deposits and installment savings, obligations of the Korean government or the Bank of Korea, obligations guaranteed by the Korean government or the Bank of Korea, obligations secured by securities issued or guaranteed by the Korean government or the Bank of Korea, 100% of the credit extended;

(2) for obligations of municipal governments under the Local Autonomy Act, local public enterprise under the Local Public Enterprises Act and investment institutions and other quasi-investment institutions under the Basic Act on the Management of Government-Invested Institution or for obligations guaranteed by, or secured by the securities issued or guaranteed by, the aforementioned entities pursuant to the relevant regulations, 110% of the credit extended; and

(3) for any property other than those set forth in paragraphs (1) and (2) above, 130% of the credit extended.

Subject to certain exceptions, a direct or indirect subsidiary of a financial holding company is prohibited from owning the shares of any other direct or indirect subsidiaries (other than those directly controlled by that direct or indirect subsidiary) under the common control of the financial holding company.

Subject to certain exceptions, a direct or indirect subsidiary of a financial holding company is also prohibited from owning the shares of the financial holding company controlling that direct or indirect subsidiary. The transfer of certain assets classified as precautionary or below between a financial holding company and its direct or indirect subsidiary or between the direct and indirect subsidiaries of a financial holding company is prohibited except for:

(1) transfers to a special purpose company, or entrustment with a trust company, for an asset-backed securitization transaction under the Asset-Backed Securitization Act;

(2) transfers or in-kind contributions to a corporate restructuring vehicle under the Corporate Restructuring Investment Companies Act; and

(3) transfers to a corporate restructuring company under the Industrial Development Act.

*Disclosure of Management Performance*

For the purpose of protecting the depositors and investors in the direct or indirect subsidiaries of financial holding companies, the Financial Services Commission requires financial holding companies to disclose certain material matters including:

(1) financial condition and profit and loss of the financial holding company and its direct and indirect subsidiaries;

(2) fund-raising by the financial holding company and its direct and indirect subsidiaries and the appropriation of such funds;

(3) any sanctions levied on the financial holding company and its direct and indirect subsidiaries under the Financial Holding Company Act or any corrective measures or sanctions under the Law on Improvement of Structure of Financial Industry; and

(4) occurrence of any non-performing assets or financial incident that may have a material adverse effect, or any other event as prescribed in the applicable regulations.

*Restrictions on Shareholdings in Other Companies*

Generally, a financial holding company may not own (i) more than 5% of the total issued and outstanding shares of another finance-related company, (ii) any shares of its affiliates, other than its direct or indirect subsidiaries or (iii) any shares of a non-finance-related company.

*Restrictions on Shareholdings by Direct and Indirect Subsidiaries*

Generally, a direct subsidiary of a financial holding company may not control any other company other than, as an indirect subsidiary of the financial holding company:

- financial institutions established in foreign jurisdictions that are relevant to the business of the direct subsidiary;
- certain financial institutions that are relevant to the business of the direct subsidiary, which are engaged in any business that the direct subsidiary may conduct without any licenses or permits;
- certain financial institutions whose business is related to the business of the direct subsidiary as described by the Enforcement Decree of the Financial Holding Company Act (for example, a bank subsidiary may control only credit information companies, credit card companies and financial investment companies with a dealing, brokerage, collective investment, investment advice, discretionary investment management and/or trust license);
- certain financial institutions whose business is related to the financial business as prescribed by the Ordinance of the Prime Minister; and
- certain companies which are not financial institutions but whose business is related to the financial business of the financial holding company as prescribed by the Enforcement Decree of the Financial Holding Company Act (for example, a finance-related research company or a finance-related information technology company).

Acquisition of such indirect subsidiaries by direct subsidiaries of a financial holding company requires prior permission from the Financial Services Commission or the submission of a report to the Financial Services Commission, depending on the types of the indirect subsidiaries and the amount of total assets of the indirect subsidiaries.

Subject to certain exceptions, an indirect subsidiary of a financial holding company may not control any other company. If an indirect subsidiary of a financial holding company had control over another company at the time it became such an indirect subsidiary, the indirect subsidiary is required to dispose of its interest in the other company within two years from such time.

*Restrictions on Transactions between a Bank Holding Company and its Major Investor*

A bank holding company and its direct and indirect subsidiaries may not acquire (including through their respective trust accounts) shares issued by the bank holding company's major investor in excess of 1% of the net aggregate equity capital (as defined above). In addition, if those entities intend to acquire shares issued by that major investor in any single transaction equal to or exceeding the lesser of (x) the amount equivalent to 0.1% of the net aggregate equity capital and (y) ₩5 billion, that entity must obtain prior unanimous board resolutions and then, immediately after the acquisition, file a report to the Financial Services Commission and publicly disclose the filing of the report.

*Restrictions on Ownership of a Financial Holding Company*

Under the Financial Holding Company Act, a financial institution generally may not control a financial holding company. In addition, any single shareholder and persons who have a special relationship with that shareholder may acquire beneficial ownership of up to 10% of the total issued and outstanding shares with voting rights of a bank holding company that controls nationwide banks or 15% of the total issued and outstanding shares with voting rights of a bank holding company that controls only regional banks, subject to certain exceptions. Among others, the Korean government and the Korea Deposit Insurance Corporation are not subject to this limit. "Non-financial business group companies" (as defined below), however, may not acquire the beneficial ownership of shares of a bank holding company controlling nationwide banks in excess of 4% of that bank holding company's outstanding voting shares unless they obtain the approval of the Financial Services Commission and agree not to exercise voting rights in respect of shares in excess of the 4% limit, in which case they may acquire beneficial ownership of up to 10%. Any other person (whether a Korean national or a foreign investor) may acquire no more than 10% of total voting shares issued and outstanding of a bank holding company controlling nationwide banks unless they obtain approval from the Financial Services Commission in each instance where the total holding will exceed 10% (or 15% in the case of a bank holding company controlling only regional banks), 25% or 33% of the total voting shares issued and outstanding of that bank holding company controlling nationwide banks.

Furthermore, in the case where a person (including Korean and foreign investors, but excluding certain persons prescribed under the Enforcement Decree of the Financial Holding Company Act) (i) acquires in excess of 4% of the total issued and outstanding voting shares of any bank holding company (other than a bank holding company controlling only regional banks), (ii) becomes the largest shareholder of such bank holding company in which such person has acquired in excess of 4% of the total issued and outstanding voting shares, (iii) changes its shareholding in such bank holding company, in which it has acquired in excess of 4% of the total issued and outstanding voting shares, by 1% or more of the total issued and outstanding voting shares of such bank holding company or (iv) is a private equity fund or an investment purpose company holding in excess of 4% of the total outstanding voting shares of a bank holding company and changes its members or shareholders, such person must file a report on such change with the Financial Services Commission (x) in case of (i) and (iii), by the last day of the month immediately following the month in which such change occurred, or (y) in case of (ii) and (iv), within ten days after the end of the month in which such change occurred.

"Non-financial business group companies" as defined under the Financial Holding Company Act include:

(1) any same shareholder group where the aggregate net assets of all non-financial business companies belonging to that group equals or exceeds 25% of the aggregate net assets of all members of that group;

(2) any same shareholder group where the aggregate assets of all non-financial business companies belonging to that group equals or exceeds ₩2 trillion;

(3) any mutual fund where a same shareholder group identified in (1) or (2) above beneficially owns and/or exercises the voting rights of more than 4% of the total issued and outstanding voting shares of that mutual fund;

(4) any private equity fund (a) where a person falling under any of items (1) through (3) above is a limited partner holding not less than 10% of the total amount of contributions to the private equity fund, or (b) where a person falling under any of items (1) through (3) above is a general partner, or (c) where the total equity of the private equity fund acquired by each affiliate belonging to several enterprise groups subject to the limitation on mutual investment is 30% or more of the total amount of contributions to the private equity fund; or

(5) the investment purpose company concerned, where a private equity fund falling under item (4) above acquires or holds stocks in excess of 4% of the stock or equity of such company or exercises *de facto* control over significant managerial matters of such company through appointment or dismissal of executives or in any other manner.

*Sharing of Customer Information among Financial Holding Company and its Subsidiaries*

Under the Act on Use and Protection of Credit Information, any individual customer's credit information may be disclosed only after obtaining consent in writing or otherwise to use that information. In addition, under the Act on Real Name Financial Transactions and Confidentiality, an individual working at a financial institution may not provide or reveal information or data concerning the contents of financial transactions to other persons unless such individual receives a request or consent in writing from the holder of a title deed, except under certain exceptions stipulated in the Act. Under the Financial Holding Company Act, a financial holding company and its direct and indirect subsidiaries, however, may share certain credit information of individual customers among themselves for internal management purposes outlined in the Enforcement Decree of the Financial Holding Company Act (such as credit risk management, internal control and customer analysis), without the customers' written consent, subject to the methods and procedures for provision of such information set forth therein. A subsidiary financial investment company with a dealing and/or brokerage license of a financial holding company may provide that financial holding company and its other direct and indirect subsidiaries information relating to the aggregate amount of cash or securities that a customer of the financial investment company with a dealing and/or brokerage license has deposited, for internal management purposes outlined in the Enforcement Decree of the Financial Holding Company Act, subject to the methods and procedures for provision of such information set forth therein. Certain amendments to the Financial Holding Company Act, which became effective on November 29, 2014, limit the scope of credit information that may be shared without the customers' prior consent and require certain procedures for provision of customer information as prescribed by the Financial Services Commission. Beginning on November 29, 2014, notice must be given to customers at least once a year regarding (i) the provider of customer information, (ii) the recipient of customer information, (iii) the purpose of providing the information and (iv) the categories of the information provided.

***Principal Regulations Applicable to Banks***

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 Bank of Korea, the Monetary Policy Board of the Bank of Korea, the Financial Services Commission and its executive body, the Financial Supervisory Service.

The Bank of Korea, 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 stabilization through establishing and implementing efficient monetary and credit policies with a focus on financial stability. The Bank of Korea acts under instructions of the Monetary Policy Board, the supreme policy-making body of the Bank of Korea.

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

The Financial Services Commission, 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 Financial Services Commission regulates market entry into the banking business.

The Financial Supervisory Service, established in January 1999, is subject to the instructions and directives of the Financial Services Commission and carries out supervision and examination of commercial banks. In particular, the Financial Supervisory Service 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 Financial Services Commission 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 Financial Services Commission. 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 Financial Services Commission, 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 Financial Services Commission. For businesses that are subject to a license or approval requirement under applicable laws, such as approval to commence a trust business under the Financial Investment Services and Capital Markets Act, such report must be filed concurrently with a relevant license or approval application to the Financial Services Commission. 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 Financial Services Commission.

If the Financial Services Commission 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 Financial Services Commission 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 us, 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 Financial Supervisory Service under relevant regulations. 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 Financial Supervisory Service under Article 26(2) of the Regulation on the 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 Financial Services Commission requirements that have been formulated based on BIS standards. These requirements were adopted and became effective in 1996, and were amended effective January 1, 2008 upon the implementation by the Financial Supervisory Service 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 Financial Services Commission 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 Financial Services Commission and is set at 1.0% as of the date of this annual report. Furthermore, we and Kookmin Bank were each designated as a domestic systemically important bank holding company and a domestic systemically important bank, respectively, for 2024 by the Financial Services Commission and were subject to an additional capital requirement of 1.0% in 2024. In July 2024, we and Kookmin Bank were each again designated as a domestic systemically important bank holding company and a domestic systemically important bank, respectively, for 2025, which would again subject us to an additional capital requirement of 1.0% in 2025. In addition, the Financial Services Commission indicated that it may introduce a stress buffer capital requirement of up to 2.5% sometime in 2025. All such requirements are in addition to the pre-existing requirement for a minimum ratio of Tier I and Tier II capital (less any capital deductions) to risk-weighted assets set forth above.

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:

(1) for those banks which adopted a standardized approach for calculating credit risk capital requirements, a risk-weight ratio between 20% and 150% for home equity loans, depending on the loan-to-value ratio and risk profile of the loan; and

(2) 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.

*Liquidity*

All banks are required to ensure adequate liquidity by matching the maturities of their assets and liabilities in accordance with the Regulation on the 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 Korean government bonds, Monetary Stabilization Bonds issued by the Bank of Korea 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 Financial Services Commission 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 Monetary Policy Board of the Bank of Korea 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 Won currency employee asset establishment savings deposits, employee long-term savings deposits, employee house purchase savings deposits, long-term house purchase savings deposits, household long-term savings deposits and employee preferential savings deposits outstanding (with respect to employee-related deposits and household long-term savings deposits, only if such deposits were made prior to February 28, 2013); and
- 2% of average balances for Won currency time deposits, installment savings deposits, mutual installments, housing installments 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 six months 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 the Supervision of the Banking Business, Kookmin 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 Financial Services Commission has 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 Financial Investment Services and Capital Markets Act 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 Monetary Policy Board. There are no controls on deposit interest rates in Korea, except for the prohibition on interest payments on current account deposits.

*Lending to Small- and Medium-sized Enterprises*

In order to obtain funding from the Bank of Korea at concessionary rates for their small- and medium-sized enterprise loans, banks are required to allocate a certain minimum percentage of any quarterly increase in their Won currency lending to small- and medium-sized enterprises. Currently, this minimum percentage is 50% for both nationwide banks and regional banks. If a bank does not comply with this requirement, the Bank of Korea may:

- require the bank to prepay all or a portion of funds provided to that bank in support of loans to small- and medium-sized enterprises; or
- lower the bank's credit limit.

*Disclosure of Management Performance*

For the purpose of protecting depositors and investors in commercial banks, the Financial Services Commission 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 Financial Investment Services and Capital Markets Act,:
  - (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 the bank's subsidiary corporation; or
- loans to any officers or employees of the bank's 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 Financial Services Commission has implemented a number of changes in recent years 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) 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 50%, 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 as 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 excessive investment, high speculation or adjustment target areas, 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 borrowings 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 homebuyers;
- 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 the loans secured by such high-priced housing, divided by (2) the borrower's annual income) should not exceed 40% unless otherwise specified by the applicable regulations.

*Restrictions on Investments 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 Financial Investment Services and Capital Markets Act) the maturity of which exceeds three years, but excluding government bonds,

monetary stabilization bonds issued by the Bank of Korea 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 Financial Investment Services and Capital Markets Act) 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 Financial Investment Services and Capital Markets Act) 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 Financial Services Commission; or
- the acquisition of such shares by the bank is necessary for the corporate restructuring of such corporation and is approved by the Financial Services Commission.

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 Financial Services Commission.

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 Korean government, the Korea Deposit Insurance Corporation 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 Financial Services Commission 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 Financial Services Commission 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 Financial Services Commission 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 Financial Services Commission 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 Korea Deposit Insurance Corporation on a quarterly basis and the rate is determined under the Enforcement Decree to the Depositor Protection Act. If the Korea Deposit Insurance Corporation makes a payment on an insured amount, it will acquire the depositors' claims with respect to that payment amount. The Korea Deposit Insurance Corporation insures a maximum of ₩50 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, although such limit was increased to ₩100 million through an amendment to the Depositor Protection Act of Korea in January 2025, and is expected to become effective by January 2026.

*Restrictions on Foreign Exchange Position*

Under the Foreign Exchange Transaction Act of Korea, each of a bank's net overpurchased and oversold positions may not exceed 50% of its shareholder's 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 Financial Services Commission to enter the securities business, which is governed by regulations under the Financial Investment Services and Capital Markets Act. 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 Financial Services Commission to engage in trust businesses. The Trust Act and the Financial Investment Services and Capital Markets Act 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 Financial Investment Services and Capital Markets Act, a bank with a trust business license (such as Kookmin 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.

***Credit Card Business***

*General*

In order to enter the credit card business, a company must obtain a license from the Financial Services Commission. Credit card businesses are governed by the Specialized Credit Financial Business Act, which sets forth specific requirements with respect to the credit card business as well as generally prohibiting unsound business practices relating to the credit card business which may infringe on the rights of credit card holders or negatively affect the soundness of the credit card industry. Credit card companies, including our wholly-owned subsidiary, KB Kookmin Card Co., Ltd., are regulated by the Financial Services Commission and the Financial Supervisory Service.

*Disclosure and Reports*

Under the Specialized Credit Financial Business Act and the regulations thereunder, a credit card company is required to disclose on a periodic and on-going basis certain material matters and events. In addition, a credit card company must submit periodic reports with respect to its results of operations to the Governor of the Financial Supervisory Service, in accordance with the guidelines of the Financial Supervisory Service.

*Restrictions on Funding*

Under the Specialized Credit Financial Business Act and the regulations thereunder, a credit card company must ensure that its total assets do not exceed an amount equal to eight times its equity capital and that the ratio of its adjusted equity capital to its adjusted total assets is not less than 8.0%. However, if a credit card company is unable to comply with such limit upon the occurrence of unavoidable events, such as drastic changes in the domestic and global financial markets, such limit may be adjusted through a resolution of the Financial Services Commission.

*Risk of Loss Due to Lost, Stolen, Forged or Altered Credit Cards*

Under the Specialized Credit Financial Business Act, a credit card company is liable for any loss arising from the unauthorized use of credit cards or debit cards after it has received notice from the holder of the loss or theft of the card. A credit card company is also responsible for any losses resulting from the use of forged or altered credit cards, debit cards and pre-paid cards. A credit card company may, however, transfer all or part of this latter risk of loss to holders of credit card in the event of willful misconduct or gross negligence by holders of credit card if the terms and conditions of the agreement entered between the credit card company and members of such cards specifically provide for that transfer.

For these purposes, disclosure of a customer's password that is made intentionally or through gross negligence, or the transfer of or giving as collateral of the credit card or debit card, is considered willful misconduct or gross negligence. However, a disclosure of a cardholder's password that is made under irresistible force or threat to cardholder or his/her relatives' life or health will not be deemed as willful misconduct or negligence of the cardholder.

Each credit card company must institute appropriate measures to fulfill these obligations, such as establishing provisions, purchasing insurance or joining a cooperative association.

Pursuant to the Enforcement Decree to Specialized Credit Financial Business Act, a credit card company will be liable for any losses arising from loss or theft of a credit card (which was not from the holder's willful misconduct or negligence) during the period beginning 60 days before the notice by the holder to the credit card company.

Pursuant to the Specialized Credit Financial Business Act, the Financial Services Commission may either restrict the limit or take other necessary measures against the credit card company with respect to such matters as the maximum limits on the amount per credit card, details of credit card terms and conditions, management of credit card merchants and collection of claims, including the following:

- maximum limits for cash advances on credit cards;
- use restrictions on debit cards with respect to per day or per transaction usage;
- aggregate issuance limits and maximum limits on the amount per card on pre-paid cards; and
- other matters prescribed by the Enforcement Decree to the Specialized Credit Financial Business Act.

*Lending Ratio in Ancillary Business*

Pursuant to the Enforcement Decree to the Specialized Credit Financial Business Act, a credit card company must maintain an aggregate quarterly average outstanding lending balance to credit cardholders (including cash advances and credit card loans, but excluding restructured loans) no greater than the sum of (i) its aggregate quarterly average outstanding credit card balance arising from the purchase of goods and services and (ii) the aggregate quarterly debit card transaction volume.

*Issuance of New Cards and Solicitation of New Cardholders*

The Enforcement Decree to the Specialized Credit Financial Business Act establishes the conditions under which a credit card company may issue new cards and solicit new members. New credit cards may be issued only to the following persons:

- persons who are at least 19 years old when they apply for a credit card;
- persons whose capability to pay bills as they come due has been verified using standards established by the credit card company; and
- in the case of minors who are 18 years old, persons who submit documents evidencing employment as of the date of the credit card application, such as an employment certificate, or persons for whom the issuance of a credit card is necessitated by governmental policies, such as financial aid.

In addition, a credit card company may not solicit credit card members by:

- providing economic benefits or promising to provide economic benefits in excess of 100% of the annual credit card fee (in the case of credit cards with annual fees that are less than the average of the annual fees charged by major credit cards in Korea, the annual fee will be deemed to be equal to such average annual fee) in connection with issuing a credit card;
- soliciting applicants on roads, public places or along corridors used by the general public;
- soliciting applicants through visits, except those visits made upon prior consent and visits to a business area;
- soliciting applicants through the Internet without verifying whether the applicant is who he or she purports to be, by means of a digital signature (limited, however, to cases where it can be confirmed that the applicant is the person in question by using identifiable information) under the Digital Signature Act; and
- soliciting applicants through pyramid sales methods.

*Compliance Rules on Collection of Receivable Claims*

Pursuant to Supervisory Regulation on the Specialized Credit Financial Business, a credit card company may not:

- exert violence or threaten violence;
- inform a related party (a guarantor of the debtor, blood relative or fiancé(e) of the debtor, a person living in the same household as the debtor or a person working in the same workplace as the debtor) of the debtor's obligations without just cause;
- provide false information relating to the debtor's obligation to the debtor or his or her related parties;
- threaten to sue or sue the debtor for fraud despite lack of affirmative evidence to establish that the debtor has submitted forged or false documentation with respect to his or her ability to make payment;
- visit or telephone the debtor during late evening hours (between the hours of 9:00 p.m. and 8:00 a.m.); and
- utilize other uncustomary methods to collect the receivables that interfere with the privacy or the peace in the workplace of the debtor or his or her related parties.

***Principal Regulations Applicable to Insurance Companies***

*General*

Under the Insurance Business Act, a company seeking to engage in the insurance business in Korea is required to obtain business authorizations and licenses from the Financial Services Commission, and such company is required to comply with the Insurance Business Act and the regulations thereunder. These rules and regulations cover, among other things: (i) the requirements for obtaining business authorizations and licenses to operate an insurance company; (ii) the scope of business an insurance company may undertake; (iii) the operations of an insurance company, including its asset management activities; (iv) the methods of insurance solicitation; (v) the supervision of the insurance business; and (vi) the disciplinary actions for violation of the Insurance Business Act, which may include revocation of a license, imprisonment, suspension of operations, fines, surcharges and penalties.

The Financial Services Commission has the authority to oversee matters involving licenses necessary for, and supervision of, the operation of an insurance business. Pursuant to the Regulation on Supervision of Insurance Business and the Regulation on Corporate Governance of Financial Companies, the Financial Services Commission sets forth detailed criteria for obtaining the authorization necessary to engage in the insurance business, as well as various comprehensive standards required to be met by an insurance company. The Financial Services Commission entrusts the Financial Supervisory Service with certain matters pursuant to the Regulation on Supervision of Insurance Business, as specified under the Detailed Enforcement Regulations on Insurance Supervision.

Since an insurance company falls within the scope of a financial institution under the Act on the Structural Improvement of the Financial Industry, special provisions thereunder apply to an insurance company in the event (i) it merges with, or converts into, another financial institution, (ii) it becomes bankrupt or insolvent or is dissolved or (iii) members of its business group acquire shares of another company in excess of a certain percentage. In addition, an insurance company that offers and sells investment-type insurance products, such as variable insurance products, and manages assets under special accounts for variable insurance policies is deemed a financial investment company under the Financial Investment Services and Capital Markets Act. Such insurance company is subject to certain provisions under the Financial Investment Services and Capital Markets Act, such as regulations on the control of conflicts of interest as well as the establishment and maintenance of firewalls for asset management of special accounts related to variable insurance policies. In addition, pursuant to the Foreign Exchange Transactions Act, an insurance company is required to obtain prior approval from the

Ministry of Economy and Finance, the Bank of Korea, the Financial Supervisory Service or a foreign exchange bank and may be required to file periodic reports if the company engages in any of the following: (a) a transaction involving a foreign currency; (b) a transaction with a non-resident involving either the Won or a foreign currency; (c) a transaction that requires an outgoing overseas payment; (d) a transaction that requires receipt of an overseas payment; and (e) any other transaction prescribed under the Foreign Exchange Transactions Act. Furthermore, an insurance company is required to comply with the Act on the Corporate Governance of Financial Companies.

*Scope of Business of Insurance Companies*

Under the Insurance Business Act, an insurance company is prohibited from concurrently operating a life insurance business and a non-life insurance business (including property, marine and cargo and liability insurance), provided that an insurance company may concurrently operate a "type three" insurance business (including casualty, disease and health care insurance) and provide reinsurance to other insurance companies. However, limited cross-selling of life insurance and non-life insurance products by insurance sales agents working for life insurance or non-life insurance companies in Korea is permitted by the Financial Services Commission.

Upon approval by the Financial Services Commission, a life insurance company may operate (i) a life insurance business, (ii) a pension insurance (including retirement insurance) business and (iii) type three insurance businesses, while a non-life insurance company may operate (i) various types of non-life insurance businesses (including property, marine and cargo, automobile, guarantee, reinsurance and certain other enumerated non-life insurance as designated under the Enforcement Decree of the Insurance Business Act as well as liability insurance) and (ii) type three insurance businesses.

Both life insurance and non-life insurance companies may also operate certain financial businesses and incidental businesses designated under the Enforcement Decree of the Insurance Business Act.

*Requirements Relating to Insurance Solicitation*

The Insurance Business Act limits entities that may engage in insurance solicitation to insurance sales agents, insurance agencies (including those of financial institutions), insurance brokers and officers and employees of an insurance company. Any person or entity wishing to act as an insurance sales agent, insurance agency (including those of financial institutions) or insurance broker must register with the Financial Services Commission and report promptly to the Financial Services Commission the occurrence of certain changes prescribed under the Insurance Business Act.

Insurance brochures used for insurance solicitation must clearly specify the terms required under the Insurance Business Act in an easy-to-understand manner. Where an insurance company or any person engaging in insurance solicitation persuades an ordinary policyholder to enter into an insurance contract, it must explain to such ordinary policyholder about certain critical matters of the insurance contract prescribed by the Financial Consumer Protection Act, including details of insurance products, insurance premiums (including mutual aid premiums), procedures for payment of insurance proceeds (including mutual aid) and grounds for restricting the payment and coverage scope in a manner the policyholder can easily understand.

Where an insurance company or any person engaging in insurance solicitation advertises an insurance product, it must include the details of such insurance product in such advertisement as prescribed under the Financial Consumer Protection Act and must not engage in any act which, among other things, may lead to a misunderstanding that such insurance product would provide a large amount of insurance proceeds by emphasizing selective terms and conditions of such product or introducing cases where a large amount of insurance proceeds were paid.

In connection with the execution or solicitation of an insurance contract, any person engaging in insurance solicitation must not engage in any act prohibited under the Insurance Business Act and the Financial Consumer Protection Act, including acts of providing a policyholder with false information regarding an insurance product and acts intended to interrupt or prevent a policyholder (including interested parties prescribed by the Enforcement Decree of the Financial Consumer Protection Act) from notifying an insurance company of an important matter relevant to an insurance policy.

Any person engaging in insurance solicitation is prohibited from providing special benefits (including, but not limited to, cash over a certain amount and discounts on insurance premiums) in connection with the execution of an insurance contract unless such special benefits are stipulated in the underlying documents for such insurance product. In addition, an insurance company is prohibited from entrusting any person other than those who are eligible under the Insurance Business Act to engage in insurance solicitation or paying any compensation to any ineligible persons for his or her insurance solicitation. The Insurance Business Act and the Financial Consumer Protection Act also prescribe in detail certain practices that insurance agencies of financial institutions are restricted from engaging in, including, but not limited to:

- forcing entry into contracts on financial products against the will of the policyholder using a position of advantage; and
- including insurance premiums in loan transactions without the prior consent of the borrower.

The Insurance Business Act permits insurance sales agents working for life insurance companies to cross-sell non-life insurance products of one non-life insurance company, and insurance sales agents working for non-life insurance companies are correspondingly permitted to cross-sell the life insurance products of one life insurance company.

*Capital Adequacy*

Pursuant to the solvency requirements implemented by the Financial Services Commission, insurance companies in Korea are required to maintain a statutory ratio of available capital to required capital of not less than 100% on a consolidated basis (although a risk-based capital adequacy ratio of not less than 150% is still considered standard in the Korean insurance industry). Solvency requirements require insurance companies to hold adequate capital to cover their exposures to life/long-term non-life insurance risk, general non-life insurance risk, market risk, credit risk and operational risk by reflecting such risks in their calculation of required capital. The statutory solvency ratio for insurance companies is computed by dividing available capital by required capital. Available capital of an insurance company is computed as the sum of, among other things, capital stock, reserve for policyholder dividends and bad debt allowance after deducting the amount of assets and/or capital from the financial soundness balance sheet that are recognized by the governor of the Financial Supervisory Service as unable to be used to cover losses incurred by unforeseen risks of an insurance company, such as stock discounts and treasury stocks. Required capital is calculated based on the sum of (a) basic required capital, which is calculated as the sum of (i) the square root of the sum of the squares of (w) life/long-term non-life insurance risk, (x) general non-life insurance risk amounts, (y) credit risk amounts and (z) market risk amounts, and (ii) operating risk amounts, with each risk amount being calculated in accordance with the detailed criteria set forth under the Regulation on Supervision of Insurance Business and the Detailed Enforcement Regulations on Insurance Supervision, and (b) (xx) other required capital, which is the required capital for subsidiaries or other entities to which basic required capital is difficult to apply, which is calculated in accordance with the criteria set forth by the governor of the Financial Supervisory Service minus (yy) the amount of adjusted corporate tax calculated in accordance with the criteria determined by the governor of the Financial Supervisory Service as the amount of loss that can be compensated by increased net deferred corporate tax assets, in the event the loss corresponds to the amount of the basic required capital.

On January 1, 2023, the Financial Supervisory Service introduced K-ICS, a new regulatory solvency regime for insurance companies based on the International Capital Standard developed by the International Association

of Insurance Supervisors, which is similar in substance to the Solvency II Directive of the European Union. The Solvency II Directive, which has been in effect in the European Union since January 1, 2016, is a comprehensive program of regulatory requirements for insurance companies, covering authorization, corporate governance, supervisory reporting, public disclosure and risk assessment and management, as well as solvency. Under K-ICS, insurance contract liabilities are expected to be measured based on market value, rather than book value, at the time of the computation of available capital. K-ICS has also introduced new risk subcategories, including those related to termination, business expenses, longevity, catastrophes and asset concentration, to be considered at the time of the computation of required capital. It is expected that these changes, among others, would require a number of insurance companies in Korea with a large portfolio of high guaranteed rate of return products to obtain additional capital to meet their capital adequacy requirements. However, the Financial Supervisory Service has allowed for a gradual deduction from available capital and a gradual recognition of risks in relation to required capital, for up to ten years. In order to ease the burden on insurance companies, corrective measures will be withheld for up to five years even if the solvency ratio under K-ICS is less than 100%, if the risk-based capital adequacy ratio exceeds 100%.

***Regulations on Class Actions Regarding Securities***

The Law on Class Actions Regarding Securities was enacted as of January 20, 2004 and last amended on May 28, 2013. The Law on Class Actions Regarding Securities governs class actions suits instituted by one or more representative plaintiff(s) on behalf of 50 or more persons who claim to have been damaged in a capital markets transaction involving securities issued by a listed company in Korea.

Applicable causes of action with respect to such suits include:

- claims for damages caused by misleading information contained in a securities statement;
- claims for damages caused by the filing of a misleading business report, semi-annual report, or quarterly report;
- claims for damages caused by insider trading or market manipulation; and
- claims instituted against auditors for damages caused by accounting irregularities.

Any such class action may be instituted upon approval from the presiding court and the outcome of such class action will have a binding effect on all potential plaintiffs who have not joined the action, with the exception of those who have filed an opt out notice with such court.

***Financial Investment Services and Capital Markets Act***

The Financial Investment Services and Capital Markets Act, which became effective in February 2009, regulates and governs the financial investment business in Korea. The entities that regulate and supervise financial investment companies are the Financial Services Commission, the Financial Supervisory Service and the Securities and Futures Commission.

Under the Financial Investment Services and Capital Markets Act, a company must obtain a license from the Financial Services Commission to commence a financial investment business such as a brokerage business, a dealing business or an underwriting business, or register with the Financial Services Commission to commence a financial investment business such as an investment advisory business or a discretionary investment management business. A bank is permitted to engage in certain types of financial investment business as specified under the Enforcement Decree of the Bank Act. Prior to commencing a financial investment business, a bank must file a report with the Financial Services Commission and apply for a license pursuant to the Financial Investment Services and Capital Markets Act.

*Consolidation of Capital Markets-Related Laws*

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

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

Accordingly, all financial businesses relating to financial investment products have been reclassified as one or more of the Financial Investment Businesses described above, and financial institutions are subject to the regulations applicable to their relevant Financial Investment Businesses, regardless of the type of the financial institution. For example, under the Financial Investment Services and Capital Markets Act, derivative businesses conducted by former securities companies and future companies will be subject to the same regulations.

Banking and insurance businesses are not subject to the Financial Investment Services and Capital Markets Act and will continue to be regulated under separate laws. However, they may become subject to the Financial Investment Services and Capital Markets Act if their activities involve any financial investment businesses requiring a license pursuant to the Financial Investment Services and Capital Markets Act.

*Comprehensive Definition of Financial Investment Products*

In an effort to encompass the various types of securities and derivative products available in the capital markets, the Financial Investment Services and Capital Markets Act sets forth a comprehensive term "financial investment products," defined to mean all financial products with a risk of loss in the invested amount (in contrast to "deposits," which are financial products for which the invested amount is protected or preserved). Financial investment products are classified into two major categories: (i) "securities" (financial investment products in which the risk of loss is limited to the invested amount) and (ii) "derivatives" (financial investment products in which the risk of loss may exceed the invested amount). As a result of the general and broad definition of financial investment products, a variety of financial products may be defined as a financial investment product, which would enable Financial Investment Companies (defined below) to handle a broader range of financial products. Under the Financial Investment Services and Capital Markets Act, entities formerly licensed as securities companies, asset management companies, futures companies and other entities engaging in any Financial Investment Business are classified as "Financial Investment Companies."

*New License System and the Conversion of Existing Licenses*

Under the Financial Investment Services and Capital Markets Act, Financial Investment Companies are able to choose the type of Financial Investment Business in which to engage (through a "check the box" method set

forth in the relevant license application), by specifying the desired (i) Financial Investment Business, (ii) financial investment product and (iii) target customers to which financial investment products may be sold or distributed (that is, general investors or professional investors). Licenses will be issued under the specific business sub-categories described in the foregoing sentence. For example, it would be possible for a Financial Investment Company to obtain a license to engage in the Financial Investment Business of (i) dealing (ii) over the counter derivatives products (iii) only with sophisticated investors.

Financial institutions that engage in business activities constituting a Financial Investment Business are required to take certain steps, such as renewal of their license or registration, in order to continue engaging in such business activities. Financial institutions that are not licensed Financial Investment Companies are not permitted to engage in any Financial Investment Business.

*Expanded Business Scope of Financial Investment Companies*

Under the previous regulatory regime in Korea, it was difficult for a financial institution to explore a new line of business or expand upon its existing line of business. For example, previously a financial institution licensed as a securities company generally was not permitted to engage in the asset management business. In contrast, under the Financial Investment Services and Capital Markets Act, pursuant to the integration of its current businesses involving financial investment products into a single Financial Investment Business, a licensed Financial Investment Company is permitted to engage in all types of Financial Investment Businesses, subject to satisfying relevant regulations (for example, maintaining an adequate "Chinese Wall," to the extent required). As to incidental businesses (that is, a financial related business which is not a Financial Investment Business), the Financial Investment Services and Capital Markets Act generally allows a Financial Investment Company to freely engage in such incidental businesses by shifting away from the previous positive-list system towards a more comprehensive system. In addition, a Financial Investment Company is permitted to (i) outsource marketing activities by contracting "introducing brokers" that are individuals but not employees of the Financial Investment Company, (ii) engage in foreign exchange businesses related to their Financial Investment Business and (iii) participate in the settlement network, pursuant to an agreement among the settlement network participants.

*Improvement in Investor Protection Mechanism*

While the Financial Investment Services and Capital Markets Act widens the scope of financial businesses in which financial institutions are permitted to engage, a more rigorous investor-protection mechanism is also imposed upon Financial Investment Companies dealing in financial investment products. The Financial Investment Services and Capital Markets Act distinguishes general investors from sophisticated investors and provides new or enhanced protections to general investors. For instance, the Financial Investment Services and Capital Markets Act expressly provides for a strict know-your-customer rule for general investors and imposes an obligation that Financial Investment Companies should market financial investment products suitable to each general investor, using written explanatory materials. Under the Financial Investment Services and Capital Markets Act, a Financial Investment Company could be liable if a general investor proves (i) damage or losses relating to such general investor's investment in financial investment products solicited by such Financial Investment Company and (ii) the absence of the requisite written explanatory materials, without having to prove fault or causation. With respect to conflicts of interest between Financial Investment Companies and investors, the Financial Investment Services and Capital Markets Act expressly requires (i) disclosure of any conflict of interest to investors and (ii) mitigation of conflicts of interest to a comfortable level or abstention from the relevant transaction.

*Other Changes to Securities / Fund Regulations*

The Financial Investment Services and Capital Markets Act changed various securities regulations including those relating to public disclosure, insider trading and proxy contests, which were previously governed by the

Korean Securities Exchange Act. For example, the 5% and 10% reporting obligations under the Korean Securities Exchange Act have become more stringent. The Indirect Investment and Asset Management Business Act strictly limited the kind of vehicles that could be utilized under a collective investment scheme, restricting the range of potential vehicles to trusts and corporations, and the type of funds that can be used for investments. However, under the Financial Investment Services and Capital Markets Act, these restrictions have been significantly liberalized, permitting all vehicles that may be created under Korean law, such as limited liability companies or partnerships, to be used for the purpose of collective investments and allowing investment funds to be more flexible as to their investments.

***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 matters and (ii) establishing an internal control committee, of which more than half of the members must be outside directors.

***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 Financial Investment Services and Capital Markets Act, 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 Financial Investment Services and Capital Markets Act 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 advisors, (iii) standards for vetting advertisements, (iv) mandatory training requirements for officers and employees and implementation of qualification requirements, (v) standards for the prevention of conflicts of interest, (vi) proper management of confidential information, and (vii) disclosure obligations 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.

**Environment, Social Responsibility and Corporate Governance**

As part of our mission to become a "financial service delivering changes," we are committed to a management philosophy focused on issues relating to the environment, social responsibility and corporate governance ("ESG"). Our ESG strategy is to focus on internalizing ESG values across all of our business operations by developing a climate change risk management system, an inclusive society and a transparent corporate governance structure.

We have also developed the "KB Green Wave 2030" program to fulfill our responsibility as a leading financial group and to become a more trusted company to our stakeholders. Under this program, we plan to increase the total value of our ESG-related products, investments and loans to ₩50 trillion by 2030. In addition, we have established a group-wide carbon neutrality program called "KB Net Zero S.T.A.R." to effectively respond to the problems posed by climate change. Pursuant to the program, we intend to reduce the level of our

own carbon emissions by 42% by 2030 to achieve carbon neutrality by 2040 and to reduce the level of carbon emissions of our asset portfolio companies by 33% by 2030 to achieve carbon neutrality by 2050. Moreover, we have established the "KB Diversity 2027" program, which is our mid- to long-term plan aimed at achieving our diversity goals and cultivating a more inclusive culture. The program includes specific goals to promote diversity, such as increasing the hiring levels of people from diverse backgrounds, including people with disabilities, veterans, people from multicultural families and basic livelihood security recipients, to 15%, as well as increasing the ratio of female leaders to 20% and female core professionals to 30%, by 2027.

Since 2011, we have published a group-wide sustainability report on our website on an annual basis.

## Item 4.C. *Organizational Structure*

The following chart provides an overview of our structure, including our significant subsidiaries and our ownership of such subsidiaries as of March 31, 2025:

Our largest subsidiary is Kookmin Bank, the assets of which represented approximately 78.6% of our total assets as of December 31, 2024. The following table provides summary information for our operating subsidiaries that are consolidated in our consolidated financial statements as of and for the year ended December 31, 2024, including their consolidated total assets, operating revenue, profit (loss) and total equity:

| Subsidiaries | Total Assets | Operating Revenue | Profit (Loss) | Total Equity |
|---|---|---|---|---|
| | | (in millions of Won) | | |
| Kookmin Bank | ₩562,887,180 | ₩ 51,497,328 | ₩3,251,759 | ₩38,027,320 |
| KB Securities Co., Ltd. | 63,384,389 | 10,736,175 | 585,682 | 6,885,984 |
| KB Insurance Co., Ltd. | 40,776,375 | 12,818,501 | 839,494 | 5,794,024 |
| KB Kookmin Card Co., Ltd. | 30,541,628 | 4,428,688 | 402,715 | 5,304,801 |
| KB Life Insurance Co., Ltd. | 34,047,554 | 2,821,601 | 164,272 | 3,063,154 |
| KB Asset Management Co., Ltd. | 414,942 | 246,184 | 66,500 | 294,718 |
| KB Capital Co., Ltd. | 18,115,495 | 2,620,487 | 222,041 | 2,461,318 |
| KB Savings Bank Co., Ltd. | 2,575,739 | 225,173 | (11,366) | 182,216 |
| KB Real Estate Trust Co., Ltd. | 1,113,466 | 139,656 | (113,332) | 485,568 |
| KB Investment Co., Ltd. | 1,529,823 | 215,834 | 4,368 | 283,940 |
| KB Data Systems Co., Ltd. | 62,270 | 241,652 | 1,978 | 22,051 |

Further information regarding our subsidiaries is provided below:

- *Kookmin Bank* was established in Korea in 2001 as a result of the merger of the former Kookmin Bank (established in 1963) and H&CB (established in 1967). Kookmin Bank provides a wide range of banking and other financial services to individuals, small- and medium-sized enterprises and large corporations in Korea. As of December 31, 2024, Kookmin Bank was one of the largest commercial banks in Korea based upon total assets (including loans) and deposits. As of December 31, 2024, Kookmin Bank had approximately 33.8 million customers, with 800 branches nationwide.
- *KB Securities Co., Ltd.*, formerly known as Hyundai Securities Co., Ltd., was established in Korea in 1962 to provide various securities brokerage and investment banking services. In 2016, we acquired 100% of the outstanding shares of Hyundai Securities, merged another subsidiary, KB Investment & Securities Co., Ltd., with and into Hyundai Securities and changed the name of the surviving entity to KB Securities Co., Ltd.
- *KB Insurance Co., Ltd.*, formerly known as LIG Insurance Co., Ltd., was established in Korea in January 1959 to provide non-life insurance products. KB Insurance became our wholly-owned subsidiary in July 2017 after a series of stock purchases, a tender offer and a comprehensive stock swap.
- *KB Kookmin Card Co., Ltd.* was established in March 2011 as a separate entity upon the completion of a horizontal spin-off of Kookmin Bank's credit card business, to provide credit card services.
- *KB Life Insurance Co., Ltd.* was established in January 2023 as a result of the merger between the Former KB Life Insurance (established in April 2004) and Prudential Life Insurance (acquired from Prudential Financial, Inc. in August 2020), to provide life insurance and wealth management products.
- *KB Asset Management Co., Ltd.* was established in Korea in April 1988 as a subsidiary of Citizens Investment Trust Company to provide investment advisory services.
- *KB Capital Co., Ltd.*, which provides leasing services and installment finance services, was formerly known as Woori Financial Co., Ltd. and was acquired by us in March 2014. KB Capital became our wholly-owned subsidiary in July 2017 after a tender offer followed by a comprehensive stock swap.
- *KB Savings Bank Co., Ltd.* was established in Korea in January 2012 to provide small-loan finance services. KB Savings Bank was established in connection with our purchase of assets and assumption of liabilities of Jeil Savings Bank in January 2012. We acquired Yehansoul Savings Bank, which

provided small-loan finance services, in September 2013 and merged it with KB Savings Bank in January 2014, with KB Savings Bank as the surviving entity.

- *KB Real Estate Trust Co., Ltd.* was established in Korea in December 1996 to provide real estate development and brokerage services by managing trusts related to the real estate industry.
- *KB Investment Co., Ltd.* was established in Korea in March 1990 to invest in and finance small- and medium-sized enterprises.
- *KB Data Systems Co., Ltd.* was established in Korea in September 1991 to provide software services to us and other financial institutions.

In June 2023, KB Kookmin Card acquired all of the shares of KB Credit Information from us, as a result of which it is now a wholly-owned subsidiary of KB Kookmin Card.

### Item 4.D. *Property, Plants and Equipment*

Our registered office and corporate headquarters are located at 26, Gukjegeumyung-ro 8-gil, Yeongdeungpo-gu, Seoul 07331, Korea. The following table presents information regarding certain of our properties in Korea:

| Type of facility/building | Location | Area (square meters) |
|---|---|---|
| Registered office and corporate headquarters and Kookmin Bank headquarters #1 | 26, Gukjegeumyung-ro 8-gil Yeongdeungpo-gu, Seoul 07331 | 5,354 |
| Kookmin Bank headquarters #2 | 141, Uisadang-daero, Yeongdeungpo-gu, Seoul 07332 | 4,727 |
| KB Kookmin Card headquarters building | Jongno-gu, Seoul | 3,923 |
| Kookmin Bank training institute | Ilsan | 207,560 |
| Kookmin Bank training institute | Daecheon | 4,158 |
| Kookmin Bank training institute | Sokcho | 15,559 |
| Kookmin Bank training institute | Cheonan | 196,649 |
| Kookmin Bank IT center | Gangseo-gu, Seoul | 13,116 |
| Kookmin Bank IT center | Yeouido, Seoul | 5,928 |
| Kookmin Bank IT center | Yeouido, Seoul | 2,006 |
| Kookmin Bank IT center | Gimpo | 13,144 |
| Kookmin Bank support center | Seongbuk-gu, Seoul | 9,939 |
| KB Securities training institute | Kiheung-gu, Yongin | 64,600 |

As of December 31, 2024, we had a countrywide network of 800 banking branches and sub-branches, as well as 476 branches and sub-branches and 197 representative offices for our other operations including our credit card, securities brokerage, insurance and consumer finance businesses. Approximately one-fifth of these facilities are housed in buildings owned by us, while the remaining branches are leased properties. See "Item 4.B. Business Overview—Capital Markets Activities and International Banking/Finance—International Banking/ Finance" for a list of our overseas subsidiaries, branches and representative and liaison offices in operation as of December 31, 2024. Kookmin Bank, Gurgaon Representative Office in India converted to Kookmin Bank, Gurugram Branch in February 2019 and Kookmin Bank, Hanoi Representative Office was liquidated in September 2020. In December 2020, we established KB Bank Myanmar Ltd., a subsidiary, in Myanmar, and in January 2022, we established Kookmin Bank, Singapore Branch in Singapore. Kookmin Bank, Yangon Representative Office was liquidated in February 2023. In October 2024, we 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. We do not own any material properties outside of Korea.

The net carrying amount of all the properties owned by us at December 31, 2024 was ₩3,984 billion.

## Item 4A. UNRESOLVED STAFF COMMENTS

We do not have any unresolved comments from the U.S. Securities and Exchange Commission staff regarding our periodic reports under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

## Item 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

### Item 5.A. *Operating Results*

### Overview

The following discussion is based on our consolidated financial statements, which have been prepared in accordance with IFRS as issued by the IASB. The consolidated financial statements include the accounts of subsidiaries over which substantive control is exercised through majority ownership off voting stock and/or other means. Investments in jointly controlled entities and associates (which are companies over which we have the ability to exercise significant influence) are accounted for by the equity method of accounting.

#### *Trends in the Korean Economy*

Our financial position and results of operations have been and will continue to be significantly affected by financial and economic conditions in Korea. In recent years, commercial banks, consumer finance companies and other financial institutions in Korea have made significant investments and engaged in aggressive marketing in retail lending (including mortgage and home equity loans), leading to substantially increased competition in this segment. From the second half of 2016 to 2021, the Korean 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 Korean 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 Korean government began tightening regulations again in response to the continued rise in the level of consumer debt. Housing prices in Korea fluctuated throughout 2024, with prices increasing in certain areas while decreasing in others. A decrease in housing prices, together with the high level of consumer debt and deteriorating domestic and global economic conditions, could result in declines in consumer spending and reduced economic growth, which may lead to increases in delinquency levels of our portfolio of retail loans. Our portfolio of retail loans increased from ₩184,016 billion as of December 31, 2023 to ₩193,803 billion as of December 31, 2024. In 2024, we recorded charge-offs of ₩480 billion and provision for credit losses of ₩637 billion in respect of our retail loan portfolio, compared to charge-offs of ₩449 billion and provision for credit losses of ₩507 billion in 2023 and charge-offs of ₩336 billion and provision for credit losses of ₩551 billion in 2022. See "Item 3.D. Risk Factors—Risks relating to our retail credit portfolio."

Our loans to small- and medium-sized enterprises increased from ₩151,892 billion as of December 31, 2023 to ₩161,239 billion as of December 31, 2024. Substantial growth in lending in Korea to small- and medium-sized enterprises in recent years, and financial difficulties experienced by such enterprises as a result of, among other things, adverse changes in economic conditions in Korea and globally, may lead to increasing delinquencies and a deterioration in overall asset quality in the credit exposures of Korean banks to small- and medium-sized enterprises. In 2024, we recorded charge-offs of ₩34 billion in respect of our loans to small- and medium-sized enterprises, compared to charge-offs of ₩54 billion in 2023 and ₩7 billion in 2022. See "Item 3.D. Risk Factors—Risks relating to our small- and medium-sized enterprise loan portfolio—We have significant exposure to small- and medium-sized enterprises, and any financial difficulties experienced by these customers may result in a deterioration of our asset quality and have an adverse impact on us."

The Korean economy is closely tied to, and is affected by developments in, the global economy. The overall prospects for the Korean and global economy in 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, including the COVID-19 pandemic;
- hostilities, political or social tensions involving Russia (including the Russia-Ukraine war and the ensuing sanctions against Russia) and the resulting adverse effects on the global supply of oil and other natural resources and the global financial markets;
- interest rate fluctuations as well as perceived or actual changes in policy rates, or other monetary and fiscal policies set forth, by the U.S. Federal Reserve and other central banks;
- a rise in inflation rates and volatility in stock markets and exchange rates worldwide;
- financial and social difficulties affecting many countries worldwide, in particular in Latin America and Europe;
- 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;
- 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);
- the slowdown of economic growth in China and other major emerging market economies;
- increased uncertainties in the global financial markets and industry, including difficulties faced by several banks in the United States and Europe; and
- political and social instability in various countries in the Middle East, including Iran, Syria, Iraq and Yemen.

In light of the high level of interdependence of the global economy, unfavorable changes in the global financial markets, including as a result of any of the foregoing developments, could have a material adverse effect on the Korean economy and financial markets, and in turn on our business, financial condition and results of operations. For example, in recent years, the COVID-19 pandemic had led to significant global economic and financial disruptions, including an adverse impact on international trade and business activities, sharp declines and significant volatility in the financial markets as well as decreases in interest rates worldwide. See "Item 3.D. Risk Factors—Other risks relating to our business—Any possible recurrence of COVID-19 or the outbreak of any other types of widespread infectious diseases may adversely affect our business, financial condition or results of operations." More recently, in early 2023, difficulties at several banks in the United States and Europe caused uncertainty for financial services companies, in particular the banking sector, and fear of instability in the global financial system generally, including in Korea. Future events involving limited liquidity, defaults, non-performance or other adverse developments that affect the financial services industry generally or financial institutions, transactional counterparties or other companies in the financial services industry, or concerns or rumors about any events of these kinds or other similar risks, may lead to market-wide liquidity problems or increase our risk in various dealings with our counterparties, among others. See "Item 3.D. Risk Factors—Other risks relating to our business—Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, could adversely affect our results of operations and financial condition."

In addition, the interest rates on our interest-earning assets and interest-bearing liabilities, and therefore our net interest income, are affected by The Bank of Korea's policy rates. Amid rising concerns of a potential global recession as a result of the COVID-19 pandemic, the Bank of Korea had reduced its policy rate to 0.75% in March 2020 and 0.50% in May 2020. However, as the economy began to show signs of recovery from the COVID-19 pandemic starting from the second half of 2021, the Bank of Korea 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 Bank of Korea continued to raise its policy rate to 3.50% from April 2022 through January 2023. More recently, the Bank of Korea lowered its policy rate to 3.25% in October 2024, 3.00% in November 2024 and 2.75% in February 2025 in response to weak economic conditions in Korea.

We are also exposed to adverse changes and volatility in the global and Korean financial markets as a result of our liabilities and assets denominated in foreign currencies and our 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 depreciated 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, the difference in policy rates between the United States and Korea and, more recently, the political instability in Korea relating to the impeachment of former President Yoon in April 2025 following his declaration of martial law in December 2024, among others. A depreciation of the Won will increase our cost in Won of servicing our foreign currency-denominated borrowings, while continued exchange rate volatility may also result in foreign exchange losses for us. 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 we hold an interest. Such developments have resulted in and may lead to further trading and valuation losses on our trading and investment securities portfolio as well as impairment losses on our investments accounted for under the equity method.

As a result of the volatile conditions on the Korean and global economies and financial markets, as well as factors such as fluctuations in oil and commodity prices, high inflation rates, difficulties faced by several banks in the United States and Europe, increased uncertainties resulting from geopolitical tensions, interest and exchange rate fluctuations, higher unemployment, lower consumer confidence, stock market volatility, changes in fiscal and monetary policies and continued tensions with North Korea, the economic outlook for the financial services sector in Korea in 2025 and for the foreseeable future remains highly uncertain.

***Acquisitions***

In recent years, we have engaged in a number of acquisitions, which have affected, and may continue to affect, our results of operations and their comparability from period to period.

In August 2020, we acquired all of the outstanding shares of Prudential Life Insurance, which we then subsequently merged with the Former KB Life Insurance in January 2023 to form KB Life Insurance.

***Changes in Securities Values, Exchange Rates and Interest Rates***

Fluctuations of exchange rates, interest rates and stock prices affect, among other things, the demand for our products and services, the value of and rate of return on our assets, the availability and cost of funding and the financial condition of our customers. The following table shows, for the dates indicated, the stock price index of all equities listed on the KRX KOSPI Market as published in the KOSPI, the Won to U.S. dollar exchange rates and benchmark Won borrowing interest rates.

| | June 30, 2020 | Dec. 31, 2020 | June 30, 2021 | Dec. 31, 2021 | June 30, 2022 | Dec. 31, 2022 | June 30, 2023 | Dec. 31, 2023 | June 30, 2024 | Dec. 31, 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| KOSPI | 2,108.33 | 2,873.47[4] | 3,296.68 | 2,977.65[5] | 2,332.64 | 2,236.40[6] | 2,564.28 | 2,655.28[7] | 2,797.82 | 2,399.49[8] |
| ₩/US$ exchange rates[1] | ₩ 1,200.7 | ₩1,088.0 | ₩ 1,130.4 | ₩ 1,188.6 | ₩ 1,299.0 | ₩ 1,260.2 | ₩ 1,317.8 | ₩ 1,291.0 | ₩ 1,376.6 | ₩ 1,477.9 |
| Corporate bond rates[2] | 1.78% | 1.70% | 1.99% | 2.54% | 4.50% | 5.47% | 5.11% | 4.55% | 4.10% | 3.58% |
| Treasury bond rates[3] | 0.85% | 0.97% | 1.45% | 1.80% | 3.55% | 3.73% | 3.66% | 3.15% | 3.18% | 2.60% |

(1) Represents the noon buying rate on the dates indicated.

(2) Measured by the yield on three-year Korean corporate bonds rated as A+ by the Korean credit rating agencies.
(3) Measured by the yield on three-year treasury bonds issued by the Ministry of Economy and Finance of Korea.
(4) As of December 30, 2020, the last day of trading for the KRX KOSPI Market in 2020.
(5) As of December 30, 2021, the last day of trading for the KRX KOSPI Market in 2021.
(6) As of December 29, 2022, the last day of trading for the KRX KOSPI Market in 2022.
(7) As of December 28, 2023, the last day of trading for the KRX KOSPI Market in 2023.
(8) As of December 30, 2024, the last day of trading for the KRX KOSPI Market in 2024.

## Results of Operations

Certain figures as of and for the years ended December 31, 2022 and 2023 below have been retroactively adjusted to reflect, among others, changes in our accounting policies relating to the application of IFRS 17 *Insurance Contracts*, a detailed description of which can be found in Note 2.1.3 of the notes to our consolidated financial statements included elsewhere in this annual report.

### *Net Interest Income*

The following table shows, for the periods indicated, the principal components of our net interest income:

| | Year Ended December 31, | | | Percentage Change | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2023/2022 | 2024/2023 |
| | (in billions of Won, except percentages) | | | (%) | |
| **Interest income** | | | | | |
| Due from financial institutions measured at amortized cost[1] | ₩ 166 | ₩ 352 | ₩ 396 | 112.0 | 12.5 |
| Financial instruments at fair value through profit or loss[2] | 930 | 1,415 | 1,459 | 52.2 | 3.1 |
| Loans[3] | 17,369 | 23,965 | 24,621 | 38.0 | 2.7 |
| Financial investments (debt securities)[4] | 2,306 | 3,389 | 3,985 | 47.0 | 17.6 |
| Insurance finance income | 17 | 21 | 31 | 23.5 | 47.6 |
| Total interest income | 20,787 | 29,142 | 30,491 | 40.2 | 4.6 |
| **Interest expense** | | | | | |
| Deposits | 4,637 | 10,053 | 10,379 | 116.8 | 3.2 |
| Borrowings[5] | 1,498 | 3,067 | 3,185 | 104.7 | 3.8 |
| Debentures | 1,641 | 2,307 | 2,623 | 40.6 | 13.7 |
| Insurance finance expense | 1,460 | 1,534 | 1,478 | 5.1 | (3.7) |
| Total interest expense | 9,237 | 16,961 | 17,665 | 83.6 | 4.2 |
| Net interest income | ₩11,551 | ₩12,181 | ₩12,827 | 5.5 | 5.3 |
| Net interest margin[6] | 2.05% | 2.02% | 2.02% | | |

(1) Consists of cash and interest-earning deposits in other banks.
(2) Consists of deposits, loans and securities at fair value through profit or loss. For information on interest income arising from such financial instruments, see Note 28 of the notes to our consolidated financial statements included elsewhere in this annual report.
(3) Consists of loans measured at amortized cost and others. For information on interest income arising from such loans, see Note 28 of the notes to our consolidated financial statements included elsewhere in this annual report.
(4) Consists of securities measured at fair value through other comprehensive income and at amortized cost and loans at fair value through other comprehensive income. For information on interest income arising from such financial instruments, see Note 28 of the notes to our consolidated financial statements included elsewhere in this annual report.
(5) Consists of borrowings and others. For information on interest expense arising from such borrowings, see Note 28 of the notes to our consolidated financial statements included elsewhere in this annual report.
(6) The ratio of net interest income to average interest-earning assets. See "Item 8.A. Consolidated Statements and Other Financial Information—Profitability ratios and other data."

*Comparison of 2024 to 2023*

*Interest income.* Interest income increased 4.6% from ₩29,142 billion in 2023 to ₩30,491 billion in 2024, primarily as a result of a 2.7% increase in interest on loans and a 17.6% increase in interest on financial investments. The average volume of our interest-earning assets increased 5.5% from ₩602,961 billion in 2023 to ₩635,903 billion in 2024, principally due to growths in our loan portfolios and our financial investments. The effect of such increase was slightly offset by a 4 basis point decrease in the average yield on our interest-earning assets from 4.83% in 2023 to 4.79% in 2024, which reflected the lower overall level of interest rates prevailing in Korea in 2024 compared to 2023 in anticipation of a decrease in policy rates, which occurred toward the end of 2024, as discussed above in "—Overview—Trends in the Korean Economy."

The 2.7% increase in interest on loans from ₩23,965 billion in 2023 to ₩24,621 billion in 2024 was primarily the result of:

- a 7.9% increase in the average volume of foreign-currency loans from ₩34,045 billion in 2023 to ₩36,721 billion in 2024, which was enhanced by an 11 basis point increase in the average yield on such loans from 8.37% in 2023 to 8.48% in 2024;
- a 5.0% increase in the average volume of corporate loans from ₩203,950 billion in 2023 to ₩214,225 billion in 2024, which was offset in part by a 14 basis point decrease in the average yield on such loans from 4.79% in 2023 to 4.65% in 2024; and
- a 17.5% increase in the average volume of home equity loans from ₩28,213 billion in 2023 to ₩33,158 billion in 2024, which was offset in part by a 14 basis point decrease in the average yield on such loans from 4.46% in 2023 to 4.32% in 2024.

The effects of such changes were offset in part by a 4.7% decrease in the average volume of other consumer loans from ₩61,922 billion in 2023 to ₩59,016 billion in 2024, which was in turn slightly offset by a 6 basis point increase in the average yield on such loans from 6.82% in 2023 to 6.88% in 2024.

The increases in the average volumes of foreign-currency and corporate loans were attributable primarily to an increase in demand for such loans in light of the continuing uncertainty in the Korean and global financial markets in 2024 compared to 2023. The increase in the average volume of home equity loans was primarily attributable to an overall increase in the number of houses purchased in Korea, as the Korean real estate market recovered slightly in 2024 compared to 2023. The decrease in the average volume of other consumer loans was primarily due to a decrease in demand for such loans, reflecting lower consumer confidence in light of the increased volatility in the Korean and global economies and financial markets in 2024 compared to 2023. The increase in the average yield on foreign-currency loans primarily reflected the higher levels of interest rates applicable to loans provided by certain of our foreign subsidiaries in 2024 compared to 2023, while the increase in the average yield on other consumer loans primarily reflected the higher levels of interest rates applicable to such loans following a deterioration of the overall credit quality of such loans in 2024. The decreases in the average yields on corporate and home equity loans were mainly due to the lower overall level of interest rates prevailing in Korea in 2024 compared to 2023 in anticipation of a decrease in policy rates, which occurred toward the end of 2024. Overall, the average volume of our loans increased 4.8% from ₩443,344 billion in 2023 to ₩464,544 billion in 2024, while the average yield on our loans decreased by 11 basis points from 5.41% in 2023 to 5.30% in 2024.

Our financial investments portfolio consists of securities and loans measured at fair value through other comprehensive income and securities measured at amortized cost, including debt securities issued by government-owned or -controlled enterprises or financial institutions and debt securities issued by Korean banks and other financial institutions. The 17.6% increase in interest on financial investments from ₩3,389 billion in 2023 to ₩3,985 billion in 2024 was the result of a 26 basis point increase in the average yield on financial investments from 2.96% in 2023 to 3.22% in 2024, which was enhanced by an 8.1% increase in the average volume of financial investments from ₩114,524 billion in 2023 to ₩123,799 billion in 2024. The increase in the average yield on financial investments resulted primarily from a re-balancing of our financial investments portfolio, as we reinvested

the proceeds of certain older investments with low interest rates that matured in 2024 at relatively higher interest rate levels. The increase in the average volume of financial investments was primarily due to an increase in our purchases of bonds issued by financial institutions and government and public bonds.

*Interest expense.* Interest expense increased 4.2% from ₩16,961 billion in 2023 to ₩17,665 billion in 2024, primarily due to a 3.2% increase in interest expense on deposits and a 13.7% increase in interest expense on debentures, the effects of which were enhanced by a 3.8% increase in interest expense on borrowings. The average volume of our interest-bearing liabilities increased 6.2% from ₩588,122 billion in 2023 to ₩624,548 billion in 2024, which was principally due to an increase in the average volume of our deposits, which was enhanced by increases in the average volumes of our insurance liabilities and debentures. The effect of such increase was offset in part by a 5 basis point decrease in the average cost of our interest-bearing liabilities from 2.88% in 2023 to 2.83% in 2024, which was driven mainly by an increase in the proportion of deposits within our overall interest-bearing liabilities, which have a relatively lower average yield than our other interest-bearing liabilities.

The 3.2% increase in interest expense on deposits from ₩10,053 billion in 2023 to ₩10,379 billion in 2024 was primarily due to an 8.3% increase in the average volume of time deposits from ₩223,607 billion in 2023 to ₩242,061 billion in 2024, which was offset in part by a 23 basis point decrease in the average cost of such deposits from 4.00% in 2023 to 3.77% in 2024. The increase in the average volume of such deposits mainly reflected customers' continuing preference for low-risk products in Korea in light of the continuing uncertainty in financial markets in 2024, as well as customers' desire to lock in the relatively higher interest rates applicable to such products in anticipation of future declines in interest rates. The decrease in the average cost of such deposits was principally due to the lower overall level of interest rates prevailing in Korea in 2024 compared to 2023 in anticipation of a decrease in policy rates, which occurred toward the end of 2024. Overall, the average volume of our deposits increased 6.3% from ₩391,511 billion in 2023 to ₩416,310 billion in 2024, while the average cost of our deposits decreased by 8 basis points from 2.57% in 2023 to 2.49% in 2024.

The 13.7% increase in interest expense on debentures from ₩2,307 billion in 2023 to ₩2,623 billion in 2024 was due to a 25 basis point increase in the average cost of debentures from 3.34% in 2023 to 3.59% in 2024, which was enhanced by a 5.7% increase in the average volume of debentures from ₩69,119 billion in 2023 to ₩73,062 billion in 2024. The increase in the average cost of debentures mainly reflected a decrease in the proportion of some of our short-term debentures with low interest rates coupled with an increase in the proportion of some of our long-term debentures with relatively higher interest rates. The increase in the average volume of debentures was principally due to our increased use of debentures to meet our funding needs.

The 3.8% increase in interest expense on borrowings from ₩3,067 billion in 2023 to ₩3,185 billion in 2024 was due to a 2.0% increase in the average volume of borrowings from ₩80,839 billion in 2023 to ₩82,444 billion in 2024 and a 6 basis point increase in the average cost of borrowings from 3.80% in 2023 to 3.86% in 2024. The increase in the average volume of borrowings mainly reflected our increased use of borrowings to meet our funding needs, while the increase in the average cost of borrowings mainly reflected an increase in the proportion of some of our call moneys with high interest rates coupled with a decrease in the proportion of some of our short-term borrowings denominated in foreign currencies with relatively lower interest rates.

*Net interest margin.* Net interest margin represents the ratio of net interest income to average interest-earning assets. Our overall net interest margin remained stable at 2.02% in 2023 and 2024, as a 5.3% increase in our net interest income from ₩12,181 billion in 2023 to ₩12,827 billion in 2024 was matched by a 5.5% increase in the average volume of our interest-earnings assets from ₩602,961 billion in 2023 to ₩635,903 billion in 2024. The amount of increase in interest income outpaced the amount of increase in interest expense, resulting in an increase in net interest income. The growth rate in average interest-earning assets was more than offset by a 6.2% increase in average interest-bearing liabilities from ₩588,122 billion in 2023 to ₩624,548 billion in 2024. Our net interest spread, which represents the difference between the average yield on our interest-earning assets and the average cost of our interest-bearing liabilities, increased slightly from 1.95%

in 2023 to 1.96% in 2024, as a decrease in the average yield on interest-earning assets was slightly outpaced by the decrease in the average cost of interest-bearing liabilities between the two periods.

*Comparison of 2023 to 2022*

*Interest income.* Interest income increased 40.2% from ₩20,787 billion in 2022 to ₩29,142 billion in 2023, primarily as a result of a 38.0% increase in interest on loans, the effect of which was enhanced by a 47.0% increase in interest on financial investments and a 52.2% increase in interest on financial instruments at fair value through profit or loss. The average yield on our interest-earning assets increased by 113 basis points from 3.70% in 2022 to 4.83% in 2023, which reflected the higher overall level of interest rates prevailing in Korea in 2023 compared to 2022, as discussed above in "—Overview—Trends in the Korean Economy." The effect of such increase was enhanced by a 7.2% increase in the average volume of our interest-earning assets from ₩562,545 billion in 2022 to ₩602,961 billion in 2023, principally due to growths in our loan portfolios and financial investments.

The 38.0% increase in interest on loans from ₩17,369 billion in 2022 to ₩23,965 billion in 2023 was primarily the result of:

- a 111 basis point increase in the average yield on corporate loans from 3.68% in 2022 to 4.79% in 2023, which was enhanced by a 2.5% increase in the average volume of such loans from ₩199,011 billion in 2022 to ₩203,950 billion in 2023;
- a 133 basis point increase in the average yield on mortgage loans from 3.01% in 2022 to 4.34% in 2023, which was slightly enhanced by a 0.7% increase in the average volume of such loans from ₩91,781 billion in 2022 to ₩92,427 billion in 2023;
- a 39.5% increase in the average volume of foreign-currency loans from ₩24,412 billion in 2022 to ₩34,045 billion in 2023, which was enhanced by a 178 basis point increase in the average yield on such loans from 6.59% in 2022 to 8.37% in 2023; and
- a 218 basis point increase in the average yield on other consumer loans from 4.64% in 2022 to 6.82% in 2023, which was offset in part by an 11.3% decrease in the average volume of such loans from ₩69,793 billion in 2022 to ₩61,922 billion in 2023.

The average yields on corporate, mortgage, foreign-currency and other consumer loans increased mainly due to the increase in the general level of interest rates in Korea and globally in 2023 compared to 2022. The increases in the average volumes of corporate, mortgage and foreign-currency loans were attributable primarily to an increase in demand for such loans in light of the increasing uncertainty in the Korean and global financial markets in 2023 compared to 2022. The decrease in the average volume of other consumer loans was primarily due to an increase in interest rates applicable to these loans, which led to a decrease in demand for such loans. Overall, the average yield on our loans increased by 141 basis points from 4.00% in 2022 to 5.41% in 2023, while the average volume of our loans increased 2.1% from ₩434,381 billion in 2022 to ₩443,344 billion in 2023.

The 47.0% increase in interest on financial investments from ₩2,306 billion in 2022 to ₩3,389 billion in 2023 was the result of a 36.7% increase in the average volume of financial investments from ₩83,764 billion in 2022 to ₩114,524 billion in 2023, which was enhanced by a 21 basis point increase in the average yield on financial investments from 2.75% in 2022 to 2.96% in 2023. The increase in the average volume of financial investments was primarily due to an increase in our purchases of government and public bonds and bonds issued by financial institutions. The increase in the average yield on financial investments primarily reflected the increase in the general level of interest rates in Korea and globally in 2023 compared to 2022.

The 52.2% increase in interest on financial instruments at fair value through profit or loss from ₩930 billion in 2022 to ₩1,415 billion in 2023 was primarily due to a 150 basis point increase in the average yield on such financial instruments from 3.31% in 2022 to 4.81% in 2023, which was enhanced by a 4.8%

increase in the average volume of such financial instruments from ₩28,097 billion in 2022 to ₩29,447 billion in 2023. The increase in average yield on such financial instruments mainly reflected the increase in the general level of interest rates in Korea and globally in 2023 compared to 2022. The increase in the average volume of such financial instruments mainly reflected an increase in our purchases of government and public bonds as well as corporate bonds.

*Interest expense.* Interest expense increased 83.6% from ₩9,237 billion in 2022 to ₩16,961 billion in 2023, primarily due to a 116.8% increase in interest expense on deposits and, to lesser extents, a 104.7% increase in interest expense on borrowings and a 40.6% increase in interest expense on debentures. The average cost of interest-bearing liabilities increased by 118 basis points from 1.70% in 2022 to 2.88% in 2023, which was driven mainly by the increase in the general level of interest rates in Korea and globally in 2023 compared to 2022. The effect of this increase was enhanced by an 8.2% increase in the average volume of our interest-bearing liabilities from ₩543,390 billion in 2022 to ₩588,122 billion in 2023, which mainly reflected increases in the average volumes of insurance liabilities and, to lesser extents, deposits and borrowings.

The 116.8% increase in interest expense on deposits from ₩4,637 billion in 2022 to ₩10,053 billion in 2023 was primarily due to a 187 basis point increase in the average cost of time deposits from 2.13% in 2022 to 4.00% in 2023, which was enhanced by a 17.6% increase in the average volume of such deposits from ₩190,210 billion in 2022 to ₩223,607 billion in 2023. The increase in the average cost of such deposits was principally due to the increase in the general level of interest rates in Korea and globally in 2023 compared to 2022, while the increase in the average volume of such deposits mainly reflected customers' increasing demand for such products in light of the higher general level of interest rates in Korea and the increase in the volatility of the financial markets in 2023 compared to 2022. Overall, the average cost of our deposits increased by 135 basis points from 1.22% in 2022 to 2.57% in 2023, while the average volume of our deposits increased 3.3% from ₩378,974 billion in 2022 to ₩391,511 billion in 2023.

The 104.7% increase in interest expense on borrowings from ₩1,498 billion in 2022 to ₩3,067 billion in 2023 was principally attributable to a 182 basis point increase in the average cost of borrowings from 1.98% in 2022 to 3.80% in 2023, which was enhanced by a 6.8% increase in the average volume of borrowings from ₩75,692 billion in 2022 to ₩80,839 billion in 2023. The increase in the average cost of borrowings mainly reflected the increase in the general level of interest rates in Korea and globally in 2023 compared to 2022, while the increase in the average volume of borrowings was primarily due to our increased use of borrowings to meet our funding needs.

The 40.6% increase in interest expense on debentures from ₩1,641 billion in 2022 to ₩2,307 billion in 2023 was primarily due to a 99 basis point increase in the average cost of debentures from 2.35% in 2022 to 3.34% in 2023, which was offset in part by a 1.1% decrease in the average volume of debentures from ₩69,886 billion in 2022 to ₩69,119 billion in 2023. The increase in the average cost of debentures mainly reflected the increase in the general level of interest rates in Korea and globally in 2023 compared to 2022, while the decrease in the average volume of debentures was principally due to our decreased use of debentures to meet our funding needs.

*Net interest margin.* Our overall net interest margin decreased from 2.05% in 2022 to 2.02% in 2023, as a 5.5% increase in our net interest income from ₩11,551 billion in 2022 to ₩12,181 billion in 2023 was outpaced by a 7.2% increase in the average volume of our interest-earnings assets from ₩562,545 billion in 2022 to ₩602,961 billion in 2023. The amount of increase in interest income outpaced the amount of increase in interest expense, resulting in an increase in net interest income. The growth rate in average interest-earning assets was more than offset by an 8.2% increase in average interest-bearing liabilities from ₩543,390 billion in 2022 to ₩588,122 billion in 2023. Our net interest spread decreased from 2.00% in 2022 to 1.95% in 2023. The decrease in our net interest spread reflected a larger increase in the average cost of interest-bearing liabilities compared to the average yield on interest-earning assets between the two periods, primarily due to the earlier adjustment of interest rates on interest-earning assets compared to interest rates on interest-bearing liabilities as interest rates ceased to increase further and began to stabilize in 2023.

***Provision for Credit Losses***

Provision for credit losses includes provision for credit losses of loans, provision for credit losses of unused loan commitments, provision for credit losses of acceptances and guarantees, provision for credit losses of financial guarantee contracts, provision for credit losses of financial investments and provision for credit losses of other financial assets, in each case net of reversal of provisions. For a discussion of our credit losses provisioning policy, see "Item 4.B. Business Overview—Assets and Liabilities—Loan Portfolio—Provisioning Policy."

In accordance with the guidelines of the Financial Supervisory Service, if our allowances and provisions for credit losses are deemed insufficient for regulatory purposes, we compensate for the difference by recording a regulatory reserve for credit losses, which is segregated within retained earnings. See "Item 4.B. Business Overview—Assets and Liabilities—Loan Portfolio—Regulatory Reserve for Credit Losses" and Note 27.5 of the notes to our consolidated financial statements included elsewhere in this annual report.

*Comparison of 2024 to 2023*

Our provision for credit losses decreased 35.0% from ₩3,146 billion in 2023 to ₩2,044 billion in 2024, primarily due to a decrease in provision for credit losses of loans.

Our provision for credit losses of loans decreased 26.8% from ₩2,863 billion in 2023 to ₩2,097 billion in 2024, mainly due to a decrease in our provision for credit losses in respect of our corporate loans. Such decrease mainly reflected an improvement in the overall asset quality of such loans. Such decrease was offset in part by an increase in provision for credit losses in respect of our retail loans, which resulted from our provisioning strategy pursuant to which we preemptively accounted for a potential increase in credit losses that could result from a deterioration in the overall asset quality of our loan portfolios, mainly due to an increasing likelihood of default by borrowers in light of the general slowdown in the economy in Korea. Our loan write-offs increased 12.9% from ₩1,758 billion in 2023 to ₩1,984 billion in 2024, due to increases in write-offs of corporate loans, credit card receivables and retail loans.

*Comparison of 2023 to 2022*

Our provision for credit losses increased 70.2% from ₩1,848 billion in 2022 to ₩3,146 billion in 2023, primarily due to an increase in provision for credit losses of loans.

Our provision for credit losses of loans increased 62.1% from ₩1,766 billion in 2022 to ₩2,863 billion in 2023, mainly due to increases in provision for credit losses in respect of our corporate loans and our credit card receivables. Such increases mainly reflected our provisioning strategy pursuant to which we preemptively accounted for a potential increase in credit losses that could result from a deterioration in the overall asset quality of our loan portfolios and credit card receivables, mainly due to an increasing likelihood of default by borrowers, including real estate project financing companies in particular, and increasing delinquency levels of our credit card users, each in light of the rising interest rate levels and a general slowdown in the economy in Korea. Such increases were slightly offset by a decrease in provision for credit losses in respect of our retail loans, which resulted from an improvement in the overall asset quality of such loans. Our loan write-offs increased 16.0% from ₩1,516 billion in 2022 to ₩1,758 billion in 2023, due to increases in write-offs of credit card receivables and retail loans, which were offset in part by a decrease in write-offs of corporate loans.

***Allowances for Credit Losses of Loans***

We establish allowances for credit losses of loans with respect to loans to absorb such losses. We assess individually significant loans on a case-by-case basis and other loans on a collective basis.

*Corporate Loans.* The following table shows, for the periods indicated, certain information regarding our impaired corporate loans:

| | As of December 31, | | |
|---|---|---|---|
| | 2022 | 2023 | 2024 |
| | | (%) | |
| Impaired corporate loans as a percentage of total corporate loans | 0.9 | 1.2 | 1.2 |
| Allowances for credit losses for corporate loans as a percentage of total corporate loans | 0.9 | 1.3 | 1.2 |
| Allowances for credit losses for corporate loans as a percentage of impaired corporate loans | 98.5 | 106.9 | 101.4 |
| Net charge-offs of corporate loans as a percentage of total corporate loans | 0.2 | 0.2 | 0.2 |

During 2024, impaired corporate loans as a percentage of total corporate loans remained stable, as our impaired corporate loans and our total corporate loans increased. Allowances for credit losses for corporate loans as a percentage of both total corporate loans and impaired corporate loans decreased during 2024, as the increases in our total corporate loans and our impaired corporate loans outpaced the increase in our allowances for credit losses for corporate loans.

During 2023, impaired corporate loans as a percentage of total corporate loans increased due to an increase in our impaired corporate loans, mainly reflecting a deterioration of the overall credit quality of our corporate loans, which outpaced an increase in our total corporate loans. Allowances for credit losses for corporate loans as a percentage of both total corporate loans and impaired corporate loans increased during 2023, as an increase in our allowances for credit losses for corporate loans outpaced both the increase in our total corporate loans and the increase in our impaired corporate loans.

*Retail Loans.* The following table shows, for the periods indicated, certain information regarding our impaired retail loans:

| | As of December 31, | | |
|---|---|---|---|
| | 2022 | 2023 | 2024 |
| | | (%) | |
| Impaired retail loans as a percentage of total retail loans | 0.5 | 0.6 | 0.6 |
| Allowances for credit losses for retail loans as a percentage of total retail loans | 0.7 | 0.7 | 0.8 |
| Allowances for credit losses for retail loans as a percentage of impaired retail loans | 142.8 | 118.2 | 122.5 |
| Net charge-offs of retail loans as a percentage of total retail loans | 0.2 | 0.3 | 0.3 |

During 2024, impaired retail loans as a percentage of total retail loans remained stable, as our impaired retail loans and our total retail loans increased. Allowances for credit losses for retail loans as a percentage of both total retail loans and impaired retail loans increased during 2024, as an increase in our allowances for credit losses for retail loans outpaced the increases in both our total retail loans and our impaired retail loans.

During 2023, impaired retail loans as a percentage of total retail loans increased due to an increase in our impaired retail loans, mainly reflecting a deterioration in the overall asset quality of our retail loan portfolio, which outpaced an increase in the amount of our total retail loans. Allowances for credit losses for retail loans as a percentage of total retail loans remained stable, as our allowances for credit losses for retail loans and our total retail loans increased. Allowances for credit losses for retail loans as a percentage of impaired retail loans decreased during 2023, reflecting a rate of increase in allowances for credit losses for retail loans that was outpaced by the rate of increase in the amount of impaired retail loans.

*Credit Card Balances.* The following table shows, for the periods indicated, certain information regarding our impaired credit card balances:

| | As of December 31, | | |
|---|---|---|---|
| | 2022 | 2023 | 2024 |
| | | (%) | |
| Impaired credit card balances as a percentage of total credit card balances | 2.6 | 3.6 | 2.5 |
| Allowances for credit losses for credit card balances as a percentage of total credit card balances | 3.7 | 4.2 | 3.7 |
| Allowances for credit losses for credit card balances as a percentage of impaired credit card balances | 140.8 | 117.6 | 148.7 |
| Net charge-offs as a percentage of total credit card balances | 1.5 | 2.5 | 2.5 |

During 2024, impaired credit card balances as a percentage of total credit card balances decreased due to a decrease in our impaired credit card balances, as well as an increase in our total credit card balances. Allowances for credit losses for credit card balances as a percentage of total credit card balances decreased during 2024, as allowances for credit losses for credit card balances decreased while our total credit card balances increased. However, allowances for credit losses for credit card balances as a percentage of impaired credit card balances increased, as the rate of decrease in the amount of our allowances for credit losses for credit card balances was outpaced by the rate of decrease of our impaired credit card balances.

During 2023, impaired credit card balances as a percentage of total credit card balances increased due to an increase in our impaired credit card balances, as well as a decrease in our total credit card balances. Allowances for credit losses for credit card balances as a percentage of total credit card balances increased during 2023, as allowances for credit losses for credit card balances increased while our total credit card balances decreased. However, allowances for credit losses for credit card balances as a percentage of impaired credit card balances decreased, as the rate of increase in the amount of our allowances for credit losses for credit card balances was outpaced by the rate of increase of our impaired credit card balances.

***Net Fee and Commission Income***

The following table shows, for the periods indicated, the components of our net fee and commission income:

| | Year Ended December 31, | | | Percentage Change | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2023/2022 | 2024/2023 |
| | (in billions of Won) | | | (%) | |
| Fee and commission income | ₩ 5,126 | ₩ 5,368 | ₩ 5,482 | 4.7 | 2.1 |
| Fee and commission expense | (1,611) | (1,695) | (1,632) | 5.2 | (3.7) |
| Net fee and commission income | ₩ 3,515 | ₩ 3,674 | ₩ 3,850 | 4.5 | 4.8 |

*Comparison of 2024 to 2023*

Our net fee and commission income increased 4.8% from ₩3,674 billion in 2023 to ₩3,850 billion in 2024, due to a 2.1% increase in fee and commission income from ₩5,368 billion in 2023 to ₩5,482 billion in 2024, which was enhanced by a 3.7% decrease in fee and commission expense from ₩1,695 billion in 2023 to ₩1,632 billion in 2024.

The 2.1% increase in fee and commission income was primarily due to a 3.9% increase in credit card and debit card related fees received from ₩1,599 billion in 2023 to ₩1,662 billion in 2024 and a 17.2% increase in foreign currency related fees received from ₩309 billion in 2023 to ₩362 billion in 2024, which were enhanced by, to lesser extents, increases in lease fees, acceptances and guarantees fees, lending activity fees and agent

activity fees received. The effects of such increases were offset in part by a 23.2% decrease in trust and other fiduciary fees received from ₩375 billion in 2023 to ₩288 billion in 2024. The increase in credit card and debit card related fees received was mainly due to an increase in the use of credit cards and debit cards by our customers, and the increase in foreign currency related fees received was mainly due to an increase in the number of foreign currency transactions conducted by our customers. The decrease in trust and other fiduciary fees received was primarily due to a decrease in trust fees, which in turn resulted mainly from a decrease in land trust fees received by KB Real Estate Trust.

The 3.7% decrease in fee and commission expense was principally attributable to a 4.3% decrease in credit card and debit card related fees paid from ₩862 billion in 2023 to ₩825 billion in 2024, a 5.6% decrease in other miscellaneous fees paid from ₩481 billion in 2023 to ₩454 billion in 2024 and a 10.7% decrease in outsourcing related fees paid from ₩168 billion in 2023 to ₩150 billion in 2024. The effects of such increases were offset in part by a 26.9% increase in foreign currency related fees paid from ₩93 billion in 2023 to ₩118 billion in 2024. The decrease in credit card and debit card related fees paid was mainly due to a decrease in marketing fees paid by KB Kookmin Card, the decrease in other miscellaneous fees paid was mainly due to a decrease in securitization-related commission expenses paid by KB Kookmin Card, and the decrease in outsourcing related fees paid was primarily due to decreases in consulting and other miscellaneous fees paid by KB Kookmin Card and KB Insurance. The increase in foreign currency related fees paid was mainly due to an increase in the number of foreign currency transactions conducted by our customers.

*Comparison of 2023 to 2022*

Our net fee and commission income increased 4.5% from ₩3,515 billion in 2022 to ₩3,674 billion in 2023, due to a 4.7% increase in fee and commission income from ₩5,126 billion in 2022 to ₩5,368 billion in 2023, which was offset in part by a 5.2% increase in fee and commission expense from ₩1,611 billion in 2022 to ₩1,695 billion in 2023.

The 4.7% increase in fee and commission income was primarily due to a 7.2% increase in credit card and debit card related fees received from ₩1,492 billion in 2022 to ₩1,599 billion in 2023 and a 9.2% increase in lease fees received from ₩1,005 billion in 2022 to ₩1,097 billion in 2023. The increase in credit card and debit card related fees received was mainly due to an increase in the use of credit cards and debit cards by our customers and the increase in lease fees received was mainly due to an increase in fees received on automobile leases and other lease-related income.

The 5.2% increase in fee and commission expense was principally attributable to a 5.8% increase in credit card and debit card related fees paid from ₩815 billion in 2022 to ₩862 billion in 2023, which was enhanced by a 32.9% increase in foreign currency related fees paid from ₩70 billion in 2022 to ₩93 billion in 2023 and a 4.6% increase in other miscellaneous fees paid from ₩460 billion in 2022 to ₩481 billion in 2023. The increase in credit card and debit card related fees paid was mainly due to an increase in the use of credit cards and debit cards by our customers. The increase in foreign currency related fees paid was primarily due to an increase in the number of our foreign currency transactions, while the increase in other miscellaneous fees paid was mainly due to an increase in other miscellaneous fees paid by Kookmin Card and KB Securities.

***Net Insurance Income***

The following table shows, for the periods indicated, the components of our net insurance income:

| | Year Ended December 31, | | | Percentage Change | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2023/2022 | 2024/2023 |
| | (in billions of Won) | | | (%) | |
| Insurance income | ₩10,099 | ₩11,005 | ₩11,456 | 9.0 | 4.1 |
| Insurance expense | (8,758) | (9,559) | (9,806) | 9.1 | 2.6 |
| Net insurance income | ₩ 1,342 | ₩ 1,447 | ₩ 1,650 | 7.8 | 14.0 |

*Comparison of 2024 to 2023*

Our net insurance income increased 14.0% from ₩1,447 billion in 2023 to ₩1,650 billion in 2024, due to a 4.1% increase in insurance income from ₩11,005 billion in 2023 to ₩11,456 billion in 2024, which was offset in part by a 2.6% increase in insurance expense from ₩9,559 billion in 2023 to ₩9,806 billion in 2024.

The increase in insurance income was due to a 6.7% increase in insurance revenue from ₩10,322 billion in 2023 to ₩11,017 billion in 2024, which was offset in part by a 35.7% decrease in reinsurance revenue from ₩683 billion in 2023 to ₩439 billion in 2024. The increase in insurance revenue was primarily due to a 9.3% increase in long-term non-life insurance income from ₩5,306 billion in 2023 to ₩5,800 billion in 2024, which was enhanced by a 3.9% increase in automobile insurance income from ₩2,715 billion in 2023 to ₩2,820 billion in 2024.

The increase in insurance expense was primarily attributable to a 1.9% increase in insurance service expense from ₩8,721 billion in 2023 to ₩8,884 billion in 2024 and, to a lesser extent, a 10.0% increase in reinsurance expense from ₩838 billion in 2023 to ₩922 billion in 2024. The increase in insurance service expense was primarily due to a 6.0% increase in long-term non-life insurance expense from ₩4,459 billion in 2023 to ₩4,728 billion in 2024, which was enhanced by a 5.7% increase in automobile insurance expense from ₩2,642 billion in 2023 to ₩2,792 billion in 2024, the effects of which were offset in part by an 86.4% decrease in overseas insurance expense from ₩162 billion in 2023 to ₩22 billion in 2024.

*Comparison of 2023 to 2022*

Our net insurance income increased 7.8% from ₩1,342 billion in 2022 to ₩1,447 billion in 2023, due to a 9.0% increase in insurance income from ₩10,099 billion in 2022 to ₩11,005 billion in 2023, the effect of which was offset in part by a 9.1% increase in insurance expense from ₩8,758 billion in 2022 to ₩9,559 billion in 2023.

The increase in insurance income was due to a 7.8% increase in insurance revenue from ₩9,577 billion in 2022 to ₩10,322 billion in 2023 and a 30.8% increase in reinsurance revenue from ₩522 billion in 2022 to ₩683 billion in 2023. The increase in insurance revenue was primarily due to an 11.6% increase in long-term non-life insurance income from ₩4,755 billion in 2022 to ₩5,306 billion in 2023, which was enhanced by a 5.8% increase in automobile insurance income from ₩2,567 billion in 2022 to ₩2,715 billion in 2023.

The increase in insurance expense was attributable to a 9.3% increase in insurance service expense from ₩7,982 billion in 2022 to ₩8,721 billion in 2023 and an 8.0% increase in reinsurance expense from ₩776 billion in 2022 to ₩838 billion in 2023. The increase in insurance service expense was primarily due to a 16.7% increase in long-term non-life insurance expense from ₩3,820 billion in 2022 to ₩4,459 billion in 2023, which was enhanced by a 3.9% increase in automobile insurance expense from ₩2,543 billion in 2022 to ₩2,642 billion in 2023.

For further information regarding our net insurance income, see Note 38 of the notes to our consolidated financial statements included elsewhere in this annual report.

***Net Gains on Financial Instruments at Fair Value through Profit or Loss***

The following table shows, for the periods indicated, the components of our net gains on financial instruments at fair value through profit or loss:

| | Year Ended December 31, | | | Percentage Change | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2023/2022 | 2024/2023 |
| | (in billions of Won) | | | (%) | |
| Net gains (losses) on financial assets at fair value through profit or loss | ₩(2,110) | ₩3,243 | ₩1,914 | N/M[1] | (41.0) |
| Net gains (losses) on derivatives held for trading | 161 | (431) | (583) | N/M[1] | 35.3 |
| Net gains (losses) on financial liabilities at fair value through profit or loss | 51 | (318) | (2) | N/M[1] | (99.4) |
| Net gains (losses) on financial instruments designated at fair value through profit or loss | 758 | (331) | (317) | N/M[1] | (4.2) |
| Net gains (losses) on financial instruments at fair value through profit or loss | ₩(1,140) | ₩2,163 | ₩1,012 | N/M[1] | (53.2) |

(1) "N/M" means not meaningful.

*Comparison of 2024 to 2023*

Our net gains on financial instruments at fair value through profit or loss decreased 53.2% from ₩2,163 billion in 2023 to ₩1,012 billion in 2024. Such decrease was primarily attributable to a 41.0% decrease in net gains on financial assets at fair value through profit or loss, the effect of which was offset in part by a 99.4% decrease in net losses on financial liabilities at fair value through profit or loss.

- Our net gains on financial assets at fair value through profit or loss decreased 41.0% from ₩3,243 billion in 2023 to ₩1,914 billion in 2024, due to a 25.6% decrease in net gain on debt securities held for trading from ₩2,797 billion in 2023 to ₩2,081 billion in 2024, which was enhanced by a change in net gains (losses) on equity securities held for trading from net gains of ₩446 billion in 2023 to net losses of ₩167 billion in 2024.
- Our net losses on financial liabilities at fair value through profit or loss decreased by 99.4% from ₩318 billion in 2023 to ₩2 billion in 2024. Such change was attributable to an 85.9% increase in revenue on financial liabilities at fair value through profit or loss from ₩192 billion in 2023 to ₩357 billion in 2024 and a 29.8% decrease in losses on financial liabilities at fair value through profit or loss from ₩510 billion in 2023 to ₩358 billion in 2024.

*Comparison of 2023 to 2022*

Our net gains (losses) on financial instruments at fair value through profit or loss changed from net losses of ₩1,140 billion in 2022 to net gains of ₩2,163 billion in 2023. Such change was due to a change in net gains (losses) on financial assets at fair value through profit or loss from net losses in 2022 to net gains in 2023, the effect of which was offset in part by a change in net gains (losses) on financial instruments designated at fair value through profit or loss from net gains in 2022 to net losses in 2023.

- Our net gains (losses) on financial assets at fair value through profit or loss changed from net losses of ₩2,110 billion in 2022 to net gains of ₩3,243 billion in 2023, due to a change in net gains (losses) on debt securities held for trading from net losses of ₩1,751 billion in 2022 to net gains of ₩2,797 billion in 2023, which was enhanced by a change in net gains (losses) on equity securities held for trading from net losses of ₩359 billion in 2022 to net gains of ₩446 billion in 2023.
- Our net gains (losses) on financial instruments designated at fair value through profit or loss changed from net gains of ₩758 billion in 2022 to net losses of ₩331 billion in 2023. Such change was

attributable to a 146.4% increase in losses on financial liabilities designated at fair value through profit or loss from ₩429 billion in 2022 to ₩1,057 billion in 2023, which was enhanced by a 38.8% decrease in gains on financial liabilities designated at fair value through profit or loss from ₩1,187 billion in 2022 to ₩726 billion in 2023.

For further information regarding our net gains on financial instruments at fair value through profit or loss, see Note 30 of the notes to our consolidated financial statements included elsewhere in this annual report.

***Net Other Insurance Finance Income (Expenses)***

Other insurance finance income (expense) arising on insurance contracts reflects the change in the effect of the time value of money arising from the passage of time and the effect of changes in financial assumptions. For a detailed description of items that comprise other insurance finance income (expense), see Note 38.8 of the notes to our consolidated financial statements included elsewhere in this annual report.

*Comparison of 2024 to 2023*

Our net other insurance finance expenses decreased 23.6% from ₩572 billion in 2023 to ₩437 billion in 2024, primarily due to a decrease in other insurance finance expenses of our variable life insurance.

*Comparison of 2023 to 2022*

Our net other insurance finance income (expenses) changed from net income of ₩720 billion in 2022 to net expenses of ₩572 billion in 2023, primarily due to a change in other insurance finance income (expense) of our variable life insurance from net income in 2022 to net expenses in 2023.

***General and Administrative Expenses***

The following table shows, for the periods indicated, the components of our general and administrative expenses:

| | Year Ended December 31, | | | Percentage Change | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2023/2022 | 2024/2023 |
| | (in billions of Won) | | | (%) | |
| Expenses related to employees | ₩4,157 | ₩4,014 | ₩4,221 | (3.4) | 5.2 |
| Depreciation and amortization | 817 | 866 | 916 | 6.0 | 5.8 |
| Other general and administrative expenses | 1,670 | 1,767 | 1,801 | 5.8 | 1.9 |
| General and administrative expenses | ₩6,644 | ₩6,647 | ₩6,939 | 0.0 | 4.4 |

*Comparison of 2024 to 2023*

Our general and administrative expenses increased 4.4% from ₩6,647 billion in 2023 to ₩6,939 billion in 2024, as a result of a 5.2% increase in expenses related to employees from ₩4,014 billion in 2023 to ₩4,221 billion in 2024, and to lesser extents, a 5.8% increase in depreciation and amortization expenses from ₩866 billion in 2023 to ₩916 billion in 2024 and a 1.9% increase in other general and administrative expenses from ₩1,767 billion in 2023 to ₩1,801 billion in 2024.

The increase in expenses related to employees was attributable mainly to a 3.3% increase in salaries from ₩2,621 billion in 2023 to ₩2,707 billion in 2024 and a 100.0% increase in share-based payments from ₩70 billion in 2023 to ₩140 billion in 2024, which was enhanced by an 11.2% increase in termination benefits from ₩276 billion in 2023 to ₩307 billion in 2024. The increase in salaries paid was mainly due to general

increases in wages paid to the employees of Kookmin Bank, KB Kookmin Card and KB Capital, while the increase in share-based payments mainly reflected increases in stock grants provided to employees of Kookmin Bank and KB Securities. The increase in termination benefits was mainly due to increases in the number of employees participating in our early retirement programs and the amount of termination benefits granted per employee.

The increase in depreciation and amortization expenses was mainly due to increases in the depreciation of our right-of-use buildings and amortization of our software assets.

The increase in other general and administrative expenses was mainly attributable to a 6.9% increase in taxes and dues paid from ₩304 billion in 2023 to ₩325 billion in 2024 and a 7.3% increase in service fees paid from ₩233 billion in 2023 to ₩250 billion in 2024.

*Comparison of 2023 to 2022*

Our general and administrative expenses increased slightly from ₩6,644 billion in 2022 to ₩6,647 billion in 2023, as a 5.8% increase in other general and administrative expenses from ₩1,670 billion in 2022 to ₩1,767 billion in 2023 and a 6.0% increase in depreciation and amortization expenses from ₩817 billion in 2022 to ₩866 billion in 2023 were mostly offset by a 3.4% decrease in expenses related to employees from ₩4,157 billion in 2022 to ₩4,014 billion in 2023.

The increase in other general and administrative expenses was mainly attributable to a 19.2% increase in taxes and dues paid from ₩255 billion in 2022 to ₩304 billion in 2023 and a 14.5% increase in electronic data processing expenses from ₩310 billion in 2022 to ₩355 billion in 2023.

The increase in depreciation and amortization expenses was mainly due to an increase in our software amortization expenses.

The decrease in expenses related to employees was attributable mainly to a 29.7% decrease in post-employment defined benefit plans from ₩222 billion in 2022 to ₩156 billion in 2023, which was enhanced by a 4.2% decrease in other employee benefits from ₩898 billion in 2022 to ₩860 billion in 2023 and an 11.8% decrease in termination benefits from ₩313 billion in 2022 to ₩276 billion in 2023. The decrease in post-employment defined benefit plans was mainly due to changes in our actuarial assumptions for calculating service costs, including an increase in the discount rate we used. The decrease in other employee benefits mainly reflected a decrease in the employee benefit expenses of Kookmin Bank, while the decrease in termination benefits mainly reflected decreases in the number of employees participating in our early retirement programs and the amount of termination benefits granted per employee.

***Net Other Operating Expenses***

The following table shows, for the periods indicated, the components of our net other operating expenses:

| | Year Ended December 31, | | | Percentage Change | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2023/2022 | 2024/2023 |
| | (in billions of Won) | | | (%) | |
| Other operating income | ₩ 13,083 | ₩ 7,651 | ₩ 7,586 | (41.5) | (0.8) |
| Other operating expenses | (15,345) | (10,364) | (9,459) | (32.5) | (8.7) |
| Net other operating expenses | ₩ (2,262) | ₩ (2,713) | ₩(1,873) | 19.9 | (31.0) |

*Comparison of 2024 to 2023*

Our net other operating expenses decreased 31.0% from ₩2,713 billion in 2023 to ₩1,873 billion in 2024, due to an 8.7% decrease in other operating expenses from ₩10,364 billion in 2023 to ₩9,459 billion in 2024, which was slightly offset by a 0.8% decrease in other operating income from ₩7,651 billion in 2023 to ₩7,586 billion in 2024.

Other operating expenses include principally losses on foreign exchange transactions, losses on hedge accounting, losses related to financial assets at amortized cost, losses related to financial instruments at fair value through other comprehensive income, depreciation expenses of operating lease assets, deposit insurance fees, credit guarantee fund fees and miscellaneous other operating expenses. The 8.7% decrease in other operating expenses was mainly the result of a 12.3% decrease in losses on foreign exchange transactions from ₩6,130 billion in 2023 to ₩5,375 billion in 2024, which was enhanced by a 12.0% decrease in miscellaneous other operating expenses from ₩1,870 billion in 2023 to ₩1,646 billion in 2024. The decrease in losses on foreign exchange transactions, which was primarily due to an overall decrease in the volume of our foreign exchange transactions, was offset in large part by a decrease in gains on foreign exchange transactions, which is recorded as part of other operating income. The decrease in miscellaneous other operating expenses was mainly due to a decrease in expenses relating to membership points at KB Kookmin Card.

Other operating income includes principally gains on foreign exchange transactions, gains on hedge accounting, gains on financial assets at amortized cost, gains on financial instruments at fair value through other comprehensive income and miscellaneous other operating income. The 0.8% decrease in other operating income was primarily attributable to a 6.3% decrease in gains on foreign exchange transactions from ₩6,481 billion in 2023 to ₩6,070 billion in 2024, the effect of which was largely offset by a 33.2% increase in gains on hedge accounting from ₩361 billion in 2023 to ₩481 billion in 2024, a 13.3% increase in miscellaneous other operating income from ₩594 billion in 2023 to ₩673 billion in 2024 and a 106.0% increase in gains related to financial instruments at fair value through other comprehensive income from ₩67 billion in 2023 to ₩138 billion in 2024. The decrease in gains on foreign exchange transactions, which was mainly the result of an overall decrease in the volume of foreign exchange transactions conducted by us, was more than offset by a decrease in losses on foreign exchange transactions, which is recorded as part of other operating expenses, as discussed above. The increase in gains on hedge accounting, which was mainly the result of higher interest rate and exchange rate volatility in 2024 compared to 2023, was offset in part by an increase in losses on hedge accounting, which is recorded as part of other operating expenses. The increase in gains related to financial instruments at fair value through other comprehensive income was primarily due to an increase in gains on the disposal of securities at fair value through other comprehensive income, which was in turn due to an increase in gains on Kookmin Bank's sales of foreign currency-denominated bonds.

*Comparison of 2023 to 2022*

Our net other operating expenses increased 19.9% from ₩2,262 billion in 2022 to ₩2,713 billion in 2023, due to a 41.5% decrease in other operating income from ₩13,083 billion in 2022 to ₩7,651 billion in 2023, although the effect of such decrease was mostly offset by a 32.5% decrease in other operating expenses from ₩15,345 billion in 2022 to ₩10,364 billion in 2023.

The 41.5% decrease in other operating income was primarily attributable to a 44.0% decrease in gains on foreign exchange transactions from ₩11,579 billion in 2022 to ₩6,481 billion in 2023, which was enhanced by a 58.1% decrease in gains on hedge accounting from ₩861 billion in 2022 to ₩361 billion in 2023. The decrease in gains on foreign exchange transactions, which was mainly the result of lower exchange rate volatility in 2023 compared to 2022, was mostly offset by a decrease in losses on foreign exchange transactions, which is recorded as part of other operating expenses. The decrease in gains on hedge accounting, which was mainly the result of lower interest rate volatility in 2023 compared to 2022, was mostly offset by a decrease in losses on hedge accounting, which is recorded as part of other operating expenses.

The 32.5% decrease in other operating expenses was mainly the result of a 45.1% decrease in losses on foreign exchange transactions from ₩11,159 billion in 2022 to ₩6,130 billion in 2023, which was enhanced by a 56.7% decrease in losses on hedge accounting from ₩875 billion in 2022 to ₩379 billion in 2023 and offset in part by a 34.1% increase in miscellaneous other operating expenses from ₩1,394 billion in 2022 to ₩1,870 billion in 2023. The decrease in losses on foreign exchange transactions, which was primarily due to lower exchange rate volatility in 2023 compared to 2022, was more than offset by an increase in gains on foreign exchange transactions, which is recorded as part of other operating income, as discussed above. The decrease in losses on hedge accounting, which was mainly the result of lower interest rate volatility in 2023 compared to 2022, was more than offset by a decrease in gains on hedge accounting, which is recorded as part of other operating expenses, as discussed above. The increase in miscellaneous other operating expenses was mainly due to an increase in losses recognized in connection with the sale of rental assets by KB Capital.

For further information regarding our net other operating expenses, see Note 31 of the notes to our consolidated financial statements included elsewhere in this annual report.

***Net Non-operating Income (Expenses)***

The following table shows, for the periods indicated, the components of our net non-operating income:

| | Year Ended December 31, | | | Percentage Change | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2023/2022 | 2024/2023 |
| | (in billions of Won) | | | (%) | |
| Share of profit (loss) of associates and joint ventures | ₩(29) | ₩ 33 | ₩ (17) | N/M[1] | N/M[1] |
| Net other non-operating income (expenses) | 189 | (298) | (1,043) | N/M[1] | 250.0 |
| Net non-operating income (expenses) | ₩161 | ₩(265) | ₩(1,060) | N/M[1] | 300.0 |

[1] "N/M" means not meaningful.

*Comparison of 2024 to 2023*

Our net non-operating expenses increased three-fold from ₩265 billion in 2023 to ₩1,060 billion in 2024, as a more than two-fold increase in net other non-operating expenses from ₩298 billion in 2023 to ₩1,043 billion in 2024 was slightly enhanced by a change in share of profit (loss) of associates and joint ventures from a net profit of ₩33 billion in 2023 to a net loss of ₩17 billion in 2024.

The more than two-fold increase in net other non-operating expenses was attributable to a 169.7% increase in other non-operating expenses from ₩455 billion in 2023 to ₩1,227 billion in 2024, which was slightly offset by a 17.2% increase in other non-operating income from ₩157 billion in 2023 to ₩184 billion in 2024. The increase in other non-operating expenses was mainly due to a more than two-fold increase in miscellaneous other non-operating expenses from ₩319 billion in 2023 to ₩1,003 billion in 2024, which was mainly attributable to the payment of voluntary compensation made by Kookmin Bank in connection with its past sales of certain equity-linked securities products tied to the performance of the Hang Seng China Enterprise Index during 2024 (see "Item 8A. Consolidated Statements and Other Financial Information—Legal Proceedings."). The increase in other non-operating income was primarily attributable to a significant increase in gains on disposal of property and equipment from ₩2 billion in 2023 to ₩30 billion in 2024, which mainly reflected the gains from the sale of certain investment properties held by Kookmin Bank in 2024.

The change in share of profit (loss) of associates and joint ventures from a net profit to a net loss was primarily due to losses on valuation using the equity-method of certain of our investees that are considered to be our consolidated affiliates including, in particular, the affiliates of KB Securities.

*Comparison of 2023 to 2022*

Our net non-operating income (expenses) changed from net income of ₩161 billion in 2022 to net expense of ₩265 billion in 2023, primarily as a result of a change in net other non-operating income (expenses) from net income of ₩189 billion in 2022 to net expense of ₩298 billion in 2023, which was partially offset by a change in share of profit (loss) of associates and joint ventures from a net loss of ₩29 billion in 2022 to a net profit of ₩33 billion in 2023.

The change in net other non-operating income (expenses) from net income to net expense was attributable to a 66.2% decrease in other non-operating income from ₩465 billion in 2022 to ₩157 billion in 2023, which was enhanced by a 64.9% increase in other non-operating expenses from ₩276 billion in 2022 to ₩455 billion in 2023. The decrease in other non-operating income was primarily attributable to a 98.7% decrease in gains on disposal of property and equipment from ₩155 billion in 2022 to ₩2 billion in 2023, which mainly reflected gains on disposals of certain investment properties in 2022 that were not repeated in 2023, and a 53.5% decrease in miscellaneous other non-operating income from ₩284 billion in 2022 to ₩132 billion in 2023, which mainly reflected gains on disposals of certain assets held for sale in 2022 that were not repeated in 2023. The increase in other non-operating expenses was mainly due to an 85.5% increase in miscellaneous other non-operating expenses from ₩172 billion in 2022 to ₩319 billion in 2023, which was mainly due to an increase in impairment losses recognized on investment properties of KB Securities.

The change in share of profit (loss) of associates and joint ventures from a net loss to a net profit was primarily due to gain on valuation using the equity-method of certain of our investees that are considered to be our consolidated affiliates, as well as those of KB Investment and KB Securities.

***Income Tax Expense***

Our income tax expense is calculated by adding or subtracting changes in deferred income tax liabilities and assets to income tax amounts payable for the period. Deferred income tax assets are recognized for deductible temporary differences, unused tax losses and unused tax credits, while deferred income tax liabilities are recognized for taxable temporary differences. Temporary differences are those between the carrying values of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred income tax assets, including unused tax losses and credits, are recognized only to the extent it is probable that sufficient taxable profit will be available against which such deferred income tax assets can be utilized.

*Comparison of 2024 to 2023*

Income tax expense increased 22.8% from ₩1,594 billion in 2023 to ₩1,957 billion in 2024, primarily due to a 14.1% increase in profit before income tax from ₩6,120 billion in 2023 to ₩6,985 billion in 2024, which was enhanced by a 241.2% increase in changes in recognition and measurement of deferred tax from ₩68 billion in 2023 to ₩232 billion in 2024. Such effects were offset in part by a significant increase in temporary differences for which no deferred tax is recognized from ₩4 billion in 2023 to ₩76 billion in 2024. Our effective tax rate was 28.0% in 2024 compared to 26.0% in 2023.

*Comparison of 2023 to 2022*

Income tax expense increased 6.0% from ₩1,504 billion in 2022 to ₩1,594 billion in 2023, primarily due to a 13.4% increase in profit before income tax from ₩5,395 billion in 2022 to ₩6,120 billion in 2023, which was enhanced by a 68.8% decrease in income tax refunds for taxes of prior years from ₩138 billion in 2022 to ₩43 billion in 2023. Such effects were offset in part by a change in temporary differences for which no deferred tax is recognized from a net increase of ₩136 billion in 2022 to a net decrease of ₩4 billion in 2023. Our effective tax rate was 26.0% in 2023 compared to 27.9% in 2022.

See Note 34 of the notes to our consolidated financial statements included elsewhere in this annual report.

***Profit for the Year***

*Comparison of 2024 to 2023*

As a result of the factors described above, our profit for the year increased 11.1% from ₩4,526 billion in 2023 to ₩5,029 billion in 2024.

*Comparison of 2023 to 2022*

As a result of the factors described above, our profit for the year increased 16.3% from ₩3,891 billion in 2022 to ₩4,526 billion in 2023.

**Results by Principal Business Segment**

We compile and analyze financial information for our business segments based upon segment information used by our management for the purposes of resource allocation and performance evaluation. We are organized into seven major business segments: retail banking operations, corporate banking operations, other banking operations, credit card operations, securities operations, life insurance operations and non-life insurance operations.

The following table shows, for the periods indicated, our results of operations by segment:

| | Profit (Loss)[1] for the Year Ended December 31, | | | Total Net Operating Revenues (Expenses)[2] for the Year Ended December 31, | | |
|---|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2022 | 2023 | 2024 |
| | (in billions of Won) | | | | | |
| Retail banking operations | ₩1,576 | ₩1,766 | ₩1,460 | ₩ 4,473 | ₩ 4,444 | ₩ 4,165 |
| Corporate banking operations | 1,502 | 1,587 | 1,896 | 4,994 | 5,641 | 5,282 |
| Other banking operations | (350) | (202) | (205) | (188) | 31 | 637 |
| Credit card operations | 383 | 351 | 391 | 1,785 | 2,026 | 2,108 |
| Securities operations | 189 | 383 | 585 | 1,125 | 1,667 | 1,772 |
| Life insurance operations | (85) | 85 | 164 | (62) | 191 | 366 |
| Non-life insurance operations | 519 | 714 | 840 | 684 | 1,120 | 1,448 |
| Other | 347 | 305 | 473 | 914 | 1,059 | 1,250 |
| Total[3] | ₩4,081 | ₩4,987 | ₩5,605 | ₩13,725 | ₩16,179 | ₩17,028 |

(1) After deduction of income tax allocated to each segment. See Note 5 of the notes to our consolidated financial statements included elsewhere in this annual report.

(2) Represents net operating revenue (expenses) from external customers. See Note 5 of the notes to our consolidated financial statements included elsewhere in this annual report.

(3) Prior to adjustments for consolidation, inter-segment transactions and certain differences in classification under our management reporting system.

Our other banking operations, which include treasury activities, provide funding to our retail banking operations and corporate banking operations and receive funds procured through the financing activities of such segments, such as deposit-taking activities. When our retail banking operations or corporate banking operations engage in an investing activity, such as lending, the relevant amount is recognized as an inter-segment borrowing from the other banking operations. When our retail banking operations or corporate banking operations engage in a financing activity, such as deposit-taking, the relevant amount is recognized as an inter-segment lending to the other banking operations (or as a reduction in inter-segment borrowings from the other banking operations). Generally, for our retail banking operations, the amounts procured from financing activities are greater than the amounts used in investing activities, whereas for our corporate banking operations, the amounts used in investing activities are greater than the amounts procured from financing activities. The cost of borrowing from the other banking operations is calculated by multiplying the average balance of the amounts used in investing activities by

the applicable internal funding rate on such inter-segment borrowings, whereas the income from lending to the other banking operations is calculated by multiplying the average balance of the amounts procured from financing activities by the applicable internal funding rate on such inter-segment lendings. The applicable internal funding rates on inter-segment borrowings tend to be generally higher than the applicable internal funding rates on inter-segment lendings, primarily due to the difference in the maturity structure of interest rates on the amounts used in investing activities and the amounts procured from financing activities. The cost of borrowing from the other banking operations is offset by the income from lending to the other banking operations, and the difference is recorded as expenses related to inter-segment borrowings, within net other operating expenses, for our retail banking operations and corporate banking operations, while a corresponding amount is recorded as income from inter-segment lending, within net other operating income, for our other banking operations.

***Retail Banking Operations***

This segment consists of retail banking services provided by Kookmin Bank. The following table shows, for the periods indicated, our income statement data for this segment:

| | Year Ended December 31, | | | Percentage Change | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2023/2022 | 2024/2023 |
| | (in billions of Won) | | | (%) | |
| **Income statement data** | | | | | |
| Interest income | ₩ 5,764 | ₩ 7,723 | ₩ 7,761 | 34.0 | 0.5 |
| Interest expense | (1,827) | (4,326) | (4,441) | 136.8 | 2.7 |
| Net fee and commission income | 261 | 252 | 242 | (3.4) | (4.0) |
| Net other operating income | 275 | 795 | 604 | 189.1 | (24.0) |
| General and administrative expenses | (2,093) | (1,952) | (1,985) | (6.7) | 1.7 |
| Provision for credit losses | (282) | (92) | (197) | (67.4) | 114.1 |
| **Profit before income tax expense** | 2,098 | 2,399 | 1,984 | 14.3 | (17.3) |
| Income tax expense | (522) | (633) | (524) | 21.3 | (17.2) |
| **Profit for the year** | ₩ 1,576 | ₩ 1,766 | ₩ 1,460 | 12.1 | (17.3) |

*Comparison of 2024 to 2023*

Our profit before income tax expense for this segment decreased 17.3% from ₩2,399 billion in 2023 to ₩1,984 billion in 2024.

Interest income from our retail banking operations increased 0.5% from ₩7,723 billion in 2023 to ₩7,761 billion in 2024, which was mainly due to increases in the average volumes of mortgage loans and home equity loans, the effects of which were offset in part by a decrease in the average yields on such loans.

Interest expense for this segment increased 2.7% from ₩4,326 billion in 2023 to ₩4,441 billion in 2024. Our largest and most important funding source is deposits from retail customers, which represent more than half of our total deposits. The increase in interest expense for this segment was mainly due to an increase in the average volume of time deposits held by retail customers, which was offset in significant part by a decrease in the average cost of such deposits.

Net fee and commission income attributable to this segment decreased 4.0% from ₩252 billion in 2023 to ₩242 billion in 2024, mainly due to a decrease in trust fees for specified money trusts, which was offset in large part by an increase in bancassurance fees.

Net other operating income attributable to this segment decreased 24.0% from ₩795 billion in 2023 to ₩604 billion in 2024, which was primarily due to a decrease in gains related to inter-segment borrowings.

General and administrative expenses attributable to this segment increased 1.7% from ₩1,952 billion in 2023 to ₩1,985 billion in 2024, primarily due to an increase in depreciation and amortization expenses, which was offset in part by a decrease in employee-related expenses.

Provision for credit losses increased 114.1% from ₩92 billion in 2023 to ₩197 billion in 2024, mainly due to an increase in provisions for credit losses of retail loans. Such increase mainly reflected our provisioning strategy pursuant to which we preemptively accounted for a potential increase in credit losses that could result from a deterioration in the overall asset quality of our loan portfolios, mainly due to an increasing likelihood of default by borrowers in light of the general slowdown in the economy in Korea.

*Comparison of 2023 to 2022*

Our profit before income tax expense for this segment increased 14.3% from ₩2,098 billion in 2022 to ₩2,399 billion in 2023.

Interest income from our retail banking operations increased 34.0% from ₩5,764 billion in 2022 to ₩7,723 billion in 2023, which was mainly due to increases in the average yields on mortgage loans, other consumer loans and home equity loans. The effects of such increases were enhanced by an increase in the average volume of home equity loans but offset in part by a decrease in the average volume of other consumer loans.

Interest expense for this segment increased 136.8% from ₩1,827 billion in 2022 to ₩4,326 billion in 2023. Our largest and most important funding source is deposits from retail customers, which represent more than half of our total deposits. The increase in interest expense for this segment was mainly due to increases in the average costs on demand deposits, time deposits and certificates of deposit, the effects of which were enhanced by increases in the average volumes of time deposits and certificates of deposit and offset in part by a decrease in the average volume of demand deposits.

Net fee and commission income attributable to this segment decreased 3.4% from ₩261 billion in 2022 to ₩252 billion in 2023, mainly due to decreases in bancassurance fees and securities brokerage service fees, which were offset in large part by an increase in trust fees for specified money trusts.

Net other operating income attributable to this segment increased 189.1% from ₩275 billion in 2022 to ₩795 billion in 2023, which was primarily due to an increase in gains related to inter-segment borrowings.

General and administrative expenses attributable to this segment decreased 6.7% from ₩2,093 billion in 2022 to ₩1,952 billion in 2023, primarily due to a decrease in common general and administrative expenses allocated to the retail banking segment, which was enhanced by a decrease in expenses related to employee benefits.

Provision for credit losses decreased 67.4% from ₩282 billion in 2022 to ₩92 billion in 2023, mainly due to decreases in provisions for credit losses of retail loans and, to a lesser extent, unused retail loan commitments. Such decreases mainly reflected our aggressive provisioning policy in 2022, which we loosened in 2023 following an improvement in our general outlook on the economy in Korea.

*Corporate Banking Operations*

This segment consists of corporate banking services provided by Kookmin Bank. The following table shows, for the periods indicated, our income statement data for this segment:

| | Year Ended December 31, | | | Percentage Change | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2023/2022 | 2024/2023 |
| | (in billions of Won) | | | (%) | |
| **Income statement data** | | | | | |
| Interest income | ₩ 7,831 | ₩11,688 | ₩12,101 | 49.3 | 3.5 |
| Interest expense | (3,111) | (6,042) | (6,335) | 94.2 | 4.8 |
| Net fee and commission income | 386 | 427 | 410 | 10.6 | (4.0) |
| Net gains (losses) on financial instruments at fair value through profit or loss | 74 | (6) | 24 | N/M[1] | N/M[1] |
| Net other operating expenses | (182) | (309) | (827) | 69.8 | 167.6 |
| General and administrative expenses | (1,972) | (1,959) | (2,005) | (0.7) | 2.3 |
| Provision for credit losses | (778) | (1,563) | (482) | 100.9 | (69.2) |
| Net other non-operating expenses | (13) | (15) | (62) | 15.4 | 313.3 |
| **Profit before income tax expense** | 2,234 | 2,221 | 2,824 | (0.6) | 27.1 |
| Income tax expense | (732) | (634) | (928) | (13.4) | 46.4 |
| **Profit for the year** | ₩ 1,502 | ₩ 1,587 | ₩ 1,896 | 5.7 | 19.5 |

(1) "N/M" means not meaningful.

*Comparison of 2024 to 2023*

Our profit before income tax expense for this segment increased 27.1% from ₩2,221 billion in 2023 to ₩2,824 billion in 2024.

Interest income from our corporate banking operations increased 3.5% from ₩11,688 billion in 2023 to ₩12,101 billion in 2024. This increase was primarily due to an increase in the average volume of corporate loans of Kookmin Bank, which was offset in significant part by a decrease in the average yields on such loans.

Interest expense for this segment increased 4.8% from ₩6,042 billion in 2023 to ₩6,335 billion in 2024. This increase was principally due to an increase in the average volume of deposits held by corporate customers of Kookmin Bank, which was offset in part by a decrease in the average yields on such deposits.

Net fee and commission income attributable to this segment decreased 4.0% from ₩427 billion in 2023 to ₩410 billion in 2024, primarily due to a decrease in foreign currency transaction fees received and a decrease in fees and commissions received from Kookmin Bank's overseas subsidiaries, the effects of which were offset in part by increases in retirement pension management fees, bancassurance commissions and beneficiary certificate sales commission fees received.

Net gains (losses) on financial instruments at fair value through profit or loss attributable to this segment changed from net losses of ₩6 billion in 2023 to net gains of ₩24 billion in 2024, principally due to a increase in net gains on financial instruments at fair value through profit or loss held by Kookmin Bank's overseas subsidiaries, which was enhanced by an increase in gains related to fair value hedges.

Net other operating expenses attributable to this segment increased 167.6% from ₩309 billion in 2023 to ₩827 billion in 2024, mainly as a result of an increase in expenses related to inter-segment borrowings.

General and administrative expenses attributable to this segment increased 2.3% from ₩1,959 billion in 2023 to ₩2,005 billion in 2024, principally due to an increase in employee-related expenses, which was

enhanced by increases in the general and administrative expenses of PRASAC and Bank Bukopin, Kookmin Bank's overseas subsidiaries.

Provision for credit losses attributable to this segment decreased 69.2% from ₩1,563 billion in 2023 to ₩482 billion in 2024, mainly due to a decrease in provisions for credit losses of loans and payment guarantees to Kookmin Bank's corporate customers.

Net other non-operating expenses attributable to this segment increased 313.3% from ₩15 billion in 2023 to ₩62 billion in 2024, primarily due to an increase in miscellaneous other non-operating expenses of Bank Bukopin.

*Comparison of 2023 to 2022*

Our profit before income tax expense for this segment decreased 0.6% from ₩2,234 billion in 2022 to ₩2,221 billion in 2023.

Interest income from our corporate banking operations increased 49.3% from ₩7,831 billion in 2022 to ₩11,688 billion in 2023. This increase was primarily due to an increase in the average yield on corporate loans of Kookmin Bank, which was enhanced by an increase in the average volume of such loans.

Interest expense for this segment increased 94.2% from ₩3,111 billion in 2022 to ₩6,042 billion in 2023. This increase was principally due to an increase in the average cost of deposits held by corporate customers of Kookmin Bank, which was enhanced by an increase in the average volume of such deposits.

Net fee and commission income attributable to this segment increased 10.6% from ₩386 billion in 2022 to ₩427 billion in 2023, primarily due to increases in local currency transaction fees received, foreign currency transaction fees received and trust and other fiduciary fees received, which were offset in part by a decrease in fees and commissions received from Kookmin Bank's overseas subsidiaries.

Net gains (losses) on financial instruments at fair value through profit or loss attributable to this segment changed from net gains of ₩74 billion in 2022 to net losses of ₩6 billion in 2023, principally due to decreases in net gains on financial instruments at fair value through profit or loss held by Kookmin Bank's overseas subsidiaries.

Net other operating expenses attributable to this segment increased 69.8% from ₩182 billion in 2022 to ₩309 billion in 2023, mainly as a result of an increase in expenses related to inter-segment borrowings, which was offset in part by a decrease in losses on disposal of loans held by Bank Bukopin, a foreign subsidiary of Kookmin Bank.

General and administrative expenses attributable to this segment decreased 0.7% from ₩1,972 billion in 2022 to ₩1,959 billion in 2023, principally due to decreases in the general and administrative expenses of KB PRASAC Bank and Bank Bukopin, Kookmin Bank's overseas subsidiaries, the effects of which were largely offset by an increase in the common administrative expenses allocated to the corporate banking segment.

Provision for credit losses attributable to this segment increased 100.9% from ₩778 billion in 2022 to ₩1,563 billion in 2023, mainly due to an increase in provisions for credit losses of loans to Kookmin Bank's corporate customers resulting from a deterioration in the credit quality of such loans.

Net other non-operating expenses attributable to this segment increased 15.4% from ₩13 billion in 2022 to ₩15 billion in 2023, primarily due to an increase in miscellaneous other non-operating expenses of Bank Bukopin, a foreign subsidiary of Kookmin Bank, which was in large part offset by regulatory fines paid by one of Kookmin Bank's foreign branches in 2022 that was not repeated in 2023.

*Other Banking Operations*

This segment primarily consists of Kookmin Bank's banking operations other than retail and corporate banking operations, including treasury activities and Kookmin Bank's "back office" administrative operations. The following table shows, for the periods indicated, our income statement data for this segment:

| | Year Ended December 31, | | | Percentage Change | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2023/2022 | 2024/2023 |
| | (in billions of Won) | | | (%) | |
| **Income statement data** | | | | | |
| Interest income | ₩ 1,763 | ₩ 2,936 | ₩ 3,349 | 66.5 | 14.1 |
| Interest expense | (1,130) | (2,109) | (2,211) | 86.6 | 4.8 |
| Net fee and commission income | 449 | 489 | 461 | 8.9 | (5.7) |
| Net gains on financial instruments at fair value through profit or loss | 137 | 766 | 744 | 459.1 | (2.9) |
| Net other operating expenses | (1,037) | (1,826) | (1,168) | 76.1 | (36.0) |
| General and administrative expenses | (633) | (610) | (645) | (3.6) | 5.7 |
| Reversal of (Provision for) credit losses | (61) | 48 | (1) | N/M[1] | N/M[1] |
| Share of profit of associates and joint ventures | 13 | 0 | 7 | (100.0) | N/A[2] |
| Net other non-operating expenses | (25) | (84) | (899) | 236.0 | 970.2 |
| **Loss before income tax expense** | (523) | (390) | (362) | (25.4) | (7.2) |
| Income tax benefit | 173 | 187 | 157 | 8.1 | (16.0) |
| **Loss for the year** | ₩ (350) | ₩ (202) | ₩ (205) | (42.3) | 1.5 |

(1) "N/M" means not meaningful.
(2) "N/A" means not applicable.

*Comparison of 2024 to 2023*

Our loss before income tax expense for this segment decreased 7.2% from ₩390 billion in 2023 to ₩362 billion in 2024.

Interest income from our other banking operations increased 14.1% from ₩2,936 billion in 2023 to ₩3,349 billion in 2024, mainly due to an increase in the average volume of debt securities in this segment, which was enhanced by an increase in the average yield on such securities.

Interest expense for this segment increased 4.8% from ₩2,109 billion in 2023 to ₩2,211 billion in 2024, primarily due to increases in the average volumes of borrowings and debentures in this segment, which were enhanced by increases in the average costs of such borrowings and debentures.

Net fee and commission income attributable to this segment decreased 5.7% from ₩489 billion in 2023 to ₩461 billion in 2024, mainly due to decreases in agent activity fees and foreign exchange transaction fees received, the effects of which were offset in part by an increase in asset securitization fees received.

Net gains on financial instruments at fair value through profit or loss attributable to this segment decreased 2.9% from ₩766 billion in 2023 to ₩744 billion in 2024, principally as a result of a decrease in net gain on the valuation of securities held-for-trading of Kookmin Bank. The effect of such decrease was offset in part by an increase in net gain on derivatives held-for-trading of Kookmin Bank.

Net other operating expenses attributable to this segment decreased 36.0% from ₩1,826 billion in 2023 to ₩1,168 billion in 2024, mainly as a result of a decrease in funding costs, which was enhanced by a decrease in net losses on foreign exchange valuation.

General and administrative expenses attributable to this segment increased 5.7% from ₩610 billion in 2023 to ₩645 billion in 2024, primarily due to an increase in expenses related to employees as well as an increase in administrative expenses allocated to the trusts and funds in this segment.

Reversal of (provision for) credit losses attributable to this segment changed from a reversal of provisions of ₩48 billion in 2023 to provisions of ₩1 billion in 2024, due mainly to an increase in provisions for credit losses of loans in foreign currencies held by one of our consolidated subsidiaries.

Share of profit of associates and joint ventures attributable to this segment increased significantly from ₩0 billion in 2023 to ₩7 billion in 2024, principally as a result of a decrease in losses of equity-method investees of Kookmin Bank.

Net other non-operating expenses attributable to this segment increased more than nine-fold from ₩84 billion in 2023 to ₩899 billion in 2024, primarily due to the payment of voluntary compensation made by Kookmin Bank in connection with its past sales of certain equity-linked securities products tied to the performance of the Hang Seng China Enterprise Index during 2024 (see "Item 8A. Consolidated Statements and Other Financial Information—Legal Proceedings.").

*Comparison of 2023 to 2022*

Our loss before income tax expense for this segment decreased from ₩523 billion in 2022 to ₩390 billion in 2023.

Interest income from our other banking operations increased 66.5% from ₩1,763 billion in 2022 to ₩2,936 billion in 2023, mainly due to increases in the average yields on other banking loans and debt securities in this segment, which were enhanced by increases in the average volumes of such loans and securities.

Interest expense for this segment increased 86.6% from ₩1,130 billion in 2022 to ₩2,109 billion in 2023, primarily due to increases in the average costs of deposits, borrowings and debentures in this segment, which were enhanced by increases in the average volumes of such deposits, borrowings and debentures.

Net fee and commission income attributable to this segment increased 8.9% from ₩449 billion in 2022 to ₩489 billion in 2023, mainly due to increases in investment banking fees received and group brand licensing fees received.

Net gains on financial instruments at fair value through profit or loss attributable to this segment increased more than four-fold from ₩137 billion in 2022 to ₩766 billion in 2023, principally as a result of increases in net gains on short-term trading securities and net gains on valuation of debt securities, which were largely offset by a decrease in net gains on derivatives held for trading.

Net other operating expenses attributable to this segment increased 76.1% from ₩1,037 billion in 2022 to ₩1,826 billion in 2023, mainly as a result of an increase in net expenses related to inter-segment borrowings, which was enhanced by an increase in other operating expenses of Kookmin Bank's overseas subsidiaries in 2023 compared to 2022.

General and administrative expenses attributable to this segment decreased 3.6% from ₩633 billion in 2022 to ₩610 billion in 2023, primarily due to a decrease in expenses related to employees, which were offset in part by an increase in common administrative expenses allocated to this segment.

Reversal of (provision for) credit losses attributable to this segment changed from provisions of ₩61 billion in 2022 to a reversal of provisions of ₩48 billion in 2023, due mainly to a significant decrease in provisions for credit losses of loans in foreign currencies held by one of our consolidated subsidiaries.

Share of profit of associates and joint ventures attributable to this segment decreased 100.0% from ₩13 billion in 2022 to ₩0 billion in 2023, principally as a result of a decrease in profits of equity-method investees of Kookmin Bank.

Net other non-operating expenses attributable to this segment increased 236.0% from ₩25 billion in 2022 to ₩84 billion in 2023, primarily due to an increase in impairment losses recognized by equity-method investees of Kookmin Bank.

***Credit Card Operations***

This segment consists of credit card activities conducted by KB Kookmin Card. The following table shows, for the periods indicated, our income statement data for this segment:

| | Year Ended December 31, | | | Percentage Change | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2023/2022 | 2024/2023 |
| | (in billions of Won) | | | (%) | |
| **Income statement data** | | | | | |
| Interest income | ₩1,984 | ₩2,343 | ₩2,464 | 18.1 | 5.2 |
| Interest expense | (510) | (704) | (803) | 38.0 | 14.1 |
| Net fee and commission income | 520 | 614 | 770 | 18.1 | 25.4 |
| Net insurance income | 11 | 10 | 8 | (9.1) | (20.0) |
| Net gains on financial instruments at fair value through profit or loss | 2 | 7 | 12 | 250.0 | 71.4 |
| Net other operating expenses | (375) | (391) | (403) | 4.3 | 3.1 |
| General and administrative expenses | (597) | (625) | (641) | 4.7 | 2.6 |
| Provision for credit losses | (500) | (827) | (893) | 65.4 | 8.0 |
| Share of profit of associates and joint ventures | 2 | 1 | 1 | (50.0) | 0.0 |
| Net other non-operating income (expenses) | (7) | 44 | 10 | N/M[1] | (77.3) |
| **Profit before income tax expense** | 527 | 473 | 525 | (10.2) | 11.0 |
| Income tax expense | (144) | (121) | (134) | (16.0) | 10.7 |
| **Profit for the year** | ₩ 383 | ₩ 351 | ₩ 391 | (8.4) | 11.4 |

(1) "N/M" means not meaningful.

*Comparison of 2024 to 2023*

Our profit before income tax expense for this segment increased 11.0% from ₩473 billion in 2023 to ₩525 billion in 2024.

Interest income from our credit card operations increased 5.2% from ₩2,343 billion in 2023 to ₩2,464 billion in 2024. This increase was primarily due to increases in both the average yields on, and the average volume of, credit card receivables.

Interest expense for this segment increased 14.1% from ₩704 billion in 2023 to ₩803 billion in 2024. This increase was primarily due to an increase in the average cost of debentures, which was enhanced by an increase in the average balance of debentures.

Net fee and commission income attributable to this segment increased 25.4% from ₩614 billion in 2023 to ₩770 billion in 2024, mainly due to a decrease in credit card commissions paid, the effect of which was enhanced by increases in commissions received related to payment gateways and debit card processing fees received.

Net insurance income attributable to this segment decreased 20.0% from ₩10 billion in 2023 to ₩8 billion in 2024, primarily due to a decrease in insurance income received, which was in turn due to a decrease in the number of customers using certain services for which KB Kookmin Card stopped accepting new customers.

Net gains on financial instruments at fair value through profit or loss attributable to this segment increased 71.4% from ₩7 billion in 2023 to ₩12 billion in 2024, primarily due an increase in gains on valuations of investment trust beneficiary certificates, which was partially offset by a decrease in gains on the valuation of equity securities.

Net other operating expenses attributable to this segment increased 3.1% from ₩391 billion in 2023 to ₩403 billion in 2024, primarily due to an increase in losses on disposal of loans measured at amortized cost and an increase in non-financial operating expenses, which were offset in part by a decrease in expenses related to membership points.

General and administrative expenses attributable to this segment increased 2.6% from ₩625 billion in 2023 to ₩641 billion in 2024, mainly due to increases in expenses related to employees and IT related expenses, which were offset in part by a decrease in depreciation and amortization expenses.

Provision for credit losses attributable to this segment increased 8.0% from ₩827 billion in 2023 to ₩893 billion in 2024, mainly due to increases in provisions for credit losses of foreign currency loans and installment loans, the effects of which were offset in part by an increase in reversal of provisions for unused loan commitments.

Share of profit of associates and joint ventures attributable to this segment remained stable at ₩1 billion in 2023 and 2024.

Net other non-operating income attributable to this segment decreased 77.3% from ₩44 billion in 2023 to ₩10 billion in 2024, primarily due to a decrease in damages awarded to KB Kookmin Card in connection with a lawsuit relating to customer data theft in 2024, the amount of which was smaller than that paid in 2023.

*Comparison of 2023 to 2022*

Our profit before income tax expense for this segment decreased 10.2% from ₩527 billion in 2022 to ₩473 billion in 2023.

Interest income from our credit card operations increased 18.1% from ₩1,984 billion in 2022 to ₩2,343 billion in 2023. This increase was primarily due to an increase in the average yield on credit card receivables, which was enhanced by an increase in the average balance of such receivables.

Interest expense for this segment increased 38.0% from ₩510 billion in 2022 to ₩704 billion in 2023. This increase was primarily due to increases in the average costs of debentures and borrowings issued by KB Kookmin Card, which were enhanced by an increase in the average volume of borrowings.

Net fee and commission income attributable to this segment increased 18.1% from ₩520 billion in 2022 to ₩614 billion in 2023, mainly due to increases in commissions received related to payment gateways and debit card processing fees received. Such increases were offset in part by increases in credit card commissions paid.

Net insurance income attributable to this segment decreased 9.1% from ₩11 billion in 2022 to ₩10 billion in 2023, primarily due to a decrease in the number of customers using certain services for which KB Kookmin Card stopped accepting new customers.

Net gains on financial instruments at fair value through profit or loss attributable to this segment increased more than two-fold from ₩2 billion in 2022 to ₩7 billion in 2023, primarily due to increases in gains on valuations of investment trust beneficiary certificates and gains on the valuation of equity securities.

Net other operating expenses attributable to this segment increased 4.3% from ₩375 billion in 2022 to ₩391 billion in 2023, primarily due to an increase in credit card reward program-related expenses, which was offset in part by an increase in gains on transactions of foreign exchange.

General and administrative expenses attributable to this segment increased 4.7% from ₩597 billion in 2022 to ₩625 billion in 2023, mainly due to increases in salary expenses and computer and IT related expenses.

Provision for credit losses attributable to this segment increased 65.4% from ₩500 billion in 2022 to ₩827 billion in 2023, mainly due to an increase in provision for credit losses of card loans.

Share of profit of associates and joint ventures attributable to this segment decreased 50.0% from ₩2 billion in 2022 to ₩1 billion in 2023, primarily due to decreases in gains on valuation of equity-method investees and gains on trading in equity investments denominated in Korean Won.

Net other non-operating income (expenses) attributable to this segment changed from net expenses of ₩7 billion in 2022 to net income of ₩44 billion in 2023, primarily due to damages awarded to KB Kookmin Card in 2023 in connection with a lawsuit relating to customer data theft.

***Securities Operations***

This segment consists primarily of securities brokerage, investment banking, securities investment and trading and other capital markets activities conducted by KB Securities, including its predecessor entities. The following table shows, for the periods indicated, our income statement data for this segment:

| | Year Ended December 31, | | | Percentage Change | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2023/2022 | 2024/2023 |
| | (in billions of Won) | | | (%) | |
| **Income statement data** | | | | | |
| Interest income | ₩1,157 | ₩ 1,763 | ₩ 1,783 | 52.4 | 1.1 |
| Interest expense | (618) | (1,149) | (1,179) | 85.9 | 2.6 |
| Net fee and commission income | 785 | 743 | 789 | (5.4) | 6.2 |
| Net gains (losses) from financial instruments at fair value through profit or loss | (211) | 357 | 267 | N/M[1] | (25.2) |
| Net other operating income (expenses) | (24) | 6 | 161 | N/M[1] | N/M[1] |
| General and administrative expenses | (822) | (903) | (980) | 9.9 | 8.5 |
| Provision for credit losses | (28) | (144) | (67) | 414.3 | (53.5) |
| Share of profit (loss) of associates and joint ventures | 3 | 3 | (35) | 0.0 | N/M[1] |
| Net other non-operating income (expenses) | 13 | (190) | 3 | N/M[1] | N/M[1] |
| **Profit before income tax expense** | 253 | 485 | 741 | 91.7 | 52.8 |
| Income tax expense | (64) | (103) | (156) | 60.9 | 51.5 |
| **Profit for the year** | ₩ 189 | ₩ 383 | ₩ 585 | 102.6 | 52.7 |

(1) "N/M" means not meaningful.

*Comparison of 2024 to 2023*

Our profit before income tax expense for this segment increased 52.8% from ₩485 billion in 2023 to ₩741 billion in 2024.

Interest income from this segment increased 1.1% from ₩1,763 billion in 2023 to ₩1,783 billion in 2024, primarily due to an increase in the average volume of debt securities held by KB Securities, which was enhanced by an increase in the average yield on such securities.

Interest expense for this segment increased 2.6% from ₩1,149 billion in 2023 to ₩1,179 billion in 2024, principally as a result of increases in the average costs of interest-bearing liabilities held by KB Securities, which were enhanced by increases in the average volumes of such liabilities.

Net fee and commission income attributable to this segment increased 6.2% from ₩743 billion in 2023 to ₩789 billion in 2024, primarily due to an increase in advisory fees received and a decrease in other miscellaneous fees paid, the effects of which were offset in part by a decrease in operating lease fees received.

Net gains on financial instruments at fair value through profit or loss attributable to this segment decreased 25.2% from ₩357 billion in 2023 to ₩267 billion in 2024, principally due to a decrease in net gains on transactions and valuation of derivative-linked securities at fair value through profit or loss.

Net other operating income attributable to this segment increased significantly from ₩6 billion in 2023 to ₩161 billion in 2024, primarily due to an increase in net gains on foreign currency valuation with respect to foreign currency-denominated assets and liabilities, mainly as a result of a depreciation in the value of the Korean Won against other currencies, including the U.S. dollar.

General and administrative expenses attributable to this segment increased 8.5% from ₩903 billion in 2023 to ₩980 billion in 2024, primarily due to increases in employee benefits, depreciation and amortization and other general and administrative expenses.

Provision for credit losses decreased 53.5% from ₩144 billion in 2023 to ₩67 billion in 2024, primarily due to an increase in reversals of provisions for credit losses of Won-denominated loans, the effect of which was offset in part by an increase in provisions for credit losses of foreign currency-denominated loans.

Share of profit (loss) of associates and joint ventures attributable to this segment changed from a net profit of ₩3 billion in 2023 to net loss of ₩35 billion in 2024, primarily due to a decrease in gains on valuation of equity-method investees of KB Securities.

Net other non-operating income (expenses) attributable to this segment changed from net expenses of ₩190 billion in 2023 to net income of ₩3 billion in 2024, mainly due to an increase in miscellaneous other non-operating income and a decrease in impairment losses on land and buildings owned by KB Securities.

*Comparison of 2023 to 2022*

Our profit before income tax expense for this segment increased 91.7% from ₩253 billion in 2022 to ₩485 billion in 2023.

Interest income from this segment increased 52.4% from ₩1,157 billion in 2022 to ₩1,763 billion in 2023, primarily due to increases in the average yields on deposits and other interest-earning assets held by KB Securities, which were enhanced by increases in the average volumes of such financial assets.

Interest expense for this segment increased 85.9% from ₩618 billion in 2022 to ₩1,149 billion in 2023, principally as a result of increases in the average costs on bonds sold under repurchase agreements, borrowings and debentures, which were enhanced by an increase in the average volume of borrowings, but partially offset by decreases in the average volumes of bonds sold under repurchase agreements and debentures.

Net fee and commission income attributable to this segment decreased 5.4% from ₩785 billion in 2022 to ₩743 billion in 2023, primarily due to decreases in underwriting fees and brokerage fees received, which were enhanced by an increase in securities trading fees paid.

Net gains (losses) on financial instruments at fair value through profit or loss attributable to this segment changed from net losses of ₩211 billion in 2022 to net gains of ₩357 billion in 2023, principally due to a change in net gains (losses) on sales and valuations of debt instruments from net losses in 2022 to net gains in 2023.

Net other operating income (expenses) attributable to this segment changed from net expenses of ₩24 billion in 2022 to net income of ₩6 billion in 2023, primarily due to a decrease in net losses on foreign currency valuation with respect to foreign currency-denominated assets and liabilities, mainly as a result of fluctuations in the value of the Korean Won against other currencies.

General and administrative expenses attributable to this segment increased 9.9% from ₩822 billion in 2022 to ₩903 billion in 2023, primarily due to increases in salaries paid, miscellaneous other general and administrative expenses and depreciation and amortization expenses.

Provision for credit losses increased over four-fold from ₩28 billion in 2022 to ₩144 billion in 2023, primarily due to increases in provision for credit losses of loans and other financial assets.

Share of profit of associates and joint ventures attributable to this segment remained stable at ₩3 billion in 2022 and 2023.

Net other non-operating income (expenses) attributable to this segment changed from net income of ₩13 billion in 2022 to net expenses of ₩190 billion in 2023, mainly due to an increase in other non-operating expenses, which was primarily attributable to increases in impairment losses, the effects of which were enhanced by a decrease in other non-operating income.

***Life Insurance Operations***

This segment consists of the life insurance operations of KB Life Insurance, which was formed in January 2023 through a merger between the Former KB Life Insurance and Prudential Life Insurance. The following table shows, for the periods indicated, our income statement data for this segment:

| | Year Ended December 31, | | | Percentage Change | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2023/2022 | 2024/2023 |
| | (in billions of Won) | | | (%) | |
| **Income statement data** | | | | | |
| Interest income | ₩ 574 | ₩ 582 | ₩ 646 | 1.4 | 11.0 |
| Interest expense | (761) | (789) | (783) | 3.7 | (0.8) |
| Net fee and commission income (expense) | (2) | (8) | 8 | 300.0 | N/M[1] |
| Net insurance income | 344 | 447 | 480 | 29.9 | 7.4 |
| Net gains (losses) on financial instruments at fair value through profit or loss | (888) | 659 | 284 | N/M[1] | (56.9) |
| Net other insurance finance income (expenses) | 716 | (547) | (381) | N/M[1] | (30.3) |
| Net other operating income (expenses) | (66) | (137) | 112 | 107.6 | N/M[1] |
| General and administrative expenses | (46) | (100) | (148) | 117.4 | 48.0 |
| Reversal of (Provision for) credit losses | 1 | (2) | 1 | N/M[1] | N/M[1] |
| Net other non-operating income | 3 | 5 | 7 | 66.7 | 40.0 |
| **Profit (Loss) before income tax expense** | (126) | 110 | 225 | N/M[1] | 104.5 |
| Income tax benefit (expense) | 41[2] | (25) | (61) | N/M[1] | 144.0 |
| **Profit (Loss) for the year** | ₩ (85) | ₩ 85 | ₩ 164 | N/M[1] | 92.9 |

(1) "N/M" means not meaningful.

(2) For 2022, represents income tax attributable to the Former KB Life Insurance and Prudential Life Insurance prior to their merger in January 2023.

*Comparison of 2024 to 2023*

Our profit before income tax expense for this segment increased 104.5% from ₩110 billion in 2023 to ₩225 billion in 2024.

Interest income from this segment increased 11.0% from ₩582 billion in 2023 to ₩646 billion in 2024, primarily due to increases in interest income from government bonds, corporate bonds and asset-backed securities.

Interest expense for this segment decreased 0.8% from ₩789 billion in 2023 to ₩783 billion in 2024, principally due to a decrease in interest expenses categorized under insurance finance expenses of KB Life Insurance as well as a decrease in interest expenses on investment contract liabilities.

Net fee and commission income (expenses) attributable to this segment changed from net expenses of ₩8 billion in 2023 to net income of ₩8 billion in 2024, primarily due to an increase in other miscellaneous fees and commissions received and a decrease in other service-related fees paid.

Net insurance income attributable to this segment increased 7.4% from ₩447 billion in 2023 to ₩480 billion in 2024, primarily due to an increase in insurance income, which in turn was mainly attributable to increases in recoveries from reinsurance contracts and expected policy maintenance cost incurred by the customers of KB Life Insurance, the effects of which were offset in part by an increase in insurance claims paid.

Net gains on financial instruments at fair value through profit or loss attributable to this segment decreased 56.9% from ₩659 billion in 2023 to ₩284 billion in 2024, primarily due to change in net gains (losses) on valuations of equity securities from a net gain in 2023 to a net loss in 2024, an increase in losses on currency futures held-for-trading and decreases in gains on valuations of debt securities and foreign investment securities.

Net other insurance finance expenses attributable to this segment decreased 30.3% from ₩547 billion in 2023 to ₩381 billion in 2024, primarily due to a decrease in other insurance finance expenses related to the direct insurance contracts of KB Life Insurance, which was offset in part by an increase in foreign exchange translation losses.

Net other operating income (expenses) attributable to this segment changed from net expenses of ₩137 billion in 2023 to net income of ₩112 billion in 2024, principally due to increases in gains on valuations of foreign currency-denominated assets and liabilities and other fair value hedges, the effects of which were offset in part by an increase in gains on sales of currency forward contracts.

General and administrative expenses attributable to this segment increased 48.0% from ₩100 billion in 2023 to ₩148 billion in 2024, primarily due to increases in depreciation and amortization expenses, expenses related to employees and other miscellaneous general and administrative expenses.

Reversal of (provision for) credit losses attributable to this segment changed from provisions of ₩2 billion in 2023 to reversal of provisions of ₩1 billion in 2024.

Net other non-operating income attributable to this segment increased 40.0% from ₩5 billion in 2023 to ₩7 billion in 2024, mainly due to decreases in losses related to lease modification and other non-operating expenses.

*Comparison of 2023 to 2022*

Our profit (loss) before income tax expense for this segment changed from net losses of ₩126 billion in 2022 to net profit of ₩110 billion in 2023.

Interest income from this segment increased 1.4% from ₩574 billion in 2022 to ₩582 billion in 2023, primarily due to an increase in interest income from other debentures, which was mostly offset by a decrease in interest income from government bonds.

Interest expense for this segment increased 3.7% from ₩761 billion in 2022 to ₩789 billion in 2023, principally due to an increase in interest expenses categorized under insurance finance expenses of KB Life Insurance.

Net fee and commission expense attributable to this segment increased three-fold from ₩2 billion in 2022 to ₩8 billion in 2023, primarily due to a decrease in other miscellaneous fees and commissions received.

Net insurance income attributable to this segment increased 29.9% from ₩344 billion in 2022 to ₩447 billion in 2023, due to an increase in insurance income, which in turn was attributable to increases in contractual service margins recognized for services provided and expected incurred claims, and a decrease in insurance expenses, which in turn was due to a decrease in losses on onerous contracts.

Net gains (losses) on financial instruments at fair value through profit or loss attributable to this segment changed from net losses of ₩888 billion in 2022 to net gains of ₩659 billion in 2023, primarily due to increases in gains on valuations of equity securities, investment trust beneficiary certificates and debt securities.

Net other insurance finance income (expenses) attributable to this segment changed from net income of ₩716 billion in 2022 to net expenses of ₩547 billion in 2023, primarily due to a change in net other insurance finance income (expenses) of variable life insurance products from net income in 2022 to net expenses in 2023.

Net other operating expenses attributable to this segment increased 107.6% from ₩66 billion in 2022 to ₩137 billion in 2023, principally due to increases in losses on sales of debt securities, losses on valuation of foreign currency-denominated assets and liabilities and losses on valuation of currency forward contracts, the effects of which were largely offset by an increase in gains on the sale of currency forward contracts.

General and administrative expenses attributable to this segment increased 117.4% from ₩46 billion in 2022 to ₩100 billion in 2023, primarily due to an increase in miscellaneous other general and administrative expenses.

Reversal of (provision for) credit losses attributable to this segment changed from a reversal of provisions of ₩1 billion in 2022 to provisions of ₩2 billion in 2023, mainly due to a decrease in reversal of provisions for loans denominated in Korean Won.

Net other non-operating income attributable to this segment increased 66.7% from ₩3 billion in 2022 to ₩5 billion in 2023, mainly due to a decrease in certain non-operating expenses related to investment properties.

*Non-Life Insurance Operations*

This segment consists of the non-life insurance operations of KB Insurance. The following table shows, for the periods indicated, our income statement data for this segment:

| | Year Ended December 31, | | | Percentage Change | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2023/2022 | 2024/2023 |
| | (in billions of Won) | | | (%) | |
| **Income statement data** | | | | | |
| Interest income | ₩ 709 | ₩ 808 | ₩ 900 | 14.0 | 11.4 |
| Interest expense | (835) | (1,028) | (927) | 23.1 | (9.8) |
| Net fee and commission expense | (26) | (34) | (36) | 30.8 | 5.9 |
| Net insurance income | 987 | 960 | 1,092 | (2.7) | 13.8 |
| Net gains (losses) on financial instruments at fair value through profit or loss | (133) | 455 | 345 | N/M[1] | (24.2) |
| Net other insurance finance income (expenses) | 4 | (26) | (56) | N/M[1] | 115.4 |
| Net other operating expenses | (82) | (33) | (43) | (59.8) | 30.3 |
| General and administrative expenses | (134) | (142) | (140) | 6.0 | (1.4) |
| Reversal of (Provision for) credit losses | (18) | (14) | 2 | (22.2) | N/M[1] |
| Share of profit of associates and joint ventures | 1 | 2 | 2 | 100.0 | 0.0 |
| Net other non-operating income (expenses) | 190 | 15 | (13) | (92.1) | N/M[1] |
| **Profit before income tax expense** | 663 | 964 | 1,126 | 45.4 | 16.8 |
| Income tax expense | (144) | (250) | (286) | 73.6 | 14.4 |
| **Profit for the year** | ₩ 519 | ₩ 714 | ₩ 840 | 37.6 | 17.6 |

(1) "N/M" means not meaningful.

*Comparison of 2024 to 2023*

Our profit before income tax expense for this segment increased 16.8% from ₩964 billion in 2023 to ₩1,126 billion in 2024.

Interest income attributable to this segment increased 11.4% from ₩808 billion in 2023 to ₩900 billion in 2024, primarily due to increases in interest income earned on government bonds, other loans and debentures held by KB Insurance.

Interest expense attributable to this segment decreased 9.8% from ₩1,028 billion in 2023 to ₩927 billion in 2024, primarily due to a decrease in interest expenses incurred by KB Insurance from direct insurance contracts and investment contract liabilities.

Net fee and commission expense attributable to this segment increased 5.9% from ₩34 billion in 2023 to ₩36 billion in 2024, mainly due to a decrease in miscellaneous other fees received, which was mostly offset by decreases in other service fees and miscellaneous other fees paid.

Net insurance income attributable to this segment increased 13.8% from ₩960 billion in 2023 to ₩1,092 billion in 2024, primarily due to an increase in insurance income, mainly reflecting increases in expected incurred claims and recoveries from reinsurance contracts, the effects of which were mostly offset by a decrease in reinsurance income and an increase in insurance expenses.

Net gains on financial instruments at fair value through profit or loss attributable to this segment decreased 24.2% from ₩455 billion in 2023 to ₩345 billion in 2024, primarily as a result of a change in net valuation gains (losses) on other foreign currency-denominated investment securities from a net gain in 2023 to a net loss in 2024 and an increase in trading losses on foreign currency beneficiary certificates.

Net other insurance finance expenses increased 115.4% from ₩26 billion in 2023 to ₩56 billion in 2024, primarily due to a decrease in net insurance finance income, the effect of which was offset in part by an increase in net reinsurance finance income.

Net other operating expenses attributable to this segment increased 30.3% from ₩33 billion in 2023 to ₩43 billion in 2024, primarily due to increases in losses on valuations of currency forward contracts and sales of debt securities, the effects of which were mostly offset by an increase in other gains on fair value hedges.

General and administrative expenses attributable to this segment decreased 1.4% from ₩142 billion in 2023 to ₩140 billion in 2024, principally due to a decrease in supplies expense, which was mostly offset by an increase in depreciation and amortization.

Reversal of (provision for) credit losses attributable to this segment changed from a provision of ₩14 billion in 2023 to a reversal of provisions of ₩2 billion in 2024, primarily due to a decrease in provisions for credit losses of Won-denominated loans.

Share of profit of associates and joint ventures attributable to this segment remained stable at ₩2 billion in 2023 and 2024.

Net other non-operating income (expenses) attributable to this segment changed from net income of ₩15 billion in 2023 to net expenses of ₩13 billion in 2024, principally due to a decrease in miscellaneous other non-operating income and an increase in donations.

*Comparison of 2023 to 2022*

Our profit before income tax expense for this segment increased 45.4% from ₩663 billion in 2022 to ₩964 billion in 2023.

Interest income attributable to this segment increased 14.0% from ₩709 billion in 2022 to ₩808 billion in 2023, primarily due to increases in interest income earned on debentures, other financial bonds and government treasury bonds held by KB Insurance.

Interest expense attributable to this segment increased 23.1% from ₩835 billion in 2022 to ₩1,028 billion in 2023, primarily due to an increase in interest expenses on deposits related to insurance contracts.

Net fee and commission expense attributable to this segment increased 30.8% from ₩26 billion in 2022 to ₩34 billion in 2023, mainly due to an increase in other service fees paid, the effects of which were enhanced by a decrease in miscellaneous other fees received.

Net insurance income attributable to this segment decreased 2.7% from ₩987 billion in 2022 to ₩960 billion in 2023, primarily due to an increase in insurance expenses, mainly reflecting increases in insurance claims paid and insurance service expenses for insurance contracts applying the premium allocation method, the effects of which were mostly offset by an increase in insurance income, mainly reflecting increases in expected incurred claims as well as reinsurance income for reinsurance contracts applying the premium allocation method.

Net gains (losses) on financial instruments at fair value through profit or loss attributable to this segment changed from net losses of ₩133 billion in 2022 to net gains of ₩455 billion in 2023, primarily as a result of increases in valuation gains on other foreign currency-denominated securities, investment trust beneficiary certificates and foreign currency-denominated beneficiary certificates.

Net other insurance finance income (expenses) changed from net income of ₩4 billion in 2022 to net expenses of ₩26 billion in 2023, primarily due to a decrease in reinsurance finance income, the effect of which was offset in part by an increase in insurance finance income.

Net other operating expenses attributable to this segment decreased 59.8% from ₩82 billion in 2022 to ₩33 billion in 2023, primarily due to increases in gains on debt security transactions and gains on currency derivative transactions, the effects of which were offset in large part by decreases in other gains on fair value hedges and gains on foreign currency assets.

General and administrative expenses attributable to this segment increased 6.0% from ₩134 billion in 2022 to ₩142 billion in 2023, principally due to increases in salaries paid and depreciation and amortization expenses.

Provisions for credit losses attributable to this segment decreased 22.2% from ₩18 billion in 2022 to ₩14 billion in 2023, primarily due to an increase in reversal of provisions for credit losses of foreign currency loans, the effect of which was offset in part by increases in provisions for credit losses of securities in Korean Won and other financial assets.

Share of profit of associates and joint ventures attributable to this segment increased 100.0% from ₩1 billion in 2022 to ₩2 billion in 2023, primarily due to an increase in gains on valuation of equity-method investees.

Net other non-operating income attributable to this segment decreased 92.1% from ₩190 billion in 2022 to ₩15 billion in 2023, principally due to decreases in gains on disposal of investment property and gains on the disposal of assets held for sale.

***Other***

"Other" includes the operations of our holding company and all of our subsidiaries that were consolidated under IFRS as issued by the IASB as of December 31, 2024 except Kookmin Bank, KB Kookmin Card, KB Securities, KB Life Insurance and KB Insurance, including principally KB Asset Management, KB Real Estate Trust, KB Investment, KB Credit Information, KB Data System, KB Savings Bank and KB Capital. The following table shows, for the periods indicated, our income statement data for this segment:

| | Year Ended December 31, | | | Percentage Change | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2023/2022 | 2024/2023 |
| | (in billions of Won) | | | (%) | |
| **Income statement data** | | | | | |
| Interest income | ₩1,065 | ₩1,408 | ₩1,586 | 32.2 | 12.6 |
| Interest expense | (505) | (749) | (898) | 48.3 | 19.9 |
| Net fee and commission income | 1,145 | 1,213 | 1,249 | 5.9 | 3.0 |
| Net gains (losses) on financial instruments at fair value through profit or loss | 22 | 284 | (13) | N/M[1] | N/M[1] |
| Net other operating expenses | (608) | (749) | (378) | 23.2 | (49.5) |
| General and administrative expenses | (467) | (483) | (523) | 3.4 | 8.3 |
| Provision for credit losses | (178) | (554) | (414) | 211.2 | (25.3) |
| Share of profit (loss) of associates and joint ventures | (8) | 11 | 0 | N/M[1] | N/M[1] |
| Net other non-operating expenses | (5) | (11) | (47) | 120.0 | 327.3 |
| **Profit before income tax expense** | 461 | 370 | 562 | (19.7) | 51.9 |
| Income tax expense[2] | (113) | (64) | (89) | (43.4) | 39.1 |
| **Profit for the year** | ₩ 347 | ₩ 305 | ₩ 473 | (12.1) | 55.1 |

(1) "N/M" means not meaningful.

(2) Represents income tax attributable to our holding company and all of our subsidiaries that were consolidated under IFRS as issued by the IASB except Kookmin Bank, KB Kookmin Card, KB Securities (including its predecessor entities), KB Life Insurance and KB Insurance.

*Comparison of 2024 to 2023*

Our profit before income tax expense for this segment increased 51.9% from ₩370 billion in 2023 to ₩562 billion in 2024.

Interest income attributable to this segment increased 12.6% from ₩1,408 billion in 2023 to ₩1,586 billion in 2024, primarily due to increases in the average volumes of, and average yields on, loans and installment finance receivables of KB Capital.

Interest expense attributable to this segment increased 19.9% from ₩749 billion in 2023 to ₩898 billion in 2024, mainly due to increases in the average volume and average cost of debentures of KB Capital.

Net fee and commission income attributable to this segment increased 3.0% from ₩1,213 billion in 2023 to ₩1,249 billion in 2024, principally reflecting increases in trust fees received by KB Asset Management and credit-related fees received by KB Capital, the effects of which were offset in part by an increase in fees and commissions paid by our holding company and our consolidated funds.

Net gains (losses) on financial instruments at fair value through profit or loss attributable to this segment changed from net gains of ₩284 billion in 2023 to net losses of ₩13 billion in 2024, primarily as a result of an increase in losses on valuation of currency forward contracts held by our holding company and consolidated funds and, to a lesser extent, an increase in losses on valuation of other investment securities held by KB Investment.

Net other operating expenses attributable to this segment decreased 49.5% from ₩749 billion in 2023 to ₩378 billion in 2024, principally due to increases in gains on the valuation of foreign currency-denominated assets and liabilities of our consolidated funds and KB Investment.

General and administrative expenses attributable to this segment increased 8.3% from ₩483 billion in 2023 to ₩523 billion in 2024, which mainly reflected increases in the employee-related expenses of KB Asset Management and KB Capital.

Provision for credit losses decreased 25.3% from ₩554 billion in 2023 to ₩414 billion in 2024, primarily due to decreases in provisions for credit losses of loans of KB Savings Bank and KB Capital, as well as provisions for credit losses of other financial assets of KB Real Estate Trust.

Share of profit (loss) of associates and joint ventures attributable to this segment changed from profit of ₩11 billion in 2023 to losses of ₩0 billion in 2024, mainly reflecting a decrease in equity method gains of KB Investment.

Net other non-operating expenses attributable to this segment increased more than three-fold from ₩11 billion in 2023 to ₩47 billion in 2024, principally reflecting an increase in impairment losses on land and buildings held by our holding company and our consolidated funds.

*Comparison of 2023 to 2022*

Our profit before income tax expense for this segment decreased 19.7% from ₩461 billion in 2022 to ₩370 billion in 2023.

Interest income attributable to this segment increased 32.2% from ₩1,065 billion in 2022 to ₩1,408 billion in 2023, primarily due to increases in the average yields on loans of KB Capital and, to a lesser extent, KB Savings Bank.

Interest expense attributable to this segment increased 48.3% from ₩505 billion in 2022 to ₩749 billion in 2023, mainly due to increases in the average costs on debentures of KB Capital and the average costs on deposits of KB Savings Bank.

Net fee and commission income attributable to this segment increased 5.9% from ₩1,145 billion in 2022 to ₩1,213 billion in 2023, principally reflecting increases in the operating lease fees received by our consolidated funds and, to a lesser extent, the lease and rental fees received by KB Capital, the effects of which were offset in part by a decrease in miscellaneous other fees received by KB Real Estate Trust.

Net gains on financial instruments at fair value through profit or loss attributable to this segment increased significantly from ₩22 billion in 2022 to ₩284 billion in 2023, primarily as a result of an increase in distributions of profit from our consolidated funds and an increase in gains on valuation of hybrid securities of our holding company.

Net other operating expenses attributable to this segment increased 23.2% from ₩608 billion in 2022 to ₩749 billion in 2023, principally due to an increase in other provisions for KB Real Estate Trust, a decrease in gains on foreign currency transactions of our consolidated funds and an increase in depreciation expenses with respect to leased assets of KB Capital.

General and administrative expenses attributable to this segment increased 3.4% from ₩467 billion in 2022 to ₩483 billion in 2023, which mainly reflected increases in amortization expenses for other intangible assets and utility expenses of KB Savings Bank.

Provision for credit losses increased over two-fold from ₩178 billion in 2022 to ₩554 billion in 2023, primarily due to increases in provisions for credit losses of loans in Korean Won of KB Capital and KB Savings Bank, the effects of which were enhanced by an increase in provisions for credit losses of other financial assets of KB Real Estate Trust.

Share of profit (loss) of associates and joint ventures attributable to this segment changed from losses of ₩8 billion in 2022 to a profit of ₩11 billion in 2023, mainly reflecting an increase in valuation gains on equity-method investments, and a decrease in valuation losses on equity-method investments, of KB Investment.

Net other non-operating expenses attributable to this segment increased 120.0% from ₩5 billion in 2022 to ₩11 billion in 2023, principally reflecting an increase in other non-operating expenses of our consolidated funds, the effect of which was offset in part by an increase in other non-operating income of our holding company.

## Item 5.B. *Liquidity and Capital Resources*

### Financial Condition

#### *Assets*

The following table sets forth, as of the dates indicated, the principal components of our assets:

| | As of December 31, | | Percentage Change |
|---|---|---|---|
| | 2023 | 2024 | 2024/2023 |
| | (in billions of Won) | | (%) |
| Cash and due from financial institutions | ₩ 29,836 | ₩ 29,869 | 0.1% |
| Financial assets at fair value through profit or loss | 77,038 | 79,450 | 3.1 |
| Derivative financial assets | 6,158 | 11,731 | 90.5 |
| Financial investments | 122,200 | 131,009 | 7.2 |
| Loans measured at amortized cost: | | | |
| Loans to banks | 11,549 | 9,800 | (15.1) |
| Loans to customers other than banks: | | | |
| Loans in Korean Won | 368,637 | 391,501 | 6.2 |
| Loans in foreign currencies | 30,309 | 32,933 | 8.7 |
| Domestic import usance bills | 3,399 | 3,791 | 11.5 |
| Off-shore funding loans | 508 | 626 | 23.2 |
| Call loans | 269 | — | (100.0) |
| Bills bought in Korean Won | 2 | 2 | 0.0 |
| Bills bought in foreign currencies | 1,277 | 2,379 | 86.3 |
| Guarantee payments under acceptances and guarantees | 20 | 17 | (15.0) |
| Credit card receivables in Korean Won | 22,305 | 23,436 | 5.1 |
| Credit card receivables in foreign currencies | 45 | 42 | (6.7) |
| Bonds purchased under repurchase agreements | 3,633 | 4,967 | 36.7 |
| Privately placed bonds | 902 | 390 | (56.8) |
| Factored receivables | 0 | 63 | N/A[1] |
| Lease receivables | 785 | 601 | (23.4) |
| Loans for installment credit | 6,608 | 7,126 | 7.8 |
| Total loans to customers other than banks | 438,699 | 467,874 | 6.7 |
| Less: | | | |
| Allowances for credit losses | (5,442) | (5,602) | 2.9 |
| Total loans measured at amortized cost, net | 444,805 | 472,072 | 6.1 |
| Insurance contract assets | 230 | 276 | 20.0 |
| Reinsurance contract assets | 1,642 | 1,497 | (8.8) |
| Property and equipment | 4,946 | 5,390 | 9.0 |
| Other assets[2] | 28,871 | 26,551 | (8.0) |
| Total assets | ₩715,725 | ₩757,846 | 5.9% |

(1) "N/A" means not applicable.

(2) Includes investments in associates and joint ventures, investment property, intangible assets, net defined benefit assets, current income tax assets, deferred income tax assets, assets held for sale and miscellaneous other assets.

For further information on our assets, see "Item 4.B. Business Overview—Assets and Liabilities."

Our total assets increased 5.9% from ₩715,725 billion as of December 31, 2023 to ₩757,846 billion as of December 31, 2024, principally due to a 6.1% increase in loans from ₩444,805 billion as of December 31, 2023 to ₩472,072 billion as of December 31, 2024, which was enhanced by a 7.2% increase in financial investments from ₩122,200 billion as of December 31, 2023 to ₩131,009 billion as of December 31, 2024 and a 90.5%

increase in derivative financial assets from ₩6,158 billion as of December 31, 2023 to ₩11,731 billion as of December 31, 2024. The increase in loans was mainly due to an increase in loans in Korean Won and, to a lesser extent, an increase in loans in foreign currencies. The increase in financial investments was primarily due to an increase in debt securities measured at fair value through other comprehensive income, which was offset in part by a decrease in debt securities measured at amortized cost. The increase in derivative financial assets was mainly due to an increase in such assets from the finance and insurance industries.

***Liabilities and Equity***

The following table sets forth, as of the dates indicated, the principal components of our liabilities and our equity:

| | As of December 31, | | Percentage Change |
|---|---|---|---|
| | 2023 | 2024 | 2024/2023 |
| | (in billions of Won) | | (%) |
| Liabilities: | | | |
| Financial liabilities at fair value through profit or loss | ₩ 10,920 | ₩ 10,720 | (1.8)% |
| Deposits | 406,512 | 435,688 | 7.2 |
| Borrowings | 69,584 | 68,077 | (2.2) |
| Debentures | 69,177 | 76,171 | 10.1 |
| Insurance contract liabilities | 50,618 | 55,864 | 10.4 |
| Reinsurance contract liabilities | 36 | 56 | 55.6 |
| Provisions | 1,444 | 928 | (35.7) |
| Other liabilities[1] | 48,798 | 50,526 | 3.5 |
| Total liabilities | 657,089 | 698,030 | 6.2 |
| Equity: | | | |
| Share capital | 2,091 | 2,091 | 0.0 |
| Hybrid securities | 5,033 | 5,083 | 1.0 |
| Capital surplus | 16,648 | 16,647 | 0.0 |
| Accumulated other comprehensive income | 2,153 | 497 | (76.9) |
| Retained earnings | 31,935 | 34,808 | 9.0 |
| Treasury shares | (1,166) | (1,236) | 6.0 |
| Equity attributable to shareholders of the Parent Company | 56,693 | 57,889 | 2.1 |
| Non-controlling interests | 1,944 | 1,926 | (0.9) |
| Total equity | 58,636 | 59,815 | 2.0 |
| Total liabilities and equity | ₩715,725 | ₩757,846 | 5.9% |

(1) Includes derivative financial liabilities, current income tax liabilities, deferred income tax liabilities, net defined benefit liabilities and miscellaneous other liabilities.

Our total liabilities increased 6.2% from ₩657,089 billion as of December 31, 2023 to ₩698,030 billion as of December 31, 2024. Such increase was primarily due to a 7.2% increase in deposits from ₩406,512 billion as of December 31, 2023 to ₩435,688 billion as of December 31, 2024, which was enhanced by a 10.1% increase in debentures from ₩69,177 billion as of December 31, 2023 to ₩76,171 billion as of December 31, 2024. Our deposits increased mainly as a result of an increase in time deposits and, to a lesser extent, demand deposits. The increase in debentures resulted mainly from an increase in debentures denominated in Korean Won and, to a lesser extent, in foreign currencies.

Our total equity increased 2.0% from ₩58,636 billion as of December 31, 2023 to ₩59,815 billion as of December 31, 2024. This increase mainly resulted from an increase in our retained earnings, which was offset in part by a decrease in our accumulated other comprehensive income.

***Liquidity***

Our primary source of funding has historically been and continues to be deposits. Deposits amounted to ₩406,512 billion and ₩435,688 billion as of December 31, 2023 and 2024, which represented approximately 74.6% and 75.1% of our total funding, respectively. We have been able to use customer deposits to finance our operations generally, including meeting a portion of our liquidity requirements. Although the majority of deposits are short-term, it has been our experience that the majority of our depositors generally roll over their deposits at maturity, thus providing us with a stable source of funding. However, in the event that a substantial number of our depositors do not roll over their deposits or otherwise decide to withdraw their deposited funds, we would need to place increased reliance on alternative sources of funding, some of which may be more expensive than customer deposits, in order to finance our operations. See "Item 3.D. Risk Factors—Risks relating to liquidity and capital management—Our funding is highly dependent on short-term deposits, which dependence may adversely affect our operations." In particular, we may increase our utilization of alternative funding sources such as short-term borrowings and cash and cash equivalents (including funds from maturing loans), as well as liquidating our positions in financial assets and using the proceeds to fund parts of our operations, as necessary.

We also obtain funding through debentures and borrowings to meet our liquidity needs. Debentures represented 12.7% and 13.1% of our total funding as of December 31, 2023 and 2024, respectively. Borrowings represented 12.8% and 11.7% of our total funding as of December 31, 2023 and 2024, respectively. For further information on our sources of funding, see "Item 4.B. Business Overview—Assets and Liabilities—Funding."

The Financial Services Commission of Korea requires each financial holding company in Korea to maintain specific Won and foreign currency liquidity ratios and each bank in Korea to maintain a liquidity coverage ratio and a foreign currency liquidity coverage ratio. These ratios require us and Kookmin Bank to keep the ratio of liquid assets to liquid liabilities above certain minimum levels. For a description of these requirements, see "Item 4.B. Business Overview—Supervision and Regulation—Principal Regulations Applicable to Financial Holding Companies—Liquidity" and "Item 4.B. Business Overview—Supervision and Regulation—Principal Regulations Applicable to Banks—Liquidity."

We are exposed to liquidity risk arising from withdrawals of deposits, payments of insurance contract claims and refunds, and maturities of our debentures and borrowings, as well as the need to fund our lending, trading and investment activities (including our capital expenditures) and the management of our trading positions. The goal of liquidity management is for us to be able, even under adverse conditions, to meet all of our liability repayments on time and fund all investment opportunities. For an explanation of how we manage our liquidity risk, see "Item 11. Quantitative and Qualitative Disclosures about Market Risk—Liquidity Risk Management." From time to time, we engage in the purchase and/or cancellation of our own equity securities, as part of our efforts to generate additional shareholder value. For example, in August 2024, we canceled an aggregate of 9,982,649 of our shares of common stock, which we acquired as treasury shares for an aggregate of approximately ₩620 billion through Samsung Securities Co., Ltd. pursuant to trust agreements entered into in August 2023 and February 2024. To date, we have completed the acquisition of an aggregate of 5,664,971 of our shares of common stock for an aggregate of approximately ₩500 billion through Samsung Securities Co., Ltd. pursuant to trust agreements entered into in August 2024 and November 2024. More recently, in February 2025, our board of directors resolved to acquire, by May 2025, our shares of common stock in the aggregate amount of approximately ₩520 billion by purchasing such shares on the Korea Exchange through KB Securities Co., Ltd. We currently intend to cancel all such shares of common stock. See "Item 16E. Purchase of Equity Securities by the Issuer and Affiliated Purchasers" and Note 27.6 of the notes to our consolidated financial statements.

We are a financial holding company, and substantially all of our operations are in our subsidiaries. Accordingly, we rely on distributions from our subsidiaries (as well as associates), direct borrowings and issuances of debt and equity securities to fund our liquidity obligations at the holding company level. We received aggregate dividends of ₩1,871 billion, ₩2,192 billion and ₩2,243 billion from our subsidiaries and associates in 2022, 2023 and 2024, respectively. See "Item 3.D. Risk Factors—Risks relating to our financial holding company structure and strategy."

*Asset Encumbrance*

Part of our future funding and collateral needs are supported by assets readily available and unrestricted. The following table sets forth our assets that are available and those that are encumbered and not available to support our future funding and collateral needs as of December 31, 2024.

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | | | Unencumbered Assets | |
| | Assets | Encumbered Assets[1] | Readily Available[2] | Other |
| | (in billions of Won) | | | |
| **On-balance sheet** | | | | |
| Cash and due from financial institutions | ₩ 29,869 | ₩ 6,326 | ₩21,004 | ₩ 2,539 |
| Financial assets at fair value through profit or loss | 79,450 | 15,887 | 22,575 | 40,988 |
| Derivative financial assets | 11,731 | — | — | 11,731 |
| Loans measured at amortized cost | 472,072 | 19,645 | — | 452,427 |
| Financial investments | 131,009 | 25,812 | 52,786 | 52,411 |
| Investments in associates and joint ventures | 947 | — | — | 947 |
| Insurance contract assets | 276 | — | — | 276 |
| Reinsurance contract assets | 1,497 | — | — | 1,497 |
| Property and equipment | 5,390 | — | — | 5,390 |
| Investment property | 3,759 | 1,200 | — | 2,559 |
| Intangible assets | 1,967 | — | — | 1,967 |
| Net defined benefit assets | 259 | — | — | 259 |
| Current income tax assets | 340 | — | — | 340 |
| Deferred income tax assets | 279 | — | — | 279 |
| Assets held for sale | 137 | — | — | 137 |
| Other assets | 18,864 | 926 | — | 17,938 |
| **Total on-balance sheet** | ₩757,846 | ₩ 69,796 | ₩96,365 | ₩591,685 |
| **Off-balance sheet** | | | | |
| Fair value of securities accepted as collateral | ₩ 4,933 | ₩ — | ₩ 4,933 | ₩ — |
| **Total off-balance sheet** | ₩ 4,933 | ₩ — | ₩ 4,933 | ₩ — |

(1) Represents assets that have been pledged as collateral against an existing liability or are otherwise restricted in their use to secure funding.

(2) Represents those on- and off-balance sheet assets that are not otherwise encumbered, and which are in freely transferable form.

*Commitments and Guarantees*

The following table sets forth our commitments and guarantees as of December 31, 2024. These commitments and guarantees are not included within our consolidated statements of financial position.

| | Payments Due by Period | | | | |
|---|---|---|---|---|---|
| | Total | 1 Year or Less | 1-3 Years | 3-5 Years | More Than 5 Years |
| | (in billions of Won) | | | | |
| Financial guarantees[1] | ₩ 7,239 | ₩ 4,146 | ₩ 2,949 | ₩ 95 | ₩ 49 |
| Confirmed acceptances and guarantees | 12,608 | 6,335 | 5,187 | 835 | 251 |
| Commitments | 212,131 | 149,135 | 8,173 | 5,993 | 48,830 |
| Total | ₩231,978 | ₩ 159,616 | ₩16,309 | ₩6,923 | ₩ 49,130 |

(1) Includes ₩5,788 billion of irrevocable commitments to provide contingent liquidity credit lines to special purpose entities for which we serve as the administrator. See Note 40 of the notes to our consolidated financial statements included elsewhere in this annual report.

***Capital Adequacy***

Kookmin Bank is subject to capital adequacy requirements of the Financial Services Commission applicable to Korean banks. The requirements applicable commencing in December 2013 pursuant to amended Financial Services Commission regulations promulgated in July 2013 were formulated based on Basel III, which was first introduced by the Basel Committee on Banking Supervision, Bank for International Settlements in December 2009. Under the amended Financial Services Commission regulations, all banks in Korea are required to maintain certain minimum ratios of common equity Tier I capital, total Tier I capital and total Tier I and Tier II capital to risk-weighted assets. See "Item 4.B. Business Overview—Supervision and Regulation—Principal Regulations Applicable to Banks—Capital Adequacy."

As of December 31, 2024, Kookmin Bank's total Tier I and Tier II capital adequacy ratio was 17.31%.

The following table sets forth a summary of Kookmin Bank's capital and capital adequacy ratios as of December 31, 2023 and 2024, based on applicable regulatory reporting standards.

| | As of December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | (in billions of Won, except percentages) | |
| Tier I capital: | ₩ 33,479 | ₩ 35,059 |
| Common equity Tier I capital | 32,196 | 33,993 |
| Paid-in capital | 2,022 | 2,022 |
| Capital reserves | 4,735 | 4,650 |
| Retained earnings | 27,718 | 29,428 |
| Non-controlling interests in consolidated subsidiaries | — | — |
| Others | (2,279) | (2,107) |
| Additional Tier I capital | 1,283 | 1,066 |
| Tier II capital: | 5,561 | 5,515 |
| Revaluation reserves | — | — |
| Allowances for credit losses[1] | 1,266 | 1,291 |
| Hybrid debt | — | — |
| Subordinated debt | 4,295 | 4,224 |
| Valuation gain on financial investments | — | — |
| Others | — | — |
| Total core and supplementary capital | 39,040 | 40,574 |
| Risk-weighted assets | 215,962 | 234,436 |
| Credit risk: | 194,210 | 205,656 |
| Market risk | 7,068 | 5,889 |
| Operational risk | 14,684 | 22,891 |
| Total Tier I and Tier II capital adequacy ratio | 18.08% | 17.31% |
| Tier I capital adequacy ratio | 15.50% | 14.95% |
| Common equity Tier I capital adequacy ratio | 14.91% | 14.50% |
| Tier II capital adequacy ratio | 2.58% | 2.35% |

(1) Under the standardized approach, allowances for credit losses in respect of credits classified as normal or precautionary are used to calculate Tier II capital only to the extent they represent up to 1.25% of credit risk-weighted assets. Under the internal ratings-based approach, allowances for credit losses, less estimated losses, are used to calculate Tier II capital only to the extent they represent up to 0.6% of credit risk-weighted assets.

In addition, we, as a bank holding company, are required to maintain certain minimum capital adequacy ratios pursuant to applicable regulations of the Financial Services Commission. See "Item 4.B. Business Overview—Supervision and Regulation—Principal Regulations Applicable to Financial Holding Companies—Capital Adequacy."

The following table sets forth a summary of our consolidated capital adequacy ratio as of December 31, 2023 and 2024, based on applicable regulatory reporting standards.

| | As of December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | (in billions of Won) | |
| Tier I capital | | |
| Common equity Tier I capital | ₩ 43,664 | ₩ 46,794 |
| Additional Tier I capital | 5,727 | 5,683 |
| Total Tier I capital | ₩ 49,391 | ₩ 52,477 |
| Tier II capital | 4,353 | 4,372 |
| Risk-weighted assets | ₩321,319 | ₩345,981 |
| Total Tier I and Tier II capital adequacy ratio | 16.73% | 16.43% |
| Tier I capital adequacy ratio | 15.37% | 15.17% |
| Common equity Tier I capital adequacy ratio | 13.59% | 13.53% |
| Tier II capital adequacy ratio | 1.35% | 1.26% |

**Recent Accounting Pronouncements**

See Note 2.1 of the notes to our consolidated financial statements included elsewhere in this annual report for a description of other recent accounting pronouncements under IFRS as issued by the IASB that have been issued but are not yet effective.

**Item 5.C.** ***Research and Development, Patents and Licenses, etc.***

Not applicable.

**Item 5.D.** ***Trend Information***

These matters are discussed under Item 5.A. and Item 5.B. above where relevant.

**Item 5.E.** ***Critical Accounting Estimates***

Not applicable.

## Item 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

**Item 6.A.** ***Directors and Senior Management***

**Board of Directors**

Our board of directors, currently consisting of one executive director, one non-standing director and seven non-executive directors, has the ultimate responsibility for the management of our affairs.

Our articles of incorporation provide that:

- we may have no more than 30 directors;
- the number of executive directors must be less than 50% of the total number of directors; and
- we have five or more non-executive directors.

The term of office for each director is renewable and is subject to the Korean Commercial Code, the Act on the Corporate Governance of Financial Companies and related regulations.

Our board of directors meets on a regular basis to discuss and resolve material corporate matters. Additional extraordinary meetings may also be convened at the request of any director or any committee that serves under the board of directors.

The names and positions of our directors are set forth below. The business address of all of the directors is our registered office at 26, Gukjegeumyung-ro 8-gil, Yeongdeungpo-gu, Seoul 07331, Korea.

**Executive Director**

The table below identifies our executive director as of the date of this annual report:

| Name | Date of Birth | Position | Director Since | End of Term |
|---|---|---|---|---|
| Jong Hee Yang | June 10, 1961 | Chairman and Chief Executive Officer | November 21, 2023 | November 20, 2026 |

Our executive director does not have any significant activities outside KB Financial Group.

*Jong Hee Yang* is our chairman and chief executive officer. He became an executive director in November 2023. He previously served as our vice chairman, as well as the head of our retail customer business unit, our wealth management and pension business unit and our small and medium enterprise business unit. He has also served as the chief executive officer of KB Insurance Co., Ltd. Mr. Yang received a B.A. in history from Seoul National University.

**Non-standing Director**

The table below identifies our non-standing director as of the date of this annual report:

| Name | Date of Birth | Position | Director Since | End of Term |
|---|---|---|---|---|
| Hwan Ju Lee | October 26, 1964 | Non-standing director; President and Chief Executive Officer of Kookmin Bank | March 26, 2025 | Annual general meeting of shareholders in 2027 |

*Hwan Ju Lee* has been a non-standing director since March 2025. He currently serves as the president and chief executive officer of Kookmin Bank. Mr. Lee previously served as the chairman and chief executive officer of KB Life Insurance (before and after the merger with Prudential Life Insurance in 2022), our senior executive vice president and chief financial officer, and the senior executive vice president and head of strategy and finance planning group of Kookmin Bank. Mr. Lee received a B.A. in management from Sungkyunkwan University and an M.B.A. from the Helsinki School of Economics.

**Non-executive Directors**

Our non-executive directors are selected based on the candidates' knowledge and experience in diverse areas, such as finance, business management, accounting, laws and regulations, risk management, economics, ESG and consumer protection and digital and information technology. All seven non-executive directors below were nominated by our Non-executive Director Nominating Committee and approved by our shareholders.

The table below identifies our non-executive directors as of the date of this annual report:

| Name | Date of Birth | Position | Director Since | Date Term Ends[1] |
|---|---|---|---|---|
| Whajoon Cho | February 24, 1957 | Non-executive Director | March 24, 2023 | March 25, 2026 |
| Jungsung Yeo | April 1, 1960 | Non-executive Director | March 24, 2023 | March 25, 2026 |
| Jaehong Choi | August 1, 1962 | Non-executive Director | March 25, 2022 | March 25, 2026 |
| Eun Young Chah | October 25, 1962 | Non-executive Director | March 26, 2025 | March 25, 2027 |
| Myong-Hwal Lee | May 4, 1964 | Non-executive Director | March 22, 2024 | March 21, 2026 |
| Sung-Yong Kim | March 16, 1966 | Non-executive Director | March 24, 2023 | March 25, 2026 |
| Sun Yeop Kim | November 24, 1969 | Non-executive Director | March 26, 2025 | March 25, 2027 |

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

*Whajoon Cho* has been a non-executive director since March 2023. She previously served as the auditor of Mercedes-Benz Financial Services Korea Limited, the president, chief executive officer and chief financial officer of KT Capital Corporation, the chief financial officer of BC Card Co., Ltd. and the investor relations officer at KT Corporation. Ms. Cho received a B.A. in mass communication from Sogang University, an M.A. in sociology from Indiana University, an M.S. in accounting from University of Wisconsin, Madison and a Ph.D. in accounting from Indiana University.

*Jungsung Yeo* has been a non-executive director since March 2023. She is currently a professor in the Department of Consumer Science at Seoul National University and the chairperson of the Consumer Policy Committee of the Korean Government. She previously served as the executive vice president for Academic Affairs at Seoul National University, the executive vice president for Planning and Communication at Seoul National University, the president of the Korean Society of Consumer Studies, a commissioner of the Personal Information Protection Commission of Korea and a commissioned member of the National Economic Advisory Council under the President of Korea. Ms. Yeo received a B.S. in home economics from Seoul National University and an M.S. and a Ph.D. in consumer economics from Cornell University.

*Jaehong Choi* has been a non-executive director since March 2022. He is currently a professor at the Startup College of Gachon University. He previously served as a non-executive director at Kakao Corp., an advisor at NHN Japan Corp. and an advisor at eSamsung Japan Corp. Mr. Choi received a B.S., M.S. and Ph.D. in electronic engineering from Hanyang University.

*Eun Young Chah* has been a non-executive director since March 2025. She is currently a professor of economics and the dean of the College of Social Sciences and Graduate School of Policy Sciences at Ewha Womans University. She previously served as the president of the Korean Women Economists Association, an advisory member of the Financial Supervisory Service, a non-executive director of Samsung Card and Hana Financial Group and a member of the National Economic Advisory Council of the President. Ms. Chah received a B.A. in economics from Ewha Womans University and an M.A. and a Ph.D. in economics from the University of California, San Diego.

*Myong-Hwal Lee* has been a non-executive director since March 2024. He is currently a senior research fellow and a director at the Korea Institute of Finance. He previously served as a member of the sanction review committee of the Financial Supervisory Service, a member of the Postal Services Steering Committee, the vice president of the Korea Institute of Finance and the vice president of the Korea Money and Finance Association. Mr. Lee received a B.A. in economics from Seoul National University and an M.S. and Ph.D. in economics from the University of Texas at Austin.

*Sung-Yong Kim* has been a non-executive director since March 2023. He is currently a professor at Sungkyunkwan University Law School. He previously served as the chair of the Insolvency Law Institute of Korea, a non-standing commissioner of the Securities and Futures Commission, a member of the management committee for the Key Industries Stabilization Fund and a non-executive director at Woori Bank. Mr. Kim received an LL.B. from Seoul National University College of Law and an LL.M. from the University of Pennsylvania Law School.

*Sun Yeop Kim* has been a non-executive director since March 2025. He is currently the chief executive officer of E-Jung Accounting Corporation. He previously served as a non-executive director at FARMSCO, a member of the Public Institutions Management Evaluation Committee of the Ministry of Economy and Finance and the head of the financial services/strategy division at Deloitte Anjin LLC. He is also a certified public accountant in Korea and the United States. Mr. Kim received a B.A. and M.S. in business administration from Seoul National University and a Ph.D. in ESG accounting from the University of Seoul.

Any director having an interest in a transaction that is subject to approval by the board of directors may not vote at the meeting during which the board approves the transaction.

**Executive Officers**

The table below identifies our executive officers who are not executive directors as of the date of this annual report:

| Name | Date of Birth | Position |
|---|---|---|
| Jae Keun Lee . . . . . | May 27, 1966 | Senior Executive Vice President and Chief Business Officer of Global |
| Chang Kwon Lee . . . | November 15, 1965 | Senior Executive Vice President and Chief Digital Officer and Chief IT Officer |
| Dae Hwan Lim . . . . . | November 8, 1965 | Executive Vice President and Chief Compliance Officer |
| Young June Park . . . . | November 30, 1969 | Senior Managing Director and Chief Strategy Officer |
| Bong Joong Kwon . . . | November 5, 1969 | Senior Managing Director and Head of the IR Division |
| Hong Sun Yum . . . . . | February 13, 1971 | Senior Managing Director and Chief Risk Management Officer |
| Hyo Ik Park . . . . . | January 7, 1970 | Senior Managing Director and Chief Business Officer of Insurance |
| Shin Dong Jeung . . . . | January 1, 1966 | Senior Managing Director and Head of KB Research |
| Young Gi Seo . . . . . | August 26, 1965 | Senior Managing Director and Head of Financial Policy and Institution Research Center under KB Research |
| Dae Hyun Cha . . . . . | January 30, 1966 | Senior Managing Director and Chief Officer of the Audit Department |
| Keoung Nam Kim . . . | August 9, 1967 | Managing Director and Head of the ESG Division |
| Sang Rok Na . . . . . | August 17, 1972 | Managing Director and Chief Financial Officer |
| Hyo Sung Jeon . . . . . | March 24, 1971 | Managing Director and Chief Human Resources Officer |
| Jin Young Park . . . . . | September 12, 1972 | Chief Public Relations Officer |
| Young Sei Park . . . . . | January 24, 1968 | Chief Consumer Protection Officer |
| Young Suh Cho . . . . . | February 25, 1971 | Head of the AI·Digital Division |
| Sang Won Oh . . . . . | December 17, 1967 | Head of the IT Division |
| Byoung Jip Kim . . . . | April 10, 1980 | Head of the Financial AI Center 1 |
| Kyeong Jong Lee . . . | February 6, 1978 | Head of the Financial AI Center 2 |
| Hyun Jung Lee . . . . . | March 13, 1977 | Head of the Customer Experience Design Center |
| Byoung Ha Choi . . . . | September 13, 1972 | Head of the Group Architecture Center |
| Joo Hyun Kim . . . . . | November 15, 1970 | Head of the Group Cloud Center |
| Myoung Hwa Park . . | December 15, 1969 | Head of the Planning and Coordination Department |

None of the executive officers has any significant activities outside KB Financial Group.

*Jae Keun Lee* is a senior executive vice president and our chief business officer of Global. He previously served as our non-standing director and the president and chief executive officer of Kookmin Bank. Mr. Lee received a B.A. in mathematics and an M.A. in economics from Sogang University, and an M.B.A. in financial engineering from KAIST.

*Chang Kwon Lee* is a senior executive vice president and our chief digital officer and chief IT officer. He previously served as the CEO of KB Kookmin Card. Mr. Lee received a B.A. in applied statistics from Korea University.

*Dae Hwan Lim* is an executive vice president and our chief compliance officer. He previously served as a senior managing director of the capital markets sales division at Kookmin Bank. Mr. Lim received a B.A. in economics from Jeonbuk National University.

*Young June Park* is a senior managing director and our chief strategy officer. He previously served as a senior managing director of the management strategy division at KB Asset Management. Mr. Park received a B.A. in economics from Korea University.

*Bong Joong Kwon* is a senior managing director and the head of our IR division. He previously served as the general manager of our IR department. Mr. Kwon received a B.A. in law from Hallym University and an M.B.A. from Yonsei University.

*Hong Sun Yum* is a senior managing director and our chief risk management officer. He previously served as a senior managing director of the risk management division at KB Securities. Mr. Yum received a B.A. in journalism from Sogang University.

*Hyo Ik Park* is a senior managing director and our chief business officer of insurance. He previously served as a managing director of the retail marketing division at KB Insurance. Mr. Park received a B.A. and an M.A. in business administration from Seoul National University.

*Shin Dong Jeung* is a senior managing director and the head of KB Research. He previously served as the chief audit executive at KB Savings Bank Co., Ltd. Mr. Jeung received a B.A. and an M.A. in economics from Seoul National University and a Ph.D. in economics from Michigan State University.

*Young Gi Seo* is a senior managing director and the head of Financial Policy and Institution Research Center under KB Research, as well as the vice head of KB Research. Mr. Seo received a B.A. in philosophy from Yonsei University and an M.A. in business administration from Soongsil University.

*Dae Hyun Cha* is a senior managing director and our chief officer of the audit department. He previously served as the head of the audit operations division at Kookmin Bank. Mr. Cha received a B.A. in accounting from Dong-eui University and an M.A. in business administration from Korea University.

*Keoung Nam Kim* is a managing director and the head of our ESG division. She previously served as the head of the foreign exchange business division at Kookmin Bank. Ms. Kim received a B.A. in German language from Chung-Ang University and an M.A in economics from Sogang University.

*Sang Rok Na* is a managing director and our chief financial officer. He previously served as a general manager at the Seongsuyeok branch of Kookmin Bank. Mr. Na received a B.A. in economics from Sogang University and an M.A in business administration from Emory University.

*Hyo Sung Jeon* is a managing director and our chief human resources officer. He previously served as a general manager of our human resources department. Mr. Jeon received a B.A. in accounting from Kyungpook National University.

*Jin Young Park* is our chief public relations officer. He also serves as a managing director of Kookmin Bank's brand and public relations group. He previously served as a general manager of our brand strategy department. Mr. Park received a B.A. and an M.A. in business administration from Sogang University.

*Young Sei Park* is our chief consumer protection officer. He also serves as a senior executive vice president of Kookmin Bank's consumer protection group. He previously served as the head of the operations support division at Kookmin Bank. Mr. Park received a B.A. in political diplomacy from Inha University and an M.A. in business administration from University of Washington.

*Young Suh Cho* is the head of our AI·Digital division. He also serves as a senior executive vice president of Kookmin Bank's AI·DT initiative group. He previously served as a senior executive vice president and our chief digital officer and chief IT officer. Mr. Cho received a B.A. in economics from Seoul National University and an M.B.A. from Columbia University.

*Sang Won Oh* is the head of our IT division. He also serves as a senior executive vice president of the tech group at Kookmin Bank. He previously served as the head of the tech service division at Kookmin Bank. Mr. Oh received a B.S. in statistics from Dong-A University.

*Byoung Jip Kim* is the head of our Financial AI Center 1. He also serves as a managing director of Kookmin Bank's Financial AI Center 1. He previously served as a research scientist at the Advanced Machine Learning Lab at LG AI Research. Mr. Kim received a B.S. and an M.S. in electrical engineering and a Ph.D. in computer science from KAIST.

*Kyeong Jong Lee* is the head of our Financial AI Center 2. He also serves as a managing director of Kookmin Bank's Financial AI Center 2. He previously served as the head of the AI center of NCSoft Corporation. Mr. Lee received a B.S. in computer science from Korea University and an M.S. in computer engineering from Seoul National University.

*Hyun Jung Lee* is the head of our customer experience design center. She also serves as the head of the customer experience design center at Kookmin Bank. She previously served as a principal designer of the customer experience strategy group at Samsung SDS. Ms. Lee received a B.S. in mathematics and an M.A. in business administration from Seoul National University.

*Byoung Ha Choi* is the head of our group architecture center. He also serves as the head of the tech development division of Kookmin Bank. He previously served as the general manager of the tech development department of Kookmin Bank. Mr. Choi received a B.A. in management information from Kookmin University.

*Joo Hyun Kim* is the head of our group cloud center. He also serves as the head of the cloud platform department of Kookmin Bank. He previously served as the head of the cloud service technology center at Naver Cloud. Mr. Kim received a B.S. in computer science and statistics from Seoul National University.

*Myoung Hwa Park* is the head of our planning and coordination department. He is also the head of Kookmin Bank's planning and coordination department. He previously served as the head of Kookmin Bank's embedded sales division. Mr. Park received a B.A. in law from Pai Chai University.

### Item 6.B. *Compensation*

The aggregate remuneration paid and benefits-in-kind granted, excluding stock grants, by us and our subsidiaries to our chairman and chief executive officer, our other executive and non-standing directors, our non-executive directors and our executive officers for the year ended December 31, 2024 was ₩19,618 million. For the year ended December 31, 2024, we set aside ₩388 million for allowances for severance and retirement benefits for our chairman and chief executive officer, the other executive directors and our executive officers.

Among those who received total annual compensation exceeding ₩500 million in 2024 at the holding company level, the five highest-paid individuals were as follows:

| Name | Position | Total Compensation in 2024 (in millions of Won)[1] | Incentive Compensation for Payment Subsequent to 2024 (number of shares)[2] |
|---|---|---|---|
| Jong Hee Yang ..... | Chairman and Chief Executive Officer | ₩1,848 | 7,024 |
| Scott Y.H. Seo ..... | Senior Executive Vice President and Chief Business Officer of Global | 792 | 6,677 |
| Bong Joong Kwon ... | Senior Managing Director and Head of the IR Division | 605 | 3,084 |
| Sang Duk Kim ..... | General Manager of the Accounting Department | 509 | — |
| Cheal Soo Choi ..... | Senior Executive Vice President and Chief Risk Management Officer | 504 | 1,515 |

(1) Includes annual salary and performance-based incentive payments paid by the holding company.

(2) Consists of performance-based shares expected to be granted by the holding company in the future. The actual payment amount will be determined at the time of payment based on the then-current market price of our common shares.

We do not have service contracts with any of our directors or executive officers providing for benefits upon termination of their employment with us.

In 2008, we established a stock grant plan. Pursuant to this plan, we have entered into performance share agreements with certain of our and our subsidiaries' directors and executive officers, whereby we may grant shares of our common stock (or the equivalent monetary amount based on the market value of such shares) within specified periods as long-term incentive performance shares in accordance with pre-determined performance targets. See "Item 6.E. Share Ownership—Performance Share Agreements." In 2024, we incurred ₩43,962 million of compensation costs relating to stock grants under such agreements. See Note 43 of the notes to our consolidated financial statements included elsewhere in this annual report.

### Item 6.C. *Board Practices*

See "Item 6.A. Directors and Senior Management" above for information concerning the terms of office and contractual employment arrangements with our directors and executive officers.

### Committees of the Board of Directors

We currently have the following committees that serve under the board:

- the Audit Committee;
- the Risk Management Committee;
- the Evaluation and Compensation Committee;
- the Non-Executive Director Nominating Committee;
- the Audit Committee Member Nominating Committee;
- the Chairman Nominating Committee (formerly, the CEO Director Nominating Committee);
- the Subsidiaries' Representative Director Nominating Committee (formerly, the Subsidiaries' CEO Nominating Committee);

- the Internal Control Committee; and
- the ESG 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 stockholders.

***Audit Committee***

The committee currently consists of four non-executive directors, Sun Yeop Kim, Whajoon Cho, Eun Young Chah and Sung-Yong Kim. The chairperson of the committee is Sun Yeop Kim. The committee oversees our financial reporting and approves the appointment of our independent registered public accounting firm. The committee also reviews our financial information, auditor's examinations, key financial statement issues, the plans and evaluation of internal control and the administration of our financial affairs by the board of directors. In connection with the general meetings of stockholders, 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 stockholders. The committee holds regular meetings every quarter.

***Risk Management Committee***

The committee currently consists of four non-executive directors, Sung-Yong Kim, Jungsung Yeo, Eun Young Chah and Myong-Hwal Lee. The chairperson of the committee is Sung-Yong Kim. The committee oversees and makes determinations on all issues relating to our comprehensive risk management function. In order to ensure our stable financial condition and to maximize our profits, the committee monitors our overall risk exposure and reviews our 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 solvency allocations as well as recovery and resolution plans. The committee holds regular meetings every quarter.

***Evaluation and Compensation Committee***

The committee currently consists of four non-executive directors, Eun Young Chah, Jungsung Yeo, Jaehong Choi and Sun Yeop Kim. The chairperson of the committee is Eun Young Chah. The committee reviews compensation schemes and compensation levels of us and our subsidiaries. The committee is also responsible for deliberating and deciding the compensation of directors, evaluating management's performance and implementing management training programs, as well as deciding and supervising the performance-based annual salary of the president and the executive officers of us and our subsidiaries. The committee holds regular meetings semi-annually.

***Non-executive Director Nominating Committee***

The committee currently consists of four non-executive directors, Jaehong Choi, Whajoon Cho, Jungsung Yeo and Myong-Hwal Lee. The chairperson of the committee is Jaehong Choi. The committee is responsible for the management and evaluation of a pool of non-executive director candidates and recommendation of the non-executive director candidates to be nominated at the annual general meeting of shareholders.

***Audit Committee Member Nominating Committee***

The committee currently consists of all seven of our non-executive directors. As of the date of this annual report, the committee has not appointed a chairperson. The committee oversees the selection of Audit Committee member candidates and recommends them annually sometime prior to the general stockholders meeting. The term of office of its members is from the first meeting of the committee held to nominate the Audit Committee members until the Audit Committee members are appointed.

***Chairman Nominating Committee***

The committee currently consists of all seven of our non-executive directors. The chairperson of the committee is Whajoon Cho. The committee is responsible for establishing and monitoring procedures for our CEO candidate cultivation and succession program pursuant to our "Chairman Succession Regulations," which cover, among other things, the qualifications of CEO candidates, continued maintenance of the candidate pool and the CEO candidate nomination process. The committee holds regular meetings semi-annually.

***Subsidiaries' Representative Director Nominating Committee***

The committee currently consists of one non-standing director, Hwan Ju Lee, and three non-executive directors, Jaehong Choi, Myong-Hwal Lee and Sun Yeop Kim, together with our chairman and chief executive officer, Jong Hee Yang, who is also the chairperson of the committee. The committee is responsible for candidate cultivation and succession programs for chief executive officers of our subsidiaries. The committee holds regular meetings semi-annually.

***Internal Control Committee***

We established the committee in March 2025 in accordance with recent amendments to the Act on the Corporate Governance of Financial Companies, which provides for the establishment of an internal control committee as a means to enhancing the internal control systems of financial companies in Korea. The committee currently consists of four non-executive directors, Myong-Hwal Lee, Whajoon Cho, Jaehong Choi and Sung-Yong Kim. The chairperson of the committee is Myong-Hwal Lee. The committee is responsible for establishing and amending our 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.

***ESG Committee***

The committee currently consists of one non-standing director, Hwan Ju Lee, and three non-executive directors, Jungsung Yeo, Whajoon Cho and Sun Yeop Kim, together with our chairman and chief executive officer, Jong Hee Yang. The chairperson of the committee is Jungsung Yeo. The committee is responsible for establishing and enforcing strategies and policies relating to non-financial aspects of our business, which consist of the environment, social responsibility and corporate governance, in order to promote sustainable development and enhance our corporate value. The committee also manages ESG-related products and investments and monitors ESG-related global initiatives and community outreach efforts. The committee holds regular meetings semi-annually.

**Item 6.D.** ***Employees***

As of December 31, 2024, we had a total of 126 full-time employees, excluding 14 executive officers, at our financial holding company.

The following table sets forth information regarding our employees at both our financial holding company and our subsidiaries as of the dates indicated:

| | | As of December 31, | | |
|---|---|---|---|---|
| | | 2022 | 2023 | 2024 |
| KB Financial Group | Full-time employees[1] | 145 | 142 | 126 |
| | Contractual employees | — | — | — |
| | Managerial employees | 131 | 127 | 116 |
| | Members of Korea Financial Industry Union | — | — | — |
| Kookmin Bank | Full-time employees[1] | 14,697 | 14,039 | 13,428 |
| | Contractual employees | 2,429 | 2,389 | 2,698 |
| | Managerial employees | 8,063 | 7,647 | 7,262 |
| | Members of Korea Financial Industry Union | 13,016 | 11,897 | 12,087 |
| Other subsidiaries | Full-time employees[1] | 9,171 | 9,003 | 8,858 |
| | Contractual employees | 1,233 | 1,229 | 1,291 |
| | Managerial employees | 5,341 | 5,206 | 5,205 |
| | Members of Korea Financial Industry Union | 6,587 | 6,945 | 6,719 |

(1) Excluding executive officers.

We consider our relations with our employees to be satisfactory. We and our subsidiaries each have a joint labor-management council which serves as a forum for ongoing discussions between our management and employees. At eight of our direct subsidiaries, Kookmin Bank, KB Securities, KB Insurance, KB Kookmin Card, KB Life Insurance, KB Capital, KB Real Estate Trust and KB Data Systems, our employees have a labor union. Every year, the unions at Kookmin Bank, KB Securities, KB Insurance, KB Kookmin Card, KB Life Insurance, KB Capital, KB Real Estate Trust and KB Data Systems and their respective managements negotiate and enter into new collective bargaining agreements and negotiate annual wage adjustments.

Our compensation packages consist of base salary and base bonuses. We also provide performance-based compensation to employees and management officers, including those of our subsidiaries, depending on the level of responsibility of the employee or officer and business of the relevant subsidiary. Typically, 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. Also, Kookmin Bank has implemented a profit-sharing system in order to enhance the performance of Kookmin Bank's employees. Under this system, Kookmin Bank pays bonuses to its employees, in addition to the base salary and depending on Kookmin Bank's annual performance.

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

We provide a wide range of benefits to our employees, including our executive directors. Specific benefits provided may vary for each of our subsidiaries but generally 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, and other benefits may be provided depending on the subsidiary.

In accordance with the National Pension Act, we contribute 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, we have adopted a retirement pension plan for our employees. Contributions under the retirement pension plan are deposited annually into a

financial institution, and an employee may elect to receive a monthly pension or a lump-sum amount upon retirement. Our 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, we may not terminate the employment of full-time employees except under certain limited circumstances. However, from time to time, we invite our employees to apply for our early retirement programs, which provide for varying amounts of severance pay based on the duration of time an employee has worked for us, along with several other key features. We believe that such programs enhance our productivity and efficiency by improving our labor structure.

In June 2009, we established an employee stock ownership association. All of our employees are eligible to participate in this association. We are not required to, and do not, make cash contributions to this plan. Members of our employee stock ownership association have pre-emptive rights to acquire up to 20% of our shares issued in public offerings by us pursuant to the Financial Investment Services and Capital Markets Act. The employee stock ownership association held 7,904,376 shares of our common stock as of December 31, 2024.

Employees of Kookmin Bank have been eligible to participate in its employee stock ownership association, which will be terminated once all of our common stock held by the association (which the association received following the transfer of Kookmin Bank shares held by it as a result of the comprehensive stock transfer pursuant to which we were established) have been distributed to the relevant Kookmin Bank employees at the requests of such employees following the expiration of the required holding periods. As of December 31, 2024, such employee stock ownership association held 167,116 shares of our common stock.

In order to develop our next generation of leaders and enhance the operational capability of our employees at each of our subsidiaries, we operate various employee training programs. These programs, which are aimed at cultivating financial specialists with higher levels of management and business skills, developing regional experts for increased global capabilities and enhancing employee loyalty, comprise a number of customized programs such as training courses for employees of different positions, domestic and foreign M.B.A. courses and intensive human resources development programs for high performers to cultivate future leaders. For example, Kookmin Bank offers training programs at its employees' worksites to facilitate access to training, as well as a foreign regional expert training program and a global language training course. We also provide financial and other support for our employees to develop their finance-related knowledge and skills by enrolling in training courses or engaging in self-study programs. The broad spectrum of training programs, combined with the state-of-the-art technologies such as cyber training, satellite broadcasting and mobile-learning, maximizes the level of exposure of the trainees to the contents of the programs. We also believe that our training scheme based on classified training courses and a development evaluation system has facilitated systemic development of employee skills and a spontaneous learning environment.

### Item 6.E. *Share Ownership*

#### *Common Stock*

As of March 14, 2025, the persons who are currently our directors or executive officers, as a group, held an aggregate of 36,421 shares of our common stock, representing approximately 0.01% of the issued shares of our common stock as of such date. None of these persons individually held more than 1% of the outstanding shares

of our common stock as of such date. The following table presents information regarding our directors and executive officers who beneficially owned our shares as of March 14, 2025:

| Name of Executive Officer or Director | Number of Shares of Common Stock |
|---|---|
| Jong Hee Yang | 5,914 |
| Jae Keun Lee | 2,119 |
| Chang Kwon Lee | 3,010 |
| Dae Hwan Lim | 1,793 |
| Young June Park | 845 |
| Bong Joong Kwon | 3,363 |
| Hong Sun Yum | 1,144 |
| Hyo Ik Park | 1,448 |
| Shin Dong Jeung | 1,056 |
| Dae Hyun Cha | 1,991 |
| Keoung Nam Kim | 2,294 |
| Sang Rok Na | 1,373 |
| Hyo Sung Jeon | 2,021 |
| Jin Young Park | 2,589 |
| Young Sei Park | 576 |
| Young Suh Cho | 2,000 |
| Sang Won Oh | 1,024 |
| Hyun Jung Lee | 125 |
| Byoung Ha Choi | 555 |
| Joo Hyun Kim | 344 |
| Myoung Hwa Park | 837 |
| Total | 36,421 |

***Performance Share Agreements***

Pursuant to a stock grant plan we established in 2008, we have entered into performance share agreements with certain of our and our subsidiaries' directors and executive officers, pursuant to which we may grant shares of our common stock (or the equivalent monetary amount based on the market value of such shares) within specified periods as long-term incentive performance shares in accordance with pre-determined performance targets. Since January 2010, in accordance with the best practice guidelines for outside directors of banking institutions announced by the Korea Federation of Banks, which have been replaced with the Financial Corporate Governance Code issued by the Financial Services Commission in December 2014, we have not entered into any performance share agreements with our non-executive directors.

Actual disbursements under the performance share agreements with our and our subsidiaries' directors and executive officers have generally been in the form of cash disbursements of equivalent monetary amounts based on the market value of our shares.

**Item 6.F.** ***Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation***

Not applicable.

## Item 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

### Item 7.A. *Major Shareholders*

The following table presents information regarding the beneficial ownership of our shares at December 31, 2024 by each person or entity known to us to own beneficially more than 5% of our issued and outstanding shares.

Except as otherwise indicated, each stockholder identified by name has:

- sole voting and investment power with respect to its shares; and
- record and beneficial ownership with respect to its shares.

| Beneficial Owner | Number of Shares of Common Stock | Percentage of Total Outstanding Shares of Common Stock (%)[1] |
|---|---|---|
| Korean National Pension Service | 33,095,691 | 8.86% |
| The Capital Group Companies, Inc. | 31,763,237[2] | 8.50% |
| BlackRock Fund Advisors | 25,626,675[3] | 6.86% |
| JP Morgan Chase Bank, N.A.[4] | 19,948,226 | 5.34% |

(1) Calculated based on 373,600,719 shares of our common stock outstanding as of December 31, 2024.

(2) As of December 31, 2024, based on disclosure made by The Capital Group Companies, Inc. through a report on significant holdings of stocks filed on the Data Analysis, Retrieval and Transfer System of the Financial Supervisory Service on January 13, 2025.

(3) As of December 31, 2023, based on disclosure made by BlackRock Fund Advisors in a beneficial ownership filing on February 9, 2024.

(4) As depositary bank.

Other than as set forth above, no other person or entity known by us to be acting in concert, directly or indirectly, jointly or separately, owned 5.0% or more of the issued shares of our common stock or exercised control or could exercise control over us as of December 31, 2024. None of our major stockholders has different voting rights from our other stockholders.

As of December 31, 2024, there were 373,600,719 shares of common stock outstanding. Of the total outstanding shares, 19,948,226 shares were held in the form of ADSs and 121,946,545 shares were held of record in the form of common stock by residents in the United States. As of December 31, 2024, the number of registered holders of our ADSs was 25 and the number of holders of our common stock in the United States was 762.

### Item 7.B. *Related Party Transactions*

As of December 31, 2024, we had an aggregate of ₩7,133 million in loans outstanding to our executive officers and directors, executive officers and directors of Kookmin Bank and chief executive officers of our other subsidiaries, including family members of such individuals. In addition, as of such date, we had loans outstanding to various companies whose directors or executive officers were serving concurrently as our directors or executive officers. See Note 43 of the notes to our consolidated financial statements included elsewhere in this annual report. All of these loans were made in the ordinary course of business, on substantially the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risk of collectability or present other unfavorable features.

None of our directors or officers have or had any interest in any transactions effected by us that are or were unusual in their nature or conditions or significant to our business which were effected during the current or immediately preceding year or were effected during an earlier year and remain in any respect outstanding or unperformed.

**Item 7.C.** ***Interests of Experts and Counsel***

Not applicable.

## Item 8. FINANCIAL INFORMATION

**Item 8.A.** ***Consolidated Statements and Other Financial Information***

See "Item 18. Financial Statements" and pages F-1 through F-315.

IFRS 17 is effective for annual periods beginning on or after January 1, 2023 and replaces IFRS 4. We have applied IFRS 17 in our consolidated financial statements as of and for the years ended December 31, 2022, 2023 and 2024 included elsewhere in this annual report. However, business figures and other financial information as of and for the year ended December 31, 2021 in this annual report have not been restated to retroactively apply IFRS 17, and as such, may not be directly comparable to corresponding figures and information as of and for the years ended December 31, 2022, 2023 and 2024, which reflect the application of IFRS 17, where applicable. See "Item 3.D. Risk Factors—Risks relating to our insurance operations—Changes in accounting standards for insurance contracts and their implementation could adversely impact our reported results of operations and financial condition and their comparability with those from prior periods." Furthermore, certain figures as of and for the years ended December 31, 2022 and 2023 have been retroactively adjusted to reflect, among others, changes in our accounting policies relating to the application of IFRS 17, a detailed description of which can be found in Note 2.1.3 of the notes to our consolidated financial statements included elsewhere in this annual report.

You should read the following data together with the more detailed information contained in "Item 5. Operating and Financial Review and Prospects" and our consolidated financial statements included elsewhere in this annual report. Historical results do not necessarily predict future results.

**Profitability ratios and other data**

| | As of or for the year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2023 | 2024 |
| | | (Percentages) | |
| Net interest spread[(1)] | 2.00% | 1.95% | 1.96% |
| Net interest margin[(2)] | 2.05 | 2.02 | 2.02 |
| Average asset liability ratio[(3)] | 103.53 | 102.52 | 101.82 |
| Efficiency ratio[(4)] | 48.40 | 41.08 | 40.75 |
| Cost-to-average assets ratio[(5)] | 1.00 | 0.95 | 0.94 |
| Won loans (gross) as a percentage of Won deposits | 109.47 | 109.28 | 109.29 |
| Total loans (gross) as a percentage of total deposits | 110.98 | 110.76 | 109.64 |

(1) Represents the difference between the yield on average interest-earning assets and cost of average interest-bearing liabilities.

(2) Represents the ratio of net interest income to average interest-earning assets.

(3) Represents the ratio of average interest-earning assets to average interest-bearing liabilities.

(4) Represents the ratio of general and administrative expenses to the sum of net interest income, net fee and commission income, net insurance income, net gain on financial assets and liabilities at fair value through profit or loss, other insurance finance income and net other operating income.

(5) Represents the ratio of general and administrative expenses to average total assets.

**Capital ratios**

| | As of or for the year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2023 | 2024 |
| | (Percentages) | | |
| Consolidated capital adequacy ratio of KB Financial Group[1] | 16.16% | 16.73% | 16.43% |
| Capital adequacy ratios of Kookmin Bank | | | |
| Tier I capital adequacy ratio[2] | 14.92 | 15.50 | 14.95 |
| Common equity Tier I capital adequacy ratio[2] | 14.50 | 14.91 | 14.50 |
| Tier II capital adequacy ratio[2] | 2.54 | 2.58 | 2.35 |
| Average stockholders' equity as a percentage of average total assets | 9.48 | 7.86 | 7.70 |

(1) Under applicable guidelines of the Financial Services Commission, we, as a bank holding company, were required to maintain a total minimum consolidated capital adequacy ratio of 12.5% (including applicable additional capital buffers and requirements) as of December 31, 2024. See "Item 4.B. Business Overview—Supervision and Regulation—Principal Regulations Applicable to Financial Holding Companies—Capital Adequacy."

(2) Kookmin Bank's capital adequacy ratios are computed in accordance with the guidelines issued by the Financial Services Commission. See "Item 4.B. Business Overview—Supervision and Regulation—Principal Regulations Applicable to Banks—Capital Adequacy."

**Credit portfolio ratios and other data**

| | As of December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | (in billions of Won, except percentages) | |
| Total loans[1] | ₩ 450,268 | ₩ 477,705 |
| Total non-performing loans[2] | 2,379 | 2,646 |
| Other impaired loans not included in non-performing loans | 2,529 | 2,365 |
| Total of non-performing loans and other impaired loans | 4,908 | 5,011 |
| Total allowances for loan losses | 5,463 | 5,634 |
| Non-performing loans as a percentage of total loans | 0.53% | 0.55% |
| Non-performing loans as a percentage of total assets | 0.33% | 0.35% |
| Total of non-performing loans and other impaired loans as a percentage of total loans | 1.09% | 1.05% |
| Allowances for loan losses as a percentage of total loans | 1.21% | 1.18% |

(1) Before deduction of allowances for loan losses.

(2) Non-performing loans are defined as those loans, including corporate, retail and other loans, which are past due by 90 days or more.

## Selected Statistical Information

### *Average Balance Sheets and Related Interest*

The following table shows our average balances and interest rates for the past three years:

| | Year Ended December 31, | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | | 2023 | | | 2024 | | |
| | Average Balance[1][2] | Interest Income[3] | Average Yield[2] | Average Balance[1][2] | Interest Income[3] | Average Yield[2] | Average Balance[1] | Interest Income[3] | Average Yield |
| | (in billions of Won, except percentages) | | | | | | | | |
| **Assets** | | | | | | | | | |
| Due from financial institutions measured at amortized cost | ₩ 15,679 | ₩ 166 | 1.06% | ₩ 13,923 | ₩ 352 | 2.53% | ₩ 14,319 | ₩ 396 | 2.77% |
| Financial instruments at fair value through profit or loss (debt securities)[4] | 28,097 | 930 | 3.31 | 29,447 | 1,415 | 4.81 | 31,386 | 1,459 | 4.65 |
| Financial investments (debt securities)[5] | 83,764 | 2,306 | 2.75 | 114,524 | 3,389 | 2.96 | 123,799 | 3,985 | 3.22 |
| Loans: | | | | | | | | | |
| Corporate | 199,011 | 7,331 | 3.68 | 203,950 | 9,770 | 4.79 | 214,225 | 9,956 | 4.65 |
| Mortgage | 91,781 | 2,760 | 3.01 | 92,427 | 4,010 | 4.34 | 98,059 | 4,107 | 4.19 |
| Home equity | 27,258 | 903 | 3.31 | 28,213 | 1,257 | 4.46 | 33,158 | 1,434 | 4.32 |
| Other consumer[6] | 69,793 | 3,235 | 4.64 | 61,922 | 4,223 | 6.82 | 59,016 | 4,058 | 6.88 |
| Credit cards[7] | 22,126 | 1,532 | 6.92 | 22,787 | 1,856 | 8.14 | 23,365 | 1,950 | 8.35 |
| Foreign[8] | 24,412 | 1,608 | 6.59 | 34,045 | 2,849 | 8.37 | 36,721 | 3,115 | 8.48 |
| Loans (total) | 434,381 | 17,369 | 4.00 | 443,344 | 23,965 | 5.41 | 464,544 | 24,621 | 5.30 |
| Insurance assets | 624 | 17 | 2.72 | 1,723 | 21 | 1.22 | 1,855 | 31 | 1.67 |
| **Total average interest-earning assets** | ₩ 562,545 | ₩ 20,787 | 3.70% | ₩ 602,961 | ₩ 29,142 | 4.83% | ₩635,903 | ₩ 30,491 | 4.79% |
| Cash and due from banks | 15,893 | — | — | 14,876 | — | — | 15,653 | — | — |
| Financial assets at fair value through profit or loss (excluding debt securities): | | | | | | | | | |
| Equity securities | 4,119 | — | — | 5,624 | — | — | 6,322 | — | — |
| Other | 30,557 | — | — | 37,064 | — | — | 39,741 | — | — |
| Financial assets at fair value through profit or loss (excluding debt securities) (total) | 34,676 | — | — | 42,688 | — | — | 46,063 | — | — |
| Financial investment (equity securities) | 3,200 | — | — | 2,257 | — | — | 2,755 | — | — |
| Investment in associates | 13,502 | — | — | 801 | — | — | 1,032 | — | — |
| Derivative financial assets | 9,094 | — | — | 8,189 | — | — | 6,762 | — | — |
| Premises and equipment | 7,545 | — | — | 8,789 | — | — | 9,391 | — | — |
| Intangible assets | 1,468 | — | — | 1,971 | — | — | 1,997 | — | — |
| Allowances for loan losses | (3,963) | — | — | (5,069) | — | — | (6,136) | — | — |
| Other non-interest-earning assets | 17,841 | — | — | 21,158 | — | — | 24,678 | — | — |
| **Total average non-interest earning assets** | 99,256 | — | — | 95,660 | — | — | 102,195 | — | — |
| **Total average assets** | ₩ 661,801 | ₩ 20,787 | 3.14% | ₩ 698,621 | ₩ 29,142 | 4.17% | ₩738,098 | ₩ 30,491 | 4.13% |

| | Year Ended December 31, | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | | 2023 | | | 2024 | | |
| | Average Balance[1][2] | Interest Expense | Average Cost[2] | Average Balance[1][2] | Interest Expense | Average Cost[2] | Average Balance[1] | Interest Expense | Average Cost |
| | (in billions of Won, except percentages) | | | | | | | | |
| **Liabilities** | | | | | | | | | |
| Deposits: | | | | | | | | | |
| Demand deposits | ₩ 183,252 | ₩ 448 | 0.24% | ₩ 157,486 | ₩ 693 | 0.44% | ₩163,101 | ₩ 823 | 0.50% |
| Time deposits | 190,210 | 4,060 | 2.13 | 223,607 | 8,936 | 4.00 | 242,061 | 9,128 | 3.77 |
| Certificates of deposit | 5,512 | 130 | 2.36 | 10,418 | 424 | 4.07 | 11,148 | 428 | 3.84 |
| Deposits (total) | 378,974 | 4,637 | 1.22 | 391,511 | 10,053 | 2.57 | 416,310 | 10,379 | 2.49 |
| Borrowings: | | | | | | | | | |
| Bonds sold under repurchase agreements | 11,196 | 205 | 1.83 | 11,081 | 391 | 3.53 | 11,645 | 400 | 3.43 |
| Other borrowings[9] | 64,496 | 1,293 | 2.00 | 69,758 | 2,677 | 3.84 | 70,799 | 2,785 | 3.93 |
| Borrowings (total) | 75,692 | 1,498 | 1.98 | 80,839 | 3,067 | 3.80 | 82,444 | 3,185 | 3.86 |
| Debentures | 69,886 | 1,641 | 2.35 | 69,119 | 2,307 | 3.34 | 73,062 | 2,623 | 3.59 |
| Insurance liabilities | 18,838 | 1,460 | 7.75 | 46,653 | 1,534 | 3.29 | 52,732 | 1,478 | 2.80 |
| **Total average interest-bearing liabilities** | ₩ 543,390 | ₩ 9,237 | 1.70% | ₩ 588,122 | ₩16,961 | 2.88% | ₩624,548 | ₩17,665 | 2.83 |
| Non-interest bearing demand deposits | 5,452 | — | — | 4,459 | — | — | 4,542 | — | — |
| Derivative financial liabilities | 9,278 | — | — | 8,185 | — | — | 6,657 | — | — |
| Financial liabilities at fair value through profit or loss | 12,704 | — | — | 11,342 | — | — | 10,544 | — | — |
| Other non-interest-bearing liabilities | 27,500 | — | — | 29,772 | — | — | 32,744 | — | — |
| **Total average non-interest bearing liabilities** | 54,934 | — | — | 53,758 | — | — | 54,487 | — | — |
| **Total average liabilities** | 598,324 | 9,237 | 1.54 | 641,880 | 16,961 | 2.64 | 679,035 | 17,665 | 2.60 |
| **Total equity** | 63,477 | — | — | 56,741 | — | — | 59,063 | — | — |
| **Total average liabilities and equity** | ₩ 661,801 | ₩ 9,237 | 1.40% | ₩ 698,621 | ₩16,961 | 2.43% | ₩738,098 | ₩17,665 | 2.39% |

(1) Average balances are based on daily balances for our banking, credit card and securities operations and monthly or quarterly balances for our other operations.

(2) Certain figures as of and for the years ended December 31, 2022 and 2023 have been adjusted. See the introductory paragraph to "Item 8.A. Consolidated Statements and Other Financial Information".

(3) We do not invest in any tax-exempt securities.

(4) Includes deposits and loans at fair value through profit or loss. For information on interest income arising from such financial instruments, see Note 28 of the notes to our consolidated financial statements included elsewhere in this annual report.

(5) Comprises financial assets at fair value through other comprehensive income and at amortized cost, and includes loans at fair value through other comprehensive income. For information on interest income arising from such financial instruments, see Note 28 of the notes to our consolidated financial statements included elsewhere in this annual report. Information related to investment securities classified as financial assets at fair value through other comprehensive income has been computed using amortized cost, and therefore does not give effect to changes in fair value that are reflected as a component of total equity.

(6) Includes other interest income.

(7) Interest income from credit cards includes principally cash advance fees of ₩190 billion, ₩209 billion and ₩195 billion and interest on credit card loans of ₩768 billion, ₩820 billion and ₩880 billion for the years ended December 31, 2022, 2023 and 2024, respectively, but does not include interchange fees.

(8) Consists primarily of loans from the overseas branches of our subsidiaries to affiliates of large Korean manufacturing companies for trade financing and working capital.

(9) Includes (i) lease-related interest expense pursuant to our adoption of IFRS 16 *Leases* and (ii) other interest expense.

*Analysis of Changes in Net Interest Income—Volume and Rate Analysis*

The following table provides an analysis of changes in interest income, interest expense and net interest income based on changes in volume and changes in rate for 2022 compared to 2023 and 2023 compared to 2024. Information is provided with respect to: (1) effects attributable to changes in volume (changes in volume multiplied by prior rate) and (2) effects attributable to changes in rate (changes in rate multiplied by prior volume). Changes attributable to the combined impact of changes in rate and volume have been allocated proportionately to the changes due to volume changes and changes due to rate changes.

| | 2023 vs. 2022 Increase/(Decrease) Due to Change in | | | 2024 vs. 2023 Increase/(Decrease) Due to Change in | | |
|---|---|---|---|---|---|---|
| | Volume | Rate | Total | Volume | Rate | Total |
| | (in billions of Won) | | | | | |
| **Interest-earning assets** | | | | | | |
| Due from financial institutions measured at amortized cost | ₩ (21) | ₩ 207 | ₩ 186 | ₩ 10 | ₩ 34 | ₩ 44 |
| Financial instruments at fair value through profit or loss (debt securities)[1] | 46 | 439 | 485 | 92 | (48) | 44 |
| Financial investments (debt securities)[2] | 897 | 186 | 1,083 | 286 | 310 | 596 |
| Loans: | | | | | | |
| Corporate | 185 | 2,254 | 2,439 | 479 | (293) | 186 |
| Mortgage | 20 | 1,230 | 1,250 | 239 | (142) | 97 |
| Home equity | 32 | 322 | 354 | 217 | (40) | 177 |
| Other consumer | (398) | 1,386 | 988 | (202) | 37 | (165) |
| Credit cards | 47 | 277 | 324 | 47 | 47 | 94 |
| Foreign | 737 | 504 | 1,241 | 228 | 38 | 266 |
| Insurance assets | 17 | (13) | 4 | 2 | 8 | 10 |
| Total interest income | ₩1,562 | ₩ 6,792 | ₩8,354 | ₩1,398 | ₩ (49) | ₩1,349 |

| | 2023 vs. 2022 Increase/(Decrease) Due to Change in | | | 2024 vs. 2023 Increase/(Decrease) Due to Change in | | |
|---|---|---|---|---|---|---|
| | Volume | Rate | Total | Volume | Rate | Total |
| | (in billions of Won) | | | | | |
| **Interest-bearing liabilities** | | | | | | |
| Deposits: | | | | | | |
| Demand deposits | ₩ (70) | ₩ 315 | ₩ 245 | ₩ 27 | ₩ 103 | ₩ 130 |
| Time deposits | 813 | 4,063 | 4,876 | 719 | (527) | 192 |
| Certificates of deposit | 162 | 132 | 294 | 29 | (25) | 4 |
| Borrowings: | | | | | | |
| Bonds sold under repurchase agreements | (2) | 188 | 186 | 20 | (11) | 9 |
| Other borrowings | 113 | 1,271 | 1,384 | 42 | 66 | 108 |
| Debentures | (18) | 684 | 666 | 137 | 179 | 316 |
| Insurance liabilities | 1,262 | (1,189) | 73 | 188 | (243) | (55) |
| Total interest expense | 2,260 | 5,464 | 7,724 | 1,162 | (458) | 704 |
| Total net interest income | ₩ (698) | ₩ 1,328 | ₩ 630 | ₩ 236 | ₩ 409 | ₩ 645 |

(1) Includes deposits and loans at fair value through profit or loss. For information on interest income arising from such financial instruments, see Note 28 of the notes to our consolidated financial statements included elsewhere in this annual report.

(2) Comprises financial assets at fair value through other comprehensive income and at amortized cost, and includes loans at fair value through other comprehensive income. For information on interest income arising from such financial instruments, see Note 28 of the notes to our consolidated financial statements included elsewhere in this annual report. Information related to investment securities classified as financial assets at fair value through other comprehensive income has been computed using amortized cost, and therefore does not give effect to changes in fair value that are reflected as a component of total equity.

**Legal Proceedings**

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

In June 2010, Fairfield Sentry Limited, or Fairfield, which is currently in liquidation and whose assets were directly or indirectly invested with Bernard L. Madoff Investment Securities LLC, or BLMIS, filed a lawsuit in the Supreme Court of the State of New York against Kookmin 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 Kookmin 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, or 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, or 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, or the Second Circuit, where the Parallel Case is currently pending. It is difficult to predict when the Second Circuit will rule on 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 Kookmin Bank in the Bankruptcy Court. The trustee seeks recovery of approximately US$42 million, the amount of funds that were allegedly redeemed by Kookmin 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 United States Court of Appeals for the Second Circuit, or the Second Circuit, which reversed the dismissal and vacated the judgment in February 2019. Kookmin 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, Kookmin Bank's motion to dismiss the case was denied. Kookmin 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.

Commencing in December 2019, a number of plaintiffs brought legal action against KB Securities, alleging that they invested in JB Australia NDIS Private Equity Investment Trust No. 1 through KB Securities based on an offering circular that had made untrue statements of a material fact. The plaintiffs are seeking to terminate the related investment contract on the basis of either breach of contract or mistake and are demanding an aggregate of ₩76.5 billion from KB Securities as compensation for the alleged unjust enrichment. In the alternative, they are seeking aggregate damages of ₩62.1 billion from KB Securities for violations of the relevant securities law, among others. As of the date of this annual report, the final outcome of the lawsuits remains uncertain.

In November 2023, the Financial Supervisory Service commenced an on-site inspection at Kookmin Bank in order to determine whether Kookmin 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, or the HSCEI, which resulted in substantial losses to the customers who purchased such products upon maturity. The Financial Supervisory Service commenced similar inspections at other banks in Korea as well starting in January 2024. Approximately ₩5.2 trillion of such products sold by Kookmin Bank matured in 2024, and Kookmin 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 Financial Supervisory Service released an interim inspection report on Kookmin 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 board of directors of Kookmin Bank resolved to compensate such customers on a voluntary basis by engaging in private negotiations with each one of such customers based on the Financial Supervisory Service's dispute resolution guidelines. The compensation amount recognized as provisions in 2024 is ₩744.8 billion, which has adversely affected our profit for the year. No assurance can be given that the final resolution of such matter will not have a material adverse effect on our results of operations and financial condition.

In February 2023, the Korea Fair Trade Commission 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 Korea Fair Trade Commission issued a review report addressed to the four largest banks in Korea, including Kookmin 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, Kookmin Bank responded to the Korea Fair Trade Commission with a denial of such allegations, to which the Korea Fair Trade Commission responded in November 2024 with a decision made through a plenary session of its members to conduct a reexamination of the incident. The Korea Fair Trade Commission concluded its investigations in April 2025 and sent a report on such investigations to the four relevant banks, including Kookmin Bank, asking for their feedback on such report. In response to such request, Kookmin Bank is currently preparing a written opinion for submission to the Korea Fair Trade Commission in accordance with the relevant laws and regulations. As of the date of this annual report, it is difficult to predict the final outcome of this matter.

In November 2023, MTS Bank, a Russian bank, filed a lawsuit against Kookmin Bank in the Arbitrazh Court of the City of Moscow, seeking the return of approximately US$109.2 million of its funds held at Kookmin Bank. Kookmin Bank had frozen such assets in compliance with applicable sanctions in March 2023, after the U.S. Department of the Treasury's Office of Foreign Assets Control, or OFAC, added MTS Bank to its Specially Designated Nationals And Blocked Persons List, or the SDN List. Although we believe that there is a high probability that the Arbitrazh Court will rule against us given the outcome of other similar lawsuits in Russia that resulted from compliance with U.S. sanctions, we believe that the effects on our financial position will be limited to the accrued interest, as the principal amount at issue will be paid through the frozen assets held by Kookmin Bank. However, it is not possible to predict the final outcome of the lawsuit at this time. As of the date of this annual report, Kookmin Bank is subject to similar lawsuits filed by three other Russian Banks that are currently on the SDN List.

**Dividends**

Dividends must be approved by the stockholders at the annual general meeting of stockholders. Cash dividends may be paid out of retained earnings that have not been appropriated to statutory reserves. See "Item 10.B. Memorandum and Articles of Association—Description of Capital Stock— Dividends and Other Distributions." In addition to annual dividends, we may declare, and distribute in cash, interim dividends pursuant to board resolutions.

The table below sets forth, for the periods indicated, the dividend per share of common stock and the total amount of dividends declared and paid by us in respect of the years ended December 31, 2022, 2023 and 2024.

Except as otherwise noted, the dividends set forth below with respect to each year were paid within 30 days after our annual stockholders meeting, which was held no later than March of the following year.

| Fiscal Year | Dividends per Common Share[1] | Total Amount of Cash Dividends Paid |
|---|---|---|
| | | (in millions of Won) |
| 2022[2][3] | 2,950 | 1,149,421 |
| 2023[4][5] | 3,060 | 1,173,937 |
| 2024[6][7] | 3,174 | 1,198,257 |

(1) Won amounts are expressed in U.S. dollars at the noon buying rate in effect at the end of the relevant periods as quoted by the Federal Reserve Bank of New York in the United States.

(2) On February 7, 2023, our board of directors passed a board resolution recommending a cash dividend of ₩1,450 per common share (before dividend tax), representing 29.0% of the par value of each share, for the fiscal year ended December 31, 2022. This resolution was approved and ratified by our stockholders on March 24, 2023.

(3) Includes an interim cash dividend of ₩500 per common share (before dividend tax), representing 10.0% of the par value of each share, declared in April 2022 and paid in May 2022, an interim cash dividend of ₩500 per common share (before dividend tax), representing 10.0% of the par value of each share, declared in July 2022 and paid in August 2022 and an interim cash dividend of ₩500 per common share (before dividend tax), representing 10.0% of the par value of each share, declared in October 2022 and paid in November 2022.

(4) On February 7, 2024, our board of directors passed a board resolution recommending a cash dividend of ₩1,530 per common share (before dividend tax), representing 30.6% of the par value of each share, for the fiscal year ended December 31, 2023. This resolution was approved and ratified by our stockholders on March 22, 2024.

(5) Includes an interim cash dividend of ₩510 per common share (before dividend tax), representing 10.2% of the par value of each share, declared in April 2023 and paid in May 2023, an interim cash dividend of ₩510 per common share (before dividend tax), representing 10.2% of the par value of each share, declared in July 2023 and paid in August 2023 and an interim cash dividend of ₩510 per common share (before dividend tax), representing 10.2% of the par value of each share, declared in October 2023 and paid in November 2023.

(6) On February 5, 2025, our board of directors passed a board resolution recommending a cash dividend of ₩804 per common share (before dividend tax), representing 16.1% of the par value of each share, for the fiscal year ended December 31, 2024. This resolution was approved and ratified by our stockholders on March 26, 2025.

(7) Includes an interim cash dividend of ₩784 per common share (before dividend tax), representing 15.7% of the par value of each share, declared in April 2024 and paid in May 2024, an interim cash dividend of ₩791 per common share (before dividend tax), representing 15.8% of the par value of each share, declared in July 2024 and paid in August 2024 and an interim cash dividend of ₩795 per common share (before dividend tax), representing 15.9% of the par value of each share, declared in October 2024 and paid in November 2024.

Future dividends will depend upon our revenues, cash flow, financial condition and other factors. As an owner of ADSs, you will be entitled to receive dividends payable in respect of the shares of common stock represented by such ADSs.

For a description of the tax consequences of dividends paid to our stockholders, see "Item 10.E. Taxation—United States Taxation" and "—Korean Taxation—Taxation of Dividends on Common Shares or ADSs."

### Item 8.B. *Significant Changes*

Except as disclosed elsewhere in this annual report, there have been no significant changes since the date of our audited financial statements included in this annual report.

## Item 9. THE OFFER AND LISTING

### Item 9.A. *Offering and Listing Details*

#### Principal Trading Market

The principal trading market for our common stock is the KRX KOSPI Market. Our common stock has been listed on the KRX KOSPI Market since October 10, 2008 under the identifying code 105560, and the ADSs have been listed on the New York Stock Exchange under the symbol "KB" since September 29, 2008. The ADSs are identified by the CUSIP number 48241A105.

**Restrictions Applicable to ADSs**

No Korean governmental approval is necessary for the sale and purchase of our ADSs in the secondary market outside Korea or for the withdrawal of shares of our common stock underlying the ADSs and the delivery inside Korea of shares in connection with the withdrawal, provided that a foreigner procures a Legal Entity Identifier (passport number for individuals) as described below. The acquisition of the shares by a foreigner must be immediately reported to the governor of the Financial Supervisory Service, either by the foreigner or by his standing proxy in Korea.

Persons who have acquired shares of our common stock as a result of the withdrawal of shares underlying our ADSs may exercise their preemptive rights for new shares, participate in free distributions and receive dividends on shares without any further Korean governmental approval.

Under current Korean laws and regulations, the depositary is required to obtain our prior consent for the number of shares of our common stock to be deposited in any given proposed deposit that exceeds the difference between:

(1) the aggregate number of shares of our common stock deposited by us for the issuance of our ADSs (including deposits in connection with the initial issuance and all subsequent offerings of our ADSs and stock dividends or other distributions related to these ADSs); and

(2) the number of shares of our common stock on deposit with the depositary at the time of such proposed deposit.

We have agreed to grant such consent to the extent that the total number of shares on deposit with the depositary would not exceed 116,583,985 at any time.

**Restrictions Applicable to Shares**

As a result of amendments to the Foreign Exchange Transaction Act of Korea, the regulations thereunder and Financial Services Commission regulations (which we refer to collectively as the "Investment Rules"), foreigners may invest, with limited exceptions and subject to procedural requirements, in all shares of Korean companies, whether listed on the KRX KOSPI Market or on the KRX KOSDAQ Market, unless prohibited by specific laws. Foreign investors may trade shares listed on the KRX KOSPI Market or on the KRX KOSDAQ Market only through the KRX KOSPI Market or the KRX KOSDAQ Market, except in limited circumstances, including:

- odd-lot trading of shares;
- acquisition of shares (which we refer to as "Converted Shares") by exercise of warrants, conversion rights or exchange rights under bonds with warrants, convertible bonds or exchangeable bonds or withdrawal rights under depositary receipts issued outside of Korea by a Korean company;
- acquisition of shares as a result of inheritance, donation, bequest or exercise of stockholders' rights, including preemptive rights or rights to participate in free distributions and receive dividends;
- over-the-counter transactions between foreigners of a class of shares for which the ceiling on aggregate acquisition by foreigners has been reached or exceeded subject to certain exceptions; and
- sale and purchase of shares at fair value between foreigners who are part of an investor group comprised of foreign companies investing under the control of a common investment manager pursuant to applicable laws or contract.

The Investment Rules require a foreign investor who wishes to invest in shares on the KRX KOSPI Market or the KRX KOSDAQ Market (including Converted Shares) to prove its identity with the Legal Entity Identifier or passport number prior to making any such investment.

Upon a foreign investor's purchase of shares through the KRX KOSPI Market or the KRX KOSDAQ Market, no separate report is required to be made by the investor. However, a foreign investor's acquisition or sale of shares outside the KRX KOSPI Market or the KRX KOSDAQ Market (as discussed above) must be reported by the foreign investor or his standing proxy to the governor of the Financial Supervisory Service immediately following each such acquisition or sale. In particular, if a foreign investor acquires or sells his shares in connection with a tender offer or odd-lot trading of shares, such foreign investor or his standing proxy must ensure that the financial investment company that was engaged to facilitate the transaction reports such transaction to the governor of the Financial Supervisory Service. A foreign investor may appoint a standing proxy from among the Korea Securities Depository, foreign exchange banks (including domestic branches of foreign banks), financial investment companies with a dealing and/or brokerage license (including domestic branches of foreign financial investment companies with such license), financial investment companies with a collective investment license (including domestic branches of foreign financial investment companies with such license) and internationally recognized custodians which will act as a standing proxy to exercise stockholders' rights or perform any matters related to the foregoing activities if the foreign investor does not perform these activities himself. Generally, a foreign investor may not permit any person, other than its standing proxy, to exercise rights relating to his shares or perform any tasks related thereto on his behalf. However, a foreign investor may be exempted from complying with these standing proxy rules with the approval of the governor of the Financial Supervisory Service in cases deemed inevitable, including by reason of conflict between laws of Korea and the home country of the foreign investor.

The shares of a listed Korean company owned by a foreign investor must be electronically registered in accordance with the Act on Electronic Registration of Stocks, Bonds, Etc. through an eligible custodian in Korea. The same entities eligible to act as a standing proxy are eligible to act as a custodian of shares for a non-resident or foreign investor. A foreign investor may be exempted from complying with the above requirement if it (i) acquires shares publicly offered or sold outside Korea for the purpose of listing on an overseas stock exchange or (ii) acquires or disposes of shares through an overseas stock exchange if such shares are simultaneously listed on the Korea Exchange and such overseas stock exchange.

An investment by a foreign investor in 10% or more of the issued and outstanding shares with voting rights of a Korean company is defined as a foreign direct investment under the Foreign Investment Promotion Act of Korea. Generally, a foreign direct investment must be reported to the Ministry of Trade, Industry and Energy of Korea. The acquisition of shares of a Korean company by a foreign investor may also be subject to certain foreign or other shareholding restrictions in the event that the restrictions are prescribed in a specific law that regulates the business of the Korean company. For a description of such restrictions applicable to Korean banks and bank holding companies (such as us), see "Item 4.B. Business Overview—Supervision and Regulation."

**Item 9.B.** ***Plan of Distribution***

Not applicable.

**Item 9.C.** ***Markets***

See "Item 9.A. Offering and Listing Details."

**Item 9.D.** ***Selling Shareholders***

Not applicable.

**Item 9.E.** ***Dilution***

Not applicable.

**Item 9.F.** ***Expenses of the Issue***

Not applicable.

## Item 10. ADDITIONAL INFORMATION

**Item 10.A.** ***Share Capital***

Not applicable.

**Item 10.B.** ***Memorandum and Articles of Association***

**Description of Capital Stock**

Set forth below is information relating to our capital stock, including brief summaries of certain provisions of our articles of incorporation, the Korean Commercial Code, Financial Investment Services and Capital Markets Act and certain related laws of Korea, all as currently in effect. The following summaries do not purport to be complete and are subject to the articles of incorporation and the applicable provisions of the Financial Investment Services and Capital Markets Act, the Korean Commercial Code, and certain other related laws of Korea.

As of December 31, 2024, our authorized share capital is 1,000,000,000 shares. Pursuant to our articles of incorporation, we are authorized to issue shares with preferred dividend, non-voting shares, class shares with conversion rights, class shares with redemption rights and shares with a combination of all or any of the foregoing characteristics (which we refer to collectively as "Class Shares"), as well as common shares. Subject to applicable laws and regulations, we are authorized to issue Class Shares up to one-half of all of our issued and outstanding shares.

Under our articles of incorporation, dividends on non-voting shares with preferred dividend are required to be at least 1% per annum of the par value and the board of directors must determine at the time of issuance of such shares the dividend rate, type of distributable properties, method of determining the value of distributable properties and conditions on payment of dividends. Also, we may, pursuant to a resolution of the board of directors, issue such non-voting shares with preferred dividend as redeemable shares that may be redeemed with profits at the relevant shareholder's or our discretion, up to one-half of all of our issued and outstanding shares.

In addition, pursuant to a resolution of the board of directors, we may issue shares that are convertible into common shares or Class Shares at the request of the relevant shareholders, up to 20% of all of our issued and outstanding shares. The period during which a relevant shareholder may make a request for conversion may be determined by a resolution of the board of directors and must be a period between one and ten years from the issue date.

Furthermore, through an amendment of the articles of incorporation, we may create new classes of shares, which may be common shares or Class Shares having additional features as prescribed under the Korean Commercial Code. See "—Voting Rights."

As of March 31, 2025, 393,528,423 shares of common stock were issued and 367,905,210 shares of common stock were outstanding. No Class Shares are currently outstanding. All of the issued and outstanding shares are fully-paid and non-assessable, and are in registered form. Our authorized but unissued share capital consists of 606,471,577 shares. We may issue the unissued shares without further stockholder approval, subject to a board resolution as provided in the articles of incorporation. See "—Preemptive Rights and Issuances of Additional Shares" and "—Dividends and Other Distributions—Distribution of Free Shares."

Our articles of incorporation provide that our stockholders may, by special resolution, grant to our and our subsidiaries' officers and employees stock options exercisable for up to 15% of the total number of our issued

and outstanding shares. Our board of directors may also grant stock options to officers and employees other than directors exercisable for up to 1% of our issued and outstanding shares, provided that such grant must be approved by a resolution of the subsequent general meeting of stockholders. As of March 31, 2025, none of our officers, directors and employees held options to purchase shares of our common stock.

***Organization and Register***

We are a financial holding company established under the Financial Holding Company Act. We are registered with the commercial registry office of Seoul Central District Court.

***Dividends and Other Distributions***

*Dividends*

Dividends are distributed to stockholders in proportion to the number of shares of the relevant class of capital stock owned by each stockholder following approval by the stockholders at an annual general meeting of stockholders. Subject to the requirements of the Korean Commercial Code and other applicable laws and regulations, we expect to pay full annual dividends on newly issued shares for the year in which the new shares are issued.

We declare our dividend annually at the annual general meeting of stockholders, which are held within three months after the end of each fiscal year. Once declared, the annual dividend must be paid to the stockholders of record as of the end of the preceding fiscal year within one month after the annual general meeting unless otherwise resolved thereby. Annual dividends may be distributed either in cash or in shares provided that shares must be distributed at par value and, if the market price of the shares is less than their par value, dividends in shares may not exceed one-half of the total annual dividend (including dividends in shares). In addition, we may declare and distribute interim dividends pursuant to a board resolution.

Under the Korean Commercial Code and our articles of incorporation, we do not have an obligation to pay any annual or interim dividend unclaimed for five years from the payment date.

The Financial Holding Company Act and related regulations require that each time a Korean financial holding company pays an annual dividend, it must set aside in its legal reserve to stated capital an amount equal to at least one-tenth of its net income after tax until the amount set aside reaches at least the aggregate amount of its stated capital. Unless it sets aside this amount, a Korean financial holding company may not pay an annual dividend. We intend to set aside allowances for loan losses and reserves for severance pay in addition to this legal reserve.

For information regarding Korean taxes on dividends, see “Item 10.E. Taxation—Korean Taxation.”

*Distribution of Free Shares*

In addition to permitting dividends in the form of shares to be paid out of retained or current earnings, the Korean Commercial Code permits a company to distribute to its stockholders, in the form of free shares, an amount transferred from the capital surplus or legal reserve to stated capital. These free shares must be distributed pro rata to all stockholders. Our articles of incorporation provide that the types of shares to be distributed to the holders of non-voting shares with preferred dividend will be the same type of non-voting shares with preferred dividend held by such holders.

***Preemptive Rights and Issuances of Additional Shares***

Unless otherwise provided in the Korean Commercial Code, a company may issue authorized but unissued shares at such times and upon such terms as the board of directors of the company may determine. The company

must offer the new shares on uniform terms to all stockholders who have preemptive rights and who are listed on the stockholders' register as of the applicable record date. Our stockholders will be entitled to subscribe for any newly issued shares in proportion to their existing shareholdings. However, as provided in our articles of incorporation, new shares may be issued to persons other than existing stockholders if such shares are: (1) publicly offered pursuant to the Financial Investment Services and Capital Markets Act, (2) issued to an employee stock ownership association, (3) issued upon exercise of stock options pursuant to the Financial Investment Services and Capital Markets Act, (4) issued for the issuance of our depositary receipts, (5) issued to certain foreign or domestic financial institutions or institutional investors to raise funds to meet urgent needs for our management or operations or (6) issued primarily to a third party who has contributed to the management of our business, including by providing financing, credit, advanced financing technique, know-how or entering into close business alliances, except that, in the case of issuances of new shares under (1), (4), (5) and (6) above, the number of new shares issued to persons other than existing stockholders may not exceed 50% of our total issued and outstanding capital stock.

Public notice of the preemptive rights to new shares and the transferability thereof must be given not less than two weeks (excluding the period during which the stockholders' register is closed) prior to the record date. We will notify the stockholders or persons other than existing stockholders, who are entitled to subscribe for newly issued shares of the deadline for subscription at least two weeks prior to the deadline. If such stockholders or persons fail to subscribe on or before such deadline, their preemptive rights will lapse. Our board of directors may determine how to distribute shares in respect of which preemptive rights have not been exercised or where fractions of shares occur.

Under the Financial Investment Services and Capital Markets Act, members of a company's employee stock ownership association, whether or not they are stockholders, will have a preemptive right, subject to certain exceptions, to subscribe for up to 20% of the shares publicly offered pursuant to the Financial Investment Services and Capital Markets Act. This right is exercisable only to the extent that the total number of shares so acquired and held by such members does not exceed 20% of the total number of shares then issued and outstanding.

***Voting Rights***

Each outstanding share of our common stock is entitled to one vote per share. However, voting rights with respect to shares of common stock that we hold or any of our subsidiaries holds may not be exercised. Unless stated otherwise in a company's articles of incorporation, the Korean Commercial Code permits holders of an aggregate of 1% or more of the issued and outstanding shares with voting rights to request cumulative voting when electing two or more directors. Our articles of incorporation do not prohibit cumulative voting. The Korean Commercial Code and our articles of incorporation provide that an ordinary resolution may be adopted if approval is obtained from the holders of at least a majority of those shares of common stock present or represented at such meeting and such majority also represents at least one-fourth of the total of our issued and outstanding voting shares. Holders of non-voting shares (other than enfranchised non-voting shares) will not be entitled to vote on any resolution or to receive notice of any general meeting of stockholders unless the agenda of the meeting includes consideration of a resolution on which such holders are entitled to vote. The Korean Commercial Code provides that a company's articles of incorporation may prescribe conditions for the enfranchisement of non-voting shares. For example, if our annual general stockholders' meeting resolves not to pay to holders of non-voting shares with preferred dividend the annual dividend as determined by the board of directors at the time of issuance of such shares, the holders of non-voting shares with preferred dividend will be entitled to exercise voting rights from the general stockholders' meeting following the meeting adopting such resolution to the end of a meeting to declare to pay such dividend with respect to the non-voting shares with preferred dividend. Holders of such enfranchised non-voting shares with preferred dividend will have the same rights as holders of common stock to request, receive notice of, attend and vote at a general meeting of stockholders.

The Korean Commercial Code provides that to amend the articles of incorporation, which is also required for any change to the authorized share capital of the company, and in certain other instances, including removal of a director of a company, dissolution, merger or consolidation of a company, transfer of the whole or a significant part of the business of a company, acquisition of all of the business of any other company, acquisition of a part of the business of any other company having a material effect on the business of the company or issuance of new shares at a price lower than their par value, a special resolution must be adopted by the approval of the holders of at least two-thirds of those shares present or represented at such meeting and such special majority also represents at least one-third of the total issued and outstanding shares with voting rights of the company.

In addition, in the case of amendments to the articles of incorporation or any merger or consolidation of a company or in certain other cases, where the rights or interest of the holders of Class Shares are adversely affected, a resolution must be adopted by a separate meeting of holders of Class Shares. Such a resolution may be adopted if the approval is obtained from stockholders of at least two-thirds of the Class Shares present or represented at such meeting and such shares also represent at least one-third of the total issued and outstanding Class Shares of the company.

A stockholder may exercise his voting rights by proxy given to another stockholder. The proxy must present the power of attorney prior to the start of a meeting of stockholders.

*Liquidation Rights*

In the event we are liquidated, the assets remaining after the payment of all borrowings, liquidation expenses and taxes will first be distributed to holders of Class Shares which have a preference right in respect of the distribution of residual properties as determined by our board of directors at the time of their issuance, and the residue thereafter will be distributed to the other stockholders in proportion to the number of shares held by them.

***General Meetings of Stockholders***

There are two types of general meetings of stockholders: annual general meetings and extraordinary general meetings. We are required to convene our annual general meeting within three months after the end of each fiscal year. Subject to a board resolution or court approval, an extraordinary general meeting of stockholders may be held when necessary or at the request of the holders of an aggregate of 3% or more of our issued and outstanding shares, or the holders of an aggregate of 0.75% or more of our issued and outstanding stock with voting rights, who have held those shares at least for six months, under the Act on the Corporate Governance of Financial Companies and its sub-regulations. Under the Korean Commercial Code, an extraordinary general meeting of stockholders may also be convened at the request of our Audit Committee, subject to a board resolution or court approval. Holders of non-voting shares may be entitled to request a general meeting of stockholders only to the extent the non-voting shares have become enfranchised as described under the section entitled "—Voting Rights" above, hereinafter referred to as "enfranchised non-voting shares." Meeting agendas will be determined by the board of directors or proposed by holders of an aggregate of 3% or more of the issued and outstanding shares with voting rights, or by holders of an aggregate of 0.1% or more of our issued and outstanding shares with voting rights, who have held those shares for at least six months, by way of a written proposal to the board of directors at least six weeks prior to the meeting, under the Act on the Corporate Governance of Financial Companies and its sub-regulations. Written notices or e-mail notices stating the date, place and agenda of the meeting must be given to the stockholders at least two weeks prior to the date of the general meeting of stockholders. Notice may, however, be given to holders of 1% or less of the total number of issued and outstanding shares which are entitled to vote, either by placing at least two public notices at least two weeks in advance of the meeting in at least two daily newspapers or by placing a notice through the electronic disclosure system operated by the Financial Supervisory Service or the Korea Exchange. Stockholders who are not on the stockholders' register as of the record date will not be entitled to receive notice of the general meeting of

stockholders, and they will not be entitled to attend or vote at such meeting. Holders of enfranchised non-voting shares who are on the stockholders' register as of the record date will be entitled to receive notice of the general meeting of stockholders and they will be entitled to attend and vote at such meeting. Otherwise, holders of non-voting shares will not be entitled to receive notice of or vote at general meetings of stockholders.

The general meeting of stockholders will be held at our head office, which is our registered head office, or, if necessary, may be held anywhere in the vicinity of our head office.

***Rights of Dissenting Stockholders***

Pursuant to the Financial Investment Services and Capital Markets Act and the Act on the Improvement of the Structure of the Financial Industry, in certain limited circumstances (including, without limitation, if we transfer all or any significant part of our business, if we acquire a part of the business of any other company and such acquisition has a material effect on our business or if we merge or consolidate with another company), dissenting holders of shares of our common stock and our stock with preferred dividends will have the right to require us to purchase their shares. To exercise such a right, stockholders must submit to us a written notice of their intention to dissent prior to the general meeting of stockholders. Within 20 days (10 days in the case of a stock transfer or exchange for the purposes of establishing a financial holding company or acquiring all issued shares of an existing subsidiary under the Financial Holding Company Act) after the date on which the relevant resolution is passed at such meeting, such dissenting stockholders must request in writing that we purchase their shares. We are obligated to purchase the shares from dissenting stockholders within one month after the end of such request period at a price to be determined by negotiation between the stockholder and us. If we cannot agree on a price with the stockholder through such negotiations, the purchase price will be the arithmetic mean of:

- the weighted average of the closing stock prices on the KRX KOSPI Market for the two-month period prior to the date of the adoption of the relevant board of directors' resolution;
- the weighted average of the closing stock prices on the KRX KOSPI Market for the one-month period prior to the date of the adoption of the relevant board of directors' resolution; and
- the weighted average of the closing stock prices on the KRX KOSPI Market for the one-week period prior to the date of the adoption of the relevant board of directors' resolution.

However, any dissenting stockholder who wishes to contest the purchase price may bring a claim in court.

***Required Disclosure of Ownership***

Any person whose direct or beneficial ownership of our common stock with voting rights, whether in the form of shares of common stock or ADSs, certificates representing the rights to subscribe for shares or equity-related debt securities including convertible bonds and bonds with warrants (which we refer to collectively as "Equity Securities"), together with the Equity Securities beneficially owned by certain related persons or by any person acting in concert with the person, accounts for 5% or more of the total issued and outstanding shares (Equity Securities of us held by such persons and treasury stock) is required to report the status and purpose (in terms of whether the purpose of the shareholding is to exercise control over our management) of the holdings to the Financial Services Commission and the KRX KOSPI Market within five business days after reaching the 5% ownership interest. In addition, any change in (i) the ownership interest subsequent to the report that equals or exceeds 1% of the total issued and outstanding Equity Securities of us or (ii) the purpose of the shareholding is required to be reported to the Financial Services Commission and the KRX KOSPI Market within five business days from the date of the change.

Violation of these reporting requirements may subject a person to criminal sanctions such as fines or imprisonment, an administrative fine of up to 0.001% of the aggregate market value of the total issued and outstanding stock or ₩500 million, whichever is lower, and/or a loss of voting rights with respect to the

ownership of Equity Securities exceeding 5% of the total issued and outstanding Equity Securities with respect to which the reporting requirements were violated. Furthermore, the Financial Services Commission may order the disposal of the unreported Equity Securities.

In addition to the reporting requirements described above, any person whose direct or beneficial ownership of our stock accounts for 10% or more of the total issued and outstanding stock (which we refer to as a "major stockholder") must report the status of his/her shareholding to the Korea Securities and Futures Commission and the KRX KOSPI Market within five days after becoming a major stockholder. In addition, any change in the ownership interest subsequent to the report must be reported to the Korea Securities and Futures Commission and the KRX KOSPI Market within five days of the occurrence of the change, provided that such reporting obligation would not apply if the change in the ownership interest consists of less than 1,000 shares and the amount of such change is less than ₩10 million. Violation of these reporting requirements may subject a person to criminal sanctions such as fines or imprisonment.

***Other Provisions***

*Register of Stockholders and Record Dates*

We maintain the register of our stockholders at our principal office in Seoul, Korea. We register transfers of shares on the register of stockholders upon presentation of the share certificates.

The record dates for our annual dividends and quarterly dividends (if any) are determined through a resolution of our board of directors. Further, the Korean Commercial Code and our articles of incorporation permit us upon at least two weeks' public notice to set a record date for the purpose of determining the stockholders entitled to certain rights pertaining to the shares, provided, however, that the Korean Commercial Code further requires that the register of stockholders shall not be closed for such purposes for more than three months. The trading of shares and the delivery of certificates in respect thereof may continue while the register of stockholders is closed.

*Annual Reports*

Under the Financial Investment Services and Capital Markets Act, we must file with the Financial Services Commission and the KRX KOSPI Market an annual business report within 90 days after the end of each fiscal year, a half-year business report within 45 days after the end of the first six months of each fiscal year and quarterly business reports within 45 days after the end of the first three months and nine months of each fiscal year, respectively. In addition, in accordance with the Enforcement Decree of the Commercial Act, we must make available our annual business report and audit report to our shareholders by sending such reports electronically or posting them on our website at least one week before the annual general meeting of stockholders. Copies of such business reports will be available for public inspection at the Financial Services Commission and the KRX KOSPI Market.

*Transfer of Shares*

Under the Korean Commercial Code, the transfer of shares is effected by the delivery of share certificates. The Financial Investment Services and Capital Markets Act provides, however, that in case of a company listed on the KRX KOSPI Market such as us, share transfers can be effected by the book-entry method. In order to assert stockholders' rights against us, the transferee must have his name and address registered on the register of stockholders. For this purpose, stockholders are required to file with us their name, address and seal. Non-resident stockholders must notify us of the name of their proxy in Korea to which our notice can be sent.

Under current Korean regulations, the following entities may act as agents and provide related services for foreign stockholders:

- the Korea Securities Depository;

- internationally recognized foreign custodians;
- financial investment companies with a dealing license (including domestic branches of foreign financial investment companies with such license);
- financial investment companies with a brokerage license (including domestic branches of foreign financial investment companies with such license);
- foreign exchange banks (including domestic branches of foreign banks); and
- financial investment companies with a collective investment license (including domestic branches of foreign financial investment companies with such license).

In addition, foreign stockholders may appoint a standing proxy among the foregoing and generally may not allow any person other than the standing proxy to exercise rights to the acquired shares or perform any tasks related thereto on their behalf. Certain foreign exchange controls and securities regulations apply to the transfer of shares by non-residents or non-Koreans. See "Item 9.A. Offering and Listing Details" and "Item 10.D. Exchange Controls." Except as provided in the Financial Holding Company Act, the ceiling on the aggregate shareholdings of a single stockholder and persons who stand in a special relationship with such stockholder is 10% of our issued and outstanding voting shares. See "Item 4.B. Business Overview—Supervision and Regulation—Principal Regulations Applicable to Financial Holding Companies—Restrictions on Ownership of a Financial Holding Company."

*Acquisition of Our Shares*

Under the Korean Commercial Code, we may acquire our own shares upon a resolution of a general meeting of shareholders by either (i) purchasing them on a stock exchange or (ii) purchasing a number of shares, other than redeemable shares as set forth in Article 345, Paragraph (1) of the Korean Commercial Code, from each shareholder in proportion to their existing shareholding ratio through the methods set forth in the Presidential Decree, provided that the total purchase price does not exceed the amount of our profit that may be distributed as dividends in respect of the immediately preceding fiscal year.

Additionally, pursuant to the Financial Investment Services and Capital Markets Act and regulations under the Financial Holding Company Act and after submission of certain reports to the Financial Services Commission, we may purchase our own shares on the KRX KOSPI Market or through a tender offer, subject to the restrictions that:

- the aggregate purchase price of such shares may not exceed the total amount available for distribution of dividends at the end of the preceding fiscal year; and
- the purchase of such shares shall meet the risk-weighted capital adequacy ratio requirements prescribed in the regulations under the Financial Holding Company Act based on Bank for International Settlements standards.

Subject to certain limited exceptions, our subsidiaries will not be permitted to acquire our shares pursuant to the Financial Holding Company Act.

### Item 10.C. *Material Contracts*

None.

### Item 10.D. *Exchange Controls*

#### General

The Foreign Exchange Transaction Act of Korea and the Enforcement Decree and regulations under that Act and Decree, which we refer to collectively as the "Foreign Exchange Transaction Laws," regulate investment

in Korean securities by non-residents and issuance of securities outside Korea by Korean companies. Non-residents may invest in Korean securities pursuant to the Foreign Exchange Transaction Laws. The Financial Services Commission has also adopted, pursuant to its authority under the Financial Investment Services and Capital Markets Act, regulations that restrict investment by foreigners in Korean securities and regulate issuance of securities outside Korea by Korean companies.

Under the Foreign Exchange Transaction Laws, (1) if the Korean government deems that it is inevitable due to the outbreak of natural calamities, wars, conflict of arms or grave and sudden changes in domestic or foreign economic circumstances or other situations equivalent thereto, the Ministry of Economy and Finance may temporarily suspend payment, receipt or the whole or part of transactions to which the Foreign Exchange Transaction Laws apply, or impose an obligation to safe-keep, deposit or sell means of payment in or to certain Korean governmental agencies or financial institutions; and (2) if the Korean government deems that international balance of payments and international finance are confronted or are likely to be confronted with serious difficulty or the movement of capital between Korea and abroad brings or is likely to bring about serious obstacles in carrying out its currency policies, exchange rate policies and other macroeconomic policies, the Ministry of Economy and Finance may take measures to require any person who intends to perform capital transactions to obtain permission or to require any person who performs capital transactions to deposit part of the payments received in such transactions at certain Korean governmental agencies or financial institutions, in each case subject to certain limitations.

**Restrictions Applicable to Shares**

Under the Foreign Exchange Transaction Laws, a foreign investor who intends to acquire shares must designate a foreign exchange bank at which he must open a foreign currency account and a Won account exclusively for stock investments. No approval is required for remittance into Korea and deposit of foreign currency funds in the foreign currency account. Foreign currency funds may be transferred from the foreign currency account at the time required to place a deposit for, or settle the purchase price of, a stock purchase transaction to a Won account opened at a financial investment company with a dealing and/or brokerage license. Funds in the foreign currency account may be remitted abroad without any Korean governmental approval.

Dividends on shares of Korean companies are paid in Won. No Korean governmental approval is required for foreign investors to receive dividends on, or the Won proceeds of the sale of, any shares to be paid, received and retained in Korea. Dividends paid on, and the Won proceeds of the sale of, any shares held by a non-resident of Korea must be deposited either in a Won account with the investor's financial investment company with a dealing and/or brokerage license or in his Won account. Funds in the investor's Won account may be transferred to his foreign currency account or withdrawn for local living expenses up to certain limitations. Funds in the Won account may also be used for future investment in shares or for payment of the subscription price of new shares obtained through the exercise of preemptive rights.

Financial investment companies with dealing and/or brokerage licenses are allowed to open foreign currency accounts with foreign exchange banks exclusively for accommodating foreign investors' stock investments in Korea. Through these accounts, such financial investment companies may enter into foreign exchange transactions on a limited basis, such as conversion of foreign currency funds and Won funds, either as a counterparty to or on behalf of foreign investors, without the investors having to open their own accounts with foreign exchange banks.

**Item 10.E.*Taxation***

**United States Taxation**

This summary describes certain U.S. federal income tax consequences for a U.S. holder (as defined below) of acquiring, owning, and disposing of common shares or ADSs. This summary applies to you only if you hold

the common shares or ADSs as capital assets for tax purposes. This summary does not apply to you if you are a member of a class of holders subject to special rules, such as:

- a broker or dealer in securities or currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for securities holdings;
- a bank;
- a life insurance company;
- a tax-exempt organization;
- an entity treated as a partnership for U.S. federal income tax purposes or a partner in such partnership;
- a person that holds common shares or ADSs that are a hedge or that are hedged against interest rate or currency risks;
- a person that holds common shares or ADSs as part of a straddle or conversion transaction for tax purposes;
- a person whose functional currency for tax purposes is not the U.S. dollar; or
- a person that owns or is deemed to own 10% or more of our stock, measured by voting power or value.

This summary is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations promulgated thereunder, and published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

This summary does not discuss the application of the U.S. federal estate and gift taxes, the Medicare net investment income tax or any alternative minimum tax, or any state, local or non-U.S. taxes.

Please consult your own tax advisers concerning the U.S. federal, state, local, and other tax consequences of purchasing, owning, and disposing of common shares or ADSs in your particular circumstances.

For purposes of this summary, you are a "U.S. holder" if you are the beneficial owner of a common share or an ADS and are:

- a citizen or resident of the United States;
- a U.S. domestic corporation; or
- otherwise subject to U.S. federal income tax on a net income basis with respect to income from the common share or ADS.

In general, if you are the beneficial owner of ADSs, you will be treated as the beneficial owner of the common shares represented by those ADSs for U.S. federal income tax purposes, and no gain or loss will be recognized if you exchange an ADS for the common share represented by that ADS.

***Dividends***

The gross amount of cash dividends that you receive (prior to deduction of Korean taxes) generally will not be eligible for the dividends received deduction. Dividends paid in Won will be included in your income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date of your receipt of the dividend, in the case of common shares, or the depositary's receipt, in the case of ADSs, regardless of whether the payment is in fact converted into U.S. dollars. If such a dividend is converted into U.S. dollars on the date of receipt, you generally should not be required to recognize foreign currency gain or loss in respect of the dividend income.

The U.S. dollar amount of dividends received by an individual with respect to the ADSs will be subject to taxation at reduced rates if the dividends are "qualified dividends." Subject to certain exceptions for short-term and hedged positions, dividends paid on the common shares or ADSs will be treated as qualified dividends if (i) the common shares or ADSs are readily tradable on an established securities market in the United States or we are eligible for the benefits of a comprehensive tax treaty with the United States that the U.S. Treasury determines is satisfactory for purposes of this provision and that includes an exchange of information program; and (ii) we were not, in the year prior to the year in which the dividend was paid, and are not, in the year in which the dividend is paid, a passive foreign investment company as defined for U.S. federal income tax purposes ("PFIC"). The ADSs are listed on the New York Stock Exchange, and will qualify as readily tradable on an established securities market in the United States so long as they are so listed. In addition, the U.S. Treasury has determined that the Korea-United States income tax treaty (the "Treaty") meets the requirements for reduced rates of taxation, and we believe we are eligible for the benefits of that treaty. Based on our audited financial statements, we believe that we were not a PFIC in our 2023 or 2024 taxable year. In addition, based on our audited financial statements and current expectations regarding our income, assets and activities, we do not anticipate becoming a PFIC for our 2025 taxable year. Therefore, we believe that dividends received by a U.S. holder with respect to either common shares or ADSs will be "qualified dividends," provided the holder satisfies the holding period requirement. Holders should consult their own tax advisers regarding the availability of the reduced dividend tax rate in light of their own particular circumstances.

Distributions of additional shares in respect of common shares or ADSs that are made as part of a pro-rata distribution to all of our stockholders generally will not be subject to U.S. federal income tax.

***Sale or Other Disposition***

For U.S. federal income tax purposes, gain or loss you realize on a sale or other disposition of common shares or ADSs generally will be treated as U.S. source capital gain or loss, and will be long-term capital gain or loss if the common shares or ADSs were held for more than one year. Your ability to offset capital losses against ordinary income is limited. Long-term capital gain recognized by an individual U.S. holder generally is subject to taxation at reduced rates.

If a U.S. holder sells or otherwise disposes of our common shares or ADSs in exchange for currency other than U.S. dollars, the amount realized generally will be the U.S. dollar value of the currency received at the spot rate on the date of sale or other disposition (or, if the shares are traded on an established securities market at such time, in the case of cash basis and electing accrual basis U.S. holders, the settlement date). An accrual basis U.S. holder that does not elect to determine the amount realized using the spot exchange rate on the settlement date will recognize foreign currency gain or loss equal to the difference between the U.S. dollar value of the amount received based on the spot exchange rates in effect on the date of the sale or other disposition and the settlement date. If an accrual basis U.S. holder makes the election described in the first sentence of this paragraph, it must be applied consistently from year to year and cannot be revoked without the consent of the Internal Revenue Service, or the IRS. A U.S. holder should consult its own tax advisers regarding the treatment of any foreign currency gain or loss realized with respect to any currency received in a sale or other disposition of the common shares or ADSs.

***Foreign Tax Credit Considerations***

Subject to generally applicable limitations and conditions, Korean tax on dividends paid at the appropriate rate applicable to you may be eligible for a credit against your U.S. federal income tax liability. These generally applicable limitations and conditions include requirements adopted by the IRS in regulations promulgated in December 2021, and any Korean tax will need to satisfy these requirements in order to be eligible to be a creditable tax for a U.S. holder. In the case of a U.S. holder that consistently elects to apply a modified version of these rules under temporary guidance issued in 2023 and complies with specific requirements as set forth in such guidance, the Korean tax on dividends may be treated as meeting the new requirements and therefore as a

creditable tax. In the case of all other U.S. holders, the application of these requirements to the Korean tax on dividends is uncertain and we have not determined whether these requirements are met, including requirements applicable to the Treaty. If the Korean tax is not a creditable tax for a U.S. holder or you do not elect to claim a foreign tax credit for any foreign income taxes paid or accrued in the same taxable year, you may be able to deduct the Korean tax in computing your taxable income for U.S. federal income tax purposes. Dividends will constitute income from sources without the United States and, if the withholding tax is a creditable tax for a U.S. holder that elects to claim foreign tax credits, generally will constitute "passive category income" for foreign tax credit purposes.

Additionally, under the foreign tax credit requirements discussed above, any Korean tax imposed on the sale or other disposition of the common shares or ADSs generally will not be treated as a creditable tax for U.S. foreign tax credit purposes except in the case of a U.S. holder that consistently elects to apply a modified version of the U.S. foreign tax credit rules that is permitted under the temporary guidance discussed above and complies with the specific requirements set forth in such guidance. Additionally, capital gain or loss recognized by a U.S. holder on the sale or other disposition of the common shares or ADSs generally will be U.S. source gain or loss for U.S. foreign tax credit purposes. Consequently, even if the withholding tax qualifies as a creditable tax, a U.S. holder may not be able to credit the tax against its U.S. federal income tax liability unless such credit can be applied (subject to generally applicable conditions and limitations) against tax due on other income treated as derived from foreign sources. If the Korean tax is not a creditable tax, the tax would reduce the amount realized on the sale or other disposition of the common shares or ADSs even if you have elected to claim a foreign tax credit for other taxes in the same year. You should consult your own tax advisers regarding the application of the foreign tax credit rules to a sale or other disposition of the common shares or ADSs and any Korean tax imposed on such sale or disposition.

Any Korean securities transaction tax or agriculture and fishery special surtax that you pay will not be creditable for foreign tax credit purposes.

Similarly, a U.S. holder will not be able to claim a foreign tax credit against its U.S. federal income tax liability for any Korean inheritance or gift tax imposed in respect of the common shares or ADSs.

The availability and calculation of foreign tax credits and deductions for foreign taxes depend upon a U.S. holder's particular circumstances and involve the application of complex rules to those circumstances. The temporary guidance discussed above also indicates that the Treasury and the IRS are considering proposing amendments to the December 2021 regulations and that the temporary guidance can be relied upon until additional guidance is issued that withdraws or modifies the temporary guidance. You should consult your own tax advisers regarding the application of these rules to your particular situation.

***Specified Foreign Financial Assets***

Certain U.S. holders that own "specified foreign financial assets" with an aggregate value in excess of US$50,000 on the last day of the taxable year or US$75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on IRS Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which would include the common shares or ADSs) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. holders who fail to report the required information could be subject to substantial penalties. Prospective investors should consult their own tax advisers concerning the application of these rules to their investment in the common shares or ADSs, including the application of the rules to their particular circumstances.

*U.S. Information Reporting and Backup Withholding Rules*

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries are subject to information reporting and may be subject to backup withholding unless the U.S. holder provides an accurate taxpayer identification number and makes any other required certification or otherwise establishes an exemption. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. holder will be allowed as a refund or credit against the U.S. holder's U.S. federal income tax liability, provided the required information is furnished to the IRS in a timely manner.

Holders that are not "United States persons" (as defined in the Internal Revenue Code of 1986, as amended) generally are not subject to information reporting or backup withholding. However, such a holder may be required to provide a certification of its non-U.S. status in connection with payments received within the United States or through a U.S.-related financial intermediary.

**Korean Taxation**

The following summary of Korean tax considerations applies to you so long as you are not:

- a resident of Korea;
- a corporation with its head office, principal place of business or place of effective management in Korea; or
- engaged in a trade or business in Korea through a permanent establishment or a fixed base to which the relevant income is attributable or with which the relevant income is effectively connected.

*Taxation of Dividends on Common Shares or ADSs*

We will deduct Korean withholding tax from dividends paid to you (whether payable in cash or in shares) at a rate of 22.0% (inclusive of local income surtax). If you are a qualified resident and a beneficial owner of the dividends in a country that has entered into a tax treaty with Korea, you may qualify for a reduced rate of Korean withholding tax. See "—Tax Treaties" below for a discussion on treaty benefits. If we distribute to you free shares representing a transfer of earning surplus or certain capital reserves into paid-in capital, that distribution may be subject to Korean withholding tax.

*Taxation of Capital Gains from Transfer of Common Shares or ADSs*

As a general rule, capital gains earned by non-residents upon transfer of our common shares or ADSs are subject to Korean withholding tax at the lower of (1) 11.0% (inclusive of local income surtax) of the gross proceeds realized or (2) subject to the production of satisfactory evidence of acquisition costs and certain direct transaction costs of the common shares or ADSs, 22.0% (inclusive of local income surtax) of the net realized gain, unless exempt from Korean income taxation under the applicable Korean tax treaty with the non-resident's country of tax residence. See "—Tax Treaties" below for a discussion on treaty benefits. Even if you do not qualify for an exemption under a tax treaty, you will not be subject to the foregoing withholding tax on capital gains if you qualify under the relevant Korean domestic tax law exemptions discussed in the following paragraphs.

In regards to the transfer of our common shares through the Korea Exchange, you will not be subject to the withholding tax on capital gains (as described in the preceding paragraph) if you (1) have no permanent establishment in Korea and (2) did not own or have not owned (together with any shares owned by any person with which you have a certain special relationship) 25% or more of the total issued and outstanding shares, which may include the common shares represented by the ADSs, at any time during the calendar year in which the sale occurs and during the five consecutive calendar years prior to the calendar year in which the sale occurs.

Under Korean tax law, ADSs are viewed as shares of common stock for capital gains tax purposes. Accordingly, capital gains from the sale or disposition of ADSs are taxed (if such sale or disposition constitutes a taxable event) as if such gains are from the sale or disposition of the underlying common shares. Capital gains that you earn (regardless of whether you have a permanent establishment in Korea) from a transfer of ADSs outside of Korea will generally be exempt from Korean income taxation by virtue of the Special Tax Treatment Control Law of Korea, or STTCL, provided that the issuance of the ADSs is deemed to be an overseas issuance under the STTCL. However, if you transfer ADSs after having converted the underlying common shares, such exemption under the STTCL will not apply and you will be required to file a corporate income tax return and pay tax in Korea with respect to any capital gains derived from such transfer unless the purchaser or a financial investment company with a brokerage license, as applicable, withholds and pays such tax.

If you are subject to tax on capital gains with respect to the sale of ADSs, or of our common shares you acquired as a result of a withdrawal, the purchaser or, in the case of the sale of the common shares on the Korea Exchange or through a financial investment company with a brokerage license in Korea, such financial investment company is required to withhold Korean tax on capital gains from the sales price in an amount equal to the lower of (1) 11.0% (inclusive of local income surtax) of the gross realization proceeds or (2) subject to the production of satisfactory evidence of acquisition costs and certain direct transaction costs of the common shares or ADSs, 22.0% (inclusive of local income surtax) of the net realized gain, and to make payment of these amounts to the Korean tax authority, unless you establish your entitlement to an exemption under an applicable tax treaty or domestic tax law. See the discussion under "—Tax Treaties" below for an additional explanation on claiming treaty benefits.

***Tax Treaties***

Korea has entered into a number of income tax treaties with other countries (including the United States), which would reduce or exempt Korean withholding tax on dividends on, and capital gains on transfer of, the common shares or ADSs. For example, under the Korea-United States income tax treaty, reduced rates of Korean withholding tax of 16.5% or 11.0% (depending on your shareholding ratio and inclusive of local income surtax) on dividends and an exemption from Korean withholding tax on capital gains are available to residents of the United States that are beneficial owners of the relevant dividend income or capital gains, subject to certain exceptions. However, under Article 17 (Investment or Holding Companies) of the Korea-United States income tax treaty, such reduced rates and exemption do not apply if (i) you are a United States corporation, (ii) by reason of any special measures, the tax imposed on you by the United States with respect to such dividend income or capital gains is substantially less than the tax generally imposed by the United States on corporate profits and (iii) 25% or more of your capital is held of record or is otherwise determined, after consultation between competent authorities of the United States and Korea, to be owned directly or indirectly by one or more persons who are not individual residents of the United States. Also, under Article 16 (Capital Gains) of the Korea-United States income tax treaty, the exemption on capital gains does not apply if (a) you have a permanent establishment in Korea and any shares of common stock in which you hold an interest and which gives rise to capital gains are effectively connected with such permanent establishment, (b) you are an individual and you maintain a fixed base in Korea for an aggregate of 183 days or more during a given taxable year and your ADSs or common shares giving rise to capital gains are effectively connected with such fixed base or (c) you are an individual and you are present in Korea for an aggregate of 183 days or more during a given taxable year.

You should inquire for yourself whether you are entitled to the benefit of a tax treaty between Korea and the country where you are a resident. It is the responsibility of the party claiming the benefits of an income tax treaty in respect of dividend payments or capital gains to submit to us, the purchaser or the financial investment company, as applicable, a certificate as to his tax residence. In the absence of sufficient proof, we, the purchaser or the financial investment company, as applicable, must withhold tax at the normal rates. Furthermore, in order for you to claim the benefit of a tax rate reduction or tax exemption on certain Korean source income (such as dividends or capital gains) under an applicable tax treaty, Korean tax law requires you (or your agent) to submit an application (for reduced withholding tax rate, "application for entitlement to reduced tax rate," and in the case of exemptions from withholding tax, "application for tax exemption," along with a certificate of your tax

residency issued by a competent authority of your country of tax residence, subject to certain exceptions) as the beneficial owner of such Korean source income ("BO application"). For example, a U.S. resident would be required to provide Form 6166 as a certificate of tax residency together with the application for entitlement to reduced tax rate or the application for tax exemption. However, if such tax exemption is being sought by a corporate entity for an amount that is ₩1 billion or more (including where the aggregate amount exempted within one year from the last day of the month in which the payment was made is ₩1 billion or more), you will be required to submit, in addition to the certificate of tax residence issued by a competent authority of your country of residence, (i) the names and addresses of all of the members of your board of directors, (ii) the identities and shareholding percentages of all of your shareholders (provided that if there are more than 100 shareholders, you may instead provide a statement showing the total number of shareholders and the aggregate investment amount from each country), and (iii) audit reports for the most recent three years submitted to your country of residence (or, if you are an entity that has been in existence for less than three years, audit reports since your incorporation). Such application should be submitted to the withholding agent prior to the payment date of the relevant income. Subject to certain exceptions, where the relevant income is paid to an overseas investment vehicle (which is not the beneficial owner of such income) ("OIV"), a beneficial owner claiming the benefit of an applicable tax treaty with respect to such income must submit its BO application to such OIV, which must submit an OIV report and a schedule of beneficial owners (and the BO applications collected from each beneficial owner, if such beneficial owner is applying for tax exemption) to the withholding agent prior to the payment date of such income. Effective from January 1, 2022, an OIV is deemed to be a beneficial owner of the Korean source income if (i) under the applicable tax treaty, the OIV bears tax liabilities in the country in which it is established and (ii) the Korean source income is eligible for benefits under the tax treaty. The benefits under a tax treaty between Korea and the country of such OIV's residence will apply with respect to the relevant income paid to such OIV, subject to certain application requirements as prescribed by the Corporate Income Tax or Individual Income Tax Law. In the case of a tax exemption application, the withholding agent is required to submit such applications (together with the applicable OIV report in the case of income paid to an OIV) to the relevant district tax office by the ninth day of the month following the date of the payment of such income.

***Inheritance Tax and Gift Tax***

If you die while holding an ADS or donate an ADS, it is unclear whether, for Korean inheritance tax and gift tax purposes, you will be treated as the owner of the common shares underlying the ADSs. If the tax authority interprets depositary receipts as the underlying share certificates, you may be treated as the owner of the common shares and your heir or the donee (or in certain circumstances, you as the donor) will be subject to Korean inheritance tax or gift tax presently at the rate of 10% to 50%, provided that the value of the ADSs or the common shares is greater than a specified amount.

If you die while holding a common share or donate a common share, your heir or donee (or in certain circumstances, you as the donor) will be subject to Korean inheritance tax or gift tax at the same rate as indicated above.

At present, Korea has not entered into any tax treaty relating to inheritance tax or gift tax.

***Securities Transaction Tax***

If you transfer our common shares on the Korea Exchange, you will be subject to an agriculture and fishery special surtax at the rate of 0.15% of the sale price of the common shares. If your transfer of the common shares is not made on the Korea Exchange, subject to certain exceptions, you will be subject to a securities transaction tax at the rate of 0.35% and will not be subject to an agriculture and fishery special surtax.

Under the Securities Transaction Tax Law, depositary receipts (such as American depositary receipts) constitute share certificates subject to the securities transaction tax. However, the transfer of depositary receipts listed on the New York Stock Exchange, the Nasdaq Global Market, or other qualified foreign exchanges is exempt from the securities transaction tax.

In principle, the securities transaction tax, if applicable, must be paid by the transferor of the common shares or ADSs. When the transfer is effected through a securities settlement company in Korea, such settlement company is generally required to withhold and pay the tax to the tax authorities. When such transfer is made through a financial investment company only, such financial investment company is required to withhold and pay the tax. Where the transfer is effected by a non-resident without a permanent establishment in Korea, other than through a securities settlement company or a financial investment company, the transferee is required to withhold the securities transaction tax.

Non-reporting or under-reporting of securities transaction tax will generally result in penalties equal to 20% to 60% of the non-reported tax amount or 10% to 60% of under-reported tax amount. Also, a failure to timely pay securities transaction tax will result in a penalty equal to 8.03% per annum of the due but unpaid tax amount. The penalties are imposed on the party responsible for paying the securities transaction tax or, if such tax is required to be withheld, on the party that has the obligation to withhold.

### Item 10.F. *Dividends and Paying Agents*

Not applicable.

### Item 10.G. *Statement by Experts*

Not applicable.

### Item 10.H. *Documents on Display*

We are subject to the information requirements of the Exchange Act, and, in accordance therewith, are required to file reports, including annual reports on Form 20-F, and other information with the U.S. Securities and Exchange Commission. As a foreign private issuer, we are also required to make filings with the Commission by electronic means. Any filings we make electronically will be available to the public over the Internet at the Commission's web site at http://www.sec.gov.

### Item 10.I. *Subsidiary Information*

Not applicable.

### Item 10.J. *Annual Report to Security Holders*

Not applicable.

## Item 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

### Overview

As a financial services provider, we are exposed to various risks related to our lending and trading businesses, our funding activities and our operating environment, principally through Kookmin Bank, our banking subsidiary. Our goal in risk management is to ensure that we identify, measure, monitor and control the various risks that arise, and that our organization adheres strictly to the strategies and procedures which we establish to address these risks. Under our internal regulations pertaining to our consolidated capital adequacy ratio and internal standards for risk appetite and internal capital under Basel III, we identify the following eight separate categories of risk inherent in our 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 we are exposed are credit risk, market risk, liquidity risk and operational risk, and we strive to manage these and other risks within acceptable limits.

**Organization**

We have a multi-tiered risk management governance structure. Our Risk Management Committee is ultimately responsible for group-wide risk management, and directs our various subordinate risk management entities. The Risk Management Council coordinates the implementation of policies set forth by the Risk Management Committee with the relevant risk management units of our subsidiaries. The Subsidiary Risk Management Committee of each of our subsidiaries, based on the Risk Management Committee's policies, determines risk management strategies and guidelines for such subsidiary and directs the activities of the subsidiary's risk management units within the risk guidelines set at the group level. Each Subsidiary Risk Management Committee generally receives inputs from the respective risk management units of such subsidiary, which report to the Risk Management Committee.

The following chart sets out our risk management governance structure as of the date of this annual report:

***Risk Management Committee***

Our Risk Management Committee is a board-level committee that is responsible for overseeing all risks and advising the board of directors with respect to risk management-related issues. The committee consists of four non-executive directors (one of whom serves as the chairman of the committee), and convenes on a quarterly basis. Its major roles include:

- establishing risk management policies in accordance with the directives of the board of directors;
- determining our target risk appetite;
- allocating risk capital to each subsidiary and approving our subsidiaries' risk limits;
- reviewing the level of risks we are exposed to and the appropriateness of our risk management systems and operations; and
- reviewing recovery and resolution plans.

***Risk Management Council***

Our Risk Management Council is responsible for coordinating with the risk management units of our subsidiaries to ensure that they implement the strategies, guidelines and limits established by the Risk Management Committee. The Risk Management Council is comprised of our chief risk management officer and the chief risk management officers of all of our subsidiaries. It operates independently from all business units and convenes on a quarterly basis. Its responsibilities include:

- analyzing our risk status by using information provided by our subsidiary-level risk management units;
- deliberating adjustments to the integrated risk capital allocation plan and risk limits for each of our subsidiaries; and
- coordinating issues relating to the group-wide integration of our risk management functions.

***Subsidiary Risk Management Committees***

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

- determining and monitoring risk strategies, guidelines, limits and tolerance levels and the level of subsidiary risk in accordance with group policy;
- reviewing and analyzing the subsidiary's risk profile;
- setting limits for and adjusting the risk capital allocation plan and risk levels for each business unit within the subsidiary; and
- monitoring compliance with our group-wide risk management strategies at the business unit and subsidiary level.

**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. We determine the creditworthiness of each type of borrower or counterparty through reviews conducted by our credit experts and through our credit rating systems, and we set a credit limit for each borrower or counterparty.

We assess and manage all credit exposures. We measure expected losses and internal capital on assets (whether on- or off-balance sheet) that are subject to credit risk management and use expected losses and internal capital as management indicators. We manage credit risk by allocating credit risk internal capital limits. In addition, we control credit concentration risk exposure by applying and managing total exposure limits to prevent excessive risk concentration to particular industries or borrowers. Credit exposures that we assess and manage include loans to borrowers and counterparties, investments in securities, letters of credit, bankers' acceptances, derivatives and commitments. Our risk appetite, which is the ratio of our required internal capital to our estimated available capital, is approved by the Risk Management Committee once a year. Thereafter, we calculate internal capital every month for all of our subsidiaries and on a holding company level based on attributed internal capital in accordance with the risk appetite as approved by the Risk Management Committee, and measure and report profiles of credit risk on a holding company level and by subsidiary regularly to our senior management, including our Risk Management Committee.

We use expected default rates and loss given default rates to determine the expected loss rate of a borrower or counterparty. We use 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 our internal database. With respect to large corporate borrowers, we also use information provided by external credit rating services to calculate default rates and loss given default rates.

Our 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, Kookmin Bank evaluates the ability of all loan applicants to repay their borrowings 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. Kookmin 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 Kookmin 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, Kookmin 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 Kookmin Bank and other financial institutions. The credit rating process differs according to the type, size and characteristics of the borrower.

Kookmin Bank uses its internally developed credit rating systems to rate potential borrowers. As the characteristics of each customer segment differ, Kookmin 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, a SOHO customer, a small- and medium-sized enterprise or a large company. For large companies and small- and medium-sized enterprises, Kookmin Bank has 17 credit ratings ranging from AAA to D for risk management purposes. For retail customers, it has 13 credit ratings ranging from grade 1 to grade 13.

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

***Retail Loan Approval Process***

*Mortgage Loans and Secured Retail Loans*. Branch staff employees of Kookmin Bank forward loan applications to processing centers and Kookmin Bank's processing center staff reviews mortgage loans and retail loans secured by real estate or guarantees. However, in the case of loans secured by deposits with Kookmin Bank, its branch staff approves such loans. Kookmin 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, Kookmin Bank evaluates the value of the real estate offered as collateral using a database it has developed that contains information about real estate values throughout Korea. Kookmin Bank also uses information from a third party provider about the real estate market in Korea, which gives it up-to-date market value information for Korean real estate. In addition, Kookmin Bank's

processing center staff employees review the value of real estate provided by the evaluation system to ensure there are no significant discrepancies. Kookmin Bank bases decisions regarding the approval of such loans primarily on the results of its credit scoring systems.

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

Kookmin 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*. Kookmin 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 and that it can be used effectively by employees who do not necessarily have extensive experience in credit evaluation. The staff of Kookmin Bank's processing centers reviews the results of the credit scoring system based on information input by its branch staff and, if approved, issues the loan.

Kookmin Bank's credit scoring systems take into account factors including borrower's income, assets, profession, transaction history (with both it 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. Kookmin Bank generally bases its decisions on the results of its credit scoring systems to evaluate applications.

***Corporate Loan Approval Process***

We approve corporate loans at different levels of our organization 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 of Kookmin Bank, 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.

Kookmin 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."

For owner-operated enterprises (which we refer to as SOHOs), Kookmin Bank has put in place a credit rating system known as Small Office Home Office Corporate Rating System, or SOHO CRS. For other small- and medium-sized enterprises, Kookmin Bank has put in place a similar credit rating system known as Corporate Rating System, or CRS. For large corporations, Kookmin Bank has put in place a similar credit rating system known as Large Corporate Rating System, or LCRS. For financial institutions, certain non-profit organizations and public institutions, Kookmin Bank has put in place a credit rating system known as Financial Institute, Non-profit, Public Corporate Rating System, or 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.

***Credit Card Approval Process***

We make decisions on all credit card approvals based on the Financial Supervisory Service standard of review for payment ability (such as the occupation and income of the applicant), as well as a combination of KB Kookmin Card's internal application scoring system and a credit scoring system developed by independent credit bureaus.

KB Kookmin Card's application scoring system reflects various credit information, including basic customer information (such as credit history), transaction history with it, if any, delinquency and transaction history with other card companies and financial institutions and credit information provided by Korea Credit Information Services and other credit bureaus. KB Kookmin Card also considers repayment ability, total assets, total outstanding borrowings and the length of the applicant's relationship, if any, and past contribution to our profitability, if any.

The credit scoring system developed by credit bureaus, reflects various sources of information regarding the credit risk of customers, including delinquency and transaction history with other credit card companies and financial institutions.

On the basis of the standard of review for payment ability and the combination of the scores from our application scoring system and the credit scoring system developed by independent credit bureaus, KB Kookmin Card establishes, among other things, the term of any new approvals, initial limits and differentiation of fee rates with respect to its credit cards. KB Kookmin Card's systems allow it to differentiate applicants into groups that receive immediate credit card approval or rejection, or that may require it to further investigate that applicant's credit qualifications. The initial limits of new applicants are based on their estimated disposable income, which is based on their occupation and the value of their personal assets. KB Kookmin Card applies its fee rates to applicants differently according to risk premium and profitability.

***Total Exposure Management***

We establish and manage total exposure limits for industries, *chaebols* and corporations, as well as certain small- and medium-sized enterprises, in order to efficiently manage financial assets and to optimize our credit portfolio. Kookmin Bank establishes total exposure limits for (i) main debtor groups designated by the Financial Supervisory Service, (ii) groups to which Kookmin 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 Kookmin Bank has total exposure of ₩40 billion or more, (iv) small- and medium-sized enterprises to which Kookmin Bank has total exposure of ₩30 billion or more and (v) other groups or individual enterprises designated by the head of Kookmin Bank's Risk Management Group as necessary. Kookmin Bank establishes total exposure limit 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 Kookmin 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.

Kookmin 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.

We manage and control exposure limits on a daily basis. The principal system that we use for this purpose is the Total Exposure Management System. This system allows us to monitor and control our total exposure to corporations, *chaebols* and industries. Kookmin 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 Financial Supervisory Service based on their outstanding exposures) to which it has an exposure of ₩40 billion or more, small- and medium-sized enterprises 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. We also monitor our exposure across 37 industries. Our Total Exposure Management System integrates all of our credit-related risk including credit extended by our 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***

Kookmin 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 computerized collateral management system that can be accessed from Kookmin Bank's headquarters and its branches. Using this system, Kookmin Bank can more accurately assess the actual liquidation value of collateral, determine the recovery rate on its loans and use this information in setting its credit risk management and loan policies. Kookmin 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 Kookmin Bank's collateral, Kookmin 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. Kookmin 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***

Kookmin Bank's Credit Risk Department establishes 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. It also analyzes and monitors our loan portfolios on a regular basis to preemptively manage any risk, and continually monitors our 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***

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

- reviews internal credit regulations, policies and systems;
- analyzes 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, Kookmin Bank's 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 such review, Kookmin Bank may adjust the borrower's credit rating, lending policy or asset quality classification of the loan provided to the borrower, depending on the applicable circumstances. Kookmin 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. Kookmin 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, Kookmin Bank may revise the total exposure limit assigned to that industry and lending policy for each company within that industry. When a review takes place, Kookmin 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 Kookmin Bank's chief risk management officer and its Risk Management Committee on a quarterly basis.

Kookmin Bank's Credit Review Department also conducts on-site reviews of selected branches that are experiencing increasing delinquency ratios and bad debts. During these visits Kookmin Bank examines the loan processes and recommends improvement plans and appropriate follow-up measures.

Also, based on guidelines provided by the Financial Supervisory Service to all Korean banks, Kookmin Bank operates a corporate credit risk assessment program to facilitate the identification of weak companies and possible commencement of corporate restructuring. Through this program, Kookmin 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 normalization of companies that are likely to turnaround through a workout process, or seek to liquidate those companies that are not likely to recover.

Kookmin Bank's Credit Review Department also analyzes 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 we are 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 us to these risks are securities and financial derivatives. We are also exposed to interest rate risk and liquidity risk in Kookmin Bank's banking book. We divide market risk into risks arising from trading activities and risks arising from non-trading activities.

Kookmin 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 of Kookmin Bank, which is chaired by Kookmin Bank's chief risk management 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 Kookmin Bank's Risk Management Council, the Market Risk Management Subcommittee reviews and approves reports as required that include trading profits and losses, position reports, limit utilization and sensitivity analysis results for our trading activities.

Kookmin Bank's Risk Management Council is responsible for interest rate and liquidity risk management for its non-trading activities. The council 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 Kookmin Bank's Risk Management Department, review Kookmin 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, we have assigned the responsibilities for our asset and liability risk management to Kookmin Bank's Risk Management Department in Kookmin Bank's Risk Management Group, which monitors and reviews the asset and liability operating procedures and activities of Kookmin Bank's Financial Planning Department, and independently reports to the management on the related issues.

***Market Risk Management for Trading Activities***

Our trading activities consist of:

- trading activities for our own account to realize short-term trading profits in Won-denominated debt and equities markets and foreign exchange markets based on our short-term forecast of changes in the market situation; and
- trading activities involving derivatives, such as swaps, forwards, futures and option transactions, to realize profits primarily from selling derivative products to our customers and to hedge market risk incurred from those activities.

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

- to hedge interest rate risk arising from its trading activities, the Capital Markets Group of Kookmin Bank occasionally uses interest rate futures (Korea Treasury Bond Futures) and interest rate swaps;
- to hedge interest rate risk and foreign exchange risk arising from our foreign currency-denominated asset and liability positions as well as our trading activities, the Capital Markets Group of Kookmin Bank uses 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, we use swaps. For example, depending on the market situation, we may choose to obtain fixed rate funding instead of floating rate funding if we believe that the terms are more favorable, which we can achieve by entering into interest rate swaps.

We generally manage our market risk at the portfolio level. To control our exposure to market risk, we use internal capital limits set by Kookmin Bank's Risk Management Committee for Kookmin Bank and at the group level within Kookmin Bank, position and stop loss limits set by Kookmin Bank's Risk Management Council for Kookmin Bank and at the group level within Kookmin Bank, and position, stop loss and sensitivity limits (PVBP, Delta, Gamma, Vega) set by Kookmin Bank's Market Risk Management Subcommittee at the department level within Kookmin Bank. We prepared our risk control and management guidelines for derivative trading based on the regulations and guidelines promulgated by the Financial Supervisory Service.

In addition, we have 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 our consolidated financial statements. For example, each year, Kookmin Bank's Risk Management Department reviews the existing pricing and valuation models, with a focus on their underlying modeling assumptions and restrictions, to assess the appropriateness of their continued use. In consultation with Kookmin Bank's Trading Department, the Risk Management Department recommends potential valuation models to Kookmin Bank's Fair Value Evaluation Committee. Upon approval by Kookmin Bank's Fair Value Evaluation Committee, the selected valuation models are reported to its Market Risk Management Subcommittee.

We monitor market risk arising from trading activities of our business groups and departments. Kookmin 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, Kookmin Bank replaced the use of daily VaR with the Basel III standardized method to measure market risk. Under such method, Kookmin 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 Kookmin Bank's market risk capital for each category of market risk as of December 31, 2023 and 2024:

| Risk categories | | Risk Capital | |
|---|---|---|---|
| | | 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, we use stress testing to assess our 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 our 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 Kookmin Bank's stress testing, we estimate that as of December 31, 2024, Kookmin Bank's 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.

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

*Interest Rate Risk*

Interest rate risk from trading activities arises mainly from our trading of Won-denominated debt securities. Our trading strategy is to benefit from short-term movements in the prices of debt securities arising from changes in interest rates. As our trading accounts are marked-to-market daily, we manage the interest rate risk related to our 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 we have 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. Our assets and liabilities denominated in U.S. dollars, Japanese Yen, Euro, Chinese Renminbi and Indonesian IDR have typically accounted for the majority of our foreign currency assets and liabilities.

The difference between our foreign currency assets and liabilities is offset against forward foreign exchange positions, currency options and currency swaps to obtain our net foreign currency open position. Kookmin Bank's Risk Management Council and Market Risk Management Subcommittee oversee Kookmin 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 Kookmin Bank's non-consolidated net open positions at the end of 2023 and 2024. Positive amounts represent long positions and negative amounts represent short positions. The net open positions held by subsidiaries other than Kookmin Bank are not significant.

| | As of December 31,[1] | |
|---|---|---|
| | 2023 | 2024 |
| | (in millions of US$) | |
| **Currency:** | | |
| U.S. dollars | US$ (288.1) | US$ 216.1 |
| Japanese Yen | 1.8 | 1.3 |
| Euro | 8.9 | 25.8 |
| Chinese Renminbi | 61.6 | 72.4 |
| Indonesian IDR | 1,024.7 | 713.6 |
| Others | 128.7 | 86.8 |
| Total | US$ 937.7 | US$1,115.9 |

(1) Amounts prepared on a non-consolidated basis.

*Equity Price Risk*

Equity price risk results from our equity derivatives trading portfolio in Won since we do not have any trading exposure to shares denominated in foreign currencies.

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.

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

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

*Derivative Market Risk*

Our 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 our corporate customers and related transactions to reduce our exposure resulting from those sales;
- taking positions in limited cases when we expect short-swing profits based on our market forecasts; and
- trading to hedge our interest rate and foreign currency risk exposure as described above.

Market risk from trading derivatives is not significant since our 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*

Our 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. We measure interest rate risk for Won and foreign currency assets and liabilities in our bank accounts (including derivatives) and our principal guaranteed trust accounts. Most of our interest-earning assets and interest-bearing liabilities are denominated in Won and our foreign currency-denominated assets and liabilities are mostly denominated in U.S. dollars.

Our principal interest rate risk management objectives are to generate stable net interest revenues and to protect our asset value against interest rate fluctuations. We principally manage this risk for our non-trading activities by analyzing and managing maturity and duration gaps between our interest-earning assets and interest-bearing liabilities. In addition, we use hedging instruments for interest rate risk management for our 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. We perform 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.* We perform interest rate gap analysis based on interest rate repricing maturities of assets and liabilities. However, for some of our assets and liabilities with either no maturities or unique characteristics, we use or assume certain maturities, including the following examples:

- With respect to asset maturities, we assume remaining maturities of prime rate-linked loans with remaining maturities of over one year to be one year and use the actual maturities for prime rate-linked loans with remaining maturities of less than one year.
- With respect to liability maturities, we use last 120 months' average balance to segregate "non-core" and "core" demand deposits. We assume "non-core" demand deposits to have remaining maturities of one day or less, and we assume "core" demand deposits to have remaining maturities between one month and five years.

The following table shows Kookmin Bank's 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*. We also perform 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. We emphasize duration gap analysis because, in the long run, our principal concern with respect to interest rate fluctuations is the net asset value rather than net interest revenue changes. In 2024, our Won-denominated asset and liability duration gap was positive and it moved between +0.109 years and +0.259 years. Accordingly, our net asset value would have declined (or increased) between ₩478 billion and ₩1,106 billion if interest rates had increased (or decreased) by one percentage point.

For duration gap analysis we use or assume the same maturities for different assets and liabilities that we use or assume for our interest rate gap analysis.

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

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

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

The following table summarizes Kookmin 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 Kookmin 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. Kookmin 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, Kookmin 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 our consolidated financial statements included elsewhere in this annual report.

*Foreign Exchange Risk*

We manage foreign exchange rate risk arising from our non-trading operations together with such risks arising from our trading operations. See "—Market Risk Management for Trading Activities—Foreign Exchange Risk" above.

**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 unfavorable price due to lack of available funds. We manage our liquidity in order to meet our financial liabilities from withdrawals of deposits, redemption of matured debentures and repayments at maturity of borrowed funds. We also require sufficient liquidity to fund loans, to extend other credits and to invest in securities. Our liquidity management goal is to meet all our liability repayments on time and fund all investment opportunities even under adverse conditions. To date, we have not experienced significant liquidity risk.

We maintain liquidity by holding sufficient quantities of assets that can be liquidated to meet actual or potential demands for funds from depositors and others. We also manage 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 we believe we could raise by issuing securities. We seek to minimize our liquidity costs by managing our 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.

We maintain diverse sources of liquidity to facilitate flexibility in meeting our funding requirements. We fund our 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 Bank of Korea. We use the majority of funds we raise to extend loans or purchase securities. Generally, deposits are of shorter average maturity than loans or investments.

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

We manage liquidity risk within the limits set on Won and foreign currency accounts in accordance with the regulations of the Financial Services Commission. The Financial Services Commission generally requires Korean banks, including Kookmin Bank, to maintain a liquidity coverage ratio of not less than 100%. The Financial Services Commission 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 Financial Services Commission requires Korean banks, including Kookmin 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 Financial Services Commission 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 Financial Services Commission began phasing out such temporary measures, and as of the date of this annual report, both the liquidity coverage ratio and the foreign liquidity coverage ratio requirements have returned to their pre-pandemic levels of 100% and 80%, respectively.

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

The following table shows Kookmin 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 Financial Services Commission 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 Kookmin Bank's Risk Management Group reports whether it is complying with these limits monthly to Kookmin Bank's Risk Management Council and quarterly to Kookmin Bank's Risk Management Committee.

## Operational Risk Management

### *Overall Status*

There is no complete consensus on the definition of operational risk in the banking industry. We define 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 our operations that could negatively impact our 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. Our 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 group.

Each of our subsidiaries manages operational risks related to its own business, and we regularly monitor them. Kookmin Bank, our banking subsidiary, uses an operational risk management framework meeting the Basel III standards. Specifically, Kookmin 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, or BICs, and internal loss multipliers, or ILMs;

- monitors operational risk in terms of Key Risk Indicators, or KRIs, using tolerance levels for each indicator;
- executes integrated compliance and operational risk Control Self Assessments, or CSAs, that enhance the effect on internal controls, which Kookmin Bank employees are able to access and use for process improvement;
- collects and analyzes 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 our senior management.

While Kookmin 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 Kookmin 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 Kookmin Bank's Risk Management Department, monitors bank-wide operational risk. Kookmin 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, Kookmin 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, Kookmin Bank designates expert auditors for overseas branches and conducts internal audits designed especially to check key risks identified for each overseas branch. Kookmin 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, Kookmin 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, Kookmin 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, we maintain a system of comprehensive policies and have put in place a control framework designed to provide a stable and well-managed operational environment throughout our organization. We have in place 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, we maintain an external whistleblower "ombudsman" channel to encourage whistleblowing and voluntary reporting of fraudulent behavior. As part of our efforts to strengthen our internal reporting system, we amended our whistleblower policy in May 2023 to expand the scope of reportable subjects, explicitly stipulate the rewards for such reporting and require mandatory investigations of any violations of the duty to report financial incidents.

Each of our subsidiaries establishes its own internal control system in accordance with the group-level internal control principles. Our Compliance Supporting Department is responsible for monitoring and advising

our subsidiaries regarding their internal control systems. Our Audit Committee, which consists of four non-executive directors, is an independent authority that evaluates the effectiveness and efficiency of our group-wide internal control systems and business processes and monitors our subsidiaries' compliance with such systems and processes, as well as reviews the reliability of our financial statements to secure the transparency and stability of our management (including through the activities of our independent auditors). 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, we established an internal control committee under our board of directors in March 2025. The new committee will be mainly responsible for establishing and amending our strategies and standards relating to internal control, ensuring that our management take appropriate managerial actions required for the effective functioning of internal control related to their respective responsibilities set forth in a "Responsibilities Map" prepared by us in accordance with the amended rules, and overseeing steps to improve any deficiencies identified in our internal control systems. However, the Audit Committee will continue to oversee matters relating to internal control over financial reporting, among others. We have also established group-wide internal guidelines with respect to our subsidiaries' reporting requirements. Our subsidiaries review their operations and their level of compliance with internal control systems and business processes on a periodic basis and, as part of this process, they are required to report any problems discovered and any remedial actions taken to our chief compliance officer, who is responsible for reporting to our Audit Committee or Internal Control Committee, as necessary. Based on the results of these reports, or on an ad hoc basis in response to any problem or potential problem that it identifies, the Audit Committee may direct a subsidiary to conduct an audit of its operations or, if it chooses to do so, conduct its own audit of those operations. The Audit Committee interacts on a regular basis with our Audit Department, Internal Control Committee, Compliance Supporting Department and our independent auditors. In carrying out these duties, the Audit Committee ultimately protects our property for the benefit of our shareholders, investors and customers by independently monitoring our management.

Our Audit Department supports our Audit Committee in monitoring our accounting and business operations and overseeing the management of our subsidiaries' internal control systems by performing the following activities:

- general audits, which include full-scale audits of the overall operations performed according to an annual audit plan, and sectional audits of selected operations; and
- special audits of troubled or weak operations, which are performed when our Audit Committee or executive officer responsible for audits deems it necessary or pursuant to requests by our board, executive officers or supervisory authorities, such as the Financial Supervisory Service.

The Financial Supervisory Service periodically conducts a general examination of our operations. It also performs specific audits on particular aspects of our operations, such as risk management, credit monitoring and liquidity, as the need arises. We and our subsidiaries have in the past been subject to, and may in the future be subject to, the receipt of warning notices or the imposition of penalties in connection with our or our subsidiaries' failure to comply with the applicable laws or rules, regulations and guidelines of the Financial Supervisory Service. Kookmin Bank's Audit Department is the execution body for its audit committee and supports Kookmin 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 Audit Department evaluate the risk and process of its business units and concentrate its audit capacity with respect to high risk areas. As a result of recent regulatory trends, Kookmin 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, Kookmin Bank newly established an internal control committee in order to enhance its internal control systems.

Our Compliance Supporting Department operates a compliance system to ensure that all of our employees comply with the relevant laws and regulations. This system's main function is to establish and manage our compliance program, educate employees and management and improve our internal control process.

***Legal Risk***

We consider legal risk as a part of our operational risk. The uncertainty of the enforceability of the obligations of our customers and counterparties creates legal risk. Changes in laws and regulations could also adversely affect us. 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 our traditional business to the extent that the legal and regulatory landscape in Korea is changing and many new laws and regulations governing the financial industry remain untested. Our Compliance Supporting Department seeks to minimize legal risk by using stringent legal documentation, employing procedures designed to ensure that transactions are properly authorized and consulting legal advisers.

***IT System Operational Risk***

The integrity of our IT systems, and their ability to withstand potential catastrophic events, are crucial to our continuing operations. Accordingly, we are continuing to strengthen our disaster recovery capabilities. In order to minimize operational risks relating to our IT systems, we have implemented a multi-CPU system that runs multiple CPUs simultaneously on-site and ensures system continuity in case any of the CPUs fails. This system backs up our data systems at an off-site location on a real-time basis to ensure that our operations can be carried out normally and without material interruption in the event of CPU failure. Also, in order to protect our Internet banking services from system failures and cyber attacks, we process our Internet transactions through two separate data processing centers.

We currently test our disaster recovery systems every six months, with the comprehensive testing covering our branches and the main IT center's disaster recovery system, and our Infrastructure System Department monitoring all of our computerized network processes and IT systems. In addition, we monitor and report on any unusual delays or irregularities reported by our branches. Kookmin Bank currently tests its disaster recovery systems on a quarterly basis, and its Information Security Department is responsible for the daily monitoring of its information security system. Our business operations regularly conduct IT security inspections with respect to such operations and have implemented measures to identify and respond collectively to security breach attempts, such as hacking attempts. Furthermore, KB Kookmin Card and Kookmin Bank have each established technical as well as management-related standards governing information protection under which they operate their businesses.

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

At KB Kookmin Card, we have taken steps to strengthen its information security infrastructure by implementing a solution to prevent attacks on its website and a security system to prevent unauthorized access to local networks and information. As part of its efforts to strengthen its operational processes and procedures for customer information protection and to ensure compliance with relevant laws and regulations, KB Kookmin Card continually conducts annual status reviews, monthly information security inspections, information protection training for its employees and officers and mock training sessions for responding to malicious e-mails.

Kookmin Bank and KB Kookmin Card have each obtained ISO 27001 certification, which relates to information security. Kookmin Bank has also obtained ISO 20000 certification, which relates to information technology service management, and BS 25999 (now ISO 22301) certification, which relates to business

continuity management. Kookmin 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, we, Kookmin Bank and KB Insurance have each obtained ISMS certification, which relates to information security management, and KB Securities, KB Kookmin Card, Kookmin Bank and KB Capital have obtained ISMS-P certification, which relates to personal information in addition to information security management. KB Kookmin Card has also obtained PCI DSS certification, which relates to the protection of credit card data.

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

For further information regarding our cybersecurity measures, see "Item 16K. Cybersecurity."

## Item 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

### Fees and Charges

Under the terms of the deposit agreement, as a holder of our ADSs, you are required to pay the following service fees to the depositary:

| Services | Fees |
|---|---|
| Issuance of ADSs | Up to $5.00 per 100 ADSs (or portion thereof) issued |
| Delivery of deposited shares against surrender of ADSs | Up to $5.00 per 100 ADSs (or portion thereof) surrendered |
| Distribution of cash dividends or other cash distributions | Up to $0.02 per ADS held |
| Transfer of ADSs, combination and split-up of American depositary receipts or interchange of certificated and uncertificated ADSs | Up to $1.50 per American depositary receipt transferred |
| Distribution or sale of securities pursuant to stock dividends, free stock distributions, exercise of rights or any other non-cash distributions | A fee equivalent to the fee that would be payable if securities distributed or sold, as the case may be, had been shares and such shares had been deposited for issuance of ADSs |
| Depositary Services | Up to $0.02 per ADS (or portion thereof) held on the applicable record date(s) established by the depositary |

As a holder of our ADSs, you are also responsible for paying certain fees and expenses incurred by the depositary and certain taxes and governmental charges such as:

- Fees for the transfer and registration of shares charged by the registrar and transfer agent for the shares in Korea (*i.e.*, upon deposit and withdrawal of shares).
- Expenses incurred for converting foreign currency into U.S. dollars.
- Expenses for cable, telex and fax transmissions and for delivery of securities.
- Taxes and duties upon the transfer of securities (*i.e.*, when shares are deposited or withdrawn from deposit).
- Fees and expenses incurred in connection with the delivery or servicing of shares on deposit or other deposited securities.

Depositary fees payable upon the issuance and surrender of ADSs are typically paid to the depositary by the brokers (on behalf of their clients) receiving the newly issued ADSs from the depositary and by the brokers (on

behalf of their clients) delivering the ADSs to the depositary for surrender. The brokers in turn charge these fees to their clients. Depositary fees payable in connection with distributions of cash or securities to ADS holders and the depositary services fee are charged by the depositary to the holders of record of ADSs as of the applicable ADS record date.

The depositary fees payable for cash distributions are generally deducted from the cash being distributed. In the case of distributions other than cash (i.e., stock dividend, rights), the depositary charges the applicable fee to the ADS record date holders concurrent with the distribution. In the case of ADSs registered in the name of the investor (whether certificated or uncertificated in direct registration), the depositary sends invoices to the applicable record date ADS holders. In the case of ADSs held in brokerage and custodian accounts (via the Depository Trust Company, or DTC), the depositary generally collects its fees through the systems provided by DTC (whose nominee is the registered holder of the ADSs held in DTC) from the brokers and custodians holding ADSs in their DTC accounts. The brokers and custodians who hold their clients' ADSs in DTC accounts in turn charge their clients' accounts the amount of the fees paid to the depositary.

In the event of refusal to pay the depositary fees, the depositary may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary fees from any distribution to be made to such holder of ADSs.

Note that the fees and charges you may be required to pay may vary over time and may be changed by us and by the depositary. You will receive prior notice of such changes.

**Fees and Payments from the Depositary to Us**

In 2024, we received the following payments from the depositary:

| | |
|---|---|
| Reimbursement of listing fees: | $ 80,000 |
| Reimbursement of SEC filing fees: | $109,816 |
| Reimbursement of expenses related to our investor relations activities (investor conferences and investor relations agency fees, etc.) and legal fees (expenses related to the preparation of our Form 20-F for fiscal year 2023): | $998,474 |

In addition, as part of its service to us, the depositary waives its fees for the standard costs and operating expenses associated with the administration of the ADS facility.

## Item 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

## Item 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

## Item 15. CONTROLS AND PROCEDURES

**Disclosure Controls and Procedures**

We have evaluated, with the participation of our chief executive officer and chief financial officer, the effectiveness of our disclosure controls and procedures as of December 31, 2024. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure

controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures as of December 31, 2024 were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

**Management's Annual Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by the IASB. Our internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS as issued by the IASB, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on our evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2024.

The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by Samil PricewaterhouseCoopers, an independent registered public accounting firm, as stated in its report included herein, which expressed an unqualified opinion on the effectiveness of our internal control over financial reporting as of December 31, 2024.

**Attestation Report of the Registered Public Accounting Firm**

The attestation report of our independent registered public accounting firm is included in Item 18 of this Form 20-F.

**Changes in Internal Control Over Financial Reporting**

There has been no change in our internal control over financial reporting during 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## Item 16. [RESERVED]

## Item 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Whajoon Cho and Sun Yeop Kim, our non-executive directors and members of our Audit Committee, qualify as "audit committee financial experts" and are independent within the meaning of this Item 16A.

## Item 16B. CODE OF ETHICS

We have adopted a code of ethics, as defined in Item 16B of Form 20-F under the Exchange Act. Our code of ethics applies to our chief executive officer and chief financial officer, as well as to our non-executive directors, non-standing directors and other officers and employees. Our code of ethics is available on our website at *https://www.kbfg.com/Eng/about/ethics.htm*. If we amend the provisions of our code of ethics that apply to our chief executive officer and chief financial officer and persons performing similar functions, or if we grant any waiver of such provisions, we will disclose such amendment or waiver on our website at the same address.

## Item 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

### Audit and Non-audit Fees

The following table sets forth the fees billed or expected to be billed to us by independent registered public accounting firm Samil PricewaterhouseCoopers for the fiscal years ended December 31, 2023 and 2024:

| | Year Ended December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | (in millions of Won) | |
| Audit fees | ₩ 16,618 | ₩ 15,248 |
| Audit-related fees | 247 | 228 |
| Tax fees | 4 | — |
| Total fees | ₩ 16,869 | ₩ 15,476 |

Audit fees in the above table are the aggregate fees billed by Samil PricewaterhouseCoopers in connection with:

- the audits of our annual financial statements and the review of our interim financial statements;
- the audits of our special purpose entities in connection with the Financial Investment Services and Capital Markets Act; and
- our financial debenture offering services.

Audit-related fees in the above table are the aggregate fees billed by Samil PricewaterhouseCoopers in connection with due diligence services rendered in the ordinary course of our business.

Tax fees in the above table are fees billed by Samil PricewaterhouseCoopers in connection with tax audit-related services for KB Investment Co., Ltd. in 2023.

### Audit Committee Pre-Approval Policies and Procedures

Our Audit Committee pre-approves the engagement of our independent auditors for audit services with respect to our financial statements. Our Audit Committee has implemented a policy regarding pre-approval of certain other services provided by our independent auditors to our subsidiaries that the Audit Committee has deemed as not affecting their independence. Under this policy, pre-approvals for the following services to our

subsidiaries have been granted by our Audit Committee to each of our subsidiaries' audit committees: (i) services related to the audit of financial statements prepared in accordance with IFRS as adopted by Korea and internal controls under Korean laws and regulations; (ii) general tax services; (iii) issuance of comfort letters in connection with offering of securities; and (iv) educational services provided to employees.

Any other audit or permitted non-audit service must be pre-approved by the Audit Committee on a case-by-case basis. Our Audit Committee did not pre-approve any non-audit services under the *de minimis* exception of Rule 2.01(c)(7)(i)(C) of Regulation S-X as promulgated by the Securities and Exchange Commission.

## Item 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

## Item 16E. PURCHASE OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

The following table sets forth information regarding purchases by us of our common shares during the period covered by this annual report.

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (as of end of period) |
|---|---|---|---|---|
| January 1 to January 31, 2024 | — | ₩ — | — | US$ — |
| February 1 to February 28, 2024[1] | — | — | — | — |
| March 1 to March 31, 2024[1] | 1,000,000 | 72,566 | 1,000,000 | 183,681,710 |
| April 1 to April 30, 2024[1] | 2,050,000 | 69,035 | 2,050,000 | 76,641,308 |
| May 1 to May 31, 2024[1] | 1,348,135 | 78,562 | 1,348,135 | — |
| June 1 to June 30, 2024[1] | — | — | — | — |
| July 1 to July 31, 2024[1] | — | — | — | — |
| August 1 to August 31, 2024[1][2] | 400,000 | 86,800 | 400,000 | 273,413,033 |
| September 1 to September 30, 2024[2] | 1,950,000 | 82,583 | 1,950,000 | 155,325,451 |
| October 1 to October 31, 2024[2] | 2,225,600 | 91,759 | 2,225,600 | 72,609,590 |
| November 1 to November 30, 2024[2][3] | 450,274 | 96,758 | 450,274 | 40,413,456 |
| December 1 to December 31, 2024[2][3] | 639,097 | 88,339 | 639,097 | — |
| Total | 10,063,106 | ₩81,486 | 10,063,106 | |

(1) Comprises common shares that were purchased through a broker in a series of open-market transactions in Korea in the periods indicated above, pursuant to a trust agreement for the acquisition of up to ₩320 billion, or approximately $241.1 million (as of February 7, 2024), worth of treasury shares between February 8, 2024 and August 7, 2024, as announced via our report of foreign private issuer furnished to the U.S. Securities and Exchange Commission via Form 6-K on February 7, 2024. We completed such purchases on May 31, 2024 and cancelled all such shares following the expiration of the agreement on August 7, 2024.

(2) Comprises common shares that were purchased through a broker in a series of open-market transactions in Korea in the periods indicated above, pursuant to a trust agreement for the acquisition of up to ₩400 billion, or approximately $288.1 million (as of July 23, 2024), worth of treasury shares between August 26, 2024 and March 4, 2025, as announced via our report of foreign private issuer furnished to the U.S. Securities and Exchange Commission via Form 6-K on July 23, 2024.

(3) Comprises common shares that were purchased through a broker in a series of open-market transactions in Korea in the periods indicated above, pursuant to a trust agreement for the acquisition of up to ₩100 billion, or approximately $72.4 million (as of October 24, 2024), worth of treasury shares between November 1, 2024 and April 30, 2025, as announced via our report of foreign private issuer furnished to the U.S. Securities and Exchange Commission via Form 6-K on October 24, 2024.

Other than as described above, neither we nor any "affiliated purchaser," as defined in Rule 10b-18(a)(3) of the Exchange Act, purchased any of our equity securities during the period covered by this annual report.

## Item 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

## Item 16G. CORPORATE GOVERNANCE

### Differences in Corporate Governance Practices

Pursuant to the rules of the New York Stock Exchange applicable to foreign private issuers like us that are listed on the New York Stock Exchange, we are required to disclose significant differences between the New York Stock Exchange's corporate governance standards and those that we follow under Korean law and in accordance with our own internal procedures. The following is a summary of such significant differences:

| NYSE Corporate Governance Standards | KB Financial Group |
|---|---|
| **Director Independence**<br>Listed companies must have a majority of independent directors. | The majority of our board of directors is independent (as defined in accordance with the New York Stock Exchange's standards), as seven out of nine directors are non-executive directors. |
| **Executive Session**<br>Non-management directors must meet in regularly scheduled executive sessions without management. Independent directors should meet alone in an executive session at least once a year. | Our non-executive directors hold executive sessions as needed in accordance with the Regulation of the Board of Directors. |
| **Nomination/Corporate Governance Committee**<br>A nomination/corporate governance committee of independent directors is required. The committee must have a charter that addresses the purpose, responsibilities (including development of corporate governance guidelines) and annual performance evaluation of the committee. | We maintain a Non-executive Director Nominating Committee composed of four non-executive directors.<br>We maintain a Chairman Nominating Committee composed of all seven of our non-executive directors. |
| **Compensation Committee**<br>A compensation committee of independent directors is required. The committee must have a charter that addresses the purpose, responsibilities and annual performance evaluation of the committee. The charter must be made available on the company's website. In addition, in accordance with the U.S. Securities and Exchange Commission rules adopted pursuant to Section 952 of the Dodd-Frank Act, the New York Stock Exchange listing standards were amended to expand the factors relevant in determining whether a committee member has a relationship with the company that will materially affect that member's duties to the compensation committee. | We maintain an Evaluation and Compensation Committee composed of four non-executive directors. |

| NYSE Corporate Governance Standards | KB Financial Group |
|---|---|
| Additionally, the committee may obtain or retain the advice of a compensation adviser only after taking into consideration all factors relevant to determining that adviser's independence from management. | |
| **Audit Committee**<br>Listed companies must have an audit committee that satisfies the independence and other requirements of Rule 10A-3 under the Exchange Act. All members must be independent. The committee must have a charter addressing the committee's purpose, an annual performance evaluation of the committee, and the duties and responsibilities of the committee. The charter must be made available on the company's website. | We maintain an Audit Committee composed of four non-executive directors. Accordingly, we are in compliance with Rule 10A-3 under the Exchange Act. |
| **Audit Committee Additional Requirements**<br>Listed companies must have an audit committee that is composed of at least three directors. | Our Audit Committee has four members, as described above. |
| **Shareholder Approval of Equity Compensation Plan**<br>Listed companies must allow its shareholders to exercise their voting rights with respect to any material revision to the company's equity compensation plan. | We currently have two equity compensation plans: (i) performance share agreements with certain of our directors and executive officers and (ii) an employee stock ownership plan, or ESOP. Matters related to the performance share agreements or ESOP are not subject to shareholders' approval under Korean law.<br>Our Articles of Incorporation provide that our stockholders may, by special resolution, grant stock options to officers, directors and employees. All material matters related to stock options are provided in our Articles of Incorporation, and any amendments to the Articles of Incorporation are subject to shareholders' approval. |
| **Corporate Governance Guidelines**<br>Listed companies must adopt and disclose corporate governance guidelines. | We have adopted corporate governance standards, the Korean-language version of which is available on our website. |

**Item 16H. MINE SAFETY DISCLOSURE**

Not applicable.

**Item 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not applicable.

## Item 16J. INSIDER TRADING POLICIES

Our insider trading policy is included in our code of ethics, which is incorporated by reference to our annual report on Form 20-F filed on April 28, 2016. See "Item 16B. Code of Ethics" and "Item 19. Exhibits."

## Item 16K. CYBERSECURITY

### Risk Management and Strategy

We operate 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 our daily operations relies on our 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 financial institution, we recognize the importance of building and preserving trust with our customers and protecting their personal information in our day-to-day operations.

As part of our overall risk management system and processes, we maintain 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. We utilize policies, software, training programs and hardware solutions to protect and monitor our environment, including multifactor authentication on all critical systems, firewalls, intrusion detection and prevention systems, vulnerability and penetration testing and identity management systems. In particular, our 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 our businesses. In addition, in order to protect our Internet banking services from system failures and cyber attacks, we process our online transactions through two separate data processing centers and monitor and report on any unusual delays or irregularities reported by our branches, and regularly implement various information technology system related initiatives and upgrades at the group and subsidiary level.

We also maintain 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, we follow 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. We conduct regular evaluations for any weaknesses in our electronic financial infrastructure, and analyze the frequency and potential effects of any cyber threats on our systems in order to prevent any potential cyber attacks. We also carry limited insurance that provides protection against potential losses arising from cybersecurity incidents and regularly review our policy and levels of coverage based on current risks.

We and our major subsidiaries have obtained the Information Security Management System ("ISMS") certifications of the Korea Internet and Security Agency, which share significant overlaps with the International Organization for Standardizations ("ISO") certifications. Kookmin Bank and KB Kookmin Card have each obtained ISO 27001 certification, which relates to information security. Kookmin Bank has also obtained ISO 20000 certification, which relates to information technology service management, and BS 25999 (now ISO 22301) certification, which relates to business continuity management. Kookmin Bank is the first Korean bank to have obtained all three such international certifications. In addition, we, Kookmin Bank and KB Insurance have each obtained ISMS certification, which relates to information security management, and KB Securities, KB Kookmin Card, Kookmin Bank and KB Capital have obtained ISMS-P certification, which relates to personal information in addition to information security management. KB Kookmin Card has also obtained PCI DSS certification, which relates to the protection of credit card data. These certifications are valid for three years, and we are subject to an annual audit to maintain such certifications. In addition, our cybersecurity

program is reviewed and evaluated by external, independent third parties, who assess and report on any weaknesses in our information technology systems on both a periodic and continual basis. Furthermore, we utilize the curriculum provided by the Financial Security Institute to provide cybersecurity trainings to all of our employees.

From time to time, we engage certain third-party service providers that may process the personal information of our customers. In such cases, we enter into security management agreements with such service providers to ensure that they comply with our strict security standards. We also conduct periodic on-site inspections of such service providers and provide them with periodic security training sessions.

Our 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 we cannot provide assurance that they will not be materially affected in the future by such risks and any future material incidents. See "Item 3.D. Risk Factors—Other risks relating to our business—Our 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 our business strategy, results of operations and financial condition.

**Governance**

***Board of Directors***

Our board of directors' principal role is one of oversight, recognizing that management is responsible for the day-to-day design, implementation and maintenance of an effective cybersecurity program for protecting against, and mitigating, data privacy and cybersecurity risks. Members of our board of directors stay apprised of the rapidly evolving cyber threat landscape as well as cybersecurity risks specific to us and our subsidiaries, and provide guidance to management as appropriate in order to enhance the effectiveness of our overall cybersecurity program.

Our board of directors has delegated the direct responsibilities relating to assessing and managing cybersecurity risks to our Chief Information Security Officer ("CISO"), who provides periodic reports on risk assessment and cybersecurity strategies to the board of directors. These reports include information about our information security management system and our personal information protection policy. In addition, the CISO provides quarterly evaluation reports to the board of directors concerning the sharing of customer information among our subsidiaries. The board of directors also reviews and approves our cybersecurity risk management processes on a periodic basis. In particular, the board of directors reviews our evaluation report on our use of customer information on a quarterly basis and our evaluation report on our management and use of personal credit information on an annual basis. It also reviews our overall cybersecurity strategy plan once every three years.

***Management***

The day-to-day monitoring, assessment and management of material cybersecurity risks is conducted by our management. We and each of our major subsidiaries operate an information security system operated by a CISO, who is responsible for managing cybersecurity risk management processes under the supervision of the board of directors at their respective companies. As part of such process, the CISO provides monthly reports to our chief executive officer on the results of our cybersecurity assessments. We and each of our major subsidiaries also maintain an Information Security Department and an Information Security Committee, each chaired by the CISO, which monitors incidents of customer information misuse, unauthorized access to our customer information and failure to comply with information security policies, among others, through an integrated information security management system. Our Information Security Committee is responsible for reviewing and approving the following:

- our annual general information security and information technology work plans;

- strategies and plans for ensuring the safety of electronic financial transactions and the protection of our customers;
- the results of vulnerability evaluations of our electronic financial infrastructure and the plans for implementing remedial measures; and
- matters related to cybersecurity incidents and violations of cybersecurity regulations.

More specifically, the cybersecurity risk management processes described above are managed by our CISO at the group level, who heads our information security division. Our current CISO has over 10 years of work experience in information security and over 13 years of work experience in information technology, and has also obtained a master's degree from the Korea University School of Cybersecurity.

## Item 17. FINANCIAL STATEMENTS

Not applicable.

## Item 18. FINANCIAL STATEMENTS

Reference is made to Item 19(a) for a list of all financial statements filed as part of this annual report.

## Item 19. EXHIBITS

(a) List of Financial Statements:


| | Page |
|---|---|
| **Audited consolidated financial statements of KB Financial Group Inc. and subsidiaries, prepared in accordance with IFRS as issued by the IASB** | |
| Report of independent registered public accounting firm | F-1 |
| Consolidated statements of financial position as of December 31, 2023 and 2024 | F-5 |
| Consolidated statements of comprehensive income for the years ended December 31, 2022, 2023 and 2024 | F-7 |
| Consolidated statements of changes in equity for the years ended December 31, 2022, 2023 and 2024 | F-10 |
| Consolidated statements of cash flows for the years ended December 31, 2022, 2023 and 2024 | F-14 |
| Notes to consolidated financial statements | F-16 |


(b) Exhibits

Pursuant to the rules and regulations of the U.S. Securities and Exchange Commission, KB Financial Group has filed certain agreements as exhibits to this Annual Report on Form 20-F. These agreements may contain representations and warranties made by the parties. These representations and warranties have been made solely for the benefit of the other party or parties to such agreements and (i) may be intended not as statements of fact, but rather as a way of allocating the risk to one of the parties to such agreements if those statements turn out to be inaccurate, (ii) may have been qualified by disclosures that were made to such other party or parties and that either have been reflected in the company's filings or are not required to be disclosed in those filings, (iii) may apply materiality standards different from what may be viewed as material to investors and (iv) were made only as of the date of such agreements or such other date(s) as may be specified in such agreements and are subject to more recent developments. Accordingly, these representations and warranties may not describe KB Financial Group's actual state of affairs at the date of this annual report.

| Number | Description |
|---|---|
| 1.1 | Articles of Incorporation of KB Financial Group (translation in English). |
| 2.1[(1)] | Form of Share Certificate of KB Financial Group's common stock, par value ₩5,000 per share (translation in English). |
| 2.2[(2)] | Form of Fifth Amended and Restated Deposit Agreement among KB Financial Group, JPMorgan Chase Bank, N.A., as depositary, and all owners and holders from time to time of American depositary receipts issued thereunder, evidencing American depositary shares, including the form of American depositary receipt. |
| 2.3[(3)] | Description of KB Financial Group's Capital Stock. |
| 2.4[(4)] | Description of KB Financial Group's American Depositary Shares. |
| 8.1[(5)] | List of subsidiaries of KB Financial Group. |
| 11.1[(6)] | Code of Ethics. |

| Number | Description |
|---|---|
| 12.1 | Section 302 certifications. |
| 13.1 | Section 906 certifications. |
| 97.1[7] | KB Financial Group's Clawback Policy for Misstatements of Financial Statements. |
| 101.INS | Inline XBRL Instance Document. |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document. |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document. |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document. |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document. |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document. |
| 104 | Cover Page Interactive Data File (Embedded within Inline XBRL Document). |

(1) Incorporated by reference to the registrant's filing on Form 20-F (No. 000-53445), filed on June 15, 2009 (https://www.sec.gov/Archives/edgar/data/1445930/000095012309013901/h03411exv2w1.htm).

(2) Incorporated by reference to the registrant's filing on Form F-6 (No. 333-208008), filed on November 13, 2015 (https://www.sec.gov/Archives/edgar/data/1445930/000119380515001876/e614274_ex99-a.htm).

(3) Incorporated by reference to "Item 10.B. Memorandum and Articles of Association—Description of Capital Stock" of this annual report.

(4) Incorporated by reference to exhibit 2.4 to the registrant's filing on Form 20-F (No. 000-53445) filed on April 24, 2020 (https://www.sec.gov/Archives/edgar/data/1445930/000119312520118233/d862752dex24.htm).

(5) Incorporated by reference to Note 41 of the consolidated financial statements of the registrant included in this annual report.

(6) Incorporated by reference to the registrant's filing on Form 20-F (No. 000-53445), filed on April 28, 2016 (https://www.sec.gov/Archives/edgar/data/1445930/000119312516561071/d181570dex111.htm).

(7) Incorporated by reference to the registrant's filing on Form 20-F (No. 000-53445), filed on April 26, 2024 (https://www.sec.gov/ix?doc=/Archives/edgar/data/0001445930/000119312524115465/d727549d20f.htm).

## SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

KB FINANCIAL GROUP INC.
(Registrant)

/s/ Jong Hee Yang
(Signature)

Jong Hee Yang
Chairman and Chief Executive Officer
(Name and Title)

Date: April 25, 2025

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
KB Financial Group Inc.:

### *Opinions on the Financial Statements and Internal Control over Financial Reporting*

We have audited the accompanying consolidated statements of financial position of KB Financial Group Inc. and its subsidiaries (the "Group") as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for each of the two years in the period ended December 31, 2024, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Group's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Group as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Group maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework (2013) issued by the COSO.

We also have audited the adjustments to retrospectively apply the change in accounting for Insurance Contracts on the 2022 consolidated financial statements, as described in Note 2.1.3. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2022 financial statements of the Group other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2022 financial statements taken as a whole.

### *Basis for Opinions*

The Group's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on the Group's consolidated financial statements and on the Group's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting

included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

***Definition and Limitations of Internal Control over Financial Reporting***

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

***Critical Audit Matters***

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

*Allowance for expected credit losses on loans measured at amortized cost*

As described in Note 3 and 10 to the consolidated financial statements, loans measured at amortized cost amount to ₩477,705,220 million, with allowances for credit losses of ₩5,633,380 million as of December 31, 2024. The Group measures expected credit losses on loans measured at amortized cost based on both individual and collective assessments. Individual assessment of expected credit losses is performed based on estimates of future forecast cash flow, and collective assessment of expected credit losses is involved with a variety and complex variable inputs and assumptions that requires management's estimates and judgments.

The principal considerations for our determination that performing procedures relating to the allowance for credit losses of loans measured at amortized cost is a critical audit matter are: (i) there was significant judgement by management in determining the allowance, which in turn led to a high degree of auditor subjectivity in performing procedures related to the impairment models, key assumptions, such as probability of default, loss given default, credit risk ratings and determination of the forward-looking information and the expected future cash flows related to individual exposures; (ii) there was significant judgement and effort in evaluating audit evidence related to these models, judgments and assumptions used to determine the allowance; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the estimation process, which included controls over the data, models and assumptions used in determining the allowance for credit losses. These procedures also included, among others, the involvement of professionals with specialized skill and knowledge to assist in testing management's process to estimate the allowance for credit losses including evaluating the appropriateness of methodology and models, and evaluating the reasonableness of significant assumptions used in the impairment models, such as probability of default, loss given default and credit risk ratings. It also included evaluating the reasonableness of key assumptions in the forward-looking information. Evaluating the forward-looking information assumptions involved assessing their reasonableness against external data and economic events that have occurred. We also assessed the reasonableness of the accuracy of borrower credit risk ratings and expected future cash flows related to individually assessed exposures.

*Loss ratio assumptions used to estimate fulfilment cash flows of the insurance contracts*

As described in Note 38 to the consolidated financial statements, the net book value of the liability for remaining coverage was ₩49,652,372 million, which is presented as insurance contract liabilities, reinsurance contract liabilities, insurance contract assets, and reinsurance contract assets in the consolidated statement of financial position as of December 31, 2024. The Group estimates future cash flows using various actuarial assumptions as inputs. Among the actuarial assumptions, the calculation of loss ratio assumptions includes various and complex inputs, including historical data, and management's estimates and judgement.

The principal considerations for our determination that performing procedures relating to the loss ratio assumptions used to estimate fulfilment cash flows of the insurance contracts is a critical audit matter are: (i) there was significant judgement by management in determining the loss ratio, which in turn led to a high degree of auditor subjectivity in performing procedures related to the estimation fulfilment cash flows of the insurance contracts; (ii) there was significant judgement and effort in evaluating audit evidence related to these models, judgments and assumptions used to determine the loss ratio; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the estimation process, which included controls over the loss ratio assumptions used to estimate fulfilment cash flows of the insurance contracts. These procedures also included, among others, the involvement of professionals with specialized skill and knowledge to assist in testing management's process to evaluate the reasonableness and accuracy of the loss ratio assumption by performing recalculations and other procedures, and test the accuracy and completeness of the historical data used in management's estimates by reconciling the data to supporting documents.

/s/ Samil PricewaterhouseCoopers
Seoul, the Republic of Korea
April 25, 2025

We have served as the Group's auditor since 2022.

## Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
KB Financial Group Inc.:

***Opinion on the Consolidated Financial Statements***

We have audited, before the effects of the adjustments to retrospectively reflect the adoption of IFRS No.17, Insurance Contracts on the 2022 consolidated financial statements described in Note 2.1.3, the consolidated statements of comprehensive income, changes in equity, and cash flows of KB Financial Group Inc. and its subsidiaries ("the Group") for the year ended December 31, 2022, and the related notes (collectively, the consolidated financial statements). The 2022 consolidated financial statements before the adjustments described in Note 2.1.3 are not presented herein.

In our opinion, the consolidated financial statements, before the effects of the adjustments described in Note 2.1.3, present fairly, in all material respects, the results of the Group's operations and its cash flows for the year ended December 31, 2022, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We were not engaged to audit, review, or apply any procedures to the adjustments to retrospectively reflect the adoption of IFRS No.17, Insurance Contracts on the 2022 consolidated financial statements described in Note 2.1.3 and accordingly, we do not express an opinion or any other form of assurance about whether such adjustments are appropriate and have been properly applied. Those adjustments were audited by other auditors.

***Basis for Opinion***

These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ KPMG Samjong Accounting Corp.

We served as the Group's auditor from 2019 to 2023.

Seoul, Korea
April 26, 2023

**KB FINANCIAL GROUP INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**AS OF DECEMBER 31, 2023, 2024, AND JANUARY 1, 2023**

| | Jan.1 2023 | Dec. 31 2023 | Dec. 31 2024 | Dec. 31 2024 |
|---|---|---|---|---|
| | (In millions of Korean won) | | | Translation into U.S. dollars (Note 3) (In thousands) |
| **ASSETS** | | | | |
| Cash and due from financial institutions | ₩ 32,474,750 | ₩ 29,836,311 | ₩ 29,869,111 | US$ 20,211,056 |
| Financial assets at fair value through profit or loss | 70,092,497 | 77,038,267 | 79,450,093 | 53,760,230 |
| Derivative financial assets | 9,446,580 | 6,157,628 | 11,730,767 | 7,937,672 |
| Loans measured at amortized cost | 433,038,931 | 444,805,287 | 472,071,840 | 319,429,337 |
| Financial investments | 115,452,659 | 122,199,529 | 131,009,464 | 88,648,089 |
| Investments in associates and joint ventures | 682,669 | 722,222 | 947,390 | 641,055 |
| Insurance contract assets | 83,304 | 229,640 | 276,191 | 186,886 |
| Reinsurance contract assets | 1,484,622 | 1,642,432 | 1,497,147 | 1,013,050 |
| Property and equipment | 4,991,467 | 4,945,699 | 5,390,015 | 3,647,176 |
| Investment property | 3,148,340 | 4,109,784 | 3,759,176 | 2,543,662 |
| Intangible assets | 1,858,470 | 1,950,858 | 1,966,684 | 1,330,765 |
| Net defined benefit assets | 478,934 | 374,090 | 258,500 | 174,915 |
| Current income tax assets | 204,690 | 244,317 | 339,855 | 229,965 |
| Deferred income tax assets | 188,372 | 274,225 | 278,824 | 188,667 |
| Assets held for sale | 211,758 | 208,230 | 136,838 | 92,592 |
| Other assets | 14,815,439 | 20,986,897 | 18,863,637 | 12,764,155 |
| Total assets | ₩688,653,482 | ₩715,725,416 | ₩757,845,532 | US$512,799,272 |
| **LIABILITIES** | | | | |
| Financial liabilities at fair value through profit or loss | ₩ 12,271,604 | ₩ 10,920,435 | ₩ 10,720,231 | US$ 7,253,888 |
| Derivative financial liabilities | 9,509,769 | 6,210,639 | 11,783,494 | 7,973,349 |
| Deposits | 393,928,904 | 406,512,434 | 435,687,897 | 294,809,993 |
| Borrowings | 71,717,366 | 69,583,561 | 68,077,012 | 46,064,588 |
| Debentures | 68,698,203 | 69,176,668 | 76,171,257 | 51,541,592 |
| Insurance contract liabilities | 46,372,434 | 50,617,990 | 55,863,701 | 37,800,401 |
| Reinsurance contract liabilities | 31,728 | 36,030 | 56,266 | 38,072 |
| Provisions | 933,701 | 1,444,418 | 927,632 | 627,686 |
| Net defined benefit liabilities | 85,745 | 81,869 | 100,187 | 67,792 |
| Current income tax liabilities | 998,681 | 145,335 | 530,720 | 359,114 |
| Deferred income tax liabilities | 1,452,057 | 2,094,912 | 1,682,292 | 1,138,330 |
| Other liabilities | 28,850,033 | 40,264,935 | 36,429,662 | 24,650,280 |
| Total liabilities | 634,850,225 | 657,089,226 | 698,030,351 | 472,325,085 |

(Continued)

**KB FINANCIAL GROUP INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**
**AS OF DECEMBER 31, 2023, 2024, AND JANUARY 1, 2023**

| | Jan.1 2023 | Dec. 31 2023 | Dec. 31 2023 | Dec. 31 2024 |
|---|---|---|---|---|
| | (In millions of Korean won) | | | Translation into U.S. dollars (Note 3) (In thousands) |
| **TOTAL EQUITY** | | | | |
| Share capital | 2,090,558 | 2,090,558 | 2,090,558 | 1,414,584 |
| Hybrid securities | 4,434,251 | 5,032,803 | 5,082,578 | 3,439,147 |
| Capital surplus | 16,940,731 | 16,647,916 | 16,646,734 | 11,264,080 |
| Accumulated other comprehensive income | 1,002,881 | 2,152,644 | 496,922 | 336,246 |
| Retained earnings | 28,890,922 | 31,934,600 | 34,808,220 | 23,553,124 |
| Treasury shares | (836,188) | (1,165,837) | (1,236,060) | (836,385) |
| Equity attributable to shareholders of the Parent Company | 52,523,155 | 56,692,684 | 57,888,952 | 39,170,796 |
| Non-controlling interests | 1,280,102 | 1,943,506 | 1,926,229 | 1,303,391 |
| Total equity | 53,803,257 | 58,636,190 | 59,815,181 | 40,474,187 |
| Total liabilities and equity | ₩688,653,482 | ₩715,725,416 | ₩757,845,532 | US$512,799,272 |

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

**KB FINANCIAL GROUP INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024**

| | 2022 | 2023 | 2024 | 2024 |
|---|---|---|---|---|
| | (In millions of Korean won, except per share amounts) | | | Translation into U.S. dollars (Note 3) (In thousands, except per share amounts) |
| Interest income | ₩20,787,417 | ₩ 29,142,024 | ₩ 30,491,385 | US$ 20,632,120 |
| Interest income from financial instruments at fair value through other comprehensive income and amortized cost | 19,841,175 | 27,705,759 | 29,001,556 | 19,624,021 |
| Interest income from financial instruments at fair value through profit or loss | 929,735 | 1,415,366 | 1,458,512 | 986,908 |
| Insurance finance interest income | 16,507 | 20,899 | 31,317 | 21,191 |
| Interest expense | (9,236,529) | (16,961,164) | (17,664,671) | (11,952,871) |
| Interest expense | (7,776,631) | (15,426,706) | (16,186,914) | (10,952,941) |
| Insurance finance interest expense | (1,459,898) | (1,534,458) | (1,477,757) | (999,930) |
| Net interest income | 11,550,888 | 12,180,860 | 12,826,714 | 8,679,249 |
| Fee and commission income | 5,125,930 | 5,368,074 | 5,481,843 | 3,709,311 |
| Fee and commission expense | (1,611,028) | (1,694,550) | (1,632,216) | (1,104,445) |
| Net fee and commission income | 3,514,902 | 3,673,524 | 3,849,627 | 2,604,866 |
| Insurance income | 10,099,395 | 11,005,471 | 11,456,191 | 7,751,878 |
| Insurance income | 9,577,005 | 10,322,356 | 11,017,155 | 7,454,803 |
| Reinsurance income | 522,390 | 683,115 | 439,036 | 297,075 |
| Insurance expense | (8,757,635) | (9,558,619) | (9,806,430) | (6,635,560) |
| Insurance service expense | (7,981,780) | (8,720,568) | (8,884,168) | (6,011,508) |
| Reinsurance expense | (775,855) | (838,051) | (922,262) | (624,052) |
| Net insurance income | 1,341,760 | 1,446,852 | 1,649,761 | 1,116,318 |
| Net gains (losses) on financial instruments at fair value through profit or loss | (1,139,818) | 2,163,065 | 1,012,081 | 684,829 |
| Other insurance finance income (expenses) | 720,214 | (572,476) | (437,001) | (295,700) |
| Net other operating expenses | (2,262,123) | (2,712,989) | (1,873,011) | (1,267,381) |
| General and administrative expenses | (6,643,654) | (6,647,406) | (6,938,624) | (4,695,048) |
| **Operating income before provision for credit losses** | 7,082,169 | 9,531,430 | 10,089,547 | 6,827,133 |
| Provision for credit losses | (1,847,775) | (3,146,409) | (2,044,286) | (1,383,274) |
| **Net operating income** | 5,234,394 | 6,385,021 | 8,045,261 | 5,443,859 |

(Continued)

**KB FINANCIAL GROUP INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)**
**FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024**

| | 2022 | 2023 | 2024 | 2024 |
|---|---|---|---|---|
| | (In millions of Korean won, except per share amounts) | | | Translation into U.S. dollars (Note 3) (In thousands, except per share amounts) |
| Share of profit (loss) of associates and joint ventures | (28,755) | 33,110 | (16,884) | (11,425) |
| Net other non-operating income (expenses) | 189,324 | (297,980) | (1,043,130) | (705,838) |
| **Net non-operating income (expenses)** | 160,569 | (264,870) | (1,060,014) | (717,263) |
| **Profit before income tax expense** | 5,394,963 | 6,120,151 | 6,985,247 | 4,726,596 |
| Income tax expense | (1,504,061) | (1,593,817) | (1,956,641) | (1,323,969) |
| **Profit for the year** | ₩ 3,890,902 | ₩ 4,526,334 | ₩ 5,028,606 | US$ 3,402,627 |
| Items that will not be reclassified to profit or loss | | | | |
| Remeasurements of net defined benefit liabilities | ₩ 239,701 | ₩ (72,170) | ₩ (85,375) | US$ (57,770) |
| Share of other comprehensive income (loss) of associates and joint ventures | 183 | (2) | — | — |
| Gains (losses) on equity securities at fair value through other comprehensive income | (932,058) | 69,605 | (254,864) | (172,455) |
| Fair value changes on financial liabilities designated at fair value through profit or loss due to own credit risk | 38,855 | (52,863) | (5,514) | (3,731) |
| | (653,319) | (55,430) | (345,753) | (233,956) |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Currency translation differences | 165,568 | 317 | 582,872 | 394,403 |
| Gains (losses) on debt securities at fair value through other comprehensive income | (5,342,895) | 3,304,471 | 1,468,299 | 993,530 |
| Shares of other comprehensive income (loss) of associates and joint ventures | (545) | 26 | 165 | 112 |
| Gains (losses) on cash flow hedging instruments | 26,168 | 53,923 | 34,741 | 23,508 |
| Gains (losses) on hedging instruments of net investments in foreign operations | (79,085) | (14,659) | (186,708) | (126,337) |
| Insurance finance incomes(expenses) | 5,891,208 | (2,117,504) | (3,176,328) | (2,149,275) |
| | 660,419 | 1,226,574 | (1,276,959) | (864,059) |

(Continued)

**KB FINANCIAL GROUP INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)**
**FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024**

| | 2022 | 2023 | 2024 | 2024 |
|---|---|---|---|---|
| | (In millions of Korean won, except per share amounts) | | | Translation into U.S. dollars (Note 3) (In thousands, except per share amounts) |
| **Other comprehensive income for the year, net of tax** | 7,100 | 1,171,144 | (1,622,712) | (1,098,015) |
| **Total comprehensive income for the year** | ₩ 3,898,002 | ₩ 5,697,478 | ₩ 3,405,894 | US$ 2,304,612 |
| **Profit attributable to:** | | | | |
| Shareholders of the Parent Company | 4,112,493 | 4,594,835 | 5,078,221 | 3,436,199 |
| Non-controlling interests | (221,591) | (68,501) | (49,615) | (33,572) |
| | ₩ 3,890,902 | ₩ 4,526,334 | ₩ 5,028,606 | US$ 3,402,627 |
| **Total comprehensive income for the year attributable to:** | | | | |
| Shareholders of the Parent Company | 4,106,054 | 5,772,352 | 3,419,852 | 2,314,057 |
| Non-controlling interests | (208,052) | (74,874) | (13,958) | (9,445) |
| | ₩ 3,898,002 | ₩ 5,697,478 | ₩ 3,405,894 | US$ 2,304,612 |
| **Earnings per share** | | | | |
| Basic earnings per share | ₩ 10,230 | ₩ 11,483 | ₩ 12,880 | US$ 8.72 |
| Diluted earnings per share | 9,998 | 11,218 | 12,726 | 8.61 |

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

# KB FINANCIAL GROUP INC. AND SUBSIDIARIES
# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
# FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024

| | Equity attributable to shareholders of the Parent Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Hybrid securities | Capital surplus | Accumulated other comprehensive income | Accumulated other comprehensive income relating to assets of a disposal group held for sale | Retained earnings | Treasury shares | Non-controlling interests | Total equity |
| | (In millions of Korean won) | | | | | | | | |
| **Balance as of January 1, 2022 (Before the restatement)** | ₩ 2,090,558 | ₩ 2,838,221 | ₩ 16,940,231 | ₩ 1,375,644 | ₩ 7,671 | ₩ 26,416,564 | ₩ (1,136,188) | ₩ 833,338 | ₩ 49,366,039 |
| Changes in accounting policies | — | — | — | (130,973) | — | (17,004) | — | — | (147,977) |
| **Balance as of January 1, 2022 (After the restatement)** | 2,090,558 | 2,838,221 | 16,940,231 | 1,244,671 | 7,671 | 26,399,560 | (1,136,188) | 833,338 | 49,218,062 |
| **Comprehensive income for the year** | | | | | | | | | |
| Profit (loss) for the year | — | — | — | — | — | 4,112,493 | — | (221,591) | 3,890,902 |
| Remeasurements of net defined benefit liabilities | — | — | — | 239,623 | — | — | — | 78 | 239,701 |
| Currency translation differences | — | — | — | 158,319 | (7,671) | — | — | 14,920 | 165,568 |
| Gains (losses) on financial instruments at fair value through other comprehensive income and transfer to retained earnings | — | — | — | (6,516,516) | — | 243,022 | — | (1,459) | (6,274,953) |
| Share of other comprehensive income of associates and joint ventures | — | — | — | (362) | — | — | — | — | (362) |
| Gains on cash flow hedging instruments | — | — | — | 26,168 | — | — | — | — | 26,168 |
| Losses on hedging instruments of net investments in foreign operations | — | — | — | (79,085) | — | — | — | — | (79,085) |
| Insurance finance income | — | — | — | 5,891,208 | — | — | — | — | 5,891,208 |
| Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk | — | — | — | 38,855 | — | — | — | — | 38,855 |
| **Total comprehensive income for the year** | — | — | — | (241,790) | (7,671) | 4,355,515 | — | (208,052) | 3,898,002 |
| **Transactions with shareholders** | | | | | | | | | |
| Annual dividends paid to shareholders of the Parent Company | — | — | — | — | — | (853,299) | — | — | (853,299) |
| Quarterly dividends paid to shareholders of the Parent Company | — | — | — | — | — | (584,452) | — | — | (584,452) |
| Issuance of hybrid securities | — | 1,596,030 | — | — | — | — | — | 431,807 | 2,027,837 |
| Dividends on hybrid securities | — | — | — | — | — | (126,402) | — | (36,094) | (162,496) |
| Retirement of treasury share | — | — | — | — | — | (300,000) | 300,000 | — | — |
| Others | — | — | 500 | — | — | — | — | 259,103 | 259,603 |
| **Total transactions with shareholders** | — | 1,596,030 | 500 | — | — | (1,864,153) | 300,000 | 654,816 | 687,193 |
| **Balance as of December 31, 2022** | ₩ 2,090,558 | ₩ 4,434,251 | ₩ 16,940,731 | ₩ 1,002,881 | ₩ — | ₩ 28,890,922 | ₩ (836,188) | ₩ 1,280,102 | ₩ 53,803,257 |

(Continued)

# KB FINANCIAL GROUP INC. AND SUBSIDIARIES
# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
# FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024

| | Equity attributable to shareholders of the Parent Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Hybrid securities | Capital surplus | Accumulated other comprehensive income | Accumulated other comprehensive income relating to assets of a disposal group held for sale | Retained earnings | Treasury shares | Non- controlling interests | Total equity |
| | (In millions of Korean won) | | | | | | | | |
| **Balance as of January 1, 2023** | ₩ 2,090,558 | ₩ 4,434,251 | ₩ 16,940,731 | ₩ 1,002,881 | ₩ — | ₩ 28,890,922 | ₩ (836,188) | ₩ 1,280,102 | ₩ 53,803,257 |
| **Comprehensive income for the year** | | | | | | | | | |
| Profit for the year | — | — | | — | — | 4,594,835 | — | (68,501) | 4,526,334 |
| Remeasurements of net defined benefit liabilities | — | — | — | (72,525) | — | — | — | 355 | (72,170) |
| Currency translation differences | — | — | — | 7,306 | — | — | — | (6,989) | 317 |
| Gains on financial instruments at fair value through other comprehensive income and transfer to retained earnings | — | — | — | 3,346,061 | — | 27,755 | — | 260 | 3,374,076 |
| Share of other comprehensive income of associates and joint ventures | — | — | — | 24 | — | — | — | — | 24 |
| Gains on cash flow hedging instruments | — | — | — | 53,923 | — | — | — | — | 53,923 |
| Losses on hedging instruments of net investments in foreign operations | — | — | — | (14,659) | — | — | — | — | (14,659) |
| Insurance finance expenses | — | — | — | (2,117,504) | — | — | — | — | (2,117,504) |
| Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk | — | — | — | (52,863) | — | — | — | — | (52,863) |
| **Total comprehensive income for the year** | — | — | — | 1,149,763 | — | 4,622,590 | — | (74,875) | 5,697,478 |
| **Transactions with shareholders** | | | | | | | | | |
| Annual dividends paid to shareholders of the Parent Company | — | — | — | — | — | (564,970) | — | — | (564,970) |
| Quarterly dividends paid to shareholders of the Parent Company | — | — | — | — | — | (586,931) | — | — | (586,931) |
| Issuance of hybrid securities | — | 598,552 | — | — | — | — | — | 429,078 | 1,027,630 |
| Dividends on hybrid securities | — | — | — | — | — | (184,915) | — | (57,179) | (242,094) |
| Acquisition of treasury shares | — | — | — | — | — | — | (571,745) | — | (571,745) |
| Retirement of treasury shares | — | — | — | — | — | (242,096) | 242,096 | — | — |
| Ownership changes in subsidiaries | — | — | (292,815) | — | — | — | — | 366,380 | 73,565 |
| **Total transactions with shareholders** | — | 598,552 | (292,815) | — | — | (1,578,912) | (329,649) | 738,279 | (864,545) |
| **Balance as of December 31, 2023** | ₩ 2,090,558 | ₩ 5,032,803 | ₩ 16,647,916 | ₩ 2,152,644 | ₩ — | ₩ 31,934,600 | ₩ (1,165,837) | ₩ 1,943,506 | ₩ 58,636,190 |

(Continued)

# KB FINANCIAL GROUP INC. AND SUBSIDIARIES
# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
# FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024

| | Equity attributable to shareholders of the Parent Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Hybrid securities | Capital surplus | Accumulated other comprehensive income | Accumulated other comprehensive income relating to assets of a disposal group held for sale | Retained earnings | Treasury shares | Non-controlling interests | Total equity |
| | (In millions of Korean won) | | | | | | | | |
| **Balance as of January 1, 2024** | ₩ 2,090,558 | ₩ 5,032,803 | ₩ 16,647,916 | ₩ 2,152,644 | ₩ — | ₩ 31,934,600 | ₩ (1,165,837) | ₩ 1,943,506 | ₩ 58,636,190 |
| **Comprehensive income for the year** | | | | | | | | | |
| Profit for the year | — | — | | — | — | 5,078,221 | — | (49,615) | 5,028,606 |
| Remeasurements of net defined benefit liabilities | — | — | — | (85,946) | — | — | — | 571 | (85,375) |
| Currency translation differences | — | — | — | 547,337 | — | — | — | 35,535 | 582,872 |
| Gains on financial instruments at fair value through other comprehensive income and transfer to retained earnings | — | — | — | 1,216,509 | — | (2,647) | — | (427) | 1,213,435 |
| Share of other comprehensive income of associates and joint ventures | — | — | — | 165 | — | — | — | — | 165 |
| Gains on cash flow hedging instruments | — | — | — | 34,763 | — | — | — | (22) | 34,741 |
| Losses on hedging instruments of net investments in foreign operations | — | — | — | (186,708) | — | — | — | — | (186,708) |
| Insurance finance expenses | — | — | — | (3,176,328) | — | — | — | — | (3,176,328) |
| Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk | — | — | — | (5,514) | — | — | — | — | (5,514) |
| **Total comprehensive income for the year** | — | — | — | (1,655,722) | — | 5,075,574 | — | (13,958) | 3,405,894 |
| **Transactions with shareholders** | | | | | | | | | |
| Annual dividends paid to shareholders of the Parent Company | — | — | — | — | — | (587,006) | — | — | (587,006) |
| Quarterly dividends paid to shareholders of the Parent Company | — | — | — | — | — | (899,971) | — | — | (899,971) |
| Issuance of hybrid securities | — | 399,059 | — | — | — | — | — | 756,317 | 1,155,376 |
| Dividends on hybrid securities | — | — | — | — | — | (199,800) | — | (77,162) | (276,962) |
| Repayment on hybrid securities | — | (349,284) | — | — | — | — | — | (659,866) | (1,009,150) |
| Acquisition of treasury shares | — | — | — | — | — | — | (820,000) | — | (820,000) |
| Disposal of treasury shares | — | — | 3,975 | — | — | — | 234,600 | — | 238,575 |
| Retirement of treasury shares | — | — | — | — | — | (515,177) | 515,177 | — | — |
| Ownership changes in subsidiaries | — | — | — | — | — | — | — | 12,198 | 12,198 |
| Others | — | — | (5,157) | — | — | — | — | (34,806) | (39,963) |
| **Total transactions with shareholders** | — | 49,775 | (1,182) | — | — | (2,201,954) | (70,223) | (3,319) | (2,226,903) |
| **Balance as of December 31, 2024** | ₩ 2,090,558 | ₩ 5,082,578 | ₩ 16,646,734 | ₩ 496,922 | ₩ — | ₩ 34,808,220 | ₩ (1,236,060) | ₩ 1,926,229 | ₩ 59,815,181 |

(Continued)

## KB FINANCIAL GROUP INC. AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
## FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024

| | Equity attributable to shareholders of the Parent Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Hybrid securities | Capital surplus | Accumulated other comprehensive income | Accumulated other comprehensive income relating to assets of a disposal group held for sale | Retained earnings | Treasury shares | Non-controlling interests | Total equity |
| | Translation into U.S. dollars (Note 3) (In thousands) | | | | | | | | |
| **Balance as of January 1, 2024** | US$ 1,414,584 | US$ 3,405,467 | US$11,264,880 | US$ 1,456,596 | US$ — | US$21,608,677 | US$ (788,868) | US$ 1,315,082 | US$39,676,418 |
| **Comprehensive income for the year** | | | | | | | | | |
| Profit for the year | — | — | — | — | — | 3,436,199 | — | (33,572) | 3,402,627 |
| Remeasurements of net defined benefit liabilities | — | — | — | (58,156) | — | — | — | 386 | (57,770) |
| Currency translation differences | — | — | — | 370,358 | — | — | — | 24,045 | 394,403 |
| Gains on financial instruments at fair value through other comprehensive income and transfer to retained earnings | — | — | — | 823,156 | — | (1,791) | — | (289) | 821,076 |
| Share of other comprehensive income of associates and joint ventures | — | — | — | 112 | — | — | — | — | 112 |
| Gains on cash flow hedging instruments | — | — | — | 23,523 | — | — | — | (15) | 23,508 |
| Losses on hedging instruments of net investments in foreign operations | — | — | — | (126,337) | — | — | — | — | (126,337) |
| Insurance finance expenses | — | — | — | (2,149,275) | — | — | — | — | (2,149,275) |
| Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk | — | — | — | (3,731) | — | — | — | — | (3,731) |
| **Total comprehensive income for the year** | — | — | — | (1,120,351) | — | 3,434,408 | — | (9,445) | 2,304,612 |
| **Transactions with shareholders** | | | | | | | | | |
| Annual dividends paid to shareholders of the Parent Company | — | — | — | — | — | (397,200) | — | — | (397,200) |
| Quarterly dividends paid to shareholders of the Parent Company | — | — | — | — | — | (608,969) | — | — | (608,969) |
| Issuance of hybrid securities | — | 270,025 | — | — | — | — | — | 511,765 | 781,790 |
| Dividends on hybrid securities | — | — | — | — | — | (135,195) | — | (52,212) | (187,407) |
| Repayment on hybrid securities | — | (236,345) | — | — | — | — | — | (446,501) | (682,846) |
| Acquisition of treasury shares | — | — | — | — | — | — | (554,856) | — | (554,856) |
| Disposal of treasury shares | — | — | 2,690 | — | — | — | 158,742 | — | 161,432 |
| Retirement of treasury shares | — | — | — | — | — | (348,597) | 348,597 | — | — |
| Ownership changes in subsidiaries | — | — | — | — | — | — | — | 8,254 | 8,254 |
| Others | — | — | (3,490) | — | — | — | — | (23,552) | (27,042) |
| **Total transactions with shareholders** | — | 33,680 | (800) | — | — | (1,489,961) | (47,517) | (2,246) | (1,506,844) |
| **Balance as of December 31, 2024** | US$ 1,414,584 | US$ 3,439,147 | US$11,264,080 | US$ 336,246 | US$ — | US$23,553,124 | US$ (836,385) | US$ 1,303,391 | US$40,474,187 |

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

## KB FINANCIAL GROUP INC. AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF CASH FLOWS
## FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024

| | 2022 | 2023 | 2024 | 2024 |
|---|---|---|---|---|
| | (In millions of Korean won) | | | Translation into U.S. dollars (Note 3) (In thousands) |
| **Cash flows from operating activities:** | | | | |
| Profit for the year | ₩ 3,890,902 | ₩ 4,526,334 | ₩ 5,028,606 | US$ 3,402,627 |
| Adjustment for non-cash items | | | | |
| Net losses (gains) on financial assets at fair value through profit or loss | 670,619 | (1,793,351) | 29,212 | 19,766 |
| Net losses on derivative financial instruments for hedging purposes | 144,780 | 53,073 | 168,387 | 113,940 |
| Provision for credit losses | 1,847,775 | 3,146,409 | 2,044,286 | 1,383,274 |
| Net losses on financial investments | 309,868 | 255,989 | 103,986 | 70,363 |
| Share of loss (profit) of associates and joint ventures | 28,758 | (33,110) | 16,884 | 11,425 |
| Depreciation and amortization expense | 878,841 | 865,927 | 916,295 | 620,015 |
| Other net losses (gains) on property and equipment/ intangible assets | (251,858) | 131,270 | 145,164 | 98,226 |
| Share-based payments | 58,275 | 69,703 | 140,453 | 95,038 |
| Provision for policy reserves | 326 | — | — | — |
| Post-employment benefits | 249,874 | 155,720 | 177,481 | 120,093 |
| Net interest expense (income) | (83,503) | 274,681 | 6,122 | 4,142 |
| Losses (gains) on foreign currency translation | 622,152 | 200,486 | 620,754 | 420,036 |
| Insurance finance income | (8,544,791) | (7,695,017) | (10,922,966) | (7,391,070) |
| Reinsurance finance expense | 1,272,009 | 1,318,610 | 1,659,880 | 1,123,165 |
| Other expenses | 769,310 | 827,254 | 793,690 | 537,054 |
| | (2,027,565) | (2,222,356) | (4,100,372) | (2,774,533) |
| Changes in operating assets and liabilities | | | | |
| Financial asset at fair value through profit or loss | 3,048,875 | (6,247,689) | (700,633) | (474,086) |
| Derivative financial instruments | 546,079 | (152,753) | (207,969) | (140,723) |
| Loans measured at fair value through other comprehensive income | (24,342) | (252,695) | (646,377) | (437,374) |
| Loans measured at amortized cost | (21,154,500) | (15,308,932) | (27,515,988) | (18,618,806) |
| Current income tax assets | (105,892) | (39,627) | (95,539) | (64,647) |
| Deferred income tax assets | (28,716) | (84,148) | 5,201 | 3,519 |
| Other assets | (1,539,544) | (3,775,944) | 1,393,446 | 942,881 |
| Financial liabilities at fair value through profit or loss | 1,252,549 | (1,467,780) | (183,609) | (124,240) |
| Deposits | 16,566,047 | 12,195,807 | 23,821,056 | 16,118,615 |
| Current income tax liabilities | 335,175 | (853,347) | 385,385 | 260,772 |
| Deferred income tax liabilities | (338,696) | 245,859 | 367,748 | 248,838 |
| Other liabilities | (2,543,876) | 9,967,626 | (4,948,829) | (3,348,645) |
| Insurance contract assets | (78,630) | (146,335) | (46,550) | (31,498) |
| Reinsurance contract assets | (1,284,008) | (1,470,578) | (1,498,923) | (1,014,252) |
| Insurance contract liabilities | 8,329,953 | 9,009,220 | 11,807,838 | 7,989,822 |
| Reinsurance contract liabilities | (361) | 37,217 | 49,018 | 33,168 |
| Investment contract liabilities | (82,958) | 148,937 | 1,106,677 | 748,838 |
| | 2,897,155 | 1,804,838 | 3,091,952 | 2,092,182 |
| **Net cash inflow (outflow) from operating activities** | ₩ 4,760,492 | ₩ 4,108,816 | ₩ 4,020,186 | US$ 2,720,275 |

(Continued)

## KB FINANCIAL GROUP INC. AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
## FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024

| | 2022 | 2023 | 2024 | 2024 |
|---|---|---|---|---|
| | (In millions of Korean won) | | | Translation into U.S. dollars (Note 3) (In thousands) |
| **Cash flows from investing activities:** | | | | |
| Net cash flows from derivative financial instruments for hedging purposes | ₩ (168,551) | ₩ (48,122) | ₩ (44,552) | US$ (30,146) |
| Disposal of financial asset at fair value through profit or loss | 9,279,702 | 12,389,938 | 15,648,112 | 10,588,359 |
| Acquisition of financial asset at fair value through profit or loss | (12,382,503) | (11,312,232) | (16,365,119) | (11,073,525) |
| Disposal of financial investments | 27,032,376 | 43,472,217 | 45,225,323 | 30,601,899 |
| Acquisition of financial investments | (44,228,971) | (47,125,014) | (47,328,121) | (32,024,766) |
| Disposal of investments in associates and joint ventures | 167,690 | 99,834 | 98,497 | 66,648 |
| Acquisition of investments in associates and joint ventures | (430,400) | (114,904) | (339,469) | (229,703) |
| Disposal of property and equipment | 31,181 | 8,177 | 18,616 | 12,597 |
| Acquisition of property and equipment | (296,937) | (350,138) | (337,178) | (228,153) |
| Disposal of investment property | 1,292,114 | 3,669 | 264,948 | 179,278 |
| Acquisition of investment property | (649,961) | (1,018,598) | (88,756) | (60,057) |
| Disposal of intangible assets | 5,654 | 5,359 | 21,073 | 14,259 |
| Acquisition of intangible assets | (200,535) | (330,427) | (289,731) | (196,048) |
| Net cash flows from changes in ownership of subsidiaries | 932,428 | 1,297,001 | 88,528 | 59,903 |
| Others | (19,166) | (496,252) | (397,226) | (268,785) |
| **Net cash outflow from investing activities** | (19,635,879) | (3,519,492) | (3,825,055) | (2,588,239) |
| **Cash flows from financing activities:** | | | | |
| Net cash flows from derivative financial instruments for hedging purposes | (105,017) | (73,335) | (216,883) | (146,755) |
| Net increase (decrease) in borrowings | 14,669,649 | (2,223,069) | (4,358,474) | (2,949,179) |
| Increase in debentures | 107,607,314 | 83,777,490 | 86,031,647 | 58,213,665 |
| Decrease in debentures | (106,631,213) | (83,683,272) | (80,848,086) | (54,706,187) |
| Increase(decrease) in other payables to trust accounts | (1,225,402) | 2,333,656 | 89,900 | 60,831 |
| Dividends paid to shareholders of the Parent Company | (1,437,750) | (1,151,900) | (1,486,978) | (1,006,170) |
| Issuance of hybrid securities | 1,596,030 | 598,552 | 399,059 | 270,025 |
| Repayment on hybrid securities | — | — | (350,000) | (236,829) |
| Dividends paid on hybrid securities | (126,402) | (184,915) | (199,800) | (135,195) |
| Acquisition of treasury shares | — | (571,745) | (820,000) | (554,856) |
| Redemption of principal of lease liabilities | (257,570) | (235,052) | (311,363) | (210,685) |
| Increase in non-controlling interests | 395,713 | 721,101 | 115,292 | 78,013 |
| Others | 694,472 | (546,580) | (28,151) | (19,048) |
| **Net cash inflow from financing activities** | 15,179,824 | (1,239,069) | (1,983,837) | (1,342,371) |
| **Effect of exchange rate changes on cash and cash equivalents** | 197,199 | (58,465) | 570,985 | 386,359 |
| **Net increase (decrease) in cash and cash equivalents** | 501,636 | (708,210) | (1,217,721) | (823,976) |
| **Cash and cash equivalents at the beginning of the year** | 26,033,162 | 26,534,798 | 25,826,588 | 17,475,666 |
| **Cash and cash equivalents at the end of the year** | ₩ 26,534,798 | ₩ 25,826,588 | ₩ 24,608,867 | US$ 16,651,690 |

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

## 1. The Parent Company

KB Financial Group Inc. (the "Parent Company") was incorporated on September 29, 2008, under the Financial Holding Companies Act of Korea. KB Financial Group Inc. and its subsidiaries (the "Group") derive substantially all of their revenue and income from providing a broad range of banking and related financial services to consumers and corporations. The Parent Company's main business purpose is to control subsidiaries that engage in the financial business or subsidiaries closely related to the financial business through the stock ownership. The Parent Company's headquarter is located at 26, Gukjegeumyung-ro 8-gil, Yeongdeungpo-gu, Seoul. In 2011, Kookmin Bank spun off its credit card business segment and established a new separate credit card company, KB Kookmin Card Co., Ltd. and KB Investment & Securities Co., Ltd. merged with KB Futures Co., Ltd. The Group established KB Savings Bank Co., Ltd. in January 2012, acquired Yehansoul Savings Bank Co., Ltd. in September 2013, and KB Savings Bank Co., Ltd. merged with Yehansoul Savings Bank Co., Ltd. in January 2014. In March 2014, the Group acquired Woori Financial Co., Ltd. and changed the name to KB Capital Co., Ltd. Meanwhile, the Group included LIG Insurance Co., Ltd. as an associate and changed the name to KB Insurance Co., Ltd. in June 2015, and KB Insurance Co., Ltd. became one of the subsidiaries through a tender offer in May 2017. Also, the Group included Hyundai Securities Co., Ltd. as an associate in June 2016 and included as a subsidiary in October 2016 by comprehensive exchange of shares. Hyundai Securities Co., Ltd. merged with KB Investment & Securities Co., Ltd. in December 2016 and changed its name to KB Securities Co., Ltd. in January 2017. In August 2020, the Group acquired Prudential Life Insurance Company of Korea Ltd. which was classified as a subsidiary and the name was changed to KB Life Insurance Co., Ltd. in December 2022. Then in January 2023, it merged with another existing KB Life Insurance Co., Ltd. The Parent Company sold 100% shares of KB Credit Information Co., Ltd. to KB Kookmin Card Co., Ltd. on June 30, 2023.

The Parent Company's share capital as of December 31, 2024, is ₩ 2,090,558 million. The Parent Company has been listed on the Korea Exchange ("KRX") since October 10, 2008, and on the New York Stock Exchange ("NYSE") for its American Depositary Shares ("ADS") since September 29, 2008. Number of shares authorized in its Articles of Incorporation is 1,000 million.

## 2. Basis of Preparation

### 2.1 Application of International Financial Reporting Standards as issued by the International Accounting Standards Board.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). IFRS are the standards and related interpretations issued by the International Accounting Standards Board ("IASB").

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. Management also needs to exercise judgement in applying the Group's accounting policies. The areas that require a more complex and higher level of judgement 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.

- *Amendments to International Accounting Standard ("IAS") No.01 "Presentation of Financial Statements" – Presentation of Financial Statements - Classification of Liabilities into Current and Non-Current and Non-current Liabilities with Covenants*

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 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 financial statements.

2.1.1 The Group has applied the following amended standards for the first time for its annual reporting period commencing January 1, 2024. (cont'd)

- *Amendment of IAS No.07 "Statements of Cash Flow" and IFRS No.07 "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 financial statements.

- *Amendment of IFRS No.16 "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 financial statements.

- *Amendment of IAS No.01 "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 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 IAS No.21 "The Effects of Changes in Foreign Exchange Rates" and IFRS No.01 "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. This amendment will be applied to the financial statements for the accounting year beginning on or after January 1, 2025. These amendments do not have a significant impact on the financial statements.

- *Amendment of IFRS No.09 "Financial Instruments" and No.07 "Financial Instruments: Disclosures"*

The amendments address practical concerns and introduce new requirements, such as permitting the deeming of financial liabilities as settled (derecognized) through an electronic payment system if certain criteria are met before the payment date. It also includes additional disclosures for equity instruments designated as financial assets measured at fair value through other comprehensive income. This amendment will be effective for annual reporting periods beginning on or after January 1, 2026. The Group is currently reviewing the impact of these amendments on its financial statements.

- *IFRS Accounting Standards Annual Improvements Volume 11*

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.

  - IFRS No.01 "First-time adoption of International Financial Reporting Standards": Hedge accounting by a first-time adopter
  - IFRS No.07 "Financial Instruments: Disclosures": Gain or loss on derecognition, Application guidance
  - IFRS No.09 "Financial Instruments": Derecognition of lease liabilities, Definition of transaction price
  - IFRS No.10 "Consolidated Financial Statements": Determination of a 'de facto agent'
  - IAS No.07 "Statement of Cash Flows": Cost method

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. (cont'd)

- *Enactment of IFRS No.18 "Presentation and Disclosures in Financial Statement"*

IFRS No.18 replaces IAS No.01, carrying forward many of the requirements in IAS No.01 unchanged and complementing them with new requirements. In addition, some IAS No.01 paragraphs have been moved to IAS No.08 and IFRS No.07. Furthermore, the IASB has made minor amendments to IAS No.07 and IAS No.33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation

An entity is required to apply IFRS No.18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS No.07 and IAS No.33, as well as the revised IAS No.8 and IFRS No.07, become effective when an entity applies IFRS No.18. IFRS No.18 requires retrospective application with specific transition provisions.

The Group is currently reviewing the impact of these enactment on its financial statements.

- *Enactment of IFRS No.19 "Subsidiaries without Public Accountability: Disclosures"*

IFRS No.19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS No.19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS No.19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

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. (cont'd)

Eligible entities can apply IFRS No.19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS No.19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS No.19 for a reporting period earlier than the reporting period in which it first applies IFRS No.18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS No.19. If an entity elects to apply IFRS No.19 for an annual reporting period before it applied the amendments to IAS No.21, it is not required to apply the disclosure requirements in IFRS No.19 with regard to Lack of Exchangeability.

The Group is currently reviewing the impact of these enactment on its financial statements.

2.1.3 Retrospective application of changes in accounting policies for Insurance Contracts

IFRS No.17, 'Insurance Contracts', which replaces IFRS No.4, 'Insurance Contracts', is effective for fiscal years beginning on or after January 1, 2023. The main features of IFRS No.17 are the measurement of current value of insurance liabilities, recognition of insurance revenue on an accrual basis, and separation of investment components from host insurance contract. In other words, according to IFRS No.4, insurance liabilities are measured using past information (interest rates at the time of insurance sales, etc.), and when the company receives premiums, the premiums received are recognized as insurance revenue on a cash basis. On the other hand, according to IFRS No.17, insurance liabilities are measured at current value using a discount rate that reflects assumptions and risks at the present time (reporting time), and insurance revenue reflects services provided by insurance companies to policyholders for each fiscal year. Therefore, revenue is recognized on an accrual basis, and investment components are separated from host insurance contract. When an insurance company prepares financial statements by applying IFRS No.17, significant differences from the past financial statements are as follows.

(Measurement of Insurance liabilities, etc.)

Under IFRS No.17, the Group estimates all cash flows from insurance contracts and measures the insurance liabilities using discount rate that reflects assumptions and risks at the reporting date.

In detail, the Group identifies a group and portfolio of insurance contracts that are onerous based on the possibility of becoming onerous, similar risks and managed together. The possibility of becoming onerous of insurance contracts is determined by risk adjustment for non-financial risk and the ratio of contractual service margin at the initial recognition of the insurance contract. The Group determines the minimum level of group of insurance contracts at initial recognition as unit of account; and the level of the group determined is not reassessed subsequently. The Group does not include contracts issued more than one year apart within the same group of insurance contracts, except addressed in transition clauses.

The groups of insurance contracts are measured as the sum of the estimate of future cash flows (including cash flows related to policy loans and reflecting time value of money, etc.), risk adjustment, and the contractual service margin. With the adoption of IFRS No.17, account of the contractual service margin was introduced, which means unearned profit that would be recognized by providing insurance service in the future.

Meanwhile, reinsurance contracts mean insurance contracts issued by a reinsurance company to compensate claims arising from original insurance contracts issued by other insurance companies. The groups of insurance contracts also apply assumptions consistent with the groups of original insurance contracts when estimating the present value of future cash flows for the groups of insurance contracts ceded.

2.1.3 Retrospective application of changes in accounting policies for Insurance Contracts (cont'd)

(Recognition and measurement of financial performance)

Under IFRS No.17, the Group recognizes insurance revenue on an accrual basis for services (insurance coverage) provided to the policyholder by each annual reporting period, excluding investment component (refunds due to termination and maturity) to be paid to the policyholder regardless of the insured event.

The Group also includes the time value of money, financial risk and effects of their fluctuations related to the group of insurance contracts and the Group has selected accounting policy whether the insurance finance income or expenses for the periods are disaggregated to profit or loss, or other comprehensive income.

(Accounting policy for transition of insurance contracts)

Under transition requirements of IFRS No.17, the Group shall adjust the original cost-based measurement to current measurement by applying the fully retrospective approach, modified retrospective approach or fair value approach, for the group of insurance contracts issued before the transition date (the beginning of the annual reporting period immediately preceding initial application date of January 1, 2022).

In principle, the Group shall identify, recognize and measure (the fully retrospective approach) each group of insurance contracts as if IFRS No.17 had always applied before the transition date. If this method is impracticable, the Group can apply the modified retrospective approach or the fair value approach. However, the fair value approach can be applied even though it is possible to apply the fully retrospective approach for the group of insurance contracts with direct participation features that meet specific requirements.

Meanwhile, the modified retrospective approach is a way to obtain results very close to the fully retrospective approach by using all reasonable and supportable information available without undue cost or effort. The fair value approach is a way to measure group of insurance contracts using fair value measurements based on IFRS No.13 Fair Value Measurements. When applying the fair value approach, contractual service margin or loss component of the liability for remaining coverage at the transition date are measured as the difference between the fair value of a group of insurance contracts at that date and the fulfilment cash flows measured at that date.

KB Life Insurance Co., Ltd. applied the fully retrospective approach for the group of insurance contracts issued within three years before the transition date as of January 1, 2022 (the contracts issued from 2019 to 2021); and applied the fair value approach for the group of insurance contracts issued three years before the transition date (the contracts issued before 2019). Especially, when applying the fully retrospective approach for the group of insurance contracts that former Prudential Life Insurance Company of Korea Ltd. had, the contractual service margin thereof for initial recognition was measured applying the fair value of the business combination in accordance with IFRS No.17 paragraph for 'initial recognition of transfers of insurance contracts and business combinations'.

Additionally, KB Insurance Co., Ltd. applied the fully retrospective approach for the group of insurance contracts issued within four years before the transition date (the contracts issued from 2018 to 2021); and applied the fair value approach for the group of insurance contracts issued more than four years before the transition date (the contracts issued before 2018).

Under IFRS No.17, the Group measures insurance liabilities at their present value using a discount rate that reflects assumptions and risks at current point in time (the reporting date). Generally, the general model is applied to general life insurance contracts, while the premium allocation approach is used for general non-life insurance contracts with a guaranteed period of one year or less at the initial recognition date.

2.1.3 Retrospective application of changes in accounting policies for Insurance Contracts (cont'd)

Changes in major accounting policies following the application of IFRS No.17 are shown in the table below.

| | IFRS No.4 | IFRS No.17 |
|---|---|---|
| Insurance contract liability measurement | Measured at cost using past information.<br>Measured by local actuarial principles, consists mainly of ① Premium reserve which is calculated based on the net insurance premium received for future claim payments, ② Unearned premium reserve which is premium received but allocated to the following period, ③ Reserve for outstanding claims which is calculated based on the estimated amount to be paid, and ④ Reserve for dividend to policyholders which comprises amount confirmed but not yet paid and amount reserved for next year's dividend | Measured at current value using information at the time of reporting<br>Necessary to select a Transition approach that adjusts the past group of insurance contracts to the current value at the date of transition. (Fully/modified retrospective approach or fair value approach)<br>Calculated by discounting Estimated future cash flows measured as the probability-weighted average of all possible outcomes for cash flows within the contract boundary. |
| Separate account | In accordance with the Insurance Business Act and the Enforcement Rules of The Insurance Business Act, Separate account is established and operated for the assets equivalent to the reserve for retirement insurance contracts, retirement pension contracts, variable life insurance contracts, variable annuity contracts, variable universal life insurance contracts, and variable universal life annuity insurance contracts. Corresponding assets and liabilities are recognized as separate account assets and separate account liabilities. The income and expenses from the performance dividend paying insurance contract separate account is not recognized in the consolidated statement of comprehensive income, but the income and expenses from the guaranteed investment insurance contract separate account is recognized in the consolidated statement of comprehensive income as separate account income and separate account expenses. | Separate account is not used in IFRS No.17. Instead, the separate account that existed under IFRS No.4 is combined with the general accounts and presented together without distinction in IFRS No.17. Except for the changes related to financial assets subject to IFRS No.9 and insurance contract liabilities(assets) subject to IFRS No.17, the effect of the changes from transition to IFRS No.17 is the result of the combination of separate accounts into general accounts. |
| Liability adequacy test | Liability adequacy test is conducted for all contracts to which IFRS No.4 Insurance Contracts apply, in consideration of current estimates of all cash inflows and cash outflows from the insurance contracts at the end of the reporting period. If the assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognized in profit or loss. | Liability adequacy test is not conducted under IFRS No.17. Instead, the fulfillment cash flows are updated at each reporting date to reflect current estimates of the amounts, timing, and uncertainty of future cash flows. |

2.1.3 Retrospective application of changes in accounting policies for Insurance Contracts (cont'd)

| | IFRS No.4 | IFRS No.17 |
|---|---|---|
| Recognition of insurance revenue | Application of the cash basis in which premiums received are recognized as insurance revenue<br>Investment-type items such as cancellation and maturity refunds are also included in insurance income. | Recognition of revenue by reflecting services provided to policyholders by the Group for each fiscal year (accrual basis)<br>Investment components (cancellation, maturity refund) are excluded from insurance income |
| Policy loan | Recognized as a separate asset | Recognition as included in insurance contract liabilities |
| Deferred acquisition cost | Deferred acquisition costs are recorded as a separate asset<br>Insurance contract liabilities are evaluated based on net insurance premiums (excluding business expenses) | Deferred acquisition costs are not separately recognized.<br>Insurance contract liabilities are evaluated based on operating insurance premiums (including business expenses) |
| Financial assets | Applying IFRS No.4 paragraph 35B, the overlay approach is applied to designated financial assets, which allows the Group to reclassify between profit or loss and other comprehensive income an amount that results in the profit of loss at the end of the reporting period for the designated financial assets being the same as if the Group had applied IAS No.39 to the designated financial assets. | The overlay approach under IFRS No.4 is no longer applied and IFRS No.17 paragraph C29 is applied instead. IFRS No.17 paragraph C29 allows the Group to reassess the business model of an eligible financial asset (which could result in the reclassification of financial assets), to designate and revoke the designation of a financial asset as measured at fair value through profit or loss, and to designate and revoke the designation of an investment in an equity instrument as at fair value through other comprehensive income. |

The Group changed its accounting policies during the current period, including those related to the recognition of insurance finance income or expenses, such as the change from the projected crediting rate approach to the effective yield approach under IFRS No. 17. These changes were made and accounted for in accordance with IAS No. 08, "Accounting Policies, Changes in Accounting Estimates, and Errors". The Group determined that these changes in accounting policies provide reliable and relevant information to users of financial statements.

2.1.3 Retrospective application of changes in accounting policies for Insurance Contracts (cont'd)

There is no effect on the cash flows due to the change in accounting policy. The effects of applying the changes in accounting policies on the comprehensive income statement for the year ended December 31, 2023 and 2022, and the financial position as of December 31, 2023, and January 1,2023 are as follows:

2.1.3.1 The consolidated statement of comprehensive income for the year ended December 31, 2023

| *(In millions of Korean won)* | Before the effects of change in accounting policy | After the effects of change in accounting policy | Net increase (decrease) |
|---|---|---|---|
| Net Interest income | ₩ 12,141,717 | ₩ 12,180,860 | ₩ 39,143 |
| Insurance finance interest income | 23,954 | 20,899 | (3,055) |
| Insurance finance interest expense | (1,576,656) | (1,534,458) | 42,198 |
| Net insurance income | 1,422,952 | 1,446,852 | 23,900 |
| Insurance income | 10,978,808 | 11,005,471 | 26,663 |
| Insurance income | 10,295,693 | 10,322,356 | 26,663 |
| Insurance expense | (9,555,856) | (9,558,619) | (2,763) |
| Insurance service expense | (8,718,748) | (8,720,568) | (1,820) |
| Reinsurance expense | (837,108) | (838,051) | (943) |
| Other insurance finance expenses | (459,135) | (572,476) | (113,341) |
| Net operating income | 6,435,319 | 6,385,021 | (50,298) |
| Net non-operating expenses | (264,870) | (264,870) | — |
| Profit before income tax expense | 6,170,449 | 6,120,151 | (50,298) |
| Income tax expense | (1,607,018) | (1,593,817) | 13,201 |
| Profit for the period | 4,563,431 | 4,526,334 | (37,097) |
| Other comprehensive income (loss), net of tax | 1,066,624 | 1,171,144 | 104,520 |
| Net Financial Income (Expense) of Insurance Contract Assets (Liabilities) | (2,222,024) | (2,117,504) | 104,520 |
| Total comprehensive income | ₩ 5,630,055 | ₩ 5,697,478 | ₩ 67,423 |

2.1.3.2 The consolidated statement of comprehensive income for the year ended December 31, 2022

| *(In millions of Korean won)* | IFRS No.04 | IFRS No.17 | | | Net increase (decrease) between IFRS no.4 and IFRS no.17(after change in accounting policy) |
|---|---|---|---|---|---|
| | | Before the effects of change in accounting policy | After the effects of change in accounting policy* | Net increase (decrease)* | |
| Net Interest income | ₩ 13,112,934 | ₩11,515,325 | ₩11,550,888 | ₩ 35,563 | ₩(1,562,046) |
| Interest income on financial instruments measured at fair value through other comprehensive income and amortized cost | 19,912,128 | 19,841,175 | 19,841,175 | — | (70,953) |
| Interest income on financial instruments measured at fair value through other comprehensive income and amortized cost | 876,390 | 929,735 | 929,735 | — | 53,345 |
| Insurance finance interest income | — | 16,667 | 16,507 | (160) | 16,507 |
| Interest expenses | (7,675,584) | (7,776,631) | (7,776,631) | — | (101,047) |
| Insurance finance interest expense | — | (1,495,621) | (1,459,898) | 35,723 | (1,459,898) |
| Net fee and commission income | 3,321,632 | 3,514,902 | 3,514,902 | — | 193,270 |
| Net insurance income | 696,513 | 1,311,091 | 1,341,760 | 30,669 | 645,247 |
| Insurance income | 17,136,842 | 10,072,490 | 10,099,395 | 26,905 | (7,037,447) |
| Insurance income | 17,136,842 | 9,550,101 | 9,577,006 | 26,905 | (7,559,836) |
| Reinsurance income | — | 522,389 | 522,389 | — | 522,389 |
| Insurance expense | (16,440,329) | (8,761,399) | (8,757,635) | 3,764 | 7,682,694 |
| Insurance service expense | (16,440,329) | (7,989,645) | (7,981,780) | 7,865 | 8,458,549 |
| Reinsurance expense | — | (771,754) | (775,855) | (4,101) | (775,855) |
| Net gains (losses) on financial instruments at fair value through profit or loss | 247,357 | (1,139,818) | (1,139,818) | — | (1,387,175) |
| Other insurance finance expenses | — | 841,227 | 720,214 | (121,013) | 720,214 |
| Net other operating expenses | (2,365,791) | (2,262,123) | (2,262,123) | — | 103,668 |
| General and administrative expenses | (7,537,802) | (6,643,654) | (6,643,654) | — | 894,148 |
| Provision for credit losses | (1,835,988) | (1,847,775) | (1,847,775) | — | (11,787) |
| Net operating income | 5,638,855 | 5,289,175 | 5,234,394 | (54,781) | (404,461) |
| Net non-operating income | 156,771 | 160,569 | 160,569 | — | 3,798 |
| Profit before income tax expense | 5,795,626 | 5,449,744 | 5,394,963 | (54,781) | (400,663) |
| Income tax expense | (1,622,387) | (1,518,343) | (1,504,061) | 14,282 | 118,326 |
| Profit for the period | 4,173,239 | 3,931,401 | 3,890,902 | (40,499) | (282,337) |
| Other comprehensive income (loss), net of tax | (3,511,437) | 123,168 | 7,100 | (116,068) | 3,518,537 |
| Remeasurements of net defined benefit liabilities | 239,702 | 239,701 | 239,701 | — | (1) |
| Gains on equity securities at fair value through other comprehensive income | (931,731) | (932,058) | (932,058) | — | (327) |
| Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk | 38,867 | 38,855 | 38,855 | — | (12) |
| Currency translation differences | 164,530 | 165,568 | 165,568 | — | 1,038 |
| Losses on debt securities at fair value through other comprehensive income | (2,375,084) | (5,342,895) | (5,342,895) | — | (2,967,811) |
| Gains (losses) on cash flow hedging instruments | 31,474 | 26,168 | 26,168 | — | (5,306) |
| Other comprehensive loss arising from separate account | (159,619) | — | — | — | 159,619 |
| Gains on overlay adjustment | (440,129) | — | — | — | 440,129 |
| Net Financial Income (Expense) of Insurance Contract Assets (Liabilities) | — | 6,007,276 | 5,891,208 | (116,068) | 5,891,208 |
| Total comprehensive income | ₩ 661,802 | ₩ 4,054,569 | ₩ 3,898,002 | ₩(156,567) | ₩ 3,236,200 |

* The Group changed its accounting policies during the current period, including those related to the recognition of insurance finance income or expenses, such as the change from the projected crediting rate approach to the effective yield approach under IFRS No. 17.

2.1.3.3 The consolidated statements of financial position as of December 31, 2023

| *(In millions of Korean won)* | Before the effects of change in accounting policy | After the effects of change in accounting policy | Net increase (decrease) |
|---|---|---|---|
| Reinsurance contract assets | ₩ 1,655,168 | ₩ 1,642,432 | ₩ (12,736) |
| Total assets | 715,738,152 | 715,725,416 | (12,736) |
| Insurance contract liabilities | 50,308,552 | 50,617,990 | 309,438 |
| Deferred income tax liabilities | 2,179,966 | 2,094,912 | (85,054) |
| Total liabilities | 656,864,842 | 657,089,226 | 224,384 |
| Accumulated other comprehensive income (loss) | 2,295,165 | 2,152,644 | (142,521) |
| Retained earnings | 32,029,199 | 31,934,600 | (94,599) |
| Total equity | 58,873,310 | 58,636,190 | (237,120) |
| Total liabilities and equity | ₩ 715,738,152 | ₩ 715,725,416 | ₩ (12,736) |

2.1.3.4 The consolidated statements of financial position as of January 1, 2023

| *(In millions of Korean won)* | Before the effects of change in accounting policy | After the effects of change in accounting policy | Net increase (decrease) |
|---|---|---|---|
| Reinsurance contract assets | ₩ 1,495,966 | ₩ 1,484,622 | ₩ (11,344) |
| Total assets | 688,664,826 | 688,653,482 | (11,344) |
| Insurance contract liabilities | 45,969,434 | 46,372,434 | 403,000 |
| Deferred income tax liabilities | 1,561,857 | 1,452,057 | (109,800) |
| Total liabilities | 634,557,025 | 634,850,225 | 293,200 |
| Accumulated other comprehensive income (loss) | 1,249,922 | 1,002,881 | (247,041) |
| Retained earnings | 28,948,425 | 28,890,922 | (57,503) |
| Total equity | 54,107,801 | 53,803,257 | (304,544) |
| Total liabilities and equity | ₩ 688,664,826 | ₩ 688,653,482 | ₩ (11,344) |

**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 Parent Company's functional and presentation currency.

**2.4 Critical Accounting Estimates**

The Group applies accounting policies and uses judgments, accounting estimates, and assumptions that may have a significant impact on the assets (liabilities) and incomes (expenses) in preparing the consolidated financial statements. Management's estimates of outcomes may differ from actual outcomes if management's estimates and assumptions based on management's best judgement 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.

**2.4 Critical Accounting Estimates (cont'd)**

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.

If a certain portion of the taxable income is not used for investments, wages, etc. in accordance with the Korean regulation called 'Special Taxation for Facilitation of Investment and Mutually-beneficial Cooperation', the Group is liable to pay additional income tax calculated based on the tax laws. Therefore, the effect of recirculation of corporate income should be reflected in current and deferred income tax. As the Group's income tax is dependent on the actual investments, wages, etc. per each year, there are uncertainties in measuring the final tax effects during the period when the tax law is applied.

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 judgement on liquidity, concentration, uncertainty in market factors, assumptions in fair value determination, and other risks.

As described in the material accounting policies in Note 3.3 Recognition and Measurement of Financial Instruments, diverse valuation techniques are used to determine the fair value of financial instruments, from generally accepted market valuation models to internally developed valuation models that 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, debt instruments measured at fair value through other comprehensive income, and lease receivables. 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.

2.4.4 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.

2.4.5 The judgement and estimation uncertainty in measurement of insurance contracts

2.4.5.1 Methods used to measure the future cash flows and estimation process of input variable

The estimated future cash flows are measured as the probability-weighted average of all possible outcomes, utilizing all reasonable and relevant information available without excessive cost or effort. Market and non-market variables are considered in measuring the cash flows within the boundary of the insurance contract. While deterministic scenarios (representing a range of probabilities) are typically used for calculating the probability-weighted average, probabilistic scenarios are employed when cash flows are influenced by complex

2.4.5.1 Methods used to measure the future cash flows and estimation process of input variable (cont'd)

underlying factors and nonlinear responses to economic conditions. The cash flows within the boundary of an insurance contract portfolio include both directly attributable cash flows and cash flows allocated from a higher level than the insurance contract portfolio. These cash flows are systematically and reasonably allocated, ensuring consistent methods are applied for similar types of cash flows.

The key assumptions used in estimating the future cash flows of the Group are as follows:

- Loss ratio: The loss ratio refers to the ratio of insurance claims paid to policyholders to the premiums received by the insurance company for providing risk coverage services to policyholders. The loss ratio, which is an estimation of future premiums and claims payable, is estimated based on objective and reliable data, using the best available methods to suit the intended application. Objective and reliable data refers to the most recent measured results made using the Group's experience statistics, insurance industry statistics, or national statistics, and others. It also means the best method that reasonably distinguishes characteristics such as the policyholder's gender, contract type, risk characteristics by distribution channel, and others.
- Expense ratio: Expense ratio refers to the costs incurred by insurance companies for the sale and management of insurance contracts. Expense ratio is calculated primarily considering the ongoing costs incurred by the insurance company, taking into account the going concern, and includes the allocation of both fixed and variable indirect expenses directly related to insurance contracts. Expense ratio also considers costs such as contract acquisition expense (regardless of whether premiums are paid or not), contract maintenance expense, and claims expense, distributed in order to manage cost by product and distribution channel.
- Lapse ratio: The lapse ratio is an estimate of future cancelations or lapses of insurance contracts among current customers of the insurance company. It is calculated for the purpose of predicting the level of future current premium payments and cancellation refunds. The statistics used for estimation primarily rely on experience statistics of the Group, and lapse ratio is calculated based on characteristics such as product type, distribution channel, payment method, and others, which can significantly affect lapse ratio.

2.4.5.2 Estimation of Discretionary Cash Flows

Some contracts issued by the Group grant discretion to the Group regarding cash flows to be paid to policyholders. Changes in discretionary cash flows are considered related to future services, and adjust the contractual service margin. The Group identifies changes in discretionary cash flow by identifying assured cash flows at the initial recognition date of the contract. However, if it is not possible to distinguish between the portion considered assured and the portion considered discretionary, the profit within the estimated fulfillment cash flows is considered assured, and is updated to reflect current assumptions related to financial risk.

2.4.5.3 Estimation of Risk Adjustment for Non-Financial Risk

Risk adjustment for non-financial risk is to adjust the present value estimates of future cash flows to reflect the compensation required by the Group for bearing the uncertainty about the amount and timing of cash flows arising from non-financial risk. This adjustment reflects the uncertainty of cash flows arising from all non-financial risks related to the insurance contracts and is estimated separately from all of the other estimates. The Group uses the confidence lever technique and the cost of capital methods for determining the risk adjustment for non-financial risk. Changes in risk adjustment for non-financial risk are disclosed separately for insurance service results and insurance finance income. The Group calculates this adjustment considering the diversification effect at the consolidated level and then allocated to individual contract units.

2.4.5.4 Estimation of Discount Rate

The discount rate should only include relevant factors such as the time value of money, characteristics of cash flows from insurance contracts, and liquidity characteristics, and should be calculated using observable input variables to the maximum extent possible. The discount rate should also reflect all reasonable and supportable information on internal and external non-market variables available without undue cost or effort. The Group estimates the discount rate using a bottom-up approach.

In the bottom-up approach, the discount rate is calculated using an unleveraged yield curve adjusted to reflect the characteristics of cash flows and liquidity of insurance contracts. To reflect the liquidity characteristics of insurance contracts, the risk-free yield curve is adjusted for illiquidity premium.

2.4.5.5 Estimation of Investment Component

The investment component is the amount that the Group must repay to policyholders under insurance contracts in all circumstances, regardless of the occurrence of insurance events. The Group classifies cash outflows such as maturity refunds, cancellation refunds, annuity payments, and cash flows related to insurance policy loans as investment components.

2.4.5.6 Estimation of Coverage Units

The quantity of insurance contract services provided is calculated based on the expected coverage period and maximum coverage amount (insurance amount), and for investment (related) services it is calculated based on the premium reserve (net of insurance policy loans). If insurance contracts within the group provide multiple services, weights are applied based on the total premium of each service. The quantity of services for each period and expected coverage period are calculated based on the expected persistency ratio applied in estimating the fulfillment cash flows, applied the present value effect.

## 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.

3.1.1 Subsidiaries (cont'd)

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 IFRS No.09 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 and joint ventures

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.

Joint ventures are investments in which the Group has joint control over economic activities pursuant to contractual arrangement. Decisions about strategic financial and operating policies require unanimous consent of the parties sharing control.

Investments in associates and joint ventures 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

3.1.2 Associates and joint ventures (cont'd)

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 or joint ventures 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 or joint ventures' accounting policies conform to those of the Group when the associates or joint ventures' financial statements are used by the Group in applying the equity method.

If the Group's share of losses of associates and joint ventures 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 investee.

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.

3.2.1 Foreign currency transactions (cont'd)

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, then foreign currency difference arising from that monetary item is recognized in the 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

3.3.1 Initial recognition (cont'd)

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.

3.3.2.2 Fair value (cont'd)

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.

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, bid-ask spread, liquidity risk, and others.

The Group uses 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

3.3.3.1 Derecognition of financial assets (cont'd)

is made in accordance with internal regulations. 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, cancelled 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 set off 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 represent solely payments of principal and interest on the principal amount outstanding and;

3.5.2 Financial assets at fair value through other comprehensive income (cont'd)

- 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 IFRS are as follows:

- General approach: for financial assets and unused loan commitments not subject to the below 2 approaches
- Simplified approach: for trade receivables, contract assets, and lease receivables
- 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.

**3.6 Expected Credit Losses of Financial Assets (Debt Instruments) (cont'd)**

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.

Under simplified approach, the Group always measures loss allowances at an amount equal to lifetime expected credit losses. Under credit-impaired approach, the Group only recognizes the cumulative changes in lifetime expected credit losses since initial recognition as loss allowances at the end of the reporting period. In assessing credit impairment, the Group uses definition of default as in the new Basel Accord which rules calculation of Capital Adequacy Ratio.

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, etc.

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.

3.6.1 Forward-looking information (cont'd)

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 | (+) |
| Household loan growth rate | (-) |
| CD distribution yield | (+) |
| Interest rate spread | (+) |
| Private consumption growth rate | (-) |
| Leading composite index (Cyclical Component) | (-) |

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 Group measures expected credit losses by applying both the worse scenario and the crisis scenario, taking into consideration the potential credit risk resulting from the uncertain financial environment locally and globally and the rapid economic recession.

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.) among financial assets with the credit risk has increased significantly or 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 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 held for trading 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 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.

3.7.6 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 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 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 | Declining-balance/ Straight-line | 4~15 years |
| Equipment and vehicles | Declining-balance/ Straight-line | 3~15 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 | 20~40 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 | 3 ~ 19 years |
| Software | Straight-line | 3 ~ 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 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. However, 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 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 while it is classified as held for sale or while it is part of a disposal group classified as held for sale is not depreciated (or amortized).

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.

In addition, the change in fair value of the financial liability designated at fair value through profit or loss that is attributable to change in the credit risk of that liability, the Group presents this change in other comprehensive income, and does not recycle this to profit or loss in accordance with IFRS No.9. However, if this treatment creates or enlarges an accounting mismatch, the Group recognizes this change 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, cancelled or expires).

**3.14 Insurance Contracts**

KB Insurance Co., Ltd. and KB Life Insurance Co., Ltd. the subsidiaries of the Group, issue insurance contracts. The Group accounts for these contracts by applying IFRS No.17.

3.14.1 Definition and classification of insurance contracts

Insurance contract is defined as a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. This assessment is carried out for each contract individually at the date of inception. The Group determined that the insurance risk related to the contract is significant if the issuer has to pay significant additional benefits in any scenario that has commercial substance, even if the insured event is extremely unlikely, or even if the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

The Group issues insurance contracts that contain participation features, allowing policyholders to participate in the investment returns of the Group, in addition to being compensated for insurance risks. Contracts with participation features are classified as insurance contracts with direct participation features if they meet the following criteria. At the beginning of an insurance contract, the Group evaluates whether the contract meets the following criteria.

- The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items
- The Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items

Furthermore, the Group issues investment contracts with discretionary participation features, which are associated with groups of assets identical to those of insurance contracts and share similar economic characteristics with insurance contracts.

3.14.2 Level of aggregation

The Group identifies portfolios by aggregating insurance contracts subject to similar risks and managed together. Each portfolio is segmented into groups of insurance contracts applying the recognition and measurement requirements of IFRS No.17. The Group distinguishes insurance contracts based on their issuance date at initial recognition. A cohort consists of contracts issued within a 12-month period and is further segmented into three groups based on the possibility of becoming onerous.

- a group of contracts that are onerous at initial recognition
- a group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently
- a group of the remaining contracts in the portfolio

The possibility of insurance contracts, at the lowest level of group of contracts, becoming onerous is determined based on the expected cash flows (fulfillment cash flow decided based on probability weighting) at initial recognition. The Group does not reassess the composition of the groups decided at the initial recognition date subsequently.

3.14.3 Recognition

The group recognizes a group of insurance contracts it issues from the earliest of the following:

- the beginning of the coverage period of the group of contracts
- the date when the first payment from a policyholder in the group becomes due
- for a group of onerous contracts, when the group becomes onerous.

The group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date that any underlying insurance contract is initially recognized, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

The group recognizes investment contracts with discretionary participation features at the date the Group becomes a party to the contract.

3.14.4 Contract boundary

Measurement of group of contracts includes all future cash flows within the contract boundaries. The Group decides that cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the entity can compel the policyholder to pay the premiums or in which the entity has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks
- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

The Group evaluates contract boundaries at initial recognition and each subsequent reporting date to reflect changes in circumstances affecting substantive rights and obligations.

3.14.5 Measurement: Insurance contracts not applying the premium allocation approach

3.14.5.1 Measurement on initial recognition

The group measures group of contracts as the sum of the fulfillment cash flows and the contractual service margin at the initial measurement. Fulfillment cash flows comprise estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks related to the future cash flows, and a risk adjustment for non-financial risk.

Estimates of future cash flows is calculated by the probability-weighted average of all possible outcomes using all reasonable and supportable information available without undue cost or effort, considering both market and non-market variables, for cash flows within the contract boundary. The Group updates the estimates using all new information available, including information about past trends and evidence.

The risk adjustment for non-financial risk represents a liability that reflects the compensation that the insurer requires for bearing the uncertainty about the amounts and timing of cash flows arising from non-financial risk. Non-financial risks that are the subject of risk adjustment include insurance risk and other

3.14.5.1 Measurement on initial recognition (cont'd)

non-financial risks (such as lapse risk and expense risk). The Group calculates the risk adjustment for non-financial risk using techniques such as the confidence level method and the cost of capital method. The Group calculates the risk adjustment for non-financial risk at the level of the company, and after considering diversification effects, allocates it to individual groups of insurance contracts.

Contractual service margin represents the unearned profit the entity will recognize as it provides insurance contract services in the future. The group measures the contractual service margin on initial recognition of a group of insurance contracts at an amount that results in no income or expenses if the fulfillment cash flows at the initial recognition are net inflows. On the other hand, if the fulfillment cash flows are net outflow at the initial recognition, the Group classifies the group of contracts as an onerous group, recognizes the expected net outflow as an expense and manages loss component for subsequent measurement.

3.14.5.2 Subsequent measurement of the general measurement model

At the end of each reporting period, the carrying amount of group of contracts is the sum of estimated liability for incurred claims and liability for remaining coverage. Liability for remaining coverage comprises contractual service margin and expected fulfillment cash flows related to future services allocated to the group of contracts at the end of the reporting period. Liability for incurred claims comprises unpaid claims and insurance expenses, including reported but not yet paid claims, incurred but not reported claims, and dividends payable according to supervisory regulations.

The Group updates the fulfillment cash flows of both liability for incurred claims and liability for remaining coverage at each reporting date to reflect current estimates of the amounts, timing, and uncertainty of future cash flows, considering not only discount rates and other financial variables but also non-financial risk.

Experience adjustments is the differences between the following:

- The estimated expected cash flows at the beginning of reporting period and the actual cash flows received during the reporting period (including premiums received, cash flows related to insurance acquisition, and premium taxes paid)
- The estimated expected cash flows at the beginning of reporting period and the actual insurance service expenses incurred during the reporting period (excluding insurance acquisition costs)

Experience adjustments related to current or past services are recognized in profit or loss. For incurred claims (including those that have been incurred but not reported) and other incurred insurance service expenses, experience adjustments are always related to current or past services and are included as part of insurance service expenses in profit or loss. Changes in fulfillment cash flows related to future services are included in liability for remaining coverage by adjusting contractual service margin.

For insurance contracts without direct participation features, the carrying amount of the contractual service margin of a group of contracts at the end of the reporting period equals the carrying amount at the start of the reporting period adjusted for:

- the effect of any new contracts added to the group
- interest accreted on the carrying amount of the contractual service margin during the reporting period, measured at the discount rates determined at initial recognition
- the changes in fulfillment cash flows relating to future service, except to the extent that: (i) such increases in the fulfillment cash flows exceed the carrying amount of the contractual service margin, giving rise to a loss (ii) such decreases in the fulfillment cash flows are allocated to the loss component of the liability for remaining coverage

3.14.5.2 Subsequent measurement of the general measurement model (cont'd)

- the effect of any currency exchange differences on the contractual service margin
- the amount recognized as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the contractual service margin remaining at the end of the reporting period.

When fulfillment cash flows related to future services increase additionally, the cash flows result in an increase in the loss component of the group of contracts, and the increased loss component is recognized in profit or loss when the cash flows occur. Subsequently, decreases in fulfillment cash flows related to future services do not adjust contractual service margin until the loss component is fully recovered through profit or loss.

3.14.5.3 Subsequent Measurement of the Variable Fee Approach

The Group issues insurance contracts with direct participation features that provide significant investment-related services. Except for the following, the Group applies the same accounting policy for measuring insurance contracts under the variable fee approach as for measuring insurance contracts under the general measurement model.

For insurance contracts with direct participation features, the carrying amount of the contractual service margin of a group of contracts at the end of the reporting period equals the carrying amount at the start of the reporting period adjusted for the amounts specified below:

- the effect of any new contracts added to the group
- the change in the amount of the Group's share of the fair value of the underlying items except to the extent that (i) The amount of contractual service margin recognized in profit or loss due to the offsetting effect of risk mitigation instruments (ii) the decrease in the amount of the Group's share of the fair value of the underlying items exceeding the carrying amount of the contractual service margin, giving rise to a loss (iii) the increase in the amount of the Group's share of the fair value of the underlying items that causes reversal of loss component of an onerous group
- the changes in fulfillment cash flows relating to future service, except to the extent that: (i) The amount of contractual service margin recognized in profit or loss due to the offsetting effect of risk mitigation instruments (ii) The increases in the fulfillment cash flows that exceeds the carrying amount of the contractual service margin, giving rise to a loss (iii) The decreases in the fulfillment cash flows that causes reversal of loss component of an onerous group
- the effect of any currency exchange differences arising on the contractual service margin
- the amount recognized as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the contractual service margin remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period

All adjustments to contractual service margins are measured, considering the present value of currency, which is currently measured, taking into account all financial variables that affect the fair value gains arising from the underlying items. When applying the variable fee approach, the changes in the fulfillment cash flows adjusting the contractual service margin is composed of changes in the Group's share of the fair value of the underlying items and the changes in the fulfillment cash flows that do not vary based on returns on the underlying items. the changes in the fulfillment cash flows that do not vary based on returns on the underlying items are as follows:

- changes in the effect of currency risk and the effect of financial risk not arising from underlying items, such as the impact of financial guarantees
- experience adjustments arising from premiums received during the period related to future services

3.14.5.3 Subsequent Measurement of the Variable Fee Approach (cont'd)

- changes in estimated future cash flows of liability for remaining coverage
- differences in the payment timing of investment components
- changes in risk adjustment for non-financial risk related to future services

3.14.5.4 Reinsurance contract

The Group applies the same accounting policy for measuring reinsurance contracts as for measuring insurance contracts, except for the following.

The Group includes all effects of risks related to the reinsurer's default (including effects from security and losses due to disputes) when measuring the reinsurance contract group. The Group remeasures the effects of the reinsurer's default risk at the end of each reporting period and recognizes the changes in the effects of default risk in profit or loss. The Group calculates the risk adjustment for non-financial risks to reflect the risks transferred to the reinsurer. Reinsurance contracts are not classified as onerous groups and do not recognize in profit or loss the expected outflows at the initial recognition, even if the fulfillment cash flows at initial recognition are outflows, considering the nature of reinsurance. However, if the net cost of purchasing reinsurance coverage is related to events that have occurred before the reinsurance contract is purchased, such costs are recognized as expenses immediately.

3.14.5.5 Insurance revenue

The Group recognizes insurance revenue as the amount the Group expects to be entitled in exchange for provision of services arising from group of insurance contracts. Total insurance revenue for group of contracts is the amount received in premiums for the contracts, adjusted for financial effects and excluding all investment elements.

The amount of contractual service margin recognized as insurance revenue during the reporting period is determined by allocating the unamortized contractual service margin at the end of the reporting period for each unit of coverage provided during the reporting period and expected to be provided in the future. The number of coverage units in a group of contracts is the quantity of insurance contract services provided from insurance contracts within the group, and is determined based on the number of benefits provided and the expected duration of coverage under each contract.

Insurance acquisition cash flows are systematically allocated over each reporting period, recognized in equal amounts of insurance revenue and insurance expenses.

Loss component is allocated systematically, and the total amount allocated to the loss component becomes zero by the end of the coverage period of group of contracts. The portion of the allocated loss component for the reporting period is excluded from recognition in both insurance revenue and insurance expenses.

3.14.5.6 Insurance finance income or expenses

Insurance finance income consists of changes in the carrying amount of the groups of insurance contracts and reinsurance contracts arising from the effect of the time value of money and financial risk. The Group decides whether to disaggregate insurance finance income or expenses for the period between profit or loss and other comprehensive income for each portfolio. Systematic allocation involves allocating the expected total insurance finance income or expenses over the duration of the group of contracts, and recognizing the portion attributed to the reporting period in profit or loss and the remaining portion in other comprehensive income.

3.14.5.6 Insurance finance income or expenses (cont'd)

For insurance contracts where changes in financial risk related assumptions significantly impact the amounts paid to policyholders, the Group uses a single discount rate to allocate the modified expected insurance finance income or expenses for the remaining coverage period of the group of contracts. Otherwise, the Group calculates insurance finance income or expenses using the discount rate determined at the date of initial recognition.

Insurance finance income or expenses arising from contractual service margin is systematically allocated using the discount rate determined at the date of initial recognition.

When the Group transfers insurance contracts to a third party or derecognize them due to changes in insurance contract terms, the accumulated other comprehensive income related to those insurance contracts is reclassified to profit or loss.

3.14.5.7 Reinsurance revenue and expenses

The Group recognizes separately the amounts recovered from reinsurers and the allocation of reinsurance premiums paid in reinsurance contracts. Changes in the carrying amount of reinsurance assets for remaining coverage resulting from the reinsurance services received are recognized as reinsurance expenses, while amounts recovered from reinsurers are recognized as reinsurance income.

3.14.6 Premium allocation approach

3.14.6.1 Underlying insurance

For general insurance and automobile insurance, if the coverage period of each contract within the group of contracts (including insurance contract services within the contract boundary) is less than one year or if the premium allocation approach is reasonably expected to measure the liability for remaining coverage for the group without significant differences from the application of the general model requirements, the premium allocation approach is applied to simplify the measurement of the group of insurance contracts.

The carrying amount of the liability for remaining coverage at the time of initial recognition of each group of contract is calculated by deducting the insurance acquisition cash flows allocated to the group of insurance at the acquisition date from the premium receipts at the time of initial recognition, and adding or subtracting the amount resulting from removing previously recognized assets or liabilities for cash flows related to the group of contract at the time of initial recognition.

Subsequently, the carrying amount of the liability for remaining coverage is calculated by adding the received premiums and the amortization of the insurance acquisition cash flows, and deducting the insurance acquisition cash flows and the amount recognized as insurance revenue for services provided. However, if the insurance acquisition cash flows recognized as expenses when it incurs those costs because the coverage period of each contract in the group at initial recognition is no more than one year, the insurance acquisition cash flow is not considered for calculating the liability for remaining coverage.

If at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the difference between the carrying amount of the liability for remaining coverage and the current estimate of the fulfillment cash flows related is calculated, added to the liability for remaining coverage, and recognized as a loss in profit or loss.

The Group determines that the liability for remaining coverage subject to the insurance premium allocation approach do not have significant financial elements, and therefore does not adjust the carrying amount of the liability for remaining coverage for reflecting the effect of the time value of money and financial risk.

3.14.6.2 Reinsurance

The Group applies the same accounting policy for measuring reinsurance contracts applying the premium allocation approach (general reinsurance, automobile reinsurance, and long-term non-proportional reinsurance) as for measuring insurance contracts with the exception of the following: The Group includes all effects of risks related to the reinsurer's default (including effects from security and losses due to disputes) when measuring the reinsurance contract group. The Group remeasures the effects of the reinsurer's default risk at the end of each reporting period and recognizes the changes in the effects of default risk in profit or loss. Reinsurance contracts are not classified as onerous groups and do not recognize in profit or loss the expected outflows at the initial recognition, even if the fulfillment cash flows at initial recognition are outflows, considering the nature of reinsurance. However, if the net cost of purchasing reinsurance coverage is related to events that have occurred before the reinsurance contract is purchased, such costs are recognized as expenses immediately.

3.14.7 Modification and derecognition

The Group derecognizes an insurance contract when the insurance contract is extinguished because of reasons such as obligation specified in the insurance contract having been expired, discharged or cancelled. Additionally, if the conditions of the contract have changed to such an extent that the accounting treatment of the contract would have been significantly different had the new conditions existed from the beginning, the Group derecognizes the existing contract and recognizes it as a new contract. If the change in contract conditions is not significant, the Group accounts for it as a change in the estimate of fulfillment cash flows.

**3.15 Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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.

**3.16 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.

**3.16 Financial Guarantee Contracts (cont'd)**

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 IFRS No.09 *Financial Instruments* and
- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with IFRS No.15 *Revenue from Contracts with Customers.*

**3.17 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.

3.17.1 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.

3.17.2 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.

3.17.3 Treasury shares

If the Group acquires its own equity instruments, these are accounted for as treasury shares and are deducted directly from equity. No gains or losses are recognized in profit or loss on the purchase, sale, issue or retirement of own equity instruments. If an entity within the Group acquires and retains treasury shares, the consideration paid or received is directly recognized in equity.

3.17.4 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. 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.

**3.18 Revenue Recognition**

The Group recognizes revenues in accordance with the following steps determined in accordance with IFRS No.15 *Revenue from Contracts with Customers*.

- Step 1: Identify the contract with a customer.
- Step 2: Identify the performance obligations in the contract.

**3.18 Revenue Recognition (cont'd)**

- 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.

3.18.1 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 IFRS No.09 *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.

3.18.2 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.

3.18.2.1 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.

3.18.2.2 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.

3.18.2.3 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 controls 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.

3.18.3 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)

3.18.4 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.

**3.19 Employee Compensation and Benefits**

3.19.1 Post-employment benefits

3.19.1.1 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.

3.19.1.2 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 independent actuaries 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 resulted from changes in actuarial assumptions and experience adjustments are recognized in other comprehensive income.

3.19.1.2 Defined benefit plans (cont'd)

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.

3.19.2 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.

3.19.3 Share-based payment

The Group provides its executives and employees with stock grants, mileage stock, and long-term share-based payments programs. When stock grants are exercised, the Group can either select to distribute newly issued shares or treasury shares or compensate in cash based on the share price. When mileage stock and long-term share-based payments are 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 and long-term share-based payments program, the Group accounts for the transaction in accordance with the requirements applying to cash-settled share-based payment transactions, which are recognized as expense 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.

3.19.4 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 IAS No.37 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.

**3.20 Income Tax Expense**

Income tax expense comprises current tax expense and deferred income tax expense. Current and deferred income tax 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.

3.20.1 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 set off the recognized amounts and (b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.20.2 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, associates, and joint ventures, 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 set off 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

3.20.2 Deferred income tax (cont'd)

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.

3.20.3 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 IAS No.12 and IFRIC No.23. 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 IAS No.37.

3.20.4 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.

**3.21 Earnings per Share**

The Group calculates basic earnings per share amounts and diluted earnings per share amounts for profit or loss attributable to ordinary equity holders of the Parent Company and presents them in the consolidated statement of comprehensive income. Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the profit or loss attributable to ordinary equity holders of the Parent Company and weighted average number of shares outstanding, taking into account all potential dilution effects, such as exchangeable bonds and share-based payments given to employees.

**3.22 Lease**

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

**3.22 Lease (cont'd)**

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 IFRS No.16 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 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 IFRS No.15 *Revenue from Contracts with Customers*, to determine whether the transfer of an asset is accounted for as a sale of that asset.

**3.23 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.

**3.24 United States dollar amounts**

The Group operates primarily in Korea and its official accounting records are maintained in Korean won. The U.S. dollar amounts are provided herein as supplementary information solely for the convenience of the reader. Korean won amounts are expressed in U.S. dollars at the rate of ₩1,477.9 to U.S. $1.00, the U.S. Federal Reserve Bank of New York buying exchange rate in effect at noon, December 31, 2024. Such convenience translation into US dollars should not be construed as representations that the Korean won amounts have been, could have been, or could in the future be, converted at this or any other rate of exchange.

**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.

4.1.1 Overview of financial risk management policy (cont'd)

The Group's risk management system focuses on efficiently supporting long-term strategy and management decisions of the Group by increasing risk transparency, preventing risk transfer between subsidiaries and preemptive response to rapidly changing financial environments. Credit risk, market risk, operational risk, interest rate risk, insurance risk, liquidity risk, credit concentration risk, strategy risk, reputation risk, and foreign exchange settlement risk are recognized as the Group's significant risks and measured and managed according to regulatory capital and internal capital standards.

4.1.2 Risk management organization

4.1.2.1 Risk Management Committee

The Risk Management Committee, as the ultimate decision-making body, deals with 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, reviewing the level of risk and the status of risk management activities, approving the application of risk management systems, methodologies, and major improvements, and establishing and approving risk management strategies and procedures to timely recognize, measure, monitor, and control risks arising from various transactions by the Group.

4.1.2.2 Risk Management Council

The Risk Management Council is responsible for consulting on matters delegated by the Risk Management Committee and requests for review by the Management Executive Committee, consulting on details of each subsidiary's risk management policies and procedures, monitoring the Group's risk management status, and establishing and implementing necessary measures.

4.1.2.3 Risk Management Department

The Risk Management Department performs the Group's risk management detailed policies, procedures, and business processes, and is responsible for calculating the Group's risk-weighted assets, monitoring and managing internal capital limits.

**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 in an integrated way.

4.2.2 Credit risk management

The Group measures the expected loss and economic 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 economic 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 Kookmin Bank'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.

4.2.2 Credit risk management (cont'd)

The credit rating, once assigned, serves as the fundamental instrument in Kookmin Bank'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, Kookmin Bank 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.

KB Kookmin Card Co., Ltd.'s credit scoring system is divided into Application Scoring System ("ASS") and Behavior Scoring System ("BSS"). For applications that meet the eligibility criteria for card issuance, the card will be issued only if the ASS credit rating is above the standard. KB Kookmin Card Co., Ltd.'s internal information, external information from the credit bureau company and others, and personal information on the application are used to calculate the ASS credit rating. The BSS, which is recalculated on a weekly basis, predicts the delinquency probability of cardholders, and utilizes it to monitor cardholders and portfolio risk.

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 of Kookmin Bank, a subsidiary, is in charge of loan policy, loan system, credit rating, credit analysis, follow-up management, and corporate restructuring. The Risk Management Group of Kookmin Bank 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, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| **Financial assets** | | |
| Due from financial institutions measured at amortized cost * | ₩ 27,579,279 | ₩ 27,790,121 |
| Financial assets at fair value through profit or loss: | | |
| Due from financial institutions measured at fair value through profit or loss | 79,811 | 59,838 |
| Securities measured at fair value through profit or loss | 72,658,432 | 73,768,636 |
| Loans measured at fair value through profit or loss | 183,726 | 1,187,763 |
| Financial instruments indexed to the price of gold | 93,743 | 158,519 |
| Derivatives | 6,157,628 | 11,730,767 |
| Loans measured at amortized cost * | 444,805,287 | 472,071,840 |
| Financial investments: | | |
| Securities measured at fair value through other comprehensive income | 78,926,437 | 88,735,996 |
| Securities measured at amortized cost * | 39,701,389 | 37,113,552 |
| Loans measured at fair value through other comprehensive income | 801,050 | 1,446,628 |
| Other financial assets * | 16,544,513 | 14,404,227 |
| | 687,531,295 | 728,467,887 |
| **Off-balance sheet items** | | |
| Acceptances and guarantees contracts | 13,763,222 | 16,250,243 |
| Financial guarantee contracts | 7,828,205 | 6,674,740 |
| Commitments | 203,906,179 | 212,695,995 |
| | 225,497,606 | 235,620,978 |
| | ₩ 913,028,901 | ₩ 964,088,865 |

* After netting of allowance

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. 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 December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Not applying expected credit losses | Total |
| | | Non-impaired | Impaired | | |
| **Loans measured at amortized cost *** | | | | | |
| **Corporate** | | | | | |
| Grade 1 | ₩142,216,615 | ₩ 6,765,165 | ₩ 2,122 | ₩ — | ₩148,983,902 |
| Grade 2 | 65,606,587 | 10,632,633 | 40,942 | — | 76,280,162 |
| Grade 3 | 3,547,489 | 3,964,877 | 8,231 | — | 7,520,597 |
| Grade 4 | 654,654 | 1,285,650 | 31,645 | — | 1,971,949 |
| Grade 5 | 16,188 | 581,524 | 2,871,510 | — | 3,469,222 |
| | 212,041,533 | 23,229,849 | 2,954,450 | — | 238,225,832 |
| **Retail** | | | | | |
| Grade 1 | 165,579,777 | 4,147,682 | 11,945 | — | 169,739,404 |
| Grade 2 | 7,133,302 | 3,664,451 | 30,019 | — | 10,827,772 |
| Grade 3 | 4,941,476 | 1,614,245 | 26,804 | — | 6,582,525 |
| Grade 4 | 258,300 | 375,964 | 24,908 | — | 659,172 |
| Grade 5 | 42,561 | 776,597 | 1,064,258 | — | 1,883,416 |
| | 177,955,416 | 10,578,939 | 1,157,934 | — | 189,692,289 |
| **Credit card** | | | | | |
| Grade 1 | 10,776,164 | 253,905 | — | — | 11,030,069 |
| Grade 2 | 5,854,931 | 936,657 | — | — | 6,791,588 |
| Grade 3 | 1,645,099 | 1,416,715 | — | — | 3,061,814 |
| Grade 4 | 7,827 | 431,083 | — | — | 438,910 |
| Grade 5 | 2,432 | 229,439 | 795,719 | — | 1,027,590 |
| | 18,286,453 | 3,267,799 | 795,719 | — | 22,349,971 |
| | 408,283,402 | 37,076,587 | 4,908,103 | — | 450,268,092 |
| **Loans measured at fair value through other comprehensive income** | | | | | |
| **Corporate** | | | | | |
| Grade1 | 762,041 | — | — | — | 762,041 |
| Grade2 | 39,009 | — | — | — | 39,009 |
| Grade3 | — | — | — | — | — |
| Grade4 | — | — | — | — | — |
| Grade5 | — | — | — | — | — |
| | 801,050 | — | — | — | 801,050 |
| | 801,050 | — | — | — | 801,050 |
| | ₩409,084,452 | ₩37,076,587 | ₩4,908,103 | ₩ — | ₩451,069,142 |

4.2.4.1 Credit risk exposure (cont'd)

*(In millions of Korean won)*

| | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Not applying expected credit losses | Total |
| | | Non-impaired | Impaired | | |
| **Loans measured at amortized cost *** | | | | | |
| **Corporate** | | | | | |
| Grade 1 | ₩145,582,892 | ₩ 7,629,290 | ₩ 2,896 | ₩ — | ₩153,215,078 |
| Grade 2 | 74,005,609 | 11,446,162 | 12,845 | — | 85,464,616 |
| Grade 3 | 3,757,237 | 5,195,235 | 14,777 | — | 8,967,249 |
| Grade 4 | 861,581 | 1,091,261 | 28,368 | — | 1,981,210 |
| Grade 5 | 18,395 | 691,118 | 3,066,032 | — | 3,775,545 |
| | 224,225,714 | 26,053,066 | 3,124,918 | — | 253,403,698 |
| **Retail** | | | | | |
| Grade 1 | 175,229,905 | 4,814,560 | 6,804 | — | 180,051,269 |
| Grade 2 | 8,048,905 | 4,071,783 | 39,224 | — | 12,159,912 |
| Grade 3 | 4,213,155 | 1,546,848 | 33,207 | — | 5,793,210 |
| Grade 4 | 315,926 | 368,863 | 34,997 | — | 719,786 |
| Grade 5 | 49,595 | 867,276 | 1,182,000 | — | 2,098,871 |
| | 187,857,486 | 11,669,330 | 1,296,232 | — | 200,823,048 |
| **Credit card** | | | | | |
| Grade 1 | 11,554,106 | 195,328 | — | — | 11,749,434 |
| Grade 2 | 5,528,025 | 584,962 | — | — | 6,112,987 |
| Grade 3 | 2,575,397 | 1,640,995 | — | — | 4,216,392 |
| Grade 4 | 12,202 | 476,827 | — | — | 489,029 |
| Grade 5 | 1,068 | 320,083 | 589,481 | — | 910,632 |
| | 19,670,798 | 3,218,195 | 589,481 | — | 23,478,474 |
| | 431,753,998 | 40,940,591 | 5,010,631 | — | 477,705,220 |
| **Loans measured at fair value through other comprehensive income** | | | | | |
| **Corporate** | | | | | |
| Grade1 | 1,402,334 | — | — | — | 1,402,334 |
| Grade2 | 44,294 | — | — | — | 44,294 |
| Grade3 | — | — | — | — | — |
| Grade4 | — | — | — | — | — |
| Grade5 | — | — | — | — | — |
| | 1,446,628 | — | — | — | 1,446,628 |
| | 1,446,628 | — | — | — | 1,446,628 |
| | ₩433,200,626 | ₩40,940,591 | ₩5,010,631 | ₩ — | ₩479,151,848 |

* Before netting of allowance

4.2.4.1 Credit risk exposure (cont'd)

Credit qualities of loans graded according to internal credit ratings as of December 31, 2023 and 2024, are as follows:

| | Range of probability of default (%) | Retail | Corporate |
|---|---|---|---|
| Grade 1 | 0.0 ~ 1.0 | 1 ~ 5 grade | AAA ~ BBB+ |
| Grade 2 | 1.0 ~ 5.0 | 6 ~ 8 grade | BBB ~ BB |
| Grade 3 | 5.0 ~ 15.0 | 9 ~ 10 grade | BB- ~ B |
| Grade 4 | 15.0 ~ 30.0 | 11 grade | B- ~ CCC |
| Grade 5 | 30.0 ~ | 12 grade or under | CC or under |

4.2.4.2 Quantification of the extent to which collateral and other credit enhancements mitigate credit risk of loans as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | |
|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | |
| | | Non-impaired | Impaired | Total |
| Guarantees | ₩114,669,115 | ₩ 7,639,754 | ₩ 425,696 | ₩122,734,565 |
| Deposits and savings | 2,461,434 | 129,853 | 15,176 | 2,606,463 |
| Property and equipment | 15,121,688 | 1,109,156 | 442,084 | 16,672,928 |
| Real estate | 196,412,901 | 19,374,276 | 2,893,235 | 218,680,412 |
| | ₩328,665,138 | ₩28,253,039 | ₩3,776,191 | ₩360,694,368 |

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | |
| | | Non-impaired | Impaired | Total |
| Guarantees | ₩120,868,541 | ₩ 8,349,217 | ₩ 498,290 | ₩129,716,048 |
| Deposits and savings | 2,792,768 | 127,130 | 11,704 | 2,931,602 |
| Property and equipment | 15,498,262 | 1,071,833 | 227,196 | 16,797,291 |
| Real estate | 214,770,163 | 21,195,798 | 2,167,580 | 238,133,541 |
| | ₩353,929,734 | ₩30,743,978 | ₩2,904,770 | ₩387,578,482 |

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, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Not applying expected credit losses | Total |
| | | Non-impaired | Impaired | | |
| **Securities measured at amortized cost *** | | | | | |
| Grade 1 | ₩ 35,812,502 | ₩ — | ₩ — | ₩ — | ₩ 35,812,502 |
| Grade 2 | 3,907,307 | — | — | — | 3,907,307 |
| Grade 3 | 852 | — | — | — | 852 |
| Grade 4 | — | — | — | — | — |
| Grade 5 | — | — | — | — | — |
| | 39,720,661 | — | — | — | 39,720,661 |
| **Securities measured at fair value through other comprehensive income** | | | | | |
| Grade 1 | 72,574,183 | — | — | — | 72,574,183 |
| Grade 2 | 6,326,108 | — | — | — | 6,326,108 |
| Grade 3 | 26,146 | — | — | — | 26,146 |
| Grade 4 | — | — | — | — | — |
| Grade 5 | — | — | — | — | — |
| | 78,926,437 | — | — | — | 78,926,437 |
| | ₩118,647,098 | ₩ — | ₩ — | ₩ — | ₩118,647,098 |

*(In millions of Korean won)*

| | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Not applying expected credit losses | Total |
| | | Non-impaired | Impaired | | |
| **Securities measured at amortized cost *** | | | | | |
| Grade 1 | ₩ 33,733,935 | ₩ — | ₩ — | ₩ — | ₩ 33,733,935 |
| Grade 2 | 3,396,100 | — | — | — | 3,396,100 |
| Grade 3 | 913 | — | — | — | 913 |
| Grade 4 | — | — | — | — | — |
| Grade 5 | — | — | — | — | — |
| | 37,130,948 | — | — | — | 37,130,948 |
| **Securities measured at fair value through other comprehensive income** | | | | | |
| Grade 1 | 81,797,910 | — | — | — | 81,797,910 |
| Grade 2 | 6,933,807 | — | — | — | 6,933,807 |
| Grade 3 | 4,279 | — | — | — | 4,279 |
| Grade 4 | — | — | — | — | — |
| Grade 5 | — | — | — | — | — |
| | 88,735,996 | — | — | — | 88,735,996 |
| | ₩125,866,944 | ₩ — | ₩ — | ₩ — | ₩125,866,944 |

* Before netting of allowance

4.2.5 Credit risk of securities (cont'd)

Credit qualities of securities other than equity securities, according to the credit ratings by external credit rating agencies as of December 31, 2023 and 2024, are as follows:

| | Domestic | | | | Foreign | | |
|---|---|---|---|---|---|---|---|
| **Credit quality** | **KIS** | **NICE P&I** | **KAP** | **FnPricing Inc.** | **S&P** | **Fitch-IBCA** | **Moody's** |
| Grade 1 | AA0 to AAA | 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- | A- to AA- | BBB- to BBB+ | BBB- to BBB+ | Baa3 to Baa1 |
| Grade 3 | BBB0 to BBB+ | 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- | BB0 to BBB- | B+ to BB- | B+ to BB- | B1 to Ba3 |
| Grade 5 | BB- or under | 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, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Not applying expected credit losses | Total |
| | | Non-impaired | Impaired | | |
| **Due from financial institutions measured at amortized cost *** | | | | | |
| Grade 1 | ₩ 26,279,729 | ₩ — | ₩ — | ₩ — | ₩26,279,729 |
| Grade 2 | 503,794 | — | — | — | 503,794 |
| Grade 3 | 108,290 | — | — | — | 108,290 |
| Grade 4 | — | — | — | — | — |
| Grade 5 | 688,487 | — | — | — | 688,487 |
| | ₩ 27,580,300 | ₩ — | ₩ — | ₩ — | ₩27,580,300 |

*(In millions of Korean won)*

| | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Not applying expected credit losses | Total |
| | | Non-impaired | Impaired | | |
| **Due from financial institutions measured at amortized cost *** | | | | | |
| Grade 1 | ₩ 26,483,963 | ₩ — | ₩ — | ₩ — | ₩26,483,963 |
| Grade 2 | 583,640 | — | — | — | 583,640 |
| Grade 3 | 62,223 | — | — | — | 62,223 |
| Grade 4 | 18 | — | — | — | 18 |
| Grade 5 | 661,849 | — | — | — | 661,849 |
| | ₩ 27,791,693 | ₩ — | ₩ — | ₩ — | ₩27,791,693 |

* Before netting of allowance

The classification criteria of the credit qualities of due from financial institutions as of December 31, 2023 and 2024, are the same as the criteria for securities other than equity securities.

4.2.7 Credit risk mitigation of derivative financial instruments

Quantification of the extent to which collateral mitigates credit risk of derivative financial instruments as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| Deposits, savings, securities, and others | ₩ 1,471,117 | ₩ 1,437,204 |

4.2.8 Credit risk concentration analysis

4.2.8.1 Classifications of loans by country as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023* | | | | | | |
|---|---|---|---|---|---|---|---|
| | Retail | Corporate | Credit card | Total | % | Allowances | Carrying amount |
| Korea | ₩184,016,939 | ₩210,306,079 | ₩22,304,522 | ₩416,627,540 | 92.33 | ₩(4,013,937) | ₩412,613,603 |
| Europe | — | 4,611,356 | — | 4,611,356 | 1.02 | (29,267) | 4,582,089 |
| China | 73,105 | 7,048,870 | 537 | 7,122,512 | 1.58 | (37,624) | 7,084,888 |
| Japan | — | 912,224 | 92 | 912,316 | 0.20 | (2,072) | 910,244 |
| United States | — | 5,985,577 | — | 5,985,577 | 1.33 | (168,487) | 5,817,090 |
| Cambodia | 3,466,607 | 3,931,738 | 1,097 | 7,399,442 | 1.64 | (243,544) | 7,155,898 |
| Indonesia | 1,474,419 | 3,216,033 | 38,198 | 4,728,650 | 1.05 | (765,195) | 3,963,455 |
| Others | 661,219 | 3,198,731 | 5,525 | 3,865,475 | 0.85 | (202,679) | 3,662,796 |
| | ₩189,692,289 | ₩239,210,608 | ₩22,349,971 | ₩451,252,868 | 100.00 | ₩(5,462,805) | ₩445,790,063 |

*(In millions of Korean won)*

| | December 31, 2024* | | | | | | |
|---|---|---|---|---|---|---|---|
| | Retail | Corporate | Credit card | Total | % | Allowances | Carrying amount |
| Korea | ₩193,803,826 | ₩225,393,574 | ₩23,436,170 | ₩442,633,570 | 92.15 | ₩(4,119,163) | ₩438,514,407 |
| Europe | — | 5,473,894 | — | 5,473,894 | 1.14 | (61,124) | 5,412,770 |
| China | 181,539 | 7,095,199 | 776 | 7,277,514 | 1.52 | (30,204) | 7,247,310 |
| Japan | — | 1,183,745 | 100 | 1,183,845 | 0.25 | (2,947) | 1,180,898 |
| United States | — | 5,350,298 | — | 5,350,298 | 1.11 | (116,741) | 5,233,557 |
| Cambodia | 3,575,153 | 4,315,485 | 1,114 | 7,891,752 | 1.64 | (362,314) | 7,529,438 |
| Indonesia | 1,968,896 | 4,003,127 | 34,642 | 6,006,665 | 1.25 | (596,496) | 5,410,169 |
| Others | 1,293,634 | 3,222,768 | 5,672 | 4,522,074 | 0.94 | (344,392) | 4,177,682 |
| | ₩200,823,048 | ₩256,038,090 | ₩23,478,474 | ₩480,339,612 | 100.00 | ₩(5,633,381) | ₩474,706,231 |

* Amount includes loans measured at fair value through profit or loss, other comprehensive income, and amortized cost.

4.2.8.2 Classifications of corporate loans by industry as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | |
|---|---|---|---|---|
| | Loans | % | Allowances | Carrying amount |
| Financial institutions | ₩ 25,194,810 | 10.53 | ₩ (147,964) | ₩ 25,046,846 |
| Manufacturing | 51,666,785 | 21.60 | (619,644) | 51,047,141 |
| Service | 106,907,060 | 44.69 | (1,247,642) | 105,659,418 |
| Wholesale and retail | 29,904,053 | 12.50 | (502,211) | 29,401,842 |
| Construction | 7,047,906 | 2.95 | (280,598) | 6,767,308 |
| Public sector | 2,259,364 | 0.94 | (83,029) | 2,176,335 |
| Others | 16,230,630 | 6.79 | (276,811) | 15,953,819 |
| | ₩239,210,608 | 100.00 | ₩(3,157,899) | ₩236,052,709 |

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Loans | % | Allowances | Carrying amount |
| Financial institutions | ₩ 29,395,390 | 11.48 | ₩ (258,612) | ₩ 29,136,778 |
| Manufacturing | 55,635,406 | 21.73 | (602,712) | 55,032,694 |
| Service | 113,938,671 | 44.50 | (1,132,799) | 112,805,872 |
| Wholesale and retail | 31,112,210 | 12.15 | (552,209) | 30,560,001 |
| Construction | 6,782,310 | 2.65 | (279,959) | 6,502,351 |
| Public sector | 2,460,655 | 0.96 | (66,475) | 2,394,180 |
| Others | 16,713,448 | 6.53 | (276,057) | 16,437,391 |
| | ₩256,038,090 | 100.00 | ₩(3,168,823) | ₩252,869,267 |

4.2.8.3 Classifications of retail loans and credit card receivables as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | |
|---|---|---|---|---|
| | Loans | % | Allowances | Carrying amount |
| Housing loan | ₩ 97,142,065 | 45.81 | ₩ (227,758) | ₩ 96,914,307 |
| General loan | 92,550,224 | 43.65 | (1,141,322) | 91,408,902 |
| Credit card | 22,349,971 | 10.54 | (935,826) | 21,414,145 |
| | ₩212,042,260 | 100.00 | ₩(2,304,906) | ₩209,737,354 |

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Loans | % | Allowances | Carrying amount |
| Housing loan | ₩104,273,035 | 46.49 | ₩ (283,861) | ₩103,989,174 |
| General loan | 96,550,013 | 43.04 | (1,303,956) | 95,246,057 |
| Credit card | 23,478,474 | 10.47 | (876,740) | 22,601,734 |
| | ₩224,301,522 | 100.00 | ₩(2,464,557) | ₩221,836,965 |

4.2.8.4 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by industry as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | |
|---|---|---|---|---|
| | Amount | % | Allowances | Carrying amount |
| **Due from financial institutions measured at amortized cost** | | | | |
| Finance and insurance | ₩ 27,580,300 | 100.00 | ₩ (1,021) | ₩ 27,579,279 |
| | 27,580,300 | 100.00 | (1,021) | 27,579,279 |
| **Due from financial institutions measured at fair value through profit or loss** | | | | |
| Finance and insurance | 79,811 | 100.00 | — | 79,811 |
| | 79,811 | 100.00 | — | 79,811 |
| **Securities measured at fair value through profit or loss** | | | | |
| Government and government funded institutions | 21,022,824 | 28.94 | — | 21,022,824 |
| Finance and insurance | 37,426,249 | 51.51 | — | 37,426,249 |
| Others | 14,209,359 | 19.55 | — | 14,209,359 |
| | 72,658,432 | 100.00 | — | 72,658,432 |
| **Derivative financial assets** | | | | |
| Government and government funded institutions | 52,508 | 0.85 | — | 52,508 |
| Finance and insurance | 5,785,110 | 93.95 | — | 5,785,110 |
| Others | 320,010 | 5.20 | — | 320,010 |
| | 6,157,628 | 100.00 | — | 6,157,628 |
| **Securities measured at fair value through other comprehensive income** | | | | |
| Government and government funded institutions | 44,790,264 | 56.75 | — | 44,790,264 |
| Finance and insurance | 21,546,428 | 27.30 | — | 21,546,428 |
| Others | 12,589,745 | 15.95 | — | 12,589,745 |
| | 78,926,437 | 100.00 | — | 78,926,437 |
| **Securities measured at amortized cost** | | | | |
| Government and government funded institutions | 16,391,846 | 41.27 | (655) | 16,391,191 |
| Finance and insurance | 22,960,878 | 57.80 | (17,965) | 22,942,913 |
| Others | 367,937 | 0.93 | (652) | 367,285 |
| | 39,720,661 | 100.00 | (19,272) | 39,701,389 |
| | ₩225,123,269 | | ₩(20,293) | ₩225,102,976 |

4.2.8.4 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by industry as of December 31, 2023 and 2024, are as follows (cont'd):

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Amount | % | Allowances | Carrying amount |
| **Due from financial institutions measured at amortized cost** | | | | |
| Finance and insurance | ₩ 27,791,693 | 100.00 | ₩ (1,572) | ₩ 27,790,121 |
| | 27,791,693 | 100.00 | (1,572) | 27,790,121 |
| **Due from financial institutions measured at fair value through profit or loss** | | | | |
| Finance and insurance | 59,838 | 100.00 | — | 59,838 |
| | 59,838 | 100.00 | — | 59,838 |
| **Securities measured at fair value through profit or loss** | | | | |
| Government and government funded institutions | 25,543,224 | 34.63 | — | 25,543,224 |
| Finance and insurance | 35,810,087 | 48.54 | — | 35,810,087 |
| Others | 12,415,325 | 16.83 | — | 12,415,325 |
| | 73,768,636 | 100.00 | — | 73,768,636 |
| **Derivative financial assets** | | | | |
| Government and government funded institutions | 51,376 | 0.44 | — | 51,376 |
| Finance and insurance | 10,398,642 | 88.64 | — | 10,398,642 |
| Others | 1,280,749 | 10.92 | — | 1,280,749 |
| | 11,730,767 | 100.00 | — | 11,730,767 |
| **Securities measured at fair value through other comprehensive income** | | | | |
| Government and government funded institutions | 49,417,230 | 55.69 | — | 49,417,230 |
| Finance and insurance | 27,374,090 | 30.85 | — | 27,374,090 |
| Others | 11,944,676 | 13.46 | — | 11,944,676 |
| | 88,735,996 | 100.00 | — | 88,735,996 |
| **Securities measured at amortized cost** | | | | |
| Government and government funded institutions | 15,499,014 | 41.75 | (787) | 15,498,227 |
| Finance and insurance | 21,411,994 | 57.66 | (16,228) | 21,395,766 |
| Others | 219,940 | 0.59 | (381) | 219,559 |
| | 37,130,948 | 100.00 | (17,396) | 37,113,552 |
| | ₩239,217,878 | | ₩(18,968) | ₩239,198,910 |

4.2.8.5 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by country as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | |
|---|---|---|---|---|
| | Amount | % | Allowances | Carrying amount |
| **Due from financial institutions measured at amortized cost** | | | | |
| Korea | ₩ 19,763,609 | 71.65 | ₩ (229) | ₩ 19,763,380 |
| United States | 3,021,300 | 10.95 | (88) | 3,021,212 |
| Others | 4,795,391 | 17.40 | (704) | 4,794,687 |
| | 27,580,300 | 100.00 | (1,021) | 27,579,279 |
| **Due from financial institutions measured at fair value through profit or loss** | | | | |
| Korea | 79,811 | 100.00 | — | 79,811 |
| | 79,811 | 100.00 | — | 79,811 |
| **Securities measured at fair value through profit or loss** | | | | |
| Korea | 65,460,878 | 90.09 | — | 65,460,878 |
| United States | 3,260,968 | 4.49 | — | 3,260,968 |
| Others | 3,936,586 | 5.42 | — | 3,936,586 |
| | 72,658,432 | 100.00 | — | 72,658,432 |
| **Derivative financial assets** | | | | |
| Korea | 2,931,376 | 47.61 | — | 2,931,376 |
| United States | 1,008,296 | 16.37 | — | 1,008,296 |
| France | 863,376 | 14.02 | — | 863,376 |
| Singapore | 141,696 | 2.30 | — | 141,696 |
| Japan | 326,585 | 5.30 | — | 326,585 |
| Others | 886,299 | 14.40 | — | 886,299 |
| | 6,157,628 | 100.00 | — | 6,157,628 |
| **Securities measured at fair value through other comprehensive income** | | | | |
| Korea | 73,226,955 | 92.78 | — | 73,226,955 |
| United States | 2,354,107 | 2.99 | — | 2,354,107 |
| Others | 3,345,375 | 4.23 | — | 3,345,375 |
| | 78,926,437 | 100.00 | — | 78,926,437 |
| **Securities measured at amortized cost** | | | | |
| Korea | 35,344,575 | 88.99 | (14,648) | 35,329,927 |
| United States | 1,159,699 | 2.92 | (1,070) | 1,158,629 |
| Others | 3,216,387 | 8.09 | (3,554) | 3,212,833 |
| | 39,720,661 | 100.00 | (19,272) | 39,701,389 |
| | ₩225,123,269 | | ₩(20,293) | ₩225,102,976 |

4.2.8.5 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by country as of December 31, 2023 and 2024, are as follows (cont'd):

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Amount | % | Allowances | Carrying amount |
| **Due from financial institutions measured at amortized cost** | | | | |
| Korea | ₩ 18,731,321 | 67.39 | ₩ (436) | ₩ 18,730,885 |
| United States | 2,946,827 | 10.60 | (91) | 2,946,736 |
| Others | 6,113,545 | 22.01 | (1,045) | 6,112,500 |
| | 27,791,693 | 100.00 | (1,572) | 27,790,121 |
| **Due from financial institutions measured at fair value through profit or loss** | | | | |
| Korea | 59,838 | 100.00 | — | 59,838 |
| | 59,838 | 100.00 | — | 59,838 |
| **Securities measured at fair value through profit or loss** | | | | |
| Korea | 65,276,781 | 88.48 | — | 65,276,781 |
| United States | 3,817,882 | 5.18 | — | 3,817,882 |
| Others | 4,673,973 | 6.34 | — | 4,673,973 |
| | 73,768,636 | 100.00 | — | 73,768,636 |
| **Derivative financial assets** | | | | |
| Korea | 5,153,264 | 43.93 | — | 5,153,264 |
| United States | 2,870,245 | 24.47 | — | 2,870,245 |
| France | 1,117,765 | 9.53 | — | 1,117,765 |
| Singapore | 370,823 | 3.16 | — | 370,823 |
| Japan | 377,000 | 3.21 | | 377,000 |
| Others | 1,841,670 | 15.70 | — | 1,841,670 |
| | 11,730,767 | 100.00 | — | 11,730,767 |
| **Securities measured at fair value through other comprehensive income** | | | | |
| Korea | 81,111,331 | 91.40 | — | 81,111,331 |
| United States | 4,460,081 | 5.04 | — | 4,460,081 |
| Others | 3,164,584 | 3.56 | — | 3,164,584 |
| | 88,735,996 | 100.00 | — | 88,735,996 |
| **Securities measured at amortized cost** | | | | |
| Korea | 31,798,069 | 85.64 | (12,389) | 31,785,680 |
| United States | 1,862,402 | 5.02 | (1,191) | 1,861,211 |
| Others | 3,470,477 | 9.34 | (3,816) | 3,466,661 |
| | 37,130,948 | 100.00 | (17,396) | 37,113,552 |
| | ₩239,217,878 | | ₩(18,968) | ₩239,198,910 |

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 risk management policies and liquidity 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 calculates and manages cumulative liquidity gap, liquidity ratio and others for all transactions and off-balance transactions related to liquidity, 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 for 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, 2023 and 2024, are as follows:

*(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] | ₩ 2,953,472 | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ 2,953,472 |
| Financial liabilities designated at fair value through profit or loss[1] | 7,966,963 | — | — | — | — | — | 7,966,963 |
| Derivatives held for trading[1] | 5,966,512 | — | — | — | — | — | 5,966,512 |
| Derivatives held for hedging[2] | 7,856 | 11,887 | 16,968 | 48,476 | 50,888 | (4,255) | 131,820 |
| Deposits[3] | 175,103,423 | 35,688,530 | 55,092,937 | 131,347,718 | 17,325,661 | 1,764,854 | 416,323,123 |
| Borrowings | 10,729,326 | 18,654,410 | 6,594,666 | 21,356,372 | 12,432,385 | 1,195,946 | 70,963,105 |
| Debentures | 10,077 | 3,843,626 | 5,556,957 | 21,137,247 | 37,653,013 | 5,727,779 | 73,928,699 |
| Lease liabilities | 243 | 27,478 | 43,005 | 172,528 | 366,002 | 34,804 | 644,060 |
| Other financial liabilities | 875,267 | 25,693,343 | 166,001 | 331,289 | 1,128,101 | 264,861 | 28,458,862 |
| | ₩203,613,139 | ₩83,919,274 | ₩67,470,534 | ₩174,393,630 | ₩68,956,050 | ₩8,983,989 | ₩607,336,616 |
| **Off-balance sheet items** | | | | | | | |
| Commitments[4] | ₩203,906,179 | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩203,906,179 |
| Acceptances and guarantees contracts | 13,763,222 | — | — | — | — | — | 13,763,222 |
| Financial guarantee contracts[5] | 7,828,205 | — | — | — | — | — | 7,828,205 |
| | ₩225,497,606 | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩225,497,606 |

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, 2023 and 2024, are as follows (cont'd):

*(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] | ₩ 2,717,732 | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ 2,717,732 |
| Financial liabilities designated at fair value through profit or loss[1] | 8,002,499 | — | — | — | — | — | 8,002,499 |
| Derivatives held for trading[1] | 11,409,695 | — | — | — | — | — | 11,409,695 |
| Derivatives held for hedging[2] | — | 7,538 | 12,221 | 85,101 | 64,760 | (3,206) | 166,414 |
| Deposits[3] | 181,232,114 | 41,663,882 | 57,643,486 | 137,677,588 | 24,822,029 | 1,437,036 | 444,476,135 |
| Borrowings | 10,613,810 | 17,508,577 | 7,562,405 | 22,180,471 | 10,360,622 | 1,263,467 | 69,489,352 |
| Debentures | 1,113 | 4,138,143 | 6,683,638 | 21,458,905 | 42,772,744 | 5,955,515 | 81,010,058 |
| Lease liabilities | 196 | 30,683 | 56,903 | 227,390 | 606,547 | 122,502 | 1,044,221 |
| Other financial liabilities | 108,979 | 22,138,250 | 147,660 | 331,842 | 1,174,845 | 171,549 | 24,073,125 |
| | ₩214,086,138 | ₩85,487,073 | ₩72,106,313 | ₩181,961,297 | ₩79,801,547 | ₩8,946,863 | ₩642,389,231 |
| **Off-balance sheet items** | | | | | | | |
| Commitments[4] | ₩212,695,995 | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩212,695,995 |
| Acceptances and guarantees contracts | 16,250,243 | — | — | — | — | — | 16,250,243 |
| Financial guarantee contracts[5] | 6,674,740 | — | — | — | — | — | 6,674,740 |
| | ₩235,620,978 | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩235,620,978 |

1 Financial liabilities measured or designated 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 derivatives 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 Commitments are included in the 'On demand' category because payments can be requested at any time.
5 Cash flows under 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, 2023 and 2024, are as follows:

| *(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 (paid) of net-settled derivatives | ₩ 1,605 | ₩ 9,596 | ₩ 28,260 | ₩ 76,704 | ₩ 802 | ₩ 116,967 |
| Cash flow to be received of gross-settled derivatives | 35,052 | 86,391 | 331,383 | 2,723,781 | — | 3,176,607 |
| Cash flow to be paid of gross-settled derivatives | (35,871) | (92,640) | (488,194) | (3,272,506) | — | (3,889,211) |

| *(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 (paid) of net-settled derivatives | ₩ 1,402 | ₩ 6,654 | ₩ 22,907 | ₩ 51,167 | ₩ — | ₩ 82,130 |
| Cash flow to be received of gross-settled derivatives | 146,467 | 168,634 | 1,477,861 | 3,147,437 | — | 4,940,399 |
| Cash flow to be paid of gross-settled derivatives | (192,685) | (272,362) | (1,616,687) | (3,663,434) | — | (5,745,168) |

## 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 include 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 interest rate risk management guidelines for non-trading positions. The entire process is carried out through consultation with the Risk Management Council and approval by the Risk Management Committee of the Group. However, insurance companies that are engaged in the insurance business are not subject to these guidelines and are monitored by setting internal capital limits for market risk and interest rate risk based on K-ICS.

In the case of Kookmin Bank, a major subsidiary, the Risk Management Council establishes and enforces overall market risk management policies for market risk management and decides to establish position limits, loss limits, VaR limits, and approves non-standard new products. In addition, the Market Risk Management Subcommittee, chaired by Chief Risk Officer (“CRO”), is a practical decision-making body for market risk management and determines position limits, loss limits, VaR limits, sensitivity limits, and scenario loss limits for each department of the business group.

4.4.2 Risk management (cont'd)

Kookmin Bank's Asset-Liability Management Committee ("ALCO") determines interest rate and commission operating standards and Asset Liability Management ("ALM") operation policies and enacts and revises relevant guidelines. The Risk Management Committee and the Risk Management Council monitor the establishment and enforcement of ALM risk management policies and enact and revise 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 ("ΔEVE"), changes in Net Interest Income ("ΔNII"), 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 ALM 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, is the trading position defined in "Trading Policy and Guidelines" and the basic requirements for the trading position are as follows:

The target position should be made daily fair value assessment and should have no legal constrictions on sale and hedging.

- The target position has no restrictions on the sale, and 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 Observation method of market risk arising from trading positions

From January 2023, Subsidiaries of the Group use the Basel III standardized approach to measure market risk and manage it at the portfolio level (Prior to January 2023, Basel II standardized approach or Basel II internal models such as VaR). In addition, the Group controls and manages the risk of derivative financial instrument transactions in accordance with the Financial Supervisory Service regulations and guidelines.

4.4.3.3 Basel III standardized approach

Market risk regulatory capital is calculated as the sum of (a) sensitivities-based risk, (b) default risk, and (c) residual risk according to the Basel III standardized approach introduced in January 2023.

(a) Sensitivities-based risk, which is the basis of the Basel III standardized approach for market risk, calculates the expected loss for each risk factor by applying the risk weights and correlation parameter specified by the Basel Committee and summing them.

(b) Default risk is the risk from default of issuer of securities and derivatives and is calculated by applying risk weights based on the issuer's credit rating and other factors.

4.4.3.3 Basel III standardized approach (cont'd)

(c) Residual risk is the risk imposed on atypical underlying instruments and is calculated by applying a certain percentage specified by the Basel Committee to the par value.

(Basel III standardized approach definitions by risk type)

| | | | |
|---|---|---|---|
| Sensitivities-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. |

Required equity capital of subsidiaries according to Basel III standardized approach for the year ended December 31, 2023 and 2024, are as follows:

**Kookmin Bank**

*(In millions of Korean won)*

| 2023 | | | |
|---|---|---|---|
| **Sensitivities-based risk** | **Default risk** | **Residual risk** | **Dec. 31, 2023** |
| ₩ 479,174 | ₩ 85,375 | ₩ 862 | ₩ 565,411 |

*(In millions of Korean won)*

| 2024 | | | |
|---|---|---|---|
| **Sensitivities-based risk** | **Default risk** | **Residual risk** | **Dec. 31, 2024** |
| ₩ 417,756 | ₩ 52,293 | ₩ 1,070 | ₩ 471,120 |

**KB Securities Co., Ltd.**

*(In millions of Korean won)*

| 2023 | | | |
|---|---|---|---|
| **Sensitivities-based risk** | **Default risk** | **Residual risk** | **Dec. 31, 2023** |
| ₩ 736,052 | ₩307,682 | ₩ 7,454 | ₩1,051,187 |

*(In millions of Korean won)*

| 2024 | | | |
|---|---|---|---|
| **Sensitivities-based risk** | **Default risk** | **Residual risk** | **Dec. 31, 2024** |
| ₩ 612,879 | ₩282,755 | ₩ 8,303 | ₩ 903,937 |

4.4.3.3 Basel III standardized approach (cont'd)

**KB Kookmin Card Co., Ltd.**

*(In millions of Korean won)*

| | 2023 | | |
|---|---|---|---|
| Sensitivities-based risk | Default risk | Residual risk | Dec. 31, 2023 |
| ₩ 43,029 | ₩ — | ₩ — | ₩ 43,029 |

*(In millions of Korean won)*

| | 2024 | | |
|---|---|---|---|
| Sensitivities-based risk | Default risk | Residual risk | Dec. 31, 2024 |
| ₩ 40,454 | ₩ — | ₩ — | ₩ 40,454 |

**KB Asset Management Co., Ltd.**

*(In millions of Korean won)*

| | 2023 | | |
|---|---|---|---|
| Sensitivities-based risk | Default risk | Residual risk | Dec. 31, 2023 |
| ₩ 3,658 | ₩ — | ₩ — | ₩ 3,658 |

*(In millions of Korean won)*

| | 2024 | | |
|---|---|---|---|
| Sensitivities-based risk | Default risk | Residual risk | Dec. 31, 2024 |
| ₩ 6,460 | ₩ 747 | ₩ — | ₩ 7,207 |

**KB Capital Co., Ltd.**

*(In millions of Korean won)*

| | 2023 | | |
|---|---|---|---|
| Sensitivities-based risk | Default risk | Residual risk | Dec. 31, 2023 |
| ₩ 11,127 | ₩ — | ₩ — | ₩ 11,127 |

*(In millions of Korean won)*

| | 2024 | | |
|---|---|---|---|
| Sensitivities-based risk | Default risk | Residual risk | Dec. 31, 2024 |
| ₩ 13,052 | ₩ — | ₩ — | ₩ 13,052 |

**KB Investment Co., Ltd.**

*(In millions of Korean won)*

| | 2023 | | |
|---|---|---|---|
| Sensitivities-based risk | Default risk | Residual risk | Dec. 31, 2023 |
| ₩ 74,408 | ₩ 7,135 | ₩ — | ₩ 81,543 |

*(In millions of Korean won)*

| | 2024 | | |
|---|---|---|---|
| Sensitivities-based risk | Default risk | Residual risk | Dec. 31, 2023 |
| ₩ 61,802 | ₩ 5,597 | ₩ 1 | ₩ 67,400 |

4.4.3.3 Basel III standardized approach (cont'd)

**KB Data System Co., Ltd.**

*(In millions of Korean won)*

| 2023 | | | |
|---|---|---|---|
| Sensitivities-based risk | Default risk | Residual risk | Dec. 31, 2023 |
| ₩ 325 | ₩ — | ₩ — | ₩ 325 |

*(In millions of Korean won)*

| 2024 | | | |
|---|---|---|---|
| Sensitivities-based risk | Default risk | Residual risk | Dec. 31, 2023 |
| ₩ 427 | ₩ — | ₩ — | ₩ 427 |

4.4.3.4 Details of risk factors

(a) Interest rate risk

Interest rate risk for trading positions usually arises from debt securities. The Group's trading strategy is to gain short-term trading gains from interest rate fluctuations. The Group manages interest rate risk associated with trading portfolios using sensitivity analysis (Price Value of a Basis Point: PVBP).

(b) Stock price risk

Stock price risk usually arises from the portfolio of trading stocks. The portfolio of trading stocks consists of stocks listed on the exchange and derivatives linked to stocks, collective investment securities and others.

(c) Currency risk

Currency risk arises from holding assets and liabilities which are denominated in foreign currency, and currency-related derivatives. Most of the net foreign currency exposures occur in the US dollars, the Chinese Yuan and the Indonesian Rupiah.

4.4.4 Non-trading position (Interest Rate Risk of Banking Book ("IRRBB"))

4.4.4.1 Qualitative disclosure

(a) Definition of interest rate risk for risk management and measurement purposes

Interest rate risk is a change in equity and earnings due to the changes in value of interest-sensitive assets and liabilities, etc., and is measured by ΔEVE and ΔNII.

(b) Overall interest rate risk management and mitigation strategy

The interest rate risk management department establishes and sets interest rate risk management policies and limit once a year by a resolution of the Risk Management Council considering the mid to long-term management strategy and macroeconomic status. The interest rate risk management department analyzes interest rate risk crisis situations assuming abnormal interest rate fluctuations and reports the results to the Risk Management Council and observes changes in interest rate risk and compliance with risk limits to devise timely countermeasures and reports the management status regularly and frequently to the Risk Management Council. 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.

4.4.4.1 Qualitative disclosure (cont'd)

(c) Specific methodologies used to calculate interest rate risk measurement cycles and sensitivity

In order to measure the sensitivity of the economic value and earnings to changes in interest rates, the Group calculates monthly interest rate gap and duration gap for assets and liabilities.

(d) Interest rate shock and stress scenarios used to estimate changes in the economic value and in earnings

The Group calculates ΔEVE by applying following six interest rate shock and stress scenarios, and ΔNII by applying parallel shock up and parallel shock down scenarios.

- Scenario 1 : Parallel shock up
- Scenario 2 : Parallel shock down
- Scenario 3 : Steepener shock (short rates down and long rates up)
- Scenario 4 : Flattener shock (short rates up and long rates down)
- Scenario 5 : Short rates shock up
- Scenario 6 : Short rates shock down

(e) Key modeling assumptions used to measure interest rate risk for internal management purposes

The Group measures unfavorable changes in economic value resulting from changes in interest rates, following the interest rate risk calculation standards set by the Financial Supervisory Service.

(f) Interest rate risk hedging methodology and related accounting

Subsidiaries which are subject to interest rate risk measurement hedge interest rate risk through back-to-back interest rate swap transactions, which are the same as interest payment cash flows and officially document and manage the risk management strategy for hedge accounting, risk management objectives, hedging relationship, and assessment method for hedge effectiveness.

(g) Key modeling and parametric assumptions used in calculating ΔEVE and ΔNII

Subsidiaries which are subject to interest rate risk measurement calculate interest rate risk, including all cash flow of interest-sensitive assets and liabilities, and off-balance sheet items. The main assumptions of the IRRBB standard method for calculating ΔEVE, ΔNII are as follows:

(Classification of time buckets of cash flows (19 buckets in total))

| | **Time bucket intervals (D:Day M:Months Y:Years $t^{cf}$:Repricing date)** | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Short-term rates . . . . . | 1D (0.0028Y) | 1D< $t^{cf}$ ≤1M (0.0417Y) | 1M< $t^{cf}$ ≤3M (0.1667Y) | 3M< $t^{cf}$ ≤6M (0.375Y) | 6M< $t^{cf}$ ≤9M (0.625Y) | 9M< $t^{cf}$ ≤1Y (0.875Y) | 1Y< $t^{cf}$ ≤1.5Y (1.25Y) | 1.5Y< $t^{cf}$ ≤2Y (1.75Y) |
| Medium-term rates . . . . . | 2Y< $t^{cf}$ ≤3Y (2.5Y) | 3Y< $t^{cf}$ ≤4Y (3.5Y) | 4Y< $t^{cf}$ ≤5Y (4.5Y) | 5Y< $t^{cf}$ ≤6Y (5.5Y) | 6Y< $t^{cf}$ ≤7Y (6.5Y) | | | |
| Long-term rates . . . . . | 7Y< $t^{cf}$ ≤8Y (7.5Y) | 8Y< $t^{cf}$ ≤9Y (8.5Y) | 9Y< $t^{cf}$ ≤10Y (9.5Y) | 10Y< $t^{cf}$ ≤15Y (12.5Y) | 15Y< $t^{cf}$ ≤20Y (17.5Y) | $t^{cf}$ >20Y (25Y) | | |

* The number in brackets is the time bucket's midpoint.

4.4.4.1 Qualitative disclosure (cont'd)

(Caps on core deposit and average maturity by category for non-maturity deposits)

| | Cap on proportion of core deposits (%) | Cap on average maturity of core deposits (years) |
|---|---|---|
| Retail/transactional | 90 | 5 |
| Retail/non-transactional | 70 | 4.5 |
| Wholesale | 50 | 4 |

4.4.4.2 Quantitative disclosure

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.

(a) Kookmin Bank

ΔEVE is calculated by applying six interest rate shock and stress scenarios, and ΔNII is calculated by applying parallel shock up and parallel shock down scenarios. Results as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | December 31, 2024 | |
|---|---|---|---|---|
| | Changes in the economic value of equity capital ΔEVE | Changes in net interest income ΔNII | Changes in the economic value of equity capital ΔEVE | Changes in net interest income ΔNII |
| Scenario 1 (Parallel shock up) | ₩ 1,211,285 | ₩ 494,957 | ₩ 830,102 | 205,111 |
| Scenario 2 (Parallel shock down) | — | — | — | — |
| Scenario 3 (Short rates down, long rates up) | 338,439 | | 398,065 | |
| Scenario 4 (Short rates up, long rates down) | 620,553 | | 447,275 | |
| Scenario 5 (Short rates shock up) | 901,087 | | 540,388 | |
| Scenario 6 (Short rates shock down) | 90,869 | | 132,113 | |
| Maximum out of six scenarios | 1,211,285 | 494,957 | 830,102 | 205,111 |
| Basic capital | 33,478,665 | | 35,059,009 | |

(b) Non-bank subsidiaries

ΔEVE is maximum out of six interest rate shock and stress scenarios, and ΔNII is maximum of parallel shock up and parallel shock down scenarios. Results as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | December 31, 2024 | |
|---|---|---|---|---|
| | ΔEVE | ΔNII | ΔEVE | ΔNII |
| KB Securities Co., Ltd. | ₩ 38,694 | ₩419,121 | ₩ 88,676 | ₩387,027 |
| KB Kookmin Card Co., Ltd. | 42,562 | 221,049 | 147,683 | 216,520 |
| KB Capital Co., Ltd. | 206,305 | 40,167 | 172,611 | 64,840 |
| KB Savings Bank Co., Ltd. | 14,855 | 156 | 15,125 | 568 |

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, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **USD** | **JPY** | **EUR** | **GBP** | **CNY** | **Others** | **Total** |
| **Financial assets** | | | | | | | |
| Cash and due from financial institutions | ₩ 6,651,597 | ₩ 579,744 | ₩ 363,520 | ₩ 52,992 | ₩ 408,390 | ₩1,644,720 | ₩ 9,700,963 |
| Financial assets at fair value through profit or loss | 7,594,682 | 2,320 | 699,951 | 119,801 | 1,799 | 348,919 | 8,767,472 |
| Derivatives held for trading | 399,244 | 374 | 22,395 | 4,012 | 1,173 | 52,026 | 479,224 |
| Derivatives held for hedging | 166,801 | — | 225 | 4 | — | 4,313 | 171,343 |
| Loans measured at amortized cost | 32,119,823 | 785,006 | 2,866,108 | 979,163 | 1,648,885 | 7,093,058 | 45,492,043 |
| Financial assets at fair value through other comprehensive income | 6,076,271 | — | 288,852 | 4,591 | 654,436 | 1,063,371 | 8,087,521 |
| Financial assets at amortized cost | 2,730,263 | — | 41,406 | 199,589 | 32,579 | 1,850,922 | 4,854,759 |
| Other financial assets | 3,395,714 | 100,822 | 85,263 | 36,929 | 515,278 | 630,366 | 4,764,372 |
| | ₩59,134,395 | ₩1,468,266 | ₩4,367,720 | ₩,397,081 | ₩3,262,540 | ₩2,687,695 | ₩82,317,697 |
| **Financial liabilities** | | | | | | | |
| Financial liabilities at fair value through profit or loss | ₩ 1,123,670 | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ 1,123,670 |
| Derivatives held for trading | 735,627 | 4,566 | 45,359 | 108 | 11 | 206,546 | 992,217 |
| Derivatives held for hedging | 154,120 | — | 1,246 | 252 | — | 2,314 | 157,932 |
| Deposits | 25,777,256 | 1,763,971 | 1,822,443 | 761,371 | 1,787,865 | 4,200,321 | 36,113,227 |
| Borrowings | 15,895,866 | 743,356 | 944,944 | 314,177 | 506,248 | 2,726,591 | 21,131,182 |
| Debentures | 8,412,413 | — | 2,959,534 | — | — | 1,008,961 | 12,380,908 |
| Other financial liabilities | 4,773,601 | 91,519 | 840,629 | 8,995 | 545,722 | 119,055 | 6,379,521 |
| | ₩56,872,553 | ₩2,603,412 | ₩6,614,155 | ₩,084,903 | ₩2,839,846 | ₩8,263,788 | ₩78,278,657 |

| *(In millions of Korean won)* | December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **USD** | **JPY** | **EUR** | **GBP** | **CNY** | **Others** | **Total** |
| **Financial assets** | | | | | | | |
| Cash and due from financial institutions | ₩ 9,171,037 | ₩ 739,998 | ₩ 328,861 | ₩ 61,561 | ₩ 566,160 | ₩1,308,772 | ₩12,176,389 |
| Financial assets at fair value through profit or loss | 8,481,069 | 3,104 | 945,556 | 152,459 | 404 | 447,628 | 10,030,220 |
| Derivatives held for trading | 288,228 | 8,111 | 10,297 | 616 | 13,604 | 3,450 | 324,306 |
| Derivatives held for hedging | 457,414 | — | — | 2 | — | 102 | 457,518 |
| Loans measured at amortized cost | 31,598,425 | 877,024 | 3,474,346 | 1,069,013 | 2,114,302 | 8,274,576 | 47,407,686 |
| Financial assets at fair value through other comprehensive income | 7,789,037 | — | 278,806 | 50,415 | 549,307 | 1,570,697 | 10,238,262 |
| Financial assets at amortized cost | 3,544,607 | — | 44,358 | 227,140 | 200,747 | 1,806,530 | 5,823,382 |
| Other financial assets | 3,621,636 | 38,182 | 97,946 | 44,483 | 57,331 | 310,716 | 4,170,294 |
| | ₩64,951,453 | ₩1,666,419 | ₩5,180,170 | ₩,605,689 | ₩3,501,855 | ₩3,722,471 | ₩90,628,057 |
| **Financial liabilities** | | | | | | | |
| Financial liabilities at fair value through profit or loss | ₩ 1,024,957 | ₩ — | ₩ — | ₩ — | ₩ — | ₩ 21,841 | ₩ 1,046,798 |
| Derivatives held for trading | 724,036 | 48,351 | 76,968 | 214 | 3,002 | 8,932 | 861,503 |
| Derivatives held for hedging | 161,114 | — | 2,264 | 1,144 | — | 11,119 | 175,641 |
| Deposits | 30,041,679 | 1,658,775 | 1,645,279 | 1,058,101 | 2,519,261 | 5,036,555 | 41,959,650 |
| Borrowings | 16,231,860 | 452,189 | 1,492,914 | 229,757 | 372,293 | 3,495,867 | 22,274,880 |
| Debentures | 9,785,607 | — | 3,902,818 | — | — | 656,664 | 14,345,089 |
| Other financial liabilities | 4,567,800 | 129,853 | 115,012 | 26,017 | 88,768 | 113,785 | 5,041,235 |
| | ₩62,537,053 | ₩2,289,168 | ₩7,235,255 | ₩,315,233 | ₩2,983,324 | ₩9,344,763 | ₩85,704,796 |

### 4.5 Operational Risk

4.5.1 Concept

Operational risk of the Group refers to the risk of loss that may occur due to improper or incorrect internal procedures, personnel, systems or external events. Operational risk management plays a role in enhancing the stability and soundness of financial institutions by managing the appropriate level of capital and supplementing the internal control system.

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 Parent Company manages the Group's overall operational risk, and each subsidiary establishes and implements operational risk management policies according to its own risk level and implements and operates related systems. The Group Risk Management Committee establishes and allocates risk capital of operational risk for each subsidiary, and subsidiaries manage operational risks at an appropriate level within the allocated risk capital.

### 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 9.0%, Tier 1 Capital ratio of 10.5%, and Total Capital ratio of 12.5%) as of December 31, 2024.

The Group's capital is classified into three categories in accordance with the Detailed Regulations on Supervision of Financial Holding Companies 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 meets 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 Financial Holding Companies, and others.

The risk-weighted assets are the magnitude of the amount of risk inherent in the total asset held by the Group. The Group calculates risk-weighted assets by each risk (credit risk, market risk, and operational risk) based on the Detailed Regulations on Supervision of Financial Holding Companies and uses them to calculate capital adequacy ratio.

The Group evaluates and manages capital adequacy through separate 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.

**4.6 Capital Management (cont'd)**

Internal capital refers to the capital required to prevent the insolvency from future unexpected losses. The Group operates a system to measure, allocate, and manage internal capital to major subsidiaries by risk type.

The Risk Management Committee of the Group determines the risk appetite of the Group, allocates internal capital by risk type and major subsidiaries, and major subsidiaries operate 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 due to new businesses or business expansion, 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, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| Total Capital: | ₩ 53,743,658 | ₩ 56,849,484 |
| Tier 1 Capital | 49,390,274 | 52,477,447 |
| Common Equity Tier 1 Capital | 43,663,753 | 46,794,302 |
| Additional Tier 1 Capital | 5,726,521 | 5,683,146 |
| Tier 2 Capital | 4,353,384 | 4,372,037 |
| Risk-Weighted Assets:[1] | 321,318,905 | 345,980,580 |
| Total Capital ratio (%): | 16.73 | 16.43 |
| Tier 1 Capital ratio (%) | 15.37 | 15.17 |
| Common Equity Tier 1 Capital ratio (%) | 13.59 | 13.53 |

[1] The Group is currently reviewing detailed plans to reflect the completion guarantee management-type land trust business agreement with KB Real Estate Trust Co., Ltd. in risk-weighted assets and provisions, and it has not been reflected in the financial statements as of December 31, 2024.

**5. Segment Information**

**5.1 Overall Segment Information and Business Segments**

The Group classifies reporting segments based on the nature of the products and services provided, the type of customer, and the Group's management organization.

| | | |
|---|---|---|
| **Banking business** | **Corporate banking** | Loans, deposit products, and other related financial services to large, small and medium-sized enterprises and SOHOs |
| | **Retail banking** | Loans, deposit products, and other related financial services to individuals and households |
| | **Other banking services** | Trading activities in securities and derivatives, funding, and other supporting activities |
| **Securities business** | | Investment banking, brokerage services, and other supporting activities |
| **Non-life insurance business** | | Non-life insurance and other supporting activities |
| **Credit card business** | | Credit sale, cash advance, card loan, and other supporting activities |
| **Life insurance business** | | Life insurance and other supporting activities |

## 5.1 Overall Segment Information and Business Segments (cont'd)

Financial information by business segment as of and for the years ended December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | 2023 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Banking business | | | | | | | | | | |
| | Corporate banking | Retail banking | Other banking services | Sub-total | Securities | Non-life insurance | Credit card | Life insurance | Others | Consolidation adjustments | Total |
| Net operating revenues (expenses) from external customers | ₩ 5,640,663 | ₩ 4,443,943 | ₩ 30,910 | ₩ 10,115,516 | ₩ 1,667,041 | ₩ 1,120,156 | ₩ 2,026,032 | ₩ 191,097 | ₩ 1,058,994 | ₩ — | ₩ 16,178,836 |
| Intersegment net operating revenues (expenses) | 116,967 | — | 225,401 | 342,368 | 52,940 | (17,993) | (147,290) | 16,209 | 348,113 | (594,347) | — |
| | ₩ 5,757,630 | ₩ 4,443,943 | ₩ 256,311 | ₩ 10,457,884 | ₩ 1,719,981 | ₩ 1,102,163 | ₩ 1,878,742 | ₩ 207,306 | ₩ 1,407,107 | ₩ (594,347) | ₩ 16,178,836 |
| Net interest income (expenses) | ₩ 5,645,899 | ₩ 3,397,242 | ₩ 826,926 | ₩ 9,870,067 | ₩ 614,140 | ₩ (219,734) | ₩ 1,639,486 | ₩ (206,562) | ₩ 659,052 | ₩ (175,589) | ₩ 12,180,860 |
| Interest income | 11,687,624 | 7,723,196 | 2,936,303 | 22,347,123 | 1,763,009 | 808,296 | 2,343,014 | 582,463 | 1,407,563 | (109,444) | 29,142,024 |
| Interest expense | (6,041,725) | (4,325,954) | (2,109,377) | (12,477,056) | (1,148,869) | (1,028,030) | (703,528) | (789,025) | (748,511) | (66,145) | (16,961,164) |
| Net fee and commission income (expenses) | 427,004 | 252,118 | 489,161 | 1,168,283 | 742,613 | (34,468) | 613,721 | (7,636) | 1,213,154 | (22,143) | 3,673,524 |
| Fee and commission income | 612,643 | 403,042 | 587,135 | 1,602,820 | 981,954 | 20,658 | 1,740,517 | 5,478 | 1,364,830 | (348,183) | 5,368,074 |
| Fee and commission expense | (185,639) | (150,924) | (97,974) | (434,537) | (239,341) | (55,126) | (1,126,796) | (13,114) | (151,676) | 326,040 | (1,694,550) |
| Net Insurance income (expenses) | — | — | — | — | — | 960,395 | 9,539 | 446,745 | — | 30,173 | 1,446,852 |
| Insurance income | — | — | — | — | — | 10,088,869 | 19,000 | 933,665 | — | (36,063) | 11,005,471 |
| Insurance expense | — | — | — | — | — | (9,128,474) | (9,461) | (486,920) | — | 66,236 | (9,558,619) |
| Net gains on financial instruments at fair value through profit or loss | (6,449) | — | 766,434 | 759,985 | 356,837 | 454,729 | 6,915 | 658,530 | 283,591 | (357,522) | 2,163,065 |
| Net other insurance finance expense | — | — | — | — | — | (25,841) | — | (546,635) | — | — | (572,476) |
| Net other operating income (expenses) | (308,824) | 794,583 | (1,826,210) | (1,340,451) | 6,391 | (32,918) | (390,919) | (137,136) | (748,690) | (69,266) | (2,712,989) |
| General and administrative expenses | ₩ (1,959,016) | ₩ (1,952,434) | ₩ (610,316) | ₩ (4,521,766) | ₩ (903,329) | ₩ (142,165) | ₩ (624,628) | ₩ (99,663) | ₩ (483,366) | ₩ 127,511 | ₩ (6,647,406) |
| Operating income (expenses) before provision for credit losses | 3,798,614 | 2,491,509 | (354,005) | 5,936,118 | 816,652 | 959,998 | 1,254,114 | 107,643 | 923,741 | (466,836) | 9,531,430 |
| Reversal (provision) of credit losses | (1,563,255) | (92,464) | 47,591 | (1,608,128) | (144,016) | (13,988) | (826,922) | (2,190) | (554,176) | 3,011 | (3,146,409) |
| Net operating income (expenses) | 2,235,359 | 2,399,045 | (306,414) | 4,327,990 | 672,636 | 946,010 | 427,192 | 105,453 | 369,565 | (463,825) | 6,385,021 |
| Share of profit (loss) of associates and joint ventures | — | — | 117 | 117 | 2,898 | 2,440 | 1,049 | (135) | 11,386 | 15,355 | 33,110 |
| Net other non-operating income (expenses) | (14,754) | — | (83,576) | (98,330) | (190,199) | 15,235 | 44,310 | 4,700 | (11,162) | (62,534) | (297,980) |
| Segment profit (loss) before income tax expense | 2,220,605 | 2,399,045 | (389,873) | 4,229,777 | 485,335 | 963,685 | 472,551 | 110,018 | 369,789 | (511,004) | 6,120,151 |
| Income tax benefit (expense) | (633,917) | (633,348) | 187,440 | (1,079,825) | (102,705) | (250,125) | (121,333) | (25,262) | (64,432) | 49,865 | (1,593,817) |
| Profit (loss) for the year | ₩ 1,586,688 | ₩ 1,765,697 | ₩ (202,433) | ₩ 3,149,952 | ₩ 382,630 | ₩ 713,560 | ₩ 351,218 | ₩ 84,756 | ₩ 305,357 | ₩ (461,139) | ₩ 4,526,334 |
| Profit (loss) attributable to shareholders of the Parent Company | ₩ 1,612,409 | ₩ 1,765,697 | ₩ (116,607) | ₩ 3,261,499 | ₩ 389,618 | ₩ 713,281 | ₩ 351,133 | ₩ 84,756 | ₩ 303,578 | ₩ (509,030) | ₩ 4,594,835 |
| Profit (loss) attributable to non-controlling interests | (25,721) | — | (85,826) | (111,547) | (6,988) | 279 | 85 | — | 1,779 | 47,891 | (68,501) |
| Total assets* | 221,851,975 | 165,821,667 | 142,339,211 | 530,012,853 | 61,266,989 | 37,716,952 | 29,365,575 | 31,953,218 | 63,413,640 | (38,003,811) | 715,725,416 |
| Total liabilities* | 201,871,592 | 203,560,029 | 88,032,505 | 493,464,126 | 54,967,833 | 31,470,771 | 24,545,751 | 28,050,931 | 25,562,612 | (972,798) | 657,089,226 |

## 5.1 Overall Segment Information and Business Segments (cont'd)

*(In millions of Korean won)*

| | 2024 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Banking business | | | | | | | | | | |
| | Corporate banking | Retail banking | Other banking services | Sub-total | Securities | Non-life insurance | Credit card | Life insurance | Others | Consolidation adjustments | Total |
| Net operating revenues (expenses) from external customers | ₩ 5,281,537 | ₩ 4,165,446 | ₩ 637,177 | ₩ 10,084,160 | ₩ 1,772,379 | ₩ 1,447,658 | ₩ 2,107,801 | ₩ 366,433 | ₩ 1,249,740 | ₩ — | ₩ 17,028,171 |
| Intersegment net operating revenues (expenses) | 91,339 | — | 537,771 | 629,110 | 48,236 | (172,748) | (59,531) | (1,236) | 296,117 | (739,948) | — |
| | ₩ 5,372,876 | ₩ 4,165,446 | ₩ 1,174,948 | ₩ 10,713,270 | ₩ 1,820,615 | ₩ 1,274,910 | ₩ 2,048,270 | ₩ 365,197 | ₩ 1,545,857 | ₩ (739,948) | ₩ 17,028,171 |
| Net interest income (expenses) | ₩ 5,765,967 | ₩ 3,319,728 | ₩ 1,138,177 | ₩ 10,223,872 | ₩ 604,220 | ₩ (27,286) | ₩ 1,661,002 | ₩ (137,380) | ₩ 687,978 | ₩ (185,692) | ₩ 12,826,714 |
| Interest income | 12,100,679 | 7,760,970 | 3,349,423 | 23,211,072 | 1,783,459 | 899,571 | 2,464,356 | 645,953 | 1,586,364 | (99,390) | 30,491,385 |
| Interest expense | (6,334,712) | (4,441,242) | (2,211,246) | (12,987,200) | (1,179,239) | (926,857) | (803,354) | (783,333) | (898,386) | (86,302) | (17,664,671) |
| Net fee and commission income (expenses) | 410,424 | 241,799 | 460,655 | 1,112,878 | 788,521 | (35,521) | 770,218 | 8,295 | 1,248,859 | (43,623) | 3,849,627 |
| Fee and commission income | 600,466 | 390,775 | 552,868 | 1,544,109 | 1,012,768 | 10,271 | 1,817,271 | 16,340 | 1,414,179 | (333,095) | 5,481,843 |
| Fee and commission expense | (190,042) | (148,976) | (92,213) | (431,231) | (224,247) | (45,792) | (1,047,053) | (8,045) | (165,320) | 289,472 | (1,632,216) |
| Net insurance income (expenses) | — | — | — | — | — | 1,091,885 | 8,133 | 480,066 | — | 69,677 | 1,649,761 |
| Insurance income | — | — | — | — | — | 10,468,227 | 17,233 | 1,009,157 | — | (38,426) | 11,456,191 |
| Insurance expense | — | — | — | — | — | (9,376,342) | (9,100) | (529,091) | — | 108,103 | (9,806,430) |
| Net gains (losses) on financial instruments at fair value through profit or loss | 23,652 | — | 744,225 | 767,877 | 267,257 | 344,848 | 11,847 | 283,572 | (13,103) | (650,217) | 1,012,081 |
| Net other insurance finance expense | — | — | — | — | — | (55,895) | — | (381,106) | — | — | (437,001) |
| Net other operating income (expenses) | (827,167) | 603,919 | (1,168,109) | (1,391,357) | 160,617 | (43,121) | (402,930) | 111,750 | (377,877) | 69,907 | (1,873,011) |
| General and administrative expenses | ₩ (2,004,769) | ₩ (1,984,805) | ₩ (644,744) | ₩ (4,634,318) | ₩ (980,340) | ₩ (140,270) | ₩ (641,283) | ₩ (147,517) | ₩ (522,641) | ₩ 127,745 | ₩ (6,938,624) |
| Operating income (expenses) before provision for credit losses | 3,368,107 | 2,180,641 | 530,204 | 6,078,952 | 840,275 | 1,134,640 | 1,406,987 | 217,680 | 1,023,216 | (612,203) | 10,089,547 |
| Reversal (provision) of credit losses | (482,326) | (196,996) | (765) | (680,087) | (66,978) | 1,945 | (892,871) | 712 | (414,498) | 7,491 | (2,044,286) |
| Net operating income (expenses) | 2,885,781 | 1,983,645 | 529,439 | 5,398,865 | 773,297 | 1,136,585 | 514,116 | 218,392 | 608,718 | (604,712) | 8,045,261 |
| Share of profit (loss) of associates and joint ventures | — | — | 7,402 | 7,402 | (35,156) | 2,272 | 1,238 | (259) | (282) | 7,901 | (16,884) |
| Net other non-operating income (expenses) | (61,903) | — | (899,066) | (960,969) | 3,059 | (12,950) | 9,755 | 6,694 | (46,838) | (41,881) | (1,043,130) |
| Segment profit (loss) before income tax expense | 2,823,878 | 1,983,645 | (362,225) | 4,445,298 | 741,200 | 1,125,907 | 525,109 | 224,827 | 561,598 | (638,692) | 6,985,247 |
| Income tax benefit (expense) | (927,629) | (523,682) | 157,415 | (1,293,896) | (156,310) | (286,340) | (133,621) | (60,555) | (88,651) | 62,732 | (1,956,641) |
| Profit (loss) for the year | ₩ 1,896,249 | ₩ 1,459,963 | ₩ (204,810) | ₩ 3,151,402 | ₩ 584,890 | ₩ 839,567 | ₩ 391,488 | ₩ 164,272 | ₩ 472,947 | ₩ (575,960) | ₩ 5,028,606 |
| Profit (loss) attributable to shareholders of the Parent Company | ₩ 1,877,266 | ₩ 1,459,963 | ₩ (85,470) | ₩ 3,251,759 | ₩ 585,682 | ₩ 839,494 | ₩ 402,715 | ₩ 164,272 | ₩ 470,606 | ₩ (636,307) | ₩ 5,078,221 |
| Profit (loss) attributable to non-controlling interests | 18,983 | — | (119,340) | (100,357) | (792) | 73 | (11,227) | — | 2,341 | 60,347 | (49,615) |
| Total assets* | 239,124,552 | 176,075,559 | 147,687,069 | 562,887,180 | 63,384,388 | 40,776,375 | 30,541,628 | 34,047,554 | 64,172,457 | (37,964,050) | 757,845,532 |
| Total liabilities* | 222,291,921 | 210,839,098 | 91,728,841 | 524,859,860 | 56,498,405 | 34,982,352 | 25,236,826 | 30,984,398 | 27,995,907 | (2,527,397) | 698,030,351 |

* 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, 2022, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| Banking service | ₩ 9,278,875 | ₩10,115,516 | ₩10,084,160 |
| Securities service | 1,124,822 | 1,667,041 | 1,772,379 |
| Non-life insurance service | 684,456 | 1,120,156 | 1,447,658 |
| Credit card service | 1,785,413 | 2,026,032 | 2,107,801 |
| Life insurance service | (61,746) | 191,097 | 366,433 |
| Others | 914,003 | 1,058,994 | 1,249,740 |
| | ₩13,725,823 | ₩16,178,836 | ₩17,028,171 |

5.2.2 Geographical information

Geographical net operating revenues from external customers for the years ended December 31, 2022, 2023 and 2024 and major non-current assets as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | Net operating revenues from external customers | | | Major non-current assets | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | December 31, 2023 | December 31, 2024 |
| Domestic | ₩12,508,285 | ₩14,763,248 | ₩15,530,844 | ₩ 9,851,765 | ₩ 9,915,068 |
| United States | 101,726 | 75,944 | 128,325 | 55,125 | 35,576 |
| New Zealand | 12,378 | 12,611 | 12,580 | 1,051 | 829 |
| China | 170,239 | 177,175 | 167,621 | 21,138 | 22,271 |
| Cambodia | 546,258 | 572,858 | 595,562 | 53,322 | 101,879 |
| United Kingdom | 31,685 | 52,372 | 71,545 | 4,616 | 9,023 |
| Indonesia | 231,694 | 327,599 | 320,741 | 418,115 | 430,632 |
| Others | 123,558 | 197,029 | 200,953 | 32,405 | 35,746 |
| Consolidation adjustments | — | — | — | 568,804 | 564,851 |
| | ₩13,725,823 | ₩16,178,836 | ₩17,028,171 | ₩11,006,341 | ₩11,115,875 |

## 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, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | |
|---|---|---|
| | **Carrying amount** | **Fair value** |
| **Financial assets** | | |
| Cash and due from financial institutions | ₩ 29,836,311 | ₩ 29,833,886 |
| Financial assets at fair value through profit or loss: | 77,038,267 | 77,038,267 |
| Due from financial institutions | 79,811 | 79,811 |
| Debt securities | 72,658,432 | 72,658,432 |
| Equity securities | 4,022,555 | 4,022,555 |
| Loans | 183,726 | 183,726 |
| Others | 93,743 | 93,743 |
| Derivatives held for trading | 5,777,682 | 5,777,682 |
| Derivatives held for hedging | 379,946 | 379,946 |
| Loans measured at amortized cost | 444,805,287 | 445,144,428 |
| Securities measured at amortized cost | 39,701,389 | 38,763,702 |
| Financial assets at fair value through other comprehensive income: | 82,498,140 | 82,498,140 |
| Debt securities | 78,926,437 | 78,926,437 |
| Equity securities | 2,770,653 | 2,770,653 |
| Loans | 801,050 | 801,050 |
| Other financial assets | 16,544,513 | 16,544,513 |
| | ₩696,581,535 | ₩695,980,564 |
| **Financial liabilities** | | |
| Financial liabilities at fair value through profit or loss | ₩ 2,953,472 | ₩ 2,953,472 |
| Financial liabilities designated at fair value through profit or loss | 7,966,963 | 7,966,963 |
| Derivatives held for trading | 5,966,512 | 5,966,512 |
| Derivatives held for hedging | 244,127 | 244,127 |
| Deposits | 406,512,434 | 406,711,081 |
| Borrowings | 69,583,561 | 69,390,346 |
| Debentures | 69,176,668 | 68,975,750 |
| Other financial liabilities | 37,416,916 | 37,416,916 |
| | ₩599,820,653 | ₩599,625,167 |

6.1.1 Carrying amount and fair value of financial assets and liabilities by category as of December 31, 2023 and 2024, are as follows (cont'd):

| *(In millions of Korean won)* | December 31, 2024 | |
|---|---|---|
| | **Carrying amount** | **Fair value** |
| **Financial assets** | | |
| Cash and due from financial institutions | ₩ 29,869,111 | ₩ 29,869,335 |
| Financial assets at fair value through profit or loss: | 79,450,093 | 79,450,093 |
| Due from financial institutions | 59,838 | 59,838 |
| Debt securities | 73,768,636 | 73,768,636 |
| Equity securities | 4,275,337 | 4,275,337 |
| Loans | 1,187,763 | 1,187,763 |
| Others | 158,519 | 158,519 |
| Derivatives held for trading | 10,954,870 | 10,954,870 |
| Derivatives held for hedging | 775,897 | 775,897 |
| Loans measured at amortized cost | 472,071,840 | 473,234,273 |
| Securities measured at amortized cost | 37,113,552 | 36,572,012 |
| Financial assets at fair value through other comprehensive income: | 93,895,912 | 93,895,912 |
| Debt securities | 88,735,996 | 88,735,996 |
| Equity securities | 3,713,288 | 3,713,288 |
| Loans | 1,446,628 | 1,446,628 |
| Other financial assets | 14,404,227 | 14,404,227 |
| | ₩738,535,502 | ₩739,156,619 |
| **Financial liabilities** | | |
| Financial liabilities at fair value through profit or loss | ₩ 2,717,732 | ₩ 2,717,732 |
| Financial liabilities designated at fair value through profit or loss | 8,002,499 | 8,002,499 |
| Derivatives held for trading | 11,409,695 | 11,409,695 |
| Derivatives held for hedging | 373,799 | 373,799 |
| Deposits | 435,687,897 | 435,991,820 |
| Borrowings | 68,077,012 | 68,046,196 |
| Debentures | 76,171,257 | 76,583,392 |
| Other financial liabilities | 33,594,883 | 33,594,883 |
| | ₩636,034,774 | ₩636,720,016 |

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Group discloses the fair value of each class of assets and liabilities in a way that permits it to be compared with its carrying amount at the end of each reporting period. The best evidence of fair value of financial instruments is a quoted price in an active market.

6.1.1 Carrying amount and fair value of financial assets and liabilities by category as of December 31, 2023 and 2024, are as follows (cont'd):

Methods of determining fair value of financial instruments are as follows:

| | |
|---|---|
| **Cash and due from financial institutions** | Fair value of cash is same as 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 deposit is measured using Discounted Cash Flow ("DCF") Model. |
| **Securities** | Fair value of securities and others that are traded in an active market 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 among DCF Model, Free Cash Flow to Equity Model, Comparable Company Analysis, Dividend Discount Model, Risk Adjusted Discount Rate Method, and Net Asset Value Method. |
| **Loans** | Fair value of loans is determined using DCF Model discounting the expected cash flows, which are contractual cash flows adjusted by the expected prepayment rate, at an appropriate discount rate. |
| **Derivatives and financial instruments at fair value through profit or loss** | Fair value of exchange traded derivatives is determined using quoted price 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 Finite Difference Method ("FDM"), MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Closed Form, and Tree Model or valuation results from independent external professional valuation institutions. |
| **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 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 DCF Model. |
| **Debentures** | Fair value is determined using valuation results 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, 2023 and 2024, are as follows:

| *(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: | ₩20,695,760 | ₩38,118,478 | ₩18,224,029 | ₩ 77,038,267 |
| Due from financial institutions | — | 26,020 | 53,791 | 79,811 |
| Debt securities | 18,541,335 | 37,663,855 | 16,453,242 | 72,658,432 |
| Equity securities | 2,060,682 | 428,367 | 1,533,506 | 4,022,555 |
| Loans | — | 236 | 183,490 | 183,726 |
| Others | 93,743 | — | — | 93,743 |
| Derivatives held for trading | 58,948 | 5,624,691 | 94,043 | 5,777,682 |
| Derivatives held for hedging | — | 379,946 | — | 379,946 |
| Financial assets at fair value through other comprehensive income: | 38,630,447 | 42,416,785 | 1,450,908 | 82,498,140 |
| Debt securities | 37,921,922 | 41,004,515 | — | 78,926,437 |
| Equity securities | 708,525 | 611,220 | 1,450,908 | 2,770,653 |
| Loans | — | 801,050 | — | 801,050 |
| | ₩59,385,155 | ₩86,539,900 | ₩19,768,980 | ₩165,694,035 |
| **Financial liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | ₩ 2,953,472 | ₩ — | ₩ — | ₩ 2,953,472 |
| Financial liabilities designated at fair value through profit or loss | 56,686 | 881,791 | 7,028,486 | 7,966,963 |
| Derivatives held for trading | 104,866 | 5,100,869 | 760,777 | 5,966,512 |
| Derivatives held for hedging | — | 244,127 | — | 244,127 |
| | ₩ 3,115,024 | ₩ 6,226,787 | ₩ 7,789,263 | ₩ 17,131,074 |

6.1.2.1 Fair value hierarchy of financial assets and liabilities at fair value in the consolidated statements of financial position (cont'd)

| *(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: | ₩25,554,893 | ₩33,768,117 | ₩20,127,083 | ₩ 79,450,093 |
| Due from financial institutions | — | — | 59,838 | 59,838 |
| Debt securities | 22,775,948 | 33,630,189 | 17,362,499 | 73,768,636 |
| Equity securities | 2,620,426 | 137,928 | 1,516,983 | 4,275,337 |
| Loans | — | — | 1,187,763 | 1,187,763 |
| Others | 158,519 | — | — | 158,519 |
| Derivatives held for trading | 20,638 | 10,682,718 | 251,515 | 10,954,870 |
| Derivatives held for hedging | — | 775,897 | — | 775,897 |
| Financial assets at fair value through other comprehensive income: | 43,858,598 | 48,537,327 | 1,499,987 | 93,895,912 |
| Debt securities | 43,319,466 | 45,416,530 | — | 88,735,996 |
| Equity securities | 539,132 | 1,674,169 | 1,499,987 | 3,713,288 |
| Loans | — | 1,446,628 | — | 1,446,628 |
| | ₩69,434,129 | ₩93,764,059 | ₩21,878,585 | ₩185,076,772 |
| **Financial liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | ₩ 2,717,732 | ₩ — | ₩ — | ₩ 2,717,732 |
| Financial liabilities designated at fair value through profit or loss | 300,489 | 1,529,492 | 6,172,518 | 8,002,499 |
| Derivatives held for trading | 353,074 | 10,458,585 | 598,036 | 11,409,695 |
| Derivatives held for hedging | — | 373,799 | — | 373,799 |
| | ₩ 3,371,295 | ₩12,361,876 | ₩ 6,770,554 | ₩ 22,503,725 |

6.1.2.1 Fair value hierarchy of financial assets and liabilities at fair value in the consolidated statements of financial position (cont'd)

Valuation techniques and inputs of financial assets and liabilities classified as Level 2 and measured at fair value in the consolidated statements of financial position as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | |
|---|---|---|---|
| | **Fair value** | **Valuation techniques** | **Inputs** |
| **Financial assets** | | | |
| Financial assets at fair value through profit or loss: | ₩38,118,478 | | |
| Due from financial institutions | 26,020 | DCF Model, Hull-white Model | Projected cash flow, Discount rate, Volatility, Correlation coefficient |
| Debt securities | 37,663,855 | DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Net Asset Value Method, Binomial Model, and others | Projected cash flow, Fair value of underlying asset, Dividend yield, Price of underlying asset, Interest rate, Discount rate, Volatility, Correlation coefficient, and others |
| Equity securities | 428,367 | DCF Model | Interest rate, Discount rate, and others |
| Loans | 236 | DCF Model | Interest rate, Discount rate, and others |
| Derivatives held for trading | 5,624,691 | DCF Model, Closed Form, FDM, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Binomial Model, Option Model, and others | Price of underlying asset, Underlying asset index, Interest rate, Dividend yield, Volatility, Foreign exchange rate, Discount rate, and others |
| Derivatives held for hedging | 379,946 | DCF Model, Closed Form, FDM | Projected cash flow, Discount rate, Forward foreign exchange rate, Volatility, Foreign exchange rate, CRS interest rate, and others |
| Financial assets at fair value through other comprehensive income: | 42,416,785 | | |
| Debt securities | 41,004,515 | DCF Model, Option Model | Underlying asset index, Discount rate, and others |
| Equity securities | 611,220 | DCF Model | Discount rate |
| Loans | 801,050 | DCF Model | Discount rate |
| | ₩86,539,900 | | |
| **Financial liabilities** | | | |
| Financial liabilities designated at fair value through profit or loss | ₩ 881,791 | DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Binomial Model, Net Asset Value Method | Price of underlying asset, Interest rate, Dividend yield, Volatility, Discount rate, Foreign exchange rate |
| Derivatives held for trading | 5,100,869 | DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Binomial Model, and others | Interest rate, Price of underlying asset, Foreign exchange rate, Credit spread, Discount rate, Volatility, and others |
| Derivatives held for hedging | 244,127 | DCF Model, Closed Form, FDM | Projected cash flow, Discount rate, Forward foreign exchange rate, Volatility, Foreign exchange rate, Risk free interest rate, and others |
| | ₩ 6,226,787 | | |

6.1.2.1 Fair value hierarchy of financial assets and liabilities at fair value in the consolidated statements of financial position (cont'd)

*(In millions of Korean won)*

| | December 31, 2024 | | |
|---|---|---|---|
| | **Fair value** | **Valuation techniques** | **Inputs** |
| **Financial assets** | | | |
| Financial assets at fair value through profit or loss: | ₩33,768,117 | | |
| Debt securities | 33,630,189 | DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Net Asset Value Method, Binomial Model, and others | Projected cash flow, Fair value of underlying asset, Dividend yield, Price of underlying asset, Interest rate, Discount rate, Volatility, Correlation coefficient, and others |
| Equity securities | 137,928 | DCF Model | Interest rate, Discount rate, and others |
| Derivatives held for trading | 10,872,214 | DCF Model, Closed Form, FDM, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Option Model, and others | Price of underlying asset, Underlying asset index, Interest rate, Volatility, Foreign exchange rate, Discount rate, and others |
| Derivatives held for hedging | 775,897 | DCF Model, Closed Form, FDM | Projected cash flow, Discount rate, Forward foreign exchange rate, Volatility, Foreign exchange rate, CRS interest rate, and others |
| Financial assets at fair value through other comprehensive income: | 48,537,327 | | |
| Debt securities | 45,416,530 | DCF Model, Option Model | Underlying asset index, Discount rate, and others |
| Equity securities | 1,674,169 | DCF Model | Interest rate, Discount rate |
| Loans | 1,446,628 | DCF Model | Discount rate |
| | ₩93,953,555 | | |
| **Financial liabilities** | | | |
| Financial liabilities designated at fair value through profit or loss | ₩ 1,529,492 | DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model | Price of underlying asset, Interest rate, Dividend yield, Volatility, Discount rate |
| Derivatives held for trading | 10,527,569 | DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, and others | Interest rate, Price of underlying asset, Foreign exchange rate, Credit spread, Discount rate, Volatility, and others |
| Derivatives held for hedging | 373,799 | DCF Model, Closed Form, FDM | Projected cash flow, Discount rate, Forward foreign exchange rate, Volatility, Foreign exchange rate, Risk free interest rate, and others |
| | ₩12,430,860 | | |

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, 2023 and 2024, are as follows:

| *(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] | ₩2,775,618 | ₩ 24,501,232 | ₩ 2,557,036 | ₩ 29,833,886 |
| Loans measured at amortized cost | — | 145,330 | 444,999,098 | 445,144,428 |
| Securities measured at amortized cost [2] | 4,328,010 | 34,410,808 | 24,884 | 38,763,702 |
| Other financial assets [2] | — | — | 16,544,513 | 16,544,513 |
| | ₩7,103,628 | ₩ 59,057,370 | ₩464,125,531 | ₩530,286,529 |
| **Financial liabilities** | | | | |
| Deposits [1] | ₩ — | ₩167,135,143 | ₩239,575,938 | ₩406,711,081 |
| Borrowings [3] | — | 5,835,132 | 63,555,214 | 69,390,346 |
| Debentures | — | 61,678,464 | 7,297,286 | 68,975,750 |
| Other financial liabilities [2] | — | — | 37,416,916 | 37,416,916 |
| | ₩ — | ₩234,648,739 | ₩347,845,354 | ₩582,494,093 |

| *(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] | ₩2,353,334 | ₩ 24,731,260 | ₩ 2,784,741 | ₩ 29,869,335 |
| Loans measured at amortized cost | — | 106,823 | 473,127,450 | 473,234,273 |
| Securities measured at amortized cost [2] | 4,746,587 | 31,799,265 | 26,160 | 36,572,012 |
| Other financial assets [2] | — | — | 14,404,227 | 14,404,227 |
| | ₩7,099,921 | ₩ 56,637,348 | ₩490,342,578 | ₩554,079,847 |
| **Financial liabilities** | | | | |
| Deposits [1] | ₩ — | ₩174,567,804 | ₩261,424,016 | ₩435,991,820 |
| Borrowings [3] | — | 4,441,612 | 63,604,584 | 68,046,196 |
| Debentures | — | 67,455,577 | 9,127,815 | 76,583,392 |
| Other financial liabilities [2] | — | — | 33,594,883 | 33,594,883 |
| | ₩ — | ₩246,464,993 | ₩367,751,298 | ₩614,216,291 |

1 The amounts included in Level 2 are the carrying amounts which are reasonable approximations of fair value.

2 The amounts included in Level 3 are the carrying amounts which are reasonable approximations of fair value.

3 Borrowings of ₩ 38,191 million and ₩ 15,155 million included in Level 2 are the carrying amounts which are reasonable approximations of fair value as of December 31, 2023 and 2024, respectively.

6.1.2.2 Fair value hierarchy of financial assets and liabilities whose fair value is disclosed (cont'd)

For financial assets and liabilities whose carrying amount is a reasonable approximation of fair value, valuation techniques and inputs are not disclosed.

Valuation techniques and inputs of financial assets and liabilities classified as Level 2, and whose fair value is disclosed as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | | |
|---|---|---|---|
| | **Fair value** | **Valuation techniques** | **Inputs** |
| **Financial assets** | | | |
| Loans measured at amortized cost | ₩ 145,330 | DCF Model | Discount rate |
| Securities measured at amortized cost | 34,410,808 | DCF Model, MonteCarlo Simulation | Discount rate, Interest rate |
| | ₩34,556,138 | | |
| **Financial liabilities** | | | |
| Borrowings | ₩ 5,796,941 | DCF Model | Discount rate |
| Debentures | 61,678,464 | DCF Model | Discount rate |
| | ₩67,475,405 | | |

| *(In millions of Korean won)* | December 31, 2024 | | |
|---|---|---|---|
| | **Fair value** | **Valuation techniques** | **Inputs** |
| **Financial assets** | | | |
| Loans measured at amortized cost | ₩ 106,823 | DCF Model | Discount rate |
| Securities measured at amortized cost | 31,799,265 | DCF Model, MonteCarlo Simulation | Discount rate, Interest rate |
| | ₩31,906,088 | | |
| **Financial liabilities** | | | |
| Borrowings | ₩ 4,426,457 | DCF Model | Discount rate |
| Debentures | 67,455,577 | DCF Model | Discount rate |
| | ₩71,882,034 | | |

6.1.2.2 Fair value hierarchy of financial assets and liabilities whose fair value is disclosed (cont'd)

Valuation techniques and inputs of financial assets and liabilities classified as Level 3, and whose fair value is disclosed as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | | |
|---|---|---|---|
| | Fair value | Valuation techniques | Inputs |
| **Financial assets** | | | |
| Cash and due from financial institutions | ₩ 2,557,036 | DCF Model | Credit spread, Other spread, Interest rate |
| Loans measured at amortized cost | 444,999,098 | DCF Model | Credit spread, Other spread, Prepayment rate, Interest rate |
| | ₩447,556,134 | | |
| **Financial liabilities** | | | |
| Deposits | ₩239,575,938 | DCF Model | Other spread, Prepayment rate, Interest rate |
| Borrowings | 63,555,214 | DCF Model | Other spread, Interest rate |
| Debentures | 7,297,286 | DCF Model | Other spread, Interest rate |
| | ₩310,428,438 | | |

| *(In millions of Korean won)* | December 31, 2024 | | |
|---|---|---|---|
| | Fair value | Valuation techniques | Inputs |
| **Financial assets** | | | |
| Cash and due from financial institutions | ₩ 2,784,741 | DCF Model | Credit spread, Other spread, Interest rate, Discount rate |
| Loans measured at amortized cost | 473,127,450 | DCF Model | Credit spread, Other spread, Prepayment rate, Interest rate, Discount rate, and others |
| | ₩475,912,191 | | |
| **Financial liabilities** | | | |
| Deposits | ₩261,424,016 | DCF Model | Other spread, Prepayment rate, Interest rate, Discount rate |
| Borrowings | 63,604,584 | DCF Model | Other spread, Projected cash flow, Discount rate |
| Debentures | 9,127,815 | DCF Model | Projected cash flow, Discount rate, and others |
| | ₩334,156,415 | | |

**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 the changes in situation and events which 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, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Financial assets at fair value through profit or loss | | | Financial investments | Financial liabilities at fair value through profit or loss | Net derivative financial instruments |
| | Due from financial institutions measured at fair value through profit or loss | 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 | Financial liabilities designated at fair value through profit or loss | Derivatives held for trading |
| Beginning | ₩ 45,025 | ₩ 16,479,588 | ₩ 149,074 | ₩ 1,458,280 | ₩ (8,231,303) | ₩ (659,816) |
| Total gains or losses: | | | | | | |
| Profit or loss | 8,766 | 347,251 | (11,954) | — | (338,726) | (74,870) |
| Other comprehensive income (loss) | — | — | — | (65,983) | (32,370) | — |
| Purchases | — | 3,448,093 | 50,435 | 98,697 | — | 11,646 |
| Sales | — | (2,222,518) | (4,065) | (40,086) | — | (6,654) |
| Issues | — | — | — | — | (4,431,945) | (6,275) |
| Settlements | — | — | — | — | 6,005,858 | 69,235 |
| Transfers into Level 3 * | — | 13,027 | — | — | — | — |
| Transfers out of Level 3 * | — | (78,693) | — | — | — | — |
| Ending | ₩ 53,791 | ₩ 17,986,748 | ₩ 183,490 | ₩ 1,450,908 | ₩ (7,028,486) | ₩ (666,734) |

*(In millions of Korean won)*

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Financial assets at fair value through profit or loss | | | Financial investments | Financial liabilities at fair value through profit or loss | Net derivative financial instruments |
| | Due from financial institutions measured at fair value through profit or loss | 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 | Financial liabilities designated at fair value through profit or loss | Derivatives held for trading |
| Beginning | ₩ 53,791 | ₩ 17,986,748 | ₩ 183,490 | ₩ 1,450,908 | ₩ (7,028,486) | ₩ (666,734) |
| Total gains or losses: | | | | | | |
| Profit or loss | 6,047 | 488,988 | 44,863 | — | (268,251) | (256,240) |
| Other comprehensive income (loss) | — | 2 | — | (197,070) | (10,816) | — |
| Purchases | — | 3,820,317 | 1,493,924 | 246,560 | — | 5,042 |
| Sales | — | (3,280,871) | (534,676) | (411) | — | (5,362) |
| Issues | — | — | — | — | (4,200,664) | (2,960) |
| Settlements | — | — | — | — | 5,335,699 | 579,732 |
| Transfers into Level 3 * | — | 6,142 | 162 | — | — | — |
| Transfers out of Level 3 * | — | (141,844) | — | — | — | — |
| Ending | ₩ 59,838 | ₩ 18,879,482 | ₩ 1,187,763 | ₩ 1,499,987 | ₩ (6,172,518) | ₩ (346,522) |

* Transfers into or out of Level 3 of the fair value hierarchy occurred due to the change in the availability of observable market data.

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, 2022, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | 2022 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Net gains on financial instruments at fair value through profit or loss | Other operating income | Net interest income | 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 | ₩ (376,605) | ₩ 124,041 | ₩ — | ₩ (107,729) | ₩ 38,196 | ₩ — |
| Total gains (losses) recognized in profit or loss from financial instruments held at the end of the reporting period | (210,742) | 73,711 | — | 267,666 | 56,810 | — |

*(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(losses) recognized in profit or loss for the period | ₩ (364,765) | ₩ 380,172 | ₩ — |
| Total gains recognized in profit or loss from financial instruments held at the end of the reporting period | (45,787) | 322,839 | — |

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, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | **Fair value** | **Valuation techniques** | **Unobservable inputs** | **Range of unobservable inputs (%)** | **Relationship of unobservable inputs to fair value** |
| **Financial assets** | | | | | |
| Financial assets at fair value through profit or loss: | | | | | |
| Due from financial institutions | ₩ 53,791 | Hull-white Model | Interest rate | 3.20 | The lower the interest rate, the higher the fair value |
| Debt securities | 16,453,242 | DCF Model, Closed Form, MonteCarlo Simulation, Hull-white Model, Black-Scholes Model, Option Model, Binomial Model, Net Asset Value Method, Milestone Method, Income Approach, Market Value Approach, and others | Growth rate | 1.00 ~ 3.00 | The higher the growth rate, the higher the fair value |
| | | | Volatility | 14.01 ~ 76.22 | The higher the volatility, the higher the fair value fluctuation |
| | | | Discount rate | 2.48 ~ 16.27 | The lower the discount rate, the higher the fair value |
| | | | Volatility of stock price | 10.00 ~ 32.55 | The higher the volatility, the higher the fair value fluctuation |
| | | | Correlation coefficient between underlying assets | -60.02 ~ 89.73 | The higher the correlation coefficient, the higher the fair value fluctuation |
| | | | Liquidation value | -1.00 ~ 1.00 | The higher the liquidation value, the higher the fair value |
| | | | Recovery rate | 40.00 | The higher the recovery rate, the higher the fair value |
| | | | Rate of real estate price fluctuation | -1.00 ~ 1.00 | The higher the sale price of real estate, the higher the fair value |
| Equity securities | 1,533,506 | Income Approach, Market Value Approach, Asset Value Approach, DCF Model, Comparable Company Analysis, Risk Adjusted Discount Rate Method, Dividend Discount Model, Usage of Past Transactions, Binomial Model, and others | Growth rate | 0.00 ~ 1.00 | The higher the growth rate, the higher the fair value |
| | | | Discount rate | 2.15 ~ 38.00 | The lower the discount rate, the higher the fair value |
| | | | Volatility | 0.51 ~ 45.50 | The higher the volatility, the higher the fair value fluctuation |
| Loans | 183,490 | DCF Model | Discount rate | 9.87 | The lower the discount rate, the higher the fair value |

6.2.3.1 Information about fair value measurements using unobservable inputs as of December 31, 2023 and 2024, are as follows (cont'd):

*(In millions of Korean won)*

| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | **Fair value** | **Valuation techniques** | **Unobservable inputs** | **Range of unobservable inputs (%)** | **Relationship of unobservable inputs to fair value** |
| Derivatives held for trading: | | | | | |
| Stock and index | ₩ 72,540 | DCF Model, Closed Form, FDM, MonteCarlo Simulation, Hull-white Model, Black-Scholes Model, Binomial Model, Net Asset Value Method | Volatility of underlying asset | 13.79 ~ 52.45 | The higher the volatility, the higher the fair value fluctuation |
| | | | Correlation coefficient | -60.02 ~ 77.96 | The higher the correlation coefficient, the higher the fair value fluctuation |
| Currency, interest rate, and others | 21,503 | DCF Model, Hull-white Model, MonteCarlo Simulation, Closed Form | Volatility | 9.10 ~ 107.11 | The higher the volatility, the higher the fair value fluctuation |
| | | | Correlation coefficient | 60.17 ~ 78.88 | The higher the correlation coefficient, the higher the fair value fluctuation |
| Financial assets at fair value through other comprehensive income: | | | | | |
| Equity securities | 1,450,908 | DCF Model, Comparable Company Analysis, Risk Adjusted Discount Rate Method, IMV Model, Income Approach, Net Asset Value Method, Market Value Approach, and others | Growth rate | 0.00 ~ 2.00 | The higher the growth rate, the higher the fair value |
| | | | Discount rate | 8.83 ~ 19.90 | The lower the discount rate, the higher the fair value |
| | | | Volatility | 20.60 ~ 27.96 | The higher the volatility, the higher the fair value fluctuation |
| | ₩19,768,980 | | | | |

6.2.3.1 Information about fair value measurements using unobservable inputs as of December 31, 2023 and 2024, are as follows (cont'd):

| *(In millions of Korean won)* | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | **Fair value** | **Valuation techniques** | **Unobservable inputs** | **Range of unobservable inputs (%)** | **Relationship of unobservable inputs to fair value** |
| **Financial liabilities** | | | | | |
| Financial liabilities designated at fair value through profit or loss: | | | | | |
| Derivative-linked securities | ₩7,028,486 | DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Net Asset Value Method, and others | Volatility of underlying asset | 1.00 ~ 107.11 | The higher the volatility, the higher the fair value fluctuation |
| | | | Correlation coefficient | -60.02 ~ 89.73 | The higher the correlation coefficient, the higher the fair value fluctuation |
| Derivatives held for trading: | | | | | |
| Stock and index | 437,662 | DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Net Asset Value Method, and others | Volatility of underlying asset | 13.79 ~ 52.45 | The higher the volatility, the higher the fair value fluctuation |
| | | | Correlation coefficient | -60.02 ~ 77.96 | The higher the correlation coefficient, the higher the fair value fluctuation |
| Others | 323,115 | DCF Model, Hull-white Model, MonteCarlo Simulation, Closed Form | Discount rate | 5.07 ~ 5.19 | The lower the discount rate, the higher the fair value |
| | | | Volatility of underlying asset | 4.49 ~ 107.11 | The higher the volatility, the higher the fair value fluctuation |
| | | | Correlation coefficient between underlying assets | -60.02 ~ 89.73 | The higher the correlation coefficient, the higher the fair value fluctuation |
| | ₩7,789,263 | | | | |

6.2.3.1 Information about fair value measurements using unobservable inputs as of December 31, 2023 and 2024, are as follows (cont'd):

*(In millions of Korean won)*

| | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | **Fair value** | **Valuation techniques** | **Unobservable inputs** | **Range of unobservable inputs (%)** | **Relationship of unobservable inputs to fair value** |
| **Financial assets** | | | | | |
| Financial assets at fair value through profit or loss: | | | | | |
| Due from financial institutions | ₩ 59,838 | Hull-white Model | Volatility | 46.00 ~ 62.00 | The higher the volatility, the higher the fair value fluctuation |
| Debt securities | 17,362,499 | DCF Model, Closed Form, FDM, MonteCarlo Simulation, Hull-white Model, Black-Scholes Model, Option Model, Binomial Model, Net Asset Value Method, Milestone Method, Income Approach, Market Value Approach, and others | Growth rate | 1.00 ~ 3.00 | The higher the growth rate, the higher the fair value |
| | | | Volatility | 29.98 ~ 76.22 | The higher the volatility, the higher the fair value fluctuation |
| | | | Discount rate | 0.00 ~ 15.53 | The lower the discount rate, the higher the fair value |
| | | | Volatility of Stock price | 10.00 ~ 29.90 | The higher the volatility, the higher the fair value fluctuation |
| | | | Correlation coefficient between underlying assets | 90 | The higher the correlation coefficient, the higher the fair value fluctuation |
| | | | Liquidation value | -1.00 ~ 1.00 | The higher the liquidation value, the higher the fair value |
| | | | Recovery rate | 40.00 | The higher the recovery rate, the higher the fair value |
| | | | Rate of real estate price fluctuation | -1.00 ~ 1.00 | The higher the sale price of real estate, the higher the fair value |
| Equity securities | 1,516,983 | Income Approach, Market Value Approach, Asset Value Approach, DCF Model, Comparable Company Analysis, Risk Adjusted Discount Rate Method, Dividend Discount Model, Usage of Past Transactions, Binomial Model, and others | Growth rate | 0.00 ~ 1.00 | The higher the growth rate, the higher the fair value |
| | | | Discount rate | 5.90 ~ 33.90 | The lower the discount rate, the higher the fair value |
| | | | Volatility | 0.47 ~ 34.80 | The higher the volatility, the higher the fair value fluctuation |
| Loans | 1,187,763 | DCF Model | Discount rate | 8.54 | The lower the discount rate, the higher the fair value |

6.2.3.1 Information about fair value measurements using unobservable inputs as of December 31, 2023 and 2024, are as follows (cont'd):

| *(In millions of Korean won)* | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | **Fair value** | **Valuation techniques** | **Unobservable inputs** | **Range of unobservable inputs (%)** | **Relationship of unobservable inputs to fair value** |
| Derivatives held for trading: | | | | | |
| Stock and index | ₩ 30,246 | DCF Model, Closed Form, FDM, MonteCarlo Simulation, Hull-white Model, Black-Scholes Model, Binomial Model, Net Asset Value Method | Volatility of underlying asset | 18.85 ~ 65.13 | The higher the volatility, the higher the fair value fluctuation |
| | | | Correlation coefficient | -58.46 ~ 74.20 | The higher the correlation coefficient, the higher the fair value fluctuation |
| Currency, interest rate, and others | 31,772 | DCF Model, Hull-white Model, MonteCarlo Simulation, Closed | Volatility | 0.57 ~ 25.22 | The higher the volatility, the higher the fair value fluctuation |
| | | | Correlation coefficient | -58.46 ~ 100.00 | The higher the correlation coefficient, the higher the fair value fluctuation |
| Financial assets at fair value through other comprehensive income: | | | | | |
| Equity securities | 1,499,987 | DCF Model, Comparable Company Analysis, Risk Adjusted Discount Rate Method, IMV Model, Income Approach, Net Asset Value Method, Market Approach, Tree Model, Monte Carlo Simulation, and others | Growth rate | 0.00 ~ 1.00 | The higher the growth rate, the higher the fair value |
| | | | Discount rate | 6.01 ~ 16.00 | The lower the discount rate, the higher the fair value |
| | | | Volatility | 22.95 ~ 71.00 | The higher the volatility, the higher the fair value fluctuation |
| | ₩21,689,088 | | | | |

6.2.3.1 Information about fair value measurements using unobservable inputs as of December 31, 2023 and 2024, are as follows (cont'd):

| *(In millions of Korean won)* | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | **Fair value** | **Valuation techniques** | **Unobservable inputs** | **Range of unobservable inputs (%)** | **Relationship of unobservable inputs to fair value** |
| **Financial liabilities** | | | | | |
| Financial liabilities designated at fair value through profit or loss: | | | | | |
| Derivative-linked securities | ₩6,172,518 | DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Net Asset Value Method, and others | Volatility of underlying asset | 0.51 ~ 65.13 | The higher the volatility, the higher the fair value fluctuation |
| | | | Correlation coefficient | -58.46 ~ 100.00 | The higher the correlation coefficient, the higher the fair value fluctuation |
| Derivatives held for trading: | | | | | |
| Stock and index | 90,785 | DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Net Asset Value Method, and others | Volatility of underlying asset | 0.57 ~ 58.87 | The higher the volatility, the higher the fair value fluctuation |
| | | | Correlation coefficient | -58.46 ~ 100.00 | The higher the correlation coefficient, the higher the fair value fluctuation |
| Others | 438,267 | DCF Model, Hull-white Model, MonteCarlo Simulation, Closed Form | Discount rate | 3.70 ~ 3.74 | The lower the discount rate, the higher the fair value |
| | | | Volatility of underlying asset | 0.51 ~ 57.61 | The higher the volatility, the higher the fair value fluctuation |
| | | | Correlation coefficient between underlying assets | -26.00 ~ 100.00 | The higher the correlation coefficient, the higher the fair value fluctuation |
| | ₩6,701,570 | | | | |

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 (a) equity-related derivatives, currency-related derivatives, and interest rate related derivatives whose fair value changes are recognized in profit or loss, (b) financial liabilities designated at fair value through profit or loss, and (c) due from financial institutions, debt securities (including beneficiary certificates), equity securities, and loans 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, 2023 and 2024, are as follows:

| *(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: [1] | | | | |
| Due from financial institutions | ₩ 211 | ₩ (224) | ₩ — | ₩ — |
| Debt securities [4] | 94,310 | (94,063) | — | — |
| Equity securities [3] | 25,683 | (17,107) | — | — |
| Loans [5] | 2,218 | (2,010) | — | — |
| Derivatives held for trading [2] | 8,150 | (8,723) | — | — |
| Financial assets at fair value through other comprehensive income: | | | | |
| Equity securities [3] | — | — | 95,829 | (56,625) |
| | ₩ 130,572 | ₩ (122,127) | ₩ 95,829 | ₩ (56,625) |
| **Financial liabilities** | | | | |
| Financial liabilities designated at fair value through profit or loss [1] | ₩ 43,114 | ₩ (42,487) | ₩ — | ₩ — |
| Derivatives held for trading [2] | 17,983 | (19,125) | — | — |
| | ₩ 61,097 | ₩ (61,612) | ₩ — | ₩ — |

6.2.3.2 Sensitivity analysis of changes in unobservable inputs (cont'd)

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Profit or loss | | Other comprehensive income or loss | |
| | Favorable changes | Unfavorable changes | Favorable changes | Unfavorable changes |
| **Financial assets** | | | | |
| Financial assets at fair value through profit or loss: [1] | | | | |
| Due from financial institutions | ₩ 141 | ₩ (151) | ₩ — | ₩ — |
| Debt securities [4] | 103,717 | (102,842) | — | — |
| Equity securities [3] | 35,920 | (19,754) | — | — |
| Loans [5] | 2,329 | (2,119) | — | — |
| Derivatives held for trading [2] | 14,878 | (16,535) | — | — |
| Financial assets at fair value through other comprehensive income: | | | | |
| Equity securities [3] | — | — | 57,795 | (36,073) |
| | ₩ 156,985 | ₩ (141,401) | ₩ 57,795 | ₩ (36,073) |
| **Financial liabilities** | | | | |
| Financial liabilities designated at fair value through profit or loss [1] | ₩ 16,840 | ₩ (16,760) | ₩ — | ₩ — |
| Derivatives held for trading [2] | 22,119 | (24,506) | — | — |
| | ₩ 38,959 | ₩ (41,266) | ₩ — | ₩ — |

1 For financial instruments at fair value through profit or loss, changes in fair value are calculated by shifting principal unobservable input parameters such as discount rate, recovery rate, liquidation value by ±1%p and volatility of underlying asset, growth rate by ±1%p or ±10% and correlation coefficient by ±10%.

2 For derivative financial instruments, changes in fair value are calculated by shifting principal unobservable input parameters such as price of underlying asset and volatility by ± 10%.

3 For equity securities, changes in fair value are calculated by shifting principal unobservable input parameters such as correlation between discount rate (-1%p~1%p) and growth rate (-1%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 rate of real estate price fluctuation by -1%p~1%p, and for beneficiary certificates whose underlying assets are equity investments, changes in fair value are calculated by shifting principal unobservable input parameters such as liquidation value by -1%p~1%p and discount rate by -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 discount rate by -1%p~1%p.

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.

6.2.4 Day one gains or losses (cont'd)

Changes in deferred day one gains or losses for the years ended December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2023 | 2024 |
|---|---|---|
| Balance at the beginning of the year | ₩ 71,504 | ₩ 23,430 |
| New transactions | 85,920 | 49,078 |
| Changes during the year | (133,994) | (60,367) |
| Balance at the end of the year | ₩ 23,430 | ₩ 12,141 |

## 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, 2023 and 2024, are as follows:

*(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 | ₩ — | ₩ — | ₩ — | ₩ 29,836,311 | ₩ — | ₩ 29,836,311 |
| Financial assets at fair value through profit or loss | 77,038,267 | — | — | — | — | 77,038,267 |
| Derivative financial assets | 5,777,682 | — | — | — | 379,946 | 6,157,628 |
| Loans measured at amortized cost | — | — | — | 444,805,287 | — | 444,805,287 |
| Financial investments | — | 79,727,487 | 2,770,653 | 39,701,389 | — | 122,199,529 |
| Other financial assets | — | — | — | 16,544,513 | — | 16,544,513 |
| | ₩82,815,949 | ₩ 79,727,487 | ₩ 2,770,653 | ₩530,887,500 | ₩ 379,946 | ₩696,581,535 |

*(In millions of Korean won)*

| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Financial instruments at fair value through profit or loss | Financial instruments designated 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 | ₩2,953,472 | ₩ 7,966,963 | ₩ — | ₩ — | ₩ 10,920,435 |
| Derivative financial liabilities | 5,966,512 | — | — | 244,127 | 6,210,639 |
| Deposits | — | — | 406,512,434 | — | 406,512,434 |
| Borrowings | — | — | 69,583,561 | — | 69,583,561 |
| Debentures | — | — | 69,176,668 | — | 69,176,668 |
| Other financial liabilities* | — | — | 37,416,916 | — | 37,416,916 |
| | ₩8,919,984 | ₩ 7,966,963 | ₩582,689,579 | ₩ 244,127 | ₩599,820,653 |

## 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 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 | ₩ — | ₩ — | ₩ — | ₩ 29,869,111 | ₩ — | ₩ 29,869,111 |
| Financial assets at fair value through profit or loss | 79,450,093 | — | — | — | — | 79,450,093 |
| Derivative financial assets | 10,954,870 | — | — | — | 775,897 | 11,730,767 |
| Loans measured at amortized cost | — | — | — | 472,071,840 | — | 472,071,840 |
| Financial investments | — | 90,182,623 | 3,713,289 | 37,113,552 | — | 131,009,464 |
| Other financial assets | — | — | — | 14,404,227 | — | 14,404,227 |
| | ₩90,404,963 | ₩ 90,182,623 | ₩ 3,713,289 | ₩553,458,730 | ₩ 775,897 | ₩738,535,502 |

*(In millions of Korean won)*

| | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Financial instruments at fair value through profit or loss | Financial instruments designated 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 | ₩ 2,717,732 | ₩ 8,002,499 | ₩ — | ₩ — | ₩ 10,720,231 |
| Derivative financial liabilities | 11,409,695 | — | — | 373,799 | 11,783,494 |
| Deposits | — | — | 435,687,897 | — | 435,687,897 |
| Borrowings | — | — | 68,077,012 | — | 68,077,012 |
| Debentures | — | — | 76,171,257 | — | 76,171,257 |
| Other financial liabilities* | — | — | 33,594,883 | — | 33,594,883 |
| | ₩14,127,427 | ₩ 8,002,499 | ₩613,531,049 | ₩ 373,799 | ₩636,034,774 |

* Other financial liabilities include lease liabilities that are not included in the category of financial instruments measured at amortized cost.

### 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, 2023 and 2024, are as follows:

*(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 |

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Type of continuing involvement | Classification of financial instruments | Carrying amount of continuing involvement | Fair value of continuing involvement |
| Discovery 2nd Securitization Specialty Co., Ltd. | Subordinated bond | Financial assets at fair value through profit or loss | ₩ 564 | ₩ 564 |
| AP 4D ABS Ltd. | Subordinated bond | Financial assets at fair value through profit or loss | 39 | 39 |
| | | | ₩ 603 | ₩ 603 |

6.4.2 Transferred financial assets that are not derecognized in their entirety

The Group issued securitized debentures using loans as underlying assets. Details of underlying assets and senior debentures in relation to securitization as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | |
|---|---|---|---|---|
| | Carrying amount of underlying assets | Fair value of underlying assets | Carrying amount of senior debentures | Fair value of senior debentures |
| KB Kookmin Card 8th Securitization Co., Ltd. [1] | ₩ 487,532 | ₩ 485,230 | ₩ 299,913 | ₩ 287,628 |
| KB Kookmin Card 9th Securitization Co., Ltd. [1] | 541,645 | 538,984 | 349,842 | 358,616 |
| KB Kookmin Card 10th Securitization Co., Ltd. [1] | 919,380 | 914,470 | 513,232 | 491,656 |
| KB Kookmin Card 11th Securitization Co., Ltd. [1] | 701,955 | 698,248 | 399,890 | 375,738 |
| KB Kookmin Card 12th Securitization Co., Ltd. [1] | 1,234,204 | 1,227,724 | 641,079 | 607,621 |
| KB Auto Fifth Asset Securitization Specialty Co., Ltd. [2] | 415,041 | 388,008 | 286,906 | 284,351 |
| | ₩ 4,299,757 | ₩ 4,252,664 | ₩ 2,490,862 | ₩ 2,405,610 |

6.4.2 Transferred financial assets that are not derecognized in their entirety (cont'd)

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Carrying amount of underlying assets | Fair value of underlying assets | Carrying amount of senior debentures | Fair value of senior debentures |
| KB Kookmin Card 8th Securitization Co., Ltd. [1] | ₩ 472,066 | ₩ 469,890 | ₩ 99,987 | ₩ 99,614 |
| KB Kookmin Card 9th Securitization Co., Ltd. [1] | 524,464 | 521,961 | 249,894 | 240,491 |
| KB Kookmin Card 10th Securitization Co., Ltd. [1] | 882,641 | 878,117 | 586,517 | 579,432 |
| KB Kookmin Card 11th Securitization Co., Ltd. [1] | 677,194 | 673,664 | 399,932 | 390,463 |
| KB Kookmin Card 12th Securitization Co., Ltd. [1] | 1,196,421 | 1,190,160 | 732,558 | 719,230 |
| KB Kookmin Card 13rd Securitization Co., Ltd. [1] | 935,938 | 931,006 | 586,980 | 570,700 |
| KB Auto Fifth Asset Securitization Specialty Co., Ltd. [2] | 383,856 | 381,391 | 209,594 | 217,115 |
| | ₩ 5,072,580 | ₩ 5,046,189 | ₩ 2,865,462 | ₩ 2,817,045 |

1 The Group has an obligation to early redeem the securitized debentures in the event of situations prescribed by the asset securitization contract, such as the remaining balance of the eligible underlying assets in trust-type asset securitization is below the solvency ratio (minimum ratio: 104.5%) of the beneficiary interest in the trust. To avoid such early redemption, the Group entrusts credit card accounts and deposits in addition to the previously entrusted credit card accounts.

2 The Group has an obligation to early redeem the securitized debentures in the event of situations prescribed by the asset securitization contract, such as when the trusted assets do not meet the eligibility requirements.

6.4.3 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, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | |
|---|---|---|
| | Carrying amount of transferred assets | Carrying amount of related liabilities |
| Bonds sold under repurchase agreements | ₩ 12,888,189 | ₩ 12,107,718 |
| Loaned securities: | | |
| Government and public bonds | 3,395,703 | — |
| Stock | 30,025 | — |
| Others | 70,513 | — |
| | ₩ 16,384,430 | ₩ 12,107,718 |

6.4.3 Bonds sold under repurchase agreements and loaned securities (cont'd)

| *(In millions of Korean won)* | December 31, 2024 | |
|---|---|---|
| | Carrying amount of transferred assets | Carrying amount of related liabilities |
| Bonds sold under repurchase agreements | ₩ 9,520,281 | ₩ 9,287,665 |
| Loaned securities: | | |
| Government and public bonds | 3,854,697 | — |
| Stock | 6,046 | — |
| Others | 75,293 | — |
| | ₩ 13,456,317 | ₩ 9,287,665 |

6.4.4 Purchase commitments of securitized debentures

The Group provided additional credit enhancement, such as purchase commitments, for the underlying assets of subsidiaries established for asset-backed securitization. Details of carrying amounts of the underlying assets and the associated liabilities as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | | December 31, 2023 | December 31, 2024 |
|---|---|---|---|
| Underlying assets | Financial assets at fair value through profit or loss | ₩ 391,581 | ₩ 93,804 |
| | Loans measured at amortized cost * | 2,595,344 | 3,007,341 |
| | | ₩2,986,925 | ₩3,101,145 |
| Associated liabilities | Debentures | ₩2,944,753 | ₩3,149,021 |

* 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. Domestic exchange settlement debits and domestic exchange settlement credits are recognized in its net settlement balance in the consolidated statement of financial position because 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, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Gross assets | Gross liabilities offset | Net amount in the statement of financial position | Non-offsetting amount | | Net amount |
| | | | | Financial instruments | Cash collateral | |
| Derivatives held for trading and derivative-linked securities | ₩ 6,025,704 | ₩ — | ₩ 6,025,704 | | | |
| Derivatives held for hedging | 379,945 | — | 379,945 | ₩ (4,904,616) | ₩(203,414) | ₩1,297,619 |
| Unsettled spot exchange receivable | 7,125,645 | — | 7,125,645 | (6,838,231) | — | 287,414 |
| Bonds purchased under repurchase agreements | 3,948,358 | — | 3,948,358 | (3,927,790) | — | 20,568 |
| Securities borrowing agreements | 165,842 | — | 165,842 | (165,842) | — | — |
| Domestic exchange settlement debits | 63,223,652 | (62,396,548) | 827,104 | — | — | 827,104 |
| Other financial instruments | 2,885,128 | (2,859,006) | 26,122 | — | — | 26,122 |
| | ₩83,754,274 | ₩(65,255,554) | ₩18,498,720 | ₩(15,836,479) | ₩(203,414) | ₩2,458,827 |

*(In millions of Korean won)*

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Gross assets | Gross liabilities offset | Net amount in the statement of financial position | Non-offsetting amount | | Net amount |
| | | | | Financial instruments | Cash collateral | |
| Derivatives held for trading and derivative-linked securities | ₩11,227,882 | ₩ — | ₩11,227,882 | | | |
| Derivatives held for hedging | 775,897 | — | 775,897 | ₩ (6,621,613) | ₩(195,584) | ₩5,186,582 |
| Unsettled spot exchange receivable | 6,287,655 | — | 6,287,655 | (6,213,292) | — | 74,363 |
| Bonds purchased under repurchase agreements | 5,405,878 | — | 5,405,878 | (4,910,653) | — | 495,225 |
| Securities borrowing agreements | 75,293 | — | 75,293 | (75,293) | — | — |
| Domestic exchange settlement debits | 63,055,082 | (62,577,496) | 477,586 | (3,315) | — | 474,271 |
| Other financial instruments | 1,719,547 | (1,687,731) | 31,816 | — | — | 31,816 |
| | ₩88,547,234 | ₩(64,265,227) | ₩24,282,007 | ₩(17,824,166) | ₩(195,584) | ₩6,262,257 |

6.5.2 Details of financial liabilities subject to enforceable master netting agreements or similar arrangements as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | | | |
|---|---|---|---|---|---|---|
| | | | | Non-offsetting amount | | |
| | Gross liabilities | Gross assets offset | Net amount in the statement of financial position | Financial instruments | Cash collateral | Net amount |
| Derivatives held for trading and derivative-linked securities | ₩ 6,817,326 | ₩ — | ₩ 6,817,326 | | | |
| Derivatives held for hedging | 244,128 | — | 244,128 | ₩ (5,519,403) | ₩(75,882) | ₩1,466,169 |
| Unsettled spot exchange payable | 7,124,998 | — | 7,124,998 | (6,838,231) | — | 286,767 |
| Bonds sold under repurchase agreements * | 15,645,498 | — | 15,645,498 | (15,645,498) | — | — |
| Securities borrowing agreements | 2,860,034 | — | 2,860,034 | (2,860,034) | — | — |
| Domestic exchange settlement credits | 65,260,751 | (62,396,548) | 2,864,203 | (2,864,203) | — | — |
| Other financial instruments | 3,090,690 | (2,859,006) | 231,684 | — | — | 231,684 |
| | ₩101,043,425 | ₩(65,255,554) | ₩35,787,871 | ₩(33,727,369) | ₩(75,882) | ₩1,984,620 |

*(In millions of Korean won)*

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | | | | Non-offsetting amount | | |
| | Gross liabilities | Gross assets offset | Net amount in the statement of financial position | Financial instruments | Cash collateral | Net amount |
| Derivatives held for trading and derivative-linked securities | ₩ 12,543,672 | ₩ — | ₩12,543,672 | | | |
| Derivatives held for hedging | 373,799 | — | 373,799 | ₩(10,689,585) | ₩(76,853) | ₩2,151,033 |
| Unsettled spot exchange payable | 6,289,630 | — | 6,289,630 | (6,213,292) | — | 76,338 |
| Bonds sold under repurchase agreements * | 12,794,534 | — | 12,794,534 | (12,794,534) | — | — |
| Securities borrowing agreements | 2,558,520 | — | 2,558,520 | (2,558,520) | — | — |
| Domestic exchange settlement credits | 62,872,822 | (62,577,496) | 295,326 | (292,699) | — | 2,627 |
| Other financial instruments | 1,784,437 | (1,687,731) | 96,706 | — | — | 96,706 |
| | ₩ 99,217,414 | ₩(64,265,227) | ₩34,952,187 | ₩(32,548,630) | ₩(76,853) | ₩2,326,704 |

* Includes bonds sold under repurchase agreements to customers.

## 7. Due from Financial Institutions Measured at Amortized Cost

### 7.1 Details of due from financial institutions as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | | Financial institutions | Interest rate (%) as of December 31, 2024 | December 31, 2023 | December 31, 2024 |
|---|---|---|---|---|---|
| Due from financial institutions in Korean won | Due from the Bank of Korea | The Bank of Korea .... | — | ₩13,731,708 | ₩11,635,481 |
| | Due from banks | KEB Hana Bank and others ..... | 0.00 ~ 4.71 | 3,953,940 | 3,342,114 |
| | Due from others | Samsung securities and others ..... | 0.00 ~ 3.86 | 1,030,310 | 1,473,585 |
| | | | | 18,715,958 | 16,451,180 |
| Due from financial institutions in foreign currencies | Due from banks in foreign currencies | The Bank of Korea. and others ..... | 0.00 ~ 5.25 | 6,210,917 | 7,767,797 |
| | Time deposits in foreign currencies | Industrial Bank Changsha BR. and others ..... | 0.00 ~ 7.55 | 442,122 | 634,903 |
| | Due from others | The Bank of New York Mellon and others ... | 0.00 ~ 7.50 | 2,211,303 | 2,937,813 |
| | | | | 8,864,342 | 11,340,513 |
| | | | | ₩27,580,300 | ₩27,791,693 |

* Before netting of allowance

### 7.2 Details of restricted due from financial institutions as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | | Financial institutions | December 31, 2023 | December 31, 2024 | Reasons of restriction |
|---|---|---|---|---|---|
| Due from financial institutions in Korean won | Due from the Bank of Korea | The Bank of Korea .... | ₩13,731,708 | ₩11,635,481 | Bank of Korea Act |
| | Due from banks | KEB Hana Bank and others ..... | 40,721 | 106,500 | Net settlement and others |
| | Due from others | Korea Securities Finance Corporation and others ..... | 799,361 | 1,254,615 | Derivatives margin account and others |
| | | | 14,571,790 | 12,996,596 | |
| Due from financial institutions in foreign currencies | Due from banks in foreign currencies | The Bank of Korea and others ..... | 1,630,348 | 2,736,871 | Bank of Korea Act and others |
| | Time deposits in foreign currencies | Agricultural Bank of China New York Branch and others ... | 86,406 | 98,264 | Bank Act of the State of New York and others |
| | Due from others | The Bank of New York Mellon and others ... | 1,689,065 | 2,709,177 | Derivatives margin account and others |
| | | | 3,405,819 | 5,544,312 | |
| | | | ₩17,977,609 | ₩18,540,908 | |

* Before netting of allowance.

**7.3 Changes in allowances for credit losses of due from financial institutions for the years ended December 31, 2023 and 2024, are as follows:**

*(In millions of Korean won)*

| | 2023 | | |
|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired |
| Beginning | ₩ 2,743 | ₩ — | ₩ — |
| Transfer between stages: | | | |
| Transfer to 12-month expected credit losses | — | — | — |
| Transfer to lifetime expected credit losses | — | — | — |
| Impairment | — | — | — |
| Provision (reversal) of credit losses | (1,724) | — | — |
| Business Combination | 6 | — | — |
| Others | (4) | — | — |
| Ending | ₩ 1,021 | ₩ — | ₩ — |

*(In millions of Korean won)*

| | 2024 | | |
|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired |
| Beginning | ₩ 1,021 | ₩ — | ₩ — |
| Transfer between stages: | | | |
| Transfer to 12-month expected credit losses | — | — | — |
| Transfer to lifetime expected credit losses | — | — | — |
| Impairment | — | — | — |
| Provision (reversal) of credit losses | 472 | — | — |
| Business Combination | — | — | — |
| Others | 79 | — | — |
| Ending | ₩ 1,572 | ₩ — | ₩ — |

## 8. Assets Pledged as Collateral

### 8.1 Details of assets pledged as collateral as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | | December 31, 2023 | |
|---|---|---|---|
| **Assets pledged** | **Pledgee** | **Carrying amount** | **Reasons of pledge** |
| Due from financial institutions | KEB Hana Bank and others | ₩ 822,407 | Borrowings from bank and others |
| Financial assets at fair value through profit or loss | The Korea Securities Depository and others | 10,150,629 | Repurchase agreements |
| | The Korea Securities Depository and others | 1,556,234 | Securities borrowing transactions |
| | The Bank of Korea | 266,576 | Settlement risk of the Bank of Korea |
| | Samsung Futures Inc. and others | 3,200,511 | Derivatives transactions |
| | | 15,173,950 | |
| Financial assets at fair value through other comprehensive income | The Bank of Korea and others | 7,502,666 | Repurchase agreements |
| | The Korea Securities Depository and others | 167,879 | Securities borrowing transactions |
| | The Bank of Korea | 527,494 | Borrowings from the Bank of Korea |
| | MUFG Bank and others | 830,504 | Settlement risk of the Bank of Korea |
| | Samsung Futures Inc. and others | 4,215,092 | Derivatives transactions |
| | | 13,243,635 | |
| Securities measured at amortized cost | The Bank of Korea and others | 625,003 | Repurchase agreements |
| | The Bank of Korea | 2,357,018 | Borrowings from the Bank of Korea |
| | The Bank of Korea | 6,746,440 | Settlement risk of the Bank of Korea |
| | Samsung Futures Inc. and others | 344,432 | Derivatives transactions |
| | The Bank of Korea and others | 1,623,715 | Others |
| | | 11,696,608 | |
| Loans | KEB Hana Bank and 12 others | 13,733,820 | Covered bond and others |
| Real estate | Capital LLC and others | 628,619 | Borrowings from bank and others |
| | | ₩ 55,299,039 | |

**8.1 Details of assets pledged as collateral as of December 31, 2023 and 2024, are as follows (con'd):**

*(In millions of Korean won)*

| | | December 31, 2024 | |
|---|---|---|---|
| **Assets pledged** | **Pledgee** | **Carrying amount** | **Reasons of pledge** |
| Due from financial institutions | KEB Hana Bank and others | ₩ 651,988 | Guarantee for securities lending and borrowing |
| Financial assets at fair value through profit or loss | The Korea Securities Depository and others | 4,366,425 | Repurchase agreements |
| | The Korea Securities Depository and others | 9,908,291 | Securities borrowing transactions |
| | Samsung Futures Inc. and others | 1,644,059 | Derivatives transactions |
| | | 15,918,775 | |
| Financial assets at fair value through other comprehensive income | The Bank of Korea and others | 4,058,186 | Repurchase agreements |
| | The Korea Securities Depository and others | 2,510,368 | Securities borrowing transactions |
| | The Bank of Korea | 2,237,952 | Borrowings from the Bank of Korea |
| | The Bank of Korea | 994,678 | Settlement risk of the Bank of Korea |
| | Samsung Futures Inc. and others | 2,511,706 | Derivatives transactions |
| | Others | 662,227 | Others |
| | | 12,975,117 | |
| Securities measured at amortized cost | The Bank of Korea and others | 1,031,256 | Repurchase agreements |
| | The Bank of Korea | 2,802,901 | Borrowings from the Bank of Korea |
| | The Bank of Korea | 7,627,587 | Settlement risk of the Bank of Korea |
| | Samsung Futures Inc. and others | 1,065,109 | Derivatives transactions |
| | The Bank of Korea and others | 818,270 | Others |
| | | 13,345,123 | |
| Loans | Others | 14,572,142 | Covered bond and others |
| Real estate | Hanwha Life Insurance Co., Ltd. and others | 1,223,346 | Borrowings from bank and others |
| | | ₩58,686,491 | |

In addition, the Group provided ₩ 7,916,155 million and ₩ 8,027,229 million of debt securities among its borrowed securities and other assets held as collateral to Korea Securities Finance Corporation and others as collateral as of December 31, 2023 and 2024, respectively.

**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, 2023 and 2024, are as follows:**

*(In millions of Korean won)*

| | December 31, 2023 | | |
|---|---|---|---|
| | Fair value of collateral held | Fair value of collateral sold or repledged | Total |
| Securities | ₩ 3,892,709 | ₩ — | ₩3,892,709 |

*(In millions of Korean won)*

| | December 31, 2024 | | |
|---|---|---|---|
| | Fair value of collateral held | Fair value of collateral sold or repledged | Total |
| Securities | ₩ 4,933,491 | ₩ — | ₩4,933,491 |

**9. Derivative Financial Instruments and Hedge Accounting**

The Group's derivative operations focus on addressing the needs of the Group's corporate clients to hedge their risk exposure and hedging the Group's risk exposure that results from such client contracts. The Group also engages in derivative trading activities to hedge the interest rate risk and currency risk arising from the Group's own assets and liabilities. In addition, the Group engages in proprietary trading of derivatives within the predetermined transaction limit.

The Group provides and trades a range of derivative financial instruments, including:

- Interest rate swaps relating to interest rate risk in Korean won
- Cross-currency swaps, forwards, and options relating to currency risk
- Stock index options linked with the Korea Composite Stock Price Index ("KOSPI")

In particular, the Group applies fair value hedge accounting using interest rate swaps, currency forwards, and others to hedge the risk of changes in fair value due to the changes in interest rate and foreign exchange rate of structured debentures in Korean won, debentures in foreign currencies, structured deposits in foreign currencies, and others. The Group applies cash flow hedge accounting using interest rate swaps, currency swaps, and others to hedge the risk of changes in cash flows of floating rate debt securities in Korean won, borrowings in foreign currencies, group of loans measured at amortized cost, and others. In addition, the Group applies net investments in foreign operations hedge accounting by designating debentures in foreign currencies and cross currency forwards 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, 2023 and 2024, are as follows:**

*(In millions of Korean won)*

| | December 31, 2023 | | | December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Notional amount | Assets | Liabilities | Notional amount | Assets | Liabilities |
| **Interest rate** | | | | | | |
| Forwards | ₩ 14,872,481 | ₩ 488,542 | ₩ 465,983 | ₩ 18,253,487 | ₩ 577,037 | ₩ 736,622 |
| Futures* | 5,398,495 | 6,226 | 4,576 | 6,388,783 | 1,178 | 5,407 |
| Swaps | 416,613,927 | 556,985 | 574,865 | 334,595,285 | 405,611 | 552,316 |
| Options | 9,384,000 | 203,718 | 208,277 | 7,108,100 | 152,220 | 146,648 |
| | 446,268,903 | 1,255,471 | 1,253,701 | 366,345,655 | 1,136,046 | 1,440,993 |
| **Currency** | | | | | | |
| Forwards | 136,805,906 | 1,316,968 | 1,273,558 | 136,815,645 | 5,848,876 | 3,326,427 |
| Futures* | 576,730 | 696 | 989 | 723,795 | 1,694 | 234 |
| Swaps | 84,027,181 | 2,731,314 | 2,426,152 | 82,498,194 | 3,587,141 | 5,960,622 |
| Options | 1,238,475 | 7,668 | 4,713 | 1,999,773 | 23,808 | 25,374 |
| | 222,648,292 | 4,056,646 | 3,705,412 | 222,037,407 | 9,461,519 | 9,312,657 |
| **Stock and index** | | | | | | |
| Futures* | 1,352,920 | 11,179 | 13,232 | 2,151,606 | 3,260 | 7,963 |
| Swaps | 5,165,523 | 330,132 | 493,475 | 4,963,174 | 278,278 | 156,825 |
| Options | 4,880,805 | 80,576 | 240,274 | 2,641,003 | 15,331 | 171,368 |
| | 11,399,248 | 421,887 | 746,981 | 9,755,783 | 296,869 | 336,156 |
| **Credit** | | | | | | |
| Swaps | 2,864,357 | 17,799 | 8,695 | 4,797,110 | 37,123 | 27,397 |
| | 2,864,357 | 17,799 | 8,695 | 4,797,110 | 37,123 | 27,397 |
| **Commodity** | | | | | | |
| Futures* | 26,037 | 1,305 | 106 | 42,764 | 1,191 | 1,012 |
| Swaps | 31,635 | 4,348 | 4,352 | 1,297,183 | 12,390 | 11,781 |
| Options | 100,484 | 1,091 | 1,147 | 292,290 | 3,018 | 3,130 |
| | 158,156 | 6,744 | 5,605 | 1,632,237 | 16,599 | 15,923 |
| **Others** | 788,841 | 19,135 | 246,118 | 891,012 | 6,715 | 276,569 |
| | ₩684,127,797 | ₩5,777,682 | ₩5,966,512 | ₩605,459,204 | ₩10,954,871 | ₩11,409,695 |

* Gains or losses arising from some daily mark-to-market futures are reflected in the margin accounts.

**9.2 Average price conditions of future nominal cash flows by type of hedge accounting as of December 31, 2023 and 2024, are as follows:**

| *(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 | ₩2,998,238 | ₩3,555,510 | ₩1,667,087 | ₩ 349,482 | ₩ 267,778 | ₩2,304,270 | ₩11,142,365 |
| Average price condition (%) | 4.77 | 4.86 | 5.18 | 5.23 | 5.73 | 4.93 | 4.95 |
| Average price condition (KRW/USD) | 1,257.22 | 1,277.42 | 1,242.04 | — | — | — | 1,257.90 |
| Average price condition (KRW/EUR) | 1,373.58 | 1,427.96 | 1,436.77 | — | — | — | 1,404.28 |
| Average price condition (KRW/AUD) | 872.12 | 840.73 | — | — | — | — | 869.67 |
| Average price condition (KRW/GBP) | — | 1,536.92 | — | — | — | — | 1,536.92 |
| **Cash flow hedge** | | | | | | | |
| Nominal amount of the hedging instrument | ₩1,651,669 | ₩2,035,885 | ₩1,994,375 | ₩1,364,708 | ₩ 154,813 | ₩ 160,000 | ₩ 7,361,450 |
| Average price condition (%) | 4.60 | 3.05 | 11.94 | 7.98 | 2.67 | 3.11 | 10.68 |
| Average price condition (KRW/USD) | 1,220.93 | 1,221.93 | 1,230.48 | 1,325.04 | 1,147.95 | — | 1,235.39 |
| Average price condition (KRW/EUR) | 1,364.00 | 1,374.73 | — | — | 1,392.00 | — | 1,372.29 |
| Average price condition (KRW/AUD) | 856.40 | 851.50 | 889.00 | — | — | — | 866.92 |
| **Hedge of net investments in foreign operations** | | | | | | | |
| Nominal amount of the hedging instrument | ₩ 31,332 | ₩ — | ₩ 207,593 | ₩ — | ₩ — | ₩ — | ₩ 238,925 |
| Average price condition (KRW/USD) | 1,071.00 | — | 1,178.92 | — | — | — | 1,164.76 |

**9.2 Average price conditions of future nominal cash flows by type of hedge accounting as of December 31, 2023 and 2024, are as follows (con'd):**

| *(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 | ₩5,071,561 | ₩1,674,709 | ₩ 444,487 | ₩ 189,448 | ₩ 941,835 | ₩1,998,080 | ₩10,320,120 |
| Average price condition (%) | 4.58 | 4.65 | 4.71 | 5.74 | 6.69 | 3.81 | 4.68 |
| Average price condition (KRW/USD) | 1,341.52 | 1,298.73 | 1,276.69 | — | — | — | 1,325.95 |
| Average price condition (KRW/EUR) | 1,464.04 | 1,469.25 | 1,447.53 | — | — | — | 1,464.60 |
| Average price condition (KRW/AUD) | 891.13 | 885.60 | — | — | — | — | 890.56 |
| Average price condition (KRW/GBP) | 1,539.22 | — | — | — | — | — | 1,539.22 |
| **Cash flow hedge** | | | | | | | |
| Nominal amount of the hedging instrument | ₩2,385,743 | ₩3,059,818 | ₩2,779,439 | ₩ 981,453 | ₩ 545,140 | ₩ — | ₩ 9,751,593 |
| Average price condition (%) | 3.05 | 4.14 | 4.98 | 4.91 | 3.71 | — | 4.43 |
| Average price condition (KRW/USD) | 1,228.80 | 1,250.67 | 1,331.02 | 1,254.81 | 1,373.85 | — | 1,282.82 |
| Average price condition (KRW/EUR) | 1,374.73 | 1,501.00 | — | 1,392.00 | — | — | 1,423.08 |
| Average price condition (KRW/AUD) | 851.50 | 889.00 | 932.60 | — | — | — | 885.25 |
| **Hedge of net investments in foreign operations** | | | | | | | |
| Nominal amount of the hedging instrument | ₩ 15,876 | ₩ 236,670 | ₩ — | ₩ — | ₩ — | ₩ — | ₩ 252,546 |
| Average price condition (KRW/USD) | 1,071.00 | 1,178.91 | — | — | — | — | 1,172.13 |

### 9.3 Fair Value Hedge

9.3.1 Details of fair value hedged items as of December 31, 2023 and 2024 and changes in fair value for the years ended December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | | December 31, 2023 | | | | 2023 |
|---|---|---|---|---|---|---|
| | | Carrying amount | | Accumulated amount of hedge adjustments | | |
| | | Assets | Liabilities | Assets | Liabilities | Changes in fair value |
| **Hedge accounting** | | | | | | |
| **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 | — | 32,016 | — | (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 | 7,071,880 | (162,648) | (216,461) | (83) |
| **Currency** | Debt securities in foreign currencies | 1,525,072 | — | 140,391 | — | 40,857 |
| | | 1,525,072 | — | 140,391 | — | 40,857 |
| | | ₩6,085,587 | ₩7,071,880 | ₩ (22,257) | ₩(216,461) | ₩ 40,774 |

| *(In millions of Korean won)* | | December 31, 2024 | | | | 2024 |
|---|---|---|---|---|---|---|
| | | Carrying amount | | Accumulated amount of hedge adjustments | | |
| | | Assets | Liabilities | Assets | Liabilities | Changes in fair value |
| **Hedge accounting** | | | | | | |
| **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 |
| **Currency** | Debt securities in foreign currencies | 1,798,273 | — | 301,740 | — | 217,776 |
| | | 1,798,273 | — | 301,740 | — | 217,776 |
| | | ₩5,559,577 | ₩4,392,171 | ₩ 242,594 | ₩(174,129) | ₩221,044 |

9.3.2 Details of derivative instruments designated as fair value hedge as of December 31, 2023 and 2024 and changes in fair value for the years ended December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | 2023 |
|---|---|---|---|---|
| | Notional amount | Assets | Liabilities | Changes in fair value |
| **Interest rate** | | | | |
| Swaps | ₩ 9,654,617 | ₩ 111,360 | ₩ 75,776 | ₩(15,927) |
| **Currency** | | | | |
| Forwards | 1,487,748 | 18,916 | 28,793 | (42,969) |
| | ₩ 11,142,365 | ₩ 130,276 | ₩ 104,569 | ₩(58,896) |

*(In millions of Korean won)*

| | December 31, 2024 | | | 2024 |
|---|---|---|---|---|
| | Notional amount | Assets | Liabilities | Changes in fair value |
| **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) |
| **Currency** | | | | |
| Forwards | 1,951,920 | 62 | 119,228 | (190,426) |
| | ₩ 10,320,120 | ₩ 84,592 | ₩ 181,894 | ₩(192,297) |

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, 2022, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | 2022 | 2023 | 2024 |
|---|---|---|---|
| **Hedge accounting** | | | |
| Interest rate | ₩ (550) | ₩ 6,513 | ₩ 1,397 |
| Currency | 20,369 | (2,112) | 27,351 |
| | ₩ 19,819 | ₩ 4,401 | ₩ 28,748 |

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, 2022, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| Gains (losses) on hedging instruments | ₩ (104,354) | ₩ (36,372) | ₩ (192,297) |
| Gains (losses) on hedged items attributable to the hedged risk | 124,142 | 35,011 | 223,358 |
| | ₩ 19,788 | ₩ (1,361) | ₩ 31,061 |

### 9.4 Cash Flow Hedge

9.4.1 Details of cash flow hedged items as of December 31, 2023 and 2024 and changes in fair value for the years ended December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | Cash flow hedge reserve | | Changes in fair value | |
|---|---|---|---|---|
| | December 31, 2023 | December 31, 2024 | 2023 | 2024 |
| **Hedge accounting** | | | | |
| Interest rate risk | ₩ 113,361 | ₩ 160,165 | ₩(89,536) | ₩ (62,558) |
| Currency risk | (39,806) | (51,847) | 68,868 | (154,144) |
| | ₩ 73,555 | ₩ 108,318 | ₩(20,668) | ₩(216,702) |

9.4.2 Details of derivative instruments designated as cash flow hedge as of December 31, 2023 and 2024 and changes in fair value for the years ended December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | 2023 |
|---|---|---|---|---|
| | Notional amount | Assets | Liabilities | Changes in fair value |
| **Interest rate** | | | | |
| Forwards | ₩ 750,396 | ₩ 105,124 | ₩ 7,856 | ₩ 57,623 |
| Swaps | 3,115,818 | 59,376 | 3,547 | (40,188) |
| **Currency** | | | | |
| Swaps | 3,495,236 | 85,170 | 122,848 | (8,604) |
| | ₩ 7,361,450 | ₩ 249,670 | ₩ 134,251 | ₩ 8,831 |

*(In millions of Korean won)*

| | December 31, 2024 | | | 2024 |
|---|---|---|---|---|
| | Notional amount | Assets | Liabilities | Changes in fair value |
| **Interest rate** | | | | |
| Forwards | ₩ 1,705,449 | ₩ 179,580 | ₩ 8 | ₩ 75,162 |
| Swaps | 2,988,310 | 48,738 | 5,760 | (10,122) |
| **Currency** | | | | |
| Swaps | 5,057,834 | 462,986 | 181,828 | 278,039 |
| | ₩ 9,751,593 | ₩ 691,304 | ₩ 187,596 | ₩ 343,079 |

9.4.3 Gains or losses on cash flow hedging instruments and hedged items attributable to the hedged risk for the years ended December 31, 2022, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| Gains (losses) on hedging instruments: | ₩76,391 | ₩8,831 | ₩343,079 |
| Effective portion of gains (losses) on cash flow hedging instruments (recognized in other comprehensive income or loss) | 71,754 | 7,328 | 341,834 |
| Ineffective portion of gains (losses) on cash flow hedging instruments (recognized in profit or loss) | 4,637 | 1,503 | 1,245 |

9.4.4 Amounts recognized in other comprehensive income (loss) and reclassified from equity to profit or loss related to derivative instruments designated as cash allow hedge for the years ended December 31, 2022, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| Other comprehensive income (loss) | ₩ 71,754 | ₩ 7,328 | ₩ 341,834 |
| Reclassification to profit or loss | (20,537) | 48,508 | (294,592) |
| Income tax effect | (25,049) | (1,913) | (12,500) |
| | ₩ 26,168 | ₩53,923 | ₩ 34,742 |

**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, 2023 and 2024 and changes in fair value for the years ended December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | Foreign currency translation reserve | | Changes in fair value | |
|---|---|---|---|---|
| | December 31, 2023 | December 31, 2024 | 2023 | 2024 |
| **Hedge accounting** | | | | |
| Currency risk | ₩(129,401) | ₩(316,109) | ₩19,590 | ₩253,679 |

9.5.2 Details of financial instruments designated as hedge of net investments in foreign operations as of December 31, 2023 and 2024 and changes in fair value for the years ended December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | 2023 |
|---|---|---|---|---|
| | Notional amount | Assets | Liabilities | Changes in fair value |
| **Currency** | | | | |
| Forwards | ₩ 31,332 | ₩ — | ₩ 5,307 | ₩ 6,923 |
| Debentures in foreign currencies | 1,435,817 | — | 1,435,817 | (26,513) |
| | ₩1,467,149 | ₩ — | ₩1,441,124 | ₩(19,590) |

*(In millions of Korean won)*

| | December 31, 2024 | | | 2024 |
|---|---|---|---|---|
| | Notional amount | Assets | Liabilities | Changes in fair value |
| **Currency** | | | | |
| Forwards | ₩ 15,876 | ₩ — | ₩ 4,309 | ₩ 998 |
| Debentures in foreign currencies | 2,077,155 | — | 2,077,155 | (254,677) |
| | ₩2,093,031 | ₩ — | ₩2,081,464 | ₩(253,679) |

9.5.3 Fair value of non-derivative financial instruments designated as hedge of net investments in foreign operations as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| Debentures in foreign currencies | ₩ 1,509,978 | ₩ 2,180,537 |

9.5.4 Gains or losses on net investments in foreign operations hedging instruments and hedged items attributable to the hedged risk for the years ended December 31, 2022, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| Gains (losses) on hedging instruments: | ₩(104,021) | ₩(19,590) | ₩(253,679) |
| Effective portion of gains (losses) on hedge of net investments in foreign operations (recognized in other comprehensive income or loss) | (104,021) | (19,590) | (253,679) |
| Ineffective portion of gains (losses) on hedge of net investments in foreign operations (recognized in profit or loss) | — | — | — |

9.5.5 Effective portion of gains or losses on net investments in foreign operations hedging instruments recognized in other comprehensive income (loss) for the years ended December 31, 2022, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| Other comprehensive income (loss) | ₩(104,021) | ₩(19,590) | ₩(253,679) |
| Reclassification to profit or loss | — | — | — |
| Income tax effect | 24,936 | 4,931 | 66,971 |
| | ₩ (79,085) | ₩(14,659) | ₩(186,708) |

**10. Loans Measured at Amortized Cost**

**10.1 Details of loans as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| Loans measured at amortized cost | ₩ 449,676,848 | ₩ 477,066,990 |
| Deferred loan origination fees and costs | 591,244 | 638,230 |
| Less: Allowances for credit losses | (5,462,805) | (5,633,380) |
| | ₩ 444,805,287 | ₩ 472,071,840 |

**10.2 Details of loans to banks as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| Loans measured at amortized cost | ₩ 11,569,466 | ₩ 9,830,773 |
| Less: Allowances for credit losses | (20,429) | (31,158) |
| | ₩ 11,549,037 | ₩ 9,799,615 |

**10.3 Details of loan types and customer types of loans to customers other than banks as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | December 31, 2023 | | | |
|---|---|---|---|---|
| | Retail | Corporate | Credit card | Total |
| Loans in Korean won | ₩178,476,837 | ₩190,160,636 | ₩ — | ₩368,637,473 |
| Loans in foreign currencies | 4,859,698 | 25,449,011 | — | 30,308,709 |
| 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 Korean won | — | — | 22,304,522 | 22,304,522 |
| Credit card receivables in foreign currencies | — | — | 45,449 | 45,449 |
| Bonds purchased under repurchase agreements | — | 3,633,073 | — | 3,633,073 |
| Privately placed bonds | — | 901,609 | — | 901,609 |
| Factored receivables | 70 | 99 | — | 169 |
| Lease receivables | 447,494 | 337,407 | — | 784,901 |
| Loans for installment credit | 5,908,190 | 700,144 | — | 6,608,334 |
| | 189,692,289 | 226,656,366 | 22,349,971 | 438,698,626 |
| Proportion (%) | 43.24 | 51.67 | 5.09 | 100.00 |
| Less: Allowances for credit losses | (1,369,081) | (3,137,470) | (935,825) | (5,442,376) |
| | ₩188,323,208 | ₩223,518,896 | ₩21,414,146 | ₩433,256,250 |

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | Retail | Corporate | Credit card | Total |
| Loans in Korean won | ₩188,109,614 | ₩203,391,791 | ₩ — | ₩391,501,405 |
| Loans in foreign currencies | 5,978,891 | 26,954,295 | — | 32,933,186 |
| Domestic import usance bills | — | 3,790,808 | — | 3,790,808 |
| Off-shore funding loans | — | 626,058 | — | 626,058 |
| 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 Korean won | — | — | 23,436,170 | 23,436,170 |
| Credit card receivables in foreign currencies | — | — | 42,304 | 42,304 |
| Bonds purchased under repurchase agreements | — | 4,967,067 | — | 4,967,067 |
| Privately placed bonds | — | 389,783 | — | 389,783 |
| Factored receivables | 7 | 62,602 | — | 62,609 |
| Lease receivables | 406,844 | 194,057 | — | 600,901 |
| Loans for installment credit | 6,327,692 | 798,402 | — | 7,126,094 |
| | 200,823,048 | 243,572,925 | 23,478,474 | 467,874,447 |
| Proportion (%) | 42.92 | 52.06 | 5.02 | 100.00 |
| Less: Allowances for credit losses | (1,587,817) | (3,137,665) | (876,740) | (5,602,222) |
| | ₩199,235,231 | ₩240,435,260 | ₩22,601,734 | ₩462,272,225 |

**10.4 Changes in deferred loan origination fees and costs for the years ended December 31, 2023 and 2024, are as follows:**

*(In millions of Korean won)*

| | 2023 | | | | |
|---|---|---|---|---|---|
| | Beginning | Increase | Decrease | Others | Ending |
| **Deferred loan origination costs** | | | | | |
| Loans in Korean won | ₩594,509 | ₩416,003 | ₩(387,019) | ₩ — | ₩623,493 |
| Others[1] | 68,167 | 53,006 | (43,812) | (364) | 76,997 |
| | 662,676 | 469,009 | (430,831) | (364) | 700,490 |
| **Deferred loan origination fees** | | | | | |
| Loans in Korean won | 42,835 | 11,859 | (17,692) | — | 37,002 |
| Others[2] | 67,007 | 9,255 | (7,597) | 3,579 | 72,244 |
| | 109,842 | 21,114 | (25,289) | 3,579 | 109,246 |
| | ₩552,834 | ₩447,895 | ₩(405,542) | ₩(3,943) | ₩591,244 |

*(In millions of Korean won)*

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Beginning | Increase | Decrease | Others | Ending |
| **Deferred loan origination costs** | | | | | |
| Loans in Korean won | ₩623,493 | ₩464,364 | ₩(406,506) | ₩ — | ₩681,351 |
| Others[1] | 76,997 | 73,259 | (57,159) | 3,886 | 96,983 |
| | 700,490 | 537,623 | (463,665) | 3,886 | 778,334 |
| **Deferred loan origination fees** | | | | | |
| Loans in Korean won | 37,002 | 44,345 | (27,267) | — | 54,080 |
| Others[2] | 72,244 | 42,950 | (38,031) | 8,861 | 86,024 |
| | 109,246 | 87,295 | (65,298) | 8,861 | 140,104 |
| | ₩591,244 | ₩450,328 | ₩(398,367) | ₩(4,975) | ₩638,230 |

1 Includes deferred loan origination costs related to credit card receivables, loans for installment credit, and finance lease receivables.

2 Includes deferred loan origination fees related to loans in foreign currencies.

## 11. Allowances for Credit Losses

### 11.1 Changes in allowances for credit losses of loans measured at amortized cost for the years ended December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | 2023 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Retail | | | Corporate | | | Credit card | | |
| | 12-month expected credit losses | Lifetime expected credit losses | | 12-month expected credit losses | Lifetime expected credit losses | | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired | | Non-impaired | Impaired | | Non-impaired | Impaired |
| Beginning | ₩ 602,037 | ₩ 284,816 | ₩ 450,513 | ₩ 522,552 | ₩ 561,936 | ₩ 901,288 | ₩163,185 | ₩354,315 | ₩ 320,342 |
| Transfer between stages: | | | | | | | | | |
| Transfer to 12-month expected credit losses | 153,560 | (141,775) | (11,785) | 123,441 | (119,940) | (3,501) | 78,420 | (75,980) | (2,440) |
| Transfer to lifetime expected credit losses | (118,734) | 145,827 | (27,093) | (121,027) | 155,094 | (34,067) | (20,898) | 24,754 | (3,856) |
| Impairment | (9,672) | (72,265) | 81,937 | (8,864) | (95,732) | 104,596 | (2,592) | (25,843) | 28,435 |
| Write-offs | — | 14 | (657,670) | — | 9 | (436,246) | — | — | (664,027) |
| Sales | (1,126) | (631) | (13,346) | — | (315) | (31,716) | — | — | — |
| Provision (reversal) for credit losses[1,2] | (45,014) | 67,219 | 679,687 | 429,706 | 435,633 | 779,310 | (11,611) | 50,867 | 766,581 |
| Others (exchange differences, etc.) | 3,599 | 177 | (1,194) | (6,168) | (970) | 2,880 | 21 | 39 | (43,887) |
| Ending | ₩ 584,650 | ₩ 283,382 | 501,049 | ₩ 939,640 | ₩ 935,715 | ₩1,282,544 | ₩206,525 | ₩328,152 | ₩ 401,148 |

**11.1 Changes in allowances for credit losses of loans measured at amortized cost for the years ended December 31, 2023 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 | | 12-month expected credit losses | Lifetime expected credit losses | | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired | | Non-impaired | Impaired | | Non-impaired | Impaired |
| Beginning | ₩ 584,650 | ₩ 283,382 | ₩ 501,049 | ₩ 939,640 | ₩ 935,715 | ₩1,282,544 | ₩206,525 | ₩ 328,152 | ₩ 401,148 |
| Transfer between stages: | | | | | | | | | |
| Transfer to 12-month expected credit losses | 130,047 | (122,955) | (7,092) | 365,392 | (306,167) | (59,225) | 55,076 | (53,048) | (2,028) |
| Transfer to lifetime expected credit losses | (117,019) | 237,066 | (120,047) | (273,328) | 340,311 | (66,983) | (27,518) | 34,364 | (6,846) |
| Impairment | (11,838) | (166,139) | 177,977 | (54,667) | (191,344) | 246,011 | (3,753) | (23,914) | 27,667 |
| Write-offs | — | — | (684,223) | — | (2) | (593,492) | — | — | (706,501) |
| Sales | (4,177) | (1,668) | (56,116) | — | (499) | (102,759) | — | — | (136,344) |
| Provision (reversal) for credit losses[1,2] | 23,910 | 101,072 | 824,942 | (56,320) | 123,219 | 585,169 | 10,142 | 87,067 | 715,149 |
| Others (exchange differences, etc.) | 1,778 | 677 | 12,541 | (7,577) | 22,331 | 40,854 | (38) | 19 | (28,579) |
| Ending | ₩ 607,351 | ₩ 331,435 | ₩ 649,031 | ₩ 913,140 | ₩ 923,564 | ₩1,332,119 | ₩240,434 | ₩ 372,640 | ₩ 263,666 |

1 Provision for credit losses in the consolidated statements of comprehensive income also includes provision (reversal) for credit losses of due from financial institutions (Note 7.3), provision (reversal) for credit losses of financial investments (Note 12.5), provision (reversal) for credit losses of unused commitments, acceptances and guarantees (Note 24.2), provision (reversal) for credit losses of financial guarantee contracts (Note 24.3), and provision (reversal) for credit losses of other financial assets (Note 19.2).

2 Includes ₩289,139 million and ₩317,140 million of collections from written-off loans for the years ended December 31, 2023 and 2024, respectively.

The amount of financial assets that the Group wrote off during the current year but is continuing recovery activities is ₩1,984,218 million. Also, the Group manages the written-off loans that their legal extinctive prescriptions have not been completed, and that have not been collected. The balances of those loans are ₩10,301,118 million and ₩11,468,928 million as of December 31, 2023 and 2024, respectively.

**11.2 Changes in gross carrying amount of loans for the years ended December 31, 2023 and 2024, are as follows:**

*(In millions of Korean won)*

| | 2023 | | |
|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired |
| Beginning | ₩399,089,134 | ₩ 34,563,171 | ₩ 3,547,610 |
| Transfer between stages: | | | |
| Transfer to 12-month expected credit losses | 35,319,563 | (34,990,464) | (329,099) |
| Transfer to lifetime expected credit losses (non-impaired) | (42,180,074) | 42,841,909 | (661,835) |
| Transfer to lifetime expected credit losses (impaired) | (1,808,878) | (2,785,016) | 4,593,894 |
| Write-offs | — | 23 | (1,757,943) |
| Sales | (3,256,122) | (38,205) | (429,916) |
| Net increase (decrease) (execution, repayment, and others) | 21,119,779 | (2,514,831) | (54,608) |
| Ending | ₩408,283,402 | ₩ 37,076,587 | ₩ 4,908,103 |

*(In millions of Korean won)*

| | 2024 | | |
|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired |
| Beginning | ₩408,283,402 | ₩ 37,076,587 | ₩ 4,908,103 |
| Transfer between stages: | | | |
| Transfer to 12-month expected credit losses | 29,092,806 | (28,622,325) | (470,481) |
| Transfer to lifetime expected credit losses (non-impaired) | (36,987,630) | 38,887,946 | (1,900,316) |
| Transfer to lifetime expected credit losses (impaired) | (1,489,772) | (4,423,007) | 5,912,779 |
| Write-offs | — | (2) | (1,984,216) |
| Sales | (3,563,046) | (98,684) | (1,028,807) |
| Net increase (decrease) (execution, repayment, and others) | 36,418,238 | (1,879,924) | (426,431) |
| Ending | ₩431,753,998 | ₩ 40,940,591 | ₩ 5,010,631 |

## 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, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| **Financial assets at fair value through profit or loss** | | |
| Debt securities: | | |
| Government and public bonds | ₩ 10,100,109 | ₩ 13,389,804 |
| Financial bonds | 12,793,559 | 11,601,280 |
| Corporate bonds | 6,677,388 | 7,323,299 |
| Asset-backed securities | 68,093 | 39,444 |
| Beneficiary certificates | 20,511,995 | 20,644,681 |
| Derivative-linked securities | 2,197,575 | 1,924,109 |
| Other debt securities | 20,309,713 | 18,846,019 |
| Equity securities: | | |
| Stocks | 3,498,880 | 3,964,021 |
| Other equity securities | 523,675 | 311,316 |
| Loans: | | |
| Privately placed bonds | 150,208 | 208,856 |
| Other loans | 33,518 | 978,907 |
| Due from financial institutions: | | |
| Other due from financial institutions | 79,811 | 59,838 |
| Others | 93,743 | 158,519 |
| | ₩ 77,038,267 | ₩ 79,450,093 |
| **Financial investments** | | |
| Financial assets at fair value through other comprehensive income | | |
| Debt securities: | | |
| Government and public bonds | ₩ 33,455,476 | ₩ 38,108,213 |
| Financial bonds | 20,898,723 | 26,091,249 |
| Corporate bonds | 22,492,869 | 22,059,099 |
| Asset-backed securities | 1,963,242 | 2,366,140 |
| Other debt securities | 116,127 | 111,295 |
| Equity securities: | | |
| Stocks | 1,951,150 | 1,643,898 |
| Equity investments | 9,560 | 9,410 |
| Other equity securities | 809,943 | 2,059,980 |
| Loans: | | |
| Privately placed bonds | 801,050 | 1,446,628 |
| | 82,498,140 | 93,895,912 |
| Financial assets at amortized cost | | |
| Debt securities: | | |
| Government and public bonds | 6,507,625 | 6,029,059 |
| Financial bonds | 14,257,747 | 12,761,712 |
| Corporate bonds | 9,368,943 | 8,946,009 |
| Asset-backed securities | 9,418,498 | 9,321,199 |
| Other debt securities | 167,848 | 72,969 |
| Less: Allowances for credit losses | (19,272) | (17,396) |
| | 39,701,389 | 37,113,552 |
| | ₩122,199,529 | ₩131,009,464 |

**12.2 Dividend income from equity securities designated at fair value through other comprehensive income for the years ended December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | 2023 | | 2024 | |
|---|---|---|---|---|
| | From the equity securities derecognized | From the equity securities held | From the equity securities derecognized | From the equity securities held |
| Equity securities measured at fair value through other comprehensive income: | | | | |
| Stocks Listed | ₩ — | ₩ 1,999 | ₩ — | ₩ 3,597 |
| Unlisted | — | 14,498 | — | 19,724 |
| Equity investments | — | 110 | — | — |
| Other equity securities | 2,774 | 28,388 | 699 | 62,505 |
| | ₩ 2,774 | ₩ 44,995 | ₩ 699 | ₩ 85,826 |

**12.3 Derecognized equity securities measured at fair value through other comprehensive income for the years ended December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | 2023 | | 2024 | |
|---|---|---|---|---|
| | Disposal price | Accumulated other comprehensive income (loss) as of disposal date | Disposal price | Accumulated other comprehensive income (loss) as of disposal date |
| Equity securities measured at fair value through other comprehensive income: | | | | |
| Stocks Listed | ₩ 36,877 | ₩ 36,739 | ₩ 8,054 | ₩ (5,586) |
| Unlisted | — | (758) | — | — |
| Other equity securities | 71,470 | (3,680) | 131,788 | 1,937 |
| | ₩ 108,347 | ₩ 32,301 | ₩ 139,842 | ₩ (3,649) |

**12.4 Provision (reversal) for credit losses of financial investments for the years ended December 31, 2022, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | 2022 | | |
|---|---|---|---|
| | Provision | Reversal | Total |
| Securities measured at fair value through other comprehensive income | ₩ 1,026 | ₩(4,808) | ₩ (3,782) |
| Loans measured at fair value through other comprehensive income | 83 | (460) | (377) |
| Securities measured at amortized cost | 2,808 | (740) | 2,068 |
| | ₩ 3,917 | ₩(6,008) | ₩ (2,091) |

| *(In millions of Korean won)* | 2023 | | |
|---|---|---|---|
| | Provision | Reversal | Total |
| Securities measured at fair value through other comprehensive income | ₩17,104 | ₩(2,547) | ₩14,557 |
| Loans measured at fair value through other comprehensive income | 920 | (3) | 917 |
| Securities measured at amortized cost | 15,184 | (1,475) | 13,709 |
| | ₩33,208 | ₩(4,025) | ₩29,183 |

**12.4 Provision (reversal) for credit losses of financial investments for the years ended December 31, 2022, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | 2024 | | |
|---|---|---|---|
| | Provision | Reversal | Total |
| Securities measured at fair value through other comprehensive income | ₩ 6,913 | ₩ (6,433) | ₩ 480 |
| Loans measured at fair value through other comprehensive income | 1,039 | (241) | 798 |
| Securities measured at amortized cost | 2,300 | (4,267) | (1,967) |
| | ₩10,252 | ₩(10,941) | ₩ (689) |

**12.5 Changes in allowances for credit losses of financial investments for the years ended December 31, 2023 and 2024, are as follows:**

*(In millions of Korean won)*

| | 2023 | | |
|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired |
| Beginning | ₩ 16,343 | ₩ 270 | ₩ 76 |
| Transfer between stages: | | | |
| Transfer to 12-month expected credit losses | — | — | — |
| Transfer to lifetime expected credit losses | — | — | — |
| Sales | (532) | (270) | — |
| Provision (reversal) for credit losses | 29,182 | — | 1 |
| Others (exchange differences, etc.) | (528) | — | — |
| Ending | ₩ 44,465 | ₩ — | ₩ 77 |

*(In millions of Korean won)*

| | 2024 | | |
|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired |
| Beginning | ₩ 44,465 | ₩ — | ₩ 77 |
| Transfer between stages: | | | |
| Transfer to 12-month expected credit losses | — | — | — |
| Transfer to lifetime expected credit losses | — | — | — |
| Sales | (2,065) | — | — |
| Provision (reversal) for credit losses | (694) | — | 5 |
| Others (exchange differences, etc.) | 1,325 | — | — |
| Ending | ₩ 43,031 | ₩ — | ₩ 82 |

## 13. Investments in Associates and Joint Ventures

### 13.1 Details of investments in associates and joint ventures as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Ownership (%) | Acquisition cost | Share of net asset amount | Carrying amount | Industry | Location |
| KB-KDBC Pre-IPO New Technology Business Investment Fund[2] | 66.66 | ₩ 3,601 | ₩ 6,063 | ₩ 6,063 | Investment finance | Korea |
| Balhae Infrastructure Company[1] | 12.61 | 95,437 | 93,803 | 93,766 | Investment finance | Korea |
| Aju Good Technology Venture Fund | 38.46 | 343 | 14,296 | 14,296 | Investment finance | Korea |
| Incheon Bridge Co., Ltd.[1] | 14.99 | 9,158 | (12,640) | — | Operation of highways and related facilities | Korea |
| Big Dipper Co., Ltd.[1] | 17.77 | 440 | 94 | 94 | Research, consulting, and big data | Korea |
| Food Factory Co., Ltd.[3] | 22.22 | 1,000 | 654 | 1,483 | Farm product distribution | Korea |
| KBSP Private Equity Fund No.4[1] | 14.95 | 6,100 | 2,494 | 2,494 | Investment finance | Korea |
| Korea Credit Bureau Co., Ltd.[1] | 9.00 | 4,500 | 5,617 | 5,617 | Credit information | Korea |
| KB Social Impact Investment Fund | 30.00 | 4,500 | 4,853 | 4,853 | Investment finance | Korea |
| KB-Solidus Global Healthcare Fund[2] | 43.33 | 17,217 | 17,789 | 18,485 | Investment finance | Korea |
| POSCO-KB Shipbuilding Fund | 31.25 | 1,826 | 4,738 | 4,738 | Investment finance | Korea |
| KB-TS Technology Venture Private Equity Fund[2] | 56.00 | 9,072 | 12,372 | 12,372 | Investment finance | Korea |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund[2] | 42.55 | — | 6,145 | 5,395 | Investment finance | Korea |
| KB-SJ Tourism Venture Fund[1] | 18.52 | 4,599 | 3,242 | 3,242 | Investment finance | Korea |
| UNION Media Commerce Fund | 28.99 | 1,000 | 952 | 952 | Investment finance | Korea |
| KB-Stonebridge Secondary Private Equity Fund[1] | 14.56 | 16,837 | 18,885 | 18,885 | Investment finance | Korea |
| KB SPROTT Renewable Private Equity Fund No.1[2] | 37.69 | 17,566 | 15,946 | 15,910 | Investment finance | Korea |
| KB-UTC Inno-Tech Venture Fund[2] | 44.29 | 19,124 | 15,680 | 17,977 | Investment finance | Korea |
| WJ Private Equity Fund No.1 | 26.95 | 10,000 | 9,482 | 9,482 | Investment finance | Korea |
| All Together Korea Fund No.2[4] | 99.99 | 10,000 | 10,541 | 10,541 | Asset management | Korea |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund[1] | 12.00 | 9,572 | 17,810 | 17,810 | Asset management | Korea |
| 2020 KB Fintech Renaissance Fund[1] | 5.05 | 550 | 1,041 | 1,041 | Investment finance | Korea |
| KB Material and Parts No.1 PEF[1] | 14.47 | 3,400 | 3,300 | 3,300 | Investment finance | Korea |
| FineKB Private Equity Fund No.1 | 25.00 | 10,650 | 7,697 | 7,697 | Investment finance | Korea |
| G payment Joint Stock Company | 43.84 | 8,950 | 3,319 | 8,966 | Investment advisory and securities trading | Vietnam |
| KB-GeneN Medical Venture Fund No.1 | 22.52 | 2,000 | 1,923 | 1,923 | Investment finance | Korea |
| KB-BridgePole Venture Investment Fund[1] | 6.30 | 136 | 863 | 863 | Investment finance | Korea |
| KB-Kyobo New Mobility Power Fund | 28.57 | 3,000 | 2,622 | 2,622 | Investment finance | Korea |
| DA-Friend New Technology Investment Fund No.2 | 27.40 | 988 | 928 | 928 | Investment finance | Korea |
| Cornerstone Pentastone Fund No.4 | 21.05 | 818 | 775 | 775 | Investment finance | Korea |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | 26.24 | 46,700 | 27,213 | — | Real estate investment | Korea |
| KB-Badgers Future Mobility ESG Fund No.1 | 40.91 | 7,675 | 6,105 | 6,105 | Investment finance | Korea |
| JS Private Equity Fund No.3 | 20.48 | 1,700 | 1,862 | 1,862 | Investment finance | Korea |
| Mirae Asset Mobility Investment Fund No.1 | 22.99 | 2,000 | 1,949 | 1,949 | Investment finance | Korea |
| KB-FT Green Growth 1st Technology Investment Association[1] | 10.34 | 2,000 | 1,928 | 1,928 | Investment finance | Korea |
| Glenwood Credit Private Equity Fund No.2 | 29.89 | 42,000 | 43,922 | 43,922 | Investment finance | Korea |

**13.1 Details of investments in associates and joint ventures as of December 31, 2023 and 2024, 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 |
| THE CHAEUL FUND NO.1 | 31.25 | ₩ 1,000 | ₩ 972 | ₩ 972 | Investment finance | Korea |
| Smart Korea KB Future9-Sejong Venture Fund | 38.46 | 2,366 | 2,398 | 2,398 | Investment finance | Korea |
| KB-KTB Technology Venture Fund[2] | 50.90 | 22,401 | 21,391 | 21,391 | Investment finance | Korea |
| KB-SOLIDUS Healthcare Investment Fund[2] | 90.40 | 42,540 | 41,326 | 40,172 | Investment finance | Korea |
| Paramark KB Fund No.1[1] | 17.34 | 15,541 | 13,645 | 13,645 | Investment finance | Korea |
| KB Co-Investment Private Equity Fund No.1[1] | 7.12 | 9,476 | 9,477 | 9,376 | Investment finance | Korea |
| POSITIVE Sobujang Venture Fund No.1 | 44.00 | 2,000 | 1,965 | 1,965 | Investment finance | Korea |
| History 2022 Fintech Fund | 34.80 | 2,000 | 1,938 | 1,938 | Investment finance | Korea |
| KB-NP Green ESG New Technology Venture Capital Fund | 29.85 | 20,449 | 19,429 | 19,429 | Investment finance | Korea |
| TMAP Mobility Co., Ltd.[1] | 8.25 | 199,981 | 51,866 | 183,572 | Application software development and supply | Korea |
| Nextrade Co., Ltd.[1] | 6.64 | 9,700 | 9,225 | 9,225 | Investment finance | Korea |
| Shinhan Global Mobility Fund No.1 | 24.56 | 1,345 | 1,324 | 1,324 | Investment finance | Korea |
| SKB Next Unicorn K-Battery Fund No.1 | 24.84 | 1,908 | 1,890 | 1,890 | Investment finance | Korea |
| Lakewood-AVES Fund No.1 | 39.06 | 2,000 | 1,977 | 1,977 | Investment finance | Korea |
| MW-Pyco NewWave New Technology Investment Fund 4th[2] | 51.30 | 2,000 | 1,965 | 1,965 | Investment finance | Korea |
| Bitgoeul Cheomdan Green 1st Co., Ltd.[1] | 19.00 | 190 | 165 | 165 | Electricity | Korea |
| KB-SUSUNG 1st Investment Fund[1] | 15.00 | 3,000 | 2,953 | 2,953 | Investment finance | Korea |
| KY Global Cell & Gene Private Equity Fund 2nd | 20.43 | 27,034 | 26,969 | 26,969 | Investment finance | Korea |
| Friend 55 New Technology Business Investment Fund[2] | 53.30 | 1,200 | 1,182 | 1,182 | Investment finance | Korea |
| DSIP-Pharos Bioenergy Fund | 34.10 | 4,000 | 16,458 | 16,458 | Investment finance | Korea |
| Shinhan-Eco Venture Fund 2nd | 20.00 | 1,825 | 1,800 | 1,800 | Investment finance | Korea |
| Leading H2O Fund 1 | 48.20 | 1,500 | 1,489 | 1,489 | Investment finance | Korea |
| 2023 JB Newtech No.2 Fund | 25.70 | 1,800 | 1,786 | 1,786 | Investment finance | Korea |
| U-KB Credit No.1 Private Equity | 33.33 | 6,900 | 6,850 | 6,850 | Investment finance | Korea |
| KB-BridgePole Venture Investment Fund No.2[1] | 14.29 | 1,500 | 1,494 | 1,494 | Investment finance | Korea |
| Sirius Silicon Valley I New Technology Fund | 20.43 | 500 | 485 | 485 | Investment finance | Korea |
| Others | | 1,978 | 1,731 | 1,016 | | |
| | | ₩ 760,593 | ₩ 598,413 | ₩ 722,222 | | |

*(In millions of Korean won)*

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Ownership (%) | Acquisition cost | Share of net asset amount | Carrying amount | Industry | Location |
| KB-KDBC Pre-IPO New Technology Business Investment Fund[2] | 66.66 | ₩ 3,001 | ₩ 5,203 | ₩ 5,203 | Investment finance | Korea |
| Balhae Infrastructure Company[1] | 16.37 | 138,678 | 139,015 | 139,015 | Investment finance | Korea |
| Aju Good Technology Venture Fund | 38.46 | 343 | 9,313 | 9,313 | Investment finance | Korea |
| Incheon Bridge Co., Ltd.[1] | 14.99 | 9,158 | (535) | — | Operation of highways and related facilities | Korea |
| Big Dipper Co., Ltd.[1] | 17.77 | 440 | 32 | 32 | Research, consulting, and big data | Korea |
| Food Factory Co., Ltd. | 22.22 | 1,000 | 684 | 1,541 | Farm product distribution | Korea |

**13.1 Details of investments in associates and joint ventures as of December 31, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Ownership (%) | Acquisition cost | Share of net asset amount | Carrying amount | Industry | Location |
| KBSP Private Equity Fund No.4[1] | 14.95 | ₩ 6,100 | ₩ 3,995 | ₩ 3,995 | Investment finance | Korea |
| Korea Credit Bureau Co., Ltd.[1] | 9.00 | 4,500 | 7,948 | 7,948 | Credit information | Korea |
| KB Social Impact Investment Fund | 30.00 | 4,500 | 3,514 | 3,514 | Investment finance | Korea |
| KB-Solidus Global Healthcare Fund[2] | 43.33 | 17,217 | 16,829 | 17,525 | Investment finance | Korea |
| POSCO-KB Shipbuilding Fund | 31.25 | 1,826 | 3,223 | 3,223 | Investment finance | Korea |
| KB-TS Technology Venture Private Equity Fund[2] | 56.00 | 6,608 | 11,129 | 11,129 | Investment finance | Korea |
| KB-SJ Tourism Venture Fund[1] | 18.52 | 568 | 1,781 | 1,781 | Investment finance | Korea |
| UNION Media Commerce Fund | 28.99 | 1,000 | 946 | 946 | Investment finance | Korea |
| KB-Stonebridge Secondary Private Equity Fund[1] | 14.56 | 16,171 | 16,867 | 16,867 | Investment finance | Korea |
| KB SPROTT Renewable Private Equity Fund No.1[2] | 37.69 | 9,216 | 5,764 | 7,640 | Investment finance | Korea |
| KB-UTC Inno-Tech Venture Fund[2] | 44.29 | 18,849 | 11,730 | 15,482 | Investment finance | Korea |
| WJ Private Equity Fund No.1 | 26.95 | 10,000 | 9,423 | 9,423 | Investment finance | Korea |
| All Together Korea Fund No.2[4] | 99.99 | 10,000 | 10,847 | 10,847 | Asset management | Korea |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund[1] | 12.00 | 10,758 | 16,043 | 16,043 | Asset management | Korea |
| 2020 KB Fintech Renaissance Fund[1] | 5.05 | 550 | 1,077 | 1,077 | Investment finance | Korea |
| FineKB Private Equity Fund No.1 | 25.00 | 15,940 | 13,712 | 13,712 | Investment finance | Korea |
| G payment Joint Stock Company | 43.84 | 7,445 | 1,504 | 2,521 | Investment advisory and securities trading | Vietnam |
| KB-GeneN Medical Venture Fund No.1 | 22.52 | 2,000 | 1,880 | 1,880 | Investment finance | Korea |
| DA-Friend New Technology Investment Fund No.2 | 27.40 | 988 | 906 | 906 | Investment finance | Korea |
| Cornerstone Pentastone Fund No.4 | 21.05 | 818 | 764 | 764 | Investment finance | Korea |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | 26.24 | 46,700 | 24,452 | — | Real estate investment | Korea |
| KB-Badgers Future Mobility ESG Fund No.1 | 40.91 | 18,076 | 13,109 | 13,109 | Investment finance | Korea |
| JS Private Equity Fund No.3 | 20.48 | 945 | 742 | 742 | Investment finance | Korea |
| Mirae Asset Mobility Investment Fund No.1 | 22.99 | 2,000 | 1,918 | 1,918 | Investment finance | Korea |
| KB-FT Green Growth 1st Technology Investment Association[1] | 10.34 | 2,000 | 1,889 | 1,889 | Investment finance | Korea |
| Glenwood Credit Private Equity Fund No.2 | 29.89 | 42,000 | 44,380 | 44,380 | Investment finance | Korea |
| THE CHAEUL FUND NO.1 | 31.25 | 1,000 | 954 | 954 | Investment finance | Korea |
| Smart Korea KB Future9-Sejong Venture Fund | 38.46 | 2,366 | 2,325 | 2,325 | Investment finance | Korea |
| KB-KTB Technology Venture Fund[2] | 50.90 | 28,001 | 25,446 | 25,448 | Investment finance | Korea |
| KB-SOLIDUS Healthcare Investment Fund[2] | 90.40 | 65,810 | 62,383 | 62,282 | Investment finance | Korea |
| Paramark KB Fund No.1[1] | 17.34 | 23,671 | 23,219 | 23,219 | Investment finance | Korea |
| KB Co-Investment Private Equity Fund No.1[1] | 7.12 | 15,509 | 15,968 | 15,968 | Investment finance | Korea |
| POSITIVE Sobujang Venture Fund No.1 | 44.00 | 879 | 869 | 869 | Investment finance | Korea |
| History 2022 Fintech Fund | 34.80 | 2,000 | 1,896 | 1,896 | Investment finance | Korea |
| KB-NP Green ESG New Technology Venture Capital Fund | 29.85 | 40,249 | 38,592 | 38,592 | Investment finance | Korea |
| TMAP Mobility Co., Ltd.[1] | 8.25 | 199,981 | 52,287 | 182,000 | Application software development and supply | Korea |
| Nextrade Co., Ltd.[1] | 6.64 | 9,700 | 8,180 | 8,180 | Investment finance | Korea |

**13.1 Details of investments in associates and joint ventures as of December 31, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Ownership (%) | Acquisition cost | Share of net asset amount | Carrying amount | Industry | Location |
| Shinhan Global Mobility Fund No.1 | 24.56 | ₩ 1,345 | ₩ 1,294 | ₩ 1,294 | Investment finance | Korea |
| SKB Next Unicorn K-Battery Fund No.1 | 24.84 | 1,908 | 1,850 | 1,850 | Investment finance | Korea |
| MW-Pyco NewWave New Technology Investment Fund 4th [2] | 51.30 | 2,000 | 1,922 | 1,922 | Investment finance | Korea |
| Bitgoeul Cheomdan Green 1st Co., Ltd. [1] | 19.00 | 342 | 241 | 241 | Electricity | Korea |
| KB-SUSUNG 1st Investment Fund [1] | 15.00 | 1,614 | 2,188 | 2,188 | Investment finance | Korea |
| Shinhan-Eco Venture Fund 2nd | 20.00 | 2,050 | 1,973 | 1,973 | Investment finance | Korea |
| Leading H2O Fund 1 | 48.20 | 1,500 | 1,455 | 1,455 | Investment finance | Korea |
| 2023 JB Newtech No.2 Fund | 25.70 | 1,406 | 1,705 | 1,705 | Investment finance | Korea |
| U-KB Credit No.1 Private Equity | 33.33 | 7,300 | 8,006 | 8,006 | Investment finance | Korea |
| KB-BridgePole Venture Investment Fund No.2 [1] | 14.29 | 1,500 | 1,463 | 1,463 | Investment finance | Korea |
| Sirius Silicon Valley I New Technology Fund | 23.81 | 500 | 474 | 474 | Investment finance | Korea |
| FineKB Private Equity Fund No.2[1] | 0.85 | 250 | 248 | 248 | Investment finance | Korea |
| Timefolio Athleisure Investment Fund | 48.19 | 4,000 | 3,923 | 3,923 | Investment finance | Korea |
| VIG Private Equity Fund V-3 | 39.60 | 1,636 | 4,126 | 1,636 | Investment finance | Korea |
| COMPA Global Scale-Up Fund No.3 | 30.00 | 1,000 | 980 | 980 | Investment finance | Korea |
| AKK Robotech Valueup New Technology Investment Fund[1] | 5.00 | 1,000 | 1,127 | 1,127 | Investment finance | Korea |
| YG MCE PROJECT NO.1 Fund | 27.80 | 1,500 | 1,477 | 1,477 | Investment finance | Korea |
| HI YG Win-win Fund No.2 | 20.62 | 2,000 | 1,973 | 1,973 | Investment finance | Korea |
| KB-CJ Venture Fund 1st | 40.00 | 1,800 | 1,733 | 1,733 | Investment finance | Korea |
| Elohim-Bilanx aerospace No.1 Fund | 20.94 | 2,000 | 1,978 | 1,978 | Investment finance | Korea |
| KB-SUSUNG 2st Investment Fund [1] | 12.66 | 2,000 | 1,981 | 1,981 | Investment finance | Korea |
| IMM global Secondary 1-1 Equity Private Fund | 41.65 | 2,819 | 3,754 | 3,754 | Investment finance | Korea |
| LIB Material Investment Fund | 25.49 | 4,098 | 1,475 | 1,475 | Investment finance | Korea |
| NOVORSEC-SJG Consumer Secondary Fund | 24.30 | 1,700 | 1,688 | 1,688 | Investment finance | Korea |
| Allra Fintech Corp. [1] | 15.77 | 8,532 | 1,638 | 8,684 | System software development and supply | Korea |
| Reboot Private Equity Fund | 21.50 | 7,000 | 6,946 | 6,946 | Investment finance | Korea |
| KB-SBI Global Strategic Capital Fund | 36.39 | 11,299 | 10,782 | 10,784 | Investment finance | Korea |
| KB-Cyrus Tourism Venture Fund[1] | 18.52 | 1,000 | 977 | 977 | Investment finance | Korea |
| IBKS Design Fund | 46.51 | 2,000 | 1,996 | 1,996 | Investment finance | Korea |
| NICE DATA INTELLIGENCE VENTURE FUND | 23.53 | 1,000 | 998 | 998 | Investment finance | Korea |
| Pectus Hanhwa Fund 2 | 29.41 | 2,000 | 1,950 | 1,950 | Investment finance | Korea |
| KB-IMM New Star Real Estate Private Fund I[2] | 61.67 | 31,563 | 33,074 | 33,074 | Investment finance | Korea |
| Korea Environment Technology Co., Ltd. | 24.31 | 107,428 | 43,156 | 107,428 | Non-designated waste treatment | Korea |
| Others | | 2,841 | 2,367 | 1,911 | | |
| | | ₩ 1,020,492 | ₩ 765,121 | ₩ 947,390 | | |

**13.1 Details of investments in associates and joint ventures as of December 31, 2023 and 2024, are as follows (cont'd):**

[1] As of December 31, 2023 and 2024, the Group can exercise significant influence on the decision-making processes of the associate's financial and business policies through participation in governing bodies.

[2] In order to direct relevant activities, it is necessary to obtain the consent of the two co-operative members; the Group has applied the equity method as the Group cannot control the investee by itself.

[3] The ownership of Food Factory Co., Ltd. would be 30.00% as of December 31, 2023, considering the potential voting rights of convertible bonds.

[4] As of December 31, 2023 and 2024, the Group participates in the investment management committee but cannot exercise control.

In accordance with IAS No.28 *Investments in Associates and Joint Ventures*, the Group elected an exemption from applying the equity method for 64 companies including Banksalad Co., Ltd. and classified them as financial assets at fair value through profit or loss.

Although the Group holds 20% or more of the ownership, investment trusts with limited influence on related activities according to trust contracts, and companies with limited influence on related activities due to bankruptcy and corporate rehabilitation proceedings are excluded from associates.

**13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates and joint ventures as of and for the years ended December 31, 2023 and 2024, are as follows:**

*(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 | Consolidated carrying amount |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | ₩ 9,095 | ₩ 1 | ₩ 5,400 | ₩ 9,094 | ₩ 6,062 | ₩ 1 | ₩ 6,063 |
| Balhae Infrastructure Company | 818,545 | 74,665 | 794,860 | 743,880 | 93,803 | (37) | 93,766 |
| Aju Good Technology Venture Fund | 37,569 | 395 | 900 | 37,174 | 14,297 | (1) | 14,296 |
| Incheon Bridge Co., Ltd. | 518,134 | 602,460 | 61,096 | (84,326) | (12,640) | 12,640 | — |
| Big Dipper Co., Ltd. | 813 | 285 | 495 | 528 | 94 | — | 94 |
| Food Factory Co., Ltd. | 9,138 | 6,196 | 450 | 2,942 | 654 | 829 | 1,483 |
| KBSP Private Equity Fund No.4 | 16,807 | 571 | 39,700 | 16,236 | 2,495 | (1) | 2,494 |
| Korea Credit Bureau Co., Ltd. | 131,164 | 68,756 | 10,000 | 62,408 | 5,617 | — | 5,617 |
| KB Social Impact Investment Fund | 16,440 | 263 | 15,000 | 16,177 | 4,853 | — | 4,853 |
| KB-Solidus Global Healthcare Fund | 41,567 | 517 | 3,000 | 41,050 | 17,789 | 696 | 18,485 |
| POSCO-KB Shipbuilding Fund | 16,520 | 1,357 | 5,840 | 15,163 | 4,738 | — | 4,738 |
| KB-TS Technology Venture Private Equity Fund | 28,233 | 6,139 | 16,200 | 22,094 | 12,372 | — | 12,372 |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund | 14,441 | — | — | 14,441 | 6,145 | (750) | 5,395 |
| KB-SJ Tourism Venture Fund | 18,003 | 498 | 24,840 | 17,505 | 3,242 | — | 3,242 |
| UNION Media Commerce Fund | 3,318 | 32 | 3,450 | 3,286 | 952 | — | 952 |
| KB-Stonebridge Secondary Private Equity Fund | 129,860 | 205 | 115,598 | 129,655 | 18,885 | — | 18,885 |
| KB SPROTT Renewable Private Equity Fund No.1 | 42,868 | 379 | 46,868 | 42,489 | 15,946 | (36) | 15,910 |
| KB-UTC Inno-Tech Venture Fund | 35,978 | 573 | 43,180 | 35,405 | 15,680 | 2,297 | 17,977 |
| WJ Private Equity Fund No.1 | 35,342 | 161 | 37,100 | 35,181 | 9,483 | (1) | 9,482 |
| All Together Korea Fund No.2 | 10,543 | 1 | 10,001 | 10,542 | 10,541 | — | 10,541 |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund | 145,519 | 474 | 76,400 | 145,045 | 17,810 | — | 17,810 |
| 2020 KB Fintech Renaissance Fund | 20,664 | 38 | 10,900 | 20,626 | 1,041 | — | 1,041 |
| KB Material and Parts No.1 PEF | 22,808 | 2 | 23,500 | 22,806 | 3,300 | — | 3,300 |
| FineKB Private Equity Fund No.1 | 30,930 | 141 | 42,600 | 30,789 | 7,697 | — | 7,697 |

**13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates and joint ventures as of and for the years ended December 31, 2023 and 2024, 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 | Consolidated carrying amount |
| G payment Joint Stock Company | ₩ 10,018 | ₩ 2,386 | ₩ 2,950 | ₩ 7,632 | ₩ 3,319 | ₩ 5,647 | ₩ 8,966 |
| KB-GeneN Medical Venture Fund No.1 | 8,583 | 48 | 8,880 | 8,535 | 1,922 | 1 | 1,923 |
| KB-BridgePole Venture Investment Fund | 13,781 | 72 | 2,160 | 13,709 | 863 | — | 863 |
| KB-Kyobo New Mobility Power Fund | 9,216 | 40 | 10,500 | 9,176 | 2,622 | — | 2,622 |
| DA-Friend New Technology Investment Fund No.2 | 3,502 | 74 | 3,650 | 3,428 | 927 | 1 | 928 |
| Cornerstone Pentastone Fund No.4 | 3,623 | 22 | 3,800 | 3,601 | 775 | — | 775 |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | 522,947 | 419,224 | 178,000 | 103,723 | 27,213 | (27,213) | — |
| KB-Badgers Future Mobility ESG Fund No.1 | 15,600 | 672 | 18,766 | 14,928 | 6,106 | (1) | 6,105 |
| JS Private Equity Fund No.3 | 9,090 | 1 | 8,300 | 9,089 | 1,862 | — | 1,862 |
| Mirae Asset Mobility Investment Fund No.1 | 8,551 | 74 | 8,700 | 8,477 | 1,949 | — | 1,949 |
| KB-FT Green Growth 1st Technology Investment Association | 18,649 | — | 19,345 | 18,649 | 1,928 | — | 1,928 |
| Glenwood Credit Private Equity Fund No.2 | 147,385 | 455 | 140,500 | 146,930 | 43,922 | — | 43,922 |
| THE CHAEUL FUND NO.1 | 3,111 | — | 3,200 | 3,111 | 972 | — | 972 |
| Smart Korea KB Future9-Sejong Venture Fund | 6,314 | 81 | 6,152 | 6,233 | 2,398 | — | 2,398 |
| KB-KTB Technology Venture Fund | 42,263 | 246 | 44,000 | 42,017 | 21,389 | 2 | 21,391 |
| KB-SOLIDUS Healthcare Investment Fund | 44,875 | 330 | 47,190 | 44,545 | 41,326 | (1,154) | 40,172 |
| Paramark KB Fund No.1 | 78,715 | 28 | 89,441 | 78,687 | 13,645 | — | 13,645 |
| KB Co-Investment Private Equity Fund No.1 | 131,929 | 257 | 133,075 | 131,672 | 9,477 | (101) | 9,376 |
| POSITIVE Sobujang Venture Fund No.1 | 4,494 | 23 | 4,550 | 4,471 | 1,965 | — | 1,965 |
| History 2022 Fintech Fund | 5,611 | 39 | 5,750 | 5,572 | 1,938 | — | 1,938 |
| KB-NP Green ESG New Technology Venture Capital Fund | 68,228 | 1,193 | 70,557 | 67,035 | 19,429 | — | 19,429 |
| TMAP Mobility Co., Ltd. | 849,894 | 220,824 | 8,680 | 629,070 | 51,866 | 131,706 | 183,572 |
| Nextrade Co., Ltd. | 139,245 | 296 | 146,100 | 138,949 | 9,225 | — | 9,225 |
| Shinhan Global Mobility Fund No.1 | 5,389 | 1 | 5,700 | 5,388 | 1,324 | — | 1,324 |
| SKB Next Unicorn K-Battery Fund No.1 | 7,609 | — | 7,700 | 7,609 | 1,890 | — | 1,890 |
| Lakewood-AVES Fund No.1 | 5,065 | 4 | 5,120 | 5,061 | 1,977 | — | 1,977 |
| MW-Pyco NewWave New Technology Investment Fund 4th | 3,832 | — | 3,900 | 3,832 | 1,965 | — | 1,965 |
| Bitgoeul Cheomdan Green 1st Co., Ltd | 877 | 6 | 1,000 | 871 | 165 | — | 165 |
| KB-SUSUNG 1st Investment Fund | 19,690 | — | 20,000 | 19,690 | 2,953 | — | 2,953 |
| Friend 55 New Technology Business Investment Fund | 2,220 | 3 | 2,250 | 2,217 | 1,182 | — | 1,182 |

**13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates and joint ventures as of and for the years ended December 31, 2023 and 2024, 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 | Consolidated carrying amount |
| KY Global Cell & Gene Private Equity Fund 2nd | ₩132,025 | ₩ 11 | ₩132,331 | ₩132,014 | ₩ 26,969 | ₩ — | ₩ 26,969 |
| DSIP-Pharos Bioenergy Fund | 48,307 | 44 | 11,730 | 48,263 | 16,458 | — | 16,458 |
| Shinhan-Eco Venture Fund 2nd | 9,067 | 66 | 9,125 | 9,001 | 1,800 | — | 1,800 |
| Leading H2O Fund 1 | 3,088 | 1 | 3,110 | 3,087 | 1,489 | — | 1,489 |
| 2023 JB Newtech No.2 Fund | 6,946 | 2 | 7,000 | 6,944 | 1,786 | — | 1,786 |
| U-KB Credit No.1 Private Equity | 20,557 | 6 | 20,700 | 20,551 | 6,851 | (1) | 6,850 |
| KB-BridgePole Venture Investment Fund No.2 | 10,502 | 41 | 10,500 | 10,461 | 1,494 | — | 1,494 |
| Sirius Silicon Valley I New Technology Fund | 2,040 | 2 | 2,100 | 2,038 | 485 | — | 485 |

*(In millions of Korean won)*

| | 2023* | | | | |
|---|---|---|---|---|---|
| | Operating revenue | Net profit (loss) | Other comprehensive income (loss) | Total comprehensive income (loss) | Dividends |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | ₩ — | ₩ (12) | ₩ — | ₩ (12) | ₩ — |
| Balhae Infrastructure Company | 126,682 | 121,783 | — | 121,783 | 9,582 |
| Aju Good Technology Venture Fund | 20,386 | 15,176 | — | 15,176 | 3,577 |
| Incheon Bridge Co., Ltd. | 128,860 | 22,110 | — | 22,110 | — |
| Big Dipper Co., Ltd. | 324 | (242) | — | (242) | — |
| Food Factory Co., Ltd. | 10,283 | (89) | — | (89) | — |
| KBSP Private Equity Fund No.4 | 3,894 | 4,073 | — | 4,073 | — |
| Korea Credit Bureau Co., Ltd. | 163,707 | 8,012 | — | 8,012 | 90 |
| KB Social Impact Investment Fund | 2,230 | 1,958 | — | 1,958 | — |
| KB-Solidus Global Healthcare Fund | 42,005 | 36,193 | — | 36,193 | 10,920 |
| POSCO-KB Shipbuilding Fund | 709 | (191) | — | (191) | — |
| KB-TS Technology Venture Private Equity Fund | 836 | 362 | — | 362 | — |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund | 7,610 | 2,302 | — | 2,302 | — |
| KB-SJ Tourism Venture Fund | 664 | (2,870) | — | (2,870) | — |
| UNION Media Commerce Fund | — | (16) | — | (16) | — |
| KB-Stonebridge Secondary Private Equity Fund | 9,698 | 7,558 | — | 7,558 | 396 |
| KB SPROTT Renewable Private Equity Fund No.1 | 26 | (689) | — | (689) | — |
| KB-UTC Inno-Tech Venture Fund | 758 | (5,024) | 2,208 | (2,816) | 3 |
| WJ Private Equity Fund No.1 | 430 | (218) | — | (218) | — |
| All Together Korea Fund No.2 | 303 | 297 | — | 297 | — |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund | 58,734 | 47,415 | — | 47,415 | — |
| 2020 KB Fintech Renaissance Fund | 8,289 | 8,134 | — | 8,134 | — |
| KB Material and Parts No.1 PEF | 451 | 90 | — | 90 | 34 |
| FineKB Private Equity Fund No.1 | 820 | (2,578) | — | (2,578) | 16 |
| G payment Joint Stock Company | 11,434 | (539) | — | (539) | — |
| KB-GeneN Medical Venture Fund No.1 | — | (187) | — | (187) | — |
| KB-BridgePole Venture Investment Fund | 22,202 | 21,916 | — | 21,916 | 638 |
| KB-Kyobo New Mobility Power Fund | 1 | (715) | — | (715) | — |
| DA-Friend New Technology Investment Fund No.2 | — | (78) | — | (78) | — |
| Cornerstone Pentastone Fund No.4 | — | (81) | — | (81) | — |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | 33,947 | (55,599) | — | (55,599) | — |
| KB-Badgers Future Mobility ESG Fund No.1 | 150 | (2,219) | — | (2,219) | — |
| JS Private Equity Fund No.3 | 1,135 | 963 | — | 963 | — |

**13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates and joint ventures as of and for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | 2023* | | | | |
|---|---|---|---|---|---|
| | Operating revenue | Net profit (loss) | Other comprehensive income (loss) | Total comprehensive income (loss) | Dividends |
| Mirae Asset Mobility Investment Fund No.1 | ₩ 19 | ₩ (133) | ₩ — | ₩ (133) | ₩ — |
| KB-FT Green Growth 1st Technology Investment Association | 3 | (402) | — | (402) | — |
| Glenwood Credit Private Equity Fund No.2 | 10,374 | 9,611 | — | 9,611 | 2,428 |
| THE CHAEUL FUND NO.1 | 1 | (55) | — | (55) | — |
| Smart Korea KB Future9-Sejong Venture Fund | 667 | 391 | — | 391 | — |
| KB-KTB Technology Venture Fund | 166 | (917) | — | (917) | — |
| KB-SOLIDUS Healthcare Investment Fund | 16 | (1,344) | — | (1,344) | — |
| Paramark KB Fund No.1 | 1,085 | (3,824) | — | (3,824) | — |
| KB Co-Investment Private Equity Fund No.1 | 21 | (908) | — | (908) | — |
| POSITIVE Sobujang Venture Fund No.1 | 75 | (28) | — | (28) | — |
| History 2022 Fintech Fund | 1 | (123) | — | (123) | — |
| KB-NP Green ESG New Technology Venture Capital Fund | 21 | (2,463) | — | (2,463) | — |
| TMAP Mobility Co., Ltd. | 294,016 | (100,432) | — | (100,432) | — |
| Nextrade Co., Ltd. | — | (7,150) | — | (7,150) | — |
| Shinhan Global Mobility Fund No.1 | — | (115) | — | (115) | — |
| SKB Next Unicorn K-Battery Fund No.1 | 123 | (87) | — | (87) | — |
| Lakewood-AVES Fund No.1 | — | (60) | — | (60) | — |
| MW-Pyco NewWave New Technology Investment Fund 4th | 1 | (68) | — | (68) | — |
| Bitgoeul Cheomdan Green 1st Co., Ltd. | — | (124) | — | (124) | — |
| KB-SUSUNG 1st Investment Fund | 47 | (310) | — | (310) | — |
| Friend 55 New Technology Business Investment Fund | 3 | (33) | — | (33) | — |
| KY Global Cell & Gene Private Equity Fund 2nd | — | (225) | (93) | (318) | — |
| DSIP-Pharos Bioenergy Fund | 36,813 | 36,533 | — | 36,533 | — |
| Shinhan-Eco Venture Fund 2nd | 2 | (125) | — | (125) | — |
| Leading H2O Fund 1 | 5 | (23) | — | (23) | — |
| 2023 JB Newtech No.2 Fund | 2 | (56) | — | (56) | — |
| U-KB Credit No.1 Private Equity | 345 | (149) | — | (149) | — |
| KB-BridgePole Venture Investment Fund No.2 | 2 | (39) | — | (39) | — |
| Sirius Silicon Valley I New Technology | 1 | (62) | — | (62) | — |

*(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 | Consolidated carrying amount |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | ₩ 7,804 | ₩ — | ₩ 4,500 | ₩ 7,804 | ₩ 5,203 | ₩ — | ₩ 5,203 |
| Balhae Infrastructure Company | 971,597 | 122,393 | 882,264 | 849,204 | 139,015 | — | 139,015 |
| Aju Good Technology Venture Fund | 24,214 | — | 900 | 24,214 | 9,313 | — | 9,313 |
| Incheon Bridge Co., Ltd. | 517,004 | 520,577 | 61,096 | (3,573) | (535) | 535 | — |
| Big Dipper Co., Ltd. | 1,527 | 1,345 | 495 | 182 | 32 | — | 32 |
| Food Factory Co., Ltd. | 8,330 | 5,253 | 450 | 3,077 | 684 | 857 | 1,541 |
| KBSP Private Equity Fund No.4 | 22,631 | 560 | 33,700 | 22,071 | 3,995 | — | 3,995 |
| Korea Credit Bureau Co., Ltd. | 150,657 | 62,343 | 10,000 | 88,314 | 7,948 | — | 7,948 |
| KB Social Impact Investment Fund | 11,965 | 253 | 15,000 | 11,712 | 3,514 | — | 3,514 |
| KB-Solidus Global Healthcare Fund | 38,836 | — | 3,000 | 38,836 | 16,829 | 696 | 17,525 |
| POSCO-KB Shipbuilding Fund | 10,316 | 1 | 5,840 | 10,315 | 3,223 | — | 3,223 |
| KB-TS Technology Venture Private Equity Fund | 26,460 | 6,587 | 11,800 | 19,873 | 11,129 | — | 11,129 |
| KB-SJ Tourism Venture Fund | 9,893 | 276 | 3,078 | 9,617 | 1,781 | — | 1,781 |
| UNION Media Commerce Fund | 3,318 | 56 | 3,450 | 3,262 | 946 | — | 946 |

**13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates and joint ventures as of and for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | December 31, 2024* | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total assets | Total liabilities | Paid-in capital | Equity | Share of net asset amount | Unrealized gains (losses) and others | Consolidated carrying amount |
| KB-Stonebridge Secondary Private Equity Fund | ₩ 115,993 | ₩ 193 | ₩ 111,020 | ₩ 115,800 | ₩ 16,867 | ₩ — | ₩ 16,867 |
| KB SPROTT Renewable Private Equity Fund No.1 | 24,548 | 251 | 29,313 | 24,297 | 5,764 | 1,876 | 7,640 |
| KB-UTC Inno-Tech Venture Fund | 26,935 | 448 | 42,418 | 26,487 | 11,730 | 3,752 | 15,482 |
| WJ Private Equity Fund No.1 | 35,435 | 475 | 37,100 | 34,960 | 9,423 | — | 9,423 |
| All Together Korea Fund No.2 | 10,849 | 1 | 10,001 | 10,848 | 10,847 | — | 10,847 |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund | 123,434 | 408 | 82,500 | 123,026 | 16,043 | — | 16,043 |
| 2020 KB Fintech Renaissance Fund | 21,377 | 38 | 10,900 | 21,339 | 1,077 | — | 1,077 |
| FineKB Private Equity Fund No.1 | 55,144 | 294 | 63,760 | 54,850 | 13,712 | — | 13,712 |
| G payment Joint Stock Company | 10,253 | 2,994 | 2,950 | 7,259 | 1,504 | 1,017 | 2,521 |
| KB-GeneN Medical Venture Fund No.1 | 8,526 | 178 | 8,880 | 8,348 | 1,880 | — | 1,880 |
| DA-Friend New Technology Investment Fund No.2 | 3,500 | 151 | 3,650 | 3,349 | 906 | — | 906 |
| Cornerstone Pentastone Fund No.4 | 3,553 | 3 | 3,800 | 3,550 | 764 | — | 764 |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | 514,425 | 421,241 | 178,000 | 93,184 | 24,452 | (24,452) | — |
| KB-Badgers Future Mobility ESG Fund No.1 | 32,051 | — | 44,198 | 32,051 | 13,109 | — | 13,109 |
| JS Private Equity Fund No.3 | 3,625 | — | 4,614 | 3,625 | 742 | — | 742 |
| Mirae Asset Mobility Investment Fund No.1 | 8,417 | 75 | 8,700 | 8,342 | 1,918 | — | 1,918 |
| KB-FT Green Growth 1st Technology Investment Association | 18,271 | — | 19,345 | 18,271 | 1,889 | — | 1,889 |
| Glenwood Credit Private Equity Fund No.2 | 148,970 | 508 | 140,500 | 148,462 | 44,380 | — | 44,380 |
| THE CHAEUL FUND NO.1 | 3,053 | — | 3,200 | 3,053 | 954 | — | 954 |
| Smart Korea KB Future9-Sejong Venture Fund | 6,044 | — | 6,152 | 6,044 | 2,325 | — | 2,325 |
| KB-KTB Technology Venture Fund | 50,673 | 687 | 55,000 | 49,986 | 25,446 | 2 | 25,448 |
| KB-SOLIDUS Healthcare Investment Fund | 69,004 | 3 | 72,930 | 69,001 | 62,383 | (101) | 62,282 |
| Paramark KB Fund No.1 | 133,926 | 28 | 136,324 | 133,898 | 23,219 | — | 23,219 |
| KB Co-Investment Private Equity Fund No.1 | 224,659 | 417 | 217,807 | 224,242 | 15,968 | — | 15,968 |
| POSITIVE Sobujang Venture Fund No.1 | 2,003 | 26 | 2,000 | 1,977 | 869 | — | 869 |
| History 2022 Fintech Fund | 5,507 | 55 | 5,750 | 5,452 | 1,896 | — | 1,896 |
| KB-NP Green ESG New Technology Venture Capital Fund | 133,929 | 775 | 138,872 | 133,154 | 38,592 | — | 38,592 |
| TMAP Mobility 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 and joint ventures as of and for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | December 31, 2024* | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total assets | Total liabilities | Paid-in capital | Equity | Share of net asset amount | Unrealized gains (losses) and others | Consolidated carrying amount |
| Nextrade Co., Ltd. | ₩ 125,776 | ₩ 2,563 | ₩146,100 | ₩ 123,213 | ₩ 8,180 | ₩ — | ₩ 8,180 |
| Shinhan Global Mobility Fund No.1 | 5,320 | 51 | 5,700 | 5,269 | 1,294 | — | 1,294 |
| SKB Next Unicorn K-Battery Fund No.1 | 7,446 | — | 7,700 | 7,446 | 1,850 | — | 1,850 |
| MW-Pyco NewWave New Technology Investment Fund 4th | 3,747 | — | 3,900 | 3,747 | 1,922 | — | 1,922 |
| Bitgoeul Cheomdan Green 1st Co., Ltd. | 1,274 | 5 | 1,800 | 1,269 | 241 | — | 241 |
| KB-SUSUNG 1st Investment Fund | 14,590 | — | 10,760 | 14,590 | 2,188 | — | 2,188 |
| Shinhan-Eco Venture Fund 2nd | 9,868 | 3 | 10,250 | 9,865 | 1,973 | — | 1,973 |
| Leading H2O Fund 1 | 3,018 | 1 | 3,110 | 3,017 | 1,455 | — | 1,455 |
| 2023 JB Newtech No.2 Fund | 6,634 | 3 | 5,466 | 6,631 | 1,705 | — | 1,705 |
| U-KB Credit No.1 Private Equity | 24,988 | 974 | 21,900 | 24,014 | 8,006 | — | 8,006 |
| KB-BridgePole Venture Investment Fund No.2 | 10,244 | — | 10,500 | 10,244 | 1,463 | — | 1,463 |
| Sirius Silicon Valley I New Technology Fund | 1,994 | 1 | 2,100 | 1,993 | 474 | — | 474 |
| FineKB Private Equity Fund No.2 | 29,324 | 78 | 29,501 | 29,246 | 248 | — | 248 |
| Timefolio Athleisure Investment Fund | 8,140 | — | 8,300 | 8,140 | 3,923 | — | 3,923 |
| VIG Private Equity Fund V-3 | 4,131 | 5 | 4,131 | 4,126 | 4,126 | (2,490) | 1,636 |
| COMPA Global Scale-Up Fund No.3 | 3,266 | — | 3,334 | 3,266 | 980 | — | 980 |
| AKK Robotech Valueup New Technology Investment Fund | 22,651 | 6 | 20,100 | 22,645 | 1,127 | — | 1,127 |
| YG MCE PROJECT NO.1 Fund | 5,317 | — | 5,400 | 5,317 | 1,477 | — | 1,477 |
| HI YG Win-win Fund No.2 | 9,568 | — | 9,700 | 9,568 | 1,973 | — | 1,973 |
| KB-CJ Venture Fund 1st | 4,333 | 1 | 4,500 | 4,332 | 1,733 | — | 1,733 |
| Elohim-Bilanx aerospace No.1 Fund | 9,451 | 5 | 9,550 | 9,446 | 1,978 | — | 1,978 |
| KB-SUSUNG 2st Investment Fund | 15,649 | — | 15,800 | 15,649 | 1,981 | — | 1,981 |
| IMM global Secondary 1-1 Equity Private Fund | 9,503 | 490 | 6,769 | 9,013 | 3,754 | — | 3,754 |
| LIB Material Investment Fund | 5,787 | — | 31,387 | 5,787 | 1,475 | — | 1,475 |
| NOVORSEC-SJG Consumer Secondary Fund | 6,949 | — | 7,000 | 6,949 | 1,688 | — | 1,688 |
| Allra Fintech Corp. | 185,699 | 175,310 | 174 | 10,389 | 1,638 | 7,046 | 8,684 |
| Reboot Private Equity Fund | 32,376 | 127 | 32,500 | 32,249 | 6,946 | — | 6,946 |
| KB-SBI Global Strategic Capital Fund | 30,205 | 575 | 31,046 | 29,630 | 10,782 | 2 | 10,784 |
| KB-Cyrus Tourism Venture Fund | 5,277 | — | 5,400 | 5,277 | 977 | — | 977 |
| IBKS Design Fund | 4,292 | — | 4,300 | 4,292 | 1,996 | — | 1,996 |
| NICE DATA INTELLIGENCE VENTURE FUND | 4,241 | — | 4,250 | 4,241 | 998 | — | 998 |
| Pectus Hanhwa Fund 2 | 6,631 | — | 6,800 | 6,631 | 1,950 | — | 1,950 |
| KB-IMM New Star Real Estate Private Fund I | 53,736 | 110 | 51,177 | 53,626 | 33,074 | — | 33,074 |
| Korea Environment Technology Co., Ltd. | 232,104 | 54,581 | 25,000 | 177,523 | 43,156 | 64,272 | 107,428 |

**13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates and joint ventures as of and for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | 2024* | | | | |
|---|---|---|---|---|---|
| | Operating revenue | Net profit (loss) | Other comprehensive income (loss) | Total comprehensive income (loss) | Dividends |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | ₩ 398 | ₩ (541) | ₩ — | ₩ (541) | ₩ — |
| Balhae Infrastructure Company | 63,727 | 70,486 | — | 70,486 | 1,541 |
| Aju Good Technology Venture Fund | 3,396 | (7,447) | — | (7,447) | 2,120 |
| Incheon Bridge Co., Ltd. | 171,687 | 66,701 | — | 66,701 | — |
| Big Dipper Co., Ltd. | 251 | (346) | — | (346) | — |
| Food Factory Co., Ltd. | 8,804 | 428 | — | 428 | — |
| KBSP Private Equity Fund No.4 | 8,363 | 8,143 | — | 8,143 | — |
| Korea Credit Bureau Co., Ltd. | 175,338 | 26,589 | — | 26,589 | 90 |
| KB Social Impact Investment Fund | 476 | (4,465) | — | (4,465) | — |
| KB-Solidus Global Healthcare Fund | 11,049 | (114) | — | (114) | 910 |
| POSCO-KB Shipbuilding Fund | 944 | (4,848) | — | (4,848) | — |
| KB-TS Technology Venture Private Equity Fund | 1,832 | 946 | — | 946 | — |
| KB-SJ Tourism Venture Fund | 26,720 | 22,068 | — | 22,068 | 1,517 |
| UNION Media Commerce Fund | — | (23) | — | (23) | — |
| KB-Stonebridge Secondary Private Equity Fund | 6,646 | (8,923) | — | (8,923) | 52 |
| KB SPROTT Renewable Private Equity Fund No.1 | 1 | (681) | — | (681) | — |
| KB-UTC Inno-Tech Venture Fund | 963 | (2,620) | (561) | (3,181) | — |
| WJ Private Equity Fund No.1 | 425 | (222) | — | (222) | — |
| All Together Korea Fund No.2 | 313 | 307 | — | 307 | — |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund | 24,534 | (28,117) | — | (28,117) | — |
| 2020 KB Fintech Renaissance Fund | 868 | 714 | — | 714 | — |
| FineKB Private Equity Fund No.1 | 4,809 | 3,028 | — | 3,028 | 32 |
| G payment Joint Stock Company | 1,411 | (944) | — | (944) | — |
| KB-GeneN Medical Venture Fund No.1 | — | (187) | — | (187) | — |
| DA-Friend New Technology Investment Fund No.2 | — | (79) | — | (79) | — |
| Cornerstone Pentastone Fund No.4 | — | (50) | — | (50) | — |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | 18,279 | (4,135) | — | (4,135) | — |
| KB-Badgers Future Mobility ESG Fund No.1 | 954 | (8,304) | — | (8,304) | 2 |
| JS Private Equity Fund No.3 | 309 | (1,778) | — | (1,778) | — |
| Mirae Asset Mobility Investment Fund No.1 | 14 | (135) | — | (135) | — |
| KB-FT Green Growth 1st Technology Investment Association | 12 | (379) | — | (379) | — |
| Glenwood Credit Private Equity Fund No.2 | 10,374 | 9,632 | — | 9,632 | 2,430 |
| THE CHAEUL FUND NO.1 | 1 | (58) | — | (58) | — |
| Smart Korea KB Future9-Sejong Venture Fund | 37 | (190) | — | (190) | — |
| KB-KTB Technology Venture Fund | 693 | (3,031) | — | (3,031) | — |
| KB-SOLIDUS Healthcare Investment Fund | 40 | (1,284) | — | (1,284) | — |
| Paramark KB Fund No.1 | 12,737 | 8,329 | — | 8,329 | — |
| KB Co-Investment Private Equity Fund No.1 | 24,679 | 23,302 | — | 23,302 | — |
| POSITIVE Sobujang Venture Fund No.1 | 5,742 | 4,900 | — | 4,900 | 2,129 |
| History 2022 Fintech Fund | 1 | (120) | — | (120) | — |
| KB-NP Green ESG New Technology Venture Capital Fund | 767 | (2,197) | — | (2,197) | — |
| TMAP Mobility Co., Ltd. | 321,542 | (58,287) | — | (58,287) | — |
| Nextrade Co., Ltd. | 3,856 | (15,737) | — | (15,737) | — |
| Shinhan Global Mobility Fund No.1 | — | (120) | — | (120) | — |
| SKB Next Unicorn K-Battery Fund No.1 | — | (162) | — | (162) | — |
| MW-Pyco NewWave New Technology Investment Fund 4th | 1 | (84) | — | (84) | — |

**13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates and joint ventures as of and for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | 2024* | | | | |
|---|---|---|---|---|---|
| | Operating revenue | Net profit (loss) | Other comprehensive income (loss) | Total comprehensive income (loss) | Dividends |
| Bitgoeul Cheomdan Green 1st Co., Ltd. | ₩ 1 | ₩ (396) | ₩ — | ₩ (396) | ₩ — |
| KB-SUSUNG 1st Investment Fund | 5,164 | 4,140 | — | 4,140 | — |
| Shinhan-Eco Venture Fund 2nd | — | (260) | — | (260) | — |
| Leading H2O Fund 1 | 3 | (71) | — | (71) | — |
| 2023 JB Newtech No.2 Fund | 2,533 | 1,804 | — | 1,804 | 150 |
| U-KB Credit No.1 Private Equity | 4,487 | 2,263 | — | 2,263 | — |
| KB-BridgePole Venture Investment Fund No.2 | 4 | (216) | — | (216) | — |
| Sirius Silicon Valley I New Technology Fund | 10 | (45) | — | (45) | — |
| FineKB Private Equity Fund No.2 | 4 | (255) | — | (255) | — |
| Timefolio Athleisure Investment Fund | 6 | (160) | — | (160) | — |
| VIG Private Equity Fund V-3 | — | (5) | — | (5) | — |
| COMPA Global Scale-Up Fund No.3 | 9 | (68) | — | (68) | — |
| AKK Robotech Valueup New Technology Investment Fund | 2,976 | 2,545 | — | 2,545 | — |
| YG MCE PROJECT NO.1 Fund | 2 | (83) | — | (83) | — |
| HI YG Win-win Fund No.2 | 4 | (132) | — | (132) | — |
| KB-CJ Venture Fund 1st | 34 | (168) | — | (168) | — |
| Elohim-Bilanx aerospace No.1 Fund | 2 | (104) | — | (104) | — |
| KB-SUSUNG 2st Investment Fund | 43 | (151) | — | (151) | — |
| IMM global Secondary 1-1 Equity Private Fund | 2,318 | 2,245 | — | 2,245 | — |
| LIB Material Investment Fund | — | (19,096) | — | (19,096) | — |
| NOVORSEC-SJG Consumer Secondary Fund | 7 | (51) | — | (51) | — |
| Allra Fintech Corp. | 6,475 | 966 | — | 966 | — |
| Reboot Private Equity Fund | 1 | (251) | — | (251) | — |
| KB-SBI Global Strategic Capital Fund | 2 | (1,416) | — | (1,416) | — |
| KB-Cyrus Tourism Venture Fund | 5 | (123) | — | (123) | — |
| IBKS Design Fund | — | (8) | — | (8) | — |
| NICE DATA INTTELIGENCE VENTURE FUND | — | (9) | — | (9) | — |
| Pectus Hanhwa Fund 2 | — | (169) | — | (169) | — |
| KB-IMM New Star Real Estate Private Fund I | 2,681 | 2,449 | — | 2,449 | — |
| Korea Environment Technology Co., Ltd. | 63,024 | 21,181 | — | 21,181 | — |

* The condensed financial information of the associates and joint ventures 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 and joint ventures for the years ended December 31, 2023 and 2024, are as follows:**

*(In millions of Korean won)*

| | 2023* | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Beginning | Acquisition and others | Disposal and others | Dividends | Gains (losses) on equity-method accounting | Other comprehensive income (loss) | Others | Ending |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | ₩ 5,978 | ₩ — | ₩ — | ₩ — | ₩ 85 | ₩ — | ₩ — | ₩ 6,063 |
| Balhae Infrastructure Company | 90,617 | — | (1,079) | (9,582) | 13,810 | — | — | 93,766 |
| Hahn & Company No. 4-3 Private Equity Fund | — | 8,188 | (7,253) | — | (935) | — | — | — |
| Aju Good Technology Venture Fund | 19,836 | — | (7,800) | (3,577) | 5,837 | — | — | 14,296 |
| KG Capital Co., Ltd. | 19,162 | — | — | — | 252 | (2) | (19,412) | — |
| Big Dipper Co., Ltd. | 60 | — | — | — | 17 | 17 | — | 94 |
| Paycoms Co., Ltd. | 213 | — | — | — | (57) | — | (156) | — |
| Food Factory Co., Ltd. | 1,399 | — | — | — | 83 | 1 | — | 1,483 |
| KBSP Private Equity Fund No.4 | 1,892 | — | — | — | 509 | 93 | — | 2,494 |
| Korea Credit Bureau Co., Ltd. | 4,959 | — | — | (90) | 748 | — | — | 5,617 |
| KB Social Impact Investment Fund | 4,266 | — | — | — | 587 | — | — | 4,853 |
| KB-Solidus Global Healthcare Fund | 22,432 | — | (8,710) | (10,920) | 15,683 | — | — | 18,485 |
| POSCO-KB Shipbuilding Fund | 4,798 | — | — | — | (60) | — | — | 4,738 |
| KB-TS Technology Venture Private Equity Fund | 13,794 | — | (672) | — | (750) | — | — | 12,372 |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund | 17,051 | — | (13,200) | — | 1,544 | — | — | 5,395 |
| KB-SJ Tourism Venture Fund | 3,773 | — | — | — | (531) | — | — | 3,242 |
| UNION Media Commerce Fund | 957 | — | — | — | (5) | — | — | 952 |
| KB-Stonebridge Secondary Private Equity Fund | 25,144 | — | (6,964) | (396) | 1,101 | — | — | 18,885 |
| KB SPROTT Renewable Private Equity Fund No.1 | 16,539 | — | (475) | — | (154) | — | — | 15,910 |
| KB-UTC Inno-Tech Venture Fund | 19,180 | — | (2,251) | (3) | 399 | 652 | — | 17,977 |
| WJ Private Equity Fund No.1 | 9,542 | — | — | — | (60) | — | — | 9,482 |
| All Together Korea Fund No.2 | 10,244 | — | — | — | 297 | — | — | 10,541 |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund | 12,554 | 1,800 | (2,234) | — | 5,690 | — | — | 17,810 |
| December & Company Inc. | 16,029 | — | (14,864) | — | — | — | (1,165) | — |
| 2020 KB Fintech Renaissance Fund | 630 | — | — | — | 411 | — | — | 1,041 |
| KB Material and Parts No.1 PEF | 3,321 | — | — | (34) | 13 | — | — | 3,300 |
| FineKB Private Equity Fund No.1 | 10,483 | — | (2,125) | (16) | (645) | — | — | 7,697 |
| G payment Joint Stock Company | 9,281 | — | (79) | — | (236) | — | — | 8,966 |
| KB-GeneN Medical Venture Fund No.1 | 1,965 | — | — | — | (42) | — | — | 1,923 |
| KB-BridgePole Venture Investment Fund | 835 | — | (714) | (638) | 1,380 | — | — | 863 |
| KB-Kyobo New Mobility Power Fund | 2,826 | — | — | — | (204) | — | — | 2,622 |
| DA-Friend New Technology Investment Fund No.2 | 949 | — | — | — | (21) | — | — | 928 |
| Cornerstone Pentastone Fund No.4 | 792 | — | — | — | (17) | — | — | 775 |
| SKS-VLP New Technology Investment Fund No.2 | 1,121 | — | (1,121) | — | — | — | — | — |
| KB-Badgers Future Mobility ESG Fund No.1 | 1,475 | 5,538 | — | — | (908) | — | — | 6,105 |
| JS Private Equity Fund No.3 | 1,664 | — | — | — | 198 | — | — | 1,862 |
| Mirae Asset Mobility Investment Fund No.1 | 1,979 | — | — | — | (30) | — | — | 1,949 |
| KB-FT Green Growth 1st Technology Investment Association | 1,970 | — | — | — | (42) | — | — | 1,928 |

**13.3 Changes in carrying amount of investments in associates and joint ventures for the years ended December 31, 2023 and 2024, 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 comprehensive income (loss) | Others | Ending |
| Glenwood Credit Private Equity Fund No.2 | ₩ 43,468 | ₩ — | ₩ — | ₩ (2,428) | ₩ 2,882 | ₩ — | ₩ — | ₩ 43,922 |
| THE CHAEUL FUND NO.1 | 989 | — | — | — | (17) | — | — | 972 |
| Smart Korea KB Future9-Sejong Venture Fund | 1,870 | 1,000 | (634) | — | 162 | — | — | 2,398 |
| KB-KTB Technology Venture Fund | 16,256 | 5,601 | — | — | (466) | — | — | 21,391 |
| KB-SOLIDUS Healthcare Investment Fund | 18,651 | 22,752 | (12) | — | (1,219) | — | — | 40,172 |
| Paramark KB Fund No.1 | 10,966 | 3,342 | — | — | (663) | — | — | 13,645 |
| KB Co-Investment Private Equity Fund No.1 | 7,233 | 2,208 | — | — | (65) | — | — | 9,376 |
| POSITIVE Sobujang Venture Fund No.1 | 1,977 | — | — | — | (12) | — | — | 1,965 |
| History 2022 Fintech Fund | 1,981 | — | — | — | (43) | — | — | 1,938 |
| PEBBLES-MW M.C.E New Technology Investment Fund 1st | 1,982 | — | (1,982) | — | — | — | — | — |
| KB-NP Green ESG New Technology Venture Capital Fund | 9,043 | 11,099 | — | — | (713) | — | — | 19,429 |
| TMAP Mobility Co., Ltd. | 194,455 | — | (19) | — | (11,893) | 1,029 | — | 183,572 |
| Nextrade Co., Ltd. | 9,700 | — | — | — | (475) | — | — | 9,225 |
| Shinhan Global Mobility Fund No.1 | 1,345 | — | — | — | (21) | — | — | 1,324 |
| SKB Next Unicorn K-Battery Fund No.1 | 1,995 | — | (87) | — | (18) | — | — | 1,890 |
| Lakewood-AVES Fund No.1 | — | 2,000 | — | — | (23) | — | — | 1,977 |
| MW-Pyco NewWave New Technology Investment Fund 4th | — | 2,000 | — | — | (35) | — | — | 1,965 |
| Bitgoeul Cheomdan Green 1st Co., Ltd. | — | 190 | — | — | (24) | (1) | — | 165 |
| KB-SUSUNG 1st Investment Fund | — | 3,000 | — | — | (47) | — | — | 2,953 |
| Friend 55 New Technology Business Investment Fund | — | 1,200 | — | — | (18) | — | — | 1,182 |
| KY Global Cell & Gene Private Equity Fund 2nd | — | 27,034 | — | — | (46) | (19) | — | 26,969 |
| DSIP-Pharos Bioenergy Fund | — | 4,000 | — | — | 12,458 | — | — | 16,458 |
| Shinhan-Eco Venture Fund 2nd | — | 1,825 | — | — | (25) | — | — | 1,800 |
| Leading H2O Fund 1 | — | 1,500 | — | — | (11) | — | — | 1,489 |
| 2023 JB Newtech No.2 Fund | — | 1,800 | — | — | (14) | — | — | 1,786 |
| U-KB Credit No.1 Private Equity | — | 6,900 | — | — | (50) | — | — | 6,850 |
| KB-BridgePole Venture Investment Fund No.2 | — | 1,500 | — | — | (6) | — | — | 1,494 |
| Sirius Silicon Valley I New Technology Fund | — | 500 | — | — | (15) | — | — | 485 |
| Others | 1,049 | 15 | (208) | — | 1,899 | (1,739) | — | 1,016 |
| | ₩682,670 | ₩ 114,992 | ₩ (72,483) | ₩ (27,684) | ₩ 45,429 | ₩ 31 | ₩(20,733) | ₩ 722,222 |

**13.3 Changes in carrying amount of investments in associates and joint ventures for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | 2024* | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Beginning | Acquisition and others | Disposal and others | Dividends | Gains (losses) on equity-method accounting | Other comprehensive income (loss) | Others | Ending |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | ₩ 6,063 | ₩ — | ₩ (600) | ₩ — | ₩ (260) | ₩ — | ₩ — | ₩ 5,203 |
| Balhae Infrastructure Company | 93,766 | 48,051 | (4,810) | (1,541) | 3,549 | — | — | 139,015 |
| Aju Good Technology Venture Fund | 14,296 | — | — | (2,120) | (2,863) | — | — | 9,313 |
| Big Dipper Co., Ltd. | 94 | — | — | — | (62) | — | — | 32 |
| Food Factory Co., Ltd. | 1,483 | — | — | — | 57 | 1 | — | 1,541 |
| KBSP Private Equity Fund No.4 | 2,494 | — | — | — | 832 | 668 | — | 3,994 |
| Korea Credit Bureau Co., Ltd. | 5,617 | — | — | (90) | 2,422 | — | — | 7,949 |
| KB Social Impact Investment Fund | 4,853 | — | — | — | (1,340) | — | — | 3,513 |
| KB-Solidus Global Healthcare Fund | 18,485 | — | — | (910) | (50) | — | — | 17,525 |
| POSCO-KB Shipbuilding Fund | 4,738 | — | — | — | (1,515) | — | — | 3,223 |
| KB-TS Technology Venture Private Equity Fund | 12,372 | — | (2,464) | — | 1,221 | — | — | 11,129 |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund | 5,395 | — | (2,460) | (3,152) | 217 | — | — | — |
| KB-SJ Tourism Venture Fund | 3,242 | — | (4,031) | (1,517) | 4,087 | — | — | 1,781 |
| UNION Media Commerce Fund | 952 | — | — | — | (7) | — | — | 945 |
| KB-Stonebridge Secondary Private Equity Fund | 18,885 | — | (666) | (52) | (1,300) | — | — | 16,867 |
| KB SPROTT Renewable Private Equity Fund No.1 | 15,910 | — | (8,350) | — | 80 | — | — | 7,640 |
| KB-UTC Inno-Tech Venture Fund | 17,977 | — | (275) | — | (2,054) | (166) | — | 15,482 |
| WJ Private Equity Fund No.1 | 9,482 | — | — | — | (60) | — | — | 9,422 |
| All Together Korea Fund No.2 | 10,541 | — | — | — | 307 | — | — | 10,848 |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund | 17,810 | 8,964 | (7,778) | — | (2,952) | — | — | 16,044 |
| 2020 KB Fintech Renaissance Fund | 1,041 | — | — | — | 36 | — | — | 1,077 |
| KB Material and Parts No.1 PEF | 3,300 | — | (3,300) | — | — | — | — | — |
| FineKB Private Equity Fund No.1 | 7,697 | 6,790 | (1,500) | (32) | 757 | — | — | 13,712 |
| G payment Joint Stock Company | 8,966 | — | (1,505) | — | (5,373) | — | 433 | 2,521 |
| KB-GeneN Medical Venture Fund No.1 | 1,923 | — | — | — | (42) | — | — | 1,881 |
| KB-BridgePole Venture Investment Fund | 863 | — | (863) | — | — | — | — | — |
| KB-Kyobo New Mobility Power Fund | 2,622 | — | (2,622) | — | — | — | — | — |
| DA-Friend New Technology Investment Fund No.2 | 928 | — | — | — | (21) | — | — | 907 |
| Cornerstone Pentastone Fund No.4 | 775 | — | — | — | (11) | — | — | 764 |
| KB-Badgers Future Mobility ESG Fund No.1 | 6,105 | 10,401 | — | (2) | (3,396) | — | — | 13,108 |
| JS Private Equity Fund No.3 | 1,862 | — | (755) | — | (364) | — | — | 743 |
| Mirae Asset Mobility Investment Fund No.1 | 1,949 | — | — | — | (31) | — | — | 1,918 |
| KB-FT Green Growth 1st Technology Investment Association | 1,928 | — | — | — | (39) | — | — | 1,889 |
| Glenwood Credit Private Equity Fund No.2 | 43,922 | — | — | (2,430) | 2,888 | — | — | 44,380 |
| THE CHAEUL FUND NO.1 | 972 | — | — | — | (18) | — | — | 954 |
| Smart Korea KB Future9-Sejong Venture Fund | 2,398 | — | — | — | (73) | — | — | 2,325 |
| KB-KTB Technology Venture Fund | 21,391 | 5,600 | — | — | (1,543) | — | — | 25,448 |
| KB-SOLIDUS Healthcare Investment Fund | 40,172 | 23,270 | — | — | (1,160) | — | — | 62,282 |

**13.3 Changes in carrying amount of investments in associates and joint ventures for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | 2024* | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Beginning | Acquisition and others | Disposal and others | Dividends | Gains (losses) on equity-method accounting | Other comprehensive income (loss) | Others | Ending |
| Paramark KB Fund No.1 | ₩ 13,645 | ₩ 8,130 | ₩ — | ₩ — | ₩ 1,444 | ₩ — | ₩ — | ₩ 23,219 |
| KB Co-Investment Private Equity Fund No.1 | 9,376 | 9,131 | (3,098) | — | 558 | — | — | 15,967 |
| POSITIVE Sobujang Venture Fund No.1 | 1,965 | — | (1,121) | (2,129) | 2,154 | — | — | 869 |
| History 2022 Fintech Fund | 1,938 | — | — | — | (42) | — | — | 1,896 |
| KB-NP Green ESG New Technology Venture Capital Fund | 19,429 | 19,800 | — | — | (637) | — | — | 38,592 |
| TMAP Mobility Co., Ltd. | 183,572 | — | — | — | (1,385) | (187) | — | 182,000 |
| Nextrade Co., Ltd. | 9,225 | — | — | — | (1,045) | — | — | 8,180 |
| Shinhan Global Mobility Fund No.1 | 1,324 | — | — | — | (30) | — | — | 1,294 |
| SKB Next Unicorn K-Battery Fund No.1 | 1,890 | — | — | — | (40) | — | — | 1,850 |
| Lakewood-AVES Fund No.1 | 1,977 | — | (1,977) | — | — | — | — | — |
| MW-Pyco NewWave New Technology Investment Fund 4th | 1,965 | — | — | — | (43) | — | — | 1,922 |
| Bitgoeul Cheomdan Green 1st Co., Ltd. | 165 | 152 | — | — | (75) | (1) | — | 241 |
| KB-SUSUNG 1st Investment Fund | 2,953 | — | (1,386) | — | 621 | — | — | 2,188 |
| Friend 55 New Technology Business Investment Fund | 1,182 | — | (1,182) | — | — | — | — | — |
| KY Global Cell & Gene Private Equity Fund 2nd | 26,969 | — | | (26,969) — | — | — | — | — |
| DSIP-Pharos Bioenergy Fund | 16,458 | — | (16,458) | — | — | — | — | — |
| Shinhan-Eco Venture Fund 2nd | 1,800 | 225 | — | — | (52) | — | — | 1,973 |
| Leading H2O Fund 1 | 1,489 | — | — | — | (34) | — | — | 1,455 |
| 2023 JB Newtech No.2 Fund | 1,786 | — | (394) | (150) | 464 | — | — | 1,706 |
| U-KB Credit No.1 Private Equity | 6,850 | 400 | — | — | 754 | — | — | 8,004 |
| KB-BridgePole Venture Investment Fund No.2 | 1,494 | — | — | — | (31) | — | — | 1,463 |
| Sirius Silicon Valley I New Technology Fund | 485 | — | — | — | (11) | — | — | 474 |
| FineKB Private Equity Fund No.2 | — | 250 | — | — | (2) | — | — | 248 |
| Timefolio Athleisure Investment Fund | — | 4,000 | — | — | (77) | — | — | 3,923 |
| VIG Private Equity Fund V-3 | — | 1,636 | — | — | — | — | — | 1,636 |
| COMPA Global Scale-Up Fund No.3 | — | 1,000 | — | — | (20) | — | — | 980 |
| AKK Robotech Valueup New Technology Investment Fund | — | 1,000 | — | — | 127 | — | — | 1,127 |
| YG MCE PROJECT NO.1 Fund | — | 1,500 | — | — | (23) | — | — | 1,477 |
| HI YG Win-win Fund No.2 | — | 2,000 | — | — | (27) | — | — | 1,973 |
| KB-CJ Venture Fund 1st | — | 1,800 | — | — | (67) | — | — | 1,733 |
| Elohim-Bilanx aerospace No.1 Fund | — | 2,000 | — | — | (22) | — | — | 1,978 |
| KB-SUSUNG 2st Investment Fund | — | 2,000 | — | — | (19) | — | — | 1,981 |
| IMM global Secondary 1-1 Equity Private Fund | — | 2,819 | — | — | 935 | — | — | 3,754 |
| LIB Material Investment Fund | — | 4,098 | — | — | (2,623) | — | — | 1,475 |
| NOVORSEC-SJG Consumer Secondary Fund | — | 1,700 | — | — | (12) | — | — | 1,688 |
| Allra Fintech Corp. | — | 8,532 | — | — | 152 | — | — | 8,684 |
| Reboot Private Equity Fund | — | 7,000 | — | — | (54) | — | — | 6,946 |
| KB-SBI Global Strategic Capital Fund | — | 11,299 | — | — | (515) | — | — | 10,784 |
| KB-Cyrus Tourism Venture Fund | — | 1,000 | — | — | (23) | — | — | 977 |
| IBKS Design Fund | — | 2,000 | — | — | (4) | — | — | 1,996 |
| NICE DATA INTELLIGENCE VENTURE FUND | — | 1,000 | — | — | (2) | — | — | 998 |

**13.3 Changes in carrying amount of investments in associates and joint ventures for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | 2024* | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Beginning | Acquisition and others | Disposal and others | Dividends | Gains (losses) on equity-method accounting | Other comprehensive income (loss) | Others | Ending |
| Pectus Hanhwa Fund 2 | ₩ — | ₩ 2,000 | ₩ — | ₩ — | ₩ (50) | ₩ — | ₩ — | ₩ 1,950 |
| KB-IMM New Star Real Estate Private Fund I | — | 31,563 | — | — | 1,510 | — | — | 33,073 |
| Korea Environment Technology Co., Ltd. | — | 107,428 | — | — | — | — | — | 107,428 |
| Others | 1,016 | 930 | (67) | — | (5) | 21 | 18 | 1,913 |
| | ₩ 722,222 | ₩ 339,469 | ₩ (94,631) | ₩ (14,125) | ₩ (6,332) | ₩ 336 | ₩ 451 | ₩ 947,390 |

* Gains (losses) on disposal of investments in associates and joint ventures amount to ₩6,853 million ₩(10,552) million for the years ended December 31, 2023 and 2024, respectively.

**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, 2023 and 2024, and accumulated amount of unrecognized losses as of December 31, 2023 and 2024, are as follows:**

*(In millions of Korean won)*

| | Unrecognized losses (gains) for the period | | Accumulated unrecognized losses | |
|---|---|---|---|---|
| | 2023 | 2024 | December 31, 2023 | December 31, 2024 |
| DSMETAL Co., Ltd. | ₩ — | ₩ — | ₩ 103 | ₩ 103 |
| Incheon Bridge Co., Ltd. | (3,323) | (12,105) | 12,640 | 535 |
| Jungdong Steel Co., Ltd. | — | — | 489 | — |
| Shinla Construction Co., Ltd. | — | — | 183 | — |
| Jaeyang Industry Co., Ltd. | — | — | 30 | 30 |
| Terra Corporation | — | — | 14 | 14 |
| Jungdo Co., Ltd. | (120) | — | 423 | 423 |
| Jinseung Tech Co., Ltd. | (18) | — | — | — |
| Korea NM Tech Co., Ltd. | 3 | 7 | 34 | 41 |
| Chongil Machine & Tools Co., Ltd. | — | — | 75 | 75 |
| Skydigital Inc. | 20 | (3) | 197 | 194 |
| Imt Technology Co., Ltd. | — | 2 | — | 2 |
| Jo Yang Industrial Co., Ltd. | 36 | 127 | 149 | 276 |
| MJT&I Corp. | (1) | 1 | 152 | 153 |
| Dae-A Leisure Co., Ltd. | 87 | 286 | 599 | 885 |
| Il-Kwang Electronic Materials Co., Ltd. | — | — | 158 | 158 |
| Dongjo Co., Ltd. | (147) | (26) | 549 | 523 |
| Iwon Alloy Co., Ltd. | (1) | 4 | 18 | 22 |
| Chunsung-meat co., ltd. | 9 | — | 33 | 33 |
| ALTSCS CO., LTD. | 395 | (15) | 396 | 381 |
| E-won Chemical Co., Ltd. | — | 8 | — | 12 |
| TKDS Co., Ltd | — | 69 | — | 177 |
| Taeyoungjungkong Co., Ltd. | — | 42 | — | 42 |
| MJ K Trading Co. | — | 36 | — | 36 |
| DNGV Co., Ltd. | — | 46 | — | 46 |
| Alpa Information & Communication Co., Ltd. | — | 77 | — | 77 |

**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, 2023 and 2024, and accumulated amount of unrecognized losses as of December 31, 2023 and 2024, are as follows (cont'd):**

| *(In millions of Korean won)* | Unrecognized losses (gains) for the period | | Accumulated unrecognized losses | |
|---|---|---|---|---|
| | 2023 | 2024 | December 31, 2023 | December 31, 2024 |
| JC TECHNO Co., Ltd. | ₩ — | ₩ 243 | ₩ — | ₩ 243 |
| RAND Bio Science Co., Ltd. | 187 | 150 | 727 | 877 |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | 7,691 | 5,643 | 17,432 | 23,075 |
| | ₩4,818 | ₩(5,408) | ₩ 34,401 | ₩ 28,433 |

## 14. Property and Equipment, and Investment Properties

### 14.1 Property and Equipment

14.1.1 Details of property and equipment as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | | | |
|---|---|---|---|---|
| | Acquisition cost | Accumulated depreciation | Accumulated impairment losses | Carrying amount |
| Land | ₩2,442,186 | ₩ — | ₩ (4) | ₩2,442,182 |
| Buildings | 2,449,394 | (899,839) | (5,747) | 1,543,808 |
| Leasehold improvements | 1,052,550 | (976,520) | — | 76,030 |
| Equipment and vehicles | 2,027,842 | (1,774,850) | — | 252,992 |
| Construction in-progress | 56,971 | — | — | 56,971 |
| Right-of-use assets | 1,608,541 | (1,034,825) | — | 573,716 |
| | ₩9,637,484 | ₩(4,686,034) | ₩ (5,751) | ₩4,945,699 |

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | Acquisition cost | Accumulated depreciation | Accumulated impairment losses | Carrying amount |
| Land | ₩ 2,471,259 | ₩ — | ₩ (4) | ₩2,471,255 |
| Buildings | 2,481,041 | (962,953) | (5,746) | 1,512,342 |
| Leasehold improvements | 1,107,922 | (1,025,640) | — | 82,282 |
| Equipment and vehicles | 2,148,574 | (1,850,044) | — | 298,530 |
| Construction in-progress | 65,941 | — | — | 65,941 |
| Right-of-use assets | 2,241,126 | (1,280,489) | (972) | 959,665 |
| | ₩10,515,863 | ₩(5,119,126) | ₩ (6,722) | ₩5,390,015 |

14.1.2 Changes in property and equipment for the years ended December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Beginning | Acquisition | Transfer[1] | Disposal | Depreciation[2] | Business combination | Others | Ending |
| Land | ₩2,416,726 | ₩ 51,324 | ₩ 3,501 | ₩ (2,074) | ₩ — | ₩ 6,585 | ₩ (33,880) | ₩2,442,182 |
| Buildings | 1,581,433 | 28,344 | 22,976 | (543) | (66,062) | 677 | (23,017) | 1,543,808 |
| Leasehold improvements | 76,384 | 8,390 | 41,522 | (170) | (52,555) | 2 | 2,457 | 76,030 |
| Equipment and vehicles | 304,338 | 113,823 | (14) | (1,217) | (164,724) | 3,206 | (2,420) | 252,992 |
| Construction in-progress | 28,045 | 143,439 | (89,168) | — | — | — | (25,345) | 56,971 |
| Right-of-use assets | 584,541 | 556,043 | (9,735) | (239,365) | (299,599) | 672 | (18,841) | 573,716 |
| | ₩4,991,467 | ₩901,363 | ₩(30,918) | ₩(243,369) | ₩ (582,940) | ₩ 11,142 | ₩(101,046) | ₩4,945,699 |

*(In millions of Korean won)*

| | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Beginning | Acquisition | Transfer[1] | Disposal | Depreciation[2] | Others | Ending |
| Land | ₩2,442,182 | ₩ 66 | ₩ 15,892 | ₩ (806) | ₩ — | ₩13,921 | ₩2,471,255 |
| Buildings | 1,543,808 | 6,229 | 31,602 | (3,498) | (68,707) | 2,908 | 1,512,342 |
| Leasehold improvements | 76,030 | 17,211 | 39,857 | (710) | (51,790) | 1,684 | 82,282 |
| Equipment and vehicles | 252,992 | 153,309 | 16,972 | (1,933) | (139,788) | 16,978 | 298,530 |
| Construction in-progress | 56,971 | 124,419 | (114,761) | (1,402) | — | 714 | 65,941 |
| Right-of-use assets | 573,716 | 1,285,013 | (12,759) | (552,340) | (360,401) | 26,436 | 959,665 |
| | ₩4,945,699 | ₩1,586,247 | ₩ (23,197) | ₩(560,689) | ₩ (620,686) | ₩62,641 | ₩5,390,015 |

1 Includes transfers with investment properties and assets held for sale.

2 Includes depreciation expenses amounting to ₩62,098 million and ₩65,452 million recorded as insurance service expenses, other operating expenses and others for the years ended December 31, 2023 and 2024, respectively.

14.1.3 Changes in accumulated impairment losses of property and equipment for the years ended December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | 2023 | | | | |
|---|---|---|---|---|---|
| | Beginning | Impairment | Reversal | Disposal and others | Ending |
| Accumulated impairment losses of property and equipment | ₩(5,751) | ₩ — | ₩ — | ₩ — | ₩(5,751) |

*(In millions of Korean won)*

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Beginning | Impairment | Reversal | Disposal and others | Ending |
| Accumulated impairment losses of property and equipment | ₩(5,751) | ₩ (971) | ₩ — | ₩ — | ₩(6,722) |

### 14.2 Investment Properties

14.2.1 Details of investment properties as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | |
|---|---|---|---|---|
| | Acquisition cost | Accumulated depreciation | Accumulated impairment losses | Carrying amount |
| Land | ₩2,237,030 | ₩ — | ₩ (486) | ₩2,236,544 |
| Buildings | 2,027,919 | (149,390) | (5,289) | 1,873,240 |
| | ₩4,264,949 | ₩(149,390) | ₩ (5,775) | ₩4,109,784 |

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Acquisition cost | Accumulated depreciation | Accumulated impairment losses | Carrying amount |
| Land | ₩1,990,096 | ₩ — | ₩ (13,226) | ₩1,976,870 |
| Buildings | 1,998,943 | (186,500) | (30,137) | 1,782,306 |
| | ₩3,989,039 | ₩(186,500) | ₩ (43,363) | ₩3,759,176 |

14.2.2 Valuation techniques and inputs used to measure the fair value of investment properties as of December 31, 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2024 | | |
|---|---|---|---|
| | Fair value | Valuation techniques | Inputs |
| Land and buildings | ₩ 236,575 | Cost approach method | - Price per square meter<br>- Replacement cost |
| | 2,478,182 | Market comparison method | - Price per square meter |
| | 472,840 | Discounted cash flow method | - Prospective rental market growth rate<br>- Period of vacancy<br>- Rental ratio<br>- Discount rate and others |
| | 89,225 | Market price | |

Fair value of investment properties amounts to ₩3,602,196 million and ₩3,276,822 million as of December 31, 2023 and 2024, respectively. Investment properties are measured by qualified independent appraisers with recent experience in valuing similar properties in the same area. In addition, all investment properties are classified as Level 3 in accordance with fair value hierarchy in Note 6.1.2.

Rental income from above investment properties amounts to ₩134,250 million and ₩147,151 million for the years ended December 31, 2023 and 2024, respectively.

14.2.3 Changes in investment properties for the years ended December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Beginning | Acquisition | Transfer* | Disposal | Depreciation | Others | Ending |
| Land | ₩1,495,529 | ₩1,062,748 | ₩(3,080) | ₩(268,800) | ₩ — | ₩(49,853) | ₩2,236,544 |
| Buildings | 1,652,811 | 456,680 | 1,190 | (162,854) | (48,790) | (25,797) | 1,873,240 |
| | ₩3,148,340 | ₩1,519,428 | ₩(1,890) | ₩(431,654) | ₩ (48,790) | ₩(75,650) | ₩4,109,784 |

14.2.3 Changes in investment properties for the years ended December 31, 2023 and 2024, are as follows (cont'd):

*(In millions of Korean won)*

| | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Beginning | Acquisition | Transfer* | Disposal | Depreciation | Others | Ending |
| Land | ₩2,236,544 | ₩ 48,931 | ₩ 2,792 | ₩(324,787) | ₩ — | ₩13,390 | ₩1,976,870 |
| Buildings | 1,873,240 | 39,825 | 10,084 | (118,174) | (50,426) | 27,757 | 1,782,306 |
| | ₩4,109,784 | ₩ 88,756 | ₩12,876 | ₩(442,961) | ₩ (50,426) | ₩41,147 | ₩3,759,176 |

* Includes transfers with property and equipment and assets held for sale.

## 15. Intangible Assets

### 15.1 Details of intangible assets as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Acquisition cost | Accumulated amortization | Accumulated impairment losses | Others | Carrying amount |
| Goodwill | ₩ 918,913 | ₩ — | ₩ (76,785) | ₩24,846 | ₩ 866,974 |
| Other intangible assets | 3,572,298 | (2,456,769) | (31,645) | — | 1,083,884 |
| | ₩4,491,211 | ₩(2,456,769) | ₩(108,430) | ₩24,846 | ₩1,950,858 |

*(In millions of Korean won)*

| | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Acquisition cost | Accumulated amortization | Accumulated impairment losses | Others | Carrying amount |
| Goodwill | ₩ 922,959 | ₩ — | ₩(137,937) | ₩89,026 | ₩ 874,048 |
| Other intangible assets | 3,766,460 | (2,630,666) | (43,159) | — | 1,092,635 |
| | ₩4,689,419 | ₩(2,630,666) | ₩(181,096) | ₩89,026 | ₩1,966,683 |

**15.2 Details of goodwill as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | December 31, 2023 | | December 31, 2024 | |
|---|---|---|---|---|
| | Acquisition cost | Carrying amount[1] | Acquisition cost | Carrying amount [1] |
| Housing & Commercial Bank | ₩ 65,288 | ₩ 65,288 | ₩ 65,288 | ₩ 65,288 |
| KB Securities Co., Ltd. | 70,265 | 58,889 | 70,265 | 58,889 |
| KB Capital Co., Ltd. | 79,609 | 79,609 | 79,609 | 79,609 |
| KB Savings Bank Co., Ltd. | 115,343 | 57,403 | 115,343 | 57,403 |
| KB Securities Vietnam Joint Stock Company | 13,092 | 13,820 | 13,092 | 14,988 |
| KB DAEHAN SPECIALIZED BANK PLC[2] | 6,189 | — | 6,189 | — |
| KB PRASAC BANK PLC.[3] | 398,144 | 422,575 | 398,144 | 419,918 |
| PT Sunindo Kookmin Best Finance | 2,963 | 2,911 | 2,963 | 3,172 |
| PT Bank KB Bukopin Tbk | 89,220 | 86,410 | 89,220 | 94,162 |
| PT. KB Finansia Multi Finance | 51,820 | 53,089 | 51,820 | 57,853 |
| PT. KB Valbury Sekurita | 11,070 | 11,070 | 11,070 | 12,063 |
| Others | 15,910 | 15,910 | 19,956 | 10,703 |
| | ₩918,913 | ₩866,974 | ₩922,959 | ₩874,048 |

1 Includes the effect of exchange differences and others.
2 KB DAEHAN SPECIALIZED BANK PLC. and I-Finance Leasing merged on December 19, 2024.
3 Kookmin Bank Cambodia PLC. merged with KB PRASAC BANK PLC. on September 1, 2023.

**15.3 Changes in accumulated impairment losses of goodwill for the years ended December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | 2023 | | | |
|---|---|---|---|---|
| | Beginning | Impairment | Others | Ending |
| Accumulated impairment losses of goodwill | ₩(70,517) | ₩ (6,268) | ₩ — | ₩ (76,785) |

| *(In millions of Korean won)* | 2024 | | | |
|---|---|---|---|---|
| | Beginning | Impairment | Others | Ending |
| Accumulated impairment losses of goodwill | ₩(76,785) | ₩(60,273) | ₩(879) | ₩(137,937) |

**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 | | | |
|---|---|---|---|---|---|
| | | Carrying amount of goodwill | Recoverable amount exceeding carrying amount* | Discount rate (%) | Permanent growth rate (%) |
| Housing & Commercial Bank | Retail banking | ₩ 49,315 | ₩ 7,134,305 | 16.15 | 1.00 |
| | Corporate banking | 15,973 | 19,335,298 | 15.01 | 1.00 |
| KB Securities Co., Ltd. | | 58,889 | 145,385 | 10.70 | 1.00 |
| KB Capital Co., Ltd. | | 79,609 | 1,903,621 | 11.41 | 1.00 |
| KB Savings Bank Co., Ltd. and Yehansoul Savings Bank Co., Ltd. | | 57,403 | 170,695 | 12.99 | 1.00 |
| KB Securities Vietnam Joint Stock Company | | 14,988 | 7,312 | 22.66 | 1.00 |
| PT Bank KB Bukopin Tbk | | 94,162 | 497,709 | 26.12 | 4.00 |
| KB PRASAC Bank Plc. | | 419,918 | (55,450) | 21.73 | 4.00 |
| PT Sunindo Kookmin Best Finance | | 3,172 | 2,828 | 19.01 | 0.00 |
| PT. KB Finansia Multi Finance | | 57,853 | 38,196 | 13.25 | 1.00 |
| PT. KB Valbury Sekurita | | 12,063 | 1,500 | 16.42 | 1.00 |
| Others | | 10,703 | 34,814 | — | — |
| | | ₩874,048 | ₩ 29,216,213 | | |

* The recoverable amount exceeding carrying amount is the amount at the time of impairment testing.

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.

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 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. In relation to subsequent cash flows, it is assumed that cash flows will grow at a certain permanent growth rate. 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 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, 2023 and 2024, are as follows:**

*(In millions of Korean won)*

| | December 31, 2023 | | | |
|---|---|---|---|---|
| | Acquisition cost | Accumulated amortization | Accumulated impairment losses | Carrying amount |
| Industrial property rights | ₩ 4,541 | ₩ (2,740) | ₩ (715) | ₩ 1,086 |
| Software | 2,503,883 | (1,936,689) | (840) | 566,354 |
| Other intangible assets | 1,028,747 | (483,808) | (30,090) | 514,849 |
| Right-of-use assets | 35,127 | (33,532) | — | 1,595 |
| | ₩3,572,298 | ₩(2,456,769) | ₩ (31,645) | ₩1,083,884 |

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Acquisition cost | Accumulated amortization | Accumulated impairment losses | Carrying amount |
| Industrial property rights | ₩ 2,632 | ₩ (1,971) | ₩ — | ₩ 661 |
| Software | 2,718,892 | (2,022,510) | (1,476) | 694,906 |
| Other intangible assets | 1,009,809 | (571,646) | (41,683) | 396,480 |
| Right-of-use assets | 35,127 | (34,539) | — | 588 |
| | ₩3,766,460 | ₩(2,630,666) | ₩ (43,159) | ₩1,092,635 |

**15.6 Changes in intangible assets other than goodwill for the years ended December 31, 2023 and 2024, are as follows:**

*(In millions of Korean won)*

| | 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Beginning | Acquisition & transfer | Disposal | Amortization[1] | Business combination | Others | Ending |
| Industrial property rights | ₩ 1,111 | ₩ 243 | ₩ — | ₩ (268) | ₩ — | ₩ — | ₩ 1,086 |
| Software | 620,248 | 238,191 | — | (291,422) | 23 | (686) | 566,354 |
| Other intangible assets[2] | 389,354 | 239,749 | (7,761) | (96,674) | 4,991 | (14,810) | 514,849 |
| Right-of-use assets | 2,602 | — | — | (1,007) | — | — | 1,595 |
| | ₩1,013,315 | ₩ 478,183 | ₩(7,761) | ₩ (389,371) | ₩ 5,014 | ₩(15,496) | ₩1,083,884 |

*(In millions of Korean won)*

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Beginning | Acquisition & transfer | Disposal | Amortization[1] | Others | Ending |
| Industrial property rights | ₩ 1,086 | ₩ 164 | ₩ (431) | ₩ (158) | ₩ — | ₩ 661 |
| Software | 566,354 | 419,582 | (3,144) | (292,596) | 4,710 | 694,906 |
| Other intangible assets[2] | 514,849 | 3,548 | (6,533) | (105,206) | (10,178) | 396,480 |
| Right-of-use assets | 1,595 | — | — | (1,007) | — | 588 |
| | ₩1,083,884 | ₩ 423,294 | ₩(10,108) | ₩ (398,967) | ₩ (5,468) | ₩1,092,635 |

1 Includes ₩44,286 million and ₩37,906 million recorded as insurance service expenses, other operating expenses and others for the years ended December 31, 2023 and 2024, respectively.

2 Impairment losses for membership right with indefinite useful life among other intangible assets are recognized when its recoverable amount is lower than its carrying amount, and reversal of impairment losses are recognized when its recoverable amount is higher than its carrying amount.

**15.7 Changes in accumulated impairment losses of other intangible assets for the years ended December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | 2023 | | | | |
|---|---|---|---|---|---|
| | Beginning | Impairment | Reversal | Disposal and others | Ending |
| Accumulated impairment losses of other intangible assets | ₩(32,766) | ₩(12,876) | ₩2,119 | ₩11,878 | ₩(31,645) |

| *(In millions of Korean won)* | 2024 | | | | |
|---|---|---|---|---|---|
| | Beginning | Impairment | Reversal | Disposal and others | Ending |
| Accumulated impairment losses of other intangible assets | ₩(31,645) | ₩(15,468) | ₩1,020 | ₩ 2,934 | ₩(43,159) |

## 16. Lease

### 16.1 The Group as a Lessee

16.1.1 Amounts recognized in the consolidated statements of financial position related to lease as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| Right-of-use property and equipment:* | | |
| Real estate | ₩ 548,308 | ₩ 937,887 |
| Vehicles | 21,030 | 17,770 |
| Others | 4,378 | 4,008 |
| | 573,716 | 959,665 |
| Right-of-use intangible assets* | 1,595 | 588 |
| | ₩ 575,311 | ₩ 960,253 |
| Lease liabilities* | ₩ 588,803 | ₩ 964,399 |

* Included in property and equipment, intangible assets, and other liabilities.

16.1.2 Amounts recognized in the consolidated statements of comprehensive income related to lease for the years ended December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2023 | 2024 |
|---|---|---|
| Depreciation and amortization of right-of-use assets: | | |
| Real estate | ₩243,893 | ₩304,882 |
| Vehicles | 18,710 | 18,531 |
| Others | 2,748 | 1,882 |
| Intangible assets | 1,008 | 1,007 |
| | ₩266,359 | ₩326,302 |
| Interest expenses on the lease liabilities | ₩ 21,699 | ₩ 40,454 |
| Expense relating to short-term lease | 4,427 | 3,960 |
| Expense relating to lease of low-value assets that are not short-term lease | 5,141 | 4,682 |
| Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses) | 165 | 147 |

Total cash outflows for lease for the years ended December 31, 2023 and 2024 are ₩244,785 million and ₩326,821 million, respectively.

**16.2 The Group as a Lessor**

16.2.1 The Group as a finance lessor

16.2.1.1 Gross investment in the lease and present value of minimum lease payments as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | | December 31, 2024 | |
|---|---|---|---|---|
| | Gross investment in the lease | Present value of minimum lease payments | Gross investment in the lease | Present value of minimum lease payments |
| Up to 1 year | ₩368,316 | ₩269,111 | ₩291,341 | ₩218,942 |
| 1-5 years | 465,321 | 364,770 | 348,909 | 264,617 |
| Over 5 years | 1,250 | 1,250 | 6,038 | 6,038 |
| | ₩834,887 | ₩635,131 | ₩646,288 | ₩489,597 |

16.2.1.2 Unearned finance income on finance lease as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| Gross investment in the lease | ₩ 834,887 | ₩ 646,288 |
| Net investment in the lease: | | |
| Present value of minimum lease payments | 635,131 | 489,597 |
| Present value of unguaranteed residual value | 141,969 | 104,846 |
| | 777,100 | 594,443 |
| Unearned finance income | ₩ 57,787 | ₩ 51,845 |

16.2.2 The Group as an operating lessor

Future minimum lease payments to be received from the non-cancellable lease contracts as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| Minimum lease payments to be received: | | |
| Up to 1 year | ₩ 934,238 | ₩ 876,011 |
| 1-5 years | 1,827,136 | 1,710,770 |
| Over 5 years | 262,157 | 205,095 |
| | ₩3,023,531 | ₩2,791,876 |

## 17. Deferred Income Tax Assets and Liabilities

### 17.1 Details of deferred income tax assets and liabilities as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | |
|---|---|---|---|
| | Assets | Liabilities | Net amount |
| Other provisions | ₩ 317,698 | ₩ — | ₩ 317,698 |
| Allowances for credit losses | 29,768 | — | 29,768 |
| Impairment losses of property and equipment | 8,516 | (1,407) | 7,109 |
| Share-based payments | 24,326 | — | 24,326 |
| Provisions for acceptances and guarantees | 48,917 | — | 48,917 |
| Gains or losses on valuation of derivatives | 238,875 | (184,469) | 54,406 |
| Present value discount | 14,471 | (13) | 14,458 |
| Gains or losses on fair value hedge | — | (57,146) | (57,146) |
| Accrued interest | 146 | (213,708) | (213,562) |
| Deferred loan origination fees and costs | 14,593 | (179,868) | (165,275) |
| Advanced depreciation provision | — | (4,003) | (4,003) |
| Gains or losses on revaluation | 313 | (290,547) | (290,234) |
| Investments in subsidiaries and others | 56,338 | (216,908) | (160,570) |
| Gains or losses on valuation of security investment | 912,706 | (354,353) | 558,353 |
| Defined benefit liabilities | 575,599 | (26) | 575,573 |
| Accrued expenses | 323,229 | — | 323,229 |
| Retirement insurance expense | — | (627,556) | (627,556) |
| Adjustments to the prepaid contributions | — | (33,005) | (33,005) |
| Derivative-linked securities | 5,735 | (262,523) | (256,788) |
| Others* | 1,066,496 | (3,032,881) | (1,966,385) |
| | 3,637,726 | (5,458,413) | (1,820,687) |
| Offsetting of deferred income tax assets and liabilities | (3,363,501) | 3,363,501 | — |
| | ₩ 274,225 | ₩(2,094,912) | ₩(1,820,687) |

**17.1 Details of deferred income tax assets and liabilities as of December 31, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | December 31, 2024 | | |
|---|---|---|---|
| | Assets | Liabilities | Net amount |
| Other provisions | ₩ 219,460 | ₩ — | ₩ 219,460 |
| Allowances for credit losses | 17,060 | — | 17,060 |
| Impairment losses of property and equipment | 10,543 | (1,359) | 9,184 |
| Share-based payments | 36,962 | — | 36,962 |
| Provisions for acceptances and guarantees | 16,172 | (163) | 16,009 |
| Gains or losses on valuation of derivatives | 296,164 | (225,773) | 70,391 |
| Present value discount | 11,952 | (14) | 11,938 |
| Gains or losses on fair value hedge | — | (45,741) | (45,741) |
| Accrued interest | 1,679 | (262,437) | (260,758) |
| Deferred loan origination fees and costs | 16,278 | (189,207) | (172,929) |
| Advanced depreciation provision | — | (4,003) | (4,003) |
| Gains or losses on revaluation | 313 | (290,227) | (289,914) |
| Investments in subsidiaries and others | 77,426 | (248,692) | (171,266) |
| Gains or losses on valuation of security investment | 489,018 | (448,460) | 40,558 |
| Defined benefit liabilities | 619,544 | — | 619,544 |
| Accrued expenses | 365,702 | — | 365,702 |
| Retirement insurance expense | — | (590,749) | (590,749) |
| Adjustments to the prepaid contributions | — | (49,134) | (49,134) |
| Derivative-linked securities | 6,883 | (86,112) | (79,229) |
| Others * | 1,244,462 | (2,391,015) | (1,146,553) |
| | 3,429,618 | (4,833,086) | (1,403,468) |
| Offsetting of deferred income tax assets and liabilities | (3,150,794) | 3,150,794 | — |
| | ₩ 278,824 | ₩(1,682,292) | ₩(1,403,468) |

* Includes Purchase Price Allocation ("PPA") amount arising from the acquisition of KB Life Insurance Co., Ltd., KB Insurance Co., Ltd.

**17.2 Unrecognized Deferred Income Tax Assets**

17.2.1 No deferred income tax assets have been recognized for the deductible temporary differences of ₩3,914,339 million associated with investments in subsidiaries as of December 31, 2024, because it is not probable that these temporary differences will reverse in the foreseeable future.

17.2.2 No deferred income tax assets have been recognized for the deductible temporary differences of ₩98,004 million associated with others as of December 31, 2024, due to the uncertainty that these temporary differences will be realized in the future.

**17.3 Unrecognized Deferred Income Tax Liabilities**

17.3.1 No deferred income tax liabilities have been recognized for the taxable temporary differences of ₩1,744,044 million associated with investments in subsidiaries as of December 31, 2024, due to the following reasons:

- The Group is able to control the timing of the reversal of the temporary differences.
- It is probable that these temporary differences will not reverse in the foreseeable future.

17.3.2 No deferred income tax liabilities have been recognized as of December 31, 2024, for the taxable temporary differences of ₩65,288 million related to the initial recognition of goodwill arising from the merger of Housing and Commercial Bank in 2001.

**17.4 Changes in cumulative temporary differences for the years ended December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | 2023 | | | |
|---|---|---|---|---|
| | Beginning | Decrease | Increase | Ending |
| **Deductible temporary differences** | | | | |
| Other provisions | ₩ 739,371 | ₩ 710,907 | ₩ 1,174,261 | ₩ 1,202,725 |
| Allowances for credit losses | 748 | 275 | 112,684 | 113,157 |
| Impairment losses of property and equipment | 22,975 | 19,765 | 27,564 | 30,774 |
| Deferred loan origination fees and costs | 51,605 | 12,445 | 16,118 | 55,278 |
| Share-based payments | 80,777 | 71,512 | 82,881 | 92,146 |
| Provisions for acceptances and guarantees | 150,140 | 150,140 | 185,290 | 185,290 |
| Gains or losses on valuation of derivatives | 513,151 | 513,151 | 904,830 | 904,830 |
| Present value discount | 76,399 | 76,399 | 54,815 | 54,815 |
| Investments in subsidiaries and others | 1,324,236 | 26,849 | 1,815,232 | 3,112,619 |
| Gains or losses on valuation of security investment | 7,811,132 | 7,807,818 | 3,453,142 | 3,456,456 |
| Defined benefit liabilities | 2,027,346 | 310,440 | 457,821 | 2,174,727 |
| Accrued expenses | 1,013,323 | 1,027,723 | 1,240,097 | 1,225,697 |
| Derivative-linked securities | 38,123 | 38,123 | 21,725 | 21,725 |
| Others [1] | 2,650,802 | 1,209,862 | 1,611,920 | 3,052,860 |
| | 16,500,128 | 11,975,409 | 11,158,380 | 15,683,099 |
| **Unrecognized deferred income tax assets** | | | | |
| Other provisions | 3,880 | | | 404 |
| Investments in subsidiaries and others | 1,154,111 | | | 2,948,424 |
| Others | 95,274 | | | 85,346 |
| | 15,246,863 | | | 12,648,925 |
| Tax rate (%) [2] | 26.5 | | | 26.4 |
| **Total deferred income tax assets** | ₩ 4,264,566 | | | ₩ 3,637,726 |
| **Taxable temporary differences** | | | | |
| Gains or losses on fair value hedge | ₩ (354,085) | ₩ (354,085) | ₩ (216,460) | ₩ (216,460) |
| Accrued interest | (634,218) | (576,037) | (751,320) | (809,501) |
| Allowances for credit losses | (46,262) | (46,262) | — | — |
| Impairment losses of property and equipment | (3,448) | (160) | — | (3,288) |
| Deferred loan origination fees and costs | (690,979) | (690,979) | (666,878) | (666,878) |
| Advanced depreciation provision | (15,163) | (9,097) | (9,097) | (15,163) |
| Gains or losses on valuation of derivatives | (755,541) | (756,668) | (699,872) | (698,745) |
| Present value discount | (9,703) | (9,703) | (2,745) | (2,745) |
| Goodwill arising from the merger | (65,288) | — | — | (65,288) |
| Gains or losses on revaluation | (1,103,292) | (40,475) | (37,738) | (1,100,555) |
| Investments in subsidiaries and others | (1,311,712) | (153,737) | (976,380) | (2,134,355) |
| Gains or losses on valuation of security investment | (117,696) | (100,797) | (1,265,976) | (1,282,875) |
| Defined benefit liabilities | (3,014) | (2,917) | — | (97) |
| Retirement insurance expense | (2,193,624) | (92,124) | (270,034) | (2,371,534) |
| Adjustments to the prepaid contributions | (105,608) | (105,608) | (125,019) | (125,019) |
| Derivative-linked securities | (1,071,093) | (1,071,093) | (994,405) | (994,405) |
| Others [1] | (12,763,953) | (1,690,382) | 30,714 | (11,042,857) |
| | (21,244,679) | (5,700,124) | (5,985,210) | (21,529,765) |
| **Unrecognized deferred income tax liabilities** | | | | |
| Goodwill arising from the merger | (65,288) | | | (65,288) |
| Investments in subsidiaries and others | (560,489) | | | (1,220,925) |
| Others | (446) | | | (446) |
| | (20,618,456) | | | (20,243,106) |
| Tax rate (%) [2] | 26.5 | | | 26.4 |
| **Total deferred income tax liabilities** | ₩ (5,638,051) | | | ₩ (5,458,413) |

[1] Includes PPA amount arising from the acquisition of KB Life Insurance Co., Ltd., KB Insurance Co., Ltd.

[2] The rate of 26.4% has been applied for the deferred tax assets and liabilities expected to be utilized in periods after December 31, 2024.

**17.4 Changes in cumulative temporary differences for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | 2024 | | | |
|---|---|---|---|---|
| | Beginning | Decrease | Increase | Ending |
| **Deductible temporary differences** | | | | |
| Other provisions | ₩ 1,202,725 | ₩ 1,173,243 | ₩ 800,375 | ₩ 829,857 |
| Allowances for credit losses | 113,157 | 114,700 | 66,566 | 65,023 |
| Impairment losses of property and equipment | 30,774 | 21,585 | 29,263 | 38,452 |
| Deferred loan origination fees and costs | 55,278 | 11,323 | 17,705 | 61,660 |
| Share-based payments | 92,146 | 81,835 | 129,695 | 140,006 |
| Provisions for acceptances and guarantees | 185,290 | 185,290 | 60,642 | 60,642 |
| Gains or losses on valuation of derivatives | 904,830 | 904,830 | 1,122,015 | 1,122,015 |
| Present value discount | 54,815 | 54,815 | 45,274 | 45,274 |
| Investments in subsidiaries and others | 3,112,619 | 102,105 | 1,173,735 | 4,184,249 |
| Gains or losses on valuation of security investment | 3,456,456 | 3,450,487 | 1,848,240 | 1,854,209 |
| Defined benefit liabilities | 2,174,727 | 306,292 | 478,321 | 2,346,756 |
| Accrued expenses | 1,225,697 | 1,220,348 | 1,381,574 | 1,386,923 |
| Derivative-linked securities | 21,725 | 21,725 | 26,070 | 26,070 |
| Others [1] | 3,052,860 | 1,222,782 | 2,076,926 | 3,907,004 |
| | 15,683,099 | 8,871,360 | 9,256,401 | 16,068,140 |
| **Unrecognized deferred income tax assets** | | | | |
| Other provisions | 404 | | | 404 |
| Investments in subsidiaries and others | 2,948,424 | | | 3,914,339 |
| Others | 85,346 | | | 98,004 |
| | 12,648,925 | | | 12,055,393 |
| Tax rate (%) | 26.4 | | | 26.4 |
| **Total deferred income tax assets** | ₩ 3,637,726 | | | ₩ 3,429,618 |
| **Taxable temporary differences** | | | | |
| Gains or losses on fair value hedge | ₩ (216,460) | ₩ (43,200) | ₩ — | ₩ (173,260) |
| Accrued interest | (809,501) | (718,384) | (902,961) | (994,078) |
| Impairment losses of property and equipment | (3,288) | (179) | — | (3,109) |
| Deferred loan origination fees and costs | (666,878) | (666,878) | (716,693) | (716,693) |
| Advanced depreciation provision | (15,163) | (9,097) | (9,097) | (15,163) |
| Gains or losses on valuation of derivatives | (698,745) | (698,745) | (855,200) | (855,200) |
| Present value discount | (2,745) | (2,745) | (3,719) | (3,719) |
| Goodwill arising from the merger | (65,288) | — | — | (65,288) |
| Gains or losses on revaluation | (1,100,555) | (38,949) | (37,738) | (1,099,344) |
| Investments in subsidiaries and others | (2,134,355) | (146,755) | (680,823) | (2,668,423) |
| Gains or losses on valuation of security investment | (1,282,875) | (1,240,160) | (1,648,762) | (1,691,477) |
| Defined benefit liabilities | (97) | (97) | — | — |
| Retirement insurance expense | (2,371,534) | (326,432) | (192,585) | (2,237,687) |
| Adjustments to the prepaid contributions | (125,019) | (125,019) | (186,113) | (186,113) |
| Derivative-linked securities | (994,405) | (994,405) | (326,181) | (326,181) |
| Others [1] | (11,042,857) | (2,848,140) | (282,927) | (8,477,644) |
| | (21,529,765) | (7,859,185) | (5,842,799) | (19,513,379) |
| **Unrecognized deferred income tax liabilities** | | | | |
| Goodwill arising from the merger | (65,288) | | | (65,288) |
| Investments in subsidiaries and others | (1,220,925) | | | (1,744,044) |
| Others | (446) | | | (522) |
| | (20,243,106) | | | (17,703,525) |
| Tax rate (%) | 26.4 | | | 26.4 |
| Total deferred income tax liabilities | ₩ (5,458,413) | | | ₩ (4,833,086) |

[1] Includes PPA amount arising from the acquisition of KB Life Insurance Co., Ltd., KB Insurance Co., Ltd.

## 18. Assets Held for Sale

### 18.1 Details of assets held for sale as of December 31, 2023 and 2024, are as follows:

*(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 | 3,432 | (1,664) | 1,768 | 1,768 |
| | ₩272,888 | ₩ (64,658) | ₩208,230 | ₩ 240,593 |

*(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 | ₩ 44,906 |
| Buildings held for sale | 179,430 | (76,908) | 102,522 | 124,095 |
| Other assets held for sale | 2,664 | (2,241) | 423 | 423 |
| | ₩264,972 | ₩ (128,135) | ₩136,837 | ₩ 169,424 |

* Acquisition cost of buildings held for sale is net of accumulated depreciation amount immediately before the initial classification of the assets as held for sale.

### 18.2 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 | Sales 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 local factors or individual factors and others.

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.

### 18.3 Changes in accumulated impairment losses of assets held for sale for the years ended December 31, 2023 and 2024, are as follows:

*(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) |

**18.3 Changes in accumulated impairment losses of assets held for sale for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

| *(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) |

**18.4 As of December 31, 2024, 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 being actively marketed.**

## 19. Other Assets

**19.1 Details of other assets as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| **Other financial assets** | | |
| Other receivables | ₩ 11,068,486 | ₩ 8,955,019 |
| Accrued income | 3,130,004 | 3,271,649 |
| Guarantee deposits | 946,356 | 918,515 |
| Domestic exchange settlement debits | 827,104 | 464,292 |
| Others | 887,661 | 1,322,780 |
| Less: Allowances for credit losses | (304,567) | (518,864) |
| Less: Present value discount | (10,530) | (9,165) |
| | 16,544,514 | 14,404,226 |
| **Other non-financial assets** | | |
| Other receivables | 1,407 | 5,435 |
| Prepaid expenses | 626,922 | 654,346 |
| Guarantee deposits | 4,776 | 5,121 |
| Others | 3,822,047 | 3,809,175 |
| Less: Allowances for credit losses | (12,769) | (14,666) |
| | 4,442,383 | 4,459,411 |
| | ₩ 20,986,897 | ₩ 18,863,637 |

**19.2 Changes in allowances for credit losses of other assets for the years ended December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | 2023 | | |
|---|---|---|---|
| | Other financial assets | Other non-financial assets | Total |
| Beginning | ₩ 136,075 | ₩ 18,530 | ₩154,605 |
| Write-offs | (8,292) | (5,911) | (14,203) |
| Provision (reversal) | 188,279 | (1,450) | 186,829 |
| Business combination | 108 | — | 108 |
| Others | (11,603) | 1,600 | (10,003) |
| Ending | ₩ 304,567 | ₩ 12,769 | ₩317,336 |

**19.2 Changes in allowances for credit losses of other assets for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

| *(In millions of Korean won)* | 2024 | | |
|---|---|---|---|
| | Other financial assets | Other non-financial assets | Total |
| Beginning | ₩304,567 | ₩ 12,769 | ₩317,336 |
| Write-offs | (13,552) | (142) | (13,694) |
| Provision (reversal) | 155,770 | 1,987 | 157,757 |
| Business combination | — | — | — |
| Others | 72,079 | 52 | 72,131 |
| Ending | ₩518,864 | ₩ 14,666 | ₩533,530 |

## 20. Financial Liabilities at Fair Value through Profit or Loss

**20.1 Details of financial liabilities at fair value through profit or loss and financial liabilities designated at fair value through profit or loss as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| **Financial liabilities at fair value through profit or loss** | | |
| Borrowed securities sold | ₩ 2,860,034 | ₩ 2,558,520 |
| Others | 93,438 | 159,212 |
| | 2,953,472 | 2,717,732 |
| **Financial liabilities designated at fair value through profit or loss** | | |
| Derivative-linked securities | 7,966,963 | 8,002,499 |
| | 7,966,963 | 8,002,499 |
| | ₩10,920,435 | ₩10,720,231 |

**20.2 Difference between the amount contractually required to pay at maturity and carrying amount of financial liabilities designated at fair value through profit or loss as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| Amount contractually required to pay at maturity | ₩ 7,871,014 | ₩ 7,947,236 |
| Carrying amount | 7,966,963 | 8,002,499 |
| Difference | ₩ (95,949) | ₩ (55,263) |

## 21. Deposits

Details of deposits as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| **Demand deposits** | | |
| Demand deposits in Korean won | ₩151,836,599 | ₩156,242,487 |
| Demand deposits in foreign currencies | 11,517,076 | 13,667,783 |
| | 163,353,675 | 169,910,270 |
| **Time deposits** | | |
| Time deposits in Korean won | 201,194,217 | 221,342,787 |
| Fair value adjustments of fair value hedged time deposits in Korean won | (15) | 6,258 |
| | 201,194,202 | 221,349,045 |
| Time deposits in foreign currencies | 24,602,818 | 28,299,460 |
| Fair value adjustments of fair value hedged time deposits in foreign currencies | (6,667) | (7,593) |
| | 24,596,151 | 28,291,867 |
| | 225,790,353 | 249,640,912 |
| **Certificates of deposits** | 12,145,510 | 9,805,371 |
| **Investment contract liabilities** | 5,222,896 | 6,331,344 |
| | ₩406,512,434 | ₩435,687,897 |

## 22. Borrowings

### 22.1 Details of borrowings as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| General borrowings | ₩50,675,884 | ₩52,433,193 |
| Bonds sold under repurchase agreements and others | 15,652,135 | 12,803,106 |
| Call money | 3,255,542 | 2,840,713 |
| | ₩69,583,561 | ₩68,077,012 |

**22.2 Details of general borrowings as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | | Lenders | Interest rate (%) as of December 31, 2024 | December 31, 2023 | December 31, 2024 |
|---|---|---|---|---|---|
| **Borrowings in Korean won** | Borrowings from the Bank of Korea | The Bank of Korea | 1.50 | ₩ 2,520,472 | ₩ 4,618,026 |
| | Borrowings from the government | SEMAS and others | 0.00 ~ 3.50 | 2,500,160 | 2,409,409 |
| | Borrowings from banks | Shinhan Bank and others | 2.20 ~ 6.76 | 1,764,900 | 1,267,487 |
| | Borrowings from non-banking financial institutions | Korea Securities Finance Corporation and others | 0.98 ~ 6.59 | 2,780,823 | 3,014,113 |
| | Other borrowings | The Korea Development Bank and others | 0.00 ~ 8.83 | 22,645,638 | 22,294,928 |
| | | | | 32,211,993 | 33,603,963 |
| **Borrowings in foreign currencies** | Due to banks | Woori Bank and others | — | 38,191 | 15,155 |
| | Borrowings from banks | Citicorp International Ltd. and others | 1.97 ~ 9.15 | 15,437,388 | 15,914,710 |
| | Borrowings from other financial institutions | The Export-Import Bank of Korea and others | 5.00 ~ 5.26 | 24,662 | 6,027 |
| | Other borrowings | DBS Bank and others | 0.00 ~ 8.33 | 2,963,650 | 2,893,338 |
| | | | | 18,463,891 | 18,829,230 |
| | | | | ₩50,675,884 | ₩52,433,193 |

**22.3 Details of bonds sold under repurchase agreements and others as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | Lenders | Interest rate (%) as of December 31, 2024 | December 31, 2023 | December 31, 2024 |
|---|---|---|---|---|
| Bonds sold under repurchase agreements | Individuals, groups, and corporations | 0.00~6.60 | ₩15,645,498 | ₩12,794,534 |
| Bills sold | Counter sale | 1.55~2.00 | 6,637 | 8,572 |
| | | | ₩15,652,135 | ₩12,803,106 |

**22.4 Details of call money as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | Lenders | Interest rate (%) as of December 31, 2024 | December 31, 2023 | December 31, 2024 |
|---|---|---|---|---|
| Call money in Korean won | Heungkuk Asset Management and others | 3.28~3.43 | ₩1,540,000 | ₩ 820,000 |
| Call money in foreign currencies | BANK CIMB NIAGA and others | 1.45~8.80 | 1,715,542 | 2,020,713 |
| | | | ₩3,255,542 | ₩2,840,713 |

## 23. Debentures

### 23.1 Details of debentures as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | Interest rate (%) as of December 31, 2024 | December 31, 2023 | December 31, 2024 |
|---|---|---|---|
| **Debentures in Korean won** | | | |
| Structured debentures | 5.15 ~ 5.86 | ₩ 90,640 | ₩ 20,560 |
| Exchangeable bonds * | — | 240,000 | — |
| Subordinated fixed rate debentures | 2.02 ~ 4.90 | 4,453,970 | 4,445,150 |
| Fixed rate debentures | 1.39 ~ 9.50 | 45,624,127 | 54,370,733 |
| Floating rate debentures | 2.83 ~ 5.79 | 5,410,000 | 1,250,000 |
| | | 55,818,737 | 60,086,443 |
| **Fair value adjustments of fair value hedged debentures in Korean won** | | (141,073) | (108,207) |
| **Less: Discount on debentures in Korean won** | | (29,670) | (57,075) |
| **Less: Adjustment for exchange right of exchangeable bonds in Korean won** | | (5,104) | — |
| | | 55,642,890 | 59,921,161 |
| **Debentures in foreign currencies** | | | |
| Floating rate debentures | 3.27 ~ 6.08 | 2,532,921 | 3,122,201 |
| Fixed rate debentures | 0.05 ~ 7.40 | 11,109,296 | 13,229,773 |
| | | 13,642,217 | 16,351,974 |
| **Fair value adjustments of fair value hedged debentures in foreign currencies** | | (68,706) | (63,717) |
| **Less: Discount on debentures in foreign currencies** | | (39,733) | (38,161) |
| | | 13,533,778 | 16,250,096 |
| | | ₩69,176,668 | ₩76,171,257 |

* Fair value of the liability component of exchangeable bonds is calculated by using market interest rate of bonds under the same conditions without the exchange right. The residual amount after deducting the liability component from the issuance amount, represents the value of the exchange right and is recorded in equity. Shares to be exchanged are 5 million treasury shares of KB Financial Group Inc. with the exchange price of ₩48,000. Exchange rights were fully exercised on February 14, 2024.

**23.2 Changes in debentures based on par value for the years ended December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | 2023 | | | | |
|---|---|---|---|---|---|
| | Beginning | Issue | Repayment | Others | Ending |
| **Debentures in Korean won** | | | | | |
| Structured debentures | ₩ 710 | ₩ 90,000 | ₩ (70) | ₩ — | ₩ 90,640 |
| Exchangeable bonds | 240,000 | — | — | — | 240,000 |
| Subordinated fixed rate debentures | 5,354,890 | — | (900,920) | — | 4,453,970 |
| Fixed rate debentures | 45,424,094 | 74,530,666 | (74,330,633) | — | 45,624,127 |
| Floating rate debentures | 5,455,000 | 4,470,000 | (4,515,000) | — | 5,410,000 |
| | 56,474,694 | 79,090,666 | (79,746,623) | — | 55,818,737 |
| **Debentures in foreign currencies** | | | | | |
| Floating rate debentures | 2,168,341 | 1,673,645 | (1,349,020) | 39,955 | 2,532,921 |
| Fixed rate debentures | 10,482,244 | 2,963,436 | (2,587,629) | 251,245 | 11,109,296 |
| | 12,650,585 | 4,637,081 | (3,936,649) | 291,200 | 13,642,217 |
| | ₩69,125,279 | ₩83,727,747 | ₩(83,683,272) | ₩291,200 | ₩69,460,954 |

| *(In millions of Korean won)* | 2024 | | | | |
|---|---|---|---|---|---|
| | Beginning | Issue | Repayment | Others | Ending |
| **Debentures in Korean won** | | | | | |
| Structured debentures | ₩ 90,640 | ₩ — | ₩ (70,080) | ₩ — | ₩ 20,560 |
| Exchangeable bonds | 240,000 | — | (240,000) | — | — |
| Subordinated fixed rate debentures | 4,453,970 | — | (8,820) | — | 4,445,150 |
| Fixed rate debentures | 45,624,127 | 82,306,421 | (73,559,815) | — | 54,370,733 |
| Floating rate debentures | 5,410,000 | 440,000 | (4,600,000) | — | 1,250,000 |
| | 55,818,737 | 82,746,421 | (78,478,715) | — | 60,086,443 |
| **Debentures in foreign currencies** | | | | | |
| Floating rate debentures | 2,532,921 | 975,755 | (728,965) | 342,490 | 3,122,201 |
| Fixed rate debentures | 11,109,296 | 2,620,029 | (1,880,406) | 1,380,854 | 13,229,773 |
| | 13,642,217 | 3,595,784 | (2,609,371) | 1,723,344 | 16,351,974 |
| | ₩69,460,954 | ₩86,342,205 | ₩(81,088,086) | ₩1,723,344 | ₩76,438,417 |

## 24. Provisions

**24.1 Details of provisions as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| Provisions for credit losses of unused loan commitments | ₩ 379,666 | ₩ 297,855 |
| Provisions for credit losses of acceptances and guarantees | 183,454 | 56,097 |
| Provisions for credit losses of financial guarantee contracts | 6,500 | 7,378 |
| Provisions for restoration costs | 155,214 | 180,590 |
| Others | 719,584 | 385,712 |
| | ₩1,444,418 | ₩ 927,632 |

**24.2 Changes in provisions for credit losses of unused loan commitments, and acceptances and guarantees for the years ended December 31, 2023 and 2024, are as follows:**

*(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 | ₩179,885 | ₩151,067 | ₩11,230 | ₩ 26,906 | ₩118,724 | ₩ 7,899 |
| Transfer between stages: | | | | | | |
| Transfer to 12-month expected credit losses | 60,499 | (58,210) | (2,289) | 421 | (421) | — |
| Transfer to lifetime expected credit losses | (17,814) | 18,142 | (328) | (356) | 457 | (101) |
| Impairment | (476) | (2,177) | 2,653 | (3,994) | (113) | 4,107 |
| Provision (reversal) for credit losses | 8,946 | 26,988 | (553) | 7,708 | 28,401 | (7,603) |
| Others (exchange differences, etc.) | 1,634 | 508 | (39) | 164 | 1,149 | 106 |
| Ending | ₩232,674 | ₩136,318 | ₩10,674 | ₩ 30,849 | ₩148,197 | ₩ 4,408 |

*(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 | ₩232,674 | ₩136,318 | ₩10,674 | ₩ 30,849 | ₩148,197 | ₩ 4,408 |
| Transfer between stages: | | | | | | |
| Transfer to 12-month expected credit losses | 90,484 | (84,851) | (5,633) | 87,306 | (87,306) | — |
| Transfer to lifetime expected credit losses | (19,576) | 20,367 | (791) | (464) | 464 | — |
| Impairment | (720) | (2,150) | 2,870 | (52) | (85) | 137 |
| Provision (reversal) for credit losses | (88,390) | 9,139 | (5,210) | (90,285) | (58,819) | 9,309 |
| Others (exchange differences, etc.) | 2,523 | 152 | (25) | 12,111 | 36 | 291 |
| Ending | ₩216,995 | 78,975 | 1,885 | 39,465 | 2,487 | 14,145 |

**24.3 Changes in provisions for credit losses of financial guarantee contracts for the years ended December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | 2023 | 2024 |
|---|---|---|
| Beginning | ₩ 2,955 | ₩ 6,500 |
| Provision | 3,545 | 15,779 |
| Others | — | (14,901) |
| Ending | ₩ 6,500 | ₩ 7,378 |

**24.4 Changes in provisions for restoration costs for the years ended December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | 2023 | 2024 |
|---|---|---|
| Beginning | ₩159,033 | ₩155,214 |
| Provision | 6,885 | 7,846 |
| Reversal | (3,681) | (1,422) |
| Used | (14,534) | (4,632) |
| Unwinding of discount | 6,177 | 5,221 |
| Effect of changes in discount rate | 1,334 | 18,363 |
| Ending | ₩155,214 | ₩180,590 |

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.

**24.5 Changes in other provisions for the years ended December 31, 2023 and 2024, are as follows:**

*(In millions of Korean won)*

| | 2023 | | | | |
|---|---|---|---|---|---|
| | Membership rewards program | Dormant accounts | Litigations | Others[1, 3] | Total |
| Beginning [1] | ₩ 46 | ₩ 2,794 | ₩113,527 | ₩ 159,635 | ₩ 276,002 |
| Increase | 64 | 4,686 | 78,392 | 391,849 | 474,991 |
| Decrease | (63) | (4,121) | (10,358) | (19,602) | (34,144) |
| Others | — | — | 4,106 | (1,371) | 2,735 |
| Ending [1, 3] | ₩ 47 | ₩ 3,359 | ₩185,667 | ₩ 530,511 | ₩ 719,584 |

*(In millions of Korean won)*

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Membership rewards program | Dormant accounts | Litigations | Others[1, 2, 3] | Total |
| Beginning [1] | ₩ 47 | ₩ 3,359 | ₩185,667 | ₩ 530,511 | ₩ 719,584 |
| Increase | 80 | 2,803 | 53,125 | 806,860 | 862,868 |
| Decrease | (54) | (3,009) | (84,490) | (1,115,767) | (1,203,320) |
| Others | — | — | 1,912 | 4,668 | 6,580 |
| Ending [1, 2, 3] | ₩ 73 | ₩ 3,153 | ₩156,214 | ₩ 226,272 | ₩ 385,712 |

**24.5 Changes in other provisions for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

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1 Includes other provisions of ₩333,290 million and ₩17,064 million related to the Livelihood finance support program as of December 31, 2023 and 2024, respectively.

2 Includes other provisions of ₩55,182 million related to the voluntary compensation for the performance of the Hang Seng China Enterprise Index as of December 31, 2024.

3 Includes other provisions of ₩59,823 million and ₩33,776 million related to the completion guarantee management-type land trust business agreement of KB Real Estate Trust Co., Ltd. as of December 31, 2023 and 2024, respectively.

## 25. Net Defined Benefit Liabilities

### 25.1 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 recognized in the consolidated statement of financial position are calculated by the independent actuary in accordance with actuarial valuation method. The defined benefit obligation is calculated using the projected unit credit method. Assumptions based on market data and historical data such as discount rate, future salary increase rate, mortality, and consumer price index are used which are updated annually.

Actuarial assumptions may differ from actual results, due to changes in the market conditions, economic trends, and mortality trends which may affect net defined benefit liabilities and future payments. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in the period incurred through other comprehensive income.

**25.2 Changes in net defined benefit liabilities for the years ended December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | 2023 | | |
|---|---|---|---|
| | **Present value of defined benefit obligation** | **Fair value of plan assets** | **Net defined benefit liabilities(assets)** |
| Beginning | ₩ 2,215,330 | ₩ (2,608,519) | ₩ (393,189) |
| Current service cost | 199,882 | — | 199,882 |
| Gains on settlement | 55 | — | 55 |
| Interest expense (income) | 107,586 | (130,632) | (23,046) |
| Remeasurements: | | | |
| Actuarial gains and losses by changes in demographic assumptions | (3,950) | — | (3,950) |
| Actuarial gains and losses by changes in financial assumptions | 123,238 | — | 123,238 |
| Actuarial gains and losses by experience adjustments | 1,558 | — | 1,558 |
| Return on plan assets (excluding amounts included in interest income) | — | (18,228) | (18,228) |
| Contributions by the Group | — | (121,799) | (121,799) |
| Payments from plans (settlement) | (6,755) | 6,755 | — |
| Payments from plans (benefit payments) | (217,031) | 217,031 | — |
| Payments from the Group | (53,606) | — | (53,606) |
| Transfer in (out) | 457 | 202 | 659 |
| Effect of exchange differences | (3,450) | (177) | (3,627) |
| Effect of business acquisition and disposal | (309) | — | (309) |
| Others | (53) | 194 | 141 |
| Ending * | ₩ 2,362,952 | ₩ (2,655,173) | ₩ (292,221) |

**25.2 Changes in net defined benefit liabilities for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

| *(In millions of Korean won)* | 2024 | | |
|---|---|---|---|
| | Present value of defined benefit obligation | Fair value of plan assets | Net defined benefit liabilities(assets) |
| Beginning | ₩ 2,362,952 | ₩ (2,655,173) | ₩ (292,221) |
| Current service cost | 216,612 | — | 216,612 |
| Gains on settlement | (1,751) | — | (1,751) |
| Interest expense (income) | 94,050 | (107,712) | (13,662) |
| Remeasurements: | | | |
| Actuarial gains and losses by changes in demographic assumptions | (2,786) | — | (2,786) |
| Actuarial gains and losses by changes in financial assumptions | 145,060 | — | 145,060 |
| Actuarial gains and losses by experience adjustments | 2,670 | — | 2,670 |
| Return on plan assets (excluding amounts included in interest income) | — | (27,251) | (27,251) |
| Contributions by the Group | — | (131,400) | (131,400) |
| Payments from plans (settlement) | (457) | 457 | — |
| Payments from plans (benefit payments) | (225,551) | 225,551 | — |
| Payments from the Group | (54,902) | — | (54,902) |
| Transfer in (out) | 952 | (201) | 751 |
| Effect of exchange differences | 613 | (76) | 537 |
| Others | 72 | (42) | 30 |
| Ending * | ₩ 2,537,534 | ₩ (2,695,847) | ₩ (158,313) |

* The net defined benefit assets of ₩292,221 million is calculated by subtracting ₩81,869 million of net defined benefit liabilities from ₩374,090 million of net defined benefit assets as of December 31, 2023. The net defined benefit assets of ₩158,313 million is calculated by subtracting ₩100,187 million of net defined benefit liabilities from ₩258,500 million of net defined benefit assets as of December 31, 2024.

**25.3 Details of net defined benefit liabilities as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| Present value of defined benefit obligation | ₩ 2,362,952 | ₩ 2,537,534 |
| Fair value of plan assets | (2,655,173) | (2,695,847) |
| Net defined benefit liabilities | ₩ (292,221) | ₩ (158,313) |

**25.4 Details of post-employment benefits recognized in profit or loss for the years ended December 31, 2022, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| Current service cost | ₩249,099 | ₩199,882 | ₩ 216,612 |
| Past service cost | 3,669 | — | — |
| Net interest expense on net defined benefit liabilities | 2,485 | (23,046) | (13,662) |
| Gains on settlement | (1,859) | 55 | (1,751) |
| Post-employment benefits * | ₩253,394 | ₩176,891 | ₩ 201,199 |

* Includes post-employment benefits amounting to ₩27,486 million, ₩18,308 million and ₩20,326 million recognized as insurance service expenses for the years ended December 31, 2022, 2023 and 2024 and ₩3,520 million, ₩2,824 million, ₩3,302 million recognized as other expenses for the years ended December 31, 2022, 2023 and 2024 and ₩137 million, ₩189 million, ₩90 million recognized as prepayment for the years ended December 31, 2022, 2023 and 2024.

**25.5 Details of remeasurements of net defined benefit liabilities recognized in other comprehensive income (loss) for the years ended December 31, 2022, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| Remeasurements: | | | |
| Return on plan assets (excluding amounts included in interest income) | ₩ (68,550) | ₩ 18,228 | ₩ 27,251 |
| Actuarial gains and losses | 399,633 | (120,846) | (144,944) |
| Income tax effect | (91,150) | 25,895 | 31,076 |
| Effect of exchange differences | (231) | 4,553 | 1,242 |
| Remeasurements after income tax expense | ₩ 239,702 | ₩ (72,170) | ₩ (85,375) |

**25.6 Details of fair value of plan assets as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | December 31, 2023 | | |
|---|---|---|---|
| | Assets quoted in an active market | Assets not quoted in an active market | Total |
| Cash and due from financial institutions | ₩ — | ₩2,604,272 | ₩2,604,272 |
| Debt securities | — | 45,833 | 45,833 |
| Investment fund | — | 5,068 | 5,068 |
| | ₩ — | ₩2,655,173 | ₩2,655,173 |

| *(In millions of Korean won)* | December 31, 2024 | | |
|---|---|---|---|
| | Assets quoted in an active market | Assets not quoted in an active market | Total |
| Cash and due from financial institutions | ₩ — | ₩2,601,582 | ₩2,601,582 |
| Debt securities | — | 93,416 | 93,416 |
| Investment fund | — | 849 | 849 |
| | ₩ — | ₩2,695,847 | ₩2,695,847 |

**25.7 Details of significant actuarial assumptions used as of December 31, 2023 and 2024, are as follows:**

| | December 31, 2023 | December 31, 2024 |
|---|---|---|
| Discount rate (%) | 3.80~4.40 | 3.10~3.70 |
| Salary increase rate (%) | 0.00~7.00 | 0.00~7.00 |
| Turnover rate (%) | 0.00~38.60 | 0.00~38.60 |

Mortality assumptions are based on the experience-based mortality table issued by Korea Insurance Development Institute in 2023.

**25.8 Results of sensitivity analysis of significant actuarial assumptions as of December 31, 2024, are as follows:**

| | Changes in assumptions | Effect on defined benefit obligation | |
|---|---|---|---|
| | | Increase in assumptions | Decrease in assumptions |
| Discount rate | 0.5%p | 3.37% decrease | 3.59% increase |
| Salary increase rate | 0.5%p | 3.57% increase | 3.38% decrease |
| Turnover rate | 0.5%p | 0.21% decrease | 0.22% increase |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. But in practice, 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.

**25.9 Expected maturity analysis of undiscounted pension benefit payments (including expected future benefit) 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 * | ₩234,553 | ₩267,161 | ₩915,032 | ₩1,560,220 | ₩7,019,755 | ₩9,996,721 |

* Amount determined under the promotion compensation type defined contribution plan is excluded.

The weighted average duration of the defined benefit obligation is 1 ~ 11 years.

**25.10 Reasonable estimation of expected contribution to plan assets for the next annual reporting period after December 31, 2024 is ₩161,184 million.**

## 26. Other Liabilities

Details of other liabilities as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| **Other financial liabilities** | | |
| Other payables | ₩17,953,030 | ₩15,229,554 |
| Prepaid card and debit card payables | 36,005 | 36,125 |
| Accrued expenses | 5,592,853 | 5,862,874 |
| Financial guarantee contracts liabilities | 47,199 | 31,668 |
| Deposits for letter of guarantees and others | 1,139,506 | 1,079,417 |
| Domestic exchange settlement credits | 2,864,203 | 295,326 |
| Foreign exchange settlement credits | 215,730 | 268,794 |
| Borrowings of other accounting businesses | 2,793 | 4,404 |
| Due to trust accounts | 8,142,102 | 8,232,002 |
| Liabilities incurred from agency relationships | 514,642 | 794,661 |
| Account for agency business | 249,379 | 733,654 |
| Dividend payables | 7,455 | 1,836 |
| Lease liabilities | 588,803 | 964,399 |
| Others | 63,216 | 60,169 |
| | 37,416,916 | 33,594,883 |
| **Other non-financial liabilities** | | |
| Other payables | 353,074 | 395,951 |
| Unearned revenue | 351,677 | 367,468 |
| Accrued expenses | 961,464 | 1,153,956 |
| Deferred revenue on credit card points | 242,346 | 238,584 |
| Withholding taxes | 306,709 | 286,435 |
| Others | 632,749 | 392,385 |
| | 2,848,019 | 2,834,779 |
| | ₩40,264,935 | ₩36,429,662 |

## 27. Equity

### 27.1 Share Capital

27.1.1 Details of share capital as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won and in number of shares)* | December 31, 2023 | 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 | 403,511,072 | 393,528,423 |
| Share capital* | ₩ 2,090,558 | ₩ 2,090,558 |

* Due to the retirement of shares deducted through retained earnings, it is different from the total par value of the shares issued.

27.1.2 Changes in outstanding shares for the years ended December 31, 2023 and 2024, are as follows:

| *(In number of shares)* | 2023 | 2024 |
|---|---|---|
| Beginning | 389,634,335 | 378,663,825 |
| Increase | — | 5,000,000 |
| Decrease | (10,970,510) | (10,063,106) |
| Ending | 378,663,825 | 373,600,719 |

**27.2 Hybrid Securities**

Details of hybrid securities classified as equity as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| Hybrid securities | Issuance date | Maturity | Interest rate (%) as of December 31, 2024 | December 31, 2023 | December 31, 2024 |
|---|---|---|---|---|---|
| Series 1-1 * | May 2, 2019 | Perpetual bond | — | ₩ 349,309 | ₩ — |
| Series 1-2 | May 2, 2019 | Perpetual bond | 3.44 | 49,896 | 49,896 |
| Series 2-1 | May 8, 2020 | Perpetual bond | 3.30 | 324,099 | 324,099 |
| Series 2-2 | May 8, 2020 | Perpetual bond | 3.43 | 74,812 | 74,812 |
| Series 3-1 | Jul. 14, 2020 | Perpetual bond | 3.17 | 369,099 | 369,099 |
| Series 3-2 | Jul. 14, 2020 | Perpetual bond | 3.38 | 29,922 | 29,922 |
| Series 4-1 | Oct. 20, 2020 | Perpetual bond | 3.00 | 433,996 | 433,996 |
| Series 4-2 | Oct. 20, 2020 | Perpetual bond | 3.28 | 64,855 | 64,855 |
| Series 5-1 | Feb. 19, 2021 | Perpetual bond | 2.67 | 419,071 | 419,071 |
| Series 5-2 | Feb. 19, 2021 | Perpetual bond | 2.87 | 59,862 | 59,862 |
| Series 5-3 | Feb. 19, 2021 | Perpetual bond | 3.28 | 119,727 | 119,727 |
| Series 6-1 | May 28, 2021 | Perpetual bond | 3.20 | 165,563 | 165,563 |
| Series 6-2 | May 28, 2021 | Perpetual bond | 3.60 | 109,708 | 109,708 |
| Series 7-1 | Oct. 8, 2021 | Perpetual bond | 3.57 | 208,468 | 208,468 |
| Series 7-2 | Oct. 8, 2021 | Perpetual bond | 3.80 | 59,834 | 59,834 |
| Series 8-1 | Feb. 16, 2022 | Perpetual bond | 4.00 | 442,970 | 442,970 |
| Series 8-2 | Feb. 16, 2022 | Perpetual bond | 4.30 | 155,626 | 155,626 |
| Series 9-1 | May 12, 2022 | Perpetual bond | 4.68 | 478,829 | 478,829 |
| Series 9-2 | May 12, 2022 | Perpetual bond | 4.97 | 19,906 | 19,906 |
| Series 10-1 | Aug. 26, 2022 | Perpetual bond | 4.90 | 407,936 | 407,936 |
| Series 10-2 | Aug. 26, 2022 | Perpetual bond | 5.15 | 70,819 | 70,819 |
| Series 10-3 | Aug. 26, 2022 | Perpetual bond | 5.30 | 19,944 | 19,944 |
| Series 11-1 | Feb. 03, 2023 | Perpetual bond | 4.90 | 548,681 | 548,681 |
| Series 11-2 | Feb. 03, 2023 | Perpetual bond | 5.03 | 49,871 | 49,871 |
| Series 12 | Feb. 28, 2024 | Perpetual bond | 4.39 | — | 399,084 |
| | | | | ₩5,032,803 | ₩5,082,578 |

* As a result of exercising the call option for the Company's write-down contingent convertible bonds on May 2, 2024, ₩350,000 million was fully redeemed before maturity.

The above hybrid securities are early redeemable by the Group after 5 or 7 or 10 years from the issuance date. On the other hand, hybrid securities of ₩1,065,613 million issued by Kookmin Bank, hybrid securities of ₩232,647 million issued by KB Securities Co., Ltd. and hybrid securities of ₩49,800 million issued by KB Life Insurance Co., Ltd., hybrid securities of ₩249,150 million issued by KB Kookmin Card Co., Ltd. and hybrid securities of ₩19,993 million issued by KB Real Estate Trust. Co., Ltd. are recognized as non-controlling interests and are early redeemable after 5 years from the issuance date and each interest payment date thereafter.

### 27.3 Capital Surplus

Details of capital surplus as of December 31, 2023 and 2024, are as follows

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| Paid-in capital in excess of par value | ₩13,190,274 | ₩13,190,274 |
| Losses on sales of treasury shares | (481,332) | (477,358) |
| Other capital surplus | 3,927,041 | 3,933,818 |
| Consideration for exchange right of exchangeable bonds | 11,933 | — |
| | ₩16,647,916 | ₩16,646,734 |

### 27.4 Accumulated Other Comprehensive Income

Details of accumulated other comprehensive income as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| Remeasurements of net defined benefit liabilities | ₩ (161,295) | ₩(247,241) |
| Currency translation differences | 261,752 | 809,089 |
| Gains (losses) on financial instruments at fair value through other comprehensive income | (2,735,499) | (1,518,990) |
| Share of other comprehensive loss of associates and joint ventures | (3,318) | (3,153) |
| Gains (losses) on cash flow hedging instruments | 73,555 | 108,318 |
| Losses on hedging instruments of net investments in foreign operations | (129,401) | (316,109) |
| Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk | (11,800) | (17,314) |
| Finance gains or losses on insurance contract assets (liabilities) | 4,858,650 | 1,682,322 |
| | ₩ 2,152,644 | ₩ 496,922 |

### 27.5 Retained Earnings

Details of retained earnings as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| Legal reserves [1] | ₩ 1,007,686 | ₩ 1,219,810 |
| Voluntary reserves | 982,000 | 982,000 |
| Retained earnings [2] | 29,944,914 | 32,606,410 |
| | ₩31,934,600 | ₩34,808,220 |

1 With respect to the allocation of net profit earned in a fiscal term, the Parent Company 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 53 of the Financial Holding Company Act. This reserve is not available for the payment of cash dividends, but may be transferred to share capital, or used to reduce accumulated deficit.

2 The regulatory reserve for credit losses the Group appropriated in retained earnings is ₩4,320,506 million and ₩4,370,051 million for the years ended December 31, 2023 and 2024, respectively.

### 27.6 Treasury Shares

Changes in treasury shares for the years ended December 31, 2023 and 2024, are as follows:

*(In millions of Korean won and in number of shares)*

| | 2023 | | | | |
|---|---|---|---|---|---|
| | Beginning | Acquisition | Disposal | Retirement | Ending |
| Number of treasury shares | 19,262,733 | 10,970,510 | — | (5,385,996) | 24,847,247 |
| Carrying amount | ₩ 836,188 | ₩ 571,745 | ₩ — | ₩ (242,096) | ₩ 1,165,837 |

*(In millions of Korean won and in number of shares)*

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Beginning | Acquisition | Disposal | Retirement | Ending |
| Number of treasury shares | 24,847,247 | 10,063,106 | (5,000,000) | (9,982,649) | 19,927,704 |
| Carrying amount | ₩ 1,165,837 | ₩ 820,000 | ₩ (234,600) | ₩ (515,177) | ₩ 1,236,060 |

* 5 million treasury shares deposited at the Korea Securities Depository for the exchange of exchangeable bonds were disposed on February 14, 2024, due to the exercise of exchange right.

The Group retired 5,584,514 shares (₩300,000 million) and 4,398,135 shares (₩320,000 million) of the treasury shares on August 14, 2024, each acquired in accordance with the resolution of the Board of Directors on July 25, 2023, and February 7, 2024, respectively.

Additionally, in accordance with the resolution of the Board of Directors on July 23, 2024, the Group plans to acquire shares worth ₩400,000 million of treasury shares through a trust contract by March 4, 2025, and plans to retire the shares after the termination of the trust contract and in accordance with the resolution of the Board of Directors on October 24, 2024, the Group plans to acquire shares worth ₩100,000 million of treasury shares through a trust contract by April 30, 2025, and plans to retire the shares after the termination of the trust contract.

## 28. Net Interest Income

Details of interest income, interest expense, and net interest income for the years ended December 31, 2022, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| **Interest income** | | | |
| Due from financial institutions measured at fair value through profit or loss | ₩ 3,186 | ₩ 1,746 | ₩ 2,889 |
| Securities measured at fair value through profit or loss | 913,617 | 1,400,912 | 1,422,251 |
| Loans measured at fair value through profit or loss | 12,932 | 12,708 | 33,372 |
| Securities measured at fair value through other comprehensive income | 1,629,157 | 2,225,549 | 2,693,188 |
| Loans measured at fair value through other comprehensive income | 17,429 | 39,084 | 55,314 |
| Due from financial institutions measured at amortized cost | 165,948 | 351,797 | 395,886 |
| Securities measured at amortized cost | 659,549 | 1,123,957 | 1,236,448 |
| Loans measured at amortized cost | 17,018,242 | 23,439,034 | 24,006,088 |
| Insurance finance income | 16,507 | 20,899 | 31,317 |
| Others | 350,850 | 526,338 | 614,632 |
| | 20,787,417 | 29,142,024 | 30,491,385 |
| **Interest expense** | | | |
| Deposits | 4,637,420 | 10,052,830 | 10,379,055 |
| Borrowings | 1,291,380 | 2,519,463 | 2,548,842 |
| Debentures | 1,640,773 | 2,306,823 | 2,623,198 |
| Insurance finance expense | 1,459,898 | 1,534,458 | 1,477,757 |
| Others | 207,058 | 547,590 | 635,819 |
| | 9,236,529 | 16,961,164 | 17,664,671 |
| **Net interest income** | ₩11,550,888 | ₩12,180,860 | ₩12,826,714 |

Interest income recognized on impaired loans is ₩53,215 million, ₩73,543 and ₩92,741 million for the years ended December 31, 2022, 2023 and 2024, respectively.

## 29. 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, 2022, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| **Fee and commission income** | | | |
| Banking activity fees | ₩ 180,749 | ₩ 181,841 | ₩ 187,563 |
| Lending activity fees | 80,871 | 96,469 | 113,553 |
| Credit card and debit card related fees | 1,491,666 | 1,598,964 | 1,661,516 |
| Agent activity fees | 243,740 | 198,402 | 215,382 |
| Trust and other fiduciary fees | 337,171 | 375,007 | 288,097 |
| Fund management related fees | 130,629 | 133,027 | 140,107 |
| Acceptances and guarantees fees | 66,827 | 77,291 | 95,588 |
| Foreign currency related fees | 285,575 | 308,747 | 362,449 |
| Securities agency fees | 124,771 | 113,476 | 123,833 |
| Other business account commission on consignment | 36,211 | 33,873 | 34,453 |
| Commissions received on securities business | 628,449 | 656,424 | 663,054 |
| Lease fees | 1,004,670 | 1,096,933 | 1,120,384 |
| Others | 514,601 | 497,620 | 475,864 |
| | 5,125,930 | 5,368,074 | 5,481,843 |
| **Fee and commission expense** | | | |
| Trading activity related fees * | 40,768 | 56,331 | 49,631 |
| Lending activity fees | 42,086 | 34,040 | 35,312 |
| Credit card and debit card related fees | 815,252 | 861,639 | 824,532 |
| Outsourcing related fees | 183,124 | 167,927 | 149,810 |
| Foreign currency related fees | 70,053 | 93,277 | 118,475 |
| Others | 459,745 | 481,336 | 454,456 |
| | 1,611,028 | 1,694,550 | 1,632,216 |
| **Net fee and commission income** | ₩3,514,902 | ₩3,673,524 | ₩3,849,627 |

* Fees from financial instruments at fair value through profit or loss

## 30. Net Gains or Losses on Financial Instruments at Fair Value through Profit or Loss

### 30.1 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, 2022, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| **Gains on financial instruments at fair value through profit or loss** | | | |
| Financial assets at fair value through profit or loss: | | | |
| Debt securities | ₩ 2,237,037 | ₩ 3,904,088 | ₩ 3,571,736 |
| Equity securities | 536,059 | 818,610 | 750,633 |
| | 2,773,096 | 4,722,698 | 4,322,369 |
| Derivatives held for trading: | | | |
| Interest rate | 11,772,928 | 7,195,387 | 5,053,285 |
| Currency | 15,006,105 | 9,230,401 | 17,434,391 |
| Stock or stock index | 1,986,668 | 2,027,294 | 2,394,867 |
| Credit | 78,638 | 41,234 | 46,619 |
| Commodity | 33,576 | 30,829 | 63,666 |
| Others | 199,022 | 173,215 | 64,960 |
| | 29,076,937 | 18,698,360 | 25,057,788 |
| Financial liabilities at fair value through profit or loss | 114,526 | 192,334 | 356,827 |
| Other financial instruments | 252 | 502 | 522 |
| | 31,964,811 | 23,613,894 | 29,737,506 |
| **Losses on financial instruments at fair value through profit or loss** | | | |
| Financial assets at fair value through profit or loss: | | | |
| Debt securities | 3,987,760 | 1,106,981 | 1,491,166 |
| Equity securities | 895,208 | 372,969 | 917,182 |
| | 4,882,968 | 1,479,950 | 2,408,348 |
| Derivatives held for trading: | | | |
| Interest rate | 10,747,221 | 7,439,802 | 5,170,159 |
| Currency | 15,154,428 | 9,271,983 | 18,093,278 |
| Stock or stock index | 2,485,340 | 2,164,455 | 2,120,380 |
| Credit | 68,324 | 44,971 | 43,821 |
| Commodity | 30,167 | 42,150 | 57,086 |
| Others | 430,069 | 166,403 | 155,760 |
| | 28,915,549 | 19,129,764 | 25,640,484 |
| Financial liabilities at fair value through profit or loss | 63,571 | 509,835 | 358,441 |
| Other financial instruments | 206 | 387 | 692 |
| | 33,862,294 | 21,119,936 | 28,407,965 |
| **Net gains(loss) on financial instruments at fair value through profit or loss** | ₩ (1,897,483) | ₩ 2,493,958 | ₩ 1,329,541 |

### 30.2 Net Gains or Losses on Financial Instruments Designated at Fair Value through Profit or Loss

Net gains or losses on financial instruments designated at fair value through profit or loss include 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 designated at fair value through profit or loss for the years ended December 31, 2022, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| **Gains on financial instruments designated at fair value through profit or loss** | | | |
| Financial liabilities designated at fair value through profit or loss | ₩1,186,908 | ₩ 726,277 | ₩ 323,412 |
| | 1,186,908 | 726,277 | 323,412 |
| **Losses on financial instruments designated at fair value through profit or loss** | | | |
| Financial liabilities designated at fair value through profit or loss | 429,243 | 1,057,170 | 640,872 |
| | 429,243 | 1,057,170 | 640,872 |
| **Net gains(losses) on financial instruments designated at fair value through profit or loss** | ₩ 757,665 | ₩ (330,893) | ₩(317,460) |

## 31. Net Other Operating Income and Expenses

Details of other operating income and expenses for the years ended December 31, 2022, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| **Other operating income** | | | |
| Gains on securities at fair value through other comprehensive income: | | | |
| Gains on redemption of securities at fair value through other comprehensive income | ₩ 24 | ₩ 7,326 | ₩ 9,738 |
| Gains on disposal of securities at fair value through other comprehensive income | 24,795 | 59,666 | 128,169 |
| | 24,819 | 66,992 | 137,907 |
| Gains on financial assets at amortized cost: | | | |
| Gains on sale of loans measured at amortized cost | 83,552 | 99,942 | 136,706 |
| Gains on disposal of securities measured at amortized cost | 27 | 174 | 1,019 |
| | 83,579 | 100,116 | 137,725 |
| Gains on hedge accounting | 861,263 | 361,281 | 480,584 |
| Gains on foreign exchange transactions | 11,578,501 | 6,480,621 | 6,070,151 |
| Dividend income | 37,125 | 47,769 | 86,524 |
| Others | 497,827 | 593,871 | 673,191 |
| | 13,083,114 | 7,650,650 | 7,586,082 |
| **Other operating expenses** | | | |
| Losses on securities at fair value through other comprehensive income: | | | |
| Losses on redemption of securities at fair value through other comprehensive income | 3,049 | 8 | 66 |
| Losses on disposal of securities at fair value through other comprehensive income | 331,665 | 323,147 | 242,846 |
| | 334,714 | 323,155 | 242,912 |
| Losses on financial assets at amortized cost: | | | |
| Losses on sale of loans measured at amortized cost | 78,089 | 49,534 | 115,318 |
| | 78,089 | 49,534 | 115,318 |
| Losses on hedge accounting | 874,704 | 379,343 | 425,612 |
| Losses on foreign exchange transactions | 11,159,131 | 6,130,076 | 5,375,351 |
| Deposit insurance fee | 538,016 | 570,465 | 590,148 |
| Credit guarantee fund fee | 283,912 | 327,764 | 362,234 |
| Depreciation expenses of operating lease assets | 682,783 | 713,056 | 701,917 |
| Others | 1,393,888 | 1,870,246 | 1,645,601 |
| | 15,345,237 | 10,363,639 | 9,459,093 |
| **Net other operating expenses** | ₩ (2,262,123) | ₩ (2,712,989) | ₩ (1,873,011) |

## 32. General and Administrative Expenses

### 32.1 Details of general and administrative expenses for the years ended December 31, 2022, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| **Expenses related to employee** | | | |
| Employee benefits—salaries | ₩2,639,569 | ₩2,621,008 | ₩2,707,446 |
| Employee benefits—others | 897,559 | 860,038 | 855,152 |
| Post-employment benefits—defined benefit plans | 222,388 | 155,720 | 177,481 |
| Post-employment benefits—defined contribution plans | 32,743 | 32,160 | 33,995 |
| Termination benefits | 312,980 | 275,632 | 306,617 |
| Share-based payments | 51,756 | 69,703 | 140,453 |
| | 4,156,995 | 4,014,261 | 4,221,144 |
| **Depreciation and amortization** | 816,841 | 865,927 | 916,295 |
| **Other general and administrative expenses** | | | |
| Rental expense | 98,346 | 100,761 | 92,392 |
| Tax and dues | 254,749 | 303,987 | 324,621 |
| Communication | 51,136 | 48,704 | 48,223 |
| Electricity and utilities | 32,954 | 45,255 | 49,063 |
| Publication | 10,435 | 9,263 | 7,813 |
| Repairs and maintenance | 50,828 | 51,202 | 52,298 |
| Vehicle | 18,308 | 18,015 | 18,313 |
| Travel | 16,680 | 18,177 | 16,881 |
| Training | 41,114 | 44,275 | 43,118 |
| Service fees | 242,762 | 233,403 | 249,774 |
| Electronic data processing expenses | 310,000 | 354,842 | 352,985 |
| Advertising | 236,957 | 230,192 | 230,656 |
| Others | 305,549 | 309,142 | 315,048 |
| | 1,669,818 | 1,767,218 | 1,801,185 |
| | ₩6,643,654 | ₩6,647,406 | ₩6,938,624 |

## 32.2 Share-based Payments

32.2.1 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.

32.2.1.1 Details of stock grants linked to long-term performance as of December 31, 2024, are as follows:

| *(In number of shares)* | Grant date | Number of granted shares[1] | Vesting conditions[2] |
|---|---|---|---|
| **KB Financial Group Inc.** | | | |
| Series 34 | Feb. 1, 2022 | 644 | Services fulfillment, market performance[3] 30%, and non-market performance[4] 70% |
| Series 36 | Jan. 1, 2023 | 26,071 | Services fulfillment, market performance[3] 0~30%, and non-market performance[4] 70~100% |
| Series 37 | Apr. 1, 2023 | 1,830 | Services fulfillment, market performance[3] 30%, and non-market performance[4] 70% |
| Series 38 | Nov. 21, 2023 | 55,547 | Services fulfillment, market performance[3] 35%, and non-market performance[5] 65% |
| Series 39 | Jan. 1, 2024 | 69,628 | Services fulfillment, market performance[3] 0~30%, and non-market performance[4] 70~100% |
| Series 40 | Feb. 1, 2024 | 511 | Services fulfillment, market performance[3] 30%, and non-market performance[4] 70% |
| Series 41 | Apr. 6, 2024 | 6,270 | Services fulfillment, market performance[3] 30%, and non-market performance[4] 70% |
| Series 42 | Apr. 26, 2024 | 616 | Services fulfillment, market performance[3] 0%, and non-market performance[4] 100% |
| Deferred grant in 2015 | | 2,123 | Satisfied |
| Deferred grant in 2020 | | 284 | Satisfied |
| Deferred grant in 2021 | | 9,060 | Satisfied |
| Deferred grant in 2022 | | 26,240 | Satisfied |
| Deferred grant in 2023 | | 71,682 | Satisfied |
| | | 270,506 | |
| **Kookmin Bank** | | | |
| Series 85 | Jan. 1, 2022 | 6,740 | Services fulfillment, market performance[3] 0~30%, and non-market performance[4] 70~100% |
| Series 86 | Feb. 1, 2022 | 1,525 | Services fulfillment, market performance[3] 0~30%, and non-market performance[4] 70~100% |
| Series 90 | Jul. 18, 2022 | 3,716 | Services fulfillment, market performance[3] 0~30%, and non-market performance[4] 70~100% |
| Series 91 | Aug. 24, 2022 | 7,277 | Services fulfillment, market performance[3] 0~30%, and non-market performance[4] 70~100% |
| Series 92 | Jan. 1, 2023 | 160,673 | Services fulfillment, market performance[3] 0~30%, and non-market performance[4] 70~100% |
| Series 94 | Apr. 1, 2023 | 5,849 | Services fulfillment, market performance[3] 0~30%, and non-market performance[4] 70~100% |
| Series 96 | Jan. 1, 2024 | 291,303 | Services fulfillment, market performance[3] 0~30%, and non-market performance[4] 70~100%<br>Services fulfillment, market performance[3] 30%, EPS, and Asset Quality[6] 70% |
| Series 97 | Feb. 1, 2024 | 2,045 | Services fulfillment, market performance[3] 0~30%, and non-market performance[4] 70~100% |
| Series 98 | Apr. 22, 2024 | 2,959 | Services fulfillment, market performance[3] 0~30%, and non-market performance[4] 70~100% |
| Series 99 | July. 5, 2024 | 4,926 | Services fulfillment, market performance[3] 0~30%, and non-market performance[4] 70~100% |
| Series 100 | July. 18, 2024 | 549 | Services fulfillment, market performance[3] 0~30%, and non-market performance[4] 70~100% |
| Series 101 | Aug. 24, 2024 | 4,453 | Services fulfillment, market performance[3] 0~30%, and non-market performance[4] 70~100% |

32.2.1.1 Details of stock grants linked to long-term performance as of December 31, 2024, are as follows (cont'd):

| *(In number of shares)* | Grant date | Number of granted shares[1] | Vesting conditions[2] |
|---|---|---|---|
| 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 | |
| **Other subsidiaries** | | | |
| Stock granted in 2012 | | 160 | Services fulfillment, market performance[3] 0~50%, and non-market performance[4] 50~100% |
| Stock granted in 2013 | | 219 | |
| Stock granted in 2014 | | 1,028 | |
| Stock granted in 2015 | | 1,287 | |
| Stock granted in 2016 | | 234 | |
| Stock granted in 2017 | | 5,834 | |
| Stock granted in 2018 | | 13,883 | |
| Stock granted in 2019 | | 18,106 | |
| Stock granted in 2020 | | 53,629 | |
| Stock granted in 2021 | | 52,505 | |
| Stock granted in 2022 | | 146,378 | |
| Stock granted in 2023 | | 385,023 | |
| Stock granted in 2024 | | 307,922 | |
| | | 986,208 | |
| | | 2,004,382 | |

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.

3 Relative TSR (Total Shareholder Return): [(Fair value at the end of the contract—Fair value at the beginning of the contract) + (Total amount of dividend per share paid during the contract period)] / Fair value at the beginning of the contract

4 Performance results of company and employee

5 EPS (Earnings Per Share), Asset Quality, HCROI (Human Capital Return On Investment), Non-bank segment profit

6 EPS, Asset Quality

32.2.1.2 Details of stock grants linked to short-term performance as of December 31, 2024, are as follows:

| *(In number of shares)* | Estimated number of vested shares * | Vesting conditions |
|---|---|---|
| **KB Financial Group Inc.** | | |
| Stock granted in 2015 | 1,078 | Satisfied |
| Stock granted in 2016 | 2,076 | Satisfied |
| Stock granted in 2020 | 156 | Satisfied |
| Stock granted in 2021 | 11,857 | Satisfied |
| Stock granted in 2022 | 29,285 | Satisfied |
| Stock granted in 2023 | 40,280 | Satisfied |
| Stock granted in 2024 | 23,659 | Proportional to service period |
| **Kookmin Bank** | | |
| Stock granted in 2016 | 706 | Satisfied |
| Stock granted in 2021 | 42,816 | Satisfied |
| Stock granted in 2022 | 107,840 | Satisfied |
| Stock granted in 2023 | 178,808 | Satisfied |
| Stock granted in 2024 | 86,113 | Proportional to service period |
| **Other subsidiaries** | | |
| Stock granted in 2015 | 2,672 | Satisfied |
| Stock granted in 2016 | 12,312 | Satisfied |
| Stock granted in 2017 | 26,375 | Satisfied |
| Stock granted in 2018 | 64,040 | Satisfied |
| Stock granted in 2019 | 56,724 | Satisfied |
| Stock granted in 2020 | 75,969 | Satisfied |
| Stock granted in 2021 | 234,222 | Satisfied |
| Stock granted in 2022 | 349,858 | Satisfied |
| Stock granted in 2023 | 575,294 | Satisfied |
| Stock granted in 2024 | 154,299 | Proportional to service period |
| | 2,076,439 | |

* 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.

32.2.1.3 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)* | Risk-free rate (%) | Fair value (market performance condition) | Fair value (non-market performance condition) |
|---|---|---|---|
| **Linked to long-term performance** | | | |
| (KB Financial Group Inc.) | | | |
| Series 34 | 2.69 | 63,498~76,618 | 72,231~87,156 |
| Series 36 | 2.69 | 72,231~87,156 | 52,755~87,156 |
| Series 37 | 2.69 | 72,231~87,156 | 72,231~87,156 |
| Series 38 | 2.69 | 64,306~73,900 | 66,306~76,198 |
| Series 39 | 2.69 | 68,992~87,156 | 68,992~87,156 |
| Series 40 | 2.69 | 65,949~75,790 | 65,949~75,790 |
| Series 41 | 2.69 | 65,949~75,790 | 65,949~75,790 |
| Series 42 | 2.69 | 72,231~87,156 | 72,231~87,156 |
| Deferred grant in 2015 | 2.69 | — | 79,280~87,156 |
| Deferred grant in 2020 | 2.69 | — | 79,280~87,156 |
| Deferred grant in 2021 | 2.69 | — | 87,156 |
| Deferred grant in 2022 | 2.69 | — | 75,790~87,156 |
| Deferred grant in 2023 | 2.69 | — | 72,231~87,156 |
| (Kookmin Bank) | | | |
| Series 85 | 2.69 | 65,860~79,468 | 72,231~87,156 |
| Series 86 | 2.69 | 63,498~76,618 | 72,231~87,156 |
| Series 90 | 2.69 | 72,231~87,156 | 72,231~87,156 |
| Series 91 | 2.69 | 72,231~87,156 | 72,231~87,156 |
| Series 92 | 2.69 | 72,231~87,156 | 72,231~87,156 |
| Series 94 | 2.69 | 72,231~87,156 | 72,231~87,156 |
| Series 96 | 2.69 | 68,992~87,156 | 68,992~87,156 |
| Series 97 | 2.69 | 65,949~75,790 | 65,949~75,790 |
| Series 98 | 2.69 | 65,949~75,790 | 65,949~75,790 |
| Series 99 | 2.69 | 65,949~75,790 | 65,949~75,790 |
| Series 100 | 2.69 | 72,231~87,156 | 72,231~87,156 |
| Series 101 | 2.69 | 65,949~75,790 | 65,949~75,790 |
| Grant deferred in 2021 | 2.69 | — | 0~87,156 |
| Grant deferred in 2022 | 2.69 | — | 75,790~87,156 |
| Grant deferred in 2023 | 2.69 | — | 68,298~87,156 |
| Grant deferred in 2024 | 2.69 | — | 70,431~87,156 |
| (Other subsidiaries) | | | |
| Stock granted in 2012 | 2.69 | — | 79,280 |
| Stock granted in 2013 | 2.69 | — | 79,280 |
| Stock granted in 2014 | 2.69 | — | 52,755~79,280 |
| Stock granted in 2015 | 2.69 | — | 47,631~87,156 |
| Stock granted in 2016 | 2.69 | — | 87,156 |
| Stock granted in 2017 | 2.69 | — | 45,096~87,156 |
| Stock granted in 2018 | 2.69 | — | 45,096~87,156 |
| Stock granted in 2019 | 2.69 | — | 45,096~87,156 |
| Stock granted in 2020 | 2.69 | — | 45,096~87,156 |
| Stock granted in 2021 | 2.69 | — | 56,379~87,156 |
| Stock granted in 2022 | 2.69 | 64,263~87,156 | 52,755~87,156 |
| Stock granted in 2023 | 2.69 | 68,992~87,156 | 52,755~87,156 |
| Stock granted in 2024 | 2.69 | 65,949~87,156 | 65,949~87,156 |

32.2.1.3 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 (cont'd):

| *(In Korean won)* | Risk-free rate (%) | Fair value (market performance condition) | Fair value (non-market performance condition) |
|---|---|---|---|
| **Linked to short-term performance** | | | |
| (KB Financial Group Inc.) | | | |
| Stock granted in 2015 | 2.69 | — | 79,280~87,156 |
| Stock granted in 2016 | 2.69 | — | 72,231~87,156 |
| Stock granted in 2020 | 2.69 | — | 79,280~87,156 |
| Stock granted in 2021 | 2.69 | — | 87,156 |
| Stock granted in 2022 | 2.69 | — | 79,280~87,156 |
| Stock granted in 2023 | 2.69 | — | 75,790~87,156 |
| Stock granted in 2024 | 2.69 | — | 68,992~79,280 |
| (Kookmin Bank) | | | |
| Stock granted in 2016 | 2.69 | — | 87,156 |
| Stock granted in 2021 | 2.69 | — | 87,156 |
| Stock granted in 2022 | 2.69 | — | 72,231~87,156 |
| Stock granted in 2023 | 2.69 | — | 75,790~87,156 |
| Stock granted in 2024 | 2.69 | — | 68,992~82,229 |
| (Other subsidiaries) | | | |
| Stock granted in 2015 | 2.69 | — | 75,790~87,156 |
| Stock granted in 2016 | 2.69 | — | 47,631~87,156 |
| Stock granted in 2017 | 2.69 | — | 45,096~87,156 |
| Stock granted in 2018 | 2.69 | — | 45,096~87,156 |
| Stock granted in 2019 | 2.69 | — | 45,096~87,156 |
| Stock granted in 2020 | 2.69 | — | 50,973~87,156 |
| Stock granted in 2021 | 2.69 | — | 52,755~87,156 |
| Stock granted in 2022 | 2.69 | — | 52,755~87,156 |
| Stock granted in 2023 | 2.69 | — | 68,992~87,156 |
| Stock granted in 2024 | 2.69 | — | 68,992~82,774 |

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.

32.2.1.4 The accrued expenses for share-based payments related to stock grants are ₩ 202,243 million and ₩ 295,867 million as of December 31, 2023 and 2024, respectively, and the compensation costs amounting to ₩ 77,932 million and ₩ 162,406 million were recognized for the years ended December 31, 2023 and 2024, respectively.

32.2.2 Mileage stock

32.2.2.1 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 |
| *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 |

32.2.2.1 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 |
|---|---|---|---|---|
| | 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 lock-up period.

2 Assessed based on the stock price as of December 31, 2024. These shares are vested immediately at grant date.

32.2.2.2 The accrued expenses for share-based payments related to mileage stock are ₩ 3,183 million and ₩ 5,067 million as of December 31, 2023 and 2024, respectively. The compensation costs amounting to ₩ 1,645 million and ₩ 3,183 million were recognized as expenses for the years ended December 31, 2023 and 2024, respectively.

## 33. Net Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for the years ended December 31, 2022, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| **Other non-operating income** | | | |
| Gains on disposal of property and equipment | ₩155,177 | ₩ 1,790 | ₩ 29,515 |
| Rental income | 26,176 | 23,682 | 26,023 |
| Others | 283,991 | 131,995 | 128,794 |
| | 465,344 | 157,467 | 184,332 |
| **Other non-operating expenses** | | | |
| Losses on disposal of property and equipment | 2,164 | 1,839 | 5,080 |
| Donation | 94,771 | 120,560 | 152,037 |
| Restoration costs | 2,857 | 3,642 | 2,922 |
| Management cost for written-off loans | 4,296 | 3,769 | 3,888 |
| Impairment losses on goodwill | — | 6,268 | 60,273 |
| Others* | 171,932 | 319,369 | 1,003,262 |
| | 276,020 | 455,447 | 1,227,462 |
| **Net other non-operating income (expenses)** | ₩189,324 | ₩(297,980) | ₩(1,043,130) |

* Includes expenses of ₩ 744,764 million related to the voluntary compensation for the performance of the Hang Seng China Enterprise Index as of December 31, 2024.

## 34. Income Tax Expense

### 34.1 Details of income tax expense for the years ended December 31, 2022, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| **Income tax payable** | | | |
| Current income tax expense | ₩ 1,984,075 | ₩ 1,468,269 | ₩1,594,917 |
| Adjustments of income tax of prior years recognized in current tax | (122,385) | (35,326) | (27,266) |
| | 1,861,690 | 1,432,943 | 1,567,651 |
| **Changes in deferred income tax assets and liabilities*** | (397,828) | 557,002 | (417,219) |
| **Income tax recognized directly in equity and others** | | | |
| Remeasurements of net defined benefit liabilities | (91,150) | 25,895 | 31,076 |
| Currency translation differences | (15,059) | (11,866) | (12,919) |
| Net gains or losses on financial assets at fair value through other comprehensive income | 2,344,582 | (1,198,075) | (421,425) |
| Share of other comprehensive income or loss of associates and joint ventures | 44 | (7) | (170) |
| Gains or losses on cash flow hedging instruments | (25,049) | (1,913) | (12,501) |
| Gains or losses on hedging instruments of net investments in foreign operations | 24,936 | 4,931 | 66,971 |
| Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk | (14,009) | 19,038 | 1,979 |
| Finance gains or losses on insurance contract assets (liabilities) | (2,103,685) | 772,435 | 1,139,335 |
| | 120,610 | (389,562) | 792,346 |
| **Others** | (80,411) | (6,566) | 13,863 |
| **Income tax expense** | ₩ 1,504,061 | ₩ 1,593,817 | ₩1,956,641 |

### 34.2 Analysis of the relationship between net profit before income tax expense and income tax expense for the years ended December 31, 2022, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2022 | | 2023 | | 2024 | |
|---|---|---|---|---|---|---|
| | Tax rate (%) | Amount | Tax rate (%) | Amount | Tax rate (%) | Amount |
| **Profit before income tax expense** | | ₩5,394,963 | | ₩6,120,151 | | ₩6,985,247 |
| Income tax at the applicable tax rate* | 27.31 | 1,473,253 | 26.23 | 1,605,358 | 26.25 | 1,833,743 |
| Non-taxable income | (1.06) | (57,320) | (0.72) | (44,197) | (0.98) | (68,560) |
| Non-deductible expenses | 0.42 | 22,661 | 0.35 | 21,133 | 0.34 | 23,879 |
| Tax credit and tax exemption | (0.04) | (2,380) | (0.03) | (2,006) | (0.03) | (2,067) |
| Temporary difference for which no deferred tax is recognized | 2.52 | 135,694 | (0.07) | (4,312) | (1.08) | (75,701) |
| Changes in recognition and measurement of deferred tax | 0.91 | 49,262 | 1.12 | 68,362 | 3.32 | 231,943 |
| Income tax refund for tax of prior years | (2.56) | (138,314) | (0.70) | (42,952) | (1.11) | (77,423) |
| Income tax expense of overseas branches | 0.58 | 31,270 | 0.92 | 56,285 | 0.81 | 56,373 |
| Tax rate change effect | 0.05 | 2,714 | 0.01 | 622 | 0.00 | — |
| Others | (0.24) | (12,779) | (1.05) | (64,476) | 0.50 | 34,454 |
| **Average effective tax rate and income tax expense** | 27.87 | ₩1,504,061 | 26.04 | ₩1,593,817 | 28.01 | ₩1,956,641 |

* Applicable income tax rate for ₩ 200 million and below is 11%, for over ₩ 200 million to ₩ 20 billion is 22%, for over ₩ 20 billion to ₩ 300 billion is 24.2% and for over ₩ 300 billion is 27.5% for the years ended December 31, 2022.
* Applicable income tax rate for ₩ 200 million and below is 9.9%, for over ₩ 200 million to ₩ 20,000 million is 20.9%, for over ₩ 20,000 million to ₩ 300,000 million is 23.1% and for over ₩ 300,000 million is 26.4% for the years ended December 31, 2023 and 2024.

**34.3 The impact of the global minimum tax**

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.

As a result, the Pillar 2 income tax expense recognized during the year ended December 31, 2024 is ₩ 471 million, and exceptions have been applied regarding the recognition and disclosure of related deferred tax assets and liabilities.

**35. Dividends**

The annual dividends to the shareholders of the Parent Company for the year ended December 31, 2023, amounting to ₩ 587,006 million (₩ 1,530 per share) were declared at the annual general shareholders' meeting on March 22, 2024 and paid in April 11, 2024.

According to the resolution of the board of directors on April 25, 2024, the quarterly dividend amounting to ₩ 300,087 million (₩ 784 per share) with dividend record date of March 31, 2024 were paid on May 9, 2024; according to the resolution of the board of directors on July 23, 2024, the quarterly dividend amounting to ₩ 299,999 million (₩ 791 per share) with dividend record date of June 30, 2024 were paid on August 8, 2024; and according to the resolution of the board of directors on October 24, 2024, the quarterly dividend amounting to ₩ 299,886 million (₩ 795 per share) with dividend record date of September 30, 2024 were paid on November 7, 2024.

The annual dividends to the shareholders of the Company for the year ended December 31, 2024, amounting to ₩ 298,285 million (₩ 804 per share) is to be proposed at the general shareholders' meeting scheduled for March 26, 2025. The Company's financial statements as of and for the year ended December 31, 2024, do not reflect this dividend payable.

## 36. Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss) for the years ended December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Beginning | Changes except for reclassification | Reclassification to profit or loss | Transfer within equity | Tax effect | Ending |
| Remeasurements of net defined benefit liabilities | ₩ (88,770) | ₩ (98,420) | ₩ — | ₩ — | ₩ 25,895 | ₩ (161,295) |
| Currency translation differences | 254,446 | 42,925 | (23,753) | — | (11,866) | 261,752 |
| Gains (losses) on financial instruments at fair value through other comprehensive income | (6,081,560) | 4,299,541 | 281,849 | (37,254) | (1,198,075) | (2,735,499) |
| Share of other comprehensive income (loss) of associates and joint ventures | (3,342) | 31 | — | — | (7) | (3,318) |
| Gains (losses) on cash flow hedging instruments | 19,632 | 7,328 | 48,508 | — | (1,913) | 73,555 |
| Gains (losses) on hedging instruments of net investments in foreign operations | (114,742) | (19,590) | — | — | 4,931 | (129,401) |
| Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk | 41,063 | (71,901) | — | — | 19,038 | (11,800) |
| Finance gains or losses on insurance contract assets (liabilities) | 6,976,154 | (2,889,939) | — | — | 772,435 | 4,858,650 |
| | ₩ 1,002,881 | ₩ 1,269,975 | ₩ 306,604 | ₩ (37,254) | ₩ (389,562) | ₩ 2,152,644 |

**36. Accumulated Other Comprehensive Income (Loss) (cont'd)**

*(In millions of Korean won)*

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Beginning | Changes except for reclassification | Reclassification to profit or loss | Transfer within equity | Tax effect | Ending |
| Remeasurements of net defined benefit liabilities | ₩ (161,295) | ₩ (117,022) | ₩ — | ₩ — | ₩ 31,076 | ₩ (247,241) |
| Currency translation differences | 261,752 | 560,256 | — | — | (12,919) | 809,089 |
| Gains (losses) on financial instruments at fair value through other comprehensive income | (2,735,499) | 1,462,875 | 171,410 | 3,649 | (421,425) | (1,518,990) |
| Share of other comprehensive income (loss) of associates and joint ventures | (3,318) | 336 | (1) | — | (170) | (3,153) |
| Gains (losses) on cash flow hedging instruments | 73,555 | 341,856 | (294,592) | — | (12,501) | 108,318 |
| Gains (losses) on hedging instruments of net investments in foreign operations | (129,401) | (253,679) | — | — | 66,971 | (316,109) |
| Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk | (11,800) | (7,493) | — | — | 1,979 | (17,314) |
| Finance gains or losses on insurance contract assets (liabilities) | 4,858,650 | (4,315,663) | — | — | 1,139,335 | 1,682,322 |
| | ₩ 2,152,644 | ₩(2,328,534) | ₩ (123,183) | ₩3,649 | ₩ 792,346 | ₩ 496,922 |

## 37. Earnings per Share

### 37.1 Basic Earnings per Share

Basic earnings per share is calculated by dividing profit attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding.

37.1.1 Weighted average number of ordinary shares outstanding

| *(In number of shares)* | 2022 | | 2023 | | 2024 | |
|---|---|---|---|---|---|---|
| | Number of shares | Accumulated number of shares | Number of shares | Accumulated number of shares | Number of shares | Accumulated number of shares |
| Number of issued ordinary shares | 408,897,068 | 150,138,929,728 | 403,511,072 | 147,787,824,904 | 393,528,423 | 146,287,481,492 |
| Number of treasury shares* | (19,262,733) | (7,922,397,453) | (24,847,247) | (7,617,096,867) | (19,927,704) | (7,659,481,944) |
| Average number of ordinary shares outstanding | 389,634,335 | 142,216,532,275 | 378,663,825 | 140,170,728,037 | 373,600,719 | 138,627,999,548 |
| Number of days | | 365 | | 365 | | 366 |
| Weighted average number of ordinary shares outstanding | | 389,634,335 | | 384,029,392 | | 378,765,026 |

* Treasury stock retired during the year ended December 31, 2023 and 2024 were deducted from April 4, 2023 and August 14, 2024, respectively.

37.1.2 Basic earnings per share

| *(In Korean won and in number of shares)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| Profit attributable to shareholders of the Parent Company | ₩4,112,493,074,223 | ₩4,594,834,837,385 | ₩5,078,220,543,511 |
| Deduction: Dividends on hybrid securities | (126,402,175,000) | (184,915,050,000) | (199,798,800,000) |
| Profit attributable to ordinary equity holders of the Parent Company (A) | 3,986,090,899,223 | 4,409,919,787,385 | 4,878,421,743,511 |
| Weighted average number of ordinary shares outstanding (B) | 389,634,335 | 384,029,392 | 378,765,026 |
| Basic earnings per share (A/B) | ₩ 10,230 | ₩ 11,483 | ₩ 12,880 |

### 37.2 Diluted Earnings per Share

Diluted earnings per share is calculated through increasing the weighted average number of ordinary shares outstanding by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares such as stock grants and ordinary share exchange right of exchangeable bonds.

A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price for the year) based on the monetary value of stock grants. The number of shares calculated above is compared with the number of shares that would have been issued assuming the settlement of stock grants.

Exchangeable bonds are included in potential ordinary shares from the exercisable date of the exchange right, and interest expense after tax for the period is added to profit for diluted earnings per share.

37.2.1 Adjusted profit for diluted earnings per share

| *(In Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| Profit attributable to shareholders of the Parent Company | ₩4,112,493,074,223 | ₩4,594,834,837,385 | ₩5,078,220,543,511 |
| Deduction: Dividends on hybrid securities | (126,402,175,000) | (184,915,050,000) | (199,798,800,000) |
| Profit attributable to ordinary equity holders of the Parent Company | 3,986,090,899,223 | 4,409,919,787,385 | 4,878,421,743,511 |
| Adjustments: Interest expense on exchangeable bonds | 2,380,953,816 | 2,451,851,049 | 306,631,690 |
| Adjusted profit for diluted earnings per share | ₩3,988,471,853,039 | ₩4,412,371,638,434 | ₩4,878,728,375,201 |

37.2.2 Weighted average number of ordinary shares outstanding for diluted earnings per share

| *(In number of shares)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| Weighted average number of ordinary shares outstanding | 389,634,335 | 384,029,392 | 378,765,026 |
| Adjustment: | | | |
| Stock grants | 4,306,711 | 4,300,774 | 4,001,803 |
| Exchangeable bonds | 5,000,000 | 5,000,000 | 601,093 |
| Adjusted weighted average number of ordinary shares outstanding for diluted earnings per share | 398,941,046 | 393,330,166 | 383,367,922 |

37.2.3 Diluted earnings per share

| *(In Korean won and in number of shares)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| Adjusted profit for diluted earnings per share | ₩3,988,471,853,039 | ₩4,412,371,638,434 | ₩4,878,728,375,201 |
| Adjusted weighted average number of ordinary shares outstanding for diluted earnings per share | 398,941,046 | 393,330,166 | 383,367,922 |
| Diluted earnings per share | ₩ 9,998 | ₩ 11,218 | ₩ 12,726 |

## 38. Insurance Contracts

### 38.1 Details of insurance contract assets and insurance contract liabilities as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Life insurance | | | | | Non-life insurance | | | |
| | Death | Health | Pension | Variables | Compound | Long-term | General | Automobile | Overseas |
| Insurance contract assets | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ 219,782 | ₩ 9,858 | ₩ — | ₩ — |
| Insurance contract liabilities | 12,184,805 | 449,459 | 6,992,772 | 6,565,561 | — | 20,429,882 | 1,505,850 | 2,224,924 | 264,737 |
| **Net insurance contract liabilities** | ₩12,184,805 | ₩449,459 | ₩6,992,772 | ₩6,565,561 | ₩ — | ₩20,210,100 | ₩1,495,992 | ₩2,224,924 | ₩264,737 |
| Reinsurance contract assets | ₩ 455 | ₩ (90) | ₩ — | ₩ — | ₩ 5,545 | ₩ 442,280 | ₩ 957,040 | ₩ 10,513 | ₩226,689 |
| Reinsurance contract liabilities | 14,913 | 17,275 | — | — | — | — | 3,842 | — | — |
| **Net reinsurance contract assets (liabilities)** | ₩ (14,458) | ₩ (17,365) | ₩ — | ₩ — | ₩ 5,545 | ₩ 442,280 | ₩ 953,198 | ₩ 10,513 | ₩226,689 |

**38.1 Details of insurance contract assets and insurance contract liabilities as of December 31, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | December 31, 2024 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Life insurance | | | | | Non-life insurance | | | |
| | Death | Health | Pension | Variables | Compound | Long-term | General | Automobile | Overseas |
| Insurance contract assets | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ 265,762 | ₩ 10,429 | ₩ — | ₩ — |
| Insurance contract liabilities | 14,687,315 | 579,725 | 7,431,564 | 6,644,117 | — | 22,838,534 | 1,327,191 | 2,145,366 | 209,889 |
| **Net insurance contract liabilities** | ₩14,687,315 | ₩579,725 | ₩7,431,564 | ₩6,644,117 | ₩ — | ₩22,572,772 | ₩1,316,762 | ₩2,145,366 | ₩209,889 |
| Reinsurance contract assets | ₩ 81 | ₩ — | ₩ — | ₩ — | ₩ 2,442 | ₩ 492,051 | ₩ 831,272 | ₩ 6,953 | ₩164,348 |
| Reinsurance contract liabilities | 18,022 | 16,265 | — | — | — | 122 | 21,857 | — | — |
| **Net reinsurance contract assets (liabilities)** | ₩ (17,941) | ₩ (16,265) | ₩ — | ₩ — | ₩ 2,442 | ₩ 491,929 | ₩ 809,415 | ₩ 6,953 | ₩164,348 |

**38.2 Changes in insurance and reinsurance contract liabilities**

38.2.1 Changes in insurance contract liabilities (assets) not applying the premium allocation approach for the years ended December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | 2023 | | | |
|---|---|---|---|---|
| | Liability for Remaining Coverage | | | |
| | Other than Loss Component | Loss Component | Liability for Incurred Claims | Total |
| Beginning | ₩40,174,308 | ₩ 272,629 | ₩ 1,981,290 | ₩42,428,227 |
| Insurance revenue | (6,232,135) | — | — | (6,232,135) |
| Insurance service expenses | | | | |
| Insurance claims and expenses | — | (18,663) | 4,505,137 | 4,486,474 |
| Amortization of insurance acquisition cash flows | 206,367 | — | — | 206,367 |
| Changes in fulfillment cash flows relating to incurred claims | — | — | (47,991) | (47,991) |
| Losses on onerous contracts and reversals | — | 280,872 | — | 280,872 |
| Other insurance service expenses | 3,791 | — | — | 3,791 |
| Insurance service result | (6,021,977) | 262,209 | 4,457,146 | (1,302,622) |
| Insurance finance income and expenses | 4,937,386 | 5,275 | 50,296 | 4,992,957 |
| Investment components | (5,233,167) | — | 5,233,167 | — |
| Cashflow | | | | |
| Premiums received | 12,118,916 | — | — | 12,118,916 |
| Insurance acquisition cash flows | (2,243,231) | — | — | (2,243,231) |
| Incurred claims and expenses | — | — | (6,796,305) | (6,796,305) |
| Other cashflow | — | — | (2,795,316) | (2,795,316) |
| Total cashflow | 9,875,685 | — | (9,591,621) | 284,064 |
| Other | 71 | — | — | 71 |
| Ending | ₩43,732,306 | ₩ 540,113 | ₩ 2,130,278 | ₩46,402,697 |

38.2.1 Changes in insurance contract liabilities (assets) not applying the premium allocation approach for the years ended December 31, 2023 and 2024, are as follows (cont'd):

| *(In millions of Korean won)* | 2024 | | | |
|---|---|---|---|---|
| | Liability for Remaining Coverage | | | |
| | Other than Loss Component | Loss Component | Liability for Incurred Claims | Total |
| Beginning | ₩43,732,306 | ₩ 540,113 | ₩ 2,130,278 | ₩46,402,697 |
| Insurance revenue | (6,771,649) | — | — | (6,771,649) |
| Insurance service expenses | | | | |
| Insurance claims and expenses | — | (44,783) | 4,939,938 | 4,895,155 |
| Amortization of insurance acquisition cash flows | 294,733 | — | — | 294,733 |
| Changes in fulfillment cash flows relating to incurred claims | — | — | (190,946) | (190,946) |
| Losses on onerous contracts and reversals | — | 174,282 | — | 174,282 |
| Other insurance service expenses | 129 | — | — | 129 |
| Insurance service result | (6,476,787) | 129,499 | 4,748,992 | (1,598,296) |
| Insurance finance income and expenses | 6,091,991 | 20,987 | 54,062 | 6,167,040 |
| Investment components | (5,265,357) | — | 5,265,357 | — |
| Cashflow | | | | |
| Premiums received | 13,777,045 | — | — | 13,777,045 |
| Insurance acquisition cash flows | (2,815,098) | — | — | (2,815,098) |
| Incurred claims and expenses | — | — | (7,017,862) | (7,017,862) |
| Other cashflow | — | — | (3,000,166) | (3,000,166) |
| Total cashflow | 10,961,947 | — | (10,018,028) | 943,919 |
| Other | 134 | — | — | 134 |
| Ending | ₩49,044,234 | ₩ 690,599 | ₩ 2,180,661 | ₩51,915,494 |

38.2.2 Changes in insurance contract liabilities (assets) applying the premium allocation approach for the years ended December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | 2023 | | | | |
|---|---|---|---|---|---|
| | Liability for Remaining Coverage | | Liability for Incurred Claims | | |
| | Other than Loss Component | Loss Component | Present value of estimated future cashflow | Risk adjustment for non-financial risks | Total |
| Beginning | ₩ 1,839,419 | ₩ 1,300 | ₩ 1,941,475 | ₩ 78,709 | ₩ 3,860,903 |
| Insurance revenue | (4,090,221) | — | — | — | (4,090,221) |
| Insurance service expenses | | | | | |
| Insurance claims and expenses | — | — | 3,545,909 | 55,663 | 3,601,572 |
| Amortization of insurance acquisition cash flows | 449,062 | — | — | — | 449,062 |
| Changes in fulfillment cash flows relating to incurred claims | — | — | (226,333) | (39,009) | (265,342) |
| Losses on onerous contracts and reversals | — | 807 | — | — | 807 |
| Other insurance service expenses | 4,956 | — | — | — | 4,956 |
| Insurance service result | (3,636,203) | 807 | 3,319,576 | 16,654 | (299,166) |
| Insurance finance income and expenses | (2,047) | — | 13,943 | 1,005 | 12,901 |
| Investment components | — | — | — | — | — |
| Cashflow | | | | | |
| Premiums received | 4,176,452 | — | — | — | 4,176,452 |
| Insurance acquisition cash flows | (455,528) | — | — | — | (455,528) |
| Incurred claims and expenses | — | — | (3,323,187) | — | (3,323,187) |
| Other cashflow | — | — | — | — | — |
| Total cashflow | 3,720,924 | — | (3,323,187) | — | 397,737 |
| Other | 11,238 | — | 1,973 | 67 | 13,278 |
| Ending | ₩ 1,933,331 | ₩ 2,107 | ₩ 1,953,780 | ₩ 96,435 | ₩ 3,985,653 |

38.2.2 Changes in insurance contract liabilities (assets) applying the premium allocation approach for the years ended December 31, 2023 and 2024, are as follows (cont'd):

*(In millions of Korean won)*

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Liability for Remaining Coverage | | Liability for Incurred Claims | | |
| | Other than Loss Component | Loss Component | Present value of estimated future cashflow | Risk adjustment for non-financial risks | Total |
| Beginning | ₩ 1,933,331 | ₩ 2,107 | ₩ 1,953,780 | ₩ 96,435 | ₩ 3,985,653 |
| Insurance revenue | (4,245,506) | — | — | — | (4,245,506) |
| Insurance service expenses | | | | | |
| Insurance claims and expenses | — | — | 3,370,974 | 32,254 | 3,403,228 |
| Amortization of insurance acquisition cash flows | 468,844 | — | — | — | 468,844 |
| Changes in fulfillment cash flows relating to incurred claims | — | — | (123,122) | (45,089) | (168,211) |
| Losses on onerous contracts and reversals | — | 3,673 | — | — | 3,673 |
| Other insurance service expenses | 3,281 | — | — | — | 3,281 |
| Insurance service result | (3,773,381) | 3,673 | 3,247,852 | (12,835) | (534,691) |
| Insurance finance income and expenses | 13,011 | — | 48,140 | 4,948 | 66,099 |
| Investment components | (15,439) | — | 15,439 | — | — |
| Cashflow | | | | | |
| Premiums received | 4,255,795 | — | — | — | 4,255,795 |
| Insurance acquisition cash flows | (478,578) | — | — | — | (478,578) |
| Incurred claims and expenses | — | — | (3,659,534) | — | (3,659,534) |
| Other cashflow | — | — | — | — | — |
| Total cashflow | 3,777,217 | — | (3,659,534) | — | 117,683 |
| Other | 12,930 | — | 22,579 | 1,763 | 37,272 |
| Ending | ₩ 1,947,669 | ₩ 5,780 | ₩ 1,628,256 | ₩ 90,311 | ₩ 3,672,016 |

38.2.3 Changes in reinsurance contract assets (liabilities) not applying the premium allocation approach for the years ended December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2023 | | | |
|---|---|---|---|---|
| | Liability for Remaining Coverage | | | |
| | Other than Loss-recovery Component | Loss-recovery Component | Liability for Incurred Claims | Total |
| Beginning | ₩ (1,289) | ₩ 24,149 | ₩ 320,357 | ₩ 343,217 |
| Allocation of Reinsurance Premiums | (158,698) | — | — | (158,698) |
| Reinsurance Recoverables | | | | |
| Reinsurance claims and expenses | — | (2,554) | 129,701 | 127,147 |
| Changes in fulfillment cash flows relating to incurred claims | — | — | 4,519 | 4,519 |
| Recovery from loss recovery component and reversals | — | 51,439 | — | 51,439 |
| Reinsurance service result | (158,698) | 48,885 | 134,220 | 24,407 |
| Reinsurance finance income and expenses | 43,712 | 788 | 2,765 | 47,265 |
| Effect of changes in exchange rate | 4 | (1) | — | 3 |
| Effect of changes in credit default risk of reinsurer | 161 | — | 138 | 299 |
| Total reinsurance finance income and expenses | 43,877 | 787 | 2,903 | 47,567 |
| Investment components | (435,701) | — | 435,701 | — |
| Cashflow | | | | |
| Reinsurance Premiums Paid | 498,995 | — | — | 498,995 |
| Amounts recovered from reinsurer | — | — | (501,075) | (501,075) |
| Total cashflow | 498,995 | — | (501,075) | (2,080) |
| Other | — | — | — | — |
| Ending | ₩ (52,816) | ₩ 73,821 | ₩ 392,106 | ₩ 413,111 |

38.2.3 Changes in reinsurance contract assets (liabilities) not applying the premium allocation approach for the years ended December 31, 2023 and 2024, are as follows (cont'd):

| *(In millions of Korean won)* | 2024 | | | |
|---|---|---|---|---|
| | Liability for Remaining Coverage | | | |
| | Other than Loss-recovery Component | Loss-recovery Component | Liability for Incurred Claims | Total |
| Beginning | ₩ (52,816) | ₩ 73,821 | ₩ 392,106 | ₩ 413,111 |
| Allocation of Reinsurance Premiums | (218,453) | — | — | (218,453) |
| Reinsurance Recoverables | | | | |
| Reinsurance claims and expenses | — | (2,511) | 194,879 | 192,368 |
| Changes in fulfillment cash flows relating to incurred claims | — | — | (16,953) | (16,953) |
| Recovery from loss recovery component and reversals | — | 21,764 | — | 21,764 |
| Reinsurance service result | (218,453) | 19,253 | 177,926 | (21,274) |
| Reinsurance finance income and expenses | 27,452 | 2,185 | 4,162 | 33,799 |
| Effect of changes in exchange rate | (111) | 17 | — | (94) |
| Effect of changes in credit default risk of reinsurer | 141 | — | 9 | 150 |
| Total reinsurance finance income and expenses | 27,482 | 2,202 | 4,171 | 33,855 |
| Investment components | (435,632) | — | 435,632 | — |
| Cashflow | | | | |
| Reinsurance Premiums Paid | 666,604 | — | — | 666,604 |
| Amounts recovered from reinsurer | — | — | (634,257) | (634,257) |
| Total cashflow | 666,604 | — | (634,257) | 32,347 |
| Other | — | — | — | — |
| Ending | ₩ (12,815) | ₩ 95,276 | ₩ 375,578 | ₩ 458,039 |

38.2.4 Changes in reinsurance contract assets (liabilities) applying the premium allocation approach for the years ended December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | 2023 | | | | |
|---|---|---|---|---|---|
| | Liability for Remaining Coverage | | Liability for Incurred Claims | | |
| | Other than Loss-recovery Component | Loss-recovery Component | Present value of estimated future cashflow | Risk adjustment for non-financial risks | Total |
| Beginning | ₩ 12,516 | ₩ 229 | ₩ 1,066,910 | ₩ 30,022 | ₩1,109,677 |
| Reinsurance service expenses | (679,353) | — | — | — | (679,353) |
| Reinsurance service income | | | | | |
| Reinsurance claims and expenses | 4,485 | — | 665,538 | 29,797 | 699,820 |
| Changes in fulfillment cash flows relating to incurred claims | — | — | (187,486) | (12,475) | (199,961) |
| Recovery from loss recovery component and reversals | — | 151 | — | — | 151 |
| Reinsurance service result | (674,868) | 151 | 478,052 | 17,322 | (179,343) |
| Reinsurance finance income and expenses | 750 | — | (4,247) | (455) | (3,952) |
| Effect of changes in exchange rate | (1,736) | — | 6,033 | — | 4,297 |
| Effect of changes in credit default risk of reinsurer | (43) | — | (20,273) | — | (20,316) |
| Total reinsurance finance income and expenses | (1,029) | — | (18,487) | (455) | (19,971) |
| Investment components | (3,723) | — | 3,723 | — | — |
| Cashflow | | | | | |
| Reinsurance Premiums Paid | 785,809 | — | — | — | 785,809 |
| Amounts recovered from reinsurer | — | — | (496,962) | — | (496,962) |
| Total cashflow | 785,809 | — | (496,962) | — | 288,847 |
| Other | (6,171) | — | 365 | (113) | (5,919) |
| Ending | ₩ 112,534 | ₩ 380 | ₩ 1,033,601 | ₩ 46,776 | ₩1,193,291 |

38.2.4 Changes in reinsurance contract assets (liabilities) applying the premium allocation approach for the years ended December 31, 2023 and 2024, are as follows (cont'd):

*(In millions of Korean won)*

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Liability for Remaining Coverage | | Liability for Incurred Claims | | |
| | Other than Loss-recovery Component | Loss-recovery Component | Present value of estimated future cashflow | Risk adjustment for non-financial risks | Total |
| Beginning | ₩ 112,534 | ₩ 380 | ₩ 1,033,601 | ₩ 46,776 | ₩1,193,291 |
| Reinsurance service expenses | (703,809) | — | — | — | (703,809) |
| Reinsurance service income | | | | | |
| Reinsurance claims and expenses | 2,816 | — | 329,207 | 8,854 | 340,877 |
| Changes in fulfillment cash flows relating to incurred claims | — | — | (76,406) | (23,188) | (99,594) |
| Recovery from loss recovery component and reversals | — | 574 | — | — | 574 |
| Reinsurance service result | (700,993) | 574 | 252,801 | (14,334) | (461,952) |
| Reinsurance finance income and expenses | 425 | — | (78,147) | 3,108 | (74,614) |
| Effect of changes in exchange rate | 8,161 | — | 41,005 | 20 | 49,186 |
| Effect of changes in credit default risk of reinsurer | 18 | — | 24,009 | — | 24,027 |
| Total reinsurance finance income and expenses | 8,604 | — | (13,133) | 3,128 | (1,401) |
| Investment components | (16,003) | — | 16,003 | — | — |
| Cashflow | | | | | |
| Reinsurance Premiums Paid | 678,583 | — | — | — | 678,583 |
| Amounts recovered from reinsurer | — | — | (441,280) | — | (441,280) |
| Total cashflow | 678,583 | — | (441,280) | — | 237,303 |
| Other | 6,723 | — | 8,128 | 750 | 15,601 |
| Ending | ₩ 89,448 | ₩ 954 | ₩ 856,120 | ₩ 36,320 | ₩ 982,842 |

**38.3 Changes in components of insurance and reinsurance Liability**

38.3.1 Changes in components of insurance contract liabilities (assets) not applying the premium allocation approach for the years ended December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2023 | | | |
|---|---|---|---|---|
| | **Present value of estimated future cashflow** | **Risk adjustment for non-financial risks** | **Contractual service margin** | **Total** |
| Beginning | ₩27,291,670 | ₩ 1,475,440 | ₩ 13,661,117 | ₩42,428,227 |
| Future service related changes: | | | | |
| Changes in estimations adjusting contractual service margin | 1,412,517 | 22,145 | (1,434,662) | — |
| Losses on onerous contracts and reversals | 219,891 | 27,494 | — | 247,385 |
| Effect of new contracts | (2,690,035) | 251,886 | 2,471,636 | 33,487 |
| Current period service related changes: | | | | |
| Contractual service margin recognized in profit or loss for the services provided | — | — | (1,271,662) | (1,271,662) |
| Changes in risk adjustment due to release of risk | — | (186,989) | — | (186,989) |
| Experience adjustment | (76,853) | — | — | (76,853) |
| Past period service related changes: | | | | |
| Changes in fulfillment cash flows relating to incurred claims | (15,528) | (32,462) | — | (47,990) |
| Insurance service result | (1,150,008) | 82,074 | (234,688) | (1,302,622) |
| Insurance finance income and expenses | 4,444,751 | 116,213 | 431,993 | 4,992,957 |
| Cashflow for the period: | | | | |
| Premiums received | 12,118,916 | — | — | 12,118,916 |
| Insurance acquisition cash flows | (2,243,231) | — | — | (2,243,231) |
| Incurred claims and expenses | (6,796,305) | — | — | (6,796,305) |
| Other cashflow | (2,795,316) | — | — | (2,795,316) |
| Total cashflow | 284,064 | — | — | 284,064 |
| Other | 71 | — | — | 71 |
| Ending | ₩30,870,548 | ₩ 1,673,727 | ₩ 13,858,422 | ₩46,402,697 |

38.3.1 Changes in components of insurance contract liabilities (assets) not applying the premium allocation approach for the years ended December 31, 2023 and 2024, are as follows (cont'd):

| *(In millions of Korean won)* | 2024 | | | |
|---|---|---|---|---|
| | **Present value of estimated future cashflow** | **Risk adjustment for non-financial risks** | **Contractual service margin** | **Total** |
| Beginning | ₩30,870,548 | ₩ 1,673,727 | ₩ 13,858,422 | ₩46,402,697 |
| Future service related changes: | | | | |
| Changes in estimations adjusting contractual service margin | 1,506,457 | 31,292 | (1,537,734) | 15 |
| Losses on onerous contracts and reversals | 87,130 | 13,314 | — | 100,444 |
| Effect of new contracts | (2,682,862) | 323,077 | 2,433,624 | 73,839 |
| Current period service related changes: | | | | |
| Contractual service margin recognized in profit or loss for the services provided | — | — | (1,279,258) | (1,279,258) |
| Changes in risk adjustment due to release of risk | — | (187,399) | — | (187,399) |
| Experience adjustment | (114,992) | — | — | (114,992) |
| Past period service related changes: | | | | |
| Changes in fulfillment cash flows relating to incurred claims | (161,134) | (29,811) | — | (190,945) |
| Insurance service result | (1,365,401) | 150,473 | (383,368) | (1,598,296) |
| Insurance finance income and expenses | 5,534,419 | 143,697 | 488,924 | 6,167,040 |
| Cashflow for the period: | | | | |
| Premiums received | 13,777,045 | — | — | 13,777,045 |
| Insurance acquisition cash flows | (2,815,098) | — | — | (2,815,098) |
| Incurred claims and expenses | (7,017,862) | — | — | (7,017,862) |
| Other cashflow | (3,000,166) | — | — | (3,000,166) |
| Total cashflow | 943,919 | — | — | 943,919 |
| Other | 134 | — | — | 134 |
| Ending | ₩35,983,619 | ₩ 1,967,897 | ₩ 13,963,978 | ₩51,915,494 |

38.3.2 Changes in components of reinsurance contract assets (liabilities) not applying the premium allocation approach for the years ended December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2023 | | | |
|---|---|---|---|---|
| | Present value of estimated future cashflow | Risk adjustment for non-financial risks | Contractual service margin | Total |
| Beginning | ₩ 369,776 | ₩ 69,907 | ₩ (96,466) | ₩ 343,217 |
| Future service related changes | | | | |
| Changes in estimations adjusting contractual service margin | (113,886) | (19,901) | 133,787 | — |
| Losses on onerous contracts and reversals | 39,189 | 12,007 | — | 51,196 |
| Effect of new contracts | 24,733 | 10,910 | (35,401) | 242 |
| Current period service related changes | | | | |
| Contractual service margin recognized in profit or loss for the services provided | — | — | 4,978 | 4,978 |
| Changes in risk adjustment due to release of risk | — | (5,353) | — | (5,353) |
| Experience adjustment | (31,173) | — | — | (31,173) |
| Past period service related changes | | | | |
| Changes in fulfillment cash flows relating to incurred claims | 7,598 | (3,081) | — | 4,517 |
| Reinsurance service result | (73,539) | (5,418) | 103,364 | 24,407 |
| Reinsurance finance income and expenses | 41,043 | 8,908 | (2,686) | 47,265 |
| Effect of changes in exchange rate | (5) | — | 8 | 3 |
| Effect of changes in credit default risk of reinsurer | 299 | — | — | 299 |
| Total reinsurance finance income and expenses | 41,337 | 8,908 | (2,678) | 47,567 |
| Cashflow for the period | | | | |
| Reinsurance Premiums Paid | 498,995 | — | — | 498,995 |
| Amounts recovered from reinsurer | (501,075) | — | — | (501,075) |
| Other cashflow | — | — | — | — |
| Total cashflow | (2,080) | — | — | (2,080) |
| Other | — | — | — | — |
| Ending | ₩ 335,494 | ₩ 73,397 | ₩ 4,220 | ₩ 413,111 |

38.3.2 Changes in components of reinsurance contract assets (liabilities) not applying the premium allocation approach for the years ended December 31, 2023 and 2024, are as follows (cont'd):

| *(In millions of Korean won)* | 2024 | | | |
|---|---|---|---|---|
| | **Present value of estimated future cashflow** | **Risk adjustment for non-financial risks** | **Contractual service margin** | **Total** |
| Beginning | ₩ 335,494 | ₩ 73,397 | ₩ 4,220 | ₩ 413,111 |
| Future service related changes | | | | |
| Changes in estimations adjusting contractual service margin | (8,865) | (15,731) | 24,596 | — |
| Losses on onerous contracts and reversals | 16,720 | 5,663 | — | 22,383 |
| Effect of new contracts | 10,913 | 14,625 | (25,525) | 13 |
| Current period service related changes | | | | |
| Contractual service margin recognized in profit or loss for the services provided | — | — | 291 | 291 |
| Changes in risk adjustment due to release of risk | — | (6,850) | — | (6,850) |
| Experience adjustment | (20,155) | — | — | (20,155) |
| Past period service related changes | | | | |
| Changes in fulfillment cash flows relating to incurred claims | (14,073) | (2,883) | — | (16,956) |
| Reinsurance service result | (15,460) | (5,176) | (638) | (21,274) |
| Reinsurance finance income and expenses | 24,832 | 8,152 | 815 | 33,799 |
| Effect of changes in exchange rate | (48) | 9 | (55) | (94) |
| Effect of changes in credit default risk of reinsurer | 150 | — | — | 150 |
| Total reinsurance finance income and expenses | 24,934 | 8,161 | 760 | 33,855 |
| Cashflow for the period | | | | |
| Reinsurance Premiums Paid | 666,604 | — | — | 666,604 |
| Amounts recovered from reinsurer | (634,257) | — | — | (634,257) |
| Other cashflow | — | — | — | — |
| Total cashflow | 32,347 | — | — | 32,347 |
| Other | — | — | — | — |
| Ending | ₩ 377,315 | ₩ 76,382 | ₩ 4,342 | ₩ 458,039 |

**38.4 Details of insurance service results for the year ended December 31, 2022, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | 2022 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Life insurance | | | | | Non-life insurance | | | | |
| | Death | Health | Pension | Variables | Compound | Long-term | General | Automobile | Overseas | Total |
| **Insurance revenue:** | | | | | | | | | | |
| Insurance contracts not applying the premium allocation approach: | | | | | | | | | | |
| Expected insurance claims and expenses | ₩249,018 | ₩29,396 | ₩37,311 | ₩ 79,863 | ₩ — | ₩3,724,523 | ₩ — | ₩ — | ₩ — | ₩4,120,111 |
| Changes in risk adjustment due to release of risk | 8,610 | 8,931 | 15,545 | (5,363) | — | 169,001 | — | — | — | 196,724 |
| Contractual service margin recognized in profit or loss for the services provided | 234,725 | 17,078 | 32,547 | 110,792 | — | 726,120 | — | — | — | 1,121,262 |
| Experience adjustments on premium related to current and past services | — | — | — | — | — | — | — | — | — | — |
| Recovery of insurance acquisition cash flows | 12,277 | 1,319 | 4,269 | 4,948 | — | 135,421 | — | — | — | 158,234 |
| Other insurance revenues | (643) | (256) | (188) | (623) | — | — | — | — | — | (1,710) |
| Insurance revenue for insurance contracts not applying the premium allocation approach | 503,987 | 56,468 | 89,484 | 189,617 | — | 4,755,065 | — | — | — | 5,594,621 |
| Insurance revenue for insurance contracts applying the premium allocation approach | — | — | — | — | — | — | 1,299,905 | 2,566,770 | 115,709 | 3,982,384 |
| **Total insurance revenue** | ₩503,987 | ₩56,468 | ₩89,484 | ₩189,617 | ₩ — | ₩4,755,065 | ₩1,299,905 | ₩2,566,770 | ₩115,709 | ₩9,577,005 |

38.4 Details of insurance service results for the year ended December 31, 2022, 2023 and 2024, are as follows (cont'd):

| *(In millions of Korean won)* | 2022 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Life insurance | | | | | Non-life insurance | | | | |
| | Death | Health | Pension | Variables | Compound | Long-term | General | Automobile | Overseas | Total |
| **Insurance service expenses:** | | | | | | | | | | |
| Incurred claims and expenses | ₩(273,796) | ₩(33,206) | ₩(37,624) | ₩ (87,844) | ₩ — | ₩(3,663,261) | ₩(1,001,488) | ₩(2,267,353) | ₩(81,186) | ₩(7,445,758) |
| Amortization of insurance acquisition cash flows | (12,277) | (1,319) | (4,269) | (4,948) | — | (182,676) | (124,077) | (300,181) | (2,380) | (632,127) |
| Changes in fulfillment cash flows relating to incurred claims | 13,809 | 1,690 | 6,159 | 4,756 | — | 86,871 | 87,603 | 24,238 | — | 225,126 |
| Losses on onerous contracts and reversals | 6,384 | (2,791) | (16,525) | (51,998) | — | (61,430) | (990) | — | — | (127,350) |
| Other insurance service expenses | (1,207) | (187) | 298 | (575) | — | — | — | — | — | (1,671) |
| Insurance service expenses for insurance contracts not applying the premium allocation approach | (267,087) | (35,813) | (51,961) | (140,609) | — | (3,820,496) | — | — | — | (4,315,966) |
| Insurance service expenses for insurance contracts applying the premium allocation approach | — | — | — | — | — | — | (1,038,952) | (2,543,296) | (83,566) | (3,665,814) |
| **Total insurance service expenses** | ₩(267,087) | ₩(35,813) | ₩(51,961) | ₩(140,609) | ₩ — | ₩(3,820,496) | ₩(1,038,952) | ₩(2,543,296) | ₩(83,566) | ₩(7,981,780) |
| **Reinsurance income:** | | | | | | | | | | |
| Recovery of incurred reinsurance claims and expenses | ₩ 849 | ₩ 1,510 | ₩ — | ₩ — | ₩ 3,362 | ₩ 119,913 | ₩ 461,449 | ₩ 20,594 | ₩(23,682) | ₩ 583,995 |
| Changes in fulfillment cash flows relating to incurred claims | (230) | (409) | — | — | (914) | (8,785) | (59,767) | 1,576 | — | (68,529) |
| Recognition and reversal of loss-recovery component | (227) | 89 | — | — | (95) | 6,978 | 179 | — | — | 6,924 |
| Other reinsurance income | — | — | — | — | — | — | — | — | — | — |
| Reinsurance income for reinsurance contracts not applying the premium allocation approach | 392 | 1,190 | — | — | 2,353 | 118,020 | — | — | — | 121,955 |
| Reinsurance income for reinsurance contracts applying the premium allocation approach | — | — | — | — | — | 86 | 401,861 | 22,170 | (23,682) | 400,435 |
| **Total reinsurance income** | ₩ 392 | ₩ 1,190 | ₩ — | ₩ — | ₩ 2,353 | ₩ 118,106 | ₩ 401,861 | ₩ 22,170 | ₩(23,682) | ₩ 522,390 |

38.4 Details of insurance service results for the year ended December 31, 2022, 2023 and 2024, are as follows (cont'd):

| *(In millions of Korean won)* | 2022 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Life insurance | | | | | Non-life insurance | | | | |
| | Death | Health | Pension | Variables | Compound | Long-term | General | Automobile | Overseas | Total |
| **Reinsurance expense:** | | | | | | | | | | |
| Reinsurance contracts not applying the premium allocation approach: | | | | | | | | | | |
| Expected recovery of incurred claims and expenses | ₩ (965) | ₩(1,691) | ₩ — | ₩ — | ₩ (1,223) | ₩ (92,052) | ₩ — | ₩ — | ₩ — | ₩ (95,931) |
| Changes in risk adjustment due to release of risk | (75) | (174) | — | — | (43) | (5,802) | — | — | — | (6,094) |
| Contractual service margin recognized in profit or loss for the services received | 69 | (347) | — | — | (1,000) | 4,898 | — | — | — | 3,620 |
| Experience adjustments on reinsurance premium related to current and past services | — | — | — | — | — | (39,051) | — | — | — | (39,051) |
| Other reinsurance expenses | 438 | 8 | — | — | 169 | — | — | — | — | 615 |
| | (533) | (2,204) | — | — | (2,097) | (132,007) | — | — | — | (136,841) |
| Reinsurance expenses for reinsurance contracts applying the premium allocation approach | — | — | — | — | — | (1,286) | (602,496) | (8,304) | (26,928) | (639,014) |
| **Total reinsurance expense** | (533) | (2,204) | — | — | (2,097) | (133,293) | (602,496) | (8,304) | (26,928) | (775,855) |
| **Total insurance service result** | ₩236,759 | ₩19,641 | ₩37,523 | ₩49,008 | ₩ 256 | ₩ 919,382 | ₩ 60,318 | ₩ 37,340 | ₩(18,467) | ₩1,341,760 |

38.4 Details of insurance service results for the year ended December 31, 2022, 2023 and 2024, are as follows (cont'd):

| *(In millions of Korean won)* | 2023 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Life insurance | | | | | Non-life insurance | | | | |
| | Death | Health | Pension | Variables | Compound | Long-term | General | Automobile | Overseas | Total |
| **Insurance revenue:** | | | | | | | | | | |
| Insurance contracts not applying the premium allocation approach: | | | | | | | | | | |
| Expected insurance claims and expenses | ₩254,876 | ₩33,177 | ₩35,907 | ₩ 85,464 | ₩ — | ₩4,138,267 | ₩ — | ₩ — | ₩ — | ₩ 4,547,691 |
| Changes in risk adjustment due to release of risk | 18,099 | 2,846 | 4,720 | 4,992 | — | 184,724 | — | — | — | 215,381 |
| Contractual service margin recognized in profit or loss for the services provided | 287,724 | 19,960 | 35,629 | 116,255 | — | 812,094 | — | — | — | 1,271,662 |
| Experience adjustments on premium related to current and past services | — | — | — | — | — | — | — | — | — | — |
| Recovery of insurance acquisition cash flows | 18,996 | 2,835 | 6,167 | 5,339 | — | 170,819 | — | — | — | 204,156 |
| Other insurance revenues | (3,444) | (228) | (2,409) | (674) | — | — | — | — | — | (6,755) |
| Insurance revenue for insurance contracts not applying the premium allocation approach | 576,251 | 58,590 | 80,014 | 211,376 | — | 5,305,904 | — | — | — | 6,232,135 |
| Insurance revenue for insurance contracts applying the premium allocation approach | — | — | — | — | — | — | 1,291,887 | 2,714,974 | 83,360 | 4,090,221 |
| **Total insurance revenue** | ₩576,251 | ₩58,590 | ₩80,014 | ₩211,376 | ₩ — | ₩5,305,904 | ₩1,291,887 | ₩2,714,974 | ₩83,360 | ₩10,322,356 |

38.4 Details of insurance service results for the year ended December 31, 2022, 2023 and 2024, are as follows (cont'd):

| *(In millions of Korean won)* | 2023 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Life insurance | | | | | Non-life insurance | | | | |
| | Death | Health | Pension | Variables | Compound | Long-term | General | Automobile | Overseas | Total |
| **Insurance service expenses:** | | | | | | | | | | |
| Incurred claims and expenses | ₩(255,897) | ₩(36,962) | ₩(36,344) | ₩(89,211) | ₩ — | ₩(4,074,815) | ₩(1,058,394) | ₩(2,388,765) | ₩(159,369) | ₩(8,099,757) |
| Amortization of insurance acquisition cash flows | (18,996) | (2,835) | (6,167) | (5,339) | — | (173,030) | (131,289) | (314,720) | (3,054) | (655,430) |
| Changes in fulfillment cash flows relating to incurred claims | 12,947 | (650) | (1,595) | 1,823 | — | 35,466 | 204,283 | 61,059 | — | 313,333 |
| Losses on onerous contracts and reversals | (10,570) | (13,678) | (9,537) | 5,804 | — | (246,136) | (807) | — | — | (274,924) |
| Other insurance service expenses | 2,359 | 79 | (4,453) | (1,775) | — | — | — | — | — | (3,790) |
| Insurance service expenses for insurance contracts not applying the premium allocation approach | (270,157) | (54,046) | (58,096) | (88,698) | — | (4,458,515) | — | — | — | (4,929,512) |
| Insurance service expenses for insurance contracts applying the premium allocation approach | — | — | — | — | — | — | (986,207) | (2,642,426) | (162,423) | (3,791,056) |
| **Total insurance service expenses** | ₩(270,157) | ₩(54,046) | ₩(58,096) | ₩(88,698) | ₩ — | ₩(4,458,515) | ₩ (986,207) | ₩(2,642,426) | ₩(162,423) | ₩(8,720,568) |
| **Reinsurance income:** | | | | | | | | | | |
| Recovery of incurred reinsurance claims and expenses | ₩ 437 | ₩ 1,759 | ₩ — | ₩ — | ₩ 2,233 | ₩ 127,608 | ₩ 566,668 | ₩ 825 | ₩ 128,534 | ₩ 828,064 |
| Changes in fulfillment cash flows relating to incurred claims | (203) | (198) | — | — | 410 | 1,979 | (196,236) | (1,193) | — | (195,441) |
| Recognition and reversal of loss-recovery component | 242 | 148 | — | — | 1,651 | 48,300 | 151 | — | — | 50,492 |
| Other reinsurance income | — | — | — | — | — | — | — | — | — | — |
| Reinsurance income for reinsurance contracts not applying the premium allocation approach | 476 | 1,709 | — | — | 4,294 | 176,626 | — | — | — | 183,105 |
| Reinsurance income for reinsurance contracts applying the premium allocation approach | — | — | — | — | — | 1,261 | 370,583 | (368) | 128,534 | 500,010 |
| **Total reinsurance income** | ₩ 476 | ₩ 1,709 | ₩ — | ₩ — | ₩ 4,294 | ₩ 177,887 | ₩ 370,583 | ₩ (368) | ₩ 128,534 | ₩ 683,115 |

38.4 Details of insurance service results for the year ended December 31, 2022, 2023 and 2024, are as follows (cont'd):

| *(In millions of Korean won)* | 2023 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Life insurance | | | | | Non-life insurance | | | | |
| | Death | Health | Pension | Variables | Compound | Long-term | General | Automobile | Overseas | Total |
| **Reinsurance expense:** | | | | | | | | | | |
| Reinsurance contracts not applying the premium allocation approach: | | | | | | | | | | |
| Expected recovery of incurred claims and expenses | ₩ (951) | ₩(2,081) | ₩ — | ₩ — | ₩ (1,318) | ₩(149,313) | ₩ — | ₩ — | ₩ — | ₩ (153,663) |
| Changes in risk adjustment due to release of risk | (126) | (120) | — | — | (47) | (7,865) | — | — | — | (8,158) |
| Contractual service margin recognized in profit or loss for the services received | (1,280) | (369) | — | — | (2,784) | 9,409 | — | — | — | 4,976 |
| Experience adjustments on reinsurance premium related to current and past services | — | — | — | — | — | (2,951) | — | — | — | (2,951) |
| Other reinsurance expenses | 14 | 8 | — | — | 1,075 | — | — | — | — | 1,097 |
| | (2,343) | (2,562) | — | — | (3,074) | (150,720) | — | — | — | (158,699) |
| Reinsurance expenses for reinsurance contracts applying the premium allocation approach | — | — | — | — | — | (1,812) | (602,471) | (9,478) | (65,591) | (679,352) |
| **Total reinsurance expense** | (2,343) | (2,562) | — | — | (3,074) | (152,532) | (602,471) | (9,478) | (65,591) | (838,051) |
| **Total insurance service result** | ₩304,227 | ₩ 3,691 | ₩21,918 | ₩122,678 | ₩ 1,220 | ₩ 872,744 | ₩ 73,792 | ₩ 62,702 | ₩(16,120) | ₩1,446,852 |

38.4 Details of insurance service results for the year ended December 31, 2022, 2023 and 2024, are as follows (cont'd):

| *(In millions of Korean won)* | 2024 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Life insurance | | | | | Non-life insurance | | | | |
| | Death | Health | Pension | Variables | Compound | Long-term | General | Automobile | Overseas | Total |
| **Insurance revenue:** | | | | | | | | | | |
| Insurance contracts not applying the premium allocation approach: | | | | | | | | | | |
| Expected insurance claims and expenses | ₩265,682 | ₩35,551 | ₩ 46,448 | ₩ 90,456 | ₩ — | ₩4,565,702 | ₩ — | ₩ — | ₩ — | ₩ 5,003,839 |
| Changes in risk adjustment due to release of risk | 17,924 | 2,715 | 7,207 | 5,795 | — | 179,271 | — | — | — | 212,912 |
| Contractual service margin recognized in profit or loss for the services provided | 268,784 | 17,205 | 54,498 | 101,106 | — | 837,664 | — | — | — | 1,279,257 |
| Experience adjustments on premium related to current and past services | — | — | — | — | — | — | — | — | — | — |
| Recovery of insurance acquisition cash flows | 29,544 | 3,495 | 19,204 | 10,855 | — | 217,639 | — | — | — | 280,737 |
| Other insurance revenues | (2,936) | (713) | (896) | (551) | — | — | — | — | — | (5,096) |
| Insurance revenue for insurance contracts not applying the premium allocation approach | 578,998 | 58,253 | 126,461 | 207,661 | — | 5,800,276 | — | — | — | 6,771,649 |
| Insurance revenue for insurance contracts applying the premium allocation approach | — | — | — | — | — | — | 1,362,030 | 2,820,406 | 63,070 | 4,245,506 |
| **Total insurance revenue** | ₩578,998 | ₩58,253 | ₩126,461 | ₩207,661 | ₩ — | ₩5,800,276 | ₩1,362,030 | ₩2,820,406 | ₩63,070 | ₩11,017,155 |

38.4 Details of insurance service results for the year ended December 31, 2022, 2023 and 2024, are as follows (cont'd):

| *(In millions of Korean won)* | 2024 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Life insurance | | | | | Non-life insurance | | | | |
| | Death | Health | Pension | Variables | Compound | Long-term | General | Automobile | Overseas | Total |
| **Insurance service expenses:** | | | | | | | | | | |
| Incurred claims and expenses | ₩(219,260) | ₩(36,144) | ₩(36,385) | ₩ (89,201) | ₩ — | ₩(4,519,263) | ₩(850,413) | ₩(2,537,651) | ₩(18,445) | ₩(8,306,762) |
| Amortization of insurance acquisition cash flows | (29,544) | (3,495) | (19,204) | (10,855) | — | (231,635) | (146,582) | (318,873) | (3,389) | (763,577) |
| Changes in fulfillment cash flows relating to incurred claims | 802 | 1,370 | (1,648) | (133) | — | 190,555 | 103,682 | 64,529 | — | 359,157 |
| Losses on onerous contracts and reversals | (473) | 10,935 | (4,242) | (7,481) | — | (167,924) | (3,673) | — | — | (172,858) |
| Other insurance service expenses | 1,766 | 1,634 | (1,464) | (2,064) | — | — | — | — | — | (128) |
| Insurance service expenses for insurance contracts not applying the premium allocation approach | (246,709) | (25,700) | (62,943) | (109,734) | — | (4,728,267) | — | — | — | (5,173,353) |
| Insurance service expenses for insurance contracts applying the premium allocation approach | — | — | — | — | — | — | (896,986) | (2,791,995) | (21,834) | (3,710,815) |
| **Total insurance service expenses** | ₩(246,709) | ₩(25,700) | ₩(62,943) | ₩(109,734) | ₩ — | ₩(4,728,267) | ₩(896,986) | ₩(2,791,995) | ₩(21,834) | ₩(8,884,168) |
| **Reinsurance income:** | | | | | | | | | | |
| Recovery of incurred reinsurance claims and expenses | ₩ 8,886 | ₩ 12,465 | ₩ — | ₩ — | ₩ 13,569 | ₩ 162,127 | ₩ 291,179 | ₩ 201 | ₩ 44,816 | ₩ 533,243 |
| Changes in fulfillment cash flows relating to incurred claims | 1,044 | 884 | — | — | 2,017 | (25,781) | (94,031) | (679) | — | (116,546) |
| Recognition and reversal of loss-recovery component | 162 | (120) | — | — | (2,042) | 23,765 | 574 | — | — | 22,339 |
| Other reinsurance income | — | — | — | — | — | — | — | — | — | — |
| Reinsurance income for reinsurance contracts not applying the premium allocation approach | 10,092 | 13,229 | — | — | 13,544 | 160,316 | — | — | — | 197,181 |
| Reinsurance income for reinsurance contracts applying the premium allocation approach | — | — | — | — | — | (205) | 197,722 | (478) | 44,816 | 241,855 |
| **Total reinsurance income** | ₩ 10,092 | ₩ 13,229 | ₩ — | ₩ — | ₩ 13,544 | ₩ 160,111 | ₩ 197,722 | ₩ (478) | ₩ 44,816 | ₩ 439,036 |

38.4 Details of insurance service results for the year ended December 31, 2022, 2023 and 2024, are as follows (cont'd):

| *(In millions of Korean won)* | 2024 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Life insurance | | | | | Non-life insurance | | | | |
| | Death | Health | Pension | Variables | Compound | Long-term | General | Automobile | Overseas | Total |
| **Reinsurance expense:** | | | | | | | | | | |
| Reinsurance contracts not applying the premium allocation approach: | | | | | | | | | | |
| Expected recovery of incurred claims and expenses | ₩ (9,577) | ₩(10,893) | ₩ — | ₩ — | ₩(11,195) | ₩ (188,354) | ₩ — | ₩ — | ₩ — | ₩ (220,019) |
| Changes in risk adjustment due to release of risk | (169) | (86) | — | — | (37) | (9,232) | — | — | — | (9,524) |
| Contractual service margin recognized in profit or loss for the services received | (1,640) | 121 | — | — | (403) | 2,211 | — | — | — | 289 |
| Experience adjustments on reinsurance premium related to current and past services | — | — | — | — | — | 16,785 | — | — | — | 16,785 |
| Other reinsurance expenses | 507 | (1,471) | — | — | (5,021) | — | — | — | — | (5,985) |
| | (10,879) | (12,329) | — | — | (16,656) | (178,590) | — | — | — | (218,454) |
| Reinsurance expenses for reinsurance contracts applying the premium allocation approach | — | — | — | — | — | (1,625) | (605,882) | (7,206) | (89,095) | (703,808) |
| **Total reinsurance expense** | (10,879) | (12,329) | — | — | (16,656) | (180,215) | (605,882) | (7,206) | (89,095) | (922,262) |
| **Total insurance service result** | ₩331,502 | ₩ 33,453 | ₩63,518 | ₩97,927 | ₩ (3,112) | ₩1,051,905 | ₩ 56,884 | ₩ 20,727 | ₩ (3,043) | ₩1,649,761 |

**38.5 The effect of new insurance contracts not applying the premium allocation approach for the year ended December 31, 2023 and 2024, are as follows:**

38.5.1 Insurance contract

| *(In millions of Korean won)* | 2023 | | |
|---|---|---|---|
| | Issued contract | | |
| | Other than onerous contract | Onerous contract | Total |
| Estimated Present Value of Future Cash Outflows | ₩ 11,999,588 | ₩ 467,686 | ₩ 12,467,274 |
| Insurance Acquisition Cash Flow | 2,354,262 | 80,797 | 2,435,059 |
| Insurance Claims and Service Expenses | 9,645,326 | 386,889 | 10,032,215 |
| Estimated Present Value of Future Cash Inflows | (14,716,101) | (441,208) | (15,157,309) |
| Risk Adjustment for Non-Financial Risks | 244,877 | 7,009 | 251,886 |
| Contractual service margin | 2,471,636 | — | 2,471,636 |
| Effect on financial statements of initial recognition of contracts | ₩ — | ₩ 33,487 | ₩ 33,487 |

| *(In millions of Korean won)* | 2024 | | |
|---|---|---|---|
| | Issued contract | | |
| | Other than onerous contract | Onerous contract | Total |
| Estimated Present Value of Future Cash Outflows | ₩ 15,805,702 | ₩ 1,196,403 | ₩ 17,002,105 |
| Insurance Acquisition Cash Flow | 2,900,605 | 160,020 | 3,060,625 |
| Insurance Claims and Service Expenses | 12,905,097 | 1,036,383 | 13,941,480 |
| Estimated Present Value of Future Cash Inflows | (18,547,325) | (1,137,642) | (19,684,967) |
| Risk Adjustment for Non-Financial Risks | 307,999 | 15,078 | 323,077 |
| Contractual service margin | 2,433,624 | — | 2,433,624 |
| Effect on financial statements of initial recognition of contracts | ₩ — | ₩ 73,839 | ₩ 73,839 |

38.5.2 Reinsurance contract

*(In millions of Korean won)*

| | 2023 | | |
|---|---|---|---|
| | Purchased contract | | |
| | Net cost contract | Net gain contract | Total |
| Estimated Present Value of Future Cash Inflows | ₩ 50,455 | ₩ 948,180 | ₩ 998,635 |
| Estimated Present Value of Future Cash Outflows | (52,749) | (921,153) | (973,902) |
| Risk Adjustment for Non-Financial Risks | 532 | 10,378 | 10,910 |
| Contractual service margin | 2,004 | (37,405) | (35,401) |
| Effect on financial statements of initial recognition of contracts | ₩ 242 | ₩ — | ₩ 242 |

*(In millions of Korean won)*

| | 2024 | | |
|---|---|---|---|
| | Purchased contract | | |
| | Net cost contract | Net gain contract | Total |
| Estimated Present Value of Future Cash Inflows | ₩ 72,931 | ₩ 977,258 | ₩ 1,050,189 |
| Estimated Present Value of Future Cash Outflows | (76,259) | (963,017) | (1,039,276) |
| Risk Adjustment for Non-Financial Risks | 831 | 13,794 | 14,625 |
| Contractual service margin | 2,510 | (28,035) | (25,525) |
| Effect on financial statements of initial recognition of contracts | ₩ 13 | ₩ — | ₩ 13 |

**38.6 The annual expected amortization schedule of contractual service margin of insurance contracts and reinsurance contracts not applying the premium allocation approach as of December 31, 2023 and 2024, are as follows:**

*(In millions of Korean won)*

| | | December 31, 2023 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Less than a year | 1 ~ 2 years | 2 ~ 3 years | 3 ~ 4 years | 4 ~ 5 years | 5 ~ 10 years | 10 ~ 20 years | 20 ~ 30 years | Over 30 years |
| Insurance contract issued | | | | | | | | | | |
| Life insurance | Death | ₩140,060 | ₩130,826 | ₩124,658 | ₩118,954 | ₩113,536 | ₩ 504,786 | ₩ 784,752 | ₩ 637,225 | ₩ 686,775 |
| | Health | 11,232 | 10,358 | 9,627 | 9,046 | 8,539 | 35,752 | 39,851 | 25,667 | 52,706 |
| | Pension | 19,921 | 18,156 | 16,641 | 15,763 | 15,110 | 71,111 | 123,283 | 90,283 | 61,206 |
| | Variables | 64,926 | 62,030 | 59,475 | 57,261 | 55,237 | 247,114 | 353,963 | 278,011 | 286,662 |
| Non-life insurance | | 491,522 | 443,310 | 394,891 | 357,703 | 327,251 | 1,372,922 | 2,001,464 | 1,275,066 | 1,853,790 |
| Total insurance contract issued | | ₩727,661 | ₩664,680 | ₩605,292 | ₩558,727 | ₩519,673 | ₩2,231,685 | ₩3,303,313 | ₩2,306,252 | ₩2,941,139 |
| Reinsurance contract held | | | | | | | | | | |
| Life insurance | Death | ₩ 1,712 | ₩ 1,474 | ₩ 1,310 | ₩ 1,179 | ₩ 1,071 | ₩ 3,951 | ₩ 2,102 | ₩ 1,589 | ₩ 1,418 |
| | Health | (44) | (39) | (42) | (61) | (94) | (834) | (2,069) | (1,851) | (3,945) |
| | Compound | 1,077 | 463 | 396 | 346 | 307 | 874 | 812 | 594 | 527 |
| Non-life insurance | | (5,343) | (4,358) | (3,198) | (2,409) | (1,924) | (5,253) | (92) | 7,335 | 7,239 |
| Total reinsurance contract held | | ₩ (2,598) | ₩ (2,460) | ₩ (1,534) | ₩ (945) | ₩ (640) | ₩ (1,262) | ₩ 753 | ₩ 7,667 | ₩ 5,239 |

**38.6 The annual expected amortization schedule of contractual service margin of insurance contracts and reinsurance contracts not applying the premium allocation approach as of December 31, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | | December 31, 2024 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Less than a year | 1 ~ 2 years | 2 ~ 3 years | 3 ~ 4 years | 4 ~ 5 years | 5 ~ 10 years | 10 ~ 20 years | 20 ~ 30 years | Over 30 years |
| Insurance contract issued | | | | | | | | | | |
| Life insurance | Death | ₩146,413 | ₩137,161 | ₩130,082 | ₩123,783 | ₩117,286 | ₩ 518,904 | ₩ 800,072 | ₩ 621,889 | ₩ 606,390 |
| | Health | 10,289 | 9,391 | 8,712 | 8,140 | 7,620 | 31,118 | 34,523 | 22,563 | 40,050 |
| | Pension | 34,533 | 30,178 | 26,981 | 24,871 | 22,681 | 91,418 | 151,649 | 105,300 | 61,326 |
| | Variables | 61,000 | 57,634 | 54,830 | 52,244 | 50,011 | 216,644 | 295,763 | 221,994 | 210,052 |
| Non-life insurance | | 484,976 | 433,328 | 381,336 | 339,983 | 309,393 | 1,274,043 | 1,908,588 | 1,333,457 | 2,355,379 |
| Total insurance contract issued | | ₩737,211 | ₩667,692 | ₩601,941 | ₩549,021 | ₩506,991 | ₩2,132,127 | ₩3,190,595 | ₩2,305,203 | ₩3,273,197 |
| Reinsurance contract held | | | | | | | | | | |
| Life insurance | Death | ₩ 1,032 | ₩ 902 | ₩ 798 | ₩ 721 | ₩ 652 | ₩ 2,243 | ₩ 1,653 | ₩ 1,200 | ₩ 938 |
| | Health | (40) | (41) | (53) | (77) | (88) | (885) | (1,784) | (1,556) | (2,975) |
| | Compound | 172 | 128 | 99 | 78 | 67 | 176 | 192 | 147 | 142 |
| Non-life insurance | | (2,468) | (1,566) | (1,051) | (733) | (486) | 36 | 4,797 | 6,300 | (4,328) |
| Total reinsurance contract held | | ₩ (1,304) | ₩ (577) | ₩ (207) | ₩ (11) | ₩ 145 | ₩ 1,570 | ₩ 4,858 | ₩ 6,091 | ₩ (6,223) |

**38.7 The details and fair value of the underlying items of insurance contracts with direct participation features as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | 2023 | 2024 |
|---|---|---|
| Underlying items held by the Group | | |
| Cash and cash equivalents | ₩ 209,187 | ₩ 137,021 |
| Equity securities | 1,019,502 | 853,971 |
| Debt securities | 2,121,367 | 2,583,976 |
| Beneficiary certificates | 1,833,608 | 1,749,807 |
| Other securities | 446,193 | 276,907 |
| Loans | 57,400 | 94,300 |
| Others | 33,487 | 48,074 |
| Total | ₩5,720,744 | ₩5,744,056 |

**38.8 Details of other insurance finance income and expenses for the year ended December 31, 2022, 2023 and 2024, are as follows:**

*(In millions of Korean won)*

| | 2022 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Life insurance | | | Non-life insurance | | | | |
| | Retirement | Variables | Others | Long-term | General and Automobile | Overseas | Others | Total |
| **Investment income (expenses)** | | | | | | | | |
| Investment income (expenses) recognized in profit or loss: | | | | | | | | |
| Net Interest Income (Expense) | ₩ 26,007 | ₩ 59,664 | ₩ 519,848 | ₩ 511,878 | ₩ 112,397 | ₩ 7,615 | ₩ 19,479 | ₩ 1,256,888 |
| Dividend income | 3,329 | 31,155 | 70,083 | 554 | 34,276 | 2 | 285 | 139,684 |
| Gains (losses) on valuation and disposal of securities | (34,287) | (830,878) | (332,183) | (224,117) | (315,133) | 202 | (60,062) | (1,796,458) |
| Gains (losses) on valuation and disposal of loans and receivables | — | — | — | (16,345) | (5,430) | (3) | (1,002) | (22,780) |
| Gains (losses) on derivatives | (3,073) | (17,071) | (120,356) | (141,842) | (69,675) | — | — | (352,017) |
| Gains (losses) on investments in subsidiaries | — | — | — | (18,001) | — | — | — | (18,001) |
| Foreign exchange gains (losses) | 3,650 | 67,569 | 64,493 | 136,255 | 82,974 | 94 | — | 355,035 |
| Other investment income (expenses) | (5,032) | (63) | 97,061 | (11,501) | 173,663 | (997) | 41,102 | 294,233 |
| | (9,406) | (689,624) | 298,946 | 236,881 | 13,072 | 6,913 | (198) | (143,416) |
| Investment income (expenses) recognized in other comprehensive income | (48,682) | — | (3,230,491) | (2,949,143) | (262,195) | (14,132) | (171,628) | (6,676,271) |
| **Total investment income (expenses)** | ₩(58,088) | ₩(689,624) | ₩(2,931,545) | ₩(2,712,262) | ₩(249,123) | ₩ (7,219) | ₩(171,826) | ₩(6,819,687) |

**38.8 Details of other insurance finance income and expenses for the year ended December 31, 2022, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | 2022 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Life insurance | | | Non-life insurance | | | | |
| | Retirement | Variables | Others | Long-term | General and Automobile | Overseas | Others | Total |
| **Insurance finance income (expenses)** | | | | | | | | |
| Insurance finance income (expenses) recognized in profit or loss: | | | | | | | | |
| Net Interest Income (Expense) | ₩ — | ₩ (1,472) | ₩ (718,822) | ₩ (732,904) | ₩ (4,135) | ₩ — | ₩ — | ₩(1,457,333) |
| Effect of changes in discount rates and financial assumptions | — | 40,524 | 2,763 | — | — | — | — | 43,287 |
| Effect of exchange rate fluctuations | — | (49,771) | (5,115) | — | (19,970) | — | — | (74,856) |
| Changes in the fair value of the underlying assets of insurance contract with direct participation features | — | 727,403 | — | — | — | — | — | 727,403 |
| Other insurance finance income (expenses) | — | — | — | (2,559) | 1,380 | (1,867) | — | (3,046) |
| | — | 716,684 | (721,174) | (735,463) | (22,725) | (1,867) | — | (764,545) |
| Insurance finance income (expenses) recognized in other comprehensive income | — | 327 | 3,814,721 | 4,248,091 | 6,463 | — | — | 8,069,602 |
| **Total insurance finance income (expenses)** | ₩ — | ₩717,011 | ₩3,093,547 | ₩3,512,628 | ₩ (16,262) | ₩(1,867) | ₩ — | ₩ 7,305,057 |
| **Reinsurance finance income (expenses)** | | | | | | | | |
| Reinsurance finance income (expenses) recognized in profit or loss: | | | | | | | | |
| Net Interest Income (Expense) | ₩ — | ₩ — | ₩ (990) | ₩ 12,421 | ₩ 2,512 | ₩ — | ₩ — | ₩ 13,943 |
| Effect of changes in discount rates and financial assumptions | — | — | — | — | — | — | — | — |
| Effect of exchange rate fluctuations | — | — | 2 | — | 17,799 | — | — | 17,801 |
| Other reinsurance finance income (expenses) | — | — | (4) | 5,800 | 2,094 | 1,734 | — | 9,624 |
| | — | — | (992) | 18,221 | 22,405 | 1,734 | — | 41,368 |
| Reinsurance finance income (expenses) recognized in other comprehensive income | — | — | 10,133 | (80,075) | (5,764) | — | — | (75,706) |
| **Total reinsurance finance income (expenses)** | — | — | 9,141 | (61,854) | 16,641 | 1,734 | — | (34,338) |
| **Net investment income (expenses)** | ₩ (58,088) | ₩ 27,387 | ₩ 171,143 | ₩ 738,512 | ₩(248,744) | ₩(7,352) | ₩(171,826) | ₩ 451,032 |

**38.8 Details of other insurance finance income and expenses for the year ended December 31, 2022, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Life insurance | | | Non-life insurance | | | | |
| | Retirement | Variables | Others | Long-term | General and Automobile | Overseas | Others | Total |
| **Investment income (expenses)** | | | | | | | | |
| Investment income (expenses) recognized in profit or loss: | | | | | | | | |
| Net Interest Income (Expense) | ₩10,394 | ₩ 71,348 | ₩ 497,110 | ₩ 514,745 | ₩129,246 | ₩ 7,017 | ₩ (79,289) | ₩1,150,571 |
| Dividend income | 450 | 33,520 | 8,965 | 4,210 | 29,316 | 2 | 1,851 | 78,314 |
| Gains (losses) on valuation and disposal of securities | (3,375) | 446,698 | (129,888) | 24,789 | 48,870 | (9,160) | 8,895 | 386,829 |
| Gains (losses) on valuation and disposal of loans and receivables | — | — | — | 1,563 | (10,400) | — | 1,671 | (7,166) |
| Gains (losses) on derivatives | (2,269) | (9,153) | (34,523) | (80,755) | (44,211) | — | — | (170,911) |
| Gains (losses) on investments in subsidiaries | — | — | (135) | 999 | — | — | — | 864 |
| Foreign exchange gains (losses) | 1,518 | 14,633 | 34,594 | 60,644 | 31,552 | (47) | — | 142,894 |
| Other investment income (expenses) | (26,831) | 23,874 | 93,458 | (48,446) | 198,876 | (1,162) | 66,718 | 306,487 |
| | (20,113) | 580,920 | 469,581 | 477,749 | 383,249 | (3,350) | (154) | 1,887,882 |
| Investment income (expenses) recognized in other comprehensive income | 30,623 | — | 1,831,878 | 1,517,293 | 129,012 | 9,947 | 154,660 | 3,673,413 |
| **Total investment income (expenses)** | ₩10,510 | ₩580,920 | ₩2,301,459 | ₩1,995,042 | ₩512,261 | ₩ 6,597 | ₩154,506 | ₩5,561,295 |

**38.8 Details of other insurance finance income and expenses for the year ended December 31, 2022, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Life insurance | | | Non-life insurance | | | | |
| | Retirement | Variables | Others | Long-term | General and Automobile | Overseas | Others | Total |
| **Insurance finance income (expenses)** | | | | | | | | |
| Insurance finance income (expenses) recognized in profit or loss: | | | | | | | | |
| Net Interest Income (Expense) | ₩ — | ₩ (103) | ₩ (744,571) | ₩ (778,717) | ₩ (3,875) | ₩ — | ₩ — | ₩(1,527,266) |
| Effect of changes in discount rates and financial assumptions | — | 1,121 | 4,100 | — | — | — | — | 5,221 |
| Effect of exchange rate fluctuations | — | (2,792) | (1,702) | — | (5,416) | — | — | (9,910) |
| Changes in the fair value of the underlying assets of insurance contract with direct participation features | — | (547,352) | — | — | — | — | — | (547,352) |
| Other insurance finance income (expenses) | — | — | — | 4,228 | (686) | (41) | — | 3,501 |
| | — | (549,126) | (742,173) | (774,489) | (9,977) | (41) | — | (2,075,806) |
| Insurance finance income (expenses) recognized in other comprehensive income | — | (44) | (1,296,970) | (1,630,155) | (2,882) | — | — | (2,930,051) |
| **Total insurance finance income (expenses)** | ₩ — | ₩(549,170) | ₩(2,039,143) | ₩(2,404,644) | ₩ (12,859) | ₩ (41) | ₩ — | ₩(5,005,857) |
| **Reinsurance finance income (expenses)** | | | | | | | | |
| Reinsurance finance income (expenses) recognized in profit or loss: | | | | | | | | |
| Net Interest Income (Expense) | ₩ — | ₩ — | ₩ (1,031) | ₩ 12,180 | ₩ 2,558 | ₩ — | ₩ — | ₩ 13,707 |
| Effect of changes in discount rates and financial assumptions | — | — | — | — | — | — | — | — |
| Effect of exchange rate fluctuations | — | — | (8) | — | 4,297 | — | — | 4,289 |
| Other reinsurance finance income (expenses) | — | — | (3) | 359 | (28,312) | (269) | — | (28,225) |
| | — | — | (1,042) | 12,539 | (21,457) | (269) | — | (10,229) |
| Reinsurance finance income (expenses) recognized in other comprehensive income | — | — | (3,311) | 39,381 | 1,755 | — | — | 37,825 |
| **Total reinsurance finance income (expenses)** | — | — | (4,353) | 51,920 | (19,702) | (269) | — | 27,596 |
| **Net investment income (expenses)** | ₩ 10,510 | ₩ 31,750 | ₩ 257,963 | ₩ (357,682) | ₩ 479,700 | ₩ 6,287 | ₩154,506 | ₩ 583,034 |

**38.8 Details of other insurance finance income and expenses for the year ended December 31, 2022, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Life insurance | | | Non-life insurance | | | | |
| | Retirement | Variables | Others | Long-term | General and Automobile | Overseas | Others | Total |
| **Investment income (expenses)** | | | | | | | | |
| Investment income (expenses) recognized in profit or loss: | | | | | | | | |
| Net Interest Income (Expense) | ₩14,139 | ₩ 83,095 | ₩ 539,964 | ₩ 580,215 | ₩ 134,613 | ₩5,803 | ₩(21,354) | ₩1,336,475 |
| Dividend income | — | 21,037 | 13,172 | 11,667 | 13,028 | 8 | 5,518 | 64,430 |
| Gains (losses) on valuation and disposal of securities | 6,317 | 136,200 | (72,391) | (48,289) | (15,083) | (409) | 1,228 | 7,573 |
| Gains (losses) on valuation and disposal of loans and receivables | — | — | — | 5,183 | (3,644) | — | (758) | 781 |
| Gains (losses) on derivatives | (5,464) | (47,360) | (192,899) | (255,227) | (249,021) | — | — | (749,971) |
| Gains (losses) on investments in subsidiaries | — | — | (259) | (704) | — | — | — | (963) |
| Foreign exchange gains (losses) | 4,821 | 113,507 | 213,545 | 242,021 | 215,968 | 168 | — | 790,030 |
| Other investment income (expenses) | (25,554) | 35,326 | 90,607 | (74,543) | 306,342 | (877) | 14,930 | 346,231 |
| | (5,741) | 341,805 | 591,739 | 460,323 | 402,203 | 4,693 | (436) | 1,794,586 |
| Investment income (expenses) recognized in other comprehensive income | 8,747 | — | 937,243 | 715,023 | 32,901 | 219 | 69,601 | 1,763,734 |
| **Total investment income (expenses)** | ₩ 3,006 | ₩341,805 | ₩1,528,982 | ₩1,175,346 | ₩ 435,104 | ₩4,912 | ₩ 69,165 | ₩3,558,320 |

**38.8 Details of other insurance finance income and expenses for the year ended December 31, 2022, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Life insurance | | | Non-life insurance | | | | |
| | Retirement | Variables | Others | Long-term | General and Automobile | Overseas | Others | Total |
| **Insurance finance income (expenses)** | | | | | | | | |
| Insurance finance income (expenses) recognized in profit or loss: | | | | | | | | |
| Net Interest Income (Expense) | ₩ — | ₩ (895) | ₩ (741,055) | ₩ (715,762) | ₩ (3,806) | ₩ — | ₩ — | ₩(1,461,518) |
| Effect of changes in discount rates and financial assumptions | — | — | (616) | — | — | — | — | (616) |
| Effect of exchange rate fluctuations | — | (15,470) | (35,568) | — | (50,526) | — | — | (101,564) |
| Changes in the fair value of the underlying assets of insurance contract with direct participation features | — | (329,336) | — | — | — | — | — | (329,336) |
| Other insurance finance income (expenses) | — | — | — | 7,754 | (1,410) | (426) | — | 5,918 |
| | — | (345,701) | (777,239) | (708,008) | (55,742) | (426) | — | (1,887,116) |
| Insurance finance income (expenses) recognized in other comprehensive income | — | (138) | (2,091,444) | (2,244,510) | (9,932) | — | — | (4,346,024) |
| **Total insurance finance income (expenses)** | ₩ — | ₩(345,839) | ₩(2,868,683) | ₩(2,952,518) | ₩ (65,674) | ₩ (426) | ₩ — | ₩(6,233,140) |
| **Reinsurance finance income (expenses)** | | | | | | | | |
| Reinsurance finance income (expenses) recognized in profit or loss: | | | | | | | | |
| Net Interest Income (Expense) | ₩ — | ₩ — | ₩ (1,020) | ₩ 14,269 | ₩ 1,829 | ₩ — | ₩ — | ₩ 15,078 |
| Effect of changes in discount rates and financial assumptions | — | — | (13) | — | — | — | — | (13) |
| Effect of exchange rate fluctuations | — | — | (112) | — | 49,186 | — | — | 49,074 |
| Other reinsurance finance income (expenses) | — | — | 7 | (5,017) | (55,516) | 62 | — | (60,464) |
| | — | — | (1,138) | 9,252 | (4,501) | 62 | — | 3,675 |
| Reinsurance finance income (expenses) recognized in other comprehensive income | — | — | (5,201) | 30,943 | 3,038 | — | — | 28,780 |
| **Total reinsurance finance income (expenses)** | — | — | (6,339) | 40,195 | (1,463) | 62 | — | 32,455 |
| **Net investment income (expenses)** | ₩ 3,006 | ₩ (4,034) | ₩(1,346,040) | ₩(1,736,977) | ₩ 367,967 | ₩ 4,548 | ₩69,165 | ₩(2,642,365) |

**38.9 Insurance income and changes in contractual service margin of insurance contracts not applying the premium allocation approach by transition approaches for the year ended December 31, 2023 and 2024, are as follows:**

38.9.1 Insurance contract

| *(In millions of Korean won)* | 2023 | | |
|---|---|---|---|
| | Contracts applying the fair value approach | All other contracts | Total |
| Insurance income | ₩ 2,778,800 | ₩ 3,453,335 | ₩ 6,232,135 |
| Beginning contractual service margin | 2,324,961 | 11,336,156 | 13,661,117 |
| Current period service related changes | | | |
| Profit or loss recognized related to service provided | (203,369) | (1,068,294) | (1,271,663) |
| Future service related changes | | | |
| Changes in estimations adjusting contractual service margin | 629,844 | (2,064,505) | (1,434,661) |
| Effect of new contracts | — | 2,471,636 | 2,471,636 |
| Insurance service result | 426,475 | (661,163) | (234,688) |
| Insurance finance income and expenses | 82,383 | 349,610 | 431,993 |
| Ending contractual service margin | ₩ 2,833,819 | ₩ 11,024,603 | ₩13,858,422 |

| *(In millions of Korean won)* | 2024 | | |
|---|---|---|---|
| | Contracts applying the fair value approach | All other contracts | Total |
| Insurance income | ₩ 2,765,232 | ₩ 4,006,417 | ₩ 6,771,649 |
| Beginning contractual service margin | 2,833,819 | 11,024,603 | 13,858,422 |
| Current period service related changes | | | |
| Profit or loss recognized related to service provided | (201,832) | (1,077,426) | (1,279,258) |
| Future service related changes | | | |
| Changes in estimations adjusting contractual service margin | 322,158 | (1,859,892) | (1,537,734) |
| Effect of new contracts | — | 2,433,624 | 2,433,624 |
| Insurance service result | 120,326 | (503,694) | (383,368) |
| Insurance finance income and expenses | 87,773 | 401,151 | 488,924 |
| Ending contractual service margin | ₩ 3,041,918 | ₩ 10,922,060 | ₩13,963,978 |

38.9.2 Reinsurance contract

| *(In millions of Korean won)* | 2023 | | |
|---|---|---|---|
| | Contracts applying the fair value approach | All other contracts | Total |
| Allocation of Reinsurance Premiums | ₩ (61,761) | ₩ (96,937) | ₩(158,698) |
| Beginning contractual service margin | 103,222 | (199,688) | (96,466) |
| Current period service related changes | | | |
| Profit or loss recognized related to service received | (13,944) | 18,920 | 4,976 |
| Future service related changes | | | |
| Changes in estimations adjusting contractual service margin | 88,767 | 45,021 | 133,788 |
| Effect of new contracts | — | (35,399) | (35,399) |
| Reinsurance service result | 74,823 | 28,542 | 103,365 |
| Reinsurance finance income and expenses | 4,591 | (7,270) | (2,679) |
| Ending contractual service margin | ₩ 182,636 | ₩ (178,416) | ₩ 4,220 |

| *(In millions of Korean won)* | 2024 | | |
|---|---|---|---|
| | Contracts applying the fair value approach | All other contracts | Total |
| Allocation of Reinsurance Premiums | ₩ (70,095) | ₩ (148,358) | ₩(218,453) |
| Beginning contractual service margin | 182,636 | (178,416) | 4,220 |
| Current period service related changes | | | |
| Profit or loss recognized related to service received | (15,284) | 15,575 | 291 |
| Future service related changes | | | |
| Changes in estimations adjusting contractual service margin | (3,191) | 27,787 | 24,596 |
| Effect of new contracts | — | (25,525) | (25,525) |
| Reinsurance service result | (18,475) | 17,837 | (638) |
| Reinsurance finance income and expenses | 5,813 | (5,053) | 760 |
| Ending contractual service margin | ₩ 169,974 | ₩ (165,632) | ₩ 4,342 |

**38.10 Changes in other comprehensive income of financial instruments related to insurance contract groups that applied the modified retrospective approach or the fair value approach at the transition date**

Changes in other comprehensive income of financial instruments related to insurance contract groups for the year ended December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | 2023 | 2024 |
|---|---|---|
| Beginning | ₩(965,165) | ₩(545,629) |
| Changes due to fair value measurement | 533,590 | 153,390 |
| Changes due to reclassification to profit or loss | 38,216 | 11,691 |
| Income tax effect | (152,270) | (43,581) |
| Ending | ₩(545,629) | ₩(424,129) |

**38.11 Risk Management of KB Insurance Co., Ltd.**

38.11.1 Overview of insurance risk

Insurance risk is the risk that arises from a primary operation of insurance companies that is associated with underwriting of insurance contracts and payment of claims, which has the risk of greater loss incurring than anticipated by the Group. The Group manages insurance risk in different categories of long-term insurance, general insurance, and automobile insurance.

38.11.1.1 Key items of Long-term insurance

| | |
|---|---|
| Mortality Risk | Risk of unexpected losses due to premature death compared to the insured's expectations. |
| Longevity Risk | Risk of unexpected losses due to delayed death compared to the insured's expectations. |
| Disability/Illness Risk | Risk of unexpected losses related to the insured's disability and illness. |
| Long-term Property/Other Risks | Risk of unexpected losses related to property, expenses, indemnities, and other collateral in long-term insurance. |
| Termination Risk | Risk of losses due to unexpected exercise of legal rights or contractual options by policyholders. |
| Expense Risk | Risk of losses due to fluctuations in future costs and expenditure variations caused by inflation in relation to insurance contract costs. |
| Catastrophic Risk | Risk of extreme, exceptional losses (e.g., epidemics, major accidents) not considered in mortality risk, etc. |

38.11.1.2 Key items of general and automobile insurance

| | |
|---|---|
| Price Risk | Risk of losses exceeding the expected mortality rate and expense ratio calculated when determining insurance premiums. |
| Reserve Risk | Risk of being unable to cover future insurance payments reserved for incurred but not reported insurance accidents. |
| Catastrophic Risk | Risk of losses due to extreme, exceptional risks not considered in insurance price risk and reserve risk. |

38.11.2 Purposes, policies, and procedures to manage risk arising from insurance contracts

The risks associated with insurance contracts that the Group faces are insurance actuarial risk and underwriting risk. Each risk occurs due to insurance contract's pricing and conditions of underwriting. In order to minimize the possibility of acquiring a bad contract, the Group has established and operated detailed underwriting guidelines and underwriting procedures by insurance type that specify detailed underwriting conditions according to the type of risk covered through pre-analysis of insured property. In addition, the Group is making efforts to reduce insurance actuarial risk by follow-up measures such as adjustments of premium rate, changes of sales conditions, termination of selling specific product, development of new product, and others

38.11.2 Purposes, policies, and procedures to manage risk arising from insurance contracts (cont'd)

through comparing and analyzing the expected risk level at the date of pricing and actual risk level after the acceptance. The Group has prepared a process to minimize management risk other than insurance actuarial risk and underwriting risk by operating a committee that shares opinions on underwriting policies and premium rate policies and decides important matters.

In addition, by establishing a reinsurance operating strategy according to the reinsurance operating standards, the Group is preparing for the possibility of incurring high claim expenses at once due to unexpected catastrophic accidents while maintaining an appropriate holding level considering the solvency of the Group. The Group supports the protection and stable interests of policyholders, and comprehensively manages risks to maximize corporate value in the mid to long term.

38.11.3 Concentration of insurance risk

The Group is selling various insurance contracts such as general non-life insurances (fire, maritime, injury, technology, liability, package, title, guarantee, and other special type insurances), automobile insurances (for private use, for business use, for commercial use, bicycle, and others), long-term insurances (long-term non-life, property damage, injury, driver, savings, illness, nursing, and pension), and others. The Group's risk is distributed through reinsurance, joint acceptance, and sales of diversified insurance products. In addition, insurances such as storm and flood insurance, which have a very low probability of occurrence but cover severe levels of risk, are controlled through acceptance limit and joint acquisition. The Group classifies concentration of insurance risk by type of insurance product and region.

38.11.3.1 Before reinsurance mitigation

| *(In millions of Korean won)* | December 31, 2023 | | | |
|---|---|---|---|---|
| | Domestic | United States | China | Others |
| General insurance | | | | |
| Fire | ₩ 8,422 | ₩ — | ₩ — | ₩ — |
| Maritime | 56,463 | — | — | — |
| Others | 1,447,462 | 151,891 | 86,167 | 26,679 |
| Long-term insurance | | | | |
| Injury, illness, and property | 15,215,463 | — | — | — |
| Pension | 5,211,720 | — | — | — |
| Others | (217,084) | — | — | — |
| Automobile insurance | 2,224,924 | — | — | — |
| Total | ₩23,947,370 | ₩ 151,891 | ₩86,167 | ₩26,679 |

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | Domestic | United States | China | Others |
| General insurance | | | | |
| Fire | ₩ 14,775 | ₩ — | ₩ — | ₩ — |
| Maritime | 41,674 | — | — | — |
| Others | 1,282,134 | 105,543 | 63,516 | 40,830 |
| Long-term insurance | | | | |
| Injury, illness, and property | 17,963,247 | — | — | — |
| Pension | 4,873,238 | — | — | — |
| Others | (263,714) | — | — | — |
| Automobile insurance | 2,145,366 | — | — | — |
| Total | ₩26,056,720 | ₩ 105,543 | ₩63,516 | ₩40,830 |

38.11.3.2 After reinsurance mitigation

| *(In millions of Korean won)* | December 31, 2023 | | | |
|---|---|---|---|---|
| | Domestic | United States | China | Others |
| General insurance | | | | |
| Fire | ₩ 12,258 | ₩ — | ₩ — | ₩ — |
| Maritime | 29,637 | — | — | — |
| Others | 520,007 | 3,455 | 26,526 | 8,067 |
| Long-term insurance | | | | |
| Injury, illness, and property | 14,773,183 | — | — | — |
| Pension | 5,211,720 | — | — | — |
| Others | (217,084) | — | — | — |
| Automobile insurance | 2,214,411 | — | — | — |
| Total | ₩22,544,132 | ₩ 3,455 | ₩26,526 | ₩8,067 |

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | Domestic | United States | China | Others |
| General insurance | | | | |
| Fire | ₩ 18,764 | ₩ — | ₩ — | ₩ — |
| Maritime | 25,310 | — | — | — |
| Others | 486,222 | 2,854 | 25,842 | 16,845 |
| Long-term insurance | | | | |
| Injury, illness, and property | 17,471,358 | — | — | — |
| Pension | 4,873,238 | — | — | — |
| Others | (263,754) | — | — | — |
| Automobile insurance | 2,138,413 | — | — | — |
| Total | ₩24,749,551 | ₩ 2,854 | ₩25,842 | ₩16,845 |

38.11.4 Claims development tables

The Group verifies and evaluates the adequacy of reserve for outstanding claims for general, automobile, and long-term insurance with methods such as paid loss development trend and incurred loss development trend. If the individually estimated claims are insufficient, the Group recognizes additional reserves. Claims development tables as of December 31, 2023 and 2024, are as follows:

38.11.4.1 Claims development tables as of December 31, 2023

38.11.4.1.1 Before reinsurance mitigation

*General Insurance*

| *(In millions of Korean won)* | Accident year | | | | | | |
|---|---|---|---|---|---|---|---|
| **Estimated final loss undiscounted** | **2018** | **2019** | **2020** | **2021** | **2022** | **2023** | **Total** |
| **Development year** | | | | | | | |
| 1 year | ₩ 513,396 | ₩ 559,484 | ₩ 839,279 | ₩ 926,787 | ₩ 918,732 | ₩ 984,418 | ₩ — |
| 2 years | 545,691 | 567,735 | 1,035,332 | 923,424 | 846,577 | — | — |
| 3 years | 543,816 | 592,403 | 954,050 | 834,723 | — | — | — |
| 4 years | 565,489 | 598,698 | 970,065 | — | — | — | — |
| 5 years | 570,120 | 587,100 | — | — | — | — | — |
| 6 years | 563,739 | — | — | — | — | — | — |
| **Estimated final loss** | ₩ 563,739 | ₩ 587,100 | ₩ 970,065 | ₩ 834,723 | ₩ 846,577 | ₩ 984,418 | ₩ — |
| **Gross cumulative claim payments** | | | | | | | |
| Total gross cumulative claim payments | ₩(558,954) | ₩(557,309) | ₩ (779,235) | ₩(694,815) | ₩(655,922) | ₩(430,284) | ₩ — |
| Difference between estimated final loss and claim payments. | 4,785 | 29,791 | 190,830 | 139,908 | 190,655 | 554,134 | 1,110,103 |
| Estimated claim handling costs and expected indemnity | — | — | — | — | — | — | 41,413 |
| Incurred claims over 6 years ago | — | — | — | — | — | — | 42,564 |
| Incurred claims settled but not yet paid | — | — | — | — | — | — | (52,545) |
| Discount rate effect | — | — | — | — | — | — | (8,539) |
| Risk adjustment | — | — | — | — | — | — | 75,116 |
| Others | — | — | — | — | — | — | 213,113 |
| **Liability for incurred claims book value** | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩1,421,225 |

38.11.4.1.1 Before reinsurance mitigation (cont'd)

*Automobile Insurance*

| *(In millions of Korean won)* | Accident year | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2018** | **2019** | **2020** | **2021** | **2022** | **2023** | **Total** |
| **Estimated final loss undiscounted** | | | | | | | |
| **Development year** | | | | | | | |
| 1 year | ₩ 1,504,699 | ₩ 1,626,553 | ₩ 1,639,258 | ₩ 1,758,406 | ₩ 1,853,766 | ₩ 1,958,153 | ₩ — |
| 2 years | 1,491,522 | 1,639,692 | 1,645,744 | 1,766,713 | 1,865,422 | — | — |
| 3 years | 1,490,896 | 1,645,194 | 1,642,418 | 1,754,773 | — | — | — |
| 4 years | 1,495,058 | 1,648,516 | 1,633,491 | — | — | — | — |
| 5 years | 1,497,956 | 1,642,245 | — | — | — | — | — |
| 6 years | 1,492,463 | — | — | — | — | — | — |
| Estimated final loss | ₩ 1,492,463 | ₩ 1,642,245 | ₩ 1,633,491 | ₩ 1,754,773 | ₩ 1,865,422 | ₩ 1,958,153 | ₩ — |
| **Gross cumulative claim payments** | | | | | | | |
| Total gross cumulative claim payments | ₩(1,480,005) | ₩(1,621,917) | ₩(1,608,054) | ₩(1,714,365) | ₩(1,796,293) | ₩(1,629,354) | ₩ — |
| Difference between estimated final loss and claim payments | 12,458 | 20,328 | 25,437 | 40,408 | 69,129 | 328,799 | 496,559 |
| Estimated claim handling costs and expected indemnity | — | — | — | — | — | — | 22,411 |
| Incurred claims over 6 years ago | — | — | — | — | — | — | 35,670 |
| Incurred claims settled but not yet paid | — | — | — | — | — | — | 42,136 |
| Discount rate effect | — | — | — | — | — | — | 5,219 |
| Risk adjustment | — | — | — | — | — | — | 21,318 |
| Others | — | — | — | — | — | — | 5,677 |
| **Liability for incurred claims book value** | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩628,990 |

38.11.4.1.1 Before reinsurance mitigation (cont'd)

*Long-term Insurance*

| *(In millions of Korean won)* | Accident year | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2018** | **2019** | **2020** | **2021** | **2022** | **2023** | **Total** |
| **Estimated final loss undiscounted** | | | | | | | |
| **Development year** | | | | | | | |
| 1 year | ₩ 1,937,997 | ₩ 2,314,936 | ₩ 2,593,514 | ₩ 3,003,522 | ₩ 3,159,835 | ₩ 3,485,979 | ₩ — |
| 2 years | 1,958,540 | 2,322,571 | 2,551,274 | 2,965,954 | 3,180,537 | — | — |
| 3 years | 1,966,566 | 2,332,331 | 2,554,205 | 2,972,948 | — | — | — |
| 4 years | 1,978,019 | 2,339,839 | 2,557,951 | — | — | — | — |
| 5 years | 1,979,283 | 2,339,712 | — | — | — | — | — |
| 6 years | 1,977,945 | — | — | — | — | — | — |
| Estimated final loss | ₩ 1,977,945 | ₩ 2,339,712 | ₩ 2,557,951 | ₩ 2,972,948 | ₩ 3,180,537 | ₩ 3,485,979 | ₩ — |
| **Gross cumulative claim payments** | | | | | | | |
| Total gross cumulative claim payments | ₩ (1,971,631) | ₩ (2,327,124) | ₩ (2,533,413) | ₩ (2,912,534) | ₩ (3,016,892) | ₩ (2,379,992) | ₩ — |
| Difference between estimated final loss and claim payments | 6,314 | 12,588 | 24,538 | 60,414 | 163,645 | 1,105,987 | 1,373,486 |
| Estimated claim handling costs and expected indemnity | — | — | — | — | — | — | 52,983 |
| Incurred claims over 6 years ago | — | — | — | — | — | — | 7,786 |
| Incurred claims settled but not yet paid | — | — | — | — | — | — | 480,297 |
| Discount rate effect | — | — | — | — | — | — | (35,235) |
| Risk adjustment | — | — | — | — | — | — | 26,924 |
| Others | — | — | — | — | — | — | 50 |
| **Liability for incurred claims book value** | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ 1,906,291 |

38.11.4.1.2 After reinsurance mitigation

*General Insurance*

| *(In millions of Korean won)* | Accident year | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2018** | **2019** | **2020** | **2021** | **2022** | **2023** | **Total** |
| **Estimated final loss undiscounted** | | | | | | | |
| **Development year** | | | | | | | |
| 1 year | ₩ 290,681 | ₩ 304,171 | ₩ 332,137 | ₩ 463,207 | ₩ 512,812 | ₩ 501,574 | ₩ — |
| 2 years | 299,745 | 308,785 | 344,149 | 449,737 | 499,457 | — | — |
| 3 years | 291,075 | 316,601 | 343,707 | 447,047 | — | — | — |
| 4 years | 296,824 | 321,173 | 347,312 | — | — | — | — |
| 5 years | 300,125 | 320,026 | — | — | — | — | — |
| 6 years | 302,451 | — | — | — | — | — | — |
| Estimated final loss | ₩ 302,451 | ₩ 320,026 | ₩ 347,312 | ₩ 447,047 | ₩ 499,457 | ₩ 501,574 | ₩ — |
| **Gross cumulative claim payments** | | | | | | | |
| Total gross cumulative claim payments | ₩ (300,196) | ₩ (310,243) | ₩ (320,544) | ₩ (386,251) | ₩ (395,065) | ₩ (251,845) | ₩ — |
| Difference between estimated final loss and claim payments | 2,255 | 9,783 | 26,768 | 60,796 | 104,392 | 249,729 | 453,723 |
| Estimated claim handling costs and expected indemnity | — | — | — | — | — | — | 28,327 |
| Incurred claims over 6 years ago | — | — | — | — | — | — | 22,798 |
| Incurred claims settled but not yet paid | — | — | — | — | — | — | (188,877) |
| Discount rate effect | — | — | — | — | — | — | (1,904) |
| Risk adjustment | — | — | — | — | — | — | 28,338 |
| Others | — | — | — | — | — | — | 12,360 |
| **Liability for incurred claims book value** | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ 354,765 |

38.11.4.1.2 After reinsurance mitigation (cont'd)

*Automobile Insurance*

| *(In millions of Korean won)* | Accident year | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2018** | **2019** | **2020** | **2021** | **2022** | **2023** | **Total** |
| **Estimated final loss undiscounted** | | | | | | | |
| **Development year** | | | | | | | |
| 1 year | ₩ 1,463,857 | ₩ 1,581,086 | ₩ 1,615,387 | ₩ 1,745,376 | ₩ 1,849,405 | ₩ 1,958,153 | ₩ — |
| 2 years | 1,450,943 | 1,594,400 | 1,621,647 | 1,753,171 | 1,861,151 | — | — |
| 3 years | 1,450,102 | 1,599,550 | 1,618,230 | 1,741,566 | — | — | — |
| 4 years | 1,454,108 | 1,602,565 | 1,609,312 | — | — | — | — |
| 5 years | 1,456,542 | 1,596,518 | — | — | — | — | — |
| 6 years | 1,451,085 | — | — | — | — | — | — |
| Estimated final loss | ₩ 1,451,085 | ₩ 1,596,518 | ₩ 1,609,312 | ₩ 1,741,566 | ₩ 1,861,151 | ₩ 1,958,153 | ₩ — |
| **Gross cumulative claim payments** | | | | | | | |
| Total gross cumulative claim payments | ₩ (1,439,301) | ₩ (1,576,896) | ₩ (1,584,585) | ₩ (1,701,673) | ₩ (1,792,264) | ₩ (1,629,354) | ₩ — |
| Difference between estimated final loss and claim payments | 11,784 | 19,622 | 24,727 | 39,893 | 68,887 | 328,799 | 493,712 |
| Estimated claim handling costs and expected indemnity | — | — | — | — | — | — | 22,283 |
| Incurred claims over 6 years ago | — | — | — | — | — | — | 33,999 |
| Incurred claims settled but not yet paid | — | — | — | — | — | — | 40,875 |
| Discount rate effect | — | — | — | — | — | — | 5,219 |
| Risk adjustment | — | — | — | — | — | — | 21,318 |
| Others | — | — | — | — | — | — | 575 |
| **Liability for incurred claims book value** | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ 617,981 |

38.11.4.1.2 After reinsurance mitigation (cont'd)

*Long-term Insurance*

| *(In millions of Korean won)* | Accident year | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2018** | **2019** | **2020** | **2021** | **2022** | **2023** | **Total** |
| **Estimated final loss undiscounted** | | | | | | | |
| **Development year** | | | | | | | |
| 1 year | ₩ 1,637,680 | ₩ 1,957,373 | ₩ 2,182,836 | ₩ 2,529,760 | ₩ 2,680,155 | ₩ 2,951,334 | ₩ — |
| 2 years | 1,652,893 | 1,954,261 | 2,136,381 | 2,494,050 | 2,690,877 | — | — |
| 3 years | 1,659,135 | 1,961,975 | 2,138,283 | 2,499,511 | — | — | — |
| 4 years | 1,668,516 | 1,968,459 | 2,141,462 | — | — | — | — |
| 5 years | 1,669,653 | 1,968,485 | — | — | — | — | — |
| 6 years | 1,668,426 | — | — | — | — | — | — |
| Estimated final loss | ₩ 1,668,426 | ₩ 1,968,485 | ₩ 2,141,462 | ₩ 2,499,511 | ₩ 2,690,877 | ₩ 2,951,334 | ₩ — |
| **Gross cumulative claim payments** | | | | | | | |
| Total gross cumulative claim payments | ₩ (1,662,887) | ₩ (1,957,612) | ₩ (2,120,429) | ₩ (2,448,085) | ₩ (2,550,761) | ₩ (2,003,225) | ₩ — |
| Difference between estimated final loss and claim payments | 5,539 | 10,873 | 21,033 | 51,426 | 140,116 | 948,109 | 1,177,096 |
| Estimated claim handling costs and expected indemnity | — | — | — | — | — | — | 46,664 |
| Incurred claims over 6 years ago | — | — | — | — | — | — | 6,776 |
| Incurred claims settled but not yet paid | — | — | — | — | — | — | 299,202 |
| Discount rate effect | — | — | — | — | — | — | (30,585) |
| Risk adjustment | — | — | — | — | — | — | 23,722 |
| Others | — | — | — | — | — | — | (2,767) |
| **Liability for incurred claims book value** | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ 1,520,108 |

38.11.4.2 Claims development tables as of December 31, 2024

38.11.4.2.1 Before reinsurance mitigation

*General Insurance*

| *(In millions of Korean won)* | Accident year | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2019** | **2020** | **2021** | **2022** | **2023** | **2024** | **Total** |
| **Estimated final loss undiscounted** | | | | | | | |
| **Development year** | | | | | | | |
| 1 year | ₩ 559,484 | ₩ 839,279 | ₩ 926,787 | ₩ 918,732 | ₩ 984,418 | ₩ 814,504 | ₩ — |
| 2 years | 567,735 | 1,035,332 | 923,424 | 846,577 | 902,960 | — | — |
| 3 years | 592,403 | 954,050 | 834,723 | 826,232 | — | — | — |
| 4 years | 598,698 | 970,065 | 863,696 | — | — | — | — |
| 5 years | 587,100 | 985,358 | — | — | — | — | — |
| 6 years | 596,022 | — | — | — | — | — | — |
| Estimated final loss | ₩ 596,022 | ₩ 985,358 | ₩ 863,696 | ₩ 826,232 | ₩ 902,960 | ₩ 814,504 | ₩ — |
| **Gross cumulative claim payments** | | | | | | | |
| Total gross cumulative claim payments | ₩ (566,989) | ₩ (926,208) | ₩ (736,614) | ₩ (734,104) | ₩ (661,452) | ₩ (401,239) | ₩ — |
| Difference between estimated final loss and claim payments | 29,033 | 59,150 | 127,082 | 92,128 | 241,508 | 413,265 | 962,166 |
| Estimated claim handling costs and expected indemnity | — | — | — | — | — | — | 35,214 |
| Incurred claims over 6 years ago | — | — | — | — | — | — | 55,738 |
| Incurred claims settled but not yet paid | — | — | — | — | — | — | (59,440) |
| Discount rate effect | — | — | — | — | — | — | (50,183) |
| Risk adjustment | — | — | — | — | — | — | 66,819 |
| Others | — | — | — | — | — | — | 160,175 |
| **Liability for incurred claims book value** | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ 1,170,489 |

38.11.4.2.1 Before reinsurance mitigation (cont'd)

*Automobile Insurance*

| *(In millions of Korean won)* | Accident year | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2019** | **2020** | **2021** | **2022** | **2023** | **2024** | **Total** |
| **Estimated final loss undiscounted** | | | | | | | |
| **Development year** | | | | | | | |
| 1 year | ₩ 1,626,553 | ₩ 1,639,258 | ₩ 1,758,406 | ₩ 1,853,766 | ₩ 1,958,153 | ₩ 2,103,927 | ₩ — |
| 2 years | 1,639,692 | 1,645,744 | 1,766,713 | 1,865,422 | 1,985,790 | — | — |
| 3 years | 1,645,194 | 1,642,418 | 1,754,773 | 1,850,203 | — | — | — |
| 4 years | 1,648,516 | 1,633,491 | 1,746,422 | — | — | — | — |
| 5 years | 1,642,245 | 1,627,590 | — | — | — | — | — |
| 6 years | 1,635,591 | — | — | — | — | — | — |
| Estimated final loss | ₩ 1,635,591 | ₩ 1,627,590 | ₩ 1,746,422 | ₩ 1,850,203 | ₩ 1,985,790 | ₩ 2,103,927 | ₩ — |
| **Gross cumulative claim payments** | | | | | | | |
| Total gross cumulative claim payments | ₩(1,625,412) | ₩(1,612,431) | ₩(1,725,037) | ₩(1,815,770) | ₩(1,929,233) | ₩(1,785,195) | ₩ — |
| Difference between estimated final loss and claim payments. | 10,179 | 15,159 | 21,385 | 34,433 | 56,557 | 318,732 | 456,445 |
| Estimated claim handling costs and expected indemnity | — | — | — | — | — | — | 17,293 |
| Incurred claims over 6 years ago | — | — | — | — | — | — | 30,525 |
| Incurred claims settled but not yet paid | — | — | — | — | — | — | 40,596 |
| Discount rate effect | — | — | — | — | — | — | (25,779) |
| Risk adjustment | — | — | — | — | — | — | 23,493 |
| Others | — | — | — | — | — | — | 5,506 |
| **Liability for incurred claims book value** | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ 548,079 |

38.11.4.2.1 Before reinsurance mitigation (cont'd)

*Long-term Insurance*

| *(In millions of Korean won)* | Accident year | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2019** | **2020** | **2021** | **2022** | **2023** | **2024** | **Total** |
| **Estimated final loss undiscounted** | | | | | | | |
| **Development year** | | | | | | | |
| 1 year | ₩ 2,314,936 | ₩ 2,593,514 | ₩ 3,003,522 | ₩ 3,159,835 | ₩ 3,485,979 | ₩ 3,865,301 | ₩ — |
| 2 years | 2,322,571 | 2,551,274 | 2,965,954 | 3,180,537 | 3,481,470 | — | — |
| 3 years | 2,332,331 | 2,554,205 | 2,972,948 | 3,176,257 | — | — | — |
| 4 years | 2,339,839 | 2,557,951 | 2,960,640 | — | — | — | — |
| 5 years | 2,339,712 | 2,535,147 | — | — | — | — | — |
| 6 years | 2,331,162 | — | — | — | — | — | — |
| Estimated final loss | ₩ 2,331,162 | ₩ 2,535,147 | ₩ 2,960,640 | ₩ 3,176,257 | ₩ 3,481,470 | ₩ 3,865,301 | ₩ — |
| **Gross cumulative claim payments** | | | | | | | |
| Total gross cumulative claim payments | ₩(2,323,338) | ₩(2,521,506) | ₩(2,934,570) | ₩ (3,112,639) | ₩(3,315,239) | ₩(2,753,646) | ₩ — |
| Difference between estimated final loss and claim payments. | 7,824 | 13,641 | 26,070 | 63,618 | 166,231 | 1,111,655 | 1,389,039 |
| Estimated claim handling costs and expected indemnity | — | — | — | — | — | — | 58,757 |
| Incurred claims over 6 years ago | — | — | — | — | — | — | 10,042 |
| Incurred claims settled but not yet paid | — | — | — | — | — | — | 488,491 |
| Discount rate effect | — | — | — | — | — | — | (34,095) |
| Risk adjustment | — | — | — | — | — | — | 25,696 |
| Others | — | — | — | — | — | — | 73 |
| **Liability for incurred claims book value** | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ 1,938,003 |

38.11.4.2.2 After reinsurance mitigation

*General Insurance*

| *(In millions of Korean won)* | Accident year | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2019** | **2020** | **2021** | **2022** | **2023** | **2024** | **Total** |
| **Estimated final loss undiscounted** | | | | | | | |
| **Development year** | | | | | | | |
| 1 year | ₩ 304,171 | ₩ 332,137 | ₩ 463,207 | ₩ 512,812 | ₩ 501,574 | ₩ 534,363 | ₩ — |
| 2 years | 308,785 | 344,149 | 449,737 | 499,457 | 486,350 | — | — |
| 3 years | 316,601 | 343,707 | 447,047 | 494,871 | — | — | — |
| 4 years | 321,173 | 347,312 | 446,223 | — | — | — | — |
| 5 years | 320,026 | 348,238 | — | — | — | — | — |
| 6 years | 322,928 | — | — | — | — | — | — |
| Estimated final loss | ₩ 322,928 | ₩ 348,238 | ₩ 446,223 | ₩ 494,871 | ₩ 486,350 | ₩ 534,363 | ₩ — |
| **Gross cumulative claim payments** | | | | | | | |
| Total gross cumulative claim payments | ₩ (314,636) | ₩ (329,592) | ₩ (408,592) | ₩ (440,061) | ₩ (381,368) | ₩ (271,173) | ₩ — |
| Difference between estimated final loss and claim payments. | 8,292 | 18,646 | 37,631 | 54,810 | 104,982 | 263,190 | 487,551 |
| Estimated claim handling costs and expected indemnity | — | — | — | — | — | — | 26,568 |
| Incurred claims over 6 years ago | — | — | — | — | — | — | 25,963 |
| Incurred claims settled but not yet paid | — | — | — | — | — | — | (265,804) |
| Discount rate effect | — | — | — | — | — | — | (20,346) |
| Risk adjustment | — | — | — | — | — | — | 30,498 |
| Others | — | — | — | — | — | — | 3,587 |
| **Liability for incurred claims book value** | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ 288,017 |

38.11.4.2.2 After reinsurance mitigation (cont'd)

*Automobile Insurance*

| *(In millions of Korean won)* | Accident year | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2019** | **2020** | **2021** | **2022** | **2023** | **2024** | **Total** |
| **Estimated final loss undiscounted** | | | | | | | |
| **Development year** | | | | | | | |
| 1 year | ₩ 1,581,086 | ₩ 1,615,387 | ₩ 1,745,376 | ₩ 1,849,405 | ₩ 1,958,153 | ₩ 2,103,927 | ₩ — |
| 2 years | 1,594,400 | 1,621,647 | 1,753,171 | 1,861,151 | 1,985,790 | — | — |
| 3 years | 1,599,550 | 1,618,230 | 1,741,566 | 1,845,928 | — | — | — |
| 4 years | 1,602,565 | 1,609,312 | 1,733,214 | — | — | — | — |
| 5 years | 1,596,518 | 1,603,558 | — | — | — | — | — |
| 6 years | 1,590,109 | — | — | — | — | — | — |
| Estimated final loss | ₩ 1,590,109 | ₩ 1,603,558 | ₩ 1,733,214 | ₩ 1,845,928 | ₩ 1,985,790 | ₩ 2,103,927 | ₩ — |
| **Gross cumulative claim payments** | | | | | | | |
| Total gross cumulative claim payments | ₩(1,580,312) | ₩(1,588,824) | ₩(1,712,162) | ₩(1,811,664) | ₩(1,929,233) | ₩(1,785,195) | ₩ — |
| Difference between estimated final loss and claim payments. | 9,797 | 14,734 | 21,052 | 34,264 | 56,557 | 318,732 | 455,136 |
| Estimated claim handling costs and expected indemnity | — | — | — | — | — | — | 17,243 |
| Incurred claims over 6 years ago | — | — | — | — | — | — | 28,972 |
| Incurred claims settled but not yet paid | — | — | — | — | — | — | 40,422 |
| Discount rate effect | — | — | — | — | — | — | (25,708) |
| Risk adjustment | — | — | — | — | — | — | 23,493 |
| Others | — | — | — | — | — | — | 695 |
| **Liability for incurred claims book value** | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ 540,253 |

38.11.4.2.2 After reinsurance mitigation (cont'd)

*Long-term Insurance*

| *(In millions of Korean won)* | Accident year | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2019** | **2020** | **2021** | **2022** | **2023** | **2024** | **Total** |
| **Estimated final loss undiscounted** | | | | | | | |
| **Development year** | | | | | | | |
| 1 year | ₩ 1,947,243 | ₩ 2,171,401 | ₩ 2,514,713 | ₩ 2,664,628 | ₩ 2,932,961 | ₩ 3,270,270 | ₩ — |
| 2 years | 1,954,658 | 2,138,663 | 2,492,911 | 2,691,880 | 2,940,423 | — | — |
| 3 years | 1,963,266 | 2,141,754 | 2,499,670 | 2,688,097 | — | — | — |
| 4 years | 1,970,030 | 2,145,240 | 2,487,607 | — | — | — | — |
| 5 years | 1,970,227 | 2,122,645 | — | — | — | — | — |
| 6 years | 1,961,657 | — | — | — | — | — | — |
| Estimated final loss | ₩ 1,961,657 | ₩ 2,122,645 | ₩ 2,487,607 | ₩ 2,688,097 | ₩ 2,940,423 | ₩ 3,270,270 | ₩ — |
| **Gross cumulative claim payments** | | | | | | | |
| Total gross cumulative claim payments | ₩(1,954,871) | ₩(2,110,823) | ₩(2,464,887) | ₩(2,633,216) | ₩(2,796,696) | ₩(2,315,921) | ₩ — |
| Difference between estimated final loss and claim payments. | 6,786 | 11,822 | 22,720 | 54,881 | 143,727 | 954,349 | 1,194,285 |
| Estimated claim handling costs and expected indemnity | — | — | — | — | — | — | 51,640 |
| Incurred claims over 6 years ago | — | — | — | — | — | — | 8,799 |
| Incurred claims settled but not yet paid | — | — | — | — | — | — | 324,142 |
| Discount rate effect | — | — | — | — | — | — | (29,354) |
| Risk adjustment | — | — | — | — | — | — | 22,645 |
| Others | — | — | — | — | — | — | (1,997) |
| **Liability for incurred claims book value** | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩ 1,570,160 |

38.11.5 Sensitivity analysis of insurance risk

The Group manages insurance risk by performing sensitivity analysis based on loss ratio, expense ratio, discount rate, and others which are considered to have significant influence on future cash flow, timing, and uncertainty. Sensitivity analysis of insurance risk results of December 31, 2023 and 2024, are as follows:

38.11.5.1 Before reinsurance mitigation

| *(In millions of Korean won)* | | December 31, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Baseline amount | | Variance amount | | Impact on profit or equity (before tax) | |
| | | | Fulfillment | Insurance | Fulfillment | Insurance | | |
| | | Shock level | Cash flow | CSM | Cash flow | CSM | Profit or loss | OCI |
| Loss rate | Mortality rate | 3.27% increase | | | ₩ 69,439 | ₩ (71,983) | ₩ (1,918) | ₩4,461 |
| | Disability/illness (fixed compensation) | 3.40% increase | | | | | | |
| | Disability/illness (actual expense compensation) | 2.62% increase | | | 871,358 | (875,889) | (54,545) | 59,075 |
| | Long-term property/other risks | 4.19% increase | ₩ 9,779,523 | ₩8,517,921 | 32,315 | (29,956) | (3,795) | 1,437 |
| Lapse rate | Lapse rate (increase) | 9.16% increase | | | 492,113 | (444,393) | (20,940) | (26,780) |
| | Lapse rate (decrease) | 9.16% decrease | | | (528,694) | 494,597 | 8,169 | 25,927 |
| Expense ratio | Expense ratio (level) | 2.62% increase | | | | | | |
| | Expense ratio (inflation) | 0.26%p | | | 199,053 | (206,377) | (10,337) | 17,661 |

| *(In millions of Korean won)* | | December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Baseline amount | | Variance amount | | Impact on profit or equity (before tax) | |
| | | | Fulfillment | Insurance | Fulfillment | Insurance | | |
| | | Shock level | Cash flow | CSM | Cash flow | CSM | Profit or loss | OCI |
| Loss rate | Mortality rate | 3.27% increase | | | ₩ 79,780 | ₩ (77,540) | ₩ (3,037) | ₩ 798 |
| | Disability/illness (fixed compensation) | 3.40% increase | | | | | | |
| | Disability/illness (actual expense compensation) | 2.62% increase | | | 1,053,006 | (949,265) | (85,659) | (18,082) |
| | Long-term property/other risks | 4.19% increase | ₩11,808,026 | ₩8,820,482 | 42,239 | (37,387) | (4,875) | 22 |
| Lapse rate | Lapse rate (increase) | 9.16% increase | | | 522,472 | (531,668) | (25,011) | 34,207 |
| | Lapse rate (decrease) | 9.16% decrease | | | (566,932) | 582,665 | 20,546 | (36,279) |
| Expense ratio | Expense ratio (level) | 2.62% increase | | | | | | |
| | Expense ratio (inflation) | 0.26%p | | | 241,473 | (221,783) | (16,958) | (2,732) |

38.11.5.2 After reinsurance mitigation

*(In millions of Korean won)*

| | | | December 31, 2023 | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Baseline amount | | Variance amount | | Impact on profit or equity (before tax) | |
| | | | Fulfillment | Insurance | Fulfillment | Insurance | | |
| | | Shock level | Cash flow | CSM | Cash flow | CSM | Profit or loss | OCI |
| Loss rate | Mortality rate | 3.27% increase | | | ₩ 69,424 | ₩ (71,830) | ₩ (1,736) | ₩4,142 |
| | Disability/illness (fixed compensation) | 3.40% increase | | | | | | |
| | Disability/illness (actual compensation) | 2.62% increase | | | 936,787 | (944,204) | (44,973) | 52,390 |
| | Long-term property/other risks | 4.19% increase | ₩ 9,520,844 | ₩8,525,926 | 35,024 | (32,755) | (3,439) | 1,170 |
| Lapse rate | Lapse rate (increase) | 9.16% increase | | | 482,098 | (433,044) | (21,591) | (27,464) |
| | Lapse rate (decrease) | 9.16% decrease | | | (517,837) | 482,289 | 9,046 | 26,502 |
| Expense ratio | Expense ratio (level) | 2.62% increase | | | | | | |
| | Expense ratio (inflation) | 0.26%p | | | 200,270 | (207,666) | (8,772) | 16,168 |

*(In millions of Korean won)*

| | | | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Baseline amount | | Variance amount | | Impact on profit or equity (before tax) | |
| | | | Fulfillment | Insurance | Fulfillment | Insurance | | |
| | | Shock level | Cash flow | CSM | Cash flow | CSM | Profit or loss | OCI |
| Loss rate | Mortality rate | 3.27% increase | | | ₩ 79,663 | ₩ (77,421) | ₩ (2,692) | ₩ 450 |
| | Disability/illness (fixed compensation) | 3.40% increase | | | | | | |
| | Disability/illness (actual compensation) | 2.62% increase | | | 1,121,328 | (1,015,904) | (71,346) | (34,078) |
| | Long-term property/other risks | 4.19% increase | ₩11,513,781 | ₩8,819,986 | 45,498 | (40,649) | (4,440) | (409) |
| Lapse rate | Lapse rate (increase) | 9.16% increase | | | 512,715 | (522,140) | (25,986) | 35,411 |
| | Lapse rate (decrease) | 9.16% decrease | | | (556,423) | 572,406 | 21,728 | (37,711) |
| Expense ratio | Expense ratio (level) | 2.62% increase | | | | | | |
| | Expense ratio (inflation) | 0.26%p | | | 243,000 | (223,277) | (14,381) | (5,342) |

38.11.6 Liquidity risk of insurance contracts

Liquidity risk arising from insurance contracts arises from the increase in refunds at maturity caused by concentrations of maturity, the excessive increase in surrender values caused by unexpected mass cancellation, and the increase in payments of claims caused by major accidents. The Group manages payment of refunds at maturity by analyzing remaining maturity of insurance contracts.

38.11.6.1 Maturity structure of insurance contract group and reinsurance contract group as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 1 year | 1 year ~ 2 years | 2 years ~ 3 years | 3 years ~ 4 years | 4 years ~ 5 years | 5 years ~ 10 years | Over 10 years | Total |
| Net insurance contract liabilities | ₩ 1,637,409 | ₩(1,369,600) | ₩(1,001,841) | ₩ (674,656) | ₩(700,585) | ₩ (648,167) | ₩51,524,781 | ₩48,767,341 |
| Net reinsurance contract assets | (1,390,791) | (3,892) | 11,622 | 8,801 | 3,709 | (3,614) | 446,099 | (928,066) |

*(In millions of Korean won)*

| | December 31, 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 1 year | 1 year ~ 2 years | 2 years ~ 3 years | 3 years ~ 4 years | 4 years ~ 5 years | 5 years ~ 10 years | Over 10 years | Total |
| Net insurance contract liabilities | ₩ 1,336,553 | ₩(1,378,015) | ₩(1,070,191) | ₩(1,095,687) | ₩(781,885) | ₩(1,050,291) | ₩59,564,350 | ₩55,524,834 |
| Net reinsurance contract assets | (1,292,222) | (9,362) | (851) | 11,504 | 10,017 | 20,540 | 516,029 | (744,345) |

The net outflow amount is represented as positive numbers, while the net inflow amount is represented as negative numbers.

38.11.6.2 The amount payable upon demand as of December 31, 2023 and 2024, are ₩25,446,211 million and ₩26,374,280 million, respectively.

38.11.7 Credit risk of insurance contract

Credit risk of an insurance contract refers to economic losses in which the reinsurer, the counterparty, is unable to fulfill its contract obligations due to a decline in credit ratings or default or others. Through an internal review, only the insurers rated BBB- or higher of S&P rating or corresponding rating are selected as reinsurance companies.

38.11.7.1 Concentration and credit ratings for top three reinsurance companies as of December 31, 2024, are as follows:

| Reinsurance company | Ratio | Credit rating |
|---|---|---|
| KOREANRE | 36.43% | AA0 |
| MUNICHRE | 5.93% | AAA |
| HISCOX | 3.23% | AA+ |

38.11.7.2 Exposure to credit risk arising from reinsurance contract as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| December 31, 2023 | | December 31, 2024 | |
|---|---|---|---|
| **Reference** | **Amount** | **Reference** | **Amount** |
| Reinsurance contract assets | ₩1,633,769 | Reinsurance contract assets | ₩1,493,495 |
| Reinsurance contract liabilities | 3,842 | Reinsurance contract liabilities | 21,978 |

38.11.8 Interest rate risk of insurance contract

The Group measures interest rate risk for insurance contract liabilities exposed to interest rate risk, which include long-term, automobile, and general insurance.

The Group calculates the exposure of insurance contract liabilities for long-term liability for remaining coverage and liability for incurred claims that apply the general model in accordance with IFRS. The interest rate risk exposure as of December 31, 2023 and 2024 is as follows:

38.11.8.1 Status of interest rate risk exposure of insurance contract

| *(In millions of Korean won)* | **December 31, 2023** | **December 31, 2024** |
|---|---|---|
| Net insurance contract liabilities | ₩22,260,315 | ₩24,291,340 |
| Net reinsurance contract assets | 1,519,766 | 1,382,244 |
| Net asset effect | ₩20,740,549 | ₩22,909,096 |

38.11.8.2 Interest rate Sensitivities

| *(In millions of Korean won)* | **December 31, 2023** | |
|---|---|---|
| | **Equity** | |
| | **1% increase** | **1% decrease** |
| Net insurance contract liabilities | ₩2,190,531 | ₩(2,714,587) |
| Net reinsurance contract assets | (33,033) | 38,849 |
| Net asset effect | ₩2,157,498 | ₩(2,675,738) |

| *(In millions of Korean won)* | **December 31, 2024** | |
|---|---|---|
| | **Equity** | |
| | **1% increase** | **1% decrease** |
| Net insurance contract liabilities | ₩2,883,974 | ₩(3,493,031) |
| Net reinsurance contract assets | (47,015) | 55,147 |
| Net asset effect | ₩2,836,959 | ₩(3,437,884) |

**38.12 Risk Management of KB Life Insurance Co., Ltd.**

38.12.1 Overview of insurance risk

Insurance risk arises from the core activities of an insurance company, particularly the underwriting of insurance contracts and the payment of claims, which may result in greater losses than the Group has anticipated.

The Group manages potential economic loss risks arising from various risk factors associated with life insurance contracts. These risks are categorized into six subcategories: mortality risk, longevity risk, disability/illness risk, long-term property/other risks, termination risk, expense risk, and catastrophic risk. The Group measures these risks individually.

Except for catastrophic risk, which is assessed using a risk coefficient method, all other types of risks are evaluated using shock scenario methods. The definitions of each risks are as follows:

| | |
|---|---|
| Mortality Risk | Risk of unexpected losses due to premature death compared to the insured's expectations. |
| Longevity Risk | Risk of unexpected losses due to delayed death compared to the insured's expectations. |
| Disability/Illness Risk | Risk of unexpected losses related to the insured's disability and illness. |
| Long-term Property/Other Risks | Risk of unexpected losses related to property, expenses, indemnities, and other collateral in long-term insurance. |
| Termination Risk | Risk of losses due to unexpected exercise of legal rights or contractual options by policyholders. |
| Expense Risk | Risk of losses due to fluctuations in future costs and expenditure variations caused by inflation in relation to insurance contract costs. |
| Catastrophic Risk | Risk of extreme, exceptional losses (e.g., epidemics, major accidents) not considered in mortality risk, etc. |

38.12.2 Management of insurance risk

The Group measures and manages insurance risk in accordance with internal models and the K-Insurance Capital Standard (K-ICS).

Insurance risks, excluding catastrophic risk, are managed under K-ICS, as well as being managed under IFRS 17 through sensitivity analysis.

In addition, the Group considers insurance risks inherent in insurance products during the product development stage and continues to measure and mitigate such risks through various methods after the product launch. Risks related to mortality and illness are mitigated through reinsurance. The Group selects appropriate reinsurers based on credit risk assessment and also determines the appropriate level of risk exposure for each reinsurer before making contract with reinsurers. For amounts exceeding pre-determined risk limits, the Group manages risk through facultative reinsurance.

38.12.3 Exposure by risk type

38.12.3.1 Insurance risk exposure

The Group sells life insurance products including death, health, pension, asset-linked, and variable contracts. Along with the sale of various products, the Group also diversifies risk through reinsurance cessions.

Insurance risk exposure of insurance contracts and reinsurance contracts as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | Exposure | |
|---|---|---|
| | December 31, 2023 | December 31, 2024 |
| Insurance contract liabilities | ₩ 20,356,903 | ₩ 23,706,824 |
| Death | 8,785,488 | 11,313,508 |
| Health | 128,659 | 302,911 |
| Pension | 6,351,320 | 6,682,897 |
| Asset-linked | 40,605 | 38,021 |
| Variable death | 1,527,905 | 1,854,208 |
| Variable pension | 3,522,926 | 3,515,279 |
| Reinsurance contract assets | (41,032) | (40,641) |
| Death | (30,447) | (29,579) |
| Health | (9,084) | (10,078) |
| Compound | (1,501) | (984) |

38.12.3.2 Interest rate risk exposure

Interest rate risk exposure of insurance contracts and reinsurance contracts as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | Exposure | |
|---|---|---|
| | December 31, 2023 | December 31, 2024 |
| Insurance contracts | ₩ 20,356,903 | ₩ 23,706,824 |
| Fixed-rate | 10,206,298 | 13,080,288 |
| Interest rate-linked | 5,099,774 | 5,257,050 |
| Variable | 5,050,831 | 5,369,486 |
| Reinsurance contract assets [1] | (41,032) | (40,641) |

[1] Reinsurance contract assets is the net amount after deducting reinsurance contract liabilities

38.12.3.3 Equity risk exposure

Equity risk exposure of insurance contracts and reinsurance contracts as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | Exposure | |
|---|---|---|
| | December 31, 2023 | December 31, 2024 |
| Variable | ₩ 5,050,831 | ₩ 5,369,486 |

38.12.3.4 Foreign exchange risk exposure

Foreign exchange risk exposure of insurance contracts and reinsurance contracts as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | Exposure | |
|---|---|---|
| | December 31, 2023 | December 31, 2024 |
| Foreign currency liability | ₩ 649,301 | ₩ 707,517 |

38.12.3.5 Credit risk exposure

Credit risk exposure of reinsurance contracts assets and liabilities as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | | | | | |
|---|---|---|---|---|---|---|
| | AAA~AA+ | AA~A+ | A~BBB+ | Under BBB | Unrated | Total |
| Reinsurance contract assets | ₩ 2,683 | ₩ 3,228 | ₩ — | ₩ — | ₩ — | ₩ 5,911 |
| Reinsurance contract liabilities | (11,560) | (15,181) | (5,447) | — | — | (32,188) |

| *(In millions of Korean won)* | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | AAA~AA+ | AA~A+ | A~BBB+ | Under BBB | Unrated | Total |
| Reinsurance contract assets | ₩ — | ₩ 2,401 | ₩ 122 | ₩ — | ₩ — | ₩ 2,523 |
| Reinsurance contract liabilities | (14,083) | (15,851) | (4,353) | — | — | (34,287) |

38.12.4 Reinsurance policy

38.12.4.1 Summary

The purpose of reinsurance transactions is to ensure the Group's ability to fulfill insurance claim obligations to policyholders and maintain the stability of the Group's financial structure by ceding contracts that require diversification or risk transfer which could arise from the underwriting of insurance contracts. The Group adheres to the fundamental principle of operating an efficient and stable reinsurance framework by considering the scale of reinsurance transactions, the complexity of reinsurance products, risk exposure levels, profitability, and the credit ratings of reinsurers.

Based on insurance premium, since most of the retained contracts are concentrated in guarantee-type life insurance products, the Group manages insurance risk by securing reinsurance for life insurance policies exceeding a certain coverage amount. Additionally, reinsurance transactions are made when risk mitigation is deemed necessary for specific products or coverages. The Group currently holds contracts with eight reinsurers, and in addition to life insurance, risk for health insurance products such as cancer insurance are mitigated through reinsurance.

As of December 31, 2024, the eight reinsurers contracted by the Group hold credit ratings of AA- or higher, based on the criteria outlined in Annex 22 of the Korean DETAILED REGULATIONS ON SUPERVISION OF INSURANCE BUSINESS, indicating a stable financial position.

38.12.4.2 Concentration on top 5 reinsurers

the status of concentration among the top five reinsurers as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* [1] | December 31, 2023 | | | |
|---|---|---|---|---|
| | Above AA- | A+ ~ A- | Below BBB+ | Others |
| Reinsurance premiums | ₩ 16,044 | ₩ — | ₩ — | ₩ — |
| Ratio [2] | 91.9 | — | — | — |

| *(In millions of Korean won)* [1] | December 31, 2024 | | | |
|---|---|---|---|---|
| | Above AA- | A+ ~ A- | Below BBB+ | Others |
| Reinsurance premiums | ₩ 16,955 | ₩ — | ₩ — | ₩ — |
| Ratio [2] | 91.7 | — | — | — |

1 Credit ratings from foreign credit rating agencies are converted to domestic credit ratings based on the criteria outlined in Annex 22 of the Korean DETAILED REGULATIONS ON SUPERVISION OF INSURANCE BUSINESS.

2 The proportion of ceded insurance premiums represents the percentage relative to total insurance premiums.

38.12.4.3 Reinsurance premium by reinsurer group

The status of reinsurance premiums by reinsurer group as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Credit ratings | | | | |
| | Above AA- | A+ ~ A- | BBB+ Below | Others * | Total |
| Reinsurance premiums | ₩17,455 | ₩ — | ₩ — | ₩ — | ₩17,455 |
| Ratio | 100.0 | — | — | — | 100.0 |

| *(In millions of Korean won)* | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Credit ratings | | | | |
| | Above AA- | A+ ~ A- | BBB+ Below | Others * | Total |
| Reinsurance premiums | ₩18,497 | ₩ — | ₩ — | ₩ — | ₩18,497 |
| Ratio | 100.0 | — | — | — | 100.0 |

* Others include unrated and non-qualified reinsurers, and are summarized separately based on the reinsurers, insurance types, reasons for cession, and the scale of reinsurance premiums.

38.12.5 Liquidity risk of insurance contracts

Liquidity risk in insurance contracts arises from the increase in maturity refunds due to the concentration of insurance contract maturities at a certain point in time, the excessive increase in surrender refunds due to unexpected mass surrenders, and the increase in insurance payments due to large-scale accidents. Additionally, the Group manages the payment of maturity refunds through the analysis of the maturity of insurance contracts. The maturity structure of insurance liabilities based on net cash flow as of December 31, 2023 and 2024, are as follows.

*(In millions of Korean won)*

| | December 31, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 1 year | 1 year ~ 2 years | 2 years ~ 3 years | 3 years ~ 4 years | 4 years ~ 5 years | 5 years ~ 10 years | 10 years ~ 20 years | Over 20 years |
| Insurance contract | ₩(364,422) | ₩(243,265) | ₩(41,810) | ₩279,853 | ₩631,806 | ₩4,849,035 | ₩12,457,375 | ₩38,335,547 |
| Asset portfolio | — | — | — | — | — | — | — | — |
| Liability portfolio | (364,422) | (243,265) | (41,810) | 279,853 | 631,806 | 4,849,035 | 12,457,375 | 38,335,547 |
| Reinsurance contract | (5,667) | 3,095 | 3,378 | 2,705 | 2,413 | 9,629 | 17,416 | 60,794 |
| Asset portfolio | (2,571) | 691 | 908 | 465 | 387 | 744 | 35 | 131 |
| Liability portfolio | (3,096) | 2,404 | 2,470 | 2,240 | 2,026 | 8,885 | 17,381 | 60,663 |

*(In millions of Korean won)*

| | December 31, 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 1 year | 1 year ~ 2 years | 2 years ~ 3 years | 3 years ~ 4 years | 4 years ~ 5 years | 5 years ~ 10 years | 10 years ~ 20 years | Over 20 years |
| Insurance contract | ₩(53,417) | ₩(69,388) | ₩305,581 | ₩603,797 | ₩1,255,863 | ₩4,958,494 | ₩11,992,714 | ₩35,343,913 |
| Asset portfolio | — | — | — | — | — | — | — | — |
| Liability portfolio | (53,417) | (69,388) | 305,581 | 603,797 | 1,255,863 | 4,958,494 | 11,992,714 | 35,343,913 |
| Reinsurance contract | 9,278 | 1,462 | 676 | 1,678 | 1,705 | 8,170 | 16,996 | 52,162 |
| Asset portfolio | 1,445 | (121) | (555) | 42 | 108 | 224 | (163) | (351) |
| Liability portfolio | 7,833 | 1,583 | 1,231 | 1,636 | 1,597 | 7,946 | 17,159 | 52,513 |

38.12.6 The amount payable upon demand

The Group's amount payable upon demand for insurance contracts as of December 31, 2023 and 2024, are as follows:

| | December 31, 2023 | | December 31, 2024 | |
|---|---|---|---|---|
| | Amount payable upon demand | Book value | Amount payable upon demand | Book value |
| Insurance contracts | ₩ 26,949,499 | ₩25,968,619 | ₩ 28,595,855 | ₩29,100,070 |
| Death | 13,007,313 | 12,105,279 | 14,296,802 | 14,593,909 |
| Health | 699,541 | 437,536 | 766,471 | 566,979 |
| Pension | 7,008,436 | 6,840,937 | 7,255,197 | 7,281,490 |
| Asset-linked | 43,654 | 42,761 | 40,436 | 40,232 |
| Variable death | 2,382,968 | 2,885,573 | 2,439,175 | 2,945,814 |
| Variable pension | 3,807,587 | 3,656,532 | 3,797,775 | 3,671,647 |

38.12.7 Assumption sensitivity

The Group manages insurance risk by performing sensitivity analysis based on loss ratio, expense ratio, discount rate, and others which are considered to have significant influence on future cash flow, timing, and uncertainty.

The result of sensitivity analysis for the years ended December 31, 2023 and 2024, are as follows:

38.12.7.1 Insurance sensitivity

**Before reinsurance mitigation:**

*(In millions of Korean won)*

| | | | December 31, 2023 | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Baseline amount | | Change amount | | Impact on profit and equity (before tax) | |
| | | Sensitivity | Fulfillment Cash flows | Insurance CSM | Fulfillment Cash flow | Insurance CSM | Profit or loss | OCI |
| Loss rate | Morality rate | Increase by 3.27% | 20,356,903 | 5,340,503 | ₩ 99,036 | ₩ (96,093) | ₩ (281) | ₩ (2,662) |
| | Disability/illness (fixed benefit) | Increase by 3.40% | | | 103,927 | (115,007) | (1,690) | 12,770 |
| | Disability/illness (indemnity benefit) | Increase by 2.62% | | | 1,276 | (335) | (997) | 56 |
| | Long-term property/other risks | Increase by 4.19% | | | | | | |
| Lapse rate | Lapse rate (increase) | Increase by 9.16% | | | 312,455 | (182,674) | (16,334) | (113,447) |
| | Lapse rate (decrease) | Decrease by 9.16% | | | (345,011) | 207,879 | 17,988 | 119,144 |
| Expense ratio | Expense ratio (level) | Increase by 2.62% | | | 90,356 | (99,128) | (5,948) | 14,720 |
| | Expense ratio (inflation) | 0.26%p | | | | | | |

**After reinsurance mitigation:**

*(In millions of Korean won)*

| | | | December 31, 2023 | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Baseline amount | | Change amount | | Impact on profit and equity (before tax) | |
| | | Sensitivity | Fulfillment Cash flows | Insurance CSM | Fulfillment Cash flow | Insurance CSM | Profit or loss | OCI |
| Loss rate | Morality rate | Increase by 3.27% | 20,397,935 | 5,328,280 | ₩ 97,345 | ₩ (93,887) | ₩ (253) | ₩ (3,205) |
| | Disability/illness (fixed benefit) | Increase by 3.40% | | | 103,041 | (114,075) | (1,541) | 12,575 |
| | Disability/illness (indemnity benefit) | Increase by 2.62% | | | 1,221 | (297) | (943) | 19 |
| | Long-term property/other risks | Increase by 4.19% | | | | | | |
| Lapse rate | Lapse rate (increase) | Increase by 9.16% | | | 310,223 | (179,825) | (16,182) | (114,216) |
| | Lapse rate (decrease) | Decrease by 9.16% | | | (342,600) | 204,850 | 17,836 | 119,914 |
| Expense ratio | Expense ratio (level) | Increase by 2.62% | | | 90,343 | (99,239) | (5,788) | 14,684 |
| | Expense ratio (inflation) | 0.26%p | | | | | | |

[1] The sensitivity analysis is on liability for remaining coverage of insurance, and the shock levels of actuarial assumptions are based on supervisory criteria for calculating the risk adjustment (confidence level of 75%).

38.12.7.1 Insurance sensitivity (cont'd)

2 The impact on profit or loss represents the increase in the best estimate liability that exceeds the carrying amount of the contractual service margin due to changes in assumptions.

3 No shocks were applied to the risk adjustment within the fulfillment cash flows.

**Before reinsurance mitigation:**

*(In millions of Korean won)*

| | | December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Baseline amount | | Change amount | | Impact on profit and equity (before tax) | |
| | | | Fulfillment | Insurance | Fulfillment | Insurance | | |
| | | Sensitivity[1] | Cash flows | CSM | Cash flow[3] | CSM | Profit or loss[2] | OCI |
| Loss rate . . . . . | Morality rate | Increase by 3.27% | | | ₩ 106,984 | ₩ (97,865) | ₩ (589) | ₩ (8,530) |
| | Disability/illness (fixed benefit) | Increase by 3.40% | | | 102,301 | (105,373) | (1,108) | 4,180 |
| | Disability/illness (indemnity benefit) | Increase by 2.62% | | | 531 | (529) | (3) | 1 |
| | Long-term property/ other risks | Increase by 4.19% | | | | | | |
| Lapse rate . . . . . | Lapse rate (increase) | Increase by 9.16% | 23,706,824 | 5,143,498 | 362,584 | (268,566) | (20,353) | (73,665) |
| | Lapse rate (decrease) | Decrease by 9.16% | | | (412,005) | 314,825 | 17,415 | 79,765 |
| Expense ratio . . . | Expense ratio (level) | Increase by 2.62% | | | 92,193 | (92,815) | (4,889) | 5,511 |
| | Expense ratio (inflation) | 0.26%p | | | | | | |

**After reinsurance mitigation:**

*(In millions of Korean won)*

| | | December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Baseline amount | | Change amount | | Impact on profit and equity (before tax) | |
| | | | Fulfillment | Insurance | Fulfillment | Insurance | | |
| | | Sensitivity[1] | Cash flows | CSM | Cash flow[3] | CSM | Profit or loss[2] | OCI |
| Loss rate . . . . . | Morality rate | Increase by 3.27% | | | ₩ 105,168 | ₩ (95,875) | ₩ (545) | ₩ (8,748) |
| | Disability/illness (fixed benefit) | Increase by 3.40% | | | 101,554 | (104,644) | (1,038) | 4,128 |
| | Disability/illness (indemnity benefit) | Increase by 2.62% | | | 511 | (508) | (3) | — |
| | Long-term property/other risks | Increase by 4.19% | | | | | | |
| Lapse rate . . . . . | Lapse rate (increase) | Increase by 9.16% | 23,747,465 | 5,139,655 | 360,412 | (266,198) | (20,196) | (74,018) |
| | Lapse rate (decrease) | Decrease by 9.16% | | | (409,644) | 312,241 | 17,266 | 80,137 |
| Expense ratio . . . | Expense ratio (level) | Increase by 2.62% | | | 92,186 | (92,864) | (4,832) | 5,510 |
| | Expense ratio (inflation) | 0.26%p | | | | | | |

1 The sensitivity analysis is on liability for remaining coverage of insurance, and the shock levels of actuarial assumptions are based on supervisory criteria for calculating the risk adjustment (confidence level of 75%).

38.12.7.1 Insurance sensitivity (cont'd)

2 The impact on profit or loss represents the increase in the best estimate liability that exceeds the carrying amount of the contractual service margin due to changes in assumptions.
3 No shocks were applied to the risk adjustment within the fulfillment cash flows.

38.12.7.2 Interest rate risk

*(In millions of Korean won)*

| | | December 31, 2023 | |
|---|---|---|---|
| | | Profit or loss (before tax) | OCI (before tax) |
| 100bp increase | Insurance contracts* | ₩ 61,481 | ₩ 2,564,359 |
| | Reinsurance contracts* | (110) | 6,246 |
| 100bp decrease | Insurance contracts* | (181,638) | (3,561,242) |
| | Reinsurance contracts* | 212 | (8,328) |

*(In millions of Korean won)*

| | | December 31, 2024 | |
|---|---|---|---|
| | | Profit or loss (before tax) | OCI (before tax) |
| 100bp increase | Insurance contracts* | ₩ 220,772 | ₩ 3,062,364 |
| | Reinsurance contracts* | (149) | 6,480 |
| 100bp decrease | Insurance contracts* | (575,881) | (4,227,958) |
| | Reinsurance contracts* | 254 | (8,498) |

1 For insurance contracts (original insurance and accepted reinsurance) and reinsurance contracts, the impacts are on liability for remaining coverage.
2 No shocks were applied to the risk adjustment within the fulfillment cash flows.

38.12.7.3 Foreign exchange rate risk

*(In millions of Korean won)*

| | | December 31, 2023 | |
|---|---|---|---|
| | | Profit or loss (before tax) | OCI (before tax) |
| 100bp increase | Insurance contracts* | ₩ (63,895) | ₩ 15,268 |
| | Reinsurance contracts* | (73) | 16 |
| 100bp decrease | Insurance contracts* | 63,895 | (15,268) |
| | Reinsurance contracts* | 73 | (16) |

*(In millions of Korean won)*

| | | December 31, 2024 | |
|---|---|---|---|
| | | Profit or loss (before tax) | OCI (before tax) |
| 100bp increase | Insurance contracts* | ₩ (61,733) | ₩ 14,977 |
| | Reinsurance contracts* | (35) | 7 |
| 100bp decrease | Insurance contracts* | 61,733 | (14,977) |
| | Reinsurance contracts* | 35 | (7) |

1 For insurance contracts (original insurance and accepted reinsurance) and reinsurance contracts, the impacts are on liability for remaining coverage.
2 No shocks were applied to the risk adjustment within the fulfillment cash flows.

38.12.7.4 Stock price risk

*(In millions of Korean won)*

| | | December 31, 2023 | |
|---|---|---|---|
| | | Profit or loss (before tax) | OCI (before tax) |
| 100bp increase | Insurance contracts* | ₩ (185,135) | ₩ — |
| | Reinsurance contracts* | 78 | — |
| 100bp decrease | Insurance contracts* | 183,555 | — |
| | Reinsurance contracts* | (75) | — |

*(In millions of Korean won)*

| | | December 31, 2024 | |
|---|---|---|---|
| | | Profit or loss (before tax) | OCI (before tax) |
| 100bp increase | Insurance contracts* | ₩ (157,555) | ₩ — |
| | Reinsurance contracts* | 88 | — |
| 100bp decrease | Insurance contracts* | 155,996 | — |
| | Reinsurance contracts* | (89) | — |

[1] For insurance contracts (original insurance and accepted reinsurance) and reinsurance contracts, the impacts are on liability for remaining coverage.

[2] No shocks were applied to the risk adjustment within the fulfillment cash flows.

38.12.8 Claims development tables

Claims development tables of the Group as of December 31, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Accident year | | | | | |
| | 2020 | 2021 | 2022 | 2023 | 2024 | Total |
| **Development year** | | | | | | |
| **Estimated final loss undiscounted** | ₩ 188,067 | ₩ 180,238 | ₩ 203,710 | ₩ 209,891 | ₩ 212,680 | ₩ — |
| Claims paid | | | | | | |
| Current year | (153,837) | (147,254) | (167,874) | (173,926) | (175,467) | — |
| After 1 year | (26,840) | (26,346) | (28,097) | (28,181) | — | — |
| After 2 years | (4,024) | (3,291) | (4,152) | — | — | — |
| After 3 years | (1,316) | (1,439) | — | — | — | — |
| After 4 years | (613) | — | — | — | — | — |
| Total gross cumulative claim payments | ₩(186,630) | ₩(178,330) | ₩(200,123) | ₩(202,107) | ₩(175,467) | ₩ — |
| Difference between estimated final loss and claim payments. | 1,437 | 1,908 | 3,587 | 7,784 | 37,213 | 51,929 |
| Discount rate effect | — | — | — | — | — | (2,970) |
| Future claims expense | — | — | — | — | — | 90 |
| Incurred claims settled but not yet paid | — | — | — | — | — | 163,949 |
| Risk adjustment | — | — | — | — | — | 10,988 |
| Reinsurance effects* | — | — | — | — | — | (8,833) |
| **Total Liability for incurred claims** | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩215,153 |

38.12.8 Claims development tables (cont'd)

| *(In millions of Korean won)* | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Accident year | | | | | |
| | 2020 | 2021 | 2022 | 2023 | 2024 | Total |
| **Development year** | | | | | | |
| **Estimated final loss undiscounted** | ₩ 179,051 | ₩ 203,001 | ₩ 210,219 | ₩ 213,227 | ₩ 229,657 | ₩ — |
| Claims paid | | | | | | |
| Current year | (139,994) | (161,496) | (168,229) | (165,924) | (185,249) | — |
| After 1 year | (27,947) | (29,568) | (30,338) | (35,275) | — | — |
| After 2 years | (4,061) | (5,152) | (4,877) | — | — | — |
| After 3 years | (2,158) | (2,375) | — | — | — | — |
| After 4 years | (1,796) | — | — | — | — | — |
| Total gross cumulative claim payments | ₩(175,956) | ₩(198,591) | ₩(203,444) | ₩(201,199) | ₩(185,249) | ₩ — |
| Difference between estimated final loss and claim payments. | 3,095 | 4,410 | 6,775 | 12,028 | 44,408 | 70,716 |
| Discount rate effect | — | — | — | — | — | (3,471) |
| Future claims expense | — | — | — | — | — | 843 |
| Incurred claims settled but not yet paid | — | — | — | — | — | 164,482 |
| Risk adjustment | — | — | — | — | — | 10,088 |
| Reinsurance effects* | — | — | — | — | — | (9,879) |
| **Total Liability for incurred claims** | ₩ — | ₩ — | ₩ — | ₩ — | ₩ — | ₩232,779 |

* The reinsurance effect is presented as a total amount.

## 39. Statement of Cash Flows

### 39.1 Details of cash and cash equivalents as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| Cash | ₩ 2,114,596 | ₩ 1,954,624 |
| Checks issued by other banks | 142,437 | 124,366 |
| Due from the Bank of Korea | 15,362,056 | 14,372,352 |
| Due from other financial institutions | 12,217,222 | 13,417,769 |
| | 29,836,311 | 29,869,111 |
| Due from financial institutions measured at fair value through profit or loss | 79,810 | 59,838 |
| | 29,916,121 | 29,928,949 |
| Deduction: | | |
| Restricted due from financial institutions* | (3,273,428) | (4,338,818) |
| Due from financial institutions with original maturities over three months | (816,105) | (981,264) |
| | (4,089,533) | (5,320,082) |
| | ₩25,826,588 | ₩24,608,867 |

* Items meeting the definition of cash are excluded.

**39.1 Details of cash and cash equivalents as of December 31, 2023 and 2024, are as follows (cont'd):**

Items meeting the definition of cash among due from financial institutions with restriction to use as of December 31, 2023 and 2024, are as follows:

| *(In millions of Korean won)* | | Financial institutions | December 31, 2023 | December 31, 2024 |
|---|---|---|---|---|
| Due from financial institutions in Korean won | Due from the Bank of Korea | The Bank of Korea .... | ₩13,731,708 | ₩11,635,481 |
| | Due from others | Korea Development Bank and others ..... | 27,556 | 25,928 |
| Due from financial institutions in foreign currencies | Due from banks in foreign currencies | Bank Indonesia and others ..... | 944,917 | 2,540,681 |
| | | | ₩14,704,181 | ₩14,202,090 |

**39.2 Significant non-cash transactions for the years ended December 31, 2022, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| Write-offs of loans ..... | ₩ 1,516,087 | ₩1,757,920 | ₩1,984,218 |
| Changes in accumulated other comprehensive income from valuation of financial instruments at fair value through other comprehensive income ..... | (6,516,502) | 3,346,010 | 1,216,436 |
| Changes in accumulated other comprehensive income from valuation of investments in associates ..... | (362) | 24 | 165 |

**39.3 Cash inflows and outflows from income tax, interest, and dividends for the years ended December 31, 2022, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | Activities | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Income tax paid ..... | Operating | ₩ 1,524,025 | ₩ 2,189,111 | ₩ 1,158,212 |
| Interest received ..... | Operating | 20,369,575 | 28,550,486 | 30,279,240 |
| Interest paid ..... | Operating | 6,356,269 | 13,119,057 | 15,354,968 |
| Dividends received ..... | Operating | 399,984 | 330,350 | 482,012 |
| Dividends paid ..... | Financing | 1,564,153 | 1,336,816 | 1,686,777 |

**39.4 Changes in liabilities arising from financing activities for the years ended December 31, 2023 and 2024, are as follows:**

*(In millions of Korean won)*

| | 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Non-cash changes | | | | | |
| | Beginning | Net cash flows | Acquisition (disposal) | Exchange differences | Changes in fair value | Subsidiaries | Others | Ending |
| Derivatives held for hedging* ... | ₩ (4,822) | ₩ (73,335) | ₩ — | ₩ (84,429) | ₩ (36,123) | ₩ — | ₩ 105,706 | ₩ (93,003) |
| Borrowings and debentures .. | 140,415,569 | (2,128,851) | — | 616,459 | 121,577 | 114,904 | (379,429) | 138,760,229 |
| Due to trust accounts ... | 5,808,446 | 2,333,656 | — | — | — | — | — | 8,142,102 |
| Others ..... | 1,695,821 | (781,632) | 152,344 | — | — | — | 83,054 | 1,149,587 |
| ..... | ₩147,915,014 | ₩ (650,162) | ₩152,344 | ₩532,030 | ₩ 85,454 | ₩114,904 | ₩(190,669) | ₩147,958,915 |

**39.4 Changes in liabilities arising from financing activities for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Non-cash changes | | | | | |
| | Beginning | Net cash flows | Acquisition (disposal) | Exchange differences | Changes in fair value | Subsidiaries | Others | Ending |
| Derivatives held for hedging* | ₩ (93,003) | ₩(216,883) | ₩ — | ₩ (238,486) | ₩(128,072) | ₩ — | ₩ 314,589 | ₩ (361,855) |
| Borrowings and debentures | 138,760,229 | 825,087 | — | 4,045,394 | 39,945 | (22,909) | 600,523 | 144,248,269 |
| Due to trust accounts | 8,142,102 | 89,900 | — | — | — | — | — | 8,232,002 |
| Others | 1,149,587 | (339,514) | 630,785 | — | — | — | 107,777 | 1,548,635 |
| | ₩147,958,915 | ₩ 358,590 | ₩630,785 | ₩3,806,908 | ₩ (88,127) | ₩(22,909) | ₩1,022,889 | ₩153,667,051 |

* Derivatives held for hedging purposes are the net amount after offsetting liabilities and assets.

**39.5 The net cash flow associated with the changes in the subsidiaries for the years ended December 31, 2023 and 2024 are ₩ 1,297,001 million of cash inflow and ₩88,528 million of cash inflow, respectively.**

## 40. Contingent Liabilities and Commitments

**40.1 Details of acceptances and guarantees as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| **Confirmed acceptances and guarantees** | | |
| Confirmed acceptances and guarantees in Korean won: | | |
| Acceptances and guarantees for KB purchasing loan | ₩ 148,786 | ₩ 152,129 |
| Others | 945,027 | 900,237 |
| | 1,093,813 | 1,052,366 |
| Confirmed acceptances and guarantees in foreign currencies: | | |
| Acceptances of letter of credit | 277,370 | 331,423 |
| Letter of guarantees | 47,665 | 45,274 |
| Bid bond | 12,549 | 12,782 |
| Performance bond | 1,111,589 | 1,927,572 |
| Refund guarantees | 3,561,227 | 4,644,429 |
| Others | 3,572,149 | 4,594,667 |
| | 8,582,549 | 11,556,147 |
| Financial guarantee contracts: | | |
| Acceptances and guarantees for mortgage | 94,027 | 20,790 |
| Overseas debt guarantees | 470,579 | 588,019 |
| International financing guarantees in foreign currencies | 616,554 | 842,838 |
| | 1,181,160 | 1,451,647 |
| | 10,857,522 | 14,060,160 |
| **Unconfirmed acceptances and guarantees** | | |
| Guarantees of letter of credit | 2,785,484 | 2,268,081 |
| Refund guarantees | 1,301,376 | 1,373,649 |
| | 4,086,860 | 3,641,730 |
| | ₩14,944,382 | ₩17,701,890 |

**40.2 Credit qualities of acceptances and guarantees as of December 31, 2023 and 2024, are as follows:**

*(In millions of Korean won)*

| | December 31, 2023 | | | |
|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | |
| | | Non-impaired | Impaired | Total |
| **Confirmed acceptances and guarantees** | | | | |
| Grade 1 | ₩ 8,485,824 | ₩ 170,322 | ₩ — | ₩ 8,656,146 |
| Grade 2 | 1,763,259 | 22,065 | — | 1,785,324 |
| 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 |
| | 10,357,407 | 495,572 | 4,543 | 10,857,522 |
| **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 |
| | ₩14,173,797 | ₩ 762,674 | ₩ 7,911 | ₩14,944,382 |

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | |
| | | Non-impaired | Impaired | Total |
| **Confirmed acceptances and guarantees** | | | | |
| Grade 1 | ₩12,022,664 | ₩ — | ₩ — | ₩12,022,664 |
| Grade 2 | 1,870,438 | 23,840 | — | 1,894,278 |
| Grade 3 | 98,224 | 16,147 | — | 114,371 |
| Grade 4 | 8,291 | 2,975 | 457 | 11,723 |
| Grade 5 | — | 230 | 16,894 | 17,124 |
| | 13,999,617 | 43,192 | 17,351 | 14,060,160 |
| **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 |
| | ₩17,603,349 | ₩ 78,590 | ₩19,951 | ₩17,701,890 |

**40.3 Classifications of acceptances and guarantees by counterparty as of December 31, 2023 and 2024, are as follows:**

*(In millions of Korean won)*

| | December 31, 2023 | | | |
|---|---|---|---|---|
| | Confirmed guarantees | Unconfirmed guarantees | Total | Proportion (%) |
| Large companies | ₩ 9,988,889 | ₩3,397,689 | ₩13,386,578 | 89.58 |
| Small and medium-sized companies | 736,810 | 454,574 | 1,191,384 | 7.97 |
| Public sector and others | 131,823 | 234,597 | 366,420 | 2.45 |
| | ₩10,857,522 | ₩4,086,860 | ₩14,944,382 | 100.00 |

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Confirmed guarantees | Unconfirmed guarantees | Total | Proportion (%) |
| Large companies | ₩13,215,006 | ₩2,972,146 | ₩16,187,152 | 91.45 |
| Small and medium-sized companies | 747,170 | 423,299 | 1,170,469 | 6.61 |
| Public sector and others | 97,984 | 246,285 | 344,269 | 1.94 |
| | ₩14,060,160 | ₩3,641,730 | ₩17,701,890 | 100.00 |

**40.4 Classifications of acceptances and guarantees by industry as of December 31, 2023 and 2024, are as follows:**

*(In millions of Korean won)*

| | December 31, 2023 | | | |
|---|---|---|---|---|
| | Confirmed guarantees | Unconfirmed guarantees | Total | Proportion (%) |
| Financial institutions | ₩ 1,263,253 | ₩ 591 | ₩ 1,263,844 | 8.46 |
| Manufacturing | 5,527,285 | 3,109,100 | 8,636,385 | 57.79 |
| Service | 788,908 | 102,028 | 890,936 | 5.96 |
| Wholesale and retail | 2,297,162 | 614,053 | 2,911,215 | 19.48 |
| Construction | 363,517 | 116,950 | 480,467 | 3.22 |
| Public sector | 31,732 | 62,440 | 94,172 | 0.63 |
| Others | 585,665 | 81,698 | 667,363 | 4.46 |
| | ₩10,857,522 | ₩4,086,860 | ₩14,944,382 | 100.00 |

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Confirmed guarantees | Unconfirmed guarantees | Total | Proportion (%) |
| Financial institutions | ₩ 1,810,426 | ₩ 1,244 | ₩ 1,811,670 | 10.24 |
| Manufacturing | 8,139,583 | 2,709,623 | 10,849,206 | 61.29 |
| Service | 926,446 | 48,709 | 975,155 | 5.51 |
| Wholesale and retail | 2,410,725 | 594,407 | 3,005,132 | 16.98 |
| Construction | 334,561 | 73,389 | 407,950 | 2.30 |
| Public sector | 24,929 | 101,456 | 126,385 | 0.71 |
| Others | 413,490 | 112,902 | 526,392 | 2.97 |
| | ₩14,060,160 | ₩3,641,730 | ₩17,701,890 | 100.00 |

**40.5 Details of commitments as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| **Commitments** | | |
| Corporate loan commitments | ₩ 55,688,438 | ₩ 57,510,280 |
| Retail loan commitments | 56,142,850 | 59,100,288 |
| Credit line of credit cards | 83,325,862 | 87,204,864 |
| Purchase of other securities | 8,749,029 | 8,880,563 |
| | 203,906,179 | 212,695,995 |
| **Financial guarantee contracts** | | |
| Credit line | 5,901,644 | 4,747,946 |
| Purchase of securities | 745,401 | 475,147 |
| | 6,647,045 | 5,223,093 |
| | ₩210,553,224 | ₩217,919,088 |

**40.6 Other Matters (including litigation)**

a) The Group has 94 pending lawsuits as a plaintiff (excluding simple lawsuits related to the collection or management of loans), with aggregate claims amount of ₩1,848,019 million, and 320 pending lawsuits as a defendant (excluding simple lawsuits related to the collection or management of loans) with aggregate claims amount of ₩1,305,713 million. It is not possible to predict additional losses based on the outcomes of future trials. Details of major pending lawsuits in which the Group is a defendant are as follows:

**(In number of cases, in millions of Korean won)**

| Company | Lawsuits | No. of cases | Amount | Description of the lawsuits | Status of the lawsuits |
|---|---|---|---|---|---|
| Kookmin Bank | Request for a return of redemption amount | 1 | ₩ 61,755 | Kookmin Bank invested the assets entrusted by OO Invest Trust Management in the Fairfield Sentry Limited and 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.) Bankruptcy trustee of Bernard L. Madoff Investment Securities LLC filed a lawsuit against Kookmin Bank seeking to return the amount of redemptions received by Kookmin Bank through Fairfield Sentry Limited. | Application for dismissal by the defendant has been denied, and further proceedings are scheduled. [Related litigation is pending at the New York Southern District Federal Bankruptcy Court (10-3777)] The financial impact on Kookmin Bank is not significant because the likelihood of winning the lawsuit is high |

## 40.6 Other Matters (including litigation) (cont'd)

| Company | Lawsuits | No. of cases | Amount | Description of the lawsuits | Status of the lawsuits |
|---|---|---|---|---|---|
| | Expropriation of long-term leasehold rights | 1 | 367,500 | Kookmin Bank invested assets entrusted by OO Asset Management Co., Ltd. in loans that are directly or indirectly collateralized by long-term leasehold rights of the building and the land (hereinafter referred to as "the real estate in this case") of Union Station in Washington, D.C., the United States.<br>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. | Following the court's approval of the plaintiff's urgent application for transfer of possession, the subject property has been delivered to the plaintiff, and the main proceedings are ongoing.<br>The lawsuit is related to a fund that Kookmin Bank is managing, so the financial impact on Kookmin Bank's proprietary assets is not significant. |
| | Return of unjust enrichment | 1 | 160,589 | As MTS Bank, which was trading with Kookmin Bank through a foreign exchange account, was listed on the SDN (Specifically Designated Nationals) list of the Office of Foreign Assets Control (OFAC) under the U.S. Treasury Department, Kookmin Bank froze the foreign currency account in the name of MTS Bank.<br>Accordingly, MTS Bank filed a lawsuit seeking the return of the account balance to the Moscow City Commercial Court in Russia | Responding to local court trial schedule.<br>Due to compliance with U.S. OFAC regulations, it is determined that Kookmin Bank's likelihood of winning the lawsuit being processed in the Russian courts is not high. However, the lawsuit amount can be covered by the balance in the plaintiff's account, and a financial impact equivalent to the delayed interest is anticipated for Kookmin Bank. |
| Kookmin Bank | Claim for damages | 1 | 102,411 | 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 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.<br>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 second trial is underway and will work with the legal representative to actively respond<br>Considering the winning results of the first trial and the legal review opinion of external law firms, PT Bank KB Bukopin Tbk is unlikely to lose, and its impact on Kookmin Bank is expected to be limited |

**40.6 Other Matters (including litigation) (cont'd)**

| Company | Lawsuits | No. of cases | Amount | Description of the lawsuits | Status of the lawsuits |
|---|---|---|---|---|---|
| KB Securities Co., Ltd. | Request for the return of unjust enrichment and transaction amount (Australian fund) | 3 | 55,654 | As an investment broker for a private fund that lends money to a corporation (borrower) investing in Australian disability apartment rental business, KB Securities Co., Ltd. brokered investments of ₩326,500 million in trust products and funds to individual and institutional investors. However, due to the local Australian borrower's breach of contract, the fund management was suspended, and related to this, a lawsuit was filed against KB Securities Co., Ltd. for the return of unjust enrichment and transaction amount. | No.1 case: The third trial is in progress (The first trial: On February 7, 2023, a ruling was made to pay the principal investment of ₩29,800 million and the delayed interest on it. The second trial: On January 29, 2024, the conclusion was different; a ruling was made to pay the principal investment of ₩12,000 million and the delayed interest on it.)<br>No. 2 case: The second trial is in progress (The first trial: On February 14, 2024, a ruling was made to pay the principal investment of ₩12,200 million and the delayed interest on it.)<br>No. 3 case: The second trial is in progress (The first trial: On October 26, 2023, a ruling was made to pay the remaining principal and interest of ₩8,460 million and the delayed interest on the principal of ₩8,290 million) |

Meanwhile, the Group has recognized a provision for litigation amounting to ₩156,214 million in the financial statements in relation to the pending lawsuit in which it is a defendant as of December 31, 2024 (Note 24.5).

b) As of December 31, 2024, there are a total of 12 pending lawsuits related to the wage peak system, amounting to ₩42,857 million. This includes 8 cases for Kookmin Bank with a total claim amount of ₩39,144 million, 1 case for KB Securities Co., Ltd. with a claim amount of ₩2,646 million, 1 case for KB Life Insurance Co., Ltd. with a claim amount of ₩61 million, 1 case for KB Capital Co., Ltd. with a claim amount of ₩388 million, and 1 case for KB Data System Co., Ltd. with a claim amount of ₩618 million. The amount and timing of potential outflows of resources are currently unpredictable.

c) KB Real Estate Trust Co., Ltd. is carrying out the completion guarantee management-type land trust project (31 cases, including Busan Kyungbo Industrial Development, excluding construction project), that bears responsibility for the completion guarantee when the construction company fails to fulfill responsibility for the completion guarantee and bears responsibility for compensating for damages to lending financial institutions as of December 31, 2024. The total credit line of PF loan related to the completion guarantee management-type land trust project is ₩2,696,500 million, and the used credit line is ₩2,049,200 million as of December 31, 2024. As of December 31, 2024, KB Real Estate Trust Co., Ltd. is a defendant in two lawsuits (with a total claim amount of ₩25,892 million) due to the failure to fulfill the responsibility for construction completion, and three additional lawsuits (with a total claim amount of ₩53,600 million) were filed after the reporting period but before the final approval of the Financial statements. The amount of compensation for damages charged to KB Real Estate Trust Co., Ltd. is measured after determining whether the damage occurred due to the company's

**40.6 Other Matters (including litigation) (cont'd)**

failure to fulfill the completion guarantee. Since the amount of loss cannot be measured reliably, this impact is not reflected in the Financial statements as of and for the year ended December 31, 2024.

d) As of December 31, 2024, the Financial Supervisory Service conducted a regular inspection of the operations of the holding company and its subsidiaries, Kookmin Bank and KB Life Insurance Co., Ltd. The results of the inspection and any required actions will be notified in the future.

e) Kookmin Bank 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.

f) As of December 31, 2024, KB Life Insurance Co., Ltd. is undergoing a tax audit for the 2020 ~ 2022 fiscal year corporate tax. The audit is expected to conclude in January 2025, and the company is awaiting the tax assessment results. Additionally, its subsidiaries, KB Asset Management Co., Ltd. and KB Data Systems Co., Ltd., received advance notice of tax audits in January 2025. Currently, the impact on the Group cannot be predicted.

g) As of December 31, 2024, KB PRASAC BANK is undergoing a tax audit by the tax authorities for the fiscal years 2020 to 2021. Currently, the impact on KB PRASAC BANK cannot be predicted.

h) 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 Kookmin Bank, also known as holding a put option right, within 1 year after the expiration of the call option period.

i) As of December 31, 2024, KB Real Estate Trust Co., Ltd. may lend ₩ 3,485,500 million to the trust accounts, which is part of the total project cost related to borrowing-type land trust contracts (including maintenance projects). Whether or not KB Real Estate Trust Co., Ltd. will lend to a trust account is not an unconditional payment obligation, and it is judged by considering all matters such as the fund balance plan of its own account and trust business.

## 41. Subsidiaries

### 41.1 Details of major consolidated subsidiaries as of December 31, 2024, are as follows:

| Investor | Investee | Ownership (%) | Location | Date of financial statements | Industry |
|---|---|---|---|---|---|
| KB Financial Group Inc. | Kookmin Bank | 100.00 | Korea | Dec. 31 | Banking and foreign exchange transaction |
| | KB Kookmin Card Co., Ltd. | 100.00 | Korea | Dec. 31 | Credit card and installment financing |
| | KB Asset Management Co., Ltd. | 100.00 | Korea | Dec. 31 | Collective investment and advisory |
| | KB Capital Co., Ltd. | 100.00 | Korea | Dec. 31 | Financial Leasing |
| | KB Savings Bank Co., Ltd. | 100.00 | Korea | Dec. 31 | Savings banking |
| | KB Real Estate Trust Co., Ltd. | 100.00 | Korea | Dec. 31 | Real estate trust management |
| | KB Investment Co., Ltd. | 100.00 | Korea | Dec. 31 | Capital investment |
| | KB Data System Co., Ltd. | 100.00 | Korea | Dec. 31 | Software advisory, development, and supply |
| | KB Securities Co., Ltd. | 100.00 | Korea | Dec. 31 | Financial investment |
| | KB Insurance Co., Ltd. | 100.00 | Korea | Dec. 31 | Non-life insurance |
| | KB Life Insurance Co., Ltd. [1] | 100.00 | Korea | Dec. 31 | Life insurance |
| Kookmin Bank | KB PRASAC Bank Plc. [3] | 100.00 | Cambodia | Dec. 31 | Banking and foreign exchange transaction |
| | Kookmin Bank (China) Ltd. | 100.00 | China | Dec. 31 | Banking and foreign exchange transaction |
| | KB Microfinance Myanmar Co., Ltd. | 100.00 | Myanmar | Dec. 31 | Microfinance services |
| | PT Bank Syariah Bukopin | 95.92 | Indonesia | Dec. 31 | Banking and foreign exchange transaction |
| | PT Bukopin Finance | 99.24 | Indonesia | Dec. 31 | Micro finance services |
| | KB Bank Myanmar Co., Ltd. | 100.00 | Myanmar | Dec. 31 | Micro finance services |
| | KB FUND PARTNERS Co., Ltd. | 100.00 | Korea | Dec. 31 | Other unclassified financial services |
| Kookmin Bank, KB Kookmin Card Co., Ltd., KB Securities Co., Ltd., KB Insurance Co., Ltd., KB Capital Co., Ltd. | PT Bank KB Bukopin, Tbk. | 67.57[1] | Indonesia | Dec. 31 | Banking and foreign exchange transaction |
| KB Securities Co., Ltd. | KBFG Securities America Inc. | 100.00 | United States | Dec. 31 | Investment advisory and securities trading |
| | KB Securities Hong Kong Ltd. | 100.00 | China | Dec. 31 | Investment advisory and securities trading |
| | KB Securities Vietnam Joint Stock Company | 99.81 | Vietnam | Dec. 31 | Investment advisory and securities trading |
| | KB FINA Joint Stock Company | 100.00 | Vietnam | Dec. 31 | Investment advisory and securities trading |
| | PT KB VALBURY SEKURITAS | 65.00 | Indonesia | Dec. 31 | Investment advisory and securities trading |
| KB Insurance Co., Ltd. | Leading Insurance Services, Inc. | 100.00 | United States | Dec. 31 | Management service |
| | KBFG Insurance(China) Co., Ltd. | 100.00 | China | Dec. 31 | Non-life insurance |
| | PT. KB Insurance Indonesia | 70.00 | Indonesia | Dec. 31 | Non-life insurance |
| | KB Claims Survey & Adjusting | 100.00 | Korea | Dec. 31 | Claim service |
| | KB Sonbo CNS | 100.00 | Korea | Dec. 31 | Management service |
| | KB Healthcare Co., Ltd. | 100.00 | Korea | Dec. 31 | Information and communication |

**41.1 Details of major consolidated subsidiaries as of December 31, 2024, are as follows (cont'd):**

| Investor | Investee | Ownership (%) | Location | Date of financial statements | Industry |
|---|---|---|---|---|---|
| KB Life Insurance Co., Ltd. [1] | KB Life Partners Co., Ltd. | 100.00 | Korea | Dec. 31 | Insurance agent |
| | KB Golden Life Care Co., Ltd. | 100.00 | Korea | Dec. 31 | Service |
| KB Kookmin Card Co., Ltd. | KB Credit Information Co., Ltd. | 100.00 | Korea | Dec. 31 | Collection of receivables or credit investigation |
| | KB DAEHAN SPECIALIZED BANK PLC. [4] | 97.50 | Cambodia | Dec. 31 | Specialized Credit Finance |
| | PT. KB Finansia Multi Finance | 80.00 | Indonesia | Dec. 31 | Specialized Credit Finance |
| | KB J Capital Co., Ltd. | 77.40 | Thailand | Dec. 31 | Specialized Credit Finance |
| KB Capital Co., Ltd. | PT Sunindo Kookmin Best Finance | 85.00 | Indonesia | Dec. 31 | Auto Installment finance |
| | KB Fintech Inc. [5] | 95.95 | Korea | Dec. 31 | E-commerce |
| KB Kookmin Card Co., Ltd. KB Capital Co., Ltd. | KB KOLAO Leasing Co., Ltd. | 80.00 | Laos | Dec. 31 | Auto Installment finance |
| Kookmin Bank, KB Data System Co., Ltd. | PT KB Data Systems Indonesia | 100.00 | Indonesia | Dec. 31 | Service |
| KB Asset Management Co., Ltd. | KBAM Shanghai Advisory Services Co., Ltd. | 100.00 | China | Dec. 31 | General advisory |
| | PT KB Valbury Asset Management [2] | 70.00 | Indonesia | Dec. 31 | Collective investment |
| | KB Asset Management Singapore PTE. LTD. | 100.00 | Singapore | Dec. 31 | Collective investment |

[1] Among the ownership in PT Bank KB Bukopin, Tbk., 0.05% (100,000,000 shares) is no-voting shares with no-dividends.

[2] In January 2024, PT Valbury Capital Management was changed from a subsidiary of KB Securities Co., Ltd. to a subsidiary of KB Asset Management Co., Ltd., and its name was changed to PT KB Valbury Asset Management during the second quarter.

[3] On September 1, 2023, PRASAC Microfinance Institution PLC.(merging entity), a subsidiary of Kookmin Bank Co., Ltd., merged with Kookmin Bank Cambodia PLC.(merged entity). The official name of PRASAC Microfinance Institution PLC.(merging entity) has changed to KB PRASAC BANK PLC.

[4] KB DAEHAN SPECIALIZED BANK PLC. (merging entity) merged with i-Finance Leasing PLC.(merged entity) on December 19, 2024.

[5] On October 14, 2024, Teamwink Co., Ltd. changed its name to KB Fintech Co., Ltd.

**41.2 Details of consolidated structured entities as of December 31, 2024, are as follows:**

| | Consolidated structured entities | Reasons for consolidation |
|---|---|---|
| Trusts | Kookmin Bank (development trust) and 10 others | The Group controls the trust because it has power to determine management performance of the trust and is significantly exposed to variable returns that absorb losses through the guarantees of payment of principal, or payment of principal and fixed rate of return. |
| Asset-backed securitization | Taejon Samho The First Co., Ltd. and 73 others | The Group controls these investees because it has power over relevant activities in the event of default, is significantly exposed to variable returns by providing lines of credit, ABCP purchase commitments or acquisition of subordinated debt and has ability to affect those returns through its power. |
| Investment funds and others | KB Global Platform Fund No.2 and 217 others | Funds are consolidated if the Group, as a collective investor or operating manager (member), etc., can manage fund assets on behalf of other investors, or dismiss the collective investor and operating manager, and is substantially exposed to significant variable returns or has such rights. |

If the Group holds more than half of the ownership interests but does not have the power over relevant activities of structured entities in accordance with agreements with trust and other related parties, those structured entities are excluded from the consolidation.

**41.3 Condensed financial information of major subsidiaries as of and for the years ended December 31, 2023 and 2024, are as follows:**

*(In millions of Korean won)*

| | December 31, 2023 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Assets | Liabilities | Equity | Operating revenue | Profit (loss) attributable to shareholders of the Parent Company | Total comprehensive income (loss) attributable to shareholders of the Parent Company |
| Kookmin Bank [1] | ₩530,012,853 | ₩493,464,126 | ₩36,548,727 | ₩45,032,120 | ₩ 3,261,499 | ₩ 3,889,625 |
| KB Securities Co., Ltd. [1,2] | 61,266,990 | 54,967,833 | 6,299,157 | 11,580,526 | 389,618 | 389,602 |
| KB Insurance Co., Ltd. [1,2] | 37,716,952 | 31,470,770 | 6,246,182 | 11,861,602 | 713,281 | 878,499 |
| KB Kookmin Card Co., Ltd.[1] | 29,365,575 | 24,545,752 | 4,819,823 | 4,205,146 | 351,133 | 307,336 |
| KB Life Insurance Co., Ltd.[1,2] | 31,953,218 | 28,050,932 | 3,902,286 | 2,557,861 | 84,756 | 500,647 |
| KB Asset Management Co., Ltd. [1] | 377,919 | 109,645 | 268,274 | 204,202 | 61,525 | 61,756 |
| KB Capital Co., Ltd. [1,2] | 16,560,800 | 14,300,771 | 2,260,029 | 2,295,471 | 186,505 | 182,075 |
| KB Real Estate Trust Co., Ltd. [1] | 859,408 | 573,348 | 286,060 | 148,763 | (84,073) | (84,476) |
| KB Savings Bank Co., Ltd. | 2,661,999 | 2,468,223 | 193,776 | 234,197 | (90,568) | (90,430) |
| KB Investment Co., Ltd. [1] | 1,544,836 | 1,265,361 | 279,475 | 154,287 | 9,187 | 9,188 |
| KB Data System Co., Ltd. [1] | 61,508 | 40,616 | 20,892 | 230,825 | 125 | (1,594) |

*(In millions of Korean won)*

| | December 31, 2024 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Assets | Liabilities | Equity | Operating revenue | Profit (loss) attributable to shareholders of the Parent Company | Total comprehensive income (loss) attributable to shareholders of the Parent Company |
| Kookmin Bank [1] | ₩562,887,180 | ₩524,859,860 | ₩38,027,320 | ₩51,497,328 | ₩ 3,251,759 | ₩ 3,408,978 |
| KB Securities Co., Ltd. [1,2] | 63,384,389 | 56,498,405 | 6,885,984 | 10,736,175 | 585,682 | 630,103 |
| KB Insurance Co., Ltd. [1,2] | 40,776,375 | 34,982,351 | 5,794,024 | 12,818,501 | 839,494 | (125,414) |
| KB Kookmin Card Co., Ltd.[1] | 30,541,628 | 25,236,827 | 5,304,801 | 4,428,688 | 402,715 | 437,030 |
| KB Life Insurance Co., Ltd.[1,2] | 34,047,554 | 30,984,400 | 3,063,154 | 2,821,601 | 164,272 | (906,210) |
| KB Asset Management Co., Ltd. [1] | 414,942 | 120,224 | 294,718 | 246,184 | 66,500 | 67,757 |
| KB Capital Co., Ltd. [1,2] | 18,115,495 | 15,654,177 | 2,461,318 | 2,620,487 | 222,041 | 225,609 |
| KB Real Estate Trust Co., Ltd. [1] | 1,113,466 | 627,898 | 485,568 | 139,656 | (113,332) | (113,652) |
| KB Savings Bank Co., Ltd. | 2,575,739 | 2,393,523 | 182,216 | 225,173 | (11,366) | (11,560) |
| KB Investment Co., Ltd. [1] | 1,529,823 | 1,245,883 | 283,940 | 215,834 | 4,368 | 4,466 |
| KB Data System Co., Ltd. [1] | 62,270 | 40,219 | 22,051 | 241,652 | 1,978 | 1,149 |

1 Financial information is based on its consolidated financial statements.

2 Includes fair value adjustments arising from the acquisition.

### 41.4 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:

41.4.1 The Group has provided payment guarantees of ₩4,282,424 million to KBD TOWER 1ST LLC and other consolidated structured entities.

41.4.2 The Group has provided capital commitment to 68 consolidated structured entities including KB Sinansan Line Private Special Asset Fund (SOC). The unexecuted amount of the capital commitment is ₩1,905,221 million. Based on the capital commitment, the Group is subject to increase its investment upon the request of the asset management company or the additional agreement among investors.

41.4.3 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.

### 41.5 Changes in Subsidiaries

41.5.1 Subsidiaries newly included in consolidation for the year ended December 31, 2024, are as follows:

| Company | Reasons of obtaining control |
|---|---|
| KB FUND PARTNERS Co., Ltd. and 12 others | Holds more than half of the ownership interests |
| TLDC PTE. LTD. and 19 others | Holds the power in the event of default and is exposed to significant variable returns by providing lines of credit, ABCP purchase commitments or acquisition of subordinated debt |
| KB Global Private Real Estate Debt Fund No.31(USD)(FoFs) and 33 others | Holds the power to determine the operation of the funds and is exposed to variable returns by holding significant amount of ownership interests |
| KB Secondary Plus Fund 2 and 1 other | Holds the power as a general partner and is exposed to variable returns by holding significant amount of ownership interests |

41.5.2 Subsidiaries excluded from consolidation for the year ended December 31, 2024, are as follows:

| Company | Reasons of losing control |
|---|---|
| Beomuh Landmark the 2nd L.L.C. and 50 others | Termination of the commitments |
| i-Finance Leasing Plc. and 16 others | Liquidation |
| Orient Kwang-yang Co., Ltd. and 7 others | Disposal |
| KB Money Market Active ETF (Bond) and 16 others | Decrease in ownership interests to less than majority |

## 42. Unconsolidated Structured Entities

**42.1 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 |
|---|---|---|---|
| Structured financing | Granting PF loans to SOC and real estate | Construction of SOC and real estate | Loan commitments through credit line, providing credit line, and investment agreements |
| | Granting loans to ships/ aircrafts SPC | Building ships, construction and purchase of aircrafts | |
| Investment funds | Investment in beneficiary certificates | Management of fund assets | Sales of beneficiary certificate instruments |
| | Investment in PEF and partnerships | Payment of fund fees and allocation of fund profits | Investment from general partners and limited partners |
| Trusts | Management of financial trusts;<br>— Development trust<br>— General unspecified money trust<br>— Trust whose principal is not guaranteed<br>— Other trusts | Management of trusted financial assets<br>Payment of trust fees and allocation of trust profits. | Sales of trusted financial assets |
| Asset-backed securitization | Early cash generation through transfer of securitized assets | Fulfillment of asset-backed securitization plan | Issuance of ABS and ABCP based on securitized assets |
| | Fees earned through services to SPC, such as providing lines of credit and ABCP purchase commitments | Purchase and collection of securitized assets<br>Issuance and repayment of ABS and ABCP | |

**42.2 Details of scale of unconsolidated structured entities and nature of the risks associated with the Group's interests in unconsolidated structured entities as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Structured financing | Investment funds | Trusts | Asset-backed securitization and others | Total |
| Total assets of unconsolidated structured entities | ₩ 114,891,212 | ₩593,418,756 | ₩4,893,076 | ₩ 142,477,227 | ₩855,680,271 |
| Carrying amount in the financial statements | | | | | |
| Assets: | | | | | |
| Financial assets at fair value through profit or loss | ₩ 98,771 | ₩ 15,553,522 | ₩ 7,249 | ₩ 4,895,929 | ₩ 20,555,471 |
| Loans measured at amortized cost | 11,487,358 | 580,121 | 112,867 | 2,959,032 | 15,139,378 |
| Financial investments | — | — | — | 10,382,744 | 10,382,744 |
| Investments in associates | — | 418,484 | — | — | 418,484 |
| Other assets | 7,823 | 1,919 | 686,208 | 11,969 | 707,919 |
| | ₩ 11,593,952 | ₩ 16,554,046 | ₩ 806,324 | ₩ 18,249,674 | ₩ 47,203,996 |
| Liabilities: | | | | | |
| Deposits | ₩ 2,202,888 | ₩ 52,921 | ₩ — | ₩ 359,418 | ₩ 2,615,227 |
| Derivative financial liabilities | — | 288 | — | — | 288 |
| Other liabilities | 4,442 | 43 | 57 | 2,082 | 6,624 |
| | ₩ 2,207,330 | ₩ 53,252 | ₩ 57 | ₩ 361,500 | ₩ 2,622,139 |
| Maximum exposure * | | | | | |
| Assets held | ₩ 11,593,952 | ₩ 16,554,046 | ₩ 806,324 | ₩ 18,249,674 | ₩ 47,203,996 |
| Purchase and investment commitments | 471,052 | 6,138,638 | 10,250 | 1,183,800 | 7,803,740 |
| Unused credit | 1,406,447 | — | 36,672 | 5,006,963 | 6,450,082 |
| Acceptances and guarantees and loan commitments | 792,848 | — | — | 15,405 | 808,253 |
| | ₩ 14,264,299 | ₩ 22,692,684 | ₩ 853,246 | ₩ 24,455,842 | ₩ 62,266,071 |
| Methods of determining the maximum exposure | Loan commitments / investment agreements / purchase commitments and acceptances and guarantees | Investments / loans and Investment agreements | Trust paying dividends by results: Total amount of trust exposure | Providing credit lines/ purchase commitments/ loan commitments and acceptances and guarantees | |

**42.2 Details of scale of unconsolidated structured entities and nature of the risks associated with the Group's interests in unconsolidated structured entities as of December 31, 2023 and 2024, are as follows (cont'd):**

| *(In millions of Korean won)* | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Structured financing | Investment funds | Trusts | Asset-backed securitization and others | Total |
| Total assets of unconsolidated structured entities | ₩ 157,770,828 | ₩1,934,544,704 | ₩6,013,014 | ₩ 160,056,159 | ₩2,258,384,705 |
| Carrying amount in the financial statements | | | | | |
| Assets: | | | | | |
| Financial assets at fair value through profit or loss | ₩ 61,079 | ₩ 17,801,830 | ₩ 152,629 | ₩ 4,432,933 | ₩ 22,448,471 |
| Derivative financial assets | — | 4,111 | — | 7,742 | 11,853 |
| Loans measured at amortized cost | 11,508,337 | 528,738 | 100,087 | 2,998,984 | 15,136,146 |
| Financial investments | — | — | — | 10,438,641 | 10,438,641 |
| Investments in associates | — | 489,021 | — | — | 489,021 |
| Other assets | 4,796 | 41,398 | 1,154,232 | 11,114 | 1,211,540 |
| | ₩ 11,574,212 | ₩ 18,865,098 | ₩1,406,948 | ₩ 17,889,414 | ₩ 49,735,672 |
| Liabilities: | | | | | |
| Deposits | ₩ 2,512,650 | ₩ 117,624 | ₩ — | ₩ 355,442 | ₩ 2,985,716 |
| Derivative financial liabilities | — | 8,788 | — | — | 8,788 |
| Other liabilities | 5,302 | 764 | — | 1,465 | 7,531 |
| | ₩ 2,517,952 | ₩ 127,176 | ₩ — | ₩ 356,907 | ₩ 3,002,035 |
| Maximum exposure * | | | | | |
| Assets held | ₩ 11,574,212 | ₩ 18,865,098 | ₩1,406,948 | ₩ 17,889,414 | ₩ 49,735,672 |
| Purchase and investment commitments | 36,332 | 6,300,397 | 27,130 | 1,046,568 | 7,410,427 |
| Unused credit | 1,554,565 | 30,568 | 573 | 3,788,715 | 5,374,421 |
| Acceptances and guarantees and loan commitments | 974,869 | — | — | 527,677 | 1,502,546 |
| | ₩ 14,139,978 | ₩ 25,196,063 | ₩1,434,651 | ₩ 23,252,374 | ₩ 64,023,066 |
| Methods of determining the maximum exposure | Loan commitments / investment agreements / purchase commitments and acceptances and guarantees | Investments / loans and Investment agreements | Trust paying dividends by results: Total amount of trust exposure | Providing credit lines/ purchase commitments/ loan commitments and acceptances and guarantees | |

* Maximum exposure includes the asset amounts, after deducting loss (provisions for credit losses, impairment losses, and others), recognized in the consolidated financial statements of the Group.

## 43. Related Party Transactions

According to IAS No. 24, the Group includes investments in associates, 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 and joint ventures.

### 43.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2022, 2023 and 2024, are as follows:

*(In millions of Korean won)*

| | | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| **Associates and joint ventures** | | | | |
| Balhae Infrastructure Company | Fee and commission income | ₩5,194 | ₩ 5,101 | ₩ 5,337 |
| Korea Credit Bureau Co., Ltd. | Interest expense | 1 | 1 | 1 |
| | Fee and commission income | 649 | 776 | 727 |
| | Fee and commission expense | 3,973 | 8,444 | 10,203 |
| | Insurance income | 4 | 3 | 3 |
| | Reversal of credit losses | — | — | 2 |
| | Provision for credit losses | — | 1 | — |
| | Other operating expenses | 15 | 15 | 11 |
| Incheon Bridge Co., Ltd. | Interest income | 7,516 | 10,420 | 14,006 |
| | Interest expense | 517 | 979 | 986 |
| | Fee and commission income | 23 | 28 | 34 |
| | Fee and commission expense | 6 | 7 | 9 |
| | Insurance income | 212 | 219 | 222 |
| | Gains on financial instruments at fair value through profit or loss | — | 334 | 2,129 |
| | Losses on financial instruments at fair value through profit or loss | 4,434 | — | — |
| | Reversal of credit losses | 28 | — | 9 |
| | Provision for credit losses | 9 | 54 | — |
| Kendai Co., Ltd. | Other non-operating expenses | 3 | — | — |
| Aju Good Technology Venture Fund | Interest expense | 108 | 111 | 3 |
| Taeyoungjungkong Co., Ltd. | Interest income | — | 2 | — |
| KB Star Office Private Real Estate Master Fund No. 1* | Interest expense | 2 | — | — |
| | Fee and commission income | 276 | — | — |
| Star-Lord General Investors Private Real Estate Investment Company No. 10 | Insurance income | 97 | 137 | 116 |
| | Interest income | 3,098 | 5,934 | 5,939 |
| | Interest expense | 413 | 543 | 260 |
| | Fee and commission income | — | 20 | — |
| | Provision for credit losses | 1 | 4 | 1 |
| | General and administrative expenses | 5,562 | 9,720 | 9,055 |
| | Other income | — | — | 363 |
| KG Capital Co., Ltd. * | Interest income | 889 | 293 | — |
| | Fee and commission income | 47 | 18 | — |
| | Fee and commission expense | 10 | 1 | — |
| | Insurance income | 43 | 13 | — |
| | Other operating income | 487 | — | — |
| | Other operating expenses | 32 | 11 | — |
| | Reversal of credit losses | — | 55 | — |
| | Provision for credit losses | 9 | — | — |

**43.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2022, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Food Factory Co., Ltd. | Interest income | 80 | 62 | 317 |
| | Interest expense | 6 | 1 | 1 |
| | Insurance income | 10 | 9 | 3 |
| | Fee and commission income | 1 | — | — |
| | Gains on financial instruments at fair value through profit or loss | 33 | 43 | — |
| | Losses on financial instruments at fair value through profit or loss | — | — | 238 |
| | Reversal of credit losses | 1 | 2 | — |
| KB Pre IPO Secondary Venture Fund No.1 * | Fee and commission income | 1,204 | — | — |
| Acts Co., Ltd. * | Insurance income | 2 | — | — |
| Dongjo Co., Ltd. | Interest income | 9 | 36 | 34 |
| POSCO-KB Shipbuilding Fund | Fee and commission income | 177 | (99) | — |
| Paycoms Co., Ltd. * | Interest income | 7 | 154 | — |
| | Gains on financial instruments at fair value through profit or loss | 39 | — | — |
| Big Dipper Co., Ltd. | Interest expense | 1 | — | — |
| | Fee and commission expense | 393 | 266 | 243 |
| | Provision for credit losses | — | — | 4 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | Interest expense | 1 | — | — |
| | Fee and commission income | 129 | — | — |
| KB-TS Technology Venture Private Equity Fund | Fee and commission income | 185 | 324 | 175 |
| KB-SJ Tourism Venture Fund | Fee and commission income | 209 | 312 | 272 |
| Banksalad Co., Ltd. | Losses on financial instruments at fair value through profit or loss | — | — | 5,489 |
| | Fee and commission income | 36 | 37 | 36 |
| | Fee and commission expense | 17 | 11 | 4 |
| Iwon Alloy Co., Ltd. | Insurance income | 1 | 1 | — |
| Bioprotect Ltd. | Gains on financial instruments at fair value through profit or loss | — | — | 627 |
| | Losses on financial instruments at fair value through profit or loss | — | — | 473 |
| RMGP Bio-Pharma Investment Fund, L.P. | Fee and commission income | 43 | 40 | 59 |
| | Gains on financial instruments at fair value through profit or loss | — | — | 911 |
| | Losses on financial instruments at fair value through profit or loss | — | — | 872 |
| RMGP Bio-Pharma Investment, L.P. | Gains on financial instruments at fair value through profit or loss | — | — | 3 |
| KB-MDI Centauri Fund L.P. | Fee and commission income | 487 | 491 | 452 |
| | Gains on financial instruments at fair value through profit or loss | — | — | 2,602 |
| | Losses on financial instruments at fair value through profit or loss | — | — | 537 |

**43.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2022, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Hibiscus Fund L.P. | Fee and commission income | 524 | 928 | 491 |
| | Gains on financial instruments at fair value through profit or loss | — | — | 2,302 |
| | Losses on financial instruments at fair value through profit or loss | — | — | 500 |
| RMG-KB BP Management Ltd. | Gains on financial instruments at fair value through profit or loss | — | — | 36 |
| RMG-KB BioAccess Fund L.P. | Fee and commission income | 325 | 326 | 344 |
| | Gains on financial instruments at fair value through profit or loss | — | — | 824 |
| | Losses on financial instruments at fair value through profit or loss | — | — | 1,333 |
| S&E Bio Co., Ltd. | Interest income | — | — | 44 |
| | Interest expense | 2 | 43 | 16 |
| | Provision for credit losses | — | — | 16 |
| Contents First Inc. | Interest income | 128 | 346 | 482 |
| | Interest expense | 34 | 73 | 36 |
| | Fee and commission income | 1 | 2 | 2 |
| | Gains on financial instruments at fair value through profit or loss | — | — | 5,936 |
| | Provision for credit losses | 1 | 8 | 5 |
| | Reversal of credit losses | — | — | 1 |
| December & Company Inc. * | Insurance income | 174 | 187 | — |
| GENINUS Inc. * | Interest expense | 12 | — | — |
| Pin Therapeutics Inc. | Interest expense | 110 | 101 | 154 |
| | Provision for credit losses | — | — | 4 |
| Wyatt Co., Ltd. | Interest income | — | — | 378 |
| | Gains on financial instruments at fair value through profit or loss | — | — | 2,739 |
| | Insurance income | 142 | 102 | 138 |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund * | Interest expense | 6 | 4 | 4 |
| | Fee and commission income | 423 | 209 | — |
| Spark Biopharma Inc. | Interest expense | 272 | 468 | 293 |
| | Provision for credit losses | — | — | 13 |
| | Gains on financial instruments at fair value through profit or loss | — | — | 3,823 |
| | Losses on financial instruments at fair value through profit or loss | — | — | 1,639 |
| Skydigital Inc. | Fee and commission income | 3 | 3 | 2 |
| Il-Kwang Electronic Materials Co., Ltd. | Other non-operating expenses | 1 | — | — |
| SO-MYUNG Recycling Co., Ltd. | Insurance income | — | — | 1 |
| | Other non-operating expenses | 2 | — | — |
| KB No.17 Special Purpose Acquisition Company* | Interest expense | 1 | — | — |

**43.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2022, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| KB No.18 Special Purpose Acquisition Company* | Interest expense | 5 | — | — |
| KB No.19 Special Purpose Acquisition Company* | Interest expense | 5 | — | — |
| KB No.20 Special Purpose Acquisition Company* | Interest expense | 22 | — | — |
| KB No.21 Special Purpose Acquisition Company | Fee and commission income | 263 | — | — |
| | Gains on financial instruments at fair value through profit or loss | 1,469 | 28 | 136 |
| | Interest expense | 30 | 68 | 75 |
| KB No.22 Special Purpose Acquisition Company * | Fee and commission income | 175 | — | — |
| | Gains on financial instruments at fair value through profit or loss | 982 | 1,013 | — |
| | Interest expense | 1 | 2 | 1 |
| KB No.23 Special Purpose Acquisition Company * | Gains on financial instruments at fair value through profit or loss | 1,476 | — | — |
| | Losses on financial instruments at fair value through profit or loss | — | 1,483 | — |
| | Interest expense | 23 | 46 | — |
| KB No.24 Special Purpose Acquisition Company * | Interest expense | 1 | 7 | — |
| KB No.25 Special Purpose Acquisition Company | Interest expense | — | 39 | 53 |
| | Gains on financial instruments at fair value through profit or loss | — | 1,130 | — |
| | Losses on financial instruments at fair value through profit or loss | — | — | 175 |
| KB No.26 Special Purpose Acquisition Company | Interest expense | — | 38 | 57 |
| | Gains on financial instruments at fair value through profit or loss | — | 1,209 | — |
| | Losses on financial instruments at fair value through profit or loss | — | — | 54 |
| KB No.27 Special Purpose Acquisition Company | Interest expense | — | 65 | 158 |
| | Gains on financial instruments at fair value through profit or loss | — | 3,059 | — |
| | Losses on financial instruments at fair value through profit or loss | — | — | 177 |
| KB No.28 Special Purpose Acquisition Company | Interest expense | — | — | 45 |
| | Fee and commission income | — | — | 175 |
| | Gains on financial instruments at fair value through profit or loss | — | — | 1,118 |
| KB No.29 Special Purpose Acquisition Company | Fee and commission income | — | — | 210 |
| | Gains on financial instruments at fair value through profit or loss | — | — | 1,525 |
| | Interest expense | — | — | 43 |
| KB No.30 Special Purpose Acquisition Company | Interest expense | — | — | 21 |
| | Fee and commission income | — | — | 175 |
| | Gains on financial instruments at fair value through profit or loss | — | — | 1,445 |

**43.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2022, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| KB No.31 Special Purpose Acquisition Company | Gains on financial instruments at fair value through profit or loss | — | — | 2,111 |
| | Interest expense | — | — | 13 |
| KB SPROTT Renewable Private Equity Fund No.1 | Fee and commission income | 345 | 320 | 255 |
| KB-Stonebridge Secondary Private Equity Fund | Fee and commission income | 706 | 582 | 402 |
| | Other operating income | — | 113 | — |
| COSES GT Co., Ltd. * | Gains on financial instruments at fair value through profit or loss | — | — | 20 |
| | Losses on financial instruments at fair value through profit or loss | — | 4,910 | — |
| | Interest income | 23 | 30 | — |
| | Interest expense | 1 | — | — |
| | Provision for credit losses | 3 | — | — |
| | Reversal of credit losses | — | 5 | — |
| TeamSparta Inc. | Fee and commission income | — | 11 | 54 |
| | Provision for credit losses | — | 2 | — |
| | Reversal of credit losses | — | — | 1 |
| | Interest expense | 19 | 212 | 165 |
| Newavel Co., Ltd. | Interest expense | 1 | — | — |
| | Losses on financial instruments at fair value through profit or loss | — | — | 3,000 |
| SuperNGine Co., Ltd. | Interest income | — | 25 | 43 |
| | Fee and commission income | — | 1 | — |
| | Provision for credit losses | — | 6 | 33 |
| Desilo Inc. | Interest income | 9 | 13 | 14 |
| | Provision for credit losses | — | 3 | — |
| Turing Co., Ltd. | Interest expense | 1 | 7 | 29 |
| | Interest income | — | 24 | 61 |
| | Provision for credit losses | — | 14 | — |
| | Reversal of credit losses | — | — | 8 |
| IGGYMOB Co., Ltd. | Losses on financial instruments at fair value through profit or loss | — | — | 5,000 |
| | Interest expense | 1 | — | — |
| Kukka Co., Ltd. | Interest expense | 2 | — | — |
| ZIPDOC Inc. | Losses on financial instruments at fair value through profit or loss | — | — | 2,000 |
| | Interest expense | 1 | — | — |
| | Reversal of credit losses | 3 | — | — |
| Grinergy Co., Ltd. * | Provision for credit losses | — | 1 | 2 |
| | Gains on financial instruments at fair value through profit or loss | — | — | 1,288 |
| | Losses on financial instruments at fair value through profit or loss | — | — | 119 |
| | Interest expense | — | 1 | — |

**43.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2022, 2023 and 2024, are as follows (CONTINUED):**

*(In millions of Korean won)*

| | | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Chabot Mobility Co., Ltd. | Fee and commission income | — | — | 1 |
| | Interest expense | 1 | — | 1 |
| | Fee and commission expense | 824 | 2,154 | 2,364 |
| | Gains on financial instruments at fair value through profit or loss | — | — | 579 |
| Wemade Connect Co., Ltd. | Insurance income | 3 | 2 | 2 |
| | Interest expense | 81 | 316 | 270 |
| | Fee and commission income | | — | 5 |
| | Provision for credit losses | — | 9 | 10 |
| | Losses on financial instruments at fair value through profit or loss | | — | 4,827 |
| | Reversal of credit losses | 1 | — | — |
| TMAP Mobility Co., Ltd. | Interest expense | 226 | 1,460 | 3,077 |
| | Fee and commission income | — | 2 | 5 |
| | Fee and commission expense | 78 | 998 | 1,292 |
| | Provision for credit losses | — | — | 3 |
| | Reversal of credit losses | — | 9 | — |
| | Insurance income | — | 209 | 1,200 |
| Nextrade Co., Ltd. | Interest expense | 263 | 2,911 | 2,481 |
| WJ Private Equity Fund No.1 | Fee and commission income | 7 | 7 | 7 |
| UPRISE, Inc. | Interest expense | 3 | — | — |
| | Losses on financial instruments at fair value through profit or loss | — | — | 3,893 |
| Channel Corporation | Interest expense | 43 | 67 | 10 |
| | Losses on financial instruments at fair value through profit or loss | — | — | 103 |
| | Gains on financial instruments at fair value through profit or loss | — | — | 4,837 |
| CWhy Inc. | Insurance income | 2 | 2 | 9 |
| CellinCells Co., Ltd | Provision for credit losses | — | — | 2 |
| KB Social Impact Investment Fund | Fee and commission income | 286 | 284 | 250 |
| KB-UTC Inno-Tech Venture Fund | Fee and commission income | 449 | 431 | 230 |
| | Other operating income | — | 3 | — |
| KBSP Private Equity Fund No.4 | Fee and commission income | 211 | — | — |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund | Fee and commission income | 561 | 1,052 | 619 |
| 2020 KB Fintech Renaissance Fund | Fee and commission income | 147 | 147 | 147 |
| KB Material and Parts No.1 PEF * | Fee and commission income | 353 | 705 | 175 |
| | Other operating income | — | 34 | — |
| FineKB Private Equity Fund No.1 | Fee and commission income | 641 | 378 | 569 |
| | Gains on financial instruments at fair value through profit or loss | — | 16 | 32 |
| Paramark KB Fund No.1 | Fee and commission income | 356 | 129 | 118 |
| KB-Badgers Future Mobility ESG Fund No.1 | Fee and commission income | 905 | 1,300 | 1,300 |
| | Gains on financial instruments at fair value through profit or loss | — | — | 1 |

**43.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2022, 2023 and 2024, are as follows (CONTINUED):**

*(In millions of Korean won)*

| | | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| KB Bio Private Equity No.3 Ltd.* | Fee and commission income | 4,035 | — | — |
| KB-KTB Technology Venture Fund | Fee and commission income | 600 | 669 | 342 |
| THE CHAEUL FUND NO.1 | Fee and commission income | 82 | — | — |
| Bluepointpartners Inc. | Losses on financial instruments at fair value through profit or loss | — | — | 237 |
| KB-Solidus Global Healthcare Fund | Fee and commission income | 350 | 284 | 17 |
| | Gains on financial instruments at fair value through profit or loss | — | 8,400 | 700 |
| SwatchOn Inc.* | Fee and commission income | 5 | — | — |
| | Interest expense | 5 | — | — |
| ASSEMBLE CORPORATION | Interest income | 61 | 88 | 117 |
| | Interest expense | 2 | — | — |
| | Fee and commission income | 1 | 1 | 2 |
| | Insurance income | — | 1 | 2 |
| | Provision for credit losses | 3 | 49 | — |
| | Reversal of credit losses | — | — | 20 |
| KB Cape No.1 Private Equity Fund * | Fee and commission income | 72 | 217 | 37 |
| | Gains on financial instruments at fair value through profit or loss | — | — | 82 |
| | Losses on financial instruments at fair value through profit or loss | — | 16 | — |
| KB-GeneN Medical Venture Fund No.1 | Fee and commission income | 76 | 89 | 89 |
| KB-BridgePole Venture Investment Fund * | Fee and commission income | 118 | 135 | 101 |
| | Other operating income | — | 638 | — |
| KB-BridgePole Venture Investment Fund No.2 | Fee and commission income | — | 20 | 105 |
| KB-Kyobo New Mobility Power Fund * | Fee and commission income | 69 | 79 | 76 |
| KB Co-Investment Private Equity Fund No.1 | Fee and commission income | 483 | 904 | 1,434 |
| KB-NP Green ESG New Technology Venture Capital Fund | Fee and commission income | 435 | 1,173 | 1,134 |
| KB-FT Green Growth 1st Technology Investment Association | Fee and commission income | — | 135 | 136 |
| | Interest expense | — | 14 | 12 |
| Spoon Radio Co., Ltd. | Losses on financial instruments at fair value through profit or loss | — | — | 911 |
| Gushcloud Talent Agency | Gains on financial instruments at fair value through profit or loss | — | — | 228 |
| KB-SUSUNG 1st Investment Fund | Fee and commission income | — | 129 | 192 |
| KB-SUSUNG 2st Investment Fund | Fee and commission income | | — | 78 |
| Youngwon Corporation * | Insurance income | — | 1 | — |
| Seokwang T&I Co., Ltd | Insurance income | — | 1 | 2 |
| 3D Interactive Co., Ltd. | Fee and commission income | — | 7 | 1 |
| | Interest expense | — | 10 | 1 |
| | Provision for credit losses | — | 2 | — |

**43.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2022, 2023 and 2024, are as follows (CONTINUED):**

*(In millions of Korean won)*

| | | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Bigwave Robotics Crop. | Fee and commission income | — | — | 1 |
| | Interest income | — | (1) | — |
| | Interest expense | — | 1 | 6 |
| U-KB Credit No.1 Private Equity | Fee and commission income | — | 228 | 970 |
| KY Global Cell & Gene Private Equity Fund 2nd * | Interest expense | — | 42 | (38) |
| KB-SOLIDUS Healthcare Investment Fund | Fee and commission income | — | — | 768 |
| AKK Robotech Valueup New Technology Investment Fund | Fee and commission income | — | — | 101 |
| New Daegu Busan Expressway Co., Ltd. | Interest income | — | — | 2,458 |
| | Reversal of credit losses | — | — | 3 |
| | Interest expense | — | — | 3,680 |
| | Insurance income | — | — | 257 |
| AIM FUTURE, Inc. | Interest income | — | — | 44 |
| | Interest expense | — | — | 48 |
| | Insurance income | — | — | 1 |
| | Provision for credit losses | — | — | 3 |
| ADP Holdings Co., Ltd. | Interest expense | — | — | 61 |
| ADPGREEN | Interest expense | — | — | 26 |
| | Provision for credit losses | — | — | 11 |
| | Insurance income | — | — | 73 |
| KB-CJ Venture Fund 1st | Fee and commission income | — | — | 80 |
| OKXE Inc. | Gains on financial instruments at fair value through profit or loss | — | — | 1,922 |
| Ascent Global Fund III | Gains on financial instruments at fair value through profit or loss | — | — | 261 |
| Elev8-Capital Fund I | Gains on financial instruments at fair value through profit or loss | — | — | 1,143 |
| | Losses on financial instruments at fair value through profit or loss | — | — | 2,450 |
| H Energy Co., Ltd * | Gains on financial instruments at fair value through profit or loss | — | — | 3,106 |
| XL8 INC. | Gains on financial instruments at fair value through profit or loss | — | — | 721 |
| SDT Inc. | Interest expense | — | — | 13 |
| | Gains on financial instruments at fair value through profit or loss | — | — | 527 |
| DYNE MEDICAL GROUP Inc. | Interest income | — | — | 26 |
| | Interest expense | — | — | 118 |
| | Fee and commission income | — | — | 1 |
| | Insurance income | — | — | 4 |
| | Provision for credit losses | — | — | 22 |
| Bitgoeul Cheomdan Green 1st Co., Ltd. | Interest expense | — | — | 1 |
| Logpresso Inc. | Interest expense | — | — | 3 |

**43.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2022, 2023 and 2024, are as follows (CONTINUED):**

*(In millions of Korean won)*

| | | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Onheal Co., Ltd. | Interest expense | — | — | (20) |
| | Fee and commission income | — | — | 8 |
| TriOar Inc. | Interest expense | — | — | 235 |
| Blinkers Inc. * | Losses on financial instruments at fair value through profit or loss | — | — | 508 |
| KB-VEP Contact Fund | Fee and commission income | — | — | 44 |
| SD Speed Co., Ltd. | Insurance income | — | — | 1 |
| KB-Cyrus Tourism Venture Fund | Fee and commission income | — | — | 64 |
| Qoala | Gains on financial instruments at fair value through profit or loss | — | — | 1,097 |
| FineKB Private Equity Fund No.2 | Fee and commission income | — | — | 122 |
| GCSM Holdings Limited | Gains on financial instruments at fair value through profit or loss | — | — | 5,590 |
| MitoImmune Therapeutics | Losses on financial instruments at fair value through profit or loss | — | — | 5,426 |
| Honest Fund, Inc. | Losses on financial instruments at fair value through profit or loss | — | — | 3,556 |
| KB Rejuvenation Fund | Fee and commission income | — | — | 3 |
| Allra Fintech Corp. | Provision for credit losses | — | — | 2 |
| | Interest expense | — | — | 17 |
| Yeoulhyulgangho | Interest expense | — | — | 1 |
| **Others** | | | | |
| Retirement pension | Fee and commission income | 1,352 | 1,567 | 1,720 |
| | Interest expense | 39 | 27 | 47 |

* Excluded from the Group's related party as of December 31, 2024.

Meanwhile, the Group purchased installment financial assets, etc. from KG Capital Co., Ltd. amounting to ₩373,044 million for the year ended December 31 2023.

**43.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | | December 31, 2023 | December 31, 2024 |
|---|---|---|---|
| **Associates and joint ventures** | | | |
| Balhae Infrastructure Company | Other assets | ₩ 1,304 | ₩ 1,431 |
| Korea Credit Bureau Co., Ltd. | Loans measured at amortized cost (gross amount) | 37 | 36 |
| | Deposits | 17,003 | 40,570 |
| | Provisions | 2 | — |
| | Insurance liabilities | 1 | 1 |
| Incheon Bridge Co., Ltd. | Financial assets at fair value through profit or loss | 33,282 | 35,411 |
| | Loans measured at amortized cost (gross amount) | 80,512 | 70,012 |
| | Allowances for credit losses | 38 | 31 |
| | Other assets | 528 | 389 |
| | Deposits | 40,992 | 43,867 |
| | Provisions | 45 | 40 |
| | Insurance liabilities | 87 | 89 |
| | Other liabilities | 504 | 442 |
| Jungdo Co., Ltd. | Deposits | 4 | 4 |
| Dae-A Leisure Co., Ltd. | Deposits | 150 | — |
| Aju Good Technology Venture Fund | Deposits | 1,202 | 1,809 |
| | Other liabilities | 1 | — |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | Loans measured at amortized cost (gross amount) | 149,590 | 149,898 |
| | Allowances for credit losses | 5 | 5 |
| | Property and equipment | 8,934 | 4,356 |
| | Other assets | 8,689 | 8,860 |
| | Insurance liabilities | 44 | 35 |
| | Other liabilities | 11,741 | 5,107 |
| WJ Private Equity Fund No.1 | Other assets | 2 | 2 |
| | Deposits | 103 | 46 |
| KB Cape No.1 Private Equity Fund | Financial assets at fair value through profit or loss | 1,935 | — |
| | Other assets | 73 | — |
| RAND Bio Science Co., Ltd. | Deposits | 4 | 4 |
| | Loans measured at amortized cost (gross amount) | 1 | — |
| Food Factory Co., Ltd. | Financial assets at fair value through profit or loss | 738 | — |
| | Loans measured at amortized cost (gross amount) | 2,137 | 1,764 |
| | Allowances for credit losses | 2 | 1 |
| | Other assets | 5 | 4 |
| | Deposits | 629 | 907 |
| | Insurance liabilities | 2 | 8 |
| | Other liabilities | 1 | 1 |
| POSCO-KB Shipbuilding Fund | Other assets | 678 | — |

**43.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2023 and 2024, are as follows (cont'd):**

| *(In millions of Korean won)* | | December 31, 2023 | December 31, 2024 |
|---|---|---|---|
| Big Dipper Co., Ltd. | Loans measured at amortized cost (gross amount) | 14 | 43 |
| | Allowances for credit losses | — | 3 |
| | Deposits | 40 | 123 |
| | Other liabilities | 8 | 8 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | Deposits | 46 | 39 |
| Iwon Alloy Co., Ltd. | Deposits | 1 | 2 |
| RMGP Bio-Pharma Investment Fund, L.P. | Financial assets at fair value through profit or loss | 5,938 | 7,205 |
| | Other liabilities | 62 | 3 |
| RMGP Bio-Pharma Investment, L.P. | Financial assets at fair value through profit or loss | 20 | 25 |
| Wyatt Co., Ltd. | Financial assets at fair value through profit or loss | 6,000 | 3,000 |
| | Deposits | 1 | 1 |
| | Insurance liabilities | 73 | 78 |
| Skydigital Inc. | Deposits | 65 | 30 |
| Banksalad Co., Ltd. | Financial assets at fair value through profit or loss | 9,148 | 2,059 |
| Spark Biopharma Inc. | Financial assets at fair value through profit or loss | 7,450 | 4,634 |
| | Loans measured at amortized cost (gross amount) | 17 | 15 |
| | Deposits | 11,419 | 4,759 |
| | Other liabilities | 90 | 22 |
| | Allowances for credit losses | — | 7 |
| | Provisions | — | 6 |
| UPRISE, Inc. | Financial assets at fair value through profit or loss | 5,710 | 1,817 |
| Stratio, Inc. | Financial assets at fair value through profit or loss | 1,000 | 1,000 |
| Honest Fund, Inc. | Financial assets at fair value through profit or loss | 3,999 | 442 |
| CellinCells Co., Ltd. | Financial assets at fair value through profit or loss | 2,000 | 2,000 |
| | Loans measured at amortized cost (gross amount) | 3 | 1 |
| | Deposits | 37 | 13 |
| | Provisions | — | 1 |
| Channel Corporation | Financial assets at fair value through profit or loss | 16,906 | 20,141 |
| | Deposits | 2,030 | 6 |
| | Other liabilities | 11 | — |
| KB No.21 Special Purpose Acquisition Company | Financial assets at fair value through profit or loss | 2,987 | 3,122 |
| | Deposits | 2,261 | 2,247 |
| | Other liabilities | 38 | 36 |

**43.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2023 and 2024, are as follows (cont'd):**

| *(In millions of Korean won)* | | December 31, 2023 | December 31, 2024 |
|---|---|---|---|
| KB No.22 Special Purpose Acquisition Company * | Financial assets at fair value through profit or loss | 2,985 | — |
| | Deposits | 1,848 | — |
| KB No.23 Special Purpose Acquisition Company * | Financial assets at fair value through profit or loss | 1,489 | — |
| KB No.25 Special Purpose Acquisition Company | Financial assets at fair value through profit or loss | 2,025 | 1,850 |
| | Deposits | 1,586 | 1,545 |
| | Other liabilities | 39 | 39 |
| KB No.26 Special Purpose Acquisition Company | Financial assets at fair value through profit or loss | 2,204 | 2,150 |
| | Deposits | 1,761 | 1,763 |
| | Other liabilities | 37 | 31 |
| KB No.27 Special Purpose Acquisition Company | Financial assets at fair value through profit or loss | 6,054 | 5,877 |
| | Deposits | 4,497 | 4,613 |
| | Other liabilities | 65 | 55 |
| KB No.28 Special Purpose Acquisition Company | Financial assets at fair value through profit or loss | — | 2,113 |
| | Deposits | — | 1,910 |
| | Other liabilities | — | 45 |
| KB No.29 Special Purpose Acquisition Company | Financial assets at fair value through profit or loss | — | 3,015 |
| | Deposits | — | 2,338 |
| | Other liabilities | — | 43 |
| KB No.30 Special Purpose Acquisition Company | Financial assets at fair value through profit or loss | — | 2,835 |
| | Deposits | — | 1,786 |
| | Other liabilities | — | 20 |
| KB No.31 Special Purpose Acquisition Company | Financial assets at fair value through profit or loss | — | 4,301 |
| | Deposits | — | 2,352 |
| | Other liabilities | — | 13 |
| COSES GT Co., Ltd. * | Loans measured at amortized cost (gross amount) | 1 | — |
| | Deposits | 1 | — |
| MitoImmune Therapeutics | Financial assets at fair value through profit or loss | 7,000 | 1,574 |
| KB-Solidus Global Healthcare Fund | Other assets | 284 | — |
| Bioprotect Ltd. | Financial assets at fair value through profit or loss | 4,474 | 4,628 |

**43.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2023 and 2024, are as follows (cont'd):**

| *(In millions of Korean won)* | | December 31, 2023 | December 31, 2024 |
|---|---|---|---|
| ASSEMBLE CORPORATION | Financial assets at fair value through profit or loss | 4,000 | 4,000 |
| | Loans measured at amortized cost (gross amount) | 2,155 | 2,021 |
| | Allowances for credit losses | 62 | 43 |
| | Other assets | 5 | 11 |
| | Deposits | 78 | 18 |
| | Other liabilities | 1 | 1 |
| | Provisions | 3 | 1 |
| | Insurance liabilities | — | 1 |
| SO-MYUNG Recycling Co., Ltd. | Insurance liabilities | — | 1 |
| Go2joy Co., Ltd. | Financial assets at fair value through profit or loss | 1,200 | 1,200 |
| S&E Bio Co., Ltd. | Financial assets at fair value through profit or loss | 4,000 | 4,000 |
| | Loans measured at amortized cost (gross amount) | 13 | 2,016 |
| | Other assets | — | 3 |
| | Deposits | 2,342 | 772 |
| | Other liabilities | 13 | 3 |
| | Allowances for credit losses | — | 15 |
| | Provisions | — | 2 |
| Bluepointpartners Inc. | Financial assets at fair value through profit or loss | 1,874 | 1,636 |
| 4N Inc. | Deposits | 49 | 4 |
| Xenohelix Co., Ltd. | Financial assets at fair value through profit or loss | 3,100 | 3,100 |
| | Loans measured at amortized cost (gross amount) | — | 4 |
| | Deposits | 904 | 302 |
| Contents First Inc. | Financial assets at fair value through profit or loss | 7,277 | 13,213 |
| | Loans measured at amortized cost (gross amount) | 10,365 | 10,065 |
| | Allowances for credit losses | 7 | 12 |
| | Other assets | 4 | 3 |
| | Deposits | 1,072 | 729 |
| | Provisions | 1 | — |
| | Other liabilities | 6 | 4 |
| KB-MDI Centauri Fund L.P. | Financial assets at fair value through profit or loss | 18,993 | 21,058 |
| | Other assets | 221 | — |
| 2020 KB Fintech Renaissance Fund | Other assets | 37 | 37 |
| OKXE Inc. | Financial assets at fair value through profit or loss | 800 | 2,722 |

**43.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2023 and 2024, are as follows (cont'd):**

| *(In millions of Korean won)* | | December 31, 2023 | December 31, 2024 |
|---|---|---|---|
| Newavel Co., Ltd. | Loans measured at amortized cost (gross amount) | 13 | 20 |
| | Financial assets at fair value through profit or loss | 3,000 | — |
| | Deposits | 46 | — |
| Pin Therapeutics Inc. | Loans measured at amortized cost (gross amount) | 11 | 29 |
| | Financial assets at fair value through profit or loss | 5,000 | 7,000 |
| | Deposits | 265 | 11,133 |
| | Other liabilities | — | 117 |
| | Allowances for credit losses | — | 3 |
| IMBiologics Corp. | Loans measured at amortized cost (gross amount) | 5 | 2 |
| | Financial assets at fair value through profit or loss | 7,000 | 7,000 |
| SuperNGine Co., Ltd. | Loans measured at amortized cost (gross amount) | 603 | 482 |
| | Deposits | 69 | 217 |
| | Allowances for credit losses | 6 | 39 |
| | Other assets | 1 | 1 |
| | Financial assets at fair value through profit or loss | 1,996 | 1,996 |
| Desilo Inc. | Financial assets at fair value through profit or loss | 3,168 | 3,168 |
| | Loans measured at amortized cost (gross amount) | 300 | 300 |
| | Allowances for credit losses | 5 | 5 |
| | Deposits | 3 | 3 |
| Turing Co., Ltd. | Financial assets at fair value through profit or loss | 3,000 | 3,000 |
| | Loans measured at amortized cost (gross amount) | 1,901 | 900 |
| | Allowances for credit losses | 14 | 6 |
| | Other assets | 11 | 2 |
| | Deposits | 1,726 | 819 |
| | Other liabilities | 6 | — |
| IGGYMOB Co., Ltd. | Financial assets at fair value through profit or loss | 5,000 | — |
| | Loans measured at amortized cost (gross amount) | 7 | — |
| Kukka Co., Ltd. | Financial assets at fair value through profit or loss | 2,490 | 2,490 |
| | Insurance liabilities | — | 1 |
| ZIPDOC Inc. | Financial assets at fair value through profit or loss | 2,000 | — |
| | Deposits | 181 | 1 |

**43.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2023 and 2024, are as follows (cont'd):**

| *(In millions of Korean won)* | | December 31, 2023 | December 31, 2024 |
|---|---|---|---|
| TeamSparta Inc. | Loans measured at amortized cost (gross amount) | 307 | 5 |
| | Financial assets at fair value through profit or loss | 4,001 | 4,001 |
| | Provisions | 1 | 1 |
| | Deposits | 7,672 | 18,635 |
| | Other liabilities | 62 | 34 |
| | Allowances for credit losses | 1 | — |
| Chabot Mobility Co., Ltd. | Financial assets at fair value through profit or loss | 2,000 | 2,580 |
| | Deposits | 164 | 631 |
| Wemade Connect Co., Ltd. | Financial assets at fair value through profit or loss | 12,293 | 7,466 |
| | Loans measured at amortized cost (gross amount) | 44 | 29 |
| | Allowances for credit losses | 6 | 9 |
| | Provisions | 8 | 14 |
| | Deposits | 8,843 | 5,465 |
| | Insurance liabilities | 1 | 4 |
| | Other liabilities | 53 | 38 |
| Nextrade Co., Ltd. | Deposits | 56,203 | 15,281 |
| | Other liabilities | 3,174 | 1,579 |
| TMAP Mobility Co., Ltd. | Loans measured at amortized cost (gross amount) | 106 | 73 |
| | Allowances for credit losses | 1 | 1 |
| | Deposits | 80,016 | 100,010 |
| | Insurance liabilities | — | 235 |
| | Other liabilities | 763 | 548 |
| | Provisions | 2 | 5 |
| FutureConnect Co., Ltd. | Financial assets at fair value through profit or loss | 1,499 | 1,499 |
| Gushcloud Talent Agency | Financial assets at fair value through profit or loss | 3,688 | — |
| Grinergy Co., Ltd. * | Loans measured at amortized cost (gross amount) | — | 1 |
| | Financial assets at fair value through profit or loss | 6,486 | — |
| | Provisions | 1 | 2 |
| NexThera Co., Ltd. | Financial assets at fair value through profit or loss | 3,000 | 3,000 |
| FineKB Private Equity Fund No.1 | Other assets | 13 | 144 |
| Paramark KB Fund No.1 | Other liabilities | 34 | 45 |
| KB Social Impact Investment Fund | Other assets | 260 | 250 |
| Checkmate Therapeutics Inc. | Financial assets at fair value through profit or loss | 3,200 | 3,200 |
| | Insurance liabilities | — | 3 |

**43.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2023 and 2024, are as follows (cont'd):**

| *(In millions of Korean won)* | | December 31, 2023 | December 31, 2024 |
|---|---|---|---|
| Hibiscus Fund L.P. | Financial assets at fair value through profit or loss | 12,915 | 14,717 |
| | Other assets | 258 | 210 |
| RMG-KB BioAccess Fund L.P. | Financial assets at fair value through profit or loss | 5,036 | 9,379 |
| RMG-KB BP Management Ltd. | Financial assets at fair value through profit or loss | 174 | 344 |
| KB Co-Investment Private Equity Fund No.1 | Other assets | 255 | 302 |
| Spoon Radio Co., Ltd. | Financial assets at fair value through profit or loss | 19,506 | 15,006 |
| Neuroptika Inc. | Financial assets at fair value through profit or loss | 5,879 | 5,879 |
| Bitgoeul Cheomdan Green 1st Co., Ltd. | Deposits | 833 | 1,239 |
| KB-FT Green Growth No.1 New Technology Business Investment Association | Deposits | 700 | — |
| | Other liabilities | 8 | — |
| KY Global Cell & Gene Private Equity Fund 2nd * | Deposits | 3,790 | — |
| | Other liabilities | 42 | — |
| Bigwave Robotics Crop. | Loans measured at amortized cost (gross amount) | 31 | 39 |
| | Financial assets at fair value through profit or loss | 2,750 | 2,750 |
| | Deposits | 4 | 501 |
| | Other liabilities | — | 6 |
| Blinkers Inc. * | Financial assets at fair value through profit or loss | 999 | — |
| 3D Interactive Co., Ltd. | Loans measured at amortized cost (gross amount) | 42 | 6 |
| | Allowances for credit losses | 2 | — |
| | Provisions | — | 2 |
| | Financial assets at fair value through profit or loss | 2,300 | 2,300 |
| | Deposits | 1,501 | 1,779 |
| XL8 INC. | Financial assets at fair value through profit or loss | 5,148 | 5,869 |
| Elev8-Capital Fund I | Financial assets at fair value through profit or loss | 6,656 | 16,250 |
| New Daegu Busan Expressway Co., Ltd. | Loans measured at amortized cost (gross amount) | 72,742 | 24,264 |
| | Allowances for credit losses | 4 | 4 |
| | Other assets | 57 | 22 |
| | Deposits | 146,169 | 150,007 |
| | Other liabilities | 1,891 | 1,928 |
| | Insurance liabilities | — | 22 |

**43.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2023 and 2024, are as follows (cont'd):**

| *(In millions of Korean won)* | | December 31, 2023 | December 31, 2024 |
|---|---|---|---|
| AIM FUTURE, Inc. | Financial assets at fair value through profit or loss | 2,000 | 2,000 |
| | Loans measured at amortized cost (gross amount) | 900 | 908 |
| | Allowances for credit losses | 2 | 5 |
| | Other assets | 1 | 1 |
| | Deposits | 3,393 | 760 |
| | Other liabilities | 48 | — |
| Novorex Inc. | Financial assets at fair value through profit or loss | 2,000 | 2,000 |
| | Loans measured at amortized cost (gross amount) | — | 8 |
| | Deposits | 7 | 6 |
| Seokwang T&I Co., Ltd. | Insurance liabilities | 2 | 2 |
| ADP Holdings Co., Ltd. | Deposits | — | 2,058 |
| | Other liabilities | — | 7 |
| ADPGREEN | Loans measured at amortized cost (gross amount) | — | 25 |
| | Deposits | — | 1,802 |
| | Other liabilities | — | 8 |
| | Allowances for credit losses | — | 8 |
| | Provisions | — | 3 |
| | Insurance liabilities | — | 101 |
| Logpresso Inc. | Financial assets at fair value through profit or loss | — | 3,000 |
| | Loans measured at amortized cost (gross amount) | — | 31 |
| | Deposits | — | 457 |
| Onheal Co., Ltd. | Financial assets at fair value through profit or loss | — | 10,000 |
| | Deposits | — | 5,001 |
| Ascent Global Fund III | Financial assets at fair value through profit or loss | — | 3,767 |
| DYNE MEDICAL GROUP Inc. | Financial assets at fair value through profit or loss | — | 3,001 |
| | Loans measured at amortized cost (gross amount) | — | 2,022 |
| | Allowances for credit losses | — | 16 |
| | Provisions | — | 6 |
| | Other assets | — | 1 |
| | Deposits | — | 3,813 |
| | Other liabilities | — | 23 |
| | Insurance liabilities | — | 1 |
| TriOar Inc. | Financial assets at fair value through profit or loss | — | 3,000 |
| | Loans measured at amortized cost (gross amount) | — | 16 |
| | Deposits | — | 6,054 |
| | Other liabilities | — | 73 |

**43.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2023 and 2024, are as follows (cont'd):**

| *(In millions of Korean won)* | | December 31, 2023 | December 31, 2024 |
|---|---|---|---|
| Coxwave Co., Ltd. | Financial assets at fair value through profit or loss | — | 3,000 |
| SDT Inc. | Financial assets at fair value through profit or loss | — | 3,105 |
| Yeoulhyulgangho | Financial assets at fair value through profit or loss | — | 500 |
| | Deposits | — | 456 |
| KB-VEP Contact Fund | Other assets | — | 15 |
| Xpanner Inc | Financial assets at fair value through profit or loss | — | 9,673 |
| | Insurance liabilities | — | 1 |
| SD Speed Co., Ltd. | Insurance liabilities | — | 1 |
| Allra Fintech Corp. | Deposits | — | 1,671 |
| | Other liabilities | — | 1 |
| | Provisions | — | 2 |
| GCSM Holdings Limited | Financial assets at fair value through profit or loss | — | 9,506 |
| KB Rejuvenation Fund | Other assets | — | 3 |
| Qoala | Financial assets at fair value through profit or loss | — | 6,554 |
| FineKB Private Equity Fund No.2 | Other assets | — | 35 |
| **Key management personnel** | | | |
| Key management personnel | Loans measured at amortized cost (gross amount) | 5,490 | 7,125 |
| | Allowances for credit losses | 5 | 3 |
| | Other assets | 7 | 8 |
| | Deposits | 15,902 | 15,365 |
| | Provisions | 2 | 1 |
| | Insurance liabilities | 2,293 | 2,308 |
| | Other liabilities | 429 | 555 |
| **Others** | | | |
| Retirement pension | Other assets | 364 | 739 |
| | Other liabilities | 606 | 1,215 |

* Excluded from the Group's related party as of December 31, 2024, therefore, the remaining outstanding balances with those entities are not disclosed.

**43.3 Details of significant lending transactions with related parties for the years ended December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | 2023 | | | |
|---|---|---|---|---|
| | Beginning | Loan | Collection | Ending |
| **Associates and joint ventures** | | | | |
| Korea Credit Bureau Co., Ltd. | ₩ 38 | ₩ 37 | ₩ (38) | ₩ 37 |
| Incheon Bridge Co., Ltd. | 128,159 | 346 | (14,711) | 113,794 |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | 149,294 | 296 | — | 149,590 |
| KB Cape No.1 Private Equity Fund * | 2,017 | — | (82) | 1,935 |
| RAND Bio Science Co., Ltd. | — | 1 | — | 1 |
| KG Capital Co., Ltd. * | 40,040 | — | (40,040) | — |
| Food Factory Co., Ltd. | 4,041 | 446 | (1,612) | 2,875 |
| Paycoms Co., Ltd. * | 1,172 | — | (1,172) | — |
| Big Dipper Co., Ltd. | 18 | 14 | (18) | 14 |
| RMGP Bio-Pharma Investment Fund, L.P. | 6,384 | — | (446) | 5,938 |
| RMGP Bio-Pharma Investment, L.P. | 17 | 3 | — | 20 |
| Wyatt Corp. | 6,000 | — | — | 6,000 |
| Banksalad Co., Ltd. | 10,470 | — | (1,322) | 9,148 |
| UPRISE, Inc. | 5,248 | 462 | — | 5,710 |
| Stratio, Inc. | 1,000 | — | — | 1,000 |
| Honest Fund, Inc. | 3,999 | — | — | 3,999 |
| CellinCells Co., Ltd. | 2,007 | 3 | (7) | 2,003 |
| KB No.21 Special Purpose Acquisition Company | 2,959 | 28 | — | 2,987 |
| KB No.22 Special Purpose Acquisition Company * | 1,972 | 1,013 | — | 2,985 |
| KB No.23 Special Purpose Acquisition Company * | 2,971 | — | (2,971) | — |
| KB No.24 Special Purpose Acquisition Company * | 6,975 | — | (6,975) | — |
| KB No.25 Special Purpose Acquisition Company | — | 2,025 | — | 2,025 |
| KB No.26 Special Purpose Acquisition Company | — | 2,204 | — | 2,204 |
| KB No.27 Special Purpose Acquisition Company | — | 6,054 | — | 6,054 |
| COSES GT Co., Ltd. * | 5,436 | 1 | (5,436) | 1 |
| Channel Corporation | 18,099 | — | (1,193) | 16,906 |
| MitoImmune Therapeutics | 7,000 | — | — | 7,000 |
| Bioprotect Ltd. | 3,802 | 672 | — | 4,474 |
| ASSEMBLE CORPORATION | 6,234 | 5 | (84) | 6,155 |
| Go2joy Co., Ltd. | 1,200 | — | — | 1,200 |
| ClavisTherapeutics, Inc. | 2,000 | — | (2,000) | — |
| S&E Bio Co., Ltd. | 4,010 | 13 | (10) | 4,013 |
| Bluepointpartners Inc. | 2,133 | — | (259) | 1,874 |
| 4N Inc. | 200 | — | (200) | — |
| Xenohelix Co., Ltd. | 2,100 | 1,000 | — | 3,100 |
| Contents First Inc | 17,294 | 365 | (17) | 17,642 |
| KB-MDI Centauri Fund LP | 17,471 | 1,522 | — | 18,993 |
| OKXE Inc. | 800 | — | — | 800 |
| Checkmate Therapeutics Inc. | 3,200 | — | — | 3,200 |
| Newavel Co., Ltd. | 3,015 | 13 | (15) | 3,013 |
| IMBiologics Corp. | 5,004 | 2,005 | (4) | 7,005 |
| Spark Biopharma Inc. | 7,467 | 17 | (17) | 7,467 |
| G1 Playground Co., Ltd. | 1,000 | — | (1,000) | — |
| Pin Therapeutics Inc. | 5,013 | 11 | (13) | 5,011 |
| Hibiscus Fund LP | 10,221 | 2,694 | — | 12,915 |
| SuperNGine Co., Ltd. | 2,002 | 603 | (6) | 2,599 |

**43.3 Details of significant lending transactions with related parties for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

| *(In millions of Korean won)* | 2023 | | | |
|---|---|---|---|---|
| | Beginning | Loan | Collection | Ending |
| Desilo Inc. * | 3,468 | — | — | 3,468 |
| RMG-KB BioAccess Fund L.P. | 2,753 | 2,283 | — | 5,036 |
| RMG-KB BP Management Ltd. | 77 | 97 | — | 174 |
| IGGYMOB Co., Ltd. | 5,015 | 7 | (15) | 5,007 |
| Turing Co., Ltd. | 3,000 | 1,901 | — | 4,901 |
| Kukka Co., Ltd. | 2,490 | — | — | 2,490 |
| ZIPDOC Inc. | 2,000 | — | — | 2,000 |
| Gushcloud Talent Agency | 4,165 | — | (477) | 3,688 |
| Grinergy Co., Ltd. * | 2,500 | 3,986 | — | 6,486 |
| NexThera Co., Ltd. | 2,000 | 1,000 | — | 3,000 |
| Chabot Mobility Co., Ltd. | 2,000 | — | — | 2,000 |
| TeamSparta Inc. | 4,001 | 307 | — | 4,308 |
| FutureConnect Co., Ltd. | 1,499 | — | — | 1,499 |
| Wemade Connect Co., Ltd. | 12,052 | 337 | (52) | 12,337 |
| TMAP Mobility Co., Ltd. | — | 106 | — | 106 |
| Taeyoungjungkong Co., Ltd. | — | 46 | (46) | — |
| Spoon Radio Co., Ltd. | — | 19,506 | — | 19,506 |
| Neuroptika Inc. | — | 5,879 | — | 5,879 |
| Youngwon Corporation * | — | 4,793 | (4,793) | — |
| Bigwave Robotics Crop. | — | 2,781 | — | 2,781 |
| Blinkers Inc. * | — | 999 | — | 999 |
| 3D Interactive Co., Ltd. | — | 2,342 | — | 2,342 |
| XL8 INC. | — | 5,148 | — | 5,148 |
| Elev8-Capital Fund I | — | 6,656 | — | 6,656 |
| AIM FUTURE, Inc. | — | 2,900 | — | 2,900 |
| New Daegu Busan Expressway Co., Ltd. | — | 72,742 | — | 72,742 |
| Novorex Inc. | — | 2,000 | — | 2,000 |
| **Key management personnel** | | | | |
| Key management personnel | 6,299 | 3,368 | (4,177) | 5,490 |

* Excluded from the Group's related party as of December 31, 2023.

| *(In millions of Korean won)* | 2024 | | | |
|---|---|---|---|---|
| | Beginning | Loan | Collection | Ending |
| **Associates and joint ventures** | | | | |
| Korea Credit Bureau Co., Ltd. | ₩ 37 | ₩ 36 | ₩ (37) | ₩ 36 |
| Incheon Bridge Co., Ltd. | 113,794 | 2,141 | (10,512) | 105,423 |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | 149,590 | 308 | — | 149,898 |
| KB Cape No.1 Private Equity Fund * | 1,935 | — | (1,935) | — |
| RAND Bio Science Co., Ltd. | 1 | — | (1) | — |
| Food Factory Co., Ltd. | 2,875 | 9 | (1,120) | 1,764 |
| Big Dipper Co., Ltd. | 14 | 43 | (14) | 43 |
| RMGP Bio-Pharma Investment Fund, L.P. | 5,938 | 1,267 | — | 7,205 |
| RMGP Bio-Pharma Investment, L.P. | 20 | 5 | — | 25 |
| Wyatt Corp. | 6,000 | — | (3,000) | 3,000 |
| Banksalad Co., Ltd. | 9,148 | — | (7,089) | 2,059 |
| UPRISE, Inc. | 5,710 | — | (3,893) | 1,817 |

**43.3 Details of significant lending transactions with related parties for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | 2024 | | | |
|---|---|---|---|---|
| | Beginning | Loan | Collection | Ending |
| Stratio, Inc. | 1,000 | — | — | 1,000 |
| Honest Fund, Inc. | 3,999 | — | (3,557) | 442 |
| CellinCells Co., Ltd. | 2,003 | 1 | (3) | 2,001 |
| KB No.21 Special Purpose Acquisition Company | 2,987 | 135 | — | 3,122 |
| KB No.22 Special Purpose Acquisition Company * | 2,985 | — | (2,985) | — |
| KB No.25 Special Purpose Acquisition Company | 2,025 | — | (175) | 1,850 |
| KB No.26 Special Purpose Acquisition Company | 2,204 | — | (54) | 2,150 |
| KB No.27 Special Purpose Acquisition Company | 6,054 | — | (177) | 5,877 |
| KB No.28 Special Purpose Acquisition Company | — | 2,113 | — | 2,113 |
| KB No.29 Special Purpose Acquisition Company | — | 3,015 | — | 3,015 |
| KB No.30 Special Purpose Acquisition Company | — | 2,835 | — | 2,835 |
| KB No.31 Special Purpose Acquisition Company | — | 4,301 | — | 4,301 |
| COSES GT Co., Ltd. * | 1 | — | (1) | — |
| Channel Corporation | 16,906 | 3,235 | — | 20,141 |
| MitoImmune Therapeutics | 7,000 | — | (5,426) | 1,574 |
| Bioprotect Ltd. | 4,474 | 154 | — | 4,628 |
| ASSEMBLE CORPORATION | 6,155 | 21 | (155) | 6,021 |
| Go2joy Co., Ltd. | 1,200 | — | — | 1,200 |
| S&E Bio Co., Ltd. | 4,013 | 2,016 | (13) | 6,016 |
| Bluepointpartners Inc. | 1,874 | — | (238) | 1,636 |
| Xenohelix Co., Ltd. | 3,100 | 4 | — | 3,104 |
| Contents First Inc. | 17,642 | 7,001 | (1,365) | 23,278 |
| KB-MDI Centauri Fund LP | 18,993 | 2,065 | — | 21,058 |
| OKXE Inc. | 800 | 1,922 | — | 2,722 |
| Checkmate Therapeutics Inc. | 3,200 | — | — | 3,200 |
| Newavel Co., Ltd. | 3,013 | 20 | (3,013) | 20 |
| IMBiologics Corp. | 7,005 | 2 | (5) | 7,002 |
| Spark Biopharma Inc. | 7,467 | 15 | (2,833) | 4,649 |
| Pin Therapeutics Inc. | 5,011 | 2,029 | (11) | 7,029 |
| Hibiscus Fund LP | 12,915 | 1,802 | — | 14,717 |
| SuperNGine Co., Ltd. | 2,599 | 2 | (123) | 2,478 |
| Desilo Inc. | 3,468 | — | — | 3,468 |
| RMG-KB BioAccess Fund L.P. | 5,036 | 4,343 | — | 9,379 |
| RMG-KB BP Management Ltd. | 174 | 170 | — | 344 |
| IGGYMOB Co., Ltd. | 5,007 | — | (5,007) | — |
| Turing Co., Ltd. | 4,901 | — | (1,001) | 3,900 |
| Kukka Co., Ltd. | 2,490 | — | — | 2,490 |
| ZIPDOC Inc. | 2,000 | — | (2,000) | — |
| Gushcloud Talent Agency | 3,688 | — | (3,688) | — |
| Grinergy Co., Ltd. * | 6,486 | 1 | (6,486) | 1 |
| NexThera Co., Ltd. | 3,000 | — | — | 3,000 |
| Chabot Mobility Co., Ltd. | 2,000 | 580 | — | 2,580 |
| TeamSparta Inc. | 4,308 | 5 | (307) | 4,006 |
| FutureConnect Co., Ltd. | 1,499 | — | — | 1,499 |
| Wemade Connect Co., Ltd. | 12,337 | 29 | (4,871) | 7,495 |
| TMAP Mobility Co., Ltd. | 106 | 73 | (106) | 73 |

**43.3 Details of significant lending transactions with related parties for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | 2024 | | | |
|---|---|---|---|---|
| | Beginning | Loan | Collection | Ending |
| Spoon Radio Co., Ltd. | 19,506 | — | (4,500) | 15,006 |
| Neuroptika Inc. | 5,879 | — | — | 5,879 |
| Bigwave Robotics Crop. | 2,781 | 39 | (31) | 2,789 |
| Blinkers Inc. * | 999 | — | (999) | — |
| 3D Interactive Co., Ltd. | 2,342 | 6 | (42) | 2,306 |
| XL8 INC. | 5,148 | 721 | — | 5,869 |
| Elev8-Capital Fund I | 6,656 | 9,594 | — | 16,250 |
| AIM FUTURE, Inc. | 2,900 | 8 | — | 2,908 |
| New Daegu Busan Expressway Co., Ltd. | 72,742 | 27 | (48,505) | 24,264 |
| Novorex Inc. | 2,000 | 8 | — | 2,008 |
| Logpresso Inc. | — | 3,031 | — | 3,031 |
| Onheal Co., Ltd. | — | 10,000 | — | 10,000 |
| Ascent Global Fund III | — | 3,767 | — | 3,767 |
| DYNE MEDICAL GROUP Inc. | — | 5,023 | — | 5,023 |
| TriOar Inc. | — | 3,016 | — | 3,016 |
| Coxwave Co., Ltd. | — | 3,000 | — | 3,000 |
| SDT Inc. | — | 3,105 | — | 3,105 |
| Yeoulhyulgangho | — | 500 | — | 500 |
| ADPGREEN | — | 25 | — | 25 |
| Xpanner Inc | — | 9,673 | — | 9,673 |
| GCSM Holdings Limited | — | 9,506 | — | 9,506 |
| Qoala | — | 6,554 | — | 6,554 |
| **Key management personnel** | | | | |
| Key management personnel | 5,490 | 7,245 | (5,610) | 7,125 |

* Excluded from the Group's related party as of December 31, 2024.

**43.4 Details of significant borrowing transactions with related parties for the years ended December 31, 2023 and 2024, are as follows:**

*(In millions of Korean won)*

| | 2023 | | | | |
|---|---|---|---|---|---|
| | Beginning | Borrowing | Repayment | Others [1] | Ending |
| **Associates and joint ventures** | | | | | |
| Korea Credit Bureau Co., Ltd. | ₩27,889 | ₩ — | ₩ — | ₩(10,886) | ₩17,003 |
| Incheon Bridge Co., Ltd. | 48,639 | 67,100 | (76,017) | 1,270 | 40,992 |
| Jungdo Co., Ltd. | 4 | — | — | — | 4 |
| Dae-A Leisure Co., Ltd. | 154 | — | — | (4) | 150 |
| Iwon Alloy Co., Ltd. | 1 | — | — | — | 1 |
| Computerlife Co., Ltd. | 3 | — | — | (3) | — |
| Skydigital Inc. | 10 | — | — | 55 | 65 |
| Aju Good Technology Venture Fund | 7,222 | 1,323 | (7,900) | 557 | 1,202 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | 317 | — | — | (271) | 46 |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund | 1,526 | — | — | (1,526) | — |
| WJ Private Equity Fund No.1 | 221 | — | — | (118) | 103 |
| KG Capital Co., Ltd. [2] | 10 | — | — | (10) | — |
| KB No.21 Special Purpose Acquisition Company | 2,263 | 2,050 | (2,000) | (52) | 2,261 |
| KB No.22 Special Purpose Acquisition Company | 1,948 | — | — | (100) | 1,848 |
| KB No.23 Special Purpose Acquisition Company [2] | 2,205 | 2,089 | (4,223) | (71) | — |
| KB No.24 Special Purpose Acquisition Company [2] | 9,983 | — | — | (9,983) | — |
| KB No.25 Special Purpose Acquisition Company | — | 1,500 | — | 86 | 1,586 |
| KB No.26 Special Purpose Acquisition Company | — | 1,670 | — | 91 | 1,761 |
| KB No.27 Special Purpose Acquisition Company | — | 4,390 | — | 107 | 4,497 |
| RAND Bio Science Co., Ltd. | 3 | — | — | 1 | 4 |
| Food Factory Co., Ltd. | 664 | — | — | (35) | 629 |
| Paycoms Co., Ltd. [2] | 1 | — | — | (1) | — |
| Big Dipper Co., Ltd. | 19 | — | — | 21 | 40 |
| Wyatt Co., Ltd. | 1 | — | — | — | 1 |
| UPRISE, Inc. | 27 | — | — | (27) | — |
| CellinCells Co., Ltd. | 37 | — | — | — | 37 |
| COSES GT Co., Ltd. | 1,213 | — | — | (1,212) | 1 |
| ASSEMBLE CORPORATION | 915 | — | — | (837) | 78 |
| S&E Bio Co., Ltd. | 6,419 | 2,500 | (2,000) | (4,577) | 2,342 |
| 4N Inc. | 5 | — | — | 44 | 49 |
| Contents First Inc. | 5,010 | 6,000 | (10,000) | 62 | 1,072 |
| December & Company Inc. [2] | 1 | — | — | (1) | — |
| Newavel Co., Ltd. | 623 | — | — | (577) | 46 |
| Pin Therapeutics Inc. | 6,033 | 7,217 | (12,017) | (968) | 265 |
| Spark Biopharma Inc. | 17,534 | 26,369 | (30,779) | (1,705) | 11,419 |
| SuperNGine Co., Ltd. | 17 | — | — | 52 | 69 |
| Desilo Inc. | 1 | 1 | — | 1 | 3 |
| Turing Co., Ltd. | 2,788 | 700 | — | (1,762) | 1,726 |
| IGGYMOB Co., Ltd. | 254 | — | — | (254) | — |
| TMAP Mobility Co., Ltd. | 30,000 | 170,000 | (120,000) | 16 | 80,016 |

**43.4 Details of significant borrowing transactions with related parties for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

| *(In millions of Korean won)* | 2023 | | | | |
|---|---|---|---|---|---|
| | Beginning | Borrowing | Repayment | Others [1] | Ending |
| KAELEEWALEE GLOBAL SAELAENJINSAMO INVESTMENT JE2HO LIMITED PARTNERSHIP | — | 3,983 | — | (193) | 3,790 |
| Nextrade Co., Ltd. | 56,202 | — | — | 1 | 56,203 |
| ZIPDOC Inc. | 915 | — | — | (734) | 181 |
| TeamSparta Inc. | 12,502 | 7,000 | (8,000) | (3,830) | 7,672 |
| Chabot Mobility Co., Ltd. | 86 | — | — | 78 | 164 |
| Wemade Connect Co., Ltd. | 10,370 | 31,000 | (30,217) | (2,310) | 8,843 |
| Channel Corporation | 3,000 | 7,000 | (8,000) | 30 | 2,030 |
| Bitgoeul Cheomdan Green 1st Co., Ltd. | — | — | — | 833 | 833 |
| KB-FT Green Growth No.1 New Technology Business Investment Association | — | 700 | — | — | 700 |
| Bigwave Robotics Crop. | — | — | — | 4 | 4 |
| 3D Interactive Co., Ltd. | — | 2,000 | (2,000) | 1,501 | 1,501 |
| AIM FUTURE, Inc. | — | 3,000 | — | 393 | 3,393 |
| New Daegu Busan Expressway Co., Ltd. | — | — | — | 146,169 | 146,169 |
| Novorex Inc. | — | — | — | 7 | 7 |
| Xenohelix Co., Ltd. | — | — | — | 904 | 904 |
| **Key management personnel** | | | | | |
| Key management personnel | 17,619 | 22,358 | (20,389) | (3,686) | 15,902 |

| *(In millions of Korean won)* | 2024 | | | | |
|---|---|---|---|---|---|
| | Beginning | Borrowing | Repayment | Others [1] | Ending |
| **Associates and joint ventures** | | | | | |
| Korea Credit Bureau Co., Ltd. | ₩17,003 | ₩ — | ₩ — | ₩23,567 | ₩40,570 |
| Incheon Bridge Co., Ltd. | 40,992 | 72,000 | (74,300) | 5,175 | 43,867 |
| Jungdo Co., Ltd. | 4 | — | — | — | 4 |
| Dae-A Leisure Co., Ltd. | 150 | — | — | (150) | — |
| Iwon Alloy Co., Ltd. | 1 | — | — | 1 | 2 |
| Skydigital Inc. | 65 | — | — | (35) | 30 |
| Aju Good Technology Venture Fund | 1,202 | — | — | 607 | 1,809 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | 46 | — | — | (7) | 39 |
| WJ Private Equity Fund No.1 | 103 | — | — | (57) | 46 |
| KB No.21 Special Purpose Acquisition Company | 2,261 | 2,115 | (2,050) | (79) | 2,247 |
| KB No.22 Special Purpose Acquisition Company [2] | 1,848 | — | — | (1,848) | — |
| KB No.25 Special Purpose Acquisition Company | 1,586 | 1,545 | (1,500) | (86) | 1,545 |
| KB No.26 Special Purpose Acquisition Company | 1,761 | 1,724 | (1,670) | (52) | 1,763 |
| KB No.27 Special Purpose Acquisition Company | 4,497 | 4,532 | (4,390) | (26) | 4,613 |
| KB No.28 Special Purpose Acquisition Company | — | 1,890 | — | 20 | 1,910 |
| KB No.29 Special Purpose Acquisition Company | — | 2,100 | — | 238 | 2,338 |
| KB No.30 Special Purpose Acquisition Company | — | 1,500 | — | 286 | 1,786 |
| KB No.31 Special Purpose Acquisition Company | — | 2,000 | — | 352 | 2,352 |
| RAND Bio Science Co., Ltd. | 4 | — | — | — | 4 |
| Food Factory Co., Ltd. | 629 | — | — | 278 | 907 |
| Big Dipper Co., Ltd. | 40 | — | — | 83 | 123 |
| Wyatt Corp. | 1 | — | — | — | 1 |

**43.4 Details of significant borrowing transactions with related parties for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

*(In millions of Korean won)*

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Beginning | Borrowing | Repayment | Others [1] | Ending |
| CellinCells Co., Ltd. | 37 | — | — | (24) | 13 |
| COSES GT Co., Ltd. [2] | 1 | — | — | (1) | — |
| ASSEMBLE CORPORATION | 78 | — | — | (60) | 18 |
| S&E Bio Co., Ltd. | 2,342 | 990 | (1,490) | (1,070) | 772 |
| 4N Inc. | 49 | — | — | (45) | 4 |
| Contents First Inc. | 1,072 | — | — | (343) | 729 |
| Newavel Co., Ltd. | 46 | — | — | (46) | — |
| Pin Therapeutics Inc. | 265 | 14,000 | (4,000) | 868 | 11,133 |
| Spark Biopharma Inc. | 11,419 | 32,649 | (38,908) | (401) | 4,759 |
| SuperNGine Co., Ltd. | 69 | — | — | 148 | 217 |
| Desilo Inc. | 3 | — | — | — | 3 |
| Turing Co., Ltd. | 1,726 | 1,000 | (1,700) | (207) | 819 |
| TMAP Mobility Co., Ltd. | 80,016 | 360,000 | (340,000) | (6) | 100,010 |
| KY Global Cell & Gene Private Equity Fund 2nd [2] | 3,790 | 2,910 | (308) | (6,392) | — |
| Nextrade Co., Ltd. | 56,203 | 6,000 | (47,200) | 278 | 15,281 |
| ZIPDOC Inc. | 181 | — | — | (180) | 1 |
| TeamSparta Inc. | 7,672 | 3,000 | (6,000) | 13,963 | 18,635 |
| Chabot Mobility Co., Ltd. | 164 | 300 | — | 167 | 631 |
| Wemade Connect Co., Ltd. | 8,843 | 24,056 | (27,556) | 122 | 5,465 |
| Channel Corporation | 2,030 | — | (2,000) | (24) | 6 |
| Bitgoeul Cheomdan Green 1st Co., Ltd. | 833 | — | — | 406 | 1,239 |
| KB-FT Green Growth 1st Technology Investment Association | 700 | — | (700) | — | — |
| Bigwave Robotics Crop. | 4 | 501 | — | (4) | 501 |
| 3D Interactive Co., Ltd. | 1,501 | — | — | 278 | 1,779 |
| AIM FUTURE, Inc. | 3,393 | 1,000 | (4,000) | 367 | 760 |
| New Daegu Busan Expressway Co., Ltd. | 146,169 | 104,500 | (93,932) | (6,730) | 150,007 |
| Novorex Inc. | 7 | — | — | (1) | 6 |
| Xenohelix Co., Ltd. | 904 | — | — | (602) | 302 |
| ADP Holdings Co., Ltd. | — | 6,094 | (4,037) | 1 | 2,058 |
| ADPGREEN | — | 10,551 | (9,001) | 252 | 1,802 |
| Logpresso Inc. | — | 100 | (200) | 557 | 457 |
| DYNE MEDICAL GROUP Inc. | — | 5,150 | (7,800) | 6,463 | 3,813 |
| Onheal Co., Ltd. | — | — | — | 5,001 | 5,001 |
| TriOar Inc. | — | 10,500 | (8,500) | 4,054 | 6,054 |
| Yeoulhyulgangho | — | 200 | — | 256 | 456 |
| SDT Inc. | — | — | (1,000) | 1,000 | — |
| Allra Fintech Corp. | — | 12,500 | (19,500) | 8,671 | 1,671 |
| **Key management personnel** | | | | | |
| Key management personnel | 15,902 | 26,709 | (22,264) | (4,982) | 15,365 |

[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 December 31, 2024.

**43.5 Details of significant investment and withdrawal transactions with related parties for the years ended December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | 2023 | | 2024 | |
|---|---|---|---|---|
| | Equity investment and others | Withdrawal and others | Equity investment and others | Withdrawal and others |
| Balhae Infrastructure Company | ₩ — | ₩ 10,661 | ₩ — | ₩6,350 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | — | — | — | 600 |
| KB-SJ Tourism Venture Fund | — | — | — | 4,030 |
| Korea Credit Bureau Co., Ltd. | — | 90 | — | 90 |
| KB-UTC Inno-Tech Venture Fund | — | 2,250 | — | 338 |
| KB-Solidus Global Healthcare Fund | — | 16,440 | — | 700 |
| KB-Stonebridge Secondary Private Equity Fund | — | 7,191 | — | 1,004 |
| KB SPROTT Renewable Private Equity Fund No.1 | — | 476 | — | 8,349 |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund | 1,800 | 2,572 | 8,964 | 9,629 |
| KB Material and Parts No.1 PEF * | — | — | — | 3,400 |
| KB-TS Technology Venture Private Equity Fund | — | 672 | 125 | 2,464 |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund * | — | 12,500 | — | 3,915 |
| Aju Good Technology Venture Fund | — | 11,377 | — | 2,120 |
| G payment Joint Stock Company | — | — | — | 6,445 |
| KB-KTB Technology Venture Fund | 5,600 | — | 5,600 | 1 |
| KB-SOLIDUS Healthcare Investment Fund | 21,861 | — | 23,270 | 65 |
| Paramark KB Fund No.1 | 3,342 | — | 8,130 | — |
| FineKB Private Equity Fund No.1 | — | 2,125 | 6,790 | 1,500 |
| FineKB Private Equity Fund No.2 | — | — | 500 | 250 |
| KB No.22 Special Purpose Acquisition Company * | — | — | — | 10 |
| KB-BridgePole Venture Investment Fund * | — | 714 | — | 136 |
| KB-Kyobo New Mobility Power Fund * | — | — | — | 3,000 |
| SKS-VLP New Technology Investment Fund No.2 * | — | 1,156 | — | — |
| JS Private Equity Fund No.3 | — | — | — | 755 |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | — | — | — | 358 |
| KB Co-Investment Private Equity Fund No.1 | 2,208 | — | 9,131 | 3,173 |
| POSITIVE Sobujang Venture Fund No.1 | — | — | — | 1,121 |
| PEBBLES-MW M.C.E New Technology Investment Fund 1st * | — | 2,000 | — | — |
| KB-NP Green ESG New Technology Venture Capital Fund | 9,075 | — | 19,800 | — |
| KB-Badgers Future Mobility ESG Fund No.1 | 5,540 | — | 10,404 | 1,071 |
| Lakewood-AVES Fund No.1 * | 2,000 | — | — | 2,000 |
| MW-Pyco NewWave New Technology Investment Fund 4th | 2,000 | — | — | — |
| KB No.23 Special Purpose Acquisition Company * | — | 5 | — | — |
| KB No.24 Special Purpose Acquisition Company * | 25 | 25 | — | — |
| KB No.25 Special Purpose Acquisition Company | 5 | — | — | — |
| KB No.26 Special Purpose Acquisition Company | 5 | — | — | — |
| Bitgoeul Cheomdan Green 1st Co., Ltd. | 190 | — | 152 | — |
| KB-SUSUNG 1st Investment Fund | 2,000 | — | — | 1,386 |
| KB-SUSUNG 2st Investment Fund | — | — | 2,000 | — |

**43.5 Details of significant investment and withdrawal transactions with related parties for the years ended December 31, 2023 and 2024, are as follows (cont'd):**

| *(In millions of Korean won)* | 2023 | | 2024 | |
|---|---|---|---|---|
| | Equity investment and others | Withdrawal and others | Equity investment and others | Withdrawal and others |
| Friend 55 New Technology Business Investment Fund * | ₩ 1,200 | ₩ — | ₩ — | ₩1,200 |
| Hahn & Company No. 4-3 Private Equity Fund * | 7,183 | 32 | — | — |
| KB No.27 Special Purpose Acquisition Company | 5 | — | — | — |
| DSIP-Pharos Bioenergy Fund * | 4,000 | — | — | 4,000 |
| Shinhan-Eco Venture Fund 2nd | 1,825 | — | 225 | — |
| Leading H2O Fund 1 | 1,500 | — | — | — |
| 2023 JB Newtech No.2 Fund | 1,800 | — | — | 394 |
| KY Global Cell & Gene Private Equity Fund 2nd * | 27,034 | — | — | — |
| U-KB Credit No.1 Private Equity | 6,419 | — | 591 | — |
| KB-BridgePole Venture Investment Fund No.2 | 1,500 | — | — | — |
| KB No.28 Special Purpose Acquisition Company | — | — | 5 | — |
| Timefolio Athleisure Investment Fund | — | — | 4,000 | — |
| COMPA Global Scale-Up Fund No.3 | — | — | 1,000 | — |
| AKK Robotech Valueup New Technology Investment Fund | — | — | 1,000 | — |
| YG MCE PROJECT NO.1 Fund | — | — | 1,500 | — |
| KB No.29 Special Purpose Acquisition Company | — | — | 10 | — |
| KB No.30 Special Purpose Acquisition Company | — | — | 10 | — |
| KB No.31 Special Purpose Acquisition Company | — | — | 10 | — |
| IMM global Secondary 1-1 Equity Private Fund | — | — | 2,819 | — |
| Elohim-Bilanx aerospace No.1 Fund | — | — | 2,000 | — |
| KB-CJ Venture Fund 1st | — | — | 1,800 | — |
| HI YG Win-win Fund No.2 | — | — | 2,000 | — |
| KB-VEP Contact Fund | — | — | 395 | 47 |
| Reboot Private Equity Fund | — | — | 7,000 | — |
| LIB Material Investment Fund | — | — | 4,098 | — |
| NOVORSEC-SJG Consumer Secondary Fund | — | — | 1,700 | — |
| Allra Fintech Corp. | — | — | 8,532 | — |
| KB Global Commerce Private Equity Investment Fund * | — | — | — | 7000 |
| KB-SBI Global Strategic Capital Fund | — | — | 11,298 | — |
| KB-Cyrus Tourism Venture Fund | — | — | 1,000 | — |
| IBKS Design Fund | — | — | 2,000 | — |
| NICE DATA INTELLIGENCE VENTURE FUND | — | — | 1,000 | — |
| Pectus Hanhwa Fund 2 | — | — | 2,000 | — |
| KB-IMM New Star Real Estate Private Fund I | — | — | 31,672 | — |
| KB Rejuvenation Fund | — | — | 500 | — |
| VIG Private Equity Fund V-3 | — | — | 1,636 | — |
| KOENTEC Co. Ltd. | — | — | 107,428 | — |
| Sirius Silicon Valley I New Technology Fund | 500 | — | — | — |

* Excluded from the Group's related party as of December 31, 2024.

**43.6 Unused commitments provided to related parties as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won or in a US Dollar or Malaysian ringgit or the Indonesian Rupiah)* | | December 31, 2023 | December 31, 2024 |
|---|---|---|---|
| **Associates and joint ventures** | | | |
| Balhae Infrastructure Company | Purchase of securities | ₩ 6,154 | ₩ 6,154 |
| Korea Credit Bureau Co., Ltd. | Unused lines of credit for credit card | 563 | 565 |
| Incheon Bridge Co., Ltd. | Loan commitments in Korean won | 20,000 | 20,000 |
| | Unused lines of credit for credit card | 88 | 88 |
| TeamSparta Inc. | Loan commitments in Korean won | 1,000 | 1,000 |
| | Unused lines of credit for credit card | 633 | 696 |
| 3D Interactive Co., Ltd. | Unused lines of credit for credit card | 8 | 44 |
| Food Factory Co., Ltd. | Unused lines of credit for credit card | 55 | 50 |
| CellinCells Co., Ltd. | Unused lines of credit for credit card | 21 | 11 |
| RAND Bio Science Co., Ltd. | Unused lines of credit for credit card | 24 | 25 |
| Big Dipper Co., Ltd. | Unused lines of credit for credit card | 31 | 12 |
| ASSEMBLE CORPORATION | Unused lines of credit for credit card | 45 | 29 |
| COSES GT Co., Ltd. * | Unused lines of credit for credit card | 29 | 12 |
| Spark Biopharma Inc. | Unused lines of credit for credit card | 33 | 35 |
| Newavel Co., Ltd. | Unused lines of credit for credit card | 17 | 10 |
| IMBiologics Corp. | Unused lines of credit for credit card | 18 | 21 |
| SuperNGine Co., Ltd. | Unused lines of credit for credit card | 37 | 38 |
| IGGYMOB Co., Ltd. | Unused lines of credit for credit card | 43 | 50 |
| Pin Therapeutics Inc. | Unused lines of credit for credit card | 39 | 21 |
| Grinergy Co., Ltd. * | Unused lines of credit for credit card | 10 | 9 |
| S&E Bio Co., Ltd. | Unused lines of credit for credit card | 37 | 34 |
| Wemade Connect Co., Ltd. | Unused lines of credit for credit card | 156 | 121 |
| TMAP Mobility Co., Ltd. | Unused lines of credit for credit card | 710 | 744 |
| Contents First Inc. | Unused lines of credit for credit card | 135 | 35 |
| Allra Fintech Corp. | Unused lines of credit for credit card | — | 49 |
| Bigwave Robotics Crop. | Unused lines of credit for credit card | 69 | 61 |
| New Daegu Busan Expressway Co., Ltd. | Unused lines of credit for credit card | — | 4 |
| AIM FUTURE, Inc. | Unused lines of credit for credit card | — | 35 |
| Novorex Inc. | Unused lines of credit for credit card | — | 28 |
| Xenohelix Co., Ltd. | Unused lines of credit for credit card | — | 6 |
| ADPGREEN | Unused lines of credit for credit card | — | 25 |
| Logpresso Inc. | Unused lines of credit for credit card | — | 29 |
| DYNE MEDICAL GROUP Inc. | Unused lines of credit for credit card | — | 135 |
| TriOar Inc. | Unused lines of credit for credit card | — | 34 |
| KB-CJ Venture Fund 1st | Purchase of securities | — | 4,200 |
| KB-TS Technology Venture Private Equity Fund | Purchase of securities | 110 | — |
| KB-Stonebridge Secondary Private Equity Fund | Purchase of securities | 864 | 173 |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund | Purchase of securities | 13,488 | 4,524 |
| All Together Korea Fund No.2 | Purchase of securities | 990,000 | 990,000 |
| KB-KTB Technology Venture Fund | Purchase of securities | 5,600 | — |
| KB-SOLIDUS Healthcare Investment Fund | Purchase of securities | 46,884 | 23,569 |
| KB Co-Investment Private Equity Fund No.1 | Purchase of securities | 13,524 | 4,393 |
| KB-Badgers Future Mobility ESG Fund No.1 | Purchase of securities | 37,323 | 26,920 |
| KB-NP Green ESG New Technology Venture Capital Fund | Purchase of securities | 29,550 | 9,750 |
| FineKB Private Equity Fund No.1 | Purchase of securities | 9,125 | 2,335 |
| FineKB Private Equity Fund No.2 | Purchase of securities | 500 | — |
| KB-Solidus Global Healthcare Fund | Purchase of securities | 2,120 | — |
| | Commitments on loss absorption priority | 4,500 | 4,500 |

**43.6 Unused commitments provided to related parties as of December 31, 2023 and 2024, are as follows (cont'd):**

| *(In millions of Korean won or in a US Dollar or Malaysian ringgit or the Indonesian Rupiah)* | | December 31, 2023 | December 31, 2024 |
|---|---|---|---|
| **Associates and joint ventures** | | | |
| Paramark KB Fund No.1 | Purchase of securities | 14,490 | 6,360 |
| Smart Korea KB Future9-Sejong Venture Fund | Purchase of securities | 2,000 | 2,000 |
| Shinhan-Eco Venture Fund 2nd | Purchase of securities | 675 | 450 |
| U-KB Credit No.1 Private Equity | Purchase of securities | 33,582 | 35,700 |
| KB-Cyrus Tourism Venture Fund | Commitments on purchase of securities | — | 4,000 |
| KB-SBI Global Strategic Capital Fund | Commitments on purchase of securities | — | 55,702 |
| KB-IMM New Star Real Estate Private Fund I | Purchase of securities | — | 42,442 |
| VIG Private Equity Fund V-3 | Purchase of securities | — | 8,364 |
| RMGP Bio-Pharma Investment Fund, L.P. | Purchase of securities | USD 3,622,333 | USD 2,693,142 |
| RMGP Bio-Pharma Investment, L.P. | Purchase of securities | USD 10,027 | USD 8,470 |
| RMG-KB BP Management Ltd. | Purchase of securities | USD 630,679 | USD 556,617 |
| RMG-KB BioAccess Fund L.P. | Purchase of securities | USD 24,722,014 | USD 21,113,820 |
| Elev8-Capital Fund I | Purchase of securities | IDR 2,445,497,800 | IDR 1,787,096,277 |
| Ascent Global Fund III | Purchase of securities | USD 35,000,000 | USD 32,437,479 |
| **Key management personnel** | | | |
| Key management personnel | Loan commitments in Korean won | 2,666 | 3,011 |

* Excluded from the Group's related party as of December 31, 2024.

**43.7 Details of compensation to key management personnel for the years ended December 31, 2022, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | 2022 | | | |
|---|---|---|---|---|
| | Short-term employee benefits | Post-employment benefits | Share-based payments | Total |
| Registered directors (executive) | ₩ 8,725 | ₩ 863 | ₩ 7,487 | ₩17,075 |
| Registered directors (non-executive) | 1,058 | — | — | 1,058 |
| Non-registered directors | 16,756 | 484 | 12,432 | 29,672 |
| | ₩ 26,539 | ₩ 1,347 | ₩ 19,919 | ₩47,805 |

| *(In millions of Korean won)* | 2023 | | | |
|---|---|---|---|---|
| | Short-term employee benefits | Post-employment benefits | Share-based payments | Total |
| Registered directors (executive) | ₩ 7,874 | ₩ 930 | ₩ 8,654 | ₩17,458 |
| Registered directors (non-executive) | 1,092 | — | — | 1,092 |
| Non-registered directors | 18,087 | 707 | 15,816 | 34,610 |
| | ₩ 27,053 | ₩ 1,637 | ₩ 24,470 | ₩53,160 |

| *(In millions of Korean won)* | 2024 | | | |
|---|---|---|---|---|
| | Short-term employee benefits | Post-employment benefits | Share-based payments | Total |
| Registered directors (executive) | ₩ 7,196 | ₩ 915 | ₩ 14,726 | ₩22,837 |
| Registered directors (non-executive) | 1,081 | — | — | 1,081 |
| Non-registered directors | 18,451 | 480 | 29,236 | 48,167 |
| | ₩ 26,728 | ₩ 1,395 | ₩ 43,962 | ₩72,085 |

**43.8 Details of collateral provided by related parties as of December 31, 2023 and 2024, are as follows:**

| *(In millions of Korean won)* | Assets held as collateral | December 31, 2023 | December 31, 2024 |
|---|---|---|---|
| **Key management personnel** | Time deposits and others | ₩ 638 | ₩ 1,437 |
| | Real estate | 6,326 | 8,092 |

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 Group and 5 other institutions, and as subordinated collateral amounting to ₩384,800 million to subordinated debt holders consisting of the Group and 2 other institutions. Also, it provides certificate of credit guarantee amounting to ₩400,000 million as collateral to the project financing group consisting of the Group and 5 other institutions.

## 44. Events after the reporting period

The Group plans to acquire ₩520,000 million of treasury shares by May 5, 2025, and retire the treasury shares, pursuant to board resolutions dated February 5, 2025.

## 45. 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 certified by management on April 25, 2025.

## 46. Parent Company Information

The following tables present the Parent Company Only financial information:

### Condensed Statements of Financial Position

| *(In millions of Korean won)* | December 31, 2023 | December 31, 2024 |
|---|---|---|
| Assets | | |
| Cash and due from financial institutions | ₩ 256,337 | ₩ 398,391 |
| Financial assets at fair value through profit or loss | 1,376,423 | 1,243,471 |
| Loans at amortized cost | 608,286 | 359,054 |
| Investments in subsidiaries * | | |
| Banking subsidiaries | 14,821,721 | 14,821,721 |
| Nonbanking subsidiaries. | 11,896,096 | 12,046,096 |
| Other assets | 570,035 | 938,090 |
| Total assets | ₩29,528,898 | ₩29,806,823 |
| Liabilities and shareholders' equity | | |
| Borrowings | ₩ 100,000 | ₩ 965,000 |
| Debentures | 3,871,820 | 2,962,032 |
| Other liabilities | 515,003 | 891,233 |
| Shareholders' equity | 25,042,075 | 24,988,558 |
| Total liabilities and shareholders' equity | ₩29,528,898 | ₩29,806,823 |

* Investments in subsidiaries were accounted at cost method in accordance with IAS No.27.

**46. Parent Company Information (cont'd)**

**Condensed Statements of Comprehensive Income**

| *(In millions of Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| **Income** | | | |
| Dividends from subsidiaries | ₩1,871,223 | ₩2,192,380 | ₩2,243,250 |
| Interest from subsidiaries | 17,310 | 31,257 | 33,822 |
| Other income | 52,777 | 120,699 | 101,594 |
| Total income | 1,941,310 | 2,344,336 | 2,378,666 |
| **Expense** | | | |
| Interest expense | 112,353 | 99,980 | 101,073 |
| Non-interest expense | 159,708 | 107,355 | 106,938 |
| Total expense | 272,061 | 207,335 | 208,011 |
| Profit before income tax expense | 1,669,249 | 2,137,001 | 2,170,655 |
| Income tax benefit | 15,263 | (15,757) | (58) |
| **Profit for the year** | 1,684,512 | 2,121,244 | 2,170,597 |
| Other comprehensive gain(loss) for the year, net of tax | 2,483 | (962) | (1,507) |
| **Total comprehensive income for the year** | ₩1,686,995 | ₩2,120,282 | ₩2,169,090 |

**Condensed Statements of Cash Flows**

| *(In millions of Korean won)* | 2022 | 2023 | 2024 |
|---|---|---|---|
| **Operating activities** | | | |
| Net income | ₩ 1,684,512 | ₩ 2,121,244 | ₩ 2,170,597 |
| Reconciliation of net income to net cash provided by operating activities: | | | |
| Other operating activities, net | 7,807 | (66,265) | 36,135 |
| **Net cash inflow from operating activities** | 1,692,319 | 2,054,979 | 2,206,732 |
| **Investing activities** | | | |
| Net payments from (to) subsidiaries | — | 27,539 | (150,000) |
| Other investing activities, net | (1,409,500) | 103,294 | 414,742 |
| **Net cash outflow from investing activities** | (1,409,500) | 130,833 | 264,742 |
| **Financing activities** | | | |
| Net increase (decrease) in borrowings | — | 100,000 | 865,000 |
| Increases in debentures | 498,898 | — | 398,945 |
| Repayments of debentures and lease liabilities | (1,100,584) | (1,090,617) | (1,075,644) |
| Issuance of hybrid securities | 1,596,000 | 598,537 | 399,045 |
| Redemption of hybrid securities | — | — | (350,000) |
| Cash dividends paid | (1,564,153) | (1,336,815) | (1,686,776) |
| Acquisition of treasury shares | — | (571,745) | (820,000) |
| Other financing activities | — | 109 | 10 |
| **Net cash inflow (outflow) from financing activities** | (569,839) | (2,300,531) | (2,269,420) |
| **Net increase (decrease) in cash and cash equivalents** | (287,020) | (114,719) | 202,054 |
| **Cash and cash equivalents as of January 1** | 518,073 | 231,053 | 116,334 |
| **Cash and cash equivalents as of December 31** | ₩ 231,053 | ₩ 116,334 | ₩ 318,388 |

**Exhibit 1.1**

# ARTICLES OF INCORPORATION OF KB FINANCIAL GROUP INC.

## CHAPTER I
## GENERAL PROVISIONS

### Article 1 (Corporate Name)

The name of this company shall be "*KB Geumyung Jijoo*", which shall be expressed in English as "KB Financial Group Inc." (the "Company").

### Article 2 (Objective)

The objective of the Company shall be to engage in the following business activities:

1. Control over or management of companies engaged in financial businesses or other companies related closely to the operations of financial businesses;
2. Financial support (including lending of properties with economic value such as money and securities, guarantee of performance of obligations, and other direct or indirect transactions involving transactional credit risks, hereinafter the same) for subsidiaries, etc. (as defined in Article 4, Paragraph 1, Sub-paragraph 2 of the Financial Holding Company Act, including subsidiaries, subsidiaries of such subsidiaries (a "Sub-subsidiary") and other companies controlled by a Sub-Subsidiary, hereinafter the same).;
3. Financing for investment in subsidiaries or providing financial support to subsidiaries, etc.;
4. Provision of resources necessary for the business operations of subsidiaries, etc. , including support for the development and sales of financial products of subsidiaries, etc.;
5. Functions entrusted by subsidiaries, etc. to support the business operations of subsidiaries, etc. including IT, legal and accounting functions;
6. Provision of intellectual property rights, including trademarks, patents, etc. to subsidiaries, etc.;
7. Other businesses permitted by laws and regulations; and
8. Any other businesses incidental or related to those in Items 1 through 7 of this Paragraph.

**Article 3 (Location of Head Office and Establishment of Branches)**

(1) The Company shall have its head office in Seoul.

(2) The Company may establish branches, liaison offices, representative offices or subsidiaries within or outside Korea, as it deems necessary, by the resolution of the Board of Directors.

**Article 4 (Method of Public Notices)**

Public notices of the Company shall be posted on the website of the Company (www.kbfg.com); provided, however, that in case the notices cannot be posted on the website of the Company due to technical difficulties or any other unavoidable circumstances, they shall be published in the Seoul Shinmun and Dong-a Ilbo, daily newspapers published in Seoul.

## CHAPTER II
## SHARES

**Article 5 (Total Number of Authorized Shares)**

The total number of shares to be issued by the Company shall be one billion (1,000,000,000) shares.

**Article 6 (Par Value per Share)**

The par value per share to be issued by the Company shall be five thousand (5,000) Won.

**Article 7 (Number of Shares Issued at the Time of Incorporation)**

The total number of shares issued at the time of incorporation of the Company shall be three hundred and fifty six million, three hundred and fifty one thousand, six hundred and ninety three (356,351,693) shares of common stock.

**Article 8 (Types of Shares)**

(1) The shares to be issued by the Company shall be shares in registered form. The shares shall be issued by a resolution of the Board of Directors.

(2) The Company may issue common shares, shares with preferred dividend, non-voting shares, class shares with conversion rights (“convertible shares”), class shares with redemption rights (“redeemable shares”) and shares with combination of all or any of the above classes (the foregoing shares, except common shares, shall be referred to as “class shares”) in accordance with the terms of the Articles of Incorporation.

**Article 9 (Share Certificates)**

(1) The Company shall electronically register shares and rights to be indicated on stock warrant certificates in the electronic registration account book of electronic registries, in lieu of issuing share certificates and stock warrant certificates.

(2) < Deleted>

(3) < Deleted>

**Article 10 (Non-Voting Shares with Preferred Dividend)**

(1) The Company may issue non-voting shares with preferred dividend, and the number thereof shall not exceed one half (1/2) of the total number of issued and outstanding shares.

(2) The dividends on non-voting shares with preferred dividend shall be no less than one percent (1%) per annum of the par value and the rate thereof shall be determined by the Board of Directors at the time of issuance, together with the type of the distributed properties and method of determination of the value of distributed properties and conditions on payment of dividends to the extent permitted under Articles 59 and 60 hereof; *provided, that* in the case of issuance of non-voting shares with preferred dividend whereby the rate of preferred dividends is adjustable, the Board of Directors shall determine the fact that the rate of preferred dividends are adjustable, the reasons for the adjustability, the base date for the adjustment and the method of adjustment at the time of issuance of such shares.

(3) Non-voting shares with preferred dividend to be issued by the Company may be participating or non- participating, and accumulating or non-accumulating by the resolution of the Board of Directors.

(4) Non-voting shares with preferred dividend have no voting rights. However, if a resolution not to distribute dividends on such shares is adopted, then the such shares shall be deemed to have voting rights from the next General Meeting of Shareholders immediately following the General Meeting of Shareholders at which such resolution not to distribute dividends on such shares is adopted, to the end of the General Meeting of the Shareholders at which a resolution to distribute dividends on such shares is adopted.

(5) If the Company increases its capital by a shares offering or a bonus issue, the new shares to be assigned to non-voting shares with preferred dividend shall be common shares in the case of a shares offering and shall be the shares of same type in the case of a bonus issue.

(6) Whether or not to specify the duration of non-voting shares with preferred dividend shall be determined by the resolution of the Board of Directors. If there is any duration of non-voting shares with preferred dividend, such duration shall be no less than one (1) year and no more than ten (10) years from the date of issuance, and such period of duration shall be determined by the Board of Directors at the time of issuance. If there is any duration of non-voting shares with preferred dividend, such shares shall be converted into common shares upon the expiration of the duration period. However, if the holders of such shares do not receive dividends entitled to them during the duration period, then the duration period shall be extended until such holders receive in full the dividends to which they are entitled. < Delete >

**Article 11 (Convertible Shares)**

(1) The Company may, pursuant to a resolution of the Board of Directors, issue shares that are convertible into common shares or class shares at the request of shareholders, in an amount not exceeding 20% of the total number of issued and outstanding shares of the Company.

(2) The issue price of the new shares issued upon conversion shall be equal to the issue price of shares prior to conversion, and the number of shares to be issued upon conversion shall be equal to the number of shares prior to conversion.

(3) The period during which a shareholder may request for conversion shall be determined by a resolution of the Board of Directors and shall be a period that commences not earlier than one (1) year, and ends no later than ten (10) years, from the issue date.

(4) < Delete >

**Article 12 (Redeemable Shares)**

(1) In case of issuance of non-voting shares with preferred dividend, the Company may, pursuant to a resolution of the Board of Directors, issue such non-voting shares with preferred dividend as redeemable shares that may be redeemed with profits at the discretion of the Company or such shareholder, in an amount not exceeding one half (1/2) of the total number of issued and outstanding shares of the Company.

(2) The redemption price shall be the "issue price + additional amount", where the additional amount shall be determined by a resolution of the Board of Directors at the time of issuance of such redeemable shares, considering various factors such as the dividend rate, market condition and general circumstances related to the issuance of such redeemable shares.

(3) The redemption period for the redeemable shares shall be a period falling between (x) the day immediately following the close of the Ordinary General Meeting of Shareholders for the fiscal year in which the redeemable shares were issued and (y) one month after the close of the Ordinary General Meeting of Shareholders for the fiscal year in which the 20th anniversary of the issue date falls, as determined by a resolution of the Board of Directors; *provided, however, that* in the case of redeemable shares which are required to be redeemed by the Company upon the expiration of the redemption period, to the extent that any of the conditions listed below have occurred and remain outstanding, the redemption period shall be extended until such conditions have been resolved:

1. The holders of the redeemable shares did not receive the preferred dividends to which they are entitled; or

2. The Company is unable to redeem the redeemable shares during the redemption period due to a lack of sufficient profits.

(4) The Company may redeem the redeemable shares in whole at once or in part; *provided that*, in the case of partial redemption, the Company may select the shares to be redeemed by lottery, or proportionally among each holder. Fractional shares resulting from proportional redemption shall not be redeemed.

(5) In case of redeemable shares which the Company may redeem at its discretion, if the Company wishes to redeem the redeemable shares, the Company shall provide public notice specifying its intention to redeem, the redeemable shares to be redeemed and the fact that the share certificates must be presented to the Company within a period of no less than one (1) month. The Company must separately provide notice to the shareholders registered in the Company's registry of shareholders and the registered pledgees. Upon the expiration of the period mentioned above, the Company shall mandatorily redeem the redeemable shares. In case of redeemable shares which the Company may redeem at the request of shareholders, the shareholder requesting for redemption shall provide to the Company a notice specifying its intention to redeem and the redeemable shares to be redeemed within a period of no less than one (1) month.

(6) At the time of issuance of redeemable shares, the Company may, pursuant to a resolution of the Board of Directors and to the extent permitted by the relevant laws and regulations, issue the redeemable shares as convertible shares as provided for in Article 11 hereof.

**Article 13 (Preemptive Rights)**

(1) The shareholders of the Company shall have pre-emptive rights to subscribe for new shares to be issued by the Company in proportion to their respective shareholdings.

(2) Notwithstanding the provision of Paragraph (1) above, the Company may allocate new shares to persons other than existing shareholders of the Company by the resolution of the Board of Directors, in any of the following instances:

1. If the Company issues new shares for its capital increase by way of a general public offering, to the extent not exceeding 50/100 of the total number of issued and outstanding shares of the Company in accordance with the provisions of the Financial Investment Services and Capital Market Act (the "FSCMA");

2. If the Company preferentially allocates new shares to members of the Employee Stock Ownership Association in accordance with the provisions of the FSCMA;

3. If the Company issues new shares upon the exercise of stock options in accordance with the provisions of the Commercial Code, etc.;

4. If the Company issues new shares for the issuance of depositary receipts ("DR"), to the extent not exceeding 50/100 of the total number of issued and outstanding shares of the Company in accordance with the relevant provisions of the FSCMA, etc.;

5. If the Company issues new shares to foreign or domestic financial institutions or institutional investors, to the extent not exceeding 50/100 of the total number of issued and outstanding shares of the Company, where such investment is deemed to be necessary for the management or operations of the Company; or

6. If the Company issues new shares to a third party who has provided money, loan, advanced financial technology or know-how to the Company, has close, cooperative business relations with the Company, or has contributed to the management of the Company, to the extent not exceeding 50/100 of the total number of issued and outstanding shares of the Company.

(3) If the Company allocates new shares to persons other than existing shareholders of the Company pursuant to Paragraph (2) above, it shall give the notice to the shareholders or provide the public with respect to the matters set forth in Article 416, Items 1, 2, 2-2, 3 and 4 of the Korean Commercial Code no later than two (2) weeks before the payment date of such shares.

(4) In the case of issuance of new shares pursuant to each item under Paragraph (2) above, the type and total number of shares to be issued and the issue price, etc. shall be determined by a resolution of the Board of Directors.

(5) In the case a shareholder waives or loses the pre-emptive right to subscribe new shares, those shares not subscribed due to such waiver or loss of the pre-emptive right shall be disposed by a resolution of the Board of Directors. If fractional shares result from the allocation of new shares, such shares shall also be disposed of by a resolution of the Board of Directors.

**Article 14 (Stock Options)**

(1) The Company may grant stock options to the officers and employees (including officers and employees of related companies as prescribed under Article 30 of the Enforcement Decree of the Commercial Code, hereinafter, the same) pursuant to the provisions of the Commercial Code and other relevant laws, by a special resolution of the General Meeting of Shareholders, to the extent not exceeding 15/100 of the total number of issued and outstanding shares of the Company; provided, however, that the Company may grant stock options to the officers and employees other than directors, by a resolution of the Board of Directors, to the extent not exceeding one percent (1%) of the total number of issued and outstanding shares, in case of such the Company must obtain the approval of shareholders at the nearest forthcoming General Meeting of Shareholders.

(2) The persons who are entitled to receive such stock options shall be officers and employees of the Company prescribed under Paragraph (1) above who have contributed, or are capable of contributing, to the management or technical innovation of the Company, except for officers or employees in any of the following cases:

1. The Largest Shareholder of the Company (as defined in Article 542-8, Paragraph 2 (5) of the Commercial Code, hereinafter, the same) and Specially Related Persons thereof (as defined in Article 34, Paragraph 4 of the Enforcement Decree of the Commercial Code, hereinafter, the same), except for such persons who are deemed Specially Related Persons upon becoming officers (including an officer who is a non-standing officer of any affiliate company) of the Company;

2. Major Shareholders (as defined in Article 542-8, Paragraph 2 (6) of the Commercial Code, hereinafter, the same) of the Company, and Specially Related Persons thereof, except for such persons who are deemed Specially Related Persons upon becoming officers (including an officer who is a non-standing officer of any affiliate company) of the Company; and

3. Persons who become Major Shareholders of the Company through exercise of their stock options.

(3) The shares to be issued upon the exercise of stock options shall be common shares or class shares.

(4) The total number of shares to be given to one (1) officer or employee pursuant to the stock option shall not exceed 1/100 of the total number of shares issued and outstanding.

(5) The exercise price per share for the stock option shall be determined in accordance with the relevant laws, such as the Commercial Code, etc. Adjustment of exercise price shall be determined likewise.

(6) Stock options may be exercised during the period as decided by a resolution of the General Meeting of Shareholders or Board of Directors, at the time that the stock options are granted. Such exercise period shall fall between the date commencing from the 2nd anniversary of the date that a resolution was made to grant such stock options (as provided in Paragraph (1) above) until a date not later than the 7th anniversary of such resolution date.

(7) A stock option is exercisable by a person who has served the Company for two (2) years or more from the date specified in Paragraph (1) above at which a resolution to grant such stock option was adopted. If the grantee's continuous service terminates by reason of the grantee's death or for reasons other than by the fault of the grantee within two (2) years from the said date of resolution, the option may be exercisable within the exercise period.

(8) In the case of granting the stock options, the Company may condition the exercise of the stock options upon achieving a detailed set of performance goals, and may cancel all or a portion of the stock options or postpone the exercise of stock options if such condition is not satisfied.

(9) In the following instances, the Company may, by a resolution of the Board of Directors, cancel the stock options:

1. When the relevant officer or employee voluntarily resigns or retires from his or her position at the Company after receiving the stock option;

2. When the relevant officer or employee inflicts material damage or losses on the Company due to his or her willful misconduct or negligence;

3. When the Company cannot respond to the exercise of stock options due to its bankruptcy, dissolution, etc.; or

4. When there occurs any other event for cancellation of the stock option pursuant to the stock option agreement.

**Article 15 (Equal Dividends)**

The Company shall pay an equal amount of dividend with respect to shares in the same class issued (including such shares issued upon conversion) as of the record date for such dividend payment, irrespective of the issuance date of such shares.

**Article 16 (Transfer Agent)**

(1) The Company shall designate a transfer agent for shares.

(2) The transfer agent, its place of business and the scope of its agency business shall be determined by a resolution of the Board of Directors.

(3) The shareholders registry or duplicates thereof shall be kept at the business place of the transfer agent and electronic registration of shares, management of the shareholders registry and other related activities shall be conducted by the transfer agent.

(4) The procedure provided for in Paragraph (3) above shall be regulated by the regulations applicable to Transfer Agent, etc.

**Article 17 (Request For Preparation of the Register of Holders)**

The Company may request the electronic registry to prepare a register of holders when it is necessary, including in the case when there is a change in the status of a shareholder (including such shareholder's specially related parties) who owns 5% or more equities of the Company.

**Article 18 (Record Date)**

(1) < Delete >

(2) The shareholders registered in the shareholders' registry as of December 31 of each fiscal year shall be entitled to exercise the rights as shareholders at the Ordinary General Meeting of Shareholders convened for such fiscal year.

(3) The Company may, if necessary for convening of an Extraordinary General Meeting of Shareholders or any other necessary cases, cause the shareholders whose names appear in the shareholders' registry on a record date set by a resolution of the Board of Directors to exercise their rights as shareholders. The Company shall give at least two (2) weeks prior notice to the public.

(4) Notwithstanding the provision of the last sentence of Paragraph (3) above, if prescribed otherwise by the Financial Holding Companies Act and other relevant laws and regulations, such laws may prevail.

## CHAPTER III
## BONDS

**Article 19 (Issuance of Bonds)**

(1) The Company may, pursuant to a resolution of the Board of Directors, issue bonds.

(2) The Board of Directors may delegate the Representative Director to issue bonds in such amount and type as determined by the Board of Directors no later than one (1) year from the date of delegation.

(3) The Company shall electronically register bond (which shall include the bonds and contingent convertible bonds set forth from Articles 19-2 to 21) and rights to be indicated on warrant certificates in the electronic registration account book of electronic registries, in lieu of issuing bond certificates and warrant certificates ; provided, however, that in the case of bonds, the Company may choose not to electronically register bonds other than bonds that are required to be electronically registered, including listed bonds.

**Article 19-2 (Issuance of Convertible Bonds)**

(1) The Company may issue to persons other than existing shareholders of the Company convertible bonds, by the resolution of the Board of Directors, to the extent that the total face value of the bonds shall not exceed two trillion five hundred billion (2,500,000,000,000) Won, in the following cases:

1. If the Company issues convertible bonds through a general public offering;

2. If the Company issues convertible bonds to domestic or foreign financial institutions or institutional investors in order to raise the fund to meet urgent need; or

3. If the Company issues convertible bonds to a third party who has provided money, loan, advanced financial technology or know-how to the Company, has close, cooperative business relations with the Company, or has contributed to the management of the Company.

(2) The Board of Directors may determine that the convertible bonds referred to in Paragraph (1) may be issued on the condition that conversion rights will be attached to only a portion of the convertible bonds.

(3) The shares to be issued upon conversion shall be common shares or class shares. The conversion price, which shall be equal to or more than the face value of the shares, shall be determined by the Board of Directors at the time of issuance of convertible bonds.

(4) The conversion period shall commence on the date following three (3) months from the issue date of the convertible bonds and end on the date immediately preceding the redemption date thereof. However, the conversion period may be adjusted within the above period by a resolution of the Board of Directors.

(5) < Delete >

**Article 20 (Bonds with Warrants)**

(1) The Company may issue to persons other than existing shareholders of the Company bonds with warrants, by the resolution of the Board of Directors, to the extent that the total face value of the bonds shall not exceed two trillion five hundred billion (2,500,000,000,000) Won, in the following cases:

1. If the Company issues bonds with warrants through a general public offering;

2. If the Company issues bonds with warrants to domestic or foreign Financial institutions or institutional investors in order to raise the fund to meet urgent need; or

3. If the Company issues bonds with warrants to a third party who has provided money, loan, advanced financial technology or know-how to the Company, has close, cooperative business relations with the Company, or has contributed to the management of the Company.

(2) The amount of new shares which can be subscribed for by the holders of the bonds with warrants shall be determined by the Board of Directors to the extent that the maximum amount of such new shares shall not exceed the face value of the bonds with warrants.

(3) The shares to be issued upon exercise of warrants shall be common shares or class shares. The issue price, which shall be equal to or more than the face value of the shares, shall be determined by the Board of Directors at the time of issuance of bonds with warrants.

(4) The warrant exercise period shall commence on the date following three (3) months from the issue date of the relevant bonds and end on the date immediately preceding the redemption date thereof. However, the warrant period may be adjusted within the above period by resolution of the Board of Directors.

(5) < Delete >

**Article 20-2 (Issuance of Write-down Contingent Convertible Bonds)**

(1) The Company may issue bonds by a resolution of the Board of Directors, which are a different type of bonds from those under Article 469, Paragraph (2), Article 513 and Article 516-2 of the Korean Commercial Code and are exempted from the obligation to repay the bonds and pay interest thereon if an event predetermined in accordance with objective and reasonable standards at the time of the issuance of the bonds occurs (the "Write-down Contingent Convertible Bonds").

(2) The Company may issue the Write-down Contingent Convertible Bonds in the preceding Paragraph to the extent the aggregate par value thereof does not exceed twenty trillion (20,000,000,000,000) Won by a resolution of the Board of Directors.

(3) The Company may issue the Write-down Contingent Convertible Bonds on the condition that if either one of the following conditions are satisfied, the obligations to repay the Write-down Contingent Convertible Bonds issued by the Company and to pay interest thereon shall be reduced or exempted (the "Debt Restructuring"):

1. The Company received a measure of managerial improvement order from the Financial Services Commission pursuant to the Financial Holding Companies Act: or

2. The Company is designated as a non-performing financial institution pursuant to the Act on the Structural Improvement of the Financial Industry.

(4) The Board of Directors of the Company may determine such terms and conditions to be amended following the Debt Restructuring, to the extent permitted under the relevant laws and regulations, at the time of the issuance of the Write-down Contingent Convertible Bonds.

**Article 21 (Issuance of Participating Bonds)**

(1) The Company may issue participating bonds to persons other than existing shareholders by the resolution of Board of Directors; to the extent that the total face value of the bonds shall not exceed one trillion (1,000,000,000,000) Won, in the following cases:

1. If the Company issues participating bonds through a general public offering;
2. If the Company issues participating bonds to domestic or foreign financial institutions or institutional investors in order to raise the fund to meet urgent need; or
3. If the Company issues participating bonds to a third party who has provided money, loan, advanced financial technology or know-how to the Company, has close, cooperative business relations with the Company, or has contributed to the management of the Company.

(2) The matters about participation in any distribution of dividends on bonds issued pursuant to Article (1) above shall be determined by the resolution of the Board of Directors on the basis of the distribution of dividends on common shares at the time of issuance.

**Article 22 (Applicable Provisions for the Issuance of Bonds)**

The provisions of Articles 16 hereof shall be applicable to the issuance of bonds.

## CHAPTER IV
## GENERAL MEETINGS OF SHAREHOLDERS

**Article 23 (Convening of General Meetings of Shareholders)**

(1) General Meetings of Shareholders of the Company shall be of two types: (i) Ordinary and (ii) Extraordinary.

(2) The Ordinary General Meeting of Shareholders shall be held within three (3) months after the end of each fiscal year and the Extraordinary General Meeting of Shareholders may be convened whenever deemed necessary.

**Article 24 (Authority to Convene)**

(1) The Representative Director shall convene the General Meeting of Shareholders in accordance with a resolution by the Board of Directors, unless otherwise prescribed by other laws and ordinances.

(2) If the Representative Director is unable to perform his/her duties, Article 41, Paragraph (2) shall apply *mutatis mutandis*.

**Article 25 (Personal or Public Notices for Convening)**

(1) Written or electronic notice of the General Meeting of Shareholders of the Company shall state the date, time, place of the Meeting, the purposes for which the Meeting has been called. The written or (with the consent of each shareholder) electronic notice shall be sent to all shareholders at least two (2) weeks prior to the date set for such Meeting.

(2) The written or electronic notice of a General Meeting of Shareholders under Paragraph (1) above to be given to shareholders holding one-hundredth (1/100) or less of the total issued and outstanding voting shares may be substituted by either giving public notice of the convening of the General Meeting of Shareholders in the Seoul Shinmun and the Dong-a Ilbo, which are published in the city of Seoul and at least two (2) notices are made in the said publications two (2) weeks prior to the date set for such Meeting or by giving such public notice through the electronic disclosure system operated by the Financial Supervisory Commission or the Korea Exchange; provided that, if the Seoul Shinmun and the Dong-a Ilbo are not available due to circumstances beyond the Company's control, the public notices may be given in the Chosun Ilbo and the Joongang Ilbo, in such order.

**Article 26 (Place of Meeting)**

The General Meeting of Shareholders shall be held in the city where the head office is located or any other places adjacent thereto as required.

**Article 27 (Chairman of the General Meeting of Shareholders)**

The person who has the authority to convene the General Meeting of Shareholders under Article 24 above shall be the Chairman of the General Meeting of Shareholders.

**Article 28 (Chairman's Authority to Maintain Order)**

(1) The Chairman of the General Meeting of Shareholders may order persons who purposely speak or act in a manner that disrupts or inhibits the deliberations of the General Meeting of Shareholders or who otherwise disturb the public order of the General Meeting of Shareholders to desist, retract his/her remarks, or to leave the place of meeting.

(2) The Chairman of the General Meeting of Shareholders may restrict the length and frequency of the speech of shareholders if it is necessary for the orderly conduct of the General Meeting of Shareholders.

**Article 29 (Voting Rights)**

(1) Each shareholder shall have one (1) vote for each share he/she owns.

(2) If the Company, any of its parent company and subsidiary or subsidiaries hold shares exceeding one tenth (1/10) of the total number of issued and outstanding shares of another company, the shares of the Company held by such other company shall not have voting rights.

**Article 30 (Split Voting)**

(1) If any shareholder who holds two (2) or more votes wishes to split his/her votes, he/she shall give written or electronic notice to the Company of such intent and the reasons therefor no later than three (3) days before the date set for the General Meeting of Shareholders.

(2) The Company may refuse to allow the shareholder to split his/her votes unless the shareholder acquired the shares in trust or otherwise holds the shares for and on behalf of some other person.

**Article 31 (Voting by Proxy)**

(1) A shareholder may exercise his/her voting rights by proxy.

(2) In the case of Paragraph (1) above, the proxy holder shall file with the Company the documents (power of attorney) evidencing the authority to act as a proxy before the General Meeting of Shareholders.

**Article 32 (Method of Resolution of the General Meeting of Shareholders)**

Except as otherwise provided in the applicable laws and regulations, all resolutions of the General Meeting of Shareholders shall be adopted by the affirmative vote of a majority of the shareholders present; provided that such votes shall, in any event, represent not less than 1/4 of the total number of issued and outstanding shares.

**Article 33 (Exercise of Voting Rights in Writing)**

(1) If the method of written resolutions at the General Meeting of Shareholders is adopted by the resolution of the Board of Directors, at which the convening of the General Meeting of Shareholders is determined, the shareholders may exercise their voting rights in writing without attending the meeting.

(2) In the case of Paragraph (1), the Company shall send the documents and references necessary for the exercise of the voting rights, together with the convening notice of the General Meeting of Shareholders.

(3) If a shareholder intends to exercise his/her voting rights in writing, the shareholder shall fill in and submit to the Company the documents referred to in Paragraph (2) one day before the date set for the General Meeting of Shareholders.

**Article 34 (Minutes of the General Meetings of Shareholders)**

The substance of the course of the proceedings of the General Meeting of Shareholders and the results thereof shall be recorded in the minutes and shall be preserved at the head office and branches of the Company, after being affixed with the names and seal impressions or signatures of the Chairman and the Directors present.

## CHAPTER V
## DIRECTORS AND BOARD OF DIRECTORS

**Article 35 (The Number of Directors)**

(1) The Company shall have not more than thirty (30) Directors.

(2) The number of Non-executive Directors shall be more than one half (1/2) of the total number of Directors and five (5) or more.

**Article 36 (Election of Director)**

(1) The Directors shall be elected at the General Meeting of Shareholders.

(2) Non-executive Directors shall be recommended by the Non-executive Directors Candidate Nomination Committee pursuant to Article 48 and elected at the General Meeting of Shareholders.

**Article 37 (Qualifications of Non-executive Directors)**

(1) Any person falling within the scope of any of the following cannot become a non-executive director of this Company and such person shall, if found to fall within the scope of any of the following after becoming a non-executive director, lose his/her office as non-executive director:

1. Any person to whom any sub-paragraph of Article 6, Paragraph 1 of the Act on Corporate Governance of Financial Companies applies; or

2. Any person serving as a non-executive director of any other company that is not a Subsidiary, etc. of the Company.

(2) The Company shall appoint a non-executive director who has expertise and knowledge by considering the following; provided, however, that this Paragraph is not applicable to a person who is appointed as non-executive director after being nominated as a candidate therefor pursuant to Article 542-8, Paragraph (5) of the Korean Commercial Code or Article 17, Paragraph 4 of the Act on Corporate Governance of Financial Companies.

1. Whether he or she is sufficiently well-informed or experienced in a related field, including finance, economics, management, accounting and law, as required for his or her performance of duty as a non-executive director;

2. Whether he or she may fairly perform his or her duty for the benefit of the entire shareholders and financial consumers without being bound by certain interests;

3. Whether he or she has reasonable sense of morals and responsibility to perform his or her duty as a non-executive director; or

4. Whether he or she is able to dedicate sufficient time and effort to fully perform his or her duty as a non-executive director of a financial company.

**Article 38 (Term of Director)**

(1) A Director shall be appointed to a term of office of three (3) years, and may be re-appointed; provided, that such term may be otherwise determined at the General Meeting of Shareholders to the extent it does not exceed three (3) years.

(2) If the term of office as set forth in Paragraphs (1) and (4) expires after the end of a fiscal year but before the Ordinary General Meeting of Shareholders convened in respect of such fiscal year, the term of office shall be extended up to the close of such General Meeting of Shareholders.

(3) Unless otherwise prescribed by General Meeting of Shareholders, the term of office of the Director shall commence from the date of appointment.

(4) Notwithstanding Paragraph (1), the term of office of a non-executive director shall be two (2) years and shall be one (1) year if the non-executive director is being re-appointed; provided, however, that the length of such term may be otherwise determined at the General Meeting of Shareholders so long as such term does not exceed two (2) years (or one (1) year in the case of re-appointment).

(5) A non-executive director cannot serve a term of office for more than five (5) years on a consecutive basis except in the case where the term of office is extended pursuant to Paragraph (2) above.

(6) If a non-executive director is re-appointed within two (2) years from the expiry of the term of office, the non-executive director shall be deemed to serve the position on a consecutive basis.

(7) The term of office set forth in above Paragraph (5) shall be calculated by taking into consideration the term of office served as a non-executive director for Subsidiaries, etc. of this Company (but only with respect to such non-executive director of a Subsidiary, etc. who is appointed as a non-executive director of this Company within two (2) years from the expiry of the term of office), except for the term of office served as a non-executive director for a company that is not an affiliate of this Company. However, the terms of office of non-executive directors of companies that became subsidiaries, etc. of the Company at the time the Company was approved to become a financial holding company pursuant to Article 3 of the Financial Holding Company Act shall be counted for the calculation of the terms of office hereunder.

**Article 39 (By-election of Directors)**

(1) In the event of any interim vacancy in the office of the Director, a substitute Director shall be elected at the General Meeting of Shareholders; *provided, however, that* the foregoing shall not apply if the number of remaining Directors satisfies the requirement Article 35 hereof and such vacancy does not cause any difficulties in business operation of the Company.

(2) If the number of Non-executive Directors does not satisfy the requirement referred to in Article 35 due to the death or resignation of Non-executive Directors, etc., Non-executive Directors shall be elected to fill the vacancy at the first General Meeting of Shareholders to be held after such occurrence so as to cause the number of Non-executive Directors to be such prescribed number.

**Article 40 (Appointment of Representative Director, et al.)**

The Company may appoint several Representative Directors, including one appointed as the Chairman, by the resolution of the Board of Directors.

**Article 41 (Duties of Directors)**

(1) The Representative Director shall represent the Company and shall perform the matters resolved by the Board of Directors and oversee the business of the Company as determined by the Board of Directors.

(2) Directors who are not Non-executive Directors shall assist the Representative Director, and divide and perform their respective duties as may be determined by the Representative Director. In the case of an absence of, or an accident caused to, the Representative Director, the Directors shall take his/her place as the Representative Director in accordance with their order of priority as determined by the Board of Directors.

**Article 42 (Director's Obligation)**

(1) Directors shall attend the meeting of the Board of Directors and shall perform their respective duties faithfully. During his/her service period and after his/her retirement, Directors shall not disclose trade secrets of the Company obtained in the course of his/her performance of duties.

(2) If any Director finds any facts which may cause substantial losses to the Company, such Director shall promptly report to the Audit Committee thereof.

**Article 43 (Composition and Convening of the Meeting of Board of Directors)**

(1) The Board of Directors shall consist of Directors, and shall resolve important matters regarding the business affairs of the Company.

(2) The Chairman of the Board of Directors shall be elected from among the non-executive directors in accordance with the resolution of the Board of Directors on an annual basis.

(3) The Meeting of the Board of Directors shall be convened at least once per fiscal quarter.

(4) The Meeting of the Board of Directors shall be convened by giving notice to each Director at least three (3) days prior to the scheduled date of such Meeting. In the absence of or if accidents are caused to the Chairman of the Board of Directors, the Director(s) as determined by the Board of Directors shall take his/her place as the Representative Director. However, the said notice period may be shortened in urgent cases and the said procedures may be omitted with the consent thereon of all Directors.

(5) The Company shall organize the Board of Directors so that persons from various fields with appropriate experience and knowledge required for the performance of duties as directors of a financial company may be included therein, and shall put its effort so that the Board of Directors may not be comprised of directors with certain common background in their expertise nor be weighted towards certain occupations or some groups by representing the interest thereof, etc.

(6) Other matters regarding the operation of the Board of Directors shall be determined in accordance with the resolution of the Board of Directors.

**Article 44 (Review/Resolution of the Board of Directors)**

The Board of Directors shall review and resolve each of the following matters:

1. Matters concerning business objectives and performance evaluations;
2. Matters concerning amendments to the Articles of Incorporation;
3. Matters concerning budgets and settlement of accounts;
4. Matters concerning major organizational changes such as dissolutions, business transfers and mergers;
5. Matters concerning establishment, amendment or repeal of internal control standards and risk management standards as prescribed by the relevant laws and regulations;
6. Matters concerning establishment and supervision of internal control and risk management policies;
7. Matters concerning establishment of corporate governance policies such as management succession of the chief executive officer;
8. Matters concerning supervision of conflicts of interests between principal shareholders, officers, etc. and the Company;

9. Matters concerning the general shareholders' meeting, general business, management of subsidiaries, material contracts, organization and officers, fund-raising and capital, and other matters as separately determined by the bylaws of the Board of Directors.

**Article 45 (Method of Resolution)**

(1) The quorum for the Board of Directors shall be the presence of at least more than one half (1/2) of the Directors, and all resolutions of the Board of Directors shall require the affirmative votes of a majority of the Directors present at the meeting of the Board of Directors; provided that amendment of the Articles of Incorporation, appointment of the Representative Director and other matters requiring the resolution of General Meeting of Shareholders shall be adopted by the affirmative vote of a majority of the Directors in office; provided, further, that any matter falling under Articles 397-2 (Prohibition on Usurpation of Corporate Opportunity) and 398 (Prohibition on Transaction between Director and Company) of the Korean Commercial Code shall be adopted by the affirmative vote of equal to or more than two-thirds(2/3) of the Directors in office.

(2) The Board meetings may be held by means of an audio conference that can simultaneously transmit and receive sound, whereby all or part of the Directors may participate in the meeting and vote on matters at the same time. In such case, a Director participating in the meeting by such arrangement shall be considered present at the meeting.

(3) Any Director who has an interest in the matters to be resolved at the Meeting of the Board of Directors shall not be entitled to vote at such Meeting.

**Article 46 (Minutes of the Meeting of Board of Directors)**

(1) The proceedings of a Board meeting shall be recorded in the minutes.

(2) The agenda, proceedings, resolutions, dissenting director (if any) and his/her reasons for dissenting of a Board meeting shall be recorded in the minutes on which the names and seals of the Directors present at the meeting shall be affixed or signed by them.

**Article 47 (Power and Obligation of the Board of Directors to the Wholly-Owned Subsidiary, etc.)**

(1) The Board of Directors shall retain the power to give advice, corrective recommendation and request for submission of materials with respect to the matters of management of the subsidiary of which the total issued and outstanding shares are owned by the Company ("Wholly-Owned Subsidiary"), and the Sub-subsidiary company of which the total issued and outstanding shares are owned by the Wholly-Owned Subsidiary("Wholly-Owned Sub-subsidiary", and "Wholly-Owned Subsidiary, etc." together with Wholly-Owned Subsidiary).

(2) When exercising the power under Paragraph (1) above, the Board of Directors shall be liable for the followings:

1. The Board of Directors shall not hinder the soundness of management, consumer's right and the sound order of financial transactions;
2. During his/her service period and after his/her retirement, Directors shall not disclose trade secrets of the Wholly-Owned Subsidiary, etc. obtained in the course of his/her performance of duties; and
3. The Board of Directors shall not violate the relevant laws and regulations.

(3) The Board of Directors shall set up the standards of internal compliance in accordance with the relevant laws and regulations such as the Act on Corporate Governance of Financial Companies in order to supervise direct and indirect subsidiaries of the Company, and may appoint the compliance officer to inspect compliance of such standards.

**Article 48 (Committees)**

(1) The Company may establish various committees including following committees within the Board of Directors as determined by the resolution of the Board of Directors for the purposes of smooth operation of the Board of Directors and effective management of the Company:

1. Non-executive Director Nominating Committee;
2. Chairman Nominating Committee;
3. Audit Committee Member Nominating Committee;
4. Subsidiaries' Representative Director Nominating Committee;
5. Audit Committee;
6. Risk Management Committee;

7. Evaluation and Compensation Committee;

8. Internal Control Committee; and

9. ESG Committee.

(2) Matters regarding the composition, power, operation, etc. of each committee shall be determined by the resolution of the Board of Directors. However, the Risk Management Committee shall oversee the inspection, evaluation and improvement requests with respect to risk management pursuant to Article 22-2 Paragraph (2) of the Act on Corporate Governance of Financial Companies.

(3) Article 43, Paragraph (4), Article 44 and Article 45 shall apply *mutatis mutandis* with respect to the committees.

**Article 49 (Remuneration for Directors, etc.)**

(1) The maximum remuneration of a Director shall be determined by a shareholder resolution at a General Meeting of Shareholders.

(2) The severance pay of a Director shall be made in accordance with the "Regulations on Severance Pay for Directors" approved at a General Meeting of Shareholders.

**Article 50 (Group Management Control Committee, Etc.)**

(3) The Company shall establish the Group Management Control Committee in order to effectuate strategic managerial decision-making for the Company, its Subsidiaries, etc., and the matters regarding the operation of the Group Management Control Committee shall be determined by the Board of Directors.

(4) The Company may retain consultants, honorary directors, advisors, etc. by a resolution of the Board of Directors.

## CHAPTER VI
## AUDIT COMMITTEE

**Article 51 (Constitution of Audit Committee)**

(1) The Company shall establish an Audit Committee, as prescribed by the Act on Corporate Governance of Financial Companies and other applicable laws and regulations.

(2) The Audit Committee of the Company under the Act on Corporate Governance of Financial Companies shall consist of three (3) or more Directors, who are recommended by the Audit Committee Member Nominating Committee, which is composed of all Non-executive Directors.

(3) Two-thirds (2/3) of the members of the Audit Committee shall be elected from the Non-executive Directors. The members of the Audit Committee who are not Non-executive Directors shall satisfy the requirements of the Act on Corporate Governance of Financial Companies.

(4) Not less than one of the members of the Audit Committee shall be a professional in financial affairs pursuant to the relevant laws such as the Act on Corporate Governance of Financial Companies:

(5) At least one audit committee member other than the audit committee members specified in Paragraph (4) shall have any of the following qualifications

1. A licensed person such as lawyer, CPA with at least 5-year work experience in the licensed business;
2. A person having a master's degree or above in law or business with at least five (5) years of work experience as a researcher at a research institution or an assistant professor or above at a university, in law, finance, or accounting or a related field;
3. A person who has been served as a professional in accounting, internal compliance, audit, Information Technology (IT) and so on with at least 10-year work experience in finance related organizations;
4. A person who has served as an executive official for at least 5-year, or as an employee who has a specific and practical knowledge in economics, business, law, accounts and the like for at least 10-year in Stock listed corporations; or
5. A person who is recognized as being equivalently qualified as those listed in items 1 through 4 by the Board of Directors or General Meeting of the Shareholders.

(6) The Chairman of the Audit Committee shall be elected among the members who are Non-executive Directors by a resolution of the Audit Committee.

(7) If the number of members of the Audit Committee does not satisfy the requirement referred to Paragraph (3) due to the death or resignation of members or any other reason, the members shall be elected to fill the vacancy at the first General Meeting of Shareholders to be held after such occurrence so as to cause the number of members to be such prescribed number.

**Article 52 (Duties of Audit Committee)**

(1) The Audit Committee shall audit Directors' performance of their duties and may request business reports from any Director, or investigate the business and status of property of the Company.

(2) The Audit Committee may, if necessary, request to call the Board meeting by submitting, in writing, a purpose and reason for such meeting to a person authorized to convene the Meeting of the Board of Directors.

(3) The Audit Committee may convene the Meeting of the Board of Directors in the event a person authorized to convene the Meeting of the Board of Directors fails to convene such meeting without delay according to Paragraph (2) above.

(4) The Audit Committee shall inspect the matters listed in the agenda of, and documents submitted to, a General Meeting of Shareholders to investigate whether there is any event violating the laws or these Articles of Incorporation and the Chairman of the Audit Committee shall express his/her opinion to the General Meeting of Shareholders.

(5) The Audit Committee may request the Board of Directors to convene the Extraordinary General Meeting of Shareholders by submitting documents stating the agenda and reasons for convening such meeting.

(6) The Audit Committee may request business reports from any subsidiary of the Company when it is necessary to perform its duties. In this case, if such subsidiary does not report to the Audit Committee immediately or the Audit Committee needs to verify the contents of the reports, it may investigate the status of business and the financial condition of the subsidiary.

(7) The Audit Committee shall retain the power to audit the status of the operation and property and to request the submission of materials in relation to the managerial matters of the Wholly-Owned Subsidiary, etc. and with respect to the exercise of such power Article 47 Paragraph (2) shall apply *mutatis mutandis* to the liability of the Audit Committee.

(8) The Audit Committee shall select an external auditor.

(9) In addition to the matters referred to in Paragraphs (1) through (8), the Audit Committee shall carry out the matters delegated by the Board of Directors.

(10) The Board of Directors shall not overrule the decisions of the Audit Committee.

(11) The Audit Committee may request professional support at the Company's expenses.

**Article 53 (Audit Committee's Record)**

The Audit Committee shall record the substance and results of its audit in the Audit Committee's record, on which the name and seal of the Audit Committee Member who has performed such audit shall be affixed or shall be signed by such Audit Committee Member.

## CHAPTER VII
## ACCOUNTING

**Article 54 (Fiscal Year)**

The fiscal year of the Company shall begin on January 1 and end on December 31 of each year.

**Article 55 (Preparation and Maintenance of Financial Statements and Business Report, etc.)**

(1) The Representative Director of the Company shall prepare the following documents to be submitted to the Ordinary General Meeting of Shareholders, together with supplementary data for items 1 through 3 and business reports, and have such documents audited by the Audit Committee no later than six (6) weeks before the date of the Ordinary General Meeting of Shareholders:

1. balance sheet(statements of financial position referred to in Article 2 of the Act on the External Audit of Stock Companies, Etc.);
2. statements of profit and loss; and
3. other documents which record the Company's financial condition and business performance as set forth by the Enforcement Decree of the Korean Commercial Code; and
4. consolidated financial statements for items 1 through 3 as set forth by the Enforcement Decree of the Korean Commercial Code.

(2) The Audit Committee shall submit an audit report to the Representative Director no later than one (1) week before the date of the Ordinary General Meeting of Shareholders.

(3) The Representative Director shall keep on file copies of the documents described in Paragraph (1) above, together with the business report and Audit Committee's audit report thereon, at the head office of the Company for five (5) years, and certified copies of all of such documents at the branches of the Company for three (3) years, beginning from one (1) week before the date of the Ordinary General Meeting of Shareholders.

(4) Upon obtaining approval for the documents mentioned in Paragraph (1) above from the General Meeting of Shareholders, within three (3) months from the end of the relevant fiscal year, the Representative Director shall make a public notice of the balance sheet(statements of financial position referred to in Article 2 of the Act on the External Audit of Stock Companies, Etc.), income statement, consolidated financial statements pursuant to the Act on External Audit of Stock Companies, Etc. which are designated by the FSC and the opinion of an external auditor.

**Article 56 (Appointment of External Auditor)**

The Company shall appoint a person selected by the Audit Committee as the external auditor, and shall report such appointment to the Ordinary General Meeting of Shareholders to be held after he/she is appointed or to the shareholders as of the latest record date in writing or in electronic form, or shall give a public notice regarding such appointment via the Company's website and make such notice available until the end of the relevant fiscal year with respect to which the audit is conducted.

**Article 57 (Disposal of Profits)**

The Company shall dispose of the unappropriated retained earnings as of the end of each fiscal year as follows:

1. earned surplus reserves;
2. other statutory reserves;
3. dividends;
4. temporary reserves; and
5. other appropriations of earned surplus.

**Article 58 (Retirement of Shares)**

(1) The Company may retire the shares within the scope of profits attributable to the shareholders by the resolution of the Board of Directors.

(2) In order to retire the shares pursuant to Paragraph (1), the Board of Directors shall adopt the following resolutions:

1. Types and the total number of shares to be retired;
2. The total amount of shares to be acquired for retirement; and
3. Acquisition period or retirement date (the acquisition period or retirement date shall be before the Ordinary General Meeting of Shareholders to be held first after the resolution of such retirement).

(3) In case of acquisition of shares for the purpose of retirement pursuant to Paragraph (1), the following criteria shall be followed:

1. In the case of acquisition of shares for the purpose of retirement, such acquisition shall be made in accordance with the method and criteria as prescribed in the relevant laws, such as the FSCMA, etc.
2. Total price of the shares to be acquired for the purpose of retirement shall not be more than the amount as prescribed in the relevant laws, such as the FSCMA, etc. within the scope available for dividend as at the end of such fiscal year pursuant to Article 462, Paragraph (1) of the Commercial Code**.**

(4) When the shares are retired pursuant to Paragraph (1), the matters referred to in each Subparagraph of Paragraph (2) and the results of retirement shall be reported to the Ordinary General Meeting of Shareholders to be held first after the resolution of such retirement.

**Article 59 (Dividends)**

(1) Dividends may be distributed in cash or stock.

(2) In case the dividends are to be distributed in stock and the Company has class shares, the stock dividend distribution may be made in shares of different types by a resolution of the General Meeting of Shareholders.

(3) The Company may set the record date to determine the shareholders who will receive the Dividends set forth in Paragraph (1) by a resolution of the Board of Directors. The Company shall give at least two (2) weeks prior notice to the public.

**Article 60 (Quarterly Dividends)**

(1) The Company may distribute cash dividends to the shareholders pursuant to resolution of the Board of Directors obtained within (45) days from the last day of March, June or September.

(2) The Company may set the record date to determine the shareholders who will receive the Dividends set forth in Paragraph (1) by a resolution of the Board of Directors. The Company shall give at least two (2) weeks prior notice to the public.

(3) < Delete >

(4) In case of distributing quarterly dividends, the same dividend rate as that of common shares of the Company shall be applied to non-voting shares with preferred dividend under Article 10 unless otherwise determined at the time of issuance.

**Article 61 (Expiration of Right to Payment of Dividends)**

(1) The right to demand payment of dividends shall extinguish by prescription if not exercised within five (5) years.

(2) The dividends, for which the right has been extinguished under Paragraph (1) above, shall be kept by the Company.

**Article 62 (Supplementary Provision)**

Matters not specified in these Articles of Incorporation shall be determined by the resolution of the Board of Directors or the General Meeting of Shareholders, or in accordance with the Commercial Code or other laws.

**ADDENDUM(2008. 9. 29.)**

**Article 1 (Effective Date)**

These Articles of Incorporation shall become effective from the date of registration of incorporation.

**Article 2 (Initial Fiscal Year after Incorporation)**

Notwithstanding the provision of Article 53, the initial fiscal year of the Company after incorporation shall be from the date of incorporation to December 31, 2008.

**Article 3 (Initial Transfer Agent after Incorporation)**

The initial transfer agent of the Company after incorporation shall be Korea Securities Depository.

**Article 4 (Appointment of Initial Director, Representative Director, et al. after Incorporation)**

Notwithstanding the provisions of Articles 36 and 39, the initial Director and the initial Representative Director after incorporation shall be appointed at the General Meetings of Shareholders of the Stock Transfer Companies, at which the resolution to approve the stock transfer is adopted.

**Article 5 (Term of Office of Initial Director after Incorporation)**

Notwithstanding the provisions of Articles 38, the term of office of the initial Director after incorporation shall be determined, to the extent it does not exceed three (3) years, at the General Meetings of Shareholders of the Stock Transfer Companies at which the stock transfer plan is approved.

**Article 6 (Appointment of Initial Non-executive Director after Incorporation)**

Notwithstanding the provision of Article 36, Paragraph (2), the initial Non-executive Director of the Company after incorporation shall be appointed at the General Meetings of Shareholders of the Stock Transfer Companies, at which the resolution to approve the stock transfer is adopted, without recommendation of the Non-executive Director Candidate Nomination Committee.

**Article 7 (Appointment of Initial Members of Audit Committee after Incorporation)**

Notwithstanding the provision of Article 50, Paragraph (2), the initial members of Audit Committee shall be appointed at the General Meetings of Shareholders of the Stock Transfer Companies, at which the resolution to approve the stock transfer is adopted, without recommendation of the Audit Committee Member Nominating Committee.

**Article 8 (Remuneration of Directors in Initial Fiscal Year after Incorporation)**

Notwithstanding the provision of Article 48, the remuneration of Directors in initial fiscal year after incorporation shall be determined at the first meeting of the Board of Directors after incorporation, to the extent not exceeding two (2) billion Won.

**Article 9 (Stock Transfer Companies)**

In order to incorporate the Company, the following Stock Transfer Companies hereby prepare these Articles of Incorporation and affix their respective names and seals hereon on August 25, 2008.

Kookmin Bank
9-1, 2ga, Namdaemun-ro, Jung-gu, Seoul
Representative Director President, Chung Won Kang (Seal)

KB Real Estate Trust Co., Ltd.
15~16th Floor, Poonglim Building, 823 Yeoksam-dong, Gangnum-gu, Seoul
Representative Director CEO, Jeong Min Kim (Seal)

KB Business Investment Co., Ltd.
9th Floor, Shinyoung Building, 68-5 Cheongdam-dong, Gangnam-gu, Seoul
Representative Director CEO, Nam Sik Yang (Seal)

KB Credit Information Co., Ltd.
12th Floor Korea Exchange Building, 33 Yeoido-dong, Yongdeungpo-gu, Seoul
Representative Director CEO, Sung Bok Park (Seal)

KB Data Systems Co., Ltd.
5,6th Floor, Korea Exchange Building, 33 Yeoido-dong, Yongdeungpo-gu, Seoul
Representative Director CEO, Yeon Geun Jung (Seal)

KB Asset Management Co., Ltd.
25th Floor, Good Morning Tower 23-2, Yeoido-dong, Yongdeungpo-gu, Seoul
Representative Director CEO, Won Ki Lee (Seal)

KB Futures Co., Ltd.
9th Floor, HP Building 23-6, Yoido-dong Youngdeungpo-gu, Seoul, Korea
Representative Director CEO, Kyu Hyung Jung (Seal)

KB Investment Securities Co., Ltd.
21, 22nd Floor, Good Morning Tower 23-2, Yeoido-dong, Yongdeungpo-gu, Seoul
Representative Director CEO, Myung Han Kim (Seal)

**ADDENDUM(2009. 3. 27.)**

**Article 1 (Effective Date)**

The above amendments to the Articles of Incorporation shall take effect from March 27, 2009.

**ADDENDUM(2010. 3. 26.)**

**Article 1 (Effective Date)**

These Articles of Incorporation become effective as of March 26, 2010. However, Article 30, Paragraph (1) becomes effective as of May 29, 2010.

**Article 2 (Transitional Measures)**

With respect to the non-executive directors appointed after these Articles of Incorporation become effective and the calculation of their terms of office under Article 38, Paragraph (5) hereof, Article 38, Paragraphs (6) and (7) will be applicable to the terms of office served before this Article of Incorporation becomes effective.

**ADDENDUM(2012. 3. 23.)**

**Article 1 (Effective Date)**

The amendments to Article 40 of the Articles of Incorporation shall become effective from the date of approval by the General Meeting of Shareholders, March 23, 2012 and the other amendments shall become effective from April 15, 2012. Therefore, the amendments to the Articles of Incorporation shall not apply to any shares and bonds issued before the effective date of the Articles of Incorporation.

**ADDENDUM(2015. 3. 27.)**

**Article 1 (Effective Date)**

The Articles of Incorporation shall become effective as of March 27, 2015; provided, that Article 37 shall apply to the Non-Executive Directors only who are appointed, reappointed or serve consecutive terms after the effective date hereof.

**ADDENDUM(2016. 3. 25.)**

**Article 1 (Effective Date)**

The Articles of Incorporation shall become effective as of March 25, 2016; provided, that Article 43, Paragraph (6) and Article 44 shall become effective as of August 1, 2016.

**ADDENDUM(2017. 3. 24.)**

**Article 1 (Effective Date)**

The Articles of Incorporation shall become effective as of March 24, 2017.

**ADDENDUM(2018. 3. 23.)**

**Article 1 (Effective Date)**

The Articles of Incorporation shall become effective as of March 23, 2018; provided that Article 52 Paragraph (8), Article 55 Paragraph (1) Sub-paragraph 1, Article 55 Paragraph (4) and Article 56 shall become effective as of November 1. 2018.

**ADDENDUM(2019. 3. 27.)**

**Article 1 (Effective Date)**

The above amendments to Article 9; Article 16, Paragraph (3); Article 17; Article 19, Paragraph (3); and Article 22 of the Articles of Incorporation shall enter into force on September 16, 2019, the expected date of enforcement of the Act on Electronic Registration of Stocks, Bonds, Etc., except that, if the enforcement date of such Act changes, these amendments shall enter into force of the new enforcement date instead.

**ADDENDUM(2020. 3. 20.)**

**Article 1 (Effective Date)**

The Articles of Incorporation shall become effective as of March 20, 2020.

**ADDENDUM(2023. 3. 24.)**

**Article 1 (Effective Date)**

The Articles of Incorporation shall become effective as of March 24, 2023.

**ADDENDUM(2025. 3. 26.)**

**Article 1 (Effective Date)**

The Articles of Incorporation shall become effective as of March 26, 2025.

**Exhibit 12.1(a)**

I, Jong Hee Yang, certify that:

1. I have reviewed this annual report on Form 20-F of KB Financial Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 25, 2025

/s/ Jong Hee Yang

**Jong Hee Yang**
**Chairman and**
**Chief Executive Officer**

**Exhibit 12.1(b)**

I, Sang Rok Na, certify that:

1. I have reviewed this annual report on Form 20-F of KB Financial Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 25, 2025

/s/ Sang Rok Na

**Sang Rok Na**
**Managing Director and**
**Chief Financial Officer**

**Exhibit 13.1(a)**

**Certification**

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
**(Subsection (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsection (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of KB Financial Group Inc., a corporation organized under the laws of the Republic of Korea (the "Company"), does hereby certify, to such officer's knowledge, that:

The annual report on Form 20-F for the year ended December 31, 2024 (the "Form 20-F") fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operation of the Company.

Dated: April 25, 2025

/s/ Jong Hee Yang

**Jong Hee Yang**
**Chairman and**
**Chief Executive Officer**

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to KB Financial Group Inc. and will be retained by KB Financial Group Inc. and furnished to the U.S. Securities and Exchange Commission or its staff upon request.

**Exhibit 13.1(b)**

**Certification**

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
**(Subsection (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsection (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of KB Financial Group Inc., a corporation organized under the laws of the Republic of Korea (the "Company"), does hereby certify, to such officer's knowledge, that:

The annual report on Form 20-F for the year ended December 31, 2024 (the "Form 20-F") fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operation of the Company.

Dated: April 25, 2025

/s/ Sang Rok Na

**Sang Rok Na**
**Managing Director and**
**Chief Financial Officer**

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to KB Financial Group Inc. and will be retained by KB Financial Group Inc. and furnished to the U.S. Securities and Exchange Commission or its staff upon request.