

Annual Report 2024

NEW VALUE IMPERATIVES

An abstract geometric design featuring a series of green lines that radiate from a central point, creating a sense of depth and movement. The lines are arranged in a way that suggests a staircase or a series of steps, with some lines being thicker and more prominent than others. The overall effect is one of dynamic energy and forward progression.

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IN THIS YEAR'S REPORT

This report consists of a total of four parts – Letter from the CEO, Strategic Report, Management Report, and Financial Report.

Letter from the CEO includes our CEO's statement addressed to shareholders and other stakeholders, in addition to his review of Hana Financial Group's key achievements in 2024. The Strategic Report and the Management Report provide an overview of the Group and a review of the key financial and non-financial performances for 2024. Please be noted that they are not approved by external institutions. The Financial Report comprises Hana Financial Group and its subsidiaries' annual accounts and also contains the full contents of the audited financial statements along with the Independent Auditors' Report.

INTERACTIVE PDF

This report has also been published as an interactive PDF, enabling readers to quickly and easily navigate to different pages and access shortcuts to related web pages. To further enhance navigation, a contents bar has been added to the left margin, allowing readers to see their current location within the report and move seamlessly to other sections.

These functions are not available in the printed version but only in the interactive PDF version, which can be downloaded from the Hana Financial Group website.

LETTER FROM THE CEO**CEO's Statement**

Group Chief Executive's Review

- Business Performance
- Value Up Strategy
- ESG Performance
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LETTER FROM THE CEO

New Hana, Next Move, **O.N.E.** year in.

Dear Valued Shareholders,

2024 was the first year of the Value Up initiative for Hana Financial Group, marking the beginning of extensive efforts to enhance shareholder value based on solid fundamentals.

First of all, Hana Financial Group achieved record-breaking performance, driven by an expansion of our customer base to increase fee income as well as preemptive, systematic risk management. In 2024, our consolidated net income increased by 9.3% year-on-year (YoY) to KRW 3,738.8 billion, the highest figure since the establishment of the holding company, while the return on equity (ROE) improved by 17bps over the previous year to 9.12%.

In addition, our efforts to enhance shareholder value over the past few years have been further amplified by the addition of the "Value Up" and are now in full swing. Hana Financial Group announced the Value Up Plan in October 2024 and maintained stable Common Equity Tier 1 (CET1) ratio despite increased internal and external uncertainties at the end of the year, based on which we raised the shareholder return ratio to 38% in 2024. In February 2025, we also announced a plan for the largest-ever share buyback and cancellation worth KRW 400 billion, showcasing that our Value Up Plan is being implemented unwaveringly.

Meanwhile, we achieved a significant milestone in terms of the Group's qualitative growth alongside financial performance. We made continuous efforts to realize Net Zero and create social value, which have enabled us to receive an AAA rating in the MSCI ESG evaluation, a one-notch upgrade from the previous year, recording the highest score among global banks as of the time of the evaluation.

We were able to make these achievements thanks to the trust and support of our shareholders, for which we are truly grateful. You can find more detailed information about Hana Financial Group's financial, Value Up, and ESG performance in the following "Group Chief Executive's Review."



- Business Performance
- Value Up Strategy
- ESG Performance
- In Closing



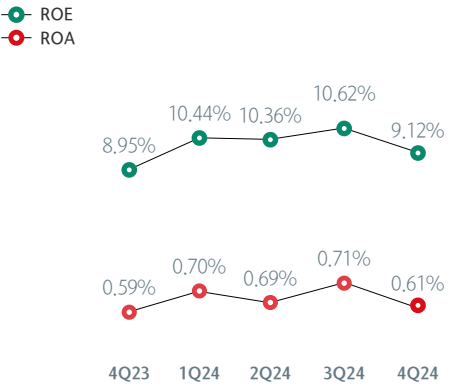
OUR GROWTH TRAJECTORY, ENSURING SUSTAINABLE PROFITABILITY

Strong profitability to secure consistent, long-term shareholder returns

Hana Financial Group achieved a net income of KRW 3,738.8 billion in 2024, a YoY increase of KRW 317.1 billion or 9.3%, marking the highest performance in our history. This achievement surpassed the previous record-high net income of KRW 3,570.6 billion achieved in 2022 in just two years. What makes this accomplishment even more meaningful is that this was achieved in a challenging environment with increasing uncertainties in the Korean and overseas financial markets.

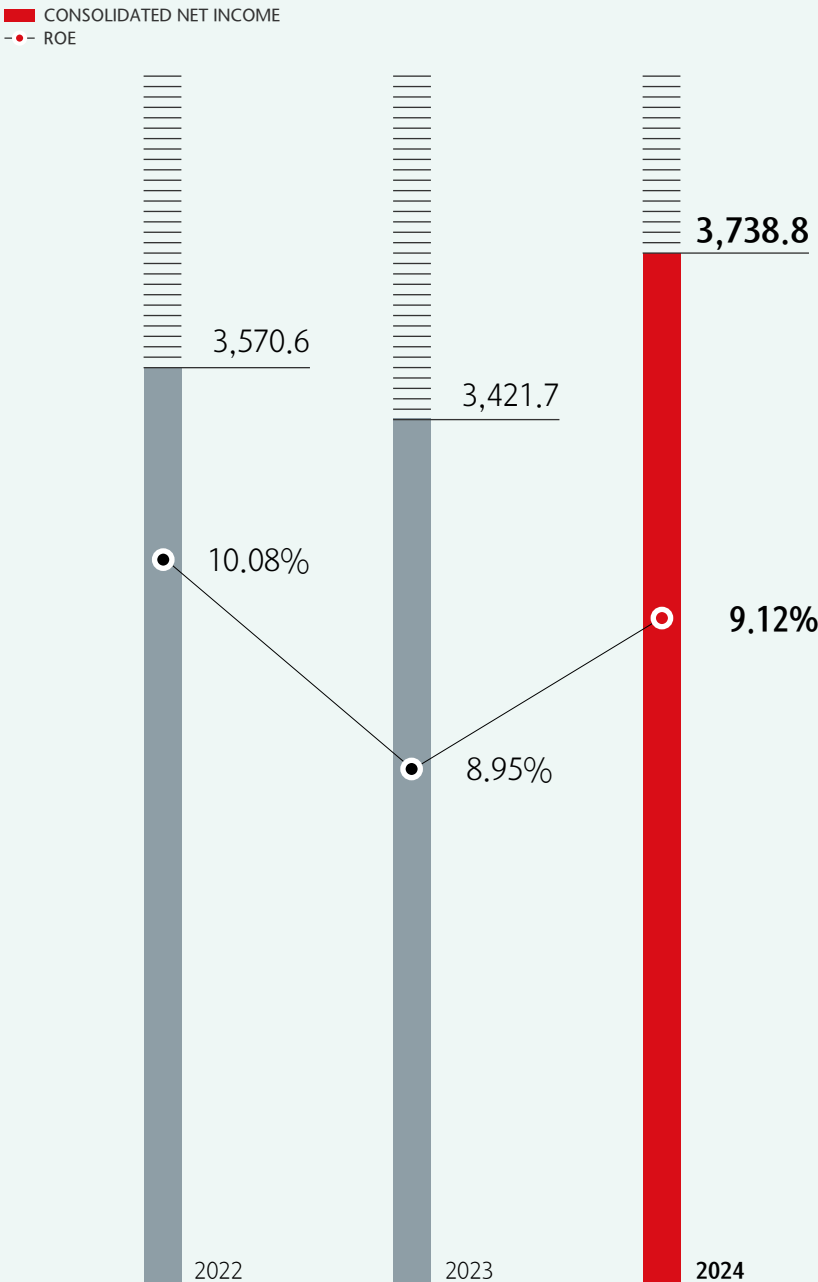
In 2024, the growth of the Group's interest income stagnated due to declining interest rates. In addition, the annual FX translation loss amounted to KRW 211.9 billion following the rise in the USD to KRW exchange rate, leading to a YoY decrease in the Group's gains on disposition & valuation. However, the Group's fee income showed a solid upward trend, driven by the enhanced competitiveness of the core businesses in both banking and non-banking sectors. Additionally, with the stable management of the Group's credit costs, the key performance metrics demonstrated significant improvement. In particular, ROE remained stable throughout the year, recording 9.12% at the end of 2024, a YoY improvement of 17bps.

ROE/ROA TREND
(CUMULATIVE BASIS)



Hana Financial Group has made continuous efforts to achieve solid profitability and fundamentals, while pursuing the enhancement of shareholder returns from a long-term perspective. As a result, the Group's stock price went up by around 31% from KRW 43,400 at the end of 2023 to KRW 56,800 at the end of 2024, outperforming the market expectation. However, considering that the Group's stock price is still undervalued, we will continuously execute our Value Up initiative, which will be explained in detail in the "Value Up Strategy" section that follows.

CONSOLIDATED NET INCOME AND ROE
(KRW in billion)



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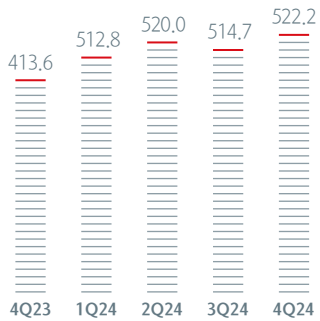
FINANCIAL REPORT

Robust results supported by balanced portfolio to ensure strong, sustainable growth

Hana Financial Group achieved a stable non-interest income in 2024, on the back of ongoing efforts to diversify our income portfolio. Fee income increased by 15.2% YoY to reach KRW 2,069.6 billion, achieving solid performance. In particular, loan and FX-related fees and credit card fees grew by 19.3% and 39.4%, respectively, driving the growth of non-interest income.

FEE INCOME TREND

(KRW in billion)



Breaking down by item, loan and FX-related fees went up by KRW 135.7 billion YoY, mainly attributable to an annual increase of KRW 69.7 billion in Hana Capital's operating lease fees and growth of Hana Bank's IB and guarantee fees. Credit card fees increased by KRW 99.1 billion YoY on the back of Hana Card's increased sales and cost efficiency. In the case of retirement pension, which is the focus of our sales efforts at the Group level, we maintained a robust growth trend with the largest net increase in reserves across the entire financial sector for the second consecutive year in 2024, resulting in an increase of KRW 20.6 billion in related fees.

Meanwhile, gains on disposition & valuation declined by 17.4% YoY due to the aforementioned FX translation loss. Consequently, the Group's annual non-interest income went down by 2.3% YoY to record KRW 1,926.0 billion. However, we achieved improved performance over the previous year when excluding the impact of FX translation loss.

In the midst of a prolonged economic recession, rapid demographic changes due to low birth rates and an aging population, and the urgent need for a major shift toward a climate-centered economy, companies with weak business foundations have found themselves facing a survival crisis. To effectively respond to this multidimensional crisis, Hana Financial Group is focusing on strengthening its core business competitiveness. To this end, we will strengthen internal stability by creating greater synergy based on collaboration among the Group subsidiaries, rather than simply expanding size through M&As. Additionally, we will strive to reinforce our non-banking sector, with an aim to establish a sustainable revenue structure.

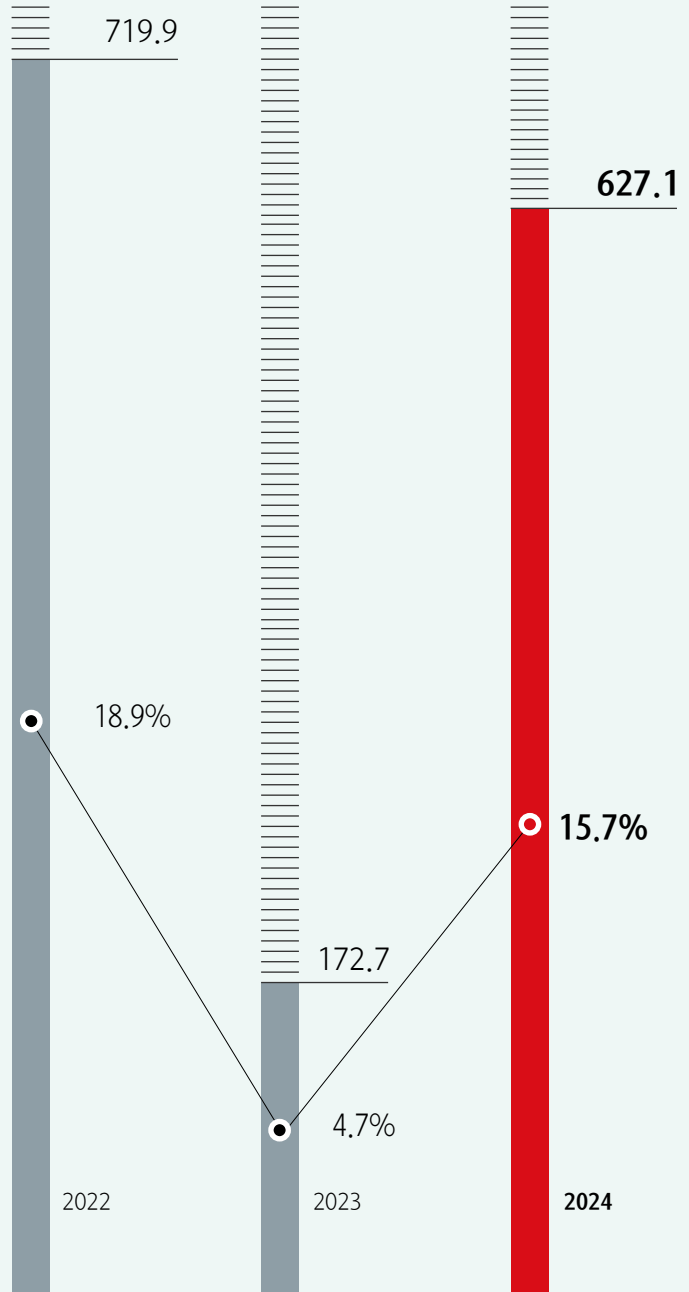
30%

Aim to expand the profit contribution of our non-banking sector to 30% by increasing its net income to KRW 1.6 trillion by 2027

NON-INTEREST INCOME AND NET INCOME CONTRIBUTION BY NON-BANK

(KRW in billion)

- NET INCOME BY NON-BANK
- - NET INCOME CONTRIBUTION BY NON-BANK



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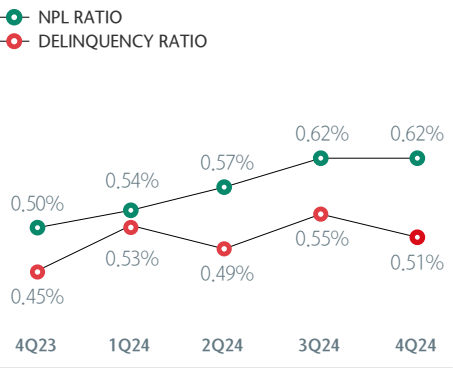
FINANCIAL REPORT



Stringent risk and cost management to deliver stable growth against market uncertainties

In 2024, despite growing concerns over deteriorating asset quality amid a deepening economic downturn, Hana Financial Group maintained its key asset quality indicators at a stable level thanks to the Group-wide risk management efforts. As of the end of 2024, the Group's NPL ratio and delinquency ratio rose by 12bps and 6bps YoY, respectively; however, they remained at the same level or showed improvement compared to the third quarter. Credit costs increased by 4bps as of the end of 2024 from the third quarter, but went down by 11bps from the end of the previous year to record 0.29%.

GROUP NPL & DELINQUENCY RATIO TREND



0.29%

Sizable preemptive provisions and the Group-wide risk management efforts allowed credit cost ratio to remain stable below the guided level

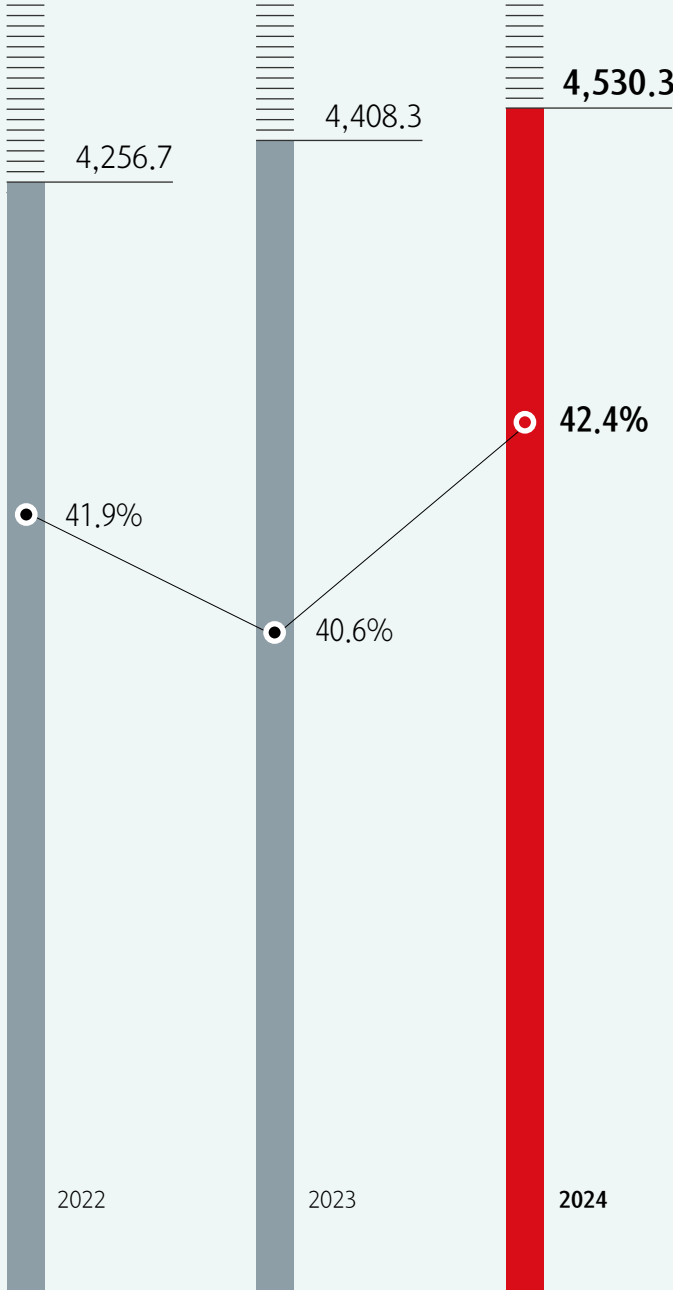
As such, our asset quality is managed stably. However, it is anticipated that the economic recession will persist in 2025, accompanied by increasing political uncertainties in Korea and abroad, while key economic indicators such as interest rates and exchange rates are expected to remain difficult to predict. In response, we have set a target to maintain our annual credit cost ratio at a mid-30bps level, and will maintain proactive risk management to safeguard against potential asset quality deterioration.

In terms of cost efficiency, the C/I ratio rose by 1.8%p YoY to 42.4%, but it was managed within the scope of our business plan. General & administrative expenses amounted to KRW 4,530.3 billion, a YoY increase of KRW 122 billion. However, Group-wide efforts to enhance cost efficiency helped mitigate the increase in salaries and employment benefits as well as general expenses. For salaries and employment benefits, there has been an upward trend due to expanded support for securing professional talent such as digital workforce. Similarly, administrative expenses have been increasing attributable to the expansion of IT investments for digital transformation and the impact of inflation. However, we plan to enhance cost efficiency through effective budget management which is a traditional strength of Hana Financial Group. Moving forward, we will strive to leverage our strengths, such as reducing unnecessary expenses and utilizing budgets efficiently, to achieve top-level cost efficiency in the financial sector.

G&A EXPENSES AND C/I RATIO

(KRW in billion)

- GENERAL & ADMINISTRATIVE EXPENSES
- C/I RATIO



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NEW VALUE PROPOSITION ENVISIONING SUSTAINABLE GROWTH

BACKGROUND & INSIGHTS

Pursue sustainable corporate value enhancement by establishing and implementing practical action plans, followed by thorough assessment and transparent communication of progress

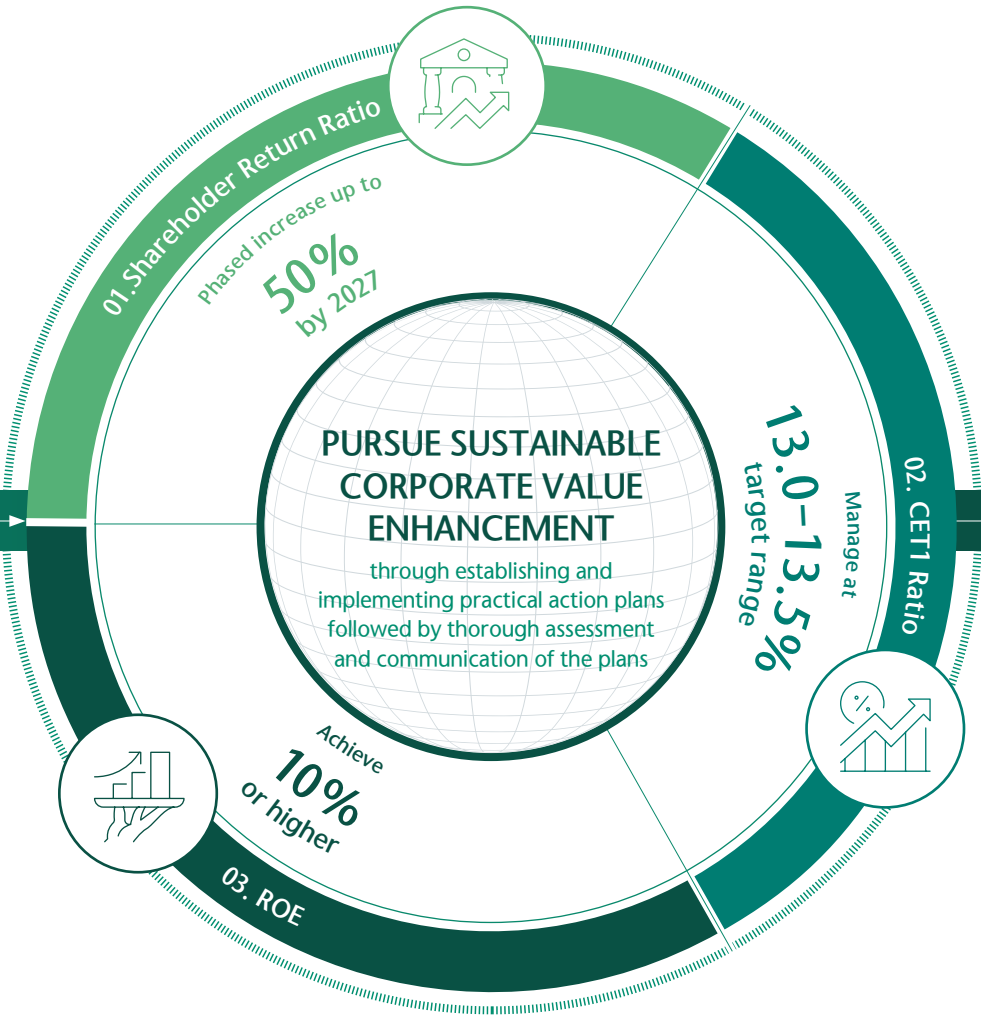
As previously mentioned, Hana Financial Group has achieved robust profitability and established strong fundamentals through sustained efforts over the past decade. Notably, the Group recorded the fastest growth in profitability among Korean financial groups, with ROE increasing more than twofold since 2015, reaching 9.12% at the end of 2024. Its stock price also reached an all-time high during the year.

However, despite these achievements, the undervaluation of the Group's stocks persisted as the price-to-book ratio (PBR) has remained below 0.5x throughout this period.

KEY VALUE UP GOALS

The fact that the ROE has fallen below the Group's estimated cost of equity (COE) in three of the past five years, and that the shareholder return ratio remains significantly lower than that of global peers despite steady improvement over the past three years, were identified as key challenges that must be addressed to enhance the corporate value. Accordingly, to tackle the primary factors contributing to the Group's undervaluation and improve shareholder value, we announced a Value Up Plan in October 2024.

The Value Up Plan focuses on enhancing shareholder returns, capital management policy and ROE. It is distinguished by clear objectives, practical action plans, and the strong commitment by both the Board and management. Moving forward, we will ensure that the Value Up Plan is not merely a statement of intent, but a catalyst for increasing corporate value. To achieve this, we will conduct annual reviews and evaluations to drive continuous improvement, while seeking feedback from stakeholders.



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Enhance corporate value by bolstering shareholder returns, optimizing capital allocation, and increasing profitability

The Value Up Program began as a government-led initiative to address the undervaluation of the Korean stock market. While it initially attracted significant attention and support from investors, rising uncertainties both domestically and internationally have raised concerns about the program's continued momentum.

Despite these concerns, Hana Financial Group remains committed to upholding the initiative, having pursued enhanced shareholder returns even prior to the government's announcement of the Value Up Program. For example, Hana Financial Group is the only financial group in Korea to have distributed an interim dividend every year since the establishment of the holding company, with the exception of the global financial crisis.

The Group also unveiled its capital management and shareholder return policies in 2023 and has consistently focused on improving profitability to enhance corporate value.

To further improve dividend predictability and visibility, the Group adopted a quarterly dividend scheme, which later evolved into equal quarterly dividends with a fixed total amount of annual cash dividend. These shareholder-friendly enhancements have earned the trust of market participants and contributed to the Group's stock price reaching an all-time high.

In October 2024, following approval by the Board of Directors, Hana Financial Group unveiled its Value Up Plan amid increasing uncertainties in the market.

01.

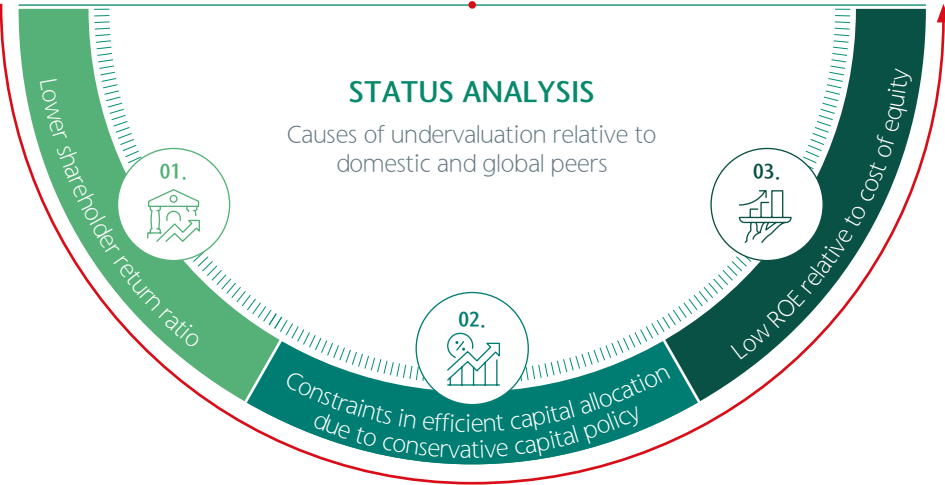
Phased increase of shareholder return ratio to 50% by 2027 by improving shareholder return and predictability
02.

Flexible management of CET1 ratio at 13.0 – 13.5% target range by improving capital management policy for efficient capital allocation
03.

Achieve 10% of higher ROE by improving profitability through RoRWA enhancement



KEY VALUE UP STRATEGY BASED ON STATUS ANALYSIS



While these challenging conditions present obstacles, they also offer opportunities, as the assessment of stocks in the financial market shall be differentiated based on companies' actual Value Up performance. In response, the Board and management have remained united in their commitment to enhancing shareholder value, with all Group affiliates working together to ensure the effective implementation of the plan. As a result, Hana Financial Group has maintained strong fundamentals and continued to advance the Value Up Plan.

Hana Financial Group stands at a pivotal moment, with the opportunity to address the persistent undervaluation of its shares and further elevate corporate value. To this end, the Group is strongly committed to establishing a sustainable and recurring profit base while enhancing shareholder returns, ensuring the effective implementation of the Value Up Plan and a fair stock valuation in the market. For further details, please refer to the "Goals & Progress" section.



GOAL

1

INCREASE SHAREHOLDER RETURN AND PREDICTABILITY

Establish 2027 as the target year for achieving the shareholder return ratio goal using a phased approach

The first goal of Hana Financial Group's Value Up Plan is to enhance shareholder returns and improve predictability. The shareholder return ratio serves as a key indicator, reflecting the proportion of annual net income distributed to shareholders through cash dividends and share buybacks and cancellations. Over the past several years, we have worked to raise this ratio, and these efforts will be further intensified to achieve the previously announced goal of a 50% shareholder return ratio by 2027.

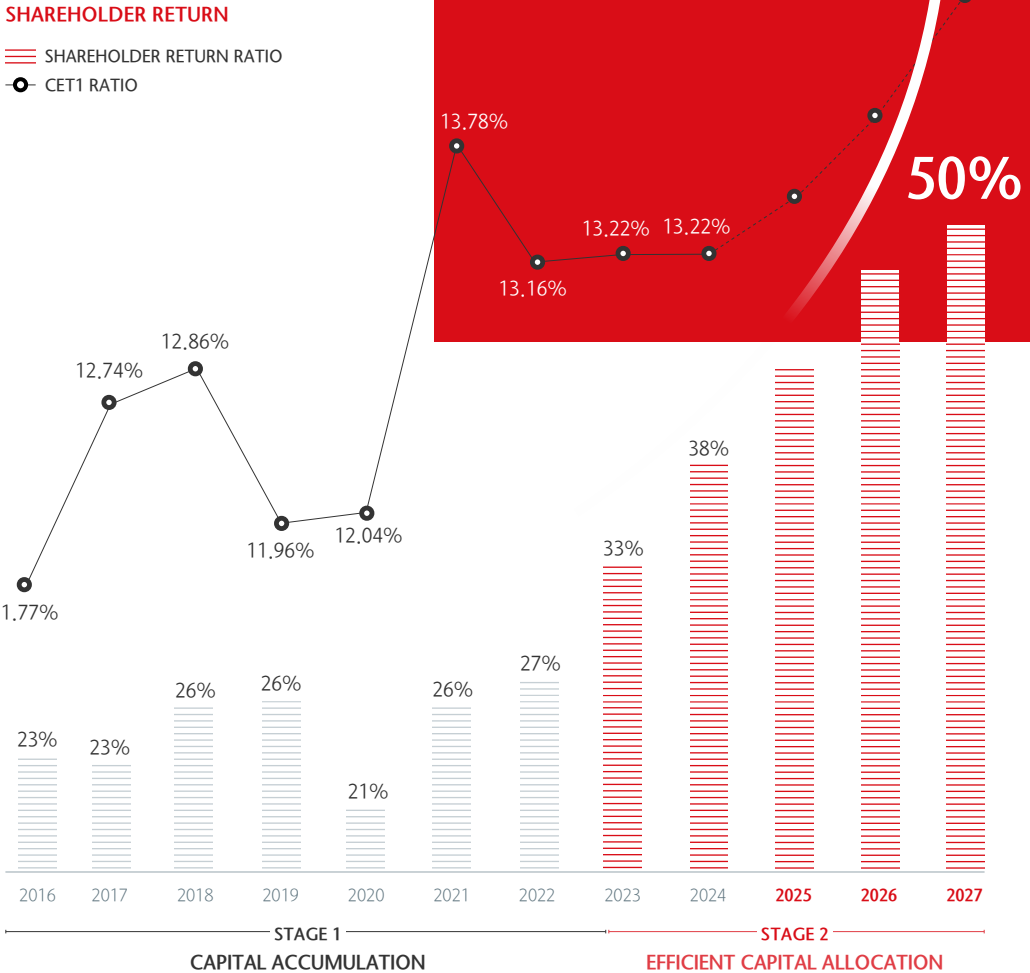
Detailed action plans include the adoption of an equal quarterly dividend scheme and a higher proportion of share buybacks and cancellations. Hana Financial Group aims to improve the consistency and predictability of dividends by distributing equal payments on a quarterly basis. Starting in 2025, we have fixed the total amount of cash dividends to further enhance dividend visibility, as reflected in the first quarter distribution.

In particular, share buybacks and cancellations are considered more effective than cash dividends given our current valuation range. Accordingly, we plan to shift from a shareholder return policy primarily focused on cash dividends to one that increases the proportion

of share buybacks and cancellations. Through this revised policy, we aim to achieve a steady increase in dividend per share (DPS) by reducing the number of outstanding shares, alongside improvements in key corporate value indicators such as earnings per share (EPS) and book value per share (BPS).

Our Value Up Plan is already receiving market recognition through tangible and consistent execution. In January 2024, we announced a share buyback and cancellation program worth KRW 300 billion, followed by an additional KRW 150 billion buyback and cancellation in October. Most notably, in February 2025, we announced the largest share buyback and cancellation in the Group's history, totaling KRW 400 billion, further reinforcing confidence in achieving the 50% shareholder return ratio target by 2027.

As achieving a shareholder return ratio of at least low 40% in 2025 is essential to reaching the 50% target by 2027, we plan to review additional buybacks and cancellations in the second half of 2025. These decisions will be made based on annual business performance, economic indicators such as exchange rates and interest rates, and stock price trends.



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GOAL
2

IMPROVE CAPITAL MANAGEMENT POLICY

Set a CET1 ratio target in the range of 13.0% to 13.5% and adopt a flexible capital allocation policy tied to the CET1 ratio level

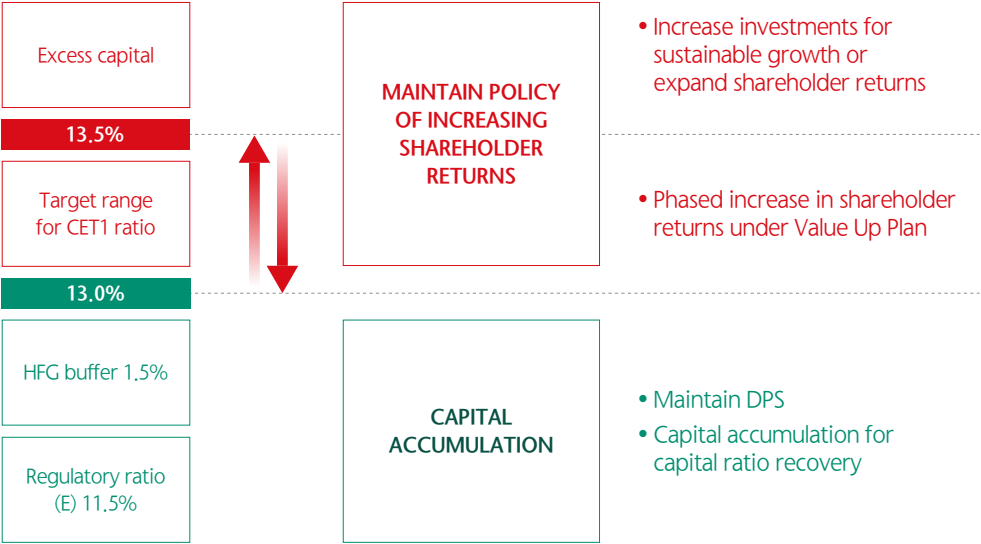
The second goal of Hana Financial Group's Value Up Plan is to enhance capital management policy and stably maintain the CET1 ratio within the range of 13.0% to 13.5%. The CET1 ratio is a key indicator of a financial company's capacity to absorb losses, calculated by dividing common equity capital by risk-weighted assets (RWA). Efficient management of RWA is essential, as it serves as the denominator in the CET1 ratio calculation, and is critical to maintaining the CET1 ratio at a sound level.

Under the previous capital management policy, the upper target for the capital ratio was set at 13.5%, requiring capital accumulation to reach this level and limiting the potential for increased shareholder returns. This target was relatively conservative, exceeding the prevailing regulatory requirements. To address this, Hana Financial Group established a target range of 13.0% to 13.5% for the CET1 ratio and adopt a flexible capital allocation policy. By moving to a range-based management approach,

the Group aims to enhance predictability, enabling the consistent execution of the shareholder return policy regardless of year-on-year fluctuations in the CET1 ratio.

The action plan for maintaining the CET1 ratio within the target range centers on establishing an RWA growth rate target. This target has been set in line with the nominal GDP growth rate to ensure consistency and stability in capital policy. Among major Korean financial groups, Hana Financial Group was the only one to manage loan growth in accordance with the nominal GDP growth rate in 2024, a result of proactive RWA management. Consequently, the Group effectively maintained its CET1 ratio above 13%, despite a sharp depreciation of the Korean won at the end of the year. This accomplishment highlights our strong sense of purpose and robust risk management capabilities. Looking ahead, we will continue to enhance shareholder value by maintaining rigorous RWA management based on solid fundamentals.

CAPITAL MANAGEMENT POLICY (NEW)



ACTION PLAN

Enhance predictability in capital management through rigorous RWA management over all asset classes including loan assets



Set RWA targets and strengthen monitoring for each affiliate to maintain adequate capital ratio



Tighten internal guidelines for high risk assets, such as private equity funds and specialized lending (such as PF)



Strengthen oversight over assets with FX risk such as derivatives and overseas loans



Limit exposure to low-yield, high-risk assets through the strict enforcement of RoRWA guidelines.

GOAL

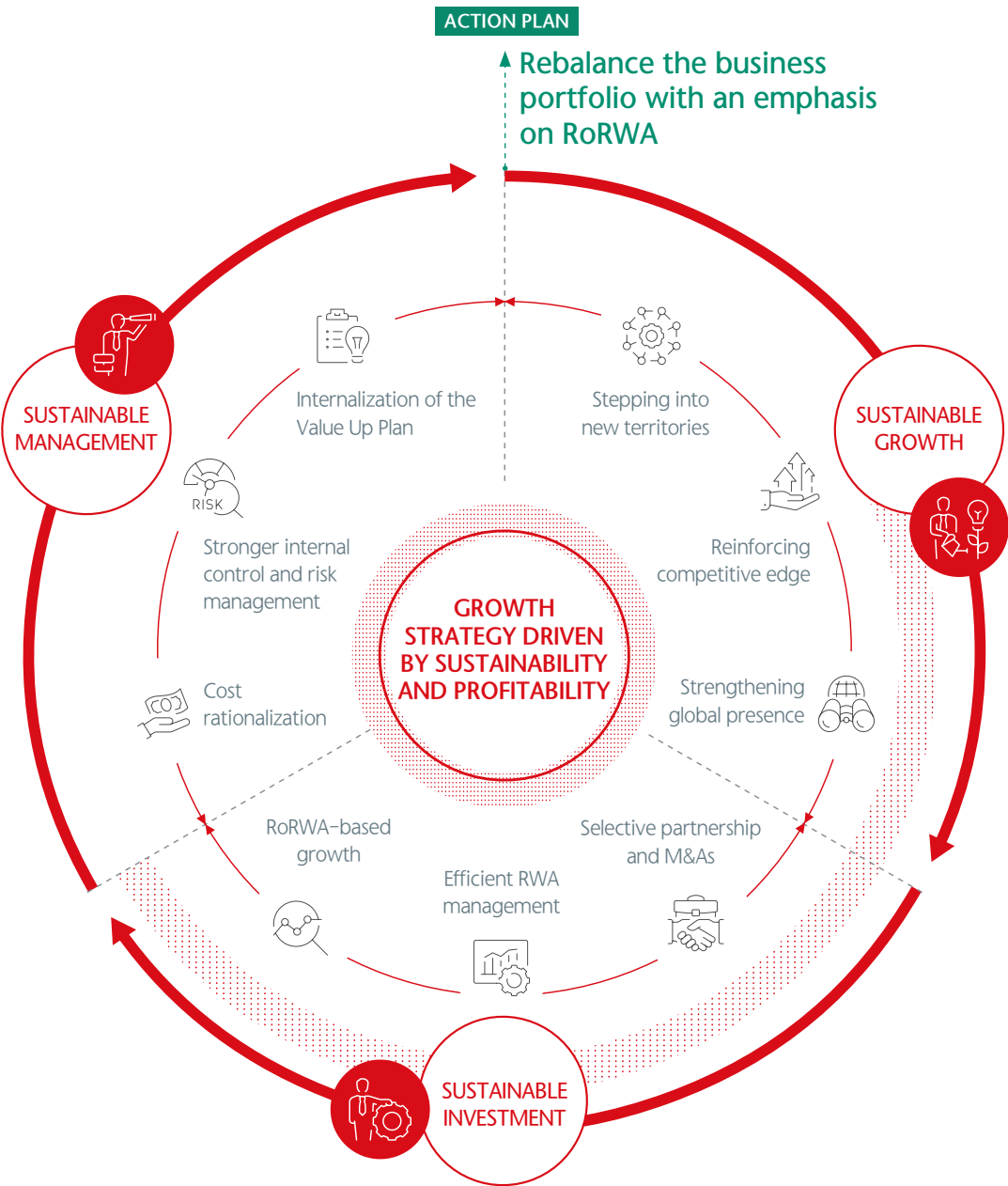
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ACHIEVE ROE OVER 10%

Improve ROE by enhancing RoRWA and optimizing capital allocation

The third goal of Hana Financial Group's Value Up Plan is to achieve an ROE of 10% or higher. To reach this target, the Group will focus on efficient capital allocation and enhancing return on risk-weighted assets (RoRWA). As part of this effort, we plan to strengthen the non-banking sector and rebalance the business portfolio with an emphasis on capital efficiency and profitability. These efforts include improving fundamentals by prioritizing qualitative growth over quantitative growth, placing a strong emphasis on capital efficiency and profitability rather than pursuing mergers and acquisitions solely for expansion.

To further align the interests of the company and its shareholders, we plan to adjust key performance indicators (KPIs) for the management of Group subsidiaries. Through this process, the core values of the Value Up Plan will be integrated into the Group's business plan, ensuring that all subsidiaries fully internalize and put the Value Up initiative into practice.



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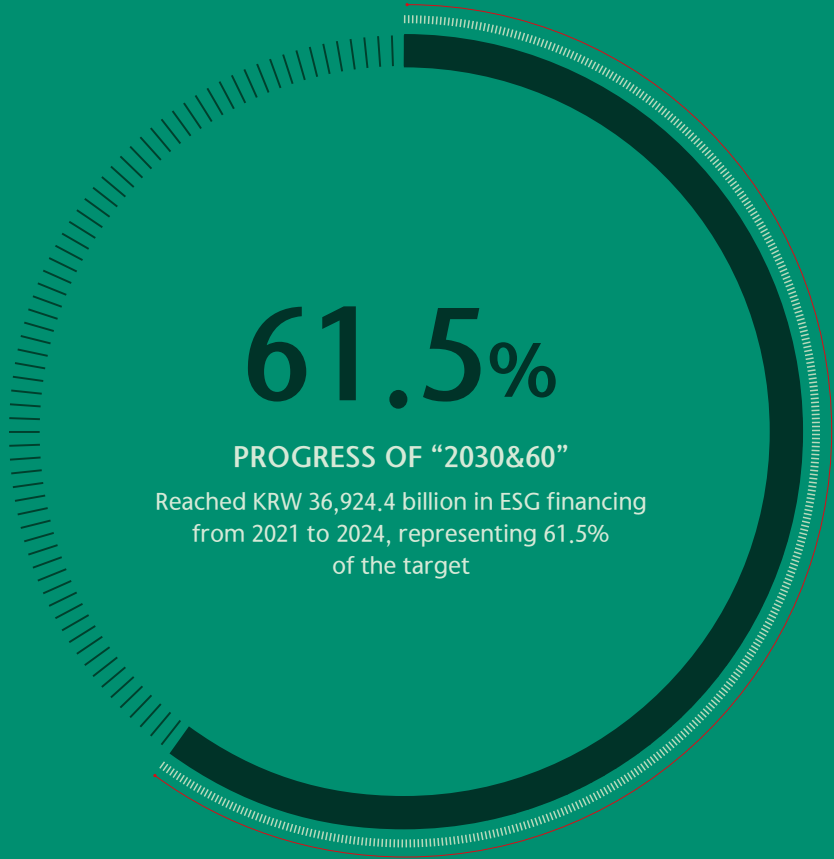
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26.7 KRW in trillion

Cumulative ESG loans as of the end of 2024, which exceeded the 2030 target of KRW 25 trillion

2050

Aim to achieve carbon neutrality at business sites and divest from coal project financing by 2050

Zero

Expect early achievement of “zero” coal project financing balance by June 2044

EXTRAORDINARY ESG MILESTONES,
EMPOWERING SUSTAINABLE FINANCE

Driving the low-carbon transition

Alignment with the U.N. SDGs



Hana Financial Group is committed to fostering mutual growth and shared prosperity through meaningful ESG initiatives. In the environmental sphere, the Group has set ambitious goals such as “2030&60,” aimed at providing KRW 60 trillion in ESG financing by 2030, and “ZERO&ZERO,” targeting zero carbon emissions at business sites and zero coal project financing by 2050. To this end, we are implementing a range of measures and transparently managing and disclosing progress through standardized ESG metrics and a centralized reporting system.

To achieve the “2030&60” goal, Hana Financial Group has steadily increased its ESG financing, reaching KRW 36,924.4 billion from 2021 to 2024, which represents 61.5% of the target. In pursuit of “ZERO&ZERO,” the Group has ceased new investments in coal project financing since 2021. However, four project financing agreements made prior to setting the goal remain in progress, with a committed amount of KRW 417.6 billion. The remaining balance is expected to reach zero by June 2044, upon the maturity of these loans.

To expand green finance, Hana Financial Group applies the Korean Green Taxonomy (K-Taxonomy) criteria and offers preferential prime rates for loans recognized as eligible under these standards. In addition, the Group provides ESG consulting services to small and medium-sized enterprises (SMEs) to support their green growth initiatives. In 2025, Hana Financial Group established the Green Finance Council at the Group level, which will collaborate with relevant departments to identify and implement practical measures to further expand green finance.

To strengthen our response to biodiversity challenges, Hana Financial Group plans to conduct a pilot biodiversity risk analysis on the Group’s asset portfolio this year. In 2023, the Group joined the Taskforce on Nature-related Financial Disclosures (TNFD) and the Partnership for Biodiversity Accounting Financials (PBAF)–globally recognized biodiversity initiatives–to further its commitment to sustainable finance. In line with these efforts, Hana Financial Group is dedicated to expanding financial investments in biodiversity preservation, an area with significant potential for long-term impact. Furthermore, the Group intends to publish a TNFD Report in 2025, which will include a comprehensive biodiversity risk analysis of its asset portfolio.

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Contribution to society through finance

Alignment with the U.N. SDGs



foster digital talent, and implement projects for the underprivileged—including small business owners, single mothers, and marginalized youth—thereby helping to address key social challenges. Additionally, the “Hana Life Journey” project offers comprehensive support throughout all stages of life, from marriage and pregnancy to childbirth, work–life balance, stable housing, and senior care. This initiative aims to address issues related to low birthrates and an aging population, while promoting a culture of inclusive finance.

Hana Financial Group prioritizes financial consumer protection as one of the core aspects of creating social value. We established and implemented a range of policies and systems designed to safeguard the rights and interests of financial consumers and prevent potential losses. In addition, we are committed to expanding financial services for vulnerable groups—including the elderly, foreigners, and people with disabilities—and to enhancing physical and digital accessibility to financial services.

Hana Financial Group recognizes low fertility as a critical social issue that the financial sector must address collectively. To support a better balance between work and family life and respond to the challenge of low fertility, the Group has invested KRW 150 billion since 2018 in the “Hana 100th Daycare Center Project.” Over the past six years, this initiative has resulted in the establishment of 100 daycare centers nationwide, with the final center opening in October 2024, marking the successful completion of the project. However, this milestone represents not an end, but a new beginning. In March 2024, Hana Financial Group launched the “365 Child Care Program,” shifting focus from quantitative expansion to qualitative growth in childcare services. This program aims to provide around–the–clock childcare support, further strengthening the Group’s commitment to supporting families and addressing Korea’s demographic challenges.

In contributing to local communities, Hana Financial Group is dedicated to growing alongside small business owners. In 2024, the Group actively participated in a profit–sharing financial support program, providing KRW 346.0 billion in assistance, while also expanding its own social contribution initiatives. Through the “Hana Power On” program, we support the growth of social innovation enterprises,



346.0 KRW in billion

Amount of money allocated for the profit-sharing financial support program

50 locations

Plan to build a total of 50 centers through the “365 Child Care Program” by allocating KRW 30 billion over five years starting in 2024

4,122

No. of small business owners who received support in 2024 through the Hana Power On program

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Decision-making based on transparency and responsible management

Alignment with the U.N. SDGs

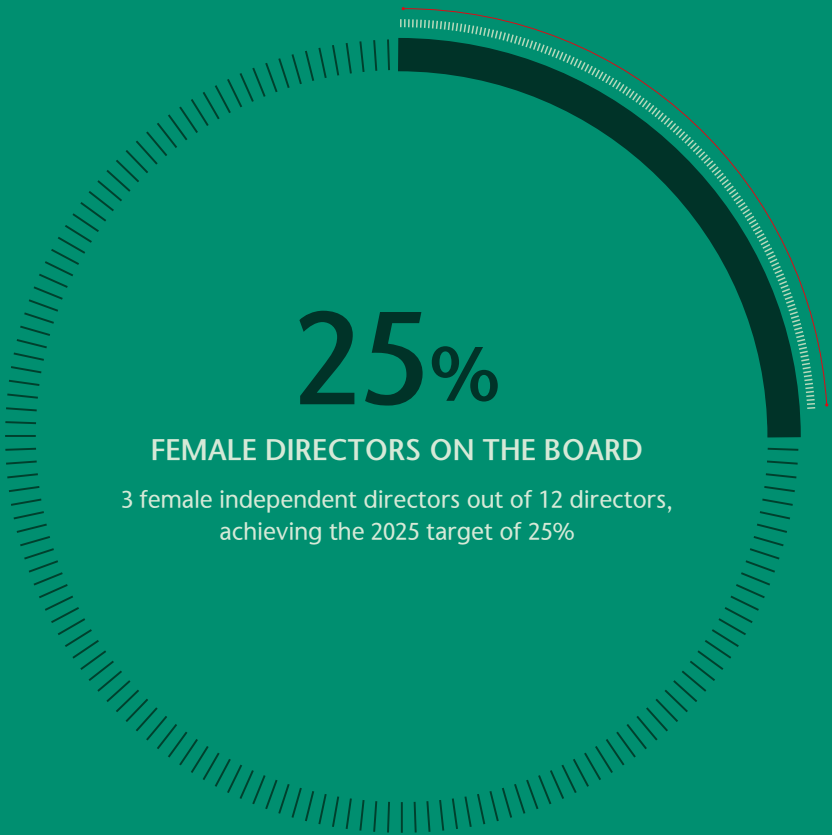


Hana Financial Group has established a dedicated ESG management structure to support responsible and transparent decision-making. The Group formed the Sustainability Management Committee within the Board of Directors to review and approve ESG strategies and policies, as well as to oversee the implementation of sustainability initiatives. In addition, the Sustainability Management Steering Committee—composed of CEOs of Group subsidiaries—works to strengthen ESG management and execution capabilities across the organization. Under this body, the Sustainability Management Working Committee has also been established to ensure the efficient and effective operation of the Group’s ESG management system.

Hana Financial Group completed the development of its ESG Disclosure Data Management System in the first quarter of 2025 to proactively respond to mandatory sustainability disclosure requirements in Korea and abroad, and to effectively manage ESG performance.

The Group plans to officially launch the system in the first half of the year following a stabilization period. Leveraging the data collected through this platform, Hana Financial Group intends to publish a pilot Korea Sustainability Standards Board (KSSB) report in 2025, fully aligned with KSSB criteria. The system is also designed to manage the quantitative data required for global ESG evaluations, including DJSI and MSCI ESG Ratings. This will enable standardized ESG data management across all subsidiaries and support more efficient operations.

Since 2010, Hana Financial Group’s Board of Directors has appointed at least one female independent director to ensure gender diversity at the Board level. As part of a mid-to long-term plan to gradually increase the proportion of female independent directors, the Group set a short-term goal of raising the percentage of female directors on the Board to over 25% by 2025. In line with the criteria for the appointment of independent directors and standards for independence, the Independent Director and Auditor Nomination Committee has consistently included at least one female candidate among the nominees for new independent directors. At the 2025 General Shareholders’ Meeting, the appointment of a new female independent director was approved. As of the end of March 2025, three out of twelve directors are women, achieving the targeted 25% representation.



386

Number of quantitative ESG indices that can be collected through the ESG Disclosure Data Management System

2050

Plan to publish a pilot version of KSSB report aligned with the disclosure recommendations of the Korea Sustainability Standards Board

A

Received an A rating in an evaluation of corporate governance at the ESG Evaluation by Korea Institute of Corporate Governance and Sustainability (KCGS)

LETTER FROM THE CEO

CEO's Statement

Group Chief Executive's Review

- Business Performance
- Value Up Strategy
- ESG Performance
- In Closing

STRATEGIC REPORT

MANAGEMENT REPORT

FINANCIAL REPORT



//
To ensure sustainable growth and become a company that thrives for the next 100 years, we are committed to strengthening our ability to create long-term value and serve the interests of all stakeholders in a balanced and responsible manner.
//

In 2024, Hana Financial Group achieved balanced growth by focusing on enhancing shareholder value and fulfilling social responsibilities, not to mention financial performance. As a result, our stock price rose significantly from the beginning of the year and reached an all-time high—reflecting a clear shift in market perception. These achievements would not have been possible without your continued trust and support, for which I am deeply grateful.

In 2025, we mark the 20th anniversary of our holding company. Over the past two decades, Hana Financial Group has grown into a global, full-service financial group, with 14 subsidiaries spanning all areas of finance and 204 branches across 26 regions. Despite this progress, we face growing challenges—from global trade uncertainties and domestic economic concerns to structural issues such as population aging. To ensure sustainable growth and become a company that thrives for the next 100 years, we must strengthen our ability to create long-term value and serve the interests of all stakeholders in a balanced and responsible manner.

To this end, we will focus on enhancing the competitiveness of our core businesses and building greater resilience to external risks. Through efficient capital allocation, we will prioritize profitability and financial soundness over size expansion. This will empower us to execute our Value Up Plan, enhance shareholder value, and generate broader social value—solidifying our role as a trusted partner in society.

We look forward to your continued support as we embark on this next chapter of our journey.

Sincerely,

함영주

Young-joo Ham
CEO, Hana Financial Group

2.

STRATEGIC REPORT

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Hana Financial Group at a Glance	017	Financial Highlights	021
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HANA FINANCIAL GROUP AT A GLANCE

MISSION

GROWING TOGETHER,
SHARING HAPPINESS



Hana Financial Group’s mission embodies a steadfast commitment to addressing the demands and changes of the times while fulfilling corporate social responsibilities. The Group supports initiatives that foster growth for all stakeholders, aiming to achieve “Healthy Growth” by balancing financial success with social responsibility. Building on a history of achievements, Hana Financial Group will continue to lead as a premier financial institution, share value with stakeholders, and provide sustainable solutions that promote happiness for all members of society.

ESTABLISHED IN

2005

HEADCOUNT

21,620

employees

TOTAL ASSETS

637.8

KRW in trillion

SUBSIDIARIES

14

GLOBAL NETWORK

204

in 26 regions

ISSUED SHARES

287,240,880

common shares

MARKET CAPITALIZATION

16.3

KRW in trillion

LARGEST SHAREHOLDER

NPS

National Pension Service (NPS)
with 9.23% ownership

ESG COMMITMENT

MSCI

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA

MSCI ESG Ratings

Received the AAA rating,
a top grade with the
highest score in the global
banking industry
(As of the end of February
2025)

CDP

Received the A grade
and won the Carbon
Management Honors Club
for 4 consecutive years
(2020–2023)

KCGS

Received the overall A
grade at the ESG Evaluation
by Korea Institute of
Corporate Governance and
Sustainability
(As of 2024 year-end)

DJSI

Included in the Dow Jones
Sustainability Indices World
Index for 3 consecutive
years
(2022–2024)

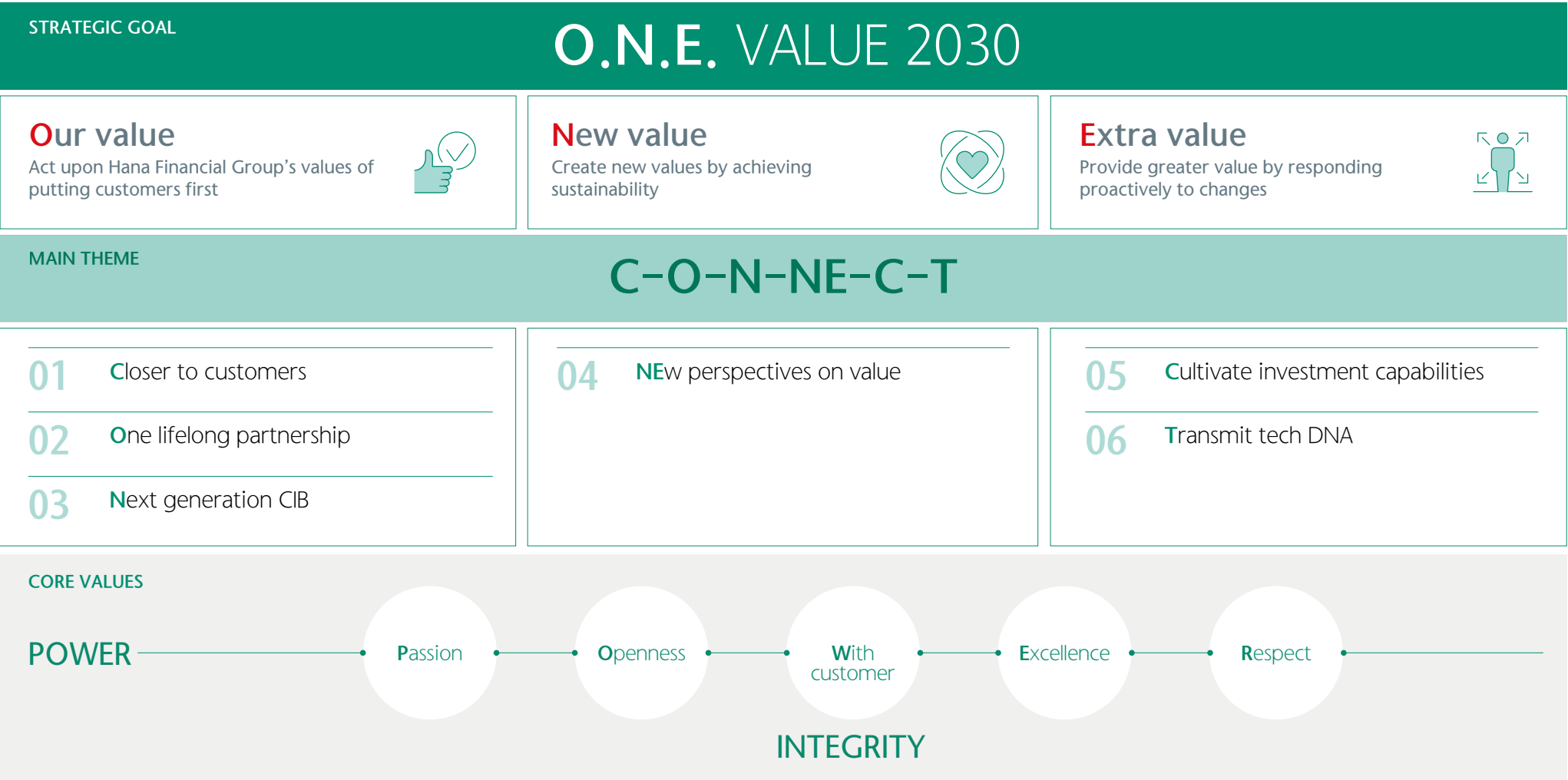
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GROUP STRATEGY

All Connected in Hana Finance

Hana Financial Group’s Vision 2030, “All Connected in Hana Finance,” underscores a commitment to providing an innovative, unique platform that powers everyone to explore financial services without barriers and to create new financial values grounded in trust. It is Hana Financial Group’s determination to “Connect” in a “Hana” way to provide “Finance” that transcends traditional boundaries for “All.”



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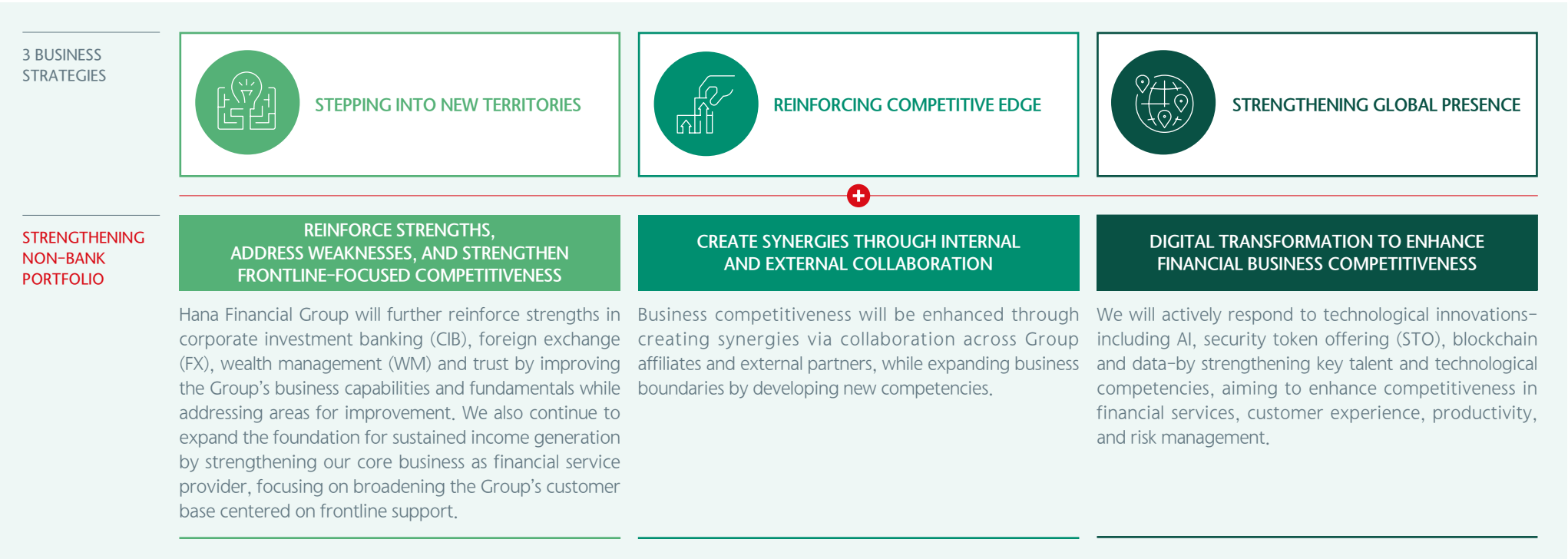
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BUSINESS STRATEGY

Hana Financial Group implements three major business strategies: stepping into new territories, reinforcing competitive edge, and strengthening global presence. We will continue to execute these strategies to enhance corporate value and thereby increase shareholder value. Leveraging the synergy unique to a comprehensive financial group, Hana Financial Group will strengthen its customer base by promoting collaboration across customers, channels, and products among the Group’s affiliates, solidifying the foundation for sustainable growth.

Strengthening Non-bank Portfolio

In addition to the three major business strategies, Hana Financial Group is committed to the qualitative growth of its non-bank portfolio, through collaboration and stronger net income from the non-banking sector. We are focusing on enhancing the core business competitiveness of key non-banking subsidiaries—including Hana Securities, Hana Asset Management, Hana Card, Hana Life and Hana Insurance—to build a balanced business foundation between banking and non-banking sectors and expand synergy across Group affiliates. Moreover, Hana Financial Group aims to increase the non-banking sector’s profit contribution to 30% in the mid- to long-term future by improving profitability and securing income stability through balanced growth of the Group’s business portfolio.



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KEY TASKS FOR 2025

Over the last two decades, Hana Financial Group has grown into a global comprehensive financial group covering the full spectrum of financial services and an extensive international network. However, in 2025, Hana Financial Group faces an increasingly challenging and competitive environment due to the ongoing economic recession, rising uncertainties, and structural societal issues such as an aging population and low fertility.


In response, Hana Financial Group has set “Core & Collabo” as its management strategy keywords for 2025, reflecting a renewed focus on reinforcing strengths and revitalizing our values. Through this approach, Hana Financial Group aims to overcome challenges and solidify the foundation to become a company that stands strong for the next 100 years and beyond. Hana Financial Group is committed to evolving into a financial group that serves the interests of all stakeholders in a balanced way and creates sustainable value.

STEPPING INTO NEW TERRITORIES




Hana Financial Group will seek new growth drivers in serving senior, foreign, and small office and home office (SOHO) customers, as well as in technological innovations including virtual assets, STO, and AI. We will advance by investing in and partnering with innovative companies. Additionally, we will strengthen digital capabilities and optimize IT infrastructure to enhance the Group’s core competency as a financial service provider.

REINFORCING COMPETITIVE EDGE




Hana Financial Group aims to become the clear market leader by further strengthening the Group’s core capabilities in CIB, FX, WM, trust, and trading. We will make every effort to meet customer needs by leveraging Hana’s distinctive approach and fostering collaboration both within and beyond the Group. Additionally, Hana Financial Group will enhance the competitiveness of its non-banking sector and implement mid- to long-term strategies in a phased manner, thereby building a sustainable foundation for growth.

STRENGTHENING GLOBAL PRESENCE




Hana Financial Group will build a strong foundation for “Global A.C.E.”¹⁾ by enhancing efficiency through effective responses to the global market environment and implementing tailored business strategies for each region and country. We will also strengthen partnerships and collaboration with leading financial institutions worldwide, expand the scope of global business, and diversify the profit base by reinforcing the non-banking sector.

SUSTAINABLE GROWTH



Hana Financial Group will implement the “Value Up Plan” to enhance corporate value by focusing on improving the performance of core businesses and optimizing capital allocation. We will also strive to address social challenges, such as low birth rates and an aging society, and fulfill our social responsibilities through inclusive finance. Guided by principle-based management, Hana Financial Group will prioritize thorough, proactive risk management and strict internal controls, practice responsible management, and foster a corporate culture rooted in fairness and integrity.

HANA CAN DO!



Hana Financial Group will pursue its key tasks for 2025 with a “can do” mindset, driven by passion and perseverance to deliver the best results until all goals are achieved.

¹⁾ Adapt, Collaborate, Expand

- Adapt: Enhance ability to respond more effectively to the global market environment and implement tailored business strategies for each region and country
- Collaborate: Strengthen partnership and collaboration with leading financial institutions in the region
- Expand: Expand the scope of global business and strengthen the non-banking sector to diversify profit base for the global business

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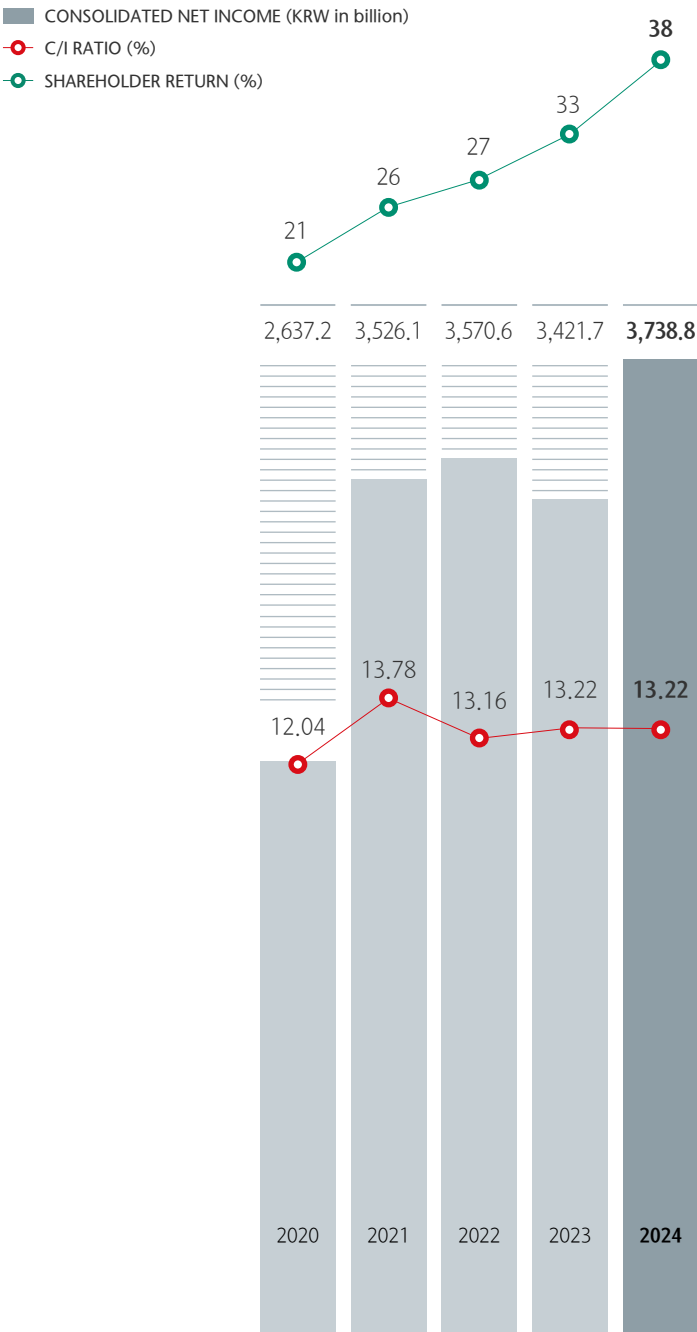
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FINANCIAL HIGHLIGHTS

Financial Summary

	2024	2023	2022
Profitability (KRW in billion)			
General operating income	10,687.0	10,851.8	10,159.9
Operating income	4,855.2	4,693.4	4,688.3
Consolidated net income	3,738.8	3,421.7	3,570.6
ROA (%)	0.61	0.59	0.66
ROE (%)	9.12	8.95	10.08
EPS (KRW)	12,629	11,380	11,865
DPS (KRW)	3,600	3,400	3,350
Cost to income ratio (%)	42.4	40.6	41.9
Business Volume (KRW in billion)			
Total assets ¹⁾	637,847.5	591,926.0	568,873.2
Total deposits	390,530.5	372,039.6	362,738.0
Asset Quality (%)			
Substandard & below (NPL) ratio	0.62	0.50	0.34
Substandard & below (NPL) coverage ratio ²⁾	128.71	162.09	200.80
Delinquency ratio	0.51	0.45	0.30
Credit cost ratio	0.29	0.40	0.31
Capital Adequacy ³⁾ (%)			
BIS capital adequacy ratio	15.59	15.65	15.67
Tier 1 ratio	14.77	14.68	14.61
Common Equity Tier 1 ratio	13.22	13.22	13.16
BPS (KRW)	137,082	124,081	114,353

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



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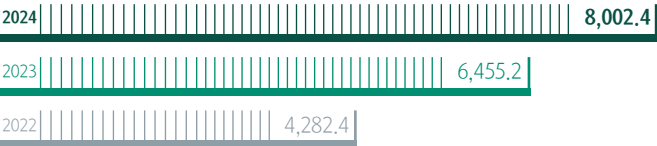
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ESG HIGHLIGHTS

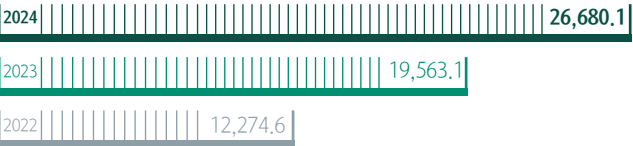
ESG Bonds

(KRW in billion, cumulative basis)



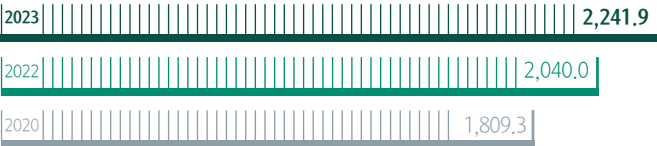
ESG Loans

(KRW in billion, cumulative basis)



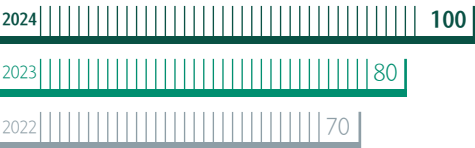
ESG Investment

(KRW in billion, cumulative basis)



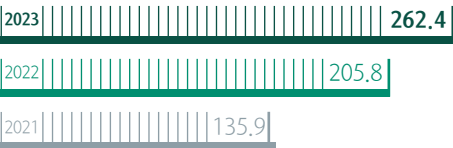
100 Childcare Centers

(Locations)



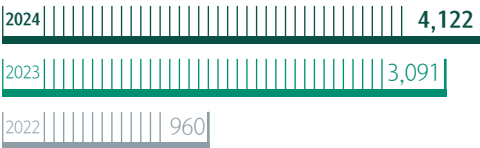
Social Contributions

(KRW in billion)



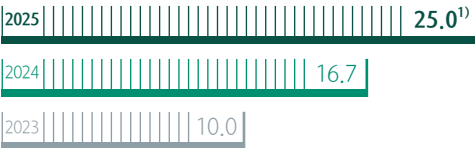
Hana Power On Program

(No. of small business owners who received supports)



Board's Gender Diversity

(%)



¹⁾ Achieved the target set for 2025 as of March 2025

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2024 HIGHLIGHTS



Global-oriented

MARCH

- Hana Bank opens Budapest Office to better penetrate the European market
- Hana Bank launches “convenient overseas payment settlement service” with GMO-PC, Japan’s largest payment agency

APRIL

- Hana Bank opens "Hana Infinity Seoul," ushering into an era of New Hana Dealing Room 2.0 filled with innovation

MAY

- GLN International partners up with Banque Pour Le Commerce Extérieur Lao Public (BCEL) for convenient remittances to Laos

JUNE

- Hana Securities launches Korean stock investment service in Hong Kong

JULY

- Hana Bank takes the lead in advancing the Korean foreign exchange market with largest foreign exchange trading infrastructure in the nation

SEPTEMBER

- Hana Bank opens the Monterrey Office, the first business channel under its Mexican subsidiary

OCTOBER

- Hana Securities signs business agreement with LSEG London Stock Exchange Group



Customer-centric

JANUARY

- Hana Bank wins the Best Trade Finance Provider in Korea 2024 Award from Global Finance Magazine

MARCH

- Hana Bank recognized as the Best Private Bank in Korea by Euromoney and Global Finance

APRIL

- Hana Bank wins the Best Bank in Korea 2024 Award from Global Finance Magazine

JUNE

- Hana Bank completes the project to enhance asset management features integrated in Hana 1Q

JULY

- Hana Bank wins the 2024 Best Bank in Korea Award from Euromoney
- Hana Bank ranks first in Korean Service Quality Index (KSQI) for 9 consecutive years

SEPTEMBER

- Hana Card joins hands with KakaoPay to make Travlog accessible to all Koreans

OCTOBER

- Hana Financial Group launches “HANA THE NEXT,” a comprehensive service brand tailored for senior customers

NOVEMBER

- The Banker and PWM name Hana Bank Best Private Bank in Korea 2024

DECEMBER

- Hana Financial Group’s Travlog reaches 7 million users



ESG-driven

MARCH

- Hana Financial Group honored for environmental achievements at 2024 CDP Korea Awards for 4 consecutive years
- Hana Financial Group launches the 365 Child Care Program

APRIL

- Hana Bank expands its participation in UNGC’s “Forward Faster,” a corporate sustainability initiative

AUGUST

- Hana Financial Group’s 2023 ESG activities found to have created KRW 5,407.2 billion in social value
- Hana Financial Group launches the fourth leg of woman leader development program, Hana WAVES

OCTOBER

- Hana Financial Group’s 100 Childcare Centers Construction Project concludes with opening ceremony for the 100th public childcare center

DECEMBER

- Hana Financial Group included in Dow Jones Sustainability World Index for 3 consecutive years
- Hana Financial Group donates KRW 15 billion to Community Chest of Korea to join Share the Hope 100 Billion Club

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GLOBAL-ORIENTED

In 2024, Hana Financial Group achieved a profit of KRW 565.6 billion in the global market, representing a year-on-year increase of KRW 96.1 billion. Its overseas entities, including branches and subsidiaries, recorded a net income of KRW 367.8 billion, maintaining a level similar to the previous year. However, gain on valuation based on the equity method declined by 11.6% YoY to KRW 168.6 billion. The Group recorded a loss of KRW 90.1 billion in investments due to the global real estate market slump in 2023 but returned to profitability in 2024 with investment income of KRW 28.2 billion.

Hana Financial Group has established detailed strategies to strengthen its global presence in 2025. First, the Group will implement customized business strategies tailored to each region and country.

Second, it will expand partnerships and reinforce collaboration with leading financial institutions worldwide. Third, Hana Financial Group will strengthen the non-banking sector to diversify the profit base of its global business.

Hana Financial Group will implement preemptive and flexible strategies tailored to sectors facing challenges as well as those expected to experience high growth, differentiated by region and country. For example, in India—where rapid economic growth presents significant opportunities—we will open two additional branches to better meet local financial needs. We are also preparing to open a branch in Poland, a market where Korean companies are actively expanding.

Next, Hana Financial Group will expand partnerships and deepen collaboration with leading financial institutions to create greater synergies. To this end, we will strengthen cooperation with institutions with which we have signed MOUs, while also establishing new partnerships in regions such as ASEAN and Latin America.

Additionally, Hana Financial Group will enhance the competitiveness of its non-banking subsidiaries in high-growth markets like Southeast Asia, aiming to build a balanced global portfolio. We will also continue to pursue new investment opportunities in the region to support sustainable growth.



CASE 1

Streamlining global network to boost competitiveness

As of the end of 2024, Hana Financial Group boasts one of the nation's largest global networks, encompassing 204 entities across 26 regions. This extensive network includes Hana Bank's presence in 26 regions, alongside Hana Securities and Hana Capital operating in two regions each, and Hana Card and Hana TI each serving one region. In addition, the Group's non-banking subsidiaries continue to expand their footprint in overseas markets.

In 2024, Hana Financial Group took steps to ensure efficient operations and effective risk management across its global network. This included closing 13 branches of Hana Capital's subsidiary in Myanmar and one branch of Hana Bank's subsidiary in China. At the same time, Hana Bank expanded its presence by opening a regional office in Budapest, Hungary—a key market where Korean companies are actively growing, particularly in the automobile, defense, and secondary battery industries. The Bank also established an office in Monterrey, Mexico, a leading industrial city. These changes resulted in a net decrease of 12 branches compared to the previous year.

In 2025, Hana Financial Group plans to open a new banking channel in Poland to support the financing needs of Korean companies entering the local market and to prepare for potential financial demands related to post-war reconstruction projects in Ukraine. In India, recognized as Asia's emerging production hub, we will establish two additional branches in Mumbai and Devanahalli, complementing the existing branches in Chennai and Gurugram, to better serve Korean companies expanding locally. The Group's non-banking subsidiaries will focus on building a balanced global portfolio by seizing opportunities in the securities, consumer finance, and FinTech sectors, with a particular emphasis on Southeast Asia.

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KEY STRATEGIES

POLAND AND HUNGARY

Opening new banking channels in Poland and Hungary

INDIA

Planning to add two more branches, in Mumbai and Devanahalli

SOUTHEAST ASIA

Facilitating global operational expansion

AMERICAS

Well balanced global operation portfolio

AMERICAS 24

• Canada	8
• United States	11
• Brazil	1
• Panama	1
• Mexico	3



EUROPE & MIDDLE EAST 11

• UAE	2
• Germany	1
• Russia	1
• UK	1
• Czech Republic	1
• France	1
• Bahrain	1
• The Netherlands	1
• Türkiye	1
• Hungary	1

ASIA & PACIFIC 169






• China	25
• Indonesia	55
• Hong Kong	3
• Taipei	1
• Vietnam	2
• Japan	4
• Singapore	2
• India	2
• Australia	1
• The Philippines	1
• Myanmar	73



26 Regions

204 Networks

Number of overseas networks across the globe as of 2024 year-end

-  HANA BANK
26 regions, 114 networks
-  HANA SECURITIES
2 regions, 2 networks
-  HANA CAPITAL
2 regions, 86 networks
-  HANA CARD
1 region, 1 network
-  HANA TI
1 region, 1 network

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CUSTOMER-CENTRIC

Hana Financial Group recorded a net income of KRW 3,738.8 billion in 2024, marking a YoY increase of 9.3% and surpassing the record-high performance achieved in 2023. This strong result was driven by an expanded customer base, a diversified portfolio, and preemptive, systematic risk management. Despite a challenging business environment, our focus on “customers,” the Group’s key assets, and efforts to strengthen the foundation for sustainable growth contributed significantly to this achievement.

Under the motto “Digital to the Core,” Hana Financial Group is driving digital innovation with the customer at the center. The Group’s goal is to deliver the financial services that customers want, leveraging advanced digital technologies and seamless collaboration across affiliates to enhance customer experience and convenience. As a result, leading platforms “Hana 1Q” and “Hana Pay” continued their upward trends, with subscribers reaching 16.58 million and 8.95 million respectively, reflecting year-on-year increases of 7% and 18% by the end of 2024. “i-Booja,” a financial platform targeting Generation Alpha, successfully established itself in the market, accumulating 1.64 million subscribers. Additionally, more customers are using digital channels to purchase financial products, with digital sales accounting for 94.2% of credit loans, 74.3% of secured loans, 67.7% of deposits and installment savings, and 85.3% of funds. These figures demonstrate that the Group’s customer-centered digital transformation is progressing as planned.

CASE 1

Travlog – strengthening leadership and partnership to maximize accessibility

“Travlog” is a distinctive daily financial service designed for overseas travelers. Available 24/7, it offers fee-free currency exchange services, and the Travlog debit and credit cards can be used worldwide without any fees on overseas transactions or ATM withdrawals. Since its launch by Hana Card in July 2022, Travlog has challenged the conventional notion that fees are unavoidable for such services. Initially supporting four currencies¹⁾, it has expanded to handle 58 currencies by the end of 2024, paving the way for cashless overseas travel.

As of February 2025, customers have saved an estimated KRW 200 billion thanks to the benefits offered by Travlog. These tangible savings on financial service fees, which are often burdensome during overseas travel, have strengthened customer loyalty to the service. Hana Financial Group expects this loyalty to continue growing as more travelers recognize the clear value Travlog provides.

Hana Card recorded a cumulative overseas debit card market share of 46.9% among the top seven Korean card companies in 2024²⁾, a significant increase of 27.7%p since launch. It first ranked number one in the overseas debit card market in January 2023 and has maintained its leading position for 24 consecutive months, demonstrating the strong popularity of Travlog. By the end of 2024, the cumulative number of Travlog subscribers reached 7.15 million, surpassing 7 million just 28 months after its launch. Hana Financial Group aims to reach 10 million subscribers by focusing on the following strategies:

MARKET LEADERSHIP

46.9%



Overseas debit card market share

With 7.15 million subscribers and a total exchanged volume of KRW 3.1 trillion, the market share increased by 27.7%p since launch, securing a dominant leadership position.



¹⁾ USD, JPY, EUR, GBP
²⁾ Source: Data from the Credit Finance Association

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First, Hana Financial Group will broaden customer choices and enhance convenience. Through ongoing monitoring, we have identified and addressed customer inconveniences. As a result, the number of currencies available for exchange has increased to 58, the per-currency limit has been raised to KRW 3 million, and distinctive services such as free overseas remittances among Travlog subscribers have been introduced.

Second, Hana Financial Group will focus on expanding customer contact channels. In February 2025, the Group launched the “Hana Travel GO Debit Card,” Travlog’s Visa card, completing a lineup that now includes all three major global payment network brands¹⁾. Customers can apply for and receive the card at any Hana Bank branch, marking a significant expansion from the previous digital-only channel to offline branches. We will continue to increase customer touchpoints by broadening both online and offline channels to enhance accessibility and convenience.

Third, Hana Financial Group will focus on expanding partnerships to enhance service offerings and market reach. In 2024, Hana Card launched the “KakaoPay Travlog Debit Card” through a strategic partnership with KakaoPay, a leading tech company. We will continue to collaborate with key players across various industries to expand our channels and customer base. Additionally, the Group will strengthen synergy among affiliates by developing travel-related securities and insurance services, beginning with travel installment savings. By integrating services across Group affiliates, Hana Financial Group aims to maximize synergy and become the first travel service to reach 10 million subscribers.

¹⁾ Visa, Mastercard, UnionPay

DIGITAL INNOVATION

Collaboration with a big tech
KakaoPay Travlog Debit Card



Powered by AI
Travlog ChatBot



CUSTOMER FIRST

58

Number of currencies available
for exchange

Offers the largest selection of currencies—58 in total—and the most diverse range of products among travel cards, including credit and debit cards across Visa, Mastercard, and UnionPay networks



In 2025, Hana Financial Group plans to focus on capturing market leadership in new growth areas, including AI and virtual assets. To achieve this, we will actively collaborate with leading companies in these sectors and work to internalize new AI technologies, with the Hana Institute of Technology—a think tank specializing in digital innovation—playing a central role. Through these efforts, Hana Financial Group will proactively respond to changes in the financial environment and further enhance the value of customer experiences.

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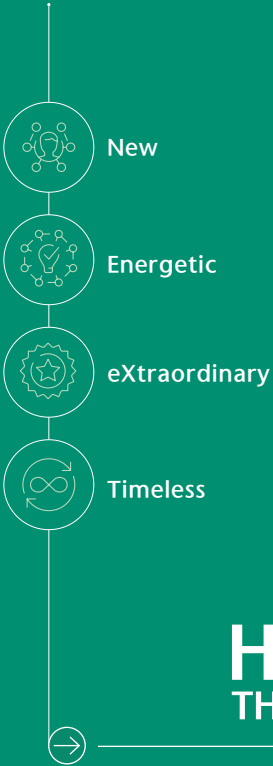
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CASE 2

HANA THE NEXT – Making the next move with the new older adult-focused brand

A brand dedicated to providing comprehensive life care services, including retirement planning, inheritance, health management, and more



HANA
THE NEXT

¹⁾ Society where people aged 65 or more account for at least 20% of the total population

In 2024, Korea officially became a super-aged society¹⁾. In response to this structural demographic shift and the rapidly growing senior market, Hana Financial Group launched “HANA THE NEXT,” a senior-specialized brand, in October 2024. This initiative reflects the Group’s commitment to proactively addressing the needs of the aging population and capturing new growth opportunities. HANA THE NEXT offers comprehensive life care services that span both financial and non-financial areas, including housing, caregiving, health, and lifestyle support. It delivers distinctive value by focusing on specialized products tailored to customers’ lifecycle stages—such as retirement fund preparation, generating cash flow for post-retirement life, and risk coverage.

We aim to lead the senior wealth management market in 2025 by expanding senior-focused products, establishing specialized channels, and enhancing housing, caregiving, and lifestyle services tailored for seniors. We will continue to introduce products that meet evolving customer needs, such as the “HANA THE NEXT Target Date Fund,” designed to help build assets for later life, and the “HANA THE NEXT Members’ Card,” which offers customized benefits based on spending patterns. We will also open “HANA THE NEXT Lounge,” a senior counseling-specialized channel, at six major locations in Seoul to provide comprehensive post-retirement planning solutions.

In 2025, Hana Financial Group plans to establish a subsidiary dedicated to the senior housing and caregiving business, with Hana Life playing a leading role. We will also review forming partnerships with companies in senior-related sectors and consider strategic investments to strengthen our presence in this growing market.



HANA THE NEXT – Hana Financial Group’s unique solution for seniors’ valuable second chapter of life



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CASE 3

Solidifying our leadership in finance through collaboration and innovation

Partnerships for growth in the digital age

Digital transformation is accelerating across industries, blurring the lines between financial and non-financial sectors. To proactively respond to this shift, Hana Financial Group is prioritizing the development of strategic and functional partnerships rather than engaging in direct competition with Internet-only banks or big tech companies. In particular, the Group is advancing an embedded finance strategy that integrates the capabilities of non-financial companies into Hana Financial Group’s platforms, creating seamless and value-added financial experiences for customers.

As a prime example, Hana Bank collaborated with Naver Pay in 2022 to launch the “Naver Pay Money Hana Account”, which was designated as an Innovative Financial Service by the Financial Services Commission. Within six months of its launch, the product reached its issuance limit of 500,000 accounts, selling out completely. Building on this successful model, Hana Financial Group plans to launch an alliance product with a local marketplace app in the first half of 2025. This new product was also recognized as an Innovative Financial Service by the Financial Services Commission in September 2024.

Hana Financial Group is collaborating with non-financial partners to provide platform finance services. In 2023, Hana Bank signed an MOU with SAP Korea and is working together to develop a cloud-based banking solution. That same year, Hana Bank and Hana Card entered into an MOU with Coupang and Coupang Pay to jointly provide innovative financial solutions for small business owners. As a result of this partnership, we launched the “Seller

Wallet Quick Settlement Service” in December 2023, enabling rapid settlement of sales proceeds. In October 2024, we also introduced a product that allows for the advance settlement of accounts receivable on a without recourse basis—the first such offering in the banking industry.

Our plan for the first half of 2025 is to embed a service that enables users to digitally apply for guarantees and Hana Bank loans within platforms that support small business, such as those provided by the Seoul Credit Guarantee Foundation and others. Through these exceptional collaborations with non-financial platforms, Hana Financial Group is proactively delivering digital financial services that customers need, expanding frontiers and developing territories exclusive to Hana Financial Group.



500,000 + 1,000,000

The Naver Pay Money Hana Account reached its initial issuance limit of 500,000 accounts just six months after its launch in 2022. The Financial Services Commission subsequently approved an additional 1,000,000 accounts, and the demand remains strong, with the prospect of another sell-out on the horizon.

Leadership to change digital finance

Hana Bank’s “Hana 1Q” is a flagship digital banking app of Hana Financial Group, designed to serve as a comprehensive, asset management-centered financial platform. In June 2024, we completed a major project to enhance wealth management functions, digitally implementing Hana Bank’s strengths and legacy as a private banking leader.

Users can view their total assets and expenses linked to MyData at a glance, and access advanced asset management services. The platform also provides seamless access to a wide range of services offered by Group affiliates, as well as innovative digital asset management tools such as asset diagnosis and AI-driven investments—all in one place. In addition, we offer various non-financial services in collaboration with our partners. Driven by these differentiators and convenience features, Hana 1Q continues to demonstrate strong growth, reaching 16.58 million subscribers and 6.42 million monthly active users (MAUs) as of the end of 2024. Looking ahead, we will advance Hana 1Q beyond traditional banking, aiming to set the standard for asset management-centered comprehensive financial platforms, which will enable us to establish a digital finance ecosystem centered on customer value.

Hana Card’s “Hana Pay” is a leading payment app of Hana Financial Group. We continue to enhance our service competitiveness by expanding beyond finance to encompass all aspects of daily life, including travel, payments, and lodging. Through collaboration with a diverse range of partners, Hana Pay offers customers distinctive benefits.

In addition, we are expanding the number of stores where payments can be made using QR codes and barcodes, while continuously improving the app’s UI/UX to enhance the mobile experience for our customers. Thanks to this distinctive customer experience, Hana Pay continues to achieve steady growth, reaching 8.95 million subscribers and 4.52 MAUs as of the end of 2024.

NUMBER OF HANA 1Q SUBSCRIBERS



MAU¹⁾ OF HANA 1Q



NUMBER OF HANA PAY SUBSCRIBERS



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ESG-DRIVEN

Guided by our ESG vision, “Big Step for Tomorrow,” Hana Financial Group is systematically and strategically advancing ESG management through mid- to long-term strategies: facilitating the transition to a low-carbon economy for environment (E), creating social value through finance (S), and making decisions based on transparent and responsible management for governance (G) areas.

Hana Financial Group achieved the highest AAA rating in the MSCI ESG evaluation, marking a remarkable two-notch upgrade in just three years since earning an A rating in 2021. We were also included in the Dow Jones Sustainability World Index (DJSI World) for three consecutive years and received Carbon Disclosure Project (CDP) sector honors for four consecutive years.

In April 2024, Hana Financial Group became the first financial institution in Korea to join the Impact Disclosure Taskforce, further strengthening our leadership in ESG. The Taskforce, co-chaired by JP Morgan Chase and Natixis, aims to drive ESG-related capital flows into developing countries to achieve the UN Sustainable Development Goals (SDGs). Going forward, we will collaborate with global financial institutions to develop and implement ESG finance and partnership projects in communities’ worldwide, taking bold steps toward a sustainable future.

 ENVIRONMENT	Expand green finance	<ul style="list-style-type: none">• Prime rate for loans categorized suitable under taxonomy• Organize an in-house ESG consulting body
	Combat climate and biodiversity risks	<ul style="list-style-type: none">• Expand the asset classes for calculation of financed emissions• Identify biodiversity risk indicators for each sectors
 SOCIAL	365 Child Care Project	<ul style="list-style-type: none">• Provide care 24/7 to help filling the gap• Address low fertility and improve child care environment
	Create more social values with “Hana Power On”	<ul style="list-style-type: none">• Localized youth start-up in affiliation with 30 universities• Expanded small business owner support program to 4,122 businesses
 DISCLOSURE	ESG disclosure data management system	<ul style="list-style-type: none">• Proactively developing the system for mandatory ESG disclosure• Included 386 data indexes (launch in 1H of 2025)
	Global initiative endorsement	<ul style="list-style-type: none">• Adopted JP Morgan’s Impact Reporting Initiative• Joined UNGC’s forward faster

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E.

Facilitating the transition to a low-carbon economy

Hana Financial Group is committed to steadily increasing ESG assets while making every effort to reduce carbon emissions.

To achieve our environmental strategy of facilitating the transition to a low-carbon economy, Hana Financial Group has set two core goals: the “2030&60” target of achieving KRW 60 trillion in ESG finance by 2030, and the “ZERO&ZERO” target of reaching zero carbon emissions at our business sites and zero coal project financing by 2050.

From 2021 to 2024, Hana Financial Group’s cumulative ESG finance totaled KRW 36,924.4 billion, including KRW 8,002.4 billion in ESG bonds, KRW 26,680.1 billion in ESG loans, and KRW 2,242.0 billion in ESG investments. In line with the “2050 Carbon Neutrality Plan” adopted by the Sustainable Management Committee in 2022, we established reduction targets for both our own operations and financed emissions. These targets were officially certified by the Science-Based Targets initiative (SBTi) in October 2022.

To achieve these objectives, we are expanding our use of electric vehicles in our business fleet, introducing equipment with high energy efficiency, and considering the purchase of Renewable Energy Certificates (REC) or entering into Power Purchase Agreements (PPA). To reduce financed emissions, Hana Financial Group requests greenhouse gas (GHG) emissions data from borrowers in sectors such as power generation, aluminum, steel, cement, paper manufacturing, and commercial real estate, in accordance with the Sectoral Decarbonization Approach (SDA). We also encourage these borrowers to report and disclose their emission reduction

results. We classify new loans to fossil fuel-related industries as “ESG-restricted industries” and, as a general rule, do not provide financing to these sectors. As a member of the Equator Principles, Hana Bank conducts environmental and social risk assessments for corporate loans related to projects of at least USD 50 million and for project financing of at least USD 10 million, and publishes an annual Equator Principles Report.

The transition to a low-carbon economy is a long-term, global challenge that requires both cooperation and resources. Hana Financial Group is fully aware of the critical role of finance in realizing a low-carbon future and is committed to supporting SMEs as they respond to the climate crisis and advance ESG management.

In September 2024, Hana Financial Group joined hands with the Financial Supervisory Service and Samsung Electronics to provide targeted financial support to SMEs addressing climate crisis. In accordance with the MOU, Hana Bank provides prime rates for loans related to SMEs’ low-carbon transition within a limit of KRW 200 billion, and applies an additional reduction in interest rates if the purpose of loan funds that SME applies for is in line with the Korean Green Taxonomy (K-Taxonomy). Samsung Electronics sets up deposits at Hana Bank and uses the interest earnings from the deposits as financial resources to provide loan interest support to partner SMEs for climate crisis response-related loans.

Hana Bank expanded and reorganized its consulting organization in 2024 to provide ESG management support to SMEs, and began to provide professional ESG consulting services without any fees so that SMEs can actively respond to global ESG regulations. To provide these services, Hana Bank is using the “Advanced ESG Assessment System” and “Greenhouse Gas Emissions Calculation System” that were built through collaboration with Ewha Womans University and verification by ESG experts at the Financial Supervisory Service in 2023.

Moving forward, Hana Financial Group will develop ESG consulting products for SMEs and expand the application of preferential rates for green finance products, with the Sustainable Management Committee under the Board of Directors playing a central role. In addition, we will establish the “Green Finance Council” to increase investments in green assets, such as renewable energy programs.

PROGRESS OF 2030&60

(Unit: KRW in billion)

	2021	2022	2023	2024	Total
ESG bonds	2,903.9	1,378.5	2,172.8	1,547.2	8,002.4
ESG loans	5,910.6	6,364.0	7,288.5	7,117.0	26,680.1
ESG investment (New investment)	1,242.9	566.4	230.7	201.9	2,242.0
Total	10,057.4	8,308.9	9,692.0	8,866.2	36,924.4



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S.

Creating social value through finance

Hana Financial Group implements a wide range of social value creation programs and ESG campaigns to make meaningful contributions to society through finance.

Hana Power On

“Hana Power On” is a representative social value creation program of Hana Financial Group, contributing to sustainable job creation, support for vulnerable groups, and resolution of social issues through programs such as “Hana Power On Challenge” and “Hana Power On Care.”

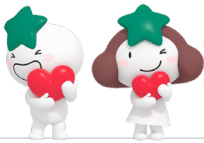
“Hana Power On Challenge” consists of programs such as “Hana Social Venture University,” which discovers and fosters young entrepreneurs; “Hana Innovative Enterprise Internship,” which connects social innovation companies experiencing difficulties in recruitment with young job seekers, people with disabilities, and women with career experience; “Hana Second Life,” which supports re-employment of experienced workers in their 40s and 50s; and “Hana Digital Power On,” a program for nurturing digital talents.

In 2024, through “Hana Social Venture University,” we selected 1,500 young entrepreneurs in cooperation with the Ministry of Employment and Labor and 30 universities nationwide, and provided them with education and support funds. Through “Hana Innovative Enterprise Internship,” 270 people were selected and given internship opportunities, of whom 187 (69.2%) were converted to full-time positions. Through “Hana Second Life,” we provided education programs to 2,076 individuals, helping them enhance their competitiveness in the job market. In 2024, the third edition of “Hana Digital

Power On” was completed by 47 college students, while we also delivered AI software and financial coding education to 3,257 students across 136 elementary, middle, and high schools with limited digital access.

Aimed at supporting the underprivileged, “Hana Power On Care” is a comprehensive program that assists single mothers, victims of child abuse, and care leavers. As part of this initiative, “Hana Power On Store” supports small business owners. In 2024, to help single mothers, the program provided psychological and emotional support to 124 individuals, employment assistance to 100, and housing support to another 100. Hana Financial Group also delivered targeted support to 730 children in need. “Hana Power On Store,” led by Hana Bank, is designed to help small business owners enhance their competitiveness and revitalize local economies. In 2024, we provided work environment improvements and management consulting services to a total of 4,122 businesses.

We also support startups in ESG fields with eco-friendly technologies and business capabilities by using funds raised through the “Hana Double Impact Matching Fund,” investing KRW 2.6 billion in 16 companies in 2024.



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Addressing low fertility

To help address the serious social issue of low fertility, Hana Financial Group has promoted the “100 Daycare Center Project” since 2018, investing KRW 150 billion in its implementation. In October 2024, we celebrated the opening of the 100th daycare center, marking the successful completion of the project. As of the end of 2024, 90 public daycare centers and 10 office daycare centers are in operation. Of the 10 office daycare centers, five are sharing-type facilities open to children of employees from nearby SMEs. By year-end, we had signed agreements with 233 SMEs to support their access to these centers. The project has made a meaningful social impact by expanding childcare infrastructure to accommodate 7,519 infants and young children, while creating 1,510 direct and indirect jobs—including positions for childcare teachers, nutritionists, and child psychologists.

As a follow-up childcare initiative, we launched the “365 Child Care Program” in March 2024. Over the next five years, Hana Financial Group plans to invest approximately KRW 30 billion to operate a total of 50 childcare centers—47 centers open on weekends and holidays, and 3 centers operating 24 hours a day, 7 days a week—to provide care beyond regular hours. As of the end of 2024, an average of 1,943 people are using the program each month, offering practical childcare support to families who need care outside of standard hours.



PUBLIC DAYCARE CENTER
(90 LOCATIONS)

General type 32

For rural communities 30

For the disabled 18

Comprehensive 10



OFFICE DAYCARE CENTER
(10 LOCATIONS)

In-house type 5

Sharing type 5

Supporting inclusive finance

In 2024, the government and financial industry worked together to ease the financial burden on small business owners caused by high interest rates and a delayed economic recovery. These efforts included the banking industry’s collaborative social finance initiatives, which totaled KRW 2.1 trillion. Hana Financial Group established a social finance support plan amounting to KRW 355.7 billion, with Hana Bank taking a leading role. As of the end of January 2024, we had executed KRW 346.7 billion, including KRW 199.9 billion allocated to the cashback program for individual business loans—a joint initiative by the banking sector. The remaining KRW 156.3 billion was used to support guarantee fees for loans obtained through guarantee institutions such as the Korea Credit Guarantee Fund, Korea Technology Finance Corporation, and Korea Trade Insurance Corporation.

As part of our inclusive finance initiatives for small business owners, Hana Financial Group provided KRW 30 billion in utility expense support to 150,000 financially vulnerable small business owners in 2024. We took a detailed and thoughtful approach in selecting both the beneficiaries and the scope of support. In particular, small business owners in cyclical sectors such as manufacturing, food service, transportation, and construction received assistance.



G.

Making decisions based on transparent and responsible management

Hana Financial Group has established dedicated ESG management bodies to enhance transparency and has implemented an Accountability Framework to promote responsible management.

The Sustainable Management Committee, operating under the Board of Directors, approves the Group’s ESG strategies and policies. In addition, the Sustainable Management Steering Committee—comprising the CEOs of our subsidiaries—strengthens Hana Financial Group’s ESG management capabilities and execution.

In 2024, the Sustainable Management Committee addressed biodiversity-related issues to strengthen our ESG risk management. Accordingly, we plan to analyze biodiversity risks within the Group’s asset portfolio and publish a dedicated biodiversity report to address potential risks. The Committee also approved the development of the “ESG Disclosure Data Management System,” which will allow us to centrally manage ESG-related data across all Group subsidiaries and proactively respond to mandatory ESG disclosure requirements. The system encompasses every stage of data management, from entry and retrieval to modification, review, and approval. As a result, we expect to resolve reliability issues associated with manual data collection, significantly enhance data consistency, and enable more efficient data management.

For the Group’s consolidated management indices to be incorporated into the system, we selected a total of 72 indices and 386 items after thoroughly identifying and assessing the required disclosure elements. The system is being designed to accommodate the disclosure standards of the ISSB (KSSB in Korea), as well as other global ESG frameworks such as GRI, SASB, and TCFD. We also plan to collect relevant

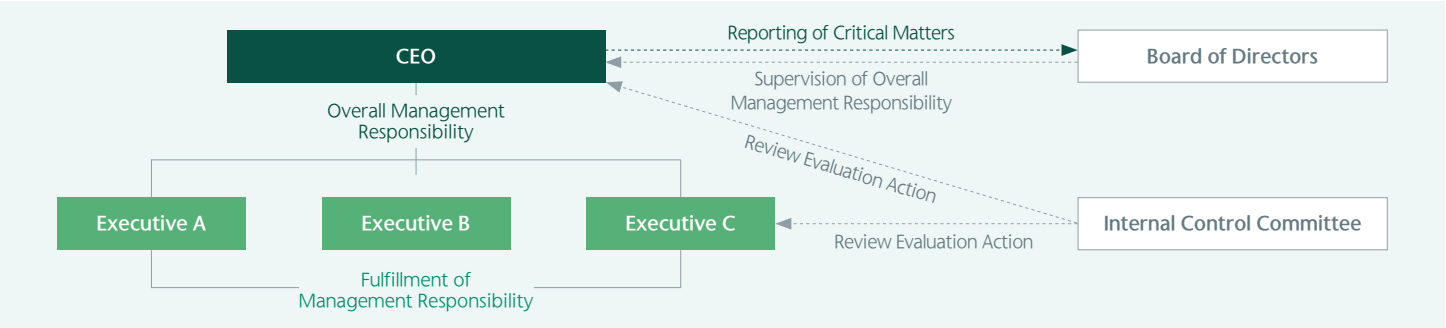
data to address global ESG evaluations, including the MSCI ESG Rating, DJSI, and CDP. In addition, we will establish an internal control system to prepare for third-party assurances at the level of external audits, enabling us to promptly provide source data during the verification process.

The ESG Disclosure Data Management System is scheduled to officially launch in the first half of 2025. Information collected through the system will be used to publish ESG disclosure reports, including the Sustainability Report. Hana Financial Group has published an annual Sustainability Report since 2011, detailing the Group’s sustainability management performance and activities. In addition, we have published a dedicated TCFD Report since 2022, outlining our climate change response strategies and outcomes.

In addition to enhancing transparency through expanded disclosures, Hana Financial Group has also prioritized strengthening responsible management. In recent years, the reinforcement of internal controls and responsible management has gained momentum, with regulators introducing the concept of the “Accountability Framework.” Under this framework, financial companies are required to submit documents that pre-assign internal control responsibilities to each executive, following approval by the Board of Directors. Executives are responsible for internal controls within their respective areas, while the CEO assumes overall management responsibility. Furthermore, companies must establish an Internal Control Committee within the Board to enhance accountability for internal control oversight and to supervise the CEO’s overall management responsibilities. Any violations of internal control responsibilities are borne by the respective executive, further reinforcing individual accountability.

Hana Financial Group began drafting its Accountability Framework in December 2023 and submitted it in October 2024, ahead of schedule, to participate in the pilot project. The Group received consulting services to refine the framework, made the necessary adjustments, and officially submitted the final version in January 2025. To embed the framework at the core of the organization, Hana Financial Group is advancing its IT systems to fully support the Accountability Framework.

ACCOUNTABILITY FRAMEWORK OPERATIONAL PROCESS



3.

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MANAGEMENT REFLECTIONS



- 

Young-joo Ham
Chief Executive Officer
- 

Seung-lyul Lee
Vice Chairman & Chief Growth Officer
- 

Eun-hyung Lee
Vice Chairman &
Chief Global Strategy/ESG Officer
- 

Seong-muk Kang
Vice Chairman & Chief Synergy Officer

QUADRUPLE EFFORTS

to ensure responsible management and transparent governance

In 2025, Hana Financial Group undertook a comprehensive organizational restructuring to strengthen our core business competitiveness and enhance management accountability. This initiative was designed to transform an unprecedented crisis into an opportunity for growth and advancement.

As part of this effort, we reorganized the company to reinforce three key areas: Growth, Synergy, and Global Strategy/ ESG. This new structure is characterized by the CEO’s leadership, with each chief officer sharing responsibility for the Group’s core functions and maintaining a strong sense of accountability.

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This organizational restructuring is a strategic initiative by Hana Financial Group to strengthen our organizational capabilities, enabling us to seize opportunities ahead of our peers and remain resilient amid changes in the financial environment. The anticipated benefits of this restructuring are closely aligned with our three core business strategies: stepping into new territories, reinforcing competitive edge, and strengthening global presence.



First, we will operate as one team to explore new territories, leveraging digital technologies to reinforce our competitiveness and deliver sustainable value. Second, we are committed to taking a lead in advancing Korea's financial market by promoting a shift toward an equity financing-focused structure, building on our strengths. Third, we will guide our affiliates in enhancing the efficiency of our global network and integrating ESG strategy into management, further strengthening our global presence.

To overcome crises, we must focus on what is fundamental and essential, rather than relying on complex strategies or short-term fixes. Hana Financial Group will establish a structure and system that create sustainable value, laying the foundation to become a company that stands strong for the next 100 years and beyond.

Young-joo Ham
Chief Executive Officer

The Growth Group is dedicated to strengthening Hana Financial Group's business competitiveness for sustainable growth and will pioneer digital transformation by integrating new technologies, such as virtual assets and AI, with traditional finance.

Seung-lyul Lee
Vice Chairman & Chief Growth Officer



The roles and responsibilities of the three key pillars Growth, Synergy, and Global Strategy/ESG, are as follows:

Led by Vice Chairman Seung-lyul Lee, the Growth Group was established through the reorganization of the former Strategy Group, Digital Group, Brand Group, and Operations Division. This group is responsible for driving the Hana Financial Group's overall business growth and enhancing our business portfolio, including the non-banking sector.

By harnessing the combined expertise of various teams, the Growth Group aims to identify new growth opportunities, strengthen our AI, data, and digital capabilities, and pursue carefully chosen strategies while maintaining a clear focus, all with the goal of accelerating Hana Financial Group's expansion into new areas of finance.

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“The Synergy Group is committed to enhancing the core business competitiveness of each affiliate through collaboration, with the goal of increasing the Group’s overall value and providing our customers with optimal financial solutions.”

Seong-muk Kang
Vice Chairman & Chief Synergy Officer

The Synergy Group, led by Vice Chairman Seong-muk Kang and reorganized from the former Customer Value Group, will spearhead efforts to enhance Hana Financial Group’s expertise in retail, wealth management, corporate investment banking, and capital markets, while fostering greater collaboration across the Group.

The Synergy Group includes the Capital Markets Division, which serves as a cornerstone in strengthening our financial investment and asset management capabilities. Going forward, we will focus on reinforcing our competitive edge as a comprehensive financial group, positioning ourselves to take a leading role in shifting the Korean financial market from a debt financing-focused structure to one centered on equity financing.

The Global Strategy/ESG Group, led by Vice Chairman Eun-hyung Lee, is responsible for overseeing Hana Financial Group’s global and ESG strategies. Previously operating as two separate groups—Global Strategy and ESG—these functions were integrated to improve efficiency and provide stronger support for the Group’s global network, thereby strengthening our global presence.

Additionally, the ESG Growing Together Team was formed by merging the ESG Team and the Growing Together Team, further reinforcing Hana Financial Group’s ESG management. This team will play a central role in ensuring that Hana Financial Group remains committed to upholding social values.

In 2024, Hana Financial Group achieved record-breaking financial results, approved its largest-ever share buyback and cancellation, and further diversified its profit base despite ongoing internal and external uncertainties. These accomplishments were driven by our focus on quality growth, shareholder value, enhancement of risk management, strengthened internal controls, and expansion of our non-banking sector.

Rather than resting on our success, we transformed our organizational structure to ensure we are well-positioned to implement our mid- to long-term strategies for sustainable growth. Hana Financial Group will continue to examine every detail and take bold actions so that these results lead to increased shareholder value.

“Global and ESG are key areas that will shape the future of Hana Financial Group. The Global Strategy/ESG Group will lay the foundation for sustainable finance by strengthening our global competitiveness and leading ESG initiatives.”

Eun-hyung Lee
Vice Chairman & Chief Global Strategy/ESG Officer



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BOARD DISCUSSION



Jae-min Lee
Independent Director

Dong-moon Park
Chairman of the Board,
Independent Director

Sook-yeon Won
Independent Director



June-suh Yi
Independent Director

Young-sook Suh
Independent Director

Jae-sool Lee
Independent Director



Kang-won Lee
Independent Director

Shim Yoon
Independent Director

Yung-sup Joo
Independent Director



The new imperative of the Board of Directors –
the Board’s role in building and stewarding a resilient
and thriving enterprise in the face of volatility

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BOARD ACTIVITIES

Q. What were the Board of Directors’ top priorities for 2024 and what key initiatives were implemented to achieve them?

A. The main focus of the Board of Directors (BoD) in 2024 was enhancing shareholder value by increasing shareholder return. The Board engaged in in-depth discussions on the matter and requested the top management to establish and consistently implement a reasonable and sustainable shareholder return policy, taking into account the interests and opinions of investors.

Hana Financial Group has made significant efforts to fulfill its commitments to shareholders. To implement the Group’s capital management and shareholder return policy announced in 2023, an annual cash dividend of KRW 3,400 per share was distributed in 2023, resulting in a dividend payout ratio of 28.6%, one of the highest among Korean financial groups. In 2024, an annual cash dividend of KRW 3,600 per share was distributed, maintaining a high dividend payout ratio of 27.2% and demonstrating the consistent and stable execution of the shareholder return policy.

The Group has also prioritized share buybacks and cancellations to further enhance shareholder returns and corporate value. At the Board meeting held on January 31, 2024, a resolution passed for a share buyback and cancellation valued at KRW 300 billion, followed by additional resolutions for KRW 150 billion on October 29, 2024, and KRW 400 billion on February 4, 2025.

The decision to proceed with the largest-ever share buyback and cancellation since the Group’s establishment was made in line with the Value Up Plan announced last October. Moving forward, Hana Financial Group will continue to implement a range of strategies to enhance shareholder value, with the Board collaborating closely with top management to ensure the effective execution of these strategies and unwavering implementation of the Value Up Plan.



Has been holding the Board of Directors Roundtable on a regular basis

Since 2022

SHAREHOLDER ENGAGEMENT

Q. Effective communication with shareholders is recognized as critically important in implementing the Value Up Plan. What measures have been taken to enhance communication in this regard? Additionally, can you provide details on other shareholder engagement activities?

A. The differentiators of Hana Financial Group’s Value Up Plan include a clearly defined timeline, detailed action plans for achieving objectives, and proactive communication that aligns with the expectations of both the market and shareholders throughout the process. We are committed to continuously improving the Plan by conducting thorough reviews and evaluations led by the Board, ensuring that the Plan leads to tangible improvements in corporate value. Through this process, we seek investors’ feedback through various channels and incorporate this input into management strategies.



SHAREHOLDER ENGAGEMENT

A leading example of shareholder engagement is the virtual Board of Directors Roundtable. After holding the first event in November 2022, the Roundtable has become a regular event, now held twice annually. In 2024, two Roundtable sessions were convened in February and October, providing all independent directors, including the Chairman of the Board, with opportunities to meet and communicate directly with shareholders. Key feedback from shareholders gathered at these Roundtables is shared with top management and reflected in major decision-making processes and policies. Notable examples include Board resolutions and disclosures regarding the Value Up Plan as well as the announcement of share buyback and cancellation plans in October 2024 and January 2025. Further details can be found in the Investor Relations section of the Management Report.

CEO KPI

Q. What is the role of the Board as the key decision-making body on matters related to CEO compensation? Please also provide an overview of related activities undertaken in 2024.

A. Hana Financial Group places the highest priority on long-term profitability and shareholder value when determining CEO compensation. The Management Development and Compensation Committee under the Board of Directors establishes key performance indicators (KPIs) that serve as the basis for the CEO compensation structure, amount, and variable components, thereby ensuring a fair and transparent compensation system.

The CEO compensation structure consists of fixed and variable components, with a performance-based system where variable compensation accounts for more than 50% of total remuneration. In addition, long-term performance-based compensation is structured through a stock-linked system designed to promote the enhancement of shareholder and corporate value by aligning the CEO's interests with the company's long-term performance.

To ensure objective evaluation, the ratio of quantitative to qualitative assessment is set at 80:20. Quantitative evaluation indicators include relative stock price performance among peers, return on equity (ROE), cost-to-income (C/I) ratio, non-performing loan (NPL) ratio, and return on risk-weighted assets (RoRWA). To align the KPIs with shareholder interest, the combined weight of indicators that have a strong correlation with shareholder value, such as relative shareholder return, ROE, and RoRWA exceeds the majority, reaching

58% as of 2024. Notably, RoRWA has been incorporated in place of return on assets (ROA) to better balance profitability and risk, enabling more effective capital allocation and prioritizing qualitative growth over quantitative growth.

The Board is increasing the weight of RoRWA within management KPIs to further internalize the Value Up Plan, and this adjustment has already been implemented for the Group CEO and Hana Bank CEO in 2024. For non-bank subsidiaries, RoRWA is included in the CEO KPIs of Hana Securities, Hana Card, Hana Capital, and Hana Savings Bank, with its weighting expected to rise to the level applied at Hana Bank. Furthermore, to ensure the "efficient allocation of capital"—a core pillar of the Value Up Plan—the inclusion of this indicator in the management KPIs of other subsidiaries is under consideration.

Qualitative evaluation indicators include ESG finance practices, enhancement of business competitiveness through core competencies and collaboration, expansion into new territories, and establishment of governance for the Group's sustainable growth, including internal controls and consumer risk management.



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BOARD COMMITTEES

Q. What were the main activities and achievements of the Board committees in 2024, excluding those of the previously mentioned Management Development and Compensation Committee?

A. Group CEO Nomination Committee

The Group CEO Nomination Committee is responsible for establishing criteria for Group CEO candidates, managing the candidate pool, and recommending CEO candidates. The Committee is composed entirely of independent directors. It selects a final shortlist from a longlist and recommends a final candidate following presentations and interviews with each candidate. The Committee conducts an annual review of the qualifications of candidates on the longlist and reports its findings to the Board at least once a year.

In 2024, the Board revised the Group CEO Nomination Committee Regulations to promote stronger governance and to incorporate the Best Practices for the Governance of Bank Holding Companies and Banks announced by the Financial Supervisory Service. The timing for initiating the management succession process was changed from “30 days prior to the general shareholders’ meeting (GSM) convocation notice date” to “90 days prior to the GSM,” providing the Committee with sufficient time for a thorough review of CEO candidates. Additionally, at the second Group CEO Nomination Committee meeting, the “Group CEO management succession plan and candidate nomination process” was revised to further improve the succession process. The Committee also refined the qualifications and evaluation criteria for candidates, thereby establishing a more transparent and fair system for managing CEO candidates.

Sustainable Management Committee

The Sustainable Management Committee deliberates and makes decisions on matters related to the Group’s sustainable management strategies and policies. The Board has consistently emphasized the importance of climate change response and social responsibilities of the financial sector, and has called on top management to create positive impact on society and the environment through sustainable business operations. As a result of the collective efforts of the Board and top management, we have achieved meaningful milestones in ESG management.

In April 2024, we joined the Impact Disclosure Taskforce Initiative, which aims to promote ESG-related capital inflows into developing countries to support the achievement of the UN SDGs, and reported this to the Board. In creating social value, the Board received a report on Hana Bank’s participation in a profit-sharing financial support program at the first Board meeting of 2024. The Board emphasized the importance of fulfilling social responsibilities and requested the implementation of differentiated programs to benefit a diverse range of groups, including small business owners, financially vulnerable groups, and low-income households. At the first Board meeting of 2025, the Board resolved to extend donation support for the implementation of the Hana Power On Program and encouraged the promotion of social responsibility through the creation of sustainable, quality jobs and support for socially disadvantaged groups.

Consumer Risk Management Committee

The Consumer Risk Management Committee establishes proactive and comprehensive consumer risk management policies and systems for the Group. In response to ongoing uncertainties in domestic and international financial markets, the Committee formulated the Group’s consumer risk management policy in 2024, with the objective of fostering inclusive finance and enhancing consumer protection through innovation in the consumer risk management system. The Committee also closely monitors related activities to strengthen the Group’s consumer risk management capabilities.

Based on these initiatives, Hana Financial Group is committed to effective consumer risk management. Measurement indices and a monitoring system have been developed to support this effort, and a financial consumer protection framework has been established to cover all stages from product introduction to sales and post-sale management, thereby delivering distinctive customer value. In 2024, an external expert was appointed to the Non-Deposit Products Committee to enhance the preliminary review process for products. Additionally, efforts are underway to embed a consumer risk management into the corporate culture through ongoing promotion, systematic training, the introduction of KPIs, and the strengthening of related capabilities.



Joined the Impact Disclosure Taskforce in April 2024, for the first time among Korean financial companies

Impact Disclosure Taskforce

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS



Young-joo Ham
CEO



Seung-lyul Lee
Vice Chairman



Seong-muk Kang
Vice Chairman
CEO, Hana Securities

INITIAL DATE OF APPOINTMENT	March 25, 2022	March 22, 2024	March 22, 2024
KEY PROFILE	<ul style="list-style-type: none">• Former, Vice Chairman, Hana Financial Group• Former, CEO, Hana Bank	<ul style="list-style-type: none">• Former, CEO, Hana Bank• Former, CEO, Hana Life	<ul style="list-style-type: none">• Former, CEO, Hana Alternative Asset Management• Former, Vice President, Retail Division, Hana UBS Asset Management
EXPERTISE	<ul style="list-style-type: none">• Financial services• Executive leadership	<ul style="list-style-type: none">• Financial services• Executive leadership• Finance	<ul style="list-style-type: none">• Financial services• Executive leadership
BOARD COMMITTEES	<ul style="list-style-type: none">• Group Executive Nomination Committee	<ul style="list-style-type: none">• Sustainable Management Committee	<ul style="list-style-type: none">• Consumer Risk Management Committee

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INDEPENDENT DIRECTORS



Dong-moon Park
Chairman of the Board, Independent Director



Kang-won Lee
Independent Director



Sook-yeon Won
Independent Director

INITIAL DATE OF APPOINTMENT	March 26, 2021	March 25, 2022	March 24, 2023
KEY PROFILE	<ul style="list-style-type: none">• Former, CEO, Kolon Industries• Former, CEO, Kolon Glotech• Former, CEO, Kolon Inet	<ul style="list-style-type: none">• Managing Partner (Lawyer), Dadam LLC.• Former, Chief Judge, Busan High Court• Former, Presiding Judge, Seoul High Court	<ul style="list-style-type: none">• Professor, Public Administration, Ewha Womans University• Director, Fiscal Performance Evaluation Division, Ministry of Economy and Finance• Former, Auditor, Supreme Court
EXPERTISE	<ul style="list-style-type: none">• Executive leadership	<ul style="list-style-type: none">• Legal• Executive leadership	<ul style="list-style-type: none">• ESG
BOARD COMMITTEES	<ul style="list-style-type: none">• Independent Director and Auditor Nomination Committee (Chairman)• Group CEO Nomination Committee (Chairman)• Audit Committee• Internal Control Committee• Sustainable Management Committee	<ul style="list-style-type: none">• Group Executive Nomination Committee (Chairman)• Risk Management Committee• Group CEO Nomination Committee• Consumer Risk Management Committee	<ul style="list-style-type: none">• Audit Committee (Chairwoman)• Independent Director and Auditor Nomination Committee• Group CEO Nomination Committee• Group Executive Nomination Committee

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INDEPENDENT DIRECTORS



June-suh Yi
Independent Director



Yung-sup Joo
Independent Director



Jae-sool Lee
Independent Director

INITIAL DATE OF APPOINTMENT	March 24, 2023	March 22, 2024	March 22, 2024
KEY PROFILE	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Former, Managing Director (KICPA), Deloitte Anjin Accounting Corporation• Former, Member, Public Funds Management Committee, Financial Services Commission• Former, Managing Auditor, Boryung Co., Ltd.
EXPERTISE	<ul style="list-style-type: none">• Finance	<ul style="list-style-type: none">• Economics• Executive leadership	<ul style="list-style-type: none">• Accounting• Executive leadership
BOARD COMMITTEES	<ul style="list-style-type: none">• Risk Management Committee (Chairman)• Internal Control Committee• Group CEO Nomination Committee• Consumer Risk Management Committee	<ul style="list-style-type: none">• Management Development and Compensation Committee (Chairman)• Risk Management Committee• Independent Director and Auditor Nomination Committee• Group CEO Nomination Committee	<ul style="list-style-type: none">• Internal Control Committee (Chairman)• Audit Committee• Group CEO Nomination Committee• Sustainable Management Committee

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INDEPENDENT DIRECTORS



Shim Yoon
Independent Director



Jae-min Lee
Independent Director



Young-sook Suh
Independent Director

INITIAL DATE OF APPOINTMENT	March 22, 2024	March 22, 2024	March 25, 2025
KEY PROFILE	<ul style="list-style-type: none">• Former, CEO, Miracom Inc.• Former, Vice President, Samsung SDS (Cloud Business and Research Institute)• Former, Senior Executive Vice President, Samsung SDS (Research Institute)	<ul style="list-style-type: none">• Dean, Seoul National University School of Law• Former, President, Korean Society of International Economic Law• Former, Lawyer (Washington, D.C.), Willkie Farr & Gallagher LLP	<ul style="list-style-type: none">• Former, Chief Credit Officer (North Asia), Standard Chartered Bank Korea• Former, Senior Credit Officer, Standard Chartered Bank Korea• Former, Head of Risk Management & Research, Woori Global Markets Asia Ltd., Hong Kong
EXPERTISE	<ul style="list-style-type: none">• Digital/ICT• Executive leadership	<ul style="list-style-type: none">• Legal	<ul style="list-style-type: none">• Financial services
BOARD COMMITTEES	<ul style="list-style-type: none">• Internal Control Committee• Independent Director and Auditor Nomination Committee• Group CEO Nomination Committee• Consumer Risk Management Committee	<ul style="list-style-type: none">• Sustainable Management Committee (Chairman)• Audit Committee• Management Development and Compensation Committee• Group CEO Nomination Committee• Group Executive Nomination Committee	<ul style="list-style-type: none">• Risk Management Committee• Management Development and Compensation Committee• Independent Director and Auditor Nomination Committee• Group CEO Nomination Committee

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CORPORATE GOVERNANCE

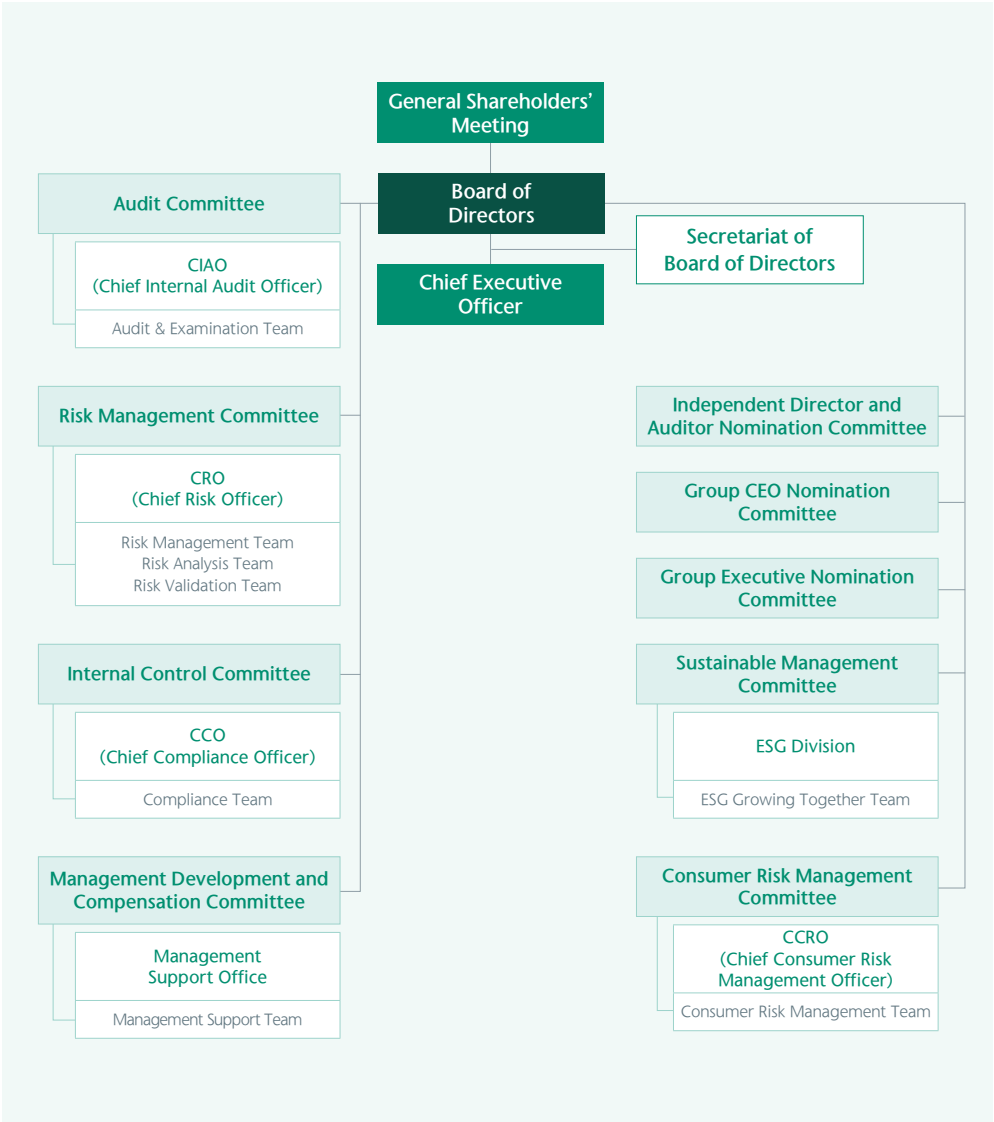
COMPOSITION OF THE BOARD

Hana Financial Group’s Board of Directors is committed to distributing profits fairly and appropriately to shareholders and other stakeholders. The Board is also committed to ensuring the long-term growth of the company. To achieve this, the Board makes decisions on matters within its authority as specified by relevant laws, including the Commercial Act and the Act on Corporate Governance of Financial Companies, as well as other significant matters affecting the company. The Board holds both the responsibility and the authority to oversee the performance of directors in carrying out their duties.

As of the end of March 2025, the Board consists of 12 members. The Board approves management strategies, business objectives, and operational plans in the interests of the company and its shareholders, and supervises their implementation. To reinforce accountability at the highest level, the Board receives regular reports on key matters related to top management’s performance. The Board also holds the authority to appoint and dismiss the Chief Executive Officer (CEO).

A majority of the Board members are independent directors, ensuring independence from management. All directors meet the qualifications set forth in applicable laws, uphold the highest ethical standards, and demonstrate professionalism and integrity. The Board is composed of experts from diverse fields, enabling the presentation of professional and independent perspectives and the efficient decision making process. The Board operates in close coordination with its committees and receives robust support from relevant departments to ensure effective governance.

BOARD COMPOSITION



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BOARD COMMITTEES

Hana Financial Group has established committees within the Board of Directors to enhance management transparency, maintain strong corporate governance, and promote efficient Board operations. As of the end of March 2025, nine committees are in operation: the Audit Committee, Risk Management Committee, Internal Control 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.

To strengthen the independence of each committee, the Audit Committee, Risk Management Committee, Internal Control Committee, Management Development and Compensation Committee, Independent Director and Auditor Nomination Committee, and Group CEO Nomination Committee are composed entirely of independent directors.

To further enhance expertise, the Audit Committee includes at least one member with accounting or finance expertise, while the Risk Management Committee and the Management Development and Compensation Committee each include at least one member with experience in financial services, finance, or accounting.

The Board delegates certain authorities to these committees in accordance with relevant laws and the Articles of Incorporation, and addresses a range of matters through them, including corporate governance improvements, efficient Board operations, accounting and operational audits, management of business-related risks, deliberation on the establishment and execution of the Group’s compensation policies, and recommendations for CEO, independent director, and auditor candidates. In addition, major activities of the Board and its committees are regularly disclosed to ensure transparency.


 For details on the structure and functions of the Board committees, refer to the table on p. 49.

BOARD ACTIVITIES

Hana Financial Group regularly discloses the results of its Board activities to communicate with stakeholders, including shareholders, customers, employees, and the broader society, through various channels, such as the annual report, corporate website, annual report on corporate governance and compensation practices, sustainability report, and business report.

In 2024, a total of 11 Board meetings were held, during which 111 agenda items were deliberated—comprising 46 resolution items and 65 report items. Of the 46 resolution items, 45 were approved and one was approved following revision. The attendance rate of executive directors was 100%. All independent directors, with the exception of one, attended every Board meeting, resulting in an overall high attendance rate. All directors met the attendance requirement of 75% or higher, in accordance with the criteria established by Institutional Shareholder Services (ISS). Throughout the year, the Board made decisions on significant management matters of the Group as outlined in the table on pages 50–51.



 For details on the key resolutions and discussions for 2024 Board meetings, refer to the table on p. 50–51.

BOARD COMMITTEES: STRUCTURE AND FUNCTIONS

Committee	Composition	Chair	Purpose of Responsibilities
Audit Committee	4 independent directors	Sook-yeon Won	<ul style="list-style-type: none">Conduct accounting and operational audits and perform the following major roles that accompany the audits<ul style="list-style-type: none">Establish and execute internal audit plans that are categorized into financial and operational audits, evaluate results, implement follow-up measures, and present improvement measuresEvaluate the internal control system and internal accounting management system, and present improvement measuresSelect an outside auditorEvaluate the audit activities of an outside auditorProvide consent for the appointment and dismissal of executives and General Manager(s) in charge of auditTake measures for matters pointed out as a result of an audit
Risk Management Committee	4 independent directors	June-suh Yi	<ul style="list-style-type: none">Establish, approve, and comprehensively manage policies and basic management plans for various risks that may arise during business operations
Internal Control Committee	4 independent directors	Jae-sool Lee	<ul style="list-style-type: none">Execute various matters that are stipulated in relevant laws so that the Board can perform its internal control monitoring role and deliberate/decide on matters delegated by the Board
Management Development and Compensation Committee	3 independent directors	Yung-sup Joo	<ul style="list-style-type: none">Establish measures to enhance corporate business performance, determine performance evaluation and compensation of the executives of the Group and subsidiaries, and deliberate candidates for such roles
Independent Director and Auditor Nomination Committee	5 independent directors	Dong-moon Park	<ul style="list-style-type: none">Establish principles on appointing independent directors, and search for and deliberate/recommend candidates with the expertise needed to perform as independent director in various fieldsChoose Audit Committee member candidates and suggest them at GSMs
Group CEO Nomination Committee	9 independent directors	Dong-moon Park	<ul style="list-style-type: none">Establish criteria for selecting the Group CEO candidates, and perform the role of screening/selecting/recommending CEO candidates who meet the requirements set forth in relevant laws and internal regulations and who have the necessary capabilitiesApprove a management succession plan every year for continuity of corporate management and stable management succession
Group Executive Nomination Committee	1 executive director 3 independent directors	Kang-won Lee	<ul style="list-style-type: none">Evaluate and recommend candidates who have the expertise and capabilities required from registered executives (excluding the Group CEO and independent directors) of the holding company and CEOs of major subsidiaries who meet the requirements set forth in relevant laws and internal regulationsEstablish a management succession plan every year for management continuity of major subsidiaries and stable management succession
Sustainable Management Committee	1 executive director 3 independent directors	Jae-min Lee	<ul style="list-style-type: none">Establish and change the Group's sustainable management strategies and policies, including climate change response and social value creation
Consumer Risk Management Committee	1 executive director 3 independent directors	TBD	<ul style="list-style-type: none">Establish preemptive and active Group consumer risk management policy and system based on recognition of the need for a shift to a consumer-centered risk management system

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LETTER FROM THE CEO

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KEY RESOLUTIONS AND DISCUSSIONS FOR 2024 BOARD MEETINGS

Round	Resolution/Report Title	Content
1 st (Jan. 31)	• Approval of 19 th FY Financial Statements (Jan. 1 – Dec. 31, 2023) and statement of appropriation of retained earnings and decision on record date for year-end dividend	– Dividend per share (DPS) of KRW 1,600, a total of KRW 460.8 billion year-end dividend
	• Share buyback and cancellation	– Share buyback and cancellation of KRW 300 billion for progressive shareholder return and improve corporate value
	• Important matters related to H index-tied equity-linked securities (ELS)	– Examined H Index-tied ELS sales status, progress, post management within the Group, including Hana Bank
4 th (Apr. 26)	• 1 st quarterly dividend payout of FY 2024	– DPS of KRW 600, a total of KRW 171.8 billion quarterly dividend
	• Progress on capital increase for the Group subsidiaries	– Monitored progress of Hana Insurance and Finng after capital increase
	• Important matters related to Hana Bank’s voluntary compensation plan for H index-tied ELS	– Reviewed process, progress, post management of Hana Bank’s voluntary compensation plan for H index-tied ELS
5 th (Jun. 27)	• Revision of regulations for the Board	– Revised regulation to ensure stable management succession and reflect best practice guideline for corporate governance* * FSS’s “Best Practices for the Governance of Bank Holding Companies and Banks”
	• Revision of regulations for management succession plan	
6 th (Jul. 26)	• Revision of regulations for the Group CEO Nomination Committee	– Established a standard to ensure Board’s collective suitability and reflect best practice guideline for corporate governance
	• Establishment of a standard for board skill matrix	– DPS of KRW 600, a total of KRW 169.7 billion quarterly dividend
	• 2 nd quarterly dividend payout of FY 2024	– Resolved to participate in KRW 200 billion capital increase for Hana Life to strengthen non-banking subsidiaries
7 th (Oct. 2)	• Participation in capital increase for Hana Life	– Resolved to participate in KRW 100 billion capital increase for Hana Insurance to strengthen non-banking subsidiaries
	• Participation in capital increase for Hana Insurance	– Monitored progress of Hana Securities since the capital increase
	• Progress on capital increase for the Group subsidiaries	– Resolved on regular renewal of recovery plan of HFG for the 2024 business year, which includes governance, core function/business/shared services, Trigger indicators and requirements, self-recovery measures, interconnectivity analysis, internal and external communication, and management information systems

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KEY RESOLUTIONS AND DISCUSSIONS FOR 2024 BOARD MEETINGS

Round	Resolution/Report Title	Content
8 th (Oct. 29)	• 3 rd quarterly dividend payout of FY 2024	– DPS of KRW 600, a total of KRW 169.7 billion quarterly dividend
	• Share buyback and cancellation	– Share buyback and cancellation of KRW 150 billion for progressive shareholder return and improve corporate value
	• Hana Financial Group’s Value Up Plan	– Pursue corporate value enhancement through greater shareholder return, efficient capital allocation, and improved profitability
	• Submission of accountability framework (pilot plan)	– Submitted accountability structure and manual according to the enactment of revised corporate governance act to financial authorities
9 th (Nov. 22)	• Hana Financial Group’s business plan, expense budget and capital budget for FY 2025	– Resolved on HFG’s strategies, core tasks, financial plans, expense and capital budgets for FY 2025
	• Revision of the Regulations for Internal Accounting Control	– Resolved on Regulation on Internal Accounting Management as the FSS enacted Evaluation/Reporting Standards for Internal Accounting Management System in the Regulation on External Audit and Accounting to reinforce the sense of responsibility for internal accounting management system
	• Participation in Community Chest of Korea’s 2025 Annual Campaign with Hope	– Approved donation of KRW 15 billion to Community Chest of Korea’s 2025 Annual Campaign with Hope to support local communities and people in need and address social issues as part of ESG management
	• Revision of Regulations for the Operation of Independent Directors	– Revised the regulation to appoint independent agency for evaluation of independent directors, if needed, and establish framework for processing independent director’s requests in accordance with Best Practice Guideline for Corporate Governance of Banks and Holding Companies
	• Appointment of independent agency for evaluation of the Board and independent directors	– Appointed independent agency for evaluation of the Board, Board Committees, and independent directors to enhance fairness and subjectivity
	• Report on progress after capital increase for the Group subsidiaries	– Followed up on the progress of Hana Capital and Hana F&I after capital increase
10 th (Dec. 2)	• Report on progress of the Group’s vision	– Reported on the progress of the Group’s vision, “All Connected in Hana Finance” and strategic goals, “O.N.E Value 2030”
	• Revision of Regulations for Internal Control	– To reflect key items of the revised act on corporate governance, such as stipulation of the Board’s responsibilities and Accountability Framework
	• Revision of Regulations for the Board of Directors	
	• Revision of the Internal Guidelines on Governance Structure	
	• Revision of the Governance Announcement Regulations	
11 th (Dec. 26)	• Revision of Regulations for Audit Committee	– Submitted official accountability structure and manual according to the enactment of revised act on corporate governance
	• Submission of HFG’s accountability framework	
	• Adjustments in Evaluation Criteria for the Board, Board committees, and independent directors	– Advanced evaluation criteria for the Board, Board committees, and independent directors with the appointed independent agency

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INDEPENDENCE, TRANSPARENCY
AND DIVERSITY OF THE BOARD

Hana Financial Group ensures diversity among the Board members by adopting an inclusive approach to the appointment of directors, without discrimination based on factors such as gender, age, nationality, race, religion, cultural background, education, or experience. Female independent directors have been continuously appointed since 2010, and as of the end of March 2025, three female independent directors serve on the Board, representing 25% of its composition. The Board also includes several directors with global experience, supporting decision-making with a global perspective. In July 2021, the Board enacted the Criteria for the Independence of Outside Directors and the Criteria for the Diversity of the Board of Directors at its fifth meeting, and these policies have been disclosed on the corporate website.



Click to see the Criteria for the Independence of Outside Directors



Click to see the Criteria for the Diversity of the Board

The Group appoints independent directors in accordance with the qualification requirements and independence criteria specified in Article 6 of the Act on Corporate Governance of Financial Companies and Article 8 of the Enforcement Decree of the Act. As of the end of March 2025, independent directors comprise 75% of the Board, forming the majority and effectively providing a system of checks and balances on management. The Chairman of the Board is an independent director rather than the CEO, ensuring that the Board is led independently and operates with transparency.

As of the end of March 2025, the Board consists of nine independent directors and three executive directors. The independent directors possess expertise in financial services (four), executive leadership (one), economics (one), finance (one), accounting (one), law (two), ESG (one), and digital/information and communications technology (one). The Board represents the rights and interests of all stakeholders, including shareholders, in a balanced manner.

BOARD EVALUATION PROCESS
AND STANDARDS

By appointing directors with substantial professional knowledge, practical experience, and global backgrounds in diverse fields, Hana Financial Group prevents director expertise from being concentrated in any single sector, such as academia. Many directors have backgrounds in industry and corporate leadership, contributing meaningfully to the Board’s capabilities. Additionally, independent directors oversee and advise management, with internal policies and procedures explicitly allowing for the option to seek advice from external professional institutions when necessary. Independent directors allocate sufficient time and effort to fulfill their duties.

Hana Financial Group conducts annual evaluations of the operations and activities of the Board and its committees in a fair and objective manner, and transparently discloses the results. For the 2024 evaluation, the Group adopted an external assessment, incorporating the “Best Practices for the Governance of Bank Holding Companies and Banks” announced by the Financial Supervisory Service. Daishin Economic Research Institute was selected as the external evaluation firm to conduct the evaluation at the Board meeting held in November 2024. At the meeting in December 2024, the Board approved the evaluation criteria, which had been revised by the Institute through benchmarking the evaluation standards used by global institutions. Based on these revised criteria, Daishin Economic Research Institute conducted the evaluation of the Board in January 2025 for activities carried out in 2024.

Evaluators of the Board and its committees are categorized as independent directors and employees. Evaluations are conducted using paper or electronic questionnaires, with opportunities to provide additional comments. The detailed evaluation items for each evaluator are as follows.

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Evaluation target	Evaluator	Detailed Evaluation Items
Board of Directors	All independent directors	<div><div>• Board's roles and responsibilities</div><div>• Board structure</div><div>• Board operations</div><div>• Board sustainability</div><div>• Board evaluation</div></div>
	Executive Secretary of Board of Directors	<div><div>• Board's roles and responsibilities</div><div>• Board structure</div><div>• Board operations</div><div>• Board evaluation</div></div>
Board Committees	Members of the Committee (Independent directors)	<div><div>• Board's roles and responsibilities</div><div>• Board structure</div><div>• Board operations</div></div>
	Employees from departments ¹⁾	<div><div>• Board's roles and responsibilities</div><div>• Board structure</div><div>• Board operations</div></div>

¹⁾ Executive Secretary of Board of Directors: Steering Committee of BoD, Independent Director and Auditor Nomination Committee, Group CEO Nomination Committee, Group Executive Nomination Committee
Chief Internal Audit Officer: Audit Committee
Chief Risk Officer: Risk Management Committee
General Manager of Management Support Office: Management Development and Compensation Committee
Chief ESG Officer: Sustainable Management Committee
Chief Consumer Risk Management Officer: Consumer Risk Management Committee

Evaluation results were converted to a 100-point scale for each question, and average scores were calculated for each evaluation item. Based on these scores, results were labeled as follows:

Average Score Range	Evaluation Result
90 or above	Excellent
80 ≤ score < 90	Very Good
70 ≤ score < 80	Good
60 ≤ score < 70	Fair
Below 60	Unsatisfactory

The evaluation results for the 2024 activities of the Board and its committees, as reported at the Board meeting held in February 2025, are presented below. These results were also disclosed in the Annual Report on Corporate Governance and Compensation Practices.

BOARD EVALUATION

Item	Rating
Board's roles and responsibilities	Excellent
Board structure	Excellent
Board operations	Excellent
Board sustainability	Excellent
Board evaluation	Excellent

BOARD COMMITTEE EVALUATION

Committee	Rating
Steering Committee of BoD	Excellent
Audit Committee	Excellent
Risk Management Committee	Excellent
Management Development and Compensation Committee	Excellent
Independent Director and Auditor Nomination Committee	Excellent
Group CEO Nomination Committee	Excellent
Group Executive Nomination Committee	Excellent
Sustainable Management Committee	Excellent
Consumer Risk Management Committee	Very Good

The external evaluation conducted by Daishin Economic Research Institute was performed independently, with no conflicts of interest involving the independent directors. The Institute is an independent entity within Daishin Financial Group and its independence is ensured through the physical separation of offices and computer servers from other Daishin affiliates, as well as strict prohibitions on information sharing.

In addition, it was reported that Daishin Economic Research Institute strictly adheres to internal compliance requirements and regulations, and maintains robust security management practices.

Separately, the Korea Corporate Governance Service (KCGS) conducts an annual evaluation of Hana Financial Group's corporate governance. In 2024, we received an A rating in the financial company category.



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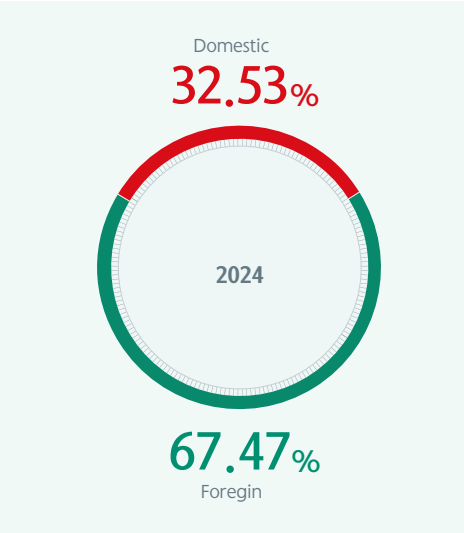
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SHAREHOLDER INFORMATION

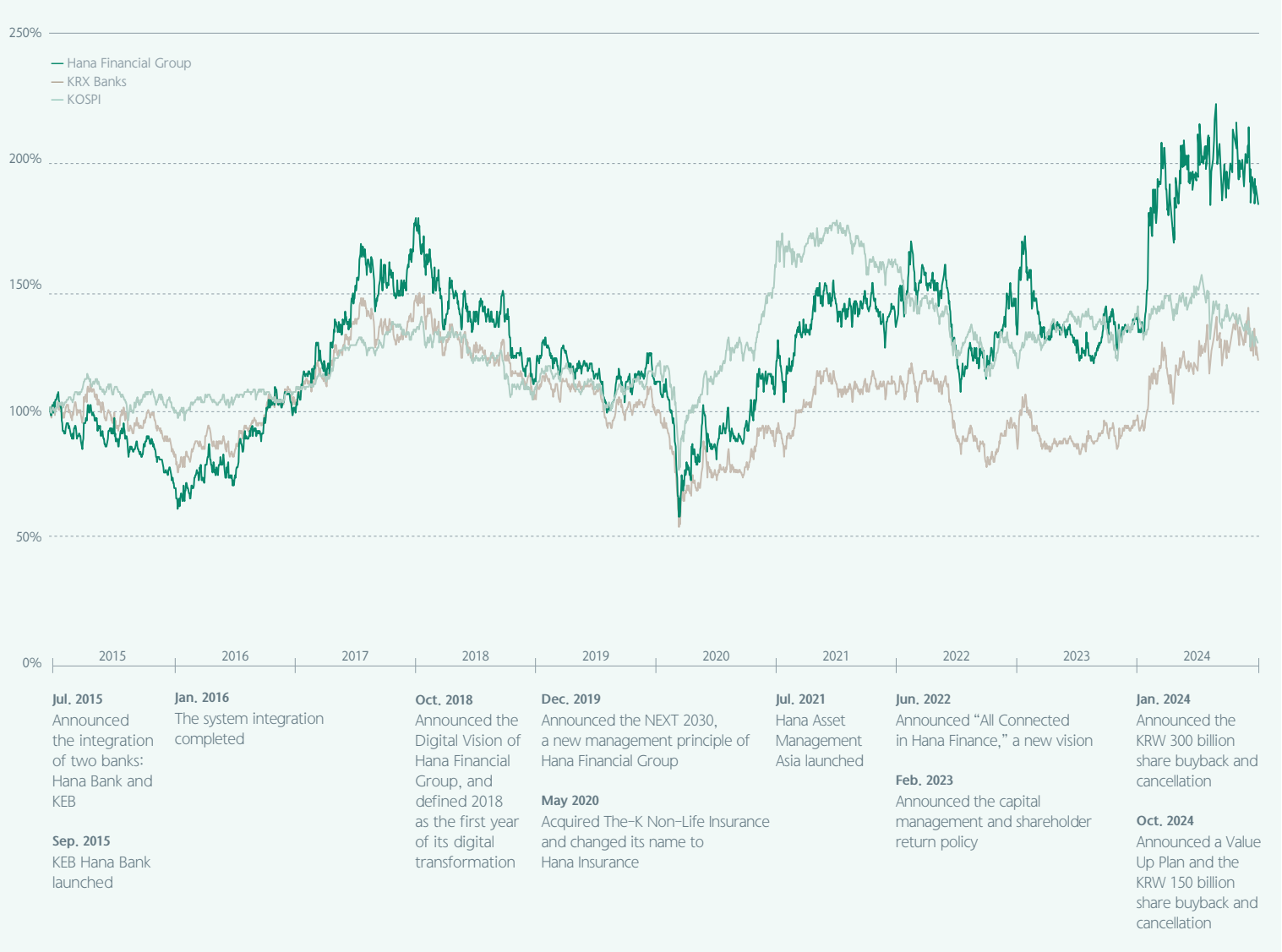
SHAREHOLDER COMPOSITION

The total number of issued stocks of Hana Financial Group as of December 31, 2024, is 287,240,880 shares, all of which are common stocks. There is no stock option provided by Hana Financial Group as of the 2024 year-end. Foreign ownership accounts for 67.47% as of December 31, 2024, and there are a total of 13 shareholders each holding 1% or more shares of Hana Financial Group. The largest shareholder is the National Pension Service with 26,503,952 (9.23%) common stocks, and the second largest shareholder is Capital Group with 19,951,180 shares (6.95%).

SHARE OWNERSHIP



SHARE PRICE CHANGE



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DIVIDEND POLICY

Hana Financial Group implements an active shareholder return policy to enhance shareholder value. In 2024, we increased the DPS over the previous year, providing a cash dividend of KRW 3,600 and reaching the shareholder return ratio of 38%. This represents the largest shareholder return in our history, reflecting our commitment to driving growth of per share metrics, such as earnings per share and book value per share, and continuously promoting stable dividend growth. We also decided to apply an equal quarterly dividend scheme starting in 2025 to improve predictability of shareholder return policy, and plan

to change the focus of our shareholder return policy from cash dividend to share buyback and cancellation.

GENERAL SHAREHOLDERS' MEETING

We held our 20th ordinary GSM on March 25, 2025. A resolution to convene the GSM and a convocation notice were made on February 28, 2025. To provide sufficient information and actively recommend shareholders' exercise of voting rights, we expanded the target of sending a convocation notice with more than 1%

of total issued stocks to shareholders with 1,000 or more stocks. In addition, we raised convenience in shareholders' exercise of voting rights by adopting an electronic voting system starting from our 16th ordinary GSM. We also recommend exercise of voting rights by proxy through a notice on our website and electronic disclosure system to support easier exercise of shareholders' voting rights. We do not restrict the cumulative voting system in our Articles of Incorporation, and our 20th ordinary GSM was held on a date that does not overlap with the days when other companies' GSMs are concentrated.

We disclose necessary information for shareholders to exercise their voting rights through the electronic disclosure systems of Financial Supervisory Service and Korea Exchange. In addition, we post detailed materials related to meeting agenda on our website in both Korean and English to improve shareholder accessibility to information that is needed to exercise voting rights. Moving forward, we will make continuous efforts to ensure a sufficient period between the GSM convocation notice date and the GSM by coordinating internal and external schedules.

DIVIDEND

Classification	2024	2023	2022
Year-end Stock Price (KRW)	56,800	43,400	42,050
DPS (KRW)	3,600	3,400	3,350
First-quarter Dividend	600	600	N/A
Second-quarter Dividend	600	600	800
Third-quarter Dividend	600	600	N/A
Year-end Dividend	1,800	1,600	2,550
Cash Dividend (KRW in billion)	1,016	980	977
Dividend Yield	6.3%	7.8%	8.0%
Share Buyback (KRW in billion)	397	150	0
Shareholder Return Ratio	38%	33%	27%

Click to see the Result of Shareholders Meeting



BASIC SHARE INFORMATION

- Listed Date: December 12, 2005
- Stock market: KOSPI Market
- Issued shares: 287,240,880 common shares
- Market Capitalization: KRW 16.3 trillion



20TH ORDINARY GENERAL SHAREHOLDERS' MEETING

- GSM convocation notice date: February 28, 2025
- GSM date: March 25, 2025

Click to download the Convocation Notice and Reference Material

SHAREHOLDER ENGAGEMENT

ENGAGEMENT EFFORTS AND ACTIVITIES

Following the announcement of the Group’s capital management and shareholder return policy in early 2023, Hana Financial Group unveiled its Value Up Plan—aimed at enhancing corporate and shareholder value—during its third quarter earnings presentation in 2024. Since then, we have actively communicated our commitment to implementing the plan and shared updates on its progress through investor relations events both domestically and internationally.

In particular, as part of our efforts to diversify communication channels to promote sincere communication with investors in Korea and abroad, address information asymmetry, and strengthen

individual shareholders’ information accessibility, we released a CEO interview video in February 2025, the first among domestic financial holding companies, which reflects the management’s commitment to corporate value enhancement. This video was released through Hana Financial Group’s official website and made available for viewing on the Group’s official YouTube channel, Hana TV, to enhance accessibility for shareholders. Furthermore, English subtitles are provided to cater to overseas investors, who account for about 70% of Hana Financial Group’s shareholders, showcasing our utmost effort for sincere communication with both domestic and international investors.

In addition, the Group CEO held more overseas non-deal roadshows (NDRs), participated in joint IR events within the financial sector, and hosted meetings with domestic analysts and CIOs, actively enhancing communication between the management and investors. Moreover, we upgraded the traditional conference call format for earnings presentation to a video format as part of our continuous efforts to advance communication methods.

BOARD OF DIRECTORS ROUNDTABLE

Hana Financial Group has institutionalized the Board of Directors Roundtable event, which was initiated in 2022 to enhance shareholder engagement. Since then, the Board has been organizing this event twice a year, providing a platform for two-way communication with shareholders. In February 2024, 1-on-1 or small group meeting was held with nine investors (participants’ total stake: 21.1%), followed by the Board of Directors Roundtable event in October joined by 20 investors (participants’ total stake: 34.6%). All independent directors, including the Chairman of the Board, attended both events and collected shareholder opinions. They shared key opinions of shareholders with the Group’s top management, and the management reviewed to reflect them in decision-making process and policies.



Fireside Chat with CEO Ham Young-joo:
Hana Financial Group’s Value Up

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A leading example of Hana Financial Group’s response to shareholder feedback gathered during the 2024 shareholder engagement event includes the adjustment of the Board’s composition. Reflecting shareholders’ opinions that emphasized the need to shift from an academia-focused Board composition to a business expert-centered composition, aimed at enhancing the director expertise and Board diversity, we reduced the

proportion of independent directors with an academic background from 50% to 33% and newly appointed an ICT industry expert as an independent director. Furthermore, we improved the Board’s gender diversity by increasing the percentage of female independent directors to 25% as of March 2025. In response to shareholder voices on the need for effective implementation and internalization measures regarding the Value Up Plan, we specified detailed goals

and action plans and included them in the Value Up Plan disclosed on October 29, 2024. We also established internalization measures, such as increasing the weight of RoRWA in the management’s KPIs.

Going forward, Hana Financial Group will expand shareholder engagement by the Board and management through diverse online and offline channels.

2024 BOARD SHAREHOLDER ENGAGEMENT EVENTS

	2024 1-on-1 or Small Group Meeting	2024 Roundtable
Investors	7 meetings with 9 investors (Participants’ total stake: 21.1%)	20 investors (Participants’ total stake: 34.6%)
Board Members	All independent directors, including the Chairman	All independent directors, including the Chairman
Major Topics & Investor Feedback	<ul style="list-style-type: none">• Positively evaluated the resolutions made by the Board regarding dividends and share buyback and cancellation in Jan. 2024 and discussed future shareholder return plans• Although year-end Common Equity Tier 1 (CET1) ratio is well-managed, maintaining the ratio at a stable level during quarters is necessary• Enhancement of diversity and expertise within the Board is necessary (less academia, more field experience)• Refrainment of non-banking M&A until the recovery of the Group’s PBR	<ul style="list-style-type: none">• Need for measures to manage RWA growth rate and CET1 ratio• For the upcoming Value Up Plan, it is important to implement action plans and internalization measures as well as setting targets• Measures to improve profitability and fundamentals are necessary for sustainable value enhancement• Additional share buyback and cancellation is needed within the year• Proactive ESG management practices and strengthened internal controls are required, beyond passive responses to external regulations and reputation risk management



2024 FINANCIAL CALENDAR

- Ordinary General Shareholders Meeting: March 22, 2024
- 1Q Earnings Presentation: April 26, 2024
- 2Q Earnings Presentation: July 26, 2024
- 3Q Earnings Presentation: October 29, 2024
- 2024 Earnings Presentation: February 4, 2025

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RISK MANAGEMENT

RISK MANAGEMENT PRINCIPLE

Hana Financial Group understands that active, systematic risk management is the essence of the financial business, and strives to maximize risk management capabilities that enable preemptive responses irrespective of the crisis. We comprehensively manage all risks that can arise during the Group’s business activities. Key management targets are credit risk, market risk, liquidity risk, and operational risk, which are detected, measured, monitored, controlled, and reported in accordance with the Risk Management Policy.



RISK MANAGEMENT COMMITTEE

The Risk Management Committee is a committee within the Board that was established for the efficient execution of risk management. As the top decision-making body for Group risk management, the Risk Management Committee is entrusted by the Board to establish, approve, and manage Group-level policies and master management plans for various risks that may arise in relation to the Group’s business. It handles the Group’s overall risk management through a command/report system between the holding company and subsidiaries. It has a system in place for risk management that is in line with the business strategies of the Group and its subsidiaries in accordance with Regulations for the Board of Directors, and consists of experts in finance/accounting, economics, finance, and law. Committee members make efforts for smooth mutual communication, and can ask for attendance by internal and external experts when their opinions are needed.



RISK MANAGEMENT EXECUTIVE COMMITTEE

The Risk Management Executive Committee sets and manages detailed credit limits, etc. for matters delegated by the Risk Management Committee, and monitors and manages the Group’s overall risk management status. It also discusses each subsidiary’s pending risk issues and control measures and coordinates the implementation of Group-level risk management policies at the subsidiary level.



GROUP CHIEF RISK OFFICER (CRO)

The Group CRO has no grounds for disqualification pursuant to Article 28, Paragraph 3 of the Act on Corporate Governance of Financial Companies and relevant internal regulations, and supervises and manages the Group’s overall risk management organization to perform tasks delegated by the Risk Management Committee.



GROUP RISK MANAGEMENT UNITS (RISK MANAGEMENT TEAM, RISK ANALYSIS TEAM, RISK VALIDATION TEAM)

The Group Risk Management Units are independently run under the supervision of the CRO. They report major risk management-related matters to the Risk Management Committee, Risk Management Executive Committee, top management, and CRO, and assist their decision-making. They also examine subsidiaries’ risk management status and the adequacy of their risk measurement models.



RISK MANAGEMENT COMMITTEES, OFFICERS, AND TEAMS AT SUBSIDIARIES

The Group subsidiaries implement Group-level risk policies and strategies, and establish and execute detailed risk policies and strategies of their own and their affiliated companies that are consistent with the Group policies and strategies.

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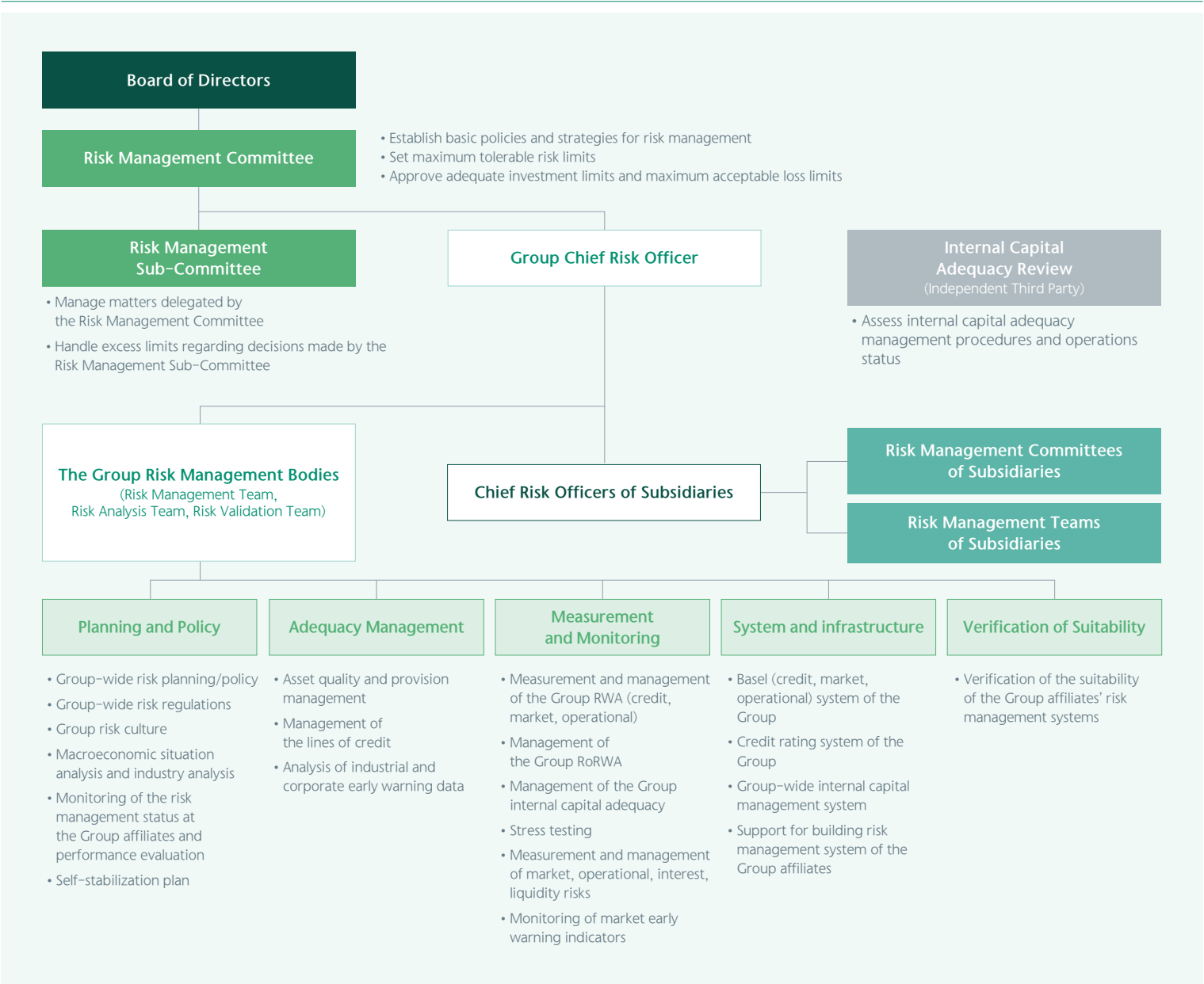
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RISK GOVERNANCE

Hana Financial Group has in place risk governance that can systematically manage all potential risks. The Board has an environment and system needed to manage risks in line with business strategies, and delegates some risk management responsibilities and authority to the Risk Management Committee.



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GROUP-WIDE RISK MANAGEMENT

Hana Financial Group responds to the global multidimensional crisis and financial market uncertainty through preemptive and strategic risk management. When establishing an internal capital management plan, we consider risk management strategies, financial plan, including plans for dividends and capital injection, business strategies, business plans of the Group subsidiaries, anticipated changes in the business environment, the Group’s risk appetite, and stress buffer, thereby comprehensively aligning risk and capital adequacy to ensure efficient risk management.

Risks that we quantify for the purpose of capital adequacy management include credit, market, liquidity, interest rate, operational, and reputation risks. We identify and manage major risks by categorizing risk types into financial risks¹⁾ and non-financial risks²⁾. This risk management process is periodically examined through an internal audit conducted by the Chief Inspection and Audit Officer (CIAO) and Group Audit & Examination Team as well as an outside audit by an independent third party. After the audits, the results are reported to the Risk Management Committee for a final review.

Hana Financial Group conducts an integrated stress test twice a year, considering both financial and non-financial risks comprehensively. To this end, we set crisis scenarios by reflecting portfolio characteristics as well as recent macroeconomic and financial environment changes, and estimate the degree of loss that can be exposed due to economic downturn. We then establish countermeasures from various perspectives, including regulatory capital, internal capital, income, shareholders’ equity, and liquidity to preemptively respond to potential risks.

¹⁾ Credit, market, liquidity, interest rate risks

²⁾ Operational, reputation risks

ASSET QUALITY MANAGEMENT

As the internal and external uncertainties prolonged in 2024, concerns have grown regarding SME and small office home office (SOHO) loans, property project financing (PF), and overseas commercial real estate. Delinquency ratio and NPL ratio of Hana Financial Group rose by 6bps and 12bps, respectively, compared to the end of the previous year.

However, on the back of proactive risk management efforts at the Group level, the Group’s credit costs remained at a stable level. Thanks to the high collateral ratio of Hana Bank’s loan assets, most stressed assets are covered by collateral. Additionally, the large-scale preemptive provisions until 2023 to enhance loss absorption capability during the COVID-19 pandemic resulted in a credit cost ratio of 0.29% as of 2024 year-end, which is below the pre-pandemic level.

The prolonged downturn in the construction industry, coupled with the weakening of the retail sector, has kept the domestic market from showing signs of recovery. Furthermore, the worsening conditions of international trade due to the intensification of protectionism in various countries and the delay in interest rate cuts suggest that external conditions are also unfavorable, making it likely to pose challenges in managing asset quality and credit cost in 2025.

In response, Hana Financial Group will identify and preemptively manage potential insolvency risks by operating the early warning system and credit review system, thereby preventing damage to asset quality. We will also advance our credit rating system and structure our portfolio centered on solid and high-quality assets to maintain the targeted level of asset quality ratio.

4.

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HANA FINANCIAL GROUP

CORPORATE INFORMATION

Since its inception in 2005, Hana Financial Group has established itself as a global leader among Korean financial institutions, operating the largest international network in the industry with 204 networks across 26 regions worldwide. The holding company oversees Group-wide management strategies and provides support to its 14 subsidiaries, 30 second-tier subsidiaries, and one third-tier subsidiary. From the outset, Hana Financial Group has been committed to realizing finance that brings happiness to customers, employees, shareholders, and society. Through ongoing efforts in sustainable management and the creation of social value, the Group is steadily advancing toward its goal of becoming a leading financial group not only in Korea, but also on the global stage.



Hana Financial Group

I. OVERVIEW

Despite growing uncertainty in domestic and overseas economic conditions in 2024, Hana Financial Group actively carried out its inherent role as a financial institution, through which it made utmost efforts to create a virtuous cycle of finance that grows together and shares happiness with all stakeholders, including customers and shareholders.

As a result, Hana Financial Group recorded a net income of KRW 3,738.8 billion in 2024, a YoY increase of 9.3%, setting a new record. Although lower interest income and reduced disposition and valuation gains due to interest rate cuts and FX headwinds posed challenges, net income increased, driven by improved performance at Hana Securities and other non-banking subsidiaries, as well as higher fee & commission income from Hana Card. The Group’s ROE improved by 0.17%p YoY to record 9.12%, an outcome of stronger fundamentals enabled by net income improvement. Its C/I ratio rose slightly YoY to 42.4%.

The Group’s total assets grew by 7.8% YTD to KRW 637.8 trillion, reflecting increased funding needs of quality small and medium-sized enterprises (SMEs) and retail customers.

The Group’s asset quality indexes are maintained at a stable level. The NPL ratio is 0.62% and the NPL coverage ratio stands at 128.71%, a 33.38%p decrease YoY. The delinquency ratio rose 0.06%p YoY to 0.51% and was managed at a stable level through preemptive and systematic risk management efforts despite uncertain conditions in Korea and abroad. The Group’s BIS ratio is 15.59% and Common Equity Tier 1 ratio is 13.22%. The capital adequacy ratio of the Group and its subsidiaries remain stable, above the regulatory ratio set by the supervisory authorities.

To achieve its management goals, Hana Financial Group will focus on “Core & Collabo” in 2025. In particular, we seek to enhance our value by raising corporate value, while strengthening the fulfillment of social responsibilities and practicing principle-based management as part of our utmost efforts to enhance stakeholder value.

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TABLE 1. Summarized Financial Information

(KRW in billion)	2024	2023	YoY
Profitability			
General Operating Income	10,687.0	10,851.8	-164.8
Operating Income	4,855.2	4,693.4	161.8
Consolidated Net Income	3,738.8	3,421.7	317.1
ROA	0.61%	0.59%	0.02%p
ROE	9.12%	8.95%	0.17%p
EPS (KRW)	12,629	11,380	1,249
Cost to Income Ratio	42.4%	40.6%	1.8%p
Business Volume			
Total Assets ¹⁾	637,847.5	591,926.0	45,921.5
Total Loans	404,443.3	382,716.8	21,726.5
Total Deposits	390,530.5	372,039.6	18,490.9
Asset Quality			
Substandard & Below (NPL) Ratio	0.62%	0.50%	0.12%p
Substandard & Below (NPL) Coverage Ratio ²⁾	128.71%	162.09%	-33.38%p
Delinquency Ratio	0.51%	0.45%	0.06%p
BPS (KRW)	137,082	124,081	13,001
Capital Adequacy ³⁾			
BIS CAR - Group	15.59%	15.65%	-0.06%p
Tier 1 Ratio - Group	14.77%	14.68%	0.09%p
Common Equity Tier 1 Ratio - Group	13.22%	13.22%	0.00%p
BIS CAR - Hana Bank	17.39%	17.93%	-0.54%p
Tier 1 Ratio - Hana Bank	16.11%	16.26%	-0.15%p
Common Equity Tier 1 Ratio - Hana Bank	15.92%	16.06%	-0.14%p
Net Capital Ratio - Hana Securities	1,483.40%	1,269.20%	214.20%p
Adjusted Equity Capital Ratio - Hana Card	19.73%	18.85%	0.88%p
Solvency Margin Ratio - Hana Life	180.45%	168.75%	11.70%p
Adjusted Equity Capital Ratio - Hana Capital	13.82%	13.65%	0.17%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

II. SUMMARY OF BUSINESS PERFORMANCE

Hana Financial Group’s consolidated net income grew by KRW 317.1 billion YoY to record KRW 3,738.8 billion in 2024. This is attributable to increased fee & commission income, an outcome of enhanced core business competitiveness of the banking and non-banking sectors, and stable management of credit cost amid declines in interest income and disposition & valuation gains caused by unfavorable interest rate and exchange rate fluctuations.

TABLE 2-1. Comprehensive Income Statement (Consolidated)

(KRW in billion)	2024	2023	YoY
General Operating Income	10,687.0	10,851.8	-164.8
Net Interest Income	8,761.0	8,879.4	-118.4
Net Fee and Commissions Income	2,069.6	1,796.1	273.5
Gains on Disposition & Valuation	712.7	863.1	-150.4
Other Operating Income	-856.4	-686.9	-169.5
General & Administrative Expenses	4,530.3	4,408.3	122.0
Pre-Provisioning Operating Profit (PPOP)	6,156.7	6,443.5	-286.8
Credit Loss Provision	1,301.5	1,750.1	-448.6
Operating Income	4,855.2	4,693.4	161.8
Non-Operating Income	197.0	-12.2	209.2
Net Income before Income Tax	5,052.2	4,681.2	371.0
Income Tax Expense	1,283.6	1,212.9	70.7
Net Income	3,768.5	3,468.4	300.1
Attributed to Non-Controlling Interests	29.7	46.6	-16.9
Net Income Attributable to Controlling Interests	3,738.8	3,421.7	317.1



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Hana Financial Group’s general operating income decreased by KRW 164.8 billion YoY to record KRW 10,687.0 billion in 2024. Interest income went down by KRW 118.4 billion YoY to KRW 8,761.0 billion, while fee & commission income increased by KRW 273.5 billion YoY to record KRW 2,069.6 billion, thanks to balanced growth of the banking and non-banking sectors as a result of the Group’s continued portfolio diversification efforts. Gains on disposition & valuation stood at KRW 712.7 billion, down KRW 150.4 billion YoY due to an increase in FX translation loss caused by higher exchange rates. Further details on fee & commission income, gains on disposition & valuation, and other operating income will be provided in Table 3. Non-Interest Income.

The Group’s provision decreased by KRW 448.6 billion YoY to KRW 1,301.5 billion, owing to base effects of large-scale preemptive provisions set aside to expand loss absorption capacity in the previous year as well as active risk management efforts. Moving forward, we will continue to preemptively manage risk factors in 2025 to secure sufficient loss absorption capacity.

TABLE 2-2. General and Administrative Expenses (Consolidated)

(KRW in billion)	2024	2023	YoY
General & Administrative Expenses	4,530.3	4,408.3	122.0
Salaries and Employment Benefits	2,273.4	2,180.0	93.4
Severance and Retirement Benefits	223.6	294.5	-70.9
Administrative Expenses	1,124.2	1,098.9	25.3
Depreciation and Amortization	709.2	644.8	64.4
Taxes and Dues	200.0	190.1	9.9
Cost to Income Ratio	42.4%	40.6%	1.8%p

Hana Financial Group minimized the rise in general & administrative expenses by making the Group-wide cost control efforts despite an increase in ordinary expenses. In 2024, general & administrative expenses totaled KRW 4,530.3 billion, an increase of KRW 122.0 billion YoY. The Group recorded a C/I ratio of 42.4%, successfully achieving its low-40% target.

The Group limited the increase in salaries and employment benefits to approximately 4.3% by optimizing staffing levels through the regularized Early Retirement Programs (ERP) at Hana Bank and Hana Card, while also increasing support for talent recruitment in the non-banking subsidiaries. By partially recognizing some ERP costs preemptively at the end of 2023, the Group was able to reduce the cost burden in 2024.

IT reconstruction projects at Hana Bank, Hana Securities, and other subsidiaries, implemented to provide advanced financial services, are putting upward pressure on administrative expenses as well as depreciation and amortization. In addition, support to fulfill social responsibilities and strengthen sales capabilities at the frontline is also expanding. Against this backdrop, the Group partially offset the increased cost burden through Group-wide cost rationalization efforts, successfully containing the year-on-year increases in administrative expenses and depreciation and amortization to 2.3% and 10.0%, respectively.

Moving forward, Hana Financial Group will continue to carry out active cost management by leveraging its traditional cost control capabilities to maintain a C/I ratio of around 40%.

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TABLE 2-3. Comprehensive Income Statement by Subsidiaries (Separate)

(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	7,890.9	878.0	890.8	525.9	166.7	53.7	15.0	94.3	13.1	15.7	57.3	-3.2
Net Interest Income	7,208.8	356.5	445.8	307.2	28.7	1.4	-181.7	107.6	-2.4	0.2	16.7	4.8
Net Fee and Commission Income	962.8	411.4	310.8	246.5	131.0	45.7	2.4	-0.4	0.0	13.2	-13.6	0.0
Gains on Disposition & Valuation	595.7	-7.9	95.0	-52.2	1.9	-2.2	89.9	-5.0	-0.1	2.3	23.0	5.9
Other Operating Income	-876.4	118.0	39.2	24.5	5.1	8.7	104.4	-7.9	15.5	0.0	31.2	-13.9
General & Administrative Expenses	3,181.8	560.0	260.4	86.5	41.1	24.0	8.4	41.2	8.0	8.2	11.8	24.7
Pre-Provisioning Operating Profit (PPOP)	4,709.1	318.0	630.4	439.4	125.6	29.6	6.6	53.0	5.0	7.5	45.5	-28.0
Provision	290.2	115.8	340.0	290.6	46.9	3.4	7.7	89.9	0.0	-0.1	-0.1	1.8
Operating Income	4,418.9	202.1	290.5	148.9	78.7	26.2	-1.1	-36.8	5.0	7.6	45.6	-29.7
Non-Operating Income	-321.2	68.9	-0.1	2.4	-0.7	5.0	-0.3	-0.2	-0.3	3.0	0.4	-3.6
Net Income before Income Tax	4,097.7	271.1	290.3	151.3	78.0	31.2	-1.5	-37.0	4.8	10.6	46.0	-33.4
Income Tax Expense	970.4	58.3	68.6	31.6	19.2	5.8	-0.8	-4.8	1.0	2.6	17.9	-5.4
Net Income	3,127.3	212.8	221.7	119.7	58.8	25.5	-0.7	-32.2	3.8	8.0	28.0	-28.0

Looking more closely at each subsidiary, Hana Bank recorded a net income of KRW 3,127.3 billion, down KRW 164.9 billion YoY, despite its growth strategy focused on high quality assets. This was mainly due to a KRW 145.9 billion decrease in interest income, driven by net interest margin (NIM) erosion resulting from lower market interest rates. There was also a significant impact from a KRW 319.6 billion YoY decrease in gains on disposition and valuation, stemming from increased FX translation losses due to higher exchange rates at year-end. Hana Bank reported fee and commission income of KRW 962.8 billion, a YoY increase of KRW 78.8 billion, supported by strengthened competitiveness in core businesses such as retirement pensions and investment banking. General & administrative expenses rose by KRW 39.2 billion YoY, reflecting higher ordinary expenses due to inflation and increased IT investments, although bank-wide efforts for cost efficiency continued. Provisions decreased by KRW 436.1 billion to KRW 290.2 billion, as a result of base effects from sizable preemptive provisions made in the previous year to expand loss absorption capacity.

Hana Securities recorded a net income of KRW 212.8 billion, up KRW 531.5 billion YoY. It achieved a KRW 44.3 billion improvement in fee & commission income by strategically responding to increased overseas equity trade volume, and realized a KRW 256.7 billion increase in gains on disposition & valuation by focusing on defending the value of existing investment assets. It also reduced provision by KRW 232.5 billion YoY through strict risk monitoring, thereby managing provisions at a reasonable level.

Hana Card posted a net income of KRW 221.7 billion, up KRW 50.7 billion YoY. Fee & commission income rose by KRW 95.9 billion YoY to reach KRW 310.8 billion as a result of increased transaction volume in Korea and abroad. General & administrative expenses went up by KRW 19.6 billion YoY to KRW 260.4 billion.



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Hana Capital focused on securing retail-centered safe assets and strived to enhance core business competitiveness. However, conservative provisioning led to a muted net income of KRW 119.7 billion, a KRW 90.8 billion YoY decrease.

Hana Life focused on increasing sales of protection insurance that replaces savings insurance to secure a growth driver. However, the adoption of updated IFRS 17 standards required revisions to actuarial assumptions, including a difference between the declared and assumed interest rates. These changes were applied prospectively to consolidated financial statements, resulting in a net loss of KRW 700 million, a YoY decline of KRW 6.1 billion.

Hana Savings Bank reduced the proportion of high-risk assets, including PF and bridge loans that are affected by the prolonged deterioration of the real estate market, and focused on expanding stable assets, particularly policy financing retail products such as the Haet-Sal Loan, Sa-It-Dol Loan (government-backed loan programs for low-income individuals in Korea). Despite such efforts to manage asset quality, net income recorded a loss of KRW 32.2 billion, down by KRW 19.0 billion YoY, due to an increase in PF provisions.

Hana Asset Trust recorded a net income of KRW 58.8 billion, a YoY decrease of KRW 22.1 billion as the continued downturn in the presale housing market required higher provisions for increased trust assets.

Hana Insurance is undergoing a turnaround, transitioning from its previous auto insurance-oriented portfolio to a digital-based daily life-oriented insurance platform. It recorded a net loss of KRW 28.0 billion in 2024, a YoY improvement of KRW 60.0 billion, as a result of a decrease in the auto insurance loss ratio.

TABLE 3. Non-Interest Income (Consolidated)

(KRW in billion)	2024	2023	YoY
Net Fee & Commission Income	2,069.6	1,796.1	273.5
Credit Card	350.6	251.5	99.1
Loan and FX-related	837.9	702.2	135.7
Asset Management	680.2	681.1	-0.9
Beneficiary Certificates	104.4	91.7	12.7
Brokerage	149.2	142.0	7.2
Trust Fees	319.2	341.6	-22.4
Bancassurance	50.8	46.6	4.2
Wrap Fees	21.2	18.4	2.8
Management Fees	35.4	40.8	-5.4
M&A Advisory	114.7	104.9	9.8
Others	86.1	56.3	29.8
Gains on Disposition & Valuation	712.7	863.1	-150.4
Other Operating Income	-856.4	-686.9	-169.5
Dividend Income	455.1	356.4	98.7
Contribution to the Credit Guaranteed Fund	-508.9	-474.2	-34.7
Deposit Insurance Fee	-506.1	-493.1	-13.0
Others	-296.4	-76.0	-220.4
Total	1,926.0	1,972.3	-46.3

Hana Financial Group’s non-interest income came in at KRW 1,926.0 billion in 2024, indicating a YoY decrease of 2.3%. This is attributable to a YoY decline in gains on disposition & valuation and other operating income, despite a YoY increase in fee & commission income.

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The Group’s net fee & commission income grew by 15.2% YoY to reach KRW 2,069.6 billion. In the case of Hana Bank, fee & commission income related to its core businesses such as IB and guarantees grew significantly, while Hana Capital also saw substantial growth centered on its core business, such as operating leases. Credit card fees rose by KRW 99.1 billion YoY with an increase in sales through expanded subscription for “Travlog,” an overseas travel-specialized card of Hana Card. However, trust fees declined due to an impact from discontinued equity-linked trust (ELT) product sales.

The Group’s gains on disposition & valuation went down by 17.4% YoY to KRW 712.7 billion. This was mainly driven by an increase in FX translation loss resulting from the sharp depreciation of the Korean won at year-end, which was larger than the increase in trading gains leveraging market interest rates at Hana Bank.

Other operating income includes expense accounts, such as deposit insurance premiums and guarantee fund contributions incurred in the course of business operations, as well as income accounts, such as dividend income and other income. Dividend income rose by 27.7% YoY to KRW 455.1 billion, while guarantee fund contribution and deposit insurance premium stood at KRW 508.9 billion and KRW 506.1 billion, respectively.

III. SUMMARIZED GROUP FINANCIAL POSITION

TABLE 4. Condensed Balance Sheets (Consolidated)

(KRW in billion)	2024	2023	YoY
Interest Earning Assets	544,222.2	514,636.6	29,585.6
Due from Banks	26,486.2	22,711.9	3,774.3
Securities	113,292.7	109,207.8	4,084.9
Loans	404,443.3	382,716.8	21,726.5
Other Revenue Earning Assets	28,101.9	23,016.9	5,085.0
Non-Revenue Earning Assets	65,523.3	54,272.5	11,250.8
Total Assets	637,847.5	591,926.0	45,921.5
Interest Bearing Liabilities	532,105.6	499,637.4	32,468.2
Deposits	390,530.5	372,039.6	18,490.9
Borrowings	47,064.0	44,098.4	2,965.6
Debentures	64,930.2	58,763.7	6,166.5
Policy Reserve	7,291.9	6,873.4	418.5
Borrowings from Trust Accounts	9,604.6	7,019.4	2,585.2
Non-Interest Bearing Liabilities	62,165.0	52,106.8	10,058.2
Total Liabilities	594,270.6	551,744.3	42,526.3
Shareholders’ Equity	43,576.9	40,181.7	3,395.2
Total Liabilities & Shareholders’ Equity	637,847.5	591,926.0	45,921.5

Hana Financial Group continues qualitative growth centered on high-quality assets. As a result, the Group’s total assets reached KRW 637,847.5 billion at the end of 2024, a 7.8% increase YTD. By sector, loans—which account for the largest proportion of interest-earning assets—grew by 5.7% YTD to KRW 404,443.3 billion. Breaking this down by currency, KRW-denominated loans and foreign currency loans grew by 4.0% YTD and 9.8% YTD to KRW 324,876.3 billion and KRW 35,385.2 billion, respectively.

The Group’s total liabilities recorded an increase of 7.7% YTD to record KRW 594,270.6 billion. Of this, deposits and borrowings went up by 5.0% YTD and 6.7% YTD to KRW 390,530.5 billion and KRW 47,064.0 billion, respectively.



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Shareholders’ equity rose by 8.4% YoY to record KRW 43,576.9 billion, an outcome of increased retained earnings from solid consolidated net income during 2024 and additional issuance of hybrid capital securities.

IV. ASSET QUALITY

TABLE 5. Asset Quality and Loan Loss Provision

(KRW in billion)	2024	2023	YoY
Total Credit	409,247.0	392,702.5	16,544.5
Normal	401,382.3	385,616.5	15,765.8
Precautionary	5,616.3	5,238.9	377.4
Substandard	1,196.3	962.1	234.2
Doubtful	674.9	491.4	183.5
Estimated Loss	377.2	393.7	-16.5
Precautionary & Below			
Amount	7,864.7	7,086.0	778.7
Ratio	1.92%	1.80%	0.12%p
Substandard & Below (NPL)			
Amount	2,248.4	1,847.1	401.3
Ratio	0.55%	0.47%	0.08%p
Loan Loss Allowance	6,428.2	6,126.6	301.6
Loan Loss Reserve	3,129.3	3,086.2	43.1
Credit Loss Reserve	3,298.9	3,040.4	258.5
Substandard & Below (NPL) Coverage Ratio	139.18%	167.08%	-27.90%p

As of the end of 2024, total credit grew by approximately 4.2% YTD to KRW 409,247.0 billion. Of this amount, KRW 2,248.4 billion were non-performing loans, or NPLs (loans classified as substandard & below). Loans classified as precautionary & below went up by 0.12%p YoY to 1.92%, while the NPL ratio rose by 0.08%p YoY. This was due to the increased defaults of SME/SOHO loans, property PFs, and overseas alternative investments amid prolonged uncertainties in Korea and abroad in a complex environment, including economic aftermath of the prolonged COVID-19 pandemic, Russia-Ukraine war, and US President Trump’s second term. The NPL coverage ratio went down by 27.90%p YoY to 139.18%. This was an outcome of a relatively small increase in loan loss reserves, a result of most of the increased NPL being covered by collateral, as well as a reflection of base effects of additional provisions that were preemptively set aside to expand loss absorption capacity. Hana Financial Group plans to increase quality assets by advancing the credit rating evaluation system and continue efforts to reduce defaults, such as preemptively identifying potential default borrowers through an early warning system and credit review system.

Hana Bank, the Group’s major subsidiary, drove asset growth mainly in high-quality, safe assets in 2024, including KRW 4.2 trillion of the corporate loan (KRW 2.1 trillion of large corporation, KRW 2.1 trillion of SME, KRW -1.9 trillion of SOHO) and KRW 7.6 trillion of the household loan (KRW 7.0 trillion of mortgage loan). In particular, it reduced the proportion of SOHO exposure, which is significantly affected by the current macroeconomic changes, by 3.3%p compared to the previous year, in an effort to manage its asset portfolio.

Hana Financial Group selects and manages a watch list to manage risks in advance by examining the credit ratings of debtors with a large loan, preventing excessive concentration of specific exposure. The Group regularly reviews its credit exposure to large corporates and updates the watch list each year, considering risk factors associated with its operations and potential liquidity issues. Hana Bank preemptively manages its exposure to borrowers on the watch list through in-depth monitoring for major risks, credit rating changes, or restructuring progress.

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In addition, the Group selects and manages the Key Monitored Sector to preemptively respond to industry risks that are caused by increased concern over an economic slowdown, a property PF crisis, interest rate hike, and commodity price increase. In particular, the Group continues to monitor and selects companies that are subject to management for macro-sensitive sectors, including construction, real estate lease, restaurant, and drinking establishment. For companies that have a considerable loan size, the Group’s business support, loan evaluation, and risk management sectors collaborate to strictly identify and analyze the borrowers’ status and risk factors to take preemptive measures.

In particular, much effort was made to strengthen the risk management criteria for property PF and overseas alternative investment assets. As a leading example, the Group expanded the evaluation scope of the Property Financing Evaluation Committee, which is a preliminary review body for real estate investments of subsidiaries. The Group also expanded the target of overseas alternative investment-related limit management and allocated a credit limit to each subsidiary to promote selective handling.

V. CAPITAL ADEQUACY

TABLE 6. BIS Capital and Ratio

(KRW in billion)	2024	2023	YoY
BIS Capital Adequacy Ratio ¹⁾	15.59%	15.65%	-0.06%p
Tier 1 Ratio	14.77%	14.68%	0.09%p
Common Equity Tier 1 Ratio	13.22%	13.22%	0.00%p
Total BIS Capital	43,555.6	40,647.5	2,908.1
Common Equity Tier 1 Capital	36,924.7	34,344.2	2,580.5
Additional Tier 1 Capital	4,335.9	3,798.3	537.6
Tier 2 Capital	2,295.0	2,504.9	-209.9
Risk Weighted Assets	279,403.9	259,772.6	19,631.3

¹⁾ Based on Basel III standards

The Group’s total BIS capital in 2024 rose by KRW 2,908.1 billion or 7.2% YoY to record KRW 43,555.6 billion. Risk-weighted assets rose by KRW 19,631.3 billion or 7.6% YoY to KRW 279,403.9 billion. Of the KRW 19,631.3 billion, credit-risk-weighted assets rose by KRW 20,188.6 billion while market-risk-weighted assets decreased by KRW 2,846.7 billion and operational risk-weighted assets rose by KRW 2,289.3 billion. As a result, the Group’s BIS capital adequacy ratio decreased by 0.06%p YoY to 15.59%.

The Group’s Common Equity Tier 1 capital increased by KRW 2,580.5 billion YoY with a rise in net income in 2024. Additional Tier 1 capital rose by KRW 537.6 billion YoY, while Tier 2 capital declined by KRW 209.9 billion YoY.



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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 private banking (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. By continuously innovating and adapting to the demands of the digital era, it aims to maintain its position as Korea’s premier bank while also achieving recognition on the global stage.



Hana Bank

I. OVERVIEW

Amid continued global inflation concerns and geopolitical risks in 2024, the Korean economy experienced export recovery and sluggish domestic demand, resulting in mixed flows. Even in a highly uncertain business environment, Hana Bank came in strong on the back of an increase in high-quality assets and core deposits. In addition to establishing a basis to secure a future growth foundation, including financial services for seniors, foreigners, and small businesses, the Bank strengthened its core business, such as retail banking, corporate banking, wealth management, and foreign exchange. Furthermore, it strived to build a sustainable growth foundation through field-oriented and customer-centered risk management in addition to ESG management.

The onset of the rate-cutting cycle, continued sluggish growth of the Korean economy, and rising expectations for financial groups’ Value Up initiatives will highlight the importance of efficient capital management and higher profitability. In response, Hana Bank will strengthen its core in 2025 based on its corporate culture centered on customers. It will expand its customer base by winning new markets, including senior, foreigner, and SOHO markets, while expanding its non-interest income base to establish a stable profit structure that is resilient to changes in the market environment. To prepare for uncertainties at home and abroad, it will make concentrated efforts towards preemptive risk management as well as internal control management, including adoption of the Accountability Framework. Hana Bank will also take the lead in creating social value through finance by providing support to address social issues and leading ESG management.

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II. SUMMARY OF BUSINESS PERFORMANCE

TABLE 1. Comprehensive Income Statement (Separate)

(KRW in billion)	2024	2023	YoY
General Operating Income	7,890.9	8,351.1	-460.2
Net Interest Income	7,208.8	7,354.7	-145.9
Net Fee and Commissions Income	962.8	884.0	78.8
Gains on Disposition & Valuation	595.8	915.4	-319.6
Other Operating Income	-876.5	-803.0	-73.5
General & Administrative Expenses	3,181.8	3,142.6	39.2
Pre-Provisioning Operating Profit (PPOP)	4,709.1	5,208.5	-499.4
Credit Loss Provision	290.2	726.3	-436.1
Operating Income	4,418.9	4,482.2	-63.3
Non-Operating Income	-321.2	-140.2	-181.0
Net Income before Income Tax	4,097.7	4,342.0	-244.3
Income Tax Expense	970.4	1,049.8	-79.4
Net Income	3,127.3	3,292.2	-164.9
Cost to Income Ratio	40.3%	37.6%	2.7%p

Hana Bank achieved a general operating income of KRW 7,890.9 billion, a 5.5% decrease YoY, through business activities in 2024. Net interest income went down by KRW 145.9 billion YoY to KRW 7,208.8 billion due to influence from a drop in market interest rates and a decline in loan interest rates as a result of increased competition in the asset market. Fee and commissions income grew by KRW 78.8 billion YoY to KRW 962.8 billion on the back of growth in retirement pension assets and efforts to facilitate sales of customer-centered products. Gains on disposition & valuation went down by KRW 319.6 billion YoY to KRW 595.8 billion due to a rise in FX translation loss resulting from an exchange rate hike, despite an increase in FX trading gains from branches thanks to the increased demand for currency exchange.

General & administrative expenses grew by KRW 39.2 billion YoY, mainly attributable to an increase in structural salaries and employment benefits, an outcome of a wage increase and new recruitment, in addition to an increase in depreciation due to the expansion of IT investments related to next-generation IT infrastructure. Pre-provisioning operating profit (PPOP), excluding general & administrative expenses, stood at KRW 4,709.1 billion.

Credit loss provision went down by KRW 436.1 billion YoY due to base effects from provisions set aside to respond to economic conditions and impact from the profit-sharing financial support program in the previous year. Operating income that deducts credit loss provision from PPOP reached KRW 4,418.9 billion.

Non-operating income declined by KRW 181.0 billion YoY, mainly attributable to an increase in provisioning in relation to compensation for losses from equity-linked securities (ELS) and the expansion of donations due to an increase in social contribution activities.



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TABLE 2. Non-Interest Income (Separate)

(KRW in billion)	2024	2023	YoY
Fee & Commissions Income	962.8	884.0	78.8
Credit Card	0.3	0.3	0.0
Loan & FX-related	613.6	536.0	77.6
Fees in Acceptances and Guarantees	115.1	97.0	18.1
Fees Related to Loans	337.3	273.5	63.8
Fees in Foreign Currencies	161.2	165.5	-4.3
Asset Management	348.8	348.0	0.8
Sales of Beneficiary Certificate	68.8	60.3	8.5
Bancassurance	67.0	60.8	6.2
Trust Fees	213.0	226.9	-13.9
Gains on Disposition & Valuation	595.8	915.4	-319.6
Other Operating Income	-876.5	-803.0	-73.5
Dividend Income	217.3	96.8	120.5
Deposit Insurance Fee	-484.9	-470.9	-14.0
Contribution to the Credit Guarantee Fund	-508.9	-474.2	-34.7
Others	-100.0	45.3	-145.3

Fee & commissions income went up by KRW 78.8 billion or 8.9% YoY to KRW 962.8 billion, while gains on disposition & valuation decreased by KRW 319.6 billion or 34.9% YoY to KRW 595.8 billion. Other operating income declined by KRW 73.5 billion YoY to record a loss of KRW 876.5 billion.

In terms of fees, despite a KRW 13.9 billion decrease in trust fees due to the suspension of ELT sales, fees related to loans increased in the IB sector, and the bancassurance fees and fees from sales of beneficiary certificates also maintained growth trajectory. Fees in acceptances and guarantees went up by KRW 18.1 billion YoY, driven by continued efforts to increase assets.

Gains on disposition and valuation benefited from increased FX trading gains at branches compared to the previous year, driven by higher demand for foreign currency exchange. However, FX translation losses rose sharply from KRW 20.1 billion to KRW 211.9 billion due to higher exchange rates following the 2024 U.S. presidential election results and the political uncertainties in Korea. As a result, gains on disposition and valuation declined by 34.9% YoY, totaling KRW 595.8 billion.

Other operating income went down by KRW 73.5 billion YoY. There was a KRW 120.5 billion increase in dividend income as a result of increased size of beneficiary certificate management. However, a decrease in NPL sales gains, a rise in the deposit insurance premium, and an increase in credit guarantee fund contribution due to larger average balance of insurable assets contributed to the decline in other operating income.

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III. SUMMARIZED FINANCIAL POSITION

TABLE 3. Condensed Balance Sheets (Separate)

(KRW in billion)	2024	2023	YoY
Interest Earning Assets	445,878.8	423,499.2	22,379.6
Due from Banks	18,528.8	17,166.8	1,362.0
Fixed Income Securities	76,766.6	74,416.5	2,350.1
Loans	350,583.4	331,915.9	18,667.5
Other Revenue Earning Assets	12,517.1	10,956.1	1,561.0
Stocks and Others	12,517.1	10,956.1	1,561.0
Non–Revenue Earning Assets	51,527.1	44,056.2	7,470.9
Total Assets	509,923.1	478,511.5	31,411.6
Interest Bearing Liabilities	432,346.9	407,919.2	24,427.7
Deposits	370,391.0	354,692.4	15,698.6
Borrowings	22,040.7	19,284.0	2,756.7
Debentures	29,779.0	26,542.2	3,236.8
Borrowings from Trust Accounts	9,763.7	7,165.9	2,597.8
Non–Interest Bearing Liabilities	45,632.8	40,174.4	5,458.4
Total Liabilities	477,979.7	448,093.6	29,886.1
Shareholders’ Equity	31,943.4	30,417.9	1,525.5
Total Liabilities & Shareholders’ Equity	509,923.1	478,511.5	31,411.6

Hana Bank’s total assets stood at KRW 509,923.1 billion, a YoY increase of KRW 31,411.6 billion, as of the end of 2024. It indicated an increase in interest earning assets, including loans and fixed income securities, other revenue earning assets including stocks, and non–revenue earning assets. Interest earning assets went up by KRW 22,379.6 billion YTD to record KRW 445,878.8 billion. Interest bearing liabilities increased by KRW 24,427.7 billion YTD, mainly in deposits.

Shareholders’ equity rose by KRW 1,525.5 billion YoY as a result of a solid net income (KRW 3,127.3 billion) despite a KRW 1,810.0 billion dividend payment in 2024.

TABLE 4. KRW Loans & Deposits

(KRW in billion)	2024	2023	YoY
KRW Loans	302,189.5	290,448.9	11,740.6
Loans to Corporate	166,232.9	162,046.3	4,186.6
SME	134,969.8	132,893.1	2,076.7
SOHO	57,654.4	59,594.5	–1,940.1
Large Corporate	27,963.3	25,839.8	2,123.5
Others	3,299.9	3,313.4	–13.5
Loans to Households	135,956.6	128,402.6	7,554.0
KRW Deposits ¹⁾	324,785.5	313,383.2	11,402.3
Low Cost Funding	119,515.3	114,880.5	4,634.8
Core Deposits	84,254.6	79,619.0	4,635.6
MMDA	35,260.8	35,261.6	–0.8
Time Deposits	178,136.1	172,174.0	5,962.1
Installment Deposits	7,190.1	6,768.9	421.2
CD & Others	19,943.9	19,559.8	384.1

¹⁾ Excluding foreign currency and trust deposits

KRW loans increased by KRW 11,740.6 billion YTD to KRW 302,189.5 billion. Corporate loans went up by KRW 4,186.6 billion YoY, with loans to large corporates and SMEs showing a YoY rise of KRW 2,123.5 billion and KRW 2,076.7 billion, respectively. Loans to households rose by KRW 7,554.0 billion YoY, mainly in mortgages and jeonse loans taken out by customers with actual demand.

KRW deposits went up by KRW 11,402.3 billion from the end of the previous year to record KRW 324,785.5 billion. Low cost funding (LCF) increased by KRW 4,634.8 billion YoY, and time deposits rose by KRW 5,962.1 billion as a result of increasing the funding of time deposits primarily from households to comply with the required ratio following the normalization of the LCR ratio in 2024.

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IV. ASSET QUALITY

TABLE 5. Asset Quality and Loan Loss Provision

(KRW in billion)	2024	2023	YoY
Total Credit	348,675.4	333,961.2	14,714.2
Normal	345,181.0	331,037.5	14,143.5
Precautionary	2,474.2	2,045.9	428.3
Substandard	701.4	570.6	130.8
Doubtful	199.6	151.0	48.6
Estimated Loss	119.2	156.2	-37.0
Precautionary & Below			
Amount	3,494.4	2,923.7	570.7
Ratio	1.00%	0.88%	0.12%p
Substandard & Below (NPL)			
Amount	1,020.2	877.8	142.4
Ratio	0.29%	0.26%	0.03%p
Credit Loss Reserves	1,686.6	1,804.1	-117.5
Substandard & Below (NPL) Coverage Ratio ¹⁾	165.32%	205.53%	-40.21%p

¹⁾ Excluding loan loss reserves

Total credit stood at KRW 348,675.4 billion at the end of 2024, up KRW 14,714.2 billion YoY. NPL (loans classified as substandard & below) recorded a YoY increase of KRW 142.4 billion.

Due to a rise in delinquent loans and non-performing loans, ratio of loans classified as precautionary & below and the NPL ratio increased by 0.12%p and 0.03%p YoY, to record 1.00% and 0.29%, respectively. The provision balance decreased, mainly owing to conservative risk management and non-recurring write-backs, including KRW 55.1 billion write-back from Hanwha Ocean. Furthermore, the NPL amount also increased which has led to a decline in the NPL coverage ratio to 165.32%, down by 40.21%p YoY.

V. CAPITAL ADEQUACY

TABLE 6. BIS Capital and Ratio

(KRW in billion)	2024	2023	YoY
BIS Capital Adequacy Ratio ¹⁾	17.39%	17.93%	-0.54%p
Tier 1 Ratio	16.11%	16.26%	-0.15%p
Common Equity Tier 1 Ratio	15.92%	16.06%	-0.14%p
Total BIS Capital	35,026.6	33,585.2	1,441.4
Tier 1 Capital	32,448.2	30,442.5	2,005.7
Common Equity Tier 1 Capital	32,074.8	30,071.5	2,003.3
Additional Tier 1 Capital	373.4	371.0	2.4
Tier 2 Capital	2,578.4	3,142.6	-564.2
Loan Loss Reserve	353.8	458.7	-104.9
Subordinated Bonds	2,201.0	2,581.0	-380.0
Others	23.6	103.0	-79.4
Risk Weighted Assets	201,439.2	187,264.1	14,175.1

¹⁾ Based on Basel III standards

Hana Bank made continued efforts in 2024 for stable capital accumulation. It particularly focused on retaining more capital by increasing income and efficiently managing capital. As a result, the Bank recorded a BIS ratio of 17.39%, well above the regulatory ratio, at the end of 2024, despite a rise in risk-weighted assets due to increased market volatility and asset growth.

Moving forward, Hana Bank will continue to achieve profitable growth to retain more capital, while striving to secure an adequate level of capital through efficient capital management. It will also manage risk-weighted assets stably to maintain strong asset quality.

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HANA SECURITIES

CORPORATE INFORMATION

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 wealth management models.



Hana Securities

I. OVERVIEW

In 2024, Hana Securities achieved a successful turnaround amid a challenging environment marked by growing global economic uncertainties and ongoing domestic political turmoil. Although the IB market remained challenging due to a delay in real estate market recovery, Hana Securities recorded an operating income of KRW 202.1 billion, up KRW 515.5 billion YoY, and a net income of KRW 212.8 billion, up KRW 531.5 billion YoY, on the back of efforts to defend against a drop in investment asset value and normalization of investment profits as interest rates entered a downward cycle.

Hana Securities recorded an ROE of 3.62% and C/I ratio of 63.8%, making a YoY improvement in key profitability ratios.

TABLE 1. Summarized Financial Information (Separate)

(KRW in billion)	2024	2023	YoY
Business Volume			
Total Assets	55,076.2	45,950.5	9,125.7
Shareholders’ Equity	5,961.0	5,752.5	208.5
Profitability			
General Operating Income	878.0	543.0	335.0
Operating Income	202.1	−313.4	515.5
Net Income	212.8	−318.7	531.5
ROA ¹⁾	0.42%	−0.69%	1.11%p
ROE	3.62%	−5.50%	9.12%p
Cost to Income Ratio	63.8%	93.6%	−29.8%p
Capital Adequacy			
Net Capital Ratio ²⁾	1,483.39%	1,269.20%	214.19%p

¹⁾ ROA is based on the average year-end balance.
²⁾ Net capital ratio is on a consolidated basis.

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TABLE 2. Comprehensive Income Statement (Separate)

(KRW in billion)	2024	2023	YoY
General Operating Income	878.0	543.0	335.0
Net Interest Income	356.5	317.6	38.9
Net Fees and Commissions Income	411.4	367.0	44.4
Gains on Disposition & Valuation	-7.9	-264.6	256.7
Other Operating Income	118.0	123.0	-5.0
General & Administrative Expenses	560.0	508.1	51.9
Pre-Provisioning Operating Profit (PPOP)	318.0	34.9	283.1
Credit Loss Provision	115.8	348.3	-232.5
Operating Income	202.1	-313.4	515.5
Non-Operating Income	68.9	-98.7	167.6
Income before Income Tax	271.1	-412.1	683.2
Income Tax Expense	58.3	-93.4	151.7
Net Income	212.8	-318.7	531.5

Hana Securities realized a net income of KRW 212.8 billion in 2024, a significant YoY increase of KRW 531.5 billion, as an outcome of expansion of gains on disposition & valuation and improvements in overall business.

General operating income rose 61.7% YoY to KRW 878.0 billion. Net interest income went up by KRW 38.9 billion YoY to KRW 356.5 billion, driven by a decline in funding cost resulting from lower interest rates. Net fees and commissions income improved by KRW 44.4 billion YoY to reach KRW 411.4 billion on the back of increase in IB fees. Gains on disposition & valuation went up by KRW 256.7 billion to record a loss of KRW 7.9 billion.

General & administrative expenses went up by KRW 51.9 billion YoY to KRW 560.0 billion. Credit loss provision dropped by KRW 232.5 billion YoY to KRW 115.8 billion, while non-operating income rose by KRW 167.6 billion YoY to record KRW 68.9 billion, attributable to an increase in consolidated IB asset disposition gains.

TABLE 3. Fee & Commissions Income (Separate)

(KRW in billion)	2024	2023	YoY
Fee & Commissions Income	411.4	367.0	44.4
Brokerage Commissions	149.2	142.0	7.2
Management Fee on Wrap Account and Asset Management	77.9	71.5	6.4
Underwriting Commissions	32.1	26.0	6.1
Commissions on Mergers & Acquisitions	82.7	78.9	3.8
Others	69.5	48.6	20.9

Fees & commissions income increased by KRW 44.4 billion YoY to KRW 411.4 billion in 2024. Brokerage commissions recorded an annual growth of KRW 7.2 billion to reach KRW 149.2 billion with a rise in trading value compared to 2023, while management fee on wrap account and asset management rose by KRW 6.4 billion to KRW 77.9 billion.

In the IB sector, its operating performance is rebounding, centered on major deals, despite the delayed recovery of the real estate market and regulatory constraints from the supervisory authorities. Underwriting commissions rose by KRW 6.1 billion to KRW 32.1 billion, and commissions on M&A went up by KRW 3.8 billion to KRW 82.7 billion.



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TABLE 4. General and Administrative Expenses (Separate)

(KRW in billion)	2024	2023	YoY
General & Administrative Expenses	560.0	508.1	51.9
Salaries and Employee Benefits	277.6	264.2	13.4
Severance and Retirement Benefits	24.5	19.2	5.3
Administrative Expenses	177.6	161.1	16.5
Depreciation and Amortization	57.4	43.9	13.5
Taxes and Dues	22.9	19.8	3.1
Cost to Income Ratio	63.8%	93.6%	-29.8%p

General & administrative expenses in 2024 rose by KRW 51.9 billion YoY to KRW 560.0 billion.

Salaries and employee benefits increased by KRW 13.4 billion YoY to KRW 277.6 billion, driven by the addition of more human resources and higher performance-based incentives in line with increased operating income. Severance and retirement benefits went up by KRW 5.3 billion YoY to record KRW 24.5 billion, mainly attributable to an increase in the early retirement program (ERP). Administrative expenses went up by KRW 16.5 billion YoY to KRW 177.6 billion due to a rise in IT operation expenses and advertisement expenses. Depreciation and amortization increased by KRW 13.5 billion YoY to KRW 57.4 billion owing to purchase of IT equipment for the IT Rebuild.

III. KEY FIGURES

TABLE 5. AUM Breakdown

(KRW in billion)	2024	2023	YoY
Customer Assets (AUM)	125,904.3	125,774.3	130.0
Beneficiary Certificates	29,046.7	28,349.1	697.6
Equity (Hybrid) Type	2,421.5	2,558.1	-136.6
Fixed Income (Hybrid) Type	5,468.8	5,090.4	378.4
MMF	4,062.6	3,994.5	68.1
Others	17,093.8	16,706.2	387.6
Financial Products	42,877.9	42,254.5	623.4
Trust	16,688.9	15,823.0	865.9
RP	5,124.0	3,691.1	1,432.9
Fixed Income/CD/CP	9,415.7	11,258.7	-1,843.0
Others	11,649.4	11,481.7	167.7
Entrusted Assets	53,979.8	55,170.7	-1,190.9
Market	1,042,160.1	924,844.6	117,315.5
M/S	2.79%	3.06%	-0.27%p

Despite an uncertain market environment in Korea and abroad, Hana Securities achieved KRW 125.9 trillion in customer assets in 2024, a YoY increase of KRW 130.0 billion, on the back of active product development and marketing activities. Moving forward, the company will strengthen its stable revenue foundation by making continuous efforts to develop and supply a wide range of investment products that meet customer needs. It will also strive to enhance competitiveness in the market by expanding customer-centered asset management services.

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TABLE 6. Acquisition and Issuance

(KRW in billion)	2024	2023	YoY
IPO & Capital Increase (Lead-managed)	172.9	213.6	-40.7
ELS/DLS Issued (ELB/DLB included)	11,951.6	10,835.0	1,116.6

Hana Securities arranged initial public offerings of eight companies in 2024 to achieve an offering amount of KRW 172.9 billion and ranking 10th in the league table. Amid rising uncertainties and a shrinking market following the equity-linked securities (ELS) incident, the company issued a total of KRW 11,951.6 billion in derivatives-linked securities (DLS) in 2024, maintaining its leadership position in the league table for two consecutive years. Its market share also went up by 2.5%p YoY, reaching 16.2%.

Moving forward, the company will thoroughly analyze market volatility and customer needs in the sales and trading sector, and develop optimal DLS products with stability and profitability based on strict risk management. This will enable the company to supply products that customers can trust and invest in.

TABLE 7. Brokerage Contracts

(KRW in billion)	2024	2023	YoY
Brokerage Contracts	207,652.5	202,976.0	4,676.5
Off	57,202.3	47,527.1	9,675.2
On	150,450.2	155,448.9	-4,998.7
Market	11,015,269.9	11,178,718.9	-163,449.0
M/S	1.89%	1.82%	0.07%p

Despite heightened market volatility caused by changes in interest rate policy, trading volume saw a slight increase in 2024, driven by an overall recovery in the stock market on the back of expectations for improved corporate performance. Accordingly, Hana Securities’ market share rose by 0.07%p to 1.89%.

In its efforts to continue its growth trajectory, it will develop a new business model aimed at stable profit generation by expanding overseas stock market-related services, and by strengthening digital-based platform finance.

IV. ASSET QUALITY

TABLE 8. Asset Quality and Loan Loss Provision

(KRW in billion)	2024	2023	YoY
Total Credit	14,462.6	11,030.2	3,432.4
Normal	13,085.8	9,817.9	3,267.9
Precautionary	1,119.1	987.6	131.5
Substandard	91.7	107.0	-15.3
Doubtful	161.8	102.2	59.6
Estimated Loss	4.1	15.4	-11.3
Precautionary & Below			
Amount	1,376.8	1,212.3	164.5
Ratio	9.52%	10.99%	-1.47%p
Substandard & Below (NPL)			
Amount	257.6	224.7	32.9
Ratio	1.78%	2.04%	-0.26%p
Loan Loss Reserve	398.9	310.6	88.3
Normal	38.1	27.8	10.3
Precautionary	194.9	165.7	29.2
Substandard	-	-	0.0
Doubtful	161.7	101.7	60.0
Estimated Loss	4.1	15.4	-11.3
Precautionary & Below			
Loan Loss Reserve	360.8	282.8	78.0
Coverage Ratio	28.97%	25.62%	3.35%p
Substandard & Below (NPL)			
Loan Loss Reserve	165.9	117.1	48.8
Coverage Ratio	154.83%	138.26%	16.57%p



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Total credit rose by KRW 3,432.4 billion from KRW 11,030.2 billion in 2023 to KRW 14,462.6 billion in 2024. This is mainly attributable to a decrease in margin loans (around KRW 141.8 billion), an increase in RP purchase (around KRW 533.9 billion), a rise in loans/guarantees (around KRW 614.6 billion), and increase in receivables/accrued revenue (around KRW 2,342.2 billion). There was a decrease of KRW 95.0 billion owing to write-offs.

While NPL ratio decreased by 0.26%p YoY, reserves went up by KRW 88.3 billion YoY due to a rise in assets classified as substandard & below.

The NPL coverage ratio increased by 16.57%p YoY to 154.83%. As of 2024, the loan loss reserve is maintained at an adequate level, taking into account the recoverability of individual assets to prevent further losses.

V. CAPITAL ADEQUACY

TABLE 9. Net Capital and Ratio

(KRW in billion)	2024	2023	YoY
Net Capital	4,896.8	4,275.2	621.6
(+) Shareholders’ Equity on B/S	6,042.7	5,739.6	303.1
(+) Allowances for Currency Assets	143.4	93.3	50.1
(+) Subordinated Borrowings	488.0	410.0	78.0
(-) Fixed Assets	123.6	109.7	13.9
(-) Prepaid Expenses	95.4	133.5	-38.1
(-) Unsecured Loans (over 3M)	1,007.0	886.7	120.3
(-) Others	551.3	837.8	-286.5
Gross Risk Amount	2,905.8	2,571.6	334.2
Market Risk	1,779.3	1,461.4	317.9
Counter Party Risk	950.3	902.9	47.4
Credit Concentration Risk	33.5	38.0	-4.5
Operational Risk	142.7	169.3	-26.6
Indirect Investment Risk	0	0	-
Net Capital Ratio	1,483.39%	1,269.20%	214.19%p

As of 2024, net capital ratio went up by 214.19%p YoY to stand at 1,483.39%, well above the Financial Supervisory Service’s regulatory ratio (100%) and approval limit (300%) set by Hana Securities’ Risk Management Committee. Net capital grew by KRW 621.6 billion YoY to KRW 4,896.8 billion. This is attributable to a KRW 303.1 billion increase in shareholders’ equity, KRW 78.0 billion rise in subordinated borrowings, and KRW 50.1 billion increase in allowances for currency assets, which are capital add-on factors, as well as a decrease in specially related person’s claim or similar, which is a capital deduction factor.

Gross risk amount went up by KRW 334.2 billion YoY to KRW 2,905.8 billion, reflecting higher market risk from stocks and collective investment funds, as well as a rise in credit risk in line with increased guarantees.



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HANA CARD

CORPORATE INFORMATION

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. Leading innovation in the global payment market, Hana Card has elevated travelers’ financial experiences to the next level with differentiated benefits that maximize customer convenience, thereby setting a new standard for overseas payment services.



Hana Card

I. OVERVIEW

Hana Card achieved a net income of KRW 221.7 billion in 2024, a YoY increase of 29.6%, on the back of transaction volume growth in the overseas and corporate sectors, despite a rise in funding cost caused by interest rate hikes. It also achieved a transaction volume of KRW 90.3 trillion.

2025 is expected to be a challenging year for Hana Card due to factors such as lower merchant fee rates resulting from the recalculation of eligible costs. Nonetheless, the company plans to continue expanding its customer base and market share through collaboration with the Group’s affiliates, leveraging its customer base, and strengthening tailored products and services. In addition, it aims to lead the Group’s initiative to evolve into a daily life finance platform through continued digitalization. Hana Card will strive to defend its profits in a difficult environment by reinforcing profitability through the growth of high-return assets and diversifying income sources by exploring new businesses, such as business process outsourcing (BPO).

TABLE 1. Summarized Financial Information (Consolidated)

(KRW in billion)	2024	2023	YoY
Profitability			
General Operating Income	890.7	815.8	74.9
Operating Income	290.5	224.0	66.5
Net Income	221.7	171.0	50.7
ROA	1.61%	1.31%	0.30%p
ROE	9.20%	7.62%	1.58%p
Cost to Income Ratio	29.2%	29.5%	-0.3%p
Business Volume ¹⁾	90,333.7	87,721.3	2,612.4
Lump-sum	75,905.5	71,967.7	3,937.8
Installment	8,370.1	8,703.2	-333.1
Cash Advance	2,846.2	3,436.1	-589.9
Card Loans	2,691.3	3,018.3	-327.0
Others	520.6	596.0	-75.4

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

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II. SUMMARY OF BUSINESS PERFORMANCE

TABLE 2. Comprehensive Income Statement (Consolidated)

(KRW in billion)	2024	2023	YoY
General Operating Income	890.7	815.8	74.9
Net Interest Income	445.8	477.0	-31.2
Net Fee & Commission Income	310.8	214.9	95.9
Gains on Disposition & Valuation	95.0	69.8	25.2
Other Operating Income	39.2	54.1	-14.9
General & Administrative Expenses	260.4	240.7	19.6
Pre-Provisioning Operating Profit (PPOP)	630.4	575.1	55.3
Credit Loss Provision	340.0	351.1	-11.1
Operating Income	290.5	224.0	66.5
Non-Operating Income	-0.1	-5.2	5.1
Net Income before Income Tax	290.3	218.9	71.4
Income Tax Expense	68.6	47.8	20.8
Net Income ¹⁾	221.7	171.0	50.7

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

Breaking down general operating income by item, net interest income went down by approximately KRW 31.2 billion due to higher funding costs resulting from an interest rate hike. However, net fee & commission income increased by KRW 95.9 billion, driven by growth in annual membership fee income from attracting new customers—particularly in premium memberships—as well as higher transaction volumes. Gains on disposition & valuation rose by KRW 25.2 billion, reflecting increased FX translation gains from a rise in overseas transaction volume. Meanwhile, other operating income declined by KRW 14.9 billion due to reduced sales of receivables.

General & administrative expenses rose by KRW 19.6 billion, an outcome of an increase in amortization and depreciation due to greater IT investments. Owing to preemptive risk management measures, credit loss provisions declined by KRW 11.1 billion.

Net income increased by KRW 50.7 billion from the previous year’s KRW 171.0 billion to KRW 221.7 billion.

TABLE 3. Fee Structure (Consolidated)

(KRW in billion, thousands)	2024	2023	YoY
Fee Revenue	2,002.2	1,865.3	136.9
Credit Card Receivables (KRW)	705.1	642.2	62.9
Cash Advance	55.8	68.8	-13.0
Card Loan	353.2	377.1	-23.9
Others	888.2	777.1	111.1
Fee Expenses	1,691.5	1,650.4	41.1
Fee Income	310.7	214.9	95.8

Fee revenue rose by KRW 136.9 billion in total with a KRW 62.9 billion rise in credit card receivables in KRW, KRW 13.0 billion decline in cash advance, KRW 23.9 billion decrease in card loan, and KRW 111.1 billion rise in other revenue sources. Fee expenses rose by KRW 41.1 billion due to increased expenses with greater transaction volume.

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TABLE 4. General and Administrative Expenses (Consolidated)

(KRW in billion, thousands)	2024	2023	YoY
General & Administrative Expenses	260.3	240.7	19.6
Salaries and Employee Benefits	87.7	77.1	10.6
Severance and Retirement Benefits	10.7	9.8	0.9
Administrative Expenses	97.4	97.3	0.1
Depreciation and Amortization	48.8	41.8	7.0
Taxes and Dues	15.6	14.7	0.9
Cost to Income Ratio	29.2%	29.5%	-0.3%p

General & administrative expenses went up by KRW 19.6 billion, attributable to an increase in amortization and depreciation due to IT investments. The C/I ratio improved by 0.3%p YoY with a rise in general operating income.

III. KEY FIGURES

TABLE 5. Earning Asset Portfolio

(KRW in billion)	2024	2023	YoY
Earning Assets (Managed) ¹⁾	12,239.3	11,836.5	402.8
Credit Purchase	5,431.1	4,927.6	503.5
Cash Advances	378.3	365.6	12.7
Card Loan	2,882.0	2,821.2	60.8
Re-aged Loan	148.9	139.3	9.6
Installment Finance	1,052.3	1,432.2	-379.9
Others	2,495.6	2,290.0	205.6

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

Hana Card’s earning assets rose by KRW 402.8 billion YoY in 2024. Breaking down by item, credit purchase went up by KRW 503.5 billion due to impact from installment and corporate sector growth, while cash advances and card loan rose by KRW 12.7 billion and KRW 60.8 billion, respectively. In contrast, installment finance went down by KRW 379.9 billion due to disposal of assets.

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IV. ASSET QUALITY

TABLE 6. Asset Quality and Loan Loss Provision

(KRW in billion)	2024	2023	YoY
Total Credit	12,503.1	12,153.2	349.9
Normal	11,925.0	11,569.3	355.7
Precautionary	396.8	438.7	-41.9
Substandard	0.9	0.7	0.2
Doubtful	72.2	66.2	6.0
Estimated Loss	108.3	78.3	30.0
Substandard & Below (NPL)	181.4	145.2	36.2
Substandard & Below (NPL) Ratio ¹⁾	1.45%	1.20%	0.25%p
Precautionary & Below	578.1	584.0	-5.9
Precautionary & Below ratio	4.62%	4.81%	-0.19%p
Loan Loss Reserves	404.4	393.8	10.6
Normal	147.2	148.4	-1.2
Precautionary	126.3	138.4	-12.1
Substandard	0.4	0.2	0.2
Doubtful	51.2	47.3	3.9
Estimated Loss	79.3	59.5	19.8
Coverage Ratio			
Substandard & Below (NPL) Coverage	222.98%	271.13%	-48.15%p
Precautionary & Below	69.95%	67.43%	2.52%p

¹⁾ NPL ratio inclusive of factoring

Hana Card’s total credit rose by KRW 349.9 billion YoY to KRW 12,503.1 billion as of the end of 2024 on the back of sales expansion centered on credit purchase. However, NPL ratio went up by 0.25%p due to deteriorated soundness in the overall market.

V. CAPITAL ADEQUACY

TABLE 7. Adjusted Equity Capital Ratio and Leverage Ratio

(KRW in billion)	2024	2023	YoY
Adjusted Equity Capital	2,437.9	2,263.6	174.3
Adjusted Total Asset	12,354.7	12,011.5	343.2
Adjusted Equity Capital Ratio (%)	19.73%	18.85%	0.88%p
Total Equity Capital	2,497.7	2,324.2	173.5
Total Assets	13,574.1	13,524.3	49.8
Leverage Multiple	5.43	5.82	-0.39

Adjusted equity capital ratio increased by 0.88%p from the previous year’s 18.85% to 19.73%. As of 2024 year-end, leverage multiple declined by 0.39 YoY to 5.43, reflecting improved capital stability.

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HANA CAPITAL

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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 Capital

I. OVERVIEW

The capital industry faced significant challenges in 2024 due to deteriorated soundness resulting from an economic downturn and increased competition. Even in an unfavorable market environment, Hana Capital made focused efforts to strengthen its core business by expanding retail assets, such as auto financing, which laid the foundation for accumulating high-quality assets. It also achieved qualitative growth of retail assets by strengthening products for rental cars, expanding partnership with online platform companies, and diversifying product portfolio to include electric buses. In addition, Hana Capital is focusing on managing soundness and stabilizing the organization by advancing the risk management system and strengthening internal control.

In 2025, Hana Capital will strengthen its leadership in the industry by enhancing collaboration with the Group’s affiliates, entering and expanding its presence in niche markets, and engaging with new partner brands.

TABLE 1. Summarized Financial Information (Consolidated)

(KRW in billion)	2024	2023	YoY
Profitability			
General Operating Income	564.4	580.6	-16.2
Operating Income	156.1	277.9	-121.8
Net Income	116.3	209.4	-93.1
ROA	0.62%	1.20%	-0.58%p
ROE	4.67%	9.52%	-4.85%p
Cost to Income Ratio	17.6%	16.1%	1.5%p
Financial Assets			
Lease	3,908.5	3,768.8	139.7
Installment	1,684.1	1,322.4	361.7

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II. SUMMARY OF BUSINESS PERFORMANCE

TABLE 2. Comprehensive Income Statement (Separate)

(KRW in billion)	2024	2023	YoY
General Operating Income	534.2	557.8	-23.6
Net Interest Income	307.2	352.4	-45.2
Net Fee and Commissions Income	246.5	194.6	51.9
Gains on Disposition & Valuation	-53.1	-18.6	-34.5
Other Operating Income	33.6	29.6	4.0
General & Administrative Expenses	86.5	81.8	4.7
Pre-Provisioning Operating Profit (PPOP)	447.7	476.0	-28.3
Credit Loss Provision	290.6	195.0	95.6
Operating Income	157.1	281.0	-123.9
Non-Operating Income	-5.9	-12.2	6.3
Net Income before Income Tax	151.3	268.7	-117.4
Income Tax Expense	31.6	58.3	-26.7
Net Income	119.7	210.4	-90.7

Hana Capital recorded KRW 534.2 billion in general operating income, a YoY decrease of KRW 23.6 billion or 4.2%, due to a rise in funding cost and valuation losses, despite a YoY increase in fee & commission income. Net income stood at KRW 119.7 billion, down KRW 90.7 billion or 43.1% YoY.

TABLE 3. General and Administrative Expenses (Separate)

(KRW in billion)	2024	2023	YoY
General & Administrative Expenses	86.5	81.8	4.7
Salaries and Employment Benefits	31.8	32.8	-1.0
Severance and Retirement Benefits	1.8	1.6	0.2
Administrative Expenses	31.5	29.8	1.7
Depreciation and Amortization	13.8	9.8	4.0
Taxes and Dues	7.6	7.7	-0.1
Cost to Income Ratio	16.2%	14.7%	1.5%p

General & administrative expenses rose by KRW 4.7 billion YoY to KRW 86.5 billion, and C/I ratio went up by 1.5%p YoY to 16.2%.

III. FINANCIAL POSITIONS

TABLE 4. Lease/Installment

(KRW in billion)	2024	2023	YoY
Lease	3,908.5	3,768.8	139.7
Auto	3,451.0	3,352.5	98.5
General	457.5	416.4	41.1
Installment	1,684.1	1,322.4	361.7
Auto	1,580.7	1,156.4	424.3
Durable Goods	103.4	166.0	-62.6
Total	5,592.6	5,091.2	501.4

Hana Capital’s lease and installment assets grew KRW 501.4 billion YoY to record KRW 5,592.6 billion as of the end of 2024. Lease and installment assets increased by KRW 139.7 billion and KRW 361.7 billion YoY to reach KRW 3,908.5 billion and KRW 1,684.1 billion, respectively. Auto financing accounted for 90.0% of lease and installment, indicating a YoY increase of 1.4%p.

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IV. ASSET QUALITY

TABLE 5. Asset Quality and Loan Loss Provision

(KRW in billion)	2024	2023	YoY
Total Credit	16,715.1	15,790.1	925.0
Normal	15,376.7	14,465.0	911.7
Precautionary	1,094.6	1,163.7	-69.1
Substandard	100.9	75.9	25.0
Doubtful	127.3	74.2	53.1
Estimated Loss	15.7	11.2	4.5
Precautionary & Below			
Amount	1,338.4	1,325.0	13.4
Ratio	8.01%	8.39%	-0.38%p
Substandard & Below (NPL)			
Amount	243.9	161.3	82.6
Ratio	1.46%	1.02%	0.44%p
Loan Loss Reserve	277.8	184.3	93.5
Normal	94.4	77.6	16.8
Precautionary	69.0	35.6	33.4
Substandard	16.4	9.7	6.7
Doubtful	83.1	50.5	32.6
Estimated Loss	14.9	10.9	4.0
Precautionary & Below			
Loan Loss Reserve	183.4	106.7	76.7
Coverage Ratio	20.76%	13.91%	6.85%p
Substandard & Below (NPL)			
Loan Loss Reserve	114.4	71.1	43.3
Coverage Ratio	113.92%	114.26%	-0.34%p

As of the end of 2024, Hana Capital’s total credit that is subject to asset quality categorization increased by KRW 925.0 billion YoY to KRW 16,715.1 billion. Of this, NPL went up by KRW 82.6 billion over the previous year to record KRW 243.9 billion, while the NPL ratio increased by 0.44%p YoY year to 1.46%. Loan loss reserve went up by KRW 93.5 billion YoY to KRW 277.8 billion, and the NPL coverage ratio dropped by 0.34%p YoY to 113.92%.

V. CAPITAL ADEQUACY

TABLE 6. Adjusted Equity Capital Ratio

(KRW in billion)	2024	2023	YoY
Adjusted Equity Capital	2,610.1	2,481.0	129.1
Tier 1 Capital	2,230.5	2,125.2	105.3
Shareholders’ Equity	2,230.5	2,125.2	105.3
Tier 2 Capital	410.7	389.9	20.8
Subordinated Bonds	249.5	249.5	0.0
Loan Loss Reserve	161.2	140.4	20.8
(-) Deduction	31.1	34.0	-2.9
Adjusted Total Assets	18,881.1	18,169.7	711.4
Total Assets on Balance Sheet	18,971.4	18,079.8	891.6
(-) Deduction	659.0	548.4	110.6
Adjusted Equity Capital Ratio	13.82%	13.65%	0.17%p

Adjusted equity capital ratio stood at 13.82%, significantly exceeding the required regulatory level of 7%.

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HANA LIFE

CORPORATE INFORMATION

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 Life

I. OVERVIEW

Korea’s life insurance industry is transitioning from savings-oriented insurance to protection-oriented insurance in response to institutional changes, such as the reduction of tax exemption benefits and changes in accounting systems, amid a low birth rate, aging population, and low growth environment. The introduction of IFRS17 and K-ICS has made strong capital adequacy a key competitive factor for insurance companies. In response, many have implemented capital enhancement measures, and Hana Life also increased its capital by KRW 200 billion in August 2024.

In 2024, under the slogan “Into the Field! Closer to the Customers! Jump up 2024!,” Hana Life focused on identifying new income sources by enhancing its product portfolio in the Bancassurance channel as well as in the GA and hybrid channels launched in 2022. The company also worked to solidify its profit base by expanding protection insurance to replace savings insurance and by reducing costs. Additionally, it increased investment income by managing qualified assets in collaboration with the Group’s affiliates and strengthened risk management to improve its fundamentals. To prepare for societal changes, Hana Life is also promoting its senior care and reverse mortgage businesses.

Moving forward, Hana Life will focus on reinforcing its business foundation by creating synergies with the Group’s affiliates and expanding bancassurance channels by forming new partnerships. In addition, it will bolster sales in new channels to discover new business opportunities and expand tailored insurance products that can meet diverse customer needs as part of its efforts to become a customer-centric life insurer.

II. SUMMARY OF BUSINESS PERFORMANCE

TABLE 1. Main Performance Indicators (Separate)

(KRW in billion)	2024	2023	YoY
MCP (Monthly Converged Premiums)	39.5	25.9	13.6
Annuity	2.9	2.9	0.0
Saving	0.0	0.0	0.0
Protection	32.0	19.3	12.7
Variable	4.6	3.7	0.9
Contractual Service Margin	439.0	301.6	137.4
Investment Income	669.8	681.6	-11.8
Investment Income Ratio	2.94%	3.25%	-0.31%p
Net Income	-0.7	5.4	-6.1
ROA	-0.01%	0.09%	-0.10%p
ROE	-0.14%	1.15%	-1.29%p
Cost to Income Ratio	90.8%	73.5%	17.3%p

In 2024, Hana Life delivered solid results, with monthly converged premiums (MCP) reaching KRW 39.5 billion—a KRW 13.6 billion YoY increase—driven by higher sales of protection insurance. Protection insurance sales totaled KRW 32 billion, marking a sharp 65.6% YoY increase, which contributed to a high contractual service margin (CSM) of KRW 439.0 billion, up 45.5% YoY.

TABLE 2. Comprehensive Income Statement (Separate)

(KRW in billion)	2024	2023	YoY
Net Insurance Business Income	18.3	9.7	8.6
Insurance Income	148.5	103.6	44.9
Insurance Revenue	134.8	93.2	41.6
Reinsurance Revenue	13.6	10.4	3.2
Insurance Expense	130.1	94.0	36.1
Insurance Service Expense	106.5	68.7	37.8
Reinsurance Expense	10.9	10.3	0.6
Other Expense	12.7	15.0	-2.3
Net Investment Business Income	-19.5	-3.6	-15.8
Investment Income	669.8	681.6	-11.8
Investment Expenses	689.2	685.2	4.0
Operating Income	-1.1	6.0	-7.2
Non-Operating Income	-0.3	-0.8	0.5
Net Income before Income Tax	-1.5	5.2	-6.7
Income Tax Expense	-0.8	-0.2	-0.6
Net Income	-0.7	5.4	-6.1

In 2024, Hana Life’s net insurance business income went up by KRW 8.6 billion YoY to KRW 18.3 billion on the back of increased CSM, due to a rise in protection insurance sales. Net investment business income recorded a loss of KRW 19.5 billion due to the loss of PF and overseas alternative investment assets and provisions of loan assets, resulting in a net loss of KRW 700 million.

TABLE 3. General and Administrative Expenses (Separate)

(KRW in billion)	2024	2023	YoY
General & Administrative Expenses	61.7	55.9	5.8
Salaries and Employee Benefits	18.8	17.0	1.8
Severance and Retirement Benefits	1.8	1.4	0.4
Administrative Expenses	28.5	25.7	2.8
Depreciation and Amortization	11.2	10.5	0.7
Taxes and Dues	1.3	1.4	-0.1
Cost to Income Ratio	90.8%	73.5%	17.3%p

In 2024, Hana Life’s general & administrative expenses rose by KRW 5.8 billion YoY to KRW 61.7 billion. This increase was primarily due to higher salaries and employee benefits, reflecting an increase in headcount as the company prepared to adopt reverse mortgage and supplementary insurance products. Administrative expenses also increased year-on-year, driven by responses to institutional changes and the adoption of reverse mortgage and supplementary insurance.

III. CAPITAL ADEQUACY

TABLE 4. Solvency Margin Ratio

(KRW in billion)	2024	2023	YoY
Solvency Margin	778.2	542.3	235.9
Standard Amount of Solvency Margin	431.2	321.4	109.8
Solvency Margin Ratio	180.5%	168.7%	11.8%p

Hana Life’s solvency margin ratio, calculated using the K-ICS method based on preliminary closing results for December 2024 (after the expiration of transitional measures), stands at 180.5%, exceeding the Financial Supervisory Service’s advised threshold of 150%. Please note that these figures were calculated under the K-ICS framework, following the transition from the risk-based capital (RBC) approach to K-ICS for solvency capital requirements in 2023.

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HANA SAVINGS BANK

CORPORATE INFORMATION

Launched in 2012, Hana Savings Bank is committed to expanding productive finance for SMEs and providing inclusive finance to the underbanked. Today, the Savings Bank is laying the foundation for sustainable growth by practicing ESG management and offering customer-oriented products/services, all with the goal of achieving the highest customer satisfaction under the slogan “Growing Together, Sharing Happiness.”

I. OVERVIEW

Hana Savings Bank is a microfinance institution for the low-income group and SMEs, and pursues the realization of inclusive finance and advancement of the microfinance market. It is implementing growth strategy centered on risk-free assets by strengthening cross-selling with Group’s affiliates while expanding microfinance products, including policy-based financial products and mid-interest-rate loans. It is leading the advancement of microfinance by enhancing digital competitiveness and expanding customer-centric, non-face-to-face, and integrated channels in collaboration with the Group’s affiliates.

Based on its sufficient capital power as a major subsidiary of Hana Financial Group and strong credibility as a large financial institution, the Savings Bank maintains a BIS ratio of 14.53% and a liquidity ratio of 169.63%. It is striving to secure asset soundness by reducing high-risk assets and diversifying the portfolio centered on risk-free assets.



II. SUMMARY OF BUSINESS PERFORMANCE

TABLE 1. Comprehensive Income Statement (Separate)

(KRW in billion)	2024	2023	YoY
General Operating Income	94.3	94.7	-0.4
Net Interest Income	107.6	106.4	1.2
Net Fee and Commissions Income	-0.4	2.7	-3.1
Gains on Disposition & Valuation	4.4	6.1	-1.7
Other Operating Income (Expenses)	-17.3	-20.4	3.1
General & Administrative Expenses	41.2	41.3	-0.1
Pre-Provisioning Operating Income (PPOP)	53.0	53.5	-0.5
Credit Loss Provision	89.9	69.1	20.8
Operating Income	-36.8	-15.7	-21.1
Non-Operating Income	-0.2	2.5	-2.7
Net Income before Income Tax	-37.0	-13.2	-23.8
Income Tax Expense	-4.8	0.0	-4.8
Net Income	-32.2	-13.2	-19.0

Hana Financial Group acquired Jeil 2 Savings Bank and Ace Savings Bank in February 2012 which was followed by the additional acquisition of Korea Savings Bank in August 2012, resulting in the launch of Hana Savings Bank. It achieved profitability in 2013 with a net income of KRW 5.8 billion, and increased its net income to KRW 23.3 billion in 2022. However, the Savings Bank recorded a net loss of KRW 13.2 billion in 2023, primarily due to substantial preemptive provisions made to strengthen risk response capabilities in light of asset quality issues with real estate-related loans. In 2024, it recorded a net loss of KRW 32.2 billion due to a continued increase in costs associated with strengthening criteria for testing the viability of property PF.

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TABLE 2. General and Administrative Expenses (Separate)

(KRW in billion)	2024	2023	YoY
General & Administrative Expenses	41.2	41.3	-0.1
Salaries and Employee Benefits	11.8	12.2	-0.4
Severance and Retirement Benefits	1.0	0.7	0.3
Administrative Expenses	13.9	14.0	-0.1
Depreciation and Amortization	8.6	8.6	0.0
Taxes and Dues	6.0	5.7	0.3
Cost to Income Ratio	43.8%	43.6%	0.2%p

Hana Savings Bank recorded a year-on-year decrease of KRW 100 million in general and administrative expenses in 2024. Although taxes and dues increased by KRW 300 million due to higher contributions to the Haet-Sal Loan¹⁾, a guaranteed loan, and severance and retirement benefits rose by KRW 300 million, salaries and employee benefits as well as administrative expenses declined by KRW 500 million. However, the C/I ratio increased by 0.2%p year-on-year, as general operating income fell due to reduced fee income from property loans.

III. SUMMARY OF FINANCIAL CONDITION

TABLE 3. Condensed Balance Sheets (Separate)

(KRW in billion)	2024	2023	YoY
Interest Earning Assets	2,600.5	2,467.9	132.6
Due from Banks	303.3	330.4	-27.1
Fixed Income Securities	0.0	0.0	0.0
Loans	2,406.7	2,220.6	186.1
Loan Loss Allowance	-109.5	-83.0	-26.5

TABLE 3. Condensed Balance Sheets (Separate)

(KRW in billion)	2024	2023	YoY
Other Revenue Earning Assets	56.8	84.7	-27.9
Stocks and Others	48.4	49.5	-1.1
Domestic Exchange Settlement	8.4	35.2	-26.8
Non-Revenue Earning Assets	93.9	100.7	-6.8
Total Assets	2,751.2	2,653.3	97.9
Interest Bearing Liabilities	2,349.9	2,213.0	136.9
Deposits	2,349.9	2,203.9	146.0
Domestic Exchange Settlement	0.0	9.1	-9.1
Non-Interest Bearing Liabilities	74.8	81.9	-7.1
Total Liabilities	2,424.8	2,295.0	129.8
Shareholders’ Equity	326.4	358.4	-32.0
Total Liabilities & Shareholders’ Equity	2,751.2	2,653.3	97.9

Hana Savings Bank is a wholly owned subsidiary of Hana Financial Group. As of 2024, it operates two branches, along with Corporate Finance and Retail Finance divisions at its headquarters. The Savings Bank has total assets of KRW 2,751.2 billion, total liabilities of KRW 2,424.8 billion, and shareholders’ equity of KRW 326.4 billion.

As of 2024, its total assets increased by KRW 97.9 billion YoY, driven by a KRW 186.1 billion rise in loans. In response to the ongoing downturn in the real estate market, it collected and strategically reduced the proportion of real estate-related loans classified as high-risk assets, while expanding its portfolio of safe, low risk-weighted assets.

¹⁾ A government-backed loan program for low-income individuals in Korea



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IV. ASSET QUALITY

TABLE 4. Asset Quality and Loan Loss Provision

(KRW in billion)	2024	2023	YoY
Total Credit	2,406.7	2,220.6	186.1
Normal	1,725.0	1,549.6	175.4
Precautionary	401.9	497.3	-95.4
Substandard	188.6	112.8	75.8
Doubtful	60.9	39.4	21.5
Estimated Loss	30.3	21.4	8.9
Precautionary & Below			
Amount	681.7	671.0	10.7
Ratio	28.3%	30.2%	-1.9%p
Substandard & Below (NPL)			
Amount	279.7	173.6	106.1
Ratio	11.62%	7.82%	3.8%p
Loan Loss Reserve	143.8	110.5	33.3
Normal	24.9	27.9	-3.0
Precautionary	12.2	16.0	-3.8
Substandard	48.0	21.7	26.3
Doubtful	39.1	29.1	10.0
Estimated Loss	19.6	15.7	3.9
Precautionary & Below			
Loan Loss Reserve	118.9	82.6	36.3
Coverage Ratio	21.1%	16.5%	4.6%p
Substandard & Below (NPL)			
Loan Loss Reserve	106.6	66.6	40.0
Coverage Ratio	51.4%	63.6%	-12.2%p

The Savings Bank’s total loan rose by KRW 186.1 billion YoY in 2024, and its NPL ratio went up by 3.8%p YoY with a decrease in asset quality caused by prolonged sluggishness in the property PF market.

The Savings Bank is working to improve risk asset concentration by reducing the proportion of real estate-related assets and increasing high-quality assets through portfolio diversification, while also emphasizing systematic, preemptive management of its existing assets.

V. CAPITAL ADEQUACY RATIO

TABLE 5. BIS Capital and Ratio

(KRW in billion)	2024	2023	YoY
BIS Capital Adequacy Ratio	14.53%	15.96%	-1.43%
Tier 1 Ratio	13.13%	14.49%	-1.36%
Tier 2 Ratio	1.40%	1.46%	-0.06%
Total BIS Capital	287.2	319.1	-31.9
Tier 1 Capital	259.5	289.8	-30.3
Common Equity Capital	259.5	289.8	-30.3
Capital Stock	115.5	115.5	0.0
Capital Surplus	167.6	167.6	0.0
Retained Earnings	2.7	33.3	-30.6
Others	-26.3	-26.6	0.3
Hybrid Bonds	0.0	0.0	0.0
Tier 2 Capital	27.7	29.3	-1.6
Loan Loss Reserve	26.4	26.3	0.1
Subordinated Bonds	0.0	0.0	0.0
Others	1.2	3.0	-1.8
Risk Weighted Assets	1,977.2	1,999.4	-22.2

The BIS ratio went down by 1.43%p YoY to record 14.53% due to a KRW 30.6 billion reduction in retained earnings. This is well above the 8% threshold set by the Savings Bank Act and the 11% level recommended by supervisory authorities in light of market conditions. Hana Savings Bank thus maintains a high level of capital adequacy.

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HANA INSURANCE

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 ASSET TRUST

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

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.

HANA VENTURES

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.



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HANA INVESTORS SERVICES

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 Investors Services

HANA F&I

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 F&I

HANA TI

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.



Hana TI

FINNQ

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.



Finnq

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INDEPENDENT AUDITOR’S REPORT

English Translation of Independent Auditor’s Report Originally Issued in Korean on February 28, 2025
To the Shareholders and the Board of Directors of Hana Financial Group Inc.



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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 statements of financial position as of December 31, 2024 and December 31, 2023, respectively, and the consolidated statements of comprehensive income, consolidated statements of changes in shareholders’ equity and consolidated statements of cash flows, for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2024 and December 31, 2023, 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, 2024, based on ‘Conceptual Framework for Design and Operation of Internal Control over Financial Reporting’ and our report dated February 28, 2025, 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.

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.

1. Assessment of the allowance for credit losses for loans

As discussed in Note 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 3,081,664 million as of December 31, 2024. 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 judgement 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.

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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.

In particular, Hana Securities Co., Ltd. evaluates some derivatives and derivatives-linked securities classified as level 3 through its own evaluation system. As of December 31, 2024, the derivative assets was accounted for KRW 21,794 million and the derivative liabilities was accounted for KRW 374,239 million. In addition, the derivative-linked securities was accounted at KRW 59,624 million for fair value through profit or loss financial assets and at KRW 3,644,795 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.

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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:

- 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.

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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 repor t is Ho Young, Heo.

Deloitte IDNJIN LLC
February 28, 2025

Notice to Readers

This report is effective as of February 28, 2025, 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.



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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2024 and 2023
Hana Financial Group Inc. and its subsidiaries

		(Korean won in millions)	
Accounts	Notes	December 31, 2024	December 31, 2023
ASSETS			
I. Cash and due frombanks	5, 6, 7, 9, 11, 57	40,404,953	34,480,458
II. Financial assets measured at fair value through profit or loss ("FVTPL")	5, 6, 7, 9, 12, 15, 17	72,637,666	54,605,832
III. Financial assets measured at fair value through other comprehensive income ("FVOCI")	5, 6, 7, 9, 13, 15, 17	46,108,524	44,313,496
IV. Securities measured at amortized cost	5, 6, 7, 9, 14, 15, 17	34,077,051	36,480,396
V. Loans measured at amortized cost	5, 6, 7, 9, 15, 16, 21	403,384,381	381,410,658
VI. Derivative assets used for hedging	5, 6, 7, 9, 17	163,267	9,678
VII. Investments in associates and joint ventures	18	4,766,266	4,159,967
VIII. Insurance contract assets	30	25,663	7,718
IX. Reinsurance contract assets	30	39,724	42,203
X. Property and equipment	19, 21	7,487,309	6,505,642
XI. Investment properties	20	1,372,766	1,321,579
XII. Intangible assets	22	1,046,157	935,122
XIII. Net defined benefit assets	31	37,531	58,648
XIV. Deferred tax assets	53	162,451	364,438
XV. Current income tax assets	53	71,410	63,279
XVI. Non-current assets held for sale	23	43,676	57,643
XVII. Other assets	5, 6, 7, 9, 24	26,018,718	27,109,238
TOTAL ASSETS		637,847,513	591,925,995

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As of December 31, 2024 and 2023
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		(Korean won in millions)	
Accounts	Notes	December 31, 2024	December 31, 2023
LIABILITIES			
I. Financial liabilities measured at FVTPL	5, 6, 7, 9, 17, 25, 26	34,647,766	21,599,202
II. Deposits	5, 6, 7, 9, 27	390,208,735	371,866,240
III. Borrowings	5, 6, 7, 9, 28	46,143,154	43,590,349
IV. Debentures	5, 6, 7, 9, 29	64,879,611	58,702,329
V. Derivative liabilities used for hedging	5, 6, 7, 9, 17	394,086	432,303
VI. Insurance contract liabilities	30	5,551,383	5,546,506
VII. Reinsurance contract liabilities	30	7,703	6,701
VIII. Net defined benefit liabilities	31	475,272	175,899
IX. Provisions	32	724,641	841,636
X. Deferred tax liabilities	53	459,549	363,510
XI. Current income tax liabilities	53	352,554	134,109
XII. Other liabilities	5, 6, 7, 9, 33	50,426,132	48,485,494
TOTAL LIABILITIES		594,270,586	551,744,278
EQUITY			
I. Equity attributable to owner of the parent		42,701,020	39,343,318
1. Capital stock	34	1,501,210	1,501,210
2. Hybrid equity securities	34	4,139,727	3,606,048
3. Capital surplus	34	10,579,140	10,582,774
4. Capital adjustments	35	(325,342)	(181,682)
5. Accumulated other comprehensive loss	36	(833,858)	(1,291,177)
6. Retained earnings	37	27,640,143	25,126,145
II. Non-current assets held for sale	1	875,907	838,399
TOTAL EQUITY		43,576,927	40,181,717
TOTAL LIABILITIES AND EQUITY		637,847,513	591,925,995

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		(Korean won in millions)			
Accounts		Notes	2024		2023
I.	Net interest income	39, 40	8,761,000		8,879,449
	1. Interest income		24,116,588		23,275,944
	Interest income on financial assets measured at FVOCI and amortized cost		23,035,298		22,424,686
	Interest income on financial assets measured at FVTPL		1,080,986		851,106
	Interest income on insurance and reinsurance contracts		304		152
	2. Interest expense		(15,355,588)		(14,396,495)
	Interest expense on financial liabilities		(15,035,692)		(14,066,014)
	Interest expense on insurance and reinsurance contracts		(319,896)		(330,481)
II.	Net fees and commission income	39, 40	2,469,854		1,977,733
	1. Fees and commission income		3,598,814		3,034,920
	2. Fees and commission expense		(1,128,960)		(1,057,187)
III.	Net gain on financial assets measured at FVTPL	39, 42, 43	261,714		745,788
IV.	Net gain on financial assets measured at FVOCI	39, 44	220,765		80,582
V.	Gain on derecognition of financial assets measured at amortized cost	39, 45	(76,242)		85,086
VI.	Gain (loss) on derivative assets used for hedging	39, 46	(65,768)		25,306
VII.	Gain on foreign currencies transactions	39	797,143		414,790
VIII.	Net insurance service result		43,284		25,351
	1. Insurance revenue	30	606,134		552,477
	2. Insurance service expenses	30	(551,984)		(521,008)
	3. Reinsurance revenue	30	34,320		36,819
	4. Reinsurance expenses	30	(45,186)		(42,937)
IX.	Insurance and reinsurance finance income (loss)		37,559		532
X.	Total operating income		12,449,309		12,234,617
XI.	Impairment loss on financial assets	39, 47	(1,236,505)		(1,550,742)

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Accounts		Notes	2024		2023
XII.	Net operating income				
XIII.	General and administrative expenses	39, 48	(4,530,269)		(4,408,272)
XIV.	Other operating income	39, 49	933,558		894,212
XV.	Other operating expenses	39, 50	(2,760,911)		(2,476,408)
XVI.	Operating income		4,855,182		4,693,407
XVII.	Non-operating income (loss)		196,983		(12,195)
	1. Net gain on valuation of investments in associates and joint ventures	18	353,874		160,155
	2. Other non-operating income	51	331,167		240,161
	3. Other non-operating expenses	52	(488,058)		(412,511)
XVIII.	Net income before income tax expense		5,052,165	3,034,920	4,681,212
XIX.	Income tax expenses	53	(1,283,636)	(1,057,187)	(1,212,856)
XX.	Net income for the year		3,768,529		3,468,356
XXI.	Other comprehensive income (loss)		635,812		531,779
	1. Items that may be reclassified subsequently to profit or loss:		751,746		630,022
	Gain (loss) on valuation of debt securities measured at FVOCI		372,198		757,543
	Exchange differences on translation of foreign operations, net		471,271		73,595
	Changes in capital fromgains on equity method for investments in associates		235,731		(5,009)
	Loss on valuation of net investment in hedges		(141,881)		(22,096)
	Loss on valuation of cash flow hedges		50,993		(13,907)
	Insurance finance income (loss)		(233,393)		(159,752)
	Reinsurance finance income (loss)		(3,173)		(352)

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Accounts		Notes	2024	2023	
2. Items that will not be reclassified subsequently to profit or loss:			(115,934)	(98,243)	
Gain (loss) on valuation of equity securities measured at FVOCI			55,650	79,375	
Effect of changes in the credit risk of financial liabilities designated at FVTPL			1,331	(7,567)	
Changes in capital from losses on equity method for investments in associates			(483)	(1,934)	
Remeasurements of the defined benefit plan			(172,432)	(168,117)	
XXII.	Total comprehensive income for the year		4,404,341	4,000,135	
XXIII.	Net income for the year attributable to:		3,768,529	3,468,356	
Equity of owner of the parent			3,738,849	3,421,712	
Non-controlling interests		1	29,680	46,644	
XXIV.	Total comprehensive income for the year attributable to:		4,404,341	4,000,135	
Equity of owner of the parent			4,345,351	3,944,640	
Non-controlling interests		1	58,990	55,495	
XXV.	Earnings per share	55			
Basic earnings per share (Korean won)			12,629	11,380	
Diluted earnings per share (Korean won)			12,629	11,380	

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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(Korean won in millions)									
Accounts	Capital stock	Hybrid equity securities	Capital surplus	Capital adjustments	Accumulated other comprehensive income (loss)	Retained earnings	Equity attributable to owner of the parent	Non-controlling interests	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)
Quarterly 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)
Retirement of treasury stock	-	-	-	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 valuation of 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 loss	-	-	-	-	(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

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(Korean won in millions)									
Accounts	Capital stock	Hybrid equity securities	Capital surplus	Capital adjustments	Accumulated other comprehensive income (loss)	Retained earnings	Equity attributable to owner of the parent	Non-controlling interests	Total
As of January 1, 2024	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
Annual dividends	-	-	-	-	-	(460,827)	(460,827)	(2,384)	(463,211)
Quarterly dividends	-	-	-	-	-	(511,241)	(511,241)	-	(511,241)
Issuance of hybrid equity securities	-	797,978	-	-	-	-	797,978	-	797,978
Redemption of hybrid equity securities	-	(264,299)	(2,294)	1,592	-	-	(265,001)	-	(265,001)
Paid-in capital increases of subsidiaries	-	-	(904)	-	-	-	(904)	-	(904)
Changes in shares of subsidiaries	-	-	(436)	-	-	-	(436)	(725)	(1,161)
Dividends on hybrid equity securities	-	-	-	-	-	(150,664)	(150,664)	(18,641)	(169,305)
Retirement of treasury stock	-	-	-	251,627	-	(251,627)	-	-	-
Acquisition of treasury stocks	-	-	-	(396,885)	-	-	(396,885)	-	(396,885)
Reclassification of equity securities measured at FVOCI	-	-	-	-	(149,183)	149,183	-	-	-
Others	-	-	-	6	-	325	331	268	599
Subtotal	1,501,210	4,139,727	10,579,140	(325,342)	(1,440,360)	23,901,294	38,355,669	816,917	39,172,586
Net income for the year	-	-	-	-	-	3,738,849	3,738,849	29,680	3,768,529
Gain(Loss) on valuation of debt securities in financial assets measured at FVOCI	-	-	-	-	373,324	-	373,324	(1,126)	372,198
Gain(Loss) on valuation of equity securities in financial assets measured at FVOCI	-	-	-	-	55,650	-	55,650	-	55,650
Exchange differences on translation of foreign operations	-	-	-	-	440,803	-	440,803	30,468	471,271
Changes in capital from valuation of equity method investments in associates	-	-	-	-	235,248	-	235,248	-	235,248
Loss on valuation of net investment hedges	-	-	-	-	(141,881)	-	(141,881)	-	(141,881)
Gain on valuation of cash flow hedges	-	-	-	-	50,993	-	50,993	-	50,993
Effect of changes in credit risk on financial liabilities designated as measured at FVTPL	-	-	-	-	1,331	-	1,331	-	1,331
Remeasurement of the net defined benefit plan	-	-	-	-	(172,400)	-	(172,400)	(32)	(172,432)
Insurance finance loss	-	-	-	-	(233,393)	-	(233,393)	-	(233,393)
Reinsurance finance loss	-	-	-	-	(3,173)	-	(3,173)	-	(3,173)
Total comprehensive income for the year	-	-	-	-	606,502	3,738,849	4,345,351	58,990	4,404,341
As of December 31, 2024	1,501,210	4,139,727	10,579,140	(325,342)	(833,858)	27,640,143	42,701,020	875,907	43,576,927

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For the Years Ended December 31, 2024 and 2023
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		(Korean won in millions)	
Accounts		2024	2023
I.	Net cash used in operating activities	(2,451,814)	(9,622,341)
	1. Net income for the period	3,768,529	3,468,356
	2. Adjustments to reconcile net income for the period:	(7,584,910)	(7,754,324)
	Income tax expenses	1,283,636	1,212,856
	Interest expenses	15,355,588	14,396,495
	Interest income	(24,116,588)	(23,275,944)
	Dividend income	(107,546)	(87,731)
	3. Adjustments to non-cash items:	952,083	1,435,274
	Net gain on valuation of financial assets measured at FVTPL	(737,909)	(1,212,827)
	Net gain on disposal of financial assets measured at FVTPL	(122,292)	(63,259)
	Net gain on transaction of financial assets measured at FVOCI	(204,692)	(64,172)
	Provision for credit loss allowance on financial assets measured at FVOCI	1,043	1,841
	Gain on disposal of financial assets measured at amortized cost	(2)	(232)
	Provision for (reversal of) credit loss allowance on financial assets measured at amortized cost	831	(36,273)
	Net loss (gain) on derivative assets and liabilities used for hedging	65,768	(20,326)
	Net gain on foreign currency transactions	(468,606)	(106,925)
	Provision for credit loss allowance	1,234,631	1,585,175
	Depreciation and amortization	1,480,620	1,219,747
	Share-based compensation expenses	24,026	12,282
	Provision for postemployment benefit obligations	183,456	158,396
	Net gain on valuation of investments in associates and joint ventures	(353,874)	(160,155)
	Other loss (gain) relating to property and equipment and intangible assets	(121,113)	32,163
	Net loss (gain) relating to non-current assets held for sale	441	(568)
	Net insurance result	(80,843)	(25,883)
	Others	50,598	116,290

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Accounts	(Korean won in millions)	
	2024	2023
4. Changes in operating assets and liabilities:	(8,184,060)	(16,086,422)
Due frombanks	(2,476,082)	1,201,980
Financial assets measured at FVTPL (held for trading)	(14,835,573)	(123,838)
Loans measured at amortized cost	(14,706,891)	(14,297,588)
Net defined benefit assets	21,117	76,317
Investments in associates and joint ventures (related to dividend)	83,229	65,928
Insurance contract assets	(17,945)	(4,892)
Reinsurance contract assets	(8,380)	(15,118)
Other assets	1,718,434	(5,524,492)
Financial liabilities measured at FVTPL	12,498,253	(6,784,956)
Deposits	11,362,343	4,062,161
Net defined benefit liabilities	(120,566)	(221,382)
Provisions	(184,587)	4,818
Insurance contract liabilities	(216,493)	(26,214)
Reinsurance contract liabilities	(3,313)	(73)
Other liabilities	(1,341,126)	5,478,321
Net change in derivative assets and liabilities used for hedging	43,520	22,606
5. Cash provided by operating activities:	24,088,171	23,011,403
Interest received	23,980,965	22,923,611
Dividend received	107,206	87,792
6. Cash used in operating activities:	(15,491,627)	(13,696,628)
Interest paid	(14,633,654)	(12,086,823)
Income tax paid	(857,973)	(1,609,805)

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		(Korean won in millions)	
Accounts		2024	2023
II.	Net cash flows provided by (used in) investing activities	596,536	(5,926,999)
	Net change in derivative assets and liabilities used for hedging	(51,960)	(21,361)
	Net cash flows used in acquisition (disposal) of subsidiaries	1,205,395	(761,731)
	Purchase of financial assets measured at FVTPL (other than held for trading)	(14,215,710)	(12,626,273)
	Proceeds fromdisposal of financial assets measured at FVTPL (other than held for trading)	12,721,118	12,830,747
	Purchase of financial assets measured at FVOCI	(32,987,203)	(22,461,365)
	Proceeds fromdisposal of financial assets measured at FVOCI	33,002,295	18,026,350
	Purchase of financial assets measured at amortized cost	(3,030,914)	(1,248,227)
	Proceeds fromredemption of financial assets measured at amortized cost	5,763,552	2,772,528
	Acquisition of investment in associates and joint ventures	(142,777)	(202,708)
	Proceeds fromdisposal of investment in associates and joint ventures	154,106	95,630
	Purchase of property and equipment	(2,000,280)	(2,177,689)
	Proceeds fromdisposal of property and equipment	205,204	121,063
	Purchase of investment properties	(60,970)	(61,112)
	Proceeds fromdisposal of investment properties	300,267	2,550
	Acquisition of intangible assets	(323,263)	(236,591)
	Proceeds fromdisposal of intangible assets	303	3,156
	Net change in non-current assets held for sale	17,556	36,417
	Net change in guarantee deposit	39,817	(18,383)

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		(Korean won in millions)	
Accounts		2024	2023
III.	Net cash flows provided by financing activities	3,692,000	5,677,186
	Net change in derivative assets and liabilities used for hedging	(22,459)	13,433
	Net change in borrowings	780,782	5,395,440
	Issuance of debentures	36,702,704	36,910,141
	Redemption of debentures	(32,499,059)	(35,440,925)
	Repayment of lease liabilities	(243,230)	(235,982)
	Acquisition of treasury stocks	(396,885)	(150,000)
	Payment of dividends	(974,452)	(1,262,515)
	Issuance of hybrid equity securities	797,978	798,031
	Dividends on hybrid equity securities	(150,664)	(135,526)
	Redemption of hybrid equity securities	(265,000)	(488,263)
	Net change in non-controlling interests	(37,715)	273,352
IV.	Effect of exchange rate changes on cash and cash equivalents	1,293,228	(219,752)
V.	Net increase (decrease) in cash and cash equivalents (I + II + III + IV)	3,129,950	(10,091,906)
VI.	Cash and cash equivalents as of January 1	29,636,710	39,728,616
VII.	Cash and cash equivalents as of December 31 (Note 57)	32,766,660	29,636,710

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Hana Financial Group Inc. and its subsidiaries

1. Company Overview:

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 to 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, 2024, 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, 2024.

1-2 Scope of consolidation

Details of subsidiaries in scope of consolidation as of December 31, 2024, are as follows:

Classification	Country	Major business	Ownership (%) (*1)	Reporting date
Subsidiaries of HFG:				
Hana Bank	Korea	Banking	100.0	December 31, 2024
Hana Securities	Korea	Financial investments	100.0	December 31, 2024
Hana Card	Korea	Credit card business	100.0	December 31, 2024
Hana Capital	Korea	Installment credit financing	100.0	December 31, 2024
Hana Asset Trust	Korea	Real estate trust	100.0	December 31, 2024
Hana TI	Korea	System development service	100.0	December 31, 2024
Hana Savings Bank	Korea	Mutual savings banking	100.0	December 31, 2024
Hana Life Insurance	Korea	Life insurance	100.0	December 31, 2024
Hana Insurance Co., Ltd.	Korea	Non-life insurance	91.5	December 31, 2024
Hana Investors Services Company	Korea	Transfer agent	100.0	December 31, 2024
Hana Alternative Asset Management	Korea	Asset management	100.0	December 31, 2024
Hana Ventures	Korea	New technology financial business	100.0	December 31, 2024
Hana F&I, Inc. (*5)	Korea	Investment and management service for non-performing loan ("NPL") asset-backed securities	99.9	December 31, 2024
Finnq Co., Ltd.	Korea	Other financial business	100.0	December 31, 2024
Hana Alternative BlackRock QIP Trust No. 73	Korea	Privately placed fund	33.3	December 31, 2024
Hana Alternative Infra Special Investment Private Trust No. 3-1	Korea	Privately placed fund	100.0	December 31, 2024
Hana Alternative Infra Special Investment Private Trust No. 3-2	Korea	Privately placed fund	100.0	December 31, 2024
Hana Alternative Infra Special Investment Private Trust No. 3-3	Korea	Privately placed fund	100.0	December 31, 2024
Hana Alternative Infra Special Investment Private Trust No. 3-4	Korea	Privately placed fund	100.0	December 31, 2024
Hana Alternative Special Investment Private Trust No. 100	Korea	Privately placed fund	50.0	December 31, 2024
Hana Alternative Special Investment Private Trust No. 102	Korea	Privately placed fund	44.0	December 31, 2024
Hana Alternative Special Investment Private Trust No. 108	Korea	Privately placed fund	83.3	December 31, 2024
Hana Alternative Special Asset Private Trust No. 126	Korea	Privately placed fund	30.3	December 31, 2024
Hana Alternative Private Real Estate Investment Trust No. 165	Korea	Privately placed fund	58.0	December 31, 2024
Hana Ventures New Technology Investment Association No. 4	Korea	New technology financial business	100.0	December 31, 2024
Hana Ventures New Technology Investment Association No. 6	Korea	New technology financial business	73.8	December 31, 2024
Hana Ventures New Technology Investment Association No. 7	Korea	New technology financial business	100.0	December 31, 2024
Growth Finance Hana Corporate Growth Private Trust (formerly, Hana Corporate Growth Fund)	Korea	Privately placed fund	100.0	December 31, 2024
Hana Alternative Frontier Private Investment Trust No. 1	Korea	Privately placed fund	67.6	December 31, 2024
Hana Alternative Private Real Estate Investment Trust No. 119	Korea	Privately placed fund	40.2	December 31, 2024
Hana Alternative Private Real Estate Investment Trust No. 181	Korea	Privately placed fund	52.5	December 31, 2024
Hana Alternative Private Real Estate Investment Trust No. 186	Korea	Privately placed fund	80.7	December 31, 2024
Hana Alternative Private Real Estate Investment Trust No. 187	Korea	Privately placed fund	70.0	December 31, 2024
Hana Alternative Investment PRC Logistics General Private Investment Trust No. 1	Korea	Privately placed fund	100.0	December 31, 2024
Hana Beyond Finance Fund	Korea	Privately placed fund	100.0	December 31, 2024
Hana Alternative Private Real Estate Investment Trust No. 180	Korea	Privately placed fund	100.0	December 31, 2024
Hana Alternative Private Real Estate Investment Trust No. 182	Korea	Privately placed fund	61.9	December 31, 2024

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Hana Alternative Private Real Estate Investment Trust No. 185	Korea	Privately placed fund	88.5	December 31, 2024
Hana Alternative Investment Chuncheon Fuel Cell General Private Investment Trust No. 1 (professional)	Korea	Privately placed fund	30.0	December 31, 2024
Defense Technology Innovation Private Investment Trust	Korea	Privately placed fund	100.0	December 31, 2024
Hana Alternative NPL General Private Investment Trust No. 1 (professional)	Korea	Privately placed fund	99.9	December 31, 2024
Hana Alternative General Private Real Estate Investment Trust No. 202	Korea	Privately placed fund	44.7	December 31, 2024
Hana Alternative General Private Real Estate Investment Trust No. 204	Korea	Privately placed fund	99.9	December 31, 2024
Hana Alternative Infrastructure General Private Special Asset Fund No.1	Korea	Privately placed fund	82.9	December 31, 2024
Hana Private Investment Trust 13 (formerly, Hana UBS General Private Investment Trust No. 13)	Korea	Privately placed fund	50.0	December 31, 2024
Hana Private Investment Trust 14 (formerly, Hana UBS General Private Investment Trust No. 14)	Korea	Privately placed fund	50.0	December 31, 2024
Hana Private Investment Trust 17	Korea	Privately placed fund	50.0	December 31, 2024
Hana Private Investment Trust 18	Korea	Privately placed fund	50.0	December 31, 2024
Hana Private Investment Trust 19	Korea	Privately placed fund	50.0	December 31, 2024
Hana Private Investment Trust 20	Korea	Privately placed fund	50.0	December 31, 2024
Hana Private Investment Trust 21	Korea	Privately placed fund	50.0	December 31, 2024
Hana WISH Value Growth Fund	Korea	Privately placed fund	100.0	December 31, 2024
Hana High Quality Mid-Long Term Bond Feeder Investment Trust [bond]	Korea	Privately placed fund	33.8	December 31, 2024
Hana 1Q25-08 Credit(A+) Active ETF(Bond) (formerly, Hana KTOP25-08 Credit(A+) Active ETF(Bond))	Korea	Exchange-traded fund	47.3	December 31, 2024
Hana Alternative HFG Real Estate Finance Stabilization Private Investment Trust No. 2	Korea	Privately placed fund	100.0	December 31, 2024
Specified Money Trust (HFG) (*2)	Korea	Specified money trust	—	December 31, 2024
Subsidiaries of Hana Bank:				
Hana Bank (China) Co., Ltd.	China	Financial business	100.0	December 31, 2024
KEB Hana Bank Canada	Canada	Financial business	100.0	December 31, 2024
KEB Hana Bank Germany	Germany	Financial business	100.0	December 31, 2024
PT. Bank KEB Hana Indonesia	Indonesia	Financial business	69.0	December 31, 2024
Banco KEB Hana do Brazil S.A.	Brazil	Financial business	100.0	December 31, 2024
KEB Hana NY Financial Corp.	United States	Financial business	100.0	December 31, 2024
KEB Hana LA Financial Corp.	United States	Financial business	100.0	December 31, 2024
KEB Hana Global Finance	Hong Kong	Financial business	100.0	December 31, 2024
KEB HNB RUS LLC	Russia	Financial business	99.9	December 31, 2024
Hana Bancorp. Inc.	United States	Financial business	96.8	December 31, 2024
BANCO KEB HANA MEXICO S.A.	Mexico	Financial business	99.9	December 31, 2024
GLN International Inc.	Korea	Other financial business	82.2	December 31, 2024
Hana Tech Value-Up Investment Fund	Korea	Other financial business	100.0	December 31, 2024
Hana 1Q Startup Investment Fund	Korea	Other financial business	100.0	December 31, 2024
Hana Super Gap Mutual Growth Indirect Fund	Korea	Other financial business	100.0	December 31, 2024
Hana Tech Value-Up Investment Fund No. 2	Korea	Other financial business	100.0	December 31, 2024
Hana Alternative HFG Real Estate Finance Stabilization Private Investment Trust No. 1	Korea	Other financial business	100.0	December 31, 2024
Hana Power Private Equity Investment Trust 21 [Bond] (formerly, UBS Hana Power Private Equity Investment Trust 21 [Bond])	Korea	Privately placed fund	100.0	December 31, 2024
Hanhwa Trust PEF Invest 16 [Bond]	Korea	Privately placed fund	100.0	December 31, 2024
Kyobo Axa Tomorrow Private Equity KH-1 [Bond]	Korea	Privately placed fund	100.0	December 31, 2024
Sevenstar Co., Ltd. (*3)	Korea	Other financial business	—	December 31, 2024

Classification	Country	Major business	Ownership (%) (*1)	Reporting date
Marine Solution Co., Ltd. (*3)	Korea	Other financial business	—	December 31, 2024
Chungangstar Co., Ltd. (*3)	Korea	Other financial business	—	December 31, 2024
Hana OK 1st Co., Ltd. (*3)	Korea	Other financial business	—	December 31, 2024
Hana H in the Holdings 2nd L.L.C. (*3)	Korea	Other financial business	—	December 31, 2024
HANA DL First Co., Ltd. (*3)	Korea	Other financial business	—	December 31, 2024
HANA TERMINUS First Co., Ltd. (*3)	Korea	Other financial business	—	December 31, 2024
HANA I.S 1st, LLC (*3)	Korea	Other financial business	—	December 31, 2024
DONG DAEGU TERMINAL 2nd, LLC (*3)	Korea	Other financial business	—	December 31, 2024
BYK 3rd Co., Ltd. (*3)	Korea	Other financial business	—	December 31, 2024
Jinwoori 1Q 1st, LLC (*3)	Korea	Other financial business	—	December 31, 2024
H-ECHO 1st, LLC (*3)	Korea	Other financial business	—	December 31, 2024
HANA STARLORD 1st, LLC (*3)	Korea	Other financial business	—	December 31, 2024
CLEAN WORLD 1st, LLC (*3)	Korea	Other financial business	—	December 31, 2024
H-HANA 1st, LLC (*3)	Korea	Other financial business	—	December 31, 2024
HANA ANWITI 1st, LLC (*3)	Korea	Other financial business	—	December 31, 2024
NAE CHON HANA 1st, LLC (*3)	Korea	Other financial business	—	December 31, 2024
DRAGON HANA 1st, LLC (*3)	Korea	Other financial business	—	December 31, 2024
HANA BABISA LOGISTICS 1st, LLC (*3)	Korea	Other financial business	—	December 31, 2024
HANA S ONE Q 1st, LLC (*3)	Korea	Other financial business	—	December 31, 2024
HOME PLUS HANA CONNECT, LLC (*3)	Korea	Other financial business	—	December 31, 2024
Hana Plant 1st, Ltd. (*3)	Korea	Other financial business	—	December 31, 2024
Cha Cha Hana 1st, Ltd. (*3)	Korea	Other financial business	—	December 31, 2024
HOONEQ 2nd LLC (*3)	Korea	Other financial business	—	December 31, 2024
Hadvanced 1st, Ltd. (*3)	Korea	Other financial business	—	December 31, 2024
Hana Display 2nd, LLC (*3)	Korea	Other financial business	—	December 31, 2024
Doosan Hana 1st, LLC (*3)	Korea	Other financial business	—	December 31, 2024
H Seven 1st, LLC (*3)	Korea	Other financial business	—	December 31, 2024
Hana Privia 1st, LLC (*3)	Korea	Other financial business	—	December 31, 2024
Hana Plant 2nd, Ltd. (*3)	Korea	Other financial business	—	December 31, 2024
Hana Plant 3rd, Ltd. (*3)	Korea	Other financial business	—	December 31, 2024
Hana Supreme 1st, LLC (*3)	Korea	Other financial business	—	December 31, 2024
Hana H in the holdings 3rd, LLC (*3)	Korea	Other financial business	—	December 31, 2024
Netoneq 2nd, LLC (*3)	Korea	Other financial business	—	December 31, 2024
Exteer Hana 1st, LLC (*3)	Korea	Other financial business	—	December 31, 2024
Hana Spark 1st, LLC (*3)	Korea	Other financial business	—	December 31, 2024
H Seven 2nd, LLC (*3)	Korea	Other financial business	—	December 31, 2024
Dashan Hana 1st, Ltd. (*3)	Korea	Other financial business	—	December 31, 2024
Gs Hana 2nd, Ltd. (*3)	Korea	Other financial business	—	December 31, 2024
Happy World Hana 1st, Ltd. (*3)	Korea	Other financial business	—	December 31, 2024
HEONEQ 2nd, LLC (*3)	Korea	Other financial business	—	December 31, 2024
H Seven 3rd, LLC (*3)	Korea	Other financial business	—	December 31, 2024
Geumgang Hana 1st, Ltd. (*3)	Korea	Other financial business	—	December 31, 2024
Gs Hana 3rd, Ltd. (*3)	Korea	Other financial business	—	December 31, 2024
SK office 1Q 2nd, LLC (*3)	Korea	Other financial business	—	December 31, 2024
Cleanenergy 1Q 2nd, LLC (*3)	Korea	Other financial business	—	December 31, 2024
LS Hana 1st, LLC (*3)	Korea	Other financial business	—	December 31, 2024
Movie Hana 1st, LLC (*3)	Korea	Other financial business	—	December 31, 2024

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HANA DUDONG Logistics, LLC (*3)	Korea	Other financial business	–	December 31, 2024
GS HANA 4th, LLC (*3)	Korea	Other financial business	–	December 31, 2024
Neostar 7th, LLC (*3)	Korea	Other financial business	–	December 31, 2024
GRAND ONEQ 2nd, LLC (*3)	Korea	Other financial business	–	December 31, 2024
HANA I.G 2nd, LLC (*3)	Korea	Other financial business	–	December 31, 2024
Y.P HANA 1st, LLC (*3)	Korea	Other financial business	–	December 31, 2024
Hana Haracron 1st, LLC (*3)	Korea	Other financial business	–	December 31, 2024
Trust accounts guaranteeing the repayment of principal	Korea	Trust account	–	December 31, 2024
Subsidiaries of Hana Bancorp, Inc.:				
Hana Bank USA (formerly, KEB Hana Bank USA)	United States	Banking	100.0	December 31, 2024
Subsidiaries of Hana Securities:				
Hana Asset Management	Korea	Investment consulting	100.0	December 31, 2024
Hana Daol Land Chip Heungdeok Real Estate Private Fund 35	Korea	Privately placed fund	100.0	December 31, 2024
Hana Equity Investment Management (Shenzhen) Co., Ltd.	China	Investment consulting	50.1	December 31, 2024
Hana Land Chip Houston Real Estate Private Fund 59	Korea	Privately placed fund	100.0	December 31, 2024
Hana the Third Private Equity Fund	Korea	Privately placed fund for institution	35.0	December 31, 2024
Hana Asset Management Asia Pte. Ltd.	Singapore	Investment consulting	100.0	December 31, 2024
Hana Global New Technology Fund No. 1	Korea	New technology financial business	100.0	December 31, 2024
Hana Prop-Tech Fund No. 1	Korea	New technology financial business	100.0	December 31, 2024
Hana Formula-E Private Special Asset Fund 114	Korea	Privately placed fund	99.4	December 31, 2024
KB Mobility Solution Private Special Asset Fund 1	Korea	Privately placed fund	99.9	December 31, 2024
AIP Energy Infrastructure Specialized Privately Placed Fund Trust No. 2	Korea	Privately placed fund	99.2	December 31, 2024
Capstone EU Private Investment Trust No. 13 (professional) (formerly, Hana Private Real Estate Investment Trust No. 130)	Korea	Privately placed fund	100.0	December 31, 2024
Templeton Hana Newyork Hotel Private Investment Trust No. 2 (formerly, HERITAGE US Manhattan Qualified Investors Real Estate Private Investment Trust No. 2 (USD))	Korea	Privately placed fund	99.8	December 31, 2024
Hana Private Real Estate Investment Trust No. 137	Korea	Privately placed fund	99.9	December 31, 2024
Shinhan AIM Infrastructure Fund No. 6-2	Korea	Privately placed fund	100.0	December 31, 2024
STIC Logistics Qualified Investors Real Estate Investment Trust No. 3	Korea	Privately placed fund	99.8	December 31, 2024
Shinhan AIM Infrastructure Fund No. 6-A	Korea	Privately placed fund	100.0	December 31, 2024
KAIM Global Value Specialized Private Investment Trust No. 1	Korea	Privately placed fund	99.9	December 31, 2024
Hana Alternative Investment Shipping Specialized Private Equity Fund No. 1	Korea	Privately placed fund	99.9	December 31, 2024
Darby Hana New York Hotel Specialized Private Investment Trust No. 1	Korea	Privately placed fund	100.0	December 31, 2024
AIP Environment Infrastructure Specialized Privately Placed Fund Trust No. 1	Korea	Privately placed fund	99.8	December 31, 2024
Samchully Renewable Energy Privat Equity Trust II	Korea	Privately placed fund	100.0	December 31, 2024
KTB Global CRE Private Investment Trust No. 49	Korea	Privately placed fund	100.0	December 31, 2024
Mastern US Private Real Estate Investment Trust No. 52	Korea	Privately placed fund	96.4	December 31, 2024
Vestas Private Real Estate Investment Trust No. 82	Korea	Privately placed fund	100.0	December 31, 2024
Meritz Private Real Estate Investment Trust No. 30	Korea	Privately placed fund	100.0	December 31, 2024
KB Energy Infrastructure Credit Private Special Asset Fund 7 (FOFS)	Korea	Privately placed fund	98.7	December 31, 2024
Hana The Next TDF 2030 Investment Trust[Balanced_FoFs]	Korea	Privately placed fund	94.1	December 31, 2024
Hana The Next TDF 2035 Investment Trust[Balanced_FoFs]	Korea	Privately placed fund	93.0	December 31, 2024
Hana The Next TDF 2040 Investment Trust[Balanced_FoFs]	Korea	Privately placed fund	88.2	December 31, 2024
Hana The Next TDF 2045 Investment Trust[Balanced_FoFs]	Korea	Privately placed fund	95.0	December 31, 2024
Hana The Next TDF 2050 Investment Trust[Balanced_FoFs]	Korea	Privately placed fund	96.0	December 31, 2024
Hana The Next TDF 2055 Investment Trust[Balanced_FoFs]	Korea	Privately placed fund	96.2	December 31, 2024

Classification	Country	Major business	Ownership (%) (*1)	Reporting date
Capstone EU General Private Investment Trust No.12 (Professional Investors)	Korea	Privately placed fund	100.0	December 31, 2024
Hana Chateaufont Exchange (*3)	Korea	Other financial business	–	December 31, 2024
Hana AIC 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Peach Shine 2nd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Yellow Balloon 3rd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hanalogs No. 1 Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Centaur First Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana US Emerging Office Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Runway Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
JB Squire Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Portfolio 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Broadway 1st Co. Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Datacenter 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Eco Clover Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
HF Caribbean Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
GMHB 2nd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Bukjinchon 2nd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Tree Unique 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Ernest Hyun 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
GIF MD Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Easy Tree 6th Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
JA 8th Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Joon Dragon Fairness 2nd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Asan Baebang 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Highyield Stone Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana JH 2nd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Gamsam 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
JEY Complex Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
JHY Complex Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Residence 2nd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
New Deal Beomeo 1 Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Joon Dragon Britle Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
E-Master 14th Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Planet Seocho 2nd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
E-Master 18th Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Boston Core 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Boston Core 2nd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
E-Master 17th Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Geordan Nine One 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Geordan Nine One 2nd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
New Deal IDC 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
New Deal IDC 2nd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
US Alix 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Core-value Securitization 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana HD 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana 4 Sky Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Dowon 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024

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Ernest Hyun 2nd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
DA Global Logis 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
SF Dadae New Dream, Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
One Mega Wonchang 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
New Deal IDC 3rd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
JH Double 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
J-On Prime., Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Dongnae 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Dongnae 2nd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Jangpo 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
The Conral GM 23rd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
The Conral GM 22nd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Ulsan Yaeum 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Moon10 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
New Deal IDC 4th Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Haeundae Jungdong Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Excelsior Osaka IMP, Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
With GM 7th Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
With GM 9th Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Jaehyun 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Planet Ayajin Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Stade Blue 7th Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hmidan 2nd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Property 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Gaebong 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Meritage 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Yeouido 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Lake Luis 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Baekseok Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana SFD 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hmetaverse No.8 Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Songbuk 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Bluetree 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Gumdari 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Guro 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
J. Bruck 6th Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Parkmoon Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Cocheok 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Able TY 3rd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Text 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana DF 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
SJS 1st CO., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Gimpo 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Good Change 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Transulin Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Ice Double Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana SD 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024

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Lunat 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Yanggyeong 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Songdo GOA 3rd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Me And 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Tigers 6th Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Muhanyu 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
HS Sangdong 1st CO., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Jangjeon 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Japan Solar 2nd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
J-On Brown., Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Denver Free Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hana Gajeon 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Ice Blast One Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hanagolfirst Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Hanapacemfirst Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
THE SEUN SEOUL 2nd Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
Plute 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
HANA Y 1st Co.,Ltd (*3)	Korea	Other financial business	–	December 31, 2024
Hananancheon the first Co.,Ltd (*3)	Korea	Other financial business	–	December 31, 2024
ISDI the second Co.,Ltd (*3)	Korea	Other financial business	–	December 31, 2024
HSW 1ST Co.,Ltd (*3)	Korea	Other financial business	–	December 31, 2024
ICE OASIS PEARL Co.,Ltd (*3)	Korea	Other financial business	–	December 31, 2024
HANA YONGSANG THE FIRST INC. Co.,Ltd (*3)	Korea	Other financial business	–	December 31, 2024
Nothem Lights the first Co.,Ltd (*3)	Korea	Other financial business	–	December 31, 2024
Hana Gwangju 1st Co.,Ltd (*3)	Korea	Other financial business	–	December 31, 2024
Hana sasang the first Co.,Ltd (*3)	Korea	Other financial business	–	December 31, 2024
Alpha Brass the the 10th Co.,Ltd (*3)	Korea	Other financial business	–	December 31, 2024
HPSECURITIZATION 2ND Co.,Ltd (*3)	Korea	Other financial business	–	December 31, 2024
OK 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
JW SQUARE 1st Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
K-Aint 6th Co., Ltd. (*3)	Korea	Other financial business	–	December 31, 2024
HANA MICE 1st Co.,Ltd (*3)	Korea	Other financial business	–	December 31, 2024
HanaJapanSolar The Third Co.,Ltd (*3)	Korea	Other financial business	–	December 31, 2024
HANA JEJU DREAM 1ST CO., LTD. (*3)	Korea	Other financial business	–	December 31, 2024
Subsidiaries of Hana the Third Private Equity Fund:				
Bareun Food Factory Co., Ltd.	Korea	Other financial business	100.0	December 31, 2024
Subsidiaries of Bareun Food Factory Co.,Ltd.:				
Keunho Trading Co., Ltd.	Korea	Seafood processing business	67.4	December 31, 2024
Subsidiaries of Keunho Trading Co., Ltd.:				
Keunho Seafood Co., Ltd.	Korea	Seafood processing business	100.0	December 31, 2024
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, 2024
HIC Global Limited (*3)	China	Other financial business	–	December 31, 2024
Beijing Growing Together No.1 Management Consulting Service Center (limited Partnership)	China	Other financial business	100.0	December 31, 2024
HIC HK Financial Limited	China	Other financial business	100.0	December 31, 2024
Subsidiaries of Hana Asset Management:				
Hana Certain Growth Asset Allocation EMP Securities Investment Trust				

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[Equity Mixed – Indirect] C-F	Korea	Financial business	76.4	December 31, 2024
Hana Fighting Korea Investment Trust[Equity]C/C-F	Korea	Financial business	100.0	December 31, 2024
Subsidiaries of Hana Card:				
Hana Card Payment	Japan	Other financial support service	100.0	December 31, 2024
Hana Card 2021-1 Asset Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	0.5	December 31, 2024
Hana Card 2022-1 Asset Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	0.5	December 31, 2024
Hana Card 2023-1 Asset Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	0.5	December 31, 2024
Subsidiaries of Hana Capital:				
Hana Micro Finance, Ltd.	Myanmar	Financial business	100.0	December 31, 2024
Hana Ventures New Technology Investment Association No. 2	Korea	New technology financial business	100.0	December 31, 2024
Hana Ventures New Technology Investment Association No. 3	Korea	New technology financial business	100.0	December 31, 2024
Hana Capital-Capstone Venture Fund	Korea	New technology financial business	88.9	December 31, 2024
Hana Capital-Capstone Venture Fund II	Korea	New technology financial business	90.0	December 31, 2024
Hana Collaboration Pre-IPO Fund	Korea	New technology financial business	100.0	December 31, 2024
KIM US Amazon Logistics Private Real Estate Investment Trust I	Korea	Privately placed fund	99.5	December 31, 2024
Subsidiaries of Hana Alternative Asset management:				
Hana Alternative Private Real Estate Investment Trust No. 166	Korea	Trust and collective investment	99.8	December 31, 2024
Hana Alternative Private Real Estate Investment Trust No. 192	Korea	Trust and collective investment	80.0	December 31, 2024
Hana Alternative Private Real Estate Investment Trust No. 199	Korea	Trust and collective investment	48.5	December 31, 2024
Hana Alternative Private Real Estate Investment Trust No. 209	Korea	Trust and collective investment	31.3	December 31, 2024
Hana Alternative Private Real Estate Investment Trust No. 210	Korea	Trust and collective investment	100.0	December 31, 2024
Hana Alternative Private Real Estate Investment Trust No. 212	Korea	Trust and collective investment	49.0	December 31, 2024
Subsidiaries of Hana Alternative Private Real Estate Investment Trust No. 166:				
H&H Investment 4 (*3)	Korea	Other financial business	-	December 31, 2024
Subsidiaries of Hana TI:				
PT Next Transfortech Indonesia	Indonesia	System development service	100.0	December 31, 2024
Subsidiaries of Hana F&I, Inc:				
IEB The Loft co., Ltd. (*3)	Korea	Asset securitization	-	December 31, 2024
HFT Second Securitization Specialty (*3)	Korea	Asset securitization	5.0	December 31, 2024
HFS Second Securitization Specialty (*3)	Korea	Asset securitization	14.0	December 31, 2024
Hana K First Securitization Specialty (*3)	Korea	Asset securitization	14.0	December 31, 2024
HFS 73A Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFV 73 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFB 81 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
Fine Fifth Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFS 82 Securitization Specialty Co Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFF 82 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFI 83 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFS 84 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFF 84 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HK 84 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFFN 91 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFF 93 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFF 95 Securitization Specialty Co., Ltd.	Korea	Asset securitization	100.0	December 31, 2024
HFI 01B Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFI 02 Inc. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFD 02 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024

Classification	Country	Major business	Ownership (%) (*1)	Reporting date
HFN 02 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFK 02 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFC 03 Inc. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFI 03B Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFB 03 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFG 03 Securitization Specialty Co.,Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFD 03 Securitization Specialty Co.,Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFG 04 Securitization Specialty Co.,Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFI 04 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFI 11 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFG 11 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFT 12 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFTW 12 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFI 12A Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFI 12C Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFV 13 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFN 13 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFG 13 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFK 14 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFB14 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFN14 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFT 14 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFI 14A Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFI 14B Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFV 21 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	0.0	December 31, 2024
HF 1st Corporate Private Equity Fund	Korea	Privately placed fund	82.0	December 31, 2024
HFB 21 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFI 21 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFG 22 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFF 22 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFBG 23 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFS 23 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFV 23 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFF 24 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFCL 31 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFV 31 Inc. (*3)	Korea	Asset securitization	0.0	December 31, 2024
HFS 31 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFV 31 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFI 31 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFG 31 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFT 31 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFV 31 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFB 31 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HF 2nd Corporate Private Equity Fund	Korea	Privately placed fund	91.0	December 31, 2024
HFV 32A Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFV 32 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFCL 32 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024

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Classification	Country	Major business	Ownership (%) (*1)	Reporting date
HFF 32 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFI 32A Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFI 32B Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFKM 33 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFI 33 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFN 33 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFKJ 33 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFK 34 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HPWJ 34 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFI 41 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFN 41 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFK 41 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFD 42 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFSB 42 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFT 42 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFB 42 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFS 43 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
HFI 43 Securitization Specialty Co., Ltd. (*3)	Korea	Asset securitization	9.0	December 31, 2024
Subsidiaries of Hana Insurance Co., Ltd.:				
Hana Financial Find Inc.	Korea	Financial business	100.0	December 31, 2024
Subsidiary of Hana Alternative Special Asset Private Trust No. 126:				
K-REIT LLC (*4)	United States	Other financial business	100.0	November 30, 2024
Subsidiaries of Hana Alternative Private Real Estate Investment Trust No. 165:				
H&H Investment 3 (*3)	Korea	Other financial business	–	December 31, 2024
Subsidiaries of Hana Alternative Private Real Estate Investment Trust No. 181:				
SHORELINE SQUARE REIT LLC (*4)	United States	Real estate business	100.0	September 30, 2024
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, 2024
Subsidiaries of Hana Alternative Private Real Estate Investment Trust No. 185:				
70 Hudson REIT LLC (*4)	United States	Asset securitization	88.2	November 30, 2024
Subsidiaries of 70 Hudson REIT LLC:				
70 Hudson LLC – Prop Co (*4)	United States	Real estate business	100.0	November 30, 2024
Subsidiaries of Hana Alternative Investment PRC Logistics General Private Investment Trust No. 1:				
All Link LTD (formerly, Hong Kong Hanyu SPV) (*3), (*4)	Hong Kong	Asset securitization	–	November 30, 2024
Subsidiaries of Hana High Quality Mid-Long Term Bond Feeder Investment Trust [bond]:				
Hana High Quality Mid-Long Term Bond Master Investment Trust [bond]	Korea	Financial business	32.0	December 31, 2024

- (*1) The ownership percentage was calculated based on the shareholding of the ultimate parent company.
- (*2) Specified money trust accounts consist of different accounts, so the number of accounts is not recorded.
- (*3) It is included in the scope of consolidation since the Group provides granting of credit.
- (*4) As the consolidated financial statements as of December 31, 2024 were not available, the Group used the most recent consolidated financial statements available as of December 31, 2024.
- (*5) The number of shares and ownership ratio changed due to 2,000:1 share consolidation and settlement of fractional shares. When considering the treasury shares held by Hana F&I Inc, the Company's effective ownership ratio is 100%.
- (*6) The structured entity was included in the scope of consolidation, considering its power to direct the business activities of the entity and its exposure to variable income.

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The financial information of subsidiaries as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(Korean won in millions)							
Classification	Assets	Liabilities	Equity	Revenue	Net income (loss)	Other comprehensive income (loss)	Comprehensive income (loss)
Hana Bank (*1)	532,417,952	498,174,699	34,243,253	62,999,959	3,368,572	617,165	3,985,737
Hana Securities (*1)	57,841,878	51,851,475	5,990,403	12,643,503	223,972	33,871	257,843
Hana Card (*1)	13,684,039	11,191,748	2,492,291	2,080,334	221,727	18,547	240,274
Hana Capital (*1)	19,054,430	16,534,294	2,520,136	2,405,849	114,631	10,724	125,355
Hana Asset Trust	764,595	183,628	580,967	172,787	58,842	–	58,842
Hana TI (*1)	671,291	472,141	199,150	346,196	4,948	(947)	4,001
Hana Savings Bank	2,751,176	2,424,762	326,414	205,413	(32,156)	204	(31,952)
Hana Life Insurance	6,603,138	6,015,130	588,008	818,255	(685)	(73,789)	(74,474)
Hana Investors Services Company	78,480	14,962	63,518	43,503	9,573	(90)	9,483
Hana Alternative Asset Management (*1)	383,911	53,924	329,987	73,159	26,651	–	26,651
Finng Co., Ltd.	41,850	4,917	36,933	3,832	(8,373)	(2)	(8,375)
Hana Ventures	138,540	17,303	121,237	16,410	8,026	49	8,075
Hana F&I, Inc.(*1)	2,797,052	2,257,325	539,727	202,071	28,025	(46)	27,979
Hana Insurance Co., Ltd. (*1)	1,858,107	1,422,311	435,796	592,217	(30,780)	(30,383)	(61,163)
Specified Money Trust (HFG)	53,522	–	53,522	660	407	–	407
Hana Alternative BlackRock QIP Trust No. 73	65,669	4,186	61,483	13,741	4,732	–	4,732
Hana Alternative Special Investment Private Trust No. 90 (*3)	–	–	–	2,137	246	–	246
Hana Alternative Infra Special Investment Private Trust No. 3-1	47,185	71	47,114	2,545	2,341	–	2,341
Hana Alternative Infra Special Investment Private Trust No. 3-2	23,043	34	23,009	2,891	1,231	2,846	4,077
Hana Alternative Infra Special Investment Private Trust No. 3-3	15,528	1,650	13,878	2,441	781	–	781
Hana Alternative Infra Special Investment Private Trust No. 3-4	6,282	8	6,274	55	(88)	423	335
Hana Alternative Special Investment Private Trust No. 100	8,831	264	8,567	1,421	687	–	687
Hana Alternative Special Investment Private Trust No. 102	69,246	3,073	66,173	6,197	(4,757)	–	(4,757)
Hana Alternative Special Investment Private Trust No. 108	6,069	476	5,593	1,231	(91)	–	(91)
Hana Alternative Special Asset Private Trust No. 126	83,922	12,017	71,905	778	(20,736)	10,441	(10,295)
Hana Alternative Investment Land Chip Real Estate Private Trust No. 68	–	–	–	959	102,857	–	102,857
Hana Alternative Private Real Estate Investment Trust No. 165	59,353	5,069	54,284	6,947	3,402	–	3,402
Hana Ventures New Technology Investment Association No. 4	156	–	156	–	(514)	–	(514)
Hana Ventures New Technology Investment Association No. 6	10,174	50	10,124	–	(640)	–	(640)
Hana Ventures New Technology Investment Association No. 7	248	–	248	1	(2,202)	–	(2,202)
Growth Finance Hana Corporate Growth Private Trust (formerly, Hana Corporate Growth Fund)	47,123	143	46,980	250	38	–	38
Hana Alternative Private Real Estate Investment Trust No. 119	12,278	908	11,370	303	(16,102)	–	(16,102)
Hana Alternative Frontier Private Investment Trust No. 1	69,850	564	69,286	3,442	(11,109)	–	(11,109)
Hana Alternative Investment PRC Logistics General Private Investment Trust No. 1	73,134	15,120	58,014	4,856	(2,175)	6,469	4,294
Hana Alternative Private Real Estate Investment Trust No. 181	37,602	9,666	27,936	6	(8,755)	4,749	(4,006)
Hana Alternative Private Real Estate Investment Trust No. 186	18,114	2,511	15,603	2,994	931	–	931
Hana Alternative Private Real Estate Investment Trust No. 187	10,420	17	10,403	1,003	924	–	924

Classification	Assets	Liabilities	Equity	Revenue	Net income (loss)	Other comprehensive income (loss)	Comprehensive income (loss)
Hana Alternative Private Real Estate Investment Trust No. 182	92,752	24,575	68,177	383	(24,486)	11,886	(12,600)
Hana Alternative Private Real Estate Investment Trust No. 185	431,227	326,899	104,328	8,047	(6,344)	10,932	4,588
Hana Alternative Private Real Estate Investment Trust No. 180	195,425	408	195,017	306	(367)	–	(367)
Hana Beyond Finance Fund	129,909	–	129,909	35,382	28,162	–	28,162
Hana Alternative Investment Chuncheon Fuel Cell General Private Investment Trust No. 1 (professional)	60,759	43	60,716	3,188	2,815	–	2,815
Defense Technology Innovation Private Investment Trust	13,267	5	13,262	15	(198)	–	(198)
Hana Alternative NPL General Private Investment Trust No. 1	3,597	4	3,593	4,851	4,660	–	4,660
Hana Alternative General Private Real Estate Investment Trust No. 201 (*3)	–	–	–	525	668	–	668
Hana Alternative General Private Real Estate Investment Trust No. 202	37,488	325	37,163	3,887	3,663	–	3,663
Hana Alternative General Private Real Estate Investment Trust No. 204	20,248	6	20,242	2,041	1,960	–	1,960
Hana Alternative Infrastructure General Private Special Asset Fund No.1	42,239	38	42,201	2,174	1,627	–	1,627
Hana Balance General Private Investment Trust No. 1 (formerly, Hana UBS Balance General Private Investment Trust No. 1)	–	–	–	1,516	142	–	142
Hana Private Investment Trust 12 (*3)	–	–	–	1,991	1,264	–	1,264
Hana Private Investment Trust 13 (formerly, Hana UBS General Private Investment Trust No. 13)	171,106	70,524	100,582	7,320	4,422	–	4,422
Hana Private Investment Trust 14 (formerly, Hana UBS General Private Investment Trust No. 14)	157,159	56,720	100,439	6,124	4,289	–	4,289
Hana Private Investment Trust 15 (formerly, Hana UBS General Private Investment Trust No. 15)	–	–	–	4,753	2,903	–	2,903
Hana Private Investment Trust 16 (formerly, Hana UBS General Private Investment Trust No. 16)	–	–	–	5,503	3,326	–	3,326
Hana 1Q25-08 Credit(A+) Active ETF(Bond) (formerly, Hana KT0P25-08 Credit(A+) Active ETF(Bond))	124,133	11,043	113,090	5,318	4,903	–	4,903
Hana 1Q Short term Financial Bond Active ETF (Bond) (formerly, Hana KT0P Short term Financial Bond Active ETF(Bond)) (*3)	–	–	–	3,692	51	–	51
Hana Alternative HFG Real Estate Finance Stabilization Private Investment Trust No. 2 (*2)	54,151	266	53,885	3,535	2,285	–	2,285
Hana Private Investment Trust 17 (*2)	126,160	49,614	76,546	23,492	2,826	4,925	7,751
Hana Private Investment Trust 18 (*2)	152,301	51,725	100,576	4,080	3,184	–	3,184
Hana Private Investment Trust 19 (*2)	111,924	35,810	76,114	17,573	2,425	5,429	7,854
Hana WSH Value Growth Fund (*2)	3,829	–	3,829	1	(171)	–	(171)
Hana Private Investment Trust 20 (*2)	130,311	26,618	101,693	1,968	1,693	–	1,693
Hana Private Investment Trust 21 (*2)	110,211	9,531	100,680	1,749	1,542	–	1,542
Hana High Quality Mid-Long Term Bond Feeder Investment Trust [bond] (*1)(*2)	143,696	112,174	31,522	–	–	–	–

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

(*2) Newly incorporated for the year ended December 31, 2024.

(*3) Excluded from subsidiary of the Group for the year ended December 31, 2024.

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(Korean won in millions)							
Classification	Assets	Liabilities	Equity	Revenue	Net income (loss)	Other comprehensive income (loss)	Comprehensive income (loss)
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)	94,019	(194,925)
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	1,962,960	206,899	(648)	206,251
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	(6,316)	(1,519)
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 (*1)	356,934	41,631	315,303	64,242	25,380	–	25,380
Finng Co., Ltd.	51,550	6,242	45,308	6,689	(6,966)	(393)	(7,359)
Hana Ventures	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 Alternative Special Investment Private Trust No. 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)
Hana 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 No. 68	179,173	137,105	42,068	346	5,711	–	5,711
Hana Alternative 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)
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	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 PRC Logistics General Private Investment Trust No. 1	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

Classification	Assets	Liabilities	Equity	Revenue	Net income (loss)	Other comprehensive income (loss)	Comprehensive income (loss)
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 UBS Balance General Private Investment Trust No. 1 (*2)	33,371	6	33,365	–	–	–	–
Hana Private Investment Trust 12 (*2)	181,548	78,448	103,100	–	–	–	–
Hana UBS General Private Investment Trust No. 13 (*2)	200,732	97,452	103,280	–	–	–	–
Hana UBS General Private Investment Trust No. 14 (*2)	200,301	97,148	103,153	–	–	–	–
Hana UBS General Private Investment Trust No. 15 (*2)	191,305	88,646	102,659	–	–	–	–
Hana UBS General Private Investment Trust No. 16 (*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) Newly incorporated for the year ended December 31, 2023.

(*3) Excluded from subsidiary of the Group for the year ended December 31, 2023.

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Changes in scope of consolidation for the year ended December 31, 2024 are as follows:

Name of subsidiaries	Rationale
Included in scope of consolidation:	
Hana Super Gap Mutual Growth Indirect Fund	Obtained majority of shares with voting rights
Hana Alternative HFG Real Estate Finance Stabilization Private Investment Trust No. 1	Obtained majority of shares with voting rights
HEONEQ 2nd, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Antarctica 4th, Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Enerbility Hana 2nd, Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
H Seven 3rd, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana SD 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Lunat 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Yanggyeong 1st 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. 212	Holds power as fund manager and exposed to variable returns
HFI 41 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFN41 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFK41 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Private Investment Trust 17	Holds power as fund manager and exposed to variable returns
Hana Private Investment Trust 18	Holds power as fund manager and exposed to variable returns
Hana Private Investment Trust 19	Holds power as fund manager and exposed to variable returns
Hana Alternative HFG Real Estate Finance Stabilization Private Investment Trust No. 2	Holds power as an actual beneficiary of a private equity fund and exposed to variable returns
Hana Tech Value-Up Investment Fund No. 2	Obtained majority of shares with voting rights
Geumgang Hana 1st, Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Gs Hana 3rd, Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Songdo GOA 3rd Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Me And 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Tigers 6th Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Muhanryu 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HS Sangdong 1st CO., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Jangjeon 1st, Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Japan Solar 2nd Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
J-On Brown., Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit

Name of subsidiaries	Rationale
	facility or purchase commitments
Denver Free Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Gajeon 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Ice Blast One Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Certain Growth Asset Allocation EMP Securities Investment Trust [Equity Mixed – Indirect] C-F	Obtained majority of shares with voting rights
HFD 42 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFSB 42 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFT 42 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFB 42 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hanagolffirst Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hanapacmanfirst Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
THE SEUN SEOUL 2nd Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Plute 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HANA Y 1st Co.,Ltd	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hananamcheon the first Co.,Ltd	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
KSDI the second Co.,Ltd	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HSW 1ST Co.,Ltd	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
ICE OASIS PEARL Co.,Ltd	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HANA YONGSANG THE FIRST INC. Co.,Ltd	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Nothem Lights the first Co.,Ltd	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Gwengju 1st Co.,Ltd	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana sasang the first Co.,Ltd	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
KB Energy Infrastructure Credit Private Special Asset Fund 7 (F OFS)	Obtained majority of shares with voting rights
Mirae Asset Seoul-Chuncheon Highway Private Special Asset Fund 2	Obtained majority of shares with voting rights
Hana The Next TDF 2030 Investment Trust[Balanced_FoFs]	Obtained majority of shares with voting rights
Hana The Next TDF 2035 Investment Trust[Balanced_FoFs]	Obtained majority of shares with voting rights
Hana The Next TDF 2040 Investment Trust[Balanced_FoFs]	Obtained majority of shares with voting rights
Hana The Next TDF 2045 Investment Trust[Balanced_FoFs]	Obtained majority of shares with voting rights
Hana The Next TDF 2050 Investment Trust[Balanced_FoFs]	Obtained majority of shares with voting rights
Hana The Next TDF 2055 Investment Trust[Balanced_FoFs]	Obtained majority of shares with voting rights
Hana Private investment trust 20[Bond] (Professional)	Holds control due to acquisition

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Name of subsidiaries	Rationale
Hana Private investment trust 21[Bond] (professional)	Holds control due to acquisition
Hana WISH Value Growth Fund	Holds control due to acquisition
SK office 1Q 2nd. LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Cleanenergy 1Q 2nd. LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
LS Hana 1st, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Movie Hana 1st, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HANA DUDONG Logistics, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFS 43 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HFI 43 Securitization Specialty Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
GS HANA 4th, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Neostar 7th, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
GRAND ONEQ 2nd, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HANA I.G 2nd. LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Y.P HANA 1st, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Hana Heracon 1st, LLC	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Alpha Brass the the 10th Co.,Ltd	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HPSECURITIZATION 2ND Co.,Ltd	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
OK 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
JW SQUARE 1st Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
K-Aint 6th Co., Ltd.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HANA MICE 1st Co.,Ltd	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HanaJapanSolar The Third Co.,Ltd	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
HANA JEJU DREAM 1ST CO., LTD.	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments
Capstone EU General Private Investment Trust No.12 (Professional Investors)	Obtained majority of shares with voting rights
Hana Fighting Korea Investment Trust[Equity]	Holds power as an asset manager and control due to acquisition
Hana High Quality Mid-Long Term Bond Feeder Investment Trust [bond]	Holds control due to acquisition
Hana High Quality Mid-Long Term Bond Master Investment Trust [bond]	Holds power as an asset manager and exposed to variable returns based on credit facility or purchase commitments

Narre of subsidiaries	Rationale
Excluded in scope of consolidation:	
Ocean Betts The First Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
HEONEQ1st, LLC	Loss of control due to disposal (Termination of credit facility)
Hana Lottie group Investment Trust [Equity Balanced]C-F	Loss of control due to disposal (Termination of credit facility)
Hana Auto 1st Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Hangdong West 2nd, Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Blue Shining 1st, Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Hana SH First Securitization Specialty Co., Ltd.	Loss of control due to liquidation
Hana Alternative General Private Real Estate Investment Trust No. 201	Loss of control due to disposal
Hana Private Investment Trust 12	Loss of control due to disposal
Hana 1Q Short term Financial Bond Active ETF (Bond) (formerly, Hana KTOP Short term Financial Bond Active ETF(Bond))	Loss of control due to disposal
Hana H in the Holdings 1st LLC	Loss of control due to disposal (Termination of credit facility)
H Hotel ONEQ 1st, LLC	Loss of control due to disposal (Termination of credit facility)
Mini Hana 1st, LLC	Loss of control due to disposal (Termination of credit facility)
T A 1st, Ltd.	Loss of control due to disposal (Termination of credit facility)
Hana the First Private Equity Fund	Loss of control due to disposal
Hana Alternative Specialized Private Placement Real Estate Investment Trust No. 175-1	Loss of control due to disposal
Hana Alternative Specialized Private Placement Real Estate Investment Trust No. 175-2	Loss of control due to disposal
Hana 1Q Logis B Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Tree Axion 1st., Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Synergy 1st, Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Hana Delta 1st Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
HFD First Securitization Specialty	Loss of control due to liquidation
HFI 93 Securitization Specialty Co., Ltd.	Loss of control due to liquidation
Hana Port 1st, Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Tongyeong Elliou 1st Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
GIF Sowol-ro Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
GIF Olympus Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Hridan 1st Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Hana Chookhyun 1st, Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Hana Chookhyun 2nd, Co., Ltd.	Loss of control due to disposal (Termination of credit facility)
Blq 1q 1st, LLC	Loss of control due to disposal (Termination of credit facility)
Skoffice 1q 1st, LLC	Loss of control due to disposal (Termination of credit facility)
Cleanenergy 1q 1st, LLC	Loss of control due to disposal (Termination of credit facility)
Galaxia 1Q 1st, Ltd.	Loss of control due to disposal (Termination of credit facility)
HFS 73B Securitization Specialty Co., Ltd.	Loss of control due to liquidation
HFI 91 Securitization Specialty Co., Ltd.	Loss of control due to liquidation
HFS 92A Securitization Specialty Co., Ltd.	Loss of control due to liquidation
HFS 92B Securitization Specialty Co., Ltd.	Loss of control due to liquidation
HFN 92 Securitization Specialty Co., Ltd.	Loss of control due to liquidation
HFB 92 Securitization Specialty Co., Ltd.	Loss of control due to liquidation
HFB 93 Securitization Specialty Co., Ltd.	Loss of control due to liquidation
HFI02A Securitization Specialty Co., Ltd.	Loss of control due to liquidation
HFSB31 Securitization Specialty Co., Ltd.	Loss of control due to liquidation

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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, 2024 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 resu lt of the operation.	Credit enhancement on financial management of trust account
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
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 entered into purchase commitment of ₩50 billion ABCP from HANA TERMINUS First Co., Ltd.	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
BYK 3rd Co., Ltd.	The Group entered into purchase commitment of ₩2.2 billion ABCP from BYK 3rd Co., Ltd.	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 ₩60 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 ₩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 BAEISA LOGISTICS 1st, LLC	The Group entered into purchase commitment of ₩34.6 billion ABCP from HANA BAEISA 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
Hana Plant 1st, Ltd.	The Group entered into purchase commitment of ₩50 billion ABCP from Hana Plant 1st, Ltd.	Credit facility

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Name of entity	Commitments to provide financial support	Intention to provide support
Cha Cha Hana 1st, Ltd.	The Group entered into purchase commitment of ₩15 billion ABCP from Cha Cha Hana 1st, 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 ₩30 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 ₩25 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
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
HEONEQ 2nd, LLC	The Group entered into purchase commitment of ₩30 billion ABCP from HEONEQ 2nd, LLC	Credit facility
H Seven 3rd, LLC	The Group entered into purchase commitment of ₩10 billion ABCP from H Seven 3rd, LLC	Credit facility
Geumgang Hana 1st, Ltd.	The Group entered into purchase commitment of ₩100 billion ABCP from Geumgang Hana 1st, Ltd.	Credit facility
SK office 1Q 2nd, LLC	The Group entered into purchase commitment of ₩45 billion ABCP from SK office 1Q 2nd, LLC	Credit facility
Cleanenergy 1Q 2nd, LLC	The Group entered into purchase commitment of ₩30 billion ABCP from Cleanenergy 1Q 2nd, LLC	Credit facility
LS Hana 1st, LLC	The Group entered into purchase commitment of ₩50 billion ABCP from LS Hana 1st, LLC	Credit facility
Movie Hana 1st, LLC	The Group entered into purchase commitment of ₩50 billion ABCP from Movie Hana 1st, LLC	Credit facility
HANA DUDONG Logistics, LLC	The Group entered into purchase commitment of ₩30 billion ABCP from HANA DUDONG Logistics, L LC	Credit facility
GS HANA 4th, LLC	The Group entered into purchase commitment of ₩50 billion ABCP from GS HANA 4th, LLC	Credit facility
Neostar 7th, LLC	The Group entered into purchase commitment of ₩50 billion ABCP from Neostar 7th, LLC	Credit facility
GRAND ONEQ 2nd, LLC	The Group entered into purchase commitment of ₩50 billion ABCP from GRAND ONEQ 2nd, LLC	Credit facility
HANA I.G 2nd, LLC	The Group entered into purchase commitment of ₩20 billion ABCP from HANA I.G 2nd, LLC	Credit facility
Y.P HANA 1st, LLC	The Group entered into purchase commitment of ₩20 billion ABCP from Y.P HANA 1st, LLC	Credit facility
Hana Heracon 1st, LLC	The Group entered into purchase commitment of ₩200 billion ABCP from Hana Heracon 1st, LLC	Credit facility
Hana Super Gap Mutual Growth Indirect Fund	The Group committed to increase investment up to ₩60 billion on its asset.	Investment commitment
Hana Tech Value-Up Investment Fund No. 2	The Group committed to increase investment up to ₩70 billion on its asset.	Investment commitment
Hana Alternative HFG Real Estate Finance Stabilization Private Investment Trust No. 1	The Group committed to increase investment up to ₩50.2 billion on its asset.	Investment commitment
Georndan Nine One 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩2 billion.	Credit facility
Good Change 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩15.9 billion.	Credit facility
Nothern Lights the first Co.,Ltd	The Group is obligated to acquire privately placed bonds up to ₩60 billion.	Credit facility
New Deal Beomeo 1 Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩20 billion.	Credit facility
THE SEUN SEOUL 2nd Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩51 billion.	Credit facility
Denver Free Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩14.3 billion.	Credit facility

Name of entity	Commitments to provide financial support	Intention to provide support
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
Lunat 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩13.5 billion.	Credit facility
Muhanryu 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩15 billion.	Credit facility
Me And 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩1.5 billion.	Credit facility
Centaur First Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩29 billion.	Credit facility
Songdo GOA 3rd Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩20 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
ICE OASIS PEARL Co.,Ltd	The Group is obligated to acquire privately placed bonds up to ₩30 billion.	Credit facility
Alpha Brass the the 10th Co.,Ltd	The Group is obligated to acquire privately placed bonds up to 185 billion.	Credit facility
Ernest Hyun 1st, Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩91 billion.	Credit facility
HSW 1ST Co.,Ltd	The Group is obligated to acquire privately placed bonds up to ₩5 billion.	Credit facility
HS Sangdong 1st CO., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩10 billion.	Credit facility
HPSECURITIZATION 2ND Co.,Ltd	The Group is obligated to acquire privately placed bonds up to ₩52.2 billion.	Credit facility
Eco Clover Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩147.6 billion.	Credit facility
Excoelsior Osaka IMP, Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩33 billion.	Credit facility
OK 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩30 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 ₩36.8 billion.	Credit facility
Easy Tree 6th, Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩0.7 billion.	Credit facility
JW SQUARE 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩50.5 billion.	Credit facility
J. Bruck 6th Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩19.5 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 Sqaire Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩148.9 billion.	Credit facility
J-On Brown., Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩14.3 billion.	Credit facility
J-On Prime., Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩79.8 billion.	Credit facility

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Name of entity	Commitments to provide financial support	Intention to provide support
Joon Dragon Fairness 2nd Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩30.4 billion.	Credit facility
ISDI the second Co.,Ltd	The Group is obligated to acquire privately placed bonds up to ₩22.8 billion.	Credit facility
K-Aint 6th Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩120 billion.	Credit facility
Tigers 6th Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩4 billion.	Credit facility
Transrufin Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩23.9 billion.	Credit facility
Planet Seocho 2nd Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩30.5 billion.	Credit facility
Plute 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩5 billion.	Credit facility
Hana Gajeon 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩12 billion.	Credit facility
Hana Gumdun 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩7.3 billion.	Credit facility
Hana Cocheok 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩60 billion.	Credit facility
Hanagolfirst Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩54.8 billion.	Credit facility
Hana Gwangju 1st Co.,Ltd	The Group is obligated to acquire privately placed bonds up to ₩20 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
Hananamcheon the first Co.,Ltd	The Group is obligated to acquire privately placed bonds up to ₩20 billion.	Credit facility
Hanapacmantfirst Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩48.8 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 Dongnae 2nd Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩6 billion.	Credit facility
Hana Dongnae 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩16 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 ₩135.7 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 MICE 1st Co.,Ltd	The Group is obligated to acquire privately placed bonds up to ₩50 billion.	Credit facility
Hana Boston Core 2nd Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩66.2 billion.	Credit facility
Hana Boston Core 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩66.2 billion.	Credit facility
Hana sasang the first Co.,Ltd	The Group is obligated to acquire privately placed bonds up to ₩17 billion.	Credit facility
Hana Yangbyeong 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩4 billion.	Credit facility
Hana SFD 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩20 billion.	Credit facility
Hana AIC 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩188.5 billion.	Credit facility
HANA Y 1st Co.,Ltd	The Group is obligated to acquire privately placed bonds up to ₩20 billion.	Credit facility
HANA YONGSANG THE FIRST INC. Co.,Ltd	The Group is obligated to acquire privately placed bonds up to ₩11 billion.	Credit facility
Hana Japan Solar 3rd Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩23 billion.	Credit facility
Hana Jangoo 1st, Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩23 billion.	Credit facility

Name of entity	Commitments to provide financial support	Intention to provide support
Hana Jaehyun 1st Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩17 billion.	Credit facility
HANA JEJU DREAM 1ST CO., LTD.	The Group is obligated to acquire privately placed bonds up to ₩30 billion.	Credit facility
Hana Parkmoon Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩20 billion.	Credit facility
Highyield Stone Co., Ltd.	The Group is obligated to acquire privately placed bonds up to ₩13 billion.	Credit facility
KB Energy Infrastructure Credit Private Special Asset Fund 7 (FOFS)	The Group committed to increase investment up to ₩13 billion on its asset.	Investment commitment
Masterm US Private Real Estate Investment Trust No. 52	The Group committed to increase investment up to ₩1.7 billion on its asset.	Investment commitment
Meritz Private Real Estate Investment Trust No. 30	The Group committed to increase investment up to ₩1.8 billion on its asset.	Investment commitment
Vestas Private Real Estate Investment Trust No. 82	The Group committed to increase investment up to ₩0.8 billion on its asset.	Investment commitment
Samchully 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 No. 2	The Group committed to increase investment up to ₩2.4 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 abovea 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 abovea 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 abovea 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 ₩29.7 billion on its asset of Hana Alternative Infra Special Investment Private Trust No.3-1, 3-2, 3-3 and 3-4.	Investment commitment
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 ₩18.5 billion on its asset.	Investment commitment
Growth Finance Hana Corporate Growth Private Trust (formerly, Hana Corporate Growth Fund)	The Group committed to increase investment up to ₩53 billion on its asset.	Investment commitment
Hana Alternative Special Investment Private Trust No. 108	The Group committed to increase investment up to ₩2.3 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 Beyond Finance Fund	The Group committed to increase investment up to ₩150 billion on its asset.	Investment commitment
Hana Alternative Private Real Estate Investment Trust No. 180	The Group committed to increase investment up to ₩78.6 billion on its asset.	Investment commitment
Defense Technology Innovation Private Investment Trust	The Group committed to increase investment up to ₩46.4 billion on its asset.	Investment commitment
Hana Alternative Infrastructure General Private Special Asset Fund No.1	The Group committed to increase investment up to ₩22.9 billion on its asset.	Investment commitment
Hana Alternative NPL General Private Investment Trust No. 1 (professional)	The Group committed to increase investment up to ₩11.1 billion on its asset.	Investment commitment
Hana WISH Value Growth Fund	The Group committed to increase investment up to ₩16 billion on its asset.	Investment commitment

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1-4 Non-controlling interests of subsidiaries

1-4-1 Major non-controlling interests' share of the equity of the subsidiaries as of December 31, 2024 and 2023, are as follows:

	(Korean won in millions)	
Classification	December 31, 2024	December 31, 2023
Hana Bank (*1)	353,739	353,739
Hana Capital (*1)	149,578	149,578
Hana F&I, Inc.	–	698
PT Bank KEB Hana	324,389	287,798
Hana Bancorp, inc.	4,930	4,284
GLN International Co., Ltd.	7,887	9,493
Hana Equity Investment Management (Shenzhen) Co., Ltd.	29,939	26,246
Others (*2)	5,445	6,563
Total	875,907	838,399

- (*1) The carrying amount of hybrid equity securities issued by the subsidiaries.
- (*2) The carrying amounts of non-controlling interests of Keumho Trading Co., Ltd. and others.

1-4-2 Major non-controlling interest share of profit or loss of the subsidiaries for the years ended December 31, 2024 and 2023, are as follows:

	(Korean won in millions)	
Classification	2024	2023
Hana Bank (*1)	14,422	23,834
Hana Capital (*1)	4,219	8,438
Hana F&I, Inc.	27	98
PT Bank KEB Hana	13,643	11,807
Hana Bancorp, inc.	126	147
GLN International Co., Ltd.	(1,606)	(1,158)
Hana Equity Investment Management (Shenzhen) Co.,Ltd.	234	2,576
Others (*2)	(1,385)	902
Total	29,680	46,644

- (*1) Dividends on hybrid equity securities issued by the subsidiaries.
- (*2) Net income for the periods attributable to non-controlling interests of Dduksim Co., Ltd., Keumho Trading Co., Ltd. and others.

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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, 2024 and 2023, are as follows:

(Korean won in millions)				
Classification	Purpose	Financing arrangement	Total assets	
			December 31, 2024	December 31, 2023
Asset securitization special-purpose company ("SPC")	Financing through asset liquidation and securitization	Issuing asset-backed loan ("ABL")/ABCP and others	15,312,083	13,968,762
Real estate finance	Operation for real estate (including SOC) development	Investment and borrowing	228,068,048	153,826,088
Shipping finance and acquisition financing	Financing to purchase ships, NPL and ownership	Investment and borrowing	340,534,984	182,465,836
Investment fund	Managing investment fund and trust and others	Issuing beneficiary certificates	269,689,763	307,704,406

2-2 Risks from its interests in unconsolidated structured entities:

(December 31, 2024)

(Korean won in millions)				
Classification	Asset securitization SPC	Real estate finance	Shipping finance and acquisition financing	Investment fund
Assets:				
Loans receivable (A)	938,273	6,087,820	3,165,612	1,374,730
Securities (B)	1,037,063	149,801	25,464	19,905,914
Derivatives (C)	9,186	2,824	43,335	–
Others (D)	2,948	23,636	14,474	509,293
Liabilities:				
Derivatives	11,070	125,704	1,128	898
Provision	1,177	4,172	1,269	394
Others	–	–	–	–
Net asset	1,975,223	6,134,205	3,246,488	21,788,645
Maximum exposure to loss				
Financial assets (A+B+C+D)	1,987,470	6,264,081	3,248,885	21,789,937
Credit and other commitment	359,091	922,614	582,505	2,935,944

(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
Securities (B)	476,473	109,452	239,823	19,370,765
Derivatives (C)	7,437	919	18,813	–
Others (D)	1,456	44,224	21,385	236,727
Liabilities:				
Derivatives	20,451	92,416	5,921	55
Provision	2,516	3,789	1,346	214
Others	–	–	–	–
Net asset	1,077,307	5,989,192	2,996,334	20,962,112
Maximum exposure to loss				
Financial assets (A+B+C+D)	1,100,274	6,085,397	3,003,601	20,962,381
Credit and other commitment	503,410	979,943	466,831	2,606,696

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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 consolidated financial statements, a reasonable expectation that the Group has 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 consolidated 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 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.

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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.

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.



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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 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.

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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 equivalents 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.

Purchases or sales of financial assets are recognized at the settlement date. However, purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (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).



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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, while 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
- 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

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

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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.

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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 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



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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.

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 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.

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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 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 at 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 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.



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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 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.



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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 its 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.

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
Buildings for business purpose, equipment attached to the building and construction structures	Straight-line method	years 5 to 55
Vehicles, furniture and fixtures, and leasehold improvements	Straight-line method or declining-balance method	years 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.

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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
Buildings	Straight-line method	years 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 rights, software, development cost and others. These intangible assets are amortized using the straight-line method over the estimated useful lives based on the following economic useful lives. Membership is not amortized.

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 these 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.

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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 depreciable assets for impairment whenever there is a change in the environment or an event indicating 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 the 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:

- 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.



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(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.

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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 allocate 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 fulfilment 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.

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- 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 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.

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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 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.

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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 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 flows 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 in profit or loss immediately.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as an 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 future payments is available.



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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 when an employee decide to accept an offer of benefits in exchange for the termination of employment. The Group recognizes a liability and expense for termination benefits at the earlier of the following dates: when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring that is within the scope of 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 an employee benefits expense and other capital adjustment in equity. If the Group cannot reliably estimate 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 accounts 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.



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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 differences can be utilized.

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 (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.

The Group has adopted K-IFRS 1012 Income Taxes, which applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development. The amendment introduces a temporary exception to the requirements to recognize and disclose information about deferred tax assets and liabilities and requires the disclosure of current tax expense (income) related to Pillar Two income taxes. The Group applies the exceptional provision about deferred tax requirement. The tax law has been in effect since January 1, 2024.

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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, panalty 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 related 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 conditions 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.

3-27-2 Stock issuance costs

Additional stock issuance costs or incremental costs related to 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.



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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 can 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 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.



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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 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).



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

3-35-1 K-IFRS 1001 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current (Amended in 2020)

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. They specify that classification is unaffected by expectations about whether the Group will exercise its right to defer settlement of a liability and clarify the definition and method of settlement of a liability, referring to the transfer to the counterparty of cash, equity instruments, other assets, or services.

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

3-35-2 K-IFRS 1001 Presentation of Financial Statements – Non-Current Liabilities with Covenants (Amended in 2023)

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 12 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 specify that the right to defer settlement of a liability for at least 12 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 12 months after the reporting period, the Group discloses information that enables users of consolidated financial statements to understand the risk of the liabilities becoming repayable within 12 months after the reporting period. This includes 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. There is no material impact of this enactment on the Group's consolidated financial statements.

3-35-3 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 consolidated financial statements to assess the effects of those arrangements on the Group's liabilities and cash flows. In addition, K-IFRS 1107 was amended to include 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.



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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 presented in the Group's statement of financial position, 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
- The nature and effect of non-cash changes in the carrying amount of financial liabilities that are part of a supplier finance arrangement
- Liquidity risk information

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

3-35-4 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 recognize a gain or loss that relates to the right of use retained by the seller-lessee after the commencement date.

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

3-35-5 K-IFRS 1001 Presentation of Financial Statements – Disclosure of Virtual Assets (Amended in 2023)

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 customers, and 3) issuing virtual assets.

When holding a virtual asset, disclosure of general information about virtual assets, the accounting policy applied and each virtual asset's acquisition method, 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 fulfillment of the obligation related to the issued virtual asset, the timing and amount of the recognized revenue from the sold virtual asset, the number of virtual assets held after issuance, and important contract details shall be disclosed.

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

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.



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3-36-1 K-IFRS 1021 Effects of Changes in Foreign Exchange Rates and K-IFRS 1101 First-time adoption of K-IFRS – Lack of Exchangeability (Amendment)

The amendments define scenarios where exchanges with other currencies are considered possible for accounting purposes, clarify the assessment of exchangeability with other currencies, and specify requirements for estimating and disclosing the spot exchange rate in cases where no exchangeability exists.

If exchange with other currencies is not possible, the spot exchange rate must be estimated on the measurement date using observable exchange rates without adjustment or employing alternative estimation techniques. These amendments are set for prospective application to fiscal years beginning on or after January 1, 2025, with early application permitted.

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

3-36-2 K-IFRS 1109 Financial Instruments and K-IFRS 1107 Financial Instruments: Disclosures – Classification and measurement requirements of financial instruments

The amendments clarify the conditions related to the discharge of a financial liability before the settlement date when settling such financial liabilities using an electronic payment system. They further specify an interest feature, a contingent feature, financial assets with non-recourse features and contractually linked instruments which should be considered in assessing whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. Furthermore, the amendments include additional disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and contractual terms that could change the timing or amount of contractual cash flows. The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted.

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

3-36-3 K-IFRS 1109 Financial Instruments – Derecognition of lease liabilities and Transaction price

The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with K-IFRS 1109, the lessee is required to recognise any resulting gain or loss in profit or loss. Additionally, the amendments have replaced 'their transaction price (as defined in K-IFRS 1115)' in K-IFRS 1109:5.1.3 with 'the amount determined by applying K-IFRS 1115' to remove an inconsistency between K-IFRS 1109 and the requirements in K-IFRS 1115.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

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

3-36-4 K-IFRS 1110 Consolidated Financial Statements – Determination of 'de facto agent'

The amendments have amended IFRS 10:B74 to use less conclusive language and to clarify that the relationship described in IFRS 10:B74 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

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

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3-36-5 K-IFRS 1101 First-time adoption of Korean International Financial Reporting Standards – Hedging accounting by a first-time adopter

The amendments have improved the consistency of the wording of K-IFRS 1101: B6 with the requirements for hedge accounting in K-IFRS 1109 and added cross-references to K-IFRS 1109:6.4.1 to improve the understandability of K-IFRS 1101.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

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

3-36-6 K-IFRS 1107 Financial Instruments: Disclosures – Gain or loss on derecognition

The amendments have updated the obsolete cross-reference in K-IFRS 1107:B3 8 and aligned the wording of this paragraph with the terms used in K-IFRS.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

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

3-36-7 K-IFRS 1007 Statement of Cash Flows: Cost method

The amendments have replaced the term 'cost method' with 'at cost' in K-IFRS 1007:37.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

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

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

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 estimations and assumptions are based on the 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.

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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 the 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 a 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 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.

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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.

5-1 Fair value hierarchy of financial instruments

The fair value hierarchy of financial assets and liabilities as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(Korean won in millions)

Classification	Fair value hierarchy(*)			Total
	Level 1	Level 2	Level 3	
Financial assets:				
Financial assets measured at FVTPL				
Debt securities	14,320,120	27,922,554	7,668,610	49,911,284
Equity securities	636,562	95,605	1,384,819	2,116,986
Derivative assets held for trading	215,130	17,802,518	207,532	18,225,180
Loans	–	–	1,058,883	1,058,883
Others	–	–	1,325,333	1,325,333
Subtotal	15,171,812	45,820,677	11,645,177	72,637,666
Financial assets measured at FVOCI:				
Debt securities	11,226,623	34,041,542	–	45,268,165
Equity securities	173,064	36	667,259	840,359
Subtotal	11,399,687	34,041,578	667,259	46,108,524
Derivative assets used for hedging	–	163,267	–	163,267
Merchant banking accounts asset	–	4,233,336	–	4,233,336
Total	26,571,499	84,258,858	12,312,436	123,142,793
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities held for trading	318,373	17,446,798	663,816	18,428,987
Securities sold	1,703,288	537,928	–	2,241,216
Subtotal	2,021,661	17,984,726	663,816	20,670,203
Financial liabilities designated as measured at FVTPL	570,336	6,627,707	6,779,520	13,977,563
Derivative liabilities used for hedging	–	358,386	35,700	394,086
Total	2,591,997	24,970,819	7,479,036	35,041,852

(*) 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.

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(December 31, 2023)

		(Korean won in millions)		
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 measured 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 sold	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.

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

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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, 2024 and 2023, are as follows:

(December 31, 2024)

(Korean won in millions)			
Classification	Fair value	Valuation method	Input variable
Financial assets:			
Financial assets measured at FVTPL			
Debt securities	27,922,554	Black-Scholes model, Hull-White 1 factor model, Discount Cash Flow ("DCF") model, Net asset value model, etc.	Volatility, discount rate, stock price, exchange rate, interest rate, Credit Default Swap ("CDS") premium, price of underlying asset such as bond, stock, etc.
Equity securities	95,605	Market approach, Discount Cash Flow ("DCF") model	Stock price in a market that is not active, discount rate, etc.
Derivative assets held for trading	17,802,518	Black-Scholes model, Black model, DCF model, Hull-White 1 factor, etc.	Volatility, discount rate, stock price, exchange rate, interest rate, CDS premium, yield curve of swap, volatility of swaption, etc.
Subtotal	45,820,677		
Financial assets measured at FVOCI			
Debt securities	34,041,542	DCF model, etc.	Discount rate, etc.
Equity securities	36	Market price	Stock price in a market that is not active
Subtotal	34,041,578		
Derivative assets used for hedging	163,267	Hull-White 1 factor model, DCF model, etc.	Exchange rate, yield curve of swap, volatility of swaption, yield curve of currency, etc.
Merchant banking account asset	4,233,336	DCF model	Discount rate
Total	84,258,868		
Financial liabilities:			
Financial liabilities measured at FVTPL			
Derivative liabilities held for trading	17,446,798	Black-Scholes model, Black model, DCF model, Hull-White 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	537,928	Market price	Discount rate, etc.
Subtotal	17,984,726		
Financial liabilities designated as measured at FVTPL	6,627,707	Black-Scholes model, Hull-White 1 factor model, DCF 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	358,386	Hull-White 1 factor model, DCF model, etc.	Exchange rate, yield curve of swap, volatility of swaption, yield curve of currency, etc.
Total	24,970,819		

(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, and 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 and 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, etc.	Discount rate, etc.
Equity securities	37	Market price	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.
Financial liabilities designated as measured at FVTPL	3,396,886	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 and interest rate
Total	11,379,716		

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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, 2024 and 2023, are as follows:

(December 31, 2024)

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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	7,668,610	Black-Scholes model, Hull-White 1 factor model, DCF model, Dividend discount model, Binomial model, Net asset value model, etc.	Volatility, discount rate, stock price, exchange rate, interest rate, CDS premium, correlation, credit risk spread, reflective discount rate, liquidating value, price of underlying asset, etc.,	Volatility, correlation, credit risk spread, reflective discount rate, liquidating value, volatility of underlying asset	Volatility: 0-100 Correlation: -1-1 Credit risk spread reflective discount rate: 4.70 Liquidating value: 0 Volatility of underlying asset: 24.42-36.37	Volatility : Positive Correlation: Positive Discount rate: Negative Liquidating value: Positive Some cases show an opposite effect as above
Equity securities	1,384,819	DCF model, Discounted shareholders' cash flow model, Comparable Peer group analysis, Net asset value model, etc.	Stock price, interest rate, striking price, volatility, Growth rate, discount rate, liquidating value, price of underlying asset, etc.	Volatility, growth rate, liquidating rate, discount rate, liquidating value	Volatility: -1-1 Growth rate: 0-2 Discount rate: 6.78-15.67 Liquidating rate: -1-1 Liquidating value: 0	Volatility : Positive Growth rate: Positive Liquidating rate: Positive Discount rate: Negative Liquidating value: Positive
Derivative assets held for trading	207,532	Black-Scholes model, Hull-White 1 factor model, Hull-White 2 factor model, DCF model, Monte-Carlo Method, etc.	Discount rate, stock index, yield curve of swap, discount rate, volatility of underlying asset, correlation between valuation model, exchange rate, CDS premium, etc.	Volatility, correlation, regression coefficient related to interest rate, spread of underlying assets, recovery rate related to credit, etc.	Volatility: 0.12-55.92 Correlation: -61.08-99.99 Regression coefficient: 1-10 Spread of underlying assets: 0.0156-3.6225 Recovery rate: 0-40 Discount rate: 3.95-19.62	Volatility: Positive Correlation: Positive Discount rate: Negative Changes in correlation some cases show an opposite effect as above because of products and market condition is positive or negative
Loans	1,058,883	DCF model, etc.	Discount rate, etc.	Discount rate	Discount rate: 4.55-11.61	Discount rate: Negative
Others	1,325,333	DCF model, etc.	Discount rate, etc.	Discount rate, etc.		
Subtotal	11,645,177					
Financial assets measured at FVOCI						
Equity securities	667,259	Discounted shareholder s' cash flow model, DCF model, Comparable peer group analysis, Net asset value model, etc.	Growth rate, discount rate, liquidating value, price of underlying asset, etc.	Growth rate, discount rate, liquidating value	Growth rate: 0-2 Discount rate: 5.81-16.72 Liquidating value: 0	Growth rate: Positive Discount rate: Negative Liquidating value: 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
Total	12,312,436					
Financial liabilities:						
Financial liabilities measured at FVTPL						
Derivative liabilities held for trading	663,816	Black-Scholes model, Hull-White 1 factor model, Hull-White 2 factor model, DCF model, etc.	Exchange rate, yield curve of swap, volatility of swaption, correlation between valuation model, volatility, discount rate, stock price, interest rate, CDS premium, correlation, etc.	Volatility, correlation, regression coefficient related to interest rate, recovery rate related to credit, spread of underlying assets	Volatility: 0.12-55.92 Correlation: -61.08-99.99 Regression coefficient: 1-10 Spread of underlying assets: 0.0156-3.6225 Recovery rate: 0-40	Volatility : Positive Correlation : Positive Changes in correlation some cases show an opposite effect as above because of products and market condition is positive or negative
Financial liabilities designated as measured at FVTPL	6,779,520	Black-Scholes model, Hull-White 1 factor model, DCF model, etc.	Volatility, discount rate, stock price, exchange rate, interest rate, CDS premium, correlation, etc.	Volatility, correlation, regression coefficient related to interest rate, recovery rate related to credit, spread of underlying assets	Volatility: 0.12-55.92 Correlation: -61.08-99.99 Regression coefficient: 1-10 Spread of underlying assets: 0.0156-3.6225 Recovery rate: 0-40	Volatility : Positive Correlation : Positive Some cases show an opposite effect as above
Derivative liabilities used for hedging	35,700	Hull-White 2 factor model	Swap yield curve, volatility of swaption, correlation between valuation models, exchange rate, etc.	Correlation between Korean won Interest Rate Swap("IRS") rates, correlation between USD IRS rates	Correlation between Korean won IRS rates, correlation between USD IRS rates: 64.00-98.00	Fair value increase or decrease based on the changes in correlation by the effect of trading instruments and market status
Total	7,479,036					

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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	8,146,189	DCF model, Net asset value model, Income approach, Black-Scholes model, Hull-White 1 factor model, Guassian 1 factor model, etc.	Volatility, exchange rate, interest rate, CDS premium, correlation, discount rate, stock price, liquidating value, volatility, 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	1,102,085	DCF model, Dividend discount model, 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, Guassian 1 factor model, etc.	Ex change 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: 0.1728-46.09 Correlation: -29.61-89.44 Regression coefficient: 1-10 Spread of underlying asset s: 0.004-3.1418 Recovery rate: 0-40	Volatility : Positive Correlation : Positive Changes in correlation Some cases show an opposite effect as above because of products and market condition is positive or negative
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, Binominal model, Discounted share-holders' cash flow model, Net asset value model, Comparable 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						
Derivative liabilities held for trading	879,053	Black-Scholes model, Hull-White 1 factor model, Hull-White 2 factor	Discount rate, swap yield curve, volatility of swaption, correlation between valuation models,	Volatility, correlation, regression coefficient related to interest rate, spread of underlying	Volatility: 0.1728-46.09 Correlation: -29.61-89.44 Regression coefficient: 1-10	Volatility : Positive Correlation : Positive Changes in correlation 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
		model, DCF model, Gaussian 1 factor model, etc.	volatility, exchange rate, stock price, CDS premium, correlation, etc.	assets, and recovery rate related to credit	Spread of underlying asset s: 0.004-3.1418 Recovery rate: 0-40	because of products and market condition are positive or negative
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: 0.1728-46.09 Correlation: -29.61-89.44 Regression coefficient: 1-10 Recovery rate: 0-40 Spread of underlying asset s: 0.004-3.1418	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 Korean won IRS rates, correlation between USD IRS rates	Correlation between Korean won IRS rates and 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					

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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, 2024 and 2023, are as follows:

(2024)

(Korean won in millions)								
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	Equity securities		Held-for-trading	Held-for-hedging
January 1, 2024	8,146,188	1,102,085	1,306,157	1,766,432	693,599	8,183,278	(635,366)	(27,804)
Transfer from Level 3 to others	–	(34,522)	–	–	–	–	–	–
Net income (loss)	93,520	32,917	26,248	49,071	–	523,894	82,992	(7,896)
Other comprehensive income (loss)	13,147	–	903	–	(21,299)	(1,186)	–	–
Buy / Issue	2,119,427	412,882	1,139,193	4,587,412	18,019	4,359,432	(4,171)	–
Sell / Settlement	(2,536,250)	(210,011)	(1,413,618)	(5,077,582)	(23,060)	(6,285,898)	100,261	–
Others	(167,422)	81,458	–	–	–	–	–	–
December 31, 2024	7,668,610	1,384,819	1,058,883	1,325,333	667,259	6,779,520	(456,284)	(35,700)

(2023)

(Korean won in millions)								
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 others	–	(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)	(45,583)	(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.

5-3 Recognized gain or loss of the changes in carrying value of financial instruments classified as Level 3

Recognized gain or loss of the changes in carrying value of financial instruments classified as Level 3 for the years ended December 31, 2024 and 2023, are included in the accounts of the statements of comprehensive income, of which the amounts and the related accounts are as follows:

(December 31, 2024)

(Korean won in millions)		
Classification	Amounts 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	284,748	294,936
Net gain or loss related to financial instruments designated as measured at FVTPL	(523,894)	268,902
Net gain or loss related to derivative instruments used for hedging	(7,896)	(7,896)
Total	(247,042)	555,942

(December 31, 2023)

(Korean won in millions)		
Classification	Amounts 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)

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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, 2024 and 2023, are as follows:

	(Korean won in millions)	
Classification	2024	2023
Transfer from Level 3 to Level 1 (*)	(34,522)	(4,338)

here 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.
(*) This is due to the listing 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, 2024 and 2023, 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 other comprehensive income, are classified into favorable and unfavorable changes.

(December 31, 2024)

	(Korean won in millions)	
Classification	Favorable changes	Unfavorable changes
Financial assets:		
Financial assets measured at FVTPL		
Debt securities (*1)	41,084	(38,953)
Equity securities (*2)	28,704	(18,944)
Derivative assets held for trading (*3)	2,054	(2,135)
Loans (*4)	6,140	(3,773)
Subtotal	77,982	(63,805)
Financial assets measured at FVOCI		
Equity securities (*2)	51,024	(24,201)
Total	129,006	(88,006)
Financial liabilities:		
Financial liabilities measured at FVTPL		
Derivative liabilities held for trading (*3)	894	(891)
Financial liabilities designated as measured at FVTPL	2,859	(2,859)
Total	3,753	(3,750)

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(*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, which are practically impossible to calculate sensitivity based on changes in input, are calculated under limited circumstances when they consist of real estate 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%).

(*2) Changes in fair value of equity securities are calculated by changing growth rate (−1.0–1.0%) and discount rate (−1.0–1.0%), which are main unobservable inputs.

(*3) Changes in fair value of derivatives are calculated by changing following ①~④ factors (−10.0–10.0%). ① Correlation between rates of IRS of KRW, ② Correlation between rates of IRS of USD, ③ Correlation between stock price index, ④ Correlation between exchange rate and stock price index.

Favorable changes and unfavorable changes in derivatives are also calculated by changing volatility of the underlying asset (−1.0–1.0%). Positions with mutual hedging effects have been 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, 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)

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(*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, which are practically impossible to calculate sensitivity based on changes in input, are calculated under limited circumstances when they consist of real estate 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%).

(*2) Changes in fair value of equity securities are calculated by changing growth rate (−1.0–1.0%) and discount rate (−1.0–1.0%), which are main unobservable inputs.

(*3) Changes in fair value of derivatives are calculated by changing following ①~④ factors (−10.0–10.0%). ① Correlation between rates of IRS of KRW, ② Correlation between rates of IRS of USD, ③ Correlation between stock price index, ④ Correlation between exchange rate and stock price index.

Favorable changes and unfavorable changes in derivatives are also calculated by changing volatility of the underlying asset (−1.0–1.0%). Positions with mutual hedging effects have been 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.

Meanwhile, financial instruments classified as Level 3 amounting to ₩6,032,308 million and ₩9,138,795 million as of December 31, 2024 and 2023, respectively, were excluded from the analysis due to the practical impossibility of calculating sensitivity.

5–6 Financial assets and liabilities that are not measured at fair value

The fair value hierarchy of financial assets and liabilities, which are not measured at fair value but are disclosed as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

		(Korean won in millions)		
Classification	Levels of the fair value hierarchy			Total
	Level 1	Level 2	Level 3	
Financial assets:				
Cash and due from banks	2,276,400	38,128,553	–	40,404,953
Securities measured at amortized cost	3,440,190	30,301,410	16,357	33,757,957
Loans measured at amortized cost	–	–	405,492,784	405,492,784
Others	–	–	20,667,851	20,667,851
Total	5,716,590	68,429,963	426,176,992	500,323,545
Financial liabilities:				
Deposits	–	49,730,568	340,392,503	390,123,071
Borrowings	–	21,432,783	24,696,766	46,129,549
Debentures	–	56,943,756	2,610,945	59,554,701
Merchant banking account liabilities	–	–	3,819,886	3,819,886
Others	–	–	44,770,248	44,770,248
Total	–	128,107,107	416,290,348	544,397,455

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		(Korean won in millions)		
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

Fair value, valuation method and input variables used to measure fair value of financial assets and liabilities, which are not measured at fair value but are disclosed classified as fair value hierarchy Level 2 as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

		(Korean won in millions)	
Classification	Fair value	Valuation method	Input variables
Financial assets:			
Cash and due from banks	38,128,553	DCF model, etc.	Discount rate, credit spread, other spread, etc.
Securities measured at amortized cost	30,301,410	DCF model, etc.	Discount rate
Total	68,429,963		
Financial liabilities:			
Deposits	49,730,568	DCF model, etc.	Discount rate
Borrowings	21,432,783	DCF model, etc.	Discount rate, other spread
Debentures	56,943,756	DCF model, etc.	Discount rate, other spread, rate of inherent bankruptcy
Total	128,107,107		

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(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 spread, 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, other spread
Debentures	56,344,692	DCF model, etc.	Discount rate, other spread, rate of inherent bankruptcy
Total	123,970,141		

Fair value, valuation method and input variables used to measure fair value of financial assets and liabilities, which are not measured at fair value but are disclosed classified as fair value hierarchy Level 3 as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

		(Korean won in millions)	
Classification	Fair value	Valuation method	Input variables
Financial assets:			
Instruments measured at amortized cost	16,357	DCF model, etc.	Credit spread, other spread, rate of advanced redemption, etc.
Loans measured at amortized cost	405,492,784	DCF model, etc.	Credit spread, other spread, rate of advanced redemption, etc.
Others	20,667,851	DCF model, etc.	Discount rate, etc.
Total	426,176,992		
Financial liabilities:			
Deposits	340,392,503	DCF model, etc.	Other spread, rate of advanced redemption, etc.
Borrowings	24,696,766	DCF model, etc.	Other spread
Debentures	2,610,945	DCF model, etc.	Other spread, rate of inherent bankruptcy
Merchant banking account liabilities	3,819,886	(*)	
Others	44,770,248	DCF model, etc.	Discount rate, etc.
Total	416,290,348		

(*) 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.

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(Korean won in millions)			
Classification	Fair value	Valuation method	Input variables
Financial assets:			
Loans measured at amortized cost	381,236,473	DCF model, etc.	Credit 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, 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.

5-7 Deferred Day 1 profit or loss

Changes in deferred Day 1 profit or loss for the years ended December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	2024	2023
Beginning balance	(106,906)	(131,484)
Increase	(111,989)	(133,653)
Profit or loss	122,136	158,231
Ending balance	(96,759)	(106,906)

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 consolidatedstatement 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.

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5-8-1 Transferred financial assets and related liabilities not eliminated as a whole as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(Korean won in millions)		
Classification	Book value	Fair value
Assets:		
Financial assets measured at FVTPL (*)	13,277,808	13,277,808
Financial assets measured at FVOCI (*)	3,658,386	3,658,386
Securities measured at amortized cost (*)	870,001	852,601
Total	17,806,195	17,788,795
Liabilities:		
Securities sold under repurchase agreements	16,346,798	16,344,559
Others	49,065	49,065
Total	16,395,863	16,393,624

(*) The leased financial assets at FVTPL and FVOCI and leased securities measured at amortized cost, of which related liabilities are not recognized, amounting to ₩690,390 million, ₩518,255 million and ₩69,581 million, respectively, as of December 31, 2024 are included.

(December 31, 2023)

(Korean won in millions)		
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
Total	15,293,040	15,255,661
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.

5-8-2 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, 2024 and 2023 are as follows:

(Korean won in millions)		
Classification	December 31, 2024	December 31, 2023
Assets:		
Financial assets measured at FVTPL	33,333	40,000
Loans measured at amortized cost	2,321,725	2,482,508
Total	2,355,058	2,522,508
Liabilities:		
Securitized borrowings	2,362,269	2,537,828

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6. Fair value of financial instruments:

Details of carrying amount and fair value of financial instruments as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)				
Classification	December 31, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Cash and due from banks	40,404,953	40,404,953	34,480,458	34,480,458
Financial assets measured at FVTPL	72,637,666	72,637,666	54,605,832	54,605,832
Financial assets measured at FVOCI	46,108,524	46,108,524	44,313,496	44,313,496
Securities measured at amortized cost	34,077,051	33,757,957	36,480,396	35,611,714
Loans measured at amortized cost	403,384,381	405,492,784	381,410,658	381,236,473
Derivative assets used for hedging	163,267	163,267	9,678	9,678
Merchant banking account asset	4,233,336	4,233,336	4,637,824	4,637,824
Others	20,619,732	20,667,851	21,338,475	21,338,756
Total	621,628,910	623,466,338	577,276,817	576,234,231
Financial liabilities:				
Financial liabilities measured at FVTPL	20,670,203	20,670,203	10,013,484	10,013,484
Financial liabilities designated as measured at FVTPL	13,977,563	13,977,563	11,585,718	11,585,718
Deposits	390,208,735	390,123,071	371,866,240	371,849,393
Borrowings	46,143,154	46,129,549	43,590,349	42,953,333
Debentures	64,879,611	59,554,701	58,702,329	58,426,523
Derivative liabilities used for hedging	394,086	394,086	432,303	432,303
Merchant banking account liabilities	3,819,886	3,819,886	4,154,697	4,154,697
Others	44,655,890	44,770,248	42,409,494	42,430,007
Total	584,749,128	579,439,307	542,754,614	541,845,458

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

a. Loans measured at amortized cost: The fair value of loans is calculated using expected future cash flows, current market interest rates, and discount rates, which take into account the borrower's credit risk.. 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. Securities measured at amortized cost : The fair value of securities measured at amortized cost is 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.

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7. Categories of financial assets and financial liabilities:

Categories of financial assets and liabilities as of December 31, 2024 and 2023 are as follows:

(December 31, 2024)

(Korean won in millions)					
Classification	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial asset measured at amortized cost	Derivatives for hedging	Total
Financial assets					
Cash and due from banks	-	-	40,404,953	-	40,404,953
Financial assets measured at FVTPL	72,637,666	-	-	-	72,637,666
Financial assets measured at FVOCI	-	46,108,524	-	-	46,108,524
Securities measured at amortized cost	-	-	34,077,051	-	34,077,051
Loans measured at amortized cost	-	-	403,384,381	-	403,384,381
Derivative assets used for hedging	-	-	-	163,267	163,267
Merchant banking account asset	4,233,336	-	-	-	4,233,336
Others	-	-	20,619,732	-	20,619,732
Total	76,871,002	46,108,524	498,486,117	163,267	621,628,910

(Korean won in millions)					
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	20,670,203	-	-	-	20,670,203
Financial liabilities designated as measured at FVTPL	-	13,977,563	-	-	13,977,563
Deposits	-	-	390,208,735	-	390,208,735
Borrowings	-	-	46,143,154	-	46,143,154
Debentures	-	-	64,879,611	-	64,879,611
Derivative liabilities used for hedging	-	-	-	394,086	394,086
Merchant banking account liabilities	-	-	3,819,886	-	3,819,886
Others	-	-	44,655,890	-	44,655,890
Total	20,670,203	13,977,563	549,707,276	394,086	584,749,128

(December 31, 2023)

(Korean won in millions)					
Classification	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial asset 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	473,709,987	9,678	577,276,817

(Korean won in millions)					
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

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8. Offsetting financial assets and liabilities:

The Group engages in master netting arrangement contracts with counterparties through International Derivatives Swaps and Dealers Association ("ISDA") 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, and similar activities are conducted under offsetting agreements similar to those used for derivatives.

In the case of unpaid domestic exchange receivables and unpaid domestic exchange payables 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, 2024 and 2023, are as follows:

(December 31, 2024)

(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 condensed interim consolidated financial statements	Related amounts not offset in the condensed interim consolidated statement of financial position (*1)		Net amount
				Financial instruments	Financial collateral and others	
Derivatives	18,224,721	—	18,224,721	(11,868,212)	(414,447)	6,251,096
Derivative-linked securities	309,034	—	309,034			
Securities lending	1,278,226	—	1,278,226	(1,275,601)	—	2,625
Bonds purchased under resale agreement	18,033,102	—	18,033,102	(18,033,102)	—	—
Unsettled spot exchanges	12,258,060	—	12,258,060	(12,254,451)	—	3,609
Domestic ex change settlement debts	36,174,011	(33,137,282)	3,036,729	—	—	3,036,729
Other accounts receivable (*2)	533,900	(245,500)	288,400	—	—	288,400
Total	86,811,054	(33,382,782)	53,428,272	(43,431,366)	(414,447)	9,582,459

(*1) The rights to offset exist only in case of default, insolvency or bankruptcy. Accordingly, the amounts are not offset in the condensed interim 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.

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(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 condensed interim consolidated financial statements	Related amounts not offset in the condensed interim consolidated statement of financial position (*1)		Net amount
				Financial instruments	Financial collateral and others	
Derivatives	7,882,229	–	7,882,229	(6,574,485)	(363,749)	1,908,167
Derivative-linked securities	964,172	–	964,172			
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

(*1) The rights to offset exist only in case of default, insolvency or bankruptcy. Accordingly, the amounts are not offset in the condensed interim 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, 2024 and 2023, are as follows:

(December 31, 2024)

(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 condensed interim consolidated financial statements	Related amounts not offset in the condensed interim consolidated statement of financial position (*1)		Net amount
				Financial instruments	Financial collateral and others	
Derivatives	18,501,144	–	18,501,144	(15,447,213)	(1,827,724)	3,603,419
Derivative-linked securities sold	2,377,212	–	2,377,212			
Bonds sold under repurchase agreements	16,346,798	–	16,346,798	(16,346,798)	–	–
Unsettled spot exchanges	12,259,455	–	12,259,455	(12,254,403)	–	5,052
Domestic exchange settlement credit	38,715,524	(33,137,282)	5,578,242	–	–	5,578,242
Other accounts payable (*2)	521,686	(245,500)	276,186	–	–	276,186
Securities sold	2,241,216	–	2,241,216	(2,241,216)	–	–
Total	90,963,035	(33,382,782)	57,580,253	(46,289,630)	(1,827,724)	9,462,899

(*1) The rights to offset exist only in case of default, insolvency or bankruptcy. Accordingly, the amounts are not offset in the condensed interim 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.

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(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 condensed interim consolidated financial statements	Related amounts not offset in the condensed interim consolidated statement of financial position (*1)		Net amount
				Financial instruments	Financial collateral and others	
Derivatives	8,902,161	–	8,902,161	(8,379,335)	(253,151)	1,665,237
Derivative-linked securities sold	1,395,562	–	1,395,562			
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	(35,347,552)	(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 condensed interim 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.

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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 and it is the most significant risk faced by 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 using statistical models to calculate the credit risk of a portfolio and is used for the Group's internal management purpose.

9-1-2 The maximum degree of exposure to credit risk

The maximum exposure to credit risk as of December 31, 2024 and 2023, are as follows. The amounts shown below represent the maximum exposure to credit risk before considering the effects of collateral management and credit risk mitigation, while impairment losses and netting are taken into account. Equity securities in financial assets measured at FVTPL and financial assets measured at FVOCI are excluded:

	(Korean won in millions)	
Classification	December 31, 2024	December 31, 2023
On-balance-sheet items:		
Due from banks	38,239,167	32,737,557
Financial assets measured at FVTPL		
Debt securities	49,911,284	41,393,658
Derivative assets held for trading	18,225,180	7,881,170
Loans	1,058,883	1,306,157
Others	1,325,333	1,766,432
Subtotal	70,520,680	52,347,417
Financial assets measured at FVOCI	45,268,165	43,354,161
Securities measured at amortized cost	34,077,051	36,480,396
Derivative assets used for hedging	163,267	9,678
Loans measured at amortized cost	403,384,381	381,410,658
Merchant banking account asset	4,233,336	4,637,824
Others	20,619,732	21,338,475
Total	616,505,779	572,316,166
Off-balance-sheet items:		
Financial guarantee contracts	1,309,720	1,190,971
Guarantee contracts	24,331,234	23,467,389
Commitment	154,133,024	145,139,953
Commitment to merchant banking account	660,000	770,000
Total	180,433,978	170,568,313

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9-1-3 Collateral management and credit risk mitigation

Details of collateral management and credit risk mitigation as of December 31, 2024 and 2023, are as follows :

(December 31, 2024)

(Korean won in millions)			
Classification	Impaired loan		Total
	Individual assessment	Collective assessment	
Guarantees	59,723	382,396	442,119
Deposit	–	19,711	19,711
Real estate	414,800	441,610	856,410
Securities	–	21	21
Movables and others	8,602	46,433	55,035
Total	483,125	890,171	1,373,296

(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

Financial assets that have collateral and do not recognize a credit loss allowance a re ₩1,052,941 million and ₩1,135,587 million as of December 31, 2024 and 2023, respectively.

9-1-4 Credit risk exposure

9-1-4-1 Loans

Carrying amounts of loans by internal credit rating in accordance with the credit loss allowance measurement method as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(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	110,652,805	12,246,701	10,101	–	122,909,607
Grade 2	14,543,239	6,892,533	–	–	21,435,772
Grade 3	141,819	476,869	707,861	–	1,326,549
Unrated (*2)	2,481,144	–	2,324	–	2,483,468
Subtotal	127,819,007	19,616,103	720,286	–	148,155,396
Corporate loans					
Grade 1	136,719,789	4,085,101	–	–	140,804,890
Grade 2	80,246,823	16,583,262	10,000	–	96,840,085
Grade 3	988,601	4,439,834	1,677,949	2,159,122	9,265,506
Unrated (*2)	150,272	–	–	–	150,272
Subtotal	218,105,485	25,108,197	1,687,949	2,159,122	247,060,753
Credit card loans					
Grade 1	5,825,559	129,995	–	–	5,955,554
Grade 2	4,128,402	302,984	–	–	4,431,386
Grade 3	1,205	101,429	296,002	–	398,636
Subtotal	9,955,166	534,408	296,002	–	10,785,576
Total	355,879,658	45,258,708	2,704,237	2,159,122	406,001,725

(*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.

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(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	3,996,651	–	–	135,006,194
Grade 2	75,641,950	14,528,336	–	–	90,170,286
Grade 3	1,086,587	4,241,511	1,316,152	1,871,878	8,516,128
Unrated (*2)	223,979	–	–	–	223,979
Subtotal	207,962,059	22,766,498	1,316,152	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	46,469,455	2,194,474	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.

The above book amount does not reflect the allowance for loan losses, present value discount and deferred loan fee.

The credit rating classification of the loans as of December 31, 2024 and 2023 are as follows:

(December 31, 2024)

Classification	Household loans	Corporate loans	Small office home office ("SOHO")
Grade 1	Less or equal to 0.86% of PD	Less or equal to 1.19% of PD	Less or equal to 8.13% of PD
Grade 2	From 0.86% to 31.25% of PD	From 1.19% to 13.97% of PD	From 8.13% to 42.98% of PD
Grade 3	From 31.25% to 100% of PD	From 13.97% to 100% of PD	From 42.98% to 100% of PD

(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

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9-1-4-2 Off-balance-sheet items

Exposures of off-balance-sheet items by internal credit rating in accordance with the loss allowance measurement method as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(Korean won in millions)				
Classification	12-month ECL	Lifetime ECL		Total
		Non-credit-impaired exposure	Credit-impaired exposures	
Financial guarantee contracts				
Grade 1	706,167	65,188	–	771,355
Grade 2	499,139	25,640	–	524,779
Grade 3	13,152	434	–	13,586
Subtotal	1,218,458	91,262	–	1,309,720
Guarantee contracts				
Grade 1	17,605,785	1,655,042	–	19,260,827
Grade 2	4,252,573	453,072	–	4,705,645
Grade 3	28,669	216,183	119,910	364,762
Subtotal	21,887,027	2,324,297	119,910	24,331,234
Commitment				
Grade 1	128,804,960	3,931,267	–	132,736,227
Grade 2	17,196,706	3,641,586	–	20,838,292
Grade 3	123,549	225,990	146,571	496,110
Unrated (*)	62,395	–	–	62,395
Subtotal	146,187,610	7,798,843	146,571	154,133,024
Commitment to merchant banking account				
Grade 1	660,000	–	–	660,000
Grade 2	–	–	–	–
Grade 3	–	–	–	–
Subtotal	660,000	–	–	660,000
Total	169,953,095	10,214,402	266,481	180,433,978

(*) The amounts of items that are internally unrated.

(December 31, 2023)

(Korean won in millions)				
Classification	12-month ECL	Lifetime ECL		Total
		Non-credit-impaired exposure	Credit-impaired exposures	
Financial guarantee contracts				
Grade 1	651,560	63,332	–	714,892
Grade 2	437,758	26,290	–	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
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 amounts of items that are internally unrated.

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The credit rating classification of the off-balance-sheet items as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

Classification	Household loans	Corporate loans	Small office home office ("SOHO")
Grade 1	Less or equal to 0.86% of PD	Less or equal to 1.19% of PD	Less or equal to 8.13% of PD
Grade 2	From 0.86% to 31.25% of PD	From 1.19% to 13.97% of PD	From 8.13% to 42.98% of PD
Grade 3	From 31.25% to 100% of PD	From 13.97% to 100% of PD	From 42.98% to 100% of PD

(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

9-1-5 Internal credit rating of debt securities

The carrying amounts of debt securities by internal credit rating in accordance with the loss allowance measurement method as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(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	45,248,026	-	-	45,248,026
Grade 2	20,139	-	-	20,139
Subtotal	45,268,165	-	-	45,268,165
Financial assets measured at amortized cost				
Grade 1	34,070,911	-	-	34,070,911
Grade 2	-	-	-	-
Grade 3	-	27,119	-	27,119
Subtotal	34,070,911	27,119	-	34,098,030
Total	79,339,076	27,119	-	79,366,195

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(December 31, 2023)

(Korean won in millions)				
Classification	12-month EOL	Lifetime EOL		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

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, 2024 and 2023, are as follows:

(Korean won in millions)					
Classification	Industry	December 31, 2024		December 31, 2023	
		Amounts	Ratio(%)	Amounts	Ratio(%)
On-balance-sheet items:					
Due from banks	Financial services	38,239,167	100.0	32,737,557	100.0
Financial assets measured at FVTPL	Financial services	42,226,467	59.9	30,482,699	58.2
	Manufacturing	4,773,582	6.8	2,238,752	4.3
	Public administration	67,653	0.1	42,540	0.1
	Construction	306,722	0.4	328,218	0.6
	Wholesale and retail	14,807,592	21.0	12,063,113	23.0
	Others	8,338,664	11.8	7,192,096	13.8
	Subtotal	70,520,680	100.0	52,347,418	100.0
Financial assets measured at FVOCI	Financial services	22,765,781	50.3	22,185,429	51.2
	Manufacturing	637,482	1.4	589,551	1.4
	Public administration	28,789	0.1	60,866	0.1
	Construction	56,221	0.1	110,495	0.3
	Wholesale and retail	14,798,371	32.7	16,290,996	37.6
	Others	6,981,521	15.4	4,116,833	9.4
	Subtotal	45,268,165	100.0	43,354,160	100.0
Securities measured at amortized cost	Financial services	17,437,412	51.2	19,341,500	53.0
	Manufacturing	228,273	0.7	202,760	0.6
	Public administration	8,346	0.0	7,270	0.0
	Construction	50,000	0.1	40,000	0.1
	Wholesale and retail	11,779,842	34.6	12,013,254	32.9
	Others	4,594,157	13.5	4,895,312	13.5
	Subtotal	34,098,030	100.1	36,500,096	100.1
	Allowance for credit loss	(20,979)	(0.1)	(19,700)	(0.1)
	Total	34,077,051	100.0	36,480,396	100.0
Derivative assets used for hedging	Financial services	163,267	100.0	9,678	100.0
	Household loans	148,155,396	36.7	140,112,392	36.7
	Credit card loans	10,785,576	2.7	9,981,663	2.6
	Corporate loans				
	Manufacturing	59,339,317	14.7	55,848,013	14.6
	Construction	7,872,569	2.0	7,134,868	1.9
	Wholesale and retail	25,385,019	6.3	25,924,233	6.8
	Financial services	37,159,925	9.2	30,349,423	8.0

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Classification	Industry	December 31, 2024		December 31, 2023	
		Amounts	Ratio(%)	Amounts	Ratio(%)
Loans measured at amortized cost	Real estate rental	53,202,615	13.2	52,261,643	13.7
	Service	50,819,111	12.6	53,241,047	14.0
	Others	13,282,197	3.2	9,157,359	2.4
	Subtotal	406,001,725	100.6	384,010,641	100.7
	Deferred loan fees	472,234	0.1	425,823	0.1
	Present value discount	(7,914)	(0.0)	(9,087)	(0.0)
	Allowance for credit loss	(3,081,664)	(0.7)	(3,016,720)	(0.8)
	Subtotal	(2,617,344)	(0.6)	(2,599,984)	(0.7)
	Total	403,384,381	100.0	381,410,657	100.0
Merchant banking account asset	Financial services	-	-	328,298	7.1
	Real estate rental	1,344,820	31.8	1,562,989	33.7
	Service	1,244,469	29.4	925,177	19.9
	Others	1,644,047	38.8	1,821,360	39.3
	Subtotal	4,233,336	100.0	4,637,824	100.0
Total		595,886,047		550,977,690	
Off-balance-sheet items:					
Financial guarantee contracts	Manufacturing	152,364	11.6	158,959	13.3
	Construction	6,631	0.5	9,718	0.8
	Wholesale and retail	73,585	5.6	73,629	6.2
	Financial services	794,973	60.7	682,950	57.3
	Real estate rental	11,700	0.9	35,563	3.0
	Service	93,487	7.1	149,489	12.6
	Others	176,960	13.6	80,663	6.8
	Subtotal	1,309,720	100.0	1,190,971	100.0
Guarantee contracts	Household loans	75,334	0.3	281,636	1.2
	Manufacturing	14,455,417	59.4	12,589,604	53.6
	Construction	1,401,233	5.8	2,058,589	8.8
	Wholesale and retail	3,808,253	15.7	1,974,898	8.4
	Financial services	1,333,400	5.5	3,469,436	14.8
	Real estate rental	45,342	0.2	186,257	0.8
	Service	2,861,191	11.8	2,424,999	10.3
	Others	351,064	1.3	481,970	2.1
	Subtotal	24,331,234	100.0	23,467,389	100.0
Commitment	Household loans	66,712,745	43.3	61,479,960	42.4
	Manufacturing	36,493,643	23.7	32,595,389	22.5
	Construction	2,390,063	1.6	3,371,187	2.3
	Wholesale and retail	10,644,658	6.9	7,005,725	4.8
	Financial services	12,082,070	7.8	15,786,627	10.9
	Real estate rental	5,105,999	3.3	5,792,654	4.0
	Service	11,020,463	7.1	10,949,213	7.5

Classification	Industry	December 31, 2024		December 31, 2023	
		Amounts	Ratio(%)	Amounts	Ratio(%)
	Others	9,683,383	6.3	8,159,198	5.6
	Subtotal	154,133,024	100.0	145,139,953	100.0
Commitment to merchant banking account	Financial services	360,000	54.5	460,000	59.7
	Manufacturing	50,000	7.6	50,000	6.5
	Wholesale and retail	110,000	16.7	110,000	14.3
	Real estate rental	100,000	15.2	100,000	13.0
	Service	40,000	6.0	50,000	6.5
	Subtotal	660,000	100.0	770,000	100.0
Total		180,433,978		170,568,313	

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9-1-6-2 Credit risk concentration in each country as of December 31, 2024 and 2023, is as follows:

(Korean won in millions)					
Classification	Country	December 31, 2024		December 31, 2023	
		Amounts	Ratio(%)	Amounts	Ratio(%)
On-consolidated statement of financial position items:					
Due from banks	Korea	20,433,269	53.4	21,284,991	65.0
	United States	8,127,967	21.3	4,630,384	14.1
	China	1,168,463	3.1	884,008	2.7
	Japan	2,818,621	7.4	2,163,587	6.6
	Singapore	47,927	0.1	73,135	0.2
	Hong Kong	145,238	0.4	119,241	0.4
	Others	5,497,682	14.3	3,582,211	11.0
	Subtotal	38,239,167	100.0	32,737,557	100.0
Financial assets measured at FVTPL (+)	Korea	62,718,769	88.9	46,266,812	88.4
	United States	2,563,230	3.6	1,852,484	3.5
	China	130,523	0.2	88,905	0.2
	Japan	117,282	0.2	136,574	0.3
	Singapore	54,704	0.1	10,857	0.0
	Hong Kong	222,749	0.3	4,173	0.0
	United Kingdom	252,623	0.4	159,326	0.3
	Switzerland	14,076	0.0	751,557	1.4
	Others	4,446,664	6.3	3,076,729	5.9
	Subtotal	70,520,680	100.0	52,347,417	100.0
Financial assets measured at FVOCI	Korea	37,781,200	83.5	37,173,403	85.7
	United States	2,629,537	5.8	1,679,836	3.9
	China	1,057,612	2.3	1,626,027	3.8
	Hong Kong	39,761	0.1	136,525	0.3
	France	100,477	0.2	6,266	0.0
	Switzerland	24,309	0.1	16,979	0.0
	Others	3,635,269	8.0	2,715,125	6.3
	Subtotal	45,268,165	100.0	43,354,161	100.0
Securities measured at amortized cost	Korea	31,218,776	91.6	34,120,370	93.5
	United States	455,480	1.3	13,482	0.0
	China	27,120	0.1	24,425	0.1
	Others	2,396,654	7.1	2,341,819	6.5
	Subtotal	34,098,030	100.1	36,500,096	100.1
	Allowance for credit loss	(20,979)	(0.1)	(19,700)	(0.1)
	Total	34,077,051	100.0	36,480,396	100.0
Derivative assets used for hedging	Korea	163,267	100.0	9,678	100.0

Classification	Country	December 31, 2024		December 31, 2023	
		Amounts	Ratio(%)	Amounts	Ratio(%)
Loans measured at amortized cost	Korea	368,974,933	91.5	352,280,433	92.4
	United States	7,576,131	1.9	5,440,369	1.4
	China	5,941,269	1.5	5,671,069	1.5
	Japan	1,790,980	0.4	1,647,939	0.4
	Hong Kong	1,836,475	0.5	2,127,331	0.6
	Others	19,881,937	4.8	16,843,482	4.4
	Subtotal	406,001,725	100.6	384,010,643	100.7
	Deferred loan fees and expenses	472,234	0.1	425,823	0.1
	Present value discount	(7,914)	(0.0)	(9,087)	(0.0)
	Expected credit loss allowance	(3,081,664)	(0.7)	(3,016,720)	(0.8)
	Subtotal	(2,617,344)	(0.6)	(2,599,984)	(0.7)
	Total	403,384,381	100.0	381,410,659	100.0
Merchant banking accounts assets	Korea	4,233,336	100.0	4,637,824	100.0
Total		595,886,047		550,977,692	
Off-consolidated statement of financial position items:					
Financial guarantees	Korea	1,167,025	89.1	1,156,695	97.1
	Others	142,695	10.9	34,276	2.9
	Subtotal	1,309,720	100	1,190,971	100.0
Guarantee contracts	Korea	18,997,106	78.1	18,231,955	77.7
	United States	555,236	2.3	302,543	1.3
	China	1,065,363	4.4	1,548,486	6.6
	Japan	30,476	0.1	27,751	0.1
	Others	3,683,053	15.1	3,356,654	14.3
	Subtotal	24,331,234	100.0	23,467,389	100.0
Commitment	Korea	148,556,054	96.4	140,512,751	96.8
	United States	1,242,872	0.8	965,730	0.7
	China	662,700	0.4	460,060	0.3
	Japan	183,516	0.1	145,058	0.1
	Others	3,487,882	2.3	3,056,354	2.1
	Subtotal	154,133,024	100.0	145,139,953	100.0
Merchant banking accounts	Korea	660,000	100.0	770,000	100.0
Total		180,433,978		170,568,313	

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9-2 Liquidity risk

9-2-1 Liquidity risk management

Liquidity risk refers to the risk of encountering a shortage of funds due to mismatches in the timing of funding and capital utilization, unexpected outflows of funds, or other factors that may lead to insolvency or losses due to high-cost borrowing or the forced sale of assets at unfavorable price. The purpose of managing liquidity risk is to identify potential risk factors early when raising and operating the Group's funds and to obtain a stable revenue base through maintaining an appropriate level of liquidity through systematic risk management. 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 tests periodically and establishes a contingent funding plan based on the test results to prepare for a 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, including future interest payments. In addition, financial liabilities at FVTPL and depository liabilities (payment on demand) are shown at fair value in the immediate payment column. Derivative liabilities used for hedging are classified based on the net cash flows, as they are settled on a net basis.



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9-2-2-2 Remaining maturity of the financial liabilities

The remaining contractual maturity of financial liabilities as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(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-balance-sheet items:							
Financial liabilities measured at FVTPL	20,670,203	–	–	–	–	–	20,670,203
Financial liabilities designated as measured at FVTPL	570,335	1,089,117	2,611,951	3,680,530	3,202,040	3,104,877	14,258,850
Deposits	155,964,017	39,006,077	53,873,178	128,269,550	18,915,172	1,682,732	397,710,726
Borrowings	6,162,131	15,872,438	6,851,174	12,779,438	4,258,051	614,193	46,537,425
Debentures	124	2,207,585	3,698,693	19,992,570	38,270,787	3,379,679	67,549,438
Derivative liabilities used for hedging, net	–	17,157	20,951	98,758	352,717	(467,305)	22,278
Merchant banking account liabilities	1,176,715	2,643,171	–	–	–	–	3,819,886
Others	12,094,484	23,415,143	1,463,974	374,897	1,309,155	62,869	38,720,522
Total	196,638,009	84,250,688	68,519,921	165,195,743	66,307,922	8,377,045	589,289,328
Off-balance-sheet items:							
Financial guarantee contracts	1,309,720	–	–	–	–	–	1,309,720
Guarantee contracts	24,331,234	–	–	–	–	–	24,331,234
Commitment	154,133,024	–	–	–	–	–	154,133,024
Commitment to merchant banking account	660,000	–	–	–	–	–	660,000
Total	180,433,978	–	–	–	–	–	180,433,978

(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-balance-sheet items:							
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	3,287,669	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	5,262,233	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, net	–	6,942	1,986	10,643	76,769	(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-balance-sheet items:							
Financial guarantee contracts	1,190,971	–	–	–	–	–	1,190,971
Guarantee contracts	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

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 flows through the sale of securities and additional sources of funding, similar to asset-backed securitization.

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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, stock prices and exchange rates 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-level market risk exposures are consistently calculated 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.

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9-3-1-3 Capital requirements by market risk classes

The details of capital requirements by market risk classes as of December 31, 2024 are as follows:

(Korean won in millions)		
Classification	Risk class	Amount
Sensitivity Risk Charge ("SRC")	General interest rate risk	90,719
	CSR: non-securitization ("SRC")	388,153
	CSR: securitization (non-correlation trading portfolio ("non-CTP"))	88,231
	CSR: securitization (CTP)	—
	Equity risk	43,881
	Foreign exchange risk	318,969
	Commodity risk	3,655
Default Risk Charge ("DRC")	Non-securitization	212,501
	Securitization (Non-CTP)	20,699
	Securitization (CTP)	31,170
Residual risk add-on ("RRAO")	RRAO	7,503
Total Risk		1,205,481

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 is monitored by imposing a limit on Δ EVE according to the IRRBB methodology. Δ EVE (Change in Economic Value of Equity) represents changes in the economic value of equity that may occur due to changes in interest rates affecting the present value of assets, liabilities and external items, and Δ NII (Change in Net Interest Income) represents changes in net interest income that may occur over the next year due to changes in interest rates. Δ EVE and Δ NII by major subsidiaries calculated based on IRRBB as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)				
Classification	December 31, 2024		December 31, 2023	
	Δ EVE	Δ NII	Δ EVE	Δ NII
Hana Bank	2,097,932	392,207	1,883,644	286,394
Hana Securities	179,733	326,339	96,874	277,505
Hana Card	112,287	54,621	104,011	59,364
Hana Capital	58,746	17,437	49,085	20,136
Hana Savings Bank	26,062	10,875	20,714	11,072

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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, 2024 and 2023, are as follows:

(December 31, 2024)

		(Korean won in millions)		
Classification	20% decline	10% decline	10% rise	20% rise
Stock price risk	(42,092)	(21,046)	21,046	42,092

(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

9-3-3 Currency risk concentration

Currency risk is a risk incurred when the value of a financial instrument or future 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, 2024 and 2023, are as follows:

(December 31, 2024)

(Korean won in millions)							
Classification	USD	JPY	EUR	CNY	IDR	Others	Total
Assets							
Cash and due from bank	15,136,340	3,208,349	976,034	946,231	198,311	1,971,138	22,436,403
Financial assets measured at FVTPL	5,875,058	339,169	960,362	556,961	34,094	495,730	8,281,394
Financial assets measured at FVOCI	8,194,142	–	35,111	1,057,612	382,464	2,123,356	11,792,685
Securities measured at amortized cost	2,143,573	–	146,227	20,016	140,128	1,658,301	4,108,245
Loans measured at amortized cost	26,873,261	1,495,270	4,436,005	7,596,408	1,793,115	4,606,408	46,800,467
Derivative assets used for hedging	80,825	–	24,170	–	–	–	104,995
Others	6,654,024	145,569	1,467,087	448,168	53,885	583,601	9,352,334
Total	64,957,223	5,188,377	8,064,996	10,625,396	2,601,997	11,438,534	102,876,523
Liabilities							
Financial liabilities measured at FVTPL	2,904,007	169,902	421,787	341,869	433	206,731	4,044,729
Financial liabilities designated as measured at FVTPL	2,413,040	1,967	12,059	–	–	12,524	2,439,590
Deposits	36,207,407	3,778,900	4,522,804	8,325,266	1,570,361	6,907,361	61,312,099
Borrowings	13,744,758	142,867	695,895	384,760	112,011	1,050,884	16,131,175
Debentures	4,966,865	28,058	1,907,816	487,073	–	137,052	7,526,864
Derivative liabilities used for hedging	160,217	–	–	–	–	–	160,217
Others	8,794,033	814,002	657,035	690,542	37,655	693,089	11,686,356
Total	69,190,327	4,935,696	8,217,396	10,229,510	1,720,460	9,007,641	103,301,030

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(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
Debentures	5,234,393	27,304	1,754,818	192,936	–	172,752	7,382,203
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	4,917,660	8,325,786	9,696,196	1,521,546	7,358,200	91,053,388

9–4 Operational risk

9–4–1 Loss of 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 execution committee and group risk management committee on a monthly and quarterly basis.

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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, 2024 and 2023, are as follows:

	(Korean won in millions)	
Classification	December 31, 2024	December 31, 2023
Common Equity Tier 1 capital	36,924,738	34,344,240
Additional Tier 1 capital	4,335,919	3,798,347
Subtotal(Tier 1 capital)	41,260,657	38,142,587
Tier 2 capital	2,294,968	2,504,896
Total(total capital)	43,555,625	40,647,483
Risk-weighted assets:		
Credit risk-weighted assets	240,365,159	220,176,533
Market risk-weighted assets	15,068,504	17,915,196
Operational risk-weighted assets	23,970,200	21,680,903
Total	279,403,863	259,772,632
BIS capital ratio (*):		
Common Equity Tier 1 ratio	13.22%	13.22%
Additional Tier 1 capital ratio	14.77%	14.68%
Total capital ratio	15.59%	15.65%

(*) BIS capital ratio as of December 31, 2024 is provisional.

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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 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. If such a situation occurs in cases outlined as exceptions, an approval from the Risk Committee is needed for the information on exceeded amount and post hoc results, as well as subsequent plans.

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 (Securities); 3) Hana Card and its subsidiaries (Credit Card); and 4) Hana Capital and its subsidiaries (Capital financing); 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 Insurance, Hana Alternative Asset Management, Hana Investors Services Company, etc.).

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10-2 Income or loss by operating segments

10-2-1 Details of net income by operating segments for the years ended December 31, 2024 and 2023 and assets and liabilities by operating segments as of December 31, 2024 and 2023, are as follows:

(2024)

(Korean won in millions)								
Classification	Banking	Securities	Credit Card	Capital Financing	Others	Subtotal	Adjustments	Total
Operating segment income and loss (*):								
Net interest income (loss)	7,738,547	385,454	445,783	322,420	(114,409)	8,777,795	(16,795)	8,761,000
Interest income	20,285,966	1,494,277	802,041	958,727	613,701	24,154,712	(38,124)	24,116,588
Interest expenses	(12,547,419)	(1,108,823)	(356,258)	(636,307)	(728,110)	(15,376,917)	21,329	(15,355,588)
Net fee and commission income	744,055	352,866	310,756	961,205	108,817	2,477,699	(7,845)	2,469,854
Fee and commission income	1,026,474	467,779	1,050,974	1,000,185	150,705	3,696,117	(97,303)	3,598,814
Fee and commission expenses	(282,419)	(114,913)	(740,218)	(38,980)	(41,888)	(1,218,418)	89,458	(1,128,960)
Others	737,882	80,797	134,234	66,976	2,263,498	3,283,387	(2,064,932)	1,218,455
Total operating income	9,220,484	819,117	890,773	1,350,601	2,257,906	14,538,881	(2,089,572)	12,449,309
Impairment loss on financial assets	(342,562)	(83,695)	(336,278)	(307,799)	(166,722)	(1,237,056)	551	(1,236,505)
Net operating income	8,877,922	735,422	554,495	1,042,802	2,091,184	13,301,825	(2,089,021)	11,212,804
General and administrative expenses	(3,479,233)	(619,639)	(260,354)	(99,385)	(291,901)	(4,750,512)	220,243	(4,530,269)
Net other operating income (loss)	(851,787)	26,175	(3,688)	(786,445)	38,104	(1,577,641)	(249,712)	(1,827,353)
Operating income	4,546,902	141,958	290,453	156,972	1,837,387	6,973,672	(2,118,490)	4,855,182
Net other non-operating income (loss)	(127,815)	169,729	(138)	(7,875)	137,332	171,233	25,750	196,983
Income tax expenses	(1,050,515)	(87,715)	(68,588)	(34,466)	(49,406)	(1,290,690)	7,054	(1,283,636)
Net income for the period	3,368,572	223,972	221,727	114,631	1,925,313	5,864,215	(2,085,686)	3,768,529
Total assets (*)	532,417,952	57,841,878	13,684,039	19,054,430	44,718,707	667,717,006	(29,869,493)	637,847,513
Total liabilities (*)	498,174,699	51,851,475	11,191,748	16,534,294	19,458,702	597,210,918	(2,940,332)	594,270,586

(*) The amount of net income or loss, assets and liabilities by the operating segments does not consider the transaction amount between the segments.

(2023)

(Korean won in millions)								
Classification	Banking	Securities	Credit Card	Capital Financing	Others	Subtotal	Adjustments	Total
Operating segment income and loss (*):								
Net interest income (loss)	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 expenses	(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	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 expenses	(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	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	(668,307)	(240,251)	(345,529)	(209,258)	(97,890)	(1,551,235)	493	(1,550,742)
Net operating income	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)	(934,688)	22,919	(5,541)	(578,264)	126,087	(1,369,485)	(212,711)	(1,582,196)
Operating income	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	(1,125,650)	70,059	(47,817)	(57,379)	(63,809)	(1,224,596)	11,740	(1,212,856)
Net income for the period	3,487,433	(288,944)	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, assets and liabilities by the operating segments does not consider the transaction amount between the segments.

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10-2-2 The operating income or loss from external customers and internal transactions for the years ended December 31, 2024 and 2023, are as follows:

(2024)

(Korean won in millions)

Classification	Banking	Securities	Credit Card	Capital Financing	Others	Subtotal	Adjustments	Total
Income from external customers	9,191,408	809,325	927,709	1,350,219	170,648	12,449,309	–	12,449,309
Income (loss) from internal transactions	29,076	9,792	(36,936)	382	2,087,258	2,089,572	(2,089,572)	–
Total	9,220,484	819,117	890,773	1,350,601	2,257,906	14,538,881	(2,089,572)	12,449,309

(2023)

(Korean won in millions)

Classification	Banking	Securities	Credit Card	Capital Financing	Others	Subtotal	Adjustments	Total
Income from external customers	9,604,416	419,657	851,103	1,160,048	199,393	12,234,617	–	12,234,617
Income (loss) 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

10-2-3 Significant non-cash transactions included in income of operating segments for the years ended December 31, 2024 and 2023, are as follows:

(2024)

(Korean won in millions)

Classification	Banking	Securities	Credit Card	Capital Financing	Others	Subtotal	Adjustments	Total
Gain on equity method	191,329	133,257	(645)	(2,740)	5,746	326,947	26,927	353,874
Depreciation and amortization	(572,647)	(68,708)	(48,828)	(729,453)	(90,487)	(1,510,123)	29,503	(1,480,620)
Total	(381,318)	64,549	(49,473)	(732,193)	(84,741)	(1,183,176)	56,430	(1,126,746)

(2023)

(Korean won in millions)

Classification	Banking	Securities	Credit Card	Capital Financing	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)
Total	(363,651)	(44,207)	(42,582)	(540,190)	(83,406)	(1,074,036)	14,454	(1,059,582)

10-3 Information about regions

Revenue by region from the external customers for the years ended December 31, 2024 and 2023 and non-current assets by region as of December 31, 2024, and 2023, are as follows:

(Korean won in millions)

Classification	Revenues from external customers		Non-current assets	
	2024	2023	December 31, 2024	December 31, 2023
Domestic	13,628,818	13,118,260	9,599,990	8,580,160
Foreign:				
Hong Kong	66,646	74,575	7,108	2,844
Singapore	38,367	50,654	1,872	2,531
United States	66,470	64,244	446,578	404,506
Japan	17,121	28,120	4,512	2,488
China	164,642	233,814	86,236	62,543
Indonesia	174,421	170,949	62,502	48,088
United Kingdom	18,088	32,268	17,323	2,102
Canada	51,942	58,627	21,957	22,355
Others	312,366	348,425	27,768	28,858
Subtotal	910,063	1,061,676	675,856	576,315
Adjustments	(2,089,572)	(1,945,319)	(369,614)	(394,132)
Total	12,449,309	12,234,617	9,906,232	8,762,343

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, 2024 and 2023.

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11. Cash and due from banks:

11-1 Cash and due from banks as of December 31, 2024 and 2023, are as follows:

(Korean won in trillions)			
Classification	Counterparty	December 31, 2024	December 31, 2023
Cash and foreign currency		2,165,786	1,742,901
Due from banks in Korean currency:			
Reserve deposits with Bank of Korea ("BOK"), etc.	BOK, etc.	11,857,190	10,129,689
Time deposits, etc.	Other banks	516,487	681,719
Other deposits	Other financial institutions	4,188,476	2,831,606
Subtotal		16,562,153	13,643,014
Due from banks in foreign currencies:			
Due from banks on demand	BOK, etc.	5,815,444	8,823,939
Time deposits	QATAR National Bank, etc.	1,067,012	1,018,569
Other deposits	ICBC, etc.	14,794,558	9,252,035
Subtotal		21,677,014	19,094,543
Total		40,404,953	34,480,458

11-2 Restricted balances in due from banks as of December 31, 2024 and 2023 are as follows:

(Korean won in millions)			
Classification	December 31, 2024	December 31, 2023	Restrictions
Due from banks in Korean won:			
Reserve deposits with BOK, etc.	11,857,190	10,129,689	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	224,421	188,796	Margin for trading account
Reserve for claims of customers' deposits	758,000	334,641	Capital market law, regulation on brokerage business of securities company, etc.
Other deposits	1,529,758	1,013,782	For the right of pledge, etc.
Subtotal	14,369,369	11,666,908	
Due from banks in foreign currencies:			
Deposits in foreign currencies in other branches	3,658,409	7,828,902	Reserve for payment of deposits from the Banking Act and the Bank of Korea Act
Other deposits	13,384,918	8,410,049	OTC derivative contracts, etc.
Subtotal	17,043,327	16,238,951	
Total	31,412,696	27,905,859	

12. Financial assets measured at FVTPL:

Financial assets measured at FVTPL as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	December 31, 2024	December 31, 2023
Stocks	779,724	791,861
Investments in partnerships	872,684	754,563
Government and public bonds	11,689,044	8,595,433
Financial bonds	8,377,860	7,069,531
Corporate bonds and others	10,769,613	10,721,602
Beneficiary certificates	12,348,077	9,325,541
Other securities denominated in Korean currency	427,222	606,357
Securities denominated in foreign currencies	6,449,442	4,723,309
Derivative-linked securities	314,604	1,063,875
Derivative assets held for trading (*)	18,225,180	7,881,170
Loans	1,058,883	1,306,157
Others	1,325,333	1,766,433
Total	72,637,666	54,605,832

(*) Refer to Note 17. Derivative instruments

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13. Financial assets measured at FVOCI:

13-1 Details of financial assets measured at FVOCI as of December 31, 2024 and 2023, are as follows:

	(Korean won in millions)	
Classification	December 31, 2024	December 31, 2023
Stocks	803,555	918,243
Investments in partnerships	943	943
Government and public bonds	10,582,481	11,446,554
Financial bonds	11,788,460	15,722,698
Corporate bonds and others	11,104,539	7,996,355
Other securities denominated in Korean currency	28,309	33,153
Securities denominated in foreign currencies	11,800,237	8,195,550
Total	46,108,524	44,313,496

13-2 Details of equity securities (including shares in foreign currencies) included in financial assets measured at FVOCI as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

	(Korean won in millions)
Counterparty	Book value (fair value)
UAMOO, Ltd.	208,996
KRX	165,751
The Korea Securities Finance Corporation	139,579
SK TELECOM CO., LTD.	72,172
SK Square Co., Ltd.	60,824
KCI	28,311
TAEYOUNG ENGINEERING & CONSTRUCTION	26,082
KoData Co., Ltd.	18,502
Korea Asset Management Corporation	15,737
Korea Money Brokerage Corp.	13,333
Kumho Tire Co., Inc.	11,591
BC Card Co., Ltd.	10,824
HJC CORP.	9,476
Korea Securities Depository	7,850
POSCO PLANTEC CO., LTD.	6,957
CLS GROUP HOLDINGS AG	5,968
CHANGMYUNG SHIPPING CO.,LTD.	3,221
Maeil Broadcasting Network(MBN)	2,502
Nextrade Co., Ltd	2,500
Channel A Corporation	4,872
Others	25,311
Total	840,359

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(December 31, 2023)

	(Korean won in millions)
Counterparty	Book value (fair value)
UAMCO, Ltd.	196,670
KRX	172,320
HANWHA 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
Kumho 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
CHANGMYUNG SHIPPING CO.,LTD.	3,807
Maeil Broadcasting Network(MBN)	2,665
Nextrade Co., Ltd	2,500
Others	25,934
Total	959,335

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 disposals of equity securities (including shares in foreign currencies) included in financial assets measured at FVOCI as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

	(Korean won in millions)		
Counterparty	Book value	Cumulative loss on valuation (*)	Reason for disposal
DL Construction Co., LTD.	2,418	(3,491)	Share exchange
CREA CO.,LTD	33	-	Share exchange
K Shipbuilding Co., Ltd.	49	(3,340)	Disposal of Debt-to-Equity converted shares
HANWHA OCEAN CO., LTD.	207,009	207,009	Disposal of Debt-to-Equity converted shares
DB ASSET MANAGEMENT CO., LTD.	5,658	2,958	Request from the investee
CREA-ANTOLIN CO.,LTD.	5	3	Exercise of the right to sell
Color Art CO., LTD.	287	287	Reclassification from Investment in affiliates
Total	215,459	203,426	

(*) Cumulative gain or loss is replaced with retained earnings.

(December 31, 2023)

	(Korean won in millions)		
Counterparty	Book value	Cumulative gain (loss) on valuation (*)	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.	35,092	(73,348)	Decision of Council of Financial creditors
Others	21,489	(22,780)	Decision of Council of Financial creditors
Total	240,562	69,252	

(*) Cumulative gain or loss is replaced with retained earnings.

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13-4 Dividends recognized from financial assets measured at FVOCI for the years ended December 31, 2024 and 2023, are as follows :

(Korean won in millions)		
Classification	2024	2023
Dividends recognized from equity instruments held as of December 31, 2024 and 2023	16,073	15,173
Dividends recognized from equity instruments derecognized	-	1,237
Total	16,073	16,410

13-5 Changes in the credit loss allowance in relation to financial assets measured at FVOCI (excpet for equity instruments) for the years ended December 31, 2024 and 2023, are as follows:

(2024)

(Korean won in millions)				
Classification	12-month ECL	Lifetime ECL		Total
		Non credit-impaired debt securities	Credit-impaired debt securities	
Beginning balance	15,762	-	-	15,762
Provision for credit loss allowance	7,568	-	-	7,568
New financial assets executed or purchased	1,847	-	-	1,847
Disposal of financial assets	(8,372)	-	-	(8,372)
Exchange rate fluctuation and others	1,382	-	-	1,382
Ending balance	18,187	-	-	18,187

(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

13-6 Changes in the carrying amount in relation to financial assets measured at FVOCI for the years ended December 31, 2024 and 2023, are as follows:

(2024)

(Korean won in millions)				
Classification	12-month ECL	Lifetime ECL		Total
		Non-credit -impaired debt securities	Credit-impaired debt securities	
Beginning balance	43,354,161	-	-	43,354,161
New financial assets executed or purchased	32,968,698	-	-	32,968,698
Disposal of financial assets	(32,579,181)	-	-	(32,579,181)
Exchange rate fluctuation and others	1,524,487	-	-	1,524,487
Ending balance	45,268,165	-	-	45,268,165

(2023)

(Korean won in millions)				
Classification	12-month ECL	Lifetime ECL		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

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14. Securities measured at amortized cost:

14-1 Details of securities measured at amortized cost as of December 31, 2024 and 2023, are as follows:

	(Korean won in trillions)	
Classification	December 31, 2024	December 31, 2023
Government and public bonds	6,485,926	6,584,829
Financial bonds	6,619,224	7,385,557
Corporate bonds and others	16,874,827	18,834,387
Securities denominated in foreign currencies	4,118,053	3,695,323
Allowance for credit loss	(20,979)	(19,700)
Total	34,077,051	36,480,396

14-2 Profit or loss due to the disposal of securities measured at amortized cost for the years ended December 31, 2024 and 2023, are as follows:

(2024)

	(Korean won in millions)		
Classification	Face amount	Book value	Amount of profit from disposal
Corporate bonds and others	170,232	170,230	2

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, 2024.

(2023)

	(Korean won in millions)		
Classification	Face amount	Book value	Amount of profit from disposal
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.

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14-3 Changes in credit loss allowance in relation to securities measured at amortized cost for the years ended December 31, 2024 and 2023, are as follows:

(2024)

(Korean won in millions)				
Classification	12-month ECL	Lifetime ECL		Total
		Non-credit -impaired debt securities	Credit-impaired debt securities	
Beginning balance	13,771	5,929	–	19,700
Provision of credit loss allowance	2,037	490	–	2,527
Disposed financial assets	(1,696)	–	–	(1,696)
Exchange rate fluctuation and others	(237)	685	–	448
Ending balance	13,875	7,104	–	20,979

(2023)

(Korean won in millions)				
Classification	12-month ECL	Lifetime ECL		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

14-4 Changes in the carrying amount in relation to securities measured at amortized cost for the years ended December 31, 2024 and 2023, are as follows:

(2024)

(Korean won in millions)				
Classification	12-month ECL	Lifetime ECL		Total
		Non-credit -impaired debt securities	Credit-impaired debt securities	
Beginning balance	36,475,671	24,425	–	36,500,096
New financial assets executed or purchased	3,033,354	–	–	3,033,354
Disposed financial assets	(5,842,483)	–	–	(5,842,483)
Exchange rate fluctuation and others	404,369	2,694	–	407,063
Ending balance	34,070,911	27,119	–	34,098,030

(2023)

(Korean won in millions)				
Classification	12-month ECL	Lifetime ECL		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

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15. Pledged asset:

15-1 Details of assets provided as collateral as of the years ended December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(Korean won in millions)		
Classification	Details	Book Value
Financial assets measured at FVTPL	BOK payment	548,871
	Pledged securities	9,586,910
	Derivative instruments	3,245,906
	KRX, etc.	69,309
	Client RP	12,839,277
	Others	2,573,562
	Subtotal	28,863,835
Financial assets measured at FVOCI	Futures	54,285
	Daylight credit	280,152
	Client RP	2,596,462
	Foreign currency borrowing	543,669
	Pledged securities	518,255
	Establishment of a pledge right	174,684
	BOK payment	5,184,775
	Borrowings from BOK	515,425
	Collateral for securities lending	68,452
	Others	2,099,190
	Subtotal	12,035,349
Securities measured at amortized cost	Foreign currency borrowing	800,420
	Futures	288,896
	BOK payment	9,014,613
	Daylight credit	374,394
	Borrowings from BOK	3,854,751
	Pledged securities	69,581
	Others	1,399,112
	Subtotal	15,801,767
Total		56,700,951

(December 31, 2023)

(Korean won in millions)		
Classification	Details	Book Value
Financial assets measured at FVTPL	BOK payment	612,117
	Pledged securities	7,991,215
	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

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15-2 The fair value of collateral that is available-for-sale and re-pledge, irrespective of default as of December 31, 2024 and 2023, is as follows:

(December 31, 2024)

(Korean won in millions)		
Classification	Fair value of collateral	Fair value of collateral sold or re-pledged
Securities	17,625,596	836,206
Deposits	177,579	–
Total	17,803,175	836,206

(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	–
Total	16,155,729	1,111,903

16. Loans measured at amortized cost:

16-1 Details of loans measured at amortized cost as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	December 31, 2024	December 31, 2023
Loans measured at amortized cost		
Loans in Korean currency	324,876,318	312,344,261
Loans in foreign currencies	35,385,210	32,217,544
Domestic import usance	3,980,711	3,833,914
Call loans	2,293,023	1,387,914
Bills purchased in Korean currency	146,649	172,864
Bills purchased in foreign currencies	4,880,533	4,040,638
Advance payments on acceptances and guarantees	7,085	10,508
Credit card loans	10,785,576	9,981,663
Bonds purchased under resale agreement	18,033,102	14,594,130
Installment receivables purchased	863,240	824,502
Privately placed corporate bonds	3,549,875	3,143,593
Lease receivables	1,200,403	1,459,111
Subtotal	406,001,725	384,010,642
Plus (deduction):		
Deferred loan fees	472,234	425,823
Present value discount	(7,914)	(9,087)
Allowance for loan losses	(3,081,664)	(3,016,720)
Total	403,384,381	381,410,658

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16-2 Loans measured at amortized cost to customer as of December 31, 2024 and 2023, are as follows:

	(Korean won in millions)	
Classification	December 31, 2024	December 31, 2023
Corporate loans:		
Large business	56,986,674	53,582,005
Small and medium business	152,213,394	150,177,860
Public sector and others	37,860,685	30,156,722
Subtotal	247,060,753	233,916,587
Household loans	148,155,396	140,112,392
Credit card loans	10,785,576	9,981,663
Subtotal	406,001,725	384,010,642
Plus (deduction):		
Deferred loan fees	472,234	425,823
Present value discount	(7,914)	(9,087)
Allowance for loan losses	(3,081,664)	(3,016,720)
Total	403,384,381	381,410,658

16-3 Changes in allowance for loan losses for the years ended December 31, 2024 and 2023, are as follows:

(2024)

	(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, 2024	1,015,018	1,033,502	933,740	34,460	3,016,720
Transfer to 12-month expected credit loss	140,387	(137,588)	(2,799)	—	—
Transfer to non-credit-impaired financial assets	(74,621)	82,489	(7,868)	—	—
Transfer to credit-impaired loan	(153,212)	(293,263)	446,475	—	—
Provision for credit loss allowance	128,471	235,641	781,683	14,022	1,159,817
Write-offs	—	—	(1,061,497)	—	(1,061,497)
Collection of loans written-off	—	—	129,854	—	129,854
Disposal of NPLs	—	—	(239,753)	(9,894)	(249,647)
Exchange rate fluctuation and others	14,092	15,631	56,694	—	86,417
As of December 31, 2024	1,070,135	936,412	1,036,529	38,588	3,081,664

(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 expected credit loss	61,619	(59,425)	(2,194)	—	—
Transfer to non-credit-impaired financial assets	(197,786)	206,105	(8,319)	—	—
Transfer to credit-impaired loan	(180,330)	(204,604)	384,934	—	—
Provision for credit loss allowance	514,113	129,088	870,405	8,454	1,522,040
Write-offs	—	10	(947,388)	—	(947,378)
Collection of loans written-off	—	—	151,034	—	151,034
Disposal of NPLs	—	—	(142,187)	(19,949)	(162,136)
Exchange rate fluctuation and others	12,052	8,090	12,839	—	32,981
As of December 31, 2023	1,015,018	1,033,502	933,740	34,460	3,016,720

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16-4 Changes in the carrying amounts of loans measured at amortized cost for the years ended December 31, 2024 and 2023, are as follows:

(2024)

(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, 2024	333,474,835	46,469,455	2,194,474	1,871,878	384,010,642
Transfer to 12 month expected credit loss	6,605,778	(6,586,591)	(19,187)	-	-
Transfer to non credit-impaired financial assets	(16,091,255)	16,146,304	(55,049)	-	-
Transfer to credit-impaired loan	(1,915,808)	(2,003,838)	3,919,646	-	-
Write-offs	(1,295)	-	(1,076,997)	-	(1,078,292)
Net increase and decrease (executed / purchased, Recovery, investment conversion, etc)	33,888,322	(8,766,694)	(601,901)	297,138	24,816,865
Disposal of NPLs	-	-	(1,663,217)	(9,894)	(1,673,111)
Exchange rate fluctuation and others	(80,919)	72	6,468	-	(74,379)
As of December 31, 2024	355,879,658	45,258,708	2,704,237	2,159,122	406,001,725

(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 expected credit loss	6,299,033	(6,288,540)	(10,493)	-	-
Transfer to non credit-impaired financial assets	(15,564,400)	15,601,813	(37,413)	-	-
Transfer to credit-impaired loan	(1,824,913)	(1,391,837)	3,216,750	-	-
Write-offs	-	-	(947,388)	-	(947,388)
Net increase and decrease	26,858,795	(4,923,848)	(265,617)	923,321	22,592,651
Disposal of NPLs	-	-	(1,145,969)	(19,949)	(1,165,918)
Exchange rate fluctuation and others	5,589	111	1,161	-	6,861
As of December 31, 2023	333,474,835	46,469,455	2,194,474	1,871,878	384,010,642

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, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	2024	2023
Amortized cost before change	101,891	60,826
Net gain or loss due to change	16,967	(43)

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 not exist as of December 31 2024 and 2023, respectively.

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 ₩4,947,153 million and ₩4,772,256 million as of December 31, 2024 and 2023, respectively.

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17. Derivative instruments:

17-1 Details of amounts of the unsettled derivative contracts and fair value of derivatives held by the Group as of December 31, 2024 and 2023, are as follows:
(December 31, 2024)

(Korean won in millions)					
Classification	Notional amounts	Gain on valuation	Loss on valuation	Assets	Liabilities
Currency:					
Forward	266,021,298	11,004,014	7,487,783	11,106,967	7,550,147
Swap	122,234,699	3,754,377	6,319,933	4,624,370	7,290,900
Call option	1,146,877	29,699	-	45,732	-
Put option	1,110,411	-	28,911	-	45,451
Future	2,208,959	7	137	7	137
Subtotal	392,722,244	14,788,097	13,836,764	15,777,076	14,886,635
Interest:					
Forward	33,246,205	152,531	430,946	242,796	629,148
Swap	306,185,224	950,719	898,578	1,592,272	1,980,135
Call option	200,000	240	240	9,821	9,821
Put option	510,000	249	1,077	-	17,709
Future	6,166,113	6,053	4,786	6,053	4,787
Subtotal	346,307,542	1,109,792	1,335,627	1,850,942	2,641,600
Stock:					
Forward	300,299	-	27,827	76	27,812
Swap	3,510,836	117,089	134,295	112,378	123,404
Call option	3,133,024	44,691	25,510	146,759	-
Put option	5,855,589	54,020	17,638	-	231,485
Future	2,944,000	28,555	43,282	28,555	43,282
Subtotal	15,743,748	244,355	248,552	287,768	425,983
Credit:					
Swap (CDS)	17,229,121	63,772	44,472	147,116	23,585
Total revenue swap (TRS)	5,355,967	45,609	172,506	66,465	164,739
Subtotal	22,585,088	109,381	216,978	213,581	188,324
Others:					
Credit risk valuation adjustments	-	-	12,615	(25,637)	-
Profit or loss on the trade date (unamortized)	-	-	-	(25,767)	9,082
Other forwards	4,434,999	97,230	100,334	101,125	100,319
Other swaps	9,036,486	36,625	34,846	46,092	177,044
Subtotal	13,471,485	133,855	147,795	95,813	286,445
Total	790,630,107	16,385,480	15,785,716	18,225,180	18,428,987

(December 31, 2023)

(Korean won in millions)					
Classification	Notional amounts	Gain on valuation	Loss on valuation	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
Call option	661,198	3,741	-	5,044	-
Put option	506,847	-	3,665	-	5,005
Future	1,668,320	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
Call option	53,022	-	-	-	-
Put 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:					
Forward	215,743	21,313	126	21,416	-
Swap	2,475,717	81,550	104,220	46,206	344,533
Call option	5,722,294	64,073	50,536	124,636	-
Put 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 adjustments	-	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

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17–2 Unsettled derivative contracts held for hedging purpose as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(Korean won in millions)					
Classification	Notional amounts	Gain on valuation	Loss on valuation	Assets	Liabilities
Fair value hedge:					
Currency forward	51,109	–	4,158	–	4,158
Currency swap	764,365	423	39,371	–	153,246
Interest swap	4,341,200	61,855	34,556	14,966	235,926
Subtotal	5,156,674	62,278	78,085	14,966	393,330
Cash flow hedge:					
Currency swap	1,134,474	135,468	–	98,693	–
Interest swap	70,000	24	825	1,198	21
Bond forwards	725,791	41,060	–	42,602	735
Subtotal	1,930,265	176,552	825	142,493	756
Net investment hedged items:					
Currency forwards	161,635	11,760	–	5,788	–
Total	7,248,574	250,590	78,910	163,267	394,086

(December 31, 2023)

(Korean won in millions)					
Classification	Notional amounts	Gain on valuation	Loss on valuation	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	432,303

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 instruments held for hedging purpose as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)				
Classification	December 31, 2024		December 31, 2023	
	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	1,746,875	(173,803)	1,126,833	(28,701)
Borrowings in foreign currencies	352,223	(29,432)	126,588	(1,919)
Certificate of Deposit(CD) in foreign currencies	30,191	(2,162)	–	–
Total	2,129,289	(205,397)	1,253,421	(30,620)

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17-2-1 Details of fair value hedge as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(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	24,990	–	(2,068)	–	2,989	(321)
Foreign currency risk	Securities measured at amortized cost	15,287	–	(2,187)	–	1,021	–
Interest rate risk	Deposits in Korean currency	–	531,990	–	(38,010)	–	9,453
Interest rate risk	Deposits in foreign currencies	–	126,393	–	(35,307)	–	(12,115)
Interest rate risk	Financial debentures in Korean currency	–	855,638	–	(34,362)	–	(4,811)
Interest rate risk	Financial debentures in foreign currencies	–	2,606,762	–	(112,738)	–	35,179
Interest rate and foreign currency risk	Financial debentures in foreign currencies	–	739,441	–	(24,924)	–	24,128
Total		40,277	4,860,224	(4,255)	(245,341)	4,010	51,513

(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	Deposits in Korean currency	–	252,537	–	(47,463)	–	14,831
Interest rate risk	Deposits in foreign currencies	–	118,642	–	(23,192)	–	346
Interest rate risk	Financial debentures in Korean currency	–	100,450	–	(29,550)	–	7,188
Interest rate risk	Financial debentures in foreign currencies	–	2,624,293	–	(147,917)	–	56,708
Interest rate and foreign currency risk	Financial debentures in foreign currencies	–	899,006	–	(49,053)	–	21,109
Total		35,987	3,994,928	(2,610)	(296,854)	975	100,503

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, 2024 and 2023, are as follows:

(December 31, 2024)

(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	3,310	(3,534)	(224)
Securities measured at amortized cost	Currency forwards	1,021	(624)	397
Depository liabilities in Korean won	Interest swap	(9,453)	9,453	–
Depository liabilities in foreign currency	Interest swap	12,115	(12,115)	–
Financial debentures in Korean won	Interest swap	4,811	(4,511)	300
Financial debentures in foreign currency	Interest swap	(35,179)	34,472	(707)
Financial debentures in foreign currency	Currency swap	(24,128)	(38,948)	(1,302)
Total		(47,503)	(15,807)	(1,536)

(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)

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17-2-3 Details of items subject to cash flow hedge as of December 31, 2024 and 2023, are as follows :

(December 31, 2024)

(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 currency	-	69,970	12	1,488	913	-
Interest rate and foreign exchange risk	Variable interest rate debentures denominated in foreign currencies	-	880,159	-	76,573	-	113,043
Foreign exchange risk	Fixed interest rate debentures denominated in foreign currencies	-	252,351	-	23,417	-	19,189
Interest rate risk	Expected bond purchase transaction	1,543	735	(1,543)	(735)	-	1
Total		1,543	1,203,215	(1,531)	100,743	913	132,233

(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 currency	-	69,957	9	2,298	1,668	-
Interest rate and foreign exchange risk	Variable interest rate debentures denominated in foreign currencies	-	770,755	36,932	-	42,943	-
Foreign exchange risk	Fixed interest rate debentures denominated in foreign currencies	-	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

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, 2024 and 2023, are as follows:

(December 31, 2024)

(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	913	(802)	111
Variable interest rate debentures denominated in foreign currency	Currency swap	(113,043)	115,736	2,693
Fixed interest rate debentures denominated in foreign currency	Currency swap	(19,189)	19,732	544
Expected bond purchase transaction	Bond forwards	(1)	41,060	-
Total		(131,320)	175,726	3,348

(*) Gain (loss) on valuation of hedging instrument effective for hedging are included in OCI.

(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.

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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, 2024 and 2023, are as follows:

(December 31, 2024)

(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 (exchange differences on translation of foreign operations)	Currency forwards	(11,761)	11,761	–
Net investment in foreign operation (exchange differences on translation of foreign operations)	Debentures denominated in foreign currencies	175,086	(173,803)	(701)
Net investment in foreign operation (exchange differences on translation of foreign operations)	Borrowings denominated in foreign currencies	29,946	(29,432)	(161)
Net investment in foreign operation (exchange differences on translation of foreign operations)	CD denominated in foreign currencies	2,277	(2,162)	–
Total		195,548	(193,636)	(862)

(*) 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, 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.

17-3 Details of the average hedging ratio of future nominal cash flow as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(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 hedging instrument	40,663	1,656,811	1,323,000	–	441,000	1,695,200	5,156,674
Rate of average hedging	88.71%	99.84%	100.31%	–	101.74%	100.00%	100.09%
Cash flow hedge:							
Nominal value of hedging instrument	456,114	1,245,697	178,456	50,000	–	–	1,930,267
Rate of average hedging	99.65%	99.15%	99.53%	100.00%	–	–	99.33%
Net investment hedges of foreign operations:							
Nominal value of hedging instrument	1,236,806	441,610	–	612,507	–	–	2,290,923
Rate of average hedging	100.00%	100.00%	–	100.00%	–	–	100.00%

(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 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 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 hedging instrument	996,265	–	399,664	–	–	–	1,395,929
Rate of average hedging	100.00%	–	100.00%	–	–	–	100.00%

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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, 2024, and 2023, are as follows:

(Korean won in millions)								
Classification	Type	Country	Date of financial statements	Ownership (%)		Book value		
				December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	
Bank for Investment and Development of Vietnam ("BIDV") (*1)	Associates	Vietnam	December 31, 2024	15.0	15.0	2,022,124	1,748,883	
Bank of Jilin (*1)	Associates	China	December 31, 2024	9.9	10.8	1,022,088	896,961	
Toss Bank Co., Ltd. (*1)	Associates	Korea	December 31, 2024	9.5	9.5	167,273	157,309	
BIDV Securities Joint Stock Company	Associates	Vietnam	December 31, 2024	35.0	35.0	126,712	110,247	
HORIZON PRIVATE EQUITY FUND (*4)	Associates	Korea	December 31, 2024	80.2	80.2	265,080	107,661	
Beijing Langa Asset Management Co., Ltd.	Associates	China	December 31, 2024	21.9	21.9	110,473	99,529	
KEB Hana-KMC Unicorn Fund of Funds (*4)	Associates	Korea	December 31, 2024	90.9	90.9	85,370	94,542	
KDBI-HANA Business Reorganization Value-up Private Equity Fund	Associates	Korea	December 31, 2024	40.0	40.0	97,063	61,482	
NE HK52 Ltd. (*2), (*4)	Associates	Hong Kong	November 30, 2024	71.6	71.6	71,241	58,291	
Hana Digital Transformation Fund (*4)	Associates	Korea	December 31, 2024	57.9	57.9	52,028	50,768	
Hana-Capstone AI Platform Fund (*4)	Associates	Korea	December 31, 2024	60.9	60.9	41,434	49,223	
Hana K-NewDeal Unicorn Fund (*4)	Associates	Korea	December 31, 2024	60.8	60.8	55,344	35,313	
No.1 KEBHANASTAY REITS Co., Ltd. (*1), (*2)	Associates	Korea	September 30, 2024	19.9	19.9	34,687	35,212	
GIMB Co., Ltd. (*1), (*2)	Associates	Korea	September 30, 2024	19.9	19.9	30,407	35,037	
Glenwood Credit Private Equity Fund II	Associates	Korea	December 31, 2024	22.8	22.8	33,813	33,464	
KORAMCO THE ONE REIT (*1)	Associates	Korea	December 31, 2024	9.9	9.9	27,212	27,499	
Hana Innovation Venture Scale-Up Fund	Associates	Korea	December 31, 2024	46.2	46.2	26,673	25,902	
PT. SINARIMAS HANA FINANCE (*3)	Joint ventures	Indonesia	December 31, 2024	85.0	85.0	21,655	25,210	
Hana Untact Digital Innovation Fund (*4)	Associates	Korea	December 31, 2024	57.4	57.4	27,929	24,745	
Hana X Bio New Technology Fund	Associates	Korea	December 31, 2024	27.5	27.5	20,874	21,235	
Hana Power Infra 1st Private Equity Fund (*1)	Associates	Korea	December 31, 2024	7.0	7.0	14	20,716	
Hana-Magna Growth Booster Fund (*4)	Associates	Korea	December 31, 2024	50.0	50.0	18,939	19,487	
VL Taube Private Equity Fund	Associates	Korea	December 31, 2024	24.9	24.9	39,500	19,142	
Cheongna Medipolis PFV Co., Ltd. (*1)	Associates	Korea	December 31, 2024	11.1	11.1	18,666	19,139	
New Deal Extension New Technology Fund No. 1 (*4)	Associates	Korea	December 31, 2024	50.0	50.0	13,496	16,697	
Gyeonggi Hana Turn around Fund No. 2	Associates	Korea	December 31, 2024	44.4	44.4	17,570	15,801	
Hana Ever Best Corporation Financial Stability Private Investment Co., Ltd.	Associates	Korea	December 31, 2024	20.1	20.1	16,686	15,247	
Infinity ESG Private Equity Fund No. 2	Associates	Korea	December 31, 2024	32.8	32.1	15,574	14,135	
YH Leisure Development Co., Ltd. (*1)	Associates	Korea	December 31, 2024	12.8	12.8	13,299	12,884	
Mirae Credit Information Services Corp.	Associates	Korea	December 31, 2024	31.0	31.0	12,434	12,650	
The Hahm Green Energy Fund	Associates	Korea	December 31, 2024	30.2	30.2	12,401	12,528	
All Together Korea Fund 5 (*4)	Associates	Korea	December 31, 2024	100.0	100.0	10,847	10,541	

Classification	Type	Country	Date of financial statements	Ownership (%)		Book value	
				December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Smart Hana-H&G Green New Deal No. 1 Fund	Associates	Korea	December 31, 2024	48.9	48.9	9,948	10,431
Ourious Solution Financial Stability Private Investment Joint Company (*6)	Associates	Korea	–	–	20.4	–	10,126
Genesis Environment Energy No. 3 Private Equity Fund (*4)	Associates	Korea	December 31, 2024	54.7	54.7	258	10,102
Taurus Cloud Fund	Associates	Korea	December 31, 2024	27.1	27.1	9,793	9,747
KIAMCO Daegu Complex Development Fund (*4)	Associates	Korea	December 31, 2024	95.0	95.0	5,533	9,449
Genesis Environment Energy No. 6 Private Equity Fund	Associates	Korea	December 31, 2024	28.5	28.5	8,825	9,243
F&U Credit Information (*2)	Associates	Korea	November 30, 2024	40.0	40.0	9,432	8,925
Civic Center PFV (*1), (*2)	Associates	Korea	September 30, 2024	13.7	13.7	7,800	7,800
Dream Island Leisure (*1), (*2)	Associates	Korea	September 30, 2024	16.6	16.6	6,866	7,363
Gongqingcheng Zhongyuan Hana Equity Investment Partnership (Limited Partnership) (*1)	Associates	China	December 31, 2024	1.2	33.3	269	6,860
Genesis Environment Energy No. 5 Private Equity Fund	Associates	Korea	December 31, 2024	24.8	24.8	646	6,500
Korea Credit Bureau (*1)	Associates	Korea	December 31, 2024	9.0	9.0	8,614	6,282
UCK Oasis Private Equity Fund	Associates	Korea	December 31, 2024	20.2	20.2	6,208	6,272
Lotte Ventures Corp	Associates	Korea	December 31, 2024	20.0	20.0	6,201	6,102
2018 Hana-Magna Start-up fund	Associates	Korea	December 31, 2024	21.9	21.9	4,240	5,479
Smilegate Quicksilver 1st PEF (*4)	Associates	Korea	December 31, 2024	55.0	55.0	5,559	5,447
Templeton Hana Asset Management Co., Ltd. (formerly, Dabi Hana Infra Fund Asset Management)	Associates	Korea	December 31, 2024	29.8	29.8	5,311	5,087
Nautic Green Innovation ESG Co-investment No. 1 Private Equity Fund (*6)	Associates	Korea	–	–	30.1	–	4,837
Yujin Hana Recycling Private Equity Fund (formerly, Green Forest Resource Circulation No. 1 Private Equity Fund) (*1)	Associates	Korea	December 31, 2024	6.8	6.8	4,536	4,608
Hyoje PFV CO., LTD.	Associates	Korea	December 31, 2024	20.0	20.0	3,528	4,263
World Hansang Dream Island (*1), (*2)	Associates	Korea	September 30, 2024	8.9	9.1	2,918	4,167
Anda Cabon Zero Fund No.1	Associates	Korea	December 31, 2024	28.0	28.0	4,016	4,093
Octave Tech Investment L25 LLC	Associates	U.S.	December 31, 2024	23.8	23.8	4,622	4,075
KCLAVIS-Meta Fund No. 2	Associates	Korea	December 31, 2024	48.5	48.5	4,010	4,061
HS INVESTMENTS EU11 L.P.	Associates	UK	December 31, 2024	33.6	33.6	3,794	3,877
Wangren Family Office(Guangzhou) Co., Ltd. (*6)	Associates	Korea	–	–	33.3	–	3,595
Anda Mobility Infrastructure Fund No. 2	Associates	Korea	December 31, 2024	24.2	24.2	2,894	2,960
CAPSTONE SCALE-UP VENTURE FUND	Associates	Korea	December 31, 2024	20.0	20.0	5,618	2,835
UNION Proptech Fund I	Associates	Korea	December 31, 2024	22.1	22.1	2,145	2,834
Hana Bio New Technology Fund No. 1-1 (*6)	Associates	Korea	–	–	61.3	–	2,820
Yunnan Shuanggang Tea Industry Co., Ltd (*6)	Associates	Korea	–	–	30.0	–	2,713
Digital Innovation Growth Fund	Associates	Korea	December 31, 2024	23.1	23.1	2,727	2,659
Apollo Private Equity Fund	Associates	Korea	December 31, 2024	29.9	29.9	1,205	2,656
Pushan Hana (Hainan)Technology Co., Ltd. (*6)	Associates	China	–	–	39.0	–	2,606
Meta Liquifying Venture Asset 2nd Private Equity Fund	Associates	Korea	December 31, 2024	21.4	21.4	757	2,605
2023 JB Newtech No.2 Fund	Associates	Korea	December 31, 2024	25.7	25.7	1,855	2,598
BSK-6 Patent Technology Investment Association	Associates	Korea	December 31, 2024	20.0	20.0	1,529	2,514
A&D Credit Information Co., Ltd. (*1), (*2)	Associates	Korea	November 30, 2024	13.1	13.1	2,556	2,476
Hana-KDBC, Capstone Venture Fund (*4)	Associates	Korea	December 31, 2024	50.0	50.0	2,249	2,250

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				December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Hana Alternative Investment Real Estate Private Trust No. 189	Associates	Korea	December 31, 2024	26.5	26.5	2,064	2,096
Hyundai Motor Securities Primus Mobility New Technology Fund	Associates	Korea	December 31, 2024	29.9	29.9	2,124	2,063
Metheus Private Equity Real Estate Fund 10 (*6)	Associates	Korea	–	–	23.0	–	2,037
Positive IBK Tech Fund No.1 (*2)	Associates	Korea	September 30, 2024	44.3	44.3	1,968	1,999
Stallion New Growth 4th Fund	Associates	Korea	December 31, 2024	48.2	48.2	1,937	1,978
IBKS Innovation MPE Fund No. 1	Associates	Korea	December 31, 2024	21.1	21.1	1,936	1,974
ST-J&M New Technology Investment Fund 1st (*6)	Associates	Korea	–	–	27.1	–	1,965
Hanwha-Samsung Healthcare No. 1 Venture Fund	Associates	Korea	December 31, 2024	39.2	39.2	1,906	1,951
Anda Mobility Infrastructure Fund No. 1	Associates	Korea	December 31, 2024	26.3	26.3	1,904	1,950
Global Material Leader Fund No. 1	Associates	Korea	December 31, 2024	39.9	39.9	1,938	1,947
NH-Deep Dive Smart Logistics Fund	Associates	Korea	December 31, 2024	37.6	37.6	1,887	1,926
ST-CENTUM Fund No. 2 (*2)	Associates	Korea	September 30, 2024	27.0	27.0	1,834	1,926
Hana Ventures New Technology Investment Association No. 5	Associates	Korea	December 31, 2024	33.8	33.8	1,901	1,925
NPX-Welcome Metaverse Contents Fund (*4)	Associates	Korea	December 31, 2024	50.0	50.0	1,869	1,917
S&S-Redwood India Agri-Tech Fund	Associates	Korea	December 31, 2024	36.0	36.0	1,874	1,910
MS-K&I Contents Fund 1 (*2)	Associates	Korea	November 30, 2024	27.0	27.0	1,785	1,820
2019 Capstone Venture Fund	Associates	Korea	December 31, 2024	27.8	27.8	1,647	1,818
Company KStartup Winwin Fund	Associates	Korea	December 31, 2024	23.8	23.8	1,768	1,730
Smilegate Kairos Sub 1 PEF	Associates	Korea	December 31, 2024	44.7	44.7	1,629	1,662
Artificial Photosynthesis Lab Co., Ltd.	Associates	Korea	December 31, 2024	36.2	36.2	1,352	1,595
AFWP-Bluewave New Tech Fund No. 1	Associates	Korea	December 31, 2024	27.0	27.0	1,442	1,476
BM Ventures Fund No. 1	Associates	Korea	December 31, 2024	23.1	23.1	1,404	1,417
Harvest Private Equity Fund Specializing in Start-Up and Venture Business I	Associates	Korea	December 31, 2024	27.3	27.3	903	1,402
MASHUP ANGELS VALUE UP FUND2	Associates	Korea	December 31, 2024	21.8	21.8	1,972	1,173
Hana Alternative Special Investment Private Trust No. 161	Associates	Korea	December 31, 2024	24.2	24.2	1,156	1,162
Cheonan JDC PFV No. 2 Co., Ltd. (*1), (*2)	Associates	Korea	June 30, 2024	19.2	19.2	1,150	1,149
UNION TCB FUND II	Associates	Korea	December 31, 2024	29.6	29.6	5,659	1,091
Eugene Asia Food Tech Fund-1	Associates	Korea	December 31, 2024	25.0	25.0	1,006	1,017
Daeyoung DUM PFV Co., Ltd. (*2)	Associates	Korea	November 30, 2024	20.0	20.0	957	1,012
UBI-HBIC New Technology Investment Partnership II	Associates	Korea	December 31, 2024	27.0	27.0	979	1,009
SJGP YG Fund No. 3	Associates	Korea	December 31, 2024	31.3	31.3	967	988
ACP Venture Blind Association No. 1	Associates	Korea	December 31, 2024	22.2	22.2	972	966
K&Fashion No. 1 Fund	Associates	Korea	December 31, 2024	24.9	24.9	947	970
JB EBEST Autonomous The Current Fund No.3 (*2)	Associates	Korea	September 30, 2024	22.8	22.8	950	966
STIC Healthcare I Private Equity Fund	Associates	Korea	December 31, 2024	23.8	23.8	936	958
K&Secondary No. 5 Fund	Associates	Korea	December 31, 2024	22.2	22.2	933	955
NPX-Welcome Metaverse Edu Tech Fund	Associates	Korea	December 31, 2024	42.6	42.6	931	955
MERITZ-HCLAMS Fund No. 1	Associates	Korea	December 31, 2024	22.1	22.1	939	954
UNIST-ATP Start-Up Fund No. 1	Associates	Korea	December 31, 2024	23.8	23.8	937	952
Cornerstone Mutual Growth M Fund	Associates	Korea	December 31, 2024	25.0	25.0	1,035	950
DGH New Technology Investment Association No.1	Associates	Korea	December 31, 2024	23.3	23.3	946	949
HCLAMS AIM Artificial Intelligence Fund No. 1	Associates	Korea	December 31, 2024	36.9	36.9	924	949

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				December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Hana Bio New Technology Fund No. 2	Associates	Korea	December 31, 2024	30.7	30.7	922	944
Hana Bio New Technology Fund No. 3	Associates	Korea	December 31, 2024	44.1	44.1	922	943
EBEST Htech Fund No. 1	Associates	Korea	December 31, 2024	36.6	36.6	918	919
MC Southeast Asia Fund No. 1	Associates	Korea	December 31, 2024	24.8	24.8	934	866
Hana Alternative Investment Blind General Private Real Estate Investment Trust No. 172	Associates	Korea	December 31, 2024	20.0	20.0	764	793
Hana-Zephyrus Front1 Start-Up Fund (*1)	Associates	Korea	December 31, 2024	10.0	10.0	688	571
CM International Financing Leases	Associates	China	December 31, 2024	25.0	25.0	–	540
Hana Capital-Capstone Venture Fund III (*4), (*5)	Associates	Korea	December 31, 2024	56.8	56.8	–	411
IMMGlobalRenewablesILPF (*6)	Associates	Hong Kong	–	–	29.4	–	335
Hana Qualified Investor Private Real Estate Investment Trust No. 41-2	Associates	Korea	December 31, 2024	35.9	35.9	23	315
Hana Ventures New Technology Investment Association No. 1 (*6)	Associates	Korea	–	–	9.1	–	290
Hana Smart Logistics New Technology Fund	Associates	Korea	December 31, 2024	22.8	22.8	256	258
H-HOP MCE Industries Fund No.1 (*2)	Associates	Korea	June 30, 2024	25.5	25.5	671	227
Hana Financial Twenty-Third Special Purpose Acquisition Company (*6)	Associates	Korea	–	–	0.2	–	20
Hana Financial Twenty-Sixth Special Purpose Acquisition Company (*1), (*2)	Associates	Korea	September 30, 2024	0.2	0.2	20	20
Hana Financial Twenty-Second Special Purpose Acquisition Company (*1), (*2), (*6)	Associates	Korea	–	–	0.2	–	19
Hana Financial Twenty-Seventh Special Purpose Acquisition Company (*1), (*2)	Associates	Korea	September 30, 2024	0.2	0.2	20	19
Hana Financial Twenty-First Special Purpose Acquisition Company (*1), (*2), (*6)	Associates	Korea	–	–	0.1	–	18
Hana Financial Twenty-Fifth Special Purpose Acquisition Company (*1), (*2)	Associates	Korea	September 30, 2024	0.0	0.0	10	10
Hana Must Seven Special Purpose Acquisition Company (*6)	Associates	Korea	–	–	0.1	–	7
Hana Financial Twenty-Fourth Special Purpose Acquisition Company (*6)	Associates	Korea	–	–	0.0	–	4
Hana Financial Thirtieth Special Purpose Acquisition Company (*1), (*2)	Associates	Korea	September 30, 2024	0.0	0.3	2	3
Hana Financial Twenty-Eighth Special Purpose Acquisition Company (*1), (*2)	Associates	Korea	September 30, 2024	0.0	0.0	2	2
Hana Financial Twenty-Ninth Special Purpose Acquisition Company (*1), (*2)	Associates	Korea	September 30, 2024	0.0	0.0	2	2
Hana Wonchang No. 1 Investment Partnership (Limited Partnership) (*1)	Associates	China	December 31, 2024	0.1	0.1	2	2
Shenzhen Hana Future Energy Investment Partnership (Limited Partnership) (*1)	Associates	China	December 31, 2024	0.0	0.0	2	2
Hana Financial Thirty-First Special Purpose Acquisition Company (*1), (*2)	Associates	Korea	September 30, 2024	0.0	0.2	2	1
Somesevit Co., Ltd. (*1), (*5)	Associates	Korea	December 31, 2024	1.9	1.9	–	–
MIDAN City Development Co., Ltd. (*1), (*2), (*5)	Associates	Korea	March 31, 2018	2.2	2.2	–	–
Sinsa Station Complex Development PFV Co., Ltd. (*1), (*5)	Associates	Korea	December 31, 2024	9.0	9.0	–	–
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	20.6	–	–
Gunsan BIO Energy Co., Ltd. (*6)	Associates	Korea	–	–	18.9	–	–

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				December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Synergy-Incus Venture Business Fund No. 1 (*2), (*5)	Associates	Korea	September 30, 2024	22.0	22.0	–	–
Dangsandong PFV Co., Ltd. (*1), (*5)	Associates	Korea	December 31, 2024	5.0	5.0	–	–
Daegu MBC Development PFV Co. Ltd. (*1), (*2), (*5)	Associates	Korea	June 30, 2024	15.1	15.1	–	–
Changjo Innovation CO., Ltd. (*1), (*2), (*5)	Associates	Korea	December 31, 2023	7.3	7.3	–	–
Dowon Asset Development Co., Ltd. (*1), (*2), (*5)	Associates	Korea	September 30, 2024	18.3	19.9	–	–
Forest of Suseong (*1), (*2), (*5)	Associates	Korea	December 31, 2023	10.0	10.0	–	–
People Korea Two (*1), (*2), (*5)	Associates	Korea	December 31, 2023	13.0	13.0	–	–
Ingok Rental Housing CO., Ltd. (*1), (*2), (*5)	Associates	Korea	September 30, 2024	19.9	19.9	–	–
Daeyoung Networks Co., Ltd. (*1), (*2), (*5)	Associates	Korea	December 31, 2023	19.8	19.8	–	–
Choice & Soyeon Construction Co., Ltd. (*2), (*5)	Associates	Korea	December 31, 2023	20.0	20.0	–	–
Hana Financial Thirty-Second Special Purpose Acquisition Company (*1), (*2)	Associates	Korea	September 30, 2024	0.0	–	2	–
Hana Financial Thirty-Third Special Purpose Acquisition Company (*1), (*2)	Associates	Korea	September 30, 2024	0.0	–	2	–
Samsung Innovative New Technology Fund No. 1	Associates	Korea	December 31, 2024	23.5	–	1,972	–
NCE Answer (*2)	Associates	Korea	September 30, 2024	20.0	–	661	–
Fount Finance (*2)	Associates	Korea	September 30, 2024	40.0	–	558	–
Withwin-ATP Innovation New Technology Fund No. 1	Associates	Korea	December 31, 2024	41.5	–	1,681	–
IMMGlobalHydrogenLPF (*2)	Associates	Hong Kong	September 30, 2024	27.7	–	2,576	–
Kiwoom-KNT Rising Star New Technology Fund	Associates	Korea	December 31, 2024	35.8	–	1,974	–
Bligo Korea	Associates	Korea	December 31, 2024	25.0	–	2,376	–
Hana Financial Thirty-Fourth Special Purpose Acquisition Company (*1), (*2)	Associates	Korea	September 30, 2024	1.9	–	13	–
Global Food Tech Fund	Associates	Korea	December 31, 2024	31.2	–	1,994	–
MW-JBM New Technology Investment Fund 3rd	Associates	Korea	December 31, 2024	40.7	–	1,981	–
NR Private Equity Fund 2nd	Associates	Korea	December 31, 2024	38.5	–	5,998	–
Color Art Co., Ltd. (*7)	Associates	Korea	December 31, 2023	20.9	–	287	–
Hana-KN Region Innovation Fund	Associates	Korea	December 31, 2024	29.5	–	1,295	–
Total						4,766,266	4,159,967

(*1) The Group can exercise significant influence through participation in the investee's board of directors or other decision-making bodies, and therefore, it is included as an associate 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 impact of any significant transactions or events occurring between the end of the reporting period of the associate and the investor was 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 Group disposes all or some of the shares in them or lose significant influence on them.

(*7) Upon the termination of the corporate rehabilitation process, the investment in affiliates was reclassified from FVOCI.

Balances of investment accounts became zero, so equity method was no longer applied. In this regard, unrecognized amount of changes in equity for the years ended December 31, 2024, and unrecognized accumulated amount of changes in equity as of December 31, 2023, are as follows:

(Korean won in millions)			
Classification	Ownership (%)	2024	2023
Somesevit Co., Ltd.	1.9	(62)	(1,610)
MIDAN City Development Co., Ltd.	2.2	–	(523)
Shinjin International Corporation	24.2	(50)	17
KG Fashion	20.6	(114)	(93)
Sinsa Station Complex Development PFV Co., Ltd.	9.0	(2,987)	–
Changjo Innovation CO., Ltd.	7.3	227	(4,271)
Forest of Suseong	10.0	(1,119)	(5,890)
People Korea Two	13.0	–	(6,752)
Ingok Rental Housing CO., Ltd.	19.9	387	(1,257)
Daegu MBC Development PFV Co. Ltd.	15.1	(5,024)	(15,963)
Daeyoung Networks Co., Ltd.	19.8	(2,288)	(2,022)
Dangsandong PFV Co., Ltd.	5.0	(1,155)	(911)
Choice & Soyeon Construction Co., Ltd.	20.0	(2,160)	(2,675)
Synergy-Incus Venture Business Fund No. 1	22.0	33	–
Dowon Asset Development Co., Ltd.	18.3	(7,928)	(9,629)
Hana Capital-Capstone Venture Fund III	56.8	193	–

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18–2 Condensed financial information of investments in associates and joint ventures

The financial information of investments in associates and joint ventures as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(Korean won in millions)							
Classification	Assets	Liabilities	Equity	Revenue	Net income (loss)	Other compre-hensive income (loss)	Comprehen-sive income (loss)
Bank for Investment and Development of Vietnam ("BIDV") (*1)	159,738,014	150,879,479	8,858,535	9,632,137	783,479	(16,096)	767,383
Bank of Jilin	150,066,938	139,821,115	10,245,823	5,732,925	255,353	83,206	338,559
Toss Bank Co., Ltd.	29,728,779	28,112,516	1,616,263	1,665,028	43,268	49,781	93,049
BIDV Securities Joint Stock Company	604,790	303,108	301,682	76,741	19,232	27,926	47,158
HORIZON PRIVATE EQUITY FUND	335,880	6,029	329,851	166,676	163,796	31,670	195,466
Beijing Langa Asset Management Co., Ltd.	522,327	16,926	505,401	33,983	10,169	18	10,187
KEB Hana-KVC Unicorn Fund of Funds	94,188	281	93,907	618	(2,776)	(752)	(3,528)
KDBI-HANA Business Reorganization Value-up Private Equity Fund	283,451	40,793	242,658	88	(290)	1,044	754
NE HK52 Ltd.	78,320	9,513	68,807	1	(1,341)	–	(1,341)
Hana Digital Transformation Fund	93,446	3,510	89,936	11,473	3,517	–	3,517
Hana-Capstone AI Platform Fund	68,447	412	68,035	131	(1,386)	–	(1,386)
Hana K-NewDeal Unicorn Fund	92,475	1,373	91,102	6,654	4,011	–	4,011
No.1 KEB-HANASTAY REITS Co., Ltd.	135,325	92,081	43,244	4,202	(2,726)	–	(2,726)
GMHB Co., Ltd.	113,424	47,322	66,102	6,883	(10,066)	–	(10,066)
Glenwood Credit Private Equity Fund II	148,970	508	148,462	10,374	9,632	–	9,632
KORAMCO THE ONE REIT	513,761	312,733	201,028	29,519	11,099	–	11,099
Hana Innovation Venture Scale-Up Fund	64,612	6,821	57,791	1,966	(4,829)	–	(4,829)
PT. SINARIMAS HANA FINANCE	141,380	115,912	25,468	16,442	(6,076)	–	(6,076)
Hana Unlact Digital Innovation Fund	48,850	199	48,651	3,537	146	–	146
Hana X Bio New Technology Fund	76,000	–	76,000	405	(1,314)	–	(1,314)
Hana Power Infra 1st Private Equity Fund	198	–	198	313,515	311,759	–	311,759
Hana-Magna Growth Booster Fund	37,639	227	37,412	727	(395)	(1,166)	(1,561)
VL Taube Private Equity Fund	158,605	11	158,594	82,939	81,740	–	81,740
Cheongna Medipolis PFV Co., Ltd.	171,862	4,088	167,774	–	(3,977)	–	(3,977)
New Deal Extension New Technology Fund No. 1	26,992	–	26,992	11	(1,202)	–	(1,202)
Gyeonggi Hana Turn around Fund No. 2	39,720	187	39,533	7,108	2,516	–	2,516
Hana Ever Best Corporation Financial Stability Private Investment Co., Ltd.	83,347	240	83,107	1,136	(6,460)	(375)	(6,835)
Infinity ESG Private Equity Fund No. 2	47,992	510	47,482	1	(1,067)	–	(1,067)
YH Leisure Development Co., Ltd.	202,951	99,216	103,735	17,107	3,238	–	3,238
Mirae Credit Information Services Corp.	59,999	19,889	40,110	85,134	1,047	–	1,047
The Hahn Green Energy Fund	41,239	222	41,017	3,765	2,891	–	2,891

Classification	Assets	Liabilities	Equity	Revenue	Net income (loss)	Other compre-hensive income (loss)	Comprehen-sive income (loss)
All Together Korea Fund 5	10,849	1	10,848	306	300	–	300
Smart Hana-R& Green New Deal No. 1 Fund	20,529	171	20,358	68	(989)	–	(989)
Genesis Environment Energy No. 3 Private Equity Fund	473	2	471	39,597	32,291	–	32,291

(* 1) Financial information of BIDV is reflecting the purchase price allocation ("PPA") valuation and generally accepted accounting principle ("GAAP") adjustments.

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(December 31, 2023)

(Korean won in millions)							
Classification	Assets	Liabilities	Equity	Revenue	Net income (loss)	Other comprehensive income (loss)	Comprehensive income (loss)
Bank for Investment and Development of Vietnam ("BIDV") (*1)	123,349,695	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-KMC Unicorn 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 HK 52 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	147,384	455	146,929	10,374	9,611	–	9,611
GMHB Co., Ltd.	132,314	56,145	76,169	1,250	4,352	–	4,352
Hana K-NewDeal Unicorn Fund	58,609	481	58,128	1,792	(157)	–	(157)
KORAMCO THE ONE REIT	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	296,580	621	295,959	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 Stability Private Investment Co., Ltd.	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.

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, 2024 and 2023, are as follows:

(2024)

(Korean won in millions)											
Classification	Owner-ship (%)	Initial book value	Purchase	Replace-ment	Dividend	Book value before valuation	Valuation of equity method		Disposal	Impairment loss	Book value
							Gain or loss	Changes in equity			
Bank for Investment and Development of Vietnam ("BIDV")	15.0	1,748,883	—	—	—	1,748,883	117,522	155,719	—	—	2,022,124
Bank of Jilin	9.9	896,961	—	—	(10,618)	886,343	29,812	105,933	—	—	1,022,088
Toss Bank Co., Ltd.	9.5	157,309	—	—	—	157,309	4,091	5,873	—	—	167,273
BIDV Securities Joint Stock Company	35.0	110,247	—	—	—	110,247	6,733	9,732	—	—	126,712
HORIZON PRIVATE EQUITY FUND	80.2	107,661	—	—	—	107,661	131,312	26,107	—	—	265,080
Beijing Langa Asset Management Co., Ltd.	21.9	99,529	—	—	(2,069)	97,460	2,039	10,974	—	—	110,473
KEB Hana-KMC Unicorn Fund of Funds	90.9	94,542	—	—	—	94,542	(2,488)	(684)	(6,000)	—	85,370
KDBI-HANA Business Reorganization Value-up Private Equity Fund	40.0	61,482	35,280	—	—	96,762	(117)	418	—	—	97,063
NE HK 52 Ltd.	71.6	58,291	—	—	—	58,291	6,123	6,827	—	—	71,241
Hana Digital Transformation Fund	57.9	50,768	—	—	—	50,768	2,034	—	(774)	—	52,028
Hana-Capstone AI Platform Fund	60.9	49,223	—	—	—	49,223	(2,734)	—	(5,055)	—	41,434
Hana K-NewDeal Unicorn Fund	60.8	35,313	21,870	—	—	57,183	2,436	—	(4,275)	—	55,344
No.1 KEBHANASTAY REITS Co., Ltd.	19.9	35,212	—	—	—	35,212	(525)	—	—	—	34,687
GMHB Co., Ltd.	19.9	35,037	—	—	—	35,037	(4,630)	—	—	—	30,407
Glenwood Credit Private Equity Fund II	22.8	33,464	—	—	(1,851)	31,613	2,200	—	—	—	33,813
KORAMCO THE ONE REIT	9.9	27,499	—	—	(1,386)	26,113	1,099	—	—	—	27,212
Hana Innovation Venture Scale-Up Fund	46.2	25,902	3,000	—	—	28,902	(2,229)	—	—	—	26,673
PT. SINARMAS HANA FINANCE	85.0	25,210	—	—	—	25,210	(5,284)	1,729	—	—	21,655
Hana Untact Digital Innovation Fund	57.4	24,745	3,100	—	—	27,845	84	—	—	—	27,929
Hana X Bio New Technology Fund	27.5	21,235	—	—	—	21,235	(361)	—	—	—	20,874
Hana Power Infra 1st Private Equity Fund	7.0	20,716	—	—	(28,727)	(8,011)	28,741	—	(20,716)	—	14
Hana-Magna Growth Booster Fund	50.0	19,487	—	—	—	19,487	(198)	(350)	—	—	18,939
VL Taube Private Equity Fund	24.9	19,142	—	—	—	19,142	20,358	—	—	—	39,500
Cheongna Medipolis PFV Co., Ltd.	11.1	19,139	—	—	—	19,139	(442)	(31)	—	—	18,666
New Deal Extension New Technology Fund No. 1	50.0	16,697	3,000	—	—	19,697	(601)	—	(5,600)	—	13,496
Gyeonggi Hana Turn around Fund No. 2	44.4	15,801	2,000	—	—	17,801	1,118	—	(1,349)	—	17,570
Hana Ever Best Corporation Financial Stability Private Investment Co., Ltd.	20.1	15,247	2,811	—	—	18,058	(1,297)	(75)	—	—	16,686
Infinity ESG Private Equity Fund No. 2	32.8	14,135	1,800	—	—	15,935	(351)	—	(10)	—	15,574
YH Leisure Development Co., Ltd.	12.8	12,884	—	—	—	12,884	415	—	—	—	13,299

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Classification	Owner -ship (%)	Initial book value	Purchase	Replace -ment	Dividend	Book value before valuation	Valuation of equity method		Disposal	Impairment loss	Book value
							Gain or loss	Changes in equity			
Mirae Credit Information Services Corp.	31.0	12,650	-	-	(186)	12,464	(30)	-	-	-	12,434
The Hahn Green Energy Fund	30.2	12,528	-	-	(1,001)	11,527	874	-	-	-	12,401
All Together Korea Fund 5	100.0	10,541	315	-	(315)	10,541	306	-	-	-	10,847
Smart Hana-H& Green New Deal No. 1 Fund	48.9	10,431	-	-	-	10,431	(483)	-	-	-	9,948
Curious Solution Financial Stability Private Investment Joint Company	-	10,126	-	-	(6,634)	3,492	-	-	(3,492)	-	-
Genesis Environment Energy/ No. 3 Private Equity Fund	54.7	10,102	-	-	(16,716)	(6,614)	17,671	200	(10,999)	-	258
Others		241,828	69,601	(9,826)	(13,726)	287,877	676	1,657	(60,894)	(2,162)	227,154
Total		4,159,967	142,777	(9,826)	(83,229)	4,209,689	353,874	324,029	(119,164)	(2,162)	4,766,266

(2023)

(Korean won in millions)												
Classification	Owner -ship (%)	Initial book value	Business combi -nation	Purchase	Replace -ment	Dividend	Book value before valuation	Valuation of equity method		Disposal	Impair -ment 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-KMC 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 HK52 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
GIMB 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 Untact 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
KOBC-Harvest Fund No. 1	-	25,112	-	-	(15,400)	-	9,712	-	-	(9,712)	-	-

Classification	Owner -ship (%)	Initial book value	Business combi -nation	Purchase	Replace -ment	Dividend	Book value before valuation	Valuation of equity method		Disposal	Impair -ment loss	Book value
								Gain or loss	Changes in equity			
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
KIAMOO Daegu Complex Development Fund	95.0	19,091	-	-	-	-	19,091	(9,642)	-	-	-	9,449
Gyeonggi Hana Turn around Fund No. 2	44.4	16,399	-	-	-	-	16,399	(598)	-	-	-	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-H& 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	297	-	-	-	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

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18–4 Details of net assets of related companies as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(Korean won in millions)					
Classification	Net assets	Ownership (%)	Interest in net assets	Goodwill and others	Book value
Bank for Investment and Development of Vietnam ("BIDV")	8,858,535	15.0	1,328,780	693,344	2,022,124
Bank of Jilin	10,245,823	9.9	1,017,410	4,678	1,022,088
Toss Bank Co., Ltd.	1,616,263	9.5	153,383	13,890	167,273
BIDV Securities Joint Stock Company	301,682	35.0	105,610	21,102	126,712
HORIZON PRIVATE EQUITY FUND	329,851	80.2	264,435	645	265,080
Beijing Langa Asset Management Co., Ltd.	505,401	21.9	110,835	(362)	110,473
KEB Hana-KMC Unicorn Fund of Funds	93,907	90.9	85,371	(1)	85,370
KDBI-HANA Business Reorganization Value-up Private Equity Fund	242,658	40.0	97,063	–	97,063
NE HK52 Ltd.	68,807	71.6	49,259	21,982	71,241
Hana Digital Transformation Fund	89,936	57.9	52,028	–	52,028
Hana-Capstone AI Platform Fund	68,035	60.9	41,434	–	41,434
Hana K-NewDeal Unicorn Fund	91,102	60.8	55,344	–	55,344
No.1 KEBHANASTAY REITS Co., Ltd.	43,244	19.9	8,584	26,103	34,687
GMIHB Co., Ltd.	66,102	19.9	13,154	17,253	30,407
Glenwood Credit Private Equity Fund II	148,462	22.8	33,813	–	33,813
KORAMCO THE ONE REIT	201,028	9.9	19,904	7,308	27,212
Hana Innovation Venture Scale-Up Fund	57,791	46.2	26,673	–	26,673
PT. SINARMAS HANA FINANCE	25,468	85.0	21,649	6	21,655
Hana Untact Digital Innovation Fund	48,651	57.4	27,929	–	27,929
Hana X Bio New Technology Fund	76,000	27.5	20,874	–	20,874
Hana Power Infra 1st Private Equity Fund	198	7.0	14	–	14
Hana-Magna Growth Booster Fund	37,412	50.0	18,706	233	18,939
VL Taube Private Equity Fund	158,594	24.9	39,490	10	39,500
Cheongna Medipolis PFV Co., Ltd.	167,774	11.1	18,640	26	18,666
New Deal Extension New Technology Fund No. 1	26,992	50.0	13,496	–	13,496
Gyeonggi Hana Turn around Fund No. 2	39,533	44.4	17,570	–	17,570
Hana Ever Best Corporation Financial Stability Private Investment Co., Ltd.	83,107	20.1	16,686	–	16,686
Infinity ESG Private Equity Fund No. 2	47,482	32.8	15,574	–	15,574

Classification	Net assets	Ownership (%)	Interest in net assets	Goodwill and others	Book value
YH Leisure Development Co., Ltd.	103,735	12.8	13,299	–	13,299
Mirae Credit Information Services Corp.	40,110	31.0	12,434	–	12,434
The Hahm Green Energy Fund	41,017	30.2	12,401	–	12,401
All Together Korea Fund 5	10,848	100.0	10,848	(1)	10,847
Smart Hana-K& Green New Deal No. 1 Fund	20,358	48.9	9,948	–	9,948
Genesis Environment Energy No. 3 Private Equity Fund	471	54.7	258	–	258
Others	–	–	–	–	227,154
Total					4,766,266

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(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
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 HK 52 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
GIM-IB 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
KORAMOO 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
KIAMOO 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

18–5 Details of marketable investment shares in related companies as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(Korean won in million, price per share in won)		
Classification	Market price	Price per share
BIDV	2,241,660	2,167
KORAMOO THE ONE REIT	16,880	4,220
Hana Financial Twenty-fifth Special Purpose Acquisition Company	10	10,370
Hana Financial Twenty-sixth Special Purpose Acquisition Company	21	2,050
Hana Financial Twenty-seventh Special Purpose Acquisition Company	21	2,055
Hana Financial Twenty-eighth Special Purpose Acquisition Company	2	1,997
Hana Financial Twenty-ninth Special Purpose Acquisition Company	2	2,070
Hana Financial Thirtieth Special Purpose Acquisition Company	2	1,949
BIDV Securities Joint Stock Company	218,974	2,804
Hana Financial Thirty-Fourth Special Purpose Acquisition Company	20	2,000

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	(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

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, 2024 are not exist:

On the other hand, consolidated companies are excluded from related corporate investment stocks if their significant influence on related activities is limited even if they hold a 20% or more stake as of the end of the current half under the trust contract.

19. Property and equipment:

19-1 Details of property and equipment as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(Korean won in millions)				
Classification	Acquisition cost	Accumulated depreciation	Accumulated impairment loss	Book value
Property and equipment				
Land	951,950	–	(3,786)	948,164
Buildings	1,216,994	(358,812)	(8,498)	849,684
Leasehold improvements	450,531	(359,017)	–	91,514
Vehicles, furniture and fixtures	1,442,566	(1,138,381)	–	304,185
Construction in progress	208,236	–	–	208,236
Operating lease assets	5,745,743	(1,331,186)	–	4,414,557
Subtotal	10,016,020	(3,187,396)	(12,284)	6,816,340
Right-of-use assets				
Real estate for business	1,443,990	(794,870)	–	649,120
Vehicles	39,843	(19,665)	–	20,178
Others	3,518	(1,847)	–	1,671
Subtotal	1,487,351	(816,382)	–	670,969
Total	11,503,371	(4,003,778)	(12,284)	7,487,309

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(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	(336,234)	–	79,865
Vehicles, furniture and fixtures	1,311,889	(1,017,574)	–	294,315
Construction in progress	96,152	–	–	96,152
Operating lease assets	4,444,390	(825,583)	–	3,618,807
Subtotal	8,540,910	(2,501,545)	(12,284)	6,027,081
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	(1,483)	–	2,377
Subtotal	1,337,164	(858,603)	–	478,561
Total	9,878,074	(3,360,148)	(12,284)	6,505,642

19–2 Changes in property and equipment for the years ended December 31, 2024 and 2023, are as follows:

(2024)

(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	1,049,818	–	2,516	(3,206)	–	–	(101,045)	81	948,164
Buildings	888,124	–	48,122	(107)	(40,061)	–	(46,964)	570	849,684
Leasehold improvements	79,865	–	46,065	(1,005)	(33,561)	–	1,017	(867)	91,514
Vehicles, furniture and fixtures	294,315	–	147,689	(892)	(142,846)	(11)	1,633	4,297	304,185
Construction in progress	96,152	–	131,995	–	–	–	(17,773)	(2,138)	208,236
Operating lease assets	3,618,807	–	1,651,391	(196,403)	(715,202)	–	–	55,964	4,414,557
Subtotal	6,027,081	–	2,027,778	(201,613)	(931,670)	(11)	(163,132)	57,907	6,816,340
Right-of-use assets									
Real estate for business	455,211	–	444,878	(21,452)	(234,780)	–	–	5,263	649,120
Vehicles	20,973	–	10,687	(1,557)	(10,467)	–	41	501	20,178
Others	2,377	–	20	–	(810)	–	(41)	125	1,671
Subtotal	478,561	–	455,585	(23,009)	(246,057)	–	–	5,889	670,969
Total	6,505,642	–	2,483,363	(224,622)	(1,177,727)	(11)	(163,132)	63,796	7,487,309

(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
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	916	294,315
Construction in progress	54,629	5	55,354	–	–	–	(9,747)	(4,089)	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)	12,028	6,027,081
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)	11,960	6,505,642

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20. Investment properties:

20-1 Details of investment properties as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(Korean won in millions)				
Classification	Acquisition cost	Accumulated depreciation	Accumulated impairment loss	Book value
Land	529,692	–	(3,568)	526,124
Buildings	1,017,168	(169,060)	(1,466)	846,642
Total	1,546,860	(169,060)	(5,034)	1,372,766

(December 31, 2023)

(Korean won in millions)				
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

20-2 Changes in investment properties for the years ended December 31, 2024 and 2023, are as follows:

(2024)

(Korean won in millions)							
Classification	January 1	Acquisition	Disposal	Depreciation	Transfer in (out)	Others	December 31
Land	555,091	5,784	(145,023)	–	103,229	7,043	526,124
Buildings	766,488	55,186	(36,867)	(33,526)	50,345	45,016	846,642
Total	1,321,579	60,970	(181,890)	(33,526)	153,574	52,059	1,372,766

(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

20-3 Rental income and operating expenses arising from the Group's investment properties for the years ended December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	2024	2023
Rental income	48,592	44,427
Operating expenses	12,575	14,252

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20–4 Details and fair value, valuation method and input variables of investment properties for the years ended December 31, 2024 and 2023, are as follows:

(December 31, 2024)

		(Korean won in millions)	
Classification	Fair value(*)	Valuation method	Input variables
Land and buildings	2,221,717	Officially appraised land price and estimated value by cost method	Officially appraised land price and procurement cost

(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 procurement 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, 2024 and 2023, are as follows:

(December 31, 2024)

		(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	548,604	3,308	551,912	50,485	602,397
After 1 year, but no later than 2 years	346,910	7,708	354,618	26,501	381,119
After 2 years, but no later than 3 years	116,413	1,766	118,179	13,713	131,892
After 3 years, but no later than 5 years	159,007	12,640	171,647	12,201	183,848
After 5 years	4,047	–	4,047	93	4,140
Total	1,174,981	25,422	1,200,403	102,993	1,303,396

(*) Interest income on finance lease receivables recognized for the year ended December 31, 2024 is ₩66,712 million.

(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.

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21-2 Details of operating lease assets for each type of underlying asset as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(Korean won in millions)					
Classification	Real estate for business	Vehicles	Equipment	Other assets	Total
Operating lease assets(*)	-	5,745,743	-	-	5,745,743
Accumulated depreciation	-	(1,331,186)	-	-	(1,331,186)
Accumulated impairment loss	-	-	-	-	-
Total	-	4,414,557	-	-	4,414,557

(*) The operating lease asset includes the direct cost of commencing the lease of ₩356,147 million.

(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.

21-3 Details of operating lease assets by type of underlying asset classified by industry based on acquisition costs as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(Korean won in millions)					
Classification	Real estate for business	Vehicles	Equipment	Other assets	Total
Manufacturing	-	838,659	-	-	838,659
Wholesale and retail , lodging	-	833,097	-	-	833,097
Logistics, storage	-	101,490	-	-	101,490
Private service	-	31,166	-	-	31,166
Others	-	3,941,331	-	-	3,941,331
Total	-	5,745,743	-	-	5,745,743

(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

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21-4 Details of changes in operating lease assets by type of underlying asset for the year ended December 31, 2024 and 2023, are as follows:

(2024)

(Korean won in millions)						
Classification	Beginning	Acquisition	Disposal	Depreciation	Others	Ending
Real estate for business	-	-	-	-	-	-
Vehicles	3,618,807	1,651,391	(196,403)	(715,202)	55,964	4,414,557
Equipment	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total	3,618,807	1,651,391	(196,403)	(715,202)	55,964	4,414,557

(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

21-5 The annual lease collection plan for operating lease contracts executed as of Decmeber 31, 2024 and 2023, is as follows:

(December 31, 2024)

(Korean won in millions)					
Description	Real estate for business	Vehicles	Equipment	Other Assets	Total
Within 1 year	-	923,659	-	-	923,659
After 1 year, but no later than 2 years	-	793,998	-	-	793,998
After 2 years, but no later than 3 years	-	565,695	-	-	565,695
After 3 years, but no later than 5 years	-	392,268	-	-	392,268
After 5 years	-	102	-	-	102
Total	-	2,675,722	-	-	2,675,722

(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	-	2,398,965	-	-	2,398,965

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22. Intangible assets:

22-1 Details of intangible assets as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(Korean won in millions)				
Classification	Acquisition cost	Accumulated amortization	Accumulated impairment loss	Book value
Goodwill	183,702	–	(49,785)	133,917
Industrial property	59,909	(59,346)	–	563
Core deposits	993,326	(989,041)	(3,116)	1,169
Software and system development	2,655,972	(1,945,952)	(4,736)	705,284
Membership	58,575	(131)	(6,440)	52,004
Others	764,404	(611,184)	–	153,220
Total	4,715,888	(3,605,654)	(64,077)	1,046,157

(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

22-2 Details of goodwill as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(Korean won in millions)			
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)	85,204	(31,063)	54,141
KEB Hana Bank (*4)	892	–	892
Total	183,702	(49,785)	133,917

- (*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.

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(December 31, 2023)

	(Korean won in millions)		
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.

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, 2024 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)	335,190	20,189	138,978	845,560	356,814
Carrying amount of net assets	334,495	17,818	135,294	610,878	326,747
Value in use that exceeds carrying amount of net assets	695	2,371	3,684	234,682	30,067
Discount rate (%)	9.69	12.49	9.56	11.41	11.41
Permanent growth rate (%)	–	–	–	0.50	0.50

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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, 2024 and 2023, are as follows:

(2024)

(Korean won in millions)									
Classification	January 1	Increase due to business combination	Acquisition	Disposal	Amortization	Impairment loss	Reclassification	Others (+)	December 31
Goodwill	137,008	–	–	–	–	–	–	(3,091)	133,917
Industrial property	677	–	111	–	(243)	–	–	18	563
Core deposits	1,727	–	–	–	(404)	–	–	(154)	1,169
Software and system development	575,671	–	319,212	(318)	(226,256)	(4,161)	39,106	2,030	705,284
Membership	50,537	–	1,735	(258)	(131)	(81)	–	202	52,004
Others	169,502	–	53,224	(6)	(42,333)	–	(29,548)	2,381	153,220
Total	935,122	–	374,282	(582)	(269,367)	(4,242)	9,558	1,386	1,046,157

(*) Includes the effect of exchange rate differences.

(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.

23. Non-current assets held for sale:

Details of non-current assets held for sale as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	December 31, 2024	December 31, 2023
Property and equipment	53,008	63,717
Accumulated impairment loss	(9,332)	(6,074)
Total	43,676	57,643

As of December 31, 2024, non-current assets held for sale consist of 129 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, 2024.

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24. Other assets:

24-1 Other assets as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	December 31, 2024	December 31, 2023
Guarantee deposits	693,571	726,221
Accounts receivable	14,150,723	13,765,040
Accrued income	2,316,629	2,433,942
Prepaid expenses	356,613	349,058
Advance payments	192,087	271,147
Domestic exchange unsettlement debts	3,036,729	4,228,581
Merchant banking account assets	4,233,336	4,637,824
Others	1,221,074	798,326
Allowance for possible losses	(182,044)	(100,901)
Total	26,018,718	27,109,238

24-2 Details of merchant banking account assets as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)			
Classification		December 31, 2024	December 31, 2023
On-balance-sheet items:			
Financial assets measured at FVTPL-Loans		3,436,775	199,767
Financial assets measured at FVTPL-Debt securities		-	3,440,806
Cash management account ("CMA") asset	Financial assets measured at FVTPL-Debt securities	796,561	997,251
Total		4,233,336	4,637,824
Off-balance-sheet items:			
Commitment		660,000	770,000

24-3 Changes in the allowance for possible losses for the years ended December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	2024	2023
Beginning balance	100,901	42,155
Write-offs	(3,279)	(11,179)
Debt-for-equity swap/dispose NPLs	(354)	(624)
Provision for allowance for possible losses	88,836	71,588
Interest income from impaired assets	(12)	(1)
Others	(4,048)	(1,038)
Ending balance	182,044	100,901

24-4 Changes in greenhouse gas emissions rights held to obtain short-term profit for the years ended December 31, 2024 and 2023, are as follows:

(2024)

(ton (tCO2-eq), Korean won in millions)		
Classification	Emissions rights (tCO2-eq)	Book value
Beginning balance	108,346	978
Purchase (disposal)	190,574	1,719
Valuation	-	(98)
Ending balance	298,920	2,599

(2023)

(ton (tCO2-eq), Korean won in millions)		
Classification	Emissions rights (tCO2-eq)	Book value
Beginning balance	837,233	13,396
Purchase (disposal)	(728,887)	(12,507)
Valuation	-	89
Ending balance	108,346	978

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25. Financial liabilities measured at FVTPL:

Financial liabilities measured at FVTPL as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	December 31, 2024	December 31, 2023
Derivative liabilities held for trading (*)	18,428,987	8,622,008
Securities sold	2,241,216	1,391,476
Total	20,670,203	10,013,484

(*) 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, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	December 31, 2024	December 31, 2023
Debenture	50,620	61,379
Derivative-linked securities sold	12,623,627	10,742,720
Deposits	321,777	173,339
Borrowings	920,824	508,077
Deferred Day 1 profit or loss	60,715	100,203
Total	13,977,563	11,585,718

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, in order to eliminate or significantly reduce any inconsistency in recognition or measurement.

26-2 The difference between the book value and the maturity repayment amount as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	December 31, 2024	December 31, 2023
Book value	13,977,563	11,585,718
Maturity repayment amount	14,428,031	12,433,526
Difference	(450,468)	(847,808)

26-3 Credit risk for the financial liabilities designated as measured at FVTPL as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	December 31, 2024	December 31, 2023
Cumulative Change in Fair Value at the beginning of the period	(63,128)	(55,561)
Change in Credit Risk Recognized in Other Comprehensive Income	1,808	(10,281)
Income Tax Effect	(477)	2,714
Cumulative Change in Fair Value at the end of the period	(61,797)	(63,128)

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27. Deposits due to customers:

27-1 Details of deposits due to customers as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	December 31, 2024	December 31, 2023
Demand deposits:		
Demand deposits in Korean currency	19,006,141	18,342,750
Demand deposits in foreign currencies	32,775,637	31,723,017
Subtotal	51,781,778	50,065,767
Time and saving deposits:		
Time and saving deposits in Korean currency	289,969,368	278,948,060
Time and saving deposits in foreign currencies	28,536,462	23,320,095
Subtotal	318,505,830	302,268,155
CDs	19,921,127	19,532,318
Total	390,208,735	371,866,240

27-2 Allocations of deposits by customer as of December 31, 2024 and 2023 are listed as follows:

(Korean won in millions)		
Classification	December 31, 2024	December 31, 2023
Individuals	133,457,422	125,608,565
Corporations	126,711,158	121,276,779
Other banks	23,941,902	23,728,639
Public institutions	20,745,641	21,830,459
Other financial institutions	51,612,126	46,854,191
Government	6,848,106	7,716,565
Non-profit corporations	18,534,021	16,113,120
Foreign corporations	2,009,577	2,525,618
Others	6,348,782	6,212,304
Total	390,208,735	371,866,240

28. Borrowings:

Borrowings as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)				
Type	Lender	Interest rate (%)	December 31, 2024	December 31, 2023
Borrowings in Korean currency:				
BOK borrowings	BOK	1.5-2.0	4,001,857	3,420,958
Government borrowings	Korea Development Bank , etc.	0.5-5.2	2,350,422	2,155,315
Other borrowings	Korean Energy Management Corporation , etc.	0.0-8.0	11,732,268	13,326,051
Subtotal			18,084,547	18,902,324
Borrowings in foreign currencies:				
Bank overdrafts	Foreign bank, etc.	0.0-9.5	524,253	268,487
Other borrowings	WellsFargo, HSBC, etc.	0.0-12.5	10,318,264	9,675,573
Subtotal			10,842,517	9,944,060
Call money:				
Call money in Korean currency	Hyundai Asset Management, etc.	3.4-3.4	480,000	600,000
Call money in foreign currencies	KB Bank, etc.	0.5-6.2	1,292,470	934,111
Subtotal			1,772,470	1,534,111
Bonds sold under repurchase agreements:				
Bonds sold under repurchase agreements in Korean currency	General customers, etc.	0.0-6.5	11,424,707	9,882,100
Bonds sold under repurchase agreements in foreign currencies	Citi, JP Morgan chase Bank, etc.	4.8-5.7	4,001,267	3,307,454
Subtotal			15,425,974	13,189,554
Other borrowings:				
Bills sold	General customers, etc.	0.0-3.4	22,725	27,410
Deferred borrowing costs			(5,079)	(7,110)
Total			46,143,154	43,590,349

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29. Debentures:

Debentures as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)				
Type of debentures	Lender	Interest rate (%)	December 31, 2024	December 31, 2023
Debentures in Korean currency:				
Debentures	Financial institutions, etc.	1.4~7.4	52,695,622	46,919,831
Subordinated bonds	Financial institutions, etc.	2.1~6.2	4,721,124	4,471,124
Net gain on fair value hedges (current period)			(4,811)	7,188
Net gain on fair value hedges (prior periods)			(29,550)	(36,738)
Present value discount			(29,638)	(41,279)
Subtotal			57,352,747	51,320,126
Debentures in Foreign currencies:				
Debentures	Financial institutions, etc.	0~6.1	7,681,170	6,821,508
Subordinated bonds	Financial institutions, etc.	—	—	773,640
Net gain on fair value hedges (current period)			38,405	74,161
Net loss on fair value hedges (prior periods)			(176,067)	(271,130)
Present value discount			(16,644)	(15,976)
Subtotal			7,526,864	7,382,203
Total			64,879,611	58,702,329

30. Insurance contract liabilities:

30-1 Details of insurance contract assets and insurance contract liabilities as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(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	—	—	—	—	—	25,663	—	—	25,663	25,663
Insurance contract liabilities	631,373	815,286	1,981,795	1,202,260	4,630,714	655,357	51,910	213,402	920,669	5,551,383
Net insurance contract liabilities	631,373	815,286	1,981,795	1,202,260	4,630,714	629,694	51,910	213,402	895,006	5,525,720
Reinsurance contract assets	31	4,945	—	—	4,976	1,143	32,521	1,084	34,748	39,724
Reinsurance contract liabilities	—	7,645	—	—	7,645	56	2	—	58	7,703
Net reinsurance contract assets	31	(2,700)	—	—	(2,669)	1,087	32,519	1,084	34,690	32,021

(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
Net reinsurance contract assets	(86)	(2,388)	—	—	(2,474)	6,101	30,675	1,200	37,976	35,502

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30–2 Details of changes in the net carrying amounts of insurance contracts issued for the years ended December 31, 2024 and 2023, are as follows:

(2024)

(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	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 January 1, 2024	5,082,264	42,735	94,865	185,800	16,666	104,479	11,979	5,538,788
Insurance revenue	Insurance contracts applying the modified retrospective approach	(56,216)	–	–	–	–	–	–	(56,216)
	Insurance contracts applying the fair value approach	(36,808)	–	–	–	–	–	–	(36,808)
	Other insurance contracts	(193,499)	–	–	(332,758)	–	–	–	(526,257)
Insurance service expenses	Claims and other insurance service expenses incurred, excluding any investment components	–	(2,366)	198,159	–	–	343,814	34,325	573,932
	Amortization of insurance acquisition cash flows	60,674	–	–	35,393	–	–	–	96,067
	Changes in fulfillment cash flows related to liabilities for incurred claims	–	–	(25,781)	–	–	(26,513)	(38,025)	(90,319)
	Losses on onerous groups of contracts and reversals of such losses	–	34,082	–	–	(9,715)	–	–	24,367
Investment components excluded from insurance revenue and insurance service expenses		(1,243,045)	–	1,243,045	–	–	–	–	–
Cash flows	Premiums received for insurance contracts issued	1,263,238	–	–	306,001	–	–	–	1,569,239
	Insurance acquisition cash flows	(391,302)	–	–	(35,885)	–	–	–	(427,187)
	Incurred claims paid and other insurance service expenses paid, including investment components	–	–	(1,401,994)	–	–	(333,770)	–	(1,735,764)
Insurance finance income or expenses	Profit or loss	276,647	888	2,238	126	38	2,870	–	282,807
	Other comprehensive income	311,821	–	368	–	–	882	–	313,071
Ending balance	Assets	32,001	(1,577)	(4,761)	–	–	–	–	25,663
	Liabilities	5,105,775	73,762	106,139	158,677	6,999	91,762	8,279	5,551,383
	Net insurance contract assets (liabilities) as of December 31, 2024	5,073,774	75,339	110,900	158,677	6,999	91,762	8,279	5,525,720

(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	96,552	8,224	5,389,087
	Net insurance contract assets (liabilities) as of January 1, 2023	4,926,340	32,308	76,292	226,469	18,076	96,552	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
	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

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30–3 Details of changes in the net carrying amounts of reinsurance contracts held for the years ended December 31, 2024 and 2023, are as follows:

(2024)

(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	(2,979)	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 January 1, 2024	(16,193)	9,833	9,986	(452)	3,368	25,046	3,914	35,502
Reinsurance service expenses	Insurance contracts applying the modified retrospective approach	(1,645)	(2)	–	–	–	–	–	(1,647)
	Insurance contracts applying the fair value approach	(9,387)	(4)	–	–	–	–	–	(9,391)
	Other insurance contracts	(2,503)	(71)	–	(34,677)	–	3,103	–	(34,148)
Reinsurance revenue	Claims and other reinsurance service expenses incurred, excluding any investment components	–	(508)	14,214	–	–	20,786	2,893	37,385
	Changes in fulfillment cash flows related to assets for incurred claims	–	–	(3,585)	–	–	3,912	(4,639)	(4,312)
	Recognition and reversals of a loss-recovery component	76	4,082	–	–	(2,911)	–	–	1,247
Investment components excluded from reinsurance revenue and reinsurance service expenses		–	–	–	–	–	–	–	–
Cash flows	Premiums paid for reinsurance contracts held	15,079	–	–	37,620	–	–	–	52,699
	Incurred claims recovered under reinsurance contracts held, including investment components	(2,238)	–	(11,776)	–	–	(21,569)	–	(35,583)
	Other reinsurance income receipt	–	–	(2,346)	–	–	(3,509)	–	(5,855)
Reinsurance finance income or expenses	Profit or loss	1,616	(1,874)	104	49	34	510	–	439
	Other comprehensive income	(4,513)	–	73	–	–	125	–	(4,315)
Ending balance	Assets	(4,776)	5,825	5,070	2,542	491	28,404	2,168	39,724
	Liabilities	14,932	(5,631)	(1,600)	2	–	–	–	7,703
	Net reinsurance contract assets (liabilities) as of December 31, 2024	(19,708)	11,456	6,670	2,540	491	28,404	2,168	32,021

(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

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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, 2024 and 2023, are as follows:

(2024)

(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				Total
				Insurance contracts applying the modified retrospective approach	Insurance contracts applying the fair value approach	Other insurance contracts	Subtotal	
Beginning balance	Assets	30,924	(4,606)	(8,006)	(452)	(10,142)	(18,600)	7,718
	Liabilities	4,696,434	62,419	137,109	40,872	288,749	466,729	5,227,582
	Net insurance contract assets (liabilities) as of January 1, 2024	4,667,510	67,025	145,114	41,324	298,891	485,329	5,219,864
Changes that relate to future service	Estimates that adjust CSM	233,284	(4,555)	(3,138)	11,175	(236,766)	(228,729)	–
	Estimates that do not adjust CSM	21,613	(271)	–	–	–	–	21,342
	Effects of contracts initially recognized for the year	(438,672)	54,168	–	–	399,256	399,256	14,752
Changes that relate to current service	CSM recognized in profit or loss to reflect the transfer of services	–	–	(14,706)	(3,783)	(41,340)	(59,829)	(59,829)
	Change in the risk adjustment for non-financial risk that does not relate to future service or past service	–	(423)	–	–	–	–	(423)
	Experience adjustments	28,491	–	–	–	–	–	28,491
Changes that relate to past service	Changes in fulfillment cash flows relating to incurred claims	(23,649)	(2,439)	–	–	–	–	(26,088)
Cash flow	Premiums received for insurance contracts issued	1,263,238	–	–	–	–	–	1,263,238
	Insurance acquisition cash flows	(391,302)	–	–	–	–	–	(391,302)
	Incurred claims paid and other insurance service expenses paid, including investment components	(1,401,994)	–	–	–	–	–	(1,401,994)
Insurance finance income or expenses	Profit or loss	253,340	–	4,295	1,128	21,010	26,433	279,773
	Other comprehensive income	312,189	–	–	–	–	–	312,189
Ending balance	Assets	51,553	(6,466)	(9,013)	(487)	(9,924)	(19,424)	25,663
	Liabilities	4,575,601	107,039	122,552	49,357	431,127	603,036	5,285,676
	Net insurance contract assets (liabilities) as of December 31, 2024	4,524,048	113,505	131,565	49,844	441,051	622,460	5,260,013

(2023)

(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				Total
				Insurance contracts applying the modified retrospective approach	Insurance contracts applying the fair value approach	Other insurance contracts	Subtotal	
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
Changes that relate to future service	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
	Effects of contracts initially recognized for the year	(288,562)	27,933	–	–	271,546	271,546	10,917
Changes that relate to current service	CSM recognized in profit or loss to reflect the transfer of services	–	–	(14,662)	(9,756)	(19,242)	(43,660)	(43,660)
	Change in the risk adjustment for non-financial risk that does not relate to future service or past service	–	(1,585)	–	–	–	–	(1,585)
	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)
Cash flow	Premiums received for insurance contracts issued	1,065,351	–	–	–	–	–	1,065,351
	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	4,696,434	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	298,891	485,330	5,219,865

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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, 2024 and 2023, are as follows:

(2024)

(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	(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 January 1, 2024	(28,751)	7,556	2,295	10,898	11,628	24,821	3,626
Changes that relate to future service	Estimates that adjust CSM	(3,583)	(3,718)	(603)	5,688	2,217	7,302	1
	Estimates that do not adjust CSM	4,279	32	–	–	–	–	4,311
	Effects of contracts initially recognized for the year	(5,960)	45	–	–	5,684	5,684	(231)
Changes that relate to current service	CSM recognized in profit or loss to reflect the transfer of services	–	–	(1,351)	(921)	(2,451)	(4,723)	(4,723)
	Change in the risk adjustment for non-financial risk that does not relate to future service or past service	–	(260)	–	–	–	–	(260)
	Experience adjustments	5,154	–	–	–	–	–	5,154
Changes that relate to past service	Changes in fulfillment cash flows relating to incurred claims	(3,408)	(177)	–	–	–	–	(3,585)
Cash flow	Premiums paid for reinsurance contracts held	15,079	–	–	–	–	–	15,079
	Incurred claims recovered under reinsurance contracts held, including investment components	(14,014)	–	–	–	–	–	(14,014)
	Other reinsurance income receipt	(2,346)	–	–	–	–	–	(2,346)
Reinsurance finance income or expenses	Profit or loss	(1,201)	–	25	315	707	1,047	(154)
	Other comprehensive income	(4,440)	–	–	–	–	–	(4,440)
Ending balance	Assets	(21,081)	2,210	–	11,461	13,529	24,990	6,119
	Liabilities	18,110	(1,268)	(366)	(4,519)	(4,256)	(9,141)	7,701
	Net reinsurance contract assets (liabilities) as of December 31, 2024	(39,191)	3,478	366	15,980	17,785	34,131	(1,582)

(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	1,898	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
	Experience adjustments	3,784	–	–	–	–	–	3,784
Changes that relate to past service	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

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30–6 Details of the insurance service results for the years ended December 31, 2024 and 2023, are as follows:

(2024)

		(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	23,891	25,531	8,854	6,027	64,303	90,714	–	–	90,714	155,017
	Changes in risk adjustments	1,367	1,710	555	82	3,714	3,203	–	–	3,203	6,917
	Amount of CSM recognized in profit or loss	15,151	12,038	9,137	3,533	39,859	19,972	–	–	19,972	59,831
	Recovery of insurance acquisition cash flows	12,578	2,096	3,271	2,510	20,455	39,998	–	–	39,998	60,453
	Others	3,410	2,613	(133)	426	6,316	(2,011)	–	–	(2,011)	4,305
	Subtotal	56,397	43,988	21,684	12,578	134,647	151,876	–	–	151,876	286,523
	Insurance contracts accounted for using the premium allocation approach	(265)	–	–	–	(265)	–	59,571	260,305	319,876	319,611
Insurance revenue subtotal		56,132	43,988	21,684	12,578	134,382	151,876	59,571	260,305	471,752	606,134
Insurance contracts not accounted for using the premium allocation approach	Insurance claims and insurance service expenses	19,474	22,988	7,887	6,889	57,238	140,921	–	–	140,921	198,159
	Fluctuations in cash flows from occurred claims	144	44	93	362	643	(26,423)	–	–	(26,423)	(25,780)
	Losses on onerous contracts	9,001	4,704	4,953	10,994	29,652	4,430	–	–	4,430	34,082
	Amortization of insurance acquisition	12,578	2,096	3,271	2,510	20,455	40,218	–	–	40,218	60,673

Classification		Life insurance					Non-life insurance				Total
		Death	Health	Pension savings	Variable	Subtotal	Long term	General	Car	Subtotal	
	cash flows										
	Others	(632)	(928)	(424)	(382)	(2,366)	–	–	–	–	(2,366)
	Subtotal	40,565	28,904	15,780	20,373	105,622	159,146	–	–	159,146	264,768
Insurance contracts accounted for using the premium allocation approach		(25,209)	–	–	–	(25,209)	–	44,289	268,136	312,425	287,216
Insurance expenses subtotal		15,356	28,904	15,780	20,373	80,413	159,146	44,289	268,136	471,571	551,984
Reinsurance contracts not accounted for using the premium allocation approach	Accrued reinsurance claims	122	9,400	–	–	9,522	4,205	–	–	4,205	13,727
	Fluctuations in cash flows from occurred claims	–	(220)	–	–	(220)	(3,365)	–	–	(3,365)	(3,585)
	Others	23	4,314	–	–	4,337	(200)	–	–	(200)	4,137
	Subtotal	145	13,494	–	–	13,639	640	–	–	640	14,279
Reinsurance contracts accounted for using the premium allocation approach		–	–	–	–	–	–	18,521	1,520	20,041	20,041
Reinsurance revenue subtotal		145	13,494	–	–	13,639	640	18,521	1,520	20,681	34,320
Reinsurance contracts not accounted for using the premium allocation approach	Expected reinsurance claims	88	8,777	–	–	8,865	926	–	–	926	9,791
	Changes in risk adjustments	2	366	–	–	368	65	–	–	65	433
	Amount of CSM recognized in profit or loss	2	2,456	–	–	2,458	2,266	–	–	2,266	4,724
	Others	28	(821)	–	–	(793)	(543)	–	–	(543)	(1,336)
	Subtotal	120	10,778	–	–	10,898	2,714	–	–	2,714	13,612
Reinsurance contracts accounted for using the premium allocation approach		–	–	–	–	–	–	30,792	782	31,574	31,574
Reinsurance expenses subtotal		120	10,778	–	–	10,898	2,714	30,792	782	34,288	45,186
Net insurance gains and losses		40,801	17,800	5,904	(7,795)	56,710	(9,344)	3,011	(7,093)	(13,426)	43,284

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(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	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 cash flows	2,649	719	2,035	1,229	6,632	21,275	–	–	21,275	27,907
	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 expenses 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	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)

Classification		Life Insurance					Indemnity Insurance				Total
		Death	Health	Pension savings	Variable	Subtotal	Long term	General	Car	Subtotal	
approach	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 expenses 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

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30-7 As of December 31, 2024 and 2023, 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, 2024 and 2023, is as follows:

(December 31, 2024)

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	2,912,583	316,399	3,228,982	29,765
Estimate of present value of future cash outflows	(2,463,477)	(326,833)	(2,790,310)	(35,725)
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	(2,011,365)	(270,643)	(2,282,008)	(35,725)
Estimates of insurance acquisition cash flows	(452,112)	(56,190)	(508,302)	–
Risk adjustment for non-financial risk	(49,850)	(4,318)	(54,168)	45
CSM	(399,256)	–	(399,256)	5,684
Total	–	(14,752)	(14,752)	(231)

(December 31, 2023)

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
Total	–	(10,917)	(10,917)	1,505

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, 2024 and 2023, are as follows:

(December 31, 2024)

(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	12,857	36,861	43,137	36,586	31,594	28,133	103,142	330,150	622,460
Reinsurance contracts held	468	1,407	1,369	1,167	1,107	1,057	5,028	22,538	34,131

(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	235,807	485,330
Reinsurance contracts held	468	1,655	1,696	1,483	1,329	1,199	4,803	12,188	24,821

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30–9 The composition of the underlying items and their fair value of contracts with direct participation features as of December 31, 2024 and 2023, is as follows:

(December 31, 2024)

(Korean won in millions)	
Classification	Fair value
Listed stocks	119,017
Others	964,238
Total	1,083,255

(December 31, 2023)

(Korean won in millions)	
Classification	Fair value
Listed stocks	115,768
Others	1,057,733
Total	1,173,501

30–10 The effect of reclassification of the financial instruments due to new assessment for business model as of December 31, 2024 and 2023, is as follows:

(December 31, 2024)

(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	–	–

(December 31, 2023)

(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

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30–11 Details of the net other insurance contract financial income for the years ended December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	2024	2023
Net investment operating income		
Interest income	142,736	136,308
Other investment income	141,816	28,167
Gain (loss) on valuation of financial assets	(7,946)	139,968
Gain (loss) on disposal of financial assets	20,913	33,306
Investment income recognized in other comprehensive income (loss)	133,058	86,080
Subtotal (A)	430,577	423,829
Net insurance finance income		
Changes in the fair value of the underlying items of contracts with direct participation features	(147,554)	(174,134)
Amount recognized in profit or loss as a result of risk mitigation for contracts with direct participation features	–	–
Interest income (loss)	(167,862)	(159,220)
Foreign exchange effect	(2,466)	(285)
Other comprehensive income reclassified to profit or loss	–	–
The effect of changes in discount rate and financial assumption	(198,317)	(156,557)
Subtotal (B)	(516,199)	(490,196)
Net reinsurance finance income		
Interest income	304	152
Effect of changes in non-performance risk of reinsurers	7	173
Foreign exchange effect	128	(20)
The effect of changes in discount rate and financial assumption	(3,173)	(352)
Subtotal (C)	(2,734)	(47)
Total (D=A+B+C)	(88,356)	(66,414)
Finance income recognized in profit or loss (E)	15,152	7,610
Finance income recognized in other comprehensive income (loss) (F)	(103,508)	(74,024)
Total (G=D+E+F)	(88,356)	(66,414)

Classification	2024	2023
Net insurance finance income (loss)		
Insurance finance income recognized in profit or loss	(282,806)	(330,444)
Insurance finance income recognized in other comprehensive income (loss)	(233,393)	(159,752)
Total (H=B)	(516,199)	(490,196)
Net reinsurance finance income (loss)		
Reinsurance finance income recognized in profit or loss	439	305
Reinsurance finance income recognized in other comprehensive income (loss)	(3,173)	(352)
Total (I=C)	(2,734)	(47)

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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.

To mitigate the sharp fluctuation in the solvency ratio caused by the change in the solvency regulation implemented in 2023(from RBC to K-ICS), the financial authorities have allowed certain aspects of the K-ICS standard to be eased('transition measures') until a maximum of 2032. Hana Life Insurance has applied transition measures to certain optional items.

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 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).

30-12-2-1 Measurement of insurance risk

The insurance risk amount is measured using shock scenario methodology. The shock scenario method is a method of calculating the amount of change in net asset value and profit or loss when applying a scenario in which the basic assumptions (loss ratio, surrender ratio, expense ratio, etc.) used for market valuation of assets or liabilities change.

Classification	Assumption & Indicator		Reference	Rate		Note
				December 31, 2024	December 31, 2023	
Actuarial assumptions	Loss ratio assumption		experience statistics	39.0%~197.0%	4.0%~280.0%	Risk of Death, longevity, disability/disease
	Surrender ratio assumption		experience statistics	0.0%~43.9%	0.0%~44.0%	Risk of cancellation
	Operating expense ratio assumption	Acquisition cost	experience statistics	5~172,655(by number) 1.13~96.99(by amount)	0~441,374(by number) 0.42~750.71(by amount)	Risk of operating expense
		Maintenance expense	experience statistics	108~724,045(by number) 0.04~45.91(by amount)	212~1,534,678 (by number) 0.00~108.75(by amount)	
		Claim adjustment expense	experience statistics	1.47%~6.40%	1.48%~4.86%	
		Inflation	Target Inflation ratio(Bank of Korea)	2.00%	2.00%	
	Consumer behavior	Withdrawal	experience statistics	0.0%~1.02%	0.0%~0.9%	Consumer behavior, etc.
		Additions	experience statistics	0.0%~65.21%	0.0%~53.0%	
		Insurance policy loan	experience statistics	0.06%~4.43%	0.06%~4.49%	
		renewal	experience statistics	90.60%~99.80%	92.47%~99.80%	
Indicator of financial market	Interest rate	Published interest rate	Provided by FSS	(Stochastic) -1.66%~14.64% (Deterministic) 2.60%~3.94%	(Stochastic) -0.63%~12.96% (Deterministic) 3.86%~4.49%	Insurance contract cashflow in future linked with interest rate and discount rate
		Discount rate	Provided by FSS	(Stochastic) -4.79%~22.38% (Deterministic) 2.31%~4.55%	(Stochastic) -3.74%~18.91 (Deterministic) 3.75%~4.80%	
		Discount rate (foreign currency)	Provided by FSS	(Stochastic) -7.45%~60.22% (Deterministic) 3.8%~6.38%	(Stochastic) -7.33%~41.95% (Deterministic) 3.42%~6.33%	
	Stock price			317.82	357.99	Insurance contract cashflow in future linked with stock price
	Foreign exchange rate			1,470.0	1,289.4	Insurance contract cashflow in future linked with foreign exchange rate

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30-12-2-2 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.

30-12-2-3 Internal capital adequacy assessment and management procedures

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.

30-12-2-4 Exposure to insurance risk as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)				
Classification	December 31, 2024		December 31, 2023	
	Insurance contracts issued	Reinsurance contracts held	Insurance contracts issued	Reinsurance contracts held
Insurance contract liabilities				
Non-participating life insurance	630,979	–	396,342	–
Non-participating health insurance	815,286	–	632,167	–
Defined contribution pension insurance	293,061	–	288,521	–
Non-participating pension savings insurance	1,612,505	–	1,927,218	–
Non-participating pension savings insurance (foreign currency)	5,521	–	6,035	–
Asset-linked pension savings insurance	70,708	–	78,510	–
Variable lifetime insurance	4,433	–	4,293	–
Variable annuity savings insurance (general account)	289,087	–	331,445	–
Variable annuity savings insurance	900,321	–	947,997	–
Variable annuity savings insurance (foreign currency)	8,418	–	14,008	–
Group insurance	394	–	1,184	–
Sub Total	4,630,713	–	4,627,720	–
Reinsurance contract liabilities				
KoreanRe2	–	7,645	–	6,351
SCOR1	–	–	–	86
Sub total	–	7,645	–	6,437
Total	4,630,713	7,645	4,627,720	6,437

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30-12-2-5 Sensitivity of insurance risks

(2024)

(Korean won in millions)									
Insurance Risk		Base amount		Base amount after change		Profit and capital impact(before tax)			
		Fulfillment Cashflow	Insurance contract margin	Fulfillment Cashflow	Insurance contract margin	Profit and loss		Other Comprehensive Income	
Classification	Sensitivity					Before reflecting the reinsurance effect	After reflecting the reinsurance effect	Before reflecting the reinsurance effect	After reflecting the reinsurance effect
Mortality rate	increased by 3.27%	4,227,668	405,714	4,795	(4,203)	103	30	(689)	(622)
Disability and illness (fixed compensation)	increased by 3.40%			10,339	(9,524)	(971)	(619)	(246)	(196)
Surrender rate (increase)	increased by 9.16%			50,227	(53,893)	(3,812)	(3,680)	7,162	7,346
Surrender rate (decrease)	decreased by 9.16%			(55,865)	59,461	3,857	3,740	(7,137)	(7,336)
Expense	increased by 2.62%p			11,937	(9,882)	(1,650)	(1,382)	(673)	(673)
Expense (inflation)	0.26%p			7,301	(5,500)	(1,183)	(1,016)	(786)	(786)

(2023)

(Korean won in millions)									
Insurance Risk		Base amount		Base amount after change		Profit and capital impact(before tax)			
		Fulfillment Cashflow	Contractual service margin	Fulfillment Cashflow	Contractual service margin	Profit and loss		Other Comprehensive Income	
Classification	Sensitivity					Before reflecting the reinsurance effect	After reflecting the reinsurance effect	Before reflecting the reinsurance effect	After reflecting the reinsurance effect
Mortality rate	increased by 3.27%	4,344,876	285,318	625	228	(621)	(482)	(350)	(371)
Disability and illness (fixed compensation)	increased by 3.40%			7,069	(5,656)	(3,926)	(2,058)	1,049	645
Surrender rate (increase)	increased by 9.16%			24,254	(24,007)	(1,354)	(1,225)	1,061	978
Surrender rate (decrease)	decreased by 9.16%			(27,072)	26,986	1,071	1,002	(989)	(916)
Expense	increased by 2.62%p			8,319	(7,472)	(1,368)	(1,033)	186	186
Expense (inflation)	0.26%p			4,920	(4,648)	(726)	(537)	265	265

30-12-2-6 Sensitivity of market risks

(2024)

(Korean won in millions)							
Market Risk		Profit and loss			Other Comprehensive Income		
Classification	Sensitivity	Financial assets	Insurance contracts	Reinsurance contracts	Financial assets	Insurance contracts	Reinsurance contracts
Interest rate	increased by 100bp	(43,596)	7,914	(1,916)	(356,790)	442,465	6,240
	decreased by 100bp	43,596	(9,710)	2,272	356,790	(534,993)	(7,571)
Foreign exchange rate	increased by 100 won	342	(844)	–	8,436	(18)	–
	decreased by 100 won	(342)	844	–	(8,436)	18	–
Stock price index	increased by 10%	83,866	(83,356)	(65)	–	–	1
	decreased by 10%	(83,866)	83,292	68	–	–	(1)

(2023)

(Korean won in millions)							
Market Risk		Profit and loss			Other Comprehensive Income		
Classification	Sensitivity	Financial assets	Insurance contracts	Reinsurance contracts	Financial assets	Insurance contracts	Reinsurance contracts
Interest rate	increased by 100bp	(47,512)	418	30	(259,955)	237,078	3,283
	decreased by 100bp	47,512	(6,541)	1,582	259,955	(275,429)	(3,975)
Foreign exchange rate	increased by 100 won	1,009	(1,353)	–	8,771	(23)	–
	decreased by 100 won	(1,009)	1,353	–	(8,771)	23	–
Stock price index	increased by 10%	99,186	(98,837)	(37)	–	–	(1)
	decreased by 10%	(99,186)	98,830	36	–	–	–

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30-12-2-7 Insurance claims development

(December 31, 2024)

(Korean won in millions)						
Accident year	Successive accident year					Total
	1st year	2nd years	3rd year	4th year	5th year	
(Gross estimates of the undiscounted amount of the claim)						
2020	13,362	15,913	16,286	16,470	16,537	
2021	15,847	19,371	19,800	20,087	—	
2022	16,847	20,912	21,308	—	—	
2023	14,998	18,307	—	—	—	
2024	12,571	—	—	—	—	
(Cumulative payments to date)						
2020	13,362	15,913	16,286	16,470	16,537	
2021	15,847	19,371	19,800	20,087	20,278	
2022	16,847	20,912	21,308	21,480	21,682	
2023	14,998	18,307	18,727	18,878	19,047	
2024	12,571	14,898	15,211	15,323	15,440	
Amount of Incurred but not reported losses (IBNR) (From past 7 years to December 31, 2024)						4,173
Effect of discounting						(155)
Amount of Incurred but not reported losses (IBNR)						4,018

(December 31, 2023)

(Korean won in millions)						
Accident year	Successive accident year					Total
	1st year	2nd years	3rd year	4th year	5th year	
(Gross estimates of the undiscounted amount of the claim)						
2019	12,354	15,272	15,506	15,662	15,681	
2020	13,408	15,901	16,250	16,495	—	
2021	15,904	19,314	19,650	—	—	
2022	17,004	21,026	—	—	—	
2023	15,025	—	—	—	—	
(Cumulative payments to date)						
2019	12,354	15,272	15,506	15,662	15,681	
2020	13,408	15,901	16,250	16,495	16,524	
2021	15,904	19,314	19,650	19,832	19,870	
2022	17,004	21,026	21,418	21,616	21,657	
2023	15,025	18,365	18,722	18,902	18,937	
Amount of Incurred but not reported losses (IBNR) (From past 7 years to December 31, 2023)						4,792
Effect of discounting						(183)
Amount of Incurred but not reported losses (IBNR)						4,609

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30-12-3 The details of credit rating of reinsurance contract assets of Hana Life Insurance as of December 31, 2024 and 2023, is as follows:

(December 31, 2024)

						(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	-	4,033	(6,702)	-	-	(2,669)

(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)

30-12-4 Maturity of insurance contracts issued and reinsurance contracts held

As of December 31, 2024 and 2023, 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:

(December 31, 2024)

								(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	69,164	(65,393)	170,499	(129,510)	(2,726)	9,359,536	9,401,570	
Non-participating life insurance	(189,801)	(225,590)	(234,829)	(246,963)	(182,431)	4,285,816	3,206,202	
Non-participating health insurance	(145,017)	(115,010)	(97,864)	(89,727)	(9,296)	2,385,965	1,929,051	
Defined contribution pension insurance	(6,657)	(417)	256,871	(11,325)	(7,754)	141,442	372,160	
Non-participating pension savings insurance	218,228	117,199	121,616	114,130	96,838	1,612,866	2,280,877	
Non-participating pension savings insurance (foreign currency)	550	545	528	306	316	5,305	7,550	
Asset-linked pension savings insurance	9,722	6,095	5,854	5,199	4,414	66,294	97,578	
Variable lifetime insurance	(82)	(53)	(14)	12	33	8,785	8,681	
Variable annuity savings insurance (general account)	42,929	37,646	30,516	25,734	20,693	226,480	383,998	
Variable annuity savings insurance	137,558	112,896	87,316	72,796	74,091	622,673	1,107,330	
Variable annuity savings insurance (foreign currency)	1,734	1,296	505	328	370	3,910	8,143	
Reinsurance contract liabilities	434	443	438	464	492	47,017	49,288	
KoreanRe2	434	443	438	464	492	47,017	49,288	

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(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	393,456	274,269	195,289	431,722	184,385	6,441,543	7,920,664
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	328,895
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	6,312
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
Reinsurance contract liabilities	635	573	551	537	534	37,437	40,267
KoreanRe2	560	550	551	537	534	37,437	40,169
SCOR1	75	23	–	–	–	–	98

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.

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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.

30-13-2-1 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.

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.



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30-13-2-2 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, 2024 and 2023, is as follows:

			(Korean won in millions)			
Classification	December 31, 2024			December 31, 2023		
	Insurance contract liabilities	Reinsurance contract assets	Total	Insurance contract liabilities	Reinsurance contract assets	Total
General	51,911	32,519	19,392	53,354	30,675	22,679
Automobile	218,008	1,084	216,924	269,445	1,200	268,245
Long-term	629,694	1,087	628,607	593,331	6,101	587,230
Total	899,613	34,690	864,923	916,130	37,976	878,154

The geographical concentration of Hana Insurance's insurance contracts issued as of December 31, 2024 and 2023, is as follows:

			(Korean won in millions)			
Classification	Net amount of Insurance contract liabilities and reinsurance contract assets					
	December 31, 2024			December 31, 2023		
	Domestic	Foreign	Total	Domestic	Foreign	Total
General	19,392	–	19,392	22,679	–	22,679
Automobile	216,924	–	216,924	268,245	–	268,245
Long-term	628,607	–	628,607	587,230	–	587,230
Total	864,923	–	864,923	878,154	–	878,154

30-13-2-3 Insurance price

Product development department follow sthe product development and approval p rocess to ensure that relevant departments thoroughly review and make informed decisions on potential risks associated with new product development and sales. Additionally, the department conducts pre-analysis and evaluation, including asse ssing the appropriateness of the assumed risk rate and expense ratio, as well as p rofitability analysis. The certified senior actuary verifies the accuracy of the und erlying documents and related factors.

30-13-2-4 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 ("ILDm") for automobile insurance, general in surance and long-term insurance, to verify the adequacy of liability reserves.

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1) Long-term insurance

(December 31, 2024)

(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						176,888
2020	4,889	7,174	7,506	7,654	7,694	7,694
2021	7,902	10,351	10,948	11,155	–	11,155
2022	19,559	26,854	27,593	–	–	27,593
2023	34,430	48,098	–	–	–	48,098
2024	52,341	–	–	–	–	52,341
Total	52,341	48,098	27,593	11,155	7,694	146,881
Cumulative payments to date						146,881
Liabilities for incurred claims before January 1, 2019						2,794
Effect of discounting						(326)
Liabilities for incurred claims expected to be paid within 1 year						23,510
Risk adjustment for non-financial risks adjustments						4,889
Liabilities for incurred claims as of December 31, 2024						37,456

(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						104,740
2019	4,997	6,635	6,907	7,048	7,125	7,125
2020	4,889	7,174	7,506	7,654	–	7,654
2021	7,902	10,351	10,948	–	–	10,948
2022	19,559	26,854	–	–	–	26,854
2023	34,430	–	–	–	–	34,430
Total	34,430	26,854	10,948	7,654	7,125	87,011
Cumulative payments to date						87,011
Liabilities for incurred claims before January 1, 2018						3,282
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

2) General insurance

(December 31, 2024)

(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						129,232
2020	2,320	3,954	4,975	5,115	5,157	5,157
2021	2,015	4,018	4,478	4,607	–	4,607
2022	5,898	9,452	11,139	–	–	11,139
2023	10,426	16,754	–	–	–	16,754
2024	15,884	–	–	–	–	15,884
Total	15,884	16,754	11,139	4,607	5,157	53,541
Cumulative payments to date						53,541
Liabilities for incurred claims before January 1, 2019						1,091
Effect of discounting						147
Liabilities for incurred claims expected to be paid within 1 year						12,138
Risk adjustment for non-financial risks adjustments						2,923
Liabilities for incurred claims as of December 31, 2024						24,871

(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						51,174
2019	2,571	5,513	6,088	6,464	6,546	6,546
2020	2,260	3,977	5,362	5,476	–	5,476
2021	2,016	4,019	4,480	–	–	4,480
2022	5,898	9,452	–	–	–	9,452
2023	10,426	–	–	–	–	10,426
Total	10,426	9,452	4,480	5,476	6,546	36,380
Cumulative payments to date						36,380
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

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3) Automobile insurance

(December 31, 2024)

(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						2,301,050
2020	198,096	225,111	229,806	233,503	235,493	235,493
2021	204,946	236,755	240,473	242,269	–	242,269
2022	243,619	278,332	284,384	–	–	284,384
2023	238,828	273,263	–	–	–	273,263
2024	192,740	–	–	–	–	192,740
Total	192,740	273,263	284,384	242,269	235,493	1,228,149
Cumulative payments to date						1,228,149
Liabilities for incurred claims before January 1, 2019						9,852
Effect of discounting						352
Liabilities for incurred claims expected to be paid within 1 year						34,064
Risk adjustment for non-financial risks adjustments						5,314
Liabilities for incurred claims as of December 31, 2024						65,846

(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						2,310,730
2019	217,321	253,826	258,021	260,431	261,101	261,101
2020	198,096	225,111	229,806	233,503	–	233,503
2021	204,946	236,755	240,472	–	–	240,472
2022	243,619	278,332	–	–	–	278,332
2023	238,828	–	–	–	–	238,828
Total	238,828	278,332	240,472	233,503	261,101	1,252,236
Cumulative payments to date						1,252,236
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

30-13-2-5 Sensitivity analysis of insurance risk

1) 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, 2024 and 2023, is as follows:

(December 31, 2024)

(Korean won in millions)							
Classification	Sensitivity	Base amount		Base amount after change		Profit and capital impact (before tax)	
		Fulfillment cashflow	Contractual service margin	Fulfillment cashflow	Contractual service margin	Profit or loss	Other Comprehensive Income
Mortality rate	increased by 3.27%	367,581	183,504	889	(714)	(175)	(175)
Disability and illness (fixed compensation)	increased by 3.40%			23,950	(18,464)	(5,486)	(5,486)
Disability and illness (actual loss compensation)	increased by 2.62%						
long-term property and casualty risk	increased by 4.19%						
Surrender rate (increase)	increased by 9.16%			1,367	(1,215)	(152)	(152)
Surrender rate (decrease)	decreased by 9.16%			18,407	(13,655)	(4,752)	(4,752)
Expense	increased by 2.62%			(20,830)	18,078	2,752	2,752
Expense(inflation)	0.26%p			8,535	(7,282)	(1,253)	(1,253)

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Classification		Before reflecting the reinsurance effect			After reflecting the reinsurance effect		
		Change in contractual service margin	Change in profit or loss	Change in net asset	Change in contractual service margin	Change in profit or loss	Change in net asset
Surrender rate	increased by 5%	(8,003)	(1,409)	(1,409)	(8,105)	(1,296)	(1,296)
	decreased by 5%	9,393	691	691	9,285	790	790
Loss rate	increased by 5%	(28,766)	(10,529)	(10,529)	(28,757)	(10,425)	(10,425)
	decreased by 5%	32,231	7,371	7,371	32,002	7,498	7,498
Operating expense ratio	increased by 5%	(13,610)	(3,202)	(3,202)	(13,729)	(3,081)	(3,081)
	decreased by 5%	14,034	2,771	2,771	13,943	2,862	2,862

(December 31, 2023)

(Korean won in millions)							
Classification	Sensitivity	Base amount		Base amount after change		Profit and capital impact (before tax)	
		Fulfillment cashflow	Contractual service margin	Fulfillment cashflow	Contractual service margin	Profit or loss	Other Comprehensive Income
Mortality rate	increased by 3.27%	360,044	183,720	140	(43)	(97)	(7)
Disability and illness (fixed compensation)	increased by 3.40%			16,448	(14,036)	(2,412)	(2,412)
Disability and illness (actual loss compensation)	increased by 2.62%						
long-term property and casualty risk	increased by 4.19%			394	(312)	(82)	(82)
Surrender rate (increase)	increased by 9.16%			11,196	(8,695)	(2,501)	(2,501)
Surrender rate (decrease)	decreased by 9.16%			(13,852)	10,264	3,588	3,588
Expense	increased by 2.62%			5,615	(5,117)	(498)	(498)
Expense(inflation)	0.26%p						

(Korean won in millions)

Classification		Before reflecting the reinsurance effect			After reflecting the reinsurance effect		
		Change in contractual service margin	Change in profit or loss	Change in net asset	Change in contractual service margin	Change in profit or loss	Change in net asset
Surrender rate	increased by 5%	(5,387)	(668)	(668)	(5,391)	(509)	(509)
	decreased by 5%	6,082	367	367	5,781	321	321
Loss rate	increased by 5%	(29,077)	(4,061)	(4,061)	(28,393)	(3,022)	(3,022)
	decreased by 5%	30,180	3,222	3,222	30,591	3,994	3,994
Operating expense ratio	increased by 5%	(11,265)	(1,026)	(1,026)	(11,742)	(644)	(644)
	decreased by 5%	11,630	657	657	11,775	393	393



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2) Interest rate Risk

The impact of exposure to interest rate risk and interest rate changes on profit and loss on equity as of December 31, 2024 and 2023, are as follow:

(December 31, 2024)

		(Korean won in millions)	
Classification		Profit and loss (before tax)	Other comprehensive income(before tax)
Increased by 100bp	Financial asset	(9,641)	(70,521)
	Insurance contracts	–	93,343
	Reinsurance contracts	–	(32)
Decreased by 100bp	Financial asset	11,255	85,092
	Insurance contracts	–	(131,455)
	Reinsurance contracts	–	33

(December 31, 2023)

		(Korean won in millions)	
Classification		Profit and loss (before tax)	Other comprehensive income(before tax)
Increased by 100bp	Financial asset	–	–
	Insurance contracts	–	73,553
	Reinsurance contracts	–	(293)
Decreased by 100bp	Financial asset	–	–
	Insurance contracts	–	(100,298)
	Reinsurance contracts	–	302

30-13-2-6 Concentration of insurance risk and reinsurnace

1) Policy of reinsurance

The Company establishes a reinsurance strategy for each category(auto/general/long-term) annually, which is approved by the Risk Management Committee. The appropriateness of the strategy is regularly reviewed and managed.

The reinsurnace strategy includes the following aspects:

- The purpose of reinsurance transaction
- Plans for risk retention and reinsurance treaty cession
- Monitoring methods(Internal control systems) for the appropriateness of reinsurance operations
- Selection criteria for reinsurers and reinsurance brokers, and evaluation of their security

As a general priciple, reinsurance transaction are carried out according to the reinsurance strategy. If the Company underwrites contracs exceeding retention limit s, a process is in place to assess the underwriting decision through deliberation by the Risk Management Committee.

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30-13-2-7 The details of credit rating of reinsurance contract assets of Hana Insurance as of December 31, 2024 and 2023, is as follows:

(December 31, 2024)

(Korean won in millions)						
Classification	Credit ratings of reinsurers					Total
	AAA	AA+ ~ AA-	A+ ~ A-	BBB+ ~ BBB-	Below BB+ and unrated	
Reinsurance contract assets	-	34,748	-	-	-	34,748

(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

30-13-2-8 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, 2024 and 2023, is as follows:

(December 31, 2024)

(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	(32,207)	(71,588)	(57,695)	(23,091)	63,346	488,997	367,762
Reinsurance contract liabilities	365	153	137	118	78	261	1,112

(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	7,161	10,218

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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, 2024 and 2023, is as follows:

(December 31, 2024)

(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	(32,422)	(74,745)	(62,041)	(25,190)	74,168	1,389,251	1,269,021
Reinsurance contract liabilities	362	159	148	131	90	349	1,239

(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)	1,415,723	1,219,319
Reinsurance contract liabilities	550	644	673	622	749	2,148	5,386

30-13-3 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.

30-13-3-1 Measurement and management

1) Measurement method

Interest rate risk is calculated as the interests rate risk amount within the market risk amount under the standart model of the solvency regime. The assets and liabilities subject to the risk measurement model are interest-bearing assets and liabilities. However, mark-to-market assets that are not sensitive to interest rate changes, such as stocks and real estate, are assigned an interest rate sensitivity of "0".

2) 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

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Exposure of Hana Insurance's insurance contract liabilities and interest-bearing assets as of December 31, 2024 and 2023, is as follows:

(Korean won in millions)		
Classification	December 31, 2024	December 31, 2023
I . Insurance contract liabilities	629,694	593,330
1. Fixed interest rate	388,277	334,242
2. Interest rate-linked	241,417	259,088
II . Interest-bearing assets	830,882	651,981
1. Due from banks	110,614	139,160
2. Financial assets measured at FVTPL	–	50,025
3. Financial assets measured at FVOCI	720,268	462,796

31. Net defined benefit liabilities(assets):

31-1 Actuarial assumptions as of December 31, 2024 and 2023, are as follows:

Classification	December 31, 2024 (%)	December 31, 2023 (%)	Notes
Demographic assumptions:			
Mortality	0.0~0.11	0.0~0.2	Table from Korea insurance development institute, etc.
Rates of employee turnover	0.0~44.6	0.0~51.4	Table from Korea insurance development institute, etc.
Financial assumptions:			
Expected salary increase rate	0.0~6.4	0.0~7.0	The average of the past five years, etc.
Discount rate	3.2~3.8	3.7~5.1	Return on corporate bond with the same credit rating

31-2 Details of net defined benefit liabilities(assets) as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	2,825,282	2,521,103
Fair value of plan assets (–)	(2,387,541)	(2,403,853)
Net defined benefit liabilities	475,272	175,898
Net defined benefit assets	(37,531)	(58,648)

31-3 Changes in the present value of defined benefit obligation for the years ended December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	2024	2023
Beginning balance	2,521,103	2,249,741
Current service cost	177,772	162,599
Past service cost	74	934
Interest cost on benefit obligation	102,018	111,109
Remeasurements of the net defined benefit liability	220,881	205,917
Benefits paid	(197,194)	(209,781)
Others	628	584
Ending balance	2,825,282	2,521,103

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31-4 Details of losses incurred from severance and retirement benefit plan for the years ended December 31, 2024 and 2023, are as follows:

	(Korean won in millions)	
Classification	2024	2023
Current service cost	177,772	162,599
Past service cost	74	934
Net interest on the net defined benefit liability	5,610	(5,137)
Subtotal	183,456	158,396
Benefits paid for the defined contribution plan	6,621	6,030
Long-term employee payment and others	475	1,187
Total	190,552	165,613

31-5 Plan assets for severance benefit as of December 31, 2024 and 2023 consist of the followings:

(December 31, 2024)

	(Korean won in millions)		
Classification	Existence of active market price	Inexistence of active market price	Total
Time deposit	–	1,003,269	1,003,269
ELB	–	39,126	39,126
Beneficiary securities	–	1,096	1,096
GIC (Interest rate guarantee insurance contract)	–	1,202,481	1,202,481
Others	–	141,569	141,569
Total	–	2,387,541	2,387,541

(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

31-6 Changes in the fair value of plan assets for the years ended December 31, 2024 and 2023, are as follows:

	(Korean won in millions)	
Classification	2024	2023
Beginning balance	2,403,853	2,374,096
Employer contributions	33,000	53,387
Expected return on plan assets	96,408	116,245
Remeasurements of the plan assets	(13,980)	(22,006)
Benefits paid	(131,642)	(118,928)
Others	(98)	1,059
Ending balance	2,387,541	2,403,853

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31-7 Details of remeasurement accompanied by the application of actuarial assumptions for the years ended December 31, 2024 and 2023, are as follows:

	(Korean won in millions)	
Classification	2024	2023
Actual gains (losses):		
Changes in demographic assumptions	1,158	(118,202)
Changes in financial assumptions	(137,315)	(18,956)
Experience adjustments	(84,724)	(68,759)
Subtotal	(220,881)	(205,917)
Income on planned assets:		
Actual income on planned assets	82,361	94,139
Amounts included in net interest on the net defined benefit liability/(assets)	(96,341)	(116,145)
Subtotal	(13,980)	(22,006)
Total	(234,861)	(227,923)

31-8 The quantitative sensitivity analysis for significant actuarial assumptions as of December 31, 2024 and 2023, is as follows:

31-8-1 Discount rate

(December 31, 2024)

	(Korean won in millions)		
Classification	December 31, 2024	1% point increase	1% point decrease
Present value of defined benefit obligation	2,825,282	2,606,285	3,011,746

(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

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31-8-2 Expected rate of salary increase

(December 31, 2024)

(Korean won in millions)			
Classification	December 31, 2024	1% point increase	1% point decrease
Present value of defined benefit obligation	2,825,282	3,011,707	2,602,860

(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

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 2025 reasonably estimated for the years ended December 31, 2024 amounts to ₩182,001 million (employer contributions in 2024 reasonably estimated for the years ended December 31, 2023 amounts to ₩168,008 million), and the average durations of the defined benefit plan obligation as of December 31, 2024 and 2023, are 5.42~12.4 years and 5.53~10.11 years, respectively.

32. Contingent, Commitments and Provisions:

32-1 Details of provisions as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	December 31, 2024	December 31, 2023
Allowance for possible losses on acceptances and guarantees:		
Financial acceptances and guarantees (*)	7,924	5,520
Non-financial acceptances and guarantees	49,614	71,609
Bills endorsed	10	2
Subtotal	57,548	77,131
Allowances for unused commitments	150,233	135,766
Other allowance:		
Allowances for restoration cost	81,986	69,234
Allowance for lawsuits	64,520	3,442
Others	370,354	556,063
Subtotal	516,860	628,739
Total	724,641	841,636

(*) 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 ₩19,911 million and ₩18,607 million as of December 31, 2024, and December 31, 2023, respectively, and are categorized as financial guarantee contract liability.

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32-2 Changes in allowances for unused commitments for the years ended December 31, 2024 and 2023, are as follows:

(2024)

(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	102,809	30,023	2,934	135,766
Transfer to 12 month ECL	8,770	(8,596)	(174)	–
Transfer to non credit-impaired financial assets	(4,041)	4,157	(116)	–
Transfer to credit-impaired financial assets	(808)	(389)	1,197	–
(Reversal) provision	1,606	(1,314)	14,638	14,930
Exchange rate fluctuation	(642)	38	–	(604)
Others	141	–	–	141
Ending balance	107,835	23,919	18,479	150,233

(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
Exchange rate fluctuation	(3,834)	2	–	(3,832)
Others	(40)	–	–	(40)
Ending balance	102,809	30,023	2,934	135,766

32-3 Changes in provision for financial guarantees for the years ended December 31, 2024 and 2023, are as follows:

(2024)

(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	5,435	85	–	5,520
Transfer to 12 month ECL	34	(34)	–	–
Transfer to non credit-impaired financial assets	(7)	7	–	–
Provision	897	7	–	904
Exchange rate fluctuation	81	10	–	91
Others	1,409	–	–	1,409
Ending balance	7,849	75	–	7,924

(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

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32-4 Changes in other provisions for the years ended December 31, 2024 and 2023, are as follows:

(2024)

(Korean won in millions)						
Classification	January 1	Increase due to business combination	Provision (reversal)	Allowance used	Others	December 31
Non-financial acceptances and guarantees	71,611	–	(30,846)	–	8,859	49,624
Other allowance:						
Allowances for restoration cost	69,234	800	10,172	(2,025)	3,805	81,986
Allowance for lawsuits	3,442	–	72,954	(11,872)	(4)	64,520
Others	556,063	–	120,668	(306,391)	14	370,354
Subtotal	628,739	800	203,794	(320,288)	3,815	516,860
Total	700,350	800	172,948	(320,288)	12,674	566,484

(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)	–	3,065	71,611
Other allowance:						
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

32-5 Details of guarantees as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	Amount of guarantee	
	December 31, 2024	December 31, 2023
Financial acceptances and guarantees in Korean won:		
Private bond issue payment guarantee	146,500	172,500
Collateral for loans	58,000	44,402
Loans for purchase	293,685	356,998
Loan commitment	124,612	136,089
Commitment to acquire securities	541,655	444,450
Subtotal	1,164,452	1,154,439
Financial acceptances and guarantees in foreign currencies		
Local financial guarantee	65,432	36,532
Others	79,836	–
Subtotal	145,268	36,532
Confirmed acceptances and guarantees in Korean won	2,344,417	2,447,238
Confirmed acceptances and guarantees in foreign currencies:		
Acceptance on letter of credit	884,931	2,115,715
Acceptance on letter of guarantees	118,630	114,237
Others	14,570,008	12,655,477
Subtotal	15,573,569	14,885,429
Contingent acceptances and guarantees:		
Letters of credit	4,156,229	4,145,511
Others	2,255,863	1,988,457
Subtotal	6,412,092	6,133,968
Bills endorsed	1,156	754
Total	25,640,954	24,658,360

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32-6 Unused commitments

Details of unused commitments as of December 31, 2024 and 2023, are as follows:

Classification	Unused commitments	
	December 31, 2024	December 31, 2023
Commitments on loans in Korean won	105,631,078	100,564,874
Commitments on loans in foreign currencies	33,889,104	30,837,789
Commitments on credit lines on asset-backed securities	164,840	118,300
Commitments on purchase of securities	14,448,002	13,618,990
Merchant banking account-commitment	660,000	770,000
Total	154,793,024	145,909,953

32-7 Pending litigation

As of December 31, 2024, the Group is involved in 1,853 lawsuits as a plaintiff and 1,140 lawsuits as a defendant. The aggregate amounts of claims as a plaintiff and a defendant are approximately ₩484,774 million and ₩1,018,255 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 Alternative Asset Management	**** Insurance Co., Ltd.	56,382	In progress	–	–	Restitution of unjust enrichment
Hana Bank	Bankruptcy trustee(F*****)	49,382	Won	In progress	–	Restitution of unjust enrichment
Hana Bank	Guj***** Co., Ltd.	49,213	In progress	–	–	Creditor's interest infringement dispute
Hana Securities	****Corporation	40,958	In progress	–	–	Compensation for damages
Hana Alternative Asset Management	***Life Insurance	34,232	In progress	–	–	Compensation for damages
Hana Bank	*** Bank	28,811	In progress	–	–	Return of Frozen Funds
Hana Securities	** Securities Co., Ltd.	20,206	In progress	–	–	Restitution of unjust enrichment
Hana Bank	****Cooperation Co., Ltd.	15,000	Partial win	In progress	–	Restitution of unjust enrichment
Hana Alternative Asset Management	Gyo**** & another	11,222	In progress	–	–	Compensation for damages
Hana Securities	Legal Representative of XXX Building	11,200	Won	In progress	–	Compensation for damages
Hana Bank	Jae *** & others	10,169	Won	In progress	–	Restitution of unjust enrichment
Hana Bank	**** Securities Co., Ltd.	10,000	In progress	–	–	Compensation for damages
Hana Bank	We***** Co., Ltd.	10,000	In progress	–	–	Compensation for damages

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32-8 The Korea Fair Trade Commission's investigation into whether four commercial banks including Hana Bank, the Group's subsidiary, engaged in unfair joint behavior is ongoing, and the outcome cannot be predicted at this time.

32-9 The ongoing armed conflict in the Ukraine area, which began in February 2022, and international sanctions imposed against Russia may impact sanctioned entities, entities doing business with Ukraine or Russia, as well as entities exposed directly or indirectly to industries or the economy of Ukraine or Russia. As of the reporting date, the Group expects that the event has a financial impact on the business of KEB HNB RUS LLC, a subsidiary, but the financial impact of such events cannot be estimated reasonably.

33. Other liabilities:

33-1 Details of other liabilities as of December 31, 2024, and 2023, are as follows:

	(Korean won in millions)	
Classification	December 31, 2024	December 31, 2023
Accounts payable	14,958,425	14,985,154
Accrued expenses payables	5,318,236	5,108,569
Advances	424,364	387,099
Income in advance	572,560	611,485
Investment contract liabilities (insurance)	1,732,819	1,320,173
Borrowing from trust accounts	9,604,594	7,019,423
Foreign exchanges settlement credits	1,373,757	941,693
Domestic exchange settlement credits	5,578,242	7,080,996
Deposits for letter of guarantees and others	1,953,553	1,528,716
Taxes withheld	594,711	488,975
Security deposits received	53,821	40,884
Accounts for agency businesses	457,340	201,001
Agency	1,953,406	2,505,394
Lease liabilities	647,169	448,936
Merchant banking account liabilities	3,819,886	4,154,697
Others	1,482,944	1,764,802
Present value discount	(99,695)	(102,503)
Total	50,426,132	48,485,494

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33-2 Details of merchant banking account liabilities as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	December 31, 2024	December 31, 2023
Merchant banking account deposits	3,818,524	4,153,035
Merchant banking account other liabilities (*)	1,362	1,662
Total	3,819,886	4,154,697

(*) Merchant banking account others consist of accrued expenses payables.

33-3 Details of lease liabilities as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(Korean won in millions)			
Classification	Nominal value	Present value discount	Book value
Real estate	674,190	(50,376)	623,814
Vehicles	22,798	(1,171)	21,627
Others	1,800	(72)	1,728
Total	698,788	(51,619)	647,169

(December 31, 2023)

(Korean won in millions)			
Classification	Nominal value	Present value discount	Book value
Real estate	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

33-4 Changes in lease liabilities for the years ended December 31, 2024 and 2023, are as follows:

(2024)

(Korean won in millions)							
Classification	January 1	Increase due to business combination	Increase	Amortization	Payment (*)	Other	December 31
Real-estate	424,182	—	416,849	25,030	(230,072)	(12,175)	623,814
Vehicles	22,148	—	10,413	820	(11,078)	(676)	21,627
Others	2,606	—	1,251	91	(2,236)	16	1,728
Total	448,936	—	428,513	25,941	(243,386)	(12,835)	647,169

(*) The total cash outflow related to lease liabilities for the year ended December 31, 2024 is ₩243,230 million.

(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.

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33–5 Details of the composition by maturity of the contractual cash flows before discounting the lease liability as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(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	20,251	36,345	54,879	101,298	380,534	80,883	674,190
Vehicles	912	1,756	2,494	4,529	13,107	–	22,798
Others	132	67	199	398	1,004	–	1,800
Total	21,295	38,168	57,572	106,225	394,645	80,883	698,788

(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
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

34. Capital stock and capital surplus:

34–1 Details of capital stock as of December 31, 2024, and 2023, are as follows:

(Korean won in millions)		
Classification	December 31, 2024	December 31, 2023
Number of shares authorized (shares)	800,000,000	800,000,000
Par value per share (Korean won)	5,000	5,000
Number of shares issued (shares) (*)	287,240,880	292,356,598

(*) The par value of issued shares and paid-in capital are different due to the retirement of shares. (the number of shares retired: 13,001,182)

34–2 Changes in capital stock and capital surplus from December 1, 2005 (inception) to December 30, 2024 are as follows:

(Shares, Korean won in millions)				
Classification	Date	Shares	Capital stock	Capital surplus
Incorporation	December 1, 2005	204,256,243	1,021,281	5,075,488
Stock dividends	March 24, 2006	2,042,562	10,213	–
Shares swap (*1)	October 13, 2006	5,552,788	27,764	215,427
Paid-in capital increase	February 21, 2011	31,198,170	155,991	1,168,759
Shares swap (*2)	April 5, 2013	46,844,299	234,221	1,511,856
Paid-in capital increase	April 21, 2015	6,109,000	30,545	149,298
Paid-in capital increase	March 9, 2018	4,239,000	21,195	178,688
Retirement of treasury stock	April 29, 2022	(4,338,586)	–	–
Retirement of treasury stock	August 28, 2023	(3,546,878)	–	–
Retirement of treasury stock	August 21, 2024	(5,115,718)	–	–
Total		287,240,880	1,501,210	8,299,516

(*1) Represents transactions that the Group conducted to incorporate Hana Securities (formerly, Hana IB) into its subsidiaries.
(*2) Represents transactions that the Group conducted to incorporate Hana Bank (formerly, KEB Bank) into its wholly owned subsidiaries.

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34-3 Details of hybrid equity securities classified as equity attributable to owner of the parent as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)					
Classification	Issuance date	Maturity	Interest rate (%)	Amount	
				December 31, 2024	December 31, 2023
The 1-2nd hybrid equity securities (*2)	May 29, 2015	May 29, 2045	4.45	190,000	190,000
The 2-2nd hybrid equity securities (*2)	November 6, 2015	November 6, 2045	4.61	20,000	20,000
The 3-2nd hybrid equity securities (*2)	March 9, 2018	–	4.68	50,000	50,000
The 5th hybrid equity securities (*1)	April 15, 2019	–	3.34	–	265,000
The 6-1st hybrid equity securities (*1)	May 28, 2020	–	3.20	450,000	450,000
The 6-2st hybrid equity securities (*2)	May 28, 2020	–	3.50	50,000	50,000
The 7-1st hybrid equity securities (*1)	August 28, 2020	–	3.20	410,000	410,000
The 7-2nd hybrid equity securities (*2)	August 28, 2020	–	3.55	90,000	90,000
The 8th hybrid equity securities (*1)	May 13, 2021	–	3.20	220,000	220,000
The 9-1st hybrid equity securities (*1)	September 9, 2021	–	3.34	280,000	280,000
The 9-2nd hybrid equity securities (*2)	September 9, 2021	–	3.77	120,000	120,000
The 10th hybrid equity securities (*1)	January 26, 2022	–	4.00	270,000	270,000
The 11th hybrid equity securities (*1)	June 10, 2022	–	4.55	400,000	400,000
The 12th hybrid equity securities (*1)	February 16, 2023	–	4.45	400,000	400,000
The 13th hybrid equity securities (*1)	August 7, 2023		5.25	400,000	400,000
The 14th hybrid equity securities (*1)	February 23, 2024		4.45	400,000	–
The 15th hybrid equity securities (*1)	October 25, 2024		4.00	400,000	–
Subtotal				4,150,000	3,615,000
Issuance cost				(10,273)	(8,952)
Total				4,139,727	3,606,048

(*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, 2024 and 2023, are as follows:

	(Korean won in millions)	
Classification	December 31, 2024	December 31, 2023
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	2,203,252	2,206,886
Total	10,579,140	10,582,774

35. Capital adjustments:

35-1 Details of capital adjustments as of December 31, 2024 and 2023, are as follows:

	(Korean won in millions)	
Classification	December 31, 2024	December 31, 2023
Treasury stock	(310,359)	(165,101)
Other capital adjustments	(14,983)	(16,581)
Total	(325,342)	(181,682)

35-2 Changes in the number of shares of HFG held by HFG and its subsidiaries for the years ended December 31, 2024 and 2023, are as follows:

(2024)

	(Shares, Korean won in millions)			
Classification	January 1, 2024	Acquisition of treasury stock	Retirement of treasury stock	December 31, 2024
Number of shares	4,340,000	6,715,718	(5,115,718)	5,940,000
Amount	165,101	396,885	(251,627)	310,359

(2023)

	Shares, Korean won in millions)			
Classification	January 1, 2023	Acquisition of treasury stock	Retirement of treasury stock	December 31, 2023
Number of shares	4,340,000	3,546,878	(3,546,878)	4,340,000
Amount	150,024	150,000	(134,923)	165,101

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36. Accumulated Other Comprehensive Income:

Changes in accumulated other comprehensive income for the years ended December 31, 2024 and 2023, are as follows:

(2024)

(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, 2024	(475,163)	56,363	1,538	8,885	78,401	(71,920)	(17,932)	(112,165)	(24,994)	(63,128)	(2,070)	(669,002)	(1,291,177)
Changes in gain (loss) on valuation of financial assets measured at FVOCI	617,901	-	-	-	-	-	-	76,122	-	-	-	-	694,023
Reclassified from financial debt security measured at FVOCI to FVTPL	(118,740)	-	-	-	-	-	-	-	-	-	-	-	(118,740)
Reclassified from financial equity security measured at FVOCI to retained gain	-	-	-	-	-	-	-	(202,671)	-	-	-	-	(202,671)
Credit risk fluctuation of financial security measured at FVOCI	2,516	-	-	-	-	-	-	-	-	-	-	-	2,516
Changes in gain (loss) on insurance contract assets (liabilities)	-	(313,071)	-	-	-	-	-	-	-	-	-	-	(313,071)
Changes in gain (loss) on reinsurance contract assets (liabilities)	-	-	(4,315)	-	-	-	-	-	-	-	-	-	(4,315)
Changes in exchange													

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	
differences on translation of foreign operations	-	-	-	485,587	-	-	-	-	-	-	-	-	485,587
Changes in unrealized gain on valuation of equity method investments	-	-	-	-	315,739	-	-	-	-	-	(443)	-	315,296
Changes in loss on valuation of net investment hedges of foreign operations	-	-	-	-	-	(192,774)	-	-	-	-	-	-	(192,774)
Changes in loss on cash flow hedge	-	-	-	-	-	-	69,294	-	-	-	-	-	69,294
Changes in credit risk fluctuation effect of financial liabilities designated at FVTPL	-	-	-	-	-	-	-	-	-	1,808	-	-	1,808
Remeasurements of the net defined benefit liabilities (assets)	-	-	-	-	-	-	-	-	-	-	-	(234,660)	(234,660)
Tax effect	(128,353)	79,678	1,142	(44,784)	(80,152)	50,893	(18,291)	33,016	-	(477)	104	62,460	(44,764)
December 31, 2024	(101,839)	(177,030)	(1,635)	449,698	313,998	(213,801)	33,061	(205,699)	(24,994)	(61,797)	(2,409)	(841,402)	(833,658)

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(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	(56,005)	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 FVOCI to FVTPL	(16,028)	-	-	-	-	-	-	-	-	-	-	-	(16,028)
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)	-	-	(552)	-	-	-	-	-	-	-	-	-	(552)
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													

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	
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)
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)

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37. Retained earnings:

37-1 Retained earnings as of December 31, 2024, and 2023 consist of the following:

(Korean won in millions)		
Classification	December 31, 2024	December 31, 2023
Legal reserve (*)	1,210,400	1,041,300
Compensation for damages	2,000	2,000
Voluntary reserve	3,650,757	3,653,802
Unappropriated retained earnings	22,776,986	20,429,043
Total	27,640,143	25,126,145

(*) 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 the years ended December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	2024	2023
Beginning balance	25,126,145	23,186,528
Net income attributable to equity holders of the parent	3,738,849	3,421,712
Dividends	(972,068)	(1,262,515)
Dividends on hybrid equity securities	(150,664)	(135,526)
Reclassification of gain on valuation of FVOCI securities	149,183	51,141
Retirement of treasury stock	(251,627)	(134,923)
Others	325	(272)
Ending balance	27,640,143	25,126,145

38. Regulatory reserve for bad debts:

Regulatory reserve for bad debts is calculated and disclosed in accordance with Article 27 of the Financial Holding Company Act.

38-1 Balances of regulatory reserve for bad debts

Balances of regulatory reserve for bad debts as of December 31, 2024, and 2023, are as follows:

(Korean won in millions)		
Classification	December 31, 2024	December 31, 2023
Beginning balance	3,040,385	3,133,044
Additional planned provision for (reversal of) reserve for bad debts	258,467	(92,659)
Ending balance	3,298,852	3,040,385
Attributable to equity holders of the parent	3,294,181	3,036,383
Attributable to non-controlling interests	4,671	4,002

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38-2 Provisions for bad debts reserve and adjusted income after deducting provisions for bad debts reserve

Provisions for bad debts reserve and adjusted income after deducting provisions for bad debts reserve for the years ended December 31, 2024 and 2023, are as follows:

	(Korean won in millions)	
Classification	2024	2023
Net income attributable to equity holders of the parent before deducting provisions for bad debts reserve	3,738,849	3,421,712
Provisions for (reversal of) bad debts reserve	257,798	(91,875)
Adjusted income after deducting provisions for bad debts reserve	3,481,051	3,513,587
Basic earnings per share on adjustment after reflecting reserve for bad debts(Korean won) (*)	11,721	11,698
Diluted earnings per share on adjustment after reflecting reserve for bad debts(Korean won) (*)	11,721	11,698

(*) When calculating the earnings per share on adjustment, dividends on hybrid capital securities of ₩150,664 million and ₩135,526 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, 2024 and 2023 are as follows:

	(Korean won in millions)	
Classification	2024	2023
Interest income	24,116,588	23,275,944
Fee and commission income	3,598,814	3,034,920
Gains on financial instruments at FVTPL	42,804,654	32,251,019
Gains on financial instruments designated as at FVTPL	246,392	422,716
Gains on financial instruments measured at FVOCI	231,736	110,844
Gains on disposal of securities measured at amortized cost	96,581	168,005
Gain on derivative instruments used for hedging	101,135	142,697
Gain on foreign currency transactions	8,806,828	8,767,113
Recovery of impairment loss on financial assets	–	36,273
Insurance and reinsurance revenue	640,454	589,296
Insurance and reinsurance finance revenue	52,383	8,962
Other operating income	933,558	894,212
Total	81,629,123	69,702,001

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39-2 Total operating expenses for the years ended December 31, 2024 and 2023 are as follows:

	(Korean won in millions)	
Classification	2024	2023
Interest expense	15,355,588	14,396,495
Fee and commission expense	1,128,960	1,057,187
Loss on financial instruments at FVTPL	41,864,690	30,684,171
Loss on financial instruments designated as measured at FVTPL	924,642	1,243,776
Loss on financial instruments measured at FVOCI	10,971	30,262
Loss on disposal of securities measured at amortized cost	172,823	82,919
Loss on derivative instruments used for hedging purpose	166,903	117,391
Loss on foreign currency transactions	8,009,685	8,352,323
Impairment loss on financial assets	1,236,505	1,587,015
General and administrative expense	4,530,269	4,408,272
Insurance and reinsurance expense	597,170	563,945
Insurance and reinsurance finance expense	14,824	8,430
Other operating expense	2,760,911	2,476,408
Total	76,773,941	65,008,594

40. Net interest income:

40-1 Interest income for the years ended December 31, 2024 and 2023, are as follows:

	(Korean won in millions)	
Classification	2024	2023
Interest income on due from banks	713,015	766,703
Interest income on financial assets measured at FVOCI	1,273,657	1,017,463
Interest income on financial assets measured at amortized cost	981,474	1,008,047
Interest income on loans receivable	19,873,836	19,433,876
Subtotal	22,841,982	22,226,089
Interest income on financial assets measured at FVTPL	1,080,986	851,106
Insurance and reinsurance interest income	304	152
Others	193,316	198,597
Total	24,116,588	23,275,944

40-2 Interest expenses for the years ended December 31, 2024 and 2023, are as follows:

	(Korean won in millions)	
Classification	2024	2023
Interest expenses on deposit liabilities	10,296,739	9,854,817
Interest expenses on borrowings	1,577,625	1,570,644
Interest expenses on debentures	2,517,314	2,085,974
Subtotal	14,391,678	13,511,435
Interest expenses on financial liabilities designated as at FVTPL	190,491	140,185
Insurance and reinsurance interest expense	319,896	330,481
Others	453,523	414,394
Total	15,355,588	14,396,495

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41. Net fee and commission income:

41-1 Fee and commission income for the years ended December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	2024	2023
Fee and commission received from loans and others	1,229,559	1,109,366
Fee and commission received on credit card	1,046,700	891,679
Fee and commission received on guarantee	119,018	101,755
Fee and commission received from redemption before maturity	4,183	2,591
Fee and commission-related foreign exchange	253,044	247,386
Fee and commission-related operating lease	946,310	682,143
Total	3,598,814	3,034,920

41-2 Fee and commission expenses for the years ended December 31, 2024 and 2023, are as follows:

(Korean won in millions)		
Classification	2024	2023
Commission paid borrowings and others	371,263	364,284
Commission paid on credit card	695,783	640,027
Commission related foreign exchange	61,787	52,650
Commission paid trust	127	226
Total	1,128,960	1,057,187

42. Gain (loss) on financial instruments measured at FVTPL:

Gain (loss) on financial instruments measured at FVTPL for the years ended December 31, 2024 and 2023, is as follows:

(Korean won in millions)		
Classification	2024	2023
Gain on financial instruments measured at FVTPL:		
Securities measured at FVTPL:		
Gain on valuation	1,107,881	1,560,893
Gain on disposal	676,315	608,250
Gain on redemption	17,846	39,458
Dividend income	438,995	339,969
Subtotal	2,241,037	2,548,570
Loans measured at FVTPL:	5,780	2,275
Derivatives-linked securities	115,785	95,863
Derivatives held for trading:		
Gain on valuation of derivatives:		
Currency related derivatives	14,788,097	3,946,556
Interest related derivatives	1,109,792	1,105,335
Stock related derivatives	244,355	248,118
Credit related derivatives	109,381	159,348
Others related derivatives	133,855	96,023
Subtotal	16,385,480	5,555,380
Gain on transactions of derivatives:		
Currency related derivatives	15,265,362	13,655,954
Interest related derivatives	6,758,424	8,666,477
Stock related derivatives	1,195,510	1,092,819
Credit related derivatives	129,245	125,259
Others related derivatives	516,799	435,915
Subtotal	23,865,340	23,976,424
Gain on securities sold	143,493	23,584
Gain on other financial instruments measured at FVTPL	47,739	48,923

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43. Gain (loss) on financial instruments designated as measured at FVTPL:

Gain (loss) on financial assets and liabilities designated as measured at FVPL for the years ended December 31, 2024 and 2023, is as follows:

(Korean won in millions)		
Classification	2024	2023
Gain on financial instruments designated as measured at FVTPL:		
Deposits:		
Gain on valuation	205	–
Borrowings:		
Gain on valuation	302	–
Gain on redemption	1,767	–
Debentures:		
Gain on redemption	1,379	–
Derivatives linked securities sold:		
Gain on valuation	49,035	219,648
Gain on redemption	193,704	203,068
Total	246,392	422,716
Loss on financial instruments designated as measured at FVTPL:		
Deposits:		
Loss on valuation	8,643	11,270
Borrowings:		
Loss on valuation	377	1,670
Loss on redemption	–	2,396
Debentures:		
Loss on valuation	620	1,379
Derivatives linked securities sold:		
Loss on valuation	462,654	532,361
Loss on redemption	452,320	694,642
Other financial liabilities:		
Transaction cost	28	58
Total	924,642	1,243,776
Net amount	(678,250)	(821,060)

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44. Gain on financial assets measured at FVOCI:

Gain on financial assets measured at FVOCI for the years ended December31, 2024 and 2023, is as follows:

(Korean won in millions)		
Classification	2024	2023
Gain on financial assets measured at FVOCI		
Gain on disposal	215,649	94,430
Gain on redemption	14	4
Dividend income	16,073	16,410
Total	231,736	110,844
Loss on financial assets measured at FVOCI		
Loss on disposal	10,971	30,158
Loss on redemption	–	104
Total	10,971	30,262
Net amount	220,765	80,582

45. Gain (loss) on disposal of financial assets measured at amortized cost:

Gain(loss) on derecognition of financial assets measured at amortized cost for the years ended December 31, 2024 and 2023, is as follows:

(Korean won in millions)		
Classification	2024	2023
Gain on derecognition of financial assets measured at amortized cost:		
Securities measured at amortized cost:		
Gain on disposal	2	232
Loans measured at amortized cost:		
Gain on disposal	96,579	167,773
Subtotal	96,581	168,005
Loss on derecognition of financial assets measured at amortized cost:		
Loans measured at amortized cost:		
Loss on disposal	172,823	82,919
Subtotal	172,823	82,919
Net amount	(76,242)	85,086

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46. Gain (loss) on derivative instruments used for hedging:

Gain (loss) on derivative instruments used for hedging purpose for the years ended December 31, 2024 and 2023, is as follows:

(Korean won in millions)		
Classification	2024	2023
Gain on derivative instruments used for hedging purposes:		
Hedged item:		
Gain on valuation of hedged item:		
Debentures	21,048	3,463
Deposits	13,808	–
Subtotal	34,856	3,463
Gain on disposal of hedged item:		
Debentures	–	1,859
Subtotal	–	1,859
Derivative instruments used for hedging purposes:		
Gain on valuation of derivatives:		
Currency related derivatives	3,237	51,656
Interest related derivatives	42,331	73,335
Subtotal	45,568	124,991
Gain on settlement of derivatives:		
Currency related derivatives	996	7,704
Interest related derivatives	19,715	4,680
Subtotal	20,711	12,384
Total	101,135	142,697
Loss on derivative instruments used for hedging purposes:		
Hedged item:		
Loss on valuation of hedged item:		
Debentures	54,642	84,813
Deposits	11,146	15,177
Subtotal	65,788	99,990

Classification	2024	2023
Loss on disposal of hedged item:		
Debentures	20,902	5,513
Subtotal	20,902	5,513
Derivative instruments used for hedging purposes:		
Loss on valuation of derivatives:		
Currency related derivatives	39,995	8,085
Interest related derivatives	34,556	53
Subtotal	74,551	8,138
Loss on settlement of derivatives:		
Currency related derivatives	5,662	3,750
Interest related derivatives	–	–
Subtotal	5,662	3,750
Total	166,903	117,391
Net amount	(65,768)	25,306

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47. Provision for (reversal of) credit loss allowance:

Impairment loss on financial instruments for the years ended December 31, 2024 and 2023, is as follows:

	(Korean won in millions)	
Classification	2024	2023
Debt securities measured at FVOCI:		
Provision for loan loss	1,043	1,841
Debt securities measured at amortized cost:		
Provision for loan loss	831	–
Reversal of credit loss	–	(36,273)
Loans measured at amortized cost:		
Provision of allowance for possible loan losses	1,145,795	1,513,586
Other assets:		
Provision of allowance for possible loan losses	88,836	71,588
Total	1,236,505	1,550,742

48. General and administrative expenses:

General and administrative expenses for the years ended December 31, 2024 and 2023, is as follows:

	(Korean won in millions)	
Classification	2024	2023
Salaries	2,273,203	2,179,999
Provision for severance and retirement benefits	177,785	155,042
Provision for severance (defined contributions)	6,446	5,882
Provision for severance (defined benefits)	171,339	149,160
Termination benefits	45,795	139,455
Employee benefits	131,365	141,444
Rental expenses (*)	69,189	66,326
Entertainment expenses	37,177	35,183
Depreciation on property and equipment	206,571	182,661
Depreciation on investment property	27,683	25,963
Amortization	232,822	191,012
Depreciation for right-of-use assets	242,110	245,178
Taxes and dues	217,197	207,319
Advertising expenses	269,956	244,765
Servicing expenses	247,933	246,798
Supplies expense	6,671	7,612
Others	344,812	339,515
Total	4,530,269	4,408,272

(*) It includes ₩2,729 million and ₩2,229 million of small lease expenses and ₩48 million and ₩24 million of short-term lease expenses for the years ended December 31, 2024 and 2023, respectively.

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49. Other operating income:

Other operating income for the years ended December 31, 2024 and 2023, is as follows:

	(Korean won in millions)	
Classification	2024	2023
Reversal of provisions for payment guarantees	29,942	9,432
Reversal of allowance for lawsuits	–	23,110
Trust commissions	314,972	339,032
Non-controlling interest	45,617	26,673
Merchant banking accounts profit	185,832	184,550
Others	357,195	311,415
Total	933,558	894,212

50. Other operating expenses:

Other operating expenses for the years ended December 31, 2024 and 2023, is as follows:

	(Korean won in millions)	
Classification	2024	2023
Provision of provisions for payment guarantees	14,930	24,324
Provision of allowances for unused commitments	10,172	6,099
Provision of allowance for restoration cost	–	1,444
Provision of allowances for mileage points	65,560	–
Provision of other allowance	4,308	200,012
Contribution to guarantee fund	407,378	337,819
Insurance fee on deposit	506,057	493,107
Contribution to housing credit guarantee fund	101,555	136,364
Non-controlling liability adjustment loss	63,966	6,269
Merchant banking accounts expense	131,430	139,877
Others	1,455,555	1,131,093
Total	2,760,911	2,476,408

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51. Other non-operating income:

Other non-operating income for the years ended December 31, 2024 and 2023, is as follows:

	(Korean won in millions)	
Classification	2024	2023
Rental fee income	43,423	38,841
Gains on disposal of property, equipment and intangible assets	4,334	1,573
Gains on disposal of investment property	119,463	962
Gains on disposal of investment in associates	37,658	61,736
Gains on non-current assets held for sale	440	568
Others	125,849	136,481
Total	331,167	240,161

52. Other non-operating expenses:

Other non-operating expenses for the years ended December 31, 2024 and 2023, is as follows:

	(Korean won in millions)	
Classification	2024	2023
Loss on disposal of property, equipment and intangible assets	1,021	729
Loss on disposal of investment property	1,087	–
Loss on disposal of investment in associates	2,716	2,355
Contribution	245,105	143,163
Impairment loss on property, equipment and intangible assets	4,253	31,628
Impairment loss on investment in associates	2,163	1,718
Commissions received on collection of special bond	6,470	7,163
Others	225,243	225,755
Total	488,058	412,511

53. Income tax expenses:

50-1 The major components of income tax expense for the years ended December 31, 2024 and 2023, are as follows:

	(Korean won in millions)	
Classification	2024	2023
Tax burden:		
Current income taxes	1,120,160	1,040,775
Additional refund of prior year's income tax	(34,669)	(53,374)
Changes of deferred income taxes due to the tax effect of temporary differences	298,026	392,700
Current and deferred income taxes recognized directly to equity	(99,881)	(167,245)
Income tax expenses	1,283,636	1,212,856

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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, 2024 and 2023, are as follows:

	(Korean won in millions)	
Classification	2024	2023
Income before income tax	5,052,165	4,681,212
Tax at domestic statutory income tax rate	1,267,764	1,182,952
Tax-exempt income	(67,606)	(36,256)
Expenses not deductible for tax purposes	12,724	16,835
Tax deduction	(27,238)	(26,941)
Income tax expense of foreign branches and subsidiaries	87,884	83,419
Tax effect of consolidated tax return	69,130	37,516
Additional refund of prior year's income tax	(34,669)	(53,374)
Effect of tax rates change	(775)	(129)
Non-recognition of deferred income tax assets and the effect of write-off	2,246	(3,363)
Others	(25,824)	12,197
Income tax expense	1,283,636	1,212,856
Effective income tax rate (%)	25.4	25.9

53-3 Temporary differences and deferred income tax assets (liabilities) as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

	(Korean won in millions)	
Classification	Deductible (taxable) temporary differences	Deferred income tax assets(liabilities)
Loss on valuation of securities	(974,668)	(257,312)
Impairment loss on securities	85,787	22,648
Securities measured at FVOCI	221,639	58,513
Gain on valuation of investments in subsidiaries or associates	(633,769)	(167,315)
Gain on valuation of derivatives	(170,588)	(45,035)
Deemed dividends	452,988	119,589
Deferred loan fees and expenses	(617,896)	(163,125)
Accrued income	(467,171)	(123,333)
Accrued expenses	308,450	81,431
Allowance for acceptance guarantees	48,633	12,839
Defined benefit obligation	2,626,685	693,445
Plan assets for severance benefit	(2,174,196)	(573,988)
Allowance for other losses	600,334	158,488
Bad debt expenses	355,796	93,930
Depreciation	70,787	18,688
Dormant deposits	65,075	17,180
Advanced depreciation provision	(180,315)	(47,603)
Deemed cost for property and equipment	(681,935)	(180,031)
Investment in kind	18,479	4,878
Financial acceptances and guarantees	6,861	1,811
Deferred point income	162,612	42,930
Fair value valuation resulting from merger	6,937	1,831
Fair value differences due to the business combination	(258)	(541)
Others	(941,550)	(245,615)

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Classification	Deductible (taxable) temporary differences	Deferred income tax assets(liabilities)
Tax loss carryforwards	285,655	35,448
Total	(1,525,628)	(440,249)
Domestic deferred income tax assets		6,429
Domestic deferred income tax liabilities		(446,678)
Foreign deferred income tax assets(*)		143,925
Foreign deferred income tax liabilities(*)		(774)
Deferred income tax assets		(297,098)

(*) Deferred income tax assets of foreign branches are not offset against the deferred income tax liabilities due to differences in tax jurisdictions.

(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
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)

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Classification	Deductible (taxable) temporary differences	Deferred income tax assets (liabilities)
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

(*) 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, 2024 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, 2024 and 2023 are as follows:

	(Korean won in millions)	
Classification	December 31, 2024	December 31, 2023
Deductible temporary differences	1,496,550	1,637,373
Taxable temporary differences	(4,237,847)	(4,284,115)
Total	(2,741,297)	(2,646,742)

53-5 Details of deferred income taxes charged (credited) directly to equity as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

	(Korean won in millions)	
Classification	Before-tax amounts	Deferred income tax assets (liabilities)
(Loss) gain on valuation of financial assets measured at FVOCI	(420,279)	112,742
Changes in valuation of equity method investments	423,651	(112,073)
(Loss) gain on fair value hedge	(34,460)	9,477
Profit or loss on hedge valuation of net investment in overseas operations	(291,517)	77,716
(Loss) gain on valuation of cash flow hedges	44,921	(11,859)
Changes in credit risk of financial liabilities designated as measured at FVTPL	(83,965)	22,167
Exchange differences on translation of foreign operations	534,340	(84,651)
Remeasurements of the net defined benefit (asset) liability	(1,137,151)	295,749
Finance income or expenses related to insurance contract assets and liabilities	(242,753)	64,087
Total	(1,207,213)	373,355

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(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

53-6 The Global Minimum Top-Up Tax

The Global Minimum Top-Up Tax is the system in which, if the effective tax rate of a constituent entity within a multination group – where the group's consolidated revenue exceeds 750 million euros in at least two of the four preceding fiscal years – falls below 15%, the shortfall amount must be paid to the tax authority of the jurisdiction where a qualifying parent entity is located. The constituent entity includes subsidiaries consolidated in the financial statements, permanent establishments and certain equity method investees that meet specific criteria.

Korea enacted tax laws related to the Global Minimum Top-Up Tax in 2023, which must be applied from fiscal years beginning on or after January 1, 2024.

As the ultimate parent entity of a multinational group subject to the Global Minimum Top-Up Tax regime, the Group is liable for the top-up tax obligations of the constituent entities within the scope of this regime.

Accordingly, the Group conducted an impact analysis on corporate income tax for the constituent entities subject to the Global Minimum Top-Up Tax. As a result, the Group have determined that the financial impact of the corporate income tax expense to be reported for the 2024 fiscal year under the domestic Global Minimum Top-Up Tax obligations is insignificant.

The Group applies the mandatory provision exempting the deferred tax accounting for the impact of the Global Minimum Top-Up Tax. The Group plans to recognize the income tax expense in 2026, when the first filing and payment obligation for the Global Minimum Top-Up Tax for the 2024 fiscal year arises.

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54. Dividends:

54-1 Details of the Group's dividend including interim dividend for the years ended December 31, 2024 and 2023, are as follows:

(2024)

Type of dividend	Cash dividend (1st quarter)	Cash dividend (2nd quarter)	Cash dividend (3rd quarter)	Cash dividend (annual)
Number of shares (*)	286,266,598	282,900,880	282,900,880	280,383,889
Par value per share (Korea won)	5,000	5,000	5,000	5,000
Dividend per share (Korea won)	600	600	600	1,800
Share ratio (%)	12.0	12.0	12.0	36.0
Dividends (Korea won in millions)	171,760	169,741	169,740	504,691

(*) The number of dividendable shares is calculated by deducting the treasury shares acquired by the Parent Company from the total number of shares issued by the Parent Company as of the dividend record date.

(2023)

Type of dividend	Cash dividend (1st quarter)	Cash dividend (2nd quarter)	Cash dividend (3rd quarter)	Cash dividend (annual)
Number of shares (*)	289,013,476	288,016,598	288,016,598	288,016,598
Par value per share (Korea won)	5,000	5,000	5,000	5,000
Dividend per share (Korea won)	600	600	600	1,600
Share ratio (%)	12.0	12.0	12.0	32.0
Dividends (Korea won in millions)	173,408	172,810	172,810	460,827

(*) The number of dividendable shares is calculated by deducting the treasury shares acquired by the Parent Company from the total number of shares issued by the Parent Company as of the dividend record date.

54-2 Details of the Group's dividend pay-out ratio and dividend yield (including interim dividends) for the years ended December 31, 2024 and 2023, are as follows (%):

Classification	Formula	2024	2023
Dividend pay-out ratio	Cash dividend amount/Net income attributable to equity holders of the parent	27.2	28.6
Dividend yield	Cash dividend per share/stock prices (closing price of the settlement date)	6.3	7.8

54-3 Details of dividends on hybrid equity securities for the years ended December 31, 2024 and 2023, are summarized as follows:

	(Korean won in millions)	
Classification	2024	2023
Average balance of hybrid equity securities	3,843,142	3,613,137
Weighted-average interest rate	4.00%	3.80%
Total dividends	150,664	135,526

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55. Earnings per share:

55-1 Weighted-average numbers of common shares for the years ended December 31, 2024 and 2023, are calculated as follows(shares in units):

Classification	2024	2023
Beginning	288,016,598	291,563,476
Acquisition of treasury stock	(3,884,783)	(2,802,034)
Weighted-average number of shares of common stocks outstanding	284,131,815	288,761,442

55-2 The Group's basic earnings per share for the years ended December 31, 2024 and 2023, are calculated as follows (per share amounts in units):

	(Korean won in millions)	
Classification	2024	2023
Net income attributable to equity holders of the parent	3,738,849	3,421,712
Dividends on hybrid equity securities	(150,664)	(135,526)
Net income attributable to common stock holders of the parent	3,588,185	3,286,186
Weighted-average number of shares of common stocks outstanding	284,131,815	288,761,442
Basic earnings per share (in Korean won)	12,629	11,380

(*) The Group's basic earning per share and diluted earing per share are the same for the years ended December 31, 2024 and 2023.

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 the exercise price.

The subsidiary, Finng Co., Ltd, has granted its employees rights and performance-linked stock-based compensation (Stock Grant) under the share-based compensation agreement, and calculates compensation costs by applying a fair value approach to these rights.

56-1 Performance-based stock grants

56-1-1 The details of performance-based stock grants as of December 31, 2024, are as follows:

	(Shares)				
Classification	Grant date	Settlement method	Exercisable period (appraisal period)	Payment date	Estimated vested shares as of December 31, 2024
Grant in 2018 (*1)	2018.1.1	Cash settlement	2018.01.01-2020.12.31	2020.12.31	4,146
Grant in 2019 (*1)	2019.1.1	Cash settlement	2019.01.01-2021.12.31	2021.12.31	6,784
Grant in 2020 (*1)	2020.1.1	Cash settlement	2020.01.01-2022.12.31	2022.12.31	3,600
Grant in 2021 (*1)	2021.1.1	Cash settlement	2021.01.01-2023.12.31	2023.12.31	369,435
Grant in 2022 (*1)	2022.1.1	Cash settlement	2022.01.01-2024.12.31	2024.12.31	248,570
Grant in 2023 (*1)	2023.1.1	Cash settlement	2023.01.01-2025.12.31	2025.12.31	247,925
Grant in 2024 (*1)	2024.1.1	Cash settlement	2024.01.01-2026.12.31	2026.12.31	134,626

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(*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% based on group performance (relative shareholder return), 55% based on subsidiary performance (subsidiary ROE and net profit target achievement rate), and 5% based on soundness evaluation. The stocks granted in 2021, 2022, 2023 and 2024 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%.

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 ₩53,774 million and ₩55,721 million as of December 31, 2024 and 2023, respectively.

56-1-2 Details of performance-based stock grants by Finnq Co., Ltd. as of December 31, 2024 are as follows:

					(Shares)
Classification	Grant date	Settlement method	Vesting period (specified service period)	Payment date	Estimated vested shares as of December 31, 2024
4th grant (*1)(*2)	2021.01.01	Cash settlement	2021.01.01~2023.12.31	2023.12.31	2,643
5th grant (*1)(*2)	2022.01.01	Cash settlement	2022.01.01~2024.12.31	2024.12.31	2,833
6th grant (*1)(*2)	2023.01.01	Cash settlement	2023.01.01~2025.12.31	2025.12.31	56,817
7th grant (*1)(*2)	2024.01.01	Cash settlement	2024.01.01~2026.12.31	2026.12.31	56,649

(*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 at the end of the reporting period. The performance-based stock grant liabilities in accounts payable are in the amount of ₩214 million and ₩94 million as of December 31, 2024 and 2023, respectively.

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56-1-3 Compensation costs for a performance-based stock grant for the years ended December 31, 2024 and 2023, are as follows:

(2024)

(Korean won in millions)				
Classification	HFG	Subsidiaries	Finnq Co., Ltd.	Total
Compensation cost	5,378	18,529	119	24,026

(2023)

(Korean won in millions)				
Classification	HFG	Subsidiaries	Finnq Co., Ltd.	Total
Compensation cost	2,331	9,902	49	12,282

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, 2024, are as follows:

Classification	4th grant
Granted by	Finnq Co., Ltd.
Grant shares	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
Grant date	January 1, 2022
Number of shares granted	45,000 shares
Estimated number of shares vested as of December 31, 2024	6,000 shares
Vesting period (specified service period)	January 1, 2022 – March 31, 2025
Exercisable period	April 1, 2025 – July 31, 2025
Payment date	March 31, 2025
Exercise price per share (in Korean won)	32,500
Evaluation model	Black-Scholes model
Risk-free interest rate	2.87%
Volatility	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, 2024, are not accrued and there is no stock option available for exercise as of December 31, 2024.

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57. Statements of cash flows:

57-1 Cash and cash equivalents on hand as of December 31, 2024 and 2023, are as follows:

	(Korean won in millions)	
Classification	2024	2023
Cash	2,165,786	1,742,901
Due from banks in Korean won	16,562,153	13,643,014
Due from banks in foreign currencies	21,677,014	19,094,543
Subtotal	40,404,953	34,480,458
Restricted balances (*)	6,725,462	3,675,938
Due from banks with original maturities exceeding three months from the date of acquisition	912,831	1,167,810
Adjustments	7,638,293	4,843,748
Cash and cash equivalents	32,766,660	29,636,710

(*) 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, 2024 and 2023, are as follows:

	(Korean won in millions)	
Description	2024	2023
Gain on valuation of financial assets measured at FVOCI, net	375,128	1,062,093
Debt-to-equity swap	17,982	188
Replacement from loan, etc., to non-current assets held for sale	4,972	22,042
Replacement from current assets to investment properties	153,574	38,669
Replacement from properties to prepaid assets	79,601	49,256
Changes in right-of-use assets	192,408	68,695
Changes in lease liability	441,619	163,383
Changes in exchange differences on translation of foreign operations	485,587	83,119

57-3 Changes in liabilities arising from financing activities for the years ended December 31, 2024 and 2023, are as follows:

(2024)

	(Korean won in millions)					
Classification	January 1	Cash flows	Foreign exchange movement	Changes in fair values	Other	December 31
Borrowings	43,590,349	780,782	1,768,116	–	3,907	46,143,154
Debentures	58,702,329	4,203,645	581,849	352,827	1,038,961	64,879,611
Lease liability	448,936	(243,230)	–	–	441,463	647,169
Derivative instruments used for hedging (*)	314,342	(22,459)	–	26,439	(16,604)	301,718
Total	103,055,956	4,718,738	2,349,965	379,266	1,467,727	111,971,652

(*) Hedging derivative instruments represent the amounts resulting from offsetting assets and liabilities.

(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.

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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 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, 2024 and 2023, are summarized as follows:

(2024)

(Korean won in millions)

Related party	Type	Income			Provisions for (reversal of) credit loss allowance	Expenses		
		Interest income	Fee and commission income	Other income		Interest expenses	Fee and commission expenses	Other expenses
Bank of Jilin	Associate	2	1	-	-	90	-	3
OM International Financing Leases	Associate	1,450	-	-	5,193	-	-	-
Beijing Langa Asset Management Co., Ltd.	Associate	-	1	1	-	130	-	-
PT. SINARIMAS HANA FINANCE	Joint venture	2,833	308	279	55	-	-	-
Korea Credit Bureau	Associate	427	33	-	(4)	-	5,247	12
KEB Hana-K/MC Unicom Fund of Funds	Associate	-	-	-	-	127	-	-
Templeton Hana Asset Management Co., Ltd.	Associate	-	-	-	-	393	-	-
Bank for Investment and Development of Vietnam ("BIDV")	Associate	7	13	1,666	-	432	10	1,851
Toss Bank Co., Ltd.	Associate	470	52,413	2	7	1	708	309
Sinsa Station Complex Development PFV Co., Ltd.	Associate	1,138	216	-	(9,957)	-	-	-
Cheongna Medipolis PFV Co., Ltd.	Associate	-	15,300	-	-	94	-	-
UNION TCB FUND II	Associate	-	-	-	-	14	-	-
Artificial Photosynthesis Lab Co., Ltd.	Associate	-	-	-	-	24	-	-
No.1 KEB-HANASTAY REITS Co., Ltd.	Associate	541	5	-	1	4	-	-
MASHUP ANGELS VALUE UP FUND2	Associate	-	17	4	-	83	-	-
Bitgo Korea	Associate	-	-	-	-	71	-	-
Mirae Credit Information Services Corp.	Associate	1	12	170	-	27	11,104	-
Hana-Capstone AI Platform Fund	Associate	-	-	4	-	53	-	-
Fount Finance	Associate	-	-	-	-	37	-	-
KORAMCO THE ONE REIT	Associate	-	-	-	-	290	-	20,660
GMHB Co., Ltd.	Associate	-	35	7	-	-	-	-

Related party	Type	Income			Provisions for (reversal of) credit loss allowance	Expenses		
		Interest income	Fee and commission income	Other income		Interest expenses	Fee and commission expenses	Other expenses
Lotte Ventures Corp.	Associate	-	-	3	-	-	-	-
Hana Power Infra 1st Private Equity Fund	Associate	327	1,700	-	(135)	126	-	-
2018 Hana-Magna Start-up Fund	Associate	-	235	-	-	-	-	-
Dangsandong PFV Co., Ltd.	Associate	-	64	-	-	-	-	-
Daegu MBC Development PFV Co. Ltd.	Associate	11,266	484	6	349	-	-	-
YH Leisure Development Co., Ltd.	Associate	4,844	38	-	(17)	-	-	-
Changlio Innovation Co., Ltd.	Associate	-	182	-	-	-	-	-
Civic Center PFV	Associate	2,071	7	-	-	-	-	-
Dowon Asset Development Co., Ltd.	Associate	199	5	-	365	-	-	-
HORIZON PRIVATE EQUITY FUND	Associate	-	2,766	-	-	-	-	-
Hana Ever Best Corporation Financial Stability Private Investment Co., Ltd.	Associate	-	690	-	-	-	-	-
Hana Bio New Technology Fund No. 2	Associate	-	39	-	-	-	-	-
Hana Bio New Technology Fund No. 3	Associate	-	27	-	-	-	-	-
Genesis Environment Energy No. 3 Private Equity Fund	Associate	-	13,677	-	-	-	-	-
Smart Hana-H& Green New Deal No. 1 Fund	Associate	-	323	-	-	-	-	-
Cornerstone Mutual Growth VI Fund	Associate	-	2,381	-	-	-	-	-
New Deal Extension New Technology Fund No. 1	Associate	-	477	-	-	-	-	-
Yujin Hana Recycling Private Equity Fund (formerly, Green Forest Resource Circulation No. 1 Private Equity Fund)	Associate	-	152	-	-	-	-	-
Daeyoung Networks Co., Ltd.	Associate	-	5	-	-	-	-	-
Hana X Bio New Technology Fund	Associate	-	961	-	-	-	-	-
The Hahn Green Energy Fund	Associate	-	-	462	-	-	-	-
Choice & Soyeon Construction Co., Ltd.	Associate	-	-	-	307	-	-	-
Daeyoung DLM PFV Co., Ltd.	Associate	-	-	10	-	1	-	-
Hana Financial Twenty-Fifth Special Purpose Acquisition Company	Associate	-	-	-	-	141	-	-
K8Fashion No. 1 Fund	Associate	-	24	-	-	-	-	-
Hana Financial Twenty-Sixth Special Purpose Acquisition Company	Associate	-	-	-	-	55	-	-
Hana Financial Twenty-Seventh Special Purpose Acquisition Company	Associate	-	-	-	-	38	-	-
Anda Mobility Infrastructure Fund No. 1	Associate	-	-	-	-	1	-	-
Smilegate Kairos Sub 1 PEF	Associate	-	-	-	-	14	-	-
Hana Financial Twenty-Eighth Special Purpose Acquisition Company	Associate	-	-	-	-	60	-	-
Hana Financial Twenty-Ninth Special Purpose Acquisition Company	Associate	-	-	-	-	28	-	-
KOBI-HANA Business Reorganization Value-up Private Equity Fund	Associate	-	1,600	-	-	-	-	-
Smilegate Quicksilver 1st PEF	Associate	-	382	-	-	-	-	-
2023 JB Newtech No.2 Fund	Associate	-	150	-	-	-	-	-
Hana Financial Thirtieth Special Purpose Acquisition Company	Associate	-	-	-	-	77	-	-
Hana Financial Thirty-First Special Purpose Acquisition Company	Associate	-	-	-	-	55	-	-

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Related party	Type	Income			Provisions for (reversal of) credit loss allowance	Expenses		
		Interest income	Fee and commission income	Other income		Interest expenses	Fee and commission expenses	Other expenses
Hana Financial Thirty-Second Special Purpose Acquisition Company	Associate	-	-	-	-	14	-	-
Hana Financial Thirty-Third Special Purpose Acquisition Company	Associate	-	-	-	-	21	-	-
Hana-Magna Growth Booster Fund	Associate	-	658	-	-	-	-	-
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	-	276	-	-	-	-	-
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	-	5,443	-	-	-	-	-
FRU Credit Information	Associate	-	599	-	-	2	18,694	-
Hana Digital Transformation Fund	Associate	-	1,129	-	-	-	-	-
Hana Ventures New Technology Investment Association No. 5	Associate	-	65	-	-	1	-	-
Hana Innovation Venture Scale-up Fund	Associate	-	1,068	-	-	24	-	-
Digital Innovation Growth Fund	Associate	-	305	-	-	-	-	-
Gyeonggi Hana Turn around Fund No. 2	Associate	-	954	4	-	12	-	-
Hana Untact Digital Innovation Fund	Associate	-	1,154	4	-	6	-	-
Hana K-NewDeal Unicorn Fund	Associate	-	1,736	-	-	-	-	-
Hana-Zephyrus Front1 Start-Up Fund	Associate	-	180	-	-	-	-	-
Hana Financial Thirty-Fourth Special Purpose Acquisition Company	Associate	-	-	-	-	1	-	-
Hana Ventures New tech PEF 1st	Associate	-	-	-	-	-	-	9
Hana Bio New Technology Fund No. 1-1 (*)	Associate	-	24	-	-	-	-	-
Hana Financial Twenty-Fourth Special Purpose Acquisition Company(*)	Associate	-	-	-	-	2	-	-
Hana Financial Twenty-First Special Purpose Acquisition Company(*)	Associate	-	-	-	-	2	-	-
Hana Financial Twenty-Second Special Purpose Acquisition Company(*)	Associate	-	-	-	-	28	-	-
Key management personnel	Associate	343	-	69	11	594	-	-
Total		25,919	108,400	2,807	(3,825)	3,174	35,763	22,844

(*) Excluded from the related parties for the year ended December 31, 2024.

(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
OM International Financing Leases	Associate	1,309	-	-	(1,754)	-	-	-
Beijing Langa Asset Management Co., Ltd.	Associate	-	1	1	-	324	-	-
PT. SINARIMAS Hana Finance	Joint venture	2,818	374	280	17	-	-	-
Korea Credit Bureau	Associate	856	40	-	(12)	10	4,890	2
KEB Hana-KMC 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 KEBHANASTAY 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	-	-
VL Taube Private Equity Fund	Associate	-	-	300	-	-	-	-
KORAMOO 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	-	-	-	-	-
Dangsandong 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-H& 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	Associate	-	550	-	-	-	-	-

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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
Nb. 1								
Eugene Hana Recycling Private Equity Fund (formerly known as GFI ESG the 1st Private Equity Fund)	Associate	-	75	-	-	-	-	-
Daeyoung Networks Co., Ltd.	Associate	-	9	-	-	-	-	-
Hana Fincial Twenty-first Special Purpose 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	-	-
K8Fashion 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	-	-
KDBI-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&U 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	-	-

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
Digital Innovation Growth Fund	Associate	-	395	-	-	-	-	-
Gyeonggi Hana Turn around Fund No. 2	Associate	-	1,064	-	-	111	-	-
Hana Unlact Digital Innovation Fund	Associate	-	1,271	-	-	56	-	-
Hana K-NewDeal Unicorn Fund	Associate	-	1,924	-	-	-	-	-
Hana-Zephyrus Front1 Start-Up Fund	Associate	-	171	-	-	-	-	-
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

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58-2 Outstanding balances with related parties arising from the below significant transactions as of December 31, 2024 and 2023, are as follows:

(December 31, 2024)

(Korean won in millions)							
Related party	Type	Assets		Allowance for loan loss	Liabilities		
		Loans	Other receivables		Deposits	Borrowings	Other payables
Bank of Jilin	Associate	–	–	–	7,736	–	3,460
CM International Financing Leases	Associate	66,126	–	53,058	2	–	–
Beijing Langa Asset Management Co., Ltd.	Associate	–	–	–	1,819	–	–
PT. SINARWAS HANA FINANCE	Joint venture	42,599	365	302	2	–	–
MIDAN City Development Co., Ltd.	Associate	–	–	–	2	–	–
Korea Credit Bureau	Associate	46	–	1	625	–	16
KEB Hana-KMC Unicorn Fund of Funds	Associate	–	–	–	4,816	–	–
Templeton Hana Asset Management Co., Ltd.	Associate	–	–	–	11,429	–	–
Bank for Investment and Development of Vietnam ("BIDV")	Associate	–	17,097	–	34,617	28,850	29,968
Toss Bank Co., Ltd.	Associate	1,193	115,265	10	–	–	66,632
Shinjin International Corporation	Associate	–	1	–	–	–	–
Cheongna Medipolis PFV Co., Ltd.	Associate	–	–	–	2,607	–	25
UNIONTOB FUND II	Associate	–	–	–	10,247	–	–
Artificial Photosynthesis Lab Co., Ltd.	Associate	–	–	–	1,107	–	–
No.1 KEBHANASTAY REITS Co., Ltd.	Associate	18,641	–	7	3,231	–	–
MASHUP ANGELS VALUE UP FUND2	Associate	–	–	–	4,371	–	3,500
BitGo Korea	Associate	2	–	–	4,721	–	–
Mirae Credit Information Services Corp.	Associate	247	–	–	558	–	98
Hana-Capstone AI Platform Fund	Associate	–	–	–	2,053	–	–
UCK Oasis Private Equity Fund	Associate	–	1,270	–	–	–	–
Fount Finance	Associate	–	–	–	1,199	–	–
KORAMCO THE ONE REIT	Associate	–	11,286	–	–	–	9,693
GMHB Co., Ltd.	Associate	–	–	–	100	–	320
Lotte Ventures Corp	Associate	–	–	–	1,333	–	–
Hana Power Infra 1st Private Equity Fund	Associate	–	–	–	178	–	–
2018 Hana-Magna Start-up Fund	Associate	–	247	–	–	–	–
Dangsandong PFV Co., Ltd.	Associate	–	–	–	–	–	5
Daegu MBC Development PFV Co. Ltd.	Associate	186,035	23	2,518	3	–	6
YH Leisure Development Co., Ltd.	Associate	99,008	–	125	120	–	–
Changio Innovation Co., Ltd.	Associate	3	–	–	11	–	83
Civic Center PFV	Associate	–	–	–	370	–	–
Dowon Asset Development Co., Ltd.	Associate	10,000	–	2,400	–	–	4
HORIZON PRIVATE EQUITY FUND	Associate	–	5,459	–	–	–	–
Hana Ever Best Corporation Financial Stability Private Investment Co., Ltd.	Associate	–	38	–	–	–	–
Smart Hana-I&G Green New Deal No. 1 Fund	Associate	–	103	–	–	–	–
People Korea Two	Associate	–	–	–	29	–	–
Imgok Rental Housing CO., Ltd.	Associate	–	–	–	1	–	–
Daeyoung Networks Co., Ltd.	Associate	–	–	–	–	–	3

Related party	Type	Assets		Allowance for loan loss	Liabilities		
		Loans	Other receivables		Deposits	Borrowings	Other payables
Hana X Bio New Technology/ Fund	Associate	–	2,000	–	–	–	–
Choice & Soyeon Construction Co., Ltd.	Associate	10,000	–	1,876	104	–	–
Daeyoung DUM PFV Co., Ltd.	Associate	–	–	–	519	–	–
Hana Financial Twenty-Fifth Special Purpose Acquisition Company	Associate	–	4,935	–	6,399	–	–
Eugene Asia Food Tech Fund-1	Associate	–	–	–	161	–	–
Hana Financial Twenty-Sixth Special Purpose Acquisition Company	Associate	–	1,290	–	2,227	–	–
Hana Financial Twenty-Seventh Special Purpose Acquisition Company	Associate	–	1,390	–	2,092	–	–
Anda Mobility Infrastructure Fund No. 1	Associate	–	–	–	533	–	–
Smilegate Kairos Sub 1 PEF	Associate	–	–	–	378	–	–
Hana Financial Twenty-Eighth Special Purpose Acquisition Company	Associate	–	2,399	–	3,249	–	–
Hana Financial Twenty-Ninth Special Purpose Acquisition Company	Associate	–	1,239	–	2,000	–	–
KDBI-HANA Business Reorganization Value-up Private Equity Fund	Associate	–	804	–	–	–	357
HI-DCP MCE Industries Fund No.1	Associate	–	–	–	137	–	–
Hana Financial Thirtieth Special Purpose Acquisition Company	Associate	–	1,999	–	3,026	–	–
Hana Financial Thirty-First Special Purpose Acquisition Company	Associate	–	1,499	–	2,196	–	–
Hana Financial Thirty-Second Special Purpose Acquisition Company	Associate	–	999	–	1,018	–	–
Hana Financial Thirty-Third Special Purpose Acquisition Company	Associate	–	1,199	–	1,221	–	–
Hana-Magna Growth Booster Fund	Associate	–	136	–	–	–	25
Glenwood Credit Private Equity Fund II	Associate	–	2,107	–	–	–	–
Anda Mobility Infrastructure Fund No. 2	Associate	–	–	–	462	–	–
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	266	–	–	2,725	–	–
Hana Digital Transformation Fund	Associate	–	4,649	–	–	–	25
Hana Ventures New Technology/ Investment Association No. 5	Associate	–	–	–	414	–	–
Hana Innovation Venture Scale-up Fund	Associate	–	1,970	–	9,211	–	–
Digital Innovation Growth Fund	Associate	–	172	–	–	–	–
Gyeonggi Hana Turn around Fund No. 2	Associate	–	187	–	641	–	–
Hana Untact Digital Innovation Fund	Associate	–	199	–	1,344	–	–
Hana K-NewDeal Unicorn Fund	Associate	–	1,373	–	–	–	–
Hana-Zephyrus Front1 Start-Up Fund	Associate	–	45	–	–	–	–
Hana Financial Thirty-Fourth Special Purpose Acquisition Company	Associate	–	1,190	–	1,809	–	–
Hana Financial Twenty-Fourth Special Purpose Acquisition Company(*)	Associate	–	1,798	–	–	–	–
Hana Financial Twenty-First Special Purpose Acquisition Company(*)	Associate	–	1,390	–	–	–	–
Hana Financial Twenty-Second Special Purpose Acquisition Company(*)	Associate	–	1,190	–	–	–	–
Key management personnel		8,826	–	–	21,251	–	6
Total		442,992	187,460	60,297	156,404	28,850	114,226

(*) Excluded from the related party for the year ended December 31, 2024.

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(Korean won in millions)							
Related party	Type	Assets		Allowance for loan loss	Liabilities		
		Loans	Other receivables		Deposits	Borrowings	Other payables
Bank of Jilin	Associate	–	–	–	3,068	36,276	36,450
OM International Financing Leases	Associate	59,778	–	47,866	17	–	–
Beijing Larga 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-KVC Unicorn Fund of Funds	Associate	–	–	–	1,863	–	–
Templeton Hana Asset Management Co., Ltd.	Associate	–	–	–	11,391	–	–
Bank for Investment and Development of Vietnam ("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	–	1,888	–	145
Hana-Capstone AI Platform Fund	Associate	–	–	–	14,462	–	–
UOK Oasis Private Equity Fund	Associate	–	1,189	–	–	–	–
KORAMOO THE ONE REIT	Associate	–	29,365	–	–	–	17,955
Gunsan BIO Energy Co., Ltd.	Associate	–	2,617	–	–	–	–
GMHB 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 Start-up Fund	Associate	–	338	–	–	–	–
Dangsandong 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	–	–
Changio 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-K& Green New Deal No. 1 Fund	Associate	–	84	–	–	–	–
People Korea Two	Associate	9,326	–	–	36	–	–
New Deal Extension New Technology Fund No. 1	Associate	–	–	–	–	–	15
Imgok 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

Related party	Type	Assets		Allowance for loan loss	Liabilities		
		Loans	Other receivables		Deposits	Borrowings	Other payables
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	–	–
KDBI-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 New Technology Investment Association No. 5	Associate	–	23	–	509	–	–
Hana Innovation Venture Scale-up Fund	Associate	–	933	–	5,564	–	–
Digital Innovation Growth Fund	Associate	–	95	–	–	–	–
Gyeonggi Hana Tum 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		8,089	–	–	19,397	–	12
Total		497,555	154,243	82,129	200,800	36,276	59,926

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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, 2024 and 2023, are as follows:

(2024)

(Korean won in millions)										
Related party	Type	Loans (*1)			Deposits (*1) and Borrowings			Capital contribution		
		Lend	Collect	Difference	Increase	Decrease	Difference	Increase	Decrease	Difference
Bank of Jilin	Associate	4,000	(4,000)	-	-	(40,278)	(40,278)	-	(10,618)	(10,618)
OM International Financing Leases	Associate	66,126	(66,373)	(247)	-	-	-	-	-	-
Beijing Langa Asset Management Co., Ltd.	Associate	-	-	-	-	-	-	-	(2,069)	(2,069)
PT. SINARIMAS HANA FINANCE	Joint venture	38,044	(36,910)	1,134	-	-	-	-	-	-
BSK-6 Patent Technology Investment Association	Associate	-	-	-	-	-	-	-	(955)	(955)
Company KStartup Winwin Fund	Associate	-	-	-	-	-	-	-	(790)	(790)
Korea Credit Bureau	Associate	281	(10,289)	(10,008)	-	-	-	-	(90)	(90)
KEB Hana-KMC Unicorn Fund of Funds	Associate	-	-	-	-	-	-	-	(6,000)	(6,000)
Templeton Hana Asset Management Co., Ltd.	Associate	-	-	-	-	-	-	-	(1,192)	(1,192)
Bank for Investment and Development of Vietnam ("BIDV")	Associate	23,080	(23,080)	-	275,229	(246,379)	28,850	-	-	-
Harvest Private Equity Fund Specializing in Start-Up and Venture Business 1	Associate	-	-	-	-	-	-	-	(560)	(560)
All Together Korea Fund 5	Associate	-	-	-	-	-	-	315	(315)	-
Toss Bank Co., Ltd.	Associate	39,060	(38,221)	839	-	-	-	-	-	-
Sinsa Station Complex Development PFVCo., Ltd.	Associate	-	(23,500)	(23,500)	-	-	-	-	-	-
Taurus Cloud Fund	Associate	-	-	-	-	-	-	68	-	68
Cheongna Medipolis PFV Co., Ltd.	Associate	-	-	-	37	-	37	-	-	-
UNION TCB FUND II	Associate	-	-	-	-	-	-	4,800	-	4,800
Artificial Photosynthesis Lab Co., Ltd.	Associate	1	(1)	-	1,100	-	1,100	-	-	-
MASHUP ANGELS VALUE UP FUND2	Associate	-	-	-	5,523	(5,273)	250	900	-	900
BitGo Korea	Associates	5	(2)	3	9,000	(4,500)	4,500	2,500	-	2,500
Mirae Credit Information Services Corp.	Associate	1,697	(1,719)	(22)	-	-	-	-	(114)	(114)
UOK Oasis Private Equity Fund	Associate	-	-	-	-	-	-	97	-	97
Genesis Environment Energy/ No. 9 Private Equity Fund	Associate	-	-	-	-	-	-	21,275	(18,335)	2,940
Fount Finance	Associate	-	-	-	8,500	(9,000)	(500)	-	-	-
KORAMOO THE ONE REIT	Associate	-	-	-	-	-	-	-	(1,386)	(1,386)
Hana Power Infra 1st Private Equity Fund	Associate	-	(10,698)	(10,698)	-	-	-	-	(49,727)	(49,727)
UNION Proptech Fund I	Associate	-	-	-	-	-	-	-	(750)	(750)
Daegu MBC Development PFV Co. Ltd.	Associates	26,045	(26)	26,019	-	-	-	-	-	-
YH Leisure Development Co., Ltd.	Associate	176	(4,175)	(3,999)	-	-	-	-	-	-
Changio Innovation Co., Ltd.	Associate	21	(21)	-	-	-	-	-	-	-
Civic Center PFV	Associate	4,529	(29,529)	(25,000)	-	-	-	-	-	-
Hana Ever Best Corporation Financial StabilityPrivate Investment Co., Ltd.	Associate	-	-	-	-	-	-	2,811	-	2,811
Genesis Environment Energy/ No. 3 Private Equity Fund	Associate	-	-	-	-	-	-	-	(28,176)	(28,176)

Related party	Type	Loans (*1)			Deposits (*1) and Borrowings			Capital contribution		
		Lend	Collect	Difference	Increase	Decrease	Difference	Increase	Decrease	Difference
MC Southeast Asia Fund No. 1	Associate	-	-	-	-	-	-	84	-	84
Cornerstone Mutual Growth VI Fund	Associate	-	-	-	-	-	-	-	(3,020)	(3,020)
People Korea Two	Associate	-	(9,326)	(9,326)	-	-	-	-	-	-
Infinity ESG Private Equity Fund No. 2	Associate	-	-	-	-	-	-	1,800	-	1,800
Choice & Soyeon Construction Co., Ltd.	Associate	-	(15,000)	(15,000)	-	-	-	-	-	-
Hana Financial Twenty-Second Special Purpose Acquisition Company	Associate	-	-	-	1,500	(1,500)	-	-	-	-
Hana Financial Twenty-Fifth Special Purpose Acquisition Company	Associate	-	-	-	6,000	-	6,000	-	-	-
Hana Financial Twenty-Seventh Special Purpose Acquisition Company	Associate	-	-	-	1,600	-	1,600	-	-	-
Smilegate Kairos Sub 1 PEF	Associates	-	-	-	408	(550)	(142)	-	-	-
KDBI-HANA Business Reorganization Value-up Private Equity Fund	Associate	-	-	-	-	-	-	35,280	-	35,280
Smilegate Quicksilver 1st PEF	Associate	-	-	-	-	-	-	-	(382)	(382)
Hana Financial Thirtieth Special Purpose Acquisition Company	Associate	-	-	-	2,300	-	2,300	-	-	-
Hana Financial Thirty-First Special Purpose Acquisition Company	Associate	-	-	-	1,650	-	1,650	-	-	-
Samsung Innovative New Technology Fund No. 1	Associate	-	-	-	-	-	-	2,000	-	2,000
Hana Financial Thirty-Second Special Purpose Acquisition Company	Associate	-	-	-	600	-	600	1	-	1
Hana Financial Thirty-Third Special Purpose Acquisition Company	Associate	-	-	-	900	-	900	1	-	1
Gongqingcheng Zhongyuan Hana Equity Investment Partnership (Limited Partnership)	Associate	-	-	-	-	-	-	-	(7,022)	(7,022)
Yunnan Shuanggang Tea Industry Co., Ltd	Associate	-	-	-	-	-	-	-	(2,728)	(2,728)
Glenwood Credit Private Equity Fund II	Associate	-	-	-	-	-	-	-	(1,736)	(1,736)
CAPSTONE SCALE-UP VENTURE FUND	Associate	-	-	-	-	-	-	3,000	-	3,000
Hana Alternative Special Investment PrivateTrust No. 161	Associates	-	-	-	-	-	-	-	(25)	(25)
Hana Alternative Investment Blind General Private Real Estate Investment Trust No. 172	Associate	-	-	-	-	-	-	-	(128)	(128)
A&D Credit Information Co., Ltd.	Associate	-	-	-	-	-	-	-	(33)	(33)
F&U Credit Information	Associate	1,336	(1,339)	(3)	-	-	-	-	-	-
Hana Digital Transformation Fund	Associate	-	-	-	-	-	-	-	(800)	(800)
HS INVESTMENTS EU11 L.P.	Associate	-	-	-	-	-	-	17	-	17
Hana Innovation Venture Scale-Up Fund	Associate	-	-	-	-	-	-	3,000	-	3,000
Gyeonggi Hana Turn around Fund No. 2	Associate	-	-	-	-	-	-	2,000	(1,326)	674
Hana Untact Digital Innovation Fund	Associate	-	-	-	-	-	-	3,100	-	3,100
Hana K-NewDeal Unicorn Fund	Associate	-	-	-	-	-	-	21,870	(4,260)	17,610
Hana-Zephyrus Front1 Start-Up Fund	Associate	-	-	-	-	-	-	150	-	150
Withwin-ATP Innovation New Technology Fund No. 1	Associate	-	-	-	-	-	-	1,700	-	1,700
MTI-SJGP Fund No.1	Associate	-	-	-	-	-	-	900	-	900
Kwoom-HNT Rising Star New Technology Fund	Associate	-	-	-	-	-	-	2,000	-	2,000
Global Food Tech Fund	Associate	-	-	-	-	-	-	2,000	-	2,000

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Related party	Type	Loans (*1)			Deposits (*1) and Borrowings			Capital contribution		
		Lend	Collect	Difference	Increase	Decrease	Difference	Increase	Decrease	Difference
IMM Global Hydrogen LPF	Associate	–	–	–	–	–	–	2,740	–	2,740
Hana Financial Thirty-Fourth Special Purpose Acquisition Company	Associate	–	–	–	–	–	–	10	–	10
MW-J&M New Technology Investment Fund 3rd	Associate	–	–	–	–	–	–	2,000	–	2,000
NR Private Equity Fund 2nd	Associate	–	–	–	–	–	–	6,000	–	6,000
Curious Solution Financial Stability Private Investment Joint Company (*2)	Associate	–	–	–	–	–	–	–	(16,634)	(16,634)
ST-J&M New Technology Investment Fund 1st (*2)	Associate	–	–	–	–	–	–	–	(2,113)	(2,113)
Pushan Hana (Hainan) Technology Co., Ltd.	Associate	–	–	–	–	–	–	–	(2,761)	(2,761)
Wangren Family Office(Guangzhou) Co., Ltd.	Associate	–	–	–	–	–	–	–	(3,595)	(3,595)
Hana Bio New Technology Fund No. 1-1 (*2)	Associate	–	–	–	–	–	–	–	(2,459)	(2,459)
Starquest-Axis-Pacific capital New technology Fund No. 1	Associate	–	–	–	–	–	–	1,300	(1,300)	–
IMMGlobalRenewablesIILPF(*2)	Associate	–	–	–	–	–	–	–	(87)	(87)
Hana-Capstone AI Platform Fund	Associate	–	–	–	8,345	(8,343)	2	–	(5,055)	(5,055)
Genesis Environment No. 5 Private Equity Fund	Associate	–	–	–	–	–	–	–	(14,438)	(14,438)
New Deal Extension New Technology Fund No. 1	Associate	–	–	–	–	–	–	3,000	(5,600)	(2,600)
Genesis Environment No. 6 Private Equity Fund	Associate	–	–	–	–	–	–	–	(298)	(298)
The Hahm Green Energy Fund	Associate	–	–	–	–	–	–	–	(539)	(539)
2023 JB Newtech No.2 Fund	Associate	–	–	–	–	–	–	–	(544)	(544)
Nautic Green Innovation ESG Co-Investment No. 1 Private Equity Fund	Associate	–	–	–	–	–	–	–	(4,748)	(4,748)
Digital Innovation Growth Fund	Associate	–	–	–	–	–	–	–	(336)	(336)
Kyobo Security K-Public Stock General PEF	Associate	–	–	–	–	–	–	–	(658)	(658)
Hana Ventures New tech PEF 1st	Associate	–	–	–	–	–	–	–	(281)	(281)
Metheus Private Equity Real Estate Fund 10	Associate	–	–	–	–	–	–	–	(2,205)	(2,205)
Hana-KN Region Innovation Fund	Associate	–	–	–	–	–	–	1,400	–	1,400
Key management personnel (*3)		736	–	736	1,895	–	1,895	–	–	–
Total		205,137	(274,209)	(69,072)	324,587	(315,823)	8,764	128,119	(206,188)	(78,069)

(*1) Overdrawn account in daily basis is excluded from the lending and collection of loans, and the amount of frequent deposits and borrowings is excluded from the changes in deposits.

(*2) It is excluded from a related party for the year ended December 31, 2024.

(*3) Financial transactions with key management personnel are shown as net amounts.

(2023)

(Korean won in millions)

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Related party	Type	Loans Receivables(*1)			Deposits(*1) and Borrowings			Capital Contribution		
		Lend	Collect	Difference	Increase	Decrease	Difference	Increase	Decrease	Difference
Purpose Acquisition Company (*2)	Associate	-	-	-	-	(1,813)	(1,813)	-	-	-
Heat Private Equity Fund (*2)	Associate	-	-	-	-	-	-	-	(1,344)	(1,344)
DA Value-Up Fund No. 2 (*2)	Associate	-	-	-	-	-	-	-	(357)	(357)
Gwachon Jisan Octa PFV., Ltd. (*2)	Associate	-	-	-	-	-	-	-	(1,432)	(1,432)
Lakebridge The Growth Capital PEF1(*2)	Associate	-	-	-	-	-	-	-	(9,326)	(9,326)
Hana Asset Management (formerly known as Hana UBS Asset Management) (*2)	Associate	-	-	-	-	-	-	-	(3,455)	(3,455)
Key management personnel (*3)		32	-	32	2,189	-	2,189	-	-	-
Total		2,993,530	(3,036,716)	(43,186)	161,107	(168,999)	(7,892)	199,165	(144,280)	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.

58-4 The amount of tangible assets and intangible assets acquired from related parties no exist for the year ended December 31, 2024, and were ₩778 million for the year ended December 31, 2023.

58-5 Significant guarantee contracts, Commitment and collateral provided between related parties as of December 31, 2024 and 2023, are summarized as follows:

(December 31, 2024)

(Korean won in millions)			
Related parties		Transactions	Amounts
Benefactor	Beneficiary		
Hana Bank	Gyeonggi Hana Turn around Fund No. 2	Securities purchase contract	304
Hana Bank	Daegu MBC Development PFV Co. Ltd.	Unused limit (loans in Korean currency)	20,599
Hana Bank	Taurus Cloud Fund	Securities purchase contract	362
Hana Bank	Hana Digital Transformation Fund	Securities purchase contract	1,000
Hana Bank	Hana K-NewDeal Unicorn Fund	Securities purchase contract	3,600
Hana Bank	Korea Credit Bureau	Unused limit (loans in Korean currency)	10,000
Hana Bank	All Together Korea Fund5	Securities purchase contract	990,000
Hana Bank	UNION TCB FUND II	Securities purchase contract	6,000
Hana Bank	No.1 KEB-HANASTAY REITS Co., Ltd	Unused limit (loans in Korean currency)	1,259
Hana Bank	KDBI-HANA Business Reorganization Value-up Private Equity Fund	Securities purchase contract	26,863
Bank for Investment and Development of Vietnam ("BIDV")	KEB Hana Bank	Foreign currency payment guarantee	32,763
PT Bank KEB Hana	PT. SINARIMAS HANA FINANCE	Unused limit (loans in foreign currencies)	1,129
Hana Bank	MASHUP ANGELS VALUE UP FUND2	Securities purchase contract	900
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	7,033
Hana Securities	Hana-Magna Growth Booster Fund	Securities purchase contract	3,000
Hana Securities	KDBI-HANA Business Reorganization Value-up Private Equity Fund	Securities purchase contract	26,863
Hana Securities	Hana-KN Region Innovaition Fund	Securities purchase contract	9,000
Hana Card	F&U Credit Information	Unused limit (credit card)	724
Hana Card	Korea Credit Bureau	Unused limit (credit card)	254
Hana Card	Mirae Credit Information Services Corp.	Unused limit (credit card)	753

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Related parties		Transactions	Amounts
Benefactor	Beneficiary		
Hana Card	YH Leisure Development Co., Ltd.	Unused limit (credit card)	12
Hana Card	Changio Innovation CO., Ltd.	Unused limit (credit card)	7
Hana Card	Toss Bank Co., Ltd.	Unused limit (credit card)	807
Hana Card	Artificial Photosynthesis Lab Co., Ltd.	Unused limit (credit card)	5
Hana Card	Hana Digital Transformation Fund	Securities purchase contract	250
Hana Card	Hana K-NewDeal Unicorn Fund	Securities purchase contract	1,400
Hana Card	BitGo Korea	Unused limit (credit card)	4
Hana Capital	PT. SINARMAS HANA FINANCE	Payment guarantee	62,859
Hana Capital	Hana K-NewDeal Unicorn Fund	Securities purchase contract	1,600
Hana Capital	CAPSTONE SCALE UP VENTURE FUND	Securities purchase contract	4,000
Hana Capital	Hana-KN Region Innovaiton Fund	Securities purchase contract	1,800
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	7,675
Hana Savings Bank	Hana Digital Transformation Fund	Securities purchase contract	200
Hana Savings Bank	UCK Oasis Private Equity Fund	Securities purchase contract	94
Hana Asset Trust	Hana Digital Transformation Fund	Securities purchase contract	100
Hana Asset Trust	Hana K-NewDeal Unicorn Fund	Securities purchase contract	400
Hana Alternative Asset Management	Hana K-NewDeal Unicorn Fund	Securities purchase contract	200
Hana Alternative Asset Management	Hana Alternative Investment Blind General Private Real Estate Investment Trust No. 172	Securities purchase contract	1,200
Hana Ventures	Hana Digital Transformation Fund	Securities purchase contract	393
Hana Ventures	Hana K-NewDeal Unicorn Fund	Securities purchase contract	7,380
Hana Ventures	Hana-Zephyrus Front1 Start-Up Fund	Securities purchase contract	750
Total			1,235,942

(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 currency)	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 currency)	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 currency)	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
Bank for Investment and Development of Vietnam ("BIDV")	KEB Hana Bank	Foreign currency payment guarantee	59,120
PT Bank KEB Hana	PT. SINARMAS HANA FINANCE	Unused limit (Loans in foreign currencies)	3,113
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	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&U 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

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Benefactor	Beneficiary		
Hana Card	Hana K-NewDeal Unicorn Fund	Securities purchase contract	3,500
Hana Capital	PT. SINARWAS 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	UOK 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
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

58-6 Details of compensation paid to key management personnel for the years ended December 31, 2024 and 2023, are summarized as follows:

(Korean won in millions)		
Classification	2024	2023
Employee payment	68,405	66,179
Severance payment	4,002	2,437
Share-based compensation expenses	15,098	8,510
Total	87,505	77,126

58-7 The defined benefit plans between entities belonging to the Group as of December 31, 2024 and 2023, are as follows:

(Korean won in millions)			
Classification	December 31, 2024	December 31, 2023	Description
KEB Hana Bank	233,868	257,413	Trust account
Hana Securities	191,498	198,463	Trust account
Total	425,366	455,876	

59. Events After the Reporting Period:

On February 4, 2025, the Group decided to acquire and retire its treasury stock at the meeting of the board of directors, and plans to acquire ₩400,000 million worth of its treasury stock through a trust agreement from March 4, 2025 to September 5, 2025. After the acquisition, the Company plans to retire all of the treasury stock acquired.

60. Approval of the consolidated financial statements:

The Group's consolidated financial statements for the year ended December 31, 2024 were approved by the board of directors on February 4, 2025 and will be finally approved at the shareholders' meeting to be held on March 25, 2025.

Hana Financial Group Inc.

The internal control over financial reporting of Hana Financial Group Inc. as of December 31, 2024 has been audited by independent auditors and the independent auditor's report pursuant to Article 8 of the *Act on External Audit of Stock Companies*.

1. Independent auditors' audit report on internal control over financial reporting
2. Management's assessment of internal control over financial reporting

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INDEPENDENT AUDITOR' S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

English Translation of Independent Auditor’s Report on Internal Control over Financial Reporting Originally Issued in Korean on February 28, 2025

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

AUDIT OPINION ON INTERNAL CONTROL OVER FINANCIAL REPORTING FOR CONSOLIDATION PURPOSES

We have audited the internal control over financial reporting for consolidation purposes of Hana Financial Group Inc. (the “Group”) as of December 31, 2024, based on the ‘Conceptual Framework for Design and Operation of Internal Control over Financial Reporting.’

In our opinion, the Group’s internal control over financial reporting for consolidation purposes is designed and operated effectively as of December 31, 2024, in all material respects, in accordance with the ‘Conceptual Framework for Design and Operation of Internal Control over Financial Reporting.’

We have also audited, in accordance with the Korean Standards on Auditing (“KSAs”), the consolidated financial statements of the Group, which comprise the consolidated statement of financial position as of December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders’ equity and consolidated statement of cash flows, for the years then ended, and notes to the separate financial statements, including material accounting policy information, and our report dated February 28, 2025, expressed an unqualified opinion.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

BASIS FOR AUDIT OPINION ON INTERNAL CONTROL OVER FINANCIAL REPORTING FOR CONSOLIDATION PURPOSES

We conducted our audit in accordance with the KSAs. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Internal Control over Financial Reporting for consolidation purposes section of our report.

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the internal control over financial reporting for consolidation purposes 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 opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE INTERNAL CONTROL OVER FINANCIAL REPORTING FOR CONSOLIDATION PURPOSES

Management is responsible for designing, operating and maintaining effective internal control over financial reporting for consolidation purposes, and for its assessment of the effectiveness of internal control over financial reporting for consolidation purposes, as included in the accompanying Internal Control over Financial Reporting (“ICFR”) for consolidation purposes Operating Status Report by the CEO.

Those Charged with Governance are responsible for the oversight of internal control over financial reporting for consolidation purposes of the Group.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE INTERNAL CONTROL OVER FINANCIAL REPORTING FOR CONSOLIDATION PURPOSES

Our responsibility is to express an opinion on the Group’s internal control over financial reporting based on our audit. We conducted our audit in accordance with the KSAs. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

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The audit of internal control over financial reporting involves performing procedures to obtain audit evidence about whether a material weakness exists. The procedures selected depend on the auditor’s judgment, including the assessment of the risks that a material weakness exists. The audit includes obtaining an understanding of internal control over financial reporting and testing and evaluating the design and operating effectiveness of internal control over financial reporting basedon the assessed risks.

DEFINITION AND LIMITATIONS OF INTERNAL CONTROL OVER FINANCIAL REPORTING FOR CONSOLIDATION PURPOSES

A Group’s internal control over financial reporting for consolidation purposes is a process implemented by those charged with governance, management and other personnel, and designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with designed to provide reasonable assurance regarding the reliability of financial reporting for consolidation purposes and the preparation of consolidated financial statements for external purposes in accordance with Korean International Financial Reporting Standards (“K-IFRS”).

A Group’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with K-IFRS, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group’s assets that could have a material effect on the separate financial statements.

Because of its inherent limitations, internal control over financial reporting for consolidation purposes may not prevent or detect material misstatements in the financial statements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that evaluation of and projections to the future periods may change as internal control over financial reporting becomes in adequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Deloitte Idnjia LLC

February 28, 2025

Notice to Readers

This report is effective as of February 28, 2025, 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 Company’s internal control over financial reporting for consolidation purposes and may result in modifications to the auditor’s report.



Management’s Discussion and Analysis

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Corporate Information

Audited Financial Statements

- Independent Auditor’s Report
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ICFR Operating Status Report for Consolidation Purposes by CEO and IA Manager

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

We, as the Chief Executive Officer(“CEO”) and the Internal Accounting(“IA”) Manager of Hana Financial Group Inc. (“the Company”), assessed operating status of the Company’s Internal Control over Financial Reporting for Consolidation Purposes(“ICFR”) for the year ending December 31, 2024.

Design and operation of ICFR is the responsibility of the Company’s management, including the CEO and the IA Manager. (collectively, “We”, “Our”).

We evaluated whether the Company effectively designed and operated its ICFR to prevent and detect errors or frauds which may cause a misstatement in consolidated financial statements to ensure preparation and disclosure of reliable consolidated financial information.

We used the ‘Conceptual Framework for Designing and Operating Internal Control over Financial Reporting’ established by the Operating Committee of Internal Control over Financial Reporting in Korea (the “ICFR Committee”) as the criteria for design and operation of the Company’s ICFR. And we conducted an evaluation of ICFR based on the ‘Management Guideline for Evaluating and Reporting Effectiveness of Internal Control over Financial Reporting’ established by the ICFR Committee.

Based on our assessment, we concluded that the Company’s ICFR is designed and operated effectively as of December 31, 2024, in all material respects, in accordance with the ‘Conceptual Framework for Designing and Operating Internal Control over Financial Reporting’.

We certify that this report does not contain any untrue statement of a fact, or omit to state a fact necessary to be presented herein. We also certify that this report does not contain or present any statements which might cause material misunderstandings of the readers, and we have reviewed and verified this report with sufficient care.

February 28, 2025
Chief Executive Officer Ham Young-joo (Signature)

Internal Accounting Manager Park Jongmoo (Signature)



AR 2024 DISCLAIMER

This document has been prepared by Hana Financial Group Inc. (the “Company”) solely for information purposes and does not constitute or form part of any offer, solicitation, invitation or recommendation to purchase, subscribe or sale for any financial investment product.

Unless specified otherwise, the information presented or contained in this document was based on facts and circumstances as of December, 2024. The information provided herein, including but not limited to market condition and our business performance, reflects the market situation and the Company's business strategy as of the aforementioned date and such information is subject to change due to various factors arising from any future events or circumstances without any prior notice; provided, however, even if such change occurs, the Company is not obligated to revise or supplement the content of this document to reflect such change which occurs after the provision of this document.

This documents contains certain statements that constitute forward-looking statements. These statements typically contain words such as “believes”, “expects”, “anticipates”, “intends”, “plans”, “foresees”, “(E)”, or other words or phrases of similar import. Similarly, statements that describe the matters including but the limited to, the Company's expected business status and financial performance also are forward-looking statements. These statements are not guarantees of future results or performance and involve certain risks, uncertainties and assumptions that are difficult to predict and often are beyond the Company's control. Actual future situations may differ materially from what is described or implied in these statements and they are subject to change in the future without notice. The Company assumes no duty to and does not undertake to update any forward-looking statements to reflect factors affecting these statements.

None of the Company, its subsidiaries and affiliates (including joint ventures), and their respective officers, directors and employees shall have any liability whatsoever (based on negligence or otherwise) for any loss arising from any use of this documents or any disclosure therein.

Certain data in this presentation was obtained from various external data sources, and the Company has not verified such data with independent sources. Accordingly, the Company makes no representations as to the accuracy or completeness of that data, and such data involves risks and uncertainties and is subject to change based on various factors.

Unless specified otherwise, any business or financial performance information disclosed herein are based on consolidated financial information prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS).

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