

New Hana, Next Move

Annual Report 2023



TABLE OF CONTENTS

INTRODUCTION

Key Financial Figures	03
Key Non-financial Figures	04
Stock Information	05

CEO LETTER & PRESENTATION

Letter from the CEO	06
CEO Presentation	09

BOD ROUNDTABLE 2023

15

GROUP OVERVIEW

Group's Key Tasks for 2024	22
Vision & Mission	23
Corporate Governance	24
Risk Management	28
Board of Directors	31

BUSINESS OVERVIEW

2023 News Highlights	
Digital	34
Global	36
ESG	38

FINANCIAL REVIEW

Management's Discussion and Analysis	41
Independent Auditors' Report	67
Consolidated Financial Statements	71
Notes to the Consolidated Financial Statements	78

INTERACTIVE USER GUIDE

This report is presented in PDF format and includes interactive features enabled by Adobe Reader.

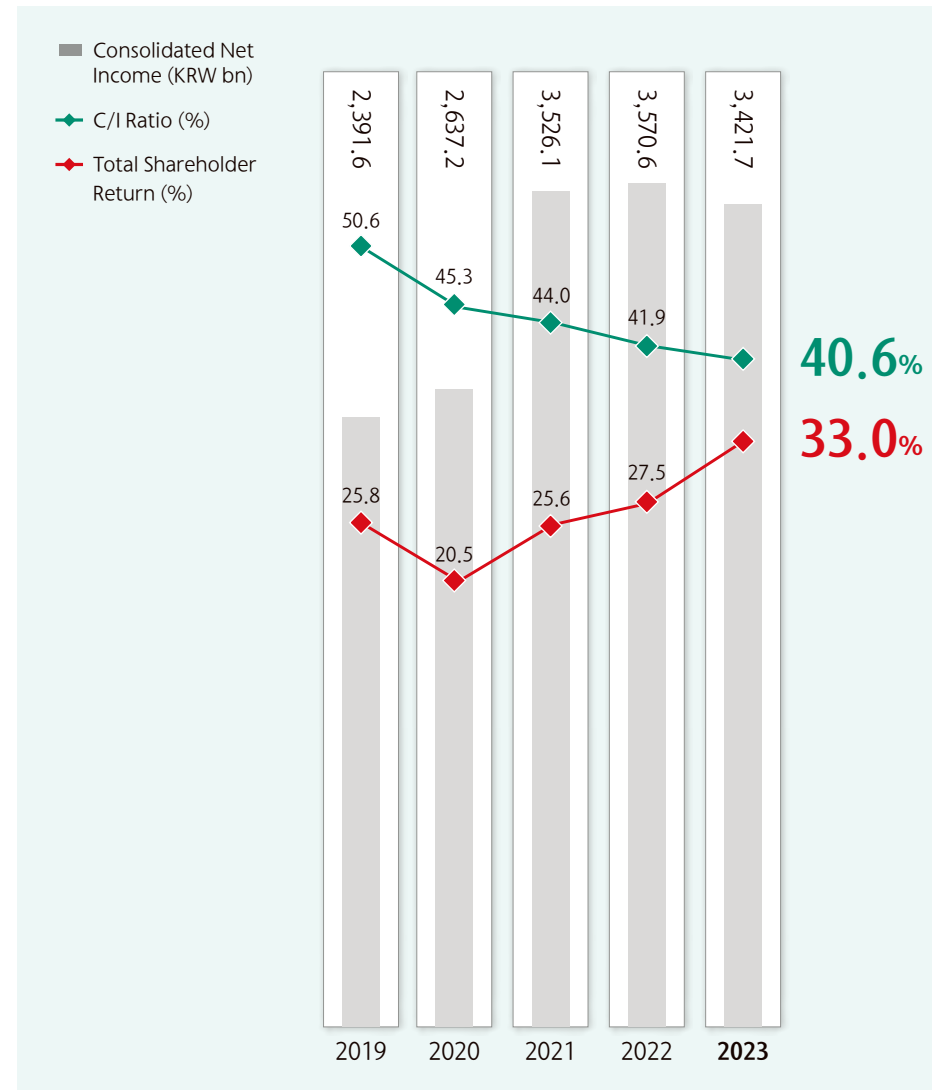
 Home screen Table of contents Undo Previous page / Next page Read press release[Introduction](#)[CEO Letter & Presentation](#)[BOD Roundtable 2023](#)[Group Overview](#)[Business Overview](#)[Financial Review](#)

Key Financial Figures

Financial Summary

	2023	2022
Profitability (KRW bn)		
General operating income	10,851.8	10,159.9
Operating income	4,693.4	4,688.3
Consolidated net income	3,421.7	3,570.6
ROA (%)	0.59	0.66
ROE (%)	8.95	10.08
EPS (KRW)	11,380	11,865
DPS (KRW)	3,400	3,350
Cost to income ratio (%)	40.6	41.9
Business Volume (KRW bn)		
Total assets	591,926.0	568,873.2
Total deposits	372,039.6	362,738.0
Asset Quality (%)		
Substandard & below(NPL) ratio	0.50	0.34
Substandard & below(NPL) coverage ratio	167.08	200.80
Delinquency ratio	0.45	0.30
Credit cost ratio	0.39	0.31
Capital Adequacy (%)		
BIS capital adequacy ratio	15.65	15.67
Tier 1 ratio	14.68	14.61
Common equity tier 1 ratio	13.22	13.16
BPS (KRW)	124,081	114,353

Consolidated Net Income / CI Ratio / Total Shareholder Return



Introduction

- Key Financial Figures
- Key Non-financial Figures
- Stock Information

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Key Non-financial Figures

Key Sustainability Figures

	2023	2022	
Environmental			
Greenhouse gas (GHG) emissions (tCO ₂ eq)			
Direct emissions (Scope 1) ¹⁾	7,370	7,101	
Indirect emissions (Scope 2) ¹⁾	57,773	55,443	
Energy consumption ¹⁾ (TJ)	977	926	
Water consumption ²⁾ (m ³)	104,009	93,441	
Waste discharge ³⁾ (ton)	Recovery of incineration heat	144	206
	Recycling	109	101

1) Based on figures at Hana Bank HQ, sales branch, and affiliates in Myeong-dong building (Data range: Headquarters of HFC, Hana Bank, Hana Card, and Others)

2) Based on figures at Hana Bank HQ and affiliates in Myeong-dong building

3) Based on figures of Hana Bank

GHG Emissions (Scope 1+2) (tCO₂eq)

2023		65,143
2022		62,544
2021		63,918

Social contribution (KRW bn)

2023		262.4
2022		205.8
2021		165.9

ESG Commitment

UNEP FI

- Supporting the Principles for Responsible Banking as an enactor and signatory



BGEI

- Bloomberg Gender-Equality Index Listed for 2 consecutive years



CDP

- Received the A- grade and included in the Honors Club for 4 consecutive years



KCGS

- ESG Evaluation by KCGS Received the overall A grade for 5 consecutive years



Introduction

- Key Financial Figures
- Key Non-financial Figures**
- Stock Information

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

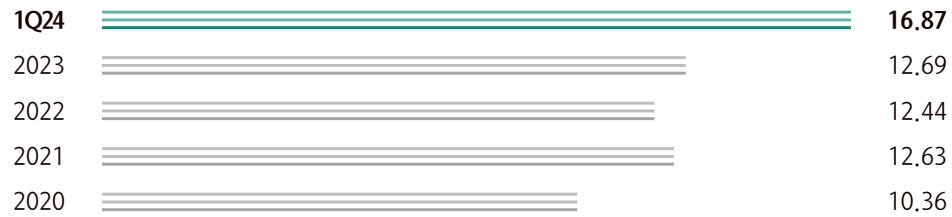
Business Overview

Financial Review

Stock Information

Market Capitalization

(KRW tn)



Share Ownership

Domestic

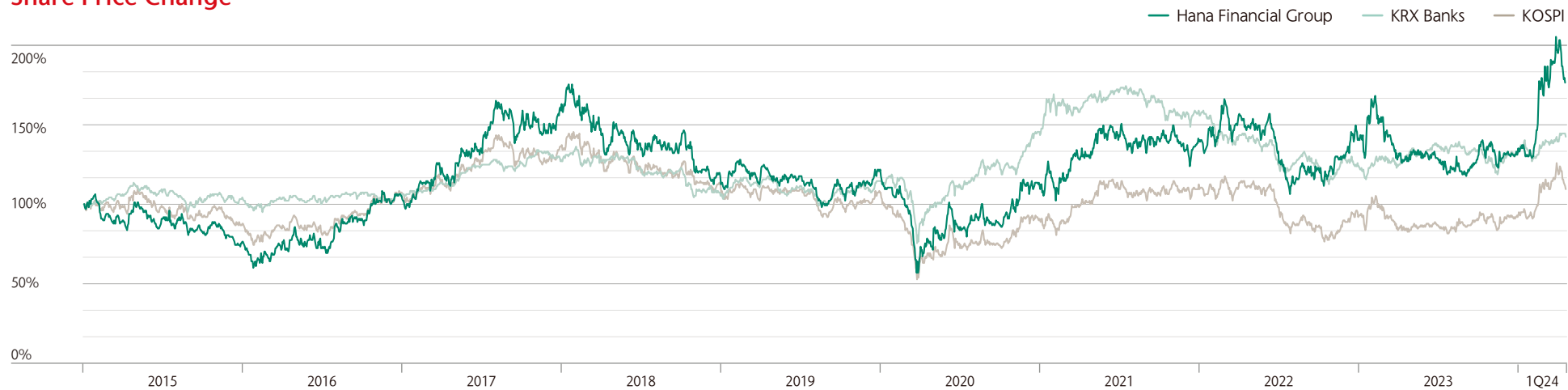
31.8%



Foreign

68.2%

Share Price Change



Jul. 2015

HFG & KEB Labor Union announced "The Bank Integration."

Sep. 2015

KEB Hana Bank, launched

Jan. 2016

The system integration completed.

Oct. 2018

Announced the Digital Vision of Hana Financial Group, and defined 2018 as the first year of its digital transformation

Dec. 2019

Announced the NEXT 2030, a new management principle of Hana Financial Group

May. 2020

Acquired The-K Non-Life Insurance and changed its name to Hana Insurance

Jul. 2021

Hana Asset Management Asia launched.

Jun. 2022

Announced "All Connected in Hana Finance", a new vision

Feb. 2023

Group announced the capital management and shareholder return plan

Jan. 2024

Announced 300 billion of share buyback and cancellation

Feb. 2024

Government initiated 'Value-up Program'

Introduction

- Key Financial Figures
- Key Non-financial Figures
- Stock Information

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

LETTER FROM THE CEO



DEAR VALUED SHAREHOLDERS,

2023 was a year of great challenges across the world: from strong inflation that continues to jeopardize economic stability to geopolitical tensions that threaten global value chain.

Your continued support and trust in Hana Financial Group is all the more appreciated amidst such volatilities.



Introduction

CEO Letter & Presentation

Letter from the CEO
CEO Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

ENHANCING SHAREHOLDER VALUE THROUGH STRONG PROFITABILITY AND STABLE CAPITAL MANAGEMENT

Hana Financial Group has been pursuing improved total shareholder return as its top priority since beginning of 2023 when we laid out our Capital Management and Shareholder Return Plan, and has been listening to all our shareholders and stakeholders to best represent these interests while taking concrete actions to keep our performance and capital ratios stable.

Admst much volatilities that occurred in 2023, our net income totaled KRW 3,421.7 billion, reduced by 4.2% from the year before. A large scale of preemptive provisioning against uncertainties both internal and external as well as an industry-wide profit-sharing initiative in compliance with the governmental guidance as part of our social responsibility commitment incurred non-recurring expenses that led to a reduction in net income this year.

Nevertheless, the Group maintained a solid performance from continuing operation, shown through various indicators such as non-interest income that saw substantial growth, powered by disposition and valuation gains and the cost-to-income(C/I) ratio that dropped to 40.6%, recording 8 consecutive years of improvement thanks to company-wide cost control measures.

Furthermore, Common Equity Tier 1 ratio at the end of 2023 improved from the previous year, owing to sufficient profitability and through effective management of Risk-Weighted Assets. These improvements enabled us to increase the dividend per share this year despite a slight set-back in net income. What's more, in January 2024, we announced an extensive share buyback and cancellation, with scale that is unmatched by any of our past decisions, since our establishment, totaling KRW 300 billion which translates to about 8.8% of total shareholder returns against the 2023 net income. We will continue to manage asset growth for stable expansion and will strive to achieve total shareholder return target of 50% in line with our mid- to long-term goal.

STRENGTHENING RISK MANAGEMENT SYSTEMS AGAINST FINANCIAL MARKET UNCERTAINTIES

The financial industry of the world witnessed a great wave of instability and uncertainties last year, from collapse of Silicon Valley Bank (SVB) and the dissolution of Credit Suisse. The ever-high post-pandemic vacancies of overseas commercial real estates and interest rates did not help either, heightening concerns about our overseas commercial real estates and domestic real estate project financing (PF).

To address these issues, I have scrutinized our real estate PFs and overseas commercial real estates myself, through executive strategy meetings in order to evaluate the status quo regularly and to discuss countermeasures. Also, a new Chief Risk Officer (CRO) has been appointed for Hana Financial Group, separate from the CRO position of Hana Bank that used to be held concurrently, to better control risks of each subsidiary more systematically and to serve as a Group-level risk control tower.

With respect to our real estate PF portfolio, we conducted comprehensive inspection on all project sites in 2023, and provisioned preemptively against potentially under-performing exposures. On top of this, we continue to practice weekly monitoring of real estate PF projects through dedicated teams at each subsidiary and collaborate with syndicated lenders to reduce non-performing assets while providing timely liquidity support for viable projects.

For overseas commercial real estates, we thoroughly assessed office buildings as they are considered highest in risk and registered valuation losses of these exposures conservatively. At the same time, we established an Overseas Alternative Investment Evaluation Committee at the Group level, while strengthening pre-site inspections and risk assessment protocols to set up a robust system that can manage overseas commercial real estates.

Introduction

CEO Letter & Presentation

Letter from the CEO
CEO Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Additionally, we undertook an organizational restructuring to enhance internal controls and changed compensation scheme to prevent excessive concentration of investment on high-risk assets like overseas commercial real estates.

Through these measures, we aim to keep our asset quality against complex economic risks and to maintain stable capital adequacy for sustainable growth. Thereafter, we will timely adapt to evolving financial market and bolster our risk management system.

CREATING SOCIAL VALUES THROUGH ESG INITIATIVES DRIVE

Hana Financial Group is at the forefront leading ESG values while pursuing co-prosperity and happiness of multiple stakeholders so as to remain a trusted partner.

We recognize climate change mitigation actions to be necessities, and not options, for our survival and success as a corporate, so we have extended ESG financing and are in the process of advancing a system that reduces carbon emissions across all our operations and investment portfolios. As part of such initiative, we have strengthened carbon emission management in accordance with the Partnership for Carbon Accounting Financials (PCAF) standards and Hana Bank launched the first 'ESG financial review system' in the financial industry that incorporates K-Taxonomy—a green activity classification standard— in September 2023.

In terms of our social commitment as part of ESG endeavours, Hana Financial Group introduced its biggest social contribution program yet in December 2023, to ensure mutual growth with SOHOs and financially underserved groups. Indeed, we are constantly reviewing the scope and targets of our financial support to avoid leaving a blind spot in this initiative. In addition, we are working on "100 Child Daycare Centers Construction Project" to complete in 2024, to help address the low birth rate our communities face. Combined with the 'Hana Life Companion Support Project' that aims to develop financial products tailored to every stage of life cycle and financial support, we trust this program will enable us to carry out the pivotal role in supporting various stakeholders within our communities.

Finally, we are committed to improving 'diversity and inclusion': We will gradually raise the percentage of female leadership in managerial roles and executive positions to achieve 30% and 15% each by 2030. We will contribute to structuring an ecosystem where all stakeholders are guaranteed equal rights by establishing an inclusive culture where every employee is valued and has equal opportunities.

As always, Hana Financial Group's most vital mission is to share growth and prosperity with our shareholders and stakeholders and we will strive to achieve this mission in the coming year as well. We appreciate your unwavering support and encouragement and hope to earn yours this year as well.

Ham, Young-joo
CEO, Hana Financial Group

함영주

Introduction

CEO Letter & Presentation

Letter from the CEO
CEO Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

CEO PRESENTATION

We will earn an unparalleled position in the market, based on the Group's enhanced core competencies with corporate banking, FX and asset management.



Introduction

CEO Letter & Presentation

Letter from the CEO
CEO Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

BUSINESS STRATEGY

Q1 What would be the Group's business strategy for 2024 which marks your 3rd year as CEO?

A1 To cope with the financial volatility we are seeing today, Hana Financial Group is collaborating with various partners across both financial and non-financial industries, for customer-oriented value creation leveraging its extensive expertise in the industry.

1) REINFORCING COMPETITIVE EDGE: We will earn an unparalleled position in the market, based on the Group's enhanced core competencies with corporate banking, FX and asset management. We will ensure customer needs are met with our unique solutions.

In particular, we will enhance cross-selling activities encompassing corporate loans, pensions, payments, and FX to attract high-quality assets and new customers, laying a solid foundation for our business.

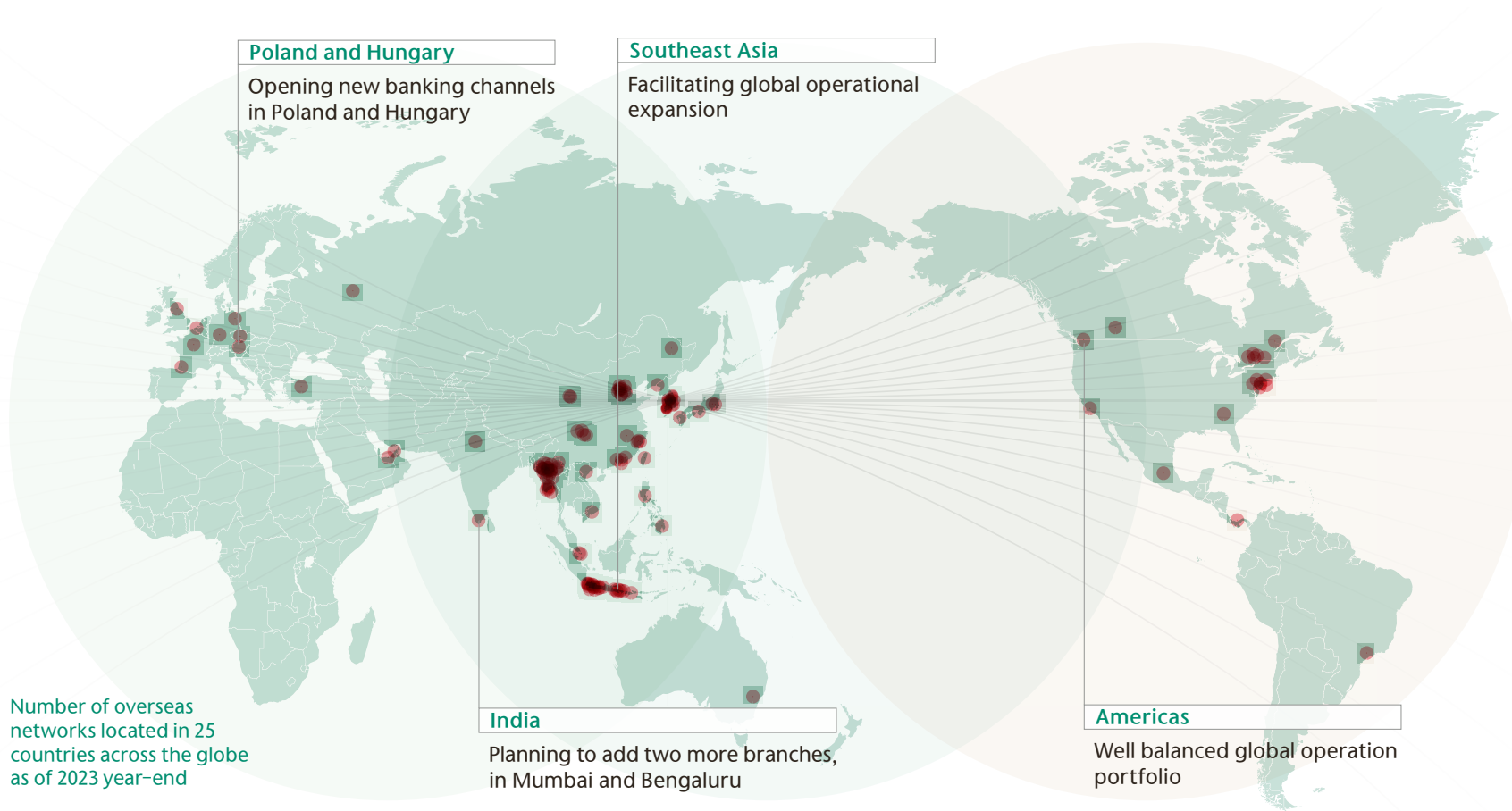
At the same time, Hana Financial Group will secure its reputation as asset management expert and bolster its competitiveness in tailored financial products while extending scope of service for senior customers in asset management. Additionally, we will broaden our asset management services for elderly customers, enabling them to safely utilize assets they've built for living expenses, nursing care, medical treatment, and wealth transfer to future generations according to their will.

2) STRENGTHENING GLOBAL PRESENCE: Hana Financial Group will solidify its leading position in the financial market in key business regions based on global network and capital management capabilities. In addition, we will strengthen collaboration with global financial institutions to advance the Group's global leadership.

Specifically, we plan to focus on India and Eastern Europe markets where Korean companies robustly invest and operate in, to extend local sales channels to concrete profit generating opportunities. At the same time, we will drive sales in the Southeast Asian

market to fully take advantage of the high growth in the region and we aim to seek profitable equity investment in financial industry other than banks, consistently through strategic partnership.

GLOBAL FIRST



211 Number of overseas networks located in 25 countries across the globe as of 2023 year-end

Introduction

CEO Letter & Presentation

Letter from the CEO
CEO Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

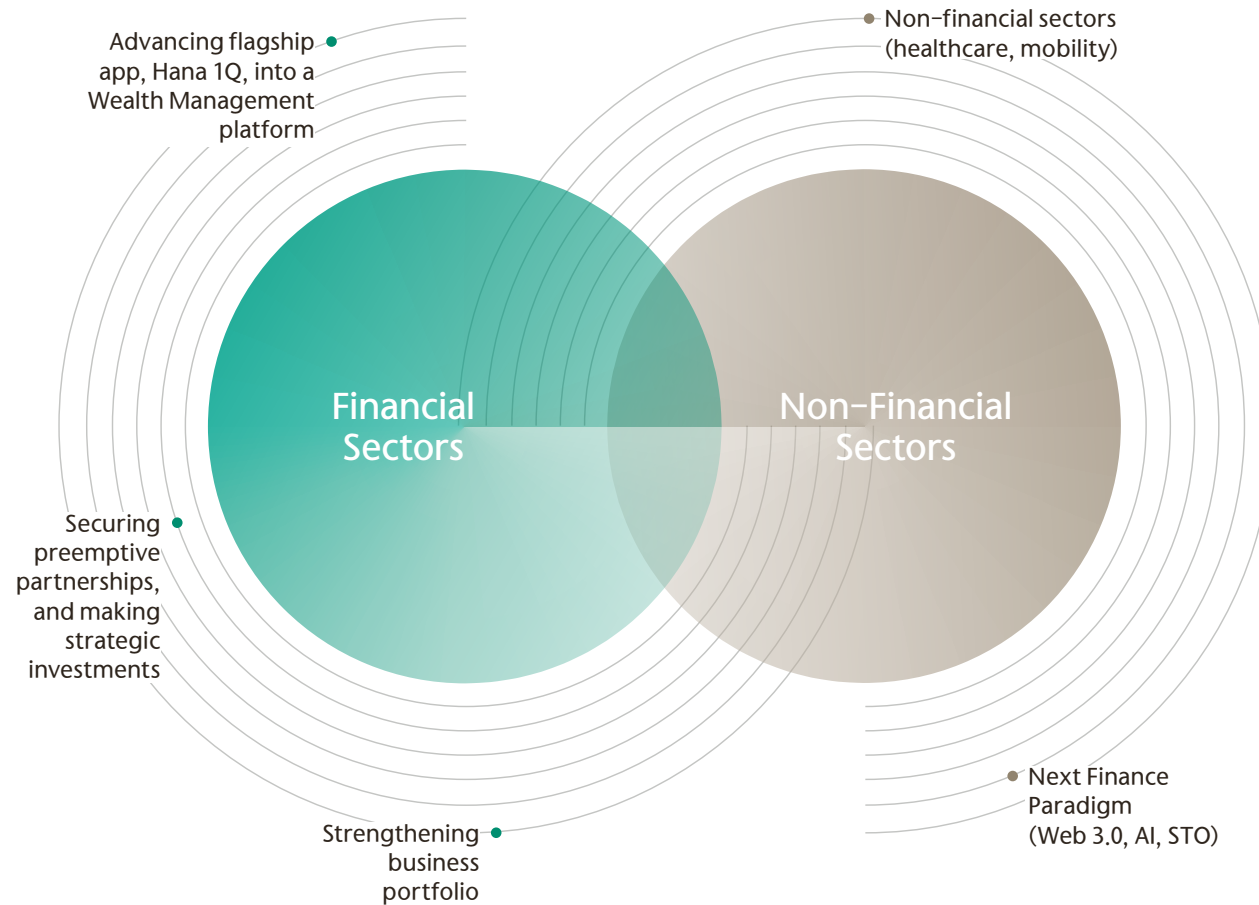
3) STEPPING INTO NEW TERRITORIES: Hana Financial Group will pioneer new business portfolio in the future in non-financial sector and emerging technologies such as AI, STO, and blockchain. We will also upgrade our digital capabilities to strengthen and support our core business in finance.

In recent days, the financial market is witnessing a critical change where conventional financial companies, internet-only banks and Big Tech formulate strategic and functional partnership, instead of simply competing against one another. For example, the ‘Naver Pay Money Hana Account’ launched in November 2022 in collaboration with ‘Naver Financial’ as innovative financial product has been sold to more than 500K customers in just 6 months, fueling a re-launch in September a year later with more benefits attached.

Another epitome is the ‘Seller Wallet, an express settlement service’ that we launched with ‘Coupang’ and ‘Coupang Pay’ in December 2023 which enables much faster settlement to the sellers of the e-commerce platform. We plan to expand the scope of collaboration with Coupang.

With the above-mentioned endeavors and more, Hana Financial Group will do its best to empower all the stakeholders, including customers, communities, employees and shareholders, to be happy and to achieve further growth.

NEW TERRITORY EXPANSION



Introduction

CEO Letter & Presentation

Letter from the CEO
CEO Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

NON-BANKING

Q2 What strategies do you have for strengthening non-bank portfolio?

A2 Hana Financial Group has fostered profitability and capital strength through banking operation as our core business, to polish the Group's foundation. But now, local banking business in Korea is witnessing competition and dominance by small number of key players that jeopardize its lucrativeness. As such, the role that financial industry plays beyond banking is becoming more diverse and there are increasingly more diverse customer needs that we need to cater to. It is no surprise therefore, that a business portfolio

that depends solely on banking is not sufficient any more.

We are fully aware that we need to strengthen the Group's portfolio to accommodate such changes. Market for each financial product like pension, insurance and capital markets is expanding continuously in recent times and this signals a new growth opportunity for Hana Financial Group as a finance specialty service provider that offers overall financial services. Hence, we are increasing selective investment and support to non-banking business in order to buttress the Group's growth engine.

Let us break down our vision in this respect.

First of all, we will remodel business areas that are at the bottom of our list for volume and profitability, while reinforcing areas that we excel in, like corporate banking, FX, asset management and trusts. At the same time, we will broaden our customer base with aggressive front-office marketing to improve profit-generating sales and to create synergy within the Group and with external partners to widen our business horizon.

Now, when it comes to our inorganic growth, it is true that M&A played a pivotal role in Hana Financial Group's journey to becoming a comprehensive financial group. Nevertheless, given the currently undervalued stock price, our primary focus is with restoring corporate value. To this end, we will increase shareholder returns through stable RWA and capital ratio management and execute M&As with upgraded price-to-book ratio(PBR). Please take note that M&As will be reviewed only when they enhance our market competitiveness and shareholder values, not to achieve nominal scale-up only.



New Hana

Sincere Hana (customer value), Reliable Hana (social value)

Introduction

CEO Letter & Presentation

Letter from the CEO
CEO Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

ASSET QUALITY

Q3 Could you share with us your outlook for 2024 and risk management plan for asset quality and credit cost ?

A3 2023 was a year where nominal credit cost reached 39bp due to sizable loan loss provision for potential loss amid continuing economic downturns and high interest rate. When excluding our preemptive provisioning however, the normalized credit cost came under our target, keeping at 30 basis points.

Should the economic aftermath of COVID 19 and geopolitical instability still prevail in 2024, making a dramatic improvement in the asset quality would be challenging. For our banking operation, we anticipate that impact of loan loss provision will be limited despite rising delinquency rate, as more than

80% of our household and SME/SOHO loans are secured loans. Still, we are committed to managing the 2024 credit cost at mid 30bp to counter potentially elongated asset quality risks by non-banking subsidiaries within the Group.

Specifically, we forecast the risk exposure on domestic real estate PFs and overseas commercial real estates would be key to managing our asset quality. Therefore, we will buttress asset management for those under watch through close internal examination and trim down non-performing assets while also providing timely support to sites that require liquidity.

Through this process and based on preemptive and conservative asset quality management, Hana Financial Group is set to address the complex economic risks we face this year swiftly.

“We aim to maintain our asset quality against complex economic risks and to ensure stable capital adequacy for sustainable growth. We will adapt timely to the evolving financial market and bolster our risk management system.”

PROFITABILITY

Q4 In your view, what is a achievable ROE level in the mid- to long-term?

A4 In order to maintain a robust capital adequacy, high level of earning growth is an absolute must and ROE especially, is an indicator that the Group considers highly important in this regard.

Korean commercial banks maintain favorable ROE in general, comparable to major banks of the US and Singapore. Hana Financial Group’s ROE is even more impressive in that it is on par with that of major global banks.

We have set our target ROE in consideration of other banks’ ROE level both within and outside of Korea and given the maturity of domestic financial market: our target is quite above 10%.

We aim to achieve this ROE level through efficient capital allocation like share buybacks and cancellations which ultimately would result in a balance between profitability and capital adequacy.

Although, the Group’s ROE fell below 10% in 2023 due to underperformance in the non-banking sector, as in the case of Hana Securities that suffered profit loss, we are confident that the Group’s ROE and overall performance will improve in 2024, with a successful turnaround by Hana Securities.

Introduction

CEO Letter & Presentation

Letter from the CEO
CEO Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

SHAREHOLDER RETURNS

Q5 Please enlighten us with your take on the latest market obsession, ‘Corporate Value-up program’ by the Korean Financial Services Commission

A5 The government has recently initiated the Corporate Value-up Program that calls for mid-to-long term enhancement of capital efficiency and corporate value based on indicators like PBR and ROE as part of its venture for ‘Capital Market Advancement’ by benchmarking Japanese precedents. The policy seeks not only to raise stock prices, but also to consolidate investors’ trust, thereby focusing on improved corporate governance.

Indeed, ‘Capital Market Advancement’ has been on the top of the list of the president from day one as it was one of his governing agendas from the presidential campaign. Therefore, our understanding is that the government is set on executing the policy and given the vigorous support by majority of the citizens, we think that it is here to stay, for at least some time.

We anticipate that our cooperation will play its part in restoring market trust and elevating higher corporate value as the government plans.

To this end, our priority is to be included in the ‘Korea Value-Up Index’ planned for the later half of this year. Once we review the details of the ‘Corporate Value-up Program,’ we will strategize how to maximize incentives, like tax benefits, from the program, to boost our corporate value significantly.



“We have been pursuing improved total shareholder return as our top priority since the beginning of 2023.”



Introduction

CEO Letter & Presentation

Letter from the CEO
CEO Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review



BOD ROUNDTABLE 2023

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023**
- Group Overview
- Business Overview
- Financial Review

- Park, Dong-moon**
Director
(Mar. 26, 2021 ~ Present)
- Kim, Hong-jin**
Director
(Mar. 23, 2018 ~ Mar. 22, 2024)
- Won, Sook-yeon**
Director
(Mar. 24, 2023 ~ Present)
- Yi, June-suh**
Director
(Mar. 24, 2023 ~ Present)
- Lee, Jung-won**
Director
(Mar. 22, 2019 ~ Present)
- Heo, Yoon**
Director
(Mar. 23, 2018 ~ Mar. 22, 2024)
- Yang, Dong-hoon**
Director
(Mar. 23, 2018 ~ Mar. 22, 2024)
- Lee, Kang-won**
Director
(Mar. 25, 2022 ~ Present)

Enhancing shareholder value through greater shareholder returns and sustainable growth based on effective risk management.

Share Buyback & Cancellation (KRW bn)



BOARD OF DIRECTORS ACTIVITIES

Q1 What were the Board of Directors' top priorities for 2023 and what main initiatives has it executed to this end?

Answer 1 Our primary goal is to increase shareholder value through greater shareholder returns and to achieve sustainable growth based on effective risk management.

In February 2023, the Board unveiled new capital management and shareholder return policies that aim to improve shareholder value: introduction of quarterly dividends that improves predictability and KRW 150 billion worth of share buyback and cancellation that enhances the scale of shareholder returns.

The January 2024 BoD meeting is an epitome of such mission, as the Board resolved a year-end dividend per share (DPS) of KRW 1,600 which, in combination with the previously paid quarterly dividend of KRW 1,800, increased the total DPS to KRW 3,400 for financial year 2023, raising the annual dividend from the year before. The Board also decided on a KRW 300 billion share buyback and cancellation initiative, the largest ever in the Group's history.

What's more, the Group intensified risk management system to oversee its exposures in relation to liquidity, real estate project financing and overseas commercial real estates to prepare against volatilities of the global financial market. In this regard, the Board delegated authority to the Risk Management Committee to enact and amend the Group's risk-related regulations, to enhance oversight of the management in July 2023.

Finally, the Board is actively pursuing various means to reinforce climate change response, extend ESG investment, comply with social responsibility of the financial industry and to encompass diversity and inclusion in the Group's policies, aiming to establish a solid foundation for sustainable growth. (For more details, please kindly refer to Q.4)



- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023**
- Group Overview
- Business Overview
- Financial Review

BOARD'S REQUEST TO THE CEO

Q2 Are there any specific management metrics or targets that the Board has asked of the CEO?

Answer 2 The Board of Directors has stressed three primary objectives for the CEO going forward: reinforcing risk management, strengthening shareholder return policies, and expanding ESG management. We highlighted the importance of closely monitoring domestic and international financial market trends, to the management so as to take all and every measure required preemptively against liquidity or financial crises.

Meanwhile, the Board has requested the management to drive efficient asset growth and to propose and consistently pursue reasonable and sustainable shareholder return policies in light of shareholder interests and feedback.

Lastly, the Board puts a great emphasis on ESG management. Recognizing the shift from shareholder-centric to stakeholder-centric capitalism, driven by global climate change, evolving consumer values, and heightened government regulations, we have incorporated such change in the management's KPIs to a significant level.

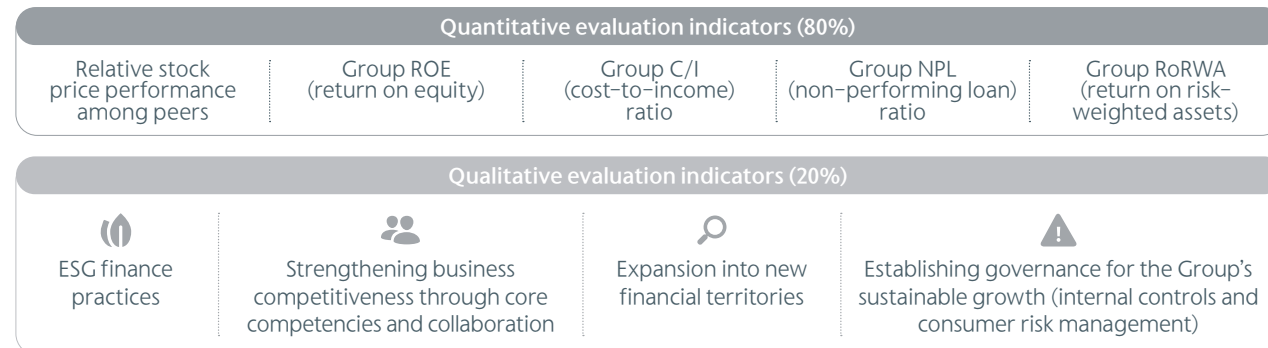
CEO's KPIs

Q3 It is often considered that the CEO's KPIs reflect the main initiative of the Board. Could you explain the components of the CEO's KPIs?

Answer 3 To begin with, the CEO's KPIs are divided into quantitative and qualitative evaluation with 80:20 proportion for objective assessment.

For 2024, detailed compositions are as follows:

Among all the quantitative indicators that account for 80% of the CEO's KPIs, relative stock price performance among peers, ROE, and RoRWA are designed to take up more than half of the weighting when combined together. In particular, the proportion of RoRWA has increased in the evaluation criteria to seek balance between profitability and risk, which ultimately helps improve shareholder value.



- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023**
- Group Overview
- Business Overview
- Financial Review

Additionally, the Board has increased weights of risk-related items from the list of quantitative indicators this year, to align with the Group's strengthened risk management strategy.

Qualitative evaluation was set to reflect the management strategy and key initiatives of the Group decided at the BoD meeting held in November, 2023.

With an ambitious ESG management goal this year, the Board has raised weighting on ESG criteria in the KPIs of the Group CEO and introduced new criteria for ESG component in the CEO's KPIs for the Group's major subsidiaries.

In fact, the Board's commitment to ESG extends beyond merely joining a global initiative: the Board incorporated world-class ESG business standard in the CEO's KPIs for the major subsidiaries, by defining and quantifying ESG business management index like support for financially/socially vulnerable groups, ESG financial product sales performance and carbon emission reductions. Additionally, the Board has reinforced risk management for customers by introducing relevant index in the KPIs of the Group CEO.

ESG MANAGEMENT

Q4 What are the key objectives that the Board underlines in terms of ESG management?

Answer 4 Hana Financial Group is underpinning ESG management across a wide array of domains, including sustainable finance, climate change response, and diversity and inclusion. What the Board stresses for the management in encompassing such ESG management in practice is that the ESG activities should go beyond mere token gestures; they should make a substantial contribution to financial performance, thereby enhancing shareholder value. To honor such cause, the Board has included ESG criteria in KPIs for the CEO and for all employees, so that the Group can execute meaningful and substantial ESG activities beyond mere sign-up to global initiatives.

Now, in 2024, the Board is thoroughly inspecting the Group's progress toward its mid- to long-term ESG goals titled "2030& 60" to ensure support for transition to low-carbon economy through proactive ESG finance. As a matter of fact, ESG disclosure will become a prerequisite in Korea from 2026, following the establishment of a global ESG disclosure standards by the International Sustainability Standards Board (ISSB) in June 2023. In this respect, the Board is emphasizing preemptive measures to upcoming disclosure requirements, for Hana Financial Group to



Proportion of female independent directors

25% by 2025

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023**
- Group Overview
- Business Overview
- Financial Review

live up to its vision as top-tier global financial group committed to ESG management.

Last but not least, in July 2023, the Sustainable Management Committee resolved to enact a ‘Diversity and Inclusion’ policy. With this policy in place, Hana Financial Group plans to offer fair and equitable opportunities to all its employees and to do its part in collaborating with government agencies and local communities to make fair and tolerable social system. In detail, the Group will increase employment diversity ratio to over 15% to hire staffs with disabilities, citizens of national merit, and members of multicultural families while also increasing the proportion of female managers and executives to 30% and 15% respectively by 2030 for gender equality. Similarly, the Group intends to raise the proportion of female independent directors within the Board to about 25% by 2025. As shown through these target milestones, the Board is dedicated to conducting constant monitoring for equal opportunities given to female employees so that they can perform to their full potential without being discriminated.

Moving forward, the Board will continue to practice transparent and responsible ESG management in line with global standards and will implement various strategies to fulfill the Group’s mission of “Growing Together, Sharing Happiness” through finance.



Introduction

CEO Letter & Presentation

BOD Roundtable 2023



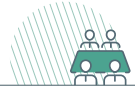

Group Overview

Business Overview

Financial Review

BOD'S ENGAGEMENT EFFORTS AND DISCUSSIONS

HFG's BoD has expanded its outreach to engage more frequently and regularly with investors.

 <p>2022 VIRTUAL ROUNDTABLE</p> <ul style="list-style-type: none"> • BoD's perspective on the chronic undervaluation of Korean Banks: strategies for enhancing shareholder returns • Plans to enhance gender diversity within the Board and across the Group • Performance and plans for ESG management including ISSB adoption and measures to prevent the greenwashing problem 	 <p>2023 1-1 & GROUP MEETINGS</p> <ul style="list-style-type: none"> • Projected shareholder returns for 2022 and future outlook • Expected growth rate of RWA and M&A strategy • Disclosure plans and management measures for Scope III carbon emissions 	 <p>2023 VIRTUAL ROUNDTABLE</p> <ul style="list-style-type: none"> • Execution of the Group's capital management and shareholder return policy as announced in early 2023 • Fostering diversity within BoD and across the Group affiliates • Strengthening KPIs for management that align with shareholder value (stock price, ROA, risk management, ESG, etc.) 	 <p>2024 1-1 & GROUP MEETINGS</p> <ul style="list-style-type: none"> • Future plans for shareholder return after dividends and share buyback and cancellation implemented in 2024 • Continuous management of the Group's capital ratios and RWA throughout the year • Enhancement of Board diversity and expertise, with a shift in focus from academia to industry professionals
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BOD'S ACTIONS FOLLOWING INVESTOR FEEDBACK

» Shareholder Engagement

- Extension of participation to all independent directors
- Increased scale and frequency of the meetings with shareholders and investors

» Shareholder Return

Implementation of FY2023 total DPS of KRW 3,400, with a payout ratio of 28.4% and share buyback and cancellation totaling KRW 300 billion

» Climate Change Response

- Integration of K-Taxonomy into IT system to mitigate greenwashing
- Releasing Scope III figures to enhance monitoring and management of carbon emissions from the Group's portfolio

» Diversity & Inclusion

- Establishment of 'HFG Diversity and Inclusion Policy' in July 2023 to foster diversity and nurture women's talents
- Increasing the percentage of female directors to 25% among independent directors by 2025
 - Increasing the percentage of female managers and female executives to 30% and 15%, respectively, by 2030

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

GROUP OVERVIEW

Group's Key Tasks for 2024	22
Vision & Mission	23
Corporate Governance	24
Risk Management	28
Board of Directors	31

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

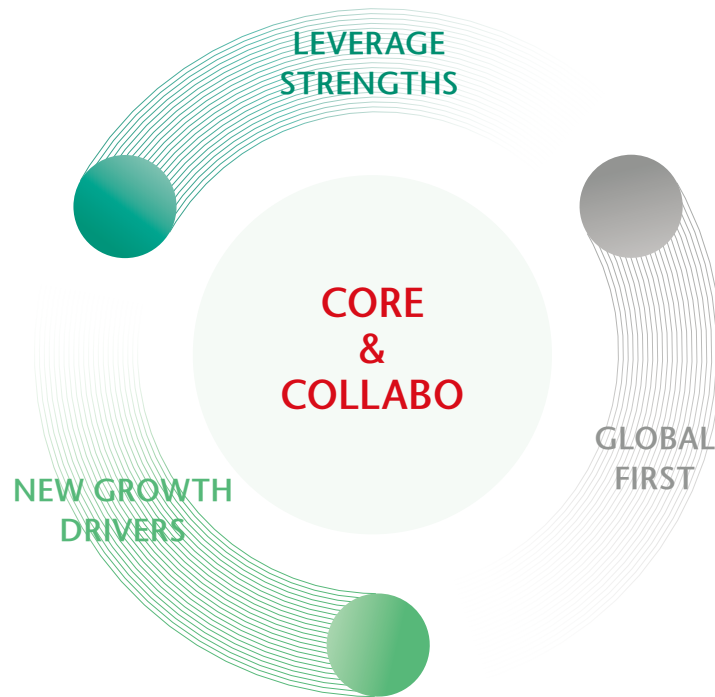
Group Overview

Business Overview

Financial Review

Group's Key Tasks for 2024

Hana Financial Group selected key tasks for 2024 in the spirit of “Core & Collabo”, aiming to engage in competitions and cooperations that transcend industrial boundaries. Through zero-base redesigning and collaboration across all areas, we intend to strengthen our digital and global competency and build a long-term, qualitative foundation for growth spanning the financial and non-financial sectors, moving towards sustainable growth.



① REINFORCING COMPETITIVE EDGE	Market Dominance	Maximizing business capabilities in areas such as corporate banking, FX, asset management, and trust, leveraging our strengths, to secure a dominant position in the market
	Customer-Centric	Meeting customer needs in a distinctive way through the consolidation of internal capabilities and organic connections with external partners
	Sustainable Growth	Building a sustainable growth foundation through strategic management and phased implementation of short-to-long-term strategies
② STRENGTHENING GLOBAL PRESENCE	Global First	Focused on becoming the leading force in key competitive regions through the expansion of business infrastructure and innovation in support systems
	Collaboration with Top Players	Strengthening growth foundations and enhancing business capabilities through collaboration with top financial institutions in each region Promoting global business expansion and enhancing non-banking competitiveness through new investments and the expansion of business models
③ STEPPING INTO NEW TERRITORIES	New Growth Drivers	Exploring and pursuing future opportunities in non-financial sectors such as healthcare and mobility, as well as future innovations like STOs and virtual assets
	Fortify Digitalization	Advancing business initiatives with a focus on digital capability enhancement (talent acquisition, technology-based foundations) and aligning with core operations, prioritizing performance
	Investments/Partnerships	Pursuing continued investment/partnerships in innovative and technological companies and strengthening business portfolio

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Group's Key Tasks for 2024

Vision & Mission

Corporate Governance

Risk Management

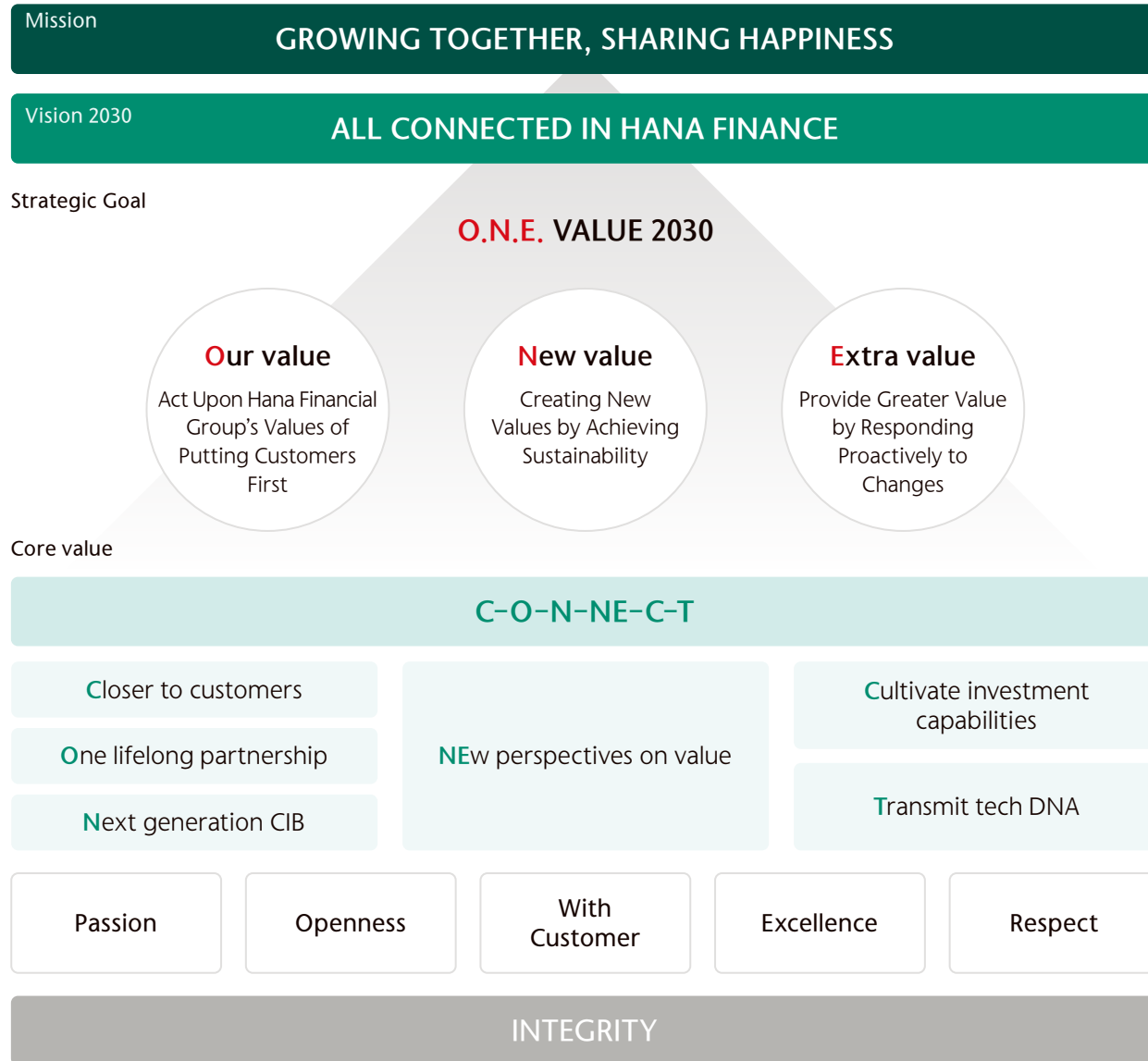
Board of Directors

Business Overview

Financial Review

Vision & Mission

This vision embodies our determination to create new value through finance that is firmly built upon mutual trust, allowing everyone to take full advantage of finance through its innovative platform. Based on customer-centric, future-oriented, innovative business model, it is prioritizing value, not growth, in a bid to become Asia's No. 1 financial group for its customers, shareholders, and society at large.



Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Group's Key Tasks for 2024

Vision & Mission

Corporate Governance

Risk Management

Board of Directors

Business Overview

Financial Review

Corporate Governance

COMPOSITION OF THE BOD

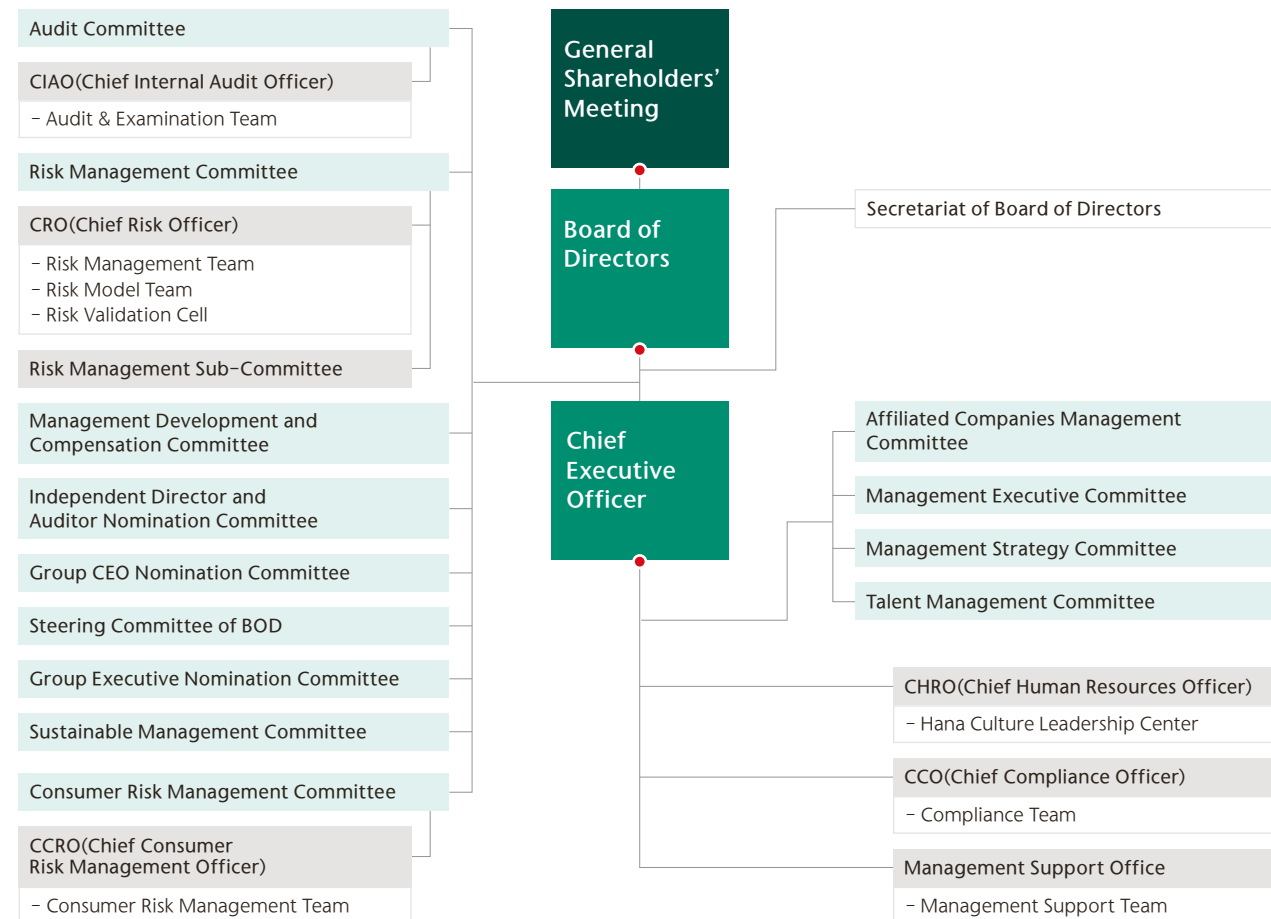
Hana Financial Group’s Board of Directors (BOD) approves the Group’s management goals, strategies, and business plans aimed at advancing the Group’s interests and benefiting shareholders. The BOD oversees their implementation and receives reports on key business execution matters to enhance management accountability. Additionally, the Board has the authority to appoint and dismiss the CEO, ensures a majority of independent directors to secure independence from management, and separates the position of chairman of the Board from the CEO.

As of the end of March 2024, Hana Financial Group’s Board of Directors consists of a total of 12 members, of which 9 are independent directors, accounting for 75%. They comprise experts from various fields such as financial services, executive leadership, economics, finance, accounting, legal, information technology, and ESG to ensure diverse expertise. The directors of Hana Financial Group meet the qualifications set forth in relevant laws and possess exemplary ethical standards, professionalism, and integrity. Furthermore, the Board is structured to represent the interests of all stakeholders in a balanced manner.

As of the end of March 2024, the Group’s Board of Directors (BOD) was composed of 12 directors (9 independent directors, 3 executive directors),

including 4 in financial services, 1 in executive leadership, 1 in economics, 1 in finance, 1 in accounting, 2 in legal, 1 in information technology, and 1 in ESG.

Board Organization



Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Group’s Key Tasks for 2024

Vision & Mission

Corporate Governance

Risk Management

Board of Directors

Business Overview

Financial Review

BOD COMMITTEES

Hana Financial Group is implementing transparent management and rational corporate governance to enhance operational efficiency of the Board of Directors. As of the end of March 2024, it operates nine committees within the Board of Directors: the Steering Committee of BOD, Audit Committee, Risk Management Committee, Management Development and Compensation Committee, Independent Director and Auditor Nomination Committee, Group CEO Nomination Committee, Group Executive Nomination Committee, Sustainable Management Committee, and Consumer Risk Management Committee.

Among these, the Group Executive Nomination Committee examines, comments on the qualifications of, and recommends CEO candidates for Hana Bank, Hana Securities, Hana Card, Hana Capital, Hana Life Insurance, and Hana Savings Bank, as well as for executive director positions within Hana Financial Group.

To enhance the independent functions of each committee within the Board of Directors, committees such as the Audit Committee, Risk Management Committee, Management Development and Compensation Committee, Independent Director and Auditor Nomination Committee, and Group CEO Nomination Committee are composed entirely of independent directors. Furthermore, to strengthen

Board Committees

Committee	Purpose of Responsibilities	No. of independent directors / No. of members	Chair
Steering Committee of BOD	Discuss and address matters concerning the enhancement of corporate governance, the optimization of the Board of Directors and its committees' functioning, and any other tasks delegated by the Board of Directors	4/5	Lee, Jung-won
Audit Committee	Develop and execute internal audit plans, encompassing accounting, business, and ancillary audits. Evaluate the outcomes of audits, implement necessary follow-up actions, and propose enhancements	4/4	Won, Sook-yeon
Risk Management Committee	Establish, approve, and manage policies and plans for handling various risks associated to the Group's business operations	5/5	Lee, Kang-won
Management Development and Compensation Committee	Perform the role of deliberating on the establishment of measures to enhance group management performance. This includes evaluating and determining the performance and compensation of executives within the Group and its subsidiaries, as well as conducting discussions regarding candidates for such roles	3/3	Yi, June-suh
Independent Director and Auditor Nomination Committee	Develop standards for the selection of independent directors and identify suitable candidates from diverse backgrounds. Additionally, choose nominees for the Audit Committee and propose them during General Shareholder Meetings	5/5	Lee, Jung-won
Group CEO Nomination Committee	Establish criteria for selecting candidates for the Group's CEO, and evaluate and nominate eligible candidates based on relevant regulations and bylaws. Additionally, fulfill the role of annually approving succession plans to ensure the continuity and stable transition of management	9/9	Lee, Jung-won
Group Executive Nomination Committee	Assess and propose individuals for the roles of executive directors within the holding company (excluding the Group CEO and independent directors), as well as chief executive officers of the Group's affiliates in instances where new appointments are necessary due to various reasons, including the conclusion of their tenure	3/4	Park, Dong-moon
Sustainable Management Committee	Establish and change the Group's sustainable management strategies and policies related to climate change response, and creation of social value by the Group	4/5	Lee, Jae-sool
Consumer Risk Management Committee	Establish and change the Group's consumer risk management policies, enact and abolish Consumer Risk Management Committee regulations	4/5	TBD

* As of March 2024

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Group's Key Tasks for 2024

Vision & Mission

Corporate Governance

Risk Management

Board of Directors

Business Overview

Financial Review

the expertise of each committee, the Audit Committee includes at least one accounting or finance expert, while the Risk Management Committee and Management Development and Compensation Committee define requirements for appointing at least one member with experience in finance, accounting, or related fields.

Hana Financial Group’s Board of Directors(BOD) delegates some of its authority to committees within the Board, ensuring compliance with relevant laws, regulations, and the articles of association. These committees address various issues including corporate governance improvement, efficient board operation, accounting and internal audits, risk management related to business operations, formulation and execution of group compensation policies, and recommendations for CEO, independent director, and auditor candidates. Additionally, the major activities of the Board of Directors and its committees are regularly disclosed and made publicly available.

In 2023, Hana Financial Group held a total of 11 board meetings, during which 98 resolutions/reports were deliberated. The average attendance rate of independent directors was 100%, and all directors complied with an attendance rate of 75% or more according to the criteria set by ISS (Institutional Shareholder Services).

INDEPENDENCE, TRANSPARENCY AND DIVERSITY OF THE BOD

The Hana Financial Group Board of Directors established the criteria for the independence of independent directors and the criteria for board diversity at the 5th Board Meeting held in July 2021, and has publicly disclosed these policies on its website. Since 2010, the Group has consistently appointed female independent directors, and as of the end of March 2024, there are two female independent directors serving. Additionally, the Board comprises directors with global experience, enabling decisions to be made with a global mindset.

In accordance with the relevant Articles of the Act on Corporate Governance of Financial Companies and Article 8 of its enforcement decree, Hana Financial Group appoints independent directors based on qualification requirements and independence criteria. The chairman of the Board is an independent director, separate from the CEO, ensuring an independent and transparent board operation.

Hana Financial Group’s Board of Directors comprises professionals with diverse expertise to foster independent opinions and efficient decision-making. Directors skilled in financial services, executive leadership, economics, finance, accounting, legal, information technology, and ESG, alongside those with practical experience and global exposure, are appointed to prevent bias towards specific

professions such as academia. Additionally, independent directors serve in both supervisory roles over management and advisory capacities, with our internal regulations explicitly stating the option to seek advice from external institutions when necessary.

The Board openly communicates its activities to stakeholders, including shareholders, customers, employees, and society, by consistently disclosing results. This involves providing information through multiple channels, including annual reports.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Group’s Key Tasks for 2024

Vision & Mission

Corporate Governance

Risk Management

Board of Directors

Business Overview

Financial Review

BOD EVALUATION PROCESS AND STANDARDS

Hana Financial Group conducts an annual evaluation of the Board of Directors under the supervision of the chairman of the Board to ensure transparent and efficient Board composition and operation, strengthen the role of the Board, and promote accountability. The Board evaluation is conducted in the early months of the following year based on the activities of the previous year, and to ensure evaluation independence, it is conducted in written survey format targeting independent directors.

To enhance the fairness and objectivity of the evaluation, Hana Financial Group receives advice from external professional organizations to design evaluation criteria and evaluation tools for the Board evaluation. The main evaluation criteria of the Board include ‘Functions, Roles, and Responsibilities of the Board’, ‘Board Operations’, ‘Board Evaluation System’, and ‘Board Composition and Director Qualifications’, each containing detailed contents sufficient for evaluating the respective items.

Each evaluation criteria requires respondents to provide ratings and opinions using a written questionnaire, with evaluation scores ranging from 1 to 5 points for each subjective sub-item. Respondents choose a numerical scale of 1 to 5 points for each subjective sub-item, and the average score for each evaluation item is calculated. However, while sub-

items are in multiple choice format, an <Opinion> section allows respondents to freely express their views in a subjective format, ensuring both quantitative and qualitative evaluations.

The evaluation results for the activities of the Board of Directors and its committees in 2023 are as follows:

BOD Evaluation

ITEM	RATING
BOD function, roles, and responsibilities	Highest Level
BOD operation	
BOD evaluation scheme	
BOD composition and director qualifications	

BOD Committee Evaluation

COMMITTEE	RATING
Steering Committee of BOD	Highest Level
Audit Committee	
Risk Management Committee	
Management Development and Compensation Committee	
Independent Director and Auditor Nomination Committee	
Group CEO Nomination Committee	
Group Executive Nomination Committee	
Sustainable Management Committee	
Consumer Risk Management Committee	

The evaluation results for the Board activities in 2023 were all rated as ‘Highest Level’ and were reported at the 1st board meeting held in January 2024. Furthermore, these evaluation results are disclosed annually in the Annual Report on Corporate Governance and Compensation Practices of HFG, which is publicly available for external stakeholders.

The Korea Institute of Corporate Governance and Sustainability annually evaluates the corporate governance of Hana Financial Group, including the activities of its board of directors. In 2023, the Group was awarded an A grade in the corporate governance evaluation for financial companies.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Group’s Key Tasks for 2024

Vision & Mission

Corporate Governance

Risk Management

Board of Directors

Business Overview

Financial Review

Risk Management

RISK MANAGEMENT AT THE GROUP

Hana Financial Group is fully aware of the critical importance of proactive and systematic risk management, and thus focuses on maximizing its risk management capacity to effectively cope with a crisis of any magnitude. In accordance with guidelines at the Group level, all risks associated with credit, markets, liquidity, and operations are managed through detection, measurement, monitoring, control, and reporting.

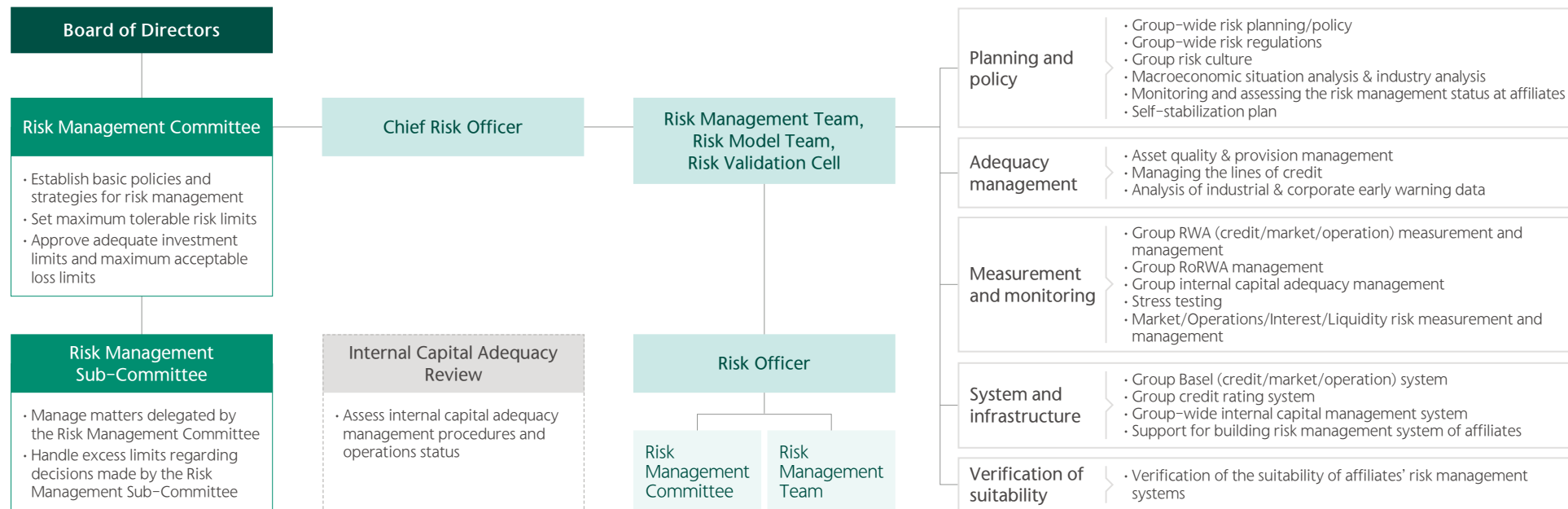
RISK GOVERNANCE

Hana Financial Group has in place an advanced risk governance system that enables the comprehensive and systematic management of potential risks. The Group's Board of Directors (BOD) commands the resources and systems necessary to manage risks in line with our business strategies, and delegates a portion of its risk management authority and responsibilities to the Risk Management Committee.

RISK MANAGEMENT COMMITTEE

As the highest decision-making body for the Group's risk management, the Risk Management Committee is entrusted by the BOD to establish, approve, and manage the Group-wide policies and master plans for managing various risks associated with the Group's business.

Risk Management Organization



Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Group's Key Tasks for 2024

Vision & Mission

Corporate Governance

Risk Management

Board of Directors

Business Overview

Financial Review

RISK MANAGEMENT SUB-COMMITTEE

The Risk Management Sub-Committee fine-tunes and handles the caps on matters delegated by the Risk Management Committee, and accordingly monitors and manages risk management practices across all Group operations. It also deliberates on pending risk issues and control measures of Group affiliates and orchestrates the implementation of the Group's Risk Management policies at the affiliate level.

CHIEF RISK OFFICER

The Chief Risk Officer (CRO) is in charge of all risk management-related organizations of the Group as delegated by the Group Risk Management Committee. The CRO is selected from among candidates without disqualification factors pursuant to Article 28, Paragraph 3 of the Act on Corporate Governance of Financial Companies and all relevant internal regulations.

THE GROUP RISK MANAGEMENT UNITS

The Group Risk Management units—Risk Management Team and Risk Model Team—are independently run under the direct supervision of the CRO. They report risk management-related issues directly to the Risk Management Committee, Risk Management Sub-committee, top management, and CRO, and assist each of the bodies in their deliberation of the issues. They also examine Group affiliates' daily risk management practices and the adequacy of their risk measurement models.

RISK MANAGEMENT COMMITTEES, OFFICERS, AND TEAMS AT GROUP AFFILIATES

The Group affiliates not only follow Group-wide risk policies and strategies but also establish and implement the details of their own risk policies and strategies as well as for subsidiaries. This is always carried out in conformity with Group-wide risk policies and strategies.

THE ROLE AND RESPONSIBILITIES OF THE GROUP RISK MANAGEMENT COMMITTEE

The Group Risk Management Committee is one of the BOD committees responsible for effective risk management in line with the business strategies of the Group and the Group affiliates in accordance with all related regulations established by the BOD.

As the highest decision-making body on Group-wide risk management practices, the Committee establishes, approves, and manages policies and master plans for managing any risk involving the Group's ordinary business activities on the basis of a top-down system between the holding company and the Group affiliates.

Consisting of experts in accounting, economics, and finance, the Committee manages all Group-wide risks, while also making every effort to ensure smooth communication and, when needed, seeks opinions from internal and external experts.

ASSET QUALITY OUTLOOK AND RISK MANAGEMENT STRATEGY

The extended economic aftermath of the pandemic as well as heightened geopolitical tensions stemming from the Russia-Ukraine war and disturbances in the Middle East have ushered in a prolonged period of uncertainty domestically and internationally. As a result, financial institutions are grappling with a rise in defaults across various sectors, including household loans, SME and SOHO loans, real estate PF, and overseas commercial real estates. This poses significant challenges to asset quality management for financial companies in 2024.

Hana Financial Group remains steadfast in its commitment to risk management, employing proven strategies to mitigate additional risks. These include bolstering low-risk assets such as loans to prime borrowers and secured loans, conducting early credit assessments for marginal borrowers, selectively monitoring high-risk borrowers, ensuring a swift exit from non-performing corporate loans, and strengthening household loan management by applying advanced Machine Learning models. The Group's comprehensive approach extends to proactive management of asset soundness, utilizing specialized teams like the Delinquency Control Task Force to promptly address non-performing assets and guaranteeing effective risk mitigation measures are in place.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Group's Key Tasks for 2024

Vision & Mission

Corporate Governance

Risk Management

Board of Directors

Business Overview

Financial Review

RISK-WEIGHTED ASSET MANAGEMENT STRATEGY

The goal of risk-weighted asset (RWA) is to achieve the mid to long-term capital adequacy ratio as approved by the BOD and to manage RoRWA*. Based on the recognition of the growing needs of Group-wide capital adequacy management, the Group and its affiliates set their own individual RWA limits and monitor the progress. In hedging against a prolonged economic recession, we will keep a close eye on our high-risk exposure even as we increase our low-risk exposure to rebalance a sound asset portfolio.

For successful RoRWA management, the Group and its affiliates have in place their own respective RoRWA goals. Affiliates have determined the guidelines for RoRWA management so as to factor the RoRWA into the decision-making processes from new lending or investment review stages to credit review stages. Moving forward, RoRWA guidelines will be pegged to the economic situation at hand to ensure effective risk-based profit management.

DOMESTIC REAL ESTATE PFs AND OVERSEAS COMMERCIAL REAL ESTATES STRATEGY

Korea's PF market faces multifaceted challenges, including ongoing market downturns, interest rate fluctuations, and heightened default risks among developers, impeding the conversion of bridge loans into PFs. In contrast, PFs are facing an escalated risk of default due to polarizing trends in the sales market. In response, Hana Financial Group has adopted a conservative approach, limiting real estate PFs to control risk tolerance levels within appropriate parameters. Furthermore, the Group has established or reorganized dedicated PF task force teams at affiliate levels to ensure close, on-site monitoring of each project. Particularly for high-risk bridge loans, the Group actively pursues diverse exit strategies, such as loan rollovers, weekly inspections on project sites, and leveraging auctions and sales to NPL investment funds.

With respect to overseas commercial real estates, challenges like their declining asset value due to rising vacancy rates and the strain of refinancing senior loans amidst interest rate hikes are prevalent. To address these concerns, the Group has instituted rigorous risk management protocols, including a general principle of refraining from additional commercial real estates in U.S. and European commercial real estate assets. In cases where default risks surface, the Group has adopted a proactive

approach by consulting with syndicated lenders, and asset managers before maturity to devise timely normalization plans. Additionally, the dedicated follow-up department has devised a range of countermeasures to contain potential losses within predefined limits.

*RoRWA: Return on risk-weighted assets

RoRWA Management

For successful RoRWA management, the Group and its affiliates have in place their own respective RoRWA goals

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Group's Key Tasks for 2024

Vision & Mission

Corporate Governance

Risk Management

Board of Directors

Business Overview

Financial Review

Board of Directors

Lee, Jae-min
Independent Director

- Professor, Seoul National University School of Law
- Former, President, Korean Society of International Economic Law
- Former, Lawyer (Washington, D.C.), Willkie Farr & Gallagher LLP

Yi, June-suh
Independent Director

- Professor, Finance Faculty, Dongguk Business School
- Former, member, Special Committee on Investment Policy, National Pension Fund Management Committee
- Former, Member, Securities and Futures Commission, Financial Services Commission

Lee, Jung-won
Independent Director

- Former, CEO, Shinhan Data System
- Former, Vice President, Credit Analysis & Assessment Group, Shinhan Bank
- Former, Member, Crisis Management Committee, Shinhan Bank

Ham, Young-joo
Executive Director

- CEO, Hana Financial Group (March 25, 2022 ~ Present)
- Former, CEO, Hana Bank

Yoon, Shim
Independent Director

- Former, CEO, Miracom Inc.
- Former, Vice President, Samsung SDS (Cloud Business and Research Institute)
- Former, Senior Executive Vice President, Samsung SDS (Research Institute)

Lee, Jae-sool
Independent Director

- Former, Managing Director (KICPA), Deloitte Anjin Accounting Corporation
- Former, Member, Public Funds Management Committee, Financial Services Commission
- Former, Managing Auditor, Boryung Co., Ltd



Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Group's Key Tasks for 2024

Vision & Mission

Corporate Governance

Risk Management

Board of Directors

Business Overview

Financial Review

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Group's Key Tasks for 2024

Vision & Mission

Corporate Governance

Risk Management

Board of Directors

Business Overview

Financial Review

Lee, Seung-lyul
Executive Director

- CEO, Hana Bank
- Former, CEO, Hana Life
- Former, Deputy President, Chief Financial Officer, Hana Financial Group

Park, Dong-moon
Independent Director

- Former, CEO, Kolon Industries
- Former, CEO, Kolon Glotech
- Former, CFO, Kolon Industries Indonesia

Joo, Yung-sup
Independent Director

- Former, 25th Commissioner, Korea Customs Service
- Former, Head of Tax and Customs Office, Ministry of Economy and Finance
- Former, Director of Tax Policy Bureau, Tax and Customs Office, Ministry of Economy and Finance

Won, Sook-yeon
Independent Director

- Professor, Public Administration, Ewha Womans University
- Member, Equal Opportunity Policy Committee, Supreme Prosecutors' Office
- Audit Committee Member, Supreme Court of Korea

Lee, Kang-won
Independent Director

- Managing Partner (Lawyer), Dadam LLC.
- Former, Chief Judge, Busan High Court
- Former, Presiding Judge, Seoul High Court

Kang, Seong-muk
Executive Director

- CEO, Hana Securities & Vice Chairman, Hana Financial Group
- Former, CEO, Hana Alternative Asset Management
- Former, Vice President, Retail Division, Hana UBS Asset Management



BUSINESS OVERVIEW

2023 News Highlights

Digital	34
Global	36
ESG	38

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

2023 News Highlights

DIGITAL

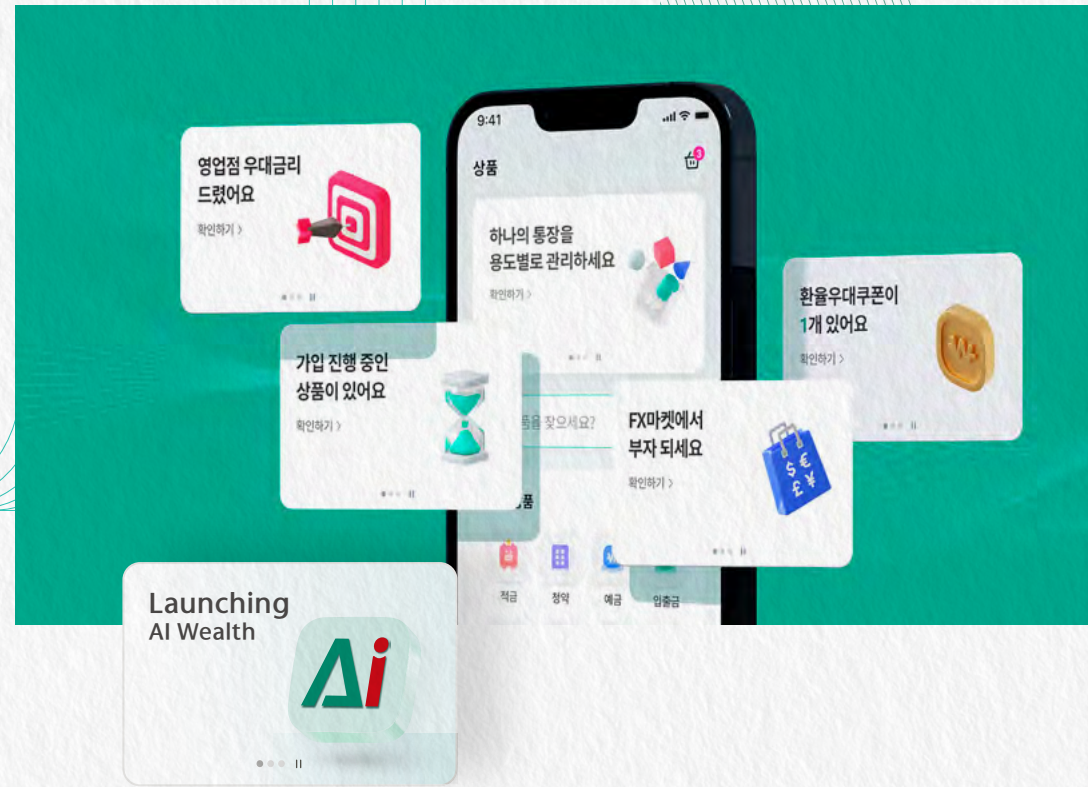
In early 2023, Hana Financial Group unveiled a new digital vision and mid- to long-term strategy, charting a course for the next decade under the slogan “Digital to the Core.” This year marked the beginning of our journey to lay the digital foundation of the Group, achieving the following significant milestones.

ACTIVATING DIGITAL FINANCE WITH SAMSUNG ELECTRONICS

Hana Financial Group and Samsung Electronics plan to establish a collaboration based on the convergence of finance and IT. They will prioritize exploring innovative new digital services and product development, as well as joint marketing initiatives for youth customers. In the mid- to long-term, they intend to focus discussions and efforts on discovering new business models using blockchain and NFT.



COLLABO



AI WEALTH

LAUNCHING AI WEALTH PLATFORM

Hana Bank has launched an individualized artificial intelligence (AI) asset management platform called ‘AI Wealth’. The most significant differentiator of AI Wealth from traditional asset management services is its hyper-personalization. Hana Bank analyzes the transaction history of all customers and derives the ‘investment DNA’ of each individual, implementing a personalized solution that provides tailored information for each customer.

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview**
- 2023 News Highlights
 - Digital
 - Global
 - ESG
- Financial Review

LAUNCHING 2ND 'HANA DIGITAL POWER ON PROJECT'

The Hana Digital Power On Project is designed to nurture young digital talents who will spearhead future innovations in digital finance. It provides young generations with new opportunities for challenges and growth. After starting its first term last year, the project held a declaration ceremony for its second term this year.

POWER ON



TRAVLOG

SECURING NEW GROWTH DRIVERS

Through alliances with leading non-financial platforms across diverse sectors, Hana Financial Group anticipates generating synergies between financial and non-financial domains. With a focus on areas with high financial relevance, the Group is committed to discovering and implementing platform business models, securing preemptive partnerships, and making strategic investments to effectively navigate the rapidly evolving future of finance.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

2023 News Highlights

- Digital
- Global
- ESG

Financial Review

GLOBAL

Hana Financial Group stands as a global financial institution with the most extensive overseas network among Korean banks, with 211 offices across 25 regions worldwide. In 2024, the Group aims to establish a robust groundwork towards becoming Asia's top financial institution.

PROMOTING K-FINANCE THROUGH ACTIVE IR

Ham, Young-joo, CEO of Hana Financial Group, has spearheaded efforts to attract global investors by overseeing more than two overseas IR events annually since inception of his tenure.

During these IR events, he has shared insights into the Group's financial performance, robust asset quality, as well as its mid- to long-term growth strategies and vision. Additionally, he has introduced the Group's world-class ESG management practices. Additionally, he has clarified the Group's shareholder return policy, addressing a significant concern among investors, and actively encouraged global investors to invest in Hana Financial Group with confidence, advocating for sustained growth through mutual trust.

GLOBAL CORPORATE CULTURE WORKSHOP

Hana Financial Group held the global corporate culture workshop for the second half of 2023 at Hana Global Campus, located in Cheongna, Incheon.

The event, featuring the catchphrase 'All Connected in Hana Global', was designed to share and disseminate the Group's future direction and sustainable ESG management activities from the perspectives of local staff in global locations.

ONE TEAM

WORLD-CLASS



Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

2023 News Highlights

- Digital
- Global
- ESG

Financial Review



INDONESIA

STABLE GROWTH IN INDONESIA

Hana Bank's Indonesian subsidiary experienced a significant downturn in the second half of 2020 due to the impact of COVID-19, but it has been steadily recovering since 2022. This is attributed to the expansion of non-face-to-face financial services, based on the collaboration with Naver Line (LINE) to launch a digital bank.

Among Hana Bank's overseas subsidiaries, the Indonesian entity holds the largest share in terms of performance. Hana Financial Group has set a goal to increase the proportion of overseas revenue to 40%, underscoring the crucial role of the Indonesian subsidiary. The analysis suggests that the steady expansion of digital financial services has played a key role in this recovery.

THE FIRST-EVER BUSINESS AGREEMENT BETWEEN SAUDI EXIM

Holding the largest number of operating channels in the Middle East among Korean financial institutions, Hana Financial Group is expected to leverage its networking and collaboration with Saudi EXIM and Saudi NDF to function as a bridge for stronger cooperative and financial ties between Korea and Saudi Arabia, and provide corporate customers seeking business in the Middle East with first-class financial services.

SAUDI ARABIA



Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

2023 News Highlights

- Digital
- Global
- ESG

Financial Review

ESG

Hana Financial Group is focusing on authentic ESG management practices based on the Group ESG vision, 'Big Step for Tomorrow.' This includes the enhancement of the ESG financial management system, expansion of social impact, and strengthening capabilities for climate change adaptation.

THE FIRST UNEP FI ASIA-PACIFIC ROUNDTABLE HELD IN KOREA

Ham, Young-joo, CEO of Hana Financial Group delivered a keynote address at the first UNEP FI Asia-Pacific roundtable held in Korea. Hana Financial Group attended this inaugural Asia-Pacific roundtable of the United Nations Environmental Programme Finance Initiative (UNEP FI) held in Korea, reaffirming its commitment to leading the expansion of biodiversity investment for sustainable finance in the region.

UNEP FI



CHILD CARE

'100TH CHILD DAYCARE CENTER' BY 2024

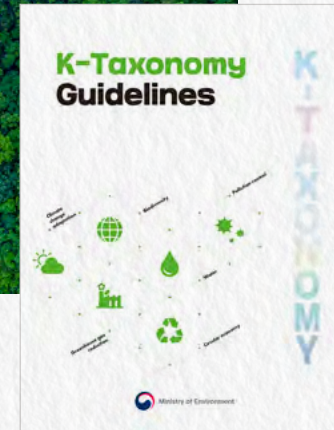
Our 100th Child Daycare Center Construction Project—an initiative aimed at addressing the social issue of declining birth rates—is set to be completed in 2024. We anticipate that through this project, approximately 10,000 children will receive childcare benefits until the completion of the daycare centers in 2024. Moreover, it is expected to create around 4,500 direct and indirect jobs, including the employment of over 2,000 childcare teachers. Additionally, it is projected that the economic value generated will amount to 261.1 billion won, including 115 billion won from the employment creation of childcare staff and 146.1 billion won from increased female economic participation.

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- 2023 News Highlights
 - Digital
 - Global
 - ESG
- Financial Review

JAMBOREE

SUPPORT AND ENCOURAGEMENT OF JAMBOREE PARTICIPANTS

Hana Financial Group visited the Italian World Scout Jamboree participants staying at Hana Global Campus in Cheongna, Incheon, and expressed their support on the morning of August 10th. The Group provided a total of 100 single-room accommodations (two people per room) with bathrooms for the 200 jamboree participants and staff members. Additionally, convenient and comfortable spaces were prepared for recharging, complete with customized K-meals and laundry services.



ESG ASSESSMENT SYSTEM BASED ON 'K-TAXONOMY'

Hana Bank became the first bank in Korea to incorporate K-Taxonomy—a green activity classification standard—into its ESG financial review system. 'K-Taxonomy' is a standard set by the Ministry of Environment to classify environmentally friendly economic activities such as greenhouse gas reduction and climate change adaptation. It is designed to promote green finance and achieve a sustainable circular economy.

K-TAXONOMY

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

2023 News Highlights

- Digital
- Global
- ESG

Financial Review

FINANCIAL REVIEW

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

HANA FINANCIAL GROUP

I. OVERVIEW

In 2023, amid the deepening uncertainty in both domestic and international economic conditions, Hana Financial Group diligently upheld its inherent role as a financial institution. The Group remained steadfast in its commitment to fostering a virtuous cycle of finance that grows together and shares happiness with all stakeholders, including customers and shareholders.

Hana Financial Group recorded a net income of KRW 3,421.7 billion in 2023, a slight decline of 4.2% from the previous year. Although there was a 6.8% YoY increase in general operating income, the reduction was primarily attributed to the recognition of non-recurring expenses. These expenses were allocated for preemptive provisioning to enhance total loss absorbing capacity and for contributions to the profit-sharing financial assistance program, aligning with the Bank's commitment to social responsibility.

Despite increased volatility in the financial market, the Group's net interest income, maintained at the previous year's level through proactive asset growth, decreased by KRW 126.6 billion to KRW 8,879.4 billion. The Group's net interest margin (NIM)—combining NIMs of Hana Bank and Hana Card—edged down by 1 basis point from the previous year to 1.82%. However, the Group demonstrated an improved profit-generating capacity, with non-interest income, driven by fee income and disposition & valuation gains, significantly increasing by 70.9% YoY to KRW 1,972.3 billion. The Group's ROE was recorded at 8.95%, with an improvement of 1.3%p in the cost-to-income (C/I) ratio to 40.6%.

The Group's total assets grew by 4.1% YoY to KRW 591,926.0 billion, driven by an increase in interest-earning assets such as prime corporate loans and securities.

Table 1. Summarized Financial Information

(KRW in billion)	2023	2022	YoY
Profitability			
General Operating Income	10,851.8	10,159.9	691.8
Operating Income	4,693.4	4,688.3	5.1
Consolidated Net Income	3,421.7	3,570.6	-148.9
ROA	0.59%	0.66%	-0.07%p
ROE	8.95%	10.08%	-1.13%p
EPS (KRW)	11,380	11,865	-485
Cost to Income Ratio	40.62%	41.90%	-1.27%p
Business Volume			
Total Assets ¹⁾	591,926.0	568,873.2	23,052.8
Total Deposits	372,039.6	362,738.0	9,301.5
Asset Quality			
Substandard & Below (NPL) Ratio	0.47%	0.33%	0.14%p
Substandard & Below (NPL) Coverage Ratio ²⁾	167.08%	200.80%	-33.72%p
Delinquency Ratio	0.45%	0.30%	0.15%p
BPS (KRW)	124,081	114,353	9,728
Capital Adequacy ³⁾			
BIS CAR - Group	15.65%	15.67%	-0.02%p
Tier 1 Ratio	14.68%	14.61%	0.07%p
Common Equity Tier 1 Ratio	13.22%	13.16%	0.06%p
BIS CAR - Hana Bank	17.93%	16.63%	1.30%p
Tier 1 Ratio	16.26%	14.84%	1.42%p
Common Equity Tier 1 Ratio	16.06%	14.64%	1.42%p
Net Capital Ratio - Hana Securities	1,269.20%	1,051.19%	218.01%p
Adjusted Equity Capital Ratio - Hana Card	18.85%	19.11%	-0.26%p
Solvency Margin Ratio - Hana Life	170.90%	186.32%	-15.42%p
Adjusted Equity Capital Ratio - Hana Capital	13.65%	13.00%	0.65%p

1) Total assets exclusive of trust assets

2) Based on the Regulations on Supervision of Banking Business amended on December 14, 2016

3) Based on Basel III standards

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

The Group effectively upheld its asset quality indicators at manageable level through proactive risk management across the Group: NPL ratio of 0.47%, NPL coverage ratio of 167.08%, and delinquency ratio of 0.45%.

The Group's BIS ratio stood at 15.65%, with the CET1 ratio of 13.22%. Overall, the capital adequacy ratio of the Group and its subsidiaries remained stable, well above the regulatory guidelines as set by financial authorities.

In order to achieve its 2024 management goals, Hana Financial Group will focus on reinforcing competitive edge, enhancing global presence, and navigating new business territories. Through solid management and collaboration, the Group will strive to further improve the value for all stakeholders.

II. SUMMARY OF BUSINESS PERFORMANCE

Throughout the year, Hana Financial Group's general operating income increased by KRW 691.8 billion compared to the previous year, reaching KRW 10,851.8

billion. Interest income maintained parity with the previous year, standing at KRW 8,879.4 billion, despite a YoY decline of KRW 126.6 billion. Fee income saw a notable increase of KRW 91.5 billion, reaching KRW 1,796.1 billion, driven by accumulative fee income items such as operating lease, trust, and retirement pension. Gains on disposition and valuation experienced a significant YoY increase of KRW 707.1 billion, or 453.2%, reaching KRW 863.1 billion, capitalizing on rising market volatilities.

Further details on fee & commission income, gains on disposition and valuation, and other operating income will be provided in Table 3. Non-Interest Income.

Despite inflationary pressure, the Group continued to manage SG&A expenses at a stable level, owing to Group-wide cost cutting efforts.

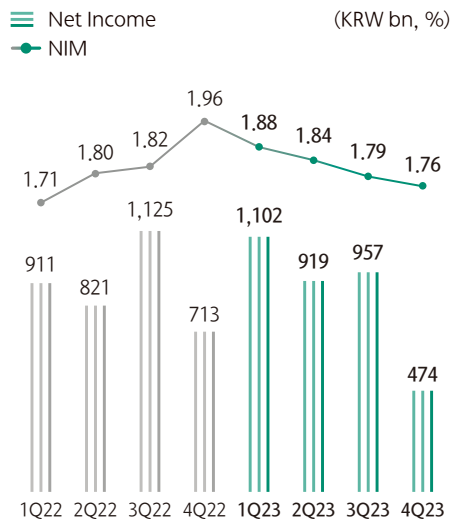
The Group's provision increased by KRW 535.1 billion YoY to KRW 1,750.1 billion. This uptick accounts for preemptive provisioning to enhance loss-absorbing capacity for the potential default risks on the real estate PF and global business. In preparation for potential economic downturn, the Group will continue to maintain a sufficient provisioning level while bolstering monitoring systems for vulnerable exposure.

In 2023, the Group's SG&A expenses increased by KRW 151.6 billion YoY to KRW 4,408.3 billion. Despite the rise in costs, C/I ratio improved for the eighth consecutive year, recording a YoY decrease of 1.27%p to 40.62%, a record-low figure since the establishment of the Group.

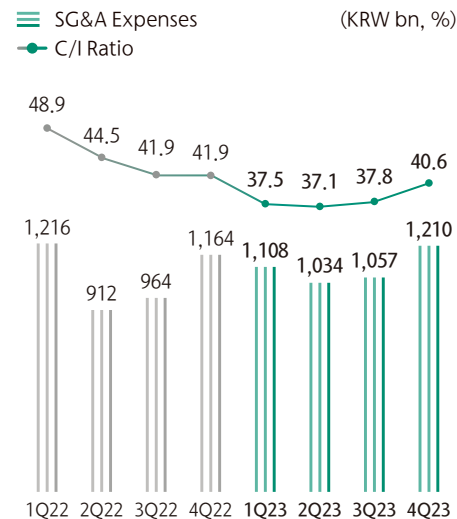
Regularized early retirement programs at Hana Bank and Hana Card contained the increase in salaries and employment benefits at 0.3%. Despite additional ERP of KRW 45.0 billion at Hana Bank at the end of 2023, the retirement benefits decreased by KRW 78.2 billion from the previous year.

The combined KRW 190.1 billion YoY increase in administrative expenses and depreciation and amortization can be primarily attributed to the industry-wide expansion of IT investments involving digital innovation, as well as the increase in social contribution.

Group Net Income & NIM



Group SG&A Expenses & C/I Ratio



- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

Moving forward, Hana Financial Group aims to maintain a C/I ratio of around 40% by sharpening cost discipline.

Hana Bank reported net income of KRW 3,292.2 billion, up KRW 306.2 billion YoY. Despite a slight decline in the net interest margin, interest income grew by KRW 307.8 billion thanks to growth in high-quality assets. Fee income also increased by KRW 122.6 billion, demonstrating a steady improvement. Furthermore, gains on disposition and valuation surged by KRW 465.3 billion due to active trading to capitalize on market volatility.

As a result, general operating income soared by KRW 847.4 billion YoY to KRW 8,351.1 billion. Despite the bank-wide efforts for cost efficiency, Hana Bank's SG&A expenses rose by KRW 106.4 billion compared to the previous year,

mainly due to base effect from the early retirement program and increased IT investments and ESG expenditures. The total provision increased by KRW 330.6 billion YoY to KRW 726.3 billion, driven by preemptive provisioning for potential economic downturn.

Hana Securities reported a net loss of KRW 318.7 billion, a decrease of KRW 474.5 billion compared to the previous year. Despite the recovery in the stock market, fee and commission income declined by KRW 124.7 billion, and gains on disposition and valuation decreased by KRW 130.8 billion YoY, primarily due to the downturn in the real estate project financing caused by high interest rates. Furthermore, an additional KRW 248.2 billion was set aside for provisions compared to the previous year, with a total provisioning of KRW 348.3 billion, reflecting a conservative approach to market uncertainty.

Table 2. Comprehensive Income Statement by Subsidiaries (Separated)

(KRW in billion)	Hana Bank	Hana Securities	Hana Card	Hana Capital	Hana Asset Trust	Hana Alternative Asset Management	Hana Life	Hana Savings Bank	Hana TI	Hana Ventures	Hana F&I	Hana Insurance
General Operating Income	8,351.1	543.0	815.8	556.8	160.3	54.3	27.4	94.8	14.1	13.8	88.6	-41.0
Net Interest Income	7,354.7	317.6	477.0	352.4	21.3	2.8	-194.7	106.4	-2.4	0.4	-2.4	0.7
Net Fee and Commission Income	884.0	367.0	214.9	194.6	129.1	43.6	4.3	2.7	0.0	11.1	-8.7	0.0
Gains on Disposition & Valuation	915.3	-264.6	69.8	-18.4	7.6	4.1	184.5	4.4	0.0	1.9	27.6	-2.9
Other Operating Income	-803.0	123.0	54.1	28.3	2.2	3.8	33.2	-18.7	16.6	0.4	72.1	-38.8
General & Administrative Expenses	3,142.6	508.1	240.7	81.8	44.0	27.3	7.3	41.3	7.8	6.7	10.6	24.2
Pre-Provisioning Operating Profit (PPOP)	5,208.5	34.9	575.1	475.0	116.3	27.1	20.1	53.5	6.3	7.1	78.1	-65.2
Provision	726.3	348.3	351.1	195.0	9.9	0.5	14.1	69.2	0.0	0.0	0.1	0.4
Operating Income	4,482.2	-313.4	224.0	280.0	106.4	26.6	6.0	-15.7	6.3	7.1	77.9	-65.6
Non-Operating Income	-140.2	-98.7	-5.2	-11.2	-0.1	4.2	-0.8	2.5	-0.9	-0.2	-6.1	-22.4
Net Income before Income Tax	4,342.0	-412.1	218.9	268.7	106.3	30.8	5.2	-13.2	5.4	6.9	71.8	-88.0
Income Tax Expense	1,049.8	-93.4	47.8	58.3	25.4	5.4	-0.2	0.0	1.3	1.6	21.5	0.0
Net Income	3,292.2	-318.7	171.0	210.4	80.9	25.4	5.4	-13.2	4.2	5.2	50.3	-87.9

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Hana Card experienced an increase in funding and credit costs due to rising market interest rates, resulting in a YoY decrease of KRW 20.9 billion in net income in 2023, totaling KRW 171.0 billion. Meanwhile, Fee income decreased by KRW 106 billion compared to the previous year to KRW 2,149 billion, while general operating expenses remained at a similar level to the previous year, totaling KRW 2,407 billion.

Hana Capital achieved net income of KRW 210.4 billion, down by KRW 82.9 billion YoY. Lease and installment assets grew by KRW 678.0 billion YoY to KRW 6,461.9 billion. Through active risk management, provisioning increased by KRW 100.4 billion compared to the previous year, reaching KRW 195.0 billion.

Hana Life focused on cost reduction and expanding sales of protection-type and variable insurance products instead of saving-type. The company actively pursued cross-selling opportunities with Group subsidiaries for quality-driven asset management to enhance return on investments (ROI). At the same time, it also emphasized sound business fundamentals through proactive risk management. Notwithstanding all endeavors, Hana Life's net income dropped by KRW 11.7 billion YoY to KRW 5.4 billion in 2023.

In response to the challenging business landscape marked by high interest rates and a downturn in the real estate market, Hana Savings Bank strategically reduced its exposure to high-risk assets, such as unsecured loans and PF loans. Instead, the bank expanded the policy financing like Sunshine Loan and Stepping Stone Loan. Despite these proactive measures, however, the bank incurred a net loss of KRW 13.2 billion, a YoY decrease of KRW 36.5 billion, primarily attributed to the rising funding costs and provisioning due to the deteriorating business environment.

Hana Asset Trust expanded its portfolio in Leveraged land trusts, including urban redevelopment, in response to market demand. However, due to the real estate market downturn, the company reported a net income of KRW 80.9 billion, a YoY decrease of KRW 3.0 billion.

Hana Insurance is transitioning from a traditional auto insurance-oriented business to a digital insurance platform. However, due to an increase in the auto insurance loss ratio, the company reported a net loss of KRW 87.9 billion, a decrease of KRW 37.3 billion compared to the previous year.

Table 3. Non-Interest Income (Consolidated)

(KRW in billion)	2023	2022	YoY
Net Fee & Commission Income	1,796.1	1,704.6	91.5
Credit Card	251.5	261.2	-9.7
Loan and FX-related	702.2	573.2	129.0
Asset Management	681.1	651.5	29.6
Beneficiary Certificates	91.7	99.5	-7.8
Brokerage	142.0	131.0	11.0
Trust Fees	341.6	311.6	30.0
Bancassurance	46.6	40.6	6.0
Wrap Fees	18.4	24.3	-5.9
Management Fees	40.8	44.5	-3.7
M&A Advisory	104.9	186.5	-81.6
Others	56.3	32.2	24.1
Gains on Disposition & Valuation	863.1	156.0	707.1
Other Operating Income	-686.9	-706.7	19.8
Dividend Income	356.4	378.1	-21.7
Contribution to the Credit Guaranteed Fund	-474.2	-423.2	-50.9
Deposit Insurance Fee	-493.1	-463.1	-30.0
Others	-76.0	-198.4	122.5
Total	1,972.3	1,153.9	818.4

The Group's non-interest income surged by 70.9% YoY to KRW 1,972.3 billion. This remarkable growth was propelled by the increases in fee income, gains on disposition and valuation, and other operating income versus the previous year.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review**Management's Discussion and Analysis**

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

The Group's net fee income reached KRW 1,796.1 billion, a 5.4% YoY growth. Notably, loan and FX-related fee income increased by KRW 129.0 billion YoY, driven by loan and guarantee fees resulting from solid corporate loan growth and increased operating lease fee. However, the prolonged slowdown in the IB market, including real estate PFs, led to a decrease of KRW 81.6 billion in M&A advisory fee income compared to the previous year, offsetting the overall fee income growth.

The Group recorded gains on disposition and valuation of KRW 863.1 billion, representing a 453.2% increase compared to the previous year. The significant increase can be attributed to active securities trading profits by Hana Bank, utilizing market interest rates, and an increase in FX trading gain due to the recovery in travel demand.

Other operating income consists primarily of deposit insurance fees, contributions to the credit guarantee fund, and other income accounts such as stock dividends. Among these, dividend income fell by KRW 21.7 billion YoY to KRW 356.4 billion, while the contributions to the credit guarantee fee and deposit insurance fees were recognized as KRW 474.2 billion and KRW 493.1 billion, respectively.

III. SUMMARIZED GROUP FINANCIAL POSITION

Hana Financial Group strategically pursued qualitative growth with an emphasis on quality assets, particularly through prime corporate loans. As a result, the Group's total assets sustained growth, reaching KRW 592 trillion, a YoY increase of 4.1%. Looking at the details by sector, loan assets, which account for the majority of interest-earning assets, recorded a growth of approximately 5.5% YoY, totaling KRW 382,716.8 billion. Within this category, KRW loans, primarily bolstered by growth in corporate and household loans, grew by approximately 7.0% to KRW 312,344.3 billion, while FX denominated loans remained consistent with the previous year's level at KRW 32,217.5 billion.

Table 4. Condensed Balance Sheets (Consolidated)

(KRW in billion)	2023	2022	YoY
Interest Earning Assets	514,636.6	489,568.6	25,068.0
Due from Banks	22,711.9	28,007.2	-5,295.2
Securities	109,207.8	98,838.0	10,369.8
Loans	382,716.8	362,723.4	19,993.4
Other Revenue Earning Assets	23,016.9	21,295.1	1,721.8
Non-Revenue Earning Assets	54,272.5	57,739.5	-3,467.0
Total Assets	591,926.0	568,603.3	23,322.7
Interest Bearing Liabilities	499,637.4	483,219.7	16,417.8
Deposits	372,039.6	362,738.0	9,301.5
Borrowings	44,098.4	37,473.7	6,624.8
Debentures	58,763.7	56,673.8	2,089.9
Policy Reserve	6,873.4	6,282.2	591.2
Borrowings from Trust Accounts	7,019.4	7,882.9	-863.4
Non-Interest Bearing Liabilities	52,106.8	47,755.5	4,351.4
Total Liabilities	551,744.3	530,975.1	20,769.1
Shareholders' Equity	40,181.7	37,628.1	2,553.6
Total Liabilities & Shareholders' Equity	591,926.0	568,603.3	23,322.7

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

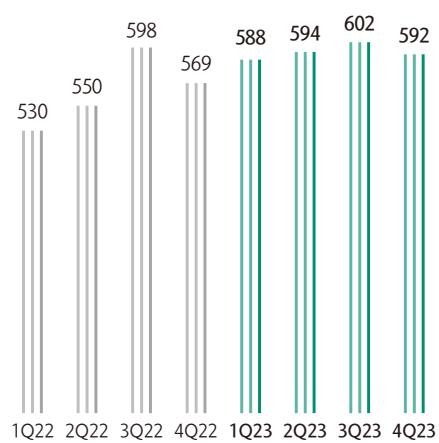
Consolidated Financial Statements

Notes to the Consolidated Financial Statements

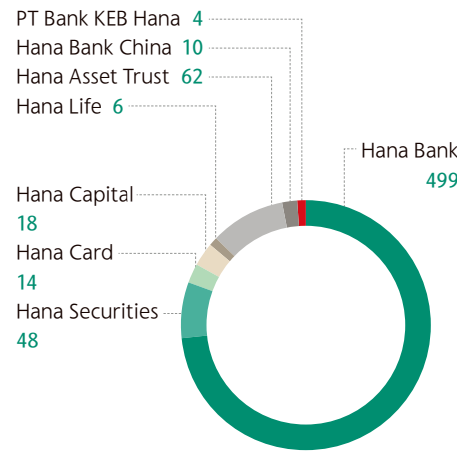
The Group's total liabilities recorded a YoY increase of 3.9%, reaching KRW 551,744.3 billion. Of this, the year-end deposits increased by 2.6% YoY, amounting to KRW 372,039.6 billion, while borrowings grew by 17.7% YoY to reach KRW 44,098.4 billion at the end of 2023.

Shareholders' equity also increased 6.8% YoY to KRW 40,181.7 billion, led by growth in retained earnings from solid consolidated net income and additional issuance of hybrid bonds during the year.

Group Total Assets (KRW tn)



Assets by Subsidiaries (KRW tn)



IV. ASSET QUALITY

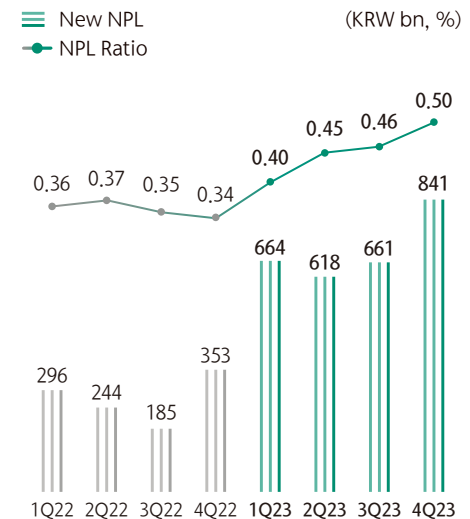
Total credit grew by 5.9% to KRW 392,702.5 billion, including NPLs of KRW 1,847.1 billion. Precautionary & below ratio went up by 48 bps YoY to record 1.80%, and NPL ratio was up 14 bps YoY.

These increases can be attributed to the rise in defaults on retail loans, SME and SOHO loans, real estate PF, and overseas commercial real estates due to the domestic and external uncertainties, including the Russia-Ukraine war. NPL coverage ratio was down by 33.72%p, ending the year at 167.08%. Still, the Group is prudently maintaining a sufficient level of loss absorption capacity by reflecting forward-looking scenarios in loan loss reserves and setting aside preemptive provisions for potential risks in the distressed real estate PFs.

Hana Bank, the Group's major subsidiary, experienced growth primarily in the corporate sector, with large corporate loans amounting to KRW 5.9 trillion and SME loans reaching KRW 10.8 trillion. Exposure to retail and SOHO customers, sensitive to macroeconomic shifts, declined by 2.2%p and 0.6%p, respectively, from the previous year.

The Group regularly reviews its credit exposure to large corporates and updates the watchlist each year, considering risk factors associated with its operations and potential liquidity issues. The Bank preemptively manages its exposure to borrowers on the watchlist through in-depth monitoring for major risks, credit rating changes, or restructuring progress.

Group New NPL & NPL Ratio



Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Table 5. Asset Quality and Loan Loss Provision

(KRW in billion)	2023	2022	YoY
Total Credit	392,702.5	370,812.5	21,890.0
Normal	385,616.5	365,901.3	19,715.1
Precautionary	5,238.9	3,678.7	1,560.2
Substandard	962.1	631.3	330.8
Doubtful	491.4	368.8	122.5
Estimated Loss	393.7	232.4	161.2
Precautionary & Below			
Amount	7,086.0	4,911.2	2,174.9
Ratio	1.80%	1.32%	0.48%p
Substandard & Below (NPL)			
Amount	1,847.1	1,232.5	614.6
Ratio	0.47%	0.33%	0.14%p
Loan Loss Allowance	6,126.6	5,607.9	518.7
Loan Loss Reserve	3,086.2	2,474.9	611.4
Credit Loss Reserve	3,040.4	3,133.0	-92.7
Substandard & Below (NPL) Coverage ratio	167.08%	200.80%	-33.72%p

Furthermore, the Group proactively manages a watchlist of industries to respond to risks such as PF crisis, interest rate hike, and commodity price rise. The Group closely monitors cyclical industries through regular monitoring and stringent management. For corporate clients with large exposure, the Group's sales, credit evaluation, and risk management departments cooperate to rigorously assess and analyze the business status and risk factors, enabling us to take proactive measures in response.

In particular, to enhance risk management for real estate PF and overseas commercial real estates, the Real Estate Evaluation Committee has expanded its evaluation scope and strengthened management criteria. Additionally, Overseas Alternative Investment Evaluation Committee has been newly established to provide expertise during the investment process, including business feasibility analysis.

V. CAPITAL ADEQUACY

The Group's total BIS capital amounted to KRW 40,647.5 billion, an increase of KRW 3,012.8 billion or 8.0% YoY. Risk-weighted assets (RWA) rose by KRW 19,659.9 billion, or 8.2%, YoY to KRW 259,772.6 billion. As a result, BIS capital adequacy ratio decreased by 0.02%p YoY to 15.65% at the end of 2023.

Table 6. BIS Capital and Ratio

(KRW in billion)	2023	2022	YoY
Common Equity Tier 1 Capital	34,344.2	31,592.7	2,751.6
Additional Tier 1 Capital	3,798.3	3,494.6	303.7
Tier 2 Capital	2,504.9	2,547.4	-42.5
Total BIS Capital	40,647.5	37,634.7	3,012.8
Risk Weighted Assets	259,772.6	240,112.7	19,659.9
BIS Capital Adequacy Ratio	15.65%	15.67%	-0.02%p
Tier 1 Ratio	14.68%	14.61%	0.07%p
Common Equity Tier 1 Ratio	13.22%	13.16%	0.06%p

Common Equity Tier 1 capital increased by KRW 2,751.6 billion YoY, mainly led by robust net income for the year. Additional Tier 1 capital grew by KRW 303.7 billion, while Tier 2 capital declined by KRW 42.5 billion from the previous year.

The Group's total RWA increased by KRW 19,659.9 billion compared to the previous year, with credit RWA increasing by KRW 12,015.7 billion, market RWA increasing by KRW 3,850.4 billion, and operational RWA increasing by KRW 3,793.8 billion.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial ReviewManagement's Discussion
and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated
Financial Statements

HANA BANK

I. OVERVIEW

While the global economic slowdown persisted in 2023, uncertainties in the domestic economy was exacerbated by increased household debt and a rise in marginal corporate borrowers. Amidst these challenges, Hana Bank demonstrated strong performance by strategically bolstering high-quality assets and enhancing sales capability. The Bank strengthened its competitive edge in key business areas, particularly wealth management and corporate banking, focusing on seamlessly integrating online and offline operations and reinforcing the competitiveness of its global operations. Furthermore, Hana Bank remains dedicated to achieving sustainable growth by prioritizing field-oriented, customer-centric risk management and ESG management practices.

Looking ahead to 2024, despite potential interest rate cuts and possible recovery of global trade, macroeconomic uncertainties are anticipated to persist, with geopolitical risks posing a significant concern.

In response to this environment, Hana Bank is committed to reinforcing its core competitiveness to substantialize its fundamentals. The Bank endeavors to fortify its customer base by offering customer-centric retail products and services. It will also pursue additional partnership and new business opportunities to offer more innovative and convenient services. Furthermore, Hana Bank will persist in enhancing its competitive edge across its areas of strength, including WM, FX, capital markets, and corporate banking. Amidst ongoing global uncertainties, Hana Bank is prepared to establish stringent risk management protocols and bolster high-level of internal controls.

II. SUMMARY OF BUSINESS PERFORMANCE

Table 1. Comprehensive Income Statement (Separated)

(KRW in billion)	2023	2022	YoY
General Operating Income	8,351.1	7,503.7	847.4
Net Interest Income	7,354.7	7,046.9	307.8
Net Fee and Commissions Income	884.0	761.4	122.6
Gains on Disposition & Valuation	915.4	450.0	465.4
Other Operating Income	-803.0	-754.6	-48.4
General & Administrative Expenses	3,142.6	3,036.2	106.4
Pre-Provisioning Operating Profit (PPOP)	5,208.5	4,467.5	741.0
Credit Loss Provision	726.3	395.7	330.6
Operating Income	4,482.2	4,071.8	410.4
Non-Operating Income	-140.2	-74.2	-66.0
Net Income before Income Tax	4,342.0	3,997.6	344.4
Income Tax Expense	1,049.8	1,011.7	38.1
Net Income	3,292.2	2,986.0	306.2
Cost to Income Ratio	37.63%	40.46%	-2.83%p

In 2023, Hana Bank reported general operating income of KRW 8,351.1 billion, an 11.3% increase from the previous year.

Net interest income increased by KRW 307.8 billion YoY to KRW 7,354.7 billion, attributed to effective portfolio management and efforts to build quality assets. Net fee and commission income also increased by KRW 122.6 billion to KRW 884.0 billion, reflecting the growth in retirement pension assets, product diversification, and sales capability. Gains on disposition and valuation surged by KRW 465.4 billion YoY to KRW 915.4 billion, fueled by robust trading gains and increased FX transactions thanks to the recovery in travel demand.

SG&A expenses rose by KRW 106.4 billion YoY due to increase in labor costs and IT investments. Pre-provision operating profit recorded KRW 5,208.5 billion.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Provisions rose by KRW 330.6 billion YoY as a result of preemptive provisioning of KRW 336.9 billion. Operating income stood at KRW 4,482.2 billion, a YoY KRW 410.4 billion increase. Non-operating income decreased by KRW 66.0 billion from the previous year due to social contribution activities.

Table 2. Non-Interest Income (Separated)

(KRW in billion)	2023	2022	YoY
Fee & Commissions Income	884.0	761.4	122.6
Credit Card	0.3	0.2	0.1
Loan & FX-related	536.0	457.4	78.6
Fees in Acceptances and Guarantees	97.0	81.6	15.4
Fees Related to Loans	273.5	193.1	80.4
Fees in Foreign Currencies	165.5	182.7	-17.2
Asset Management	348.0	303.9	44.1
Sales of Beneficiary Certificate	60.3	64.8	-4.5
Bancassurance	60.8	51.2	9.6
Trust Fees	226.9	187.8	39.1
Gains on Disposition & Valuation	915.4	450.0	465.4
Other Operating Income	-803.0	-754.6	-48.4
Dividend Income	96.8	60.5	36.3
Deposit Insurance Fee	-470.9	-442.8	-28.2
Contribution to the Credit Guarantee Fund	-474.2	-423.2	-50.9
Others	45.3	50.9	-5.6

Fee & commissions income experienced a YoY increase of KRW 122.6 billion, or 16.1%, recording KRW 884.0 billion. Gains on disposition and valuation surged by KRW 465.4 billion, or 103.4%, to reach KRW 915.4 billion. Conversely, other operating income fell by KRW 48.4 billion YoY, resulting in a loss of KRW 803.0 billion.

Despite a downturn in the stock market, which led to a YoY decrease of KRW 4.5 billion in sales of beneficiary certificates, fee income from loan origination and IB operations experienced continued growth, coupled with steady growth in Bancassurance and trust fees.

Gains on disposition and valuation nearly doubled with a YoY increase of 103.4% to KRW 915.4 billion. This notable growth was driven by capitalizing on market volatility to enhance profits from securities trading, along with increased gains on FX transactions at the branch level from recovery of travel demand. Additionally, the stabilization of exchange rates resulted in a substantial reduction in FX translation losses, dropping from KRW 91.5 billion loss in 2022 to KRW 20.1 billion loss in 2023.

Other operating losses saw a YoY increase of KRW 48.4 billion due to a YoY increase of KRW 28.2 billion in deposit insurance fees and a YoY increase of KRW 50.9 billion in contributions to the credit guarantee fund. However, this uptick was partially mitigated by a YoY increase of KRW 36.3 billion in dividend income from alternative and equity investments.

Table 3. General and Administrative Expenses (Separated)

(KRW in billion)	2023	2022	YoY
General & Administrative Expenses	3,142.6	3,036.2	106.4
Salaries and Employment Benefits	1,534.2	1,503.0	31.2
Severance and Retirement Benefits	252.0	319.1	-67.1
Administrative Expenses	773.7	721.1	52.6
Depreciation and Amortization	452.7	388.3	64.4
Taxes and Dues	130.1	104.8	25.2
Cost to Income Ratio	37.63%	40.46%	-2.83%p

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial ReviewManagement's Discussion
and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated
Financial Statements

SG&A expenses increased by KRW 106.4 billion YoY to reach KRW 3,142.6 billion. Despite the continuous efforts for workforce optimization through early retirement program, salaries and employment benefits rose by KRW 31.2 billion, mainly driven by increase in recruitment.

Severance and retirement benefits experienced a YoY decrease of KRW 67.1 billion, settling at KRW 252.0 billion, reflecting base effect of ERP. Administrative expenses rose by KRW 52.6 billion YoY, driven by increased expenses aimed at fortifying sales competencies, including investments in IT staffing, digital infrastructure enhancement, marketing initiatives, and expanded employee training programs. Despite these increases, the expenses remained at 9% of the general operating income, which amounted to KRW 8,351.1 billion for the year. Cost to income ratio has consistently shown a downward trend, indicating an improvement with a decrease of 2.83%p from the previous year.

III. SUMMARIZED FINANCIAL POSITION

As of the end of 2023, Hana Bank's total assets stood at KRW 478,511.5 billion, an increase of KRW 12,373.3 billion YoY. Growth was achieved in interest-earning assets such as loan receivables and securities.

Interest-earning assets rose by KRW 17,274.1 billion YoY to KRW 423,499.2 billion. Specifically, KRW loans increased by KRW 16,476.6 billion YoY, mainly due to corporate loan growth. Corporate loans, including public loans, surged by KRW 17,217.8 billion YoY, thanks to higher demand for working capital among large corporations and SMEs. In contrast, household loans decreased by KRW 741.3 billion YoY as the growth in mortgage and collective loans were offset by the decrease in *jeonse* and unsecured loans, due to sluggish *jeonse* market and a decline in investment appetite.

Table 4. Condensed Balance Sheets (Separated)

(KRW in billion)	2023	2022	YoY
Interest Earning Assets	423,499.2	406,225.1	17,274.1
Due from Banks	17,166.8	20,994.2	-3,827.4
Fixed Income Securities	74,416.5	69,051.0	5,365.5
Loans	331,915.9	316,179.8	15,736.1
Other Revenue Earning Assets	10,956.1	10,514.0	442.1
Stocks and Others	10,956.1	10,514.0	442.1
Non-Revenue Earning Assets	44,056.2	49,399.1	-5,342.9
Total Assets	478,511.5	466,138.2	12,373.3
Interest Bearing Liabilities	407,919.2	399,319.0	8,600.2
Deposits	354,692.4	344,070.5	10,621.9
Borrowings	19,284.0	20,790.2	-1,506.3
Debentures	26,542.2	26,204.5	337.6
Borrowings from Trust Accounts	7,165.9	8,091.7	-925.7
Non-Interest Bearing Liabilities	40,174.4	38,276.5	1,897.9
Total Liabilities	448,093.6	437,595.5	10,498.1
Shareholders' Equity	30,417.9	28,542.7	1,875.2
Total Liabilities & Shareholders' Equity	478,511.5	466,138.2	12,373.3

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial ReviewManagement's Discussion
and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated
Financial Statements

Interest-bearing liabilities saw a YoY increase of KRW 8,600.2 billion, primarily driven by an uptick in deposit liabilities. Despite the dividend payments of KRW 1,810.0 billion for 2023, shareholders' equity increased by KRW 1,875.2 billion thanks to solid net income of KRW 3,292.2 billion.

KRW loans totaled KRW 290,448.9 billion, a YoY increase of KRW 16,476.6 billion. Corporate loans rose by KRW 17,217.8 billion, reflecting a KRW 6,190.6 billion YoY growth in large corporate loans and a KRW 12,496.0 billion YoY growth in SME loans. Household loans saw a reduction of KRW 741.3 billion due to a decline in demand for unsecured and mortgage loans amid the contraction in the housing and stock markets.

KRW deposits totaled KRW 313,383.2 billion, a YoY increase of KRW 19,875.9 billion. Low-cost funds (LCF) increased by KRW 2,734.1 billion compared to the previous year, while time deposits grew by KRW 9,450.1 billion due to interest rate hikes.

Table 5. KRW Loans & Deposits

(KRW in billion)	2023	2022	YoY
KRW Loans	290,448.9	273,972.4	16,476.6
Loans to Corporate	162,046.3	144,828.5	17,217.8
SME	132,893.1	120,397.1	12,496.0
SOHO	59,594.5	58,474.8	1,119.6
Large Corporate	25,839.8	19,649.2	6,190.6
Others	3,313.4	4,782.2	-1,468.8
Loans to Households	128,402.6	129,143.9	-741.3
KRW Deposits¹⁾	313,383.2	293,507.3	19,875.9
Low Cost Funding	114,880.5	112,146.4	2,734.1
Core Deposits	79,619.0	76,601.2	3,017.8
MMDA	35,261.6	35,545.3	-283.7
Time Deposits	172,174.0	162,723.9	9,450.1
Installment Deposits	6,768.9	5,558.4	1,210.5
CD & Others	19,559.8	13,078.6	6,481.1

1) Excluding foreign currency and trust deposits

IV. ASSET QUALITY

As of the end of 2023, total credit stood at KRW 333,961.2 billion, an increase of KRW 15,986.7 billion compared to the previous year. The growth in normal credit was the main driver, with substandard & below loans rising by KRW 214.5 billion.

Rising delinquency rates and NPLs resulted in increases in both precautionary & below ratio (0.08%p) and substandard & below ratio (0.05%p) to record 0.88% and 0.26%, respectively. Despite efforts to bolster total loss-absorbing capacity through preemptive provisioning, NPL coverage ratio experienced a YoY decline of 21.79%p YoY, settling at 205.53%.

Table 6. Asset Quality and Loan Loss Provision

(KRW in billion)	2023	2022	YoY
Total Credit	333,961.2	317,974.6	15,986.7
Normal	331,037.5	315,439.7	15,597.8
Precautionary	2,045.9	1,871.6	174.4
Substandard	570.6	427.6	143.0
Doubtful	151.0	124.5	26.5
Estimated Loss	156.2	111.2	45.0
Precautionary & Below			
Amount	2,923.7	2,534.9	388.8
Ratio	0.88%	0.80%	0.08%p
Substandard & Below (NPL)			
Amount	877.8	663.3	214.5
Ratio	0.26%	0.21%	0.05%p
Loan Loss Reserves	1,804.1	1,507.7	296.3
Substandard & Below (NPL) Coverage Ratio¹⁾	205.53%	227.32%	-21.79%p

1) Excluding Credit Loss Reserves

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

V. CAPITAL ADEQUACY

Throughout 2023, Hana Bank fortified its capital adequacy, notably through strong earning performance.

Despite the surge in RWAs, spurred by market volatility and asset growth, the Bank's prudent capital management strategies, alongside the adoption of the final Basel III guidelines, led to a significant improvement in the BIS ratio to 17.93%, a significant increase from the previous year.

Moving forward, the Bank is committed to securing a sufficient level of capital by increasing earnings while stably managing risk-weighted assets to maintain robust capital adequacy.

Table 7. BIS Capital and Ratio

(KRW in billion)	2023	2022	YoY
Tier 1 Capital	30,442.5	28,247.2	2,195.3
Common Equity Tier 1 Capital	30,071.5	27,877.0	2,194.5
Additional Tier 1 Capital	371.0	370.3	0.8
Tier 2 Capital	3,142.6	3,422.4	-279.7
Loan Loss Reserve	458.7	273.9	184.8
Subordinated Bonds	2,581.0	2,993.1	-412.1
Other	103.0	155.4	-52.4
Total BIS Capital	33,585.2	31,669.6	1,915.6
Risk Weighted Assets	187,264.1	190,401.9	-3,137.8
BIS Capital Adequacy Ratio ¹⁾			
Common Equity Tier 1 Ratio	16.06%	14.64%	1.42%p
Tier 1 Ratio	16.26%	14.84%	1.42%p
Tier 2 Ratio	17.93%	16.63%	1.30%p

1) Based on Basel III standards

HANA SECURITIES

I. OVERVIEW

In 2023, the securities industry continued to face adverse business environment, marked by worsening funding conditions driven by high interest rates and a downturn in the real estate PF market.

The credit crunch and a slump in the real estate market raised the possibility of defaults in Hana Securities' domestic and overseas IB investment assets, prompting the company to proactively set aside approximately KRW 200 billion in loan loss provisions. Additionally, unforeseen incidents of stock manipulation resulted in non-recurring losses, including costs related to CFDs.

As a result, operating income fell by KRW 51.5 billion from the previous year, resulting in a loss of KRW 31.3 billion for 2023. Similarly, net income declined by KRW 474.5 billion, resulting in a net loss of KRW 318.7 billion. ROE fell to -5.5%, and the C/I Ratio recorded 93.6%, indicating a significant decline from the previous year.

Table 1. Summarized Financial Information (Separated)

(KRW in billion)	2023	2022	YoY
Business Volume			
Total Assets	45,950.5	40,676.1	5,274.4
Shareholders' Equity	5,752.5	5,847.7	-95.2
Profitability			
General Operating Income	543.0	804.5	-261.5
Operating Income	-313.4	201.6	-515.0
Net Income	-318.7	155.8	-474.5
ROA	-0.69%	0.40%	-1.09%p
ROE	-5.50%	2.70%	-8.20%p
Cost to Income Ratio	93.57%	62.50%	31.07%p
Capital Adequacy			
Net Capital Ratio	1,269.20%	1,051.19%	218.01%p

* ROA is based on the average year-end balance

* Net capital ratio is on a consolidated basis

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

II. SUMMARY OF BUSINESS PERFORMANCE

In 2023, Hana Securities recorded net loss of KRW 318.7 billion, a decrease of KRW 474.5 billion after taxes from the previous year due to preemptive recognition of losses from the deterioration of IB assets and increased one-off expenses.

General operating income decreased by 32.5% YoY to KRW 543.0 billion. The contraction of the IB market caused by high interest rates led to a sharp decline in fee income due to tightening in domestic and overseas real estate markets, leading to an increase in valuation and provisioning losses.

Table 2. Comprehensive Income Statement (Separated)

(KRW in billion)	2023	2022	YoY
General Operating Income	543.0	804.5	-261.6
Net Interest Income	317.6	331.3	-13.7
Net Fees and Commissions Income	367.0	491.7	-124.7
Gains on Disposition & Valuation	-264.6	-133.8	-130.8
Other Operating Income	123.0	115.4	7.6
General & Administrative Expenses	508.1	502.9	5.2
Pre-Provisioning Operating Profit (PPOP)	34.9	301.6	-266.7
Credit Loss Provision	348.3	100.1	248.2
Operating Income	-313.4	201.6	-515.0
Non-Operating Income	-98.7	18.6	-117.3
Income before Income Tax	-412.1	220.2	-632.2
Income Tax Expense	-93.4	64.3	-157.7
Net Income	-318.7	155.8	-474.5

In the retail sector, brokerage commissions increased by about 8% owing to the recovery of stock market. However, financial product fee income decreased due to reduced financial product balances following the previous year's wrap/trust incidents. IB fee and commission income significantly decreased due to market contraction and increased sell-down costs.

Table 3. Fee & Commissions Income (Separated)

(KRW in billion)	2023	2022	YoY
Fee & Commissions Income	367.0	491.7	-124.7
Brokerage Commissions	142.0	131.0	11.0
Management Fee on Wrap Account and Asset Management	71.5	83.3	-11.8
Underwriting Commissions	26.0	41.7	-15.6
Commissions on Mergers & Acquisitions	78.9	149.3	-70.4
Others	48.6	86.4	-37.8

SG&A expenses slightly increased from the previous year to KRW 508.1 billion. In particular, performance-linked bonuses experienced a decrease across all sectors, driven by a decline in revenue. On the other hand, administrative expenses, along with depreciation and amortization costs, saw an increase, primarily due to increases in IT expenses and amortization costs.

Table 4. General and Administrative Expenses (Separated)

(KRW in billion)	2023	2022	YoY
General & Administrative Expenses	508.1	502.9	5.2
Salaries and Employee Benefits	264.2	283.8	-19.6
Severance and Retirement Benefits	19.2	15.8	3.3
Administrative Expenses	161.1	143.8	17.3
Depreciation and Amortization	43.9	42.0	1.9
Taxes and Dues	19.8	17.5	2.3
Cost to Income Ratio	93.57%	62.51%	31.06%p

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review
Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

III. KEY FIGURES

In 2023, financial product balances significantly decreased due to the wrap/trust scandals in the latter half of the previous year, while AUM increased thanks to a bullish stock market, resulting in a 3.2% YoY increase in total depository assets to KRW 117 trillion.

Hana Securities served as a lead manager of 7 initial public offerings in 2023, raising a total of KRW 213.6 billion in public funding, climbing six ranks up the IPO league table to 6th place. The company maintained its top position in the derivatives-linked securities issuance market for the second year, with its market share (M/S) increasing 2.6%p YoY to 13.7%.

Table 5. AUM Breakdown

(KRW in billion)	2023	2022	YoY
Customer Assets of HS (AUM)	116,809.4	113,148.0	3,661.4
Beneficiary Certificates	28,334.5	29,222.9	-888.4
Equity (Hybrid) Type	2,548.9	2,561.3	-12.3
Fixed Income (Hybrid) Type	5,089.0	4,832.9	256.0
MMF	3,991.8	4,903.2	-911.4
Other	16,704.8	16,925.6	-220.8
Financial Products	33,486.0	38,917.7	-5,431.8
Trust	15,807.0	18,554.2	-2,747.2
RP	3,675.9	2,981.3	694.7
Fixed Income/CD/CP	10,595.3	13,364.3	-2,769.0
Other	3,407.7	4,018.0	-610.3
Entrusted Assets	54,989.0	45,007.4	9,981.6
Market	924,844.6	831,135.0	93,709.6
M/S	3.06%	3.52%	-0.46%p

Table 6. Acquisition and Issuance

(KRW in billion)	2023	2022	YoY
IPO & Capital Increase (Lead-managed)	213.6	210.0	3.6
ELS/DLS Issued (ELB/DLB included)	10,835.0	8,232.0	2,603.0

Table 7. Brokerage Contracts

(KRW in billion)	2023	2022	YoY
Brokerage Contracts	233,489.3	176,310.8	57,178.5
OFF	54,366.3	46,815.2	7,551.1
ON	179,123.0	129,495.6	49,627.4
Market	12,870,596.9	9,261,220.5	3,609,376.4
M/S	1.81%	1.90%	-0.09%p

Despite a 39% YoY increase in trading volume on the back of market recovery, the company's market share of brokerage contracts fell by 9bps to 1.81% in the aftermath of the stock price manipulation scandal in April.

Hana Securities will focus on enhancing the current services and revenue models of overseas stock trading and CFD services. At the same time, the company will explore new business opportunities, such as STOs (security token offerings), and strengthen competencies to provide timely products catering to the various customer needs.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

IV. ASSET QUALITY

In 2023, total credit increased by KRW 2,865.0 billion from KRW 8,165.2 billion to KRW 11,030.2 billion.

This can be explained by a KRW 754.0 billion YoY increase in the lines of credit, a KRW 300.8 billion YoY increase in loans, a KRW 1,933.2 billion YoY increase in accounts receivable and accrued revenue, and a KRW 210.5 billion drop due to loan write-off.

NPL ratio increased by 5.59%p from the previous year, and the loan loss reserve increased by KRW 139.8 billion from the previous year. This is attributable to an increase in the substandard & below loans in tandem with the growth in NPLs.

NPL coverage ratio increased by 27.73%p YoY to 138.26%. As of 2023, the loan loss provision remained sufficient considering the recoverability of individual assets to avoid further losses.

Table 8. Asset Quality and Loan Loss Provision

(KRW in billion)	2023	2022	YoY
Total Credit	11,030.2	8,165.2	2,865.0
Normal	9,817.9	7,724.2	2,093.7
Precautionary	987.6	286.4	701.2
Substandard	107.0	44.0	63.0
Doubtful	102.2	105.6	-3.4
Estimated Loss	15.4	5.0	10.4
Precautionary & Below			
Amount	1,212.3	441.0	771.3
Ratio	10.99%	5.40%	5.59%p
Substandard & Below (NPL)			
Amount	224.7	154.6	70.1
Ratio	2.04%	1.89%	0.14%p
Loan Loss Reserve	310.6	170.9	139.8
Normal	27.8	13.7	14.1
Precautionary	165.7	46.6	119.1
Substandard	0	0	0
Doubtful	101.7	105.5	-3.8
Estimated Loss	15.4	5.0	10.4
Precautionary & Below			
Loan Loss Reserve	282.8	157.2	125.7
Coverage Ratio	25.62%	38.75%	-13.12%p
Substandard & Below (NPL)			
Loan Loss Reserve	117.1	110.5	6.6
Coverage Ratio	138.26%	110.53%	27.73%p

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

V. CAPITAL ADEQUACY

As of 2023, net capital ratio stood at 1,269%, up 218%p YoY, well above the regulatory guidelines set by the Financial Supervisory Service (100%) and the internal target (200%) set by Hana Securities Risk Management Committee.

Net capital grew by KRW 26.4 billion YoY to KRW 4,275.2 billion. Despite the KRW 106.4 billion YoY drop in shareholders' equity, net capital inched up due to a KRW 80.0 billion YoY growth in subordinate debentures and a KRW 36.5 billion YoY growth in allowances for current assets.

Gross risk amount stood at KRW 2,571.6 billion, a decrease of KRW 266.3 billion from the previous year due to the decrease in collective investment securities and option risk exposure.

Table 9. Net Capital Ratio

(KRW in billion, %)	2023	2022	YoY
Net Capital	4,275.2	4,248.8	26.4
(+)Shareholders' Equity on B/S	5,739.6	5,846.0	-106.4
(+)Allowances for Current Assets	93.3	56.9	36.5
(+)Subordinated debentures	410.0	330.0	80.0
(-)Fixed Assets	109.7	128.8	-19.1
(-)Prepaid Expenses	133.5	92.3	41.2
(-)Unsecured Loans(over 3M)	886.7	1,534.3	-647.6
(-)Others	837.8	228.7	609.1
Gross Risk Amount	2,571.6	2,837.8	-266.3
Market Risk	1,461.4	1,709.8	-248.4
Counter Party Risk	902.9	910.0	-7.2
Credit Concentration Risk	38.0	30.6	7.4
Operational Risk	169.3	187.4	-18.0
Net Capital Ratio	1,269.20%	1,051.19%	218.02%p

HANA CARD

I. OVERVIEW

In 2023, Hana Card reported KRW 88 trillion in transaction volume, earning KRW 224.0 billion in operating income and KRW 171.0 billion in net income. Despite the asset growth from increasing transaction volume, net income edged down by 10.9% due to rising credit costs resulting from deteriorating asset quality and increased funding costs from interest rate hikes.

Table 1. Summarized Financial Information (Consolidated)

(KRW in billion)	2023	2022	YoY
Profitability			
General Operating Income	815.8	711.7	104.2
Operating Income	224.0	247.3	-23.2
Net Income	171.0	192.0	-20.9
ROA	1.31%	1.81%	-0.50%p
ROE	7.62%	8.98%	-1.36%p
Cost to Income Ratio	29.51%	34.49%	-4.99%p
Business Volume¹⁾	87,721.3	83,161.8	4,559.5
Lump-sum	71,967.7	68,465.8	3,501.9
Installment	8,703.2	7,292.3	1,410.9
Cash Advance	3,436.1	3,097.7	338.4
Card Loans	3,018.3	3,046.2	-27.8
Other	596.0	1,259.8	-663.8

1) Other credit card assets and installments are included in credit sales.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion
and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated
Financial Statements

II. SUMMARY OF BUSINESS PERFORMANCE

Net interest income increased by approximately KRW 81.6 billion despite higher funding costs arising from interest rate hikes, driven by growth in card loans and installment interest income. Net fee & commission income declined by KRW 10.6 billion due to the increased marketing expenses to expand customer base. Gains on disposition and valuation increased by KRW 20.0 billion, owing to increased FX gains from the increased overseas transaction volume.

Other operating income increased by KRW 13.2 billion due to higher gains on the disposition of bonds. Also, SG&A expenses declined by KRW 4.8 billion as peak salary special retirements fell from the previous year. Loan loss provision rose KRW 132.2 billion to match the asset growth and to hedge deteriorating asset quality. Hana Card's net income fell by KRW 20.9 billion from KRW 192.0 billion in 2022 to KRW 171.0 billion in 2023.

Table 2. Comprehensive Income Statement (Consolidated)

(KRW in billion)	2023	2022	YoY
General Operating Income	815.8	711.7	104.2
Net Interest Income	477.0	395.4	81.6
Net Fee & Commission Income	214.9	225.5	-10.6
Gains on Disposition & Valuation	69.8	49.8	20.0
Other Operating Income	54.1	40.9	13.2
General & Administrative Expense	240.7	245.5	-4.8
Pre-Provisioning Operating Profit (PPOP)	575.1	466.2	108.9
Credit Loss Provision	351.1	218.9	132.2
Operating Income	224.0	247.3	-23.2
Non-Operating Income	-5.2	-0.7	-4.5
Net Income before Income Tax	218.9	246.5	-27.7
Income Tax Expense	47.8	54.6	-6.7
Net Income ¹⁾	171.0	192.0	-20.9

1) Other operating income includes transfer to reserve for unused credit loss provision and provisions for other allowances

Fee revenue increased by KRW 436.7 billion from the previous year, driven by a KRW 88.5 billion growth in credit card receivables, a KRW 9.3 billion rise in cash advance, a KRW 81.9 billion increase in interest revenue on card loans, and a KRW 257.1 billion growth in overseas credit card purchase and other income. Fee expenses rose by KRW 447.4 billion due to the rising cost from increasing transaction volume.

Table 3. Fee Structure (Consolidated)

(KRW in billion)	2023	2022	YoY
Fee Revenue	1,865.3	1,428.5	436.7
Credit Card Receivables in Won	642.2	553.7	88.5
Cash Advance	68.8	59.5	9.3
Card Loan	377.1	295.2	81.9
Others	777.1	520.1	257.1
Fee Expenses	1,650.4	1,203.0	447.4
Fee Income	214.9	225.5	-10.6

SG&A expenses decreased by KRW 4.8 billion due to decrease in labor cost and peak salary special retirement. C/I ratio was down 4.99%p from the previous year, thanks to the decreased SG&A expenses and higher general operating income.

Table 4. General and Administrative Expenses (Consolidated)

(KRW in billion)	2023	2022	YoY
General & Administrative Expenses	240.7	245.5	-4.8
Salaries and Employee Benefits	77.1	88.6	-11.5
Severance and Retirement Benefits	9.8	19.1	-9.3
Administrative Expenses	97.3	88.3	9.0
Depreciation and Amortization	41.8	37.4	4.4
Taxes and Dues	14.7	12.1	2.6
Cost to Income Ratio	29.51%	34.49%	-4.99%p

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

III. KEY FIGURES

Earning assets grew by KRW 950.0 billion YoY as a result of a KRW 395.0 billion YoY growth in credit purchase on the back of the sales growth in installment and corporate credit sales, KRW 47.8 billion YoY decline in cash advances, and KRW 139.5 billion YoY growth in card loans. The auto installment finance grew by KRW 146.5 billion from the previous year.

Table 5. Earning Asset Portfolio

(KRW in billion)	2023	2022	YoY
Earning Assets (Managed) ¹⁾	11,836.5	10,886.5	950.0
Credit Purchase	4,927.6	4,532.6	395.0
Cash Advances	365.6	413.4	-47.8
Card Loan	2,821.2	2,681.7	139.5
Re-aged Loan	139.3	70.9	68.4
Installment Finance	1,432.2	1,285.7	146.5
Others	2,290.0	1,973.1	316.9

1) Earning assets before deducting credit loss provisions and present value discounts

IV. ASSET QUALITY

The enhanced sales pitch, designed to promote credit sales, fueled the surge in total credit, which experienced an increase of KRW 1,072.1 billion YoY, reaching KRW 12,153.2 billion at the end of 2023. Meanwhile, amidst an industry-wide deterioration in asset quality, NPL ratio and precautionary & below ratio experienced upticks of 53 bps and 162 bps, respectively, in 2023

Table 6. Asset Quality and Loan Loss Provision

(KRW in billion)	2023	2022	YoY
Total Credit	12,153.2	11,081.2	1,072.1
Normal	11,569.3	10,727.9	841.3
Precautionary	438.7	279.5	159.2
Substandard	0.7	0.4	0.3
Doubtful	66.2	44.7	21.5
Estimated Loss	78.3	28.7	49.6
Substandard & Below (NPL)	145.2	73.7	71.5
Substandard & Below (NPL) Ratio ¹⁾	1.20%	0.67%	0.53%p
Precautionary & Below	584.0	353.3	230.7
Precautionary & Below ratio	4.81%	3.19%	1.62%p
Loan Loss Reserves	393.8	288.9	104.9
Normal	148.4	143.1	5.3
Precautionary	138.4	89.6	48.8
Substandard	0.2	0.1	0.1
Doubtful	47.3	33.5	13.7
Estimated Loss	59.5	22.5	37.0
Coverage Ratio			
Substandard & Below (NPL) Coverage	271.13%	391.72%	-120.58%p
Precautionary & Below	67.43%	81.77%	-14.34%p

1) NPL Ratio inclusive of factoring

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion
and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated
Financial Statements

V. CAPITAL ADEQUACY

Adjusted equity capital ratio dropped 0.26%p from 19.11% in 2022 to 18.85% in 2023, but remained at a stable level. Leverage ratio edged up from 5.52 at the end of 2022 to 5.82 at the end of 2023 but also remained steady, well below the regulatory guideline of 8.0.

Table 7. Adjusted Equity Capital Ratio and Leverage Ratio

(KRW in billion)	2023	2022	YoY
Adjusted Equity Capital	2,263.6	2,184.1	79.5
Adjusted Total Asset	12,011.5	11,431.7	579.8
Adjusted Equity Capital Ratio (%)	18.85%	19.11%	-0.26%p
Total Equity Capital	2,324.2	2,219.2	105.0
Total Assets	13,524.3	12,256.9	1,267.4
Leverage Ratio (Multiples)	5.82	5.52	0.30

HANA CAPITAL

I. OVERVIEW

In 2023, domestic capital industry faced difficulties due to heightened competition in the retail market and rising funding costs. Notwithstanding these challenges, Hana Capital maximized its sales capabilities through DT initiatives, and accelerating the inflow of new customers and asset growth via digital platform.

Furthermore, the company issued ESG bonds and ramped up its investments in eco-friendly projects, realizing sustainability management. Through broader retail product offering including auto finance and platform-based services, the company successfully diversified business portfolio, securing a solid foundation for profit stability.

In 2024, Hana Capital is set to further strengthen business competitiveness, venture into new territories, adopt stakeholder-oriented ESG finance practice, reinforce its global presence, and innovate risk management, internal control and corporate culture. This approach is aimed at cementing its position as a leading capital company in Korea.

Table 1. Summarized Financial Information (Consolidated)

(KRW in billion)	2023	2022	YoY
Profitability			
General Operating Income	580.6	594.0	-13.4
Operating Income	277.9	399.9	-122.1
Net Income	209.4	298.3	-89.0
ROA	1.20%	1.98%	-0.78%p
ROE	9.52%	15.24%	-5.72%p
Cost to Income Ratio	16.08%	15.63%	0.45%p
Financial Assets			
Lease	3,768.8	3,381.1	387.7
Installment	1,322.4	1,222.1	100.3

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review
Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

II. SUMMARY OF BUSINESS PERFORMANCE

In 2023, general operating income fell by KRW 8.1 billion, a 1.4% YoY decrease, totaling KRW 557.8 billion. The decline was mitigated by an uptick in fee income, despite the surge in funding costs and interest expenses. Net income decreased by KRW 82.9 billion, or 28.3%, YoY to KRW 210.4 billion.

SG&A expenses saw a slight decrease of KRW 1.0 billion YoY, reaching KRW 81.8 billion. Cost to income ratio experienced a minor increase of 0.04%p YoY to 14.67% in 2023.

Table 2. Comprehensive Income Statement (Separated)

(KRW in billion)	2023	2022	YoY
General Operating Income	557.8	566.0	-8.1
Net Interest Income	352.4	385.1	-32.7
Net Fee & Commission Income	194.6	123.6	71.0
Gains on Disposition & Valuation	-18.6	29.0	-47.7
Other Operating Income	29.6	28.3	1.3
General & Administrative Expenses	81.8	82.8	-1.0
Pre-Provisioning Operating Profit(PPOP)	476.0	483.2	-7.2
Credit Loss Provision	195.0	94.6	100.4
Operating Income	281.0	388.6	-107.6
Non-Operating Income	-12.2	2.7	-15.0
Net Income before Income Tax	268.7	391.3	-122.6
Income Tax Expenses	58.3	98.0	-39.7
Net Income	210.4	293.3	-82.9

Table 3. General and Administrative Expenses

(KRW in billion)	2023	2022	YoY
General and Administrative Expenses	81.8	82.8	-1.0
Salaries and Employee Benefits	32.8	38.8	-6.0
Severance and Retirement Benefits	1.6	2.0	-0.4
Administrative Expenses	29.8	25.1	4.7
Depreciation and Amortization	9.8	8.3	1.5
Taxes and Dues	7.7	8.6	-0.8
Cost to Income Ratio	14.67%	14.63%	0.04%p

III. FINANCIAL POSITIONS

Lease and installment finance assets amounted to KRW 5,091.2 billion, marking a YoY increase of KRW 488.0 billion. Specifically, lease assets accounted for KRW 3,768.8 billion and installment finance assets totaled KRW 1,322.4 billion. The percentage of auto finance assets within the lease and installment finance portfolio rose by 0.57%p YoY, comprising 88.6% of the total.

Table 4. Lease / Installment

(KRW in billion)	2023	2022	YoY
Lease	3,768.8	3,381.1	387.7
Auto	3,352.5	3,018.7	333.8
General	416.4	362.5	53.9
Installment	1,322.4	1,222.1	100.3
Auto	1,156.4	1,031.8	124.6
Durable Goods	166.0	190.3	-24.3
Total	5,091.2	4,603.2	488.0

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

 Management's Discussion
and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated
Financial Statements

IV. ASSET QUALITY

In 2023, total credit stood at KRW 15,790.1 billion, an increase of KRW 1,893.2 billion from the previous year. NPLs rose by KRW 63.9 billion YoY to KRW 161.3 billion, with the NPL ratio climbing by 0.32%p YoY to 1.02%. Loan loss provision also increased, up by KRW 73.9 billion YoY to reach KRW 184.3 billion, and NPL coverage ratio was 114.26%, up 0.90%p from the previous year.

Table 5. Asset Quality and Loan Loss Provision

(KRW in billion)	2023	2022	YoY
Total Credit	15,790.1	13,896.9	1,893.2
Normal	14,465.0	13,347.8	1,117.3
Precautionary	1,163.7	451.7	712.0
Substandard	75.9	49.3	26.5
Doubtful	74.2	47.6	26.7
Estimated Loss	11.2	0.5	10.7
Precautionary & Below			
Amount	1,325.0	549.1	775.9
Ratio	8.39%	3.95%	4.44%p
Substandard & Below (NPL)			
Amount	161.3	97.4	63.9
Ratio	1.02%	0.70%	0.32%p
Loan Loss Reserve	184.3	110.5	73.9
Normal	77.6	56.8	20.8
Precautionary	35.6	18.8	16.8
Substandard	9.7	6.3	3.4
Doubtful	50.5	28.1	22.3
Estimated Loss	10.9	0.4	10.6
Precautionary & Below			
Loans Loss Reserve	106.7	53.6	53.1
Coverage Ratio	13.91%	20.11%	-6.20%p
Substandard & Below (NPL)			
Loans Loss Reserve	71.1	34.8	36.3
Coverage Ratio	114.26%	113.36%	0.90%p

V. CAPITAL ADEQUACY

Adjusted capital adequacy ratio stood at 13.65%, significantly surpassing the regulatory minimum guideline of 7% set by financial authorities.

Table 6. Adjusted Equity Capital Ratio

(KRW in billion)	2023	2022	YoY
Adjusted Equity Capital	2,481.0	2,097.0	384.1
Tier 1 Capital	2,125.2	1,752.8	372.4
Shareholders' Equity	2,125.2	1,752.8	372.4
Tier 2 Capital	389.9	364.7	25.2
Subordinated Bonds	249.5	249.5	0.0
Loan Loss Reserve	140.4	115.2	25.2
(-) Deduction	34.0	20.5	13.5
Adjusted Total Assets	18,169.7	16,134.6	2,035.1
Total Assets on Balance Sheet	18,079.8	16,464.9	1,614.9
(-) Deduction	548.4	747.1	-198.7
Adjusted Equity Capital Ratio	13.65%	13.00%	0.66%p

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion
and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated
Financial Statements

HANA LIFE

I. OVERVIEW

Korea's life insurance industry has evolved into business that focuses more on protection plan and variable insurance rather than savings plan insurance. This shift is in response to the regulatory guidelines, such as dwindling tax-exempt benefits and changes in accounting standards, as well as to market demands driven by a low birth rate, a fast-aging population, and sluggish economic growth.

The most pressing challenge facing Korean insurers is adapting to the new capital adequacy requirements under the adoption of IFRS17 and K-ICS standards. Aiming to fortify their operational foundations, the insurers are exploring diverse strategies to reinforce their capital structures.

Notably, the digital insurance market is taking over the market from traditional face-to-face sales channels.

Under the slogan, "All Collected in Hana Life—Moving Ahead with Hana Life", Hana Life endeavored to stabilize the newly opened General Agency and hybrid channels established in 2022, aiming for new profit generation.

The company has also dedicated efforts to boost sales of protection plan insurance in replacement of savings plan insurance, implement cost saving strategies for enhanced profitability, improve investment returns through quality assets in collaboration with affiliates, and strengthen risk management for structural improvement.

Looking ahead, the company aims to reinforce business foundation by leveraging synergies from cross-selling among Group affiliates, expand Bancassurance channels through new partnership, and bolster sales on new channels to seek future business opportunities. In addition, the company strives to expand the range of tailored insurance products to meet different needs of each customer, affirming its commitment to becoming a customer-centric life insurer.

II. SUMMARY OF BUSINESS PERFORMANCE

Hana Life's Monthly Covered Premiums—a key performance indicator of insurance operations—increased YoY to KRW 25.9billion, driven by the company's successful strategy to expand sales of protection-plan insurance. New sales of protection plan insurance products experienced a notable surge of 212% YoY to KRW 19.3 billion, leading to a 60.7% YoY increase in Contractual Service Margin balance to KRW 301.6 billion.

However, net income decreased to KRW 5.4 billion, mainly due to reduced investment gains resulting from losses in overseas commercial real estates.

Net insurance income turned around to profit of KRW 9.7 billion, fueled by a KRW 12.1 billion YoY growth, primarily due to the increased CSM from increased sales of protection plan insurance. Net investment income reported a loss of KRW 3.6 billion due to the losses from overseas commercial real estates.

Table 1. Main Performance Indicators (Separated)

(KRW in billion)	2023	2022	YoY
MCP(Monthly Converged Premiums)	25.9	18.9	7.0
Annuity	2.9	2.6	0.3
Saving	0.0	6.2	-6.2
Protection	19.3	6.2	13.1
Variable	3.7	4.0	-0.3
Contractual Service Margin	301.6	187.7	113.9
Investment Income	681.6	420.9	260.7
Investment Income Ratio	3.59%	2.60%	0.99%p
Net Income	5.4	17.1	-11.7
ROA	0.09%	0.31%	-0.22%p
ROE	1.15%	4.15%	-3.00%p
Cost to Income Ratio	73.53%	57.12%	16.41%p

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review**Management's Discussion and Analysis**

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Table 2. Comprehensive Income Statement (Separated)

(KRW in billion)	2023	2022	YoY
Net Insurance Business Income	9.7	-2.4	12.1
Insurance Income	103.6	82.2	21.4
Insurance Revenue	93.2	71.4	21.8
Reinsurance Revenue	10.4	10.8	-0.4
Insurance Expense	94.0	84.6	9.3
Insurance Service Expense	68.7	60.5	8.2
Reinsurance Expense	10.3	12.1	-1.8
Other Expense	15.0	12.0	2.9
Net Investment Business Income	-3.6	30.5	-34.1
Investment Income	681.6	420.9	260.7
Investment Expenses	685.2	390.4	294.8
Operating Income	6.0	28.1	-22.0
Non-Operating Income	-0.8	-0.8	0.0
Net Income before Income Tax	5.2	27.3	-22.1
Income Tax Expense	-0.2	10.1	-10.3
Net Income	5.4	17.1	-11.7

SG&A expenses saw an uptick of KRW 9.5 billion YoY to KRW 55.9 billion, driven by increased labor costs associated with the launch of new channels.

Table 3. General and Administrative Expenses (Separated)

(KRW in billion)	2023	2022	YoY
General & Administrative Expenses	55.9	46.5	9.5
Salaries and Employee Benefits	17.0	15.0	2.1
Severance and Retirement Benefits	1.4	2.0	-0.6
Administrative Expenses	25.7	20.0	5.7
Depreciation and Amortization	10.5	6.4	4.1
Taxes and Dues	1.4	3.2	-1.8
Cost to Income Ratio	73.53%	57.12%	16.41%p

III. CAPITAL ADEQUACY

With the transition of solvency capital requirement to K-ICS framework from the Risk-Based Capital regime, transitional measures for K-ICS were applied for 2023 while the RBC standards were used for 2022. As of the provisional closing in December 2023, Hana Life's K-ICS ratio surpassed the Financial Supervisory Service's advised threshold of 150%.

Table 4. Solvency Margin Ratio

(KRW in billion)	2023	2022	YoY
Solvency Margin	547.6	412.9	134.7
Standard Amount of Solvency Margin	320.4	221.6	98.8
Solvency Margin Ratio	170.9%	186.3%	-15.4%p

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial ReviewManagement's Discussion
and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated
Financial Statements

HANA SAVINGS BANK

I. OVERVIEW

Hana Savings Bank is a microfinance institution catering to the financial needs of the low-income group and SMEs. With a commitment to inclusive finance and the advancement of the microfinance, the bank is expanding microfinance product lineups, such as policy loan and mid-interest-rate loans, while driving growth through cross-selling among affiliates.

By bolstering customer-centric digital and cross-selling channels, the bank is actively strengthening digital competitiveness, positioning itself at the forefront of advancing microfinance.

Leveraging its substantial capital strength and strong credibility as a subsidiary of Hana Financial Group, the bank maintained a BIS ratio of 15.96% and a liquidity ratio of 168.35%. Furthermore, it is committed to securing asset soundness by divesting risky assets and diversifying its portfolio.

II. SUMMARY OF BUSINESS PERFORMANCE

In 2023, in response to a deteriorating real estate market, the bank preemptively set aside loan loss provisions as well as additional provisions recommended by regulatory authorities, resulting in a net loss of KRW 13.2 billion.

In 2023, SG&A expenses rose by KRW 2.4 billion from the previous year, primarily attributed to increase of KRW 0.5 billion in depreciation and amortization due to IT investments for digital transformation. The increase was offset by the cost savings of KRW 1.5 billion in labor and advertising.

General operating income decreased mainly due to drop in fee income, resulting in an 8.85%p YoY uptick in C/I ratio.

Table 1. Comprehensive Income Statement (Separated)

(KRW in billion)	2023	2022	YoY
General Operating Income	94.7	112.0	-17.2
Net Interest Income	106.4	113.1	-6.7
Net Fee and Commissions Income	2.7	5.8	-3.2
Gains on Disposition & Valuation	6.1	4.4	1.7
Other Operating Income (Expenses)	-20.4	-11.4	-9.0
General & Administrative Expenses	41.3	38.9	2.4
Pre-Provisioning Operating Income (PPOP)	53.5	73.1	-19.6
Credit Loss Provision	69.1	41.4	27.7
Operating Income	-15.7	31.7	-47.4
Non-Operating Income	2.5	-0.1	2.6
Net Income before Income Tax	-13.2	31.6	-44.8
Income Tax Expense	0.0	8.3	-8.3
Net Income	-13.2	23.3	-36.5

Table 2. General and Administrative Expenses

(KRW in billion)	2023	2022	YoY
General & Administrative Expenses	41.3	38.9	2.4
Salaries and Employee Benefits	12.2	13.2	-1.0
Severance and Retirement Benefits	0.7	0.9	-0.1
Administrative Expenses	14.0	14.5	-0.5
Depreciation and Amortization	8.6	8.1	0.5
Taxes and Dues	5.7	2.2	3.4
Cost to Income Ratio	43.57%	34.72%	8.85%p

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial ReviewManagement's Discussion
and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated
Financial Statements

III. SUMMARY OF FINANCIAL CONDITION

As of the end of 2023, the bank's total assets amounted to KRW 2,653.3 billion, liabilities stood at KRW 2,295.0 billion, and shareholders' equity was KRW 358.4 billion.

In 2023, Hana Savings Bank's total assets decreased by KRW 168.5 billion compared to 2022, primarily due to a KRW 276.7 billion decline in loan assets as a result of the bank's strategic reduction of real estate-related loans in preparation for worsening property markets and persistent high interest rates.

Table 3. Condensed Balance Sheets (Separated)

(KRW in billion)	2023	2022	YoY
Interest Earning Assets	2,467.9	2,661.3	-193.3
Due from Banks	330.4	212.4	118.0
Loans	2,220.6	2,497.3	-276.7
Loan Loss Allowance	-83.0	-48.4	-34.6
Other Revenue Earning Assets	84.7	58.2	26.6
Stocks and Others	49.5	40.9	8.6
Domestic Exchange Settlement	35.2	17.3	18.0
Non-Revenue Earning Assets	100.7	102.4	-1.7
Total Assets	2,653.3	2,821.8	-168.5
Interest Bearing Liabilities	2,213.0	2,378.2	-165.2
Deposits	2,203.9	2,369.2	-165.3
Domestic Exchange Settlement	9.1	9.0	0.1
Non-Interest Bearing Liabilities	81.9	66.6	15.4
Total Liabilities	2,295.0	2,444.8	-149.8
Shareholders' Equity	358.4	377.0	-18.7
Total Liabilities & Shareholders' Equity	2,653.3	2,821.8	-168.5

IV. ASSET QUALITY

In response to the challenging real estate and prolonged high-interest rate environment in 2023, Hana Savings Bank strategically reduced its exposure to risky assets, resulting in a KRW 276.5 billion YoY decrease in total credit, which stood at KRW 2,220.5 billion at the end of 2023.

NPL ratio rose by 4.64%p from the previous year, reflecting the asset quality deterioration of real estate-related loans.

Currently, the bank aims to diversify its business portfolio, focus on quality asset growth, and exert cross-selling efforts within the Group. The bank is strengthening its asset quality through systematic and proactive asset management.

Table 4. Asset Quality and Loan Loss Provision

(KRW in billion)	2023	2022	YoY
Total Credit	2,220.5	2,497.0	-276.5
Normal	1,549.1	1,929.2	-380.1
Precautionary	497.4	488.0	9.4
Substandard	112.8	36.7	76.1
Doubtful	39.7	30.4	9.2
Estimated Loss	21.5	12.7	8.8
Precautionary & Below			
Amount	671.3	567.8	103.5
Ratio	30.2%	22.7%	7.5%p
Substandard & Below (NPL)			
Amount	174.0	79.8	94.1
Ratio	7.83%	3.20%	4.64%p
Loan Loss Reserve	110.6	75.9	34.7
Normal	24.9	28.3	-3.4
Precautionary	16.0	11.7	4.3
Substandard	30.1	7.0	23.1
Doubtful	25.2	19.0	6.2
Estimated Loss	14.4	9.9	4.5
Precautionary & Below			
Loan Loss Reserve	85.7	47.6	38.1
Coverage Ratio	16.5%	13.4%	3.1%p
Substandard & Below (NPL)			
Loan Loss Reserve	69.7	35.8	33.8
Coverage Ratio	63.6%	95.1%	-31.5%p

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion
and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated
Financial Statements

IV. CAPITAL ADEQUACY

BIS ratio increased 1.05%p YoY to 15.96% due to the KRW 276.5 billion decrease in loan assets, significantly above the 8% threshold regulated by the Savings Bank Act and the 11% guided by supervisory authorities.

Table 5. BIS Capital and Ratio

(KRW in billion)	2023	2022	YoY
Tier 1 Capital	289.8	305.5	-15.7
Common Equity Capital	289.8	305.5	-15.7
Capital Stock	115.5	115.5	0.0
Capital Surplus	167.6	167.6	0.0
Retained Earnings	33.3	56.3	-23.0
Others	-26.6	-33.9	7.3
Tier 2 Capital	29.3	30.6	-1.3
Loan Loss Reserve	26.3	29.0	-2.7
Others	3.0	1.5	1.5
Total BIS Capital	319.1	336.1	-17.0
Risk Weighted Assets	1,999.4	2,254.9	-255.5
BIS Capital Adequacy Ratio	15.96%	14.90%	1.05%p
Tier 1 Ratio	14.49%	13.55%	0.95%p
Tier 2 Ratio	1.46%	1.36%	0.11%p

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

**Management's Discussion
and Analysis**

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated
Financial Statements

Independent Auditor's Report

To the Shareholders and the Board of Directors of Hana Financial Group Inc.

Deloitte.

Deloitte Anjin LLC

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Youngdeungpo-gu, Seoul 07326, Korea
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AUDIT OPINION

We have audited the consolidated financial statements of Hana Financial Group Inc. and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as of December 31, 2023 and December 31, 2022, respectively, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders’ equity and separate statement of cash flows, for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2023 and December 31, 2022, respectively, and its financial performance and its cash flows for the years then ended in accordance with Korean International Financial Reporting Standards (“K-IFRS”).

We have also audited, in accordance with the Korean Standards on Auditing (“KSAs”), the internal control over financial reporting of the Group as of December 31, 2023, based on ‘Conceptual Framework for Design and Operation of Internal Control over Financial Reporting’ and our report dated February 29, 2024, expressed an unqualified opinion.

BASIS FOR AUDIT OPINION

We conducted our audits in accordance with the Korean Standards on Auditing (“KSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

EMPHASIS OF MATTER

We draw attention to Note 2 to the consolidated financial statements, which explains that the comparative consolidated statement of financial position as of December 31, 2022, and the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders’ equity and the consolidated statement of cash flows, for the year then ended have been restated due to the adoption of K-IFRS 1117.

KEY AUDIT MATTERS

The key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management’s Discussion
and Analysis

Independent Auditors’ Report
Consolidated Financial Statements
Notes to the Consolidated
Financial Statements

1. Assessment of the allowance for credit losses for loans

As discussed in Note 3, 16 to the consolidated financial statements, the Group recognized an allowance for credit losses using the Expected Credit Loss (ECL) impairment model for loans at amortized cost amounting to KRW 3,016,720 million as of December 31, 2023. A lifetime ECL is recognized for those loans that have experienced a Significant Increase in Credit Risk (SICR) since initial recognition or are credit impaired, otherwise a 12-month ECL is recognized. The Group measures ECL allowances on an individual basis for individually significant loans which are credit impaired and for those which have experienced a SICR and demonstrate certain other high risk indicators (for example, debt restructuring). The individual assessment involves judgment by the Group in estimating the future cash flows, including the value of related collateral. The allowance for credit losses for other loans are measured on a collective basis. For these loan, the Group measures ECL based on its estimates of the Probability of Default (PD), the Loss Given Default (LGD) and the Exposure at Default (EAD) as well as the impact of Forward-Looking information (FLI). For the loans measured on a collective basis, one of the relevant inputs for determining PD is the internal credit risk rating of the borrower. The internal credit risk rating of the borrower is defined by the Group using quantitative and qualitative factors.

We identified the assessment of the allowance for credit losses for loans as a key audit matter. A high degree of audit effort, including specialized skills and knowledge, and subjective and complex auditor judgment was involved to evaluate the Group's estimates of future cash flows, including from the sale of collateral, for the loans with ECL measured on an individual basis. In addition, a high degree of audit effort, including specialized skills and knowledge, and subjective and complex auditor judgment was involved to evaluate the Group's estimates and judgments with respect to the measurement of ECL on a collective basis. This included the analysis of the qualitative factors considered in determining the internal credit risk ratings of loans, the calculation of 12 month and lifetime PD, the calculation of LGD and the evaluation of FLI incorporated in the measurement of collective ECL.

The following are the primary procedures we performed to address this key audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to: (i) the estimation of future cash flows for individually assessed loans, including controls over the work of external valuation professionals engaged by the Group to assess the future cash flows together with the value of collateral; (ii) the validation of the models used to determine the inputs to the collective ECL calculation and the impact of FLI; (iii) the assessment of quantitative and qualitative factors in the process of determining the internal credit risk rating of the loans, including the review of internal credit risk ratings performed by an independent department with access to the same qualitative information; and (iv) the completeness and accuracy of data used in the determination of the credit risk ratings. We assessed the estimates of future cash flows expected from collateral on a sample of individually assessed loans by: (i) comparing assumptions made with information obtained from internal and external sources; and (ii) assessing the reliability of information used in the estimates, including the qualification of external valuation professionals engaged by the Group. We involved credit risk and information technology professionals with specialized skills and knowledge who assisted in: (i) evaluating the methodology and key judgments used in determining the PD and LGD parameters; (ii) evaluating how FLI was incorporated in the collective ECL model; and (iii) checking the accuracy of the calculation of PDs, and a sample of LGDs. We evaluated whether, for a sample of loans with ECL measured on a collective basis, Group policy was applied in the internal credit risk rating process.

2. Assessment of the measurement of fair value of certain level 3 derivatives and level 3 derivative-linked securities

As described in Note 5 to the consolidated financial statements, the Group discloses the fair value of financial instruments classified at level 3 if the inputs that have a significant impact on the fair value assessment results are based on information that is not observable in the market.

[Introduction](#)
[CEO Letter & Presentation](#)
[BOD Roundtable 2023](#)
[Group Overview](#)
[Business Overview](#)
[Financial Review](#)
[Management's Discussion and Analysis](#)
[Independent Auditors' Report](#)
[Consolidated Financial Statements](#)
[Notes to the Consolidated Financial Statements](#)

In particular, Hana Securities Co., Ltd. evaluates some derivatives and derivative-linked securities classified as level 3 through its own evaluation system. As of December 31, 2023, the derivative assets was accounted for KRW 49,223 million and the derivative liabilities was accounted for KRW 611,542 million. In addition, the derivative-linked securities was accounted at KRW 80,399 million for fair value through profit or loss financial assets and at KRW 5,678,439 million for fair value through profit or loss designated financial liabilities. To measure these financial instruments, the Group uses valuation methods such as discounted cash flow models and option models, which require various inputs and assumptions depending on the characteristics of the financial instruments.

The principal considerations for our determination that performing procedures relating to valuation of level 3 derivatives and level 3 derivative-linked securities is a key audit matter are: (i) there was significant judgment by management in determining the internal valuation models, which in turn led to a high degree of auditor subjectivity in performing procedures related to the valuation of derivatives using internal valuation models; (ii) there was significant judgment and effort in evaluating audit evidence related to these internal valuation models and unobservable inputs used to determine the valuation of level 3 derivatives and level 3 derivative-linked securities; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

The following are the primary procedures we performed to address this key audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the measurement of fair value of the level 3 derivatives and derivative-linked securities that are valued using internally developed valuation models. These procedures included controls over the review on development and validation on change of the internal valuation models and unobservable inputs used in valuation of level 3 derivatives. Also, we used professionals with specialized skill, competence and objectivity to evaluate valuation models and unobservable inputs for specific contracts, and to confirm whether the fair value calculated using independently developed valuation models and unobservable inputs is significantly different from the management's fair value.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the accompanying consolidated financial statements in accordance with K-IFRS, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management of the Group is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with KSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

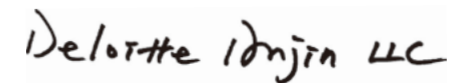
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We are solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ho Young, Heo.



February 29, 2024

Notice to Readers

This report is effective as of February 29, 2024, the auditor's report date. Certain subsequent events or circumstances may have occurred between the auditor's report date and the time the auditor's report is read. Such events or circumstances could significantly affect the consolidated financial statements and may result in modifications to the auditor's report.

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report**
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

Consolidated Statements of Financial Position

As of December 31, 2023 and 2022 and January 1, 2022
Hana Financial Group Inc. and its subsidiaries

(Korean won in millions)

Accounts	Notes	December 31, 2023	December 31, 2022	January 1, 2022
Assets				
I. Cash and due from banks	5, 6, 7, 9, 11, 57	₩ 34,480,458	₩ 45,840,351	₩ 31,542,032
II. Financial assets measured at fair value through profit or loss("FVTPL")	5, 6, 7, 9, 12, 15, 17	54,605,832	52,374,699	39,953,889
III. Financial assets measured at fair value through other comprehensive income ("FVOCI")	5, 6, 7, 9, 13, 15, 17	44,313,496	37,779,945	39,698,204
IV. Securities measured at amortized cost	5, 6, 7, 9, 14, 15, 17	36,480,396	38,928,911	23,769,017
V. Loans measured at amortized cost	5, 6, 7, 9, 15, 16, 21	381,410,658	361,495,530	337,281,579
VI. Derivative assets used for hedging	5, 6, 7, 9, 17	9,678	32,312	77,507
VII. Investments in associates and joint ventures	18	4,159,967	3,917,787	3,282,042
VIII. Insurance contract assets	30	7,718	2,826	755
IX. Reinsurance contract assets	30	42,203	33,030	29,238
X. Property and equipment	19, 21	6,505,642	5,243,039	3,539,669
XI. Investment properties	20	1,321,579	1,250,085	1,055,719
XII. Intangible assets	22	935,122	803,949	676,092
XIII. Net defined benefit assets	31	58,648	134,965	-
XIV. Deferred tax assets	53	364,438	396,364	302,030
XV. Current income tax assets	53	63,279	42,144	27,515
XVI. Non-current assets held for sale	23	57,643	72,950	412,594
XVII. Other assets	5, 6, 7, 9, 24	27,109,238	20,254,393	20,557,504
Total assets		591,925,995	568,603,280	502,205,386
Liabilities				
I. Financial liabilities measured at FVTPL	5, 6, 7, 9, 17, 25, 26	21,599,202	28,020,558	15,876,923
II. Deposits	5, 6, 7, 9, 27	371,866,240	362,575,964	325,149,095
III. Borrowings	5, 6, 7, 9, 28	43,590,349	37,087,312	30,261,598
IV. Debentures	5, 6, 7, 9, 29	58,702,329	56,673,832	54,476,161
V. Derivative liabilities used for hedging	5, 6, 7, 9, 17	432,303	546,408	118,599
VI. Insurance contract liabilities	30	5,546,506	5,389,087	5,599,410
VII. Reinsurance contract liabilities	30	6,701	6,222	9,103
VIII. Net defined benefit liabilities	31	175,899	10,610	198,020
IX. Provisions	32	841,636	636,761	587,422
X. Deferred tax liabilities	53	₩ 363,510	₩ 2,259	₩ 186,178

(Korean won in millions)

Accounts	Notes	December 31, 2023	December 31, 2022	January 1, 2022
XI. Current income tax liabilities	53	₩ 134,109	₩ 728,386	₩ 782,823
XII. Other liabilities	5, 6, 7, 9, 33	48,485,494	39,297,733	33,480,885
Total liabilities		551,744,278	530,975,132	466,726,217
Equity				
I. Equity attributable to owners of the parent		39,343,318	36,635,712	34,198,465
1. Capital stock	34	1,501,210	1,501,210	1,501,210
2. Hybrid equity securities	34	3,606,048	3,294,688	2,626,459
3. Capital surplus	34	10,582,774	10,581,291	10,576,587
4. Capital adjustment	35	(181,682)	(165,041)	(315,606)
5. Accumulated other comprehensive loss	36	(1,291,177)	(1,762,964)	(987,416)
6. Retained earnings	37	25,126,145	23,186,528	20,797,231
II. Non-controlling interest	1	838,399	992,436	1,280,704
Total equity		40,181,717	37,628,148	35,479,169
Total liabilities and equity		₩ 591,925,995	₩ 568,603,280	₩ 502,205,386

Refer to the notes of the consolidated financial statements.

[Introduction](#)
[CEO Letter & Presentation](#)
[BOD Roundtable 2023](#)
[Group Overview](#)
[Business Overview](#)
[Financial Review](#)
[Management's Discussion and Analysis](#)
[Independent Auditors' Report](#)
[Consolidated Financial Statements](#)
[Notes to the Consolidated Financial Statements](#)

Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the years ended December 31, 2023 and 2022
Hana Financial Group Inc. and its subsidiaries

(Korean won in millions)

Accounts	Notes	2023	2022
I. Net interest income	39, 40	₩ 8,879,449	₩ 9,006,015
1. Interest income		23,275,944	15,984,691
Interest income on financial assets measured at FVOCI and amortized cost		22,424,686	15,417,542
Interest income on financial assets measured at FVTPL		851,106	468,479
Interest income on insurance and reinsurance contracts		152	98,670
2. Interest expense		(14,396,495)	(6,978,676)
Interest expense on financial liabilities		(14,066,014)	(6,959,006)
Interest expense on insurance and reinsurance contracts		(330,481)	(19,670)
II. Net fees and commission income	39, 40	1,977,733	1,715,071
1. Fees and commission income		3,034,920	2,688,951
2. Fees and commission expense		(1,057,187)	(973,880)
III. Net gain on financial assets measured at FVTPL	39, 42, 43	745,788	126,234
IV. Net gain on financial assets measured at FVOCI	39, 44	80,582	17,146
V. Gain on derecognition of financial assets measured at amortized cost	39, 45	85,086	61,066
VI. Gain (loss) on derivative assets used for hedging	39, 46	25,306	(67,719)
VII. Gain on foreign currencies transactions	39	414,790	489,827
VIII. Net insurance service result		25,351	(64,242)
1. Insurance revenue		552,477	489,170
2. Insurance service expenses		(521,008)	(543,379)
3. Reinsurance revenue		36,819	27,113
4. Reinsurance expenses		(42,937)	(37,146)
IX. Insurance and reinsurance finance income (loss)		532	(11,156)
X. Total operating income		12,234,617	11,272,242
XI. Impairment loss on financial assets	39, 47	₩ (1,550,742)	₩ (1,187,056)

(Korean won in millions)

Accounts	Notes	2023	2022
XII. Net operating income		₩ 10,683,875	₩ 10,085,186
XIII. General and administrative expenses	39, 48	(4,408,272)	(4,256,713)
XIV. Other operating income	39, 49	894,212	693,199
XV. Other operating expenses	39, 50	(2,476,408)	(1,833,390)
XVI. Operating income		4,693,407	4,688,282
XVII. Non-operating income (loss)		(12,195)	255,034
1. Net gain on valuation of investments in associates and joint ventures	18	160,155	233,166
2. Other non-operating income	51	240,161	261,233
3. Other non-operating expenses	52	(412,511)	(239,365)
XVIII. Net income before income tax expense		4,681,212	4,943,316
XIX. Income tax expenses	53	(1,212,856)	(1,303,906)
XX. Net income for the year		3,468,356	3,639,410
XXI. Other comprehensive income (loss)		531,779	(786,710)
1. Items that may be reclassified subsequently to profit or loss:		630,022	(725,303)
Gain (loss) on valuation of debt securities measured at FVOCI		757,543	(915,767)
Exchange differences on translation of foreign operations, net		73,595	5,991
Changes in capital from gains on equity method for investments in associates		(5,009)	(1,366)
Loss on valuation of net investment in hedges		(22,096)	(20,529)
Loss on valuation of cash flow hedges		(13,907)	(3,864)
Insurance finance income (loss)		(159,752)	208,279
Reinsurance finance income (loss)		(352)	1,953
2. Items that will not be reclassified subsequently to profit or loss:		(98,243)	(61,407)
Gain (loss) on valuation of equity securities measured at FVOCI		79,375	(56,142)
Effect of changes in the credit risk of financial liabilities designated at FVTPL		₩ (7,567)	₩ (7,675)

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the years ended December 31, 2023 and 2022
Hana Financial Group Inc. and its subsidiaries

(Korean won in millions)

Accounts	Notes	2023	2022
Loss on valuation of the fair value hedging instruments		₩ -	₩ (11,861)
Changes in capital from losses on equity method for investments in associates		(1,934)	(14,676)
Remeasurements of the defined benefit plan		(168,117)	28,947
XXII. Total comprehensive income for the year		4,000,135	2,852,700
XXIII. Net income for the year attributable to:		3,468,356	3,639,410
Equity of owner of the parent		3,421,712	3,570,607
Non-controlling interests	1	46,644	68,803
XXIV. Total comprehensive income for the year attributable to:		4,000,135	2,852,700
Equity of owner of the parent		3,944,640	2,794,791
Non-controlling interests	1	55,495	57,909
XXV. Earnings per share	55		
Basic earnings per share (Korean won)		11,380	11,865
Diluted earnings per share (Korean won)		₩ 11,380 ₩	11,865

Refer to the notes of the consolidated financial statements.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022
Hana Financial Group Inc. and its subsidiaries

(Korean won in millions)

Accounts		Issued capital	Hybrid equity securities	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Equity attributable to equity holder of the parent	Non-controlling shareholder's equity	Total
As of January 1, 2022	₩	1,501,210	2,626,459	10,576,587	(315,606)	(987,417)	20,797,231	34,198,464	1,280,705	₩ 35,479,169
Annual dividends		-	-	-	-	-	(699,752)	(699,752)	-	(699,752)
Interim dividends		-	-	-	-	-	(233,251)	(233,251)	-	(233,251)
Issuance of hybrid equity securities		-	668,229	-	-	-	-	668,229	-	668,229
Paid-in capital increases of subsidiaries		-	-	4,905	-	44	-	4,949	8,299	13,248
Changes in shares of subsidiaries		-	-	(201)	-	-	-	(201)	(325,082)	(325,283)
Dividends on hybrid equity securities		-	-	-	-	-	(111,210)	(111,210)	(29,395)	(140,605)
Incineration of treasury stocks		-	-	-	149,972	-	(149,972)	-	-	-
Reclassification of equity securities measured at FVOCI		-	-	-	-	225	(225)	-	-	-
Others		-	-	-	593	-	13,100	13,693	-	13,693
Subtotal		1,501,210	3,294,688	10,581,291	(165,041)	(987,148)	19,615,921	33,840,921	934,527	34,775,448
Net income for the year		-	-	-	-	-	3,570,607	3,570,607	68,803	3,639,410
Loss on valuation of debt securities in financial assets measured at FVOCI		-	-	-	-	(912,602)	-	(912,602)	(3,165)	(915,767)
Loss on valuation of equity securities in financial assets measured at FVOCI		-	-	-	-	(56,142)	-	(56,142)	-	(56,142)
Exchange differences on translation of foreign operations		-	-	-	-	13,945	-	13,945	(7,954)	5,991
Changes in capital from gains (losses) on equity method investments in associates		-	-	-	-	(16,068)	-	(16,068)	26	(16,042)
Loss on valuation of net investment hedges		-	-	-	-	(20,529)	-	(20,529)	-	(20,529)
Gain (loss) on valuation of cash flow hedges		-	-	-	-	(4,085)	-	(4,085)	221	(3,864)
Loss on valuation of fair value hedges		-	-	-	-	(11,861)	-	(11,861)	-	(11,861)
Effect of changes in credit risk on financial liabilities designated as measured at FVTPL		-	-	-	-	(7,675)	-	(7,675)	-	(7,675)
Remeasurement of the net defined benefit plan		-	-	-	-	28,969	-	28,969	(22)	28,947
Insurance finance income		-	-	-	-	208,279	-	208,279	-	208,279
Reinsurance finance income		-	-	-	-	1,953	-	1,953	-	1,953
Total comprehensive income (loss) for the year		-	-	-	-	(775,816)	3,570,607	2,794,791	57,909	2,852,700
As of December 31, 2022	₩	1,501,210	3,294,688	10,581,291	(165,041)	(1,762,964)	23,186,528	36,635,712	992,436	₩ 37,628,148

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022
Hana Financial Group Inc. and its subsidiaries

(Korean won in millions)

Accounts		Issued capital	Hybrid equity securities	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Equity attributable to equity holder of the parent	Non-controlling shareholder's equity	Total
As of January 1, 2023	₩	1,501,210	3,294,688	10,581,291	(165,041)	(1,762,964)	23,186,528	36,635,712	992,436	₩ 37,628,148
Annual dividends		-	-	-	-	-	(743,487)	(743,487)	-	(743,487)
Interim dividends		-	-	-	-	-	(519,028)	(519,028)	-	(519,028)
Issuance of hybrid equity securities		-	798,031	-	-	-	-	798,031	-	798,031
Redemption of hybrid equity securities		-	(486,671)	-	(1,592)	-	-	(488,263)	(179,737)	(668,000)
Paid-in capital increases of subsidiaries		-	-	1,483	-	-	-	1,483	2,479	3,962
Dividends on hybrid equity securities		-	-	-	-	-	(135,526)	(135,526)	(32,271)	(167,797)
Incineration of treasury stocks		-	-	-	134,923	-	(134,923)	-	-	-
Acquisition of treasury stocks		-	-	-	(150,000)	-	-	(150,000)	-	(150,000)
Reclassification of equity securities measured at FVOCI		-	-	-	-	(51,141)	51,141	-	-	-
Others		-	-	-	28	-	(272)	(244)	(3)	(247)
Subtotal		1,501,210	3,606,048	10,582,774	(181,682)	(1,814,105)	21,704,433	35,398,678	782,904	36,181,582
Net income for the year		-	-	-	-	-	3,421,712	3,421,712	46,644	3,468,356
Gain on valuation of debt securities in financial assets measured at FVOCI		-	-	-	-	757,429	-	757,429	114	757,543
Gain on valuation of equity securities in financial assets measured at FVOCI		-	-	-	-	79,375	-	79,375	-	79,375
Exchange differences on translation of foreign operations		-	-	-	-	64,970	-	64,970	8,625	73,595
Changes in capital from losses on equity method investments in associates		-	-	-	-	(6,943)	-	(6,943)	-	(6,943)
Loss on valuation of net investment hedges		-	-	-	-	(22,096)	-	(22,096)	-	(22,096)
Loss on valuation of cash flow hedges		-	-	-	-	(13,907)	-	(13,907)	-	(13,907)
Effect of changes in credit risk on financial liabilities designated as measured at FVTPL		-	-	-	-	(7,567)	-	(7,567)	-	(7,567)
Remeasurement of the net defined benefit plan		-	-	-	-	(168,229)	-	(168,229)	112	(168,117)
Insurance finance income		-	-	-	-	(159,752)	-	(159,752)	-	(159,752)
Reinsurance finance income		-	-	-	-	(352)	-	(352)	-	(352)
Total comprehensive income for the year		-	-	-	-	522,928	3,421,712	3,944,640	55,495	4,000,135
As of December 31, 2023	₩	1,501,210	3,606,048	10,582,774	(181,682)	(1,291,177)	25,126,145	39,343,318	838,399	₩ 40,181,717

Refer to the notes of the consolidated financial statements.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022
Hana Financial Group Inc. and its subsidiaries

(Korean won in millions)

Accounts	2023	2022
I. Net cash provided by (used in) operating activities	₩ (9,622,341)	₩ 25,222,888
1. Net income	3,468,356	3,639,410
2. Adjustments to reconcile net income:	(7,754,324)	(7,803,284)
Income tax expenses	1,212,856	1,303,906
Interest expenses	14,396,495	6,978,676
Interest income	(23,275,944)	(15,984,691)
Dividends income	(87,731)	(101,175)
3. Adjustments to non-cash items	1,435,274	3,278,185
Net loss (gain) on valuation of financial assets measured at FVTPL	(1,212,827)	1,075,049
Net gain on disposal of financial assets measured at FVTPL	(63,259)	(32,675)
Net gain on transaction of financial assets measured at FVOCI	(64,172)	(3,315)
Provision (reversal) of credit loss allowance on financial assets measured at FVOCI	1,841	(275)
Gain on disposal of financial assets measured at FVOCI	(232)	(4)
Provision (reversal) of credit loss allowance on financial assets measured at amortized cost	(36,273)	66,946
Net loss (gain) on derivative assets used for hedging	(20,326)	68,786
Net gain on foreign currencies transactions	(106,925)	(348,998)
Provisions of credit loss allowance	1,585,175	1,120,385
Depreciation and amortization 1	,219,747	926,310
Share-based compensation expenses	12,282	21,976
Provision for post employment benefit obligations	158,396	183,742
Gain on valuation of investments in associates and joint ventures	(160,155)	(233,166)
Other loss (gain) relating to property and equipment and intangible assets	32,163	(5,278)
Gain on disposal of non-current assets held for sale	(568)	-
Net insurance result	(25,883)	75,398
Others	116,290	363,304
4. Changes in operating assets and liabilities:	(16,086,422)	17,582,246
Due from banks	₩ 1,201,980	₩(1,701,892)

(Korean won in millions)

Accounts	2023	2022
Financial assets measured at FVTPL (held for trading)	₩ (123,838)	₩(12,442,233)
Loans measured at amortized cost	(14,297,588)	(19,351,728)
Net defined benefit assets	76,317	(134,965)
Investments in associates and joint ventures (related to dividend)	65,928	47,465
Insurance contract assets	(4,892)	(2,071)
Reinsurance contract assets	(15,118)	(13,823)
Other assets	(5,524,492)	1,886,395
Financial liabilities measured at FVTPL	(6,784,956)	12,957,615
Deposits	4,062,161	32,936,503
Net defined benefit liabilities	(221,382)	(331,043)
Provisions	4,818	21,420
Insurance contract liabilities	(26,214)	4,237
Reinsurance contract liabilities	(73)	(95)
Other liabilities	5,478,321	3,700,274
Derivative assets used for hedging	22,606	6,187
5. Cash provided by operating activities:	23,011,403	15,605,962
Interest received	22,923,611	15,504,156
Dividend received	87,792	101,806
6. Cash used in operating activities:	(13,696,628)	(7,079,631)
Interest paid	(12,086,823)	(5,555,400)
Income tax paid	(1,609,805)	(1,524,231)
II. Net cash flows used in investing activities	(5,926,999)	(18,704,935)
Net increase in hedging instruments	(21,361)	(11,498)
Net cash flows used in acquisition of subsidiary	(761,731)	121,520
Purchase of financial assets measured at FVTPL (other than held for trading)	(12,626,273)	(17,677,402)
Proceeds from disposal of financial assets measured at FVTPL (other than held for trading)	12,830,747	16,230,662
Purchase of financial assets measured at FVOCI	(22,461,365)	(12,068,581)
Proceeds from disposal of financial assets measured at FVOCI	18,026,350	13,113,422
Purchase of financial assets measured at amortized cost	₩ (1,248,227)	₩(16,822,097)

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022
Hana Financial Group Inc. and its subsidiaries

(Korean won in millions)

Accounts	2023	2022
Proceeds from redemption of financial assets measured at amortized cost	₩ 2,772,528	₩ 1,768,506
Acquisition of investment in associates and joint ventures	(202,708)	(633,803)
Proceeds from disposal of investment in associates and joint ventures	95,630	237,806
Purchase of property and equipment	(2,177,689)	(2,458,635)
Proceeds from disposal of property and equipment	121,063	189,121
Purchase of investment properties	(61,112)	(449,462)
Proceeds from disposal of investment properties	2,550	19,998
Acquisition of intangible assets	(236,591)	(308,773)
Proceeds from disposal of intangible assets	3,156	260
Decrease in non-current assets held for sale, net	36,417	9,275
Decrease (Increase) in guarantee deposit, net	(18,383)	34,746
III. Net cash flows provided by financing activities	5,677,186	6,538,185
Net decrease in hedging instruments	13,433	-
Increase of borrowings, net	5,395,440	6,082,331
Issuance of debentures	36,910,141	38,261,070
Redemption of debentures	(35,440,925)	(36,938,979)
Payment of lease liabilities	(235,982)	(223,276)
Acquisition of treasury stock	(150,000)	-
Dividends payment	(1,262,515)	(933,003)
Issuance of hybrid equity securities	798,031	668,229
Dividends on hybrid equity securities	(135,526)	(111,210)
Redemption of hybrid equity securities	(488,263)	-
Decrease (increase) in non-controlling interest, net	273,352	(266,977)
IV. Effect of exchange rate changes on cash and cash equivalents	(219,752)	(399,427)
V. Net increase (decrease) in cash and cash equivalents (I + II + III + IV)	(10,091,906)	12,656,711
VI. Cash and cash equivalents as of January 1	39,728,616	27,071,905
VII. Cash and cash equivalents as of December 31 (Note 57)	₩ 29,636,710	₩ 39,728,616

Refer to the notes of the consolidated financial statements.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Notes to the consolidated financial statements

As of and for the Years Ended December 31, 2023 and 2022
Hana Financial Group Inc. and its subsidiaries

The general information of Hana Financial Group, Inc. ("HFG" or the "Company" or the "Parent Company"), which is the controlling entity, and its controlled subsidiaries (collectively, the "Group") under Korean International Financial Reporting Standard (“ K-IFRS”) 1110 is as follows:

1-1 HFG

HFG was incorporated on December 1, 2005, under the Financial Holding Companies Act, in exchange for the entities' shares owned by the shareholders of Hana Bank; Hana Securities Co., Ltd.; Hana TI; and Hana Institute of Finance. HFG primarily engages in the management of its subsidiaries, which operate in the financial services industry or closely related sectors in the Republic of Korea.

The capital stock amounted to ₩1,021,281 million at the time of incorporation. As of December 31, 2023, the capital stock amounted to ₩1,501,210 million due to stock dividends, stock exchanges and capital increase. Also, the Group's commonshares were listed on the Korea Exchange ("KRX") on December 12, 2005, and the Group's authorized common shares are 800,000,000 shares as of December 31, 2023.

1-2 Scope of consolidation

Details of subsidiaries in scope of consolidation as of the December 31, 2023 are as follows:

Classification	Country	Major business	Ownership (%) (*1)	Reporting date
Subsidiaries of HFG:				
Hana Bank	Korea	Banking	100.0	December 31, 2023

Classification	Country	Major business	Ownership (%) (*1)	Reporting date
Hana Securities	Korea	Financial investments	100.0	December 31, 2023
Hana Card	Korea	Credit card business	100.0	December 31, 2023
Hana Capital	Korea	Installment credit financing	100.0	December 31, 2023
Hana Asset Trust	Korea	Real estate trust	100.0	December 31, 2023
Hana TI	Korea	System development service	100.0	December 31, 2023
Hana Savings Bank	Korea	Mutual savings banking	100.0	December 31, 2023
Hana Life Insurance	Korea	Life insurance	100.0	December 31, 2023
Hana Insurance. Co., Ltd.	Korea	Non-life insurance	89.6	December 31, 2023
Hana Investors Services Company	Korea	Transfer agent	100.0	December 31, 2023
Hana Alternative Asset Management	Korea	Asset management	100.0	December 31, 2023
Hana Ventures	Korea	New technology/ financial business	100.0	December 31, 2023
Hana F&I, Inc.	Korea	Investment and management service for non-performing loan ("NPL") asset-backed securities	99.9	December 31, 2023
Finnq Co., Ltd.	Korea	Other financial business	100.0	December 31, 2023
Hana Alternative BlackRock QIP Trust No. 73	Korea	Privately placed fund	33.3	December 31, 2023
Hana Alternative Special Investment Private Trust No.90	Korea	Privately placed fund	67.5	December 31, 2023
Hana Alternative Infra Special Investment Private Trust No. 3-1	Korea	Privately placed fund	100.0	December 31, 2023
Hana Alternative Infra Special Investment Private Trust No. 3-2	Korea	Privately placed fund	100.0	December 31, 2023
Hana Alternative Infra Special Investment Private Trust No. 3-3	Korea	Privately placed fund	100.0	December 31, 2023
Hana Alternative Infra Special Investment Private Trust No. 3-4	Korea	Privately placed fund	100.0	December 31, 2023
Hana Alternative Special Investment Private Trust No. 100	Korea	Privately placed fund	50.0	December 31, 2023
Hana Alternative Special Investment Private Trust No. 102	Korea	Privately placed fund	44.0	December 31, 2023
Hana Alternative Special Investment Private Trust No. 108	Korea	Privately placed fund	83.3	December 31, 2023
Hana Alternative Special Asset Private Trust No. 126	Korea	Privately placed fund	30.3	December 31, 2023
Hana Private Real Estate Investment Trust No. 165	Korea	Privately placed fund	58.0	December 31, 2023
Hana Alternative Investment Land Chip Real Estate Private Trust No. 68	Korea	Privately placed fund	52.2	December 31, 2023
Hana Ventures New Technology/ Investment Association No. 4	Korea	New technology/ financial business	100.0	December 31, 2023
Hana Ventures New Technology/ Investment Association No. 6	Korea	New technology/ financial business	73.8	December 31, 2023
Hana Ventures New Technology/ Investment Association No. 7	Korea	New technology/ financial business	100.0	December 31, 2023
Hana Corporate Growth Fund	Korea	Privately placed fund	100.0	December 31, 2023
Hana Alternative Frontier Private Investment Trust No. 1	Korea	Privately placed fund	67.6	December 31, 2023
Hana Alternative Private Real Estate Investment Trust No. 119	Korea	Privately placed fund	40.2	December 31, 2023
Hana Alternative Private Real Estate Investment Trust No. 181	Korea	Privately placed fund	52.5	December 31, 2023
Hana Alternative Private Real Estate Investment Trust No. 186	Korea	Privately placed fund	80.7	December 31, 2023
Hana Alternative Private Real Estate Investment Trust No. 187	Korea	Privately placed fund	70.0	December 31, 2023
Hana Alternative Investment PFC Logistics General Private Investment Trust No. 1 (professional)	Korea	Privately placed fund	100.0	December 31, 2023
Hana Beyond Finance Fund	Korea	Privately placed fund	100.0	December 31, 2023
Hana Alternative Private Real Estate Investment Trust No. 180	Korea	Privately placed fund	100.0	December 31, 2023
Hana Alternative Private Real Estate Investment Trust No. 182	Korea	Privately placed fund	61.9	December 31, 2023
Hana Alternative Private Real Estate Investment Trust No. 185	Korea	Privately placed fund	88.5	December 31, 2023
Hana Alternative Investment Chuncheon Fuel Cell General Private Investment Trust No. 1 (professional)	Korea	Privately placed fund	29.8	December 31, 2023
Defense Technology Innovation Private Investment Trust	Korea	Privately placed fund	100.0	December 31, 2023
Hana Alternative NPL General Private Investment Trust No. 1 (professional)	Korea	Privately placed fund	99.9	December 31, 2023
Hana Alternative General Private Real Estate Investment Trust No. 201	Korea	Privately placed fund	99.9	December 31, 2023
Hana Alternative General Private Real Estate Investment Trust No. 202	Korea	Privately placed fund	44.7	December 31, 2023

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements**

Classification	Country	Major business	Ownership (%) (+1)	Reporting date
Hana Alternative General Private Real Estate Investment Trust No. 204	Korea	Privately placed fund	99.9	December 31, 2023
Hana Alternative Infrastructure General Private Special Asset Fund No.1	Korea	Privately placed fund	82.9	December 31, 2023
Hana Balance Private Investment trust 1	Korea	Privately placed fund	33.3	December 31, 2023
Hana Private Investment trust 12 [Bond]	Korea	Privately placed fund	50.0	December 31, 2023
Hana Private Investment trust 13 [Bond]	Korea	Privately placed fund	50.0	December 31, 2023
Hana Private Investment trust 14 [Bond]	Korea	Privately placed fund	50.0	December 31, 2023
Hana Private Investment trust 15 [Bond]	Korea	Privately placed fund	50.0	December 31, 2023
Hana Private Investment trust 16 [Bond]	Korea	Privately placed fund	50.0	December 31, 2023
Hana KTOP25-08 Credit(A+) Active ETF(Bond)	Korea	Exchange-Traded Fund	49.3	December 31, 2023
Hana KTOP Short term Financial Bond Active ETF(Bond)	Korea	Exchange-Traded Fund	45.2	December 31, 2023
Specified Money Trust (HFQ) (+2)	Korea	Specified money trust	-	December 31, 2023
Subsidiaries of Hana Bank:				
Hana Bank (China) Co., Ltd.	China	Financial business	100.0	December 31, 2023
KEB Hana Bank Canada	Canada	Financial business	100.0	December 31, 2023
KEB Hana Bank Germany	Germany	Financial business	100.0	December 31, 2023
PT. Bank KEB Hana Indonesia	Indonesia	Financial business	69.0	December 31, 2023
Banco KEB Hana do Brazil S.A.	Brazil	Financial business	100.0	December 31, 2023
KEB Hana NY Financial Corp.	United States	Financial business	100.0	December 31, 2023
KEB Hana LA Financial Corp.	United States	Financial business	100.0	December 31, 2023
KEB Hana Global Finance	Hong Kong	Financial business	100.0	December 31, 2023
KEB HNB RUS LLC	Russia	Financial business	99.9	December 31, 2023
BANCO KEB HANA MEXICO S.A.	Mexico	Financial business	96.8	December 31, 2023
Hana Bancorp, Inc.	United States	Financial business	99.9	December 31, 2023
GLN International Inc.	Korea	Other financial business	82.2	December 31, 2023
Hana Tech Value-Up Investment Fund	Korea	Other financial business	100.0	December 31, 2023
Hana 1Q Startup Investment Fund	Korea	Other financial business	100.0	December 31, 2023
UBS Hana Power Private Equity Investment Trust 21 [Bond]	Korea	Privately placed fund	100.0	December 31, 2023
Hyundai Trust PEF Invest 16 [Bond]	Korea	Privately placed fund	100.0	December 31, 2023
Kyobo Axa Tomorrow Private Equity KH-1 [Bond]	Korea	Privately placed fund	100.0	December 31, 2023
Sevenstar Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Marine Solution Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Chungangstar Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Ocean Betts The First Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana H in the Holdings 1st LLC (+3)	Korea	Other financial business	-	December 31, 2023
H-Plus 1st, L.L.C. (+3)	Korea	Other financial business	-	December 31, 2023
Hana CK 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana H in the Holdings 2nd L.L.C. (+3)	Korea	Other financial business	-	December 31, 2023
HEONEQ1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
H Hotel ONEQ 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
Bbq 1q 1st, LLC(+3)	Korea	Other financial business	-	December 31, 2023
Skoffice 1q 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
Cleanenergy 1q 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
HANA DL First Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
HANA TERMINUS First Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
HANA I.S 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
HANA I.G 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
GRAND ONEQ 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023

Classification	Country	Major business	Ownership (%) (+1)	Reporting date
DONG DAEGU TERMINAL 2nd, LLC (+3)	Korea	Other financial business	-	December 31, 2023
KENDALL No. 9 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
BYK 3rd Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Mini Hana 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
Jinwoori 1Q 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
H-ECHO 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
HANA STARLORD 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
CLEAN WORLD 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
H-HANA 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
HANA ANANTI 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
One Q B777F 66872 Co., Ltd. (+3)	Cayman Islands	Other financial business	-	December 31, 2023
NAE CHON HANA 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
DRAGON HANA 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
HANA BAEKSA LOGISTICS 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
HANA S ONE Q 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
HOME PLUS HANA CONNECT, LLC (+3)	Korea	Other financial business	-	December 31, 2023
Antarctica 1st, Ltd (+3)	Korea	Other financial business	-	December 31, 2023
Enerbility Hana 1st, Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Plant 1st, Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Gs Hana 1st, Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Cha Cha Hana 1st, Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
T A 1st, Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Neostar 6th, Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Galaxia 1Q 1st, Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Antarctica 2nd, Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
HOONEQ 2nd LLC (+3)	Korea	Other financial business	-	December 31, 2023
H advanced 1st, Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Display 2nd, LLC (+3)	Korea	Other financial business	-	December 31, 2023
Doosan Hana 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
H Seven 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
Hana Privia 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
Hana Plant 2nd, Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Plant 3rd, Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Supreme 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
Hana H in the holdings 3rd, LLC (+3)	Korea	Other financial business	-	December 31, 2023
Netoneq 2nd, LLC (+3)	Korea	Other financial business	-	December 31, 2023
Exteer Hana 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
Hana Spark 1st, LLC (+3)	Korea	Other financial business	-	December 31, 2023
H Seven 2nd, LLC (+3)	Korea	Other financial business	-	December 31, 2023
Antarctica 3rd, Ltd (+3)	Korea	Other financial business	-	December 31, 2023
Daehan Hana 1st, Ltd (+3)	Korea	Other financial business	-	December 31, 2023
Gs Hana 2nd, Ltd (+3)	Korea	Other financial business	-	December 31, 2023
Happy World Hana 1st, Ltd (+3)	Korea	Other financial business	-	December 31, 2023
Trust accounts guaranteeing the repayment of principal	Korea	Trust account	-	December 31, 2023
Subsidiaries of Hana Bancorp, Inc.:				
KEB Hana Bank USA	United States	Banking	100.0	December 31, 2023
Subsidiaries of Hana Securities :				

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Country	Major business	Ownership (%) (+1)	Reporting date
Hana Asset Management Company Ltd. ("Hana Asset Management") (formerly known as Hana UBS Asset Management)	Korea	Asset management	100.0	December 31, 2023
Hana the First Private Equity Fund	Korea	Privately placed fund for institution	48.9	December 31, 2023
Hana Daol Land Chip Hwangdoek Real Estate Private Fund 35	Korea	Privately placed fund	100.0	December 31, 2023
Hana Equity Investment Management (Shenzhen) Co., Ltd	China	Investment consulting	50.1	December 31, 2023
Hana Land Chip Houston Real Estate Private Fund 59	Korea	Privately placed fund	100.0	December 31, 2023
Hana the Third Private Equity Fund	Korea	Privately placed fund for institution	35.0	December 31, 2023
Hana Asset Management Asia Pte. Ltd.	Singapore	Investment consulting	100.0	December 31, 2023
Hana Global New Technology Fund No. 1	Korea	New technology/ financial business	100.0	December 31, 2023
Hana Prop-Tech Fund No. 1	Korea	New technology/ financial business	100.0	December 31, 2023
Hana Alternative Formula-E Private Special Asset Fund 114	Korea	Privately placed fund	99.4	December 31, 2023
KB Mobility Solution Private Special Asset Fund 1	Korea	Privately placed fund	99.9	December 31, 2023
AIP Energy Infrastructure Specialized Privately Placed Fund Trust #2	Korea	Privately placed fund	99.2	December 31, 2023
Capstone EU Private Investment Trust No. 13 (formerly known as Hana Private Real Estate Investment Trust No. 130)	Korea	Privately placed fund	100.0	December 31, 2023
Templeton Hana Nework Hotel Private Investment Trust No. 2 (formerly known as HERITAGE US Manhattan Qualified Investors Real Estate Private Investment Trust No. 2 (USD))	Korea	Privately placed fund	99.8	December 31, 2023
Hana Alternative Private Real Estate Investment Trust No. 137	Korea	Privately placed fund	100.0	December 31, 2023
Shinhan AIM Infrastructure Fund No. 6-2	Korea	Privately placed fund	100.0	December 31, 2023
STIC Logistics Qualified Investors Real Estate Investment Trust No. 3	Korea	Privately placed fund	99.8	December 31, 2023
Shinhan AIM Infrastructure Fund No. 6-A	Korea	Privately placed fund	100.0	December 31, 2023
KAM Global Value Specialized Private Investment Trust No. 1	Korea	Privately placed fund	99.9	December 31, 2023
Hana Alternative Investment Shipping Specialized Private Equity Fund No. 1	Korea	Privately placed fund	99.9	December 31, 2023
Darby Hana New York Hotel Specialized Private Investment Trust No. 1	Korea	Privately placed fund	99.9	December 31, 2023
AIP Environment Infrastructure Specialized Privately Placed Fund Trust No. 1	Korea	Privately placed fund	99.8	December 31, 2023
Sanchully Renewable Energy/ Private Equity Trust II	Korea	Privately placed fund	100.0	December 31, 2023
Hana Alternative Specialized Private Placement Real Estate Investment Trust No. 175-1	Korea	Privately placed fund	100.0	December 31, 2023
Hana Alternative Specialized Private Placement Real Estate Investment Trust No. 175-2	Korea	Privately placed fund	100.0	December 31, 2023
KTB Global CRE Private Investment Trust No. 49	Korea	Privately placed fund	100.0	December 31, 2023
Master US Private Real Estate Investment Trust No. 52	Korea	Privately placed fund	96.4	December 31, 2023
Vestas Private Real Estate Investment Trust No. 82	Korea	Privately placed fund	99.9	December 31, 2023
Meritz Private Real Estate Investment Trust No. 30	Korea	Privately placed fund	99.9	December 31, 2023
Hana Lotte group Investment Trust [Equity Balanced]C-F	Korea	Other financial business	77.9	December 31, 2023
Hana Charlemont Exchange (+3)	Korea	Other financial business	-	December 31, 2023
Hana AIC 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Peach Shine 2nd Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Yellow Balloon 3rd Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hanalogs No. 1 Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Centaur First Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
GIF Sowol-ro Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana US Emerging Office Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Runway Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
JLB Squire Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Portfolio 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023

Classification	Country	Major business	Ownership (%) (+1)	Reporting date
Broadway 1st Co. Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Datacenter 1st. Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Eco Clover Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Port 1st. Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
HF Caribbean Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
GMHB 2nd. Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hangbong West 2nd. Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
GIF Olympus Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana 1Q Logis B Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Bukjinchon 2nd. Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Tree Unique 1st. Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Ernest Hyun 1st. Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
GIF MD Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Tree Axion 1st., Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Easy Tree 8th. Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
JA 8th. Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Joon Dragon Fairness 2nd. Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Asan Baebang 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Highfield Stone Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
The 1st GM 23rd Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana JH 2nd Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Gamsam 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
.JEY Complex Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
JHY Complex Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Residence 2nd Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
New Deal Beomeo 1 Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Joon Dragon Britte Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
E-Master 14th Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Planet Seocho 2nd Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
E-Master 18th Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Boston Core 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Boston Core 2nd Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
E-Master 17th Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Geordan Nine One 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Geordan Nine One 2nd Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
New Deal IDC 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
New Deal IDC 2nd Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
US Alix 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Core-value Securitization 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana HD 1st. Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana 4th Sky Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Auto 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Down 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hridan 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Ernest Hyun 2nd. Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
DA Global Logis 1st. Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
SF Dadae New Dream, Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Country	Major business	Ownership (%) (+1)	Reporting date
One Mega Wonchang 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
New Deal IDC 3rd Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
JH Double 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
J-On Pirre., Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Dongnae 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Dongnae 2nd Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Jangpo 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
The Central GM 23rd Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
The Central GM 22nd Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Ulsan Yaeum 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Moon10 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Synergy 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
New Deal IDC 4th Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Haeundae Jungdong 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Blue Shining 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Chookhyun 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Chookhyun 2nd Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Excelsior Saka IMP., Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
With GM 7th Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
With GM 9th Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Tongyeong Ellioju 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Jaehyun 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Planet Ayajin Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Stade Blue 7th Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hridan 2nd Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Property 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Gaebong 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Meritage 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Yeouido 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Lake Luls 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Baekseok Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana SFD 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Himetaverse No.8 Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Songbuk 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Delta 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Bluetree 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Gumdari 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Guro 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
J. Bruck 6th Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Parkmoon Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Cocheok 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Able TY 3rd Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Text 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana DF 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
SJS 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Hana Gimpo 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Good Change 1st Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023

Classification	Country	Major business	Ownership (%) (+1)	Reporting date
Transrufin Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Ice Double Co., Ltd. (+3)	Korea	Other financial business	-	December 31, 2023
Subsidiaries of Hana the 3rd PEF:				
Bareun Food Factory Co., Ltd.	Korea	Other financial business	100.0	December 31, 2023
Subsidiaries of Bareun Food Factory Co., Ltd.:				
Duksim Co., Ltd. (+4)	Korea	Korean traditional food business	81.8	September 30, 2023
Keumho Trading Co., Ltd. (+4)	Korea	Seafood processing business	67.4	September 30, 2023
Subsidiaries of Duksim:				
Seojewon Co., Ltd. (+4)	Korea	Franchise business	70.0	September 30, 2023
Subsidiaries of Keumho Trading Co., Ltd.:				
Keumho Seafood Co., Ltd. (+4)	Korea	Seafood processing business	100.0	September 30, 2023
Subsidiaries of Hana Equity Investment Management (Shenzhen) Co., Ltd.:				
Shenzhen Hana No. 1 Investment Partnership (Limited Partnership)	China	Other financial business	100.0	December 31, 2023
HC Global Limited (+3)	China	Other financial business	-	December 31, 2023
Beijing Growing Together No.1 Management Consulting Service Center (Limited Partnership)	China	Other financial business	100.0	December 31, 2023
HC HK Financial Limited	China	Other financial business	100.0	December 31, 2023
Subsidiaries of Hana Card:				
Hana Card Payment	Japan	Other financial support service	100.0	December 31, 2023
Hana Card 2021-1 Asset Securitization Specialty Co., Ltd. (+3)	Korea	Asset securitization	0.5	December 31, 2023
Hana Card 2022-1 Asset Securitization Specialty Co., Ltd. (+3)	Korea	Asset securitization	0.5	December 31, 2023
Hana Card 2023-1 Asset Securitization Specialty Co., Ltd. (+3)	Korea	Asset securitization	0.5	December 31, 2023
Subsidiaries of Hana Capital:				
Hana Micro Finance, Ltd.	Myanmar	Financial business	100.0	December 31, 2023
Hana Ventures No. 2 Investment Fund	Korea	New technology/ financial business	100.0	December 31, 2023
Hana Ventures No. 3 Investment Fund	Korea	New technology/ financial business	100.0	December 31, 2023
Hana Capital-Capstone Venture Fund	Korea	New technology/ financial business	88.9	December 31, 2023
Hana Capital-Capstone Venture Fund II	Korea	New technology/ financial business	90.0	December 31, 2023
Hana Collaboration Pre-IPO Fund	Korea	New technology/ financial business	100.0	December 31, 2023
KIM US Amazon Logistics Private Real Estate Investment Trust I	Korea	Privately placed fund	99.5	December 31, 2023
Subsidiaries of Hana Alternative Asset management:				
Hana Alternative Private Real Estate Investment Trust No. 166	Korea	Privately placed fund	99.8	December 31, 2023
Hana Alternative Private Real Estate Investment Trust No. 192	Korea	Privately placed fund	80.0	December 31, 2023
Hana Global REIT CO., Ltd.	Korea	Real estate business	100.0	December 31, 2023
Hana Global No. 1 REIT CO., Ltd.	Korea	Real estate business	100.0	December 31, 2023
Hana Alternative Private Real Estate Investment Trust No. 199	Korea	Privately placed fund	48.5	December 31, 2023
Hana Alternative Private Real Estate Investment Trust No. 209	Korea	Privately placed fund	31.3	December 31, 2023
Hana Alternative Private Real Estate Investment Trust No. 210	Korea	Privately placed fund	100.0	December 31, 2023
Subsidiaries of Hana Private Real Estate Investment Trust No. 166:				
H&H Investment 4 (+3)	Korea	Other financial business	-	December 31, 2023
Subsidiaries of Hana TI:				
PT Next Transfortech Indonesia	Indonesia	System development service	100.0	December 31, 2023
Subsidiaries of Hana F&I, Inc.:				
KEB The Loft co., Ltd. (+3)	Korea	Asset securitization	-	December 31, 2023
HFT Second Securitization Specialty (+3)	Korea	Asset securitization	5.0	December 31, 2023
Hana SH First Securitization Specialty Co., Ltd. (+3)	Korea	Asset securitization	14.0	December 31, 2023
HFS Second Securitization Specialty (+3)	Korea	Asset securitization	14.0	December 31, 2023

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

Classification	Country	Major business	Ownership (%) (*1)	Reporting date
SHORELINE SQUARE REIT LLC (*4)	United States	Real estate business	100.0	September 30, 2023
Subsidiaries of Hana Alternative Private Real Estate Investment Trust No. 182:				
BOSTON SEAPORT ALYX SG REIT, LLC (*4)	United States	Real estate business	100.0	September 30, 2023
Subsidiaries of Hana Alternative Private Real Estate Investment Trust No. 185:				
70 Hudson REIT LLC (*4)	United States	Asset securitization	88.2	November 30, 2023
Subsidiaries of 70 Hudson REIT LLC:				
70 Hudson LLC – Prop Co. (*4)	United States	Real estate business	100.0	November 30, 2023
Subsidiaries of Hana Alternative Investment PRC Logistics General Private Investment Trust No. 1 (professional)				
All Link LTD (*3), (*4)	Hong Kong	Asset securitization	–	November 30, 2023

(*1) The ownership percentage was calculated based on the shareholding of the ultimate parent company.

(*2) Specified money trust accounts consist of different accounts, but the number of accounts is not recorded.

(*3) It is included in the scope of consolidation since the subsidiary provides granting of credit.

(*4) As the consolidated financial statements as of December 31, 2023, were not available, the Group used the most recent consolidated financial statements available as of December 31, 2023.

The financial information of subsidiaries as of December 31, 2023 and 2022, is as follows (Korean won in millions):

<December 31, 2023>

Classification	Assets	Liabilities	Equity	Revenue	Net income (loss)	Other comprehensive income (loss)	Comprehensive income (loss)
KEB Hana Bank (*1)	498,843,436	466,759,120	32,084,316	52,526,786	3,487,433	521,365	4,008,798
Hana Securities(*1)	48,259,436	42,518,324	5,741,112	12,233,973	(288,944)	65,845	(223,099)
Hana Card (*1)	13,540,627	11,230,599	2,310,028	1,911,404	171,049	(2,869)	168,180
Hana Capital (*1)	18,166,555	15,733,852	2,432,703	1,962,980	206,899	4,069	210,968
Hana Asset Trust	610,524	68,399	542,125	161,402	80,914	–	80,914
Hana TI (*1)	537,777	342,628	195,149	322,751	4,797	(6,476)	(1,679)
Hana Savings Bank	2,653,343	2,294,977	358,366	222,891	(13,184)	(475)	(13,659)
Hana Life Insurance (*1)	6,218,302	5,745,252	473,050	785,199	5,397	(56,792)	(51,395)
Hana Investors Services Company	72,528	15,493	57,035	39,559	8,920	408	9,328
Hana Alternative Asset Management Co., Ltd. (*1)	356,934	41,631	315,303	64,242	25,380	–	25,380
Finnq Co., Ltd.	51,550	6,242	45,308	6,689	(6,966)	(393)	(7,359)
Hana Ventures, Ltd.	116,943	3,782	113,161	15,266	5,245	(47)	5,198
Hana F&I, Inc. (*1)	2,427,129	1,914,212	512,917	195,651	50,264	(539)	49,725
Hana Insurance Co., Ltd. (*1)	1,581,867	1,279,022	302,845	559,091	(75,977)	(18,650)	(94,627)
Specified Money Trust (HFG)	101,979	54	101,925	2,640	1,925	–	1,925
Hana Alternative BlackRock QIP Trust No. 73	57,313	1,022	56,291	8,915	4,640	–	4,640
Hana Professional Investment Type Private Equity 90	21,347	2,199	19,148	3,066	1,194	–	1,194
Hana Alternative UK Government Office Professional Investors' Private Real Estate Investment Feeder Trust No. 1	–	–	–	2	2	–	2
Hana Alternative Infra Special Investment Private Trust No. 3-1	46,691	70	46,621	2,469	2,205	–	2,205
Hana Alternative Infra Special Investment Private Trust No. 3-2	6,499	10	6,489	475	442	99	541
Hana Alternative Infra Special Investment Private Trust No. 3-3	24,760	5	24,755	5,433	3,947	–	3,947
Hana Alternative Infra Special Investment Private Trust No. 3-4	5,978	30	5,948	12,989	8,046	1,249	9,295
Hana Alternative Special Investment Private Trust No. 100	10,942	157	10,785	1,761	644	–	644
Hana Alternative Special Investment Private Trust No. 102	70,420	4,737	65,683	12,037	(4,791)	–	(4,791)
Hana Alternative Special Investment Private Trust No. 108	7,584	110	7,474	561	(102)	–	(102)
Hana Alternative Special Investment Private Trust No. 123-1 (USD) (*3)	–	–	–	10,186	7,060	(7,419)	(359)
Alternative Special Asset Private Trust No. 126	100,871	15,434	85,437	250	(5,353)	1,778	(3,575)
Hana Alternative Investment Land Chip Real Estate Private Trust 68	179,173	137,105	42,068	346	5,711	–	5,711
Hana Private Real Estate Investment Trust No. 165	59,831	4,889	54,942	12,917	7,959	–	7,959
Hana Alternative Special Investment Wando Geumil Offshore Wind Power Private Trust No. 1 (*3)	–	–	–	74	69	–	69
Hana Ventures New Technology Investment Association No. 4	692	23	669	1	(98)	–	(98)

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements**

Classification	Assets	Liabilities	Equity	Revenue	Net income (loss)	Other comprehensive income (loss)	Comprehensive income (loss)
Hana Ventures New Technology Investment Association No. 6	10,796	33	10,763	1	(654)	-	(654)
Hana Ventures New Technology Investment Association No. 7	2,477	27	2,450	5	(2,808)	-	(2,808)
Hana Corporate Growth Fund (formerly known as Hana Special New Deal National Representative Growth Private Trust)	32,049	108	31,941	148	(10)	-	(10)
Hana Alternative Private Real Estate Investment Trust No. 119	28,458	406	28,052	969	64	-	64
Hana Alternative Frontier Private Investment Trust No. 1	80,575	180	80,395	5,887	5,323	-	5,323
Hana Alternative Investment PFC Logistics General Private Investment Trust No. 1 (professional)	65,160	11,074	54,086	2,790	3,832	1,350	5,182
Hana Alternative Private Real Estate Investment Trust No. 181	36,994	2,481	34,513	130	(6,287)	913	(5,374)
Hana Alternative Private Real Estate Investment Trust No. 186	16,602	509	16,093	1,775	1,606	-	1,606
Hana Alternative Private Real Estate Investment Trust No. 187	10,000	225	9,775	1,317	1,265	-	1,265
Hana Alternative Private Real Estate Investment Trust No. 182	92,425	7,360	85,065	51	(9,666)	2,059	(7,607)
Hana Alternative Private Real Estate Investment Trust No. 185	384,807	275,667	109,140	9,113	3,044	2,293	5,337
Hana Alternative Private Real Estate Investment Trust No. 180	132,467	268	132,199	183	(238)	-	(238)
Hana Beyond Finance Fund	137,337	756	136,581	24,230	21,134	-	21,134
Hana Alternative Investment Chuncheon Fuel Cell General Private Investment Trust No. 1 (professional)	61,451	45	61,406	2,751	2,324	-	2,324
Defense Technology Innovation Private Investment Trust	8,816	5	8,811	25	(186)	-	(186)
Hana Alternative NPL General Private Investment Trust No. 1 (professional) (*2)	89,976	97	89,879	7,776	7,275	-	7,275
Hana Alternative General Private Real Estate Investment Trust No. 201 (*2)	19,703	1	19,702	1,421	1,158	-	1,158
Hana Alternative General Private Real Estate Investment Trust No. 202 (*2)	37,307	7	37,300	6,089	5,327	-	5,327
Hana Alternative General Private Real Estate Investment Trust No. 204 (*2)	23,321	7	23,314	2,448	2,154	-	2,154
Hana Alternative Infrastructure General Private Special Asset Fund No. 1 (*2)	26,581	18	26,563	325	(228)	-	(228)
Hana Balance Private investment trust 1 (*2)	33,371	6	33,365	-	-	-	-
Hana Private investment trust 12 [Bond] (*2)	181,548	78,448	103,100	-	-	-	-
Hana Private investment trust 13 [Bond] (*2)	200,732	97,452	103,280	-	-	-	-
Hana Private investment trust 14 [Bond] (*2)	200,301	97,148	103,153	-	-	-	-
Hana Private investment trust 15 [Bond] (*2)	191,305	88,646	102,659	-	-	-	-
Hana Private investment trust 16 [Bond] (*2)	196,642	93,744	102,898	-	-	-	-
Hana KTOP25-08 Credit(A+) Active ETF(Bond) (*2)	104,049	27	104,022	-	-	-	-
Hana KTOP Short term Financial Bond Active ETF (Bond) (*2)	173,246	38,049	135,197	-	-	-	-

(*1) Consolidated financial information of the intermediate parent company.

(*2) Included in subsidiaries of the Company for the year ended December 31,

2023.

(*3) Excluded from subsidiary of the Company for the year ended December 31,

2023.

<December 31, 2022>

Classification	Assets	Liabilities	Equity	Revenue	Net income (loss)	Other comprehensive income (loss)	Comprehensive income (loss)
KEB Hana Bank (*1)	485,308,744	455,343,376	29,965,368	53,702,914	3,111,699	(663,520)	2,448,179
Hana Securities(*1)	43,345,325	37,539,264	5,806,061	13,121,776	130,645	(104,646)	25,999
Hana Card (*1)	12,284,060	10,067,212	2,216,848	1,445,422	191,981	(5,711)	186,270
Hana Capital (*1)	16,638,148	14,567,235	2,070,913	1,484,056	299,663	(5,773)	293,890
Hana Asset Trust	555,240	78,829	476,411	162,704	83,908	-	83,908
Hana TI (*1)	453,989	257,321	196,668	291,887	84,891	6,152	91,043
Hana Savings Bank	2,821,799	2,444,773	377,026	187,122	23,283	156	23,439
Hana Life Insurance (*4)	5,709,238	5,357,072	352,166	503,119	17,128	(74,618)	(57,490)
HIS	65,710	15,002	50,708	38,136	9,197	(242)	8,955
Hana Alternative Asset Management Co., Ltd.(*1)	243,238	29,497	213,741	73,661	28,155	-	28,155
Hana Ventures, Ltd.	111,515	3,552	107,963	12,884	2,321	157	2,478
Hana F&I, Inc.(*1)	1,302,476	988,352	314,124	105,258	30,350	178	30,528
Hana Insurance Co., Ltd. (*1), (*4)	1,460,599	1,063,127	397,472	505,347	(64,730)	44,219	(20,511)
HANA ASSET MANAGEMENT ASIA (*3)	-	-	-	-	(708)	(291)	(999)
Finnq Co., Ltd.	58,950	6,359	52,591	7,892	(12,380)	-	(12,380)
Specified Money Trust (HFG)	777,233	56	777,177	2,906	2,177	-	2,177
Hana Alternative BlackRock QIP Trust No. 73	57,497	75	57,422	7,538	3,800	-	3,800
Hana Professional Investment Type Private Equity 90	20,296	1,977	18,319	4,370	1,265	-	1,265
Hana Alternative UK Government Office Professional Investors' Private Real Estate Investment Feeder Trust No. 1	1,638	1,617	21	29	(93)	104	11
Hana Alternative Infra Special Investment Private Trust No. 3-1	38,716	43	38,673	957	514	-	514
Hana Alternative Infra Special Investment Private Trust No. 3-2	6,466	9	6,457	466	447	405	862
Hana Alternative Infra Special Investment Private Trust No. 3-3	22,629	4	22,625	2,213	2,006	-	2,006
Hana Alternative Infra Special Investment Private Trust No. 3-4	36,240	45	36,195	2,286	2,105	200	2,305
Hana Alternative Special Investment Private Trust No. 100	11,107	11	11,096	970	941	-	941
Hana Alternative Special Investment Private Trust No. 102	76,243	532	75,711	12,017	6,961	-	6,961
Hana Alternative Special Investment Private Trust No. 108	9,439	27	9,412	1,397	402	-	402
Hana Alternative Special Investment Private Trust No. 123-1	13,025	586	12,439	(14,749)	48,662	(9,417)	39,245
Hana Alternative Houston Private Investment Trust No. 121(*3)	-	-	-	11,662	3,859	-	3,859
Alternative Special Asset Private Trust No. 126	104,581	11,933	92,648	83	(6,773)	6,830	57
Hana Alternative Investment Land Chip Real Estate Private Trust 68	178,797	136,618	42,179	196	5,087	-	5,087

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Assets	Liabilities	Equity	Revenue	Net income (loss)	Other comprehensive income (loss)	Comprehensive income (loss)
Hana Private Real Estate Investment Trust No. 165	55,659	4,617	51,042	9,367	2,770	-	2,770
Hana Alternative Special Investment Wando Geunri Offshore Wind Power Private Trust No. 1	2,045	58	1,987	134	108	-	108
Hana Ventures New Technology Investment Association No. 4	790	22	768	2	(5,049)	-	(5,049)
Hana Ventures New Technology Investment Association No. 6	11,450	33	11,417	3,461	3,314	-	3,314
Hana Ventures New Technology Investment Association No. 7	5,285	28	5,257	3	(113)	-	(113)
Hana Corporate Growth Fund (formerly known as Hana Special New Deal National Representative Growth Private Trust)	27,024	72	26,952	85	(21)	-	(21)
Hana Alternative Private Real Estate Investment Trust No. 119	12,589	101	12,488	14	(607)	-	(607)
Hana Alternative Frontier Private Investment Trust No. 1	78,819	1,114	77,705	5,489	4,042	-	4,042
Hana Alternative Investment PRC Logistics General Private Investment Trust No. 1 (professional) (*2)	61,837	9,824	52,013	4,359	904	167	1,071
Hana Alternative Private Real Estate Investment Trust No. 181 (*2)	44,686	1,946	42,740	2,235	150	2,441	2,591
Hana Alternative Private Real Estate Investment Trust No. 186 (*2)	16,022	415	15,607	1,817	940	-	940
Hana Alternative Private Real Estate Investment Trust No. 187(*2)	10,003	733	9,270	1,128	464	-	464
Hana Alternative Private Real Estate Investment Trust No. 182(*2)	103,794	5,911	97,883	10	(6,807)	6,897	90
Hana Alternative Private Real Estate Investment Trust No. 185(*2)	386,775	273,673	113,102	2,989	(18,966)	8,876	(10,090)
Hana Alternative Private Real Estate Investment Trust No. 180(*2)	68,522	135	68,387	64	(112)	-	(112)
Hana Beyond Finance Fund (*2)	88,908	756	88,152	229	(1,848)	-	(1,848)
Hana Alternative Investment Chuncheon Fuel Cell General Private Investment Trust No. 1 (professional) (*2)	49,464	16	49,448	1,011	(209)	-	(209)
Defense Technology Innovation Private Investment Trust (*2)	3,002	5	2,997	2	(3)	-	(3)

(*1) Consolidated financial information of the intermediate parent company.

(*2) Newly incorporated for the year ended December 31, 2022.

(*3) Excluded from subsidiary of the Company for the year ended December 31, 2022.

(*4) These amounts are based on K-IFRS 1117 Insurance contracts.

Changes in scope of consolidation for the year ended December 31, 2023 are as follows:

Name of subsidiaries	Rationale
Included in scope of consolidation:	
Hana Property 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Gaebong 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFCL 31 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFCD31 Inc.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HF31 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV 31 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HF31 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFG 31 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFT 31 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFNB1 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HF31 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Antarctica 2nd, Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HCONEQ 2nd LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
H advanced 1st, Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Display 2nd, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Alternative NPL General Private Investment Trust No. 1 (professional)	Holds power as an actual beneficiary of a private equity fund and exposed to variable returns
Hana Prop-Tech Fund No. 1	Holds power as an executive officer and exposed to variable returns
Hana Meritage 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Yeouido 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Lake Luis 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Baekseok Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana SRD 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Himelaverse No. 8 Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Songbuk 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Delta 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
	Holds power as an asset manager and exposed to variable returns based on credit

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Name of subsidiaries	Rationale
Bluetree 1st Co., Ltd.	facility or purchase commitments
Hana Gurdan 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
KB NA Meritage Energy Infrastructure Private Special Asset Fund	Holds power as an actual beneficiary of a private equity fund and exposed to variable returns
Hana Guro 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
J. Bruck 6th Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Parkmoon Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Cocheck 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Able TY 3rd Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Text 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana DF 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HF 2nd Corporate Recovery Private Equity Fund	Holds power as an executive officer and exposed to variable returns
HFSB31 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32A Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32B Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32C Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32D Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32E Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32F Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32G Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32H Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32I Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32J Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32K Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32L Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32M Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32N Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32O Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32P Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32Q Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32R Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32S Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32T Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32U Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32V Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32W Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32X Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32Y Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV32Z Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Alternative General Private Real Estate Investment Trust No. 199	Holds power as fund manager and exposed to variable returns
All Link LTD	Holds power as fund manager and exposed to variable returns
KIM US Amazon Logistics Private Real Estate Investment Trust I	Holds power as an actual beneficiary of a private equity fund and exposed to variable returns
Hana Alternative General Private Real Estate Investment Trust No. 201	Holds power as fund manager and exposed to variable returns
Hana Alternative General Private Real Estate Investment Trust No. 202	Holds power as fund manager firms and exposed to variable returns
Hana Alternative General Private Real Estate Investment Trust No. 204	Holds power as fund manager firms and exposed to variable returns
Doosan Hana 1st, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
H Seven 1st, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments

Name of subsidiaries	Rationale
	facility or purchase commitments
Hana Privia 1st, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Plant 2nd, Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Plant 3rd, Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Supreme 1st, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana H in the holdings 3rd, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Alternative Infrastructure General Private Special Asset Fund No.1	Holds power as fund manager firms and exposed to variable returns
Netoneq 2nd, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Exteer Hana 1st, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Spark 1st, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
H Seven 2nd, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Balance Private investment trust 1	Holds power as fund manager firms and exposed to variable returns
Hana Private investment trust 12 [Bond]	Holds power as fund manager firms and exposed to variable returns
Hana Private investment trust 13 [Bond]	Holds power as fund manager firms and exposed to variable returns
Hana Private investment trust 14 [Bond]	Holds power as fund manager firms and exposed to variable returns
Hana Private investment trust 15 [Bond]	Holds power as fund manager firms and exposed to variable returns
Hana Private investment trust 16 [Bond]	Holds power as fund manager firms and exposed to variable returns
Hana KTOP25-08 Credit(A+) Active ETF(Bond)	Holds power as fund manager firms and exposed to variable returns
Hana KTOP Short term Financial Bond Active ETF(Bond)	Holds power as fund manager firms and exposed to variable returns
Antarctica 3rd, Ltd	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Daehan Hana 1st, Ltd	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Gs Hana 2nd, Ltd	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Happy World Hana 1st, Ltd	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Asset Management	Obtained majority of shares with voting rights
SUS 1st CO., Ltd	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Gimpo 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Good Change 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Transruin Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Ice Double Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Beijing Growing Together No.1 Management Consulting Service Center (limited Partnership)	Obtained majority of shares with voting rights
HIC HK Financial Limited	Obtained majority of shares with voting rights
Hana Lotte group Investment Trust [Equity Balanced]C-F	Holds power as fund manager firms and exposed to variable returns

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

Name of subsidiaries	Rationale
Hana Card 2023-1 Asset Securitization Specialty, Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Alternative Private Real Estate Investment Trust No. 209	Holds power as fund manager firms and exposed to variable returns
Hana Alternative Private Real Estate Investment Trust No. 210	Holds power as fund manager firms and exposed to variable returns
HFN 33 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFK33 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFK 34 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFV34 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments

Name of subsidiaries	Rationale
Excluded in scope of consolidation:	
Wonderful GM 1st., Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Tree Yard 1st, Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Hana Residence 1st Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Hana Suseong 1st Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
J-On Eco., Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Hana Heaven 1st, Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Citizenlyu 1st Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
HFK 74 Securitization Specialty Co., Ltd.	Loss of control due to liquidation
HFSQB1 Securitization Specialty Co., Ltd.	Loss of control due to liquidation
HFF94 Securitization Specialty Co., Ltd.	Loss of control due to liquidation
HANA Alternative Wanob Geum-Il Wind Power Infra Special Asset No. 1	Loss of control due to liquidation
Hana Alternative UK Government Office Professional Investors' Private Real Estate Investment Feeder Trust No. 1	Loss of control due to liquidation
Hana Alternative Special Investment Private Trust No. 123-1 (USD)	Loss of control due to liquidation
QFLP	Loss of control due to liquidation
Dragon one investment Limited	Loss of control due to liquidation
Hana Display the First Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
HOONEQ1st, LLC	Loss of control due to disposal (Termination of credit facility)
Areca 1st Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
GIF Rocinante Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Acherhalm Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Hana-Ulsan Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Zero To One 1st, Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Hana Western 1st Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Hana Parkway., Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
PIOTOWER1st, LLC	Loss of control due to disposal (Termination of credit facility)
THE HAM ONEQ 1st, LLC	Loss of control due to disposal (Termination of credit facility)
Hana Double H 1Q 4th Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Hana Double H 1Q 5th Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Designmeal Co., Ltd.	Loss of control due to liquidation
AIP Energy Transport Infrastructure Specialized Privately Placed Fund Trust #4	Loss of control due to disposal
KB NA Meritage Energy Infrastructure Private Special Asset	

Name of subsidiaries	Rationale
Fund	Loss of control due to disposal
San Jose Real 1st Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Black Wing 1st Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Joon Dragon Mark 1st Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Hana 1Q OSC., Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Hana Haeundae Jungdong 2nd, Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
GIF Boomerang Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Hana 5-geori 1st, Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Hana In Chungnu 1st, Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Hana Alternative Private Real Estate Investment Trust No. 158	Loss of control due to liquidation
DPS 2nd, Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
HANA BAY 1st, LLC	Loss of control due to disposal (Termination of credit facility)
THE MIRAE ONEQ 1st, LLC	Loss of control due to disposal (Termination of credit facility)
Hana Logis Point 1st, Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Black Mir 2nd, Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Hana-Sirjang 1st Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Zeroline 1st Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Vestas Europe Logistics Private Real Estate Investment Trust No. 73B	Loss of control due to disposal
Hana Card 2020-1 Asset Securitization Specialty, Co., Ltd.	Loss of control due to liquidation

1-3 Risk and the financial support to a consolidated structured entity

A structured entity is incorporated for asset-back securitization of non-performing loan ("NPL") and beneficiary interest in investment funds of property. A consolidated entity has been involved by purchasing a subordinated bond from a consolidated structured entity or offering buyout option of asset-backed commercial papers ("ABCP") or loans issued by a consolidated structured entity. It is exposed to a risk of not being able to recover the acquisition (investment) principal according to the performance.

Nature and reasons of the contractual arrangements for providing the financial support to a consolidated structured entity as of December 31, 2023, are as follows:

Name of entity	Commitments to provide financial support	Intention to provide support
Trust accounts with guarantee of the repayment of principal and interest	The Group offers principal conservation commitment to trust accounts. The Group is required to conserve the deficit amount in case the trust account stands below the principal as a result of the operation.	Credit enhancement on financial management of trust account
Ocean Betts The First Co., Ltd.	The Group entered into purchase commitment of ₩50 billion ABCP from Ocean Betts The First Co., Ltd.	Credit facility
Hana H in the Holdings 1st LLC	The Group entered into purchase commitment of ₩150 billion ABCP from	Credit facility

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements**

Name of entity	Commitments to provide financial support	Intention to provide support
	Hana H in the Holdings 1st LLC	
H-Plus 1st, L.L.C.	The Group entered into purchase commitment of ₩100 billion ABCP from H-Plus 1st, L.L.C.	Credit facility
Hana CK 1st Co., Ltd.	The Group entered into purchase commitment of ₩56.4 billion ABCP from Hana CK 1st Co., Ltd.	Credit facility
Hana H in the Holdings 2nd L.L.C	The Group entered into purchase commitment of ₩50 billion ABCP from Hana H in the Holdings 2nd L.L.C	Credit facility
HEONEQ1st, LLC	The Group entered into purchase commitment of ₩50 billion ABCP from HEONEQ1st, LLC	Credit facility
H Hotel ONEQ 1st, LLC	The Group entered into purchase commitment of ₩48 billion ABCP from H Hotel ONEQ 1st, LLC	Credit facility
Bbq 1q 1st, LLC	The Group entered into purchase commitment of ₩12 billion ABCP from Bbq 1q 1st, LLC	Credit facility
Skoffice 1q 1st, LLC	The Group entered into purchase commitment of ₩60 billion ABCP from Skoffice 1q 1st, LLC	Credit facility
Cleanenergy 1q 1st, LLC	The Group entered into purchase commitment of ₩58.2 billion ABCP from Cleanenergy 1q 1st, LLC	Credit facility
HANA DL First Co., Ltd	The Group entered into purchase commitment of ₩50 billion ABCP from HANA DL First Co., Ltd	Credit facility
HANA TERMINUS First Co., Ltd	The Group partially purchased ABCP (purchase commitment of ₩50 billion) from HANA TERMINUS First Co., Ltd	Credit facility
HANA I.G 1st, LLC	The Group entered into purchase commitment of ₩20 billion ABCP from HANA I.G 1st, LLC	Credit facility
GRAND ONEQ 1st, LLC	The Group entered into purchase commitment of ₩40 billion ABCP from GRAND ONEQ 1st, LLC	Credit facility
DONG DAEGU TERMINAL 2nd, LLC	The Group entered into purchase commitment of ₩20 billion ABCP from DONG DAEGU TERMINAL 2nd, LLC	Credit facility
KENDALL NO.9 1st, LLC	The Group entered into purchase commitment of ₩30.3 billion ABCP from KENDALL NO.9 1st, LLC	Credit facility
BYK 3rd Co., Ltd.	The Group entered into purchase commitment of ₩11 billion ABCP from BYK 3rd Co., Ltd.	Credit facility
Mini Hana 1st, LLC	The Group entered into purchase commitment of ₩30 billion ABCP from Mini Hana 1st, LLC.	Credit facility
Jinwoori 1Q 1st, LLC	The Group entered into purchase commitment of ₩30 billion ABCP from Jinwoori 1Q 1st, LLC.	Credit facility
H-ECHO 1st, LLC	The Group entered into purchase commitment of ₩80 billion ABCP from H-ECHO 1st, LLC.	Credit facility
HANA STARLORD 1st, LLC	The Group entered into purchase commitment of ₩30 billion ABCP from HANA STARLORD 1st, LLC.	Credit facility
CLEAN WORLD 1st, LLC	The Group entered into purchase commitment of ₩17.5 billion ABCP from CLEAN WORLD 1st, LLC.	Credit facility
H-HANA 1st, LLC	The Group entered into purchase commitment of ₩90 billion ABCP from H-HANA 1st, LLC.	Credit facility
HANA ANANTI 1st, LLC	The Group entered into purchase commitment of ₩50 billion ABCP from HANA ANANTI 1st, LLC.	Credit facility
NAE CHON HANA 1st, LLC	The Group entered into purchase commitment of ₩49.6 billion ABCP from NAE CHON HANA 1st, LLC.	Credit facility
DRAGON HANA 1st, LLC	The Group entered into purchase commitment of ₩30 billion ABCP from DRAGON HANA 1st, LLC.	Credit facility
HANA BAESA LOGISTICS 1st, LLC	The Group entered into purchase commitment of ₩34.6 billion ABCP from HANA BAESA LOGISTICS 1st, LLC	Credit facility
HANA S ONE Q 1st, LLC	The Group entered into purchase commitment of ₩30 billion ABCP from HANA S ONE Q 1st, LLC.	Credit facility
HOME PLUS HANA CONNECT, LLC	The Group entered into purchase commitment of ₩60 billion ABCP from HOME PLUS HANA CONNECT, LLC.	Credit facility

Name of entity	Commitments to provide financial support	Intention to provide support
Antarctica 1st, Ltd	The Group entered into purchase commitment of ₩60 billion ABCP from Antarctica 1st, Ltd.	Credit facility
Enerbility Hana 1st, Ltd	The Group entered into purchase commitment of ₩50 billion ABCP from Enerbility Hana 1st, Ltd.	Credit facility
Hana Plant 1st, Ltd	The Group entered into purchase commitment of ₩100 billion ABCP from Hana Plant 1st, Ltd.	Credit facility
Gs Hana 1st, Ltd	The Group entered into purchase commitment of ₩60 billion ABCP from Gs Hana 1st, Ltd.	Credit facility
Cha Cha Hana 1st, Ltd	The Group entered into purchase commitment of ₩30 billion ABCP from Cha Cha Hana 1st, Ltd.	Credit facility
T A 1st, Ltd	The Group entered into purchase commitment of ₩10 billion ABCP from T A 1st, Ltd.	Credit facility
Neostar 6th, Ltd	The Group entered into purchase commitment of ₩16.4 billion ABCP from Neostar 6th, Ltd.	Credit facility
Galaxia 1Q 1st, Ltd	The Group entered into purchase commitment of ₩11.3 billion ABCP from Galaxia 1Q 1st, Ltd.	Credit facility
Antarctica 2nd, Ltd.	The Group entered into purchase commitment of ₩30 billion ABCP from Antarctica 2nd, Ltd.	Credit facility
HCONEQ 2nd LLC	The Group entered into purchase commitment of ₩100 billion ABCP from HCONEQ 2nd LLC.	Credit facility
H advanced 1st, Ltd.	The Group entered into purchase commitment of ₩100 billion ABCP from H advanced 1st, Ltd.	Credit facility
Hana Display 2nd, LLC	The Group entered into purchase commitment of ₩200 billion ABCP from Hana Display 2nd, LLC.	Credit facility
Doosan Hana 1st, LLC	The Group entered into purchase commitment of ₩50 billion ABCP from Doosan Hana 1st, LLC.	Credit facility
H Seven 1st, LLC	The Group entered into purchase commitment of ₩30 billion ABCP from H Seven 1st, LLC.	Credit facility
Hana Privia 1st, LLC	The Group entered into purchase commitment of ₩10 billion ABCP from Hana Privia 1st, LLC.	Credit facility
Hana Plant 2nd, Ltd.	The Group entered into purchase commitment of ₩50 billion ABCP from Hana Plant 2nd, Ltd.	Credit facility
Hana Supreme 1st, LLC	The Group entered into purchase commitment of ₩20 billion ABCP from Hana Supreme 1st, LLC.	Credit facility
Hana H in the holdings 3rd, LLC	The Group entered into purchase commitment of ₩100 billion ABCP from Hana H in the holdings 3rd, LLC.	Credit facility
Exteer Hana 1st, LLC	The Group entered into purchase commitment of ₩50 billion ABCP from Exteer Hana 1st, LLC.	Credit facility
Hana Spark 1st, LLC	The Group entered into purchase commitment of ₩100 billion ABCP from Hana Spark 1st, LLC.	Credit facility
H Seven 2nd, LLC	The Group entered into purchase commitment of ₩20 billion ABCP from H Seven 2nd, LLC.	Credit facility
Antarctica 3rd, Ltd	The Group entered into purchase commitment of ₩50 billion ABCP from Antarctica 3rd, Ltd	Credit facility
Gs Hana 2nd, Ltd	The Group entered into purchase commitment of ₩50 billion ABCP from Gs Hana 2nd, Ltd	Credit facility
Happy World Hana 1st, Ltd.	The Group entered into purchase commitment of ₩120 billion ABCP from Happy World Hana 1st, Ltd.	Credit facility
Georndan Nine One 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩4.9 billion.	Credit facility
Good Change 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩20 billion.	Credit facility
New Deal Beomeo 1 Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩20 billion.	Credit facility
New Deal IDC 4rd Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩37 billion.	Credit facility
New Deal IDC 3rd Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩18 billion.	Credit facility
New Deal IDC 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩20.5 billion.	Credit facility

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Name of entity	Commitments to provide financial support	Intention to provide support
The Central GM 23rd. Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩10 billion.	Credit facility
The Central GM 22nd. Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩30 billion.	Credit facility
DA Global Logis 1st. Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩27.9 billion.	Credit facility
Lake Luis 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩15 billion.	Credit facility
Bluetree 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩9 billion.	Credit facility
Centaur First Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩29 billion.	Credit facility
Stade Blue 7th Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩27.8 billion.	Credit facility
Ice Double Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩25 billion.	Credit facility
Ernest Hyun 1st., Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩83 billion.	Credit facility
Ernest Hyun 2nd., Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩4 billion.	Credit facility
SJS 1st CO., Ltd	The Group is obligated to acquire privately placed bonds up to ₩10 billion.	Credit facility
Able TY 3rd Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩5 billion.	Credit facility
Eco Clover Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩143.2 billion.	Credit facility
Excelsiop Saka IMP, Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩33 billion.	Credit facility
One Mega Wonchang 1st., Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩6.1 billion.	Credit facility
With GM 7th. Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩20 billion.	Credit facility
US Alix 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩36.5 billion.	Credit facility
Easy Tree 6th. Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩6.7 billion.	Credit facility
J. Bruck 6th Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩6.7 billion.	Credit facility
JH Double 1st. Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩21 billion.	Credit facility
JHY Complex Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩50 billion.	Credit facility
JLB Squire Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩141.3 billion.	Credit facility
J-On Prime., Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩79.8 billion.	Credit facility
JEY Complex Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩66 billion.	Credit facility
Joon Dragon Fairness 2nd., Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩30.4 billion.	Credit facility
Text 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩30 billion.	Credit facility
Transnufin Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩25 billion.	Credit facility
Planet Seochu 2nd Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩30.5 billion.	Credit facility
Planet Ayajin Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩15.6 billion.	Credit facility
Peach Shine 2nd Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩37 billion.	Credit facility
Hana Gaebong 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩13.5 billion.	Credit facility
Hana Gumdun 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩10 billion.	Credit facility
Hana Cocheck 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩80 billion.	Credit facility
Hana Guro 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩20 billion.	Credit facility
Hana Gimpo 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩10 billion.	Credit facility
Hana Datacenter 1st. Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩0.1 billion.	Credit facility
Hana Dowon 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩38 billion.	Credit facility
Hana Dongnae 2nd. Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩6.1 billion.	Credit facility
Hana Dongnae 1st. Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩16.2 billion.	Credit facility
Hana DF 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩20 billion.	Credit facility
Hana Runway Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩125 billion.	Credit facility
Hana Residence 2nd Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩42.8 billion.	Credit facility
Hana Moon10 1st., Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩11.5 billion.	Credit facility
Hana Baekseok Co., Ltd. (*3)	The Group is obligated to acquire privately placed bonds up to ₩15.0 billion.	Credit facility
Hana Boston Core 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩79.6 billion.	Credit facility
Hana Boston Core 2nd Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩79.6 billion.	Credit facility
Hana Songbuk 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩3 billion.	Credit facility
Hana SRD 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩20 billion.	Credit facility

Name of entity	Commitments to provide financial support	Intention to provide support
Hana AIC 1st Co., Ltd	The Group is obligated to acquire privately placed bonds up to ₩206.7 billion.	Credit facility
Hana HD 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩30 billion.	Credit facility
Hana Yeouidb 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩50 billion.	Credit facility
Hana Jangoo 1st. Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩23 billion.	Credit facility
Hana Jaehyun 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩17 billion.	Credit facility
Hana Parkmoon Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩20 billion.	Credit facility
Hana Port 1st., Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩46 billion.	Credit facility
Highyield Stone Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩12 billion.	Credit facility
Master US Private Real Estate Investment Trust No. 52	The Group committed to increase investment up to ₩11.4 billion on its asset.	Investment commitment
Meritz Private Real Estate Investment Trust No. 30	The Group committed to increase investment up to ₩2.4 billion on its asset.	Investment commitment
Vestas Private Real Estate Investment Trust No. 82	The Group committed to increase investment up to ₩57.6 billion on its asset.	Investment commitment
Sanchily Renewable Energy Privat Equity Trust II	The Group committed to increase investment up to ₩10.6 billion on its asset.	Investment commitment
AIP Energy Infrastructure Specialized Privately Placed Fund Trust #2	The Group committed to increase investment up to ₩2.2 billion on its asset.	Investment commitment
Hana Card 2021-1 Asset Securitization Specialty Co., Ltd.	In related to asset securitization, the transferred beneficial interest is required to be above a certain rate. If asset shortage is constant, additional asset transfer shall be held.	Asset securitization
Hana Card 2022-1 Asset Securitization Specialty Co., Ltd.	In related to asset securitization, the transferred beneficial interest is required to be above a certain rate. If asset shortage is constant, additional asset transfer shall be held.	Asset securitization
Hana Card 2023-1 Asset Securitization Specialty Co., Ltd.	In related to asset securitization, the transferred beneficial interest is required to be above a certain rate. If asset shortage is constant, additional asset transfer shall be held.	Asset securitization
Hana Alternative Infra Special Investment Private Trust No. 3-1, etc.	The Group committed to increase investment up to ₩41.7 billion on its asset of Hana Alternative Infra Special Investment Private Trust No.3-1, 3-2, 3-3 and 3-4.	Investment commitment
Hana Special New Deal National Representative Growth Private Trust	The Group committed to increase investment up to ₩68 billion on its asset.	Investment commitment
Hana Alternative Special Investment Private Trust No. 108	The Group committed to increase investment up to ₩4.7 billion on its asset.	Investment commitment
Hana Alternative Private Real Estate Investment Trust No. 119	The Group committed to increase investment up to ₩28.8 billion on its asset.	Investment commitment
Hana Collaboration Pre-IPO Fund	The Group committed to increase investment up to ₩4.4 billion on its asset.	Investment commitment
HF 1st Corporate Private Equity Fund	The Group committed to increase investment up to ₩0.3 billion on its asset.	Investment commitment
HF 2nd Corporate Private Equity Fund	The Group committed to increase investment up to ₩41.4 billion on its asset.	Investment commitment
Hana Beyond Finance Fund	The Group committed to increase investment up to ₩180 billion on its asset.	Investment commitment
Hana Alternative Private Real Estate Investment Trust No. 180	The Group committed to increase investment up to ₩147.4 billion on its asset.	Investment commitment
Defense Technology Innovation Private Investment Trust	The Group committed to increase investment up to ₩51.0 billion on its asset.	Investment commitment
Hana Alternative NPL General Private Investment Trust No. 1 (professional)	The Group committed to increase investment up to ₩14.2 billion on its asset.	Investment commitment
Hana Alternative Infrastructure General Private Special Asset Fund No.1	The Group committed to increase investment up to ₩35.8 billion on its asset.	Investment commitment

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

1-4 Non-controlling interest of subsidiaries

1-4-1 Major non-controlling interests' share of the equity of the subsidiaries as of December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Hana Bank (*1)	353,739	533,475
Hana Capital (*1)	149,578	149,578
Hana F&I, Inc.	698	599
PT Bank KEB Hana	287,798	267,149
Hana Bancorp, inc.	4,284	4,071
GLN International Co., Ltd.	9,493	8,179
Hana Equity Investment Management (Shenzhen) Co., Ltd	26,246	23,726
Others (*2)	6,563	5,659
Total	838,399	992,436

(*1) The carrying amount of hybrid bonds issued by the subsidiary.

(*2) The carrying amounts of non-controlling interest of Dduksim Co., Ltd. and Keumho Trading Co., Ltd.

1-4-2 Major non-controlling interest share of profit or loss of the subsidiaries for the years ended December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	2023	2022
Hana Bank (*1)	23,834	22,532
KEB Hana Card	-	20,076
Hana Capital (*1)	8,438	5,625
Hana F&I, Inc.	98	58
PT Bank KEB Hana	11,807	15,980
Hana Bancorp, inc.	147	(127)
GLN International Co., Ltd.	(1,158)	-
Hana Equity Investment Management (Shenzhen) Co., Ltd	2,576	5,660

Classification	2023	2022
Others (*2)	902	(1,001)
Total	46,644	68,803

(*1) Dividends on hybrid bonds issued by the subsidiary

(*2) Net income for the years attributable to non-controlling interest of Dduksim Co., Ltd., and Keumho Trading Co., Ltd.

2. Unconsolidated structured entities:

2-1 Nature of the Group's interests in unconsolidated structured entities

Details of the nature of the Group's interests in unconsolidated structured entities as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	Purpose	Financing arrangement	Total assets	
			December 31, 2023	December 31, 2022
Asset securitization special-purpose company ("SPC")	Financing through asset liquidation and securitization	Issuing asset-backed loan ("ABL")/ABCP and others	13,968,762	8,061,914
Real estate finance	Operation for real estate (including SOC) development	Investment and borrowing	153,826,088	136,331,948
Shipping finance and acquisition financing	Financing to purchase ships, NPL and ownership	Investment and borrowing	182,465,836	54,032,565
Investment fund	Managing investment fund and trust	Issuing beneficiary certificates	307,704,406	242,591,368

2-2 Risks from its interests in unconsolidated structured entities (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Asset securitization SPC	Real estate finance	Shipping finance and acquisition financing	Investment fund
Assets:				
Loans receivable (A)	614,908	5,930,802	2,723,580	1,354,889

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Asset securitization SPC	Real estate finance	Shipping finance and acquisition financing	Investment fund
Securities (B)	476,473	109,452	239,823	19,370,765
Derivatives (C)	7,437	919	18,813	-
Others (D)	1,503	44,227	21,479	236,727
Liabilities:				
Derivatives	20,451	92,416	5,921	55
Provision	2,516	3,789	1,346	214
Others	46	3	85	-
Net asset	1,077,308	5,989,192	2,996,343	20,962,112
Maximum exposure to loss				
Financial assets (A+B+C+D)	1,100,321	6,085,400	3,003,695	20,962,381
Credit and other commitment	503,410	979,943	466,831	2,606,696

<December 31, 2022>

(Korean won in millions)

Classification	Asset securitization SPC	Real estate finance	Shipping finance and acquisition financing	Investment fund
Assets:				
Loans receivable (A)	899,544	4,644,713	1,771,780	1,163,791
Securities (B)	1	90,421	29,007	17,516,734
Derivatives (C)	8,778	6,104	19,536	379
Others (D)	1,430	16,301	8,883	157,142
Liabilities:				
Derivatives	41,255	2,347	6,460	-
Provision	206	2,872	490	96
Others	17	61	45	2,970
Net asset	868,275	4,752,259	1,822,211	18,834,960
Maximum exposure to loss				
Financial assets (A+B+C+D)	909,753	4,757,539	1,829,206	18,838,046
Credit and other commitment	295,062	1,043,612	354,198	2,598,034

3. Summary of significant accounting policies and basis of preparation:

3-1 Basis of preparation

The Group prepares statutory consolidated financial statements in the Korean in accordance with Korean International Financial Reporting Standard ("K-IFRS") based on the Act on External Audit of Stock Companies

The directors have, at the time of approving the financial statements, a reasonable expectation that the group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The accompanying consolidated financial statements have been translated into English. In the event of any differences in interpreting the consolidated financial statements or the independent auditors' review report thereon, the Korean version, which is used for regulatory reporting purposes, shall prevail.

3-2 Principles of consolidation

The significant accounting methods of consolidation that the Group adopts in preparing the consolidated financial statements are as follows.

3-2-1 Subsidiaries

Subsidiaries are the companies controlled by the Group, and the Group has rights to determine the financial and operational policies of the subsidiaries. Generally, it has at least 50% voting rights, and special-purpose vehicles are included. When the Group evaluates whether a company falls under a subsidiary, it considers the existence of an exercisable or convertible potential voting right and its effect. When the Group controls a subsidiary, the subsidiary is subject to consolidation; when the Group loses the control, it is eliminated from the consolidation.

3-2-2 Structured entity

A structured entity is an entity that has been designed so that voting or similar

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

rights are not a dominant factor in deciding who controls the entity.

When assessing whether the Group has power over a structured entity, which the Group holds an interest in, the following factors should be considered:

the purpose and form of the structured entity; substantive ability to direct the relevant activities of the structured entity; relationship and its character with the structured entity and the size of exposure to earnings volatility of the structured entity.

3-2-3 Offsetting investment account against equity account

The investment accounts of the Group and the corresponding equity accounts of the subsidiaries were offset and eliminated as of the date of acquiring control.

3-2-4 Difference between net assets of an investee and acquisition costs

When offsetting the investment of the Parent Company and the equity of a subsidiary, the Group applies an acquisition method in accounting treatment. When applying the acquisition method, if the consideration transferred, the amount of any non-controlling interest in the acquiree measured and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree exceeds the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, the excess is recognized as goodwill and recorded as an intangible asset, and the Group tests goodwill for impairment annually at the end of reporting period.

After acquiring the control of the subsidiary, the Group recognizes changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary as equity transactions. If a parent loses control of a subsidiary, a parent recognizes the difference between (i) the sum of the consideration received and the fair value of the interest held and (ii) the carrying amount of the subsidiary's assets (including goodwill), liabilities, and non-controlling interests as the gain or loss on disposal.

3-2-5 Elimination of related-party transactions and unrealized gains or losses

The Group offset and eliminated intercompany accounts receivable-payable, intercompany revenue-expenses, and interest incomes or expenses arising from intercompany loans by applying an interest rate for the current term.

3-2-6 Application of equity method

According to the sources of changes in net assets of an investee under equity method, the Group differently records the changes in accounting treatments. If the net assets of an investee are changed due to a net profit or loss for the current term, the change is recorded as an investment income or loss under equity method; if the net assets are changed due to an increase or decrease in retained earnings carried over from the previous term, the change is recorded as a positive or negative change in retained earnings under equity method; if the net assets are changed due to an increase or decrease in equity other than the net profit or loss for the current term or the change in retained earnings carried over from the previous term, the change is recorded as a positive or negative change in equity under equity method.

3-2-7 Special reserve of trust account

In the trusts with stipulations of preserving principals and interests, which are consolidated, special reserves accumulated in accordance with the terms and conditions of the trusts are adjusted in the consolidated retained earnings in accordance with the detailed enforcement regulations on banking supervision.

3-2-8 Non-controlling interests

The Group recognizes equity in a subsidiary not attributable to a parent as non-controlling interests. The Group also attributes total comprehensive income to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. The Group presents the deficit balance as a negative number in equity.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

3-2-9 Business combinations

3-2-9-1 Business combinations

Acquisition method is applied to business combinations except a business combination between entities or business under the control of the same ultimate parent company. The Group recognizes identifiable assets acquired and liabilities taken over at fair value on the acquisition date, except in the following cases.

- Lease contracts: classified by the terms and conditions of contracts on the date of contract
- Contingent liabilities: recognized as the liabilities that can be reliably measured as current obligations
- Deferred tax assets and liabilities: recognized and measured in accordance with K-IFRS 1012 Income taxes.
- Employee benefits: recognized and measured in accordance with K-IFRS 1019 Employee benefits
- Compensable assets: recognized and measured in accordance with standards applicable to compensable items
- Reacquired rights: measured in accordance with special regulations
- Stock options: stock option-related debt or equity securities are measured in accordance with K-IFRS 1102 Share-based payment
- Assets held-for-sale: measured at net fair value in accordance with K-IFRS 1105 Non-current assets held-for-sale and discontinued operations

In business combination, consideration for transfer is measured at fair value, which is a sum of the fair values of assets transferred by the Group, liabilities that the Group bears for the previous owner of a company being acquired and equity instruments issued by the Group on the acquisition date. However, the stock options included in the consideration for transfer, which the acquirer grants to exchange for the compensations that are held by the employees of the acquiree, are not measured at fair value but evaluated in the way described above.

The acquisition-related costs are costs the acquirer has incurred to achieve effects of business combination. Those costs include brokerage fees, in other words, advisory, legal, accounting, valuation and other professional or consulting fees; general administrative costs, including costs of maintaining an internal acquisitions department; and costs to register and issue debt securities and equity securities. Except the costs of issuing debt and equity securities under K-IFRS 1032 and K-IFRS 1109, the acquirer recognizes acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received.

3-2-9-2 Goodwill or gain on bargain purchase

The Group recognizes goodwill as of the acquisition date measured as the excess of (a) the aggregate of (i) the consideration transferred measured that which generally requires acquisition-date fair value and (ii) the amount of any non-controlling interest in the acquire over (b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed in accordance with K-IFRS 1103 Business combinations. If (b) exceeds (a), the Group reassess whether it has correctly identified all of the assets acquired and all of the liabilities assumed. After reassessments, the Group recognizes the resulting gain in profit or loss (a gain on bargain purchase) on the acquisition date.

Additional acquisition of non-controlling interest is taken into account as transactions between the shareholders and the resulting goodwill, etc. is not recognized.

3-3 Foreign exchange

3-3-1 Functional currency

When the Group prepares the consolidated financial statements, it measures and recognizes all transactions according to the functional currency. The functional

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

currency is the currency of the primary economic environment in which the entity operates and entities with different functional currencies measured and recognized in its own functional currencies.

3-3-2 Translation of foreign currency transactions and balances at the end of the reporting period

Transactions in foreign currencies are initially recorded at the functional currency rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date and the exchange difference is recognized as profit or loss. Non-monetary items measured at fair value in a foreign currency are translated at the exchange rates at the end of reporting date. When a gain or loss on a non-monetary item is recognized in other comprehensive income ("OCI"), any exchange component of that gain or loss is recognized in OCI. 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions.

The Group may have a monetary item that is receivable from or payable to a foreign operation. An item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entity's net investment in that foreign operation. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation are recognized initially in OCI and reclassified from equity to profit or loss on disposal of the net investment

3-3-3 Translation to the presentation currency

The Group translates the results and financial position of overseas branches and

subsidiaries recorded in its own functional currencies into the presentation currency of the Group, Korean won ("KRW"). The Group translates (i) assets and liabilities for each statement of financial position at the closing rate at the date of that statement of financial position and (ii) income and expenses for each statement presenting profit or loss and OCI at exchange rates at the dates of the transactions or an average rate of the period. The Group recognizes all resulting exchange differences as OCI.

3-4 Cash and cash equivalents

Cash and cash equivalent are comprised of cash at banks and on hand and short-term demand deposits. The purpose of cash and cash equivalents is to make short-term investments and to meet short-term cash demands. Cash equivalents are 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

The restrictions on the Group's use of a demand deposit arising from a contract with a third party do not result in the deposit no longer being cash, unless those restrictions change the nature of the deposit in a way that it would no longer meet the definition of cash. The restrictions on the use of cash and due from banks arising from contracts are disclosed in Note 11-2.

3-5 Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Financial assets are classified, at initial recognition, as FVTPL, FVOCI and subsequently measured at amortized cost, and financial liabilities are classified as FVTPL and subsequently measured at amortized cost.

Purchase or sale of financial assets is recognized at the date of settlement.

However, purchases or sales of financial assets that require delivery of assets

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

within a time frame established by regulation or convention in the market place (regular-way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group initially measures a financial asset and a financial liability at its fair value, plus (minus), in the case of a financial asset (financial liability) not at FVTPL, transaction costs. 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 at the measurement date. The fair value of a financial instrument at initial recognition is generally the transaction price (the fair value provided or received).

3-5-1 Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL and financial assets not classified as FVOCI or subsequently measured at amortized cost.

In addition, if the designation of a financial asset eliminates or significantly reduces the recognition and measurement inconsistencies that may arise from the measurement of assets or liabilities on a different basis or recognition of gains or losses, a financial asset can be designated as FVTPL.

Financial assets at FVTPL are measured at fair value and the gains or losses arising from changes in fair value are recognized in profit or loss. Dividends and interest income from financial assets are also recognized in profit or loss.

3-5-2 Financial assets at FVOCI

The Group measures debt instruments at FVOCI if both of the following conditions are met:

- a. The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

The Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they are held strategically not for short-term trading. Financial assets at FVOCI are measured at fair value after initial recognition. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of profit or loss and other comprehensive income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI.

Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss. However, the cumulative fair value change from equity instruments designated at FVOCI is never recycled to profit or loss when derecognized.

The fair value of financial assets at FVOCI is measured in the foreign currency and translated at the exchange rate at the end of the reporting period. The part of changes in fair value arising from changes in the amortized cost is recognized in profit or loss and other changes are recognized in equity.

3-5-3 Financial assets at amortized cost

The Group measures financial assets at amortized cost if both of the following conditions are met:

- a. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Interest income is recognized using the EIR method.

The Group defers loan origination fees / loan origination costs ("LOF/LOCs") associated with originating loans and LOCs that have future economic benefits. Loan balances are reported net of these LOF/LOCs. The deferred LOF/LOCs are amortized based on the EIR method with the amortization recognized as adjustments to interest income.

3-6 Derivative financial instruments and hedge accounting

The Group measures derivative financial instruments at fair value at initial recognition. The Group classifies derivative financial instruments as derivative financial instruments held for trading purpose or hedging instruments. After initial recognition, the Group measures derivative financial instruments at fair value and gains or loss arising from changes in the fair value as profit or loss, except when the derivative financial instruments are previously a designated and effective hedging instrument in a cash flow hedge or net investment hedge. No longer qualifies, the Group recognizes the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge as OCI.

The Group applies fair value hedge accounting for a hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss. The Group applies cash flow hedge for a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable-rate

debt) or a highly probable forecast transaction.

The Group documents the hedging relationship, Group's risk management objective and strategy for undertaking the hedge, the risk being hedged and how to assess the hedging instrument's effectiveness for applying hedge accounting. The effectiveness of the hedge is the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. The Group assesses whether the hedge is highly effective and documents the result of assessment.

3-6-1 Fair value hedges

For fair value hedge accounting, the Group recognizes a gain or a loss on valuation of the hedging instrument and the hedged item as profit or loss for offsetting the changes in the fair value of the hedging instrument and the hedged item. If the Group elect to classify irrevocably the hedged equity instruments designated at fair value through OCI, the Group recognizes a gain or a loss on valuation of the hedging instrument and the hedged item as other comprehensive income or loss.

The Group discontinues prospectively the hedge accounting if the hedge no longer meets the criteria for hedge accounting. Any adjustment arising from the change in the fair value of the hedged financial instrument for which the EIR method is used is amortized to profit or loss fully by maturity of the hedged financial instrument.

3-6-2 Cash flow hedges

For cash flow hedge accounting, the Group recognizes the effective portion of the gain or loss on the hedging instrument directly as OCI for offsetting the exposure to changes in cash flows of the hedging instrument and the hedged item attributable to the hedged risk. The Group reclassified from equity to profit or loss the associated gain or loss that was recognized in OCI in the same period during which the hedged forecast cash flows affect profit or loss. The Group

[Introduction](#)

[CEO Letter & Presentation](#)

[BOD Roundtable 2023](#)

[Group Overview](#)

[Business Overview](#)

[Financial Review](#)

[Management's Discussion and Analysis](#)

[Independent Auditors' Report](#)

[Consolidated Financial Statements](#)

[Notes to the Consolidated Financial Statements](#)

discontinues prospectively the cash flow hedge accounting if the hedge no longer meets the criteria for hedge accounting.

3-6-3 Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as OCI, while any gains or losses relating to the ineffective portion are recognized in the consolidated statement of profit or loss and other comprehensive income. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the consolidated statement of comprehensive income in accordance with K-IFRS 1021 The Effects of Changes in Foreign Exchange Rates.

3-6-4 Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. The Group separates an embedded derivative from the host contract and it is accounted for as a derivative only if the requirements of separation are met.

3-6-5 'Day 1' profit or loss

In case of derivatives in Level 3, whose fair value is determined using data that is not observable from markets, the difference between the transaction price and fair value at initial recognition (a 'Day 1' profit or loss) is deferred and amortized over the life of the associated instrument using the straight-line method and the amortization is recognized in the consolidated statement of comprehensive income.

3-6-6 Credit risk valuation adjustment

When measuring derivatives at fair value, credit risk valuation adjustment is

calculated to reflect the effectiveness of the adjustment for counterparties.

3-7 Investments in associates and joint ventures

Investments in entities over which the Group has joint control or significant influence (investments in associates and joint ventures) are accounted for using the equity method. Under the equity method, on initial recognition, the Group recognizes investments in associates and joint ventures cost. Subsequently, the Group adjusts the carrying amount of the investments in associates and joint ventures to recognize the Group's share of the profit or loss of the investee as profit or loss in the consolidated statement of comprehensive income. The Group recognizes the Group's share of changes in equity (except for profit or loss of the investee) directly in the related equity account to the consolidated statement of financial position.

If the Group's share of losses of the investee equals or exceeds its interest in the associates and joint ventures, it suspends recognizing its share of further losses. However, if the Group has other long-term interests in the investee, it continues recognizing its share of further losses to the extent of the carrying amount of such long-term interests. Such items include preference shares and long-term receivables or loans. The Group resumes the application of the equity method if the Group's share of income or change in equity of an investee exceeds the Group's share of losses accumulated during the period of suspension of the equity method.

On acquisition of the investment, the excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as goodwill. The Group does not amortize goodwill relating to an associate or a joint venture and tests the investment for impairment if there is an indication that the investment is impaired. Further, the Group's share of any difference between the net fair value of the investee's identifiable assets and liabilities and the net book value of such assets and liabilities is amortized based on the investee's accounting treatments on the

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

related assets and liabilities and charged or credited to the valuation gain or loss on the equity method investments in the consolidated statement of comprehensive income.

The Group's share in the investee's unrealized profits and losses resulting from transactions between the Group and its investee is eliminated to the extent of the interest in the investee.

3-8 Impairment of financial assets

The Group evaluates expected credit losses ("ECLs") of financial assets at amortized cost and FVOCI, except financial assets at FVTPL at the end of each reporting period, and an allowance for ECLs is recognized.

The ECL is the weighted-average amount of possible outcomes within a certain range, reflecting the time value of money; estimates on the past, current and future situations; and information accessible without excessive cost of effort.

The ECL can be measured in three followings ways:

- General approach: when financial assets do not fall into below two categories and are off-consolidated statement of financial position undrawn commitments.
- Simplified approach: when financial assets are trade receivables, contract assets or lease receivables.
- Credit-impaired approach: when financial assets are credit impaired at initial recognition.

The general approach is applied differently depending on the significance of the increase of the credit risk. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, an entity shall measure the loss allowance for that financial instrument at an amount equal to

12-month ECLs. If the credit risk on that financial instrument has increased significantly since initial recognition, an entity shall measure the loss allowance for a financial instrument at an amount equal to the lifetime ECLs at each reporting date.

The loss allowance is measured at an amount equal to lifetime ECLs for the simplified approach, and an entity shall only recognize the cumulative changes in lifetime ECLs since initial recognition as a loss allowance for purchased or originated credit-impaired financial assets at each reporting date for the credit-impaired approach.

The following non-exhaustive list of information may be relevant in assessing changes in credit risk:

- Significant changes in internal price indicators of credit risk as a result of a change in credit risk since inception
- Other changes in the rates or terms of an existing financial instrument that would be significantly different
- An actual or expected significant change in the financial instrument's external credit rating
- An actual or expected internal credit rating downgrade for the borrower or decrease in behavioral scoring used to assess credit risk internally
- An actual or expected significant change in the operating results of the borrower
- Past-due information

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

1) Forward-looking information

The Group measures the significance of the increase of the credit risk and the ECL using forward-looking information.

The Group assumes that the risk component is correlated with changes in market conditions, and calculates the ECL using the forward-looking information by modelling macroeconomic variables and risk components.

The forward-looking information used to measure the ECL is derived from 'stress-case' or 'worst-case' scenarios.

2) Measurement of ECL for financial assets measured at amortized cost

ECL for financial assets measured at amortized cost is measured as the difference between the present value of the cash flows expected to be received and the cash flow expected to be paid. For this purpose, the Group calculates expected cash flows for individually significant financial assets (individual assessment allowance).

Financial assets insignificant in value individually are measured on a collective basis with financial assets with similar credit risks (collective assessment allowance).

① Loss allowance on an individual assessment basis

Loss allowance on an individual assessment basis is based on the best estimates of management in regard to the present value of cash flows expected to be

recovered from receivables. In estimating the cash flows, the Group uses all available information including the financial conditions such as the operating cash flows of counterparties and the net realizable value of collateral provided.

② Loss allowance on a collective assessment basis

Loss allowance on a collective assessment basis uses the estimation model that accounts for the forward-looking information based on the past loss rate to measure the ECL. The model considers the probability of default ("PD") and the loss given default ("LGD") reflecting the type of instruments and borrowers' credit rating, portfolio size and collection period. Also, certain assumptions are applied to model the ECL measurement and to determine input variables based on past experiences and forward-looking information. Methodologies and assumptions for this model are regularly reviewed to minimize the difference between the loss allowance and the actual loss.

The ECL for financial assets measured at amortized cost is recognized as the loss allowance, and when the financial asset is determined to be irrecoverable, the carrying amount and loss allowance are decreased. If financial assets previously written off are recovered, the loss allowance is increased and the difference is recognized in the current profit or loss.

3) ECL measurement for financial assets measured at FVOCI

The measurement method is the same as the one for financial assets measured at amortized cost, but the change in the loss allowance is recognized as OCI. The loss allowance for financial assets measured at FVOCI is reclassified from OCI to current profit or loss when the assets are disposed of or repaid.

3-9 Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when (i) the rights to receive cash flows from the asset have expired or (ii) the Group has transferred

[Introduction](#)
[CEO Letter & Presentation](#)
[BOD Roundtable 2023](#)
[Group Overview](#)
[Business Overview](#)
[Financial Review](#)
[Management's Discussion and Analysis](#)
[Independent Auditors' Report](#)
[Consolidated Financial Statements](#)
[Notes to the Consolidated Financial Statements](#)

substantially all the risks and rewards of the asset. If the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset, the Group recognizes the asset and the associated liability to the extent of the Group's continuing involvement in the asset. If the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group continues to recognize the transferred asset and recognizes a collateralized borrowing for the consideration received.

3-10 Classification and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL or borrowings. All financial liabilities are recognized initially at fair value and, except for financial liabilities at FVTPL, net of directly attributable transaction costs.

3-10-1 Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as of FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by K-IFRS 1109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Financial liabilities at FVTPL are subsequently measured at fair value and the related gain and income expense are recognized in the consolidated statement of profit or loss and other comprehensive income. However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

The Group performs securities lending and borrowing classified to financial liabilities at FVTPL. When the Group borrows securities from Korea Securities Depository, securities borrowed are managed as memorandum value, and when selling them, they are recorded as securities sold. At closing, the difference in the price securities are sold and the market price prevailing on the closing date is taken into account as valuation gain or loss on securities sold, and at the time of selling the securities, the difference in book value and the price securities are purchased is recorded as trading gain or loss on securities sold.

3-10-2 Deposits, borrowings and debentures

After initial recognition, interest bearing deposits, borrowings and debentures are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized as well as through the EIR method amortization process.

3-11 Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, canceled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability.

3-12 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion
and Analysis

Independent Auditors' Report

Consolidated Financial Statements

**Notes to the Consolidated
Financial Statements**

the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

3-13 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The provision is used only for expenditures for which the provision was originally recognized. If a present obligation is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability, the Group discloses the obligation as a contingent liability. If the effect of the time value of money is material, provisions are measured at present value; the amount of a provision is measured at the present value of the expenditures expected to be required to settle the obligation. At the end of each reporting period, the remaining provision balance is reviewed and assessed to determine if the current best estimate is being recognized. If the existence of an obligation to transfer economic benefit is no longer probable, the related provision is reversed during the period.

The Group recognizes a provision for confirmed acceptances and guarantees, unconfirmed acceptances and guarantees, bills endorsed by applying cash conversion factor, same way that is applied to collective assessments of loans and receivables. The Group measures provisions for unused credit line by applying credit conversion factor, the additional withdrawal rate in the event of default, in the same way.

3-14 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make

specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument and is measured at fair value on date of initial recognition. After initial recognition, the Group, as an issuer of such a contract, measures it at the higher of (i) the amount determined in accordance with K-IFRS 1109 Financial instruments and (ii) the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with K-IFRS 1115 Revenues from contracts with customers.

3-15 Bonds purchased under resale agreements and bonds sold under repurchase agreements

Bonds purchased under resale agreements and bonds sold under repurchase agreements are included in loans receivable and borrowings, respectively, in the accompanying consolidated statement of financial position. Interest income and expense from purchase or sale are recognized as interest income on loan receivables and interest expense on borrowings.

3-16 Property and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment is directly attributable to their purchase or construction, which 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. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent cost is recognized as an asset if, and only if it is probable that future economic benefits associated with the cost will flow to the Group and the cost can be measured reliably. The carrying amount of parts that are replaced is derecognized. The Group recognizes other repair and maintenance costs as profit or loss for the current period.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Land is not depreciated. Depreciation of other item of property and equipment is calculated using methods listed below to write down the cost of property and equipment to their residual values over their estimated useful lives. The depreciation methods and estimated useful lives are as follows:

Classification	Depreciation method	Useful life (years)
Buildings for business purpose, equipment attached to the building and construction structures	Straight-line method	5 to 55
Vehicles, furniture and fixtures, and leasehold improvements	Straight-line method or declining-balance method	3 to 20

When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. The Group reviews the depreciation method, the estimated useful lives and residual values of property, plant and equipment at the end of each annual reporting period. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in non-operating income in the consolidated statements of comprehensive income.

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

3-17 Investment properties

An item of investment properties is measured at its cost less any accumulated depreciation. The cost of an item of investment properties includes any costs directly attributable to acquisition of an item. After initial recognition, the Group

measures all of its investment properties in accordance with the cost model in K-IFRS 1040.

Land is not depreciated. Depreciation of other item of investment properties is calculated using methods listed below to write down the cost of investment properties to their residual values over their estimated useful lives. The depreciation methods and estimated useful lives are as follows. The Group reviews the depreciation method, the estimated useful lives and residual values of investment properties at the end of each annual reporting period. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

Classification	Depreciation method	Useful life (years)
Buildings	Straight-line method	5 to 55

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of comprehensive income in the period of derecognition. Transfers to, or from, investment properties are made when, and only when, there is a change in use.

3-18 Intangible assets

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group. Intangible assets include industrial right, software, development cost and others. These intangible assets are amortized using the straight-line method over the estimated useful life based on the following economic useful life. Membership is not amortized.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Depreciation method	Years
Industrial property, software, system development, and trademark rights	Straight-line method	5
Core deposit	Straight-line method	14
Client membership	Straight-line method	10 to 30
Others	Straight-line method	1 to 20

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as of the date of acquisition in accordance with K-IFRS 1103 Business Combinations. Following initial recognition, the carrying amount of intangible assets with finite useful lives is allocated on a systematic basis over their useful lives. The intangible assets with indefinite useful lives are not amortized and the Group tests those assets for impairment annually and whenever there is an indication that the intangible asset may be impaired. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable.

3-19 Non-current assets held for sale

The Group classifies a non-current asset or disposal group 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. The asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.

The Group measures a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell.

3-20 Impairment of non-financial assets

The Group tests the depreciable asset for impairment whenever there is a change of environment or an event that the carrying amount may not be recoverable. The Group recognizes an excess of the carrying amount over the recoverable amount as an impairment loss. The Group defines recoverable amount as the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use. For measuring the impairment of assets, the Group identifies the lowest aggregation of assets that generate largely independent cash inflows (CGU). The Group assesses reversal of an impairment loss recognized for the non-financial assets other than goodwill at the end of reporting period.

3-21 Insurance contracts

3-21-1 Classification of insurance contract and investment contract

The Group considers its substantive rights and obligations to determine whether the Group accepts significant insurance risk from the policyholder for all underwritten contracts. If the Group accepts significant insurance risk from the policyholder, it is classified as an insurance contract, and if there is no transfer of significant insurance risk, it is classified as an investment contract even if it has the legal form of an insurance contract. Depending on the classification of the contract, K-IFRS 1117 'Insurance Contracts' applies to insurance contracts and investment contracts with discretionary participation features, and K-IFRS 1109 'Financial Instruments' applies to investment contracts without discretionary participation features.

3-21-2 Insurance contract liabilities

(1) Level of aggregation

The Group identifies portfolios of insurance contracts. A portfolio comprises contracts subject to similar risks and managed together. The Group divides a portfolio of insurance contracts issued into a minimum of:

[Introduction](#)
[CEO Letter & Presentation](#)
[BOD Roundtable 2023](#)
[Group Overview](#)
[Business Overview](#)
[Financial Review](#)
[Management's Discussion and Analysis](#)
[Independent Auditors' Report](#)
[Consolidated Financial Statements](#)
[Notes to the Consolidated Financial Statements](#)

- 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 Group establishes the groups of contracts at initial recognition as the smallest unit and does not reassess the composition of the groups subsequently. The Group does not include contracts issued more than one year apart in the same group excluding exceptions pursuant to transition as of the transition date.

(2) Recognition

The Group recognizes a group of insurance contracts it issues from the earliest of (a) the beginning of the coverage period of the group of contracts; (b) the date when the first payment from a policyholder in the group becomes due; and (c) 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. In all other cases, the Group recognizes the group of reinsurance contracts at the beginning of the coverage period of the group of contracts.

(3) Contract boundary

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services.

The Group assesses the boundary of an insurance contract based on whether the Group has the practical ability to reassess the risks of the particular policyholder or the portfolio of insurance contracts and, as a result, can set a price or level of benefits that fully reflects those risks. 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 reassesses the boundary of an insurance contract at the end of the reporting period.

(4) Measurement

1) Initial measurement

On initial recognition, the Group measures a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin ("CSM"). The fulfilment cash flows comprise of (i) estimates of future cash flows; (ii) an adjustment to reflect the time value of money and the financial risks related to the future cash flows; and (iii) a risk adjustment for non-financial risk.

The estimates of future cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows. To do this, the Group estimates the expected value (ie the probability-weighted mean) of the full range of possible outcomes. The estimates of future cash flows is current estimates for the cash flows within the boundaries of the contract that take into account market variables and non-market variables. The Group disregards terms with no commercial substance when using assumptions to measure the estimates of the future cash flows. The Group continuously reviews and monitors by the estimates of future cash flows by comparing it with actual cash flow. The Group measures the time value of money and adjusts future cash flow estimates using a discount rate that reflects the characteristics of the cash flows and the liquidity characteristics of the insurance contracts while being consistent with current observable market prices.

[Introduction](#)
[CEO Letter & Presentation](#)
[BOD Roundtable 2023](#)
[Group Overview](#)
[Business Overview](#)
[Financial Review](#)
[Management's Discussion and Analysis](#)
[Independent Auditors' Report](#)
[Consolidated Financial Statements](#)
[Notes to the Consolidated Financial Statements](#)

The Group adjusts the estimate of the present value of the future cash flows to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk. The Group measures the compensation that the Group would require to make the Group indifferent between fulfilling a liability that has a range of possible outcomes arising from non-financial risk and fulfilling a liability that will generate fixed cash flows with the same expected present value of the insurance contracts using a confidence level technique. The Group estimates a risk adjustment for non-financial risk at a higher level of aggregation and then allocates the resulting risk adjustment for non-financial risk to individual groups of contracts reflecting the degree of diversification.

The CSM is 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, if the fulfilment cash flows allocated to the contract at the date of initial recognition are a net inflow, results in no income or expenses. An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contract at the date of initial recognition are a net outflow. The Group recognizes a loss in profit or loss for the net outflow for the group of onerous contracts and measures subsequently as a loss component. The Group presents insurance contract assets and insurance contract liabilities based on the total of the fulfilment cash flow and CSM on a portfolio basis.

2) Subsequent measurement

The carrying amount of a group of insurance contracts at the end of each reporting period is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises of the fulfilment cash flows related to future service and the CSM allocated to the group of insurance contracts at that date. The liability for incurred claims comprise of the fulfilment cash flows for claims and expenses for insured events that have

already occurred but not yet paid, including events that have occurred but for which claims have not been reported. The Group measures the fulfilment cash flows of a group of insurance contracts by measuring the current estimates of future cash flows, the current discount rate, and a risk adjustment for non-financial risk.

At this time, changes in fulfillment cash flows related to future services are adjusted in the CSM, and the portion related to current and past services is recognized in profit or loss. However, the effects of changes in the time value of money and financial risks, changes in estimates of fulfilment cash flows of liabilities (assets) for incurred claims, and other experience adjustments related to current and past services are not adjusted in the CSM.

3) Measurement of contracts applied the variable fee approach

The Group applies the variable fee approach to measure insurance contracts with direct participation features that meet the following requirements for providing investment services at the inception. Unless a contract is modified, whether the requirements are met will not be reassessed, and it will not apply to reinsurance contracts held.

- 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; and
- 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.

In the variable fee approach, changes in the obligation to pay an amount equal to the fair value of the underlying item are not adjusted in the CSM, and changes in the amount of the Group's share of the fair value of the underlying items and changes in fulfilment cash flows that do not vary based on the returns on

[Introduction](#)
[CEO Letter & Presentation](#)
[BOD Roundtable 2023](#)
[Group Overview](#)
[Business Overview](#)
[Financial Review](#)
[Management's Discussion and Analysis](#)
[Independent Auditors' Report](#)
[Consolidated Financial Statements](#)
[Notes to the Consolidated Financial Statements](#)

underlying items are adjusted in the CSM.

4) Measurement of insurance contracts applied the premium allocation approach
The Group applies the premium allocation approach to a group of insurance contracts if, and only if,

- the Group reasonably expects that the premium allocation approach would produce a measurement of the liability for remaining coverage that would not differ materially from the one that would be produced applying the general model.
- the coverage period of each contract in the group is one year or less.

On initial recognition, the carrying amount of the liability for remaining coverage is the premiums received at initial recognition, minus any insurance acquisition cash flows at that date. At the end of each subsequent reporting period, the carrying amount of the liability is the carrying amount at the start of the reporting period plus the premiums received in the period minus the amount recognized as insurance revenue for services provided in that period.

5) Measurement of reinsurance contracts

The Group measures reinsurance assets for a group of reinsurance contracts held on the same basis as insurance contracts issued, except for the following.

The Group includes in the estimates of the present value of the future cash flows for the group of reinsurance contracts held the effect of any risk of non-performance by the issuer of the reinsurance contract, including the effects of collateral and losses from disputes.

The Group remeasures the effect of any risk of non-performance by the issuer of the reinsurance contract at the end of each reporting period and recognizes the changes as profit or loss. The Group determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred by the holder of the group of reinsurance contracts to the issuer of those contracts.

Considering the features of reinsurance contracts held, even if the fulfilment cash flows at the date of initial recognition in total are a net outflow, the Group does not classify the reinsurance contracts held as the group of onerous contracts and does not recognize a loss in profit or loss for the net outflow.

(5) Modification and derecognition of insurance contracts

The Group derecognises an insurance contract when it is extinguished, ie when the obligation specified in the insurance contract expires or is discharged or cancelled. The Group adjusts the fulfilment cash flows allocated to the group to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognized from the group. The Group adjusts the CSM for the change in the fulfilment cash flows except for the group of onerous contracts.

3-21-3 Insurance revenue

(1) Insurance contracts other than those to which the premium allocation approach has been applied

The Group recognizes insurance revenue when it fulfills its obligation to provide insurance contract services for a group of insurance contracts or to provide other services. Insurance service revenue related to insurance services provided for the reporting period represents changes in the liability for remaining coverage is related to the consideration to which the Group expects to be entitled in exchange for those services.

The CSM recognized as insurance revenue determined by allocating the CSM at the end of the reporting period (before any allocation) to each coverage unit provided in the current period and expected to be provided in the future and recognizing in profit or loss the amount allocated to coverage units provided in the period. The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group. The number of coverage units is determined by considering for each contract the quantity of

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

insurance coverage, investment–return service or, investment–related service provided under a contract and its expected coverage period.

The Group determines insurance revenue related to insurance acquisition cash flows by allocating the portion of the premiums that relate to recovering those cash flows to each reporting period in a systematic way on the basis of the passage of time. The Group recognize the same amount as insurance service expenses.

The Group allocates a loss component to each reporting period in a systematic way in the ratio of the balance of the loss component to the present value of the expected cash outflows and the risk adjustment amount for non–financial risks at the beginning of the reporting period.

The allocated amount of the loss component is excluded from insurance revenue and insurance service expenses

(2) Insurance contracts applying the premium allocation approach

The insurance revenue for the period is the amount of expected premium receipts to the period over which the Group provides the coverage. The Group allocates the expected premium receipts to each the coverage period of the group of contracts on the basis of the passage of time.

3-21-4 Insurance finance income or expenses

Insurance finance income or expenses comprises the change in the carrying amount of the group of insurance contracts and reinsurance contracts arising from the effect of the time value of money and the effect of financial risk. The Group determines whether to systematically allocate insurance finance income or expenses to profit or loss and other comprehensive income for each portfolio. The Group disaggregates insurance finance income or expenses for the period to

include in profit or loss an amount determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts. The difference between the amount determined by a systematic allocation and the total insurance finance income or expenses are recognized as other comprehensive income.

For insurance contracts with direct participation features, for which the Group holds the underlying items, the Group disaggregates insurance finance income or expenses using the current period book yield to include in profit or loss an amount that eliminates accounting mismatches with income or expenses included in profit or loss on the underlying items held.

For insurance contracts with direct participation features, for which the Group does not hold the underlying items, and groups of insurance contracts for which changes in assumptions that relate to financial risk have a substantial effect on the amounts paid to policyholders, the Group systematically disaggregates insurance finance income or expenses using the effective yield approach or projected crediting rate approach. For other groups of insurance contracts, the Group determines the amount of insurance finance income or expenses included in profit or loss using discount rates determined at the date of initial recognition of a group of contracts.

When the Group derecognises an insurance contract because it transfers the contract to a third party or it is modified, the Group reclassifies its other comprehensive income as profit or loss.

3-21-5 Net income or expense from reinsurance contracts held

The Group recognizes separately on the face of the statement of profit or loss and other comprehensive income the amounts recovered from reinsurers, and the reinsurance service expenses. The Group recognizes recognizes the amount corresponding to the coverage of a group of reinsurance contracts and other

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

services provided as reinsurance service expenses. Reinsurance service expenses related to services provided for the reporting period represent changes in the asset for remaining coverage for a group of reinsurance contracts related to services which the Group receive. Reinsurance revenue is recognized for amounts recovered from reinsurers.

3-22 Short-term employee benefits

When employees have rendered services to the Group during an accounting period, the Group recognizes the undiscounted amount of short-term employee benefits. This amount is expected to be settled in whole before 12 months after the end of the reporting period, in exchange for those services.

3-23 Net defined benefit liabilities (assets)

The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service rendered in the current and prior periods. Defined benefit plans are all postemployment benefit plans, except for defined contribution plans. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as years of service and compensation.

The defined benefit liability is the present value of the defined benefit obligation less the fair value of plan assets. The cost of providing benefits under the defined benefit plan is determined separately using the projected unit credit actuarial valuation method. The present value of the defined benefit liability is recorded in the same currency as the payment itself and is calculated by discounting the expected future cash flow and using the interest rate of other reputable companies with similar payment and end of reporting dates.

Changes in the actuarial estimates and actuarial gains and losses between estimates and results are recognized in the period they occur as part of other comprehensive income. The past service cost is recognized immediately.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan. When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting treatment depends on whether the contributions are linked to service, as follows.

If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).

If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Group reduces service cost by attributing the contributions to periods of service using the attribution method required by K-KFRS 1019 paragraph 70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Group reduces service cost in the period in which the related service is rendered.

3-24 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

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

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 K-IFRS 1037 and involves the payment of termination benefits. Termination benefits for voluntary redundancies are recognized as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably. If the termination benefits are not expected to be settled wholly before 12 months after the end of the annual reporting period, then the termination benefits are discounted to present value.

3-25 Share-based payment transactions

The Group grants share options to its employees in the form of share-based payment transactions. For equity-settled share-based payment transactions, the Group measures the goods or services received and the corresponding increase in equity, directly, at the fair value of the goods or services received and recognizes the cost as employee benefits expense and other capital adjustment in equity. If the Group cannot estimate reliably the fair value of the goods or services received, the Group measures their value and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted and recognizes the cost as employee benefits expense and other capital adjustment in equity. For cash-settled share-based payment transactions, the Group measures the goods or services acquired and the liability incurred at the fair value of the liability. 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 for the period. For share-based payment transactions in which the terms of the arrangement provide the counterparty with a choice of settlement, the Group accounted for the transactions in accordance with their commercial substance.

3-26 Income tax expenses and deferred tax assets and liabilities

3-26-1 Recognition of income tax expenses and deferred tax assets and liabilities

Income taxes are comprised of current and deferred taxes. All items related to taxes, other than those recognized directly in equity, are accounted for in the consolidated statement of comprehensive income. Accordingly, items recognized directly in equity and the related taxes are accounted for as OCI in the consolidated statements of comprehensive income.

Current income tax expenses are computed based on the tax rates and tax laws enacted or substantively enacted in the jurisdictions that the Group operates in and generates taxable income at the end of the reporting period. If application of related tax law or regulation depends on the interpretation, the Group measures the current tax liabilities at the amount expected to be paid to the taxation authorities based on its interpretation and assesses its initial interpretation periodically.

Deferred tax is provided on the temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

When the initial recognition of an asset or liability in a transaction that is not a business and at the time of the transaction, affects neither accounting profit nor taxable profit, the Group does not recognize a deferred tax asset or liability. The Group measures deferred tax assets and liabilities 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 Group recognizes a deferred tax asset for all deductible temporary differences to the extent it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

[Introduction](#)
[CEO Letter & Presentation](#)
[BOD Roundtable 2023](#)
[Group Overview](#)
[Business Overview](#)
[Financial Review](#)
[Management's Discussion and Analysis](#)
[Independent Auditors' Report](#)
[Consolidated Financial Statements](#)
[Notes to the Consolidated Financial Statements](#)

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The Group offsets deferred assets and liabilities if, and only if (a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities and (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either on (i) the same taxable entity or (ii) different taxable entities that intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3-26-2 Uncertain tax position

Uncertain tax position arises from the Company's request for correction due to the complexity of transactions or differences in interpretation of tax laws, litigation for refund of additional tax by the tax authorities, and tax investigation. The Company recognizes and measures uncertain tax position in accordance with K-IFRS 1012 and IFRS Interpretations Committee ("IFRIC") 23.

If the Company concludes it is probable that the taxation authority will refund taxes in the future, the Company shall recognize an income tax asset. On the other hand, if the Company concludes it is probable that the Company will pay tax as a result of tax investigations, the amount expected to be paid is recognized as an income tax liability. However, penalty tax and refund penalty are recognized as interest and penalties in accordance with K-IFRS 1037

3-27 Equity

3-27-1 Classification of equity

The Group classifies a financial instrument on initial recognition as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. If the Group has the right to avoid contractual obligation relating to an issued financial instrument, the Group classifies the financial instrument as an equity instrument in accordance with the substance of the contractual arrangement. The Group classifies a hybrid equity security on initial recognition as equity if it meets the condition of an equity instrument. The hybrid equity securities, issued by subsidiaries of the Group, are classified as non-controlling interests according to this classification standard. Distributions from hybrid equity securities are accounted as net income attributable to non-controlling interests in the consolidated statements of profit or loss and other comprehensive income.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion
and Analysis

Independent Auditors' Report

Consolidated Financial Statements

**Notes to the Consolidated
Financial Statements**

3-27-2 Stock issuance costs

Additional stock issuance costs or incremental costs related to the stock issuance for business combinations are recorded as a deduction from capital stock net of tax effects.

3-27-3 Dividends on common stock

Dividends from common stock are deducted from the Group's equity and recognized as a liability upon approval of dividend distributions at the shareholders' meeting (the board of directors for the interim dividends).

Dividends declared for the year that are approved after the reporting date are disclosed as a subsequent event.

3-27-4 Treasury stock

Equity instruments of the Group that are acquired by the Group or any of its subsidiaries are deducted from its equity and recorded at acquisition cost, including transaction costs. Consideration received on the sale or issuance of the Group's own equity instruments is recognized directly in equity.

3-28 Earnings per share

Basic and diluted earnings per share are computed by dividing net income by the weighted-average number of shares of common stock outstanding during the year.

3-29 Accounting basis for trust accounts

The Group separates trust properties from proprietary properties in accordance with the Supervisory Regulations on Financial Investment Business. The Group recognizes funds lent or borrowed to trust accounts as accounts receivable or accounts payable, respectively. The Group recognizes trust commissions earned from trust accounts as income from trust operations. If a loss incurred on a trust account that includes a guarantee of principal repayment exceeds the trust commissions and special reserve, the corresponding loss is recognized as a loss from trust operations.

3-30 Lease

In accordance with K-IFRS 1116, the Group applies a single recognition and measurement approach for all leases, except for leases of low-value assets. K-IFRS 1116 provides guidance on specific transition requirements and practical expedients that an entity may apply.

The Group recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except leases of low-value assets. The right-of-use assets for most leases were recognized based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

3-31 Merchant banking accounts

As permitted by the Restructuring of Financial Institutions Act, the Group may continue its merchant banking operations, including business affairs of bill management accounts, until the existing contracts acquired from Korea International Merchant Bank upon merger are terminated.

Significant accounting policies applied to the Group's merchant banking operations are summarized as follows:

3-31-1 Revenue recognition on discounted notes

Interest income on discounted notes is accrued over the term of the notes. Income from the sale of the discounted notes is recognized at the date of sale based on the difference between the purchase and sales prices of the notes, adjusted for interest earned during the holding period.

3-31-2 Cash Management Accounts (CMA)

The Group recognizes interest income from CMA investments and interest expense from CMA deposits as other income and other expenses, respectively.

3-32 Revenue Recognition

The Group recognizes revenues in accordance with the following steps determined in accordance with K-IFRS 1115 Revenue from Contracts with Customers:

- Step 1: Identify the contract with a customer.

- Step 2: Identify the separate performance obligations in the contract.

- Step 3: Determine the transaction price of the contract.

- Step 4: Allocate the transaction price to each of the separate performance obligations in the contract.

- Step 5: Recognize revenue when (or as) each performance obligation is satisfied.

3-32-1 Interest income and interest expense

The Group recognizes interest income and expense using the EIR method by the passage of time.

The EIR method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The Group estimates cash flows considering all contractual terms of the financial instrument, but does not consider future credit losses. The cash flows include all fees and points paid or received by the Group, including transaction costs, and all other premiums or discounts.

If it is probable that interest income arising from a financial asset will flow to the Group, the interest income is recognized as income when the Group receives interest payments.

3-32-2 Fee and commission income

The Group earns fees and commissions income from a diverse range of services it provides to its customers. Fee income, which is part of the EIR of a financial instrument, is adjusted to an EIR and recognized as interest income.

Under the new K-IFRS 1115, the commission income charged by providing

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

services is recognized by applying a five-stage revenue recognition model (①Identification of a contract with a customer → ②Identification of performance obligations in the contract → ③Determination of the transaction price → ④Allocation of the transaction price to the separate performance obligations in the contract → ⑤Recognition of revenue upon satisfying the performance obligations) to all of its contracts with customers.

3-32-3 Net gains or losses on financial instruments at FVTPL

Net gains or losses on financial instruments at FVTPL (including changes in fair value, etc) include gains and losses from following financial instruments:

- Gains or losses relating to financial instruments at FVTPL
- Gains or losses relating to derivatives for trading

3-33 Dividend income

Dividend income is recognized when the Group's right to receive the payment is established.

3-34 Transaction under common control

The Group conducted accounting treatment of transactions under common control based on book value. Therefore, the Group recognized (eliminated) asset, liability and capital as at merger and spinoff date as book value and didn't recognize transaction gain (loss).

3-35 Nature and the impact of each new and amended standards and interpretations

3-35-1 K-IFRS 1001 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies (Amendments)

The amendments change the requirements in K-IFRS 1001 with regard to disclosure of accounting policies. The amendments replace all instances of the

term 'significant accounting policies' with 'material accounting policy information.' Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those separate financial statements.

The supporting paragraphs in K-IFRS 1001 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The International Accounting Standards Board (IASB) has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. There is no material impact of this amendment on the Group's consolidated financial statements.

3-35-2 K-IFRS 1001 Presentation of Financial Statements – Disclosure of Financial Liabilities with Condition to Adjust Exercise Price (Amendment)

The amendment requires disclosure of valuation gains or losses (limited to those recognized in the profit or loss) of the conversion options or warrants (or financial liabilities including them), if all or part of the financial instrument with exercise price that is adjusted depending on the issuer's share price change is classified as financial liability as defined in paragraph 11 (2) of K-IFRS 1032. There is no material impact of this amendment on the Company's consolidated financial statements.

3-35-3 K-IFRS 1008 Accounting Polices, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates (Amendments)

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. There is no material impact of this amendment on the Group's consolidated financial statements.

3-35-4 K-IFRS 1012 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendment)

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to K-IFRS 1012, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in K-IFRS 1012.

There is no material impact of this amendment on the Group's consolidated financial statements.

3-35-5 K-IFRS 1012 Income Taxes – International Tax Reform – Pillar Two Model Rules (Amendment)

The amendments clarify that K-IFRS 1012 Income Taxes applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("Pillar Two income taxes").

However, the amendments introduces a temporary exception to the requirements to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The Company requires to disclose that it has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and disclose separately its current tax expense (income) related to Pillar Two income taxes.

The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and the related tax law is effective on January 1, 2024. There is no current income tax expense recognized in the consolidated statement of profit or loss for the year ended December 31, 2023 and the Group is still in the process of assessing the potential exposure to Pillar Two income taxes as at 31 December 2023.

3-35-6 K-IFRS 1117 Insurance Contracts (Enactment)

K-IFRS 1117 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes K-IFRS 1104 Insurance Contracts.

3-34-6-1 Main features of K-IFRS 1117

K-IFRS 1117 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes K-IFRS 1104. The main features of K-IFRS 1117 are the measurement of the current value of insurance liabilities, the recognition of insurance returns on accrual basis and the separated presentation of gains and losses on insurance and investment.

To apply K-IFRS 1117 retrospectively, an entity identifies, recognizes and measures each group of insurance contracts at the transition date as if K-IFRS 1117 had always applied. If, and only if, it is impracticable for an entity to apply a fully retrospective approach for a group of insurance contracts, an entity shall apply the modified retrospective approach or the fair value approach.

[Introduction](#)
[CEO Letter & Presentation](#)
[BOD Roundtable 2023](#)
[Group Overview](#)
[Business Overview](#)
[Financial Review](#)
[Management's Discussion and Analysis](#)
[Independent Auditors' Report](#)
[Consolidated Financial Statements](#)
[Notes to the Consolidated Financial Statements](#)

The Group applies the modified retrospective approach for groups of insurance contracts (contracts issued between January 1, 2019, and December 31, 2021) issued within three years from the transition date (January 1, 2022, the beginning of the annual reporting period immediately preceding the date of initial application). The Group applies the fair value approach for the rest of the groups of insurance contracts to adjust fair value measurement rather than cost-based valuation for group of insurance contracts.

Meanwhile, the objective of the modified retrospective approach is to achieve the closest outcome to retrospective application possible using reasonable and supportable information available without undue cost or effort. The fair value method is a method of evaluating groups of insurance contracts using the fair value valuation amount according to K-IFRS 1113 Measurement of Fair Value. To apply the fair value approach, the Group determines the contractual service margin or loss component of the liability for remaining coverage at the transition date as the difference between the fair value of a group of insurance contracts at that date and the fulfilment of cash flows measured at that date.

3-35-6-2 Financial impact on the financial statements due to the initial application of K-IFRS 1117

Group's financial impact on the statement of the financial position of as of December 31, 2022, and the statements of comprehensive income for the year then ended due to the initial application of K-IFRS 1117, is as follows (Korean won in millions):

1) Statement of the financial position as of December 31, 2022

(Korean won in millions)

Accounts	The amount in accordance with K-IFRS 1104(A) (*1)	Accounts	The amount in accordance with K-IFRS 1117(B) (*2)	Effect(B-A)
Assets				
I. Cash and due from banks	45,756,109	I. Cash and due from banks	45,840,351	84,242
II. Financial assets measured at fair value through profit or loss ("FVTPL")	51,158,805	II. Financial assets measured at fair value through profit or loss ("FVTPL")	52,374,699	1,215,894

Accounts	The amount in accordance with K-IFRS 1104(A) (*1)	Accounts	The amount in accordance with K-IFRS 1117(B) (*2)	Effect(B-A)
III. Financial assets measured at fair value through other comprehensive income ("FVOCI")	37,370,178	III. Financial assets measured at fair value through other comprehensive income ("FVOCI")	37,779,945	409,767
IV. Securities measured at amortized cost	38,928,911	IV. Securities measured at amortized cost	38,928,911	-
V. Loans measured at amortized cost	361,484,696	V. Loans measured at amortized cost	361,495,530	10,634
VI. Derivative assets used for hedging	32,312	VI. Derivative assets used for hedging	32,312	-
VII. Investments in associates and joint ventures	3,917,787	VII. Investments in associates and joint ventures	3,917,787	-
		VIII. Insurance contract assets	2,826	2,826
		IX. Reinsurance contract assets	33,030	33,030
VIII. Property and equipment	5,243,039	X. Property and equipment	5,243,039	-
IX. Investment properties	1,250,065	XI. Investment properties	1,250,065	-
X. Intangible assets	870,443	XII. Intangible assets	803,949	(66,494)
XI. Net defined benefit assets	134,965	XIII. Net defined benefit assets	134,965	-
XII. Deferred tax assets	428,812	XIV. Deferred tax assets	396,364	(32,448)
XIII. Current income tax assets	41,881	XV. Current income tax assets	42,144	263
XIV. Non-current assets held for sale	72,950	XVI. Non-current assets held for sale	72,950	-
XV. Other assets	22,182,028	XVII. Other assets	20,254,393	(1,927,635)
Total assets	568,873,199	Total assets	568,603,280	(269,919)
Liabilities				
I. Financial liabilities measured at FVTPL	28,020,568	I. Financial liabilities measured at FVTPL	28,020,568	-
II. Deposits	362,575,964	II. Deposits	362,575,964	-
III. Borrowings	37,087,312	III. Borrowings	37,087,312	-
IV. Debentures	56,673,832	IV. Debentures	56,673,832	-
V. Derivative liabilities used for hedging	546,408	V. Derivative liabilities used for hedging	546,408	-
		VI. Insurance contract liabilities	5,389,067	5,389,067
		VII. Reinsurance contract liabilities	6,222	6,222
VI. Net defined benefit liabilities	10,610	VIII. Net defined benefit liabilities	10,610	-
VII. Provisions	636,761	IX. Provisions	636,761	-
VIII. Deferred tax liabilities	2,259	X. Deferred tax liabilities	2,259	-
IX. Current income tax liabilities	728,389	XI. Current income tax liabilities	728,386	(3)
X. Other liabilities	45,172,217	XII. Other liabilities	39,297,733	(5,874,484)
Total liabilities	531,454,310	Total liabilities	530,975,132	(479,178)
Equity				
I. Equity attributable to owners of the parent	36,426,453	I. Equity attributable to owners of the parent	36,635,712	209,259
1. Capital stock	1,501,210	1. Capital stock	1,501,210	-
2. Hybrid equity securities	3,294,688	2. Hybrid equity securities	3,294,688	-
3. Capital surplus	10,581,291	3. Capital surplus	10,581,291	-
4. Capital adjustment	(165,041)	4. Capital adjustment	(165,041)	-
5. Accumulated other comprehensive loss	(1,990,988)	5. Accumulated other comprehensive loss	(1,762,964)	218,024
6. Retained earnings	23,195,293	6. Retained earnings	23,186,528	(8,765)
II. Non-controlling interest	992,436	II. Non-controlling interest	992,436	-
Total equity	37,418,889	Total equity	37,628,148	209,259
Total liabilities and equity	568,873,199	Total liabilities and equity	568,603,280	(269,919)

(* 1) These amounts are based on K-IFRS 1104 Insurance contracts.

(* 2) These amounts are based on K-IFRS 1117 Insurance contracts.

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements**

2) Statements of comprehensive income for the year ended December 31, 2022

(Korean won in millions)

Accounts	The amount in accordance with K-IFRS 1104(A) (+1)	Accounts	The amount in accordance with K-IFRS 1117(B) (+2)	Effect(B-A)
I. Net interest income	8,919,763	I. Net interest income	9,006,015	86,252
1. Interest income	15,876,580	1. Interest income	15,984,691	108,111
Interest income on financial assets measured at FVOCI and amortized cost	15,408,344	Interest income on financial assets measured at FVOCI and amortized cost	15,417,542	9,198
Interest income on financial assets measured at FVTPL	468,236	Interest income on financial assets measured at FVTPL	468,479	243
		Interest income on insurance and reinsurance contracts	98,670	98,670
2. Interest expense	(6,956,817)	2. Interest expense	(6,978,676)	(21,859)
Interest expense on financial liabilities	(6,956,817)	Interest expense on financial liabilities	(6,959,006)	(2,188)
		Interest expense on insurance and reinsurance contracts	(19,670)	(19,670)
II. Net fees and commission income	1,754,919	II. Net fees and commission income	1,715,071	(39,848)
1. Fees and commission income	2,735,800	1. Fees and commission income	2,688,951	(46,849)
2. Fees and commission expense	(980,881)	2. Fees and commission expense	(973,880)	7,001
III. Net gain on financial assets measured at FVTPL	273,599	III. Net gain on financial assets measured at FVTPL	126,234	(147,365)
IV. Net gain on financial assets measured at FVOCI	17,146	IV. Net gain on financial assets measured at FVOCI	17,146	-
V. Gain on disposal of financial assets measured at amortized cost	61,066	V. Gain on disposal of financial assets measured at amortized cost	61,066	-
VI. Gain (loss) on derivative assets used for hedging	(67,719)	VI. Gain (loss) on derivative assets used for hedging	(67,719)	-
VII. Gain on foreign currencies transactions	516,085	VII. Gain on foreign currencies transactions	489,827	(26,258)
		VIII. Net insurance service result	(64,242)	(64,242)
		1. Insurance revenue	489,170	489,170
		2. Insurance service expenses	(543,379)	(543,379)
		3. Reinsurance revenue	27,113	27,113
		4. Reinsurance expenses	(37,146)	(37,146)
		IX. Insurance and reinsurance finance income (loss)	(11,156)	(11,156)
VIII. Total operating income	11,474,859	X. Total operating income	11,272,242	(202,617)
IX. Impairment loss on financial assets	(1,186,798)	XI. Impairment loss on financial assets	(1,187,056)	(258)
X. Net operating income	10,288,061	XII. Net operating income	10,085,186	(202,875)
XI. General and administrative expenses	(4,432,949)	XIII. General and administrative expenses	(4,256,713)	176,236
XII. Other operating income	2,101,877	XIV. Other operating income	693,199	(1,408,678)
XIII. Other operating expenses	(3,266,677)	XV. Other operating expenses	(1,833,390)	1,433,287
XIV. Operating income	4,690,312	XVI. Operating income	4,688,282	(2,030)
XV. Non-operating income	253,754	XVII. Non-operating income (loss)	255,084	1,280
1. Net gain on valuation of investments in associates and joint ventures	233,166	1. Net gain on valuation of investments in associates and joint ventures	233,166	-
2. Other non-operating income	261,784	2. Other non-operating income	261,233	(551)
3. Other non-operating expenses	(241,196)	3. Other non-operating expenses	(239,365)	1,831
XVI. Net income before income tax expense	4,944,066	XVIII. Net income before income tax expense	4,943,316	(750)
XVII. Income tax expenses	(1,322,872)	XIX. Income tax expenses	(1,303,906)	18,966
XVIII. Net income for the year	3,621,194	XX. Net income for the year	3,639,410	18,216

Accounts	The amount in accordance with K-IFRS 1104(A) (+1)	Accounts	The amount in accordance with K-IFRS 1117(B) (+2)	Effect(B-A)
XIX. Other comprehensive income (loss)	(997,923)	XXI. Other comprehensive income (loss)	(786,710)	211,213
1. Items that may be reclassified subsequently to profit or loss:	(936,516)	1. Items that may be reclassified subsequently to profit or loss:	(725,303)	211,213
Loss on valuation of debt securities measured at FVOCI	(900,173)	Loss on valuation of debt securities measured at FVOCI	(915,767)	(15,594)
Exchange differences on translation of foreign operations, net	5,992	Exchange differences on translation of foreign operations, net	5,991	(1)
Changes in capital from gains on equity method for investments in associates	(1,366)	Changes in capital from gains on equity method for investments in associates	(1,366)	-
Loss on valuation of net investment in hedges	(20,529)	Loss on valuation of net investment in hedges	(20,529)	-
Gain (loss) on valuation of cash flow hedges	(3,864)	Loss on valuation of cash flow hedges	(3,864)	-
Other comprehensive loss on separate accounts	(16,576)		-	16,576
		Insurance finance income (loss)	208,279	208,279
		Reinsurance finance income (loss)	1,953	1,953
2. Items that will not be reclassified subsequently to profit or loss:	(61,407)	2. Items that will not be reclassified subsequently to profit or loss:	(61,407)	-
Gain (loss) on valuation of equity securities measured at FVOCI	(56,142)	Gain (loss) on valuation of equity securities measured at FVOCI	(56,142)	-
Effect of changes in the credit risk of financial liabilities designated at FVTPL	(7,675)	Effect of changes in the credit risk of financial liabilities designated at FVTPL	(7,675)	-
Loss on valuation of the fair value hedging instruments	(11,861)	Loss on valuation of the fair value hedging instruments	(11,861)	-
Changes in capital from losses on equity method for investments in associates	(14,676)	Changes in capital from losses on equity method for investments in associates	(14,676)	-
Remeasurements of the defined benefit plan	28,947	Remeasurements of the defined benefit plan	28,947	-
XX. Total comprehensive income for the year	2,623,271	XXII. Total comprehensive income for the year	2,852,700	229,429
XXI. Net income for the year attributable to:	3,621,194	XXIII. Net income for the year attributable to:	3,639,410	18,216
Equity of owner of the parent	3,552,391	Equity of owner of the parent	3,570,607	18,216
Non-controlling interests	68,803	Non-controlling interests	68,803	-
XXII. Total comprehensive income for the year attributable to:	2,623,271	XXIV. Total comprehensive income for the year attributable to:	2,852,700	229,429
Equity of owner of the parent	2,565,362	Equity of owner of the parent	2,794,791	229,429
Non-controlling interests	57,909	Non-controlling interests	57,909	-
XXIII. Earnings per share		XXV. Earnings per share		
Basic earnings per share (Korean won)	11,803	Basic earnings per share (Korean won)	11,865	
Diluted earnings per share (Korean won)	11,803	Diluted earnings per share (Korean won)	11,865	

(* 1) These amounts are based on K-IFRS 1104 Insurance contracts.

(* 2) These amounts are based on K-IFRS 1117 Insurance contracts.

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

3) Statements of cash flows for the year ended December 31, 2022

(Korean won in millions)

Accounts	The amount in accordance with K-IFRS 1104(A) (*1)	The amount in accordance with K-IFRS 1117(B) (*2)	Effect(B-A)
Net cash provided by operating activities	25,063,802	25,222,888	159,086
Net cash used in investing activities	(18,309,511)	(18,704,935)	(395,424)
Net cash provided by financing activities	6,463,890	6,538,185	74,295

(*1) These amounts are based on K-IFRS 1104 Insurance contracts.

(*2) These amounts are based on K-IFRS 1117 Insurance contracts.

3-36 Standard issued but not yet effective is as follows:

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below.

3-36-1 K-IFRS 1001 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current (Amendment)

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether the Group will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or

after 1 January 2024, with early application permitted.

The amendments are not expected have a material impact on the consolidated financial statements.

3-36-2 K-IFRS 1001 Presentation of Financial Statements – Non-current Liabilities with Covenants (Amendment)

The amendments specify that only covenants that the Group is required to comply with on or before the end of the reporting period affect the Group's right to defer settlement of a liability for at least twelve months after the reporting date. Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date.

The amendments also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if the Group only has to comply with a covenant after the reporting period. However, if the Group's right to defer settlement of a liability is subject to the Group complying with covenants within twelve months after the reporting period, the Group discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the Group is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the Group may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If the Group applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

The amendments are not expected have a material impact on the consolidated financial statements.

3-36-3 K-IFRS 1007 Statement of Cash Flows and K-IFRS 1107 Financial Instruments: Disclosures – Supplier Finance Arrangements (Amendment)

The amendments add a disclosure objective to K-IFRS 1007 stating that the Group is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the Group's liabilities and cash flows. In addition, K-IFRS 1117 was amended to add supplier finance arrangements as an example within the requirements to disclose information about the Group's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which the Group would be required to provide the information.

To meet the disclosure objective, the Group will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the Group's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which the Group applies the amendments, are applicable for

annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

The amendments are not expected have a material impact on the consolidated financial statements.

3-36-4 K-IFRS 1116 Leases – Lease Liability in a Sale and Leaseback (Amendment)

The amendments to K-IFRS 1116 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in K-IFRS 1115 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

The amendments are not expected have a material impact on the consolidated financial statements.

3-36-5 K-IFRS 1001 Presentation of Financial Statements – Disclosure of Virtual Assets (Amendment)

The amendments to K-IFRS 1001 add additional disclosure requirements required by other standards for transactions related to virtual assets, setting out disclosure requirement for each case of 1) holding virtual assets, 2) holding virtual assets on behalf of customer, and 3) issuing virtual assets.

When holding a virtual asset, disclosure on the general information about virtual assets, the accounting policy applied and each virtual asset's acquisition method,

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

cost and the fair value at the end of the reporting period is required. Also, when issuing a virtual asset, the Group's obligations and status of fulfilment of the obligation related to the issued virtual asset, the timing and amount of the recognized revenue of the sold virtual asset, the number of virtual assets held after issuance, and important contract details shall be disclosed.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

The amendments are not expected have a material impact on the consolidated financial statements.

4. Significant accounting estimates and judgments:

For applying accounting policies of the Group's consolidated financial statements, management is required to make judgments, estimates and assumptions that affect the amount of assets and liabilities that are difficult to identify through other resources. The estimates and assumptions are based on the other factors considered that they are related to historical experience. Actual results may differ from these estimations.

Management reviews these estimates and assumptions regularly. The effect of a change in an accounting estimate is recognized in profit or loss in the period of the change if the change affects that period only and the effect of a change in an accounting estimate is recognized in profit or loss in the period of the change and the future periods if the change affects both.

In the process of applying the Group's accounting policies, management has made the following judgments that have a significant effect on the amounts recognized in the consolidated financial statements.

4-1 Fair value of financial instruments

The Group preferentially uses the quoted prices in an active market when determining the fair value of financial instruments. If that price is not available, the Group determines the fair value of financial instruments using another valuation technique. The valuation technique include methods that use recent transactions between independent and knowledgeable market participants with willingness to enter into a transaction for the asset or liability, methods that refer to the current fair value of other substantially identical financial instruments if available, discounted cash flow methods, and option pricing models.

4-2 Impairment losses on financial assets

The Group recognizes impairment losses on debt instruments measured at amortized cost, or FVOCI, lease receivables, contract assets, loan commitment and financial guarantee contracts, based on the ECL impairment model using a three-stage model for 12-month ECLs or lifetime ECLs based on changes in credit risk since initial recognition of financial assets.

Classification		Loss allowance
STAGE 1	Credit risk on a financial instrument has not increased significantly since initial recognition.	12-month ECL: ECLs that result from default events that are possible within 12 months after the reporting date
STAGE 2	Credit risk on a financial instrument has increased significantly since initial recognition.	Lifetime ECL: ECLs that result from all possible default events over the expected life of the financial instrument
STAGE 3	Credit-impaired	

The cumulative changes in lifetime ECLs since initial recognition are recognized as loss allowance for a financial asset that is considered credit-impaired at initial recognition.

4-3 Provision for severance and retirement benefits

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method. Actuarial

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

assumptions were made for the discount rate, the overall expected rates of return on assets and an increase in the future pay rate. Severance and retirement benefits include significant uncertainties in the estimates due to the long duration of the period.

4-4 Impairment of non-financial assets

The Group assesses at the end of the reporting period whether there is any indication that a non-financial assets may be impaired. The Group tests an intangible asset with an indefinite useful life for impairment annually or if any such indication exists. The Group tests an intangible asset with definite useful life for impairment if any such indication exists. Management estimates future cash flow associated with an asset or a CGU and selects the adequate discount rate to compute present value of future cash flow.

4-5 Income taxes

There are uncertainties that exist on the calculation of the final tax effect since the Group's tax expense on taxable income is calculated based on the tax laws and interpretations of tax authorities in numerous countries. In addition, there has been various transactions and tax accounting methods that have made computing the final tax expenses for the period uncertain. Significant judgment is required when determining the estimation of corporate taxes in various countries. The contingent liability from any future tax assessments is based on the estimates of the likelihood of additional taxes imposed and has been included in the Group's consolidated financial statements for the current period. When the finalized tax expense assessments are different from the appropriated amounts, the differences, if any, are recognized in current deferred tax assets, liabilities and expenses for the period.

5. Methods for measuring the fair value of financial assets and financial liabilities:

The following standards are applied in measuring the fair value of financial assets

and financial liabilities

- a. Financial assets and financial liabilities traded in active markets at the reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.
- b. For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist, options pricing models, credit models and other relevant valuation models. These techniques incorporate the Group's estimate of assumptions that a market participant would make when valuing the instruments. Valuation techniques that provide reliable estimates on mark-to-market prices are applied.
- c. When determining fair value by the use of valuation techniques, comparison of current market transaction of another instrument that is substantially the same to the financial instrument needs to be objectively substantiated or inclusion of variables in the marketable data must be performed. Not all the significant market variables are observable and therefore in determining fair value, reasonable estimates or assumptions are required.
- d. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, which are measured at cost, will be accounted for using the cost method.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

5-1 Fair value hierarchy of financial instruments

The fair value hierarchy of financial assets and liabilities as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

Classification	Fair value hierarchy(*)			Total
	Level 1	Level 2	Level 3	
Financial assets:				
Financial assets measured at FVTPL				
Debt securities	9,763,571	23,879,385	8,146,188	41,789,144
Equity securities	688,776	72,068	1,102,085	1,862,929
Derivative assets held for trading	123,975	7,513,508	243,687	7,881,170
Loans	-	-	1,306,157	1,306,157
Others	-	-	1,766,432	1,766,432
Subtotal	10,576,322	31,464,961	12,564,549	54,605,832
Financial assets designated at FVOCI:				
Debt securities	15,684,943	27,669,218	-	43,354,161
Equity securities	265,699	37	693,599	959,335
Subtotal	15,950,642	27,669,255	693,599	44,313,496
Derivative assets used for hedging	-	9,678	-	9,678
Merchant banking accounts asset	-	4,637,824	-	4,637,824
Total	26,526,964	63,781,718	13,258,148	103,566,830
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities held for trading	164,624	7,578,331	879,053	8,622,008
Securities lent	1,391,476	-	-	1,391,476
Subtotal	1,556,100	7,578,331	879,053	10,013,484
Financial liabilities designated as measured at FVTPL	5,554	3,396,886	8,183,278	11,585,718
Derivative liabilities used for hedging	-	404,499	27,804	432,303
Total	1,561,654	11,379,716	9,090,135	22,031,505

(*) The Group recognizes a change in level at the beginning of the reporting period when the event or change in circumstances that causes the transfer between levels occurs.

<December 31, 2022>

Classification	Fair value hierarchy(*)			Total
	Level 1	Level 2	Level 3	
Financial assets:				
Financial assets measured at FVTPL				
Debt securities	5,381,402	22,663,063	7,154,636	35,199,101
Equity securities	580,243	30,952	1,320,312	1,931,507
Derivative assets held for trading	89,534	12,394,288	149,404	12,633,226
Loans	-	-	1,227,865	1,227,865
Others	-	-	1,383,000	1,383,000
Subtotal	6,051,179	35,088,303	11,235,217	52,374,699
Financial assets designated at FVOCI:				
Debt securities	11,880,117	24,808,924	-	36,689,041
Equity securities	339,744	34	751,126	1,090,904
Subtotal	12,219,861	24,808,958	751,126	37,779,945
Derivative assets used for hedging	-	32,312	-	32,312
Merchant banking accounts asset	-	4,631,361	-	4,631,361
Total	18,271,040	64,560,934	11,986,343	94,818,317
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities held for trading	252,393	13,161,037	834,646	14,248,076
Securities lent	945,673	109,301	-	1,054,974
Subtotal	1,198,066	13,270,338	834,646	15,303,050
Financial liabilities designated as measured at FVTPL	6,480	4,853,499	7,857,529	12,717,508
Derivative liabilities used for hedging	-	515,571	30,837	546,408
Total	1,204,546	18,639,408	8,723,012	28,566,966

(*) The Group recognizes a change in level at the beginning of the reporting period when the event or change in circumstances that causes the transfer between levels occurs.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

a. Level 1: Quoted (unadjusted) prices in active markets for similar assets or

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

liabilities

- b. Level 2: Other techniques for that all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- c. Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Fair value, valuation method and input variables used to measure fair value of financial instruments classified as fair value hierarchy Level 2 as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Fair value	Valuation method	Input variable
Financial assets:			
Financial assets measured at FVTPL			
Debt securities	23,879,385	Black-Scholes model, Hull-White 1 factor model, DCF model, Gaussian 1 factor model, Net asset value model, etc.	Volatility, Discount rate, Stock price, exchange rate, Interest rate, CDS premium, price of underlying asset such as bond, stock, etc.
Equity securities	72,068	Hull-White Monte Carlo Simulation, Market approach	Discount rate, interest rate curve, quoted price in a market that is not active
Derivative assets held for trading	7,513,508	Black-Scholes model, Hull-White 1 factor model, Black model, DCF Model, Gaussian 1 factor model, etc.	Volatility, discount rate, stock price, exchange rate, Interest rate, CDS premium, yield curve of swap, volatility of swaption, yield curve of currency, index, etc..
Subtotal	31,464,961		
Financial assets measured at FVOCI			
Debt securities	27,669,218	DCF model	Discount rate, etc.
Equity securities	37	Market approach	Quoted price in a market that is not active
Subtotal	27,669,255		
Derivative assets used for hedging	9,678	Hull-White 1 factor model	Exchange rate, yield curve of swap, volatility of swaption, yield curve of currency
Merchant banking account asset	4,637,824	DCF model	Discount rate
Total	63,781,718		
Financial liabilities:			
Financial liabilities measured at FVTPL			
Derivative liabilities held for trading	7,578,331	Black-Scholes model, Hull-White 1 factor model, DCF model, Black model, Gaussian 1 factor model, etc.	Volatility, discount rate, stock price, exchange rate, interest rate, CDS premium, yield curve of swap, volatility of swaption, yield curve of currency, index, etc..
Subtotal	7,578,331		
Financial liabilities designated as measured at FVTPL	3,396,686	Black-Scholes model, Hull-White 1 factor model, DCF model, Gaussian 1 factor model, etc	Volatility, discount rate, stock price, exchange rate, interest rate, CDS premium, yield curve of swap, volatility of swaption, etc.
Derivative liabilities used for hedging	404,499	Hull-White 1 factor model	Exchange rate, yield curve of swap, volatility of swaption, yield curve of currency, interest rate

Classification	Fair value	Valuation method	Input variable
Total	11,379,716		

<December 31, 2022>

(Korean won in millions)

Classification	Fair value	Valuation method	Input variable
Financial assets:			
Financial assets measured at FVTPL			
Debt securities	22,663,063	Black-Scholes model, Hull-White 1 factor model, DCF model, Gaussian 1 factor model, Net asset value model, etc.	Volatility, Discount rate, Stock price, exchange rate, Interest rate, CDS premium, price of underlying asset such as bond, stock, etc.
Equity securities	30,952	Hull-White Monte Carlo Simulation, Market approach	Discount rate, interest rate curve, quoted price in a market that is not active
Derivative assets held for trading	12,394,288	Black-Scholes model, Hull-White 1 factor model, Black model, DCF Model, Gaussian 1 factor model, etc.	Volatility, discount rate, stock price, exchange rate, Interest rate, CDS premium, yield curve of swap, volatility of swaption, yield curve of currency, etc..
Subtotal	35,088,303		
Financial assets measured at FVOCI			
Debt securities	24,808,924	DCF model	Discount rate, etc.
Equity securities	34	Market approach	Quoted price in a market that is not active
Subtotal	24,808,958		
Derivative assets used for hedging	32,312	Hull-White 1 factor model	Exchange rate, yield curve of swap, volatility of swaption, yield curve of currency
Merchant banking account asset	4,631,361	DCF model	Discount rate
Total	64,560,934		
Financial liabilities:			
Financial liabilities measured at FVTPL			
Derivative liabilities held for trading	13,161,037	Black-Scholes model, Hull-White 1 factor model, DCF model, Black model, Gaussian 1 factor model, etc.	Volatility, discount rate, stock price, exchange rate, interest rate, CDS premium, yield curve of swap, volatility of swaption, yield curve of currency, index, etc..
Securities sold	109,301	DCF model	Discount rate
Subtotal	13,270,338		
Financial liabilities designated as measured at FVTPL	4,853,499	Black-Scholes model, Hull-White 1 factor model, DCF model, Gaussian 1 factor model, etc	Volatility, discount rate, stock price, exchange rate, interest rate, CDS premium, yield curve of swap, volatility of swaption, etc.
Derivative liabilities used for hedging	515,571	Hull-White 1 factor model	Exchange rate, yield curve of swap, volatility of swaption, yield curve of currency, interest rate
Total	18,639,408		

Fair value, valuation method, input variables and significant unobservable input variables information used to measure fair value of financial instruments classified as fair value hierarchy Level 3 as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

<December 31, 2023>

(Korean won in millions)

Classification	Fair value	Valuation method	Input variable	Significant unobservable inputs used in the fair value measurement	Range	The effect of changes in unobservable inputs on fair value
Financial assets :						
Financial assets measured at FVTPL						
Debt securities	8,146,188	DCF model, net assets model, income approach, Black-Scholes model, Hull-White 1 factor model, Gaussian 1 factor model, etc.	Volatility, exchange rate, interest rate, CDS premium, correlation, discount rate, stock price, liquidating value, volatility and price of underlying asset, etc..	Volatility, correlation, discount rate, liquidating value, price of underlying asset.	Volatility: 0-100% Correlation: -1+1 Discount rate : 5.15-16.85% Liquidating value: 0	Volatility of underlying assets : Positive Correlation : Positive Discount rate : Negative Liquidating value: Positive Some cases show an opposite effect as above
Equity securities	1,102,065	DCF model, income approach, Multiple, Monte Carlo Simulation model, Hull-White 1 factor model, etc.	Growth rate, liquidating rate, discount rate, volatility, stock price, interest rate, striking price, liquidating value, etc	Volatility, Growth rate, Discount rate, liquidating rate, liquidating value, etc..	Volatility: -1-1% Discount rate: 3.87-20.34% Liquidating rate: -1-1% Growth rate: 0-1% Liquidating value: 0	Volatility of underlying assets: Positive Growth rate : Positive Liquidating rate: Positive Discount rate : Negative Liquidating value: Positive
Derivative assets held for trading	243,687	Black-Scholes model, Hull-White 1 factor model, Hull-White 2 factor model, DCF model, Gaussian 1 factor model, etc.	Exchange rate, yield curve of swap, volatility of swaption, correlation between valuation models, volatility, discount rate, stock price, interest rate, CDS premium, correlation, etc..	Volatility, correlation, regression coefficient related to interest rate, spread of underlying assets, recovery rate related to credit	Volatility: 0.1728-4.6.09% Correlation: -29.61 - +89.44% Regression coefficient: 1-10% Spread of underlying assets: 0.004-3.1418% Recovery rate: 0-40%	Volatility : Positive Correlation : Positive Changes in correlation because of products and market condition is positive or negative Some cases show an opposite effect as above
Loans	1,306,157	DCF model, etc.	Discount rate, etc.	Discount rate	Discount rate: 5.86-12.65%	Discount rate: Negative
Others	1,766,432	DCF model, etc.	Discount rate, etc.	Discount rate, etc.		
Subtotal	12,564,549					
Financial assets measured at FVOCI						
Equity securities	693,599	DCF model, binomial model, discounted shareholders' cash flow model, Peer group analysis, etc.	Growth rate, discount rate, liquidating value, volatility and price of underlying asset, etc.	Growth rate, discount rate, liquidating value, volatility of underlying asset	Growth rate: 0-1% Discount rate: 9.25-20.9% Liquidating value: 0	Growth rate: Positive Discount rate: Negative Liquidating value: Positive Volatility of underlying asset: Positive
Total	13,258,148					
Financial liabilities :						
Financial liabilities measured at FVTPL						
		Black-Scholes model,	Discount rate, swap yield curve, volatility of	Volatility, correlation, regression coefficient	Volatility: 0.1728-4.6.09% Correlation: -29.61 - +89.44%	Volatility : Positive Correlation : Positive

Classification	Fair value	Valuation method	Input variable	Significant unobservable inputs used in the fair value measurement	Range	The effect of changes in unobservable inputs on fair value
Derivative liabilities held for trading	879,053	Hull-White 1 factor model, Hull-White 2 factor model, DCF model, Gaussian 1 factor model, etc.	swaption, correlation between valuation models, volatility, discount rate, stock price, CDS premium, correlation, etc.	related to interest rate, spread of underlying assets, recovery rate related to credit	Regression coefficient: 1-10% Spread of underlying assets: 0.004-3.1418% Recovery rate: 0-40%	Changes in correlation because of products and market condition is positive or negative Some cases show an opposite effect as above
Financial liabilities designated as measured at FVTPL	8,183,278	DCF model, Black-Scholes model, Hull-White 1 factor model, Gaussian 1 factor model, etc.	Volatility, discount rate, stock price, exchange rate, interest rate, CDS premium, correlation, etc.	Volatility, correlation, regression coefficient, spread of underlying assets, recovery rate	Volatility: 0.1728-4.6.09% Correlation: -29.61 - +89.44% Regression coefficient: 1-10% Spread of underlying assets: 0.004-3.1418% Recovery rate: 0-40%	Volatility : Positive Correlation : Positive Some cases show an opposite effect as above
Derivative liabilities used for hedging	27,804	Hull-White 2 factor model	Swap yield curve, volatility of swaption, correlation between valuation models, exchange rate, etc.	Correlation between KRW Interest Rate Swap ("IRS") rates, correlation between USD IRS rates	Correlation between KRW IRS rates, correlation between USD IRS rates : -24.00 - 97.00%	Fair value increase or decrease based on the changes in correlation by the effect of trading instruments and market status
Total	9,090,135					

<December 31, 2022>

(Korean won in millions)

Classification	Fair value	Valuation method	Input variable	Significant unobservable inputs used in the fair value measurement	Range	The effect of changes in unobservable inputs on fair value
Financial assets :						
Financial assets measured at FVTPL						
Debt securities	7,154,636	DCF model, net assets model, income approach, Black-Scholes model, Hull-White 1 factor model, Gaussian 1 factor model, etc.	Volatility, exchange rate, interest rate, CDS premium, correlation, discount rate, stock price, liquidating value, volatility and price of underlying asset, etc..	Volatility, correlation, discount rate, liquidating value, price of underlying asset.	Volatility: 0-100% Correlation: -1+1 Discount rate : 5.68-6.86% Liquidating value: 0	Volatility of underlying assets : Positive Correlation : Positive Discount rate : Negative Liquidating value: Positive Some cases show an opposite effect as above
Equity securities	1,320,312	DCF model, income approach, Multiple, Monte Carlo Simulation model, Hull-White 1 factor model, etc.	Growth rate, liquidating rate, discount rate, volatility, stock price, interest rate, striking price, liquidating value, etc	Volatility, Growth rate, Discount rate, liquidating rate, liquidating value, etc.	Volatility: -1-1% Discount rate: 0.15-20.14% Liquidating rate: -1-1% Growth rate: 0-2%	Volatility of underlying assets: Positive Growth rate : Positive Liquidating rate: Positive Discount rate : Negative Liquidating value: Positive

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

Classification	Fair value	Valuation method	Input variable	Significant unobservable inputs used in the fair value measurement	Range	The effect of changes in unobservable inputs on fair value
				value, etc..	Liquidating value: 0	Positive
Derivative assets held for trading	149,404	Black-Scholes model, Hull-White 1 factor model, Hull-White 2 factor model, DCF model, Gaussian 1 factor model, etc.	Exchange rate, yield curve of swap, volatility of swaption, correlation between valuation models, volatility, discount rate, stock price, interest rate, CDS premium correlation, etc..	Volatility, correlation, regression coefficient related to interest rate, spread of underlying assets, recovery rate related to credit	Volatility: 0.06-65.6% Correlation: -64.51 ~ +89.28% Regression coefficient: 1-10% Spread of underlying assets: 0.061-4.281% Recovery rate: 0-40%	Volatility : Positive Correlation : Positive Changes in correlation because of products and market condition is positive or negative Some cases show an opposite effect as above
Loans	1,227,865	DCF model, etc.	Discount rate, etc.	Discount rate	Discount rate: 0 ~ 10.05%	Discount rate: Negative
Others	1,383,000	DCF model, etc.	Discount rate, etc.	Discount rate, etc.		
Subtotal	11,235,217					
Financial assets measured at FVOCI						
Equity securities	751,126	DCF model, binomial model, discounted share "olders" cash flow model, Peer group analysis, etc.	Growth rate, discount rate, liquidating value, volatility and price of underlying asset, etc.	Growth rate, discount rate, liquidating value, volatility of underlying asset	Growth rate: 0-1% Discount rate: 0.15 ~ 20.14% Liquidating value: 0 Volatility of underlying assets: 21.98-46.53%	Growth rate: Positive Discount rate: Negative Liquidating value: Positive Volatility of underlying asset: Positive
Total	11,986,343					
Financial liabilities :						
Financial liabilities measured at FVTPL						
Derivative liabilities held for trading	834,646	Black-Scholes model, Hull-White 1 factor model, Hull-White 2 factor model, DCF model, Gaussian 1 factor model, etc.	Discount rate, swap yield curve, volatility of swaption, correlation between valuation models, volatility, discount rate, stock price, CDS premium correlation, etc.	Volatility, correlation, regression coefficient related to interest rate, spread of underlying assets, recovery rate related to credit	Volatility: 0.06-65.6% Correlation: -64.51 ~ +89.28% Regression coefficient: 1-10% Spread of underlying assets: 0.061-4.281% Recovery rate: 0-40%	Volatility : Positive Correlation : Positive Changes in correlation because of products and market condition is positive or negative Some cases show an opposite effect as above
Financial liabilities designated as measured at FVTPL	7,857,529	DCF model, Black-Scholes model, Hull-White 1 factor model, Gaussian 1 factor model, etc.	Volatility, discount rate, stock price, exchange rate, interest rate, CDS premium correlation, etc.	Volatility, correlation, regression coefficient, spread of underlying assets, recovery rate	Volatility: 0.06-65.6% Correlation: -64.51 ~ +89.28% Regression coefficient: 1-10% Spread of underlying assets: 0.061-4.281% Recovery rate: 0-	Volatility : Positive Correlation : Positive Some cases show an opposite effect as above

Classification	Fair value	Valuation method	Input variable	Significant unobservable inputs used in the fair value measurement	Range	The effect of changes in unobservable inputs on fair value
					40%	
Derivative liabilities used for hedging	30,837	Hull-White 2 factor model	Swap yield curve, volatility of swaption, correlation between valuation models, exchange rate, etc.	Correlation between KFW Interest Rate Swap ("IRS") rates, correlation between USD IRS rates	Correlation between KFW IRS rates, correlation between USD IRS rates : 39.00 ~ 96.00%	Fair value increase or decrease based on the changes in correlation by the effect of trading instruments and market status
Total	8,723,012					

5-2 Changes in the fair value of Level 3

Changes in the fair value of Level 3 financial instruments for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

Classification	Financial assets measured at FVTPL				Financial assets measured at FVOCI	Financial liabilities designated as measured at FVTPL	Net derivative instruments	
	Debt securities	Equity securities	Loans	Others			Held-for-trading	Held-for-hedging
January 1, 2023	7,154,636	1,320,312	1,227,865	1,383,000	751,126	7,857,529	(685,242)	(30,837)
Increase due to business combination(*)	(20,176)	20,972	40,292	-	-	-	-	-
Transfer from Level 3 to Level 1	-	(4,338)	-	-	-	-	-	-
Net income	(61,264)	47,520	(136,363)	48,925	-	657,632	14,092	3,033
Other comprehensive income	-	-	-	-	(13,622)	(8,693)	-	-
Buy/issue	2,090,502	28,656	1,064,730	4,262,229	1,678	5,043,568	(26,870)	-
Sell/settlement	(995,931)	(70,143)	(890,367)	(3,927,722)	(45,563)	(5,353,802)	62,654	-
Others	(21,579)	(240,894)	-	-	-	(12,956)	-	-
December 31, 2023	8,146,188	1,102,085	1,306,157	1,766,432	693,599	8,183,278	(635,366)	(27,804)

(*) It includes the changes of subsidiaries incorporated as of credit provision or purchase agreements.

<December 31, 2022>

Classification	Financial assets measured at FVTPL				Financial assets measured at FVOCI	Financial liabilities designated as measured at FVTPL	Net derivative instruments	
	Debt securities	Equity securities	Loans	Others			Held-for-trading	Held-for-hedging
January 1, 2022	6,226,768	1,267,151	1,898,878	1,983,924	761,557	6,829,288	(636,907)	(9,124)
Increase due to business combination(*)	41,528	246,565	4,383	-	-	-	-	-

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review
 - Management's Discussion and Analysis
 - Independent Auditors' Report
 - Consolidated Financial Statements
 - Notes to the Consolidated Financial Statements

Classification	Financial assets measured at FVTPL				Financial assets measured at FVOCI	Financial liabilities designated as measured at FVTPL	Net derivative instruments	
	Debt securities	Equity securities	Loans	Others			Held-for-trading	Held-for-hedging
Transfer from Level 1 to Level 3	-	10	-	-	-	-	-	-
Transfer from Level 3 to Level 1	(15,584)	-	-	-	-	-	-	-
Net income	(16,580)	(65,321)	(52,572)	32,843	-	(388,970)	(478,511)	(21,713)
Other comprehensive income	-	-	-	-	(12,389)	(8,756)	-	-
Buy/issue	3,616,031	801,593	2,512,417	4,754,506	2,489	3,874,305	1,069	-
Sell/settlement	(2,540,665)	(708,103)	(3,135,241)	(5,388,273)	(541)	(2,789,238)	152,345	-
Others	(156,862)	(221,583)	-	-	-	340,900	276,762	-
December 31, 2022	7,154,636	1,320,312	1,227,865	1,383,000	751,126	7,857,529	(685,242)	(30,837)

(*) It includes the changes of subsidiaries incorporated as of credit provision or purchase agreements.

5-3 Total gains or losses recognized in profit or loss

Total gains or losses recognized in profit or loss, and the line item in profit or loss in which those gains or losses are recognized for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Total gains or losses recognized in profit or loss	The line item in profit or loss in which those gains or losses are recognized
Net gain or loss on financial instruments measured at FVTPL	(87,090)	(213,031)
Net gain or loss related to financial instruments designated as measured at FVTPL	(657,632)	(198,481)
Net gain or loss related to derivative instruments used for hedging	3,033	3,033
Total	(741,689)	(408,479)

<December 31, 2022>

(Korean won in millions)

Classification	Total gains or losses recognized in profit or loss	The line item in profit or loss in which those gains or losses are recognized
Net gain or loss on financial instruments measured at FVTPL	(580,141)	(551,823)
Net gain or loss related to financial instruments designated as measured at FVTPL	388,970	525,648
Net gain or loss related to derivative instruments used for hedging	(21,713)	(21,713)
Total	(212,884)	(47,888)

5-4 Transfer into or out among the fair value hierarchy

Transfers into or out of Level 3 of the fair value hierarchy for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	2023	2022
Transfer from Level 3 to Level 1(*1)	(4,338)	(15,584)
Transfer from Level 1 to Level 3(*2)	-	10

There is transfer out of Level 3 of the fair value hierarchy due to changes in the availability of observable input variables for the financial instruments.

(*1) This is due to the listing of financial instruments.

(*2) This is due to the delisting of financial instruments.

5-5 Sensitivity analysis

The results of the sensitivity analysis in accordance with changes in significant unobservable inputs as of December 31, 2023 and 2022, are as follows.

The subjects of the sensitivity analysis are the financial assets and liabilities classified as Level 3. The effects of changes in fair values, recognized in profit or loss or OCI, are classified into favorable and unfavorable changes. (Korean won in millions):

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

<December 31, 2023>

(Korean won in millions)

Classification	Favorable changes	Unfavorable changes
Financial assets:		
Financial assets measured at FVTPL		
Debt securities (*1)	28,847	(30,300)
Equity securities (*2)	6,103	(4,817)
Derivative assets held for trading (*3)	1,016	(1,062)
Loans (*4)	4,958	(4,784)
Subtotal	40,924	(40,963)
Financial assets measured at FVOCI		
Equity securities (*2)	30,753	(18,473)
Total	71,677	(59,436)
Financial liabilities:		
Financial liabilities measured at FVTPL		
Derivative liabilities held for trading (*3)	1,039	(1,015)
Financial liabilities designated as measured at FVTPL	5,908	(5,908)
Subtotal	6,947	(6,923)
Derivative liabilities used for hedging (*3)	9	(23)
Total	6,956	(6,946)

(*1) Favorable changes and unfavorable changes in fair value of debt securities are calculated by changing discount rate (-1.0-1.0%), which is the main unobservable input. Favorable changes and unfavorable changes in fair value of beneficiary securities are calculated by changing discount rate of lease cash flow (-1.0-1.0%) and growth rate of selling price of real estate (-1.0-1.0%), under limited circumstances when it is consisted of real estate. However it is impossible to calculate sensitivity of beneficiary securities based on changes in inputs.

(*2) Changes in fair value of equity securities are calculated by changing growth rate (0.0-1.0%) and discount rate(-1.0-1.0%), which are main unobservable inputs.

(*3) Favorable and unfavorable changes are calculated by taking 10% fluctuation of ① correlation between rates of IRS of KRW, ② correlation between rates of USD IRS, ③ correlation between stock price index, and ④ correlation between exchange rate and stock price index within the valuation model. And favorable changes and unfavorable changes in fair value of derivative instruments and derivative-linked securities are calculated by changing volatility of the underlying assets (-1.0-1.0%), which are main unobservable inputs. Positions with mutual hedging effect were excluded.

(*4) Favorable changes and unfavorable changes in loans are calculated by changing discount rate (-1.0-1.0%), which are the main unobservable input.

<December 31, 2022>

(Korean won in millions)

Classification	Favorable changes	Unfavorable changes
Financial assets:		
Financial assets measured at FVTPL		
Debt securities (*1)	40,112	(71,550)
Equity securities (*2)	15,592	(13,062)
Derivative assets held for trading (*3)	1,156	(1,142)
Loans (*4)	6,557	(6,276)
Subtotal	63,417	(92,030)
Financial assets measured at FVOCI		
Equity securities (*2)	30,414	(19,330)
Total	93,831	(111,360)
Financial liabilities:		
Financial liabilities measured at FVTPL		
Derivative liabilities held for trading (*3)	1,281	(1,298)
Financial liabilities designated as measured at FVTPL	9,762	(9,762)
Subtotal	11,043	(11,060)
Derivative liabilities used for hedging (*3)	6	(1)

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Favorable changes	Unfavorable changes
Total	11,049	(11,061)

(*1) Favorable changes and unfavorable changes in fair value of debt securities are calculated by changing discount rate (-1.0-1.0%), which is the main unobservable input. Favorable changes and unfavorable changes in fair value of beneficiary securities are calculated by changing discount rate of lease cash flow (-1.0-1.0%) and growth rate of selling price of real estate (-1.0-1.0%), under limited circumstances when it is consisted of real estate. However it is impossible to calculate sensitivity of beneficiary securities based on changes in inputs.

Favorable changes and unfavorable changes in fair value of convertible private bond are calculated by changing the price of underlying assets (-10.0-10.0%) and volatility of underlying assets (-10.0-10.0%), which is the main unobservable input.

(*2) Changes in fair value of equity securities are calculated by changing growth rate (-1.0-2.0%) and discount rate(-1.0-20.14%), which are main unobservable inputs.

(*3) ① Correlation between rates of IRS of KRW, ② Correlation between rates of KRW/USD IRS, ③ Correlation between KRW/USD exchange rate and rate of USD IRS, ④ Correlation between stock price index and individual stock and ⑤ Favorable and unfavorable changes are calculated by taking 10% fluctuation of correlation within the valuation model. And favorable changes and unfavorable changes in fair value of derivative instruments and derivative-linked securities are calculated by changing volatility of the underlying assets (-1.0-1.0%), which are main unobservable inputs. Positions with mutual hedging effect were excluded.

(*4) Favorable changes and unfavorable changes in loans are calculated by changing discount rate (-1.0-1.0%), which are the main unobservable input.

5-6 Financial assets and liabilities that are not measured with fair values

The fair values of financial assets and liabilities whose fair values are not readily determinable as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

Classification	Levels of the fair value hierarchy			Total
	Level 1	Level 2	Level 3	
Financial assets:				
Cash and due from banks	1,883,385	32,597,073	-	34,480,458
Securities measured at amortized cost	3,205,271	32,406,443	-	35,611,714
Loans measured at amortized cost	-	-	381,236,473	381,236,473
Others	-	-	21,338,756	21,338,756
Total	5,088,656	65,003,516	402,575,229	472,667,401
Financial liabilities:				
Deposits	-	47,546,376	324,303,017	371,849,393
Borrowings	-	20,079,073	22,874,260	42,953,333
Debentures	-	56,344,692	2,081,831	58,426,523
Merchant banking account liabilities	-	-	4,154,697	4,154,697
Others	-	-	42,430,007	42,430,007
Total	-	123,970,141	395,843,812	519,813,953

<December 31, 2022>

Classification	Levels of the fair value hierarchy			Total
	Level 1	Level 2	Level 3	
Financial assets:				
Cash and due from banks	1,927,107	43,913,244	-	45,840,351
Securities measured at amortized cost	4,302,711	32,416,515	100,000	36,819,226

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Levels of the fair value hierarchy			Total
	Level 1	Level 2	Level 3	
Loans measured at amortized cost	-	-	358,048,446	358,048,446
Others	-	-	14,611,998	14,611,998
Total	6,229,818	76,329,759	372,760,444	455,320,021
Financial liabilities:				
Deposits	-	55,701,960	306,521,168	362,223,128
Borrowings	-	14,598,621	22,130,474	36,729,095
Debentures	-	53,235,519	2,425,633	55,661,152
Merchant banking account liabilities	-	-	3,667,273	3,667,273
Others	-	-	33,597,279	33,597,279
Total	-	123,536,100	368,341,827	491,877,927

Details of fair value, valuation technique, and inputs used to develop those measurements classified into Level 2 assets and liabilities that are not measured at fair value as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Fair value	Valuation method	Input variables
Financial assets:			
Cash and due from banks	32,597,073	DCF model, etc	Discount rate, credit and other spread, etc.
Securities measured at amortized cost	32,406,443	DCF model, etc	Discount rate
Total	65,003,516		
Financial liabilities:			
Deposits	47,546,376	DCF model, etc	Discount rate
Borrowings	20,079,073	DCF model, etc	Discount rate and other spread

Classification	Fair value	Valuation method	Input variables
Debentures	56,344,692	DCF model, etc	Discount rate, other spread and rate of inherent bankruptcy
Total	123,970,141		

<December 31, 2022>

(Korean won in millions)

Classification	Fair value	Valuation method	Input variables
Financial assets:			
Cash and due from banks	43,913,244	DCF model, etc	Discount rate, credit and other spread, etc.
Securities measured at amortized cost	32,416,515	DCF model, etc	Discount rate
Total	76,329,759		
Financial liabilities:			
Deposits	55,701,960	DCF model, etc	Discount rate
Borrowings	14,598,621	DCF model, etc	Discount rate and other spread
Debentures	53,235,519	DCF model, etc	Discount rate, other spread and rate of inherent bankruptcy
Total	123,536,100		

Fair value, valuation method and input variables of financial instruments disclosed as fair value though it cannot be measured as fair value and the fair value hierarchy Level 3 as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Fair value	Valuation method	Input variables
Financial assets :			

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Fair value	Valuation method	Input variables
Loans measured at amortized cost	381,236,473	DCF model etc.	Credit and other spread, other spread, rate of advanced redemption, etc..
Others	21,338,756	DCF model etc.	Discount rate, etc.
Total	402,575,229		
Financial liabilities :			
Deposits	324,303,017	DCF model etc.	Other spread, rate of advanced redemption, etc.
Borrowings	22,874,260	DCF model etc.	Other spread
Debentures	2,081,831	DCF model etc.	Other spread and rate of inherent bankruptcy
Merchant banking account liabilities	4,154,697	(*)	
Others	42,430,007	DCF model etc.	Discount rate, etc.
Total	395,843,812		

(*) The carrying amount is considered fair value without applying the DCF method because it is derived from various transactions and has a relatively short or no maturity

<December 31, 2022>

(Korean won in millions)

Classification	Fair value	Valuation method	Input variables
Financial assets :			
Securities measured at amortized cost	100,000	DCF model etc.	Discount rate, etc.
Loans measured at amortized cost	358,048,446	DCF model etc.	Credit and other spread, rate of advanced redemption and discount rate, etc.
Others	14,611,998	DCF model etc.	Discount rate, etc.
Total	372,760,444		
Financial liabilities :			
Deposits		DCF model etc.	Other spread, rate of advanced redemption, and discount rate
Borrowings	306,521,168	DCF model etc.	Other spread and discount rate
Debentures	22,130,474	DCF model etc.	Other spread, rate of inherent bankruptcy, Discount rate, etc.
Merchant banking account liabilities	2,425,633	(*)	
Others	3,667,273	DCF model etc.	Discount rate, etc.
Total	33,597,279		
	368,341,827		

(*) The carrying amount is considered fair value without applying the DCF method because it is derived from various transactions and has a relatively short or no maturity

5-7 Deferred Day 1 loss

Changes in deferred Day 1 loss for the years ended December 31, 2023 and 2022 are summarized as follows (Korean won in millions):

Classification	2023	2022
Beginning balance	(131,484)	(113,997)
Increase	(133,653)	(102,770)
Profit or loss	158,231	85,283
Ending balance	(106,906)	(131,484)

5-8 Financial instruments transfer transaction

The Group has bonds sold under repurchase agreements and securities. In such transactions, financial assets were transferred but the derecognition conditions were not met; so, the entire transferred assets are continuously recognized in the Group's consolidated statement of financial position. In the case of bonds sold under repurchase agreements, it is sold on the condition that it will be repurchased at a fixed price, and when the Group lends securities held by the Group, ownership of the securities is transferred, but the securities are returned at the end of the rental period, so they retain most of the risks and rewards of ownership.

Transferred financial assets and related liabilities not eliminated as a whole as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

<December 31, 2023>

Classification	Book value	Fair value
Assets:		
Financial assets measured at FVTPL (*)	10,827,620	10,827,620
Financial assets measured at FVOCI (*)	3,469,417	3,469,417
Securities measured at amortized cost (*)	996,003	958,624
Liabilities:		
Securities sold under repurchase agreements	13,697,630	13,676,364

(*) The leased financial assets at FVTPL and FVOCI and leased securities measured at amortized cost, of which related liabilities are not recognized, amounting to ₩9,936 million, ₩1,051,270 million and ₩194,312 million, respectively, as of December 31, 2023, are included.

<December 31, 2022>

Classification	Book value	Fair value
Assets:		
Financial assets measured at FVTPL (*)	7,588,843	7,588,843
Financial assets measured at FVOCI (*)	3,151,670	3,151,670
Securities measured at amortized cost (*)	900,453	839,133
Liabilities:		
Securities sold under repurchase agreements	8,346,645	8,321,139

(*) The leased financial assets at FVTPL and FVOCI and leased securities measured at amortized cost, of which related liabilities are not recognized, amounting to ₩412,492 million, ₩1,925,345 million and ₩416,386 million, respectively, as of December 31, 2022, are included.

Transferred financial assets(without deducting allowance for loan losses) and related liabilities not eliminated related to asset securitization as a whole as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Assets:		

Classification	December 31, 2023	December 31, 2022
Financial assets measured at FVTPL	40,000	20,000
Loans measured at amortized cost	2,482,508	1,291,332
Total	2,522,508	1,311,332
Liabilities:		
Securitized borrowings	2,537,828	1,321,944

6. Fair value of financial instruments:

Details of carrying amount and fair value of financial instruments as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	December 31, 2023		December 31, 2022	
	Book value	Fair value	Book value	Fair value
Financial assets:				
Cash and due from banks	34,480,458	34,480,458	45,840,351	45,840,351
Financial assets measured at FVTPL	54,605,832	54,605,832	52,374,699	52,374,699
Financial assets measured at FVOCI	44,313,496	44,313,496	37,779,945	37,779,945
Securities measured at amortized cost	36,480,396	35,611,714	38,928,911	36,819,226
Loans measured at amortized cost	381,410,658	381,236,473	361,495,530	358,048,446
Derivative assets used for hedging	9,678	9,678	32,312	32,312
Merchant banking account asset	4,637,824	4,637,824	4,631,361	4,631,361
Others	21,338,475	21,338,756	14,612,349	14,611,998
Total	577,276,817	576,234,231	555,695,458	550,138,338
Financial liabilities:				
Financial liabilities measured at FVTPL	10,013,484	10,013,484	15,303,050	15,303,050
Financial liabilities designated as measured at FVTPL	11,585,718	11,585,718	12,717,508	12,717,508
Deposits	371,866,240	371,849,393	362,575,964	362,223,128
Borrowings	43,590,349	42,953,333	37,087,312	36,729,095
Debentures	58,702,329	58,426,523	56,673,832	55,661,152
Derivative liabilities used for hedging	432,303	432,303	546,408	546,408
Merchant banking account liabilities	4,154,697	4,154,697	3,667,273	3,667,273
Others	42,409,494	42,430,007	33,568,102	33,597,279
Total	542,754,614	541,845,458	522,139,449	520,444,893

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

The following standards are applied in measuring the fair value of financial instruments

- a. Loans measured at amortized cost : Expected cash flows, current market interest rates and discount rates including borrowers' credit risks are factors to calculate the fair value of loans. For lines of credit available for deposit and withdrawal from time to time and loans that have a short-term maturity (less than three months), it is assumed that the carrying amounts approximate to their fair value.
- b. Financial investment assets: The fair value of securities measured at amortized cost are as stated by the market or broker or by credible sources. If none of the information from these entities is usable, quoted market price of financial instruments with similar credit rating, maturity and return on income is used to estimate the fair value.
- c. Deposits: For deposits without an explicit maturity period, including deposits with no interests, deposits that have a short-term maturity (less than three months) and deposits with a floating-rate readjustment period of less than three months, it is assumed that the carrying amounts approximate their fair value. The estimated fair value of fixed interest bearing deposits is based on DCFs using prevailing money market interest rates for debts with similar credit risk and maturity.
- d. Borrowings: For borrowings that have a short-term maturity (less than three months) and borrowings with floating-rate readjustment period of less than three months, it is assumed that the carrying amounts approximate to their fair value. The estimated fair value of fixed-interest-bearing borrowings is based on and DCFs using prevailing money market interest rates for debts with similar credit risk and maturity.
- e. Debentures: For quoted debt issued, the fair values are determined based on

quoted market prices. For those notes issued where quoted market prices are not available, a DCF model is used based on a current interest rate yield curve appropriate for the remaining term to maturity and credit spreads.

7. Categories of financial assets and financial liabilities:

Categories of financial assets and financial liabilities as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	Derivatives for hedging	Total
Financial assets					
Cash and due from banks	-	-	34,480,458	-	34,480,458
Financial assets measured at FVTPL	54,605,832	-	-	-	54,605,832
Financial assets measured at FVOCI	-	44,313,496	-	-	44,313,496
Securities measured at amortized cost	-	-	36,480,396	-	36,480,396
Loans measured at amortized cost	-	-	381,410,658	-	381,410,658
Derivative assets used for hedging	-	-	-	9,678	9,678
Merchant banking account asset	4,637,824	-	-	-	4,637,824
Others	-	-	21,338,475	-	21,338,475
Total	59,243,656	44,313,496	473,709,967	9,678	577,276,817

Classification	Financial liabilities measured at FVTPL	Financial liabilities designated as measured at FVTPL	Financial liabilities measured at amortized cost	Derivatives for hedging	Total
Financial liabilities					
Financial liabilities measured at FVTPL	10,013,484	-	-	-	10,013,484
Financial liabilities designated as measured at FVTPL	-	11,585,718	-	-	11,585,718
Deposits	-	-	371,866,240	-	371,866,240
Borrowings	-	-	43,590,349	-	43,590,349
Debentures	-	-	58,702,329	-	58,702,329
Derivative liabilities used for hedging	-	-	-	432,303	432,303
Merchant banking account liabilities	-	-	4,154,697	-	4,154,697
Others	-	-	42,409,494	-	42,409,494
Total	10,013,484	11,585,718	520,723,109	432,303	542,754,614

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

<December 31, 2022>

(Korean won in millions)

Classification	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	Derivatives for hedging	Total
Financial assets					
Cash and due from banks	-	-	45,840,351	-	45,840,351
Financial assets measured at FVTPL	52,374,699	-	-	-	52,374,699
Financial assets measured at FVOCI	-	37,779,945	-	-	37,779,945
Securities measured at amortized cost	-	-	38,928,911	-	38,928,911
Loans measured at amortized cost	-	-	361,495,530	-	361,495,530
Derivative assets used for hedging	-	-	-	32,312	32,312
Merchant banking account asset	4,631,361	-	-	-	4,631,361
Others	-	-	14,612,349	-	14,612,349
Total	57,006,060	37,779,945	460,877,141	32,312	555,695,458

Classification	Financial liabilities measured at FVTPL	Financial liabilities designated as measured at FVTPL	Financial liabilities measured at amortized cost	Derivatives for hedging	Total
Financial liabilities					
Financial liabilities measured at FVTPL	15,303,050	-	-	-	15,303,050
Financial liabilities designated as measured at FVTPL	-	12,717,508	-	-	12,717,508
Deposits	-	-	362,575,964	-	362,575,964
Borrowings	-	-	37,087,312	-	37,087,312
Debentures	-	-	56,673,832	-	56,673,832
Derivative liabilities used for hedging	-	-	-	546,408	546,408
Merchant banking account liabilities	-	-	3,667,273	-	3,667,273
Others	-	-	33,568,102	-	33,568,102
Total	15,303,050	12,717,508	493,572,483	546,408	522,139,449

8. Offsetting financial assets and liabilities:

The Group engages in master netting arrangement contracts with counterparties through International Derivatives Swaps and Dealers Association or similar agreements in relation to over-the-counter ("OTC") derivatives and spot exchange transactions. Under this agreement, in the event of a credit case, such as the counterparty's bankruptcy, the transaction with the counterparty will be terminated, and at the time of termination, the amount paid or received by each party is offset and paid or received. Bonds purchased under resale agreements and securities loan transaction has been made offsetting arrangement that is similar derivatives offsetting arrangement.

In the case of unpaid domestic exchange bonds and unpaid domestic exchange obligations that deal with bonds and debts arising from domestic exchange transactions between banks, the Group holds the right to netting and pays in a net amount, it is displayed in the condensed interim consolidated statement of financial position based on the amount after offsetting. Other financial instruments include bonds and debts related to securities traded in the market and are marked in the condensed interim consolidated statements of financial position based on the amount after netting as they hold legal offsetting rights and pay in net amounts.

8-1 Details of financial assets subject to offsetting, enforceable master netting arrangements and similar agreements as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset	Net amounts of financial assets presented in the consolidated financial statements	Related amounts not off set in the consolidated statement of financial position (*1)		Net amount
				Financial instruments	Cash collateral	
Derivatives	7,882,229	-	7,882,229			
Derivative-linked securities	964,172	-	964,172	(6,574,485)	(363,749)	1,908,167
Securities lending	1,255,517	-	1,255,517	(1,249,663)	-	5,854
Bonds purchased under resale agreement	14,594,130	-	14,594,130	(14,592,531)	-	1,599
Unsettled spot exchanges	12,379,148	-	12,379,148	(12,372,328)	-	6,820
Domestic exchange settlement debts	40,957,604	(36,729,023)	4,228,581	-	-	4,228,581
Other accounts receivable (*2)	764,691	(371,205)	393,486	-	-	393,486
Total	78,797,491	(37,100,228)	41,697,263	(34,789,007)	(363,749)	6,544,507

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

<December 31, 2022>

(Korean won in millions)

Classification	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset	Net amounts of financial assets presented in the consolidated financial statements	Related amounts not off set in the consolidated statement of financial position (*1)		Net amount
				Financial instruments	Cash collateral	
Derivatives	12,482,455	-	12,482,455	(10,329,187)	(1,493,553)	958,292
Derivative-linked securities	298,577	-	298,577			
Securities lending	2,754,223	-	2,754,223	(2,754,223)		-
Bonds purchased under resale agreement	12,306,702	-	12,306,702	(12,306,702)		-
Unsettled spot exchanges	5,982,300	-	5,982,300	(5,980,820)		1,480
Domestic exchange settlement debts	40,695,225	(36,454,614)	4,240,611			4,240,611
Other accounts receivable (*2)	727,613	(343,889)	383,724			383,724
Total	75,247,095	(36,798,503)	38,448,592	(31,370,932)	(1,493,553)	5,584,107

(*1) The rights to offset exist only in case of default, insolvency or bankruptcy. Accordingly, the amounts are not offset in the consolidated statement of financial position as they do not meet the criteria for offsetting.

(*2) It includes accounts receivable on the KRX related to brokerage trading and proprietary trading transactions

8-2 Details of financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset	Net amounts of financial liabilities presented in the consolidated financial statements	Related amounts not off set in the consolidated statement of financial position(*1)		Net amount
				Financial instruments recognized in the consolidated financial statements	Financial collateral	
Derivatives	8,902,161	-	8,902,161	(8,379,335)	(253,151)	1,665,237
Derivatives linked securities sold	1,365,562	-	1,365,562			
Bonds sold under repurchase agreements	13,697,630	-	13,697,630	(13,204,430)		493,200
Unsettled spot exchanges	12,380,683	-	12,380,683	(12,372,311)		8,372
Domestic exchange settlement credit	43,810,019	(36,729,023)	7,080,996			7,080,996
Other accounts payable (*2)	764,769	(371,205)	393,564			393,564
Securities sold	1,391,476	-	1,391,476	(1,391,476)		-
Total	82,342,300	(37,100,228)	45,242,072	(36,347,552)	(253,151)	9,641,369

(*1) The rights to offset exist only in case of default, insolvency or bankruptcy. Accordingly, the amounts are not offset in the consolidated statement of financial position as they do not meet the criteria for offsetting.

(*2) It includes accounts payable on the KRX related to brokerage trading and proprietary trading transactions

<December 31, 2022>

(Korean won in millions)

Classification	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset	Net amounts of financial liabilities presented in the consolidated financial statements	Related amounts not off set in the consolidated statement of financial position(*1)		Net amount
				Financial instruments recognized in the consolidated financial statements	Financial collateral	
Derivatives	14,275,835	-	14,275,835	(12,671,751)	(70,522)	2,674,431
Derivatives linked securities sold	1,140,869	-	1,140,869			
Bonds sold under repurchase agreements	8,346,645	-	8,346,645	(8,346,645)		-
Unsettled spot exchanges	5,982,363	-	5,982,363	(5,980,880)		1,483
Domestic exchange settlement credit	41,967,417	(36,454,614)	5,512,803			5,512,803
Other accounts payable(*2)	717,547	(343,889)	373,658			373,658
Securities sold	1,054,974	-	1,054,974	(1,054,974)		-
Total	73,485,650	(36,798,503)	36,687,147	(28,054,250)	(70,522)	8,562,375

(*1) The rights to offset exist only in case of default, insolvency or bankruptcy.

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements**

Accordingly, the amounts are not offset in the consolidated statement of financial position as they do not meet the criteria for offsetting.

(*2) It includes accounts payable on the KRX related to brokerage trading and proprietary trading transactions

9. Risk management:

The Group is exposed to credit risk, liquidity risk, market risk and operational risk of its financial instruments. Risk management is a basic activity to use the Group's limited capital effectively under the rapidly changing financial circumstances. The ultimate goal of risk management is to maximize the Group's shareholder value with minimizing the sudden fluctuation of its income through a proper balance between risks and returns.

To keep the consistent risk management on a group-level basis, the Group establishes and manages the group risk management policies, and each of its subsidiaries also establishes its own risk management systems and policies suitable for the subsidiaries' industry through the risk committees and working-level councils under the group risk management policies. The Group identifies improvements by diagnosing the subsidiaries' risk management performance, if necessary, and continuously enforces the subsidiaries' risk management activities to make them reflect the improvements.

The group risk management committee is a top decision-making organization of the group risk management and has responsibilities to establish and monitor risk management strategies and policies, allowable risk limits and investment limits and capital allocation, which are required to be managed on a group-level basis. The subsidiaries' risk management committees (or board of directors) are responsible for its own risk management strategies, policies and monitoring. If necessary, the group risk management committee or group risk management execution committee can apply separate risk management standards considering

distinct characteristics of each subsidiary.

9-1 Credit risk

9-1-1 Credit risk management

Credit risk is the risk that the Group will incur a loss because its customers' or counterparties' credit rating goes down or fail to discharge their contractual obligations. Credit risk is the highest risk exposed to the Group. Credit risk arises from on-balance and off-balance accounts, including loans, financial guarantees, securities and derivatives. The purpose of managing credit risk is to control the relevant losses upon counterparties' default, for a certain period, within the allowable range.

The Company's group risk management committee and group risk management execution committee examine its credit risk on a regular basis. The Group continuously monitors whether credit limits set for each individual, corporation, borrower, subsidiary and major shareholder are compiled and reviews the subsidiaries' asset quality. The Group also checks the status of change of risk exposure, residual limit, profitability, delinquency rate, and change of loan loss provision, etc., at least on a quarterly basis.

The Group classifies expected credit loss ("ECL") and unexpected credit loss when calculating the credit risk. ECL is calculated using exposure at default, probability of default ("PD") estimated based on historical default rate of the Group's borrowers, and loss given default estimated based on historical collection rate of the Group. ECL is reflected on the interest rates on new or rolled over loans and allowance on loans. The unexpected credit loss, which reflects a potential volatility between ECL and actual loss, is estimated the amounts of credit risk loss of a portfolio using statistical models and is used for the Group's internal management purpose.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

9-1-2 Degree of exposure to credit risk

The maximum exposure to credit risk as of December 31, 2023 and 2022, is as follows. The following table shows the maximum exposure to credit risk for the items in the consolidated statement of financial position, including derivatives, by geography of counterparty and by industry before the effect of mitigation through the use of master netting and collateral agreements. Equity securities in financial assets measured at FVTPL and financial assets held for trading and financial assets measured at FVOCI are excluded (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
On-consolidated statement of financial position items:		
Due from banks	32,737,557	43,935,440
Financial assets measured at FVTPL		
Debt securities	41,393,658	34,852,388
Derivative assets held for trading	7,881,170	12,633,226
Loans	1,306,157	1,227,865
Others	1,766,432	1,383,000
Subtotal	52,347,417	50,096,479
Financial assets measured at FVOCI	43,354,161	36,689,040
Securities measured at amortized cost	36,480,396	38,928,911
Derivative assets used for hedging	9,678	32,312
Loans measured at amortized cost	381,410,658	361,495,530
Merchant banking account asset	4,637,824	4,631,361
Others	21,338,475	14,612,349
Total	572,316,166	550,421,422
Off-consolidated statement of financial position items:		
Financial guarantee contracts	1,190,971	1,313,320
Guarantee contracts	23,467,389	20,566,305
Commitment	145,139,953	133,169,836
Commitment to merchant banking account	770,000	620,000

Classification	December 31, 2023	December 31, 2022
Total	170,568,313	155,669,461

9-1-3 Collateral management and credit risk mitigation

Details of collateral management and credit risk mitigation as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Impaired loan		Total
	Individual assessment	Collective assessment	
Guarantees	16,627	330,995	347,622
Deposit	–	18,575	18,575
Real estate	318,347	357,898	676,245
Securities	–	1	1
Movables and others	5,847	26,789	32,636
Total	340,821	734,258	1,075,079

<December 31, 2022>

(Korean won in millions)

Classification	Impaired loan		Total
	Individual assessment	Collective assessment	
Guarantees	13,949	178,192	192,141
Deposit	92	11,936	12,028
Real estate	191,261	226,932	418,193
Movables and others	8,694	6,022	14,716
Total	213,996	423,082	637,078

9-1-3-1 As of December 31, 2023 and 2022, financial assets that have collateral and do not recognize a loss allowance are ₩1,135,587 million and ₩1,302,377 million, respectively.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

9-1-4 Credit risk exposure

9-1-4-1 Loans

As of December 31, 2023 and 2022, carrying amounts of debt securities by internal credit rating in accordance with the loss allowance measurement method are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	12-month ECL	Lifetime ECL		Subject to the application of credit-impaired approach (*1)	Total
		Non-credit-impaired loan	Credit-impaired loans		
Household loans					
Grade 1	96,841,044	15,177,150	-	-	112,018,194
Grade 2	16,745,987	7,382,619	-	-	24,128,606
Grade 3	228,331	593,440	595,038	-	1,416,809
Unrated (*2)	2,546,883	-	1,900	-	2,548,783
Subtotal	116,362,245	23,153,209	596,938	-	140,112,392
Corporate loans					
Grade 1	131,009,543	4,038,651	-	-	135,048,194
Grade 2	75,641,950	14,528,336	-	-	90,170,286
Grade 3	1,086,587	4,315,311	1,200,352	1,871,878	8,474,128
Unrated (*2)	223,979	-	-	-	223,979
Subtotal	207,962,059	22,882,298	1,200,352	1,871,878	233,916,587
Credit card loans					
Grade 1	4,984,996	108,353	-	-	5,093,349
Grade 2	4,165,436	336,292	-	-	4,501,728
Grade 3	99	105,103	281,384	-	386,586
Subtotal	9,150,531	549,748	281,384	-	9,981,663
Total	333,474,835	46,585,255	2,078,674	1,871,878	384,010,642

(*1) The Group applies the credit-impaired approach to the underlying assets subject to securitization (purchased NPL assets).

(*2) The amounts of items that are internally unrated.

<December 31, 2022>

(Korean won in millions)

Classification	12-month ECL	Lifetime ECL		Subject to the application of credit-impaired approach (*1)	Total
		Non credit-impaired loan	Credit-impaired loans		
Household loans					
Grade 1	104,619,219	18,497,592	-	-	123,116,811
Grade 2	8,356,443	6,312,502	-	-	14,668,945
Grade 3	181,229	284,158	453,355	-	918,742
Unrated (*2)	1,841,521	1,045	1,751	-	1,844,317
Subtotal	114,998,412	25,095,297	455,106	-	140,548,815
Corporate loans					
Grade 1	130,150,659	3,297,413	-	-	133,448,072
Grade 2	63,428,868	11,109,167	3,258	-	74,541,293
Grade 3	386,230	3,405,512	769,750	968,506	5,529,998
Unrated (*2)	178,288	14,000	-	-	192,288
Subtotal	194,144,045	17,826,092	773,008	968,506	213,711,651
Credit card loans					
Grade 1	4,076,150	94,698	-	-	4,170,848
Grade 2	4,474,393	382,703	-	-	4,857,096
Grade 3	7,731	72,966	155,329	-	236,026
Subtotal	8,558,274	550,367	155,329	-	9,263,970
Total	317,700,731	43,471,756	1,383,443	968,506	363,524,436

(*1) The Group applies the credit-impaired approach to the underlying assets subject to securitization (purchased NPL assets).

(*2) The amounts of items that are internally unrated.

The above book amount does not reflect the loan origination deferred asset, provision for loss and present value discount.

The credit rating classification of the loans for the years ended December 31, 2023 and 2022, is as follows:

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

<December 31, 2023>

Classification	Household loans	Corporate loans	Small office home office ("SOHO")
Grade 1	Less or equal to 0.66% of PD	Less or equal to 1.18% of PD	Less or equal to 7.25% of PD
Grade 2	From 0.66% to 30.53% of PD	From 1.18% to 13.87% of PD	From 7.25% to 41.35% of PD
Grade 3	From 30.53% to 100% of PD	From 13.87% to 100% of PD	From 41.35% to 100% of PD

<December 31, 2022>

Classification	Household loans	Corporate loans	SOHO
Grade 1	Less or equal to 0.49% of PD	Less or equal to 0.58% of PD	Less or equal to 2.85% of PD
Grade 2	From 0.49% to 24.93% of PD	From 0.58% to 12.83% of PD	From 2.85% to 27.43% of PD
Grade 3	From 24.93% to 100% of PD	From 12.83% to 100% of PD	From 27.43% to 100% of PD

9-1-4-2 Off-consolidated statement of financial position items

As of December 31, 2023 and 2022, exposures of off-balance-sheet items by internal credit rating in accordance with the loss allowance measurement method are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	12-month ECL	Lifetime ECL		Total
		Non-credit-impaired loan	Credit-impaired loans	
Financial guarantee contracts				
Grade 1	651,560	63,332	-	714,892
Grade 2	437,758	26,230	-	464,048
Grade 3	11,746	285	-	12,031
Subtotal	1,101,064	89,907	-	1,190,971
Guarantee contracts				
Grade 1	16,861,342	1,584,647	-	18,445,989

Classification	12-month ECL	Lifetime ECL		Total
		Non-credit-impaired loan	Credit-impaired loans	
Grade 2	3,627,124	714,993	-	4,342,117
Grade 3	187,867	450,006	41,410	679,283
Subtotal	20,676,333	2,749,646	41,410	23,467,389
Commitment				
Grade 1	118,598,720	4,225,856	-	122,824,576
Grade 2	17,623,421	3,806,252	-	21,429,673
Grade 3	229,481	503,012	55,535	788,028
Unrated (*)	97,676	-	-	97,676
Subtotal	136,549,298	8,535,120	55,535	145,139,953
Commitment to merchant banking account				
Grade 1	770,000	-	-	770,000
Grade 2	-	-	-	-
Grade 3	-	-	-	-
Subtotal	770,000	-	-	770,000
Total	159,096,695	11,374,673	96,945	170,568,313

(*) The amount for the borrower whose rating is not calculated internally.

<December 31, 2022>

(Korean won in millions)

Classification	12-month ECL	Lifetime ECL		Total
		Non-credit-impaired loan	Credit-impaired loans	
Financial guarantee contracts				
Grade 1	1,138,318	60,616	-	1,198,934
Grade 2	78,156	22,248	-	100,404
Grade 3	8,908	5,070	4	13,982
Subtotal	1,225,382	87,934	4	1,313,320
Guarantee contracts				
Grade 1	16,243,568	579,746	-	16,823,314
Grade 2	2,956,691	404,440	-	3,361,131
Grade 3	9	359,681	22,170	381,860
Subtotal	19,200,268	1,343,867	22,170	20,566,305
Commitment				
Grade 1	108,746,430	5,434,384	-	114,180,814
Grade 2	15,770,927	2,764,896	-	18,535,823
Grade 3	6,163	286,664	39,600	332,427
Unrated (*)	120,773	-	-	120,773
Subtotal	124,644,293	8,485,944	39,600	133,169,837

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

Classification	12-month ECL	Lifetime ECL		Total
		Non-credit-impaired loan	Credit-impaired loans	
Commitment to merchant banking account				
Grade 1	620,000	-	-	620,000
Grade 2	-	-	-	-
Grade 3	-	-	-	-
Subtotal	620,000	-	-	620,000
Total	145,689,943	9,917,745	61,774	155,669,462

(*) The amount for the borrower whose rating is not calculated internally.

The credit rating classification of the off-consolidated statement of financial position items as of December 31, 2023 and 2022, is as follows:

<December 31, 2023>

Classification	Household loans	Corporate loans	Small office home office ("SOHO")
Grade 1	Less or equal to 0.66% of PD	Less or equal to 1.18% of PD	Less or equal to 7.25% of PD
Grade 2	From 0.66% to 30.53% of PD	From 1.18% to 13.87% of PD	From 7.25% to 41.35% of PD
Grade 3	From 30.53% to 100% of PD	From 13.87% to 100% of PD	From 41.35% to 100% of PD

<December 31, 2022>

Classification	Household loans	Corporate loans	SOHO
Grade 1	Less or equal to 0.49% of PD	Less or equal to 0.58% of PD	Less or equal to 2.85% of PD
Grade 2	From 0.49% to 24.93% of PD	From 0.58% to 12.83% of PD	From 2.85% to 27.43% of PD
Grade 3	From 24.93% to 100% of PD	From 12.83% to 100% of PD	From 27.43% to 100% of PD

9-1-5 Internal credit rating of debt securities

9-1-5-1 As of December 31, 2023 and 2022, the carrying amounts of debt securities by internal credit rating in accordance with the loss allowance measurement method are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	12-month ECL	Lifetime ECL		Total
		Non-credit-impaired loan	Credit-impaired loans	
Financial assets measured at FVOCI				
Grade 1	43,344,122	-	-	43,344,122
Grade 2	10,039	-	-	10,039
Subtotal	43,354,161	-	-	43,354,161
Financial assets measured at amortized cost				
Grade 1	36,342,591	-	-	36,342,591
Grade 2	93,080	-	-	93,080
Grade 3	-	24,425	-	24,425
Unrated	40,000	-	-	40,000
Subtotal	36,475,671	24,425	-	36,500,096
Total	79,829,832	24,425	-	79,854,257

<December 31, 2022>

(Korean won in millions)

Classification	12-month ECL	Lifetime ECL		Total
		Non-credit-impaired loan	Credit-impaired loans	
Financial assets measured at FVOCI				
Grade 1	36,674,301	-	-	36,674,301
Grade 2	14,739	-	-	14,739
Subtotal	36,689,040	-	-	36,689,040
Financial assets measured at amortized cost				
Grade 1	38,848,534	-	-	38,848,534

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	12-month ECL	Lifetime ECL		Total
		Non-credit-impaired loan	Credit-impaired loans	
Grade 2	71,783	-	-	71,783
Grade 3	-	24,507	67,336	91,843
Subtotal	38,920,317	24,507	67,336	39,012,160
Total	75,609,357	24,507	67,336	75,701,200

The credit ratings of debt securities based on the internal rating used by Hana Bank and credit ratings by external credit rating agencies are as follows:

Classification	Internal credit rating (Corporate)	Domestic rating agencies	Overseas rating agencies	
			Moody's	Fitch
Grade 1	A1 - A7	AAA - BBB	Aaa - Ba2	AAA - BB
Grade 2	B1 - B6	BBB- - BB-	Ba3 - B3	BB- - B-
Grade 3	C1 - C3	B+ - CCC	Caa1 - C	CCC+ - C

9-1-6 Credit risk concentration

9-1-6-1 Credit risk concentration in each major industry as of December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	Industry	December 31, 2023		December 31, 2022	
		Amounts	Ratio(%)	Amounts	Ratio(%)
On-consolidated statement of financial position items:					
Due from banks	Financial services	32,737,557	100.0	43,935,440	100.0
Financial assets measured at FVTPL	Financial services	30,482,699	58.2	32,045,115	64.0
	Manufacturing	2,238,752	4.3	2,669,343	5.3
	Public administration	11,854,081	22.6	6,970,203	13.9
	Construction	42,540	0.1	175,720	0.4
	Wholesale and retail	328,218	0.6	341,340	0.7
	Others	7,401,127	14.2	7,894,758	15.7
	Subtotal	52,347,417	100.0	50,096,479	100.0
Financial assets measured at FVOCI	Financial services	22,168,054	51.1	17,712,016	48.3
	Manufacturing	589,551	1.4	311,950	0.9
	Public administration	15,199,456	35.1	15,061,368	41.1
	Construction	60,856	0.1	66,962	0.2
	Wholesale and retail	110,495	0.3	126,301	0.3

Classification	Industry	December 31, 2023		December 31, 2022		
		Amounts	Ratio(%)	Amounts	Ratio(%)	
	Others	5,225,749	12.0	3,410,443	9.2	
	Subtotal	43,354,161	100.0	36,689,040	100.0	
Securities measured at amortized cost	Financial services	19,278,461	52.8	19,546,733	50.2	
	Manufacturing	202,760	0.6	248,479	0.6	
	Public administration	8,891,981	24.4	10,464,619	26.9	
	Construction	7,270	0.0	83,495	0.2	
	Wholesale and retail	40,000	0.1	40,000	0.1	
	Others	8,079,624	22.2	8,628,834	22.2	
		Subtotal	36,500,096	100.1	39,012,160	100.2
		Allowance for credit loss	(19,700)	(0.1)	(83,249)	(0.2)
		Total	36,480,396	100.0	38,928,911	100.0
Derivative assets used for hedging	Financial services	9,678	100.0	32,312	100.0	
Loans measured at amortized cost	Household loans	140,112,392	36.7	140,548,815	38.9	
	Credit card loans	9,981,663	2.6	9,263,970	2.6	
	Corporate loans					
	Manufacturing	55,779,904	14.6	51,878,007	14.4	
	Construction	7,096,912	1.9	5,884,228	1.6	
	Wholesale and retail	25,981,326	6.8	24,367,647	6.7	
	Financial services	30,364,526	8.0	25,897,193	7.2	
	Real estate rental	52,279,888	13.7	46,944,536	13.0	
	Others	62,414,031	16.4	58,740,040	16.2	
		Subtotal	384,010,642	100.7	363,524,436	100.6
		Deferred loan fees	425,823	0.1	410,138	0.1
		Present value discount	(9,087)	(0.0)	(18,865)	-
		Expected credit loss allowance	(3,016,720)	(0.8)	(2,420,179)	(0.7)
		Subtotal	(2,599,984)	(0.7)	(2,028,906)	(0.6)
	Total	381,410,658	100.0	361,495,530	100.0	
Merchant banking account	Financial services	328,296	7.1	817,368	17.6	
	Real estate rental	1,562,989	33.7	1,007,544	21.8	
	Others	2,746,537	59.2	2,806,449	60.6	
	Subtotal	4,637,824	100.0	4,631,361	100.0	
Total		550,977,691		535,809,073		
Off-consolidated statement of financial position items:						
Financial guarantee contracts	Manufacturing	158,959	13.3	219,522	16.7	
	Construction	9,718	0.8	6,643	0.5	
	Wholesale and retail	73,629	6.2	58,813	4.5	
	Financial services	682,950	57.3	695,034	52.9	
	Real estate rental	35,563	3.0	54,214	4.1	
	Others	230,152	19.4	279,094	21.3	

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Industry	December 31, 2023		December 31, 2022	
		Amounts	Ratio(%)	Amounts	Ratio(%)
	Subtotal	1,190,971	100.0	1,313,320	100.0
Guarantee contracts	Household loans	281,636	1.2	353,026	1.7
	Manufacturing	13,478,737	57.4	11,165,598	54.3
	Construction	1,495,516	6.4	1,600,908	7.8
	Wholesale and retail	3,846,168	16.4	3,664,550	17.8
	Financial services	1,970,664	8.4	2,154,942	10.5
	Real estate rental	190,164	0.8	168,777	0.8
	Others	2,204,504	9.4	1,458,504	7.1
	Subtotal	23,467,389	100.0	20,566,305	100.0
Commitment	Household loans	61,479,960	42.4	56,430,947	42.4
	Manufacturing	33,822,774	23.3	30,606,423	23.0
	Construction	2,550,377	1.8	2,269,858	1.7
	Wholesale and retail	10,829,466	7.5	9,994,085	7.5
	Financial services	11,556,311	8.0	9,839,807	7.4
	Real estate rental	5,792,654	4.0	4,707,251	3.5
	Others	19,108,411	13.0	19,321,465	14.5
	Subtotal	145,139,953	100.0	133,169,836	100.0
Merchant banking account	Financial services	460,000	59.7	310,000	50.0
	Manufacturing	50,000	6.5	50,000	8.1
	Wholesale and retail	110,000	14.3	110,000	17.7
	Real estate rental	100,000	13.0	100,000	16.1
	Others	50,000	6.5	50,000	8.1
		Subtotal	770,000	100.0	620,000
Total		170,568,313		155,669,461	

9-1-6-2 Credit risk concentration in each country as of December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	Country	December 31, 2023		December 31, 2022		
		Amounts	Ratio(%)	Amounts	Ratio(%)	
On-consolidated statement of financial position items:						
Due from banks	Korea	21,284,991	65.0	29,282,527	66.6	
	United States	4,630,384	14.1	7,384,384	16.8	
	China	884,008	2.7	1,203,980	2.7	
	Japan	2,163,587	6.6	1,006,988	2.3	
	Singapore	73,135	0.2	96,289	0.2	
	Hong Kong	119,241	0.4	165,821	0.4	
	United Kingdom	-	-	67,588	0.2	
	Others	3,582,211	11.0	4,727,863	10.8	
		Subtotal	32,737,557	100.0	43,935,440	100.0
Financial assets measured at FVTPL (+)	Korea	46,266,812	88.4	43,118,405	86.1	
	United States	1,852,484	3.5	1,804,647	3.6	
	China	88,905	0.2	702,071	1.4	
	Japan	136,574	0.3	97,027	0.2	
	Singapore	10,857	0.0	13,404	-	
	Hong Kong	4,173	0.0	73,318	0.1	
	United Kingdom	159,326	0.3	276,302	0.6	
	Switzerland	751,557	1.4	-	-	
	Others	3,076,729	5.9	4,011,305	8.0	
		Subtotal	52,347,417	100.0	50,096,479	100.0
	Financial assets measured at FVOCI	Korea	37,173,403	85.7	31,779,657	86.6
		United States	1,679,836	3.9	861,451	2.3
		China	1,626,027	3.8	1,977,918	5.4
Hong Kong		136,525	0.3	79,518	0.2	
France		6,266	0.0	55,351	0.2	
Switzerland		16,979	0.0	13,139	-	
Others		2,715,125	6.3	1,922,006	5.3	
		Subtotal	43,354,161	100.0	36,689,040	100.0
Securities measured at amortized cost	Korea	34,120,370	93.5	36,380,281	93.5	
	United States	13,482	0.0	90,775	0.2	
	China	24,425	0.1	128,242	0.3	
	Others	2,341,819	6.5	2,412,863	6.2	
		Subtotal	36,500,096	100.1	39,012,161	100.2
		Allowance for credit loss	(19,700)	(0.1)	(83,250)	(0.2)
	Total	36,480,396	100.0	38,928,911	100.0	
Derivative assets used for hedging	Korea	9,678	100.0	32,312	100.0	
	Korea	352,280,433	92.4	332,686,789	92.0	

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Country	December 31, 2023		December 31, 2022	
		Amounts	Ratio(%)	Amounts	Ratio(%)
Loans measured at amortized cost	United States	5,440,369	1.4	4,748,966	1.3
	China	5,671,089	1.5	6,051,565	1.7
	Japan	1,647,939	0.4	1,855,875	0.5
	Hong Kong	2,127,331	0.6	2,545,485	0.7
	Others	16,843,482	4.4	15,635,756	4.4
	Subtotal	384,010,642	100.7	363,524,436	100.6
	Deferred loan fees and expenses	425,823	0.1	410,138	0.1
	Present value discount	(9,087)	(0.0)	(18,865)	-
	Expected credit loss allowance	(3,016,720)	(0.8)	(2,420,179)	(0.7)
	Subtotal	(2,599,984)	(0.7)	(2,028,906)	(0.6)
Total	381,410,658	100.0	361,495,530	100.0	
Merchant banking accounts assets	Korea	4,637,824	100.0	4,631,361	100.0
Total		550,977,691		535,809,073	
Off-consolidated statement of financial position items:					
Financial guarantees	Korea	1,156,695	97.1	1,313,320	100.0
	Others	34,276	2.9	-	-
	Subtotal	1,190,971	100.0	1,313,320	100.0
Guarantee contracts	Korea	18,231,955	77.7	15,171,807	73.8
	United States	302,543	1.3	213,716	1.0
	China	1,548,486	6.6	1,831,845	8.9
	Japan	27,751	0.1	23,331	0.1
	Others	3,356,654	14.3	3,325,606	16.2
	Subtotal	23,467,389	100.0	20,566,305	100.0
Commitment	Korea	140,512,751	96.8	128,252,688	96.3
	United States	965,730	0.7	690,052	0.5
	China	460,060	0.3	783,536	0.6
	Japan	145,058	0.1	199,854	0.2
	Others	3,056,354	2.1	3,243,706	2.4
	Subtotal	145,139,953	100.0	133,169,836	100.0
Merchant banking accounts	Korea	770,000	100.0	620,000	100.0
Total		170,568,313		155,669,461	

9-2 Liquidity risk

9-2-1 Liquidity risk management

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The purpose to manage liquidity risk is to early identify the potential risk factors upon raising and operating the Group's funds and to obtain a stable revenue base through maintaining an appropriate level of the Group's liquidity by systematically managing the risk. The targets of liquidity risk management are all assets and liabilities outstanding in the Group's condensed interim consolidated statements of financial position.

The Group's principles regarding liquidity risk management are as follows:

- Set up and comply with tolerable limits to liquidity risk
- Maintain liquidity by regularly forecasting cash requirements on a regular basis

Each associate assesses and manages liquidity coverage ratios and liquidity ratio of the relevant assets and liabilities by applying the relevant supervisory regulations. The Group manages an acceptable limit on each associate's liquidity risk through the group risk management executive committee and performs liquidity stress test periodically and establishes a contingent funding plan based on the test results to be prepared for liquidity crisis.

9-2-2 Maturity of financial instruments analysis

9-2-2-1 Reporting standard

Details of the remaining contractual maturities of financial liabilities are analyzed by the earliest maturity date when the Group would be required to pay, based on the undiscounted cash outflows of the Group's financial liabilities. In addition, financial liabilities at FVTPL and depository liabilities (payment on demand) are

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

shown at fair value in "On demand" column.

9-2-2-2 Remaining maturity of the financial liabilities

The table below summarizes the maturity profile of the contractual undiscounted cash flows of the Group's financial liabilities. The remaining maturity of financial liabilities as of December 31, 2023 and 2022, is summarized as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	On demand	Within 1 month	After 1 month ~ but no later than 3 months	After 3 months ~ but no later than 1 year	After 1 year ~ but no later than 5 years	After 5 years	Total
On-consolidated statement of financial position accounts:							
Financial liabilities measured at FVTPL	10,013,484	-	-	-	-	-	10,013,484
Financial liabilities designated as measured at FVTPL	5,554	502,634	1,210,287	3,970,854	3,287,689	2,796,347	11,773,345
Deposits	152,100,283	36,053,338	48,931,341	124,183,959	16,812,726	1,429,583	379,511,230
Borrowings	5,282,233	14,802,909	5,139,627	11,648,107	6,444,111	610,992	43,907,979
Debentures	126	3,282,000	4,199,673	17,624,934	32,976,049	3,309,795	61,392,577
Derivative liabilities used for hedging	-	6,942	1,986	10,643	76,789	(81,179)	15,161
Merchant banking account liabilities	1,536,529	2,618,168	-	-	-	-	4,154,697
Others	8,836,686	24,972,113	194,130	584,869	1,940,854	51,200	36,579,852
Total	177,754,895	82,238,104	59,677,044	158,023,366	61,538,178	8,116,738	547,348,325
Off-consolidated statement of financial position accounts:							
Financial guarantee contracts	1,190,971	-	-	-	-	-	1,190,971
Acceptances and guarantees	23,467,389	-	-	-	-	-	23,467,389
Commitment	145,139,953	-	-	-	-	-	145,139,953
Commitment to merchant banking account	770,000	-	-	-	-	-	770,000
Total	170,568,313	-	-	-	-	-	170,568,313

<December 31, 2022>

(Korean won in millions)

Classification	On demand	Within 1 month	After 1 month ~ but no later than 3 months	After 3 months ~ but no later than 1 year	After 1 year ~ but no later than 5 years	After 5 years	Total
On-consolidated statement of financial position accounts:							
Financial liabilities measured at FVTPL	15,303,050	-	-	-	-	-	15,303,050
Financial liabilities designated as measured at FVTPL	6,480	558,267	1,818,812	3,307,693	4,740,720	2,395,703	12,827,675
Deposits	157,708,593	35,030,107	41,387,865	115,996,872	17,202,553	1,473,265	388,799,255
Borrowings	5,488,091	12,201,635	4,740,635	7,877,506	6,734,267	518,789	37,560,923
Debentures	139	3,466,112	5,991,676	18,431,443	26,540,659	4,219,784	58,649,793
Derivative liabilities used for hedging	-	11,322	3,591	33,937	41,224	(20,827)	69,247
Merchant banking account liabilities	1,122,469	2,544,804	-	-	-	-	3,667,273
Others	10,671,444	17,792,953	148,052	740,753	1,008,048	44,514	30,405,764
Total	190,300,266	71,605,200	54,090,631	146,388,204	56,267,471	8,631,208	527,282,980
Off-consolidated statement of financial position accounts:							
Financial guarantee contracts	1,313,320	-	-	-	-	-	1,313,320
Acceptances and guarantees	20,566,305	-	-	-	-	-	20,566,305
Commitment	133,169,836	-	-	-	-	-	133,169,836
Commitment to merchant banking account	620,000	-	-	-	-	-	620,000
Total	155,669,461	-	-	-	-	-	155,669,461

Derivative liabilities used for hedging are denominated based on the net cash flow. Available assets that exist in redeeming financial liabilities and unused loan commitments are cash and due from banks, debt securities, equity securities, loans, etc. In addition, the Group is able to cope with unexpected cash outflows through additional sources of financing, such as the sale of securities and asset-backed securitization.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

9-3 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to the changes in market variables, such as interest rates, equity prices and exchange ratios in the market.

The purpose of market risk management is to maintain the loss of assets and liabilities incurred due to changes in market variables, such as interest rates, foreign exchanges and equity prices within the allowable limits in order to ensure profitability and stability. Market risk management targets include securities held for trading, foreign currency net positions, derivatives and other assets and liabilities with embedded market risks. Significant risks exposed to the Group as of the reporting date are sensitivity risks (interest rate risk, stock risk, commodity risk, foreign exchange risk and credit spread risk ("CSR")), default risk and residual risk.

For market risk management, the Group measures and monitors the relevant risk exposures on a regular basis. The Group also establishes and complies with market risk limits, whereby it can manage the exposures arising from changes of market variables within an adequate level. The subsidiaries exposed to market risks, such as Hana Bank and Hana Securities, set up and operate their own market risk management system. The Group consistently calculates the Group-level market risk exposures through the Group-integrated risk management system.

The Group reports its current status of market risk management to the group risk management execution committee and group risk management committee on a monthly and quarterly basis.

9-3-1 Market risk management

9-3-1-1 Market risk management targets

Market risk management targets refer to the trading book and all foreign exchange positions. To be more specific, the trading positions include financial instruments for the purpose of acquiring the differences incurred due to short-term trading or price fluctuations, financial instruments for the purpose of hedging risks, financial instruments for the purpose of acquiring arbitrages, financial instruments for the purpose of acquisition, brokerage and market-making. The Group establishes a group-level trading policy to specify the criteria included in the trading book and each associate complies with it.

The Group's principles to manage the market risk of its trading book are to measure its market risk status on a regular basis and to establish and comply with the various market risk limits. The Group analyzes whether the return against risk is appropriate by reviewing its profit and risk on a regular basis.

9-3-1-2 Market risk measurement (Basel III Standardized approach)

The basic calculation method for managing and measuring the exposure of trading book and foreign exchange positions products to market risks is calculated by dividing them into sensitivity risk, default risk, and residual risk using Basel III Standardized approach. Sensitivity risk refers to the risk of loss due to changes in market risk factors such as exchange rates, interest rates and stock prices. The risk of default refers to the risk of loss due to bankruptcy of bonds or stock issuers. Residual risk is an additional risk that arises when the derivative structure is unusual.

9-3-1-3 Capital requirements by market risk classes

The details of capital requirements by market risk classes as of December 31,

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

2023, are as follows (Korean won in millions):

Classification	Risk class	Regulatory Capital
Sensitivity Risk Charge ("SRC")	General interest rate risk	174,485
	CSR: non-securitization	442,119
	CSR: securitization (non-correlation trading portfolio ("non-CTP"))	30,934
	CSR: securitization (CTP)	-
	Equity risk	93,856
	Foreign exchange risk	485,807
	Commodity risk	4,314
Default Risk Charge	Non-securitization	172,779
	Securitization (Non-CTP)	8,392
	Securitization (CTP)	10,831
Residual risk add-on ("RRAO")	RRAO	9,699
Total risk		1,433,216

9-3-2 Non-trading position

9-3-2-1 Interest rate risk

Interest rate risk of non-trading position is a risk of losses on financial assets and liabilities with interest rates due to adverse changes in interest rates and is incurred when maturity structure does not match interest rate setting cycle of the related assets and liabilities. The Group measures interest rate risk on interest rate-bearing assets, such as loans, due from banks and debt securities; interest rate liabilities, such as deposits, borrowings and debentures; and interest rate-sensitive derivatives, such as IRSs for each subsidiary. The Group manages interest rate risks in order to maintain the stability of net interest income and net asset value.

Interest rate risk establishes limits and monitors interest rate economic value of

equity ("interest rate EVE") according to interest rate risk in the banking book methodology. Interest rate EVE means the maximum decrease in net asset value when interest rate changes, and details of changes in EVE as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Changes in EVE	1,594,498	1,655,929

9-3-2-2 Stock price risk

Stock price risk is the risk that the fair value of equities results in changes in the level of related revenue and capital. Effects on capital due to fluctuations in stock price risk as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	20% decline	10% decline	10% rise	20% rise
Stock price risk	(53,905)	(26,953)	26,953	53,905

<December 31, 2022>

(Korean won in millions)

Classification	20% decline	10% decline	10% rise	20% rise
Stock price risk	(52,211)	(26,106)	26,106	52,211

The Group measures the stock price risk on the domestic listed equity securities only.

9-3-3 Currency risk concentration

Currency risk is a risk incurred when the value of a financial instrument or future

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

cash flows fluctuates due to the changes in foreign exchange rates. Currency risk arises from the financial instruments expressed in currencies other than the functional currency. Currency risk does not arise from the financial instruments expressed in the functional currency, measured based on historical currency, or in non-monetary items measured by using the historical foreign exchange rates. The Group manages the foreign exchange net exposure amount of the trading and non-trading positions by each currency.

Significant foreign currency assets and liabilities denominated in Korean won as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	USD	JPY	EUR	CNY	IDR	Others	Total
Assets							
Cash and due from bank	13,911,445	2,890,307	717,142	852,145	188,168	1,162,069	19,721,276
Financial assets measured at FVTPL	4,091,128	250,719	1,444,851	131,740	25,804	390,010	6,334,252
Financial assets measured at FVOCI	4,539,293	-	41,406	1,651,409	300,718	1,655,728	8,188,554
Securities measured at amortized cost	1,752,567	-	137,512	18,496	186,307	1,591,849	3,686,731
Loans measured at amortized cost	24,419,625	1,586,366	4,083,936	7,042,988	1,557,384	5,614,450	44,304,749
Derivative assets used for hedging	-	-	4,644	-	-	-	4,644
Others	6,272,855	370,391	767,569	1,179,788	48,659	853,749	9,493,011
Total	54,986,913	5,097,783	7,197,060	10,876,566	2,307,040	11,267,855	91,733,217
Liabilities							
Financial liabilities measured at FVTPL	1,710,954	153,174	259,218	23,414	2,155	252,762	2,401,677
Financial liabilities designated as measured at FVTPL	1,900,235	-	10,704	-	-	7,790	1,918,729
Deposits	31,901,118	3,890,743	4,200,699	8,143,269	1,446,070	5,461,213	55,043,112
Borrowings	11,196,414	193,111	1,567,328	174,490	44,060	1,003,112	14,178,515
Debtentures	5,234,393	27,304	1,754,818	192,936	-	172,752	7,392,203
Derivative liabilities used for hedging	212,221	-	-	-	-	-	212,221
Others	6,878,665	653,328	533,019	1,362,087	29,261	460,571	9,916,931
Total	59,034,000	4,917,690	8,325,786	9,896,196	1,521,546	7,358,200	91,053,388

<December 31, 2022>

(Korean won in millions)

Classification	USD	JPY	EUR	CNY	IDR	Others	Total
Assets							
Cash and due from bank	19,672,287	1,354,473	1,283,069	1,064,480	313,517	1,137,302	24,825,128
Financial assets measured at FVTPL	5,454,613	389,502	656,328	93,358	10,254	436,544	7,040,599

Classification	USD	JPY	EUR	CNY	IDR	Others	Total
Financial assets measured at FVOCI	2,584,584	-	-	1,975,363	235,867	1,292,405	6,148,219
Securities measured at amortized cost	1,880,750	-	165,033	58,488	160,655	1,644,946	3,909,872
Loans measured at amortized cost	26,134,296	1,751,839	4,648,700	6,873,532	1,439,045	4,934,226	45,781,638
Derivative assets used for hedging	20,459	-	193	-	-	-	20,652
Others	3,367,759	176,096	351,893	333,968	49,282	523,602	4,802,600
Total	59,114,748	3,671,910	7,105,216	10,399,189	2,268,820	9,969,025	92,528,708
Liabilities							
Financial liabilities measured at FVTPL	2,784,580	294,180	136,457	17,268	-	222,586	3,455,071
Financial liabilities designated as measured at FVTPL	1,969,910	385	9,430	-	-	9,091	1,988,816
Deposits	42,152,397	2,732,463	5,044,365	8,645,503	1,386,024	4,936,062	64,896,814
Borrowings	10,525,246	136,405	1,036,917	383,820	43,523	1,088,758	13,214,669
Debtentures	5,281,339	-	827,921	336,151	19,709	239,891	6,705,011
Derivative liabilities used for hedging	246,333	-	9,044	-	-	-	255,377
Others	6,192,605	217,709	681,816	501,470	38,205	323,356	7,955,161
Total	69,152,410	3,381,142	7,745,950	9,884,212	1,487,461	6,819,744	98,470,919

9-4 Operational risk

Operational risk loss events are events that result in losses to the Group as a result of inappropriate or unsuccessful processes, people, systems, or external factors, and occur throughout the management and sales activities of the Group. This includes not only financial losses, but also non-monetary losses such as opportunity costs and reputation losses.

The Group completely collects and manages loss data for the past 10 years without omission according to the Basel III operating risk management system of the Basel Committee. The analysis of collected loss data identifies the type of event and improves its business processes to minimize the frequency and amount of similar losses. In addition, loss data is a major component of the standard method, which is the standard for calculating operational risk-weighted assets, and it must meet the appropriate management standards suggested by the supervisory authority. Each affiliated company regularly measures and monitors operational risk for operational risk management, sets and complies with the internal capital limit of operational risk for each affiliated company, and manages and controls operational risk at an appropriate level. The Group reports its current status of operational risk management to the group risk management

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements**

execution committee and group risk management committee on a monthly and quarterly basis.

9-5 Capital management

The Group implements the Bank of International Settlements ("BIS") capital requirement system in order to secure capital adequacy and comply with the supervisory regulations. The Group maintains appropriate capital ratio in accordance with BIS capital requirement system. In addition, the Group performs a capital adequacy assessment in order to cope with an unexpected loss.

Risk-weighted assets calculated per each risk type when calculating BIS ratio are as follows:

- a. Credit risk incurs when potential loss arises from default of a borrower or counterparty or downgrading of its credit rating. Risk-weighted assets of credit risk of bank subsidiaries are calculated using the internal model approved by Financial Supervisory Service. Risk-weighted assets of credit risk are calculated by multiplying risk weights reflecting counterparty credit rating, maturity, collateral and guarantees granted according to the standardized model of Basel III.
- b. Market risk incurs when potential loss arises from the fluctuation of market price of stocks, interest rates and foreign currency rates. Risk-weighted assets of market risk are calculated by multiplying 12.5 to the required capital of market risk, which consists of the sum of sensitivity risk, default risk and residual risk, according to the standardized model in the detailed regulations on supervision of banking business.
- c. Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems. The risk-weighted assets for operational risk are equal to 12.5 times operational risk capital requirements ("ORC"). ORC is

calculated in according to the standardized approach in the detailed regulations on supervision of banking business by multiplying the business indicator component, including the interest component, the service component and the financial component, and the internal loss multiplier based on a bank's average historical losses.

Regulatory capital and BIS ratios as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Common Equity Tier 1 capital	34,344,240	31,592,690
Additional Tier 1 capital	3,798,347	3,494,640
Subtotal(Tier 1 capital)	38,142,587	35,087,330
Tier 2 capital	2,504,896	2,547,376
Total(total capital)	40,647,483	37,634,706
Risk-weighted assets:		
Credit risk-weighted assets	220,176,533	208,160,882
Market risk-weighted assets	17,915,196	14,064,799
Operational risk-weighted assets	21,680,903	17,887,065
Total	259,772,632	240,112,746
BIS capital ratio (*):		
Common Equity Tier 1 ratio	13.22%	13.16%
Additional Tier 1 capital ratio	14.68%	14.61%
Total capital ratio	15.65%	15.67%

(*) BIS capital ratio as of December 31, 2023 is provisional.

9-5-1 Assessment and management of reasonableness of internal capital

Internal capital is defined as capital defined for internal management purposes to determine whether a financial institution has a level of capital that can cover possible risks in its portfolio. The purpose of the Group's internal capital management is to adjust the operating portfolio to maximize risk-to-return while controlling the possibility of loss from investment operations within a certain

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

level, and to compare the size of internal capital with the actual available capital ("Tier 1"). The Group uses the internal capital management indicators as a measure of financial soundness comparing the internal capital with actual available capital ("Tier 1 capital"). The indicators consist of risk appetite ratio, which is the ratio of the internal capital to Tier 1 capital, and exhaustion ratio, which is the ratio of the amount of internal capital used against the internal capital limits.

Internal capital limits are established after accounting for the size of current and subsequent Tier 1 capital as well as the components, quality, risk appetite, target credit rating, operational strategy and business plans. The Risk Committee determines risk types and internal capital limits for HFG and each subsidiary more than once a year. In the case where new operations or expansion of operations result in the amount exceeding the internal capital limits, an approval from the Risk Committee is needed beforehand.

10. Operating segments information:

10-1 General information

The Group is organized into four operating segments based on its financial information of each legal entity used for making decisions about resources to be allocated to the segment and assessing its performance. Details of operating segments are presented as follows 1) Hana Bank and its subsidiaries (Banking); 2) Hana Securities and its subsidiaries (Financial Investing); 3) Hana Card and its subsidiaries (Credit Card); 4) Hana Capital and its subsidiaries (Capital) and 5) Others (consist of Hana Financial Group's separate performance and its other subsidiaries such as Hana Asset Trust, Hana TI, Hana Ventures, Hana Savings Bank, Hana Life Insurance, Hana Alternative Asset Management, Hana Investors Services Company, Hana Insurance Co., Ltd. and others)

10-2 Income or loss by operating segments

10-2-1 Details of net income, assets and liabilities by operating segments for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions) :

<2023>

(Korean won in millions)

Classification	Banking	Financial Investing	Credit Card	Capital	Others	Subtotal	Adjustments	Total
Operating segment income and loss (*):								
Net interest income	7,917,411	300,333	477,014	364,529	(180,532)	8,878,755	694	8,879,449
Interest income	19,793,063	1,314,115	806,630	886,337	513,996	23,314,141	(38,197)	23,275,944
Interest expense	(11,875,652)	(1,013,782)	(329,616)	(521,808)	(694,528)	(14,435,386)	38,891	(14,396,495)
Net fee and commission income (loss)	661,464	296,704	214,869	715,869	90,139	1,979,045	(1,312)	1,977,733
Fee and commission income	931,532	402,868	899,196	750,680	134,922	3,119,198	(84,278)	3,034,920
Fee and commission expense	(270,068)	(106,164)	(684,327)	(34,811)	(44,783)	(1,140,153)	82,966	(1,057,187)
Others	1,068,247	(192,332)	123,933	79,242	2,243,046	3,322,136	(1,944,701)	1,377,435
Total operating income (loss)	9,647,122	404,705	815,816	1,159,640	2,152,653	14,179,936	(1,945,319)	12,234,617
Impairment loss on financial assets	(658,307)	(240,251)	(345,529)	(209,258)	(97,890)	(1,551,235)	493	(1,550,742)
Net operating income (loss)	8,988,815	164,454	470,287	950,382	2,054,763	12,628,701	(1,944,826)	10,683,875
General and administrative expenses	(3,448,610)	(554,127)	(240,708)	(93,340)	(286,104)	(4,622,889)	214,617	(4,408,272)
Net other operating income (loss)	(934,686)	22,919	(5,541)	(578,264)	126,087	(1,369,485)	(212,711)	(1,582,196)
Operating income (loss)	4,605,519	(366,754)	224,038	278,778	1,894,746	6,636,327	(1,942,920)	4,693,407
Net other non-operating income (loss)	7,564	7,751	(5,172)	(14,500)	12,606	8,249	(20,444)	(12,195)
Income tax expenses (income)	(1,125,650)	70,059	(47,817)	(57,379)	(63,809)	(1,224,596)	11,740	(1,212,856)
Net income (loss)	3,487,433	(268,944)	171,049	206,899	1,843,543	5,419,980	(1,951,624)	3,468,356
Total assets (*)	498,843,436	48,259,436	13,540,627	18,166,555	42,841,087	621,651,141	(29,725,146)	591,925,995
Total liabilities (*)	466,759,120	42,518,324	11,230,599	15,733,852	18,543,516	554,785,411	(3,041,133)	551,744,278

(*) The amount of net income or loss, asset and liabilities by the operating segments does not consider the transaction amount between the segments.

<2022>

(Korean won in millions)

Classification	Banking	Financial Investing	Credit Card	Capital	Others	Subtotal	Adjustments	Total
Operating segment income and loss(*):								
Net interest income (loss)	7,608,678	340,509	395,401	403,920	255,825	9,004,333	1,682	9,006,015
Interest income	13,347,231	879,333	571,184	696,715	526,554	16,021,017	(36,326)	15,984,691

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Banking	Financial Investing	Credit Card	Capital	Others	Subtotal	Adjustments	Total
Interest expense	(5,738,563)	(538,824)	(175,783)	(292,795)	(270,729)	(7,016,684)	38,008	(6,978,676)
Net fee and commission income (loss)	593,612	363,916	225,499	443,759	91,069	1,717,855	(2,784)	1,715,071
Fee and commission income	874,721	494,808	766,115	477,618	152,011	2,765,273	(76,322)	2,688,951
Fee and commission expense	(281,109)	(130,892)	(540,616)	(33,859)	(60,942)	(1,047,418)	73,538	(973,880)
Others	520,098	60,958	90,758	115,739	1,185,488	1,973,041	(1,421,885)	551,156
Total operating income (loss)	8,722,388	765,383	711,668	963,418	1,532,382	12,695,229	(1,422,987)	11,272,242
Impairment loss on financial assets	(657,650)	(149,044)	(212,846)	(99,544)	(66,141)	(1,185,225)	(1,831)	(1,187,056)
Net operating income (loss)	8,064,738	616,339	498,812	863,874	1,466,241	11,510,004	(1,424,818)	10,085,186
General and administrative expenses	(3,318,831)	(534,022)	(245,480)	(92,827)	(269,241)	(4,460,401)	203,688	(4,256,713)
Net other operating income (loss)	(679,304)	14,315	(6,074)	(371,132)	110,872	(931,323)	(208,868)	(1,140,191)
Operating income (loss)	4,066,603	96,632	247,258	399,915	1,307,872	6,118,280	(1,429,998)	4,688,282
Net other non-operating income (loss)	104,883	65,670	(711)	(412)	196,245	365,675	(110,641)	255,034
Income tax expenses	(1,059,787)	(31,657)	(54,566)	(99,840)	(83,298)	(1,329,148)	25,242	(1,303,906)
Net income (loss)	3,111,699	130,645	191,981	299,663	1,420,819	5,154,807	(1,515,397)	3,639,410
Total assets(+)	485,308,744	43,345,325	12,284,060	16,638,148	40,206,900	597,783,177	(29,179,897)	568,603,280
Total liabilities(+)	455,343,376	37,539,264	10,067,212	14,567,235	17,123,733	534,640,820	(3,665,688)	530,975,132

(*) The amount of net income or loss, asset and liabilities by the operating segments does not consider the transaction amount between the segments.

10-2-2 The operating income or loss from external customers and internal transactions for the years ended December 31, 2023 and 2022, is as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification	Banking	Financial Investing	Credit Card	Capital	Others	Subtotal	Adjustments	Total
Revenue (expense) from external customers	9,604,416	419,657	851,103	1,160,048	199,393	12,234,617	-	12,234,617
Revenue (expense) from internal transactions	42,706	(14,952)	(35,287)	(408)	1,953,260	1,945,319	(1,945,319)	-
Total	9,647,122	404,705	815,816	1,159,640	2,152,653	14,179,936	(1,945,319)	12,234,617

<2022>

(Korean won in millions)

Classification	Banking	Financial Investing	Credit Card	Capital	Others	Subtotal	Adjustments	Total
Revenue (expense) from external customers								

Classification	Banking	Financial Investing	Credit Card	Capital	Others	Subtotal	Adjustments	Total
Revenue (expense) from external customers	8,780,159	676,646	747,801	964,230	103,406	11,272,242	-	11,272,242
Revenue (expense) from internal transactions	(57,771)	88,737	(36,143)	(812)	1,428,976	1,422,987	(1,422,987)	-
Total	8,722,388	765,383	711,658	963,418	1,532,382	12,695,229	(1,422,987)	11,272,242

10-2-3 Significant non-cash transactions included in income of operating segments for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification	Banking	Financial Investing	Credit Card	Capital	Others	Subtotal	Adjustments	Total
Gain(loss) on equity method	168,113	8,312	(824)	(9,283)	8,564	174,882	(14,727)	160,155
Depreciation and amortization	(531,764)	(52,519)	(41,758)	(530,907)	(91,970)	(1,248,918)	29,181	(1,219,737)

<2022>

(Korean won in millions)

Classification	Banking	Financial Investing	Credit Card	Capital	Others	Subtotal	Adjustments	Total
Gain on equity method	189,012	29,973	1,949	3,916	1,715	226,565	6,601	233,166
Depreciation and amortization	(465,048)	(48,509)	(37,354)	(328,511)	(72,386)	(951,808)	19,747	(932,061)

10-3 Information about regions

Revenue by region from the external customers for the years ended December 31, 2023 and 2022, and non current assets by region as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	Revenues from external customers		Non-current assets	
	2023	2022	December 31, 2023	December 31, 2022
Domestic	13,118,260	11,644,537	8,580,160	7,499,536
Foreign:				
Hong Kong	74,575	72,199	2,844	5,320
Singapore	50,654	60,917	2,531	1,943
United States	64,244	68,959	404,506	29,170

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Revenues from external customers		Non-current assets	
	2023	2022	December 31, 2023	December 31, 2022
Japan	28,120	36,539	2,488	3,486
China	233,814	230,305	62,543	62,992
Indonesia	170,949	201,009	48,088	59,288
United Kingdom	32,268	45,130	2,102	2,601
Canada	58,627	50,743	22,355	11,274
Others	348,425	284,891	28,858	19,263
Subtotal	1,061,676	1,050,692	576,315	195,337
Adjustments	(1,945,319)	(1,422,987)	(394,132)	(397,802)
Total	12,234,617	11,272,242	8,762,343	7,297,071

Non-current assets consist of property and equipment, investment properties and intangible assets and are classified as either domestic or overseas depending on its geographic proximity.

10-4 Information about major customers

There are no individual customers who account for more than 10% of the Group's consolidated revenue for the years ended December 31, 2023 and 2022.

11. Cash and due from banks:

Cash and due from banks as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	Counterparty	December 31, 2023	December 31, 2022
Cash and foreign currency		1,742,901	1,904,911
Due from banks in Korean won			
Reserve deposits with Bank of Korea ("BOK"), etc.	BOK, etc.	10,129,689	16,119,619

Classification	Counterparty	December 31, 2023	December 31, 2022
Time deposits, etc.	Other banks	681,719	121,354
Other deposits	Other financial institutions	2,831,606	3,425,333
Subtotal		13,643,014	19,666,306
Due from banks in foreign currencies			
Due from banks on demand	BOK, etc.	8,823,939	11,591,882
Time deposits	ICICI Bank, etc.	1,018,569	1,147,224
Other deposits	Other financial institutions	9,252,035	11,530,028
Subtotal		19,094,543	24,269,134
Total		34,480,458	45,840,351

11-2 Restricted balances in due from banks as of December 31, 2023 and 2022, are summarized as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022	Restrictions
Due from banks in Korean won			
Reserve deposits with BOK, etc.	10,129,689	16,036,240	Reserve deposits from the Banking Act and the Bank of Korea Act, currency stabilization account, reserve and domestic exchange transaction collateral
Reserve for futures trading	188,796	130,863	Margin for trading account
Reserve for claims of customers' deposits	334,641	412,000	Capital market law, regulation on brokerage business of securities company, etc.
Other deposits	1,013,782	1,663,222	For the right of pledge, etc.
Subtotal	11,666,908	18,242,325	
Due from banks in foreign currencies			
Deposits in foreign currencies in other branches	7,828,902	9,596,193	Reserve requirement under Banking Act and related regulations
Other deposits	8,410,049	10,100,883	Over-the-counter ("OTC") derivative contracts, etc.
Subtotal	16,238,951	19,697,076	
Total	27,905,859	37,939,401	

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

12. Financial assets measured at FVTPL:

Financial assets measured at FVTPL as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Stocks	791,861	609,892
Investments in partnerships	754,563	652,382
Government and public bonds	8,595,433	5,037,314
Financial bonds	7,069,531	6,873,159
Corporate bonds and others	10,721,602	8,922,567
Beneficiary certificates	9,325,541	9,594,867
Other securities denominated in Korean won	606,357	277,195
Securities denominated in foreign currencies	4,723,309	4,851,537
Derivative linked securities	1,063,875	311,695
Derivative assets held for trading(*)	7,881,170	12,633,226
Loans	1,306,157	1,227,865
Others	1,766,433	1,383,000
Total	54,605,832	52,374,699

(*) Refers to Note 17. Derivatives instruments

13. Financial assets measured at FVOCI:

13-1 Details of financial assets measured at FVOCI as of December 31, 2023 and 2022 are as follows (Koreanwon in millions):

Classification	December 31, 2023	December 31, 2022
Stocks	918,243	994,619
Investments in partnerships	943	748
Government and public bonds	11,446,554	11,403,083
Financial bonds	15,722,698	12,498,903

Classification	December 31, 2023	December 31, 2022
Corporate bonds	7,996,355	6,638,836
Other securities denominated in Korean won	33,153	89,131
Securities denominated in foreign currencies	8,195,550	6,154,625
Total	44,313,496	37,779,945

13-2 Details of shares (including shares in foreign currencies) included in financial assets measured at FVOCI as of December 31, 2023 and 2022, are as follows (Koreanwon in millions):

<December 31, 2023>

(Korean won in millions)

Counterparty	Book value (fair value)
UAMCO., Ltd.	196,670
KRX	172,320
HANMHA OCEAN CO., LTD.	144,576
The Korea Securities Finance Corporation	138,182
SK TELECOM CO.,LTD	65,504
SK Square Co., Ltd.	40,345
KCI	33,153
Consumer Credit Assistant Fund Co., Ltd.	26,261
KoData Co., Ltd	18,933
Korea Asset Management Corporation	15,737
Korea Money Brokerage Corp	13,249
Kunho Tire Co., Inc.	13,084
BC Card Co., Ltd.	10,298
HJC CORP.	10,190
Korea Securities Depository	8,108
POSCO PLANTEC CO., LTD.	6,463
DB ASSET MANAGEMENT CO., LTD	5,753
CLS GROUP HOLDINGS AG	5,603
Chang Myung Shipping Co., Ltd.	3,807

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Counterparty	Book value (fair value)
Maeil Broadcasting Network(MBN)	2,665
Nextrade Co., Ltd.	2,500
Others	25,934
Total	959,335

<December 31, 2022>

(Korean won in millions)

Counterparty	Book value (fair value)
UAMCO, Ltd.	188,721
Daewoo Shipbuilding & Marine Engineering Co., Ltd. etc.	170,845
KRX	163,428
The Korea Securities Finance Corporation	135,479
SK TELECOM CO., LTD.	61,974
Consumer Credit Assistant Fund Co., Ltd.	50,942
Taihan Electric Wire Co., Ltd.	46,131
STX Engine (perpetual convertible bonds)	45,207
KCI	43,924
SK Square Co., Ltd.	25,733
KoData Co., Ltd.	20,111
HMM	17,387
Korea Asset Management Corporation	15,737
Korea Money Brokerage Corp.	11,620
BC Card Co., Ltd.	10,604
HJC CORP.	9,817
KG Dongbu Steel Co., Ltd.	8,387
Korea Securities Depository	8,216
Kumho Tire Co., Inc.	6,748
DB ASSET MANAGEMENT CO., LTD.	5,713
CLS GROUP HOLDINGS AG	5,038
Others	39,142
Total	1,090,904

Equity instruments that are held for strategic alliances, not for trading, converted from debt instruments and acquired for access rights of systems and facilities are designated as measured at FVOCI.

13-3 Details of disposal of shares (including shares in foreign currencies) included in financial assets measured at FVOCI for the years December 31, 2023 and 2022, are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Counterparty	Book value	Cumulative valuation gain (loss) (*)	Reason for disposal
HANWHA OCEAN CO., LTD.	138,774	138,774	Decision of Council of Financial creditors
STX Engine	45,207	26,606	Decision of Council of Financial creditors
Taihan Electric Wire Co., Ltd. 55R	35,092	(73,348)	Decision of Council of Financial creditors
Others	21,489	(22,780)	
Total	240,562	69,252	

(*) Cumulative gain or loss is replaced with retained earnings.

<2022>

(Korean won in millions)

Counterparty	Book value	Cumulative valuation gain (loss) (*)	Reason for disposal
KG DONGBUSTEEL CO., LTD.	20,980	(3,806)	Decision of Council of Financial creditors
ChinHung International, Inc.	3,280	(1,320)	Decision of Council of Financial creditors
Taihan Electric Wire Co., Ltd. 55R	1,174	1,174	Decision of Council of Financial creditors
Others	659	259	
Total	26,093	(3,693)	

(*) Cumulative gain or loss is replaced with retained earnings.

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements**

13-4 Dividends recognized from financial assets measured at FVOCI for the years ended December 31, 2023 and 2022, are as follows

(Korean won in millions):

Classification	2023	2022
Dividends recognized from equity instruments held as of December 31, 2023 and 2022	15,173	13,831
Dividends recognized from equity instruments derecognized	1,237	-
Total	16,410	13,831

13-5 Changes in the loss allowance in relation to financial assets measured at FVOCI for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification	12 month ELC	Lifetime ELC		Total
		Non credit-impaired debt securities	Credit-impaired debt securities	
Beginning balance	12,569	-	-	12,569
Effect due to changes in the accounting policy	398	-	-	398
Provision for possible loan losses	5,973	-	-	5,973
New financial assets executed or purchased	1,237	-	-	1,237
Disposal financial assets	(5,369)	-	-	(5,369)
Exchange rate fluctuation and others	954	-	-	954
Ending balance	15,762	-	-	15,762

<2022>

(Korean won in millions)

Classification	12 month ELC	Lifetime ELC		Total
		Non credit-impaired debt securities	Credit-impaired debt securities	
Beginning balance	12,390	-	-	12,390
Provision for possible loan losses	2,569	-	-	2,569
New financial assets executed or purchased	389	-	-	389
Disposal financial assets	(3,232)	-	-	(3,232)
Exchange rate fluctuation and others	453	-	-	453

Classification	12 month ELC	Lifetime ELC		Total
		Non credit-impaired debt securities	Credit-impaired debt securities	
Ending balance	12,569	-	-	12,569

13-6 Changes in the carrying amount in relation to financial assets measured at FVOCI for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification	12 month ELC	Lifetime ELC		Total
		Non credit-impaired debt securities	Credit-impaired debt securities	
Beginning balance	36,689,040	-	-	36,689,040
Effect due to changes in the accounting policy	1,124,038	-	-	1,124,038
New financial assets executed or purchased	22,440,782	-	-	22,440,782
Disposed financial assets	(16,936,037)	-	-	(16,936,037)
Exchange rate fluctuation and others	36,338	-	-	36,338
Ending balance	43,354,161	-	-	43,354,161

<2022>

(Korean won in millions)

Classification	12 month ELC	Lifetime ELC		Total
		Non credit-impaired debt securities	Credit-impaired debt securities	
Beginning balance	38,610,065	-	-	38,610,065
New financial assets executed or purchased	11,950,848	-	-	11,950,848
Disposed financial assets	(12,681,524)	-	-	(12,681,524)
Exchange rate fluctuation and others	(1,190,349)	-	-	(1,190,349)
Ending balance	36,689,040	-	-	36,689,040

14. Securities measured at amortized cost:

14-1 Details of securities measured at amortized cost as of December 31, 2023 and 2022, are as follows (Korean won in millions):

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements**

Classification	December 31, 2023	December 31, 2022
Government and public bonds	6,584,829	8,084,050
Financial bonds	7,385,557	7,991,991
Corporate bonds and others	18,834,387	18,954,431
Securities denominated in foreign currencies	3,695,323	3,981,688
Allowance for credit losses	(19,700)	(83,249)
Total	36,480,396	38,928,911

14-2 Profit or loss from derecognition of securities at amortized cost for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification	Face amount	Book value	Profit from derecognition
Corporate bonds and others	10,600	10,597	3
Securities denominated in foreign currencies	36,276	36,276	229
Total	46,876	46,873	232

The Group disposed of some securities at amortized cost in accordance with the exercise of an option (put option) by the issuer of the securities for the year ended December 31, 2023.

<2022>

(Korean won in millions)

Classification	Face amount	Book value	Profit from derecognition
Corporate bonds and others	7,800	7,796	4

The Group disposed of some securities at amortized cost in accordance with the exercise of an option (put option) by the issuer of the securities for the year

ended December 31, 2022.

14-3 Changes in provision for allowance for loan losses in relation to securities measured at amortized cost for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification	12 month ELC	Lifetime ELC		Total
		Non credit-impaired debt securities	Credit-impaired debt securities	
Beginning balance	13,508	5,772	63,969	83,249
Effect due to changes in the accounting policy	(398)	-	-	(398)
Provision (reversal) of credit loss allowance	5,739	179	-	5,918
Disposed financial assets	(1,038)	-	(41,153)	(42,191)
Exchange rate fluctuation and others	(4,040)	(22)	(22,816)	(26,878)
Ending balance	13,771	5,929	-	19,700

<2022>

(Korean won in millions)

Classification	12 month ELC	Lifetime ELC		Total
		Non credit-impaired debt securities	Credit-impaired debt securities	
Beginning balance	8,557	11,200	-	19,757
Transfer to credit-impaired financial assets	-	(8,470)	8,470	-
Provision (reversal) of credit loss allowance	5,506	3,007	58,940	67,453
Disposed financial assets	(507)	-	-	(507)
Exchange rate fluctuation and others	(48)	35	(3,441)	(3,454)
Ending balance	13,508	5,772	63,969	83,249

14-4 Changes in the carrying amount in relation to securities measured at amortized cost for years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

<2023>

(Korean won in millions)

Classification	12 month ELC	Lifetime ELC		Total
		Non credit-impaired debt securities	Credit-impaired debt securities	
Beginning balance	38,920,317	24,507	67,336	39,012,160
Effect due to changes in the accounting policy	(1,124,049)	-	-	(1,124,049)
New financial assets executed or purchased	1,248,227	-	-	1,248,227
Disposed financial assets	(2,769,356)	-	(68,261)	(2,837,617)
Exchange rate fluctuation and others	200,532	(82)	925	201,375
Ending balance	36,475,671	24,425	-	36,500,096

<2022>

(Korean won in millions)

Classification	12 month ELC	Lifetime ELC		Total
		Non credit-impaired debt securities	Credit-impaired debt securities	
Beginning balance	23,694,834	93,940	-	23,788,774
Transfer to credit-impaired financial assets	-	(68,827)	68,827	-
New financial assets executed or purchased	16,822,097	-	-	16,822,097
Disposed financial assets	(1,674,801)	-	-	(1,674,801)
Exchange rate fluctuation and others	78,187	(606)	(1,491)	76,090
Ending balance	38,920,317	24,507	67,336	39,012,160

15. Pledged asset:

15-1 Details of assets provided as collateral as of the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Details	Book Value
	BOK payment	612,117
	Pledged securities	7,991,215

Classification	Details	Book Value
Financial assets measured at FVTPL	Derivative instruments	2,206,746
	KRX, etc.	156,115
	Client RP	11,000,726
	Others	1,143,673
	Subtotal	23,110,592
Financial assets measured at FVOCI	Futures	220,328
	Daylight credit	246,979
	Client RP	1,885,435
	Foreign currency borrowing	532,712
	Pledged securities	1,525,108
	Establishment of a pledge right	11,689
	BOK payment	4,915,988
	Borrowings from BOK	589,932
	Collateral for securities lending	134,369
	Others	2,268,279
	Subtotal	12,330,819
Securities measured at amortized cost	Foreign currency borrowing	801,692
	Futures	192,445
	BOK payment	7,728,925
	Daylight credit	403,880
	Borrowings from BOK	3,317,956
	Pledged securities	194,312
Others	1,427,564	
Subtotal	14,066,774	
Loans measured at amortized cost	Borrowings	475,557
Total		49,983,742

<December 31, 2022>

(Korean won in millions)

Classification	Details	Book Value
	Pledged securities	6,745,131

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

Classification	Details	Book Value
Financial assets measured at FVTPL	Derivative instruments	2,434,424
	KFX, etc.	164,082
	Client RP	6,733,265
	Others	555,915
	Subtotal	16,632,817
Financial assets measured at FVOCI	Futures	374,368
	Daylight credit	272,486
	Client RP	1,226,326
	Pledged securities	2,129,311
	BOK payment	39,707
	Borrowings from BOK	1,240,667
	Collateral for securities lending	78,084
	Others	3,057,069
	Subtotal	8,418,018
Securities measured at amortized cost	Foreign currency borrowing	484,066
	Establishment of a pledge right	10,155
	Futures	10,000
	BOK payment	2,905,847
	Daylight credit	373,511
	Borrowings from BOK	4,719,163
	Pledged securities	1,149,955
	Others	1,151,860
	Subtotal	10,804,557
Loans measured at amortized cost	Borrowings	475,051
Total		36,330,443

15-2 The fair value of collateral that is available-for-sale and re-pledge, irrespective of default as of December 31, 2023 and 2022, is as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Fair value of collateral	Fair value of collateral sold or re-pledged
Securities	15,757,538	1,111,903
Deposits	398,191	-

<December 31, 2022>

(Korean won in millions)

Classification	Fair value of collateral	Fair value of collateral sold or re-pledged
Securities	14,777,597	4,229,813
Deposits	639,297	-

16. Loans and receivables measured at amortized cost:

16-1 Details of loans and receivables measured at amortized cost as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Loans and receivables:		
Loans in Korean won	312,344,261	292,033,125
Loans in foreign currencies	32,217,544	32,507,537
Domestic import usance	3,833,914	4,546,348
Call loans	1,387,914	1,377,862
Bills purchased in Korean won	172,864	1,235,390

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

Classification	December 31, 2023	December 31, 2022
Bills purchased in foreign currencies	4,040,638	5,289,419
Advance payments on acceptances and guarantees	10,508	5,533
Credit card loans	9,981,663	9,278,288
Bonds purchased under resale agreement	14,594,130	12,306,702
Installment receivables purchased	824,502	777,910
Privately placed corporate bonds	3,143,593	2,230,400
Lease receivables	1,459,111	1,935,922
Subtotal	384,010,642	363,524,436
Plus (less):		
Deferred loan fees	425,823	410,138
Present value discount	(9,087)	(18,865)
Allowance for loan losses	(3,016,720)	(2,420,179)
Total	381,410,658	361,495,530

16-2 Loans measured at amortized cost to customer as of December 31, 2023 and 2022 are listed as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Corporate loans:		
Large business	53,582,005	49,966,307
Small and medium business	150,177,860	135,637,958
Public sector and others	30,156,722	28,107,386
Subtotal	233,916,587	213,711,651
Household loans	140,112,392	140,548,815
Credit card loans	9,981,663	9,263,970
Subtotal	384,010,642	363,524,436
Plus (less):		
Deferred loan fees	425,823	410,138
Present value discount	(9,087)	(18,865)
Allowance for loan losses	(3,016,720)	(2,420,179)

Classification	December 31, 2023	December 31, 2022
Total	381,410,658	361,495,530

16-3 Changes in allowance for possible loan losses for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification	12 month ECL	Lifetime ECL		Credit impairment model	Total
		Non credit-impaired loan	Credit-impaired loan		
As of January 1, 2023	805,350	954,258	614,616	45,955	2,420,179
Transfer to 12 month ECL	61,619	(59,425)	(2,194)	-	-
Transfer to non credit-impaired financial assets	(209,703)	218,022	(8,319)	-	-
Transfer to credit-impaired loan	(168,413)	(196,659)	365,072	-	-
Provisions of allowance of loan losses	514,113	183,007	816,466	8,454	1,522,040
Write-offs	-	10	(947,368)	-	(947,378)
Collection of loans written off	-	-	151,034	-	151,034
Disposal of NPLs	-	-	(142,187)	(19,949)	(162,136)
Changes in exchange rate, etc.	12,052	8,089	12,840	-	32,981
As of December 31, 2023	1,015,018	1,107,302	859,940	34,460	3,016,720

<2022>

(Korean won in millions)

Classification	12 month ECL	Lifetime ECL		Credit impairment model	Total
		Non credit-impaired loan	Credit-impaired loan		
As of January 1, 2022	590,454	740,738	549,222	34,129	1,914,543
Transfer to 12 month ECL	55,320	(52,168)	(3,152)	-	-
Transfer to non credit-impaired financial assets	(48,366)	50,839	(2,473)	-	-
Transfer to credit-impaired loan	(117,411)	(89,926)	207,337	-	-
Provisions of allowance of loan losses	313,125	301,169	475,790	12,296	1,102,380
Write-offs	1	22	(690,727)	-	(690,704)
Collection of loans written off	-	-	144,072	-	144,072
Disposal of NPLs	-	-	(61,452)	(470)	(61,922)
Changes in exchange rate, etc.	12,227	3,584	(4,001)	-	11,810

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	12 month ECL	Lifetime ECL		Credit impairment model	Total
		Non credit-impaired loan	Credit-impaired loan		
As of December 31, 2022	805,350	954,258	614,616	45,955	2,420,179

16-4 Changes in the carrying amounts of allowance for possible loan losses for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification	12 month ECL	Lifetime ECL		Credit impairment model	Total
		Non credit-impaired loan	Credit-impaired loan		
As of January 1, 2023	317,700,731	43,471,756	1,383,443	968,506	363,524,436
Transfer to 12 month ECL	6,299,033	(6,288,540)	(10,493)	-	-
Transfer to non credit-impaired financial assets	(15,594,400)	15,631,813	(37,413)	-	-
Transfer to credit-impaired loan	(1,794,913)	(1,371,837)	3,166,750	-	-
Write-offs	-	-	(947,388)	-	(947,388)
Net increase and decrease	26,858,795	(4,858,048)	(331,417)	923,321	22,592,651
Disposal of NPLs	-	-	(1,145,969)	(19,949)	(1,165,918)
Changes in exchange rate, etc.	5,589	111	1,161	-	6,861
As of December 31, 2023	333,474,835	46,585,255	2,078,674	1,871,878	384,010,642

<2022>

(Korean won in millions)

Classification	12 month ECL	Lifetime ECL		Credit impairment model	Total
		Non credit-impaired loan	Credit-impaired loan		
As of January 1, 2022	296,100,573	40,138,496	1,172,207	1,369,499	338,780,775
Transfer to 12 month ECL	6,518,117	(6,506,098)	(12,019)	-	-
Transfer to non credit-impaired financial assets	(13,909,307)	13,927,004	(17,697)	-	-
Transfer to credit-impaired loan	(784,939)	(505,848)	1,290,787	-	-
Write-offs	-	-	(690,727)	-	(690,727)
Net increase and decrease	29,791,895	(3,580,542)	(109,409)	(400,523)	25,701,421
Disposal of NPLs	-	-	(247,587)	(470)	(248,057)
Changes in exchange rate, etc.	(15,608)	(1,256)	(2,112)	-	(18,976)

Classification	12 month ECL	Lifetime ECL		Credit impairment model	Total
		Non credit-impaired loan	Credit-impaired loan		
As of December 31, 2022	317,700,731	43,471,756	1,383,443	968,506	363,524,436

16-5 Amortized cost before change and net gain or loss due to change in cash flows of contract of loans, whose allowance for possible loan losses was measured based on the lifetime ECL for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	2023	2022
Amortized cost before change	60,826	81,226
Net gain or loss due to change	(43)	(835)

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

16-6 Loans whose contractual cash flows changed for which the measurement of allowance for doubtful accounts changed from the lifetime ECL to 12-month ECL on initial recognition during the reporting period are ₩1,355 million as of December 31, 2022.

16-7 The contractual non-recoverable amount of the loan receivable that has been fully amortized as of the end of the reporting period but is still trying to recover is ₩4,772,256 million and ₩5,260,733 as of December 31, 2023 and 2022, respectively.

17. Derivative instruments:

17-1 Details of amounts of the unsettled derivative contract and fair value of derivatives held by the Group as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Notional amounts	Net valuation gain	Net valuation loss	Assets	Liabilities
Currency:					
Forward	284,191,687	2,762,334	2,402,078	3,040,788	2,627,752
Swap	100,040,432	1,180,480	1,108,952	2,971,211	3,266,676
Purchased option	661,198	3,741	-	5,044	-
Written option	506,847	-	3,665	-	5,005
Future	1,658,320	1	2,199	1	2,199
Subtotal	387,058,484	3,946,556	3,516,894	6,017,044	5,901,632
Interest:					
Forward	24,942,329	152,264	487,473	239,932	354,526
Swap	300,297,665	919,811	674,701	1,132,978	1,581,590
Purchased option	53,022	-	-	-	-
Written option	515,000	735	206	-	5,758
Future	6,034,499	32,525	22,162	32,525	22,162
Subtotal	331,842,515	1,105,335	1,184,542	1,405,435	1,964,036
Stock:					

Classification	Notional amounts	Net valuation gain	Net valuation loss	Assets	Liabilities
Forward	215,743	21,313	126	21,416	-
Swap	2,475,717	81,550	104,220	46,206	344,533
Purchased option	5,722,294	64,073	50,536	124,636	-
Written option	5,889,591	62,860	15,364	-	154,595
Future	1,316,239	18,322	15,681	18,802	15,977
Subtotal	15,619,584	248,118	185,927	211,060	515,105
Credit:					
Swap (CDS)	16,184,452	134,797	121,147	132,107	21,611
Total revenue swap	2,424,998	24,551	5,220	43,598	35,413
Subtotal	18,609,450	159,348	126,367	175,705	57,024
Others:					
Credit risk valuation adjustment	-	4,735	-	(13,023)	-
Profit or loss on the trade date (unamortized)	-	-	-	(18,492)	(11,496)
Other forwards	3,322,772	48,025	53,205	56,006	51,016
Other swaps	5,587,433	43,263	25,583	47,435	144,691
Subtotal	8,910,205	96,023	78,788	71,926	184,211
Total	762,040,238	5,555,380	5,092,518	7,881,170	8,622,008

<December 31, 2022>

(Korean won in millions)

Classification	Notional amounts	Net valuation gain	Net valuation loss	Assets	Liabilities
Currency:					
Forward	246,586,069	5,751,081	5,660,985	6,455,877	5,981,513
Swap	102,309,784	3,239,312	3,922,569	3,986,397	5,070,355
Purchased option	664,573	3,976	-	3,741	-
Written option	635,883	-	1,377	-	3,267
Future	1,680,861	166	3,228	166	3,228
Subtotal	351,877,170	8,994,535	9,588,159	10,446,181	11,058,363
Interest:					
Forward	11,243,004	388,432	174,843	432,121	209,713
Swap	262,615,673	1,477,168	2,024,792	1,234,089	1,883,597
Purchased option	66,150	1,579	-	-	-
Written option	765,000	-	4,195	-	9,458
Future	3,607,527	5,114	304	5,421	298
Subtotal	278,297,354	1,872,293	2,204,134	1,671,631	2,103,066
Stock:					
Forward	524	171	-	286	-
Swap	3,356,095	22,430	229,843	18,433	370,774

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Notional amounts	Net valuation gain	Net valuation loss	Assets	Liabilities
Purchased option	2,001,713	20,562	37,691	89,430	-
Written option	5,226,479	66,478	50,429	-	230,395
Future	1,014,092	11,540	7,772	11,540	7,772
Subtotal	11,598,903	121,181	325,735	119,689	608,941
Credit:					
Swap(CDS)	17,456,755	146,384	105,582	195,321	76,248
Total revenue swap	5,625,477	37,741	93,481	40,416	94,536
Subtotal	23,082,232	184,125	199,063	235,737	170,784
Others:					
Credit risk valuation adjustment	-	-	5,729	(17,758)	-
Profit or loss on the trade date (unamortized)	-	-	-	20,242	35,200
Other forwards	3,020,489	108,965	90,791	107,845	90,729
Other swaps	10,208,325	40,995	182,512	49,659	180,993
Subtotal	13,228,814	149,960	279,032	159,988	306,922
Total	678,084,473	11,322,094	12,596,123	12,633,226	14,248,076

17-2 Unsettled derivative contracts held for hedging purpose as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Notional amounts	Net valuation gain	Net valuation loss	Assets	Liabilities
Fair value hedge					
Currency forward	46,170	244	82	244	82
Currency swap	948,059	57,649	9,144	-	137,058
Interest swap	3,344,044	78,012	-	1,722	249,663
Subtotal	4,338,273	135,905	9,226	1,966	386,803
Cash flow hedge					
Currency swap	1,009,245	17,134	46,898	4,438	41,213
Interest swap	70,000	-	1,595	2,003	29
Bond forwards	19,001	1,888	(2)	1,271	-
Subtotal	1,098,246	19,022	48,491	7,712	41,242
Net investment hedged items					
Currency forwards	142,507	3,190	4,338	-	4,258
Total	5,579,026	158,117	62,055	9,678	432,903

<December 31, 2022>

(Korean won in millions)

Classification	Notional amounts	Net valuation gain	Net valuation loss	Assets	Liabilities
Fair value hedge					
Currency forward	47,860	292	1,900	193	1,900
Currency swap	1,150,977	-	129,660	8,062	180,192
Interest swap	3,497,558	30	325,172	-	325,952
Subtotal	4,696,395	322	456,732	8,255	508,044
Cash flow hedge					
Currency swap	825,122	12,100	24,229	20,459	27,471
Interest swap	70,000	4,810	-	3,598	-
Bond forwards	8,779	-	620	-	620
Subtotal	903,901	16,910	24,849	24,057	28,091
Net investment hedged items					
Currency forwards	233,345	-	10,273	-	10,273
Total	5,833,641	17,232	491,854	32,312	546,408

For derivative transactions involving both Korean won and foreign currency, such as currency forwards, currency futures and currency swap, the fair value of the unsettled amount for such transaction is presented using the proper foreign exchange rate of the contract amount in foreign currency at the reporting date. For a derivative transaction involving only foreign currency, the fair value of the unsettled amount is presented using the proper foreign exchange rate of the foreign currency purchased at the reporting date.

Non-derivative contracts held for hedging purpose as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	December 31, 2023		December 31, 2022	
	Book value	Net valuation gain or loss	Book value	Net valuation gain or loss
Net investment in foreign operations hedge accounting:				
Debentures in foreign currencies	1,126,833	(28,701)	1,131,686	(24,527)
Borrowings in foreign currencies	126,588	(1,919)	170,314	6,559
Total	1,253,421	(30,620)	1,302,000	(17,968)

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

17-2-1 Details of fair value hedge as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Risk	Hedged item	Book value		Accumulated adjusted fair value hedge amount		Adjusted fair value hedge amount	
		Asset	Liability	Asset	Liability	Asset	Liability
Foreign currency risk	Securities measured at FVOCI	21,721	-	(1,445)	321	221	321
Foreign currency risk	Securities measured at amortized cost	14,266	-	(1,165)	-	754	-
Interest rate risk	Depository liabilities in Korean won	-	252,537	-	(47,463)	-	14,831
Interest rate risk	Depository liabilities in foreign currency	-	118,642	-	(23,192)	-	346
Interest rate risk	Financial debentures in Korean won	-	100,450	-	(29,550)	-	7,188
Interest rate risk	Financial debentures in foreign currency	-	2,624,293	-	(147,917)	-	56,708
Interest rate and Foreign currency risk	Financial debentures in foreign currency	-	899,006	-	(49,053)	-	21,109
Total		35,987	3,994,928	(2,610)	(296,854)	975	100,503

<December 31, 2022>

(Korean won in millions)

Risk	Hedged item	Book value		Accumulated adjusted fair value hedge amount		Adjusted fair value hedge amount	
		Asset	Liability	Asset	Liability	Asset	Liability
Foreign currency risk	Securities measured at FVOCI	8,671	-	(1,224)	-	818	-
Foreign currency risk	Securities measured at amortized cost	31,233	-	502	-	805	-
Interest rate risk	Depository liabilities in Korean won	-	187,705	-	(62,295)	-	(46,117)
Interest rate risk	Depository liabilities in foreign currency	-	115,865	-	(23,536)	-	(24,896)
Interest rate risk	Financial debentures in Korean won	-	93,262	-	(36,738)	-	(26,241)
Interest rate risk	Financial debentures in foreign currency	-	2,773,530	-	(204,625)	-	(228,870)
Interest rate and Foreign	Financial debentures	-	1,080,816	-	(70,161)	-	(61,499)

Risk	Hedged item	Book value		Accumulated adjusted fair value hedge amount		Adjusted fair value hedge amount	
		Asset	Liability	Asset	Liability	Asset	Liability
currency risk	in foreign currency						
Total		39,904	4,251,178	(722)	(397,357)	1,623	(387,625)

17-2-2 Details of the fair value hedge target items and the fair value hedge method of the consolidated entity as of the end of the year December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Hedged item	Hedging instrument	Gain (loss) on valuation of hedged item	Gain (loss) on valuation of hedging instrument	Ineffective portion of hedge recognized in profit or loss
Securities measured at FVOCI	Currency forwards	(100)	157	57
Securities measured at amortized cost	Currency forwards	754	4	758
Depository liabilities in Korean won	Interest swap	(14,831)	14,831	-
Depository liabilities in foreign currency	Interest swap	(346)	346	-
Financial debentures in Korean won	Interest swap	(7,188)	7,188	-
Financial debentures in foreign currency	Interest swap	(56,708)	55,648	(1,060)
Financial debentures in foreign currency	Currency swap	(21,109)	48,505	(7)
Total		(99,528)	126,679	(252)

<December 31, 2022>

(Korean won in millions)

Hedged item	Hedging instrument	Gain (loss) on valuation of hedged item	Gain (loss) on valuation of hedging instrument	Ineffective portion of hedge recognized in profit or loss
Securities measured at FVOCI	Currency forwards	818	(987)	(169)
Securities measured at amortized cost	Currency forwards	805	(720)	85
Depository liabilities in Korean won	Interest swap	46,117	(46,117)	-
Depository liabilities in				

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

Hedged item	Hedging instrument	Gain (loss) on valuation of hedged item		Ineffective portion of hedge recognized in profit or loss
foreign currency	Interest swap	24,898	(24,898)	-
Financial debentures in Korean won	Interest swap	26,241	(26,241)	-
Financial debentures in foreign currency	Interest swap	228,870	(227,915)	955
Financial debentures in foreign currency	Currency swap	61,499	(129,660)	(19)
Total		389,248	(456,538)	852

17-2-3 Details of items subject to cash flow hedge as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Risk	Hedged item	Book value		Accumulated cash flow hedge adjustments		Cash flow hedging effect	
		Asset	Liability	Asset	Liability	Asset	Liability
Interest rate risk	Variable interest rate debentures denominated in Korean won	-	69,957	9	2,298	1,668	-
Interest rate and foreign exchange risk	Variable interest rate debentures denominated in foreign currency	-	770,755	36,932	-	42,943	-
Foreign exchange risk	Fixed interest rate debentures denominated in foreign currency	-	235,398	-	5,807	-	12,014
Interest rate risk	Expected bond purchase transaction	-	-	-	-	-	1,888
Total		-	1,076,110	36,941	8,105	44,611	13,902

<December 31, 2022>

(Korean won in millions)

Risk	Hedged item	Book value		Accumulated cash flow hedge adjustments		Cash flow hedging effect	
		Asset	Liability	Asset	Liability	Asset	Liability
Interest rate risk	Variable interest rate debentures denominated in Korean won	-	69,944	-	3,963	-	4,700
	Variable interest rate						

Risk	Hedged item	Book value		Accumulated cash flow hedge adjustments		Cash flow hedging effect	
		Asset	Liability	Asset	Liability	Asset	Liability
Interest rate and foreign exchange risk	debentures denominated in foreign currency	-	601,067	16,244	20,429	6,426	-
Foreign exchange risk	Fixed interest rate debentures denominated in foreign currency	-	222,866	7,170	-	5,802	-
Interest rate risk	Expected bond purchase transaction	-	620	-	620	-	620
Total		-	894,497	23,414	25,012	12,228	5,320

17-2-4 Cash flow hedged items and gain or loss on valuation of items subject to cash flow hedge for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Hedged item	Hedging instrument	Gain (loss) on valuation of hedged item	Gain (loss) on valuation of hedging instrument (*)	Ineffective portion of hedge recognized in profit or loss
Variable interest rate debentures denominated in Korean won	Interest swap	1,668	(1,595)	73
Variable interest rate debentures denominated in foreign currency	Currency swap	42,943	(43,245)	(302)
Fixed interest rate debentures denominated in foreign currency	Currency swap	(12,014)	13,482	1,468
Expected bond purchase transaction	Bond forwards	(1,888)	1,890	2
Total		30,709	(29,468)	1,241

(*) Gain (loss) on valuation of hedging instrument effective for hedging are included in OCI.

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview

Financial Review

- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

<December 31, 2022>

(Korean won in millions)

Hedged item	Hedging instrument	Gain (loss) on valuation of hedged item	Gain (loss) on valuation of hedging instrument (*)	Ineffective portion of hedge recognized in profit or loss
Variable interest rate debentures denominated in Korean won	Interest swap	(4,700)	4,810	110
Variable interest rate debentures denominated in foreign currency	Currency swap	6,426	(6,327)	99
Fixed interest rate debentures denominated in foreign currency	Currency swap	5,802	(5,802)	-
Expected bond purchase transaction	Bond forwards	(620)	617	(2)
Total		6,908	(6,702)	207

(*) Gain (loss) on valuation of hedging instrument effective for hedging are included in OCI.

17-2-5 Net investment hedged items and gain or loss on valuation of items subject to net investment hedge for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Hedged item	Hedging instrument	Gain (loss) on valuation of hedged item	Gain (loss) on valuation of hedging instrument (*)	Ineffective portion of hedge recognized in profit or loss
Net investment in foreign operation (foreign currency risk)	Debentures denominated in foreign currencies	(2,650)	(28,701)	(1,837)
Net investment in foreign operation (exchange differences on translation of foreign operations)	Currency forwards	1,148	(1,148)	-
Net investment in foreign operation (exchange differences on translation of foreign operations)	Borrowings denominated in foreign currencies	2,297	(1,919)	91
Total		795	(31,768)	(1,746)

(*) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is included in other comprehensive income.

<December 31, 2022>

(Korean won in millions)

Hedged item	Hedging instrument	Gain (loss) on valuation of hedged item	Gain (loss) on valuation of hedging instrument (*)	Ineffective portion of hedge recognized in profit or loss
Net investment in foreign operation (foreign currency risk)	Debentures denominated in foreign currencies	24,527	(24,527)	-
Net investment in foreign operation (exchange differences on translation of foreign operations)	Currency forwards	10,273	(10,273)	-
Net investment in foreign operation (exchange differences on translation of foreign operations)	Borrowings denominated in foreign currencies	(6,559)	6,559	-
Total		28,241	(28,241)	-

(*) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is included in other comprehensive income.

17-3 Details of the average hedging ratio of future nominal cash flow as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	1 year	2 years	2 years	4 years	5 years	After 5 years	Total
Fair value hedge:							
Nominal value of hedged items	1,435,607	-	1,486,935	773,640	-	636,304	4,332,486
Nominal value of hedging instrument	1,441,394	-	1,486,935	773,640	-	636,304	4,338,273
Rate of average hedging	99.97%	-	100.01%	100.42%	-	100.00%	100.07%
Cash flow hedge:							
Nominal value of cash flow hedge	-	339,861	579,446	128,940	50,000	-	1,098,247
Nominal value of hedging instrument	-	339,861	579,446	128,940	50,000	-	1,098,247
Rate of average hedging	-	100.00%	100.00%	100.00%	100.00%	-	100.00%
Net investment hedges of foreign operations:							
Nominal value of hedged items	996,265	-	399,664	-	-	-	1,395,929
Nominal value of hedging instrument	996,265	-	399,664	-	-	-	1,395,929
Rate of average hedging	100.00%	-	100.00%	-	-	-	100.00%

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

<December 31, 2022>

(Korean won in millions)

Classification	1 year	2 years	2 years	4 years	5 years	After 5 years	Total
Fair value hedge:							
Nominal value of hedged items	536,350	1,375,348	-	1,435,980	760,380	582,768	4,690,826
Nominal value of hedging instrument	541,918	1,375,348	-	1,435,980	760,380	582,768	4,696,394
Rate of average hedging	99.14%	100.36%	-	99.95%	102.32%	100.00%	100.03%
Cash flow hedge:							
Nominal value of cash flow hedge	221,778	-	324,482	307,641	-	50,000	903,901
Nominal value of hedging instrument	221,778	-	324,482	307,641	-	50,000	903,901
Rate of average hedging	100.00%	-	100.00%	100.00%	-	100.00%	100.00%
Net investment hedges of foreign operations:							
Nominal value of hedged items	511,355	576,205	-	224,713	-	-	1,312,273
Nominal value of hedging instrument	511,355	576,205	-	224,713	-	-	1,312,273
Rate of average hedging	99.42%	100.00%	-	100.00%	-	-	99.78%

18. Investments in associates and joint ventures:

18-1 Details of investments in associates and joint ventures

Details of investments in associates and joint ventures as of December 31, 2023 and 2022 are as follows (Korean won in millions):

Classification	Type	Country	Date of financial statements	Ownership (%)		Book value	
				December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Bank for Investment and Development of Vietnam ("BIDV") (*1)	Associates	Vietnam	December 31, 2023	15.0	15.0	1,748,883	1,641,419
Bank of Jilin (*1)	Associates	China	December 31, 2023	10.8	11.9	896,961	877,490
HORIZON PRIVATE EQUITY FUND (*4)	Associates	Korea	December 31, 2023	80.2	80.2	107,661	177,775
BIDV Securities Joint Stock Company	Associates	Vietnam	December 31, 2023	35.0	35.0	110,247	106,195
KEB Hana-KVC Unicorn Fund of Funds (*4)	Associates	Korea	December 31, 2023	90.9	90.9	94,542	98,244
Toss Bank Co., Ltd. (*1)	Associates	Korea	December 31, 2023	9.5	9.3	157,309	97,371
Beijing Langa Asset Management Co., Ltd.	Associates	China	December 31, 2023	21.9	21.9	99,529	96,647
Hana Digital Transformation Fund (*4)	Associates	Korea	December 31, 2023	57.9	57.9	50,768	55,939
NE HK 52 Ltd. (*2), (*4)	Associates	Hongkong	November 30, 2023	71.6	71.6	58,291	50,656
Hana-Capstone AI Platform Fund(*4)	Associates	Korea	December 31, 2023	60.9	60.9	49,223	48,812
Hana Asset Management (*7)	Associates	Korea	-	-	49.0	-	35,660
Glenwood Credit Private Equity Fund II	Associates	Korea	December 31, 2023	22.8	22.8	33,464	33,118
GMHB Co., Ltd. (*1), (*2)	Associates	Korea	June 30, 2023	19.9	19.9	35,037	33,035
Hana K-NewDeal Unicorn Fund (*4)	Associates	Korea	December 31, 2023	60.8	60.8	35,313	28,118
KORAMCO THE ONE REIT (*1)	Associates	Korea	December 31, 2023	9.9	9.9	27,499	27,797
Hana Untact Digital Innovation Fund (*4)	Associates	Korea	December 31, 2023	57.4	57.4	24,745	25,698
Hana Innovation Venture Scale-Up Fund	Associates	Korea	December 31, 2023	46.2	46.2	25,902	25,610
KDBC Harvest Fund No. 1 (*6)	Associates	Korea	-	-	22.1	-	25,112
PT. SINARIMAS HANA FINANCE (*3)	Joint ventures	Indonesia	December 31, 2023	85.0	85.0	25,210	24,068
Hana X Bio New Technology Fund	Associates	Korea	December 31, 2023	27.5	27.5	21,235	21,568
Hana Power Infra 1st Private Equity Fund (*1)	Associates	Korea	December 31, 2023	7.0	7.0	20,716	20,110
KAMCO Daegu Complex Development Fund (*4)	Associates	Korea	December 31, 2023	95.0	95.0	9,449	19,091

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

Classification	Type	Country	Date of financial statements	Ownership (%)		Book value	
				December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Gyeonggi Hana Turn around Fund No. 2	Associates	Korea	December 31, 2023	44.4	44.5	15,801	16,399
New Deal Extension New Technology Fund No. 1 (*4)	Associates	Korea	December 31, 2023	50.0	50.0	16,697	15,269
Hana-Magna Growth Booster Fund (*4)	Associates	Korea	December 31, 2023	50.0	50.0	19,487	14,373
Infinity ESG Private Equity Fund No. 2	Associates	Korea	December 31, 2023	32.1	31.5	14,135	13,221
The Hahn Green Energy Fund	Associates	Korea	December 31, 2023	30.2	30.2	12,528	12,778
YH Leisure Development Co., Ltd. (*1)	Associates	Korea	December 31, 2023	12.8	12.8	12,884	12,281
Hana Ever Best Corporation Financial Stability Private Investment Co., Ltd.	Associates	Korea	December 31, 2023	20.1	20.1	15,247	11,768
Mirae Credit Information Services Corp.	Associates	Korea	December 31, 2023	31.0	31.0	12,650	11,647
Smart Hana-K& Green New Deal No. 1 Fund	Associates	Korea	December 31, 2023	48.9	48.9	10,431	10,686
All Together Korea Fund 5 (*4)	Associates	Korea	December 31, 2023	100.0	100.0	10,541	10,244
Curious Solution Financial Stability Private Investment JointCompany	Associates	Korea	December 31, 2023	20.4	20.4	10,126	9,989
Genesis Environment Energy No. 6 Private Equity Fund (*2)	Associates	Korea	September 30, 2023	28.5	28.5	9,243	9,746
Taurus Cloud Fund	Associates	Korea	December 31, 2023	27.1	27.1	9,747	9,417
Civic Center PFV (*1), (*2)	Associates	Korea	September 30, 2023	13.7	13.7	7,800	7,800
Genesis Environment Energy No. 3 Private Equity Fund (*4)	Associates	Korea	December 31, 2023	54.7	44.8	10,102	7,567
Dream Island (*1), (*2)	Associates	Korea	September 30, 2023	9.1	10.2	4,167	4,443
2018 Hana-Magna Start-up fund	Associates	Korea	December 31, 2023	21.9	21.9	5,479	6,086
Lakebridge The Growth Capital PEF1 (*6)	Associates	Korea	-	-	23.5	-	5,552
F&U Credit Information (*2)	Associates	Korea	November 30, 2023	40.0	40.0	8,925	7,105
GFI ESG the 1st Private Equity Fund (*1)	Associates	Korea	December 31, 2023	6.8	0.3	4,608	200
Korea Credit Bureau (*1)	Associates	Korea	December 31, 2023	9.0	9.0	6,282	5,625
Templeton Hana Asset Management Co., Ltd.	Associates	Korea	December 31, 2023	29.8	29.8	5,087	4,177
CM International Financing Leases	Associates	China	December 31, 2023	25.0	25.0	540	1,629
Somesevit Co., Ltd. (*1), (*5)	Associates	Korea	December 31, 2023	1.9	1.9	-	-
MIDAN City Development Co., Ltd. (*1), (*2), (*5)	Associates	Korea	March 31, 2018	2.2	2.2	-	-
Company KStartup Winwin Fund	Associates	Korea	December 31, 2023	23.8	23.8	1,730	2,356
BSK-6 Patent Technology Investment Association	Associates	Korea	December 31, 2023	20.0	20.0	2,514	2,748

Classification	Type	Country	Date of financial statements	Ownership (%)		Book value	
				December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Harvest Private Equity Fund Specializing in Start-Up and Venture Business I	Associates	Korea	December 31, 2023	27.3	27.3	1,402	2,803
Sinsa Station Complex Development PFV Co., Ltd. (*1)	Associates	Korea	December 31, 2023	9.0	9.0	-	364
Cheongna Medipolis PFV Co., Ltd. (*1)	Associates	Korea	December 31, 2023	11.1	12.4	19,139	1,891
NPX-Welcome Metaverse Contents Fund (*4)	Associates	Korea	December 31, 2023	50.0	50.0	1,917	1,956
UNION TCB FUND II	Associates	Korea	December 31, 2023	29.6	-	1,091	-
Shinjin International Corporation (*2) (*5)	Associates	Korea	December 31, 2023	24.2	24.2	-	-
KG Fashion (*2) (*5)	Associates	Korea	December 31, 2023	20.6	20.5	-	-
A&D Credit Information Co., Ltd. (*1) (*2)	Associates	Korea	November 30, 2023	13.1	13.1	2,476	2,376
Hyoje PFV CO., LTD	Associates	Korea	December 31, 2023	20.0	20.0	4,263	4,579
Methus Private Equity Real Estate Fund 10	Associates	Korea	December 31, 2023	23.0	23.0	2,037	2,037
Hana Capital-Capstone Venture Fund III (*4)	Associates	Korea	December 31, 2023	56.8	56.8	411	2,445
Hana-KDBC, Capstone Venture Fund (*4)	Associates	Korea	December 31, 2023	50.0	50.0	2,250	3,557
KCLAMS-Meta Fund No. 2	Associates	Korea	December 31, 2023	48.5	48.5	4,061	7,564
2019 Capstone Venture Fund	Associates	Korea	December 31, 2023	27.8	27.8	1,818	1,904
Nautic Green Innovation ESG Co-Investment No. 1 Private Equity Fund	Associates	Korea	December 31, 2023	30.1	30.1	4,837	4,922
Meta Liquifying Venture Asset 2nd Private Equity Fund	Associates	Korea	December 31, 2023	21.4	21.4	2,605	2,968
CAPSTONE SCALE-UP VENTURE FUND	Associates	Korea	December 31, 2023	20.0	-	2,835	-
Anda Mobility Infrastructure Fund No. 2	Associates	Korea	December 31, 2023	24.2	-	2,960	-
Gunsan BIO Energy Co., Ltd. (*1), (*2), (*5)	Associates	Korea	August 22, 2023	18.9	18.9	-	-
Synergy-Incus Venture Business Fund No. 1 (*5)	Associates	Korea	December 31, 2023	22.0	22.0	-	-
Lotte Ventures Corp (*1)	Associates	Korea	December 31, 2023	20.0	20.0	6,102	6,024
DA Value-Up Fund No. 2 (*6)	Associates	Korea	-	-	33.3	-	223
Gwacheon Jisan Octa PFV., Ltd. (*6)	Associates	Korea	-	-	19.2	-	1,375
DangсандongPFV Co., Ltd. (*1), (*2), (*5)	Associates	Korea	October 31, 2023	5.0	5.0	-	250
Dream Island Leisure (*1), (*2)	Associates	Korea	July 31, 2023	16.6	19.9	7,363	7,381
EBEST Hitech Fund No. 1	Associates	Korea	December 31, 2023	36.6	36.6	919	936
UBI-HBC New Technology Investment Partnership II	Associates	Korea	December 31, 2023	27.0	27.0	1,009	1,804

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Type	Country	Date of financial statements	Ownership (%)		Book value	
				December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
UNION Proptech Fund I	Associates	Korea	December 31, 2023	22.1	22.1	2,834	2,854
Daegu MBC Development PFV Co. Ltd. (+1), (+2), (+5)	Associates	Korea	September 30, 2023	15.1	15.1	-	-
Changjo Innovation CO., Ltd. (+1), (+5)	Associates	Korea	December 31, 2023	7.3	7.3	-	-
Dowon Asset Development Co., Ltd. (+1), (+2), (+5)	Associates	Korea	December 31, 2023	19.9	19.9	-	-
MERITZ-KLAIVS Fund No. 1	Associates	Korea	December 31, 2023	22.1	22.1	954	969
Hana Must Seven Special Purpose Acquisition Company (+1), (+2)	Associates	Korea	September 30, 2023	0.1	0.1	7	7
Hana Financial Sixteenth Special Purpose Acquisition Company (+6)	Associates	Korea	-	-	0.2	-	18
DGH New Technology Investment Association No. 1	Associates	Korea	December 31, 2023	23.3	23.3	949	967
Hana Bio New Technology Fund No. 2	Associates	Korea	December 31, 2023	30.7	30.7	944	965
Hana Bio New Technology Fund No. 3	Associates	Korea	December 31, 2023	44.1	44.1	943	964
Forest of Suseong (+1), (+2), (+5)	Associates	Korea	December 31, 2023	10.0	10.0	-	-
BM Ventures Fund No. 1	Associates	Korea	December 31, 2023	23.1	23.1	1,417	1,449
MC Southeast Asia Fund No. 1	Associates	Korea	December 31, 2023	24.8	24.8	866	866
Hana Hoechang Private Equity Fund No. 1 (+6)	Associates	China	-	-	60.0	-	110
Hana Financial Nineteenth Special Purpose Acquisition Company (+6)	Associates	Korea	-	-	0.1	-	9
Hana Bio New Technology Fund No. 1-1 (+4)	Associates	Korea	December 31, 2023	61.3	61.3	2,820	1,585
Hana Smart Logistics New Technology Fund	Associates	Korea	December 31, 2023	22.8	22.8	258	241
Cornerstone Mutual Growth VI Fund	Associates	Korea	December 31, 2023	25.0	25.0	950	971
People Korea Two (+1), (+5)	Associates	Korea	December 31, 2023	13.0	13.0	-	-
Hana Financial Twentieth Special Purpose Acquisition Company (+6)	Associates	Korea	-	-	-	-	2
C47 Investment-Contents Waive Original Contents I Startup and Venture Private Equity Fund (+6)	Associates	Korea	-	-	20.5	-	966
Impok Rental Housing CO., Ltd. (+1), (+2), (+5)	Associates	Korea	September 30, 2023	19.9	19.9	-	-
Daeyoung Networks Co., Ltd. (+1), (+5)	Associates	Korea	December 31, 2023	19.8	19.8	-	-
Hana Financial Twenty-First Special Purpose Acquisition Company (+1), (+2)	Associates	Korea	September 30, 2023	0.1	0.1	18	18
S&S-Redwood India Agri-Tech Fund	Associates	Korea	December 31, 2023	36.0	36.0	1,910	1,957
KLAIVS AIM Artificial Intelligence Fund No. 1	Associates	Korea	December 31, 2023	36.9	36.9	949	974
K&Secondary No. 5 Fund	Associates	Korea	December 31, 2023	22.2	22.2	955	977

Classification	Type	Country	Date of financial statements	Ownership (%)		Book value	
				December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
NPX-Welcome Metaverse Contents fund	Associates	Korea	December 31, 2023	42.6	42.6	955	978
Hana Financial Twenty-Second Special Purpose Acquisition Company (+1), (+2)	Associates	Korea	September 30, 2023	0.2	0.2	19	18
STIC Healthcare I Private Equity Fund	Associates	Korea	December 31, 2023	23.8	23.8	958	983
NH-Deep Dive Smart Logistics Fund	Associates	Korea	December 31, 2023	37.6	37.6	1,926	1,966
Octave Tech Investment L25 LLC	Associates	U.S.	December 31, 2023	23.8	23.8	4,075	4,029
ST-CENTUM Fund No. 2	Associates	Korea	December 31, 2023	27.0	27.0	1,926	1,966
EBEST HBIC Fund No. 83 (+6)	Associates	Korea	-	-	23.5	-	2,797
Choice & Soyeon Construction Co., Ltd. (+1), (+2), (+5)	Associates	Korea	June 30, 2023	20.0	20.0	-	86
Daeyoung DLM PFV Co., Ltd. (+1)	Associates	Korea	December 31, 2023	20.0	20.0	1,012	1,212
Hana Financial Twenty-Third Special Purpose Acquisition Company (+1), (+2)	Associates	Korea	September 30, 2023	0.2	0.2	20	21
IMMGlobalCircularEconomyLPF (+6)	Associates	Hong Kong	-	-	25.4	-	2,803
JIB EBEST Autonorus The Current Fund No. 3	Associates	Korea	December 31, 2023	22.8	22.8	966	987
Hana Financial Twenty-Fourth Special Purpose Acquisition Company (+1), (+2)	Associates	Korea	September 30, 2023	-	-	4	4
Hana Financial Twenty-Fifth Special Purpose Acquisition Company (+1), (+2)	Associates	Korea	September 30, 2023	-	0.3	10	7
Eugene Asia Food Tech Fund-1	Associates	Korea	December 31, 2023	25.0	25.0	1,017	1,045
Cheonan JDC PFV Co., Ltd. (+1)	Associates	Korea	December 31, 2023	19.2	19.2	1,149	1,149
K&Fashion No. 1 Fund	Associates	Korea	December 31, 2023	24.9	24.9	970	992
HMC-Primus Mobility New Tech Fund	Associates	Korea	December 31, 2023	29.9	29.9	2,063	2,008
UNIST-ATP Start-Up Fund No. 1	Associates	Korea	December 31, 2023	23.8	23.8	952	985
Hana Financial Twenty-Sixth Special Purpose Acquisition Company (+1), (+2)	Associates	Korea	September 30, 2023	0.2	1.9	20	15
Hana Financial Twenty-Seventh Special Purpose Acquisition Company (+1), (+2)	Associates	Korea	September 30, 2023	0.2	1.6	19	15
Hanwha-Samsung Healthcare No. 1 Venture Fund	Associates	Korea	December 31, 2023	39.2	39.2	1,951	1,993
MS-KAI Contents Fund 1	Associates	Korea	December 31, 2023	27.0	27.0	1,820	1,989
Anda Mobility Infrastructure Fund No. 1	Associates	Korea	December 31, 2023	26.3	26.3	1,950	1,997
ACP Venture Blind Association No. 1	Associates	Korea	December 31, 2023	22.2	22.2	966	999
Smilegate Kairos Sub 1 PEF	Associates	Korea	December 31, 2023	44.7	44.7	1,662	1,699
IMMGlobalRenewablesII LPF (+2)	Associates	Hong Kong	September 30, 2023	29.4	-	335	-

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Type	Country	Date of financial statements	Ownership (%)		Book value	
				December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Global Material Leader Fund No. 1	Associates	Korea	December 31, 2023	39.9	-	1,947	-
AFWP-Bluewave New Tech Fund No. 1	Associates	Korea	December 31, 2023	27.0	-	1,476	-
Hana Financial Twenty-Eight Special Purpose Acquisition Company (*1), (*2)	Associates	Korea	September 30, 2023	-	-	2	-
Hana Financial Twenty-Nine Special Purpose Acquisition Company (*1), (*2)	Associates	Korea	September 30, 2023	-	-	2	-
IBKS Innovation MPE Fund No. 1	Associates	Korea	December 31, 2023	21.1	-	1,974	-
Stallion New Growth 4th Fund	Associates	Korea	December 31, 2023	48.2	-	1,978	-
SJGP YG Fund No. 3	Associates	Korea	December 31, 2023	31.3	-	988	-
Shenzhen Hana Yuanchuang No. 1 Investment Partnership (Limited Partnership) (*1)	Associates	China	December 31, 2023	0.1	-	2	-
Gongqingcheng Zhongyuan Hana Equity Investment Partnership (Limited Partnership)	Associates	China	December 31, 2023	33.3	29.2	6,860	5,238
Pushan Hana (Hainan) Technology Co., Ltd. (*2)	Associates	China	November 30, 2023	39.0	39.0	2,606	1,533
Shenzhen Hana Future Energy Investment Partnership (Limited Partnership) (*1), (*2)	Associates	China	September 30, 2023	-	-	2	2
Hana Qualified Investor Private Real Estate Investment Trust No. 41-2	Associates	Korea	December 31, 2023	35.9	35.9	315	424
Hana Alternative Special Investment Private Trust No. 161	Associates	Korea	December 31, 2023	24.2	24.2	1,162	1,163
Hana Alternative Investment Real Estate Private Trust No. 189	Associates	Korea	December 31, 2023	26.5	26.5	2,096	2,129
Hana Alternative Investment Blind General Private Real Estate Investment Trust No. 172	Associates	Korea	December 31, 2023	20.0	20.0	793	794
Hana Ventures No. 1 Investment Fund (*1)	Associates	Korea	December 31, 2023	9.1	9.1	290	348
Hana Ventures No. 5 Investment Fund	Associates	Korea	December 31, 2023	33.8	33.8	1,925	1,954
Digital Innovation Growth Fund	Associates	Korea	December 31, 2023	23.1	23.1	2,659	2,883
Hana-Zephyrus Front1 Start-Up Fund (*1)	Associates	Korea	December 31, 2023	10.0	-	571	-
HS INVESTMENTS EU11 L.P. (*2)	Associates	England	September 30, 2023	33.6	33.6	3,877	4,916
Genesis Environment Energy No. 5 Private Equity Fund (*2)	Associates	Korea	September 30, 2023	24.8	-	6,500	-
Apollon Private Equity Fund	Associates	Korea	December 31, 2023	29.9	29.9	2,656	4,223
Heat Private Equity Fund (*6)	Associates	Korea	-	-	20.5	-	2,550
KDBI-HANA Business Reorganization Value-up Private Equity Fund	Associates	Korea	December 31, 2023	40.0	-	61,482	-
Anda Cabon Zero Fund No.1	Associates	Korea	December 31, 2023	28.0	-	4,093	-
VL Taube Private Equity Fund	Associates	Korea	December 31, 2023	24.9	-	19,142	-
UOK Oasis Private Equity Fund (*2)	Associates	Korea	September 30, 2023	20.2	-	6,272	-

Classification	Type	Country	Date of financial statements	Ownership (%)		Book value	
				December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
ST-J&M New Technology Investment Fund 1st	Associates	Korea	December 31, 2023	27.1	-	1,965	-
Smilegate Quicksilver 1st PEF (*4)	Associates	Korea	December 31, 2023	55.0	-	5,447	-
2023 JB Newtech No.2 Fund	Associates	Korea	December 31, 2023	25.7	-	2,598	-
No.1 KEBHANASTAY REITS Co., Ltd (*1), (*2)	Associates	Korea	October 31, 2023	19.9	-	35,212	-
Artificial Photosynthesis Lab Co., Ltd.	Associates	Korea	December 31, 2023	36.2	-	1,595	-
MASHUP ANGELS VALUE UP FUND2	Associates	Korea	December 31, 2023	21.8	-	1,173	-
HANA 30 Special Purpose Acquisition Company (*1), (*2)	Associates	Korea	October 19, 2023	0.3	-	3	-
HANA 31 Special Purpose Acquisition Company (*1), (*2)	Associates	Korea	October 11, 2023	0.2	-	1	-
HI-DCP MCE Industries Fund No.1 (*2)	Associates	Korea	October 19, 2023	25.5	-	227	-
Positive IBKC Tech Fund No.1	Associates	Korea	December 31, 2023	44.3	-	1,999	-
Wangren Family Office(Guangzhou) Co., Ltd.	Associates	Korea	December 31, 2023	33.3	-	3,595	-
Yunnan Shuanggang Tea Industry Co., Ltd	Associates	Korea	December 31, 2023	30.0	-	2,713	-
Total						4,159,967	3,917,787

(*1) The Group exercises significant influence on the investee's Board of Directors and therefore, is included as part of affiliated companies under the equity method.

(*2) The financial statements for the current period were not available; therefore, the financial statements from the recent period were used and the effect from all material transactions or events from the current period were evaluated and appropriately reflected.

(*3) Equity method is applied since the Group cannot individually control the investees, and other shareholders' consent is required to make important decisions for the company.

(*4) Because the Group cannot exercise control over the company in the decision-making body, it was classified as an investment in the associates.

(*5) As the balances of investment accounts became below zero, the equity method application is suspended to them.

(*6) Excluded from investments in associates and joint ventures because the

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Group disposes all or some of the shares in them or lose significant influence on them.

(*7) Excluded from investments in associates and joint ventures through the acquisition of the remaining shares 49% for the year December 31, 2023.

Balances of investment accounts became below zero so equity method was no longer applied. In this regard, unrecognized amount of changes in equity for the year ended December 31, 2023 and unrecognized accumulated amount of changes in equity as of December 31, 2022 are as follows (Korean won in millions):

Classification	Ownership (%)	Unrecognized changes in equity for the year December 31, 2023	Unrecognized accumulated changes in equity as of December 31, 2022
Somesevit Co., Ltd.	1.9	(83)	(1,527)
Midan City Development Co., Ltd.	2.2	-	(523)
Shinjin International Corporation	24.2	9	8
K&Fashion No. 1 Fund	20.6	(39)	(54)
Gunsan Bio Energy Co., Ltd.	18.9	(702)	(3,986)
Changio Innovation CO., Ltd.	7.3	(1,125)	(3,146)
Forest of Suseong	10.0	(1,632)	(4,258)
People Korea Two Co., Ltd.	13.0	(294)	(6,458)
Irrgok Rental Housing CO., Ltd.	19.9	(190)	(1,067)
Daegu MBC Development PFV Co. Ltd.	15.1	(5,493)	(10,470)
Daeyoung Networks Co., Ltd.	19.8	(606)	(1,416)
DangsandongPFV Co., Ltd.	5.0	(911)	-
Choice & Soyeon Construction Co., Ltd.	20.0	(2,675)	-
Synergy-Incus Venture Business Fund No. 1	22.0	-	-
Dowon Asset Development Co., Ltd.	19.9	(9,629)	-

18-2 Condensed financial information of investments in associates and joint ventures

The condensed financial information of investments in associates and joint ventures as of December 31, 2023 and 2022, is as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Assets	Liabilities	Equity	Revenue	Net income (loss)	Other comprehensive income (loss)	Comprehensive income (loss)
BIDV (*1)	123,349,696	115,974,974	7,374,721	10,117,882	818,792	27,858	846,650
Bank of Jilin	118,285,793	110,043,991	8,241,802	4,842,002	403,240	4,192	407,432
HORIZON PRIVATE EQUITY FUND	137,079	2,694	134,385	88	(12,590)	-	(12,590)
BIDV Securities Joint Stock Company	453,098	193,747	259,351	68,867	20,407	(3,660)	16,747
KEB Hana-K/MC Unicom Fund of Funds	104,375	379	103,996	1,933	1,554	973	2,527
Toss Bank Co., Ltd.	25,738,679	24,230,274	1,508,405	1,260,974	(15,959)	87,796	71,837
Beijing Langa Asset Management Co., Ltd.	487,591	26,865	460,726	33,829	23,694	244	23,938
Hana Digital Transformation Fund	89,671	1,913	87,758	10,457	62	-	62
NE HK52 Ltd.	69,201	6,096	63,105	15	(102)	-	(102)
Hana-Capstone AI Platform Fund	80,910	440	80,470	4,754	321	-	321
Glenwood Credit Private Equity Fund II	147,364	455	146,929	10,374	9,611	-	9,611
GWHB Co., Ltd.	132,314	56,145	76,169	1,250	4,352	-	4,352
Hana K-NewDeal Unicom Fund	58,609	481	58,128	1,792	(157)	-	(157)
KORAMCO THE ONE RET	516,312	312,380	203,932	28,395	9,794	-	9,794
Hana Untact Digital Innovation Fund	43,498	393	43,105	1,000	(1,659)	-	(1,659)
Hana Innovation Venture Scale-Up Fund	56,261	141	56,120	5,328	3,227	-	3,227
PT. SINARIMAS HANA FINANCE	127,869	98,224	29,645	19,165	467	-	467
Hana X Bio New Technology Fund	77,315	-	77,315	408	(1,211)	-	(1,211)
Hana Power Infra 1st Private Equity Fund	296,560	621	295,939	11,179	8,655	-	8,655
KAMCO Daegu Complex Development Fund	10,004	57	9,947	-	(10,149)	-	(10,149)
Gyeonggi Hana Turn around Fund No. 2	35,892	340	35,552	505	(1,344)	-	(1,344)
New Deal Extension New Technology Fund No. 1	33,393	-	33,393	498	(1,145)	-	(1,145)
Hana-Magna Growth Booster Fund	39,263	290	38,973	239	(940)	1,167	227
Infinity ESG Private Equity Fund No. 2	44,497	447	44,050	2	(882)	-	(882)
The Hahn Green Energy Fund	41,665	227	41,438	430	(394)	202	(192)
YH Leisure Development Co., Ltd.	204,793	104,295	100,498	19,827	4,706	-	4,706
Hana Ever Best Corporation Financial	76,396	453	75,943	1,073	(3,553)	494	(3,059)
Mirae Credit Information Services Corp.	61,223	20,417	40,806	77,900	4,233	-	4,233
Smart Hana-K& Green New Deal No. 1 Fund	21,492	146	21,346	63	(522)	-	(522)
All Together Korea Fund 5	10,543	1	10,542	227	222	-	222

(* 1) Financial information of BIDV is reflecting the purchase price allocation ("PPA") valuation and generally accepted accounting principle ("GAAP") adjustments.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

<December 31, 2022>

(Korean won in millions)

Classification	Assets	Liabilities	Equity	Revenue	Net income (loss)	Other comprehensive income (loss)	Comprehensive income(loss)
BIDV (+1)	114,300,714	108,381,237	5,919,477	8,100,357	1,071,496	(62,742)	1,008,754
Bank of Jilin	99,356,297	92,088,037	7,268,260	4,248,227	409,505	(47,294)	362,211
HORIZON PRIVATE EQUITY FUND	226,400	5,453	220,947	37	(13,684)	-	(13,684)
Beijing Langa Asset Management Co., Ltd.	481,800	34,098	447,702	47,954	23,524	427	23,951
KEB Hana-K/MC Unicorn Fund of Funds	108,429	361	108,068	1,440	1,077	(465)	612
Toss Bank Co., Ltd.	23,398,698	22,432,155	966,543	755,905	(244,515)	(123,920)	(368,436)
Hana Digital Transformation Fund	98,380	1,684	96,696	24,428	16,227	-	16,227
Hana-Capstone AI Platform Fund	80,570	420	80,150	142	(1,502)	-	(1,502)
Hana Asset Management (formerly known as Hana UBS Asset Management)	127,034	54,260	72,774	28,323	7,747	24	7,771
KORAMCO THE ONE REIT	519,597	312,655	206,942	27,499	9,974	-	9,974
PT. SINARIMAS HANA FINANCE	113,883	85,812	28,071	17,664	2,496	-	2,496
Hana Power Infra 1st Private Equity Fund	287,905	621	287,284	10,083	-	-	-
Hana Innovation Venture Scale-up Fund	55,807	320	55,487	2,101	(1,244)	-	(1,244)
KIAMCO Daegu Complex Development Fund	20,102	7	20,095	1,039	993	-	993
Curious Solution Financial Stability Private Investment Joint Company No. 1	49,191	347	48,844	3,668	3,697	-	3,697
Genesis Environment No. 6 Private Equity Fund	30,515	93	30,422	1	(542)	-	(542)
Gyeonggi Hana Turn around Fund No. 2	37,038	141	36,897	96	(3,341)	-	(3,341)
Mirae Credit Information Services Corp	57,637	20,065	37,572	76,293	2,495	-	2,495
YH Leisure Development Co., Ltd.	209,329	113,537	95,792	23,050	9,359	-	9,359
New Deal Extension New Technology Fund No. 1	30,539	-	30,539	39	(1,073)	-	(1,073)
All Together Korea Fund5	10,246	1	10,245	149	144	-	144
Taurus Cloud Fund	34,675	3	34,672	-	(171)	-	(171)
Civic Center PFV	49,518	6	49,512	-	(1,700)	-	(1,700)
Genesis Environment No. 3 Private Equity Fund	16,915	5	16,910	1,500	1,212	-	1,212
Dream Island	173,014	130,868	42,146	104,113	(23,339)	-	(23,339)
2018 Hana-Magna Startup Fund	28,449	695	27,754	130	(2,148)	-	(2,148)
Hana Ever Best Corporation Financial Stability Private Investment Co., Ltd.	59,104	490	58,614	1,205	(498)	(56)	(554)
Lakebridge The Growth Capital PEF1	23,544	-	23,544	627	251	-	251
F&U Credit Information	28,653	10,889	17,764	65,798	2,940	520	3,460
Eugene Hana Recycling Private Equity Fund (formerly known as GFI ESG the 1st Private Equity Fund)	68,188	-	68,188	2,925	1,794	-	1,794
Korea Credit Bureau	155,165	100,065	55,100	144,907	13,809	-	13,809

(* 1) Financial information of BIDV is reflecting the purchase price allocation ("PPA") valuation and generally accepted accounting principle ("GAAP") adjustments.

18-3 Changes in investments in associates and joint ventures

Details of changes in investments in associates and joint ventures for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification	Owner-ship (%)	Initial book value	Business combination	Purchase	Replacement	Dividend	Book value before valuation	Valuation of equity method		Disposal	Impairment loss	Book value
								Gain or loss	Changes in equity			
BIDV	15.0	1,641,419	-	-	-	-	1,641,419	122,820	(15,356)	-	-	1,748,883
Bank of Jilin	10.8	877,490	-	-	-	(13,864)	863,626	40,932	(7,597)	-	-	896,961
HORIZON PRIVATE EQUITY FUND	80.2	177,775	-	-	-	(31,296)	146,479	(20,197)	1,693	(20,314)	-	107,661
BIDV Securities Joint Stock Company	35.0	106,195	-	-	-	(1,808)	104,387	7,141	(1,281)	-	-	110,247
KEB Hana-K/MC Unicorn Fund of Funds	90.9	98,244	-	-	-	-	98,244	1,413	885	(6,000)	-	94,542
Toss Bank Co., Ltd.	9.5	97,371	-	50,677	-	-	148,048	(3,306)	12,567	-	-	157,309
Beijing Langa Asset Management Co., Ltd.	21.9	96,647	-	-	-	(1,991)	94,656	5,177	(304)	-	-	99,529
Hana Digital Transformation Fund	57.9	55,939	-	-	-	-	55,939	36	-	(5,207)	-	50,768
NE HK 52 Ltd.	71.6	50,656	-	-	-	-	50,656	6,800	835	-	-	58,291
Hana-Capstone AI Platform Fund	60.9	48,812	-	-	-	-	48,812	411	-	-	-	49,223
Hana Asset Management (formerly known as Hana UBS Asset Management)	-	35,660	100,062	-	(166,356)	(3,455)	(34,089)	3,236	(9)	30,862	-	-
Glenwood Credit Private Equity Fund II	22.8	33,118	-	-	-	(1,850)	31,268	2,196	-	-	-	33,464
GMIH Co., Ltd.	19.9	33,035	-	-	-	-	33,035	2,002	-	-	-	35,037
Hana K-NewDeal Unicorn Fund	60.8	28,118	-	7,290	-	-	35,408	(95)	-	-	-	35,313
KORAMCO THE ONE REIT	9.9	27,797	-	-	-	(1,268)	26,529	970	-	-	-	27,499
Hana Unictac Digital Innovation Fund	57.4	25,698	-	-	-	-	25,698	(953)	-	-	-	24,745
Hana Innovation Venture Scale-Up Fund	46.2	25,610	-	-	-	-	25,610	1,490	-	(1,198)	-	25,902
KDBCB Harvest Fund No. 1	-	25,112	-	-	(15,400)	-	9,712	-	-	(9,712)	-	-
PT. SINARIMAS HANA FINANCE	85.0	24,068	-	-	-	-	24,068	245	897	-	-	25,210
Hana X Bio New Technology Fund	27.5	21,568	-	-	-	-	21,568	(333)	-	-	-	21,235
Hana Power Infra 1st Private Equity Fund	7.0	20,110	-	-	-	-	20,110	606	-	-	-	20,716
KIAMCO Daegu Complex Development Fund	95.0	19,091	-	-	-	-	19,091	(9,642)	-	-	-	9,449

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Ownership (%)	Initial book value	Business combination	Purchase	Replacement	Dividend	Book value before valuation	Valuation of equity method		Disposal	Impairment loss	Book value
								Gain or loss	Changes in equity			
Gyeonggi Hana Turn around Fund No. 2	44.4	16,399	-	-	-	-	16,399	(599)	-	-	-	15,801
New Deal Extension New Technology Fund No. 1	50.0	15,269	-	6,000	-	-	21,269	(667)	-	(3,905)	-	16,697
Hana-Magna Growth Booster Fund	50.0	14,373	-	5,000	-	-	19,373	(236)	350	-	-	19,487
Infinity ESG Private Equity Fund No. 2	32.1	13,221	-	1,200	-	-	14,421	(286)	-	-	-	14,135
The Hahn Green Energy Fund	30.2	12,778	-	-	-	(130)	12,648	(120)	-	-	-	12,528
YH Leisure Development Co., Ltd.	12.8	12,281	-	-	-	-	12,281	603	-	-	-	12,884
Hana Ever Best Corporation Financial	20.1	11,768	-	4,124	-	-	15,892	(744)	99	-	-	15,247
Mirae Credit Information Services Corp.	31.0	11,647	-	-	-	(186)	11,461	1,189	-	-	-	12,650
Smart Hana+K, Green New Deal No. 1 Fund	48.9	10,686	-	-	-	-	10,686	(255)	-	-	-	10,431
All Together Korea Fund 5	100.0	10,244	-	210	-	(210)	10,244	237	-	-	-	10,541
Others	-	219,588	-	128,207	75,936	(9,870)	413,861	23	(3,809)	(20,775)	(1,718)	387,582
Total	-	3,917,787	100,062	202,708	(105,820)	(65,928)	4,048,809	160,155	(11,030)	(36,249)	(1,718)	4,159,967

Classification	Ownership (%)	Initial book value	Purchase	Replacement	Dividend	Book value before valuation	Valuation of equity method		Disposal	Impairment loss	Book value
							Gain or loss	Changes in equity			
KIAMCO Daegu Complex Development Fund	95.0	18,971	-	-	(825)	18,146	945	-	-	-	19,091
Curious Solution Financial Stability Private Investment Joint Company No. 1	20.4	15,972	-	-	(1,200)	14,772	1,190	-	(5,973)	-	9,989
Genesis Environment No. 6 Private Equity Fund	28.5	14,694	5,704	(6,510)	-	13,888	(178)	-	(3,964)	-	9,746
Gyeonggi Hana Turn around Fund No. 2	44.5	11,883	6,000	-	-	17,883	(1,484)	-	-	-	16,399
Mirae Credit Information Services Corp	31.0	11,481	-	-	(186)	11,295	352	-	-	-	11,647
YH Leisure Development Co., Ltd.	12.8	11,081	-	-	-	11,081	1,200	-	-	-	12,281
New Deal Extension New Technology Fund No. 1	50.0	10,806	5,000	-	-	15,806	(537)	-	-	-	15,269
All Together Korea Fund5	100.0	10,070	62	-	(62)	10,070	174	-	-	-	10,244
Taurus Cloud Fund	27.1	9,391	77	-	-	9,468	(51)	-	-	-	9,417
Civic Center PFV	13.7	8,441	-	-	-	8,441	(641)	-	-	-	7,800
Genesis Environment No. 3 Private Equity Fund	44.8	7,651	-	-	(627)	7,024	543	-	-	-	7,567
Dream Island	10.2	6,817	-	-	-	6,817	(2,374)	-	-	-	4,443
2018 Hana-Magna Start-up fund	21.9	6,556	-	-	-	6,556	(470)	-	-	-	6,086
Hana Ever Best Corporation Financial Stability Private Investment Co., Ltd.	20.1	5,835	6,044	-	-	11,879	(100)	(11)	-	-	11,768
Finnq Co., Ltd.	-	7,664	-	(3,332)	-	4,332	(4,332)	-	-	-	-
Lakebridge The Growth Capital PEF1	23.5	5,749	-	-	(46)	5,703	59	-	(210)	-	5,552
F&U Credit Information	40.0	5,722	-	-	-	5,722	1,175	208	-	-	7,105
Eugene Hana Recycling Private Equity Fund (formerly known as GFI ESG the 1st Private Equity Fund)	0.3	10,191	200	-	(5)	10,386	5	-	(10,191)	-	200
Korea Credit Bureau	9.0	8,997	-	-	-	8,997	(3,372)	-	-	-	5,625
Others	-	135,125	474,833	(17,148)	(7,260)	585,550	44,871	(13,040)	(93,304)	(3,461)	520,616
Total	-	3,282,042	633,803	(26,990)	(47,465)	3,841,390	233,166	(309)	(152,999)	(3,461)	3,917,787

<2022>

(Korean won in millions)

Classification	Ownership (%)	Initial book value	Purchase	Replacement	Dividend	Book value before valuation	Valuation of equity method		Disposal	Impairment loss	Book value
							Gain or loss	Changes in equity			
BIDV	15.0	1,441,797	-	-	-	1,441,797	160,724	38,898	-	-	1,641,419
Bank of Jilin	11.9	853,877	-	-	-	853,877	49,900	(26,287)	-	-	877,490
HORIZON PRIVATE EQUITY FUND	80.2	233,270	-	-	(28,817)	204,453	(11,128)	11,215	(26,785)	-	177,775
Beijing Langa Asset Management Co., Ltd.	21.9	96,672	-	-	(2,888)	93,784	5,030	(2,167)	-	-	96,647
KEB Hana-KVC Unicorn Fund of Funds	90.9	72,528	25,130	-	-	97,658	1,009	(423)	-	-	98,244
Toss Bank Co., Ltd.	9.3	49,125	79,753	-	-	128,878	(23,982)	(7,525)	-	-	97,371
Hana Digital Transformation Fund	57.9	51,169	-	-	-	51,169	9,387	-	(4,617)	-	55,939
Hana-Capstone AI Platform Fund	60.9	25,000	25,000	-	-	50,000	(915)	-	(273)	-	48,812
Hana Asset Management (formerly known as Hana UBS Asset Management)	49.0	35,674	-	-	(3,822)	31,852	3,796	12	-	-	35,680
KORAMCO THE ONE REIT	9.9	36,107	-	-	(1,727)	34,380	1,123	(4)	(7,702)	-	27,797
PT. SINARIMAS HANA FINANCE	85.0	22,338	-	-	-	22,338	2,380	(650)	-	-	24,068
Hana Power Infra 1st Private Equity Fund	7.0	21,204	-	-	-	21,204	(568)	(535)	-	-	20,110
Hana Innovation Venture Scale-up Fund	46.2	20,184	6,000	-	-	26,184	(574)	-	-	-	25,610

18-4 Details of net assets of related companies as of December 31, 2023 and 2022, are as follows (Korean won in million) :

<December 31, 2023>

(Korean won in millions)

Classification	Net assets	Ownership (%)	Interest in net assets	Goodwill and others	Book value
BIDV	7,374,721	15.0	1,106,208	642,675	1,748,883
Bank of Jilin	8,241,802	10.8	886,818	10,143	896,961

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Net assets	Ownership (%)	Interest in net assets	Goodwill and others	Book value
HORIZON PRIVATE EQUITY FUND	134,385	80.2	107,734	(73)	107,661
BIDV Securities Joint Stock Company	259,351	35.0	90,791	19,456	110,247
KEB Hana-KMC Unicorn Fund of Funds	103,996	90.9	94,542	-	94,542
Toss Bank Co., Ltd.	1,508,404	9.5	143,600	13,709	157,309
Beijing Langa Asset Management Co., Ltd.	460,726	21.9	101,037	(1,508)	99,529
Hana Digital Transformation Fund	87,758	57.9	50,768	-	50,768
NE HK52 Ltd.	63,105	71.6	45,177	13,114	58,291
Hana-Capstone AI Platform Fund	80,470	60.9	49,007	216	49,223
Glenwood Credit Private Equity Fund II	146,929	22.8	33,464	-	33,464
GMIH Co., Ltd.	76,168	19.9	15,158	19,879	35,037
Hana K-NewDeal Unicorn Fund	58,128	60.8	35,313	-	35,313
KORAMCO THE ONE REIT	203,932	9.9	20,191	7,308	27,499
Hana Untact Digital Innovation Fund	43,105	57.4	24,745	-	24,745
Hana Innovation Venture Scale-Up Fund	56,120	46.2	25,902	-	25,902
PT. SINARIMAS HANA FINANCE	29,645	85.0	25,198	12	25,210
Hana X Bio New Technology Fund	77,315	27.5	21,235	-	21,235
Hana Power Infra 1st Private Equity Fund	295,939	7.0	20,716	-	20,716
KIAMCO Daegu Complex Development Fund	9,946	95.0	9,449	-	9,449
Gyeonggi Hana Turn around Fund No. 2	35,553	44.4	15,801	-	15,801
New Deal Extension New Technology Fund No. 1	33,393	50.0	16,697	-	16,697
Hana-Magna Growth Booster Fund	38,973	50.0	19,487	-	19,487
Infinity ESG Private Equity Fund No. 2	44,050	32.1	14,135	-	14,135
The Hahm Green Energy Fund	41,437	30.2	12,528	-	12,528
YH Leisure Development Co., Ltd.	100,498	12.8	12,884	-	12,884
Hana Ever Best Corporation Financial	75,943	20.1	15,247	-	15,247
Mirae Credit Information Services Corp.	40,806	31.0	12,650	-	12,650
Smart Hana-K& Green New Deal No. 1 Fund	21,346	48.9	10,431	-	10,431
All Together Korea Fund 5	10,542	100.0	10,541	-	10,541
Others	-	-	-	-	387,582
Total					4,159,967

<December 31, 2022>

(Korean won in millions)

Classification	Net assets	Ownership (%)	Interest in net assets	Goodwill and others	Book value
BIDV	5,919,477	15.0	887,922	753,497	1,641,419

Classification	Net assets	Ownership (%)	Interest in net assets	Goodwill and others	Book value
Bank of Jilin	7,268,259	11.9	866,377	11,113	877,490
HORIZON PRIVATE EQUITY FUND	220,947	80.2	177,129	646	177,775
Beijing Langa Asset Management Co., Ltd.	447,703	21.9	98,181	(1,534)	96,647
KEB Hana-KMC Unicorn Fund of Funds	108,068	90.9	98,244	-	98,244
Toss Bank Co., Ltd.	966,543	9.3	89,792	7,579	97,371
Hana Digital Transformation Fund	96,696	57.9	55,939	-	55,939
Hana-Capstone AI Platform Fund	80,150	60.9	48,812	-	48,812
Hana Asset Management (formerly known as Hana UBS Asset Management)	72,775	49.0	35,660	-	35,660
KORAMCO THE ONE REIT	206,942	9.9	20,489	7,308	27,797
PT. SINARIMAS HANA FINANCE	28,071	85.0	23,861	207	24,068
Hana Power Infra 1st Private Equity Fund	287,284	7.0	20,110	-	20,110
Hana Innovation Venture Scale-up Fund	55,487	46.2	25,610	-	25,610
KIAMCO Daegu Complex Development Fund	20,095	95.0	19,091	-	19,091
Curious Solution Financial Stability Private Investment Joint Company No. 1	48,844	20.4	9,989	-	9,989
Genesis Environment No. 6 Private Equity Fund	30,422	28.5	8,667	1,079	9,746
Gyeonggi Hana Turn around Fund No. 2	36,897	44.5	16,401	(2)	16,399
Mirae Credit Information Services Corp.	37,572	31.0	11,647	-	11,647
YH Leisure Development Co., Ltd.	95,792	12.8	12,281	-	12,281
New Deal Extension New Technology Fund No. 1	30,539	50.0	15,269	-	15,269
All Together Korea Fund5	10,245	100.0	10,244	-	10,244
Taurus Cloud Fund	34,672	27.1	9,382	35	9,417
Civic Center PFV	49,511	13.7	6,775	1,025	7,800
Genesis Environment No. 3 Private Equity Fund	16,910	44.8	7,567	-	7,567
Dream Island	42,147	10.2	4,288	155	4,443
2018 Hana-Magna Start-up fund	27,754	21.9	6,071	15	6,086
Hana Ever Best Corporation Financial Stability Private Investment Co., Ltd.	58,614	20.1	11,768	-	11,768
Lakebridge The Growth Capital PEF1	23,544	23.5	5,529	23	5,552
F&U Credit Information	17,763	40.0	7,105	-	7,105
Eugene Hana Recycling Private Equity Fund (formerly known as GFI ESG the 1st Private Equity Fund)	68,188	0.3	192	8	200
Korea Credit Bureau	55,100	9.0	4,959	666	5,625
Others	-	-	-	-	520,616
Total					3,917,787

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

18-5 Details of marketable investment shares in related companies as of December 31, 2023 and 2022, are as follows (Korean won in million, price per share in won) :

<December 31, 2023>

(Korean won in million, price per share in won)

Classification	Market price	Price per share
BIDV	1,974,243	2,309
KORAMCO THE ONE REIT	18,600	4,650
Hana Must Seven Special Purpose Acquisition Company	19	4,675
Hana Financial Twenty-first Special Purpose Acquisition Company	21	2,085
Hana Financial Twenty-second Special Purpose Acquisition Company	21	2,100
Hana Financial Twenty-third Special Purpose Acquisition Company	33	3,250
Hana Financial Twenty-fourth Special Purpose Acquisition Company	4	2,185
Hana Financial Twenty-fifth Special Purpose Acquisition Company	9	9,340
Hana Financial Twenty-sixth Special Purpose Acquisition Company	21	2,075
Hana Financial Twenty-seventh Special Purpose Acquisition Company	20	2,040
Hana Financial Twenty-eighth Special Purpose Acquisition Company	2	2,005
Hana Financial Twenty-ninth Special Purpose Acquisition Company	2	2,065
Hana Financial Thirtieth Special Purpose Acquisition Company	2	1,903
BIDV Securities Joint Stock Company	85,298	1,202

<December 31, 2022>

(Korean won in million, price per share in won)

Classification	Market price	Price per share
BIDV	1,572,811	2,073
KORAMCO THE ONE REIT	17,080	4,270
Hana Must Seven Special Purpose Acquisition Company	8	2,035
Hana Financial Sixteenth Special Purpose Acquisition Company	21	2,060
Hana Financial Nineteen Special Purpose Acquisition Company	11	2,210
Hana Financial Twentieth Special Purpose Acquisition Company	2	2,150
Hana Financial Twenty-first Special Purpose Acquisition Company	20	2,020
Hana Financial Twenty-second Special Purpose Acquisition Company	20	2,015
Hana Financial Twenty-third Special Purpose Acquisition Company	20	2,010

Classification	Market price	Price per share
Hana Financial Twenty-fourth Special Purpose Acquisition Company	4	1,995
Hana Financial Twenty-fifth Special Purpose Acquisition Company	9	9,480
BIDV Securities Joint Stock Company	61,417	934

18-6 Investments that are not classified as investments in associates and joint ventures, although the Company holds a stake of 20% or more as of December 31, 2023, are as follows (Korean won in millions):

Company	Country	Industry	Ownership (%)
Color Art Co., Ltd. (*1)	Korea	Signage and advertising manufacturing	20.93

(*1) The Group's influence on related activities is limited due to the corporate rehabilitation process being in progress, so the investment is excluded from investments in associates and joint ventures.

Investment in trusts that have limited significant influence on related activities under trust contracts even if the Group holds it more than 20% of shares are excluded from investments in associates and joint ventures.

19. Property and equipment:

19-1 Details of property and equipment as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Acquisition cost	Accumulated depreciation	Accumulated impairment loss	Book value
Property and equipment				
Land	1,053,604	-	(3,786)	1,049,818
Buildings	1,218,776	(322,154)	(8,498)	888,124
Leasehold improvements	416,099	(336,236)	-	79,863
Vehicles, furniture and fixtures	1,311,869	(1,017,571)	-	294,318
Construction in progress	96,150	-	-	96,150

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Acquisition cost	Accumulated depreciation	Accumulated impairment loss	Book value
Operating lease assets	4,444,390	(825,583)	–	3,618,807
Subtotal	8,540,908	(2,501,544)	(12,284)	6,027,080
Right-of-use assets				
Real estate for business	1,295,582	(840,371)	–	455,211
Vehicles	37,722	(16,749)	–	20,973
Others	3,860	(1,484)	–	2,376
Subtotal	1,337,164	(858,604)	–	478,560
Total	9,878,072	(3,360,148)	(12,284)	6,505,640

<December 31, 2022>

(Korean won in millions)

Classification	Acquisition cost	Accumulated depreciation	Accumulated impairment loss	Book value
Property and equipment				
Land	1,063,133	–	(3,786)	1,059,347
Buildings	1,188,762	(285,567)	(8,510)	894,685
Leasehold improvements	392,128	(317,911)	–	74,217
Vehicles, furniture and fixtures	1,191,317	(954,330)	–	236,987
Construction in progress	54,629	–	–	54,629
Operating lease assets	2,871,705	(495,787)	–	2,375,918
Subtotal	6,761,674	(2,053,595)	(12,296)	4,695,783
Right-of-use assets				
Real estate for business	1,180,023	(652,420)	–	527,603
Vehicles	32,935	(15,219)	–	17,716
Others	2,881	(944)	–	1,937
Subtotal	1,215,839	(668,583)	–	547,256
Total	7,977,513	(2,722,178)	(12,296)	5,243,039

19–2 Changes in property and equipment for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification	January 1	Increase due to business combination	Acquisition	Disposal	Depreciation	Impairment loss	Transfer in (out)	Others	December 31
Property and equipment									
Land	1,059,347	–	3,687	(271)	–	–	(12,974)	29	1,049,818

Classification	January 1	Increase due to business combination	Acquisition	Disposal	Depreciation	Impairment loss	Transfer in (out)	Others	December 31
Buildings	894,685	–	52,966	(773)	(37,188)	–	(21,532)	(34)	888,124
Leasehold improvements	74,217	–	37,521	(802)	(31,239)	–	–	168	79,865
Vehicles, furniture and fixtures	236,987	176	167,475	(2,150)	(125,846)	–	16,757	918	294,317
Construction in progress	54,629	5	55,354	–	–	–	(9,747)	(4,069)	96,152
Operating lease assets	2,375,918	–	1,865,290	(116,730)	(520,709)	–	–	15,038	3,618,807
Subtotal	4,695,783	181	2,182,293	(120,726)	(714,982)	–	(27,496)	12,030	6,027,083
Right-of-use assets									
Real estate for business	527,603	833	180,044	(13,226)	(239,378)	–	–	(665)	455,211
Vehicles	17,716	–	13,952	(1,396)	(9,632)	–	–	333	20,973
Others	1,937	–	1,399	(480)	(743)	–	–	264	2,377
Subtotal	547,256	833	195,395	(15,102)	(249,753)	–	–	(68)	478,561
Total	5,243,039	1,014	2,377,688	(135,828)	(964,735)	–	(27,496)	11,962	6,505,644

<2022>

(Korean won in millions)

Classification	January 1	Increase due to business combination	Acquisition	Disposal	Depreciation	Impairment loss	Transfer in (out)	Others	December 31
Property and equipment									
Land	981,593	–	249	(1,377)	–	–	78,952	(70)	1,059,347
Buildings	746,657	–	29,405	476	(35,406)	(12)	153,895	(330)	894,685
Leasehold improvements	75,918	568	28,561	(1,448)	(31,619)	–	2,167	70	74,217
Vehicles, furniture and fixtures	230,392	183	110,758	(16,084)	(99,367)	–	11,356	(251)	236,987
Construction in progress	34,825	–	499,742	(261)	–	–	(479,214)	(463)	54,629
Operating lease assets	1,068,728	–	1,790,174	(163,046)	(319,938)	–	–	–	2,375,918
Subtotal	3,138,113	751	2,458,889	(181,740)	(466,330)	(12)	(232,844)	(1,044)	4,695,783
Right-of-use assets									
Real estate for business	365,625	638	365,365	(10,851)	(212,763)	–	–	(411)	527,603
Vehicles	15,108	–	12,481	(1,475)	(7,959)	–	–	(439)	17,716
Others	823	96	937	(62)	(916)	–	–	1,059	1,937
Subtotal	401,556	734	378,783	(12,388)	(221,638)	–	–	209	547,256
Total	3,539,669	1,485	2,837,672	(194,128)	(707,968)	(12)	(232,844)	(835)	5,243,039

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

20. Investment properties:

20-1 Details of investment properties as of December 31, 2023 and 2022, are summarized as follows (Korean won in millions):

<December 31, 2023>

Classification	Acquisition cost	Accumulated depreciation	Accumulated impairment loss	Book value
Land	558,659	-	(3,568)	555,091
Buildings	921,678	(153,724)	(1,466)	766,488
Total	1,480,337	(153,724)	(5,034)	1,321,579

<December 31, 2022>

Classification	Acquisition cost	Accumulated depreciation	Accumulated impairment loss	Book value
Land	538,282	-	(3,568)	534,714
Buildings	854,048	(137,211)	(1,466)	715,371
Total	1,392,330	(137,211)	(5,034)	1,250,085

20-2 Changes in investment properties for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification	January 1	Acquisition	Disposal	Depreciation	Transfer in (out)	Others	December 31
Land	534,714	5,807	(744)	-	14,452	862	555,091
Buildings	715,371	55,305	(844)	(33,267)	24,217	5,706	766,488
Total	1,250,085	61,112	(1,588)	(33,267)	38,669	6,568	1,321,579

<2022>

(Korean won in millions)

Classification	January 1	Acquisition	Disposal	Depreciation	Transfer in (out)	Others	December 31
Land	551,774	55,873	(6,111)	-	(66,822)	-	534,714
Buildings	503,945	393,589	(6,858)	(28,143)	(147,244)	82	715,371
Total	1,055,719	449,462	(12,969)	(28,143)	(214,066)	82	1,250,085

20-3 Rental income and operating expenses arising from the Group's investment properties for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	2023	2022
Rental income	44,427	33,402
Operating expenses	14,252	21,284

20-4 Details and fair value, valuation method and input variables of investment properties for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Fair value(*)	Valuation method	Input variables
Land and buildings	1,818,960	Officially appraised land price and estimated value by cost method	Officially appraised land price and reprocurment cost

<December 31, 2022>

(Korean won in millions)

Classification	Fair value(*)	Valuation method	Input variables
Land and buildings	1,783,517	Officially appraised land price and estimated value	Officially appraised land price and

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Fair value(*)	Valuation method	Input variables
		by cost method	reprocurement cost

(*) The fair value of the investment property was measured on the basis of market-based value by an independent appraisal agency with professional qualifications. All investment properties are classified as Level 3 in the fair value hierarchy described in Note 5-1.

21. Financial lease and operating lease:

21-1 The total amount of investment in leases on financial lease receivables and the net investment in leases and the minimum lease payments to be recovered as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Description	Present value of minimum lease payments	Direct cost	Net investment in lease	Unrealized interest income	Total amount of investment
Within 1 year	657,426	4,288	661,714	66,205	727,919
After 1 year, but no later than 2 years	381,595	11,548	393,143	36,291	429,434
After 2 years, but no later than 3 years	294,044	17,088	311,132	14,802	325,934
After 3 years, but no later than 5 years	85,518	5,756	91,274	3,807	95,081
After 5 years	1,848	-	1,848	42	1,890
Total	1,420,431	38,680	1,459,111	121,147	1,580,258

(*) Interest income on finance lease receivables recognized for the year ended December 31, 2023 is ₩106,790 million.

<December 31, 2022>

(Korean won in millions)

Description	Present value of minimum lease payments	Direct cost	Net investment in lease	Unrealized interest income	Total amount of investment
Within 1 year	666,134	3,341	669,475	87,554	757,029
After 1 year, but no later than 2 years	553,871	12,306	566,177	56,039	622,216
After 2 years, but no later than 3 years	392,118	19,813	411,931	29,591	441,522
After 3 years, but no later than 5 years	262,198	26,124	288,322	11,917	300,239
After 5 years	17	-	17	1	18
Total	1,874,338	61,584	1,935,922	185,102	2,121,024

(*) Interest income on finance lease receivables recognized for the year ended December 31, 2022 is ₩109,055 million.

21-2 Details of operating lease assets for each type of underlying asset as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Real estate for business	Vehicles	Equipment	Other assets	Total
Operating lease assets(*)	-	4,444,390	-	-	4,444,390
Accumulated depreciation	-	(825,583)	-	-	(825,583)
Accumulated impairment loss	-	-	-	-	-
Total	-	3,618,807	-	-	3,618,807

(*) The operating lease asset includes the direct cost of commencing the lease of ₩282,564 million.

<December 31, 2022>

(Korean won in millions)

Classification	Real estate for business	Vehicles	Equipment	Other assets	Total
Operating lease assets(*)	-	2,871,705	-	-	2,871,705
Accumulated depreciation	-	(495,787)	-	-	(495,787)

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Real estate for business	Vehicles	Equipment	Other assets	Total
Accumulated impairment loss	-	-	-	-	-
Total	-	2,375,918	-	-	2,375,918

(*) The operating lease asset includes the direct cost of commencing the lease of ₩192,653 million.

21-3 Details of operating lease assets by type of underlying asset classified by industry based on acquisition costs as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Real estate for business	Vehicles	Equipment	Other assets	Total
Manufacturing	-	762,174	-	-	762,174
Wholesale and retail, lodging	-	767,442	-	-	767,442
Logistics, storage	-	96,851	-	-	96,851
Private service	-	29,251	-	-	29,251
Others	-	2,788,672	-	-	2,788,672
Total	-	4,444,390	-	-	4,444,390

<December 31, 2022>

(Korean won in millions)

Classification	Real estate for business	Vehicles	Equipment	Other assets	Total
Manufacturing	-	1,024,181	-	-	1,024,181
Wholesale and retail, lodging	-	945,684	-	-	945,684
Logistics, storage	-	10,708	-	-	10,708
Private service	-	47,143	-	-	47,143
Others	-	843,989	-	-	843,989
Total	-	2,871,705	-	-	2,871,705

21-4 Details of changes in operating lease assets by type of underlying asset for the year ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification	Beginning	Acquisition	Disposal	Depreciation	Others	Ending
Real estate for business	-	-	-	-	-	-
Vehicles	2,375,918	1,865,290	(116,730)	(520,709)	15,038	3,618,807
Equipment	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total	2,375,918	1,865,290	(116,730)	(520,709)	15,038	3,618,807

<2022>

(Korean won in millions)

Classification	Beginning	Acquisition	Disposal	Depreciation	Others	Ending
Real estate for business	-	-	-	-	-	-
Vehicles	1,068,728	1,790,174	(163,046)	(319,938)	-	2,375,918
Equipment	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total	1,068,728	1,790,174	(163,046)	(319,938)	-	2,375,918

21-5 The annual lease collection plan for operating lease contracts executed as of December 31, 2023 and 2022, is as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Description	Real estate for business	Vehicles	Equipment	Other Assets	Total
Within 1 year	-	748,771	-	-	748,771
After 1 year, but no later than 2 years	-	669,364	-	-	669,364
After 2 years, but no later than 3 years	-	546,797	-	-	546,797
After 3 years, but no later than 5 years	-	433,819	-	-	433,819
After 5 years	-	234	-	-	234
Total	-	2,398,985	-	-	2,398,985

<December 31, 2022>

(Korean won in millions)

Description	Real estate for business	Vehicles	Equipment	Other Assets	Total
Within 1 year	-	470,419	-	-	470,419
After 1 year, but no later than 2 years	-	418,503	-	-	418,503
After 2 years, but no later than 3 years	-	355,915	-	-	355,915
After 3 years, but no later than 5 years	-	348,598	-	-	348,598
After 5 years	-	129	-	-	129
Total	-	1,593,564	-	-	1,593,564

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

22. Intangible assets:

22-1 Details of intangible assets as of December 31, 2023 and 2022, are summarized as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Acquisition cost	Accumulated amortization	Accumulated impairment loss	Book value
Goodwill	186,793	–	(49,785)	137,008
Industrial property	59,779	(59,102)	–	677
Core deposits	992,576	(987,733)	(3,116)	1,727
Software and system development	2,318,296	(1,742,051)	(574)	575,671
Membership	57,030	(135)	(6,358)	50,537
Others	741,247	(571,745)	–	169,502
Total	4,355,721	(3,360,766)	(59,833)	935,122

<December 31, 2022>

(Korean won in millions)

Classification	Acquisition cost	Accumulated amortization	Accumulated impairment loss	Book value
Goodwill	108,097	–	(23,890)	84,207
Industrial property	59,466	(58,844)	–	622
Core deposits	992,484	(987,290)	(3,116)	2,078
Software and system development	2,114,353	(1,567,089)	(18)	547,246
Membership	53,201	(135)	(6,479)	46,587
Others	332,710	(209,501)	–	123,209
Total	3,660,311	(2,822,859)	(33,503)	803,949

22-2 Details of goodwill as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

Classification	Acquisition cost	Accumulated impairment loss	Book value
Hana Savings Bank (*1)	75,229	(18,722)	56,507
Hana Asset Trust (*2)	22,377	–	22,377
Hana Secuties (*3)	88,295	(31,063)	57,232
KEB Hana Bank (*4)	892	–	892
Total	186,793	(49,785)	137,008

(*1) The goodwill was recognized due to the business combination relating to Jeil II Savings Bank, Ace Savings Bank, KOREA SAVINGS BANK, etc.

(*2) Includes goodwill relating to Hana Alternative Asset Management Co., Ltd.

(*3) Includes goodwill relating to Hana Asset Management and Bareun Food Factory Co.,Ltd., a subsidiary of Hana Securities.

(*4) Includes goodwill relating to PT Bank KEB Hana, a subsidiary of KEB Hana Bank.

<December 31, 2022>

Classification	Acquisition cost	Accumulated impairment loss	Book value
Hana Savings Bank (*1)	75,229	(18,722)	56,507
Hana Asset Trust (*2)	22,377	–	22,377
Hana Secuties (*3)	4,431	–	4,431
KEB Hana Bank (*4)	892	–	892
FinnqCo., Ltd.	5,168	(5,168)	–
Total	108,097	(23,890)	84,207

(*1) The goodwill was recognized due to the business combination relating to Jeil II Savings Bank, Ace Savings Bank, KOREA SAVINGS BANK, etc.

(*2) Includes goodwill relating to Hana Alternative Asset Management Co., Ltd.

(*3) Includes goodwill relating to Bareun Food Factory Co.,Ltd., a subsidiary of

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Hana Securities.

(*4) Includes goodwill relating to PT Bank KEB Hana, a subsidiary of KEB Hana Bank.

22-3 The method of goodwill impairment test

The Group allocated goodwill to CGUs which are composed of operating segments or its sub-segments. Impairment test was performed regularly on an annual basis and at times there is any indication of impairment through comparing the carrying amount of CGUs including goodwill with its recoverable amount.

The recoverable amount of a CGU is estimated to be the higher of the CGU's fair value and its value in use. The fair value is based on the best information available to reflect the amount that the Group could obtain, at the end of the reporting period, from the disposal of the assets or the transfer of the liabilities in formal transaction between participants, after deducting the costs of disposal. However, if the fair value could not be measured with sufficient reliability, it is possible applying the value in use which is present value of future cash flows. The Group estimates future cash flows based on the financial budget authorized by management. The estimation period cannot exceed five years without reasonable causes.

22-4 Result of goodwill impairment test

The goodwill allocated by CGU for the impairment test as of December 31, 2023, is as follows (Korean won in millions):

Classification	Hana Savings Bank	Hana Securities	Hana Asset Management	Hana Asset Trust	Hana Alternative Asset Management
Value in use (recoverable amount)	411,578	33,420	135,294	640,333	331,888
Carrying amount of net assets	372,643	32,664	166,356	556,177	316,535
Value in use that exceeds carrying amount of net assets	38,935	756	(31,062)	84,156	15,353
Discount rate (%)	9.33	12.49	12.58	17.14	17.14
Permanent growth rate (%)	0.00	0.00	0.00	0.50	0.50

The Group estimates future cash flows based on the assumption that cash flows will continue to grow at 0.0%~0.5% over five years referred to a recent macroeconomic indicator provided by EIU (Economist Intelligence Unit). The pre-tax discount rate used for discounting future cash flows is calculated based on the assumption of risk-free interest rate, market risk premium, systematic risk of CGU and other factors.

22-5 Changes in the carrying amount of intangible assets for the years ended December 31, 2023 and 2022, are as follows

<2023>

(Korean won in millions)

Classification	January 1	Increase due to business combination	Acquisition	Disposal	Amortization	Impairment loss	Reclassification	Others (*)	December 31
Goodwill	84,207	83,863	-	-	-	(31,062)	-	-	137,008
Industrial property	622	-	207	-	(259)	-	100	7	677
Core deposits	2,078	-	-	-	(367)	-	-	36	1,727
Software and system development	547,246	28	177,372	(161)	(187,100)	(556)	36,778	2,064	575,671
Membership	46,587	-	4,388	(2,317)	(135)	-	2,044	(30)	50,537
Others	123,209	13,776	83,960	(171)	(33,864)	(10)	(20,636)	3,238	169,502
Total	803,949	97,667	265,927	(2,649)	(221,745)	(31,628)	18,286	5,315	935,122

(*) Includes the effect of exchange rate differences.

<2022>

(Korean won in millions)

Classification	January 1	Increase due to business combination	Acquisition	Disposal	Amortization	Impairment loss	Reclassification	Others (*)	December 31
Goodwill	84,207	5,167	-	-	-	(5,167)	-	-	84,207
Industrial property	514	36	411	-	(345)	-	-	6	622
Core deposits	2,315	-	-	-	(383)	-	-	146	2,078
Software and system development	411,575	2,182	234,770	-	(146,350)	(4,562)	49,382	249	547,246
Membership	40,629	-	5,753	(167)	(135)	(280)	649	138	46,587
Others	136,851	-	79,312	(122)	(42,986)	-	(50,098)	252	123,209
Total	676,091	7,385	319,654	(289)	(190,199)	(10,009)	525	791	803,949

(*) Includes the effect of exchange rate differences.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

23. Non-current assets held for sale:

Details of non-current assets held for sale as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Property and equipment	63,717	72,950
Other assets	(6,074)	-
Total	57,643	72,950

As of December 31, 2023, non-current assets held for sale consist of 132 collateral acquired by Hana Bank, etc, a subsidiary of the group, for the purpose of repaying loans. These assets were classified as held for sale in accordance with the management's decision to sell, but were not disposed as of December 31, 2023.

24. Other assets:

24-1 Other assets as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Guarantee deposits	726,221	715,915
Accounts receivable	13,765,040	7,513,135
Accrued income	2,433,942	1,985,131
Prepaid expenses	349,058	352,459
Advance payments	271,147	222,168
Domestic exchange unsettlement debts	4,228,581	4,240,611
Merchant banking account assets	4,637,824	4,631,361
Others	798,326	635,768
Allowance for possible losses	(100,901)	(42,155)
Total	27,109,238	20,254,393

24-2 Details of merchant banking account assets as of December 31, 2023 and 2022 are as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
On-consolidated statement of financial position accounts:		
Financial assets measured at FVTPL-Loans	199,767	198,790
Financial assets measured at FVTPL-Debt securities	3,440,806	3,415,666
CMA asset	997,251	1,016,905
FVTPL debt instruments		
Total	4,637,824	4,631,361
Off-consolidated statement of financial position accounts:		
Commitment	770,000	620,000

24-3 Changes in the allowance for possible losses for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	2023	2022
Beginning balance	42,155	28,343
Write-offs	(11,179)	(2,390)
Debt-for-equity swap/dispose NPLs	(624)	(163)
Provision for allowance for possible losses	71,588	18,005
Interest income from impaired assets	(1)	3
Others	(1,038)	(1,643)
Ending balance	100,901	42,155

24-4 Changes in carbon emissions rights held to obtain short-term profit for the years ended December 31, 2023 and 2022, are as follows (ton(tCO₂-eq), Korean won in millions):

<2023>

Classification	Emissions rights(tCO ₂ -eq)	Book value
Beginning balance	837,233	13,396
Purchase (disposal)	(728,887)	(12,507)
Valuation	-	89
Ending balance	108,346	978

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

<2022>

Classification	Emissions rights(tCO2-eq)	Book value
Beginning balance	417,865	14,667
Purchase (disposal)	419,368	4,926
Valuation	-	(6,197)
Ending balance	837,233	13,396

25. Financial liabilities measured at FVTPL:

Financial liabilities measured at FVTPL as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Derivative liabilities held for trading (*)	8,622,008	14,248,076
Securities sold	1,391,476	1,054,974
Total	10,013,484	15,303,050

(*) Refer to Note 17. Derivative instruments

26. Financial liabilities designated as measured at FVTPL:

26-1 Financial liabilities designated as measured at FVTPL as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Debentures	61,379	-
Derivative-linked securities sold	10,742,720	12,041,745
Deposits	173,339	162,069
Borrowings	508,077	386,341
Deferred Day 1 profit or loss	100,203	127,353
Total	11,585,718	12,717,508

With respect to derivative linked securities and structured deposits, the Group

does not separate embedded derivatives from main contracts but designates them as financial liabilities measured at FVTPL.

26-2 The difference between the book value and the maturity repayment amount as of the December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Book value	11,585,718	12,717,508
Maturity repayment amount	12,433,526	13,932,734
Difference	(847,808)	(1,215,226)

26-3 Credit risk for the financial liabilities designated as measured at FVTPL as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Financial liabilities designated as measured at FVTPL OCI:		
Changes in fair value price from credit risk fluctuation	(10,281)	(12,024)
Changes in fair value price from credit risk fluctuation (accumulated)(*)	(57,219)	(46,782)

(*) Includes the amount realized by derecognition and reclassified as other comprehensive income

27. Deposits:

27-1 Details of deposits as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Demand deposits:		
Demand deposits in Korean won	18,342,750	17,265,403
Demand deposits in foreign currency	31,723,017	40,576,241
Subtotal	50,065,767	57,841,644
Time and saving deposits:		
Time and saving deposits in Korean won	278,948,060	267,361,214

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	December 31, 2023	December 31, 2022
Time and saving deposits in foreign currency	23,320,095	24,320,573
Subtotal	302,268,155	291,681,787
Certificate of deposits	19,532,318	13,052,533
Total	371,866,240	362,575,964

27-2 Allocations of deposits by customer as of December 31, 2023 and 2022, are listed as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Individuals	125,608,565	115,689,026
Corporations	121,276,779	127,985,882
Other banks	23,728,639	22,459,518
Public institutions	21,830,459	16,399,356
Other financial institutions	46,854,191	44,901,265
Government	7,716,565	8,205,076
Non-profit corporations	16,113,120	13,812,012
Foreign corporations	2,525,618	3,049,951
Others	6,212,304	10,073,878
Total	371,866,240	362,575,964

28. Borrowings:

Borrowings as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Type	Lender	Interest rate (%)	December 31, 2023	December 31, 2022
Borrowings in Korean won:				
BOK borrowings	BOK	0.3~2.0	3,420,958	5,085,245
Government borrowings	Korea Development Bank, etc.	0.5~5.2	2,155,315	2,061,794
Other borrowings	Korean Energy Management Corporation, etc.	0.0~10.0	13,326,051	10,382,367

Type	Lender	Interest rate (%)	December 31, 2023	December 31, 2022
Subtotal			18,902,324	17,529,406
Borrowings in foreign currencies:				
Bank overdrafts	Foreign bank, etc.	0.0~20.1	268,487	380,662
Other borrowings	Wells Fargo, HSBC, etc.	0.0~10.5	9,675,573	10,125,268
Subtotal			9,944,060	10,505,930
Call money:				
Call money in Korean won	Samsung Asset Management	3.9~4.2	600,000	100,000
Call money in foreign currencies	Mizuho, etc.	0.1~7.4	934,111	970,661
Subtotal			1,534,111	1,070,661
Bonds sold under repurchase agreements:				
Bonds sold under repurchase agreements in Korean won	General customers, etc.	0.0~5.8	9,882,100	6,217,174
Bonds sold under repurchase agreements in foreign currencies	ICBC, MUFG Securities, etc.	3.8~6.5	3,307,454	1,743,130
Subtotal			13,189,554	7,960,304
Other borrowings:				
Bills sold	General customers, etc.	0.0~4.1	27,410	26,063
Deferred borrowing costs			(7,110)	(5,052)
Total			43,590,349	37,087,312

29. Debentures:

Debentures as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Type of debentures	Lender	Interest rate (%)	December 31, 2023	December 31, 2022
Korean won:				
Debentures	Financial institutions, etc.	1.1~8.3	46,919,831	44,982,206
Subordinated bonds	Financial institutions, etc.	2.1~6.2	4,471,124	5,061,139
Net loss (gain) on fair value hedges (this term)			7,188	(26,241)

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Type of debentures	Lender	Interest rate (%)	December 31, 2023	December 31, 2022
Net gain on fair value hedges (before the previous period)			(36,738)	(10,497)
Present value discount			(41,279)	(37,786)
Subtotal			51,320,126	49,968,821
Foreign currencies:				
Debentures	Financial institutions, etc	0.0~6.8	6,821,508	5,946,585
Subordinated bonds	Financial institutions, etc	4.3~4.4	773,640	1,042,641
Net loss (gain) on fair value hedges (this period)			74,161	(290,369)
Net loss (gain) on fair value hedges (before the previous period)			(271,130)	15,583
Present value discount			(15,976)	(9,429)
Subtotal			7,382,203	6,705,011
Total			58,702,329	56,673,832

30. Insurance contract liabilities:

30-1 Details of insurance contract assets and insurance contract liabilities as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Life insurance					Non-life insurance				Total
	Death	Health	Pension savings	Variable	Subtotal	Long term	General	Car	Subtotal	
Insurance contract assets	-	-	-	-	-	7,718	-	-	7,718	7,718
Insurance contract liabilities	397,064	632,167	2,300,280	1,297,743	4,627,254	601,049	53,354	264,849	919,252	5,546,506
Net insurance contract liabilities	397,064	632,167	2,300,280	1,297,743	4,627,254	593,331	53,354	264,849	911,534	5,538,788
Reinsurance contract assets	-	3,962	-	-	3,962	6,206	30,835	1,200	38,241	42,203
Reinsurance contract liabilities	86	6,350	-	-	6,436	105	160	-	265	6,701

Classification	Life insurance					Non-life insurance				Total
	Death	Health	Pension savings	Variable	Subtotal	Long term	General	Car	Subtotal	
Net reinsurance contract assets	(86)	(2,388)	-	-	(2,474)	6,101	30,675	1,200	37,976	35,502

<December 31, 2022>

(Korean won in millions)

Classification	Life insurance					Non-life insurance				Total
	Death	Health	Pension savings	Variable	Subtotal	Long term	General	Car	Subtotal	
Insurance contract assets	-	-	-	-	-	2,826	-	-	2,826	2,826
Insurance contract liabilities	285,755	570,064	2,493,556	1,161,341	4,510,716	528,987	43,531	305,853	878,371	5,389,087
Net insurance contract liabilities	285,755	570,064	2,493,556	1,161,341	4,510,716	526,161	43,531	305,853	875,545	5,386,261
Reinsurance contract assets	-	5,611	-	-	5,611	2,922	23,964	533	27,419	33,030
Reinsurance contract liabilities	164	5,946	-	-	6,110	-	112	-	112	6,222
Net reinsurance contract assets	(164)	(335)	-	-	(499)	2,922	23,852	533	27,307	26,808

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

30-2 Details of changes in the net carrying amounts of insurance contracts issued for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification		Insurance contracts other than those to which the premium allocation approach has been applied			Insurance contracts applying the premium allocation approach				Total
		Liabilities for remaining coverage		Liabilities for incurred claims	Liabilities for remaining coverage		Liabilities for incurred claims		
		Liabilities for remaining coverage, excluding the loss component	Loss component		Liabilities for remaining coverage, excluding the loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
Beginning balance	Assets	5,030	(384)	(1,820)	-	-	-	-	2,826
	Liabilities	4,931,370	31,924	74,472	226,469	18,076	98,552	8,224	5,369,087
	Net insurance contract assets (liabilities) as of January 1, 2023	4,926,340	32,308	76,292	226,469	18,076	98,552	8,224	5,386,261
Insurance revenue	Insurance contracts applying the modified retrospective approach	(62,033)	-	-	-	-	-	-	(62,033)
	Insurance contracts applying the fair value approach	(41,696)	-	-	-	-	-	-	(41,696)
	Other insurance contracts	(81,817)	-	-	(382,200)	-	-	-	(464,017)
Insurance service expenses	Claims and other insurance service expenses incurred, excluding any investment components	(377)	(3,497)	140,039	-	-	385,135	33,225	554,525
	Amortization of insurance acquisition cash flows	27,908	-	-	32,448	-	-	-	60,356
Investment components excluded from insurance revenue and insurance service expenses	Changes in fulfillment cash flows related to liabilities for incurred claims	-	-	(15,728)	-	-	1,926	(29,470)	(43,272)
	Losses on onerous groups of contracts and reversals of such losses	(41)	13,088	-	-	(1,346)	-	-	11,701
	Investment components excluded from insurance revenue and insurance service expenses	(1,079,273)	-	1,079,273	-	-	-	-	-
Cash flows	Premiums received for insurance contracts issued	1,065,351	-	-	341,477	-	-	-	1,406,828
	Insurance acquisition cash flows	(212,605)	-	-	(32,370)	-	-	-	(244,975)
	Incurred claims paid and other insurance service expenses paid, including investment components	-	-	(1,186,460)	-	-	(384,333)	-	(1,570,793)
Insurance finance income or expenses	Profit or loss	326,529	836	1,365	(24)	(64)	1,802	-	330,444
	Other comprehensive income	213,978	-	84	-	-	1,397	-	215,459
Ending balance	Assets	13,963	(2,682)	(3,563)	-	-	-	-	7,718
	Liabilities	5,096,227	40,053	91,302	185,800	16,666	104,479	11,979	5,546,506
	Net insurance contract assets (liabilities) as of December 31, 2023	5,082,264	42,735	94,865	185,800	16,666	104,479	11,979	5,538,788

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements**

<2022>

(Korean won in millions)

Classification		Insurance contracts other than those to which the premium allocation approach has been applied			Insurance contracts applying the premium allocation approach				Total
		Liabilities for remaining coverage		Liabilities for incurred claims	Liabilities for remaining coverage		Liabilities for incurred claims		
		Liabilities for remaining coverage, excluding the loss component	Loss component		Liabilities for remaining coverage, excluding the loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
Beginning balance	Assets	1,543	(252)	(536)	-	-	-	-	755
	Liabilities	5,138,782	25,989	91,113	222,438	11,367	90,327	7,262	5,587,278
	Net insurance contract assets (liabilities) as of January 1, 2022	5,137,239	26,241	91,649	222,438	11,367	90,327	7,262	5,586,523
Insurance revenue	Insurance contracts applying the modified retrospective approach	(62,864)	-	-	-	-	-	-	(62,864)
	Insurance contracts applying the fair value approach	(40,317)	-	-	-	-	-	-	(40,317)
	Other insurance contracts	(19,538)	-	-	(382,669)	-	-	-	(402,207)
Insurance service expenses	Claims and other insurance service expenses incurred, excluding any investment components	(24)	(2,565)	98,771	-	-	361,986	26,080	484,248
	Amortization of insurance acquisition cash flows	15,917	-	-	25,343	-	-	-	41,260
	Changes in fulfillment cash flows related to liabilities for incurred claims	-	-	(2,355)	-	-	28,329	(25,117)	857
	Losses on onerous groups of contracts and reversals of such losses	-	8,359	-	-	7,154	-	-	15,513
Investment components excluded from insurance revenue and insurance service expenses		(757,588)	-	757,588	-	-	-	-	-
Cash flows	Premiums received for insurance contracts issued	1,082,542	-	-	386,870	-	-	-	1,469,412
	Insurance acquisition cash flows	(82,264)	-	-	(25,573)	-	-	-	(107,837)
	incurred claims paid and other insurance service expenses paid, including investment components	-	-	(872,873)	-	-	(381,724)	-	(1,254,597)
Insurance finance income or expenses	Profit or loss	(71,438)	272	3,719	60	(445)	1,089	-	(66,743)
	Other comprehensive income	(275,325)	-	(207)	-	-	(1,455)	-	(276,987)
Ending balance	Assets	5,029	(383)	(1,820)	-	-	-	-	2,826
	Liabilities	4,931,369	31,924	74,472	226,469	18,076	98,552	8,225	5,389,067
	Net insurance contract assets (liabilities) as of December 31, 2022	4,926,340	32,307	76,292	226,469	18,076	98,552	8,225	5,386,261

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

30-3 Details of changes in the net carrying amounts of reinsurance contracts

held for the years ended December 31, 2023 and 2022, are as follows

(Korean won in millions):

<2023>

(Korean won in millions)

Classification		Reinsurance contracts other than those to which the premium allocation approach has been applied			Reinsurance contracts applying the premium allocation approach				Total
		Liabilities for remaining coverage		Liabilities for incurred claims	Liabilities for remaining coverage		liabilities for incurred claims		
		Liabilities for remaining coverage, excluding the loss component	Loss component		Liabilities for remaining coverage, excluding the loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
Beginning balance	Assets	(2,266)	2,354	8,445	1,518	3,651	17,540	1,788	33,030
	Liabilities	12,886	(5,323)	(1,453)	134	-	(22)	-	6,222
	Net reinsurance contract assets (liabilities) as of January 1, 2023	(15,152)	7,677	9,898	1,384	3,651	17,562	1,788	26,808
Reinsurance service expenses	Insurance contracts applying the modified retrospective approach	(2,202)	(59)	-	-	-	-	-	(2,261)
	Insurance contracts applying the fair value approach	(9,272)	(43)	-	-	-	-	-	(9,315)
	Other insurance contracts	(1,952)	(57)	-	(29,782)	-	431	-	(31,360)
Reinsurance revenue	Claims and other reinsurance service expenses incurred, excluding any investment components	159	(589)	15,515	-	-	16,482	1,662	33,229
	Changes in fulfillment cash flows related to assets for incurred claims	-	-	(5,163)	-	-	5,756	464	1,057
	Recognition and reversals of a loss-recovery component	-	2,755	-	-	(222)	-	-	2,533
Investment components excluded from reinsurance revenue and reinsurance service expenses		-	-	-	-	-	-	-	-
Cash flows	Premiums paid for reinsurance contracts held	20,734	-	-	27,977	-	-	-	48,711
	Incurred claims recovered under reinsurance contracts held, including investment components	(7,620)	-	(10,648)	-	-	(12,030)	-	(30,298)
	Other reinsurance income receipt	-	-	215	-	-	(3,570)	-	(3,355)
Reinsurance finance income or expenses	Profit or loss	(274)	149	136	(31)	(61)	386	-	305
	Other comprehensive income	(614)	-	33	-	-	29	-	(552)
Ending balance	Assets	(2,979)	4,454	8,692	(292)	3,368	25,046	3,914	42,203
	Liabilities	13,214	(5,379)	(1,294)	160	-	-	-	6,701
	Net reinsurance contract assets (liabilities) as of December 31, 2023	(16,193)	9,833	9,986	(452)	3,368	25,046	3,914	35,502

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

<2022>

(Korean won in millions)

Classification		Reinsurance contracts other than those to which the premium allocation approach has been applied			Reinsurance contracts applying the premium allocation approach				Total
		Liabilities for remaining coverage		Liabilities for incurred claims	Liabilities for remaining coverage		Liabilities for incurred claims		
		Liabilities for remaining coverage, excluding the loss component	Loss component		Liabilities for remaining coverage, excluding the loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
Beginning balance	Assets	(1,021)	1,298	10,639	3,632	1,227	12,128	1,335	29,238
	Liabilities	17,325	(6,718)	(1,620)	131	-	(15)	-	9,103
	Net reinsurance contract assets (liabilities) as of January 1, 2022	(18,346)	8,016	12,259	3,501	1,227	12,143	1,335	20,135
Reinsurance service expenses	Insurance contracts applying the modified retrospective approach	(1,814)	(28)	-	-	-	-	-	(1,842)
	Insurance contracts applying the fair value approach	(10,006)	(3)	-	-	-	-	-	(10,011)
	Other insurance contracts	(1,981)	(1)	-	(24,313)	-	1,026	-	(25,289)
Reinsurance revenue	Claims and other reinsurance service expenses incurred, excluding any investment components	31	(474)	17,523	-	-	7,386	790	25,256
	Changes in fulfillment cash flows related to assets for incurred claims	-	-	(7,146)	-	-	6,688	(337)	(795)
	Recognition and reversals of a loss-recovery component	-	100	-	-	2,501	-	-	2,601
Investment components excluded from reinsurance revenue and reinsurance service expenses		-	-	-	-	-	-	-	-
Cash flows	Premiums paid for reinsurance contracts held	18,350	-	-	22,141	-	-	-	40,491
	Incurred claims recovered under reinsurance contracts held, including investment components	(4,177)	-	(12,102)	-	-	(7,750)	-	(24,029)
	Other reinsurance income receipt	-	-	(598)	1	-	(1,909)	-	(2,507)
Reinsurance finance income or expenses	Profit or loss	(196)	67	97	54	(77)	106	-	51
	Other comprehensive income	2,989	-	(136)	-	-	(127)	-	2,726
Ending balance	Assets	(2,266)	2,354	8,445	1,518	3,651	17,540	1,788	33,030
	Liabilities	12,886	(5,323)	(1,452)	134	-	(23)	-	6,222
	Net reinsurance contract assets (liabilities) as of December 31, 2022	(15,152)	7,677	9,897	1,384	3,651	17,563	1,788	26,808

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

30-4 Details of changes in the net carrying amounts of insurance contracts other than those to which the premium allocation approach has been applied for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

(Korean won in millions)

Classification	Insurance contracts other than those to which the premium allocation approach has been applied							
	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	CSM			Subtotal	Total	
			Insurance contracts applying the modified retrospective approach	Insurance contracts applying the fair value approach	Other insurance contracts			
Beginning balance	Assets	11,251	(2,472)	(3,140)	(244)	(2,569)	(5,953)	2,826
	Liabilities	4,695,564	41,792	140,027	66,917	93,466	300,410	5,037,766
Net insurance contract assets (liabilities) as of January 1, 2023		4,684,313	44,264	143,167	67,161	96,035	306,363	5,034,940
	Estimates that adjust CSM	64,899	(2,076)	12,763	(17,768)	(57,818)	(62,823)	-
	Estimates that do not adjust CSM	(475)	2,646	-	-	-	-	2,171
Changes that relate to future service	Effects of contracts initially recognized for the year	(288,562)	27,933	-	-	271,546	271,546	10,917
	CSM recognized in profit or loss to reflect the transfer of services	-	-	(14,662)	(9,756)	(19,242)	(43,660)	(43,660)
Changes that relate to current service	Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	(1,565)	-	-	-	-	(1,565)
	Experience adjustments	23,730	-	-	-	-	-	23,730
Changes that relate to past service	Changes in fulfillment cash flows relating to incurred claims	(11,570)	(4,157)	-	-	-	-	(15,727)
	Premiums received for insurance contracts issued	1,065,351	-	-	-	-	-	1,065,351
Cash flow	Insurance acquisition cash flows	(212,605)	-	-	-	-	-	(212,605)
	Incurred claims paid and other insurance service expenses paid, including investment components	(1,186,460)	-	-	-	-	-	(1,186,460)
Insurance finance income or expenses	Profit or loss	314,827	-	3,847	1,667	8,370	13,904	328,731
	Other comprehensive income	214,062	-	-	-	-	-	214,062
Ending balance	Assets	30,924	(4,606)	(8,006)	(452)	(10,142)	(18,600)	7,718
	Liabilities	4,698,434	62,419	137,109	40,872	288,749	466,730	5,227,583
	Net insurance contract assets (liabilities) as of December 31, 2023	4,667,510	67,025	145,115	41,324	298,607	485,330	5,219,865

<2022>

(Korean won in millions)

Classification	Insurance contracts other than those to which the premium allocation approach has been applied							
	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	CSM			Subtotal	Total	
			Insurance contracts applying the modified retrospective approach	Insurance contracts applying the fair value approach	Other insurance contracts			
Beginning balance	Assets	5,942	(1,212)	(3,898)	(77)	-	(3,975)	755
	Liabilities	5,007,577	40,655	176,421	31,231	-	207,652	5,255,884
Net insurance contract assets (liabilities) as of January 1, 2022		5,001,635	41,667	180,319	31,306	-	211,627	5,255,129
	Estimates that adjust CSM	12,734	(1,567)	(24,748)	39,681	(26,100)	(11,167)	-
	Estimates that do not adjust CSM	(4,815)	(1,353)	-	-	-	-	(6,168)
Changes that relate to future service	Effects of contracts initially recognized for the year	(122,245)	10,945	-	-	125,827	125,827	14,527
	CSM recognized in profit or loss to reflect the transfer of services	-	-	(16,648)	(4,523)	(5,831)	(27,001)	(27,002)
Changes that relate to current service	Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	(3,420)	-	-	-	-	(3,420)
	Experience adjustments	19,801	-	-	-	-	-	19,801
Changes that relate to past service	Changes in fulfillment cash flows relating to incurred claims	(146)	(2,208)	-	-	-	-	(2,354)
	Premiums received for insurance contracts issued	1,082,542	-	-	-	-	-	1,082,542
Cash flow	Insurance acquisition cash flows	(82,264)	-	-	-	-	-	(82,264)
	Incurred claims paid and other insurance service expenses paid, including investment components	(872,873)	-	-	-	-	-	(872,873)
Insurance finance income or expenses	Profit or loss	(74,525)	-	4,244	695	2,139	7,078	(67,447)
	Other comprehensive income	(275,532)	-	-	-	-	-	(275,532)
Ending balance	Assets	11,251	(2,472)	(3,140)	(244)	(2,569)	(5,952)	2,826
	Liabilities	4,695,563	41,792	140,027	66,917	93,466	300,411	5,037,765
	Net insurance contract assets (liabilities) as of December 31, 2022	4,684,312	44,264	143,167	67,161	96,035	306,363	5,034,939

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

30-5 Details of changes in the net carrying amounts of reinsurance contracts other than those to which the premium allocation approach has been applied for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification	Reinsurance contracts other than those to which the premium allocation approach has been applied							
	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	CSM				Total	
			Insurance contracts applying the modified retrospective approach	Insurance contracts applying the fair value approach	Other insurance contracts	Subtotal		
Beginning balance	Assets	(2,495)	5,612	(2,812)	6,330	1,899	5,416	8,533
	Liabilities	10,429	(951)	-	(2,030)	(1,338)	(3,368)	6,110
	Net reinsurance contract assets (liabilities) as of January 1, 2023	(12,924)	6,563	(2,812)	8,360	3,236	8,784	2,423
Changes that relate to future service	Estimates that adjust CSM	(13,233)	771	5,104	3,230	4,128	12,462	-
	Estimates that do not adjust CSM	1,240	10	-	-	-	-	1,250
	Effects of contracts initially recognized for the year	(4,773)	580	-	-	5,698	5,698	1,505
Changes that relate to current service	CSM recognized in profit or loss to reflect the transfer of services	-	-	64	(947)	(1,782)	(2,665)	(2,665)
	Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	381	-	-	-	-	381
Changes that relate to past service	Experience adjustments	3,784	-	-	-	-	-	3,784
	Changes in fulfillment cash flows relating to incurred claims	(4,414)	(749)	-	-	-	-	(5,163)
Cash flow	Premiums paid for reinsurance contracts held	20,734	-	-	-	-	-	20,734
	Incurred claims recovered under reinsurance contracts held, including investment components	(18,268)	-	-	-	-	-	(18,268)
	Other reinsurance income receipt	215	-	-	-	-	-	215
Reinsurance finance income or expenses	Profit or loss	(531)	-	(61)	255	348	542	11
	Other comprehensive income	(581)	-	-	-	-	-	(581)
Ending balance	Assets	(14,529)	6,491	1,928	6,354	9,923	18,205	10,167
	Liabilities	14,222	(1,065)	(367)	(4,544)	(1,705)	(6,616)	6,541
	Net reinsurance contract assets (liabilities) as of December 31, 2023	(28,751)	7,556	2,295	10,898	11,628	24,821	3,626

<2022>

(Korean won in millions)

Classification	Reinsurance contracts other than those to which the premium allocation approach has been applied							
	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	CSM				Total	
			Insurance contracts applying the modified retrospective approach	Insurance contracts applying the fair value approach	Other insurance contracts	Subtotal		
Beginning balance	Assets	(7,233)	4,965	3,619	9,565	-	13,184	10,916
	Liabilities	14,005	(1,305)	(370)	(3,343)	-	(3,713)	8,987
	Net reinsurance contract assets (liabilities) as of January 1, 2022	(21,238)	6,270	3,989	12,908	-	16,897	1,929
Changes that relate to future service	Estimates that adjust CSM	8,365	11,046	(6,836)	(3,250)	(9,325)	(19,411)	-
	Estimates that do not adjust CSM	(105)	152	-	-	-	-	47
	Effects of contracts initially recognized for the year	(3,069)	(10,181)	-	-	13,303	13,303	53
Changes that relate to current service	CSM recognized in profit or loss to reflect the transfer of services	-	-	(88)	(1,544)	(808)	(2,439)	(2,440)
	Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	600	-	-	-	-	600
Changes that relate to past service	Experience adjustments	5,004	-	-	-	-	-	5,005
	Changes in fulfillment cash flows relating to incurred claims	(5,741)	(1,405)	-	-	-	-	(7,146)
Cash flow	Premiums paid for reinsurance contracts held	18,350	-	-	-	-	-	18,350
	Incurred claims recovered under reinsurance contracts held, including investment components	(16,279)	-	-	-	-	-	(16,279)
	Other reinsurance income receipt	(598)	-	-	-	-	-	(598)
Reinsurance finance income or expenses	Profit or loss	(465)	-	123	245	65	433	(32)
	Other comprehensive income	2,853	-	-	-	-	-	2,853
Ending balance	Assets	(2,494)	5,612	(2,812)	6,330	1,897	5,415	8,533
	Liabilities	10,429	(951)	-	(2,029)	(1,338)	(3,367)	6,111
	Net reinsurance contract assets (liabilities) as of December 31, 2022	(12,923)	6,563	(2,812)	8,359	3,235	8,782	2,422

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
 - Management's Discussion and Analysis
 - Independent Auditors' Report
 - Consolidated Financial Statements
 - Notes to the Consolidated Financial Statements

30-6 Details of the insurance service results for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification		Life insurance					Non-life insurance				Total
		Death	Health	Pension savings	Variable	Subtotal	Long term	General	Car	Subtotal	
Insurance contracts not accounted for using the premium allocation approach	Expected insurance claims and expected insurance service expenses	7,676	20,955	9,122	5,356	43,109	60,067	-	-	60,067	103,176
	Changes in risk adjustments	2,504	534	71	133	3,242	2,641	-	-	2,641	5,883
	Amount of CSM recognized in profit or loss	4,909	4,966	10,654	7,384	27,913	15,705	-	-	15,705	43,618
	Recovery of insurance acquisition cash flows	2,649	719	2,035	1,229	6,632	21,275	-	-	21,275	27,907
	Others	8,588	(1,022)	2,636	(3,521)	6,681	(1,718)	-	-	(1,718)	4,963
	Subtotal	26,326	26,152	24,518	10,581	87,577	97,970	-	-	97,970	185,547
Insurance contracts accounted for using the premium allocation approach		4,666	-	-	-	4,666	-	43,539	318,725	362,264	366,930
Insurance revenue subtotal		30,992	26,152	24,518	10,581	92,243	97,970	43,539	318,725	460,234	552,477
Insurance contracts not accounted for using the premium allocation approach	Insurance claims and insurance service expenses	7,572	23,695	9,784	6,893	47,944	92,095	-	-	92,095	140,039
	Fluctuations in cash flows from occurred claims	(162)	(101)	316	(161)	(108)	(15,621)	-	-	(15,621)	(15,729)
	Losses on onerous contracts	4,883	2,050	1,809	1,253	9,995	3,052	-	-	3,052	13,047
	Amortization of insurance acquisition	2,649	719	2,035	1,229	6,632	21,275	-	-	21,275	27,907

Classification		Life insurance					Non-life insurance				Total
		Death	Health	Pension savings	Variable	Subtotal	Long term	General	Car	Subtotal	
cash flows											
Others		(299)	(1,018)	(396)	(66)	(1,779)	(2,094)	-	-	(2,094)	(3,873)
Subtotal		14,643	25,345	13,548	9,148	62,684	98,707	-	-	98,707	161,391
Insurance contracts accounted for using the premium allocation approach		(17,314)	-	-	-	(17,314)	-	41,978	334,953	376,931	359,617
Insurance expense subtotal		(2,671)	25,345	13,548	9,148	45,370	98,707	41,978	334,953	475,638	521,008
Reinsurance contracts not accounted for using the premium allocation approach	Accrued reinsurance claims	58	9,688	-	-	9,746	5,229	-	-	5,229	14,975
	Fluctuations in cash flows from occurred claims	(5)	(708)	-	-	(713)	(4,449)	-	-	(4,449)	(5,162)
	Others	38	1,371	-	-	1,409	1,457	-	-	1,457	2,866
	Subtotal	91	10,351	-	-	10,442	2,237	-	-	2,237	12,679
Reinsurance contracts accounted for using the premium allocation approach		-	-	-	-	-	-	23,322	818	24,140	24,140
Reinsurance revenue subtotal		91	10,351	-	-	10,442	2,237	23,322	818	26,377	36,819
Reinsurance contracts not accounted for using the premium allocation approach	Expected reinsurance claims	96	8,564	-	-	8,660	2,464	-	-	2,464	11,124
	Changes in risk adjustments	4	105	-	-	109	175	-	-	175	284
	Amount of CSM recognized in profit or loss	(1)	2,401	-	-	2,400	265	-	-	265	2,665
	Others	33	(945)	-	-	(912)	423	-	-	423	(489)
Subtotal	132	10,125	-	-	10,257	3,327	-	-	3,327	13,584	
Reinsurance contracts accounted for using the premium allocation approach		-	-	-	-	-	-	28,658	695	29,353	29,353
Reinsurance expense subtotal		132	10,125	-	-	10,257	3,327	28,658	695	32,680	42,937
Net insurance gains and losses		33,622	1,033	10,970	1,433	47,058	(1,827)	(3,775)	(16,105)	(21,707)	25,351

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

<2022>

(Korean won in millions)

Classification		Life insurance					Indemnity insurance				Total
		Death	Health	Pension savings	Variable	Subtotal	Long term	General	Car	Subtotal	
Insurance contracts not accounted for using the premium allocation approach	Expected insurance claims and expected insurance service expenses	6,474	22,048	10,060	5,627	44,209	34,406	-	-	34,406	78,615
	Changes in risk adjustments	314	619	1,139	1,430	3,502	2,250	-	-	2,250	5,752
	Amount of CSM recognized in profit or loss	1,484	3,853	4,822	6,250	16,409	10,592	-	-	10,592	27,001
	Recovery of insurance acquisition cash flows	1,062	275	640	400	2,377	13,540	-	-	13,540	15,917
	Others	(894)	(2,802)	863	(441)	(3,274)	(1,292)	-	-	(1,292)	(4,566)
	Subtotal	8,440	23,993	17,524	13,266	63,223	59,496	-	-	59,496	122,719
Insurance contracts accounted for using the premium allocation approach		6,571	-	-	-	6,571	-	36,053	323,827	359,880	366,451
Insurance revenue subtotal		15,011	23,993	17,524	13,266	69,794	59,496	36,053	323,827	419,376	489,170
Insurance contracts not accounted for using the premium allocation approach	Insurance claims and insurance service expenses	6,079	22,269	10,748	7,105	46,201	52,571	-	-	52,571	98,772
	Fluctuations in cash flows from occurred claims	(45)	292	628	(1,239)	(364)	(1,991)	-	-	(1,991)	(2,355)
	Losses on onerous contracts	1,929	(2,706)	6,158	844	6,225	2,135	-	-	2,135	8,360
	Amortization of insurance acquisition cash flows	1,062	275	640	400	2,377	13,540	-	-	13,540	15,917
	Others	(143)	(954)	(116)	(59)	(1,272)	(1,316)	-	-	(1,316)	(2,588)
Subtotal	8,882	19,176	18,058	7,051	53,167	64,939	-	-	64,939	118,106	
Insurance contracts accounted for using the premium allocation approach		12,510	-	-	-	12,510	-	32,188	380,575	412,763	425,273
Insurance expense subtotal		21,392	19,176	18,058	7,051	65,677	64,939	32,188	380,575	477,702	543,379
Reinsurance contracts not accounted for using the premium allocation	Accrued reinsurance claims	90	11,776	-	-	11,866	5,637	-	-	5,637	17,503
	Fluctuations in cash flows from occurred claims	(28)	82	-	-	54	(7,200)	-	-	(7,200)	(7,146)

Classification		Life insurance					Indemnity insurance				Total
		Death	Health	Pension savings	Variable	Subtotal	Long term	General	Car	Subtotal	
approach	Others	24	(1,116)	-	-	(1,092)	771	-	-	771	(321)
	Subtotal	86	10,742	-	-	10,828	(792)	-	-	(792)	10,036
Reinsurance contracts accounted for using the premium allocation approach		51	-	-	-	51	-	16,619	407	17,026	17,077
Reinsurance revenue subtotal		137	10,742	-	-	10,879	(792)	16,619	407	16,234	27,113
Reinsurance contracts not accounted for using the premium allocation approach	Expected reinsurance claims	90	10,052	-	-	10,142	1,144	-	-	1,144	11,286
	Changes in risk adjustments	3	109	-	-	112	(23)	-	-	(23)	89
	Amount of CSM recognized in profit or loss	6	2,309	-	-	2,315	125	-	-	125	2,440
	Others	34	(524)	-	-	(490)	511	-	-	511	21
Subtotal	133	11,946	-	-	12,079	1,757	-	-	1,757	13,836	
Reinsurance contracts accounted for using the premium allocation approach		24	-	-	-	24	-	22,784	502	23,286	23,310
Reinsurance expense subtotal		157	11,946	-	-	12,103	1,757	22,784	502	25,043	37,146
Net insurance gains and losses		(6,401)	3,613	(534)	6,215	2,893	(7,992)	(2,300)	(56,843)	(67,135)	(64,242)

30-7 As of December 31, 2023 and 2022, the effect on the statement of financial position separately for insurance contracts issued and reinsurance contracts held other than those to which the premium allocation approach has been applied that are initially recognized for the year ended December 31, 2023 and 2022, is as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Insurance contracts initially recognized for the year ended December 31, 2023	Insurance contracts issued			Reinsurance contracts held
	Non-onerous	Onerous	Total	
Estimate of present value of future cash inflows	1,898,913	141,995	2,040,908	44,398
Estimate of present value of future cash outflows	(1,601,532)	(150,814)	(1,752,346)	(49,172)
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	(1,314,787)	(123,594)	(1,438,381)	(49,172)
Estimates of insurance acquisition cash flows	(286,745)	(27,220)	(313,965)	-
Risk adjustment for non-financial risk	(25,835)	(2,098)	(27,933)	580
CSM	(271,546)	-	(271,546)	5,699

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

Insurance contracts initially recognized for the year ended December 31, 2023	Insurance contracts issued			Reinsurance contracts held
	Non-onerous	Onerous	Total	
Total	-	(10,917)	(10,917)	1,505

<December 31, 2022>

(Korean won in millions)

Insurance contracts initially recognized for the year ended December 31, 2022	Insurance contracts issued			Reinsurance contracts held
	Non-onerous	Onerous	Total	
Estimate of present value of future cash inflows	1,233,097	239,018	1,472,115	51,634
Estimate of present value of future cash outflows	(1,097,400)	(252,470)	(1,349,871)	(54,702)
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	(1,021,793)	(240,971)	(1,262,764)	(54,702)
Estimates of insurance acquisition cash flows	(75,607)	(11,500)	(87,107)	-
Risk adjustment for non-financial risk	(9,870)	(1,076)	(10,946)	(10,181)
CSM	(125,827)	-	(125,827)	13,303
Total	-	(14,529)	(14,529)	54

30-8 Details of when the CSM of insurance contracts issued and reinsurance contracts held other than those to which the premium allocation approach has been applied is expected to be in profit or loss in future years as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	With 3 months	After 3 month ~ but no later than 1 year	After 1 year ~ but no later than 2 years	After 2 years ~ but no later than 3 years	After 3 years ~ but no later than 4 years	After 4 years ~ but no later than 5 years	After 5 years ~ but no later than 10 years	After 10 years	Total
Insurance contracts issued	10,055	29,879	35,675	31,768	27,856	24,490	89,800	235,806	485,330
Reinsurance contracts held	468	1,655	1,696	1,483	1,329	1,199	4,803	12,189	24,822

<December 31, 2022>

(Korean won in millions)

Classification	With 3 months	After 3 month ~ but no later than 1 year	After 1 year ~ but no later than 2 years	After 2 years ~ but no later than 3 years	After 3 years ~ but no later than 4 years	After 4 years ~ but no later than 5 years	After 5 years ~ but no later than 10 years	After 10 years	Total
Insurance contracts issued	7,293	22,090	26,591	24,040	21,966	19,065	66,677	118,632	306,363
Reinsurance contracts held	207	460	533	452	412	351	1,583	4,785	8,783

30-9 The composition of the underlying items and their fair value of contracts with direct participation features as of December 31, 2023 and 2022, is as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Fair value
Listed stocks	115,768
Others	1,057,733
Total	1,173,501

<December 31, 2022>

(Korean won in millions)

Classification	Fair value
Listed stocks	74,241
Others	717,125
Total	791,366

30-10 The effect of reclassification of the financial instruments due to new assessment for business model, is as follows. (Korean won in millions):

(Korean won in millions)

Category of financial assets		Book value	
Before business model reassessment	After business model reassessment	Before business model reassessment	After business model reassessment
Financial assets measured at amortized cost	Financial assets measured at FVOCI	1,124,049	1,124,038

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

30-11 Details of the net other insurance contract financial income for the years ended December 31, 2023 and 2022, are as follows
(Korean won in millions):

Classification	2023	2022
Net investment operating income		
Interest income	136,308	103,427
Other investment income	28,167	47,215
Gain (loss) on valuation of financial assets	139,968	(94,460)
Gain (loss) on disposal of financial assets	33,306	(84,897)
Investment income recognized in other comprehensive income	86,080	(242,303)
Subtotal (A)	423,829	(271,018)
Net insurance finance income		
Changes in the fair value of the underlying items of contracts with direct participation features	(174,134)	155,043
Amount recognized in profit or loss as a result of risk mitigation for contracts with direct participation features	—	—
Interest income	(159,220)	(84,599)
Foreign exchange effect	(285)	(1,086)
Other comprehensive income reclassified to profit or loss	—	—
The effect of changes in discount rate and financial assumption	(156,557)	205,663
Subtotal (B)	(490,196)	275,021
Net reinsurance finance income		
Interest income	152	14
Effect of changes in non-performance risk of reinsurers	173	28
Foreign exchange effect	(20)	9
The effect of changes in discount rate and financial assumption	(352)	1,953
Subtotal (C)	(47)	2,004
Total (D=A+B+C)	(66,414)	6,007

Classification	2023	2022
Finance income recognized in profit or loss(E)	7,610	38,079
Finance income recognized in other comprehensive income(F)	(74,024)	(32,071)
Total (G=D+E+F)	(66,414)	6,007
Net insurance finance income		
Insurance finance income recognized in profit or loss	(330,444)	66,743
Insurance finance income recognized in other comprehensive income	(159,752)	208,279
Total (H=B)	(490,196)	275,021
Net reinsurance finance income		
Reinsurance finance income recognized in profit or loss	305	51
Reinsurance finance income recognized in other comprehensive income	(352)	1,953
Total (I=C)	(47)	2,004

30-12 Risk management of Hana Life Insurance

30-12-1 Capital management

Hana Life Insurance assesses capital adequacy based on the RBC standards.

The RBC ratio measured in accordance with the RBC standards is an indicator of the risk-based capital adequacy of insurance companies and includes insurance risk, interest rate risk, market risk, credit risk, and operational risk.

The Financial Supervisory Service requires insurance companies to maintain the RBC ratio of 100% or higher, so Hana Life Insurance is making efforts to continuously generate profits and operate a stable asset portfolio to improve capital adequacy.

30-12-2 Insurance risk

Insurance risk is a risk that arises in connection with the underwriting of insurance contracts and payment of claims, which are the core business of

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

insurance companies. Insurance risk refers to the insurance price risk that may result in loss or change in profit or loss due to the difference between the expected risk rate (premium received from the policyholder) applied when calculating the insurance premium and the actual risk rate (actual loss amount incurred).

30-12-3 Measurement of insurance risk

Hana Life Insurance applies the standard model of the Korean Insurance Capital Standard ("K-ICS") to measure life insurance risk and long-term non-life insurance risk using shock scenario analysis and risk coefficient methods. Mortality risk, longevity risk, disability/morbidity risk, long-term property and casualty risk, lapse risk, and expense risk, are measured by decreases in net asset due to actuarial assumption shock scenarios. And the catastrophe risk is measured by the risk coefficient method.

30-12-4 Insurance risk management method

Hana Life Insurance sets limits to manage life insurance risk and long-term non-life insurance risk, monitors and analyzes compliance with the limits, and reports them to the Risk Management Committee on a regular basis.

Hana Life Insurance establishes an annual business plan that includes internal capital adequacy assessment and management procedures, asset and liability portfolio management plan, and expected solvency ratio, etc. Hana Life Insurance sets a total risk limit to withstand various risks such as market, credit, insurance and, operational risks with risk-based capital. In addition, Hana Life Insurance sets and manages separate management indicators for each risk to comply with risk limits.

Hana Life Insurance measures these risks on a monthly or quarterly basis, and monitors and analyzes whether limits are being complied with, and reports the risks to the Risk Management Committee on a regular basis.

30-12-5 Exposure to insurance risk

(Korean won in millions)

Classification	December 31, 2023		December 31, 2022	
	Insurance contracts issued	Reinsurance contracts held	Insurance contracts issued	Reinsurance contracts held
Insurance contract liabilities				
Non-participating life insurance	396,342	–	283,817	–
Non-participating health insurance	632,167	–	570,064	–
Defined contribution pension insurance	288,521	–	331,313	–
Non-participating pension savings insurance	1,927,218	–	2,062,961	–
Non-participating pension savings insurance (foreign currency)	6,031	–	6,211	–
Asset-linked pension savings insurance	78,510	–	93,071	–
Variable lifetime insurance	4,293	–	3,829	–
Variable annuity savings insurance (general account)	331,445	–	368,398	–
Variable annuity savings insurance	947,997	–	775,856	–
Variable annuity savings insurance (foreign currency)	14,008	–	13,259	–
Group insurance	1,184	–	2,365	–
Reinsurance contract liabilities	–	–	–	–
AllianzRe2	–	–	–	–
KoreanRe2	–	6,351	–	5,947
PGA2	–	–	–	–
SCOR1	–	86	–	164
SCOR2	–	–	–	–
SCOR3	–	–	–	–
SCOR4	–	–	–	–
SCOR5	–	–	–	–
Total	4,627,716	6,436	4,511,143	6,111

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

30-12-6 Sensitivity analysis of insurance risk and market risk

<December 31, 2023>

(Korean won in millions)

Classification	Impact on profit or loss		Impact on equity	
	Exposure before the effect of mitigation by reinsurance contracts	Exposure after the effect of mitigation by reinsurance contracts	Exposure before the effect of mitigation by reinsurance contracts	Exposure after the effect of mitigation by reinsurance contracts
Insurance risk				
Expected loss rate (10% increase)	(23,790)	(10,759)	(21,781)	(10,357)
Expected loss rate (10% decrease)	7,342	5,512	5,342	4,219
Lapse rate (10% increase)	(1,573)	(1,419)	(412)	(348)
Lapse rate (10% decrease)	1,132	1,065	58	71
Expenses rate (10% increase)	(9,331)	(5,612)	(8,329)	(4,610)
Expenses rate (10% decrease)	4,564	3,458	4,091	2,985
Market risk				
Exchange rate (₩100 increase)	8,405	9,780	(1,375)	(1,375)
Exchange rate (₩100 decrease)	(8,405)	(9,780)	1,375	1,375
Interest rate (50bp increase)	(23,670)	(23,654)	(129,978)	(5,532)
Interest rate (50bp decrease)	22,484	22,777	(3,664)	(5,263)
Stock index (10% increase)	(98,837)	(98,874)	(98,837)	(98,874)
Stock index (10% decrease)	98,830	98,867	98,830	98,867

<December 31, 2022>

(Korean won in millions)

Classification	Impact on profit or loss		Impact on equity	
	Exposure before the effect of mitigation by reinsurance contracts	Exposure after the effect of mitigation by reinsurance contracts	Exposure before the effect of mitigation by reinsurance contracts	Exposure after the effect of mitigation by reinsurance contracts
Insurance risk				
Expected loss rate (10% increase)	(8,763)	(6,628)	(4,305)	(4,014)
Expected loss rate (10% decrease)	4,064	2,897	307	343
Lapse rate (10% increase)	(2)	(65)	(3,955)	(4,194)
Lapse rate (10% decrease)	10	169	4,843	5,202
Expenses rate (10% increase)	(4,841)	(3,574)	(1,085)	182
Expenses rate (10% decrease)	3,170	2,243	1,800	873
Market risk				
Exchange rate (₩100 increase)	8,529	8,529	(1,386)	(1,386)

Classification	Impact on profit or loss		Impact on equity	
	Exposure before the effect of mitigation by reinsurance contracts	Exposure after the effect of mitigation by reinsurance contracts	Exposure before the effect of mitigation by reinsurance contracts	Exposure after the effect of mitigation by reinsurance contracts
Exchange rate (₩100 decrease)	(8,864)	(8,864)	1,051	1,051
Interest rate (50bp increase)	(52,307)	(52,351)	(80,105)	20,584
Interest rate (50bp decrease)	51,884	51,930	(25,978)	(187,262)
Stock index (10% increase)	(72,672)	(72,671)	(72,672)	(72,677)
Stock index (10% decrease)	72,618	72,617	72,618	72,621

30-12-7 Insurance claims development

<December 31, 2023>

(Korean won in millions)

Accident year	Successive accident year							Total
	1st year	2nd years	3rd year	4th year	5th year	6th year	7th year	
<Gross estimates of the undiscounted amount of the claim>								
2016	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-
2018	12,354	15,272	15,506	15,662	15,681	-	-	15,681
2019	13,408	15,901	16,250	16,495	-	-	-	16,495
2020	15,904	19,314	19,650	-	-	-	-	19,650
2021	17,004	21,026	-	-	-	-	-	21,026
2022	15,025	-	-	-	-	-	-	15,025
<Cumulative payments to date>								
2016	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
2019	-	-	-	-	29	-	-	29
2020	-	-	-	182	38	-	-	220
2021	-	-	392	198	42	-	-	632
2022	-	3,340	357	180	34	-	-	3,912
Total gross liabilities for incurred claims (From past 7 years to December 31, 2023)	-	-	-	-	-	-	-	4,792
Total gross liabilities for incurred claims (past 7 years ago)	-	-	-	-	-	-	-	-

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Accident year	Successive accident year							Total
	1st year	2nd years	3rd year	4th year	5th year	6th year	7th year	
Adjustments	-	-	-	-	-	-	-	-
Effect of discounting	-	-	-	-	-	-	-	(183)
Opening balance	-	-	-	-	-	-	-	-
Liabilities for incurred claims	-	-	-	-	-	-	-	4,609

<December 31, 2022>

(Korean won in millions)

Accident year	Successive accident year							Total
	1st year	2nd years	3rd year	4th year	5th year	6th year	7th year	
<Gross estimates of the undiscounted amount of the claim>								
2015	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-
2017	10,416	12,812	12,961	13,009	13,067	-	-	13,067
2018	12,346	15,264	15,498	15,650	-	-	-	15,650
2019	13,396	15,889	16,238	-	-	-	-	16,238
2020	15,900	19,308	-	-	-	-	-	19,308
2021	16,969	-	-	-	-	-	-	16,969
<Cumulative payments to date>								
2015	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-
2018	-	-	-	-	77	-	-	77
2019	-	-	-	103	77	-	-	180
2020	-	-	361	131	97	-	-	590
2021	-	3,416	362	132	97	-	-	4,006
Total gross liabilities for incurred claims (From past 7 years to December 31, 2022)	-	-	-	-	-	-	-	4,853
Total gross liabilities for incurred claims (past 7 years ago)	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-
Effect of discounting	-	-	-	-	-	-	-	(210)
Opening balance	-	-	-	-	-	-	-	-
Liabilities for incurred claims	-	-	-	-	-	-	-	4,643

30-12-8 The details of credit rating of reinsurance contract assets of Hana Life Insurance as of December 31, 2023 and 2022, is as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Credi ratings of reinsurers					Total
	AAA	AA+ ~ AA-	A+ ~ A-	BBB+ ~ BB B-	Below BB+ and unrated	
Reinsurance contract assets	-	3,408	(5,883)	-	-	(2,475)

<December 31, 2022>

(Korean won in millions)

Classification	Credi ratings of reinsurers					Total
	AAA	AA+ ~ AA-	A+ ~ A-	BBB+ ~ BB B-	Below BB+ and unrated	
Reinsurance contract assets	-	5,156	(5,656)	-	-	(500)

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
 - Management's Discussion and Analysis
 - Independent Auditors' Report
 - Consolidated Financial Statements
 - Notes to the Consolidated Financial Statements**

30-12-9 Maturity of insurance contracts issued and reinsurance contracts held

As of December 31, 2023 and 2022, the remaining maturity of Hana Life Insurance's insurance contracts issued and reinsurance contracts held other than those to which the premium allocation approach has been applied, is summarized as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Within 1 year	After 1 year ~ but no later than 2 years	After 2 years ~ but no later than 3 years	After 3 years ~ but no later than 4 years	After 4 years ~ but no later than 5 years	After 5 years	Total
Insurance contract liabilities							
Non-participating life insurance	(82,189)	(62,881)	(48,705)	(41,814)	(44,310)	1,860,345	1,580,446
Non-participating health insurance	(55,191)	(37,610)	(11,521)	(2,627)	5,901	1,290,452	1,189,404
Defined contribution pension insurance	27,585	23,796	17,130	247,405	(952)	13,931	328,894
Non-participating pension savings insurance	358,318	222,545	111,658	115,652	112,562	1,973,467	2,894,202
Non-participating pension savings insurance (foreign currency)	481	396	444	427	258	4,306	6,313
Asset-linked pension savings insurance	11,997	7,877	5,643	5,479	5,331	75,420	111,747
Variable lifetime insurance	(124)	(123)	(73)	(29)	(2)	11,579	11,228
Variable annuity savings insurance (general account)	46,601	39,558	36,971	30,514	25,514	289,139	468,297
Variable annuity savings insurance	84,675	79,232	82,352	75,667	79,374	911,487	1,312,787
Variable annuity savings insurance (foreign currency)	1,303	1,479	1,390	1,048	709	11,417	17,346
Group insurance	-	-	-	-	-	-	-
Reinsurance contract liabilities	635	573	551	537	534	37,437	40,267
AllianzRe2	-	-	-	-	-	-	-
KoreanRe2	560	550	551	537	534	37,437	40,168
RGA2	-	-	-	-	-	-	-
SCOR1	75	23	-	-	-	-	98
SCOR2	-	-	-	-	-	-	-
SCOR3	-	-	-	-	-	-	-
SCOR4	-	-	-	-	-	-	-

Classification	Within 1 year	After 1 year ~ but no later than 2 years	After 2 years ~ but no later than 3 years	After 3 years ~ but no later than 4 years	After 4 years ~ but no later than 5 years	After 5 years	Total
SCOR5	-	-	-	-	-	-	-

<December 31, 2022>

(Korean won in millions)

Classification	Within 1 year	After 1 year ~ but no later than 2 years	After 2 years ~ but no later than 3 years	After 3 years ~ but no later than 4 years	After 4 years ~ but no later than 5 years	After 5 years	Total
Insurance contract liabilities							
Non-participating life insurance	(41,845)	22,328	71,981	44,449	65,444	329,733	492,090
Non-participating health insurance	(48,169)	(43,639)	(28,109)	(4,819)	4,846	1,246,915	1,127,026
Defined contribution pension insurance	17,622	23,885	23,327	21,269	304,009	-	390,113
Non-participating pension savings insurance	288,616	305,639	162,259	91,340	99,584	2,817,686	3,765,124
Non-participating pension savings insurance (foreign currency)	461	435	378	431	456	6,013	8,173
Asset-linked pension savings insurance	9,422	9,271	7,310	5,524	5,731	110,586	147,843
Variable lifetime insurance	(314)	(335)	(328)	(276)	(231)	18,301	16,815
Variable annuity savings insurance (general account)	50,342	40,012	37,682	35,735	30,196	377,385	571,352
Variable annuity savings insurance	61,786	70,741	57,895	58,511	59,988	852,567	1,161,488
Variable annuity savings insurance (foreign currency)	1,716	1,179	1,211	1,119	854	10,613	16,692
Group insurance	-	-	-	-	-	-	-
Reinsurance contract liabilities	645	640	573	525	498	30,859	33,741
AllianzRe2	-	-	-	-	-	-	-
KoreanRe2	558	565	550	525	498	30,859	33,555
RGA2	-	-	-	-	-	-	-
SCOR1	87	76	23	-	-	-	186
SCOR2	-	-	-	-	-	-	-
SCOR3	-	-	-	-	-	-	-
SCOR4	-	-	-	-	-	-	-
SCOR5	-	-	-	-	-	-	-

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

30-13 Risk management of Hana Insurance

30-13-1 Capital adequacy assessment and management procedures

Hana Insurance measures the solvency ratio (K-ICS) stipulated by the regulatory authority. The solvency ratio is a risk-based capital requirement for insurance companies that ensures that insurance companies have the capital to cover even if unexpected losses occur.

The solvency ratio refers to the ratio of required capital to available capital. Available capital comprises of common stocks, equity securities other than common stocks among equity instruments, retained earnings, etc., and required capital includes life insurance risk charges and long-term non-life insurance risk charge, general non-life insurance risk charge, market risk charge, credit risk charge and operational risk charge taking into account diversification effects.

The regulatory authority mandates that insurance companies maintain a solvency ratio of 100% or higher. If it falls below 100%, the regulatory authority requires timely corrective measures for each solvency ratio, as outlined below, to prevent the deterioration of insolvency.

Solvency ratio	Corrective measure
Management Improvement Recommendation (100%-50%)	Increase or decrease in paid-in capital, restriction on initiating new business, etc.
Requests for Management Improvement (50%-0%)	Request for replacement of executive officers, closure of subsidiaries, etc.
Orders for Management Improvement (below 0%)	Suspension of executive officers, suspension of entire insurance business, etc.

Hana Insurance measures life insurance risk charges and long-term non-life insurance risk charge, general non-life insurance risk charge, market risk charge, credit risk charge and operational risk charge to calculate the capital requirement in accordance with K-ICS, and takes into account the impact on the solvency ratio when

establishing a portfolio strategy.

30-13-2 Insurance risk

Insurance risk is a risk that arises in connection with the underwriting of insurance contracts and the payment of claims, which are the core business of insurance companies. Insurance risk refers to the possibility of loss that may occur due to the actual payment of claims, which is greater than the expected claims at the time of underwriting the insurance contract.

Insurance risk refers to the risk of potential economic loss that may occur in an insurance contract due to various risk factors in long-term non-life insurance and general non-life insurance.

(1) Measurement and management of insurance risk

1) Measurement of insurance risk

When calculating insurance risk according to the K-ICS standard model, life/long-term non-life insurance risk and general non-life insurance risk are distinguished and diversification effects are taken into account.

To calculate risk charges for life/long-term non-life insurance, Hana Insurance assesses the risk for each of the seven sub-risks, including mortality risk, longevity risk, morbidity/disability risk, long-term property and casualty risk, lapse risk, expense risk, and catastrophe risk. This assessment is done through the application of either the shock scenario method or risk coefficient method. The individual risk charges are then combined, taking into consideration the correlation coefficient between these risks.

General non-life insurance risk is divided into three sub-risks: premium risk, claims reserve risk, and catastrophe risk.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

2) Management of insurance risk

Hana Insurance developed a system to measure insurance risk in accordance with K-ICS standard model, and measures risk charges for life/long-term non-life insurance risk and general non-life insurance risk to report the risk management committee on a quarterly basis.

Hana Insurance developed a system to measure insurance risk in accordance with the K-ICS standard model. The company measures risk charges for life/long-term non-life insurance risk and general non-life insurance risk, reporting the measurements to the risk management committee on a quarterly basis. In addition, Hana Insurance sets insurance risk limits monitors at the beginning of each year and monitors compliance with the limits.

(2) Insurance risk management target

Hana Insurance considers net amount of insurance contract liabilities and net reinsurance contract assets as exposure to insurance risk, and the exposure to insurance risk as of December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	December 31, 2023			December 31, 2022		
	Insurance contract liabilities	Reinsurance contract assets	Total	Insurance contract liabilities	Reinsurance contract assets	Total
General	53,354	30,675	22,679	43,531	23,853	19,678
Automobile	269,445	1,200	268,245	298,620	533	298,087
Long-term	593,331	6,101	587,230	526,161	2,922	523,239
Total	916,130	37,976	878,154	868,312	27,308	841,004

The geographical concentration of Hana Insurance's insurance contracts issued as of December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	Net amount of Insurance contract liabilities and reinsurance contract assets					
	December 31, 2023			December 31, 2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
General	22,679	–	22,679	19,678	–	19,678
Automobile	268,245	–	268,245	298,087	–	298,087
Long-term	587,229	–	587,229	523,239	–	523,239
Total	878,153	–	878,153	841,004	–	841,004

(3) Sensitivity analysis of insurance risk

The sensitivity analysis of the impact on profit or loss and equity for movements in inputs of insurance risk related to insurance contracts issued by Hana Insurance as of December 31, 2023, is as follows (Korean won in millions):

Classification		December 31, 2023			
		Exposure before the effect of mitigation by reinsurance contracts		Exposure after the effect of mitigation by reinsurance contracts	
		Changes in profit or loss	Changes in equity	Changes in profit or loss	Changes in equity
Lapse rate	5% Increase	(668)	(668)	(509)	(509)
	5% decrease	367	367	208	208
Expected loss rate	5% Increase	(4,061)	(4,061)	(3,023)	(3,023)
	5% decrease	3,222	3,222	2,184	2,184
Expense rate	5% Increase	(1,026)	(1,026)	(644)	(644)
	5% decrease	657	657	275	275

Hana Insurance calculates the interest rate risk charge by applying a shock scenario to the risk-free interest rate term structure, reassessing the value of assets and liabilities, and then measuring the amount of decrease in net asset value. The sensitivity analysis of the impact on profit before tax and equity for interest rate risk of Hana Insurance as of December 31, 2023, is as follows (Korean won in millions):

[Introduction](#)
[CEO Letter & Presentation](#)
[BOD Roundtable 2023](#)
[Group Overview](#)
[Business Overview](#)
[Financial Review](#)
[Management's Discussion and Analysis](#)
[Independent Auditors' Report](#)
[Consolidated Financial Statements](#)
[Notes to the Consolidated Financial Statements](#)

Classification		December 31, 2023			
		Insurance contracts		Financial assets	
		Changes in profit before tax	Changes in equity	Changes in profit before tax	Changes in equity
Interest rate	100 bp increase	-	73,553	(10,498)	(32,775)
	100 bp decrease	-	(100,298)	12,080	37,447

(4) Accumulation of liability reserves

Based on the regulations on supervision of insurance business, certified senior actuary has verified the adequacy of liability reserves and submits the written opinion of an appointed actuary on his or her verification. Hana Insurance applies statistical method such as Paid Loss Development Method ("PLDM") and Incurred Loss Development Method ("ILD") for automobile insurance, general insurance and long-term insurance, to verify the adequacy of liability reserves.

Insurance claims development as of December 31, 2023 and 2022, is as follows:

1) Long-term insurance

<December 31, 2023>

(Korean won in millions)

Accident year	The end of the accident year	1 year later	2 years later	3 years later	4 years later	Total
Gross estimates of the undiscounted amount of the claims						
2019	4,997	6,635	6,907	7,048	7,125	32,712
2020	4,889	7,174	7,506	7,654	-	27,223
2021	7,902	10,351	10,948	-	-	29,201
2022	19,559	26,854	-	-	-	46,413
2023	34,430	-	-	-	-	34,430
Total	71,777	51,014	25,361	14,702	7,125	
Cumulative payments to date	71,777	51,014	25,361	14,702	7,125	
Liabilities for incurred claims before January 1, 2018						3,282

Accident year	The end of the accident year	1 year later	2 years later	3 years later	4 years later	Total
Effect of discounting						(33)
Liabilities for incurred claims expected to be paid within 1 year						13,553
Risk adjustment for non-financial risks adjustments						1,128
Liabilities for incurred claims as of December 31, 2023						20,893

<December 31, 2022>

(Korean won in millions)

Accident year	The end of the accident year	1 year later	2 years later	3 years later	4 years later	Total
Gross estimates of the undiscounted amount of the claims						
2018	3,589	5,135	5,417	5,562	5,583	25,286
2019	4,997	6,635	6,907	7,048	-	25,587
2020	4,889	7,174	7,506	-	-	19,569
2021	7,902	10,351	-	-	-	18,253
2022	19,559	-	-	-	-	19,559
Total	40,936	29,295	19,830	12,610	5,583	
Cumulative payments to date	40,936	29,295	19,830	12,610	5,583	
Liabilities for incurred claims before January 1, 2017						1,864
Effect of discounting						20
Liabilities for incurred claims expected to be paid within 1 year						7,350
Risk adjustment for non-financial risks adjustments						885
Liabilities for incurred claims as of December 31, 2022						13,692

2) General insurance

<December 31, 2023>

(Korean won in millions)

Accident year	The end of the accident year	1 year later	2 years later	3 years later	4 years later	Total
Gross estimates of the undiscounted amount of the claims						
2019	2,571	5,513	6,088	6,464	6,546	27,182
2020	2,280	3,977	5,362	5,476	-	17,075
2021	2,016	4,019	4,480	-	-	10,515
2022	5,888	9,452	-	-	-	15,350
2023	10,426	-	-	-	-	10,426

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements**

Accident year	The end of the accident year	1 year later	2 years later	3 years later	4 years later	Total
Total	23,171	22,961	15,930	11,940	6,546	
Cumulative payments to date	23,171	22,961	15,930	11,940	6,546	
Liabilities for incurred claims before January 1, 2018						16,586
Effect of discounting						6
Liabilities for incurred claims expected to be paid within 1 year						7,956
Risk adjustment for non-financial risks adjustments						5,194
Liabilities for incurred claims as of December 31, 2023						24,323

<December 31, 2022>

(Korean won in millions)

Accident year	The end of the accident year	1 year later	2 years later	3 years later	4 years later	Total
Gross estimates of the undiscounted amount of the claims						
2018	5,349	11,338	12,320	12,859	12,905	54,771
2019	2,537	5,480	6,056	6,431	-	20,504
2020	2,233	3,953	5,338	-	-	11,524
2021	2,014	4,017	-	-	-	6,031
2022	5,898	-	-	-	-	5,898
Total	18,031	24,788	23,714	19,290	12,905	
Cumulative payments to date	18,031	24,788	23,714	19,290	12,905	
Liabilities for incurred claims before January 1, 2017						19,154
Effect of discounting						(192)
Liabilities for incurred claims expected to be paid within 1 year						3,440
Risk adjustment for non-financial risks adjustments						2,422
Liabilities for incurred claims as of December 31, 2022						18,708

3) Automobile insurance

<December 31, 2023>

(Korean won in millions)

Accident year	The end of the accident year	1 year later	2 years later	3 years later	4 years later	Total
Gross estimates of the undiscounted amount of the claims						
2019	217,321	253,826	258,021	260,431	261,101	1,250,700
2020	198,096	225,111	229,806	233,503	-	886,516

Accident year	The end of the accident year	1 year later	2 years later	3 years later	4 years later	Total
2021	204,946	236,755	240,472	-	-	682,173
2022	243,619	278,332	-	-	-	521,951
2023	238,828	-	-	-	-	238,828
Total	1,102,810	994,024	728,299	493,934	261,101	
Cumulative payments to date	1,102,810	994,024	728,299	493,934	261,101	
Liabilities for incurred claims before January 1, 2018						67,313
Effect of discounting						(294)
Liabilities for incurred claims expected to be paid within 1 year						41,373
Risk adjustment for non-financial risks adjustments						6,686
Liabilities for incurred claims as of December 31, 2023						82,019

<December 31, 2022>

(Korean won in millions)

Accident year	The end of the accident year	1 year later	2 years later	3 years later	4 years later	Total
Gross estimates of the undiscounted amount of the claims						
2018	215,601	249,687	254,739	259,321	260,471	1,239,819
2019	217,321	253,826	258,021	260,431	-	989,599
2020	198,096	225,111	229,806	-	-	653,013
2021	204,967	236,781	-	-	-	441,748
2022	243,627	-	-	-	-	243,627
Total	1,079,612	965,405	742,566	519,752	260,471	
Cumulative payments to date	1,079,612	965,405	742,566	519,752	260,471	
Liabilities for incurred claims before January 1, 2017						66,110
Effect of discounting						(1,314)
Liabilities for incurred claims expected to be paid within 1 year						42,442
Risk adjustment for non-financial risks adjustments						5,672
Liabilities for incurred claims as of December 31, 2022						78,508

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

(5) Credit risk of insurance contracts

As of December 31, 2023 and 2022, exposure to credit risk arising from Hana Insurance's reinsurance contracts held, and the credit ratings of reinsurers is as follows:

<December 31, 2023>

(Korean won in millions)

Classification	Credit ratings of reinsurers					Total
	AAA	AA+ ~ AA-	A+ ~ A-	BBB+ ~ BBB-	Below BB+ and unrated	
Reinsurance contract assets	-	38,241	-	-	-	38,241

<December 31, 2022>

(Korean won in millions)

Classification	Credit ratings of reinsurers					합계
	AAA	AA+ ~ AA-	A+ ~ A-	BBB+ ~ BBB-	Below BB+ and unrated	
Reinsurance contract assets	-	27,419	-	-	-	27,419

(6) Liquidity risk arising from insurance contracts

Liquidity risk arising from insurance contracts refers to the potential of being unable to meet fund payment demands due to mismatches in the duration and amount of funds management and procurement, or facing losses through the acquisition of high-cost funds for resolving such fund shortages and unfavorable sales of held assets. Hana Insurance monitors the liquidity gap ratio in the general account to manage the liquidity risk.

The maturity information related to liabilities for remaining coverage, expected to be paid during the periods presented as of December 31, 2023 and 2022, is

as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Within 1 year	After 1 year ~ but no later than 2 years	After 2 years ~ but no later than 3 years	After 3 years ~ but no later than 4 years	After 4 years ~ but no later than 5 years	After 5 years	Total
Insurance contract liabilities	(35,188)	(49,247)	(50,803)	(36,695)	(9,573)	541,550	360,044
Reinsurance contract liabilities	571	634	636	568	648	7,160	10,217

<December 31, 2022>

(Korean won in millions)

Classification	Within 1 year	After 1 year ~ but no later than 2 years	After 2 years ~ but no later than 3 years	After 3 years ~ but no later than 4 years	After 4 years ~ but no later than 5 years	After 5 years	Total
Insurance contract liabilities	(59,640)	(49,866)	(40,659)	(40,176)	(27,639)	592,203	374,223
Reinsurance contract liabilities	(121)	(21)	335	391	455	549	1,588

The analysis, by estimated timing, of the remaining contractual undiscounted net cash flows of Hana Insurance's insurance and reinsurance contract liabilities as of December 31, 2023 and 2022, is as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Within 1 year	After 1 year ~ but no later than 2 years	After 2 years ~ but no later than 3 years	After 3 years ~ but no later than 4 years	After 4 years ~ but no later than 5 years	After 5 years	Total
Insurance contract liabilities	(35,424)	(52,179)	(55,849)	(41,894)	(11,058)	1,415,724	1,219,320
Reinsurance contract liabilities	550	644	673	622	749	2,148	5,386

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

<December 31, 2022>

(Korean won in millions)

Classification	Within 1 year	After 1 year ~ but no later than 2 years	After 2 years ~ but no later than 3 years	After 3 years ~ but no later than 4 years	After 4 years ~ but no later than 5 years	After 5 years	Total
Insurance contract liabilities	(60,637)	(52,966)	(45,431)	(46,926)	(33,774)	1,557,788	1,318,054
Reinsurance contract liabilities	(148)	(48)	355	438	541	(19,232)	(18,094)

(7) Interest rate risk of insurance contracts

Interest rate risk refers to the economic loss risk that arises from changes in future market interest rates and differences in the maturity structure of assets and liabilities, posing the risk of a decrease in the company's net asset value

1) Measurement and management of interest rate risk

a. Measurement method

Interest rate risk is calculated using K-ICS standard model. Interest rate risk charge in accordance with K-ICS model, is calculated using K-ICS model of article 7-2 (4) in the regulations on supervision of insurance business. The assets and liabilities subject to the risk measurement model are interest-bearing assets and interest-bearing liabilities. However, for marketable assets such as stocks and real estate, which are not sensitive to interest rates, the interest rate sensitivity is reflected as '0'.

b. management method

Hana Insurance collects, manages and inspects interest rate risk data by type on a monthly basis. The interest rate risk limit is set in consideration of the risk management strategy, business plan, asset management plan, etc., and interest rate risk is regularly calculated and analyzed to establish and implement measures

Exposure of Hana Insurance's insurance contract liabilities and interest-bearing assets as of December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
I. Insurance contract liabilities	593,387	526,161
1. Fixed interest rate	334,432	274,102
2. Interest rate-linked	258,955	252,059
II. Interest-bearing assets	651,988	520,717
1. Due from banks	139,160	21,911
2. Financial assets measured at FVTPL	50,032	36,278
3. Financial assets measured at FVOCI	462,796	462,528

31. Net defined benefit liabilities:

31-1 Actuarial assumptions as of December 31, 2023 and 2022, are as follows:

Classification	December 31, 2023 (%)	December 31, 2022 (%)	Notes
Demographic assumptions:			
Mortality	0.0-0.2	0.0-0.2	Table from Korea insurance development institute, etc.
Rates of employee turnover	0.0-51.4	0.0-51.4	Table from Korea insurance development institute, etc.
Financial assumptions:			
Expected salary increase rate	0.0-7.0	0.0-8.3	The average of the past five years, etc.
Discount rate	3.7-5.1	4.1-6.1	Return on corporate bond with the same credit rating

31-2 Details of the net defined benefit liabilities as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	2,521,103	2,249,741
Fair value of plan assets (-)	(2,403,853)	(2,374,096)
Net defined benefit liabilities	175,898	10,610
Net defined benefit assets	(58,648)	(134,965)

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

31-3 Changes in the present value of defined benefit obligation for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	2023	2022
Beginning balance	2,249,741	2,297,307
Acquired in business combination	-	1,337
Current service cost	162,599	176,177
Past service cost	934	951
Interest cost on benefit obligation	111,109	55,744
Remeasurements of the net defined benefit liability	205,917	(54,909)
Benefits paid	(209,781)	(226,808)
Others	584	(58)
Ending balance	2,521,103	2,249,741

31-4 Details of losses incurred from severance and retirement benefit plan for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	2023	2022
Current service cost	162,599	176,186
Past service cost	934	951
Net interest on the net defined benefit liability	(5,137)	6,605
Subtotal	158,396	183,742
Benefits paid for the defined contribution plan	6,030	4,661
Long-term employee payment and others	1,187	1,064
Total	165,613	189,467

31-5 Plan assets for severance benefit as of December 31, 2023 and 2022 consist of the followings (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Existence of active market price	Inexistence of active market price	Total
Time deposit	-	1,106,377	1,106,377
ELB	-	39,049	39,049
Beneficiary securities	-	1,061	1,061
GIC (Interest rate guarantee insurance contract)	-	1,200,011	1,200,011
Others	-	57,355	57,355
Total	-	2,403,853	2,403,853

<December 31, 2022>

(Korean won in millions)

Classification	Existence of active market price	Inexistence of active market price	Total
Time deposit	-	789,275	789,275
ELB	-	7,660	7,660
GIC (Interest rate guarantee insurance contract)	-	1,544,584	1,544,584
Others	-	32,577	32,577
Total	-	2,374,096	2,374,096

31-6 Changes in the fair value of plan assets for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	2023	2022
Beginning balance	2,374,096	2,099,287
Acquired due to business combination	-	1,216
Employer contributions	53,387	387,766
Expected return on plan assets	116,245	49,139
Remeasurements of the plan assets	(22,006)	(12,307)

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	2023	2022
Benefits paid	(118,928)	(149,650)
Others	1,059	(1,355)
Ending balance	2,403,853	2,374,096

31-7 Details of remeasurement accompanied by the application of actuarial assumptions for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	2023	2022
Actual gains (losses):		
Changes in demographic assumptions	(118,202)	425,266
Changes in financial assumptions	(18,956)	(297,480)
Experience adjustments	(68,759)	(72,877)
Subtotal	(205,917)	54,909
Income on planned assets:		
Actual income on planned assets	94,139	36,804
Amounts included in net interest on the net defined benefit liability (assets)	(116,145)	(49,111)
Subtotal	(22,006)	(12,307)
Total	(227,923)	42,602

31-8 The quantitative sensitivity analysis for significant actuarial assumptions as of December 31, 2023 and 2022, is as follows (Korea won in millions):

31-8-1 Discount rate

<December 31, 2023>

(Korean won in millions)

Classification	December 31, 2023	1% point increase	1% point decrease
Present value of defined benefit obligation	2,521,103	2,326,097	2,687,013

<December 31, 2022>

(Korean won in millions)

Classification	December 31, 2022	1% point increase	1% point decrease
Present value of defined benefit obligation	2,249,741	2,006,910	2,327,093

31-8-2 Expected rate of salary increase

<December 31, 2023>

(Korean won in millions)

Classification	December 31, 2023	1% point increase	1% point decrease
Present value of defined benefit obligation	2,521,103	2,688,493	2,321,838

<December 31, 2022>

(Korean won in millions)

Classification	December 31, 2022	1% point increase	1% point decrease
Present value of defined benefit obligation	2,249,741	2,329,724	2,002,052

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

31-8-3 Employer contributions in 2024 reasonably estimated for the years ended December 31, 2023 amounts to ₩168,008 million (employer contributions in 2023 reasonably estimated for the years ended December 31, 2022 amounts to ₩156,602 million), and the average durations of the defined benefit plan obligation as of December 31, 2023 and 2022, are 5.53~10.11 years and 5.32~9.9 years, respectively.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

32.Contingent, Commitments and Provisions:

32-1 Details of provisions as of December 31, 2023 and 2022, are as follows
(Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Allowance for possible losses on acceptances and guarantees:		
Financial acceptances and guarantees (*)	5,520	2,565
Non-financial acceptances and guarantees	71,609	81,450
Bills endorsed	2	13
Subtotal	77,131	84,028
Allowances for unused commitments	135,766	115,314
Other allowance:		
Allowances for restoration cost	69,234	61,856
Allowance for lawsuits	3,442	43,227
Others	556,063	332,336
Subtotal	628,739	437,419
Total	841,636	636,761

(*) The Group recognizes the amount of financial guarantee contracts subsequently measured that exceed the unamortized balance as provisions for acceptances and guarantees on initial recognition. The unamortized balance amounts to ₩18,607 million and ₩14,843 million as of December 31, 2023 and 2022, respectively, and are categorized as financial guarantee contract liability.

32-2 Changes in allowances for unused commitments for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification	Allowances for unused commitments			Total
	12month ECL	Lifetime ECL		
		Non credit-impaired financial assets	Credit-impaired financial assets	
Beginning balance	76,452	34,892	3,970	115,314
Transfer to 12 month ECL	8,801	(7,244)	(1,557)	-
Transfer to non credit-impaired financial assets	(3,225)	3,303	(78)	-
Transfer to credit-impaired financial assets	(581)	(306)	887	-
(Reversal) provision	25,236	(624)	(288)	24,324
Ex change rate fluctuation	(3,834)	2	-	(3,832)
Others	(40)	-	-	(40)
Ending balance	102,809	30,023	2,934	135,766

<2022>

(Korean won in millions)

Classification	Allowances for unused commitments			Total
	12month ECL	Lifetime ECL		
		Non credit-impaired financial assets	Credit-impaired financial assets	
Beginning balance	76,971	32,989	4,134	114,094
Transfer to 12 month ECL	8,457	(6,797)	(1,660)	-
Transfer to non credit-impaired financial assets	(2,976)	3,051	(75)	-
Transfer to credit-impaired financial assets	(268)	(172)	440	-
(Reversal) provision	(3,603)	5,704	1,131	3,232
Ex change rate fluctuation	(2,169)	117	-	(2,052)
Others	40	-	-	40
Ending balance	76,452	34,892	3,970	115,314

32-3 Changes in provision for financial guarantees for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

<2023>

(Korean won in millions)

Classification	Allowances for unused commitments			Total
	12month ECL	Lifetime ECL		
		Non credit-impaired financial assets	Credit-impaired financial assets	
Beginning balance	2,287	278	-	2,565
Transfer to 12 month ECL	6	(6)	-	-
Transfer to non credit-impaired financial assets	(3)	3	-	-
Transfer to credit-impaired financial assets	(183)	-	183	-
(Reversal) provision	3,684	(202)	(183)	3,299
Exchange rate fluctuation	8	13	-	21
Others	(364)	(1)	-	(365)
Ending balance	5,435	85	-	5,520

<2022>

(Korean won in millions)

Classification	Allowances for unused commitments			Total
	12month ECL	Lifetime ECL		
		Non credit-impaired financial assets	Credit-impaired financial assets	
Beginning balance	1,667	15	-	1,682
Transfer to 12 month expected credit loss	1	(1)	-	-
Transfer to non credit-impaired financial assets	(11)	11	-	-
Reversal	311	253	-	564
Exchange rate fluctuation	3	-	-	3
Others	316	-	-	316
Ending balance	2,287	278	-	2,565

32-4 Changes in other provisions for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification	January 1	Increase due to business combination	Provision (reversal)	Allowance used	Others	December 31
Non-financial acceptances and guarantees	81,463	-	(12,937)	-	3,085	71,611
Other allowances:						
Allowances for restoration cost	61,856	331	6,105	(2,247)	3,189	69,234
Allowance for lawsuits	43,227	13	(23,081)	(16,719)	2	3,442
Others	332,336	-	319,772	(96,045)	-	556,063
Subtotal	437,419	344	302,796	(115,011)	3,191	628,739
Total	518,882	344	289,859	(115,011)	6,276	700,350

<2022>

(Korean won in millions)

Classification	January 1	Increase due to business combination	Provision (reversal)	Allowance used	Others	December 31
Non-financial acceptances and guarantees	34,902	-	44,623	-	1,938	81,463
Other allowance:						
Allowances for restoration cost	65,312	8	(1,704)	(3,231)	1,471	61,856
Allowance for lawsuits	77,742	-	(19,233)	(15,954)	672	43,227
Others	293,690	-	64,317	(25,226)	(445)	332,336
Subtotal	436,744	8	43,380	(44,411)	1,698	437,419
Total	471,646	8	88,003	(44,411)	3,636	518,882

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

32-5 Details of guarantees as of December 31, 2023 and 2022, are as follows
(Korean won in millions):

Classification	Amount of guarantee	
	December 31, 2023	December 31, 2022
Financial acceptances and guarantees in Korean won:		
Private bond issue payment guarantee	172,500	94,500
Collateral for loans	44,402	43,130
Loans for purchase	356,998	307,369
Loan commitment	136,089	120,119
Commitment to acquire securities	444,450	743,287
Others	–	2,190
Subtotal	1,154,439	1,310,595
Financial acceptances and guarantees in foreign currencies	36,532	2,725
Confirmed acceptances and guarantees in Korean won	2,447,238	2,446,127
Confirmed acceptances and guarantees in foreign currencies:		
Acceptance on letter of credit	2,115,715	2,213,852
Acceptance on letter of guarantees	114,237	101,659
Others	12,655,477	10,137,249
Subtotal	14,885,429	12,452,760
Contingent acceptances and guarantees:		
Letters of credit	4,145,511	4,080,758
Others	1,988,457	1,575,952
Subtotal	6,133,968	5,656,710
Bills endorsed	754	10,708
Total	24,658,360	21,879,625

32-6 Unused commitments

Details of unused commitments as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	Unused commitments	
	December 31, 2023	December 31, 2022
Commitments on loans in Korean won	100,564,874	92,239,893
Commitments on loans in foreign currencies	30,837,789	28,960,161
Commitments on credit lines on asset-backed securities	118,300	85,200
Commitments on purchase of securities	13,618,990	11,883,948
Merchant banking account-commitment	770,000	620,000
Others	–	634
Total	145,909,953	133,789,836

32-7 Pending litigation

As of December 31, 2023, the Group is involved in 2,020 lawsuits as a plaintiff and 956 lawsuits as a defendant. The aggregate amounts of claims as a plaintiff and a defendant are approximately ₩554,213 million and ₩772,119 million, respectively. The Group's material lawsuits in progress as a defendant are as follows (Korean won in millions):

Defendant	Plaintiff	Amount	Status of lawsuit			Content
			First trial	Second trial	Third trial	
Hana Bank	Bankruptcy trustee(F*****)	43,315	Won	In progress	–	Restitution of unjust enrichment
Hana Securities	****Corporation	38,986	In progress	–	–	Compensation for damages
Hana Bank	*** Bank	25,271	In progress	–	–	Return of frozen assets
Hana Bank	****Cooperation Co., Ltd.	15,000	In progress	–	–	Restitution of unjust enrichment
Hana Bank	**** Securities Co., Ltd.	10,000	In progress	–	–	Compensation for damages
Hana Bank	Wj***	10,000	In progress	–	–	Compensation for damages

Meanwhile, although not included in the above pending litigation, Bank of China** has filed an additional execution application for 1.83 billion yuan against

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

the Group in Shanghai Financial Court in December 2023, related to the default by CM *** Leases. As of the end of the reporting period, it is not possible to reasonably predict the future impact on the consolidated financial statements of the Group.

32-8 Due to the recent decline in the Hong Kong HIndex, losses on Hong Kong HIndex-linked securities sold by the Group are expected. As of the end of the reporting period, the Group cannot reasonably predict whether or not there will be a financial impact on the Group related to the Hong Kong Hindex-linked securities and its estimate. In addition, the Fair Trade Commission's investigation into whether four major commercial banks, including the Group, engaged in unfair collaborative practices is ongoing, and the results cannot be predicted as of December 31, 2023.

32-9 In relation to the Ukraine crisis that occurred in February 2022, the international community's sanctions against Russia may affect not only companies and individuals subject to sanctions, but also companies, industries, and the economy that do business directly or indirectly with Russia. The Group expects that there will be a future financial impact on the business of KEB HNB RUS LLC, a subsidiary as of December 31, 2023, but the effect cannot be reasonably estimated.

32-10 As of December 31, 2023, the Group entered into a managerial land trust contract in relation to 47 cases (70 cases as of December 31, 2022), including the Withbid&C site in Amnam-dong, Seo-gu, Busan, and agreed to bear the responsibility for completion. As of the end of December 31, 2023, the PF loan financing limit for the responsible completion managerial land trust is ₩4,597,200 million (₩6,438,680 million as of December 31, 2022), and the total amount of PF loan implemented by financial institutions is ₩ 3,012,682 million (₩ 3,461,964 million as of December 31, 2022). Accordingly, the Group has an obligation to compensate financial institutions for losses arising from the construction company's failure to fulfill its completion obligations. Additional

losses may occur in connection with these mandatory burden arrangements, but the possibility of such losses is not probable and the loss amount cannot be estimated reliably, so these effects are not reflected in the consolidated financial statements as of December 31, 2023.

33. Other liabilities:

33-1 Details of other liabilities as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Accounts payable	14,985,154	8,358,302
Accrued expense payables	5,108,569	3,119,536
Advances	387,099	315,200
Income in advance	611,485	549,042
Investment contracts liabilities	1,320,173	886,897
Borrowing from trust accounts	7,019,423	7,882,857
Foreign exchange settlement credits	941,693	937,940
Domestic exchange settlement credits	7,080,996	5,512,803
Deposits for letter of guarantees and others	1,528,716	2,665,544
Taxes withheld	488,975	288,632
Security deposits received	40,884	281,894
Accounts for agency businesses	201,001	190,874
Agency	2,505,394	2,869,079
Lease liabilities	448,936	521,555
Merchant banking account liabilities	4,154,697	3,667,273
Others	1,764,802	1,324,118
Present value discount	(102,503)	(73,813)
Total	48,485,494	39,297,733

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

33-2 Details of merchant banking account liabilities as of December 31, 2023 and 2022 are as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Merchant banking account deposits	4,153,035	3,666,199
Merchant banking account others(*)	1,662	1,074
Total	4,154,697	3,667,273

(*) Merchant banking account others consist of accrued expense payables.

33-3 Details of lease liabilities as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Nominal value	Present value discount	Book value
Real estate for business	452,362	(28,180)	424,182
Vehicles	23,458	(1,310)	22,148
Others	2,737	(131)	2,606
Total	478,557	(29,621)	448,936

<December 31, 2022>

(Korean won in millions)

Classification	Nominal value	Present value discount	Book value
Real estate for business	533,244	(32,094)	501,150
Vehicles	19,316	(868)	18,448
Others	2,045	(88)	1,957
Total	554,605	(33,050)	521,555

33-4 Changes in lease liabilities for the years ended December 31, 2023 and 2022 are as follows (Korea won in millions):

<2023>

(Korean won in millions)

Classification	January 1	Increase due to business combination	Increase	Amortization	Payment (*)	Other	December 31
Real-estate	501,150	675	140,944	18,036	(223,718)	(12,905)	424,182
Vehicles	18,448	-	14,386	692	(10,745)	(633)	22,148
Others	1,957	-	2,192	80	(1,539)	(84)	2,606
Total	521,555	675	157,522	18,808	(236,002)	(13,622)	448,936

(*) The total cash outflow related to lease liabilities for the year ended December 31, 2023 is ₩235,982 million.

<2022>

(Korean won in millions)

Classification	January 1	Increase due to business combination	Increase	Amortization	Payment (*)	Other	December 31
Real-estate	381,694	645	329,380	11,466	(213,925)	(8,110)	501,150
Vehicles	15,249	-	12,312	386	(8,609)	(890)	18,448
Others	451	107	2,448	93	(983)	(159)	1,957
Total	397,394	752	344,140	11,945	(223,517)	(9,159)	521,555

(*) The total cash outflow related to lease liabilities for the year ended December 31, 2022 is ₩223,276 million.

33-5 Details of the composition by maturity of the contractual cash flows before discounting the lease liability as of December 31, 2023 and 2022, are as follows (Korea won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Not more than 1 month	Not more than 3 month	Not more than 6 month	Not more than 1 year	Not more than 5 years	More than 5 years	Total
Real-estate	19,066	27,475	40,624	72,748	233,802	58,646	452,361

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Not more than 1 month	Not more than 3 month	Not more than 6 month	Not more than 1 year	Not more than 5 years	More than 5 years	Total
Vehicles	845	1,657	2,445	4,420	14,064	26	23,457
Others	156	155	312	552	1,563	-	2,738
Total	20,067	29,287	43,381	77,720	249,429	58,672	478,556

<December 31, 2022>

(Korean won in millions)

Classification	Not more than 1 month	Not more than 3 month	Not more than 6 month	Not more than 1 year	Not more than 5 years	More than 5 years	Total
Real-estate	18,748	33,627	49,846	92,544	279,404	59,075	533,244
Vehicles	732	1,395	1,961	3,619	11,609	-	19,316
Others	82	32	115	225	1,591	-	2,045
Total	19,562	35,054	51,922	96,388	292,604	59,075	554,605

34. Capital stock and capital surplus:

34-1 Details of capital stock as of December 31, 2023 and 2022 areas follows (Korean won):

Classification	December 31, 2023	December 31, 2022
Number of shares authorized	800,000,000 shares	800,000,000 shares
Par value per share	₩5,000	₩5,000
Number of shares issued	292,356,598 shares	295,903,476 shares

(*) The par value of issued shares and paid-in capital are different due to the retirement of shares (the number of shares retired: 7,885,464)

34-2 Changes in capital stock and capital surplus from December 1, 2005 (inception) to December 31, 2023, are as follows (Korean won in millions except for number of shares):

Classification	Date	Shares	Common stock	Capital surplus
Incorporation	Dec. 1, 2005	204,256,243	1,021,281	5,075,488
Stock dividends	Mar. 24, 2006	2,042,562	10,213	-
Shares swap (*1)	Oct. 13, 2006	5,552,788	27,764	215,427
Paid-in capital increase	Feb. 21, 2011	31,198,170	155,991	1,168,759

Classification	Date	Shares	Common stock	Capital surplus
Shares swap (*2)	Apr. 5, 2013	46,844,299	234,221	1,511,856
Paid-in capital increase	Apr. 21, 2015	6,109,000	30,545	149,298
Paid-in capital increase	Mar. 9, 2018	4,239,000	21,195	178,688
Retirement of Treasury stock	Apr. 29, 2022	(4,338,586)	-	-
Retirement of Treasury stock	Aug. 28 2023	(3,546,878)	-	-
Total		292,356,598	1,501,210	8,299,516

(*1) Represents transactions that the Group conducted to incorporate Hana Securities (formerly known as Hana IB) into its subsidiaries.

(*2) Represents transactions that the Group conducted to incorporate Hana Bank into its wholly owned subsidiaries.

34-3 Details of hybrid equity securities classified as equity attributable to owners of the Parent Company as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	Issuance date	Maturity	Interest rate (%)	Amount	
				December 31, 2023	December 31, 2022
The 1-2nd hybrid debentures (*2)	May 29, 2015	May 29, 2045	4.445	190,000	190,000
The 2-2nd hybrid debentures (*2)	November 6, 2015	November 6, 2045	4.612	20,000	20,000
The 3-1st hybrid debentures (*1)	March 9, 2018	-	4.225	-	192,000
The 3-2nd hybrid debentures (*2)	March 9, 2018	-	4.680	50,000	50,000
The 4th hybrid debentures (*1)	November 8, 2018	-	4.040	-	296,000
The 5th hybrid debentures (*1)	April 15, 2019	-	3.340	265,000	265,000
The 6-1st hybrid debentures (*1)	May 28, 2020	-	3.200	450,000	450,000
The 6-2nd hybrid debentures (*2)	May 28, 2020	-	3.500	50,000	50,000
The 7-1st hybrid debentures (*1)	August 28, 2020	-	3.200	410,000	410,000
The 7-2nd hybrid debentures(*2)	August 28, 2020	-	3.550	90,000	90,000
The 8th hybrid debentures (*1)	May 13, 2021	-	3.200	220,000	220,000
The 9-1st hybrid debentures (*1)	September 9, 2021	-	3.340	280,000	280,000
The 9-2nd hybrid debentures(*2)	September 9, 2021	-	3.770	120,000	120,000
The 10th hybrid debentures (*1)	January 26, 2022	-	4.000	270,000	270,000
The 11th hybrid debentures (*1)	June 10, 2022	-	4.550	400,000	400,000
The 12th hybrid debentures (*1)	February 16, 2023	-	4.450	400,000	-
The 12th hybrid debentures (*1)	August 7, 2023	-	5.250	400,000	-
Subtotal				3,615,000	3,303,000
Issuance cost				(8,952)	(8,312)

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Issuance date	Maturity	Interest rate (%)	Amount	
				December 31, 2023	December 31, 2022
Total				3,606,048	3,294,688

(*1) Five years after the hybrid equity securities are issued, these can be redeemed at any point before the maturity date with the approval of the governor of the Financial Supervisory Service.

(*2) Ten years after the hybrid equity securities are issued, these can be redeemed at any point before the maturity date with the approval of the governor of the Financial Supervisory Service.

34-4 Capital surplus as of December 31, 2023 and 2022, consists of the following (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Paid-in capital in excess of par value	8,299,516	8,299,516
Gain on disposal of treasury stock	76,372	76,372
Other capital surplus	2,206,886	2,205,403
Total	10,582,774	10,581,291

35. Capital adjustment:

35-1 Details of capital adjustment as of December 31, 2023 and 2022, are summarized as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Treasury stock	(165,101)	(150,024)
Stock option	-	17
Other capital adjustment	(16,581)	(15,034)
Total	(181,682)	(165,041)

35-2 Fluctuations of the treasury stock for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions and number of shares in unit):

<2023>

(Korean won in millions)

Classification	January 1	Acquisition of treasury stock	Retirement of treasury stock	December 31
Number of shares	4,340,000	3,546,878	(3,546,878)	4,340,000
Amount	150,024	150,000	(134,923)	165,101

<2022>

(Korean won in millions)

Classification	January 1	Retirement of treasury stock	December 31
Number of shares	8,678,586	(4,338,586)	4,340,000
Amount	299,996	(149,972)	150,024

36. Accumulated OCI:

Changes in accumulated OCIs for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification	Items that may be reclassified subsequently to profit or loss							Items that will not be reclassified subsequently to profit or loss					Total
	Gain (loss) on valuation of financial debt security measured at FVOCI	Financial gain (loss) on insurance contract assets (liabilities)	Financial gain (loss) on reinsurance contract assets (liabilities)	Gain (loss) on exchange differences on translation of foreign operations	Changes in equities of investments in associates	Gain (loss) on valuation of net investment hedges of foreign operations	Gain (loss) on cash flow hedge	Gain (loss) on valuation of financial equity security measured at FVOCI	Gain (loss) on valuation of fair value hedges	Credit risk fluctuation effect of financial liabilities designated at FVPTL	Changes in equities of investments in associates	Remeasurement of the net defined benefit plan	
January 1, 2023	(1,232,591)	216,115	1,890	(56,085)	86,215	(49,824)	(4,025)	(140,400)	(24,984)	(55,561)	(2,941)	(500,773)	(1,762,964)
Changes in gain (loss) on valuation of financial assets measured at FVOCI	1,037,633	-	-	-	-	-	-	106,799	-	-	-	-	1,144,432
Reclassified from financial debt security measured at	(16,028)	-	-	-	-	-	-	-	-	-	-	-	(16,028)

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	Items that may be reclassified subsequently to profit or loss						Items that will not be reclassified subsequently to profit or loss					Total
	Gain (loss) on valuation of financial debt security measured at FVOCI	Financial gain (loss) on insurance contract assets (liabilities)	Financial gain (loss) on reinsurance contract assets (liabilities)	Gain (loss) on exchange differences on translation of foreign operations	Changes in equities of investments in associates	Gain (loss) on valuation of net investment hedges of foreign operations	Gain (loss) on valuation of financial equity security measured at FVOCI	Gain (loss) on valuation of fair value hedges	Credit risk fluctuation effect of financial liabilities designated at FVPTL	Changes in equities of investments in associates	Remeasurement of the net defined benefit plan	
FVOCI to FVTPL												
Reclassified from financial equity security measured at FVOCI to retained gain	-	-	-	-	-	-	(69,245)	-	-	-	-	(69,245)
Credit risk fluctuation of financial security measured at FVOCI	2,934	-	-	-	-	-	-	-	-	-	-	2,934
Changes in gain (loss) on insurance contract assets (liabilities)	-	(215,459)	-	-	-	-	-	-	-	-	-	(215,459)
Changes in gain (loss) on reinsurance contract assets (liabilities)	-	-	(562)	-	-	-	-	-	-	-	-	(562)
Changes in exchange differences on translation of foreign operations	-	-	-	69,610	-	-	-	-	-	-	-	69,610
Changes in unrealized gain on valuation of equity method investments	-	-	-	(11,628)	-	-	-	-	1,153	-	-	(10,475)
Changes in loss on valuation of net investment hedges of foreign operations	-	-	-	-	835	(30,022)	-	-	-	-	-	(29,187)
Changes in loss on cash flow hedge	-	-	-	-	-	(19,025)	-	-	-	-	-	(19,025)
Changes in credit risk fluctuation effect of financial liabilities designated at FVTPL	-	-	-	-	-	-	-	(10,281)	-	-	-	(10,281)

Classification	Items that may be reclassified subsequently to profit or loss						Items that will not be reclassified subsequently to profit or loss					Total	
	Gain (loss) on valuation of financial debt security measured at FVOCI	Financial gain (loss) on insurance contract assets (liabilities)	Financial gain (loss) on reinsurance contract assets (liabilities)	Gain (loss) on exchange differences on translation of foreign operations	Changes in equities of investments in associates	Gain (loss) on valuation of net investment hedges of foreign operations	Gain (loss) on valuation of financial equity security measured at FVOCI	Gain (loss) on valuation of fair value hedges	Credit risk fluctuation effect of financial liabilities designated at FVPTL	Changes in equities of investments in associates	Remeasurement of the net defined benefit plan		
Remeasurements of the net defined benefit liabilities (assets)	-	-	-	-	-	-	-	-	-	-	(228,136)	(228,136)	
Tax effect	(267,111)	55,707	200	(4,640)	2,979	7,926	5,118	(9,319)	-	2,714	(282)	59,907	(146,801)
December 31, 2023	(475,163)	56,363	1,538	8,885	78,401	(71,920)	(17,932)	(112,165)	(24,984)	(63,128)	(2,070)	(669,002)	(1,291,177)

<2022>

(Korean won in millions)

Classification	Items that may be reclassified subsequently to profit or loss						Items that will not be reclassified subsequently to profit or loss					Total	
	Gain (loss) on valuation of financial debt security measured at FVOCI	Financial gain (loss) on insurance contract assets (liabilities)	Financial gain (loss) on reinsurance contract assets (liabilities)	Gain (loss) on exchange differences on translation of foreign operations	Changes in equities of investments in associates	Gain (loss) on valuation of net investment hedges of foreign operations	Gain (loss) on valuation of financial equity security measured at FVOCI	Gain (loss) on valuation of fair value hedges	Credit risk fluctuation effect of financial liabilities designated at FVPTL	Changes in equities of investments in associates	Remeasurement of the net defined benefit plan		
January 1, 2022	(316,785)	7,836	(63)	(70,129)	87,607	(29,295)	59	(87,633)	(13,123)	(47,866)	11,736	(529,741)	(967,416)
Increase (decrease) due to business combination	-	-	-	-	-	-	-	-	-	-	-	(289)	(289)
Changes in gain (loss) on valuation of financial assets measured at FVOCI	(1,225,063)	-	-	-	-	-	-	(73,048)	-	-	-	-	(1,298,111)
Reclassified from financial debt security measured at FVOCI to FVTPL	(8,580)	-	-	-	-	-	-	-	-	-	-	-	(8,580)
Reclassified from financial equity security measured at FVOCI to retained gain	-	-	-	-	-	-	-	3,591	-	-	-	-	3,591
Credit risk fluctuation of financial	180	-	-	-	-	-	-	-	-	-	-	-	180

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

Classification	Items that may be reclassified subsequently to profit or loss						Items that will not be reclassified subsequently to profit or loss					Total
	Gain (loss) on valuation of financial debt security measured at FVOCI	Financial gain (loss) on insurance contract assets (liabilities)	Financial gain (loss) on reinsurance contract assets (liabilities)	Gain (loss) on exchange differences on translation of foreign operations	Changes in equities of investments in associates	Gain (loss) on valuation of net investment hedges of foreign operations	Gain (loss) on valuation of financial equity security measured at FVOCI	Gain (loss) on valuation of fair value hedges	Credit risk fluctuation effect of financial liabilities designated at FVPTL	Changes in equities of investments in associates	Remeasurement of the net defined benefit plan	
security measured at FVOCI												
Changes in gain (loss) on insurance contract assets (liabilities)		279,927										279,927
Changes in gain (loss) on reinsurance contract assets (liabilities)			2,786									2,786
Changes in exchange differences on translation of foreign operations				25,759								25,759
Changes in unrealized gain on valuation of equity method investments					(3,945)				(19,999)			(23,944)
Changes in loss on valuation of net investment hedges of foreign operations				(9,418)		(28,316)						(37,734)
Changes in loss on cash flow hedge							(4,953)					(4,953)
Changes in loss on fair value hedge instruments								(16,360)				(16,360)
Changes in credit risk fluctuation effect of financial liabilities designated at FVPTL								(12,024)				(12,024)
Remeasurements of the net defined benefit liabilities (assets)										40,136		40,136

Classification	Items that may be reclassified subsequently to profit or loss						Items that will not be reclassified subsequently to profit or loss					Total	
	Gain (loss) on valuation of financial debt security measured at FVOCI	Financial gain (loss) on insurance contract assets (liabilities)	Financial gain (loss) on reinsurance contract assets (liabilities)	Gain (loss) on exchange differences on translation of foreign operations	Changes in equities of investments in associates	Gain (loss) on valuation of net investment hedges of foreign operations	Gain (loss) on valuation of financial equity security measured at FVOCI	Gain (loss) on valuation of fair value hedges	Credit risk fluctuation effect of financial liabilities designated at FVPTL	Changes in equities of investments in associates	Remeasurement of the net defined benefit plan		
Tax effect	317,657	(71,648)	(833)	(2,298)	2,553	7,787	869	16,690	4,499	4,349	5,322	(10,879)	274,068
December 31, 2022	(1,232,591)	216,115	1,890	(56,085)	86,215	(49,824)	(4,025)	(140,400)	(24,984)	(55,561)	(2,941)	(500,773)	(1,762,964)

37. Retained earnings:

37-1 Retained earnings as of December 31, 2023 and 2022, consist of the following (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Legal reserve (*)	1,041,300	926,600
compensation for damages	2,000	2,000
Voluntary reserve	3,653,802	3,654,391
Unappropriated retained earnings	20,429,043	18,603,537
Total	25,126,145	23,186,528

(*) In accordance with the Financial Holding Company Act, whenever dividends are paid, an amount equal to at least 10% of net income is required to be appropriated as a legal reserve until the reserve amount equals the aggregate par value of common stock. The legal reserve may not be utilized for cash dividends but may only be used to offset a deficit, if any, or be transferred to the capital.

37-2 Changes in retained earnings for years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	2023	2022
Beginning balance	23,186,528	20,797,231
Net income attributable to		

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	2023	2022
equity holders of the parent	3,421,712	3,570,607
Dividends	(1,262,515)	(933,003)
Dividends on hybrid equity securities	(135,526)	(111,210)
Reclassification of gain on valuation of FVOCI securities	51,141	(225)
Retirement of Treasury stock	(134,923)	(149,972)
Others	(272)	13,100
Ending balance	25,126,145	23,186,528

38 Regulatory reserve for bad debts:

Regulatory reserve for bad debts is calculated and disclosed in accordance with Article 27, Sections 1 and 2 of the Financial Holding Company Act.

38-1 Balance of regulatory reserve for bad debts

Regulatory reserve for bad debts as of December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Beginning balance	3,133,044	3,080,295
Additional planned reserve for bad debts	(92,659)	52,749
Ending balance	3,040,385	3,133,044
Attributable to equity holders of the parent	3,036,383	3,128,258
Attributable to non-controlling interests	4,002	4,786

38-2 Provision for bad debt reserve and adjusted income after deducting provisions for bad debt reserve

Provisions for bad debt reserve and income adjusted for deduction of provisions for bad debt reserve for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions and per share amounts in units):

Classification	2023	2022
Net income attributable to equity holders of the parent before deducting provisions for bad debt reserve	3,421,712	3,570,607
Provisions for bad debt reserve	(91,875)	96,227
Adjusted income after deducting provisions for bad debt reserve	3,513,587	3,474,380
Basic earnings per share on adjustment (Korean won)	11,698	11,535
Diluted earnings per share on adjustment (Korean won)	11,698	11,535

(*) When calculating the earnings per share on adjustment, dividends on hybrid capital securities of ₩135,526 million and ₩111,210 million, are deducted from adjusted income after deducting provisions for bad debt reserve.

39. Operating income and expenses:

39-1 Total operating income for the years ended December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	2023	2022
Interest income	23,275,944	15,984,691
Fee and commission income	3,034,920	2,688,951
Gains on financial instruments at FVTPL	32,251,019	40,171,856
Gains on financial instruments designated as at FVTPL	422,716	1,020,589
Gains on financial instruments measured at FVOCI	110,844	26,545
Gains on disposal of securities measured at amortized cost	168,005	72,965
Gain on derivative instruments used for hedging	142,697	397,940
Gain on foreign currency transactions	8,767,113	8,675,040

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	2023	2022
Recovery of impairment loss on financial assets	36,273	275
Insurance and reinsurance revenue	589,296	516,284
Insurance and reinsurance finance revenue	8,962	6,645
Other operating income	894,212	693,199
Total	69,702,001	70,254,980

39-2 Total operating expenses for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

Classification	2023	2022
Interest expense	14,396,495	6,978,676
Fee and commission expense	1,057,187	973,880
Loss on financial instruments at FVTPL	30,684,171	40,796,626
Loss on financial instruments designated as measured at FVTPL	1,243,776	269,584
Loss on financial instruments measured at FVOCI	30,262	9,399
Loss on disposal of securities measured at amortized cost	82,919	11,899
Loss on derivative instruments used for hedging purpose	117,391	465,659
Loss on foreign currency transactions	8,352,323	8,185,213
Impairment loss on financial assets	1,587,015	1,187,331
General and administrative expense	4,408,272	4,256,713
Insurance and reinsurance expense	563,945	580,525
Insurance and reinsurance finance expense	8,430	17,802
Other operating expense	2,476,408	1,833,390
Total	65,008,594	65,566,697

40. Net interest income:

40-1 Interest income for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	2023	2022
Interest income on due from banks	766,703	354,718
Interest income on financial assets measured at FVOCI	1,017,463	639,979
Interest income on financial assets measured at amortized cost	1,008,047	725,523

Classification	2023	2022
Interest income on loans receivable	19,433,876	13,599,951
Subtotal	22,226,089	15,320,171
Interest income on financial assets measured at FVTPL	851,106	468,479
Insurance and reinsurance interest income	152	98,670
Others	198,597	97,371
Total	23,275,944	15,984,691

40-2 Interest expenses for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	2023	2022
Interest expenses on deposit liabilities	9,854,817	4,612,680
Interest expenses on borrowings	1,570,644	680,896
Interest expenses on debentures	2,085,974	1,342,641
Subtotal	13,511,435	6,636,217
Interest expenses on financial liabilities designated as at FVTPL	140,185	130,357
Insurance and reinsurance interest expense	330,481	19,670
Others	414,394	192,432
Total	14,396,495	6,978,676

41. Net fee and commission income:

41-1 Fee and commission income for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

Classification	2023	2022
Fee and commission received from loans and others	1,109,366	1,159,675
Fee and commission received on credit card	891,679	764,272
Fee and commission received on guarantee	101,755	89,740
Fee and commission received from redemption before maturity	2,591	2,137
Fee and commission-related foreign exchange	247,386	261,448
Fee and commission-related operating lease	682,143	411,679

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Classification	2023	2022
Total	3,034,920	2,688,951

41-2 Fee and commission expenses for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

Classification	2023	2022
Commission paid borrowings and others	364,284	420,622
Commission paid on credit card	640,027	503,012
Commission related foreign exchange	52,650	50,128
Commission paid trust	226	118
Total	1,057,187	973,880

42. Gain (loss) on financial instruments measured at FVTPL:

Gain (loss) on financial instruments measured at FVTPL for the years ended December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	2023	2022
Gain on financial instruments measured at FVTPL:		
Securities measured at FVTPL:		
Gain on valuation	1,560,893	479,062
Gain on disposal	608,250	534,948
Gain on redemption	39,458	9,477
Dividend income	339,969	364,258
Subtotal	2,548,570	1,387,745
Loans measured at FVTPL:	2,275	7,940
Derivatives-linked securities	95,863	1,233
Derivatives held for trading:		
Gain on valuation of derivatives:		
Currency related derivatives	3,946,556	8,994,535
Interest related derivatives	1,105,335	1,872,293

Classification	2023	2022
Stock related derivatives	248,118	121,181
Credit related derivatives	159,348	184,125
Others related derivatives	96,023	149,960
Subtotal	5,555,380	11,322,094
Gain on transactions of derivatives:		
Currency related derivatives	13,655,954	17,668,065
Interest related derivatives	8,666,477	7,916,006
Stock related derivatives	1,092,819	1,088,110
Credit related derivatives	125,259	130,662
Others related derivatives	435,915	508,029
Subtotal	23,976,424	27,310,872
Gain on securities sold	23,584	109,177
Gain on other financial instruments measured at FVTPL	48,923	32,795
Total	32,251,019	40,171,856
Loss on financial instruments measured at FVTPL:		
Securities measured at FVTPL:		
Loss on valuation	467,919	1,096,753
Loss on disposal	394,379	959,412
Loss on redemption	5,245	5,736
Transaction cost	1,720	1,409
Subtotal	869,263	2,063,310
Loans measured at FVTPL:	160,266	10,940
Derivatives-linked securities	12,110	33,053
Derivatives held for trading:		
Loss on valuation of derivatives:		
Currency related derivatives	3,516,894	9,588,159
Interest related derivatives	1,184,542	2,204,134
Stock related derivatives	185,927	325,735
Credit related derivatives	126,367	199,063
Others related derivatives	78,788	279,032
Subtotal	5,092,518	12,596,123
Loss on transactions of derivatives:		

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial ReviewManagement's Discussion
and Analysis

Independent Auditors' Report

Consolidated Financial Statements

**Notes to the Consolidated
Financial Statements**

Classification	2023	2022
Currency related derivatives	14,069,815	17,603,955
Interest related derivatives	8,902,134	6,554,736
Stock related derivatives	878,538	1,267,189
Credit related derivatives	140,417	121,049
Others related derivatives	389,961	528,616
Subtotal	24,380,865	26,075,545
Loss on securities sold	169,149	17,655
Total	30,684,171	40,796,626
Net amount	1,566,848	(624,770)

43. Gain (loss) on financial instruments designated as measured at FVPL:

Gain (loss) on financial assets and liabilities designated as measured at FVPL for the years ended December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	2023	2022
Gain on financial instruments designated as measured at FVTPL:		
Deposits:		
Gain on valuation	–	33,531
Borrowings:		–
Gain on valuation	–	2,340
Gain on redemption	–	334
Derivatives linked securities sold:		
Gain on valuation	219,648	882,482
Gain on redemption	203,068	101,902
Total	422,716	1,020,589
Loss on financial instruments designated as measured at FVTPL:		
Deposits:		

Classification	2023	2022
Loss on redemption	11,270	–
Borrowings:		
Loss on valuation	1,670	–
Loss on redemption	2,396	862
Debentures:		
Loss on valuation	1,379	–
Derivatives linked securities sold:		
Loss on valuation	532,361	105,456
Loss on redemption	694,642	163,267
Other financial liabilities:		
Transaction cost	58	–
Total	1,243,776	269,585
Net amount	(821,060)	751,004

44. Gain (loss) on financial assets measured at FVOCI:

Gain (loss) on financial assets measured at FVOCI for the years ended December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	2023	2022
Gain on financial assets measured at FVOCI		
Gain on disposal	94,430	12,711
Gain on redemption	4	3
Dividend income	16,410	13,831
Total	110,844	26,545
Loss on financial assets measured at FVOCI		
Loss on disposal	30,158	9,302
Loss on redemption	104	97
Total	30,262	9,399
Net amount	80,582	17,146

[Introduction](#)
[CEO Letter & Presentation](#)
[BOD Roundtable 2023](#)
[Group Overview](#)
[Business Overview](#)
[Financial Review](#)
[Management's Discussion and Analysis](#)
[Independent Auditors' Report](#)
[Consolidated Financial Statements](#)
[Notes to the Consolidated Financial Statements](#)

45. Gain (loss) on derecognition of financial assets measured at amortized cost:

Gain(loss) on derecognition of financial assets measured at amortized cost for the years ended December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	2023	2022
Gain on derecognition of financial assets measured at amortized cost:		
Securities measured at amortized cost:		
Gain on disposal	232	4
Loans measured at amortized cost:		
Gain on disposal	167,773	72,961
Subtotal	168,005	72,965
Loss on derecognition of financial assets measured at amortized cost:		
Loans measured at amortized cost:		
Loss on disposal	82,919	11,899
Net amount	85,086	61,066

46. Gain (loss) on derivative instruments used for hedging:

Gain (loss) on derivative instruments used for hedging purpose for the years ended December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	2023	2022
Gain on derivative instruments used for hedging purposes:		
Hedged item:		
Gain on valuation of hedged item:		
Debentures	3,463	320,975
Deposits	-	71,014
Subtotal	3,463	391,989
Gain on disposal of hedged item:		
Debentures	1,859	732
Derivative instruments used for hedging purposes:		

Classification	2023	2022
purposes:		
Gain on valuation of derivatives:		
Currency related derivatives	51,656	292
Interest related derivatives	73,335	30
Subtotal	124,991	322
Gain on settlement of derivatives:		
Currency related derivatives	7,704	2,316
Interest related derivatives	4,680	2,581
Subtotal	12,384	4,897
Total	142,697	397,940
Loss on derivative instruments used for hedging purposes:		
Hedged item:		
Loss on valuation of hedged item:		
Debentures	84,813	4,365
Deposits	15,177	-
Subtotal	99,990	4,365
Loss on disposal of hedged item:		
Debentures	5,513	-
Subtotal	5,513	-
Derivative instruments used for hedging purposes:		
Loss on valuation of derivatives:		
Currency related derivatives	8,085	131,560
Interest related derivatives	53	325,172
Subtotal	8,138	456,732
Loss on settlement of derivatives:		
Currency related derivatives	3,750	2,948
Interest related derivatives	-	1,614
Subtotal	3,750	4,562
Total	117,391	465,659
Net amount	25,306	(67,719)

[Introduction](#)
[CEO Letter & Presentation](#)
[BOD Roundtable 2023](#)
[Group Overview](#)
[Business Overview](#)
[Financial Review](#)
[Management's Discussion and Analysis](#)
[Independent Auditors' Report](#)
[Consolidated Financial Statements](#)
[Notes to the Consolidated Financial Statements](#)

47. Impairment losses of financial instruments:

Impairment loss on financial instruments for the years ended December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	2023	2022
Debt securities measured at FVOCI:		
Provision for loan loss	1,841	-
Reversal of credit loss	-	(275)
Debt securities measured at amortized cost:		
Provision for loan loss	-	66,946
Reversal of credit loss	(36,273)	-
Loans measured at amortized cost:		
Provision of allowance for possible loan losses	1,513,586	1,102,379
Other assets:		
Provision of allowance for possible loan losses	71,588	18,006
Total	1,550,742	1,187,056

48. General and administrative expenses:

General and administrative expenses for the years ended December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	2023	2022
Salaries	2,179,999	2,173,285
Provision for severance and retirement benefits	155,042	175,895
Provision for severance (defined contributions)	5,882	3,374
Provision for severance (defined benefits)	149,160	172,521
Termination benefits	139,455	196,804
Employee benefits	141,444	133,610
Rental expenses (*)	66,326	61,171
Entertainment expenses	35,183	31,168

Classification	2023	2022
Depreciation on property and equipment	182,661	157,214
Depreciation on investment property	25,963	21,874
Amortization	191,012	160,435
Depreciation for right-of-use assets	245,178	217,639
Taxes and dues	207,319	172,506
Advertising expenses	244,765	239,843
Servicing expenses	246,798	225,725
Supplies expense	7,612	7,898
Others	339,515	281,646
Total	4,408,272	4,256,713

(*) It includes ₩2,229 million and ₩2,310 million of small lease expenses for the year ended December 31, 2023 and 2022.

49. Other operating income:

Other operating income for the years ended December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	2023	2022
Reversal of provisions for payment guarantees	9,432	-
Reversal of allowance for restoration cost	-	1,760
Reversal of allowance for lawsuits	23,110	18,141
Reversal of other allowance	-	827
Trust commissions	339,032	309,470
Non-controlling interest	26,673	24,285
Merchant banking accounts profit	184,550	119,943
Others	311,415	218,773
Total	894,212	693,199

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

50. Other operating expense:

Other operating expenses for the years ended December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	2023	2022
Provision of provisions for payment guarantees	–	44,927
Provision of allowances for unused commitments	24,324	3,232
Provision of allowance for restoration cost	6,099	–
Provision of allowances for mileage points	1,444	–
Provision of other allowance	200,012	454
Contribution to guarantee fund	337,819	275,105
Insurance fee on deposit	493,107	463,126
Contribution to housing credit guarantee fund	136,364	148,136
Non-controlling liability adjustment loss	6,269	15,926
Merchant banking accounts expense	139,877	89,351
Others	1,131,093	793,133
Total	2,476,408	1,833,390

51. Other non-operating income:

Other non-operating income for the years ended December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	2023	2022
Rental fee income	38,841	33,968
Gains on disposal of property, equipment and intangible assets	1,573	8,197
Gains on disposal of investment property	962	8,078
Gains on disposal of investment in associates	61,736	94,509
Reversal of impairment loss on investments in associates	–	1
Gains on non-current assets held for sale	568	–
Others	136,481	116,480
Total	240,161	261,233

52. Other non-operating expenses:

Other non-operating expenses for the years ended December 31, 2023 and 2022, is as follows (Korean won in millions):

Classification	2023	2022
Loss on disposal of property, equipment and intangible assets	729	845
Loss on disposal of investment property	–	1,049
Loss on disposal of investment in associates	2,355	9,702
Contribution	143,163	70,086
Impairment loss on property, equipment and intangible assets	31,628	10,374
Impairment loss on investment in associates	1,718	3,462
Commissions received on collection of special bond	7,163	7,197
Others	225,755	136,650
Total	412,511	239,365

53. Income taxes:

53-1 The major components of income tax expense for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	2023	2022
Tax burden		
Current income taxes	1,040,775	1,342,975
Additional refund of prior year's income tax	(53,374)	(38,575)
Changes in deferred income taxes due to the tax effect of temporary differences	392,700	(277,290)
Current and deferred income taxes recognized directly to equity	(167,245)	276,796
Income tax expense	1,212,856	1,303,906

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

53-2 Reconciliations of income tax expense applicable to income before income tax at the Korea statutory tax rate to income tax expense at the effective income tax rate of the Group for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	2023	2022
Income before income tax	4,681,212	4,943,316
Tax at domestic statutory income tax rate	1,182,952	1,336,328
Tax-exempt income	(36,256)	(28,816)
Expenses not deductible for tax purposes	16,835	84,041
Tax deduction	(26,941)	(28,674)
Deduction of tax loss carryforwards	-	(1,450)
Income tax expense of foreign branches and subsidiaries	83,419	60,708
Tax effect of consolidated tax return	37,516	(89,822)
Additional refund of prior year's income tax	(53,374)	(35,075)
Effect of tax rates change	(129)	(16,704)
Non-recognition of deferred income tax assets and the effect of write-off	(3,363)	33,316
Others	12,197	(9,946)
Income tax expense	1,212,856	1,303,906
Effective income tax rate (%)	25.9	26.4

53-3 Temporary differences and deferred income tax assets (liabilities) as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Deductible (taxable) temporary differences	Deferred income tax assets (liabilities)
Loss on valuation of securities	(224,835)	(59,938)
Impairment loss on securities	85,547	22,575
Securities measured at FVOCI	476,384	124,025

Classification	Deductible (taxable) temporary differences	Deferred income tax assets (liabilities)
Gain on valuation of investments in subsidiaries or associates	(291,972)	(78,284)
Gain on valuation of derivatives	(142,574)	(37,561)
Deemed dividends	286,670	75,681
Deferred loan fees and expenses	(620,808)	(163,930)
Accrued income	(527,914)	(138,964)
Accrued expenses	319,724	84,120
Allowance for acceptance guarantees	70,683	18,660
Defined benefit obligation	2,353,039	617,532
Plan assets for severance benefit	(2,206,092)	(582,408)
Allowance for other losses	719,043	189,720
Bad debt expenses	594,918	157,045
Depreciation	44,344	11,707
Dormant deposits	90,926	24,005
Advanced depreciation provision	(180,315)	(47,603)
Deemed cost for property and equipment	(683,920)	(180,555)
Investment in kind	18,479	4,878
Financial acceptances and guarantees	5,493	1,450
Deferred point income	181,237	47,846
Fair value valuation resulting from merger	6,937	1,831
Fair value differences due to the business combination	(2,026)	(1,001)
Others	(898,641)	(231,356)
Tax loss carryforwards	223,018	16,875
Total	(302,655)	(123,650)
Domestic deferred income tax assets		258,046
Domestic deferred income tax liabilities		(381,696)
Foreign deferred income tax assets(*)		133,798
Foreign deferred income tax liabilities(*)		(9,220)
Deferred income tax assets		928

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

(*) Deferred income tax assets of foreign branches are not offset against the deferred income tax liabilities due to differences in tax jurisdictions.

<December 31, 2022>

(Korean won in millions)

Classification	Deductible (taxable) temporary differences	Deferred income tax assets (liabilities)
Loss on valuation of securities	545,746	144,125
Impairment loss on securities	77,235	20,390
Securities measured at FVOCI	1,361,559	359,329
Gain on valuation of investments in subsidiaries	(458,810)	(121,126)
Gain on valuation of derivatives	444,726	117,408
Deerred dividends	282,048	74,461
Deferred loan fees and expenses	(587,625)	(155,133)
Accrued income	(435,265)	(114,915)
Accrued expenses	296,177	78,129
Allowance for acceptance guarantees	81,109	21,413
Defined benefit obligation	2,105,530	555,793
Plan assets for severance benefit	(2,122,893)	(560,377)
Allowance for other losses	512,647	135,339
Bad debt expenses	846,990	223,111
Depreciation	26,163	6,907
Dormant deposits	22,198	5,860
Advanced depreciation provision	(180,315)	(47,603)
Deerred cost for property and equipment	(680,858)	(179,746)
Investment in kind	18,479	4,878
Financial acceptances and guarantees	4,631	1,222
Deferred point income	201,261	53,133
Fair value valuation resulting from merger	6,937	1,831
Fair value differences due to the business combination	1,396	(299)
Others	317,838	86,392

Classification	Deductible (taxable) temporary differences	Deferred income tax assets (liabilities)
Tax loss carryforwards	(1,612,623)	(427,178)
Total	1,074,281	283,344
Domestic deferred income tax assets		289,944
Domestic deferred income tax liabilities		(6,600)
Foreign deferred income tax assets(*)		113,020
Foreign deferred income tax liabilities(*)		(2,259)
Deferred income tax assets		394,105

(*) Deferred income tax assets of foreign branches are not offset against the deferred income tax liabilities due to differences in tax jurisdictions.

The effective income tax rate of 26.4% is applied as of December 31, 2023 when calculating deferred income tax assets or liabilities that will be realized. Also, deferred income tax assets are recognized when it is foreseeable that future taxable income will be incurred and that future tax credits will be realized

53-4 The unrealizable temporary differences as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Deductible temporary differences	1,637,373	1,545,389
Taxable temporary differences	(4,284,115)	(4,304,801)
Total	(2,646,742)	(2,759,412)

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

53-5 Details of deferred income taxes charged (credited) directly to equity as of December 31, 2023 and 2022, are as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Classification	Before-tax amounts	Deferred income tax assets (liabilities)
(Loss) gain on valuation of financial assets measured at FVOCI	(799,565)	212,239
Changes in valuation of equity method investments	103,982	(27,653)
(Loss) gain on fair value hedge	(34,460)	9,477
Profit or loss on hedge valuation of net investment in overseas operations	(98,744)	26,824
(Loss) gain on valuation of cash flow hedges	(24,495)	6,564
Changes in credit risk of financial liabilities designated as measured at FVTPL	(85,773)	22,644
Exchange differences on translation of foreign operations	24,437	(15,554)
Remeasurements of the net defined benefit (asset) liability	(904,458)	235,456
Finance income or expenses related to insurance contract assets and liabilities	80,899	(22,997)
Total	(1,738,177)	447,000

<December 31, 2022>

(Korean won in millions)

Classification	Before-tax amounts	Deferred income tax assets (liabilities)
(Loss) gain on valuation of financial assets measured at FVOCI	(1,862,581)	489,591
Changes in valuation of equity method		

Classification	Before-tax amounts	Deferred income tax assets (liabilities)
Investments	113,458	(30,186)
(Loss) gain on fair value hedge	(34,460)	9,477
Profit or loss on hedge valuation of net investment in overseas operations	(68,721)	18,898
Gain (loss) on valuation of cash flow hedges	(5,468)	1,444
Changes in credit risk of financial liabilities designated as measured at FVTPL	(75,492)	19,930
Exchange differences on translation of foreign operations	(46,220)	(9,866)
Remeasurements of the net defined benefit liability (asset)	(676,237)	175,464
Finance income or expenses related to insurance contract assets and liabilities	296,202	(78,197)
Total	(2,359,519)	596,555

54. Dividends:

54-1 Details of the Group's dividend including interim dividend for the years ended December 31, 2023 and 2022, are as follows (Korean won):

<2023>

Type of dividend	Number of shares	Dividend per share	Share ratio (%)	Dividends (Korea won in millions)
Cash dividend (1st quarter)	289,013,476	600	12.0	173,408
Cash dividend (2nd quarter)	288,016,598	600	12.0	172,810
Cash dividend (3rd quarter)	288,016,598	600	12.0	172,810
Cash dividend (annual)	288,016,598	1,600	32.0	460,827
Total				979,855

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

<2022>

Type of dividend	Number of shares	Dividend per share	Share ratio (%)	Dividends (Korea won in millions)
Cash dividend (interim)	291,563,476	800	16.0	233,251
Cash dividend (annual)	291,563,476	2,550	51.0	743,487
Total				976,738

54-2 Details of the Group's dividend pay-out ration and dividend yield (including interim dividends) for the years ended December 31, 2023 and 2022, are as follows (%):

Classification	Formula	2023	2022
Dividend pay-out ratio	Cash dividend amount/Net income attributable to equity holders of the parent	28.6	27.4
Dividend yield	Cash dividend per share/stock prices (closing price of the settlement date)	7.8	8.0

54-3 Details of dividends on hybrid equity securities for the years ended December 31, 2023 and 2022, are summarized as follows (Korean won in millions):

Classification	2023	2022
Average balance of hybrid equity securities	3,613,137	3,109,164
Weighted-average interest rate	3.80%	3.68%
Total dividends	135,526	111,211

55. Earning per share:

55-1 Weighted-average numbers of common shares for the years ended December 31, 2023 and 2022, are calculated as follows (shares in units):

Classification	2023	2022
Beginning	291,563,476	291,563,476

Classification	2023	2022
Acquisition of treasury stock	(2,802,034)	-
Weighted-average number of shares of common stocks outstanding	288,761,442	291,563,476

55-2 The Group's basic earnings per share for the years ended December 31, 2023 and 2022, are calculated as follows (Korean won in millions and per share amounts in units):

Classification	2023	2022
Net income attributable to equity holders of the parent	3,421,712	3,570,607
Dividends on hybrid equity securities	(135,526)	(111,210)
Net income attributable to common stock holders of the parent	3,286,186	3,459,397
Weighted-average number of shares of common stocks outstanding	288,761,442	291,563,476
Basic earnings per share (in Korean won)	11,380	11,865

55-3 Weighted-average numbers of common shares adjusted for the effect of dilution for the years ended December 31, 2023 and 2022, are calculated as follows (shares in units):

Classification	2023	2022
Beginning	291,563,476	291,563,476
Weighted-average number of common shares (diluted)	288,761,442	291,563,476

55-4 The Group's diluted earnings per share for the years ended December 31, 2023 and 2022, are computed as follows (Korean won in millions and number of shares in units):

Classification	2023	2022
Net income attributable to common stock holders of the parent	3,286,186	3,459,397
Weighted-average number of shares of common stocks outstanding (diluted)	288,761,442	291,563,476
Diluted earnings per share (Korean won in units)	11,380	11,865

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

56. Share-based payment transactions:

The Group has granted employees and directors of HFG and its subsidiaries the share options, which may be settled by the issuance of additional shares or by cash payment equal to the difference between the market value and exercise price.

Finnq Co., Ltd., a subsidiary of the Group, has granted the rights and performance-based stock grants to its employees and directors according to the share-based compensation agreements. The compensation costs are measured by reference to the fair value of equity instruments granted.

56-1 Performance-based stock grants

56-1-1 Details of performance-based stock grants as of December 31, 2023 are summarized as follows (number of shares in units):

Classification	Grant date	Settlement method	Vesting period (specified service period)	Payment date	Estimated vested shares as of December 31, 2023
Grant in 2018(*1)	2018. 1. 1	Cash settlement	2018. 1. 1 ~ 2020. 12. 31	2020. 12. 31	11,940
Grant in 2019(*1)	2019. 1. 1	Cash settlement	2019. 1. 1 ~ 2021. 12. 31	2021. 12. 31	30,080
Grant in 2020(*1)	2020. 1. 1	Cash settlement	2020. 1. 1 ~ 2022. 12. 31	2022. 12. 31	562,337
Grant in 2021(*1)	2021. 1. 1	Cash settlement	2021. 1. 1 ~ 2023. 12. 31	2023. 12. 31	381,140
Grant in 2022(*1)	2022. 1. 1	Cash settlement	2022. 1. 1 ~ 2024. 12. 31	2024. 12. 31	186,383
Grant in 2022(*1)	2023. 1. 1	Cash settlement	2023. 1. 1 ~ 2025. 12. 31	2025. 12. 31	121,947

(*1) The maximum number of shares to be compensated is predetermined before the grant date, and vested shares are determined by performance measures. Performance is evaluated as 40% of group performance (relative shareholder return), 55% of group performance (subsidiary return on equity ("ROE") and net profit target achievement rate) and 5% of soundness evaluation. The stocks granted in 2021, 2022 and 2023 are based on the Company's performance assessment (relative shareholder return) constituting 40%, the business unit's performance assessment (based on the Company's ROE and the rate of goal net

income achieved) constituting 50%, soundness evaluation constituting 5% and mid- and long-term strategic tasks constituting 5%.

(*2) As the payment stock price in four years after the grant date (the arithmetic average of the weighted-average stock prices for the past two months, the past one month and the past one week from the day before the payment date) will be paid in cash based on the performance-based stock grant agreements, the fair value of the base price to be paid in the future is measured at the closing price at the reporting period.

The Group uses the cash settlement method in connection with the performance-based stock grant liabilities based on past practice, and the compensation costs are recognized by measuring the fair value of liabilities at the end of the reporting period. The performance-based stock grant liabilities in accounts payable are in the amount of ₩55,721 million and ₩66,833 million as of December 31, 2023 and 2022, respectively.

56-1-2 Details of performance-based stock grants by Finnq Co., Ltd. as of December 31, 2023, are summarized as follows (number of shares in units):

Classification	Grant date	Settlement method	Vesting period (specified service period)	Payment date	Estimated vested shares as of December 31, 2023
4th grant (*1)	2021.01.01	Cash settlement	2021.01.01-2023.12.31	2023.12.31	2,643
5th grant (*1)	2022.01.01	Cash settlement	2022.01.01-2024.12.31	2024.12.31	2,792
6th grant (*1)	2023.01.01	Cash settlement	2023.01.01-2025.12.31	2025.12.31	56,983

(*1) The maximum number of shares to be compensated is predetermined before the grant date, and vested shares are determined by performance measures.

(*2) As cash will be paid based on the stock price evaluated by an objective third party designated by Finnq Co., Ltd. according to the performance-based stock grant agreements, the price per share of performance-based stock grants is measured at the fair value calculated using the net asset approach by the external valuation firm.

The compensation costs are recognized by measuring the fair value of liabilities

[Introduction](#)
[CEO Letter & Presentation](#)
[BOD Roundtable 2023](#)
[Group Overview](#)
[Business Overview](#)
[Financial Review](#)
[Management's Discussion and Analysis](#)
[Independent Auditors' Report](#)
[Consolidated Financial Statements](#)
[Notes to the Consolidated Financial Statements](#)

at the end of the reporting period. The performance-based stock grant liabilities in accounts payable are in the amount of ₩94 million and ₩46 million as of December 31, 2023 and 2022, respectively.

56-1-3 Compensation costs for a performance-based stock grant for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification	HFG	Subsidiary	Finnq Co., Ltd.	Total
Compensation cost	2,331	9,902	49	12,282

<2022>

(Korean won in millions)

Classification	HFG	Subsidiary	Finnq Co., Ltd.	Total
Compensation cost	5,164	16,847	(35)	21,976

56-2 Stock option

Finnq Co., Ltd., a subsidiary of the Company, has granted the stock option to its executives and employees. Details of stock option grants as of December 31, 2023, are summarized as follows:

Classification	3rd grant	4th grant
Granted by	Finnq Co., Ltd.	Finnq Co., Ltd.
Grant shares	Finnq Co., Ltd.'s common stock	Finnq Co., Ltd.'s common stock
Grant type	Able to choose issuance of new shares, receipt of treasury stock or cash-settled share appreciation right	Able to choose issuance of new shares, receipt of treasury stock or cash-settled share appreciation right
Grant date	July 28, 2021	January 1, 2022
Number of shares granted	203,500 shares	45,000 shares
Estimated number of shares vested as of December 31, 2023	90,000 shares	21,000 shares
Vesting period	August 12, 2021 – July 31, 2024	January 1, 2022 – March 31, 2025

Classification	3rd grant	4th grant
(specified service period)		
Exercisable period	August 1, 2024 – November 30, 2024	April 1, 2025 – July 31, 2025
Payment date	July 31, 2024	March 31, 2025
Exercise price per share (in Korean won)	32,500	32,500
Evaluation model	Black-Scholes model	Black-Scholes model
Risk-free interest rate	3.18%	3.18%
Volatility	25.00%	25.00%

(*1) The maximum number of shares to be compensated is predetermined before the grant date, and vested shares are determined by performance measures.

The compensation costs related to the stock option for the year ended December 31, 2023, are not accrued and there is no stock option available for exercise as of December 31, 2023.

57. Cash flow statements:

57-1 Cash and cash equivalents on hand as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022
Cash	1,742,901	1,904,911
Due from banks in Korean won	13,643,014	19,666,306
Due from banks in foreign currencies	19,094,543	24,269,134
Subtotal	34,480,458	45,840,351
Restricted balances (*)	3,675,938	4,626,125
Due from banks with original maturities exceeding three months from the date of acquisition	1,167,810	1,395,610
Adjustments	4,843,748	6,021,735
Cash and cash equivalents	29,636,710	39,818,616

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

(*) Reserve requirement deposits, etc., that meet the definition of cash and cash equivalent are excluded from the restricted balances.

57-2 Significant non-cash transactions for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

Description	2023	2022
Gain on valuation of financial assets measured at FVOCI, net	1,062,093	(1,302,920)
Debt-to-equity swap	188	40,370
Replacement from loan, etc., to non-current assets held for sale	22,042	7,371
Replacement from current assets to investment properties	38,669	(214,066)
Replacement from properties to prepaid assets	49,256	12,713
Changes in right-of-use assets	68,695	145,700
Changes in lease liability	163,383	347,678
Changes in exchange differences on translation of foreign operations	83,119	316

57-3 Changes in liabilities arising from financing activities for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions):

<2023>

(Korean won in millions)

Classification	January 1	Cash flows	Foreign exchange movement	Changes in fair values	Other	December 31
Borrowings	37,087,312	5,395,440	1,102,524	-	5,073	43,590,349
Debentures	56,673,832	1,469,216	26,623	110,223	422,435	58,702,329
Lease liability	521,555	(235,982)	-	-	163,363	448,936
Derivative instruments used for hedging (*)	412,250	13,432	-	(100,399)	(10,941)	314,342
Total	94,694,949	6,642,106	1,129,147	9,824	579,930	103,055,956

(*) Hedging derivative instruments represent the amounts resulting from offsetting assets and liabilities.

<2022>

(Korean won in millions)

Classification	January 1	Cash flows	Foreign exchange movement	Changes in fair values	Other	December 31
Borrowings	30,261,598	6,082,331	743,383	-	-	37,087,312
Debentures	54,476,161	1,322,091	257,968	(271,934)	889,546	56,673,832
Lease liability	397,394	(223,276)	-	-	347,437	521,555
Derivative instruments used for hedging (*)	27,703	-	-	383,816	731	412,250
Total	85,162,856	7,181,146	1,001,351	111,882	1,237,714	94,694,949

(*) Hedging derivative instruments represent the amounts resulting from offsetting assets and liabilities.

58. Related party transactions:

The Group defines related parties to include the associates, a member of the key management personnel and a close member of the key management personnel's family and a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group according to K-IFRS 1024. The Group discloses the profit and loss, outstanding balances with related parties arising from the below significant transactions. Details of the investments in associates and joint ventures are disclosed in Note 18.

58-1 Details of significant transactions with related parties for the years ended December 31, 2023 and 2022, are summarized as follows

(Korean won in millions):

<2023>

(Korean won in millions)

Related party	Type	Income			Provisions (reversals) of credit loss allowance on loans	Expenses		
		Interest income	Fee and commission income	Other income		Interest expenses	Fee and commission expenses	Other expenses
Bank of Jilin	Associate	91	3	-	-	181	-	10
CM International Financing Leases	Associate	1,309	-	-	(1,754)	-	-	-

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Related party	Type	Income			Provisions (reversals) of credit loss allowance on loans	Expenses		
		Interest income	Fee and commission income	Other income		Interest expenses	Fee and commission expenses	Other expenses
Beijing Langa Asset Management Co., Ltd.	Associate	-	1	1	-	324	-	-
PT. SINARIMAS Hana Finance	Joint venture	2,818	374	260	17	-	-	-
Korea Credit Bureau	Associate	856	40	-	(12)	10	4,890	2
KEB Hana-KVC Unicorn Fund of Funds	Associate	-	-	-	-	131	-	-
Templeton Hana Asset Management Co., Ltd.	Associate	-	-	-	-	379	-	-
BIDV	Associate	304	6	270	(24)	684	5	431
Toss Bank Co., Ltd.	Associate	2,596	35,457	-	2	62	55	-
Shinjin International Corporation	Associate	314	2	-	(107)	-	-	-
Sinsa Station Complex Development PFV Co., Ltd.	Associate	3,311	641	-	147	-	-	-
Cheongna Medipolis PFV Co., Ltd.	Associate	-	300	-	-	92	-	-
UNION TCB FUND II	Associate	-	-	-	-	6	-	-
No.1 KEB-HANASTAY REITS Co., Ltd	Associate	363	3	-	6	8	-	-
MASHUP ANGELS VALUE UP FUND2	Associate	-	4	-	-	12	-	-
Mirae Credit Information Services Corp.	Associate	76	11	134	(9)	63	10,648	-
Apollon Private Equity Fund	Associate	-	-	709	-	-	-	-
Hana-Capstone AI Platform Fund	Associate	-	-	-	-	53	-	-
ML Taube Private Equity Fund	Associate	-	-	300	-	-	-	-
KORAMCO THE ONE REIT	Associate	-	-	-	-	424	-	19,113
GMHB Co., Ltd.	Associate	-	68	19	-	1	-	-
Lotte Ventures Corp.	Associate	-	-	1	-	1	-	-
Hana Power Infra 1st Private Equity Fund	Associate	1,196	2,492	-	99	106	-	-
2018 Hana- Magna Startup Fund	Associate	-	339	-	-	-	-	-
Dangсандong PFV Co., Ltd.	Associate	-	94	-	-	1	-	-
World HansSang Dream Island	Associate	-	130	-	-	-	-	-
Daegu MBC Development PFV Co. Ltd.	Associate	9,722	510	11	786	-	-	-
YH Leisure Development Co., Ltd.	Associate	4,431	49	-	(30)	42	-	1
Changio Innovation CO., Ltd.	Associate	-	139	-	-	-	-	-
Dowon Asset Development Co., Ltd.	Associate	68	191	-	2,035	-	-	-
HORIZON PRIVATE EQUITY FUND	Associate	-	2,596	1,090	-	69	-	2
Hana Must Seven Special Purpose Acquisition Company	Associate	-	-	-	-	1	-	-
Hana Ever Best Corporation Financial Stability Private Investment Co., Ltd.	Associate	-	871	-	-	-	-	-
Hana Bio New Technology Fund No. 2	Associate	-	39	-	-	-	-	-
Hana Bio New Technology Fund No. 3	Associate	-	27	-	-	-	-	-
Hana Bio New Technology Fund No. 1-1	Associate	-	39	-	-	-	-	-
Smart Hana-R&G Green New Deal No. 1 Fund	Associate	-	338	-	-	-	-	-
Hana Smart Logistics New Technology Fund	Associate	-	53	-	-	-	-	-
People Korea Two	Associate	7	-	-	(4,231)	-	-	-
New Deal Extension New Technology Fund No. 1	Associate	-	550	-	-	-	-	-
Eugene Hana Recycling Private Equity Fund (formerly known as GF ESG the 1st Private Equity Fund)	Associate	-	75	-	-	-	-	-
Daeyoung Networks Co., Ltd.	Associate	-	9	-	-	-	-	-
Hana Financial Twenty-first Special Purpose								

Related party	Type	Income			Provisions (reversals) of credit loss allowance on loans	Expenses		
		Interest income	Fee and commission income	Other income		Interest expenses	Fee and commission expenses	Other expenses
Acquisition Company	Associate	-	-	-	-	85	-	-
Hana X Bio New Technology Fund	Associate	-	961	-	-	-	-	-
The Hahn Green Energy Fund	Associate	-	-	60	-	-	-	-
Choice & Soyeon Construction Co., Ltd.	Associate	345	-	-	16,469	-	-	-
Hana Financial Twenty-second Special Purpose Acquisition Company	Associate	-	-	-	-	65	-	-
Hana Financial Twenty-third Special Purpose Acquisition Company	Associate	-	-	-	-	61	-	-
Hana Financial Twenty-fourth Special Purpose Acquisition Company	Associate	-	-	-	-	99	-	-
Hana Financial Twenty-fifth Special Purpose Acquisition Company	Associate	-	-	-	-	234	-	-
K&Fashion No. 1 Fund	Associate	-	24	-	-	-	-	-
Hana Financial Twenty-sixth Special Purpose Acquisition Company	Associate	-	165	-	-	72	-	-
Hana Financial Twenty-seventh Special Purpose Acquisition Company	Associate	-	150	-	-	69	-	-
Anda Mobility Infrastructure Fund No. 1	Associate	-	-	-	-	1	-	-
Hana Financial Twenty-Eighth Special Purpose Acquisition Company	Associate	-	195	-	-	32	-	-
Hana Financial Twenty-Ninth Special Purpose Acquisition Company	Associate	-	150	-	-	15	-	-
KDB-HANA Business Reorganization Value-up Private Equity Fund	Associate	-	903	-	-	-	-	-
Hana Financial Thirtieth Special Purpose Acquisition Company	Associate	-	-	-	-	1	-	-
Hana-Magna Growth Booster Fund	Associate	-	696	-	-	-	-	-
Glenwood Credit Private Equity Fund II	Associate	-	-	116	-	-	-	-
Anda Mobility Infrastructure Fund No. 2	Associate	-	-	-	-	1	-	-
Hana Qualified Investor Private Real Estate Investment Trust No. 41-2	Associate	-	1	-	-	-	-	-
Hana Alternative Special Investment Private Trust No. 161	Associate	-	76	-	-	-	-	-
Hana Alternative Investment Real Estate Private Trust No. 189	Associate	-	25	-	-	-	-	-
Hana Alternative Investment Blind General Private Real Estate Investment Trust No. 172	Associate	-	60	-	-	-	-	-
Hyoje PFV CO., LTD	Associate	-	1,233	-	-	-	-	-
F&J Credit Information	Associate	-	508	-	-	2	14,894	-
Hana Ventures No. 1 Investment Fund	Associate	-	6	-	-	-	-	-
Hana Digital Transformation Fund	Associate	-	1,463	-	-	-	-	-
Hana Ventures No. 5 Investment Fund	Associate	-	90	-	-	10	-	-
Hana Innovation Venture Scale-up Fund	Associate	-	1,092	-	-	118	-	-
Digital Innovation Growth Fund	Associate	-	395	-	-	-	-	-
Gyeonggi Hana Turn around Fund No. 2	Associate	-	1,064	-	-	111	-	-
Hana Untact Digital Innovation Fund	Associate	-	1,271	-	-	56	-	-
Hana K-NewDeal Unicorn Fund	Associate	-	1,924	-	-	-	-	-
Hana-Zephyrus Front1 Start-Up Fund	Associate	-	171	-	-	-	-	-

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

Related party	Type	Income			Provisions (reversals) of credit loss allowance on loans	Expenses		
		Interest income	Fee and commission income	Other income		Interest expenses	Fee and commission expenses	Other expenses
Hana Financial Sixteenth Special Purpose Acquisition Company (*)	Associate	-	-	-	-	1	-	-
Hana Financial Nineteenth Special Purpose Acquisition Company (*)	Associate	-	-	-	-	13	-	-
Lakebridge The Growth Capital PEF1(*)	Associate	-	-	1,442	-	1	-	-
Hana Asset Management (formerly known as Hana UBS Asset Management) (*)	Associate	-	1,088	270	-	-	-	-
Key management personnel		434	-	73	(7)	548	-	-
Total		28,241	59,162	4,776	13,387	4,245	30,492	19,559

(*) Excluded from the related party for the year ended December 31, 2023

<2022>

(Korean won in millions)

Related party	Type	Income			Provisions (reversals) of credit loss allowance on loans	Expenses		
		Interest income	Fee and commission income	Other income		Interest expenses	Fee and commission expenses	Other expenses
Bank of Jilin	Associate	100	3	-	-	-	-	5
CM International Financing Leases	Associate	2,407	-	-	16,015	-	-	-
Beijing Langa Asset Management Co., Ltd.	Associate	67	1	1	(22)	8	-	-
PT. SINARWAS Hana Finance	Joint venture	2,398	274	259	76	-	-	-
Korea Credit Bureau	Associate	978	38	-	17	108	4,498	1
KEB Hana-K/MC Unicorn Fund of Funds	Associate	-	-	-	-	78	-	-
Templeton Hana Asset Management Co., Ltd.	Associate	-	1	2	-	213	-	-
BIDV	Associate	780	-	-	(15)	1,284	1	-
All Together Korea Fund5	Associate	-	-	62	-	-	-	-
Toss Bank Co., Ltd.	Associate	10,541	20,649	1	1	2	1	-
Shinjin International Corporation	Associate	4	-	-	-	-	-	-
Sinsa Station Complex Development PFV Co., Ltd.	Associate	2,681	218	-	9,174	-	-	-
Cheongna Medipolis PFV Co., Ltd.	Associate	-	300	-	-	53	-	-
Mirae Credit Information Services Corp.	Associate	242	10	32	9	42	10,395	-
Lakebridge The Growth Capital PEF1	Associate	-	-	-	-	1	-	-
Hana-Capstone AI Platform Fund	Associate	-	-	-	-	54	-	-
KDRAMCO THE ONE REIT	Associate	608	975	-	(139)	605	-	16,951
GMHB Co., Ltd.	Associate	1,494	-	29	(336)	1	-	-
Lotte Ventures Corp.	Associate	-	-	1	-	-	-	-
Hana Power Infra 1st Private Equity Fund	Associate	588	2,432	-	(69)	20	-	-
Hana Asset Management (formerly known as Hana UBS Asset Management) (*)	Associate	-	2,283	9	-	353	-	-
2018 Hana-Magna Startup Fund	Associate	-	341	-	-	-	-	-
Dangсандong PFV Co., Ltd.	Associate	-	99	-	-	-	-	-
World HansSang Dream Island	Associate	68	405	-	(18)	-	-	-
Dream Island Leisure	Associate	-	300	-	-	-	-	-

Related party	Type	Income			Provisions (reversals) of credit loss allowance on loans	Expenses		
		Interest income	Fee and commission income	Other income		Interest expenses	Fee and commission expenses	Other expenses
Daegu MBC Development PFV Co. Ltd.	Associate	7,306	367	-	210	-	-	-
YH Leisure Development Co., Ltd.	Associate	3,917	57	-	(160)	29	-	-
Changjo Innovation CO., Ltd.	Associate	-	1,122	-	-	-	-	-
Dowon Asset Development Co., Ltd.	Associate	63	2	-	(55)	-	-	-
HORIZON PRIVATE EQUITY FUND	Associate	-	2,623	-	-	-	-	-
Hana Must Seven Special Purpose Acquisition Company	Associate	-	-	-	-	1	-	-
Hana Financial Sixteenth Special Purpose Acquisition Company	Associate	-	-	-	-	1	-	-
Hana Ever Best Corporation Financial Stability Private Investment Co., Ltd.	Associate	-	776	-	-	-	-	-
Hana Bio New Technology/ Fund No. 2	Associate	-	39	-	-	-	-	-
Hana Bio New Technology/ Fund No. 3	Associate	-	27	-	-	-	-	-
Forest of Suseong	Associate	-	4	-	-	-	-	-
Hana Financial Nineteenth Special Purpose Acquisition Company	Associate	-	-	-	-	29	-	-
Hana Bio New Technology/ Fund No. 1-1	Associate	-	39	-	-	-	-	-
Smart Hana-F&G Green New Deal No. 1 Fund	Associate	-	303	-	-	-	-	-
Hana Smart Logistics New Technology/ Fund	Associate	-	105	-	-	-	-	-
People Korea Two	Associate	1,495	249	-	14,049	-	-	-
Hana Financial Twentieth Special Purpose Acquisition Company	Associate	-	-	-	-	1	-	-
New Deal Extension New Technology/ Fund No. 1	Associate	-	550	-	-	-	-	-
Eugene Hana Recycling Private Equity Fund (formerly known as GFI ESG the 1st Private Equity Fund)	Associate	-	139	-	-	-	-	-
Impok Rental Housing CO., Ltd.	Associate	1,071	1,155	-	39	1	77	-
Daeyoung Networks Co., Ltd.	Associate	-	36	-	-	-	-	-
Hana Financial Twenty-first Special Purpose Acquisition Company	Associate	-	180	-	-	17	-	-
Hana X Bio New Technology/ Fund	Associate	-	758	-	-	-	-	-
The Halm Green Energy Fund	Associate	-	-	-	-	25	-	-
Choice & Soyeon Construction Co., Ltd.	Associate	1,055	8,250	-	100	-	-	-
Daeyoung DLM PFV Co., Ltd	Associate	-	827	-	-	-	-	-
Hana Financial Twenty-second Special Purpose Acquisition Company	Associate	-	150	-	-	13	-	-
Hana Financial Twenty-third Special Purpose Acquisition Company	Associate	-	150	-	-	12	-	-
Hana Financial Twenty-fourth Special Purpose Acquisition Company	Associate	-	210	-	-	19	-	-
Hana Financial Twenty-fifth Special Purpose Acquisition Company	Associate	-	400	-	-	44	-	-
Eugene Asia Food Tech Fund-1	Associate	-	-	37	-	-	-	-
R&Fashion No. 1 Fund	Associate	-	9	-	-	-	-	-
Hana-Magna Growth Booster Fund	Associate	-	696	-	-	-	-	-
Hana Qualified Investor Private Real Estate Investment Trust No. 41-2	Associate	-	4	-	-	-	-	-

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements**

Related party	Type	Income			Provisions (reversals) of credit loss allowance on loans	Expenses		
		Interest income	Fee and commission income	Other income		Interest expenses	Fee and commission expenses	Other expenses
Hana Alternative Special Investment Private Trust No. 161	Associate	-	76	-	-	-	-	-
Hana Alternative Investment Real Estate Private Trust No. 189	Associate	-	12	-	-	-	-	-
Hana Alternative Investment Blind General Private Real Estate Investment Trust No. 172	Associate	-	35	-	-	-	-	-
Hyoje PFV CO., LTD	Associate	-	240	-	-	-	-	-
F&J Credit Information	Associate	-	995	-	-	11	12,137	23
Hana Ventures No. 1 Investment Fund	Associate	-	33	-	-	-	-	-
Hana Digital Transformation Fund	Associate	-	1,634	-	-	-	-	-
Hana Ventures No. 5 Investment Fund	Associate	-	90	-	-	6	-	-
Hana Innovation Venture Scale-up Fund	Associate	-	1,302	-	-	76	-	-
Digital Innovation Growth Fund	Associate	-	369	-	-	-	-	-
Gyeonggi Hana Tum around Fund No. 2	Associate	-	903	16	-	94	-	-
Hana Untact Digital Innovation Fund	Associate	-	1,089	21	-	69	-	-
Hana K-NewDeal Unicorn Fund	Associate	-	1,918	-	-	-	-	-
Inhee(*)	Associate	-	1	-	-	-	-	-
Finno(*)	Joint venture	-	51	30	(12)	7	1,185	70
Smartscore Co., Ltd. (*)	Associate	-	-	5	-	-	-	-
Hana Financial Seventeen Special Purpose Acquisition Company (*)	Associate	-	332	-	-	40	-	-
Hana-History No1 Investment Fund(*)	Associate	-	(51)	-	-	3	-	-
Hana Bio New Technology Fund No. 1 (*)	Associate	-	21	-	-	-	-	-
Striker Morgarten I Private Equity Fund (*)	Associate	-	2,000	-	-	-	-	-
Genesis Environment No. 5 Private Equity Fund(*)	Associate	-	840	-	-	-	-	-
Hana Financial Fourteenth Special Purpose Acquisition Company(*)	Associate	-	-	-	-	1	-	-
Hana Financial Fifteenth Special Purpose Acquisition Company(*)	Associate	-	420	-	-	1	-	-
Key management personnel		304	-	81	9	189	-	-
Total		38,167	59,866	566	38,873	3,511	28,294	17,059

(*) Excluded from the related party for the year ended December 31, 2022

58-2 Outstanding balances with related parties arising from the below significant transactions as of December 31, 2023 and 2022, are summarized as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Related party	Type	Assets		Allowance for possible loan losses	Liabilities		
		Loans receivables	Other receivables		Deposits	Borrowings	Other payables
Bank of Jilin	Associate	-	-	-	3,068	36,276	36,450
CM International Financing Leases	Associate	59,778	-	47,866	17	-	-
Beijing Langa Asset Management Co., Ltd.	Associate	-	-	-	3,035	-	-
PT. SINARIMAS Hana Finance	Joint venture	38,051	54	246	3	-	-
MIDAN City Development Co., Ltd.	Associate	-	-	-	2	-	-
Korea Credit Bureau	Associate	10,055	-	4	933	-	20
KEB Hana-KMC Unicorn Fund of Funds	Associate	-	-	-	1,863	-	-
Templeton Hana Asset Management Co., Ltd.	Associate	-	-	-	11,391	-	-
BIDV	Associate	-	1,270	-	372	-	835
Toss Bank Co., Ltd.	Associate	354	85,111	3	-	-	2,263
Shinjin International Corporation	Associate	-	1	-	-	-	-
Sinsa Station Complex Development PFV Co., Ltd.	Associate	33,300	-	10,033	-	-	-
Cheongna Medipolis PFV Co., Ltd.	Associate	-	-	-	2,570	-	25
UNION TCB FUND II	Associate	-	-	-	627	-	-
Artificial Photosynthesis Lab Co., Ltd.	Associate	-	-	-	1,718	-	-
No.1 KEBHANASTAY REITS Co., Ltd.	Associate	18,641	-	6	7,211	-	-
MASHUP ANGELS VALUE UP FUND2	Associate	-	-	-	4,453	-	-
Mirae Credit Information Services Corp.	Associate	268	94	-	1,868	-	145
Hana-Capstone AI Platform Fund	Associate	-	-	-	14,462	-	-
LUCK Oasis Private Equity Fund	Associate	-	1,189	-	-	-	-
KORAMCO THE ONE REIT	Associate	-	29,385	-	-	-	17,955
Gunsan BIO Energy Co., Ltd.	Associate	-	2,617	2,617	-	-	-
GWHB Co., Ltd.	Associate	-	-	-	100	-	351
Lotte Ventures Corp.	Associate	-	-	-	1,554	-	-
Hana Power Infra 1st Private Equity Fund	Associate	21,396	598	440	75,956	-	-
2018 Hana- Magna Startup Fund	Associate	-	338	-	-	-	-
Dangсандong PFV Co., Ltd.	Associate	-	-	-	-	-	8
World HansSang Dream Island	Associate	-	-	-	-	-	122
Daegu MBC Development PFV Co. Ltd.	Associate	160,016	-	2,169	2	-	29
YH Leisure Development Co., Ltd.	Associate	103,008	-	141	164	-	-
Changjo Innovation CO., Ltd.	Associate	3	-	-	106	-	162
Dowon Asset Development Co., Ltd.	Associate	10,000	-	2,035	-	-	9
HORIZON PRIVATE EQUITY FUND	Associate	-	85	-	-	-	-
Hana Must Seven Special Purpose Acquisition Company	Associate	-	796	-	1,331	-	-
Hana Ever Best Corporation Financial Stability Private Investment Co., Ltd.	Associate	-	225	-	-	-	52
Smart Hana-H& Green New Deal No. 1 Fund	Associate	-	84	-	-	-	-
People Korea Two	Associate	9,326	-	-	36	-	-

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Related party	Type	Assets		Allowance for possible loan losses	Liabilities		
		Loans receivables	Other receivables		Deposits	Borrowings	Other payables
New Deal Extension New Technology Fund No. 1	Associate	-	-	-	-	-	15
Ingok Rental Housing CO., Ltd.	Associate	-	-	-	1	-	-
Daeyoung Networks Co., Ltd.	Associate	-	-	-	-	-	3
Hana Financial Twenty-first Special Purpose Acquisition Company	Associate	-	1,390	-	2,624	-	-
Hana X Bio New Technology Fund	Associate	-	2,000	-	-	-	-
Infinity ESG Private Equity Fund No. 2	Associate	-	-	-	-	-	15
Choice & Soyeon Construction Co., Ltd.	Associate	25,000	-	16,569	104	-	-
Hana Financial Twenty-second Special Purpose Acquisition Company	Associate	-	1,190	-	2,050	-	-
Hana Financial Twenty-third Special Purpose Acquisition Company	Associate	-	1,290	-	1,475	-	-
Hana Financial Twenty-fourth Special Purpose Acquisition Company	Associate	-	1,798	-	3,024	-	-
Hana Financial Twenty-fifth Special Purpose Acquisition Company	Associate	-	4,995	-	6,636	-	-
Eugene Asia Food Tech Fund-1	Associate	-	-	-	204	-	-
K&Fashion No. 1 Fund	Associate	-	6	-	-	-	-
Hana Financial Twenty-sixth Special Purpose Acquisition Company	Associate	-	1,290	-	2,238	-	-
Hana Financial Twenty-seventh Special Purpose Acquisition Company	Associate	-	1,390	-	2,101	-	-
Anda Mobility Infrastructure Fund No. 1	Associate	-	-	-	760	-	-
Hana Financial Twenty-Eighth Special Purpose Acquisition Company	Associate	-	2,399	-	3,262	-	-
Hana Financial Twenty-Ninth Special Purpose Acquisition Company	Associate	-	1,299	-	2,007	-	-
KDB-HANA Business Reorganization Value-up Private Equity Fund	Associate	-	403	-	-	-	558
HI-DOP MCE Industries Fund No.1	Associate	-	-	-	141	-	-
Hana Financial Thirtieth Special Purpose Acquisition Company	Associate	-	1,999	-	3,051	-	-
Hana Financial Thirty-First Special Purpose Acquisition Company	Associate	-	1,499	-	2,388	-	-
Hana-Magna Growth Booster Fund	Associate	-	174	-	-	-	25
Glenwood Credit Private Equity Fund II	Associate	-	2,088	-	-	-	-
Anda Mobility Infrastructure Fund No. 2	Associate	-	-	-	809	-	-
Hana Alternative Special Investment Private Trust No. 161	Associate	-	6	-	-	-	-
Hana Alternative Investment Real Estate Private Trust No. 189	Associate	-	12	-	-	-	-
Hana Alternative Investment Blind General Private Real Estate Investment Trust No. 172	Associate	-	9	-	-	-	-
F&U Credit Information	Associate	270	-	-	996	-	847
Hana Digital Transformation Fund	Associate	-	4,809	-	-	-	25
Hana Ventures No. 5 Investment Fund	Associate	-	23	-	509	-	-
Hana Innovation Venture Scale-up Fund	Associate	-	993	-	5,564	-	-
Digital Innovation Growth Fund	Associate	-	95	-	-	-	-
Gyeonggi Hana Turn around Fund No. 2	Associate	-	331	-	6,120	-	-
Hana Untact Digital Innovation Fund	Associate	-	382	-	2,477	-	-
Hana K-NewDeal Unicorn Fund	Associate	-	481	-	-	-	-
Hana-Zephyrus Front1 Start-Up Fund	Associate	-	45	-	-	-	-
Key management personnel		8,069	-	-	19,397	-	12
Total		497,555	154,243	82,129	200,800	36,276	59,926

<December 31, 2022>

(Korean won in millions)

Related party	Type	Assets		Allowance for possible loan losses	Liabilities		
		Loans receivables	Other receivables		Deposits	Borrowings	Other payables
Bank of Jilin	Associate	3,200	2,409	-	1,611	-	-
OM International Financing Leases	Associate	61,969	-	49,620	18	-	-
Beijing Langa Asset Management Co., Ltd.	Associate	-	-	-	3,601	-	-
PT. SINARIMAS Hana Finance	Joint venture	37,144	143	229	5	-	-
MIDAN City Development Co., Ltd.	Associate	-	-	-	2	-	-
Korea Credit Bureau	Associate	40,069	-	17	8,263	-	20
KEB Hana-KMC Unicorn Fund of Funds	Associate	-	-	-	3,993	-	-
Templeton Hana Asset Management Co., Ltd.	Associate	-	-	-	10,672	-	-
BIDV	Associate	6,337	5,394	24	2,045	10,740	-
Toss Bank Co., Ltd.	Associate	250	45,715	1	-	-	1,588
Shinjin International Corporation	Associate	1,444	1	107	-	-	-
Sinsa Station Complex Development PFV Co., Ltd.	Associate	33,300	-	9,887	45	-	-
Cheongna Medipolis PFV Co., Ltd.	Associate	-	-	-	2,500	-	25
Mirae Credit Information Services Corp.	Associate	7,238	172	9	2,267	-	146
Lakebridge The Growth Capital PEF1	Associate	-	-	-	330	-	-
Hana-Capstone AI Platform Fund	Associate	-	-	-	16,841	-	-
KORAMCO THE ONE REIT (formerly known as KOOREF REIT 30)	Associate	-	39,421	-	-	-	27,920
Gunsan BIO Energy Co., Ltd.	Associate	-	2,617	2,617	549	-	-
GMHB Co., Ltd.	Associate	-	-	-	100	-	343
Lotte Ventures Corp. (formerly known as Lotte Accelerator Corporation)	Associate	-	-	-	96	-	-
Hana Power Intra 1st Private Equity Fund	Associate	11,116	598	170	4,264	-	-
Hana Asset Management (formerly known as Hana UBS Asset Management) (*)	Associate	21	507	-	18,287	-	-
2018 Hana-Magna Startup Fund	Associate	-	346	-	-	-	-
DangsanongPFV Co., Ltd.	Associate	-	-	-	675	-	9
World HansSang Dream Island	Associate	-	-	-	-	-	120
Daegu MBC Development PFV Co., Ltd.	Associate	134,430	-	1,345	2	-	6
YH Leisure Development Co., Ltd.	Associate	112,331	-	172	5,045	-	7
Changjo Innovation CO., Ltd.	Associate	4	-	-	70	-	201
Down Asset Development Co., Ltd.	Associate	10,000	3,685	-	-	-	-
HORIZON PRIVATE EQUITY FUND	Associate	-	5,263	-	-	-	-
Hana Must Seven Special Purpose Acquisition Company	Associate	-	796	-	1,399	-	-
Hana Financial Sixteenth Special Purpose Acquisition Company	Associate	-	990	-	1,275	-	-
Hana Ever Best Corporation Financial Stability Private Investment Co., Ltd.	Associate	-	207	-	-	-	19
Genesis Environment No. 3 Private Equity Fund	Associate	-	-	-	-	-	1
Hana Hoehchang Private Equity Fund No. 1	Associate	-	-	-	-	-	28
Hana Financial Nineteenth Special Purpose Acquisition Company	Associate	-	1,595	-	2,423	-	-
Smart Hana-K&Green NewDeal No. 1 Fund	Associate	-	84	-	-	-	-
People Korea Two	Associate	30,000	-	14,231	47	-	-
Hana Financial Twentieth Special Purpose Acquisition Company	Associate	-	700	-	778	-	-
New Deal Extension New Technology Fund No. 1	Associate	-	-	-	-	-	17
Ingok Rental Housing CO., Ltd.	Associate	-	-	-	38	-	-

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Related party	Type	Assets		Allowance for possible loan losses	Liabilities		
		Loans receivables	Other receivables		Deposits	Borrowings	Other payables
Daeyoung Networks Co., Ltd.	Associate	-	-	-	-	-	7
Hana Financial Twenty-first Special Purpose Acquisition Company	Associate	-	1,390	-	2,572	-	-
Hana X Bio New Technology Fund	Associate	-	2,000	-	-	-	-
Infinity ESG Private Equity Fund No. 2	Associate	-	-	-	-	-	9
Choice & Soyeon Construction Co., Ltd.	Associate	25,000	1,600	100	104	-	-
Hana Financial Twenty-second Special Purpose Acquisition Company	Associate	-	1,190	-	2,007	-	-
Hana Financial Twenty-third Special Purpose Acquisition Company	Associate	-	1,290	-	1,911	-	-
Hana Financial Twenty-fourth Special Purpose Acquisition Company	Associate	-	1,798	-	2,954	-	-
Hana Financial Twenty-fifth Special Purpose Acquisition Company	Associate	-	4,995	-	6,536	-	-
Eugene Asia Food Tech Fund-1	Associate	-	-	-	247	-	-
I&Fashion No. 1 Fund	Associate	-	6	-	-	-	-
Hana Financial Twenty-sixth Special Purpose Acquisition Company	Associate	-	1,290	-	-	-	-
Hana Financial Twenty-seventh Special Purpose Acquisition Company	Associate	-	1,390	-	-	-	-
Hana-Magna Growth Booster Fund	Associate	-	174	-	-	-	18
Glenwood Credit Private Equity Fund II	Associate	-	2,070	-	-	-	-
Hana Alternative Special Investment Private Trust No. 161	Associate	-	6	-	-	-	-
Hana Alternative Investment Real Estate Private Trust No. 189	Associate	-	12	-	-	-	-
Hana Alternative Investment Blind General Private Real Estate Investment Trust No. 172	Associate	-	10	-	-	-	-
F&U Credit Information	Associate	192	-	-	1,149	-	-
Hana Ventures No. 1 Investment Fund	Associate	-	8	-	-	-	-
Hana Digital Transformation Fund	Associate	-	5,507	-	-	-	12
Hana Ventures No. 5 Investment Fund	Associate	-	23	-	592	-	-
Hana Innovation Venture Scale-up Fund	Associate	-	1,174	-	10,943	-	-
Digital Innovation Growth Fund	Associate	-	100	-	-	-	-
Gyeonggi Hana Turn around Fund No. 2	Associate	-	141	-	11,370	-	-
Hana Untact Digital Innovation Fund	Associate	-	172	-	8,252	-	-
Hana K-NewDeal Unicorn Fund	Associate	-	573	-	-	-	-
Key management personnel		9,505	-	14	17,663	-	4
합계		523,550	137,562	78,543	153,531	10,740	30,500

58-3 The Group engages in financing activities and transactions with related parties as part of normal business activities. Money transactions between related parties for the years ended December 31, 2023 and 2022, are as follows (Korean won in millions).

<2023>

(Korean won in millions)

Related party	Type	Loans Receivables(*1)			Deposits(*1) and Borrowings			Capital Contribution		
		Lend	Collect	Difference	Increase	Decrease	Difference	Increase	Decrease	Difference
Bank of Jilin	Associate	118,250	(121,450)	(3,200)	36,276	-	36,276	-	(13,864)	(13,864)
CM International Financing Leases	Associate	59,778	(61,761)	(1,983)	-	-	-	-	-	-
Beijing Langa Asset Management Co., Ltd.	Associate	-	-	-	-	-	-	-	(1,991)	(1,991)
PT. SINARWAS Hana Finance	Joint venture	431	(764)	(333)	-	(5)	(5)	-	-	-
BSK-6 Patent Technology Investment Association	Associate	-	-	-	-	-	-	-	(409)	(409)
Company KStartup Winwin fund	Associate	-	-	-	-	-	-	-	(550)	(550)
Korea Credit Bureau	Associate	20,690	(50,705)	(30,015)	-	(8,000)	(8,000)	-	(90)	(90)
KEB Hana-KMC Unicorn Fund of Funds	Associate	-	-	-	-	-	-	-	(6,000)	(6,000)
Templeton Hana Asset Management Co., Ltd.	Associate	-	-	-	7,500	(7,500)	-	-	(396)	(396)
BIDV	Associate	19,684	(32,578)	(12,894)	100,016	(110,656)	(10,640)	-	-	-
Harvest Private Equity Fund Specializing in Start-Up and Venture Business I	Associate	-	-	-	-	-	-	-	(2,377)	(2,377)
All Together Korea Fund5	Associate	-	-	-	-	-	-	210	(210)	-
Toss Bank Co., Ltd.	Associate	2,724,579	(2,724,476)	103	-	-	-	50,677	-	50,677
Sinsa Station Complex Development PFV Co., Ltd.	Associate	-	(1,444)	(1,444)	-	-	-	-	-	-
Taurus Cloud Fund	Associate	-	-	-	-	-	-	91	-	91
Cheongna Medipolis PFV Co., Ltd.	Associate	-	-	-	70	-	70	18,292	-	18,292
UNION TCB FUND II	Associate	-	-	-	-	-	-	1,200	-	1,200
Artificial Photosynthesis Lab Co., Ltd.	Associate	-	-	-	-	-	-	1,666	-	1,666
No. 1 KEB-HANASTAY REITS Co., Ltd	Associate	18,641	-	18,641	-	-	-	-	-	-
MASHUP ANGELS VALUE UP FUND2	Associate	-	-	-	4,110	(860)	3,250	1,200	-	1,200
Mirae Credit Information Services Corp.	Associate	3,225	(10,195)	(6,970)	-	-	-	-	(186)	(186)
Apollon Private Equity Fund	Associate	-	-	-	-	-	-	-	(1,654)	(1,654)
Hana-Capstone AI Platform Fund	Associate	-	-	-	43	(42)	1	-	-	-
V.L. Taube Private Equity Fund	Associate	-	-	-	-	-	-	-	(400)	(400)
UOK Oasis Private Equity Fund	Associate	-	-	-	-	-	-	105	-	105
KORAMCO THE ONE REIT	Associate	-	-	-	-	-	-	-	(1,268)	(1,268)
Gunsan BIO Energy Co., Ltd.	Associate	1	(1)	-	-	-	-	-	-	-
Hana Power Infra 1st Private Equity Fund	Associate	-	(838)	(838)	-	-	-	-	-	-
2018 Hana-Magna Startup Fund	Associate	-	-	-	-	-	-	-	(876)	(876)
Daegu MBC Development PFV										

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

Related party	Type	Loans Receivables(+1)			Deposits(+1) and Borrowings			Capital Contribution		
		Lend	Collect	Difference	Increase	Decrease	Difference	Increase	Decrease	Difference
Co. Ltd.	Associate	25,677	(41)	25,636	-	-	-	-	-	-
YH Leisure Development Co., Ltd.	Associate	436	(9,759)	(9,323)	-	(5,000)	(5,000)	-	-	-
Changio Innovation CO., Ltd.	Associate	76	(77)	(1)	-	-	-	-	-	-
Dowon Asset Development Co., Ltd.	Associate	-	-	-	-	-	-	200	-	200
HORIZON PRIVATE EQUITY FUND	Associate	-	-	-	2,823	(2,823)	-	-	(61,908)	(61,908)
Curious Solution No.1 Corporate Recovery Private Equity Fund	Associate	-	-	-	-	-	-	-	(771)	(771)
Hana Ever Best Corporation Financial Stability Private Investment Co., Ltd.	Associate	-	-	-	-	-	-	4,124	-	4,124
Genesis Environment No. 3 Private Equity Fund	Associate	-	-	-	-	-	-	1,100	(711)	389
People Korea Two	Associate	-	(20,674)	(20,674)	-	-	-	-	-	-
New Deal Extension New Technology Fund No. 1	Associate	-	-	-	-	-	-	6,000	(4,000)	2,000
Eugene Hana Recycling Private Equity Fund (formerly known as GFI ESG the 1st Private Equity Fund)	Associate	-	-	-	-	-	-	-	(100)	(100)
Hana Financial Twenty-first Special Purpose Acquisition Company	Associate	-	-	-	-	(2,100)	(2,100)	-	-	-
KCLAVIS AIM Artificial Intelligence Fund No. 1	Associate	-	-	-	-	-	-	-	(210)	(210)
Genesis Environment No. 6 Private Equity Fund	Associate	-	-	-	-	-	-	-	(334)	(334)
The Hahn Green Energy Fund	Associate	-	-	-	-	-	-	-	(130)	(130)
Infinity ESG Private Equity Fund No. 2	Associate	-	-	-	-	-	-	1,200	-	1,200
Hana Financial Twenty-second Special Purpose Acquisition Company	Associate	-	-	-	-	(1,600)	(1,600)	-	-	-
Hana Financial Twenty-third Special Purpose Acquisition Company	Associate	-	-	-	-	(1,500)	(1,500)	-	-	-
Hana Financial Twenty-fourth Special Purpose Acquisition Company	Associate	-	-	-	-	(2,450)	(2,450)	-	-	-
Hana Financial Twenty-fifth Special Purpose Acquisition Company	Associate	-	-	-	-	(5,800)	(5,800)	-	-	-
UNST-ATP Start-Up Fund No. 1	Associate	-	-	-	-	-	-	-	(119)	(119)
BIDV Securities Joint Stock Company	Associate	-	-	-	-	-	-	-	(1,808)	(1,808)
Hana Financial Twenty-sixth Special Purpose Acquisition Company	Associate	-	-	-	3,230	(1,700)	1,530	-	-	-
Hana Financial Twenty-seventh Special Purpose Acquisition Company	Associate	-	-	-	1,650	(1,650)	-	-	-	-
MS-KAI Contents Fund 1	Associate	-	-	-	-	-	-	-	(182)	(182)
Global Material Leader Fund No. 1	Associate	-	-	-	-	-	-	2,000	-	2,000
IMM Global Renewables II LPF	Associate	-	-	-	-	-	-	2,481	(3,261)	(780)
ARWP-Bluewave New Tech Fund No. 1	Associate	-	-	-	-	-	-	1,500	-	1,500
Hana Financial Twenty-Eighth Special Purpose Acquisition Company	Associate	-	-	-	2,200	-	2,200	1	-	1

Related party	Type	Loans Receivables(+1)			Deposits(+1) and Borrowings			Capital Contribution		
		Lend	Collect	Difference	Increase	Decrease	Difference	Increase	Decrease	Difference
Hana Financial Twenty-Ninth Special Purpose Acquisition Company	Associate	-	-	-	1,000	-	1,000	1	-	1
IBKS Innovation MPE Fund No. 1	Associates	-	-	-	-	-	-	2,000	-	2,000
Stallion New Growth 4th Fund	Associate	-	-	-	-	-	-	2,000	-	2,000
SJGP YG Fund No. 3	Associate	-	-	-	-	-	-	1,000	-	1,000
KDBI-HANA Business Reorganization Value-up Private Equity Fund	Associate	-	-	-	-	-	-	63,320	-	63,320
ST-J&M New Technology Investment Fund 1st	Associate	-	-	-	-	-	-	2,000	-	2,000
Srilegate Kairos Sub 1 PEF	Associate	-	-	-	-	-	-	5,500	(149)	5,351
2023 JB NewTech No.2 Fund	Associate	-	-	-	-	-	-	1,800	-	1,800
HI-DOP MCE Industries Fund No.1	Associate	-	-	-	-	-	-	700	-	700
Positive IBKC Tech Fund No.1	Associate	-	-	-	-	-	-	2,000	-	2,000
Hana Financial Thirtieth Special Purpose Acquisition Company	Associate	-	-	-	-	-	-	1	-	1
Hana Financial Thirty first Special Purpose Acquisition Company	Associate	-	-	-	-	-	-	1	-	1
Hana-Magna Growth Booster Fund	Associate	-	-	-	-	-	-	5,000	-	5,000
Gongqingcheng Zhongyuan Hana Equity Investment Partnership (Limited Partnership)	Associates	-	-	-	-	-	-	18	-	18
Pushan Hana (Hainan) Technology Co., Ltd.	Associates	-	-	-	-	-	-	1,426	-	1,426
Shenzhen Hana Yuanchuang No.1 Investment Partnership (Limited Partnership)	Associates	-	-	-	-	-	-	39	-	39
Wangren Family Office(Guangzhou) Co., Ltd.	Associates	-	-	-	-	-	-	3,646	-	3,646
Yunnan Shuanggang Tea Industry Co., Ltd	Associates	-	-	-	-	-	-	2,728	-	2,728
Hana-KDBC, Capstone Venture Fund	Associates	-	-	-	-	-	-	-	(1,430)	(1,430)
Meta Liquifying Venture Asset 2nd Private Equity Fund	Associates	-	-	-	-	-	-	-	(330)	(330)
Glenwood Credit Private Equity Fund II	Associates	-	-	-	-	-	-	-	(1,850)	(1,850)
CAPSTONE SCALE UP VENTURE FUND	Associate	-	-	-	-	-	-	3,000	-	3,000
Anda Mobility Infrastructure Fund No.2	Associate	-	-	-	-	-	-	3,000	-	3,000
Hana Qualified Investor Private Real Estate Investment Trust No. 41-2	Associate	-	-	-	-	-	-	-	(196)	(196)
Hana Alternative Special Investment Private Trust No. 161	Associate	-	-	-	-	-	-	-	(35)	(35)
Hana Alternative Investment Blind General Private Real Estate Investment Trust No. 172	Associate	-	-	-	-	-	-	-	(102)	(102)
A&D Credit Information Co., Ltd.	Associate	-	-	-	-	-	-	-	(33)	(33)
Meltheus Private Equity Real Estate Fund 10	Associate	-	-	-	-	-	-	-	(212)	(212)
F&J Credit Information	Associate	2,030	(1,963)	77	-	-	-	-	-	-
Hana Digital Transformation Fund	Associate	-	-	-	-	-	-	-	(5,440)	(5,440)
HS INVESTMENTS EU11 L.P.	Associate	-	-	-	-	-	-	48	-	48
Hana Ventures No. 5 Investment Fund	Associate	-	-	-	-	(500)	(500)	-	-	-
Hana Innovation Venture Scale-Up Fund	Associate	-	-	-	-	(5,000)	(5,000)	-	(1,180)	(1,180)

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements**

Related party	Type	Loans Receivables(*1)			Deposits(*1) and Borrowings			Capital Contribution		
		Lend	Collect	Difference	Increase	Decrease	Difference	Increase	Decrease	Difference
Digital Innovation Growth Fund	Associate	-	-	-	-	-	-	-	(162)	(162)
Gyeonggi Hana Tum around Fund No. 2	Associate	-	-	-	-	(7,000)	(7,000)	-	-	-
Hana Untact Digital Innovation Fund	Associate	-	-	-	-	(3,000)	(3,000)	-	-	-
Hana K-NewDeal Unicorn Fund	Associate	-	-	-	-	-	-	7,290	-	7,290
Hana-Zephyrus Front1 Start-Up Fund	Associate	-	-	-	-	-	-	600	-	600
EBEST HBIC Fund No. B3 (*2)	Associate	-	-	-	-	-	-	-	(3,442)	(3,442)
KDBC Harvest Fund No. 1 (*2)	Associates	-	-	-	-	-	-	-	(10,000)	(10,000)
Hana Financial Nineteenth Special Purpose Acquisition Company (*2)	Associate	-	-	-	-	(1,813)	(1,813)	-	-	-
Heat Private Equity Fund (*2)	Associates	-	-	-	-	-	-	-	(1,344)	(1,344)
DA Value-Up Fund No. 2 (*2)	Associates	-	-	-	-	-	-	-	(357)	(357)
Gwacheon Jisan Octa PFV., Ltd. (*2)	Associates	-	-	-	-	-	-	-	(1,432)	(1,432)
Lakebridge The Growth Capital PEF1(*2)	Associates	-	-	-	-	-	-	-	(9,326)	(9,326)
Hana Asset Management (formerly known as Hana UBS Asset Management) (*2)	Associates	-	-	-	-	-	-	-	(3,455)	(3,455)
Key management personnel (*3)		32	-	32	2,189	-	2,189	-	-	-
Total		2,933,530	(3,036,716)	(43,186)	161,107	(168,999)	(7,892)	199,165	(144,290)	54,885

(*1) Overdrawn accounts on a daily basis are excluded from the lending and collection of loans, and the amounts of frequent deposits and borrowings are excluded from the changes in deposits.

(*2) It is excluded from a related party for the year ended December 31, 2023.

(*3) Financial transactions with key management personnel are shown as net amounts.

<2022>

(Korean won in millions)

Related party	Type	Loans Receivables(*1)			Deposits(*1) and Borrowings			Capital Contribution		
		Lend	Collect	Difference	Increase	Decrease	Difference	Increase	Decrease	Difference
Bank of Jilin	Associate	108,600	(111,700)	(3,100)	-	-	-	-	-	-
Beijing Langa Asset Management Co., Ltd.	Associate	-	(12,083)	(12,083)	-	-	-	-	(2,888)	(2,888)
PT. SINARIMAS Hana Finance	Joint venture	7,086	(1,572)	5,514	5	(12)	(7)	-	-	-
BSK-6 Patent Technology Investment Association	Associate	-	-	-	-	-	-	-	(327)	(327)
Company KStartup Winwin fund	Associate	-	-	-	-	(300)	(300)	-	(7,090)	(7,090)
Korea Credit Bureau	Associate	40,640	(626)	40,014	8,000	-	8,000	-	-	-
KEB Hana-KVC Unicorn Fund of Funds	Associate	-	-	-	-	-	-	25,130	-	25,130
Templeton Hana Asset Management Co., Ltd.	Associate	-	-	-	10,500	(11,000)	(500)	-	(198)	(198)
BIDV	Associate	419,413	(425,749)	(6,336)	1,349,738	(1,422,233)	(72,495)	-	-	-
Harvest Private Equity Fund Specializing in Start-Up and Venture Business I	Associate	-	-	-	-	-	-	-	(27)	(27)

Related party	Type	Loans Receivables(*1)			Deposits(*1) and Borrowings			Capital Contribution		
		Lend	Collect	Difference	Increase	Decrease	Difference	Increase	Decrease	Difference
All Together Korea Fund5	Associate	-	-	-	-	-	-	-	62	(62)
Toss Bank Co., Ltd.	Associate	1,063,137	(1,063,025)	112	-	-	-	-	79,753	-
Sinsa Station Complex Development PFV Co., Ltd.	Associate	56,800	(122,500)	(65,700)	-	-	-	-	-	-
Taurus Cloud Fund	Associate	-	-	-	-	-	-	-	77	-
Cheongna Medipolis PFV Co., Ltd.	Associate	-	-	-	2,500	-	2,500	-	-	-
NE HK 52 Ltd.	Associate	-	-	-	-	-	-	-	48,872	-
Mirae Credit Information Services Corp.	Associate	10,143	(3,158)	6,985	-	(300)	(300)	-	(186)	(186)
Lakebridge The Growth Capital PEF1	Associate	-	-	-	-	-	-	-	(256)	(256)
Hana-Capstone AI Platform Fund	Associate	-	-	-	42	(42)	-	25,000	-	25,000
KORAMCO THE ONE REIT (Formerly known as KOCREF REIT 30)	Associate	-	(40,000)	(40,000)	-	-	-	-	(1,727)	(1,727)
Gunsan BIO Energy Co., Ltd.	Associate	4	(5)	(1)	-	-	-	-	-	-
GMHB Co., Ltd.	Associate	-	(52,500)	(52,500)	-	-	-	-	-	-
Hana Power Infra 1st Private Equity Fund	Associate	-	(1,907)	(1,907)	-	-	-	-	-	-
Hana Asset Management (formerly known as Hana UBS Asset Management)	Associate	279	(277)	2	18,000	(16,000)	2,000	-	(3,822)	(3,822)
World HansSang Dream Island	Associate	-	(4,750)	(4,750)	-	-	-	-	-	-
Dream Island Leisure	Associate	-	-	-	-	-	-	1,990	-	1,990
Daegu MBC Development PFV Co., Ltd.	Associate	11,105	-	11,105	-	-	-	-	-	-
YH Leisure Development Co., Ltd.	Associate	465	(3,608)	(3,143)	5,000	-	5,000	-	-	-
Changjo Innovation CO., Ltd.	Associate	68	(66)	2	-	(10)	(10)	-	-	-
Dowon Asset Development Co., Ltd.	Associate	184	(126)	58	-	-	-	-	-	-
HORIZON PRIVATE EQUITY FUND	Associate	-	-	-	-	-	-	-	(55,811)	(55,811)
Curious Solution No.1 Corporate Recovery Private Equity Fund	Associate	-	-	-	-	-	-	-	(7,200)	(7,200)
Hana Ever Best Corporation Financial Stability Private Investment Co., Ltd.	Associate	-	-	-	-	-	-	6,044	-	6,044
Genesis Environment No. 3 Private Equity Fund	Associate	-	-	-	-	-	-	-	(766)	(766)
Hana Financial Nineteenth Special Purpose Acquisition Company	Associate	-	-	-	-	13	-	13	-	-
Smart Hana-H&G Green New Deal No. 1 Fund	Associate	-	-	-	-	-	-	6,050	-	6,050
People Korea Two	Associate	20,000	(20,000)	-	-	-	-	-	-	-
New Deal Extension New Technology Fund No. 1	Associate	-	-	-	-	-	-	5,000	-	5,000
Eugene Hana Recycling Private Equity Fund (formerly known as GF ESG the 1st Private Equity Fund)	Associate	-	-	-	-	-	-	4,754	(10,556)	(5,802)
Ilgok Rental Housing CO., Ltd.	Associate	-	(12,000)	(12,000)	-	-	-	-	-	-
Hana Financial Twenty-first Special Purpose Acquisition Company	Associate	-	-	-	2,100	-	2,100	-	-	-
NPX-Welcome Metaverse	Associate	-	-	-	-	-	-	1,000	-	1,000

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

Related party	Type	Loans Receivables(*1)			Deposits(*1) and Borrowings			Capital Contribution		
		Lend	Collect	Difference	Increase	Decrease	Difference	Increase	Decrease	Difference
Contents fund										
STIC Healthcare I Private Equity Fund	Associate	-	-	-	-	-	-	1,000	-	1,000
NH-Deep Dive Smart Logistics Fund	Associate	-	-	-	-	-	-	2,000	-	2,000
Octave Tech Investment L25 LLC	Associate	-	-	-	-	-	-	1,841	-	1,841
ST-CENTUM Fund No. 2	Associate	-	-	-	-	-	-	2,000	-	2,000
Hana X Bio New Technology Fund	Associate	-	-	-	-	-	-	22,000	-	22,000
The Hahn Green Energy Fund	Associate	-	-	-	5,600	(5,600)	-	19,500	(6,500)	13,000
EBEST HBC Fund No.83	Associate	-	-	-	-	-	-	2,000	-	2,000
Infinity ESG Private Equity Fund No. 2	Associate	-	-	-	-	-	-	15,034	(1,634)	13,400
Choice & Soyeon Construction Co., Ltd.	Associate	25,000	-	25,000	-	-	-	86	-	86
Daeyoung DLM PFV Co., Ltd	Associate	-	-	-	-	-	-	1,400	-	1,400
Hana Financial Twenty-second Special Purpose Acquisition Company	Associate	-	-	-	1,600	-	1,600	10	-	10
JB EBEST Autonomous The Current Fund No. 3	Associate	-	-	-	-	-	-	1,000	-	1,000
Hana Financial Twenty-third Special Purpose Acquisition Company	Associate	-	-	-	1,500	-	1,500	10	-	10
Hana Financial Twenty-fourth Special Purpose Acquisition Company	Associate	-	-	-	2,450	-	2,450	2	-	2
Hana Financial Twenty-fifth Special Purpose Acquisition Company	Associate	-	-	-	5,800	-	5,800	5	-	5
IMM Global Circular Economy LPF	Associate	-	-	-	-	-	-	2,562	-	2,562
Cheonan JDC PFV Co., Ltd. Preferred stock	Associate	-	-	-	-	-	-	1,149	-	1,149
KDBC-Harvest Fund No. 1	Associate	-	-	-	-	-	-	27,400	(2,000)	25,400
Eugene Asia Food Tech Fund-1	Associate	-	-	-	-	-	-	1,000	-	1,000
K&Fashion No. 1 Fund	Associate	-	-	-	-	-	-	1,000	-	1,000
HMC-Primus Mobility New Tech Fund	Associate	-	-	-	-	-	-	2,000	-	2,000
UNST-ATP Start-up Fund No. 1	Associate	-	-	-	-	-	-	1,000	-	1,000
BIDV Securities Joint Stock Company	Associate	-	-	-	-	-	-	118,708	(2,632)	116,076
Hana Financial Twenty-sixth Special Purpose Acquisition Company	Associate	-	-	-	-	-	-	10	-	10
Hana Financial Twenty-seventh Special Purpose Acquisition Company	Associate	-	-	-	-	-	-	10	-	10
Hanwha-Samsung Healthcare No. 1 Venture Fund	Associate	-	-	-	-	-	-	2,000	-	2,000
MIS-KW Contents Fund 1	Associate	-	-	-	-	-	-	2,000	-	2,000
Anda Mobility Infrastructure Fund No. 1	Associate	-	-	-	-	-	-	2,000	-	2,000
ACP Venture Blind Association No. 1	Associate	-	-	-	-	-	-	1,000	-	1,000
Smligate Kairos Sub 1 PEF	Associate	-	-	-	-	-	-	1,700	-	1,700
Hana-Magna Growth Booster Fund	Associate	-	-	-	-	-	-	7,500	-	7,500

Related party	Type	Loans Receivables(*1)			Deposits(*1) and Borrowings			Capital Contribution		
		Lend	Collect	Difference	Increase	Decrease	Difference	Increase	Decrease	Difference
KLAWS+Meta Fund No. 2	Associate	-	-	-	-	-	-	-	(1,595)	(1,595)
KIAWOO Daegu Complex Development Fund	Associate	-	-	-	-	-	-	-	(825)	(825)
Nautic Green Innovation ESG Co-investment No. 1 Private Equity Fund	Associate	-	-	-	-	-	-	5,000	-	5,000
Meta Liquifying Venture Asset 2nd Private Equity Fund	Associate	-	-	-	-	-	-	3,000	-	3,000
Glenwood Credit Private Equity Fund I	Associate	-	-	-	-	-	-	32,000	-	32,000
Hana Qualified Investor Private Real Estate Investment Trust No. 41-2	Associate	-	-	-	-	-	-	-	(1,394)	(1,394)
Hana Alternative Special Investment Private Trust No. 161	Associate	-	-	-	-	-	-	-	(38)	(38)
Hana Alternative Investment Real Estate Private Trust No. 189	Associates	-	-	-	-	-	-	2,150	-	2,150
Hana Alternative Investment Blind General Private Real Estate Investment Trust No. 172	Associates	-	-	-	-	-	-	800	(16)	784
A&D Credit Information Co.,Ltd.	Associate	-	-	-	-	-	-	-	(33)	(33)
Methus Private Equity Real Estate Fund 10	Associate	-	-	-	-	-	-	2,000	(104)	1,896
F&J Credit Information	Associate	1,584	(1,489)	95	502	(1,011)	(509)	-	-	-
Hana Digital Transformation Fund	Associate	-	-	-	-	-	-	-	(4,738)	(4,738)
Hana Ventures No. 5 Investment Fund	Associate	-	-	-	1,000	(500)	500	-	-	-
Hana Innovation Venture Scale-up Fund	Associate	-	-	-	13,000	(8,000)	5,000	6,000	-	6,000
Gyeonggi Hana Turn around Fund No. 2	Associate	-	-	-	17,000	(10,000)	7,000	6,000	-	6,000
Hana Untact Digital Innovation Fund	Associate	-	-	-	13,000	(10,000)	3,000	18,600	-	18,600
Hana K-NewDeal Unicorn Fund	Associate	-	-	-	-	-	-	29,160	-	29,160
Axis Bio Fund	Associate	-	-	-	-	-	-	-	(507)	(507)
Smartscore Co., Ltd. (*2)	Associate	38	(39)	(1)	-	-	-	-	-	-
Genesis Environment No. 1 Private Equity Fund (*2)	Associate	-	-	-	-	-	-	-	(5,566)	(5,566)
Hana-History No1 Investment Fund (*2)	Associate	-	-	-	-	-	-	-	(5,452)	(5,452)
Hana Bio New Technology Fund No. 1 (*2)	Associate	-	-	-	-	-	-	-	(1,170)	(1,170)
Striker Morgarten I Private Equity Fund (*2)	Associate	-	-	-	-	-	-	43,400	(43,300)	100
Genesis Environment No. 6 Private Equity Fund(*2)	Associate	-	-	-	-	-	-	-	(4,677)	(4,677)
Otium-Gravity Private Equity Fund (*2)	Associates	-	-	-	-	-	-	2,000	(2,000)	-
Genesis Environment No. 5 Private Equity Fund(*2)	Associate	-	-	-	-	-	-	30,000	(23,000)	7,000
Key management personnel (*3)		-	(1,711)	(1,711)	5,363	-	5,363	-	-	-
Total		1,764,546	(1,878,891)	(114,345)	1,462,713	(1,485,008)	(22,295)	622,769	(198,097)	424,672

(*1) Overdrawn accounts on a daily basis are excluded from the lending and

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

collection of loans, and the amounts of frequent deposits and borrowings are excluded from the changes in deposits.

(*2) It is excluded from a related party for the year ended December 31, 2022.

(*3) Financial transactions with key management personnel are shown as net amounts.

58-4 The amount of tangible assets and intangible assets acquired from related parties were ₩778 million and ₩317 million for the year ended December 31, 2023 and 2022, respectively.

58-5 Significant guarantee contracts, Commitment and collateral provided between related parties as of December 31, 2023 and 2022, are summarized as follows (Korean won in millions):

<December 31, 2023>

(Korean won in millions)

Related parties		Transactions	Amounts
Benefactor	Beneficiary		
KEB Hana Bank	Gyeonggi Hana Turn around Fund No. 2	Securities purchase contract	450
KEB Hana Bank	Daegu MBC Development PFV Co. Ltd.	Unused limit (Loans in Korean won)	43,105
KEB Hana Bank	Taurus Cloud Fund	Securities purchase contract	430
KEB Hana Bank	Hana Digital Transformation Fund	Securities purchase contract	1,000
KEB Hana Bank	Hana Untact Digital Innovation Fund	Securities purchase contract	450
KEB Hana Bank	Hana K-NewDeal Unicorn Fund	Securities purchase contract	9,000
KEB Hana Bank	Hana Innovation Venture Scale-up Fund	Securities purchase contract	520
KEB Hana Bank	Korea Credit Bureau	Unused limit (Loans in Korean won)	30,000
KEB Hana Bank	All Together Korea Fund5	Securities purchase contract	990,000
KEB Hana Bank	UNION TCB FUND II	Securities purchase contract	10,800
KEB Hana Bank	No.1 KEBHANASTAY REITS Co., Ltd	Unused limit (Loans in Korean won)	1,259
KEB Hana Bank	Nautic Green Innovation ESG Co-investment No. 1 Private Equity Fund	Securities purchase contract	672
KEB Hana Bank	KDBI-HANA Business Reorganization Value-up Private Equity Fund	Securities purchase contract	42,298
BIDV	KEB Hana Bank	Foreign currency payment guarantee	59,120
PT Bank KEB Hana	PT. SINARMAS HANA FINANCE	Unused limit (Loans in foreign currency)	3,113
Hana Securities	Hana Digital Transformation Fund	Securities purchase contract	400

Related parties		Transactions	Amounts
Benefactor	Beneficiary		
Hana Securities	Hana Ever Best Corporation Financial Stability Private Investment Co., Ltd.	Securities purchase contract	9,844
Hana Securities	New Deal Extension New Technology Fund No. 1	Securities purchase contract	1,800
Hana Securities	Hana-Magna Growth Booster Fund	Securities purchase contract	3,000
Hana Securities	Infinity ESG Private Equity Fund No. 2	Securities purchase contract	1,800
Hana Securities	KDBI-HANA Business Reorganization Value-up Private Equity Fund	Securities purchase contract	42,298
Hana Card	F&J Credit Information	Unused limit(Credit card)	720
Hana Card	Korea Credit Bureau	Unused limit(Credit card)	245
Hana Card	Mirae Credit Information Services Corp.	Unused limit(Credit card)	732
Hana Card	YH Leisure Development Co., Ltd.	Unused limit(Credit card)	12
Hana Card	Changio Innovation CO., Ltd.	Unused limit(Credit card)	27
Hana Card	Toss Bank Co., Ltd.	Unused limit(Credit card)	646
Hana Card	Artificial Photosynthesis Lab Co., Ltd.	Unused limit(Credit card)	5
Hana Card	Hana Digital Transformation Fund	Securities purchase contract	250
Hana Card	Gyeonggi Hana Turn around Fund No. 2	Securities purchase contract	300
Hana Card	Hana Untact Digital Innovation Fund	Securities purchase contract	350
Hana Card	Hana K-NewDeal Unicorn Fund	Securities purchase contract	3,500
Hana Capital	PT. SINARMAS HANA FINANCE	Foreign currency payment guarantee	34,276
Hana Capital	Hana Innovation Venture Scale-up Fund	Securities purchase contract	600
Hana Capital	Gyeonggi Hana Turn around Fund No. 2	Securities purchase contract	300
Hana Capital	Hana Untact Digital Innovation Fund	Securities purchase contract	300
Hana Capital	Hana K-NewDeal Unicorn Fund	Securities purchase contract	4,000
Hana Capital	CAPSTONE SCALE UP VENTURE FUND	Securities purchase contract	7,000
Hana Capital	New Deal Extension New Technology Fund No. 1	Securities purchase contract	1,200
Hana Capital	Hana-Magna Growth Booster Fund	Securities purchase contract	2,000
Hana Capital	KDBI-HANA Business Reorganization Value-up Private Equity Fund	Securities purchase contract	12,085
Hana Life Insurance	Hana Innovation Venture Scale-up Fund	Securities purchase contract	200
Hana Savings Bank	Hana Digital Transformation Fund	Securities purchase contract	200
Hana Savings Bank	Hana Innovation Venture Scale-up Fund	Securities purchase contract	100
Hana Savings Bank	UCK Oasis Private Equity Fund	Securities purchase contract	121
Hana Asset Trust	Hana Digital Transformation Fund	Securities purchase contract	100
Hana Asset Trust	Hana Innovation Venture Scale-up Fund	Securities purchase contract	200
Hana Asset Trust	Hana Untact Digital Innovation Fund	Securities purchase contract	200
Hana Asset Trust	Hana K-NewDeal Unicorn Fund	Securities purchase contract	1,000
Hana Alternative Asset Management	Hana K-NewDeal Unicorn Fund	Securities purchase contract	500
Hana Ventures	Hana Digital Transformation Fund	Securities purchase contract	393
Hana Ventures	Hana Innovation Venture Scale-up Fund	Securities purchase contract	1,280
Hana Ventures	Gyeonggi Hana Turn around Fund No. 2	Securities purchase contract	950

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

Management's Discussion and Analysis

Independent Auditors' Report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Related parties		Transactions	Amounts
Benefactor	Beneficiary		
Hana Ventures	Hana Untact Digital Innovation Fund	Securities purchase contract	1,800
Hana Ventures	Hana K-NewDeal Unicorn Fund	Securities purchase contract	18,450
Hana Ventures	Hana-Zephyrus Front1 Start-Up Fund	Securities purchase contract	900
Total			1,346,301

<December 31, 2022>

(Korean won in millions)

Related parties		Transactions	Amounts
Benefactor	Beneficiary		
KEB Hana Bank	Gyeonggi Hana Tum around Fund No. 2	Securities purchase contract	450
KEB Hana Bank	Daegu MBC Development PFV Co., Ltd.	Unused limit (loans in Korean won)	65,292
KEB Hana Bank	Taurus Cloud Fund	Securities purchase contract	522
KEB Hana Bank	Hana Digital Transformation Fund	Securities purchase contract	1,000
KEB Hana Bank	Hana Untact Digital Innovation Fund	Securities purchase contract	450
KEB Hana Bank	Hana K-NewDeal Unicorn Fund	Securities purchase contract	10,800
KEB Hana Bank	Hana Innovation Venture Scale-Up Fund	Securities purchase contract	520
KEB Hana Bank	Cheongna Medipolis PFV Co., Ltd.	Securities purchase contract	16,628
KEB Hana Bank	Templeton Hana Asset Management Co., Ltd.	Securities purchase contract	4,619
KEB Hana Bank	All Together Korea Fund5	Securities purchase contract	990,000
BIDV	Hana Bank	Foreign currency payment guarantee	59,306
PT Bank KEB Hana	PT. SINARMAS HANA FINANCE	Collateral provided	1,688
Hana Securities	Hana Digital Transformation Fund	Securities purchase contract	400
Hana Securities	Hana Ever Best Corporation Financial Stability Private Investment Co., Ltd.	Securities purchase contract	13,968
Hana Securities	Genesis Environment No. 3 Private Equity Fund	Securities purchase contract	900
Hana Securities	Hana Hoehang Private Equity Fund No. 1	Securities purchase contract	20,495
Hana Securities	New Deal Extension New Technology Fund No. 1	Securities purchase contract	5,400
Hana Securities	Hana-Magna Growth Booster Fund	Securities purchase contract	6,000
Hana Securities	Infinity ESG Private Equity Fund No. 2	Securities purchase contract	3,000
KEB Hana Card	F&J Credit Information	Unused limit (credit card)	798
KEB Hana Card	Korea Credit Bureau	Unused limit (credit card)	231
KEB Hana Card	Mirae Credit Information Services Corp.	Unused limit (credit card)	762
KEB Hana Card	Gunsan BIO Energy Co., Ltd.	Unused limit (credit card)	30
KEB Hana Card	Hana Asset Management (formerly known as Hana UBS Asset Management)	Unused limit (credit card)	479
KEB Hana Card	YH Leisure Development Co., Ltd.	Unused limit (credit card)	12
KEB Hana Card	Changio Innovation Co., Ltd.	Unused limit (credit card)	26
KEB Hana Card	Toss Bank Co., Ltd.	Unused limit (credit card)	750
KEB Hana Card	Hana Digital Transformation Fund	Securities purchase contract	250

Related parties		Transactions	Amounts
Benefactor	Beneficiary		
KEB Hana Card	Gyeonggi Hana Tum around Fund No. 2	Securities purchase contract	300
KEB Hana Card	Hana Untact Digital Innovation Fund	Securities purchase contract	350
KEB Hana Card	Hana K-NewDeal Unicorn Fund	Securities purchase contract	4,200
Hana Capital	PT. SINARMAS HANA FINANCE	Foreign currency payment guarantee	21,034
Hana Capital	Hana Digital Transformation Fund	Securities purchase contract	250
Hana Capital	Hana Innovation Venture Scale-Up Fund	Securities purchase contract	600
Hana Capital	Genesis Environment Energy No. 3 Private Equity Fund	Securities purchase contract	200
Hana Capital	Gyeonggi Hana Tum around Fund No. 2	Securities purchase contract	300
Hana Capital	Hana Untact Digital Innovation Fund	Securities purchase contract	300
Hana Capital	Hana K-NewDeal Unicorn Fund	Securities purchase contract	4,800
Hana Capital	Nautic Green Innovation ESG Co-investment No. 1 Private Equity Fund	Securities purchase contract	3,280
Hana Capital	New Deal Extension New Technology Fund No. 1	Securities purchase contract	3,600
Hana Capital	Hana-Magna Growth Booster Fund	Securities purchase contract	4,000
Hana Life Insurance	Hana Digital Transformation Fund	Securities purchase contract	150
Hana Life Insurance	Hana Innovation Venture Scale-Up Fund	Securities purchase contract	200
Hana Life Insurance	Hana Beyond Finance Fund	Securities purchase contract	7,000
Hana Savings Bank	Hana Digital Transformation Fund	Securities purchase contract	200
Hana Savings Bank	Hana Innovation Venture Scale-Up Fund	Securities purchase contract	100
Hana Asset Trust	Hana Digital Transformation Fund	Securities purchase contract	100
Hana Asset Trust	Hana Innovation Venture Scale-Up Fund	Securities purchase contract	200
Hana Asset Trust	Hana Untact Digital Innovation Fund	Securities purchase contract	200
Hana Asset Trust	Hana K-NewDeal Unicorn Fund	Securities purchase contract	1,200
Hana Alternative Asset Management	Hana Innovation Venture Scale-Up Fund	Securities purchase contract	100
Hana Alternative Asset Management	Hana K-NewDeal Unicorn Fund	Securities purchase contract	600
Hana Ventures	Hana Digital Transformation Fund	Securities purchase contract	393
Hana Ventures	Hana Innovation Venture Scale-Up Fund	Securities purchase contract	1,280
Hana Ventures	Gyeonggi Hana Tum around Fund No. 2	Securities purchase contract	950
Hana Ventures	Hana Untact Digital Innovation Fund	Securities purchase contract	1,800
Hana Ventures	Hana K-NewDeal Unicorn Fund	Securities purchase contract	22,140
Total			1,284,603

58-6 Details of compensation paid to key management personnel for the years ended December 31, 2023 and 2022, are summarized as follows (Korean won in millions):

Classification	2023	2022
Employee payment	66,179	61,788

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

Classification	2023	2022
Severance payment	2,437	7,656
Share-based compensation expenses	8,510	8,912
Total	77,126	78,356

58-7 The defined benefit plans between entities belonging to the Group as of December 31, 2023 and 2022, are as follows (Korean won in millions):

Classification	December 31, 2023	December 31, 2022	Description
KEB Hana Bank	257,413	235,023	Trust account
Hana Securities	198,463	170,140	Trust account
Total	455,876	405,163	

59. Business combination:

59-1 Overview

Hana UBS Asset Management is established on June 27, 2000, which operate in investment advisory business, discretionary investment business, collective investment trading business and other related services. Hana UBS Asset Management changed its name to Hana Asset Management on October 27, 2023. Hana Asset Management became a wholly-owned subsidiary of Hana Securities, a subsidiary of the Company, by acquiring the remaining 51% stake of Hana Asset Management on October 1, 2023 as the deemed acquisition date.

59-2 Identifiable net assets

Hana Asset Management's identifiable assets acquired and liabilities assumed as of the acquisition date are as follows (Korean won in millions):

Classification	Accounts	Amounts(*)
	Cash and due from banks	68,394

Classification	Accounts	Amounts(*)
Assets	Financial assets	6,091
	Tangible assets	862
	Intangible assets	13,805
	Other assets	826
	Subtotal	89,978
Liabilities	Financial liabilities	2,844
	Provisions	344
	Other liabilities	4,298
	Subtotal	7,486
The fair value of identifiable net assets		82,493

(*) The business combination of Hana Asset Management is measured by using the book value of identifiable assets and liabilities assumed as of the acquisition date.

59-3 Goodwill

Goodwill related to the business combination of Hana Asset Management is as follows (Korean won in millions):

Classification	Amounts
Consideration transferred(*)	166,356
The fair value of identifiable net assets	(82,493)
Goodwill	83,863

(*) The fair value of the investments in associates of Hana Asset Management before the acquisition date amounts to ₩66,294 million.

60. Subsequent events after the reporting period:

On January 31, 2024, the Group decided to acquire and retire its treasury stock at the meeting of the board of directors, and plans to acquire ₩300,000 million worth of its treasury stock through a trust agreement from February 7, 2024 to August 7, 2024. After the acquisition, the Company plans to retire all of the treasury stock acquired.

61. Approval of the consolidated financial statements:

The Group's consolidated financial statements for the year ended December 31, 2023 were approved by the board of directors on February 29, 2024 and will be finally approved at the shareholders' meeting to be held on March 22, 2024.

- Introduction
- CEO Letter & Presentation
- BOD Roundtable 2023
- Group Overview
- Business Overview
- Financial Review**
- Management's Discussion and Analysis
- Independent Auditors' Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements**

Corporate Information

HANA FINANCIAL GROUP



www.hanafn.com

Since its inception in 2005, Hana Financial Group has been a global financial group boasting the largest international network among Korean banks, with 211 offices across 25 regions worldwide. Hana Financial Group is responsible for establishing Group-wide management strategy and providing management support to 14 subsidiaries, 32 second-tier subsidiaries, and 1 third-tier subsidiary. From the very start, Hana Financial Group has sought to achieve finance that brings happiness to customers, employees, shareholders, and society. Based on its continuous efforts for sustainable management and the realization of ever-greater social value, it is well on its way to becoming the leading financial group not just in Korea but throughout Asia as well.

HANA BANK



www.kebhana.com

Hana Bank evolved into a megabank through a series of M&As, which began with the merger of Chungcheong Bank in 1998, followed by Boram Bank in 1999, Seoul Bank in 2002, and Korea Exchange Bank in 2015. Renowned as a PB leader in Korea, Hana Bank is particularly well known as a specialist in corporate finance, wealth management, and FX. With the most extensive worldwide network in the Korean financial sector, Hana Bank has solidified its foundation as a global bank. Continuously innovating itself and adapting to the demands of the digital era, it aims not only to maintain its position as Korea's premier bank but also to ascend beyond this to become the No.1 global bank in Asia.

HANA SECURITIES



www.hanaw.com

Hana Securities holds a prominent position in Korea's asset management industry, being the nation's first investment trust firm to set up Korea's first investment fund. In fact, its origins trace back to the Korea Investment Corporation, which was established in 1968.

The company became a mega-size investment bank (IB) in 2021 when its equity capital reached KRW 5.0 trillion. After acquiring Hana Asset Management as a wholly owned subsidiary in 2023, it further strengthened its pivotal role as the core of the capital market sector within the Group. Today, Hana Securities is evolving into a global IB on the back of its comprehensive and dynamic asset management portfolio, systematic risk management approach, and customer-centered services, as well as its advanced wealth management models.

HANA CARD



www.hanacard.co.kr

Hana Card was launched in 2014 following the merger of KEB Card, which was established in 1978 as the nation's first issuer of credit cards, and Hana SK Card, a joint venture established in 2010 between SK Telecom and Hana Bank's credit card division, which originated in 1992. Based on innovative payment services and digital new businesses, the company is emerging as a leading credit card issuer in the payment market by building a mobile lifestyle finance platform that delivers a unique customer experience.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

HANA CAPITAL



www.hanacapital.co.kr

Hana Capital joined the Group in 2005. As a specialized credit financier, the company strives to provide financial products and services tailored to the capital needs of customers. Leveraging the Group's extensive and advanced financial expertise and competitive edge, Hana Capital consistently develops financial products that meet the diverse financial needs of customers in auto finance, microfinance, and corporate finance. Through ongoing efforts to expand into Southeast Asian markets and explore new opportunities in digital finance, Hana Capital is committed to continuous growth.

HANA LIFE



www.hanalife.co.kr

Hana Life pioneered bancassurance products in Korea in February 2003, marking a significant milestone in the country's life insurance industry. Since then, the company has diversified its business portfolio into protection-type insurance, variable insurance, and annuities, thus playing a crucial role in enhancing the social safety net provided by the insurance business. With a wide array of competitive insurance products, Hana Life continues to grow as a dependable life insurance company by providing optimal insurance coverage planning and thorough post-contract service.

HANA INSURANCE



www.hanainsure.co.kr

Starting as a specialized auto insurance company in 2003 under the name The-K Insurance, the company later broadened its business scope to become a comprehensive P&C insurance company in 2014. In 2020, it became part of Hana Financial Group. Today, the company is emerging as a comprehensive P&C insurer that accompanies customers throughout their life journey by providing tailored products and convenient services, ranging from long-term insurance to automobile and lifestyle insurance.

HANA SAVINGS BANK



www.hanasavings.com

Launched in 2012, Hana Savings Bank commits itself to financing SMEs' productivity and extending inclusive finance to the underbanked. Today, the bank is now laying the foundation for sustainable growth through its practice of ESG management and customer-oriented products/services to achieve the highest customer satisfaction under the slogan "finance that grows together and shares happiness."

HANA ASSET TRUST



www.hanatrust.com

Hana Asset Trust was chartered as a trust in 2004. Its integration into Hana Financial Group in 2010 facilitated the development of innovative products and the offering of advanced comprehensive real estate services, benefitting from cross-selling with peer affiliates and sophisticated financial techniques. As a result, Hana Asset Trust was able to strengthen its return on portfolios and venture into new business areas, growing into the industry's top trust company.

HANA ALTERNATIVE ASSET MANAGEMENT



www.hana-aamc.com

Established in 2006, Hana Alternative Asset Management was Korea's first real estate-oriented asset manager. Following its incorporation into the Group in 2010, the company obtained its business license in 2013 to manage special asset funds, marking a significant expansion of its business scope to include special asset funds dedicated to acquisition finance and aircraft financing. In 2021, the company further broadened its portfolio by obtaining a license for a new REIT business, setting its sights on becoming the nation's leading alternative asset management company.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

HANA VENTURES



www.hanaventures.co.kr

Founded in October 2018, Hana Ventures stands as Korea's first full-service technology finance company affiliated with a major financial group. As the Group's corporate venture capital (CVC) firm, the company aims to create more jobs by establishing startup ecosystems and enhancing synergies with peer subsidiaries through digital transformation. Aligned with the vision of "human- and technology-oriented investments—the best running mate for startups", Hana Ventures is moving forward as a financial partner that accompanies startups in their growth into unicorn companies.

HANA INVESTORS SERVICES



www.hanais.co.kr

Hana Investors Services, Korea's first standalone administrative service company, joined the Group in 2012. It independently performs asset valuation and accounting services for funds, dedicating its efforts to enhancing the transparency of funds and protecting investors. Rooted in the Group's customer-centric management philosophy, it delivers top-notch services to asset management firms, insurance companies, and pension funds, continually strengthening its competitiveness as a leading administrative service company in Korea.

HANA F&I



www.hanafni.com

Hana F&I started as a specialized credit financier in 1989. In December 2013, it pivoted its line of business toward becoming an investment company primarily dealing with the management of non-performing loans (NPLs). Since then, Hana F&I has played a crucial role in improving the asset quality of financial institutions by converting bad assets into performing assets through various NPL investment and management activities. After being spun off from Hana Bank in December 2019, the company became a subsidiary of the Group, broadening its operational scope to include business restructuring. Since then, the company has been evolving into a leading investment management company dominating all segments of the NPL market, offering a wide range of financial services for companies facing restructuring.

HANA TI



www.hanati.co.kr

Hana TI was first established as Hana I&S in 1990 and rebranded as Hana TI in 2017. As the Group's IT-specialist subsidiary, the company provides higher-level financial IT services, leveraging its expertise in constructing and operating diverse IT services across a wide array of financial sectors, from banking and brokerage to credit cards, insurance, and capital. Most importantly, the company is a core growth engine for the Group, playing a pivotal role in Group-wide digital transformation and global expansion initiatives.

FINNQ



www.finnq.com

Finnq was launched in 2016 as the first fintech firm in Korea's financial sector, with the aim to provide more convenient and user-friendly financial services, such as free and easy money transfers and simple asset management, through its mobile app. Established as a joint venture between Hana Financial Group and SK Telecom, it became a wholly owned subsidiary of the Group in 2022. Starting with its open banking service in December 2019 and MyData service in December 2021, Finnq utilizes customer financial transaction data analysis to offer personalized financial services optimized for individual customer needs, including recommendations for savings, loans, and credit cards.

Introduction

CEO Letter & Presentation

BOD Roundtable 2023

Group Overview

Business Overview

Financial Review

