



Annual Report 2023

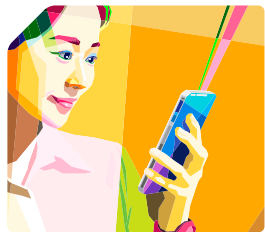
# ANSWERS for the future

KB Financial Group Annual Report 2023

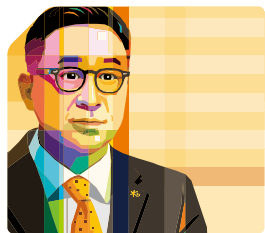
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### NAVIGATING THE REPORT

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## CEO Message

Dear shareholders and esteemed members of KB Financial Group's stakeholder community, let me begin by thanking all of you for your unwavering interest in and support of KB Financial Group.

In 2023, global markets were engulfed by uncertainties arising from an economic slowdown and geopolitical risks. The domestic market also had to deal with concerns over real estate risks spilling over into a financial crisis and swelling household debt amidst a high interest rate and high inflation environment.

Despite these domestic and international difficulties, KB Financial Group continued to ensure internal stability while sustaining our position as the leading financial group most trusted by customers. In particular, our balanced business portfolio across the banking and non-banking sectors underpinned our stable growth amidst uncertain business environments. In fact, our eleven subsidiaries generated significant achievements in their respective sectors, thus contributing to our goal of becoming the No.1 financial platform company in Korea.

At the same time, our relentless endeavors toward a better customer experience paid off, as KB Star Banking saw its monthly active users (MAUs) surpass 12 million. This milestone, unprecedented by any Korean legacy bank, was achieved by our super app, which functions as a financial hub that integrates the primary financial functions of both banks and non-bank subsidiaries, as well as life-embedded services such as KB Wallet, thereby enhancing customer convenience and accessibility.

Additionally, we revamped our group membership program, KB Star Club, to enhance customer benefits, aligning with our business philosophy that prioritizes customer value. At the same time, KB Pay—our one-stop digital payment platform—expanded its services to include commerce and travel options.

Most importantly, I am pleased to report that our steadfast dedication to ESG leadership was recognized globally when we became the first Korean financial institution to achieve the highest rating (AAA) in the MSCI (Morgan Stanley Capital International) ESG evaluation. This recognition underscores our ongoing expansion of ESG financial product offerings, our efforts to reduce greenhouse gas emissions and energy use, and our commitment to inclusive finance for diverse demographics.

Furthermore, in the CIB sector, we led the domestic market in syndicated loans, debt capital markets (DCM), and mergers and acquisitions (M&A). In the WM/pension sector, we solidified our leading position in the retirement pension market when we became the first Korean retirement pension manager whose AUM size surpassed the KRW 40 trillion milestone.

Now, let me briefly discuss our business performance over the past year. In 2023, KB Financial Group recorded a net profit of KRW 4.63 trillion, marking an increase of KRW 478.9 billion from the previous year. This growth can be attributed to increased interest income driven by asset growth and a rising net interest margin (NIM), along with operating profit growth from improved gains on securities and derivatives, despite higher proactive provisioning for credit costs amid prolonged high interest rates and economic slowdowns both domestically and internationally.

In terms of asset size, KB Financial Group's total assets as of the end of 2023 amounted to KRW 715.74 trillion, an increase of KRW 27.07 trillion from a year ago. This can be attributed to the continued growth in corporate loans that focused on premium clients and the pursuit of profitability-driven securities growth.

I believe that this robust performance in both net profit and asset size amidst difficult business environments was made possible because of the unshakable support of our customers and shareholders, as well as the relentless efforts of all KB Financial Group employees.

As we move forward, everyone at KB Financial Group will continue to embrace change and innovation, aiming to enhance our prosperity as a leading financial group.

## Respected shareholders,

Today, societal and customer expectations for financial companies are becoming increasingly diverse and complex. Moreover, technological advancements are driving structural changes within the financial industry, presenting market players with unprecedented risks.

Determined to evolve as an unwavering leader in the face of these formidable challenges, KB Financial Group has firmly set a long-term vision to become the “**No.1 digital financial group that grows alongside customers as a lifetime financial partner.**” To achieve this vision, we have formulated strategic initiatives aimed at ensuring our continued growth and resilience.

- **First**, we aim to secure a sustainable growth and revenue base by enhancing the competitiveness of our Super Core business areas to capture new opportunities and pursue further investments.
- **Second**, we will strive to elevate customer trust and enhance our competitiveness in key growth engines, including investment management, wealth management, insurance, and global operations, to bolster our Core Business domains.
- **Third**, in the realms of non-financial businesses and ESG—our Next Core areas for future leadership—we are committed to solidifying the Group's position and refining our global business models.
- **Fourth**, we strive to differentiate our customer channels by providing convenient services through our digital platforms that match in-person interactions, while also enhancing our embedded finance offerings.
- **Fifth**, we will leverage comprehensive technology and AI (Tech·AI) to further enhance our operational efficiency and create new value, thereby achieving our transition into a tech-driven financial company.
- **Finally**, we are dedicated to fostering a culture where our employees—all dignified professionals—lead the way in embracing change, continuous learning, and developing proactive responses to new risks.



Dear shareholders,

KB Financial Group is committed to continuous innovation and growth, even within the most demanding environments, to meet and exceed our shareholders' expectations and deliver enhanced value.

Today, our efforts remain resolute in realizing the Group mission of “Financial services delivering change—happier life and better world” while we pursue more extensive ESG initiatives. Furthermore, we are dedicated to achieving mutual growth with society and our customers as we strive to be a financial group that coexists with all stakeholders.

In conclusion, I would like to extend my deepest gratitude to all our shareholders for your unceasing support of KB Financial Group. It is my sincere wish that the coming year brings you unparalleled success and continued good health.

Yang Jong-hee  
Chairman & CEO | KB Financial Group Inc.

THE HISTORY OF CEO

|                |   |
|----------------|---|
| 1987           | Seoul National University (B.A of Korean History)                       |
| 1997           | SoGang University Business School (Graduate)                            |
| 2008           | General Manager, Seochoyeok Br. (KB Kookmin Bank)                       |
| 2008 ~ 2010    | General Manager, Office of Board of Directors (KB Financial Group Inc.) |
| 2011 ~ 2013    | General Manager, Strategic Planning (KB Financial Group Inc.)           |
| 2014           | Managing Director, Strategic Planning (KB Financial Group Inc.)         |
| 2015           | Deputy President, Financial Planning/HR/IR (KB Financial Group Inc.)    |
| 2016 ~ 2020    | CEO (KB Insurance Inc.)   |
| 2019 ~ 2020    | Head, Insurance Business Unit (KB Financial Group Inc.)                 |
| 2021 ~ 2023.11 | Vice Chairman & COO (KB Financial Group Inc.)                           |
| 2023.11 ~      | Chairman & CEO (KB Financial Group Inc.)                                |

## What initiatives is KB undertaking to ENHANCE SOCIAL VALUE?

Businesses can thrive sustainably when they balance their financial goals with customer and social value. Today, the financial industry is making a concerted effort to solve urgent environmental and social issues such as climate change and income disparity through trusted financial solutions, ensuring we all meet our social responsibility and drive enduring societal change.



KB Financial Group envisions a society that **THRIVES TOGETHER WITH ITS PEOPLE.**

## 2023 KB ESG Highlights

We are committed to fostering balanced and inclusive growth based on diversity. Our strategy emphasizes synergy and coexistence as we align the growth trajectories of KB with our customers and the broader community. Driven by a commitment to social responsibility, we remain focused on enhancing our societal roles through financial contributions.

### ESG Strategic Directions

First and only among domestic financial companies



## 8th DJSI World Index

DJSI World Index for an eighth straight year in 2023

### MSCI ESG Ratings for 2023

**AAA**  
(grade)

The first domestic financial company to receive the highest AAA rating for two consecutive years

### Renewable energy generation/ facilities (annual basis)

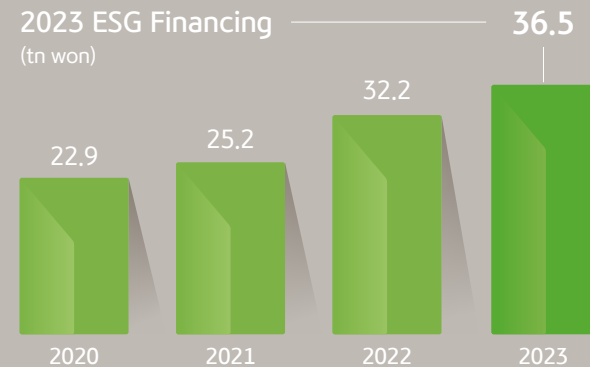
**1,908** (Mwh) / **37** (sites)

KB Financial Group is fulfilling its social responsibilities and roles as a leading ESG company by expanding the use of renewable energy and contributing to the transition to a low-carbon economy

### KB ESG Financing

**36.5**  
(tn won, cumulative)

By the end of December 2023, KB Financial Group's ESG products, investments, and loans reached KRW 36.5 trillion. The scale of ESG financial products is growing annually across environmental, social responsibility, corporate governance, and integrated ESG sectors.



## What powers KB'S DISTINCTIVE CUSTOMER EXPERIENCE?

The future of the financial industry is characterized by the rapid adoption of technologies like Generative AI, big data, cloud computing, and blockchain, as these tools facilitate personalized financial services and innovate business models. The future of finance hinges on the ability to deliver novel experiences in customer interactions.





KB offers customers the best experience by **CREATING PRACTICAL VALUE THROUGH NEW TECHNOLOGIES.**

## No.1 Digital Finance Group

### STT·TA

Speech to Text and Text Analysis enabling precise communication with customers



AI chatbot and callbot services

# 24/365

AI services processing customer inquiries to appropriate subsidiaries for resolution

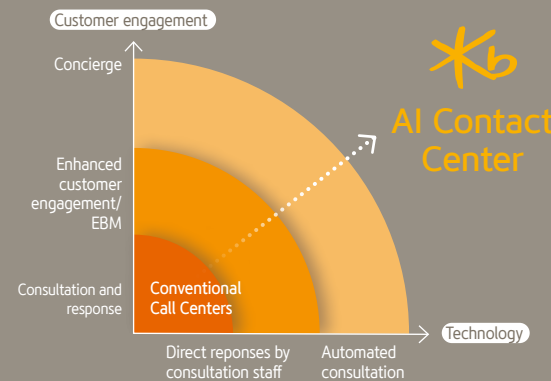
## One Platform

One System for universal Group-wide usage

## One Brand

KB Link Service facilitating seamless consultation transitions between subsidiaries

KB Financial Group is reinforcing its digital competitiveness as we continue to implement bold initiatives for future growth. Our AI Contact Center (AICC) exemplifies our digital innovation, offering seamless, integrated services across our subsidiaries based on a Group-wide infrastructure. By harnessing cloud technology, data analytics, and AI, we tailor our services to meet specific customer needs, transforming our contact center into a pivotal non-face-to-face channel that redefines traditional service values.



### KB AI Contact Center Goals



Advancing the consultation process

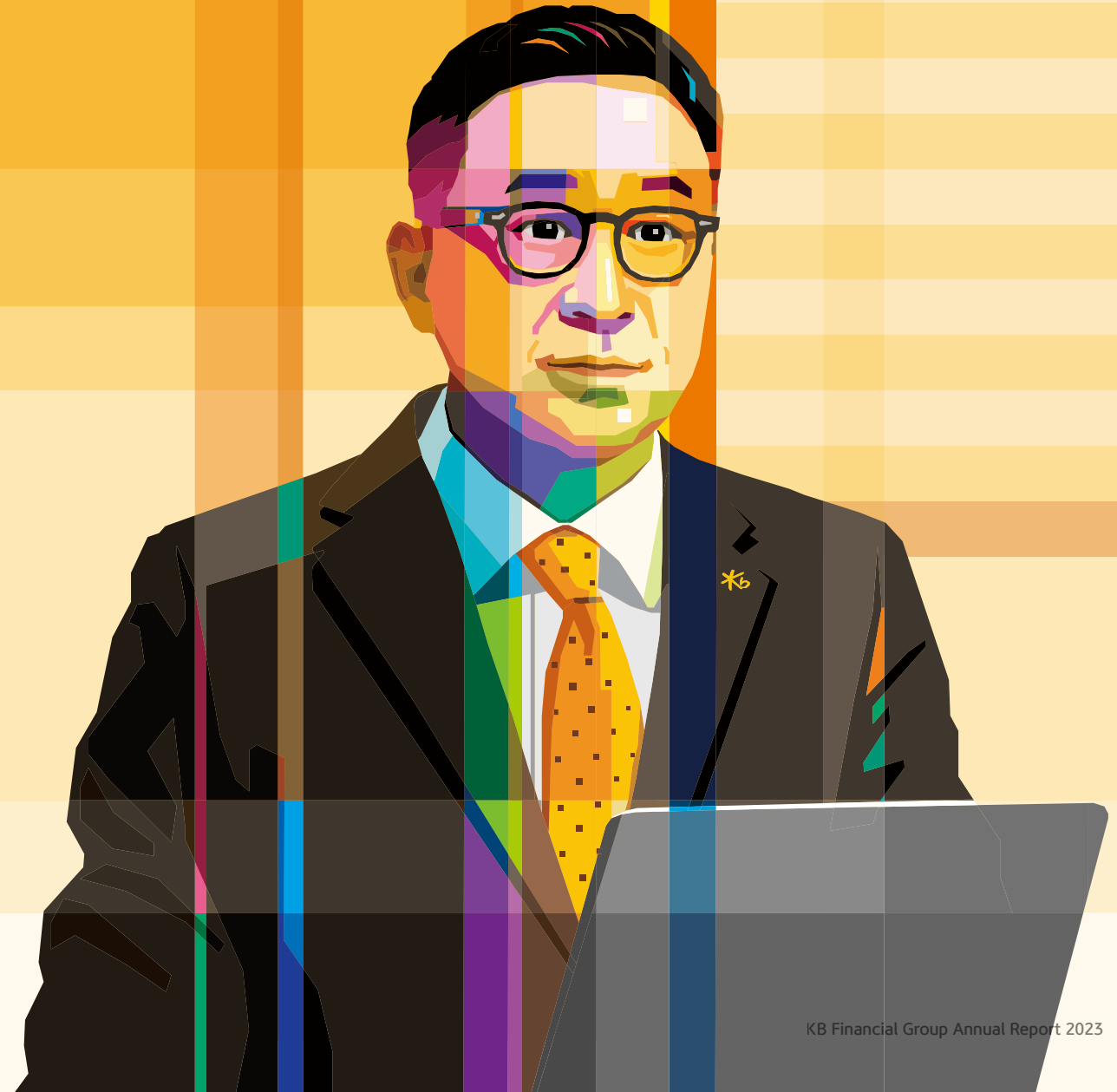
Channels for customer engagement and marketing activities

Internalizing specialized competencies

Operating system for innovative technologies

What are the **UNIQUE COMPETITIVE STRENGTHS OF KB FINANCIAL GROUP** amid intensifying competition within the industry?

As of the end of 2023, the BIS capital ratio of Korean banks exceeded 15%, a very stable figure, while the common equity tier 1 (CET1) ratio, an indicator of a total loss absorption capacity (TLAC) in the event of economic shocks, has also improved. However, as a potential for increased volatility in the financial markets still lies in 2024, the top priority for financial groups is seen as expanding the revenue sources of the non-banking sectors and enhancing synergies between the Group's subsidiaries.



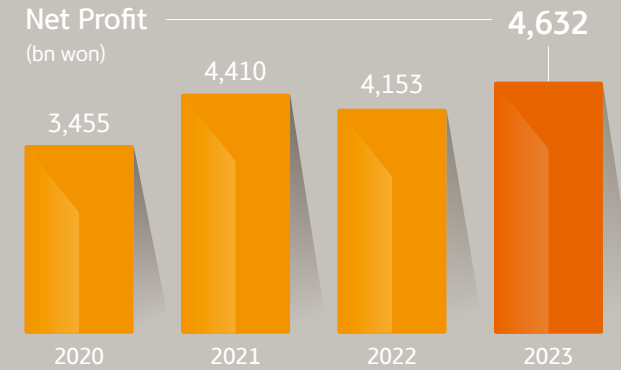
KB Financial Group's core competitive strength lies in its **HIGHEST CAPITAL ADEQUACY** in the Korean banking sector and a **DIVERSIFIED BUSINESS PORTFOLIO**, which ensures robust profitability.

Well-balanced Growth

Bank **66%**  
Non-bank **34%**

Continue to pursue diversified revenue sources by enhancing competitiveness of core non-banking businesses

Net Profit (bn won)



Our Core Competencies

As of the end of 2023, KB Financial Group's BIS ratio stood at 16.73% and the CET1 ratio at 13.59%, all while maintaining the industry's highest capital adequacy based on solid earning power. The non-banking sector's contribution to the Group's net profit improved to 34% in 2023, with KB Financial Group's well diversified business portfolio, which includes not only banking but also brokerage, insurance, credit cards, asset management and specialized credit financing, considered the most balanced model in the industry.

Highest level of CET1 amid increasing RWA

**13.59%**

The Group maintained industry-leading capital adequacy with a BIS ratio of 16.73% and CET1 of 13.59%, supported by strong earnings and strategic capital management.

Customer base

**37.6 M**  
(Customer base)

As of 2023 end, the number of KBFG's customers was 37.6 million. Approximately 70% of the population of Korea are KB customers.

Non-bank Net Profit Contribution

**34%**

The business portfolio of KB Financial Group, encompassing banking, securities, insurance, cards, and capital, is currently being evaluated as the most balanced model in the industry.

Group Network

**2,062**

As of the end of 2023, KBFG's group network totaled 2,062, including 597 branches overseas





# Vision & Strategy

Mission **Financial service delivering changes happier life & better world**

Mid- to Long-term Direction **No.1 Digital Financial Group that Grows Alongside Customers as a Lifetime Financial Partner**  
 - Connected with everyone, always, delivering the highest value

Three Business Domains

|   |  |  |
|---|--|--|
| <br><b>SUPER CORE</b><br>Reinforcing traditional core businesses | <br><b>CORE BIZ</b><br>Creating customer value and key performance                              | <br><b>NEXT CORE</b><br>Leading future business competitiveness |
| Establishing the No.1 DNA in all subsidiaries   Strengthening NIM and revenue bases   | Maximizing investment management operations   Differentiating WM services based on customer trust   Growing customer-oriented insurance operations   Driving a global 3X3 strategy | Generating tangible outcomes from non-financial operations   Enhancing the ESG·Social Values   |

Three Operational Models

|  |  |  |
|--|--|--|
| <b>CHANNEL</b>   | <b>TECH·AI</b>   | <b>HUMAN</b>   |
| Developing new channel strategies starting from digital   Enhancing platform competitiveness & diversifying touchpoints   Redefining face-to-face channel operation models | Internalizing and streamlining technological capabilities   Value creation through AI Transformation | Accelerating the comprehensive 'Reskill·Upskill' initiative   Strengthening new risk management capabilities |

# Management Goals for 2024

The 2024 market outlook poses significant challenges for businesses at home and abroad. A worldwide economic slowdown, coupled with geopolitical risks, exacerbates the prevailing uncertainty in the global market environment. Domestically, heightened concerns stem from soaring interest rates and high inflation trends, sparking fears of a potential financial market crisis triggered by a volatile real estate market and inflated household debt.

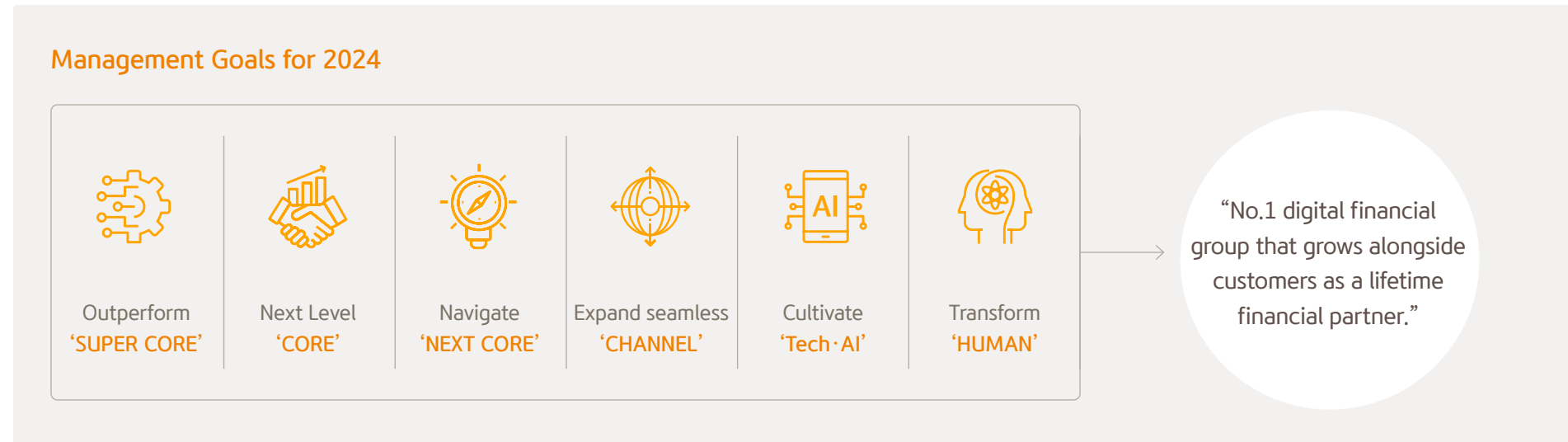
In Korea, the financial landscape appears even more daunting as industry players grapple with unprecedented challenges arising from technological innovation and paradigm shifts, in addition to evolving demands from society and customers.

In response to these challenges, KB Financial Group is committed to emerging as a steadfast leader, with our mid- to long-term goal set at becoming the No.1 digital financial group, fostering lifelong partnerships with our customers and seizing new opportunities for growth. We have outlined six management goals for 2024 as follows:

- **First**, we will start by strengthening the competitiveness of our traditional core business (Super Core) to secure sustainable growth and profitability, then turning this into new opportunities and investments.
- **Second**, we will enhance customer trust and our core competencies in investment management, WM, insurance, and global operations to expand our core growth drivers (Core).

- **Third**, we will further strengthen KB’s status in the future financial industry (Next Core), including non-financial businesses, ESG, and global operations.
- **Fourth**, we are dedicated to establishing a differentiated customer channel (Channel) that integrates the convenience of in-person interactions with our digital channels, while also adding embedded financial products and services.

- **Fifth**, we will comprehensively leverage technology and AI (Tech·AI) to drive business efficiency and create new value, thus facilitating our transformation into a tech-savvy financial group.
- **Lastly**, we will promote a corporate culture where employees (Human) with expertise and dignity take proactive initiatives, continuously adapt, and never stop learning. At the same time, we are preparing for emerging risks through proactive response systems.



# GROUP REVIEW

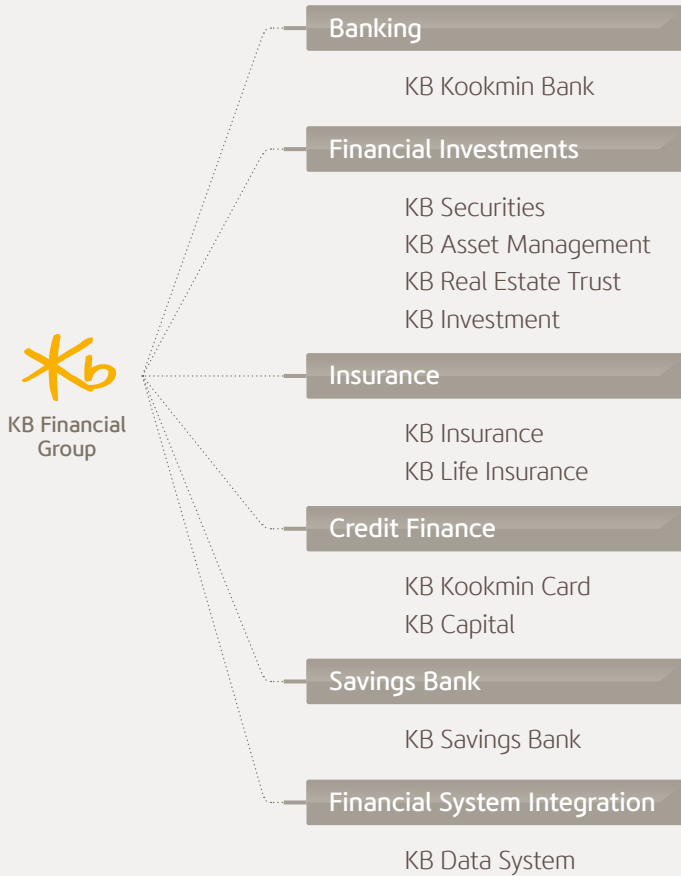
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Despite facing both domestic and international challenges, KB Financial Group maintained internal stability and continued to be the most trusted financial group among customers. Our stable growth was particularly supported by a balanced business portfolio across banking and non-banking sectors, which helped us navigate uncertain business environments. Additionally, our 11 subsidiaries achieved significant success in their respective areas, contributing to our objective of becoming the top financial platform company in Korea.

# Company Profile

KB Financial Group is Korea's leading financial services provider offering broad range of financial products and services. The Group was founded in 2008 to better serve clients, enable growth and deliver value in a rapidly changing financial environment. Our core strengths are expertise, broad customer base, wide distribution network and strong brand.

## Subsidiaries



## Group Network



Total 2,062



## Group Customers

37.6 million  
(37,570,217 persons)

## Group Employees

23,660

## Credit Ratings

Moody's **A1** Stable

S&P **A** Stable



## ESG Performance

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

**DJSI**  
Listed on the DJSI World Index for eight straight years (2016~2023)



**KCGS**  
Only Korean financial company to receive all A+ grades for four straight years



**Bloomberg Gender-Equality Index**  
First Korean company to be listed for five straight years (2019~2023)



**Carbon Disclosure Project (CDP)**  
Acquisition of 'Leadership A-' in the Climate Change Response Sector



**Morgan Stanley Capital International (MSCI)**  
The first Korean financial company to achieve AAA rating two consecutive years

# Year in Review

## Launch of the New KB Life Insurance

KB Life Insurance, the resultant entity after the merger between Prudential Life Insurance and KB Life Insurance, has officially commenced operations. The merger is set to amplify synergies by combining the two companies' solid financial base and exceptional human resources, alongside the competitive edge and expansive network of KB Financial Group, with the promise of unprecedented integration benefits.



## Achieving the Highest AAA Grade in the MSCI ESG Ratings

KB Financial Group has become the first domestic financial company to receive the highest AAA rating for two consecutive years in the MSCI ESG Ratings. This landmark achievement can be attributed to the comprehensive and Groupwide implementation of its carbon neutrality initiative, KB Net Zero S.T.A.R, alongside its expansive ESG financial strategy, Green Wave 2030. At the vanguard of global ESG management, KB Financial Group remains steadfast in its commitment to its social responsibilities and contributions.



## KB Financial Group Signs MOU with Japan's Sompo Holdings for Entry into the Nursing Care and Seniors' Business Industry

KB Financial Group has signed an MOU with Japan's Sompo Holdings for the development of the nursing care and seniors' business industry. With this agreement, KB Financial Group is learning from the extensive experience and know-how that its Japanese counterpart has accumulated by operating within the nursing care and seniors' business infrastructure. This includes the care product and service development capabilities it has developed, which will allow KB Financial Group to deliver high-quality nursing care and seniors' services to its customers.



JANUARY

## KB Financial Group: A Global Sustainability Leader in 2023

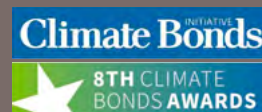
KB Financial Group has been the only domestic financial company to be selected for two consecutive years in the Global 100 Most Sustainable Corporations in the World list by Corporate Knights, a prominent global ESG advisory group.



MARCH

## KB Capital Receives Korea's First Climate Bonds Award

KB Capital achieved a milestone when it was named the winner in the Largest Financial Corporate Sustainability Bonds category by the Climate Bonds Initiative (CBI), a distinguished international climate bond organization.



MAY

## KB Kookmin Bank Engages in KB Ocean Forest Project in Agreement with the Ministry of Oceans and Fisheries

KB Kookmin Bank has signed an MOU with the Ministry of Oceans and Fisheries to conserve the marine ecosystem in and around the Republic of Korea. Under the terms of the agreement, the Bank is committing itself to the KB Ocean Forest Project, an initiative aimed at conserving Korea's marine ecosystem, which includes creating seagrass beds in the southern coastal area of the South Sea and conducting coastal cleanup activities.



JUNE

## KB Kookmin Bank: Korea's First Financial Institution to Acquire APEC CBPR Certification

KB Kookmin Bank has become the first Korean financial company to acquire certification according to the Asia-Pacific Economic Cooperation Cross-Border Privacy Rules (APEC CBPR).





# Year in Review

## KB Credit Information Merged by KB Kookmin Card

KB Kookmin Card has incorporated KB Credit Information under its wing. The merger aims to consolidate the overlapping operations of the two counterparts, such as bad debt management, so as to maximize the operational efficiency and synergies within the Group. This was part of the Groupwide portfolio realignment of its subsidiaries to strengthen the Group's competitiveness.



## KB Kookmin Bank Signs an MOU with VNPT EPAY to Expand Corporate Banking Services

KB Kookmin Bank has signed an MOU with VNPT EPAY, a leading electronic payment company in Vietnam. The Bank expects the partnership to strengthen its corporate financial services, particularly in cash management for businesses in Vietnam. In addition to the enhanced cash management services for its local corporate clients, KB Kookmin Bank in Vietnam will continue to provide safe, convenient services to a wide range of companies.



## Inauguration of KB Financial Group's 7th Chairman

Yang Jong Hee has officially taken office as the 7th chairman of KB Financial Group. In his inauguration speech, Chairman Yang pledged to practice management that continuously coexists with society and to create values that share growth with society, customers, employees, and shareholders.



JUNE

AUGUST

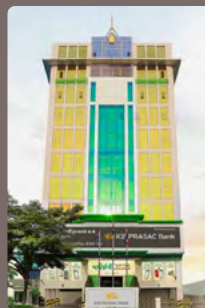
SEPTEMBER

OCTOBER

NOVEMBER

## Launch of KB Prasac Bank in Cambodia

KB Kookmin Bank has officially launched KB Prasac Bank after receiving approval from the National Bank of Cambodia to merge its two local subsidiaries, Prasac Microfinance and Kookmin Bank Cambodia PLC. This merger sets the stage for the business expansion of Prasac Microfinance, which was previously limited to retail banking, to include corporate banking and services for corporate clients.



## KB Kookmin Bank to Begin Operating at Incheon Airport for 10 years

KB Kookmin Bank was selected as the preferred bidder for three business rights at Incheon International Airport. These rights encompass the operation of bank branches and currency exchange services at Terminals 1 and 2, as well as the boarding concourse, and the tenure can extend up to 10 years.



## KB Kookmin Bank Leads with Retirement Pension Assets Surpassing KRW 40 Trillion

KB Kookmin Bank has become Korea's first retirement pension service provider to exceed KRW 40 trillion in retirement pension assets under management. Since 2018, the Bank has led the increase in retirement savings assets for five consecutive years and remains committed to continuously providing differentiated services and products through ongoing innovation and communication.



# Financial Highlights

In 2023, KB Financial Group reported a net profit of KRW 4,631.9 billion, an increase of 11.5% from the previous year, demonstrating its robust fundamentals and earning power amidst expanding macroeconomic uncertainties stemming from a global economic slowdown. The strong performance was primarily fueled by improvement in non-interest income and consistent cost management.

Of particular significance is the Group's strong revenue performance across all its top lines, resulting in a record-high operating profit of KRW 16 trillion, a growth of 17.8% year on year. Additionally, the Group-wide concerted efforts toward cost efficiency paid off, with G&A expenses edging up only 0.1% from the previous year. As a result, the Group's CIR (cost-to-income ratio) for 2023 also hit a historic low of 41.0%.

Meanwhile, the Group's credit costs stood at 0.67%. Excluding one-off exceptional factors, the figure is readjusted to a stable level of around 0.40% on a recurring basis. The NPL coverage ratio was 174.5%, securing the industry's top-level loss absorption capacity, despite the conservative classification of asset soundness for watchlist sectors, such as real estate PF and overseas commercial real estate.

As of the end of 2023, the Group's BIS ratio reported 16.73%, with a common equity tier 1 (CET1) ratio of 13.59%, thus maintaining the industry's top-level capital adequacy against macroeconomic uncertainties.

## Key Financial Figures

|                                    | 2023     | 2022     | 2021     |
|------------------------------------|----------|----------|----------|
| <b>Profitability (bn won)</b>      |          |          |          |
| Gross operating income             | 16,229.1 | 13,780.6 | 14,483.6 |
| Operating profit                   | 6,435.3  | 5,289.2  | 6,097.6  |
| Net profit <sup>2)</sup>           | 4,631.9  | 4,153.0  | 4,409.5  |
| ROA (%)                            | 0.65     | 0.57     | 0.69     |
| ROE (%) <sup>3)</sup>              | 9.18     | 8.83     | 10.22    |
| Cost-income ratio (%)              | 41.0     | 48.2     | 49.7     |
| <b>Financial position (tn won)</b> |          |          |          |
| Assets                             | 715.7    | 688.6    | 663.9    |
| Total assets including AUM         | 1,216.7  | 1,146.7  | 1,118.0  |
| Liabilities                        | 656.8    | 634.5    | 615.6    |
| Shareholders' equity               | 58.9     | 54.1     | 48.3     |
| <b>Asset quality (%)</b>           |          |          |          |
| NPL ratio <sup>4)</sup>            | 0.57     | 0.34     | 0.33     |
| NPL coverage ratio <sup>4)</sup>   | 174.5    | 216.3    | 208.9    |
| Credit cost ratio (CCR)            | 0.67     | 0.43     | 0.30     |
| <b>Capital adequacy (%)</b>        |          |          |          |
| BIS ratio                          | 16.73    | 16.16    | 15.77    |
| Tier 1 ratio                       | 15.37    | 14.86    | 14.54    |
| CET 1 ratio                        | 13.59    | 13.24    | 13.46    |

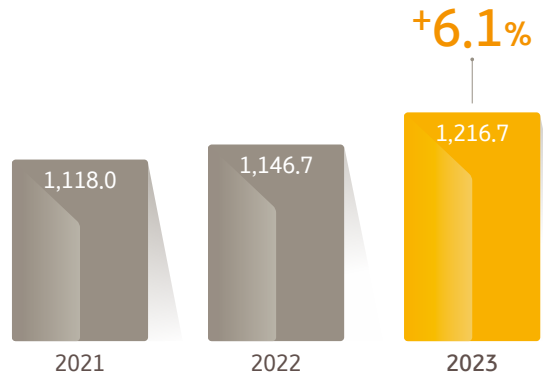
1) The financial results for 2022 have been restated retrospectively under IFRS17

2) Based on profit attributable to controlling interests

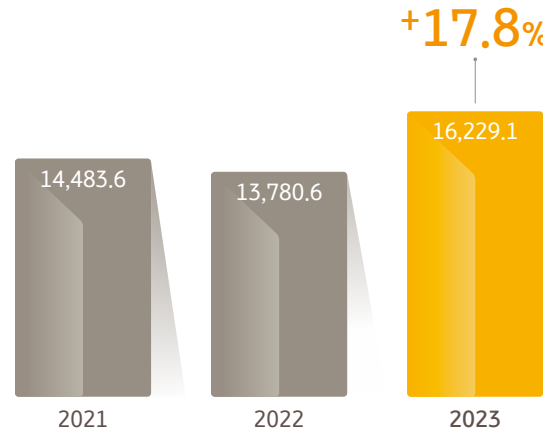
3) Based on return on common equity

4) Based on simple arithmetic sum of each subsidiary's figures (excl. overseas local subsidiaries, overseas equity investments, SPCs for consolidation, etc.)

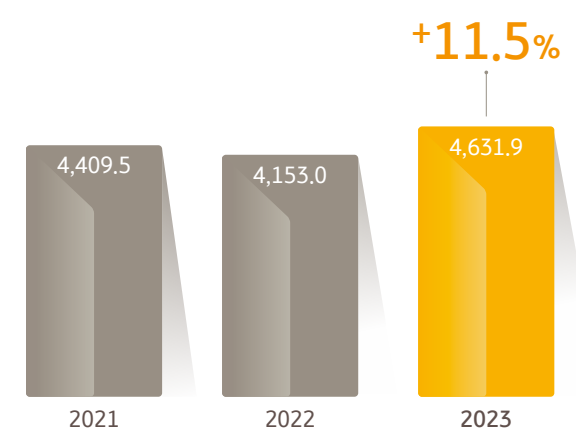
**Total Assets (incl. AUM)**  
(tn won)



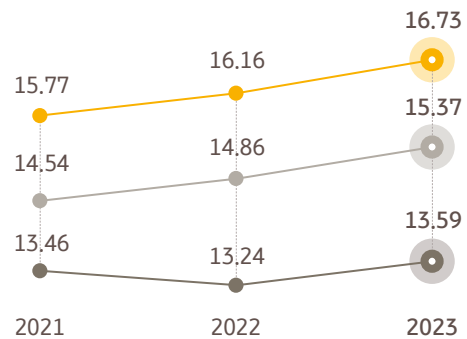
**Gross Operating Income**  
(bn won)



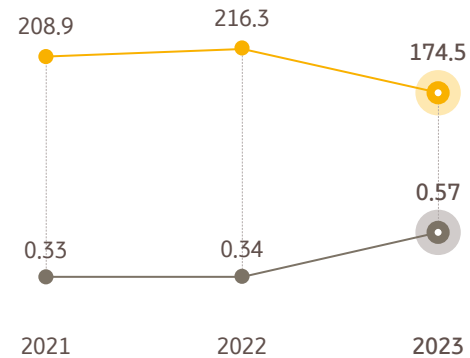
**Net Profit**  
(bn won)



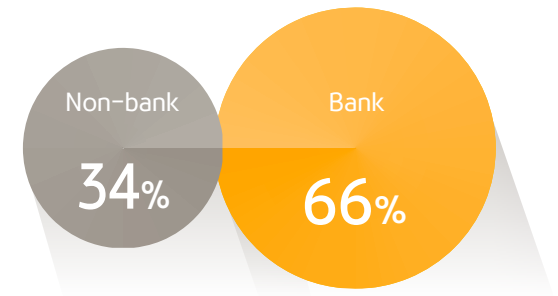
**BIS Ratio**  
(%) ● BIS ● Tier 1 ● CET 1



**NPL/NPL Coverage Ratio**  
(%) ● NPL Coverage Ratio ● NPL Ratio



**Non-banking Contribution**



# Shareholder Information

## Stock Information

(shares, won)

|                                | 2023        | 2022        |
|--------------------------------|-------------|-------------|
| Total number of shares issued  | 403,511,072 | 408,897,068 |
| Treasury shares                | 24,847,247  | 19,262,733  |
| Stocks outstanding             | 378,663,825 | 389,634,335 |
| Year-end stock price           | 54,100      | 48,500      |
| Market capitalization (bn won) | 21,830      | 19,832      |
| Dividend per share             | 3,060       | 2,950       |
| Book value per share           | 143,163     | 130,813     |
| Basic earnings per share       | 11,580      | 10,334      |

## Share Ownership

(shares, %)

|  | Number of shares owned | Ownership |
|--|------------------------|-----------|
| Korean National Pension Service                              | 33,473,917             | 8.30      |
| JPMorgan Chase Bank (ADR) <sup>1)</sup>                      | 24,923,235             | 6.18      |
| Employee Stock Ownership Association                         | 9,584,313              | 2.38      |
| The Government of Singapore                                  | 8,657,962              | 2.15      |
| NORGES BANK  | 7,413,673              | 1.84      |
| STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL        | 6,375,065              | 1.58      |
| VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND, A SERIES OF V | 5,135,605              | 1.27      |
| PEOPLES BANK OF CHINA  | 5,075,482              | 1.26      |
| POSCO HOLDINGS   | 3,863,520              | 0.96      |
| ISHARES CORE MSCI EMERGING MARKETS ETF                       | 3,459,357              | 0.86      |

1) Depository under the ADR program

## Share Ownership

(As of the end of 2023)

Foreign investors

72.0%

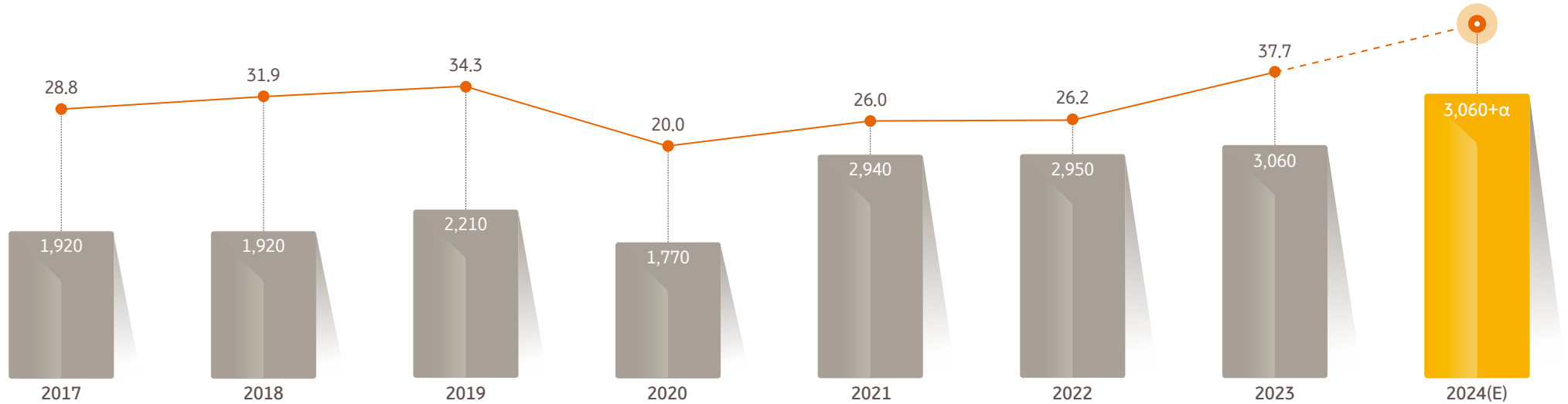
Domestic investors

28.0%



## Total Shareholder Return

■ Dividend per share (won)  
 ● Total shareholder return (%)



## Key Takeaways

### Industry's First

- February**  
Share buyback of 9.2 million Shares (KRW 300 billion)
- August**  
Share buyback of 12.3 million Shares (KRW 500 billion)

- June**  
Disposal of treasury shares 4.4 million shares (KRW 216 billion)  
\* Related to share swaps with KB Insurance and KB Capital
- November**  
Share buyback of 4.8 million Shares (KRW 300 billion)

- November**  
Share buyback of 6.6 million Shares (KRW 300 billion)

### Industry's First

- December**  
Cancellation of treasury shares 2.3 million Shares (KRW 100 billion)

- June**  
Issuance of KRW 240 billion EB utilizing 5.0 million treasury shares  
\* Related to strategic alliance with Carlyle Group

- August**  
KB's historic first Quarterly dividend payout (KRW 292 billion)

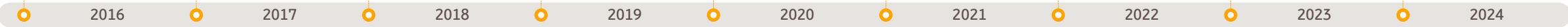
- February**  
Cancellation of treasury shares 3.5 million shares (KRW 150 billion)
- August**  
Cancellation of treasury shares 3.5 million shares (KRW 150 billion)

- February**  
Share buyback & Cancellation 5.4 million Shares (KRW 300 billion)  
KBFG Capital Management Plan released
- August**  
Share buyback & Cancellation 5.6 million shares (KRW 300 billion)

- February**  
Share buyback & Cancellation (KRW 320 billion)

### Industry's First

- April**  
KBFG New Shareholder Return Policy released Quarterly-even dividends






## 2023 KBFG Capital Management Plan

KB Financial Group is diligently executing its shareholder return policy in line with the Mid- to Long-Term Capital Management Plan released in February 2023.

Through careful management of capital, the Group aims to ensure the industry’s highest level of capital adequacy. Capital exceeding the CET 1 ratio of 13% will be allocated to executing the capital management plan, except in cases of extraordinary circumstances such as financial market volatility or specific operational needs of the Group.

### Mid- to Long-Term Capital Management Plan

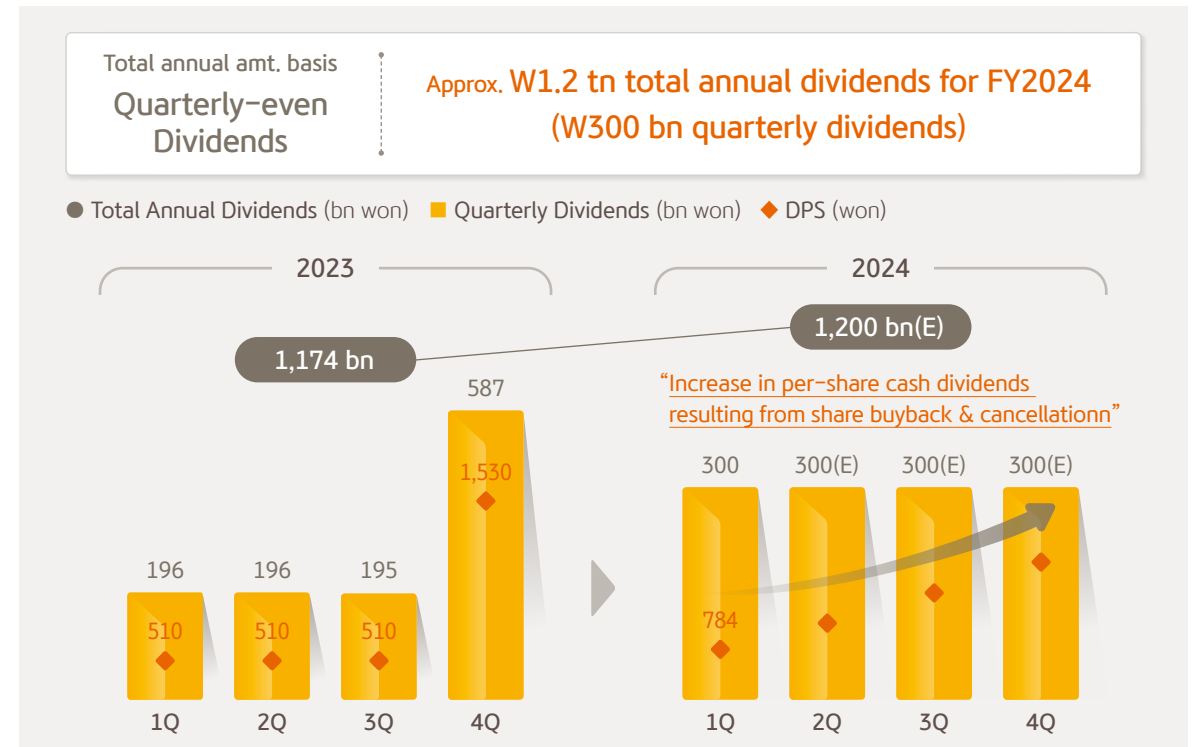
|  |  |  |
|--|--|--|
| <p>1 Target CET1 Ratio</p>    | <p><b>13%</b></p>                                      | <p>KB Financial Group’s target CET1 ratio at a minimum level of 13% based on the Group’s 「Mid- to Long-Term Capital Management Plan」</p> <ul style="list-style-type: none"> <li>Secure reasonable buffer (250bp) to stably manage CET1 Ratio above 10.5% (regulatory requirement) even under severe macro volatility</li> </ul>        |
| <p>2 Asset Growth Plan</p>  | <p><b>Shareholder Value-focused Growth</b></p>         | <p>Shareholder value-focused mid-term growth strategy</p> <ul style="list-style-type: none"> <li>Basically referring to nominal GDP as a benchmark, yet adaptively respond to changes of macro, regulation, managerial objective, etc.</li> <li>Improve ROA &amp; PBR through efficient asset management</li> </ul>                    |
| <p>3 Excess Capital</p>     | <p><b>Returning excess capital to shareholders</b></p> | <p>Utilize excess capital exceeding the target CET1 ratio in enhancing shareholder value, fully aligned with Group’s active shareholder return policy</p> <ul style="list-style-type: none"> <li>Implement adaptive strategies responding to managerial objectives, regulatory changes, financial market volatilities, etc.</li> </ul> |

## 2024 KBFG Capital Management Plan

While steadfastly adhering to its mid- to long-term capital management plan, which it announced at the beginning of 2023, KB Financial Group introduced a new shareholder return policy designed to enhance the transparency and predictability of cash dividends. This policy distributes quarterly-even dividends, based on the total annual amount.

Building on its legacy of innovative shareholder returns, KB Financial Group remains committed to advancing an even more robust shareholder return policy in the future.

### 2024 Shareholder Return Policy



# SPECIAL REPORT

- 26 ESG Leadership
- 35 Digital Transformation
- 40 Global Business
- 43 Risk Management

What does a sustainable future look like? What role should finance play for a better future? KB Financial Group looks for the answer in its customers. KB Financial Group is accelerating its efforts to secure future growth engines, such as customer-centric management for sustainable growth and the expansion of non-banking businesses. The Special Report highlights KB Financial Group's key achievements in internalizing ESG through environmental and social responsibility management and the spread of good governance. It also includes efforts to stabilize global operations and actively adopt AI technology to provide differentiated customer convenience and implement One Brand services.

SPECIAL REPORT 1

# ESG Leadership



KB Financial Group has adopted ESG leadership as a core value of the Group’s management strategies, based on which it is creating sustainable social value for the prosperity of customers, local communities, and future generations. To create a better world and happier life for our customers, we are actively responding to climate change through “KB Net Zero S.T.A.R.”, which is the Group’s carbon neutrality strategy, and are implementing “KB Green Wave 2030”, our ESG finance expansion strategy, at the Groupwide level. In addition, we established “KB Diversity 2027”, a mid- to long-term strategy that aims at expanding social class and gender diversity by 2027, and are expanding the value of diversity and inclusiveness.

## ESG MANAGEMENT STRATEGIC SCHEME

Mission

### Financial Services Delivering Change

### Happier Life & Better World

Create sustainable value and enhance customer trust by promoting responsible management for the environment and society and disseminating healthy corporate governance

Strategic goal



Strategic directions



#### Advancing climate change response strategies

- Setting and managing carbon emissions target
- Managing environmental risks
- Increasing green investments and loans
- Leading the way in green finance ecosystems



#### Internalizing responsible management for society

- Expanding social contribution
- Promoting shared growth and mutual prosperity
- Respecting human rights and diversity
- Expanding financial inclusion



#### Spreading the culture of transparent governance

- Enhancing transparency in governance
- Aligning with the stewardship code
- Expanding investments in excellent governance
- Building a comprehensive evaluation system



# Environment

## Participation in Environmental Initiatives

As an ESG finance leader and member of society, KB Financial Group takes active part in global activities, thereby expanding its global environmental leadership. In April 2022, KB Financial Group joined TNFD, a global council aimed at protecting and restoring the natural ecosystem. This marked the beginning of KB Financial Group’s continued efforts to prevent any negative impact that the Group’s activities may have on decrease of biodiversity and destruction of the ecosystem.



## Strengthening the KB Net Zero S.T.A.R. Strategy in its Third Year

Since its establishment in June 2021 as the Groupwide strategic framework for achieving carbon neutrality, the KB Net Zero S.T.A.R. roadmap has been pivotal in the Group’s response to the escalating climate change crisis. The acronym S.T.A.R. encapsulates the strategy’s core pillars: Supporting eco-friendly businesses, Transforming towards a low-carbon economy, Aligning with the proactive initiatives of the Paris Agreement, and Restoring the world’s ecosystem. KB Financial Group has set its carbon neutrality ambitions in line with the protocols of leading global institutions, such as the Science Based Targets initiative (SBTi) and the Partnership for Carbon Accounting Financials (PCAF). In 2023, our efforts concentrated on reinforcing the impact and comprehensiveness of the KB Net Zero S.T.A.R. strategy, mainly refining our carbon emissions measurement methodology. A significant step in this direction was expanding the scope for measuring financed emissions (Scope 3) to encompass auto financing and personal mortgage loans expanded corporate-financed emissions measurement, lowering the threshold from KRW 3 billion to KRW 2.5 billion based on the baseline year of 2021.

## ESRM Policy: An Effective Climate Risk Management Framework

Since the enactment of the Group Environmental and Social Risk Management Policy (ESRM Policy) in 2021, KB Financial Group has achieved a systematic and unified approach to managing both direct and indirect risks on a Groupwide scale. The ESRM Policy serves as a cornerstone for methodically managing the potentially environmentally harmful or socially detrimental areas, or those areas that present significant risks, by categorizing them into Exclusion, Attention to Climate Change, and Support for Green Industries. These categories underscore the Group’s collective commitment to addressing and overcoming the challenges posed by the climate crisis.

## Expanding the ESG Financial Product Suite in Line with KB GREEN WAVE 2030 Targets

The KB GREEN WAVE 2030 strategy sets forth a strategic goal to increase the outstanding balance of ESG products, investments, and loans to KRW 50 trillion by 2030. This initiative is designed to foster environmental and social value, while also promoting a positive societal impact through sustainable finance practices. In pursuit of this objective, KB Financial Group expanded its

ESG financial product lineups and refined the management frameworks of these products in 2023. The ESG financial product lineup bolstering efforts included the launch of new products aimed at fostering financial inclusion, expansion of the ESG fund portfolio, introduction of deposit and savings products that encourage ESG engagement among retail customers, and the rollout of loan offerings dedicated to corporate borrowers with excellent ESG practices. In response to the financial industry’s absence of a unified definition for ESG financial products, KB Financial Group took the lead in forming an ESG Financial Product Council’ to facilitate systematic management and oversight of ESG financial services. As of the end of 2023, the Group’s outstanding ESG portfolio—encompassing ESG products, investments, and loans—reached KRW 36.5 trillion.

A Global Sustainability Leader in 2023



### Furthering our ESG Leadership through Global Initiative Engagement

KB Financial Group is advancing its global ESG leadership by engaging in pivotal initiatives such as the Glasgow Financial Alliance for Net Zero (GFANZ), the Principles for Responsible Banking (PRB), and the Net-Zero Banking Alliance (NZBA).

In May 2022, KB Financial Group was uniquely appointed, from among all Korean financial institutions, as an advisory member to the Asia-Pacific region of GFANZ, a global coalition aimed at financing transitions to net-zero emissions and effectively addressing the climate crisis. KB Financial Group plans to encourage the participation of financial institutions in transitioning the Asia-Pacific region to a sustainable economy through advisory committee activities and to share knowledge for achieving carbon neutrality.

March 2023 marked another milestone when KB Financial Group was named a member of the Core Group for the PRB, alongside 30 other global financial leaders. Representing global signatory banks. The Core Group is involved in setting the mid- to long-term operational plans and guidance for the next 5 to 10 years, aligning banks with society’s goals as expressed in the Paris Climate Agreement and the United Nations Sustainable Development Goals (UN SDGs).

KB Financial Group joined TNFD, a consortium aiming to protect and restore natural ecosystems, in April 2022. TNFD, recognizing the potential impact of corporate activities on biodiversity loss and ecosystem destruction, emerged as a global consortium to protect nature and biodiversity. KB Financial Group plans to participate in the development of financial disclosure framework related to nature following its TNFD membership.

Additionally, we plan to expand various internal activities aimed at conserving biodiversity. In May 2022, we launched the ‘K-Bee Project’ to restore the ecosystem of honeybees, which have seen a rapid decline due to climate change. KB Kookmin Bank became the first domestic financial institution to join the ‘Business and Biodiversity Platform (BNBP)’ initiative in May 2020. Through the ‘KB Kookmin’s Clear Sky Forestation’ project, we are taking the lead in biodiversity conservation.


KB Financial Group also set a precedent as the first Korean financial group to join the international campaign RE100—the global corporate renewable energy initiative bringing together hundreds of large and ambitious businesses committed to 100% renewable electricity—in September 2021. This commitment ensures that all electricity consumed by the Group and its affiliates is sourced from 100% renewable energy. RE100 is one of the most influential collaborative initiatives among global companies. KB Financial Group plans to achieve

‘RE100’ compliance by converting 100% of its electricity consumption to renewable energy by 2040. This involves installing renewable energy generation facilities at group headquarters, exploring various options such as third-party power purchase agreements (PPAs) and purchasing Renewable Energy Certificates (RECs) from renewable energy suppliers, and actively participating in renewable energy investments.”

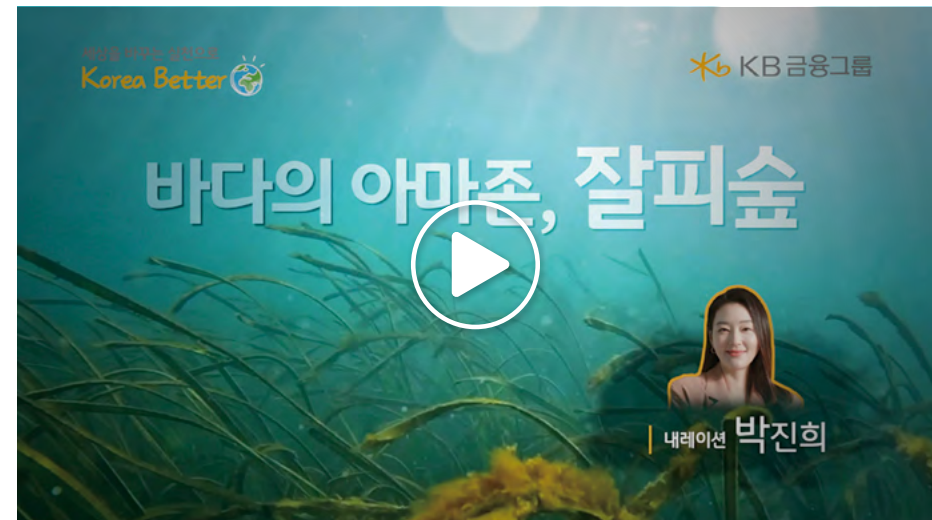
KB Financial Group joined TNFD, a consortium aiming to protect and restore natural ecosystems, in April 2022



36.5 (tn won)  
ESG products, investments and loans



▶ KB Financial Group carries out the “KB Sea Forestation Project” to secure biodiversity and preserve the ocean environment



# Social Responsibility

## Social Contribution Strategy

Aligned with the Group’s mission, “Financial Services Delivering Change”, KB Financial Group is committed to fulfilling its social responsibilities by spearheading initiatives designed to nurture future leaders and generate social value. Our efforts are particularly centered on supporting children and teenagers, providing them with equitable learning and experiential opportunities to help them realize their dreams and grow into the leaders of tomorrow. Furthermore, we are engaged in a wide range of programs aimed at promoting inclusive finance, creating quality job opportunities, fostering community prosperity, and practicing environmental conservation.



### Social Contribution Framework

Mission

**Financial Services Delivering Change**  
Happier Life & Better World

Basic directions



#### Fostering Future Leaders

Supporting underprivileged youth and multicultural families by offering financial education utilizing our financial expertise



#### Creating Greater Social Value

Catering to social needs  
Driving shared growth with local communities

Business domains

Our domains

#### Underprivileged Youth, Multicultural Families



#### Job Creation



#### Local Communities



#### The Environment



**Dreaming Youth**  
KB Dream Wave 2030

**Dreaming School**  
Establishing and expanding afterschool care programs and affiliated kindergartens



**Dreaming Job**  
KB Good Job

**Dreaming Impact**  
Supporting social enterprises



**Dreaming Neighbor**  
Local community development

**Dreaming Global**  
Supporting multicultural families affiliated kindergartens



**Dreaming City**  
Urban regeneration

**Dreaming Green**  
Eco-friendly projects



UN SDGs

### Youth Education

Since 2016, KB Kookmin Bank has been running its youth-targeted KB Dream Wave 2030 project in order to better support future generations. KB Dream Wave 2030 is a life-cycle tailored mentoring program designed to assist in the systematic and continued growth of young people. It consists of various programs such as ‘Learning Mentoring’, which supports learning and growth programs tailored to each stage of development from preschoolers to college students, ‘Career Mentoring’, which provides professional education including expert career lectures and digital talent cultivation, and ‘Support Projects’ aimed at improving educational conditions through scholarship support and creating learning spaces. As of 2023, the program has benefited a total of 203,000 youth.

### Economic & Finance Education Programs

Established in 2011, KB Foundation has implemented a number of educational initiatives focused on economic knowledge and financial literacy, skills that are essential for everyday life. A dedicated team of economic and finance education experts travels to education institutions of all levels, from children’s welfare centers to military units, to deliver on-site educational classes. In addition, the Foundation offers online courses designated to facilitate self-directed learning. By 2023, the cumulative enrollment of these in-person and digital programs reached a total of 1,435,000 participants.

### All-Day Childcare Project

Dedicated to providing safe and uplifting environments for the next generation, KB Financial Group has made a total commitment of KRW 125 billion since 2018 to its All-Day Childcare Project, which is aimed at bridging the care gap for children. From 2008 to 2022, an initial investment of KRW 75 billion supported the construction and expansion of 2,265 facilities of national and public kindergartens and after-school childcare classrooms nationwide. In February 2023, in a move to further this mission, we entered into an MOU with the Ministry of Education for the development of the Spring Schools and Primary Care System. Under the agreement, the Group is committing a total of KRW 50 billion in investments to open Hub Spring Centers nationwide over the next five years.

### Global Family Support

KB Financial Group supports adapting global family members to Korean society with Korean language courses and vocational training programs. The KB Kookmin Card Multicultural Korean Language School, run by KB Kookmin Card, is designated to help children from international and North Korean defector families, as well as teenagers who have immigrated to Korea, overcome language barriers and deepen their understanding of Korean society and culture. Additionally, employment training programs for migrant women are helping international family members establish a more stable life in Korean society.

### Job Creation Initiatives

KB Financial Group is addressing youth unemployment and promoting the creation of quality jobs through the KB Good Job program. Launched in 2011, this program offers a wealth of employment-related information, including job listings, resume support, and interview preparation, all accessible through its website. Moreover, the KB Good Job Fair, held annually, stands as Korea’s premier job fair, bridging connections between job seekers and reputable SME and ME employers. As of 2023, the fair had successfully facilitated more than 37,000 job placements.

6,191

6,191 job seekers have successfully found positions through the KB Good Job Fair as of the end of 2023



13/37,000

37,000 services at 13 KB SOHO consulting centers



▶ As of 2023, KB Good Job Fair had successfully facilitated more than 37,000 job placements.



## Empowering SOHOs and Microbusinesses

KB Financial Group offers complimentary business consulting services to microbusiness owners facing difficulties and those aspiring to start businesses. Available through 13 KB SOHO Consulting Centers across the nation, including the KB SOHO Consulting Yeouido HUB Center in Seoul, the program encompasses a wide array of consulting services, ranging from guidance on starting a business and conducting market analysis to providing financial and business advice. To date, these centers have provided over 37,000 consulting services.

- ▶ ‘KB planned to convey the message that ‘rich’ encompasses not only those with substantial wealth but also individuals who contribute to creating a better world



## Promoting Inclusive Finance

From 2023 to 2025, KB Financial Group is implementing a support project with a total budget of KRW 60 billion (KRW 20 billion annually) aimed at assisting microbusiness owners and self-employed individuals grappling with the challenges of high inflation and interest rates. In 2023, the project provided grants of KRW 300,000 each to selected microcredit recipients and marginal borrowers paying high rates of interests who demonstrated solid payment histories. The grants were meant to help mitigate their operational costs, including energy bills and rent. Plans are also in place to identify and pursue a variety of projects to support microbusiness owners and self-employed individuals in 2024 and 2025.

Additionally, KB Kookmin Bank has initiated a Good Landlord Interest Rate Benefit Program that offers preferential interest rates (0.3%p-0.5%p) to non-residential landlords who have received tax deductions for being good landlords. In collaboration with the delivery app operator Woowa Bros Corp., a total of KRW 7 billion (with each company contributing KRW 3.5 billion) was specially donated to the Korea Credit Guarantee Fund to support the issuance of guaranteed certificates for microbusiness owners in the dining and traditional market sectors through the Financial Support Program for Revitalizing Dining Businesses and Traditional Markets.

Furthermore, the SME Support Financial Assistant Program is currently operational as well, offering benefits such as reduced interest rates for businesses using fixed rates and partial debt forgiveness for low-credit and diligent interest-paying businesses. At the same, the program is helping to reduce the delinquency rate of corporate loans.

Active support measures for underbanked groups, including young people and low-credit customers, are being implemented, too. For example, KB Kookmin Bank recently launched the KB Kookmin Hope Loan, which facilitates the conversion of high-interest microfinancing to lower-interest bank loans, not only to reduce interest expenses but also to aid in improving personal credit ratings for mid- to low-credit customers. This product was acknowledged as an exemplary instance of an Inclusive Finance Innovative Product by the Financial Supervisory Service in June 2023.

To address the escalating social issue of rental fraud, KB Financial Group is collaborating with the Ministry of Land, Infrastructure, and Transport, as well as with the Korea Housing & Urban Guarantee Corporation. A dedicated fund of KRW 5 billion has been allocated to support legal fees and auction service fees for victims of rental fraud. Moreover, we are conducting financial education sessions to alert financially vulnerable groups to rental fraud, with a particular focus on young adults.

**7.4** (tn won, approximately)



Social financing of KB Financial Group's ESG activities

KB Kookmin Bank also collaborates with KB Microfinance Foundation, which engages in microcredit projects for underbanked people, and KB Hope Financial Plaza, which offers offline consulting services for microfinance services and online consulting services for those lacking access to brick-and-mortar branches for consulting. Together, they all help to support underfinanced customers through a number of different lending and savings products. These entities waive fees for money transfers via their mobile and internet banking services provided to the microfinance applicants, including the beneficiaries of national basic livelihood guarantees, the disabled, as well as parentless boys and girls.

They also provide special savings and lending programs to underfinanced people, such as low-income workers, the disabled, refugees, and multicultural families.

# Corporate Governance

## Promoting Transparent Governance Culture

KB Financial Group recognizes transparent and stable corporate governance as vital for sustainable growth, safeguarding the interests of shareholders, financial consumers, and stakeholders. We actively advocate for sound and transparent corporate governance practices, engaging with investee companies under the Stewardship Code to boost their corporate value. Additionally, we aim to foster sustainable value creation by endorsing and investing more in companies committed to robust governance principles, and practicing environmental conservation.



## Championing Transparent Governance

KB Financial Group holds the conviction that its transparent and stable corporate governance forms the bedrock of our sustainable growth, safeguarding the interests of shareholders, financial consumers, and other stakeholders. To foster corporate governance practices that are both sound and transparent, we actively engage with investee companies following the Stewardship Code to help enhance their corporate value. Furthermore, we are committed to amplifying sustainable value creation by endorsing the products of—and increasing our investments in—companies that exhibit sound governance.

## Maintaining Transparent and Stable Governance

KB Financial Group is committed to enhancing corporate value to achieve continuous growth and development, while diligently protecting the interests of all stakeholders. We tirelessly work towards maintaining a transparent and stable governance structure through measures such as amending the succession plan for the appointment and succession processes of the CEO, strengthening internal controls, proactively updating our stewardship code, and ensuring the independent operation of the board of directors. The principles

of KB Financial Group’s corporate governance are designed to: 1) safeguard the stability of the governance structure by forming a board of directors that provides checks and balances on all executives; 2) maintain transparency and objectivity in governance through the disclosure of standards, procedures, and outcomes related to governance activities; 3) ensure the board of directors, the Group’s highest decision-making body, is comprised of individuals who possess expertise and diversity in the areas relevant to efficiently addressing the various challenges and tasks faced by the Group; and 4) maintain the independence of the governance structure to make sure the board’s management oversight function is not compromised. KB Financial Group’s corporate governance has received positive evaluations both domestically and internationally. In 2023, the Group achieved an A+ grade in all three ESG (Environment, Social, Governance) categories for the fourth consecutive year and an A+ grade in the governance category for the sixth consecutive year in ESG evaluations conducted by the Korea Institute of Corporate Governance and Sustainability (KCGS).

## 2024 Plans

Throughout 2024, KB Financial Group aims to strengthen its stable governance structure and lay the groundwork for sustainable growth,

corporate value enhancement, and the protection of stakeholders’ interests, including shareholders. At the same time, we will continue to enhance corporate and shareholder value through rational and transparent decision-making.



KB Financial Group appoints its **First female independent director as chairwoman**



## Corporate Governance at KB Financial Group

As the supreme decision-making body of the Group, the Board of Directors (BOD) deliberates and decides on material business management issues of KB Financial Group and its subsidiaries. As of the end of 2023, non-executive directors constituted the majority of the BOD (7 non-executive, 1 executive, and 1 non-standing), which ensures that the BOD remains independent and keeps management in check.

Moreover, the Group has in place several institutional aids to preserve the BOD's independence and authority in holding management accountable. All the subcommittees, except the Subsidiaries' CEO Director Nominating Committee and the ESG Committee, are made up solely of non-executive directors. This arrangement safeguards the independence of subcommittee operations while also maintaining oversight over management. Non-executive directors' powers and duties, independent from management, are enshrined in the Group's BOD Regulations. At the same time, the BOD is supported by the Office of the Board of Directors, which attends to its affairs autonomously.

Sustainability Report  
 TCFD Report

KB Financial Group transparently publicizes the standards, procedures, and progress of all its business activities on its website to ensure transparency in its corporate governance. All BOD and subcommittee activities, along with other governance issues, are published annually in the Annual Report on Governance & Compensation.

### Principles of Director Appointment

Consisting solely of non-executive directors, the CEO Nominating Committee shortlists the candidates through impartial and rigorous qualification checks, subsequently recommending them to the General Shareholders' Meeting, which appoints the Chairman and CEO of KB Financial Group as stipulated in the Articles of Incorporation.

The BOD of KB Financial Group has delineated the fundamental principles for appointing non-executive directors as 'shareholder representativeness, expertise, and diversity.' Adhering to these principles, we maintain an ongoing pool of candidates for non-executive director positions across various fields including finances, management, accounting, finance & risk management, law & regulations, digital & IT and ESG & consumer protection. The nomination process for non-executive director candidates involves three steps—pooling, evaluating, and nominating. Each step is carried out by distinct entities: pooling by shareholders & external search firms, evaluation by external advisory panels and nomination by the committee.

A long list of non-executive director candidates is updated and scrutinized semi-annually through recommendations from shareholders and external search firms. In particular, any shareholder possessing at least one or more shares in the Group can recommend candidates, a pioneering practice introduced by KB Financial Group. To ensure the objectivity of candidate evaluations, we hire advisory panels from outside the Group. The Non-executive Director Nominating Committee finalizes the shortlist based on the results and subsequent reference checks.

The committee then evaluates the qualifications of the shortlisted candidates as per the criteria set by relevant regulations and the Articles of Incorporation before nominating them to the GSM. In compliance with the Articles of Incorporation, the Chairman of the BOD is appointed from among non-executive directors. The chairman presides over BOD meetings and ensures that it operates in accordance with the principles of checks and balances.

6 Subsidiaries  
Stewardship Code



### Subcommittees of the Board

BOD committees are delegated with specific functions of the BOD as stipulated in the laws and the Articles of Incorporation, consisting of member directors with various background expertise in their respective fields. Under the BOD are several permanent committees and one special committee: the permanent committees include Audit Committee, Risk Management Committee, Evaluation & Compensation Committee, Non-Executive Director Nominating Committee, CEO Nominating Committee, Subsidiaries' CEO Director Nominating Committee and the ESG Committee; and the special committee is the Audit Committee Member Nominating Committee.

### 2023 Major Achievements of the Board

In 2023, the KBFG Board of Directors (BOD) held a total of 15 meetings to discuss 33 resolutions and 38 reports. At the regular quarterly meetings, the BOD reviewed all business results and discussed the Group's current issues. Notably, the BOD decided on a quarterly dividend payment and semi-annual share buyback and cancellation agenda, thereby implementing a shareholder return policy based on the Group's business performance. In June, the BOD also resolved to merge KB Kookmin Bank's local subsidiary for the launch of a unified commercial bank in Cambodia, preparing the way to become a leading commercial bank in the country.

The newly integrated bank is now poised to expand our market share and enhance our competitiveness.

Later, in November, the BOD resolved the appointment of a new chairman of the board, following a stable management succession protocol. Building on an in-depth

analysis of the Group’s 2023 business results and its business environment, the BOD also discussed and finalized the 2024 Group Management Plan. In addition, the BOD conducted an analysis of the management environment for 2026 and mega-trends up to 2035 to develop a 2026 Group Mid- to Long-Term Management Strategy.

### Board Skills Matrix

|                                   | Seon Joo Kwon | Wha joon Cho | Gyu Taeg Oh | Jung sung Yeo | Jae hong Choi | Myong Hwal Lee | Sung Yong Kim |
|-----------------------------------|---------------|--------------|-------------|---------------|---------------|----------------|---------------|
| Finance                           | ●             | ●            | ●           |               |               | ●              |               |
| Business Management               | ●             | ●            |             |               |               |                |               |
| Finance/ Risk Management/ Economy | ●             | ●            | ●           |               |               | ●              | ●             |
| Accounting                        |               | ●            | ●           |               |               |                |               |
| Laws/Regulations                  |               |              |             |               |               |                | ●             |
| Digital/IT                        |               |              |             |               | ●             |                |               |
| ESG/ Consumer protection          |               |              | ●           | ●             |               |                | ●             |

### Board of Directors

**Seon Joo Kwon** | Non-executive Director (Female)  
Former Chairman & CEO, Industrial Bank of Korea

**Wha Joon Cho** | Non-executive Director (Female)  
Former KT Capital CEO

**Gyu Taeg Oh** | Non-executive Director (Male)  
Professor, School of Business Administration, Chung-Ang University

**Jung Sung Yeo** | Non-executive Director (Female)  
Professor, Department of Consumer Science, Seoul National University

**Jae Hong Choi** | Non-executive Director (Male)  
Professor, Department of Multimedia & IT Engineering, Gangneung-Wonju National University

**Myong Hwal Lee** | Non-executive Director (Male)  
Senior Research Fellow at the Korea Institute of Finance (KIF)

**Sung Yong Kim** | Non-executive Director (Male)  
Professor, Law School, Sungkyunkwan University

**Jong Hee Yang** | Executive Director (Male)  
Chairman & CEO, KB Financial Group

**Jae Keun Lee** | Non-Standing Director (Male)  
President & CEO, KB Kookmin Bank

### Composition of the Board of Directors

(● Chairman, ○ Member) ■ Non-Executive ■ Executive ■ Non-Standing

|   | Seon Joo Kwon | Wha joon Cho | Gyu Taeg Oh | Jung sung Yeo | Jae hong Choi | Myong Hwal Lee | Sung Yong Kim | Jong Hee Yang | Jae Keun Lee |
|---|---------------|--------------|-------------|---------------|---------------|----------------|---------------|---------------|--------------|
| Chair   | ○             |              |             |               |               |                |               |               |              |
| Audit Committee                                 | ○             | ●            | ○           |               |               |                | ○             |               |              |
| Risk Management Committee                       |               | ○            |             | ○             |               | ○              | ●             |               |              |
| Evaluation & Compensation Committee             | ○             |              |             | ●             | ○             | ○              |               |               |              |
| Non-executive Director Nominating Committee     | ○             |              | ●           | ○             | ○             |                |               |               |              |
| Subsidiaries' CEO Director Nominating Committee |               |              | ○           |               | ○             | ○              |               | ●             | ○            |
| CEO Nominating Committee                        | ○             | ○            | ○           | ○             | ●             | ○              | ○             |               |              |
| ESG Committee                                   | ○             | ○            | ○           | ○             | ○             | ●              | ○             | ○             | ○            |



SPECIAL REPORT 2

# Digital Transformation

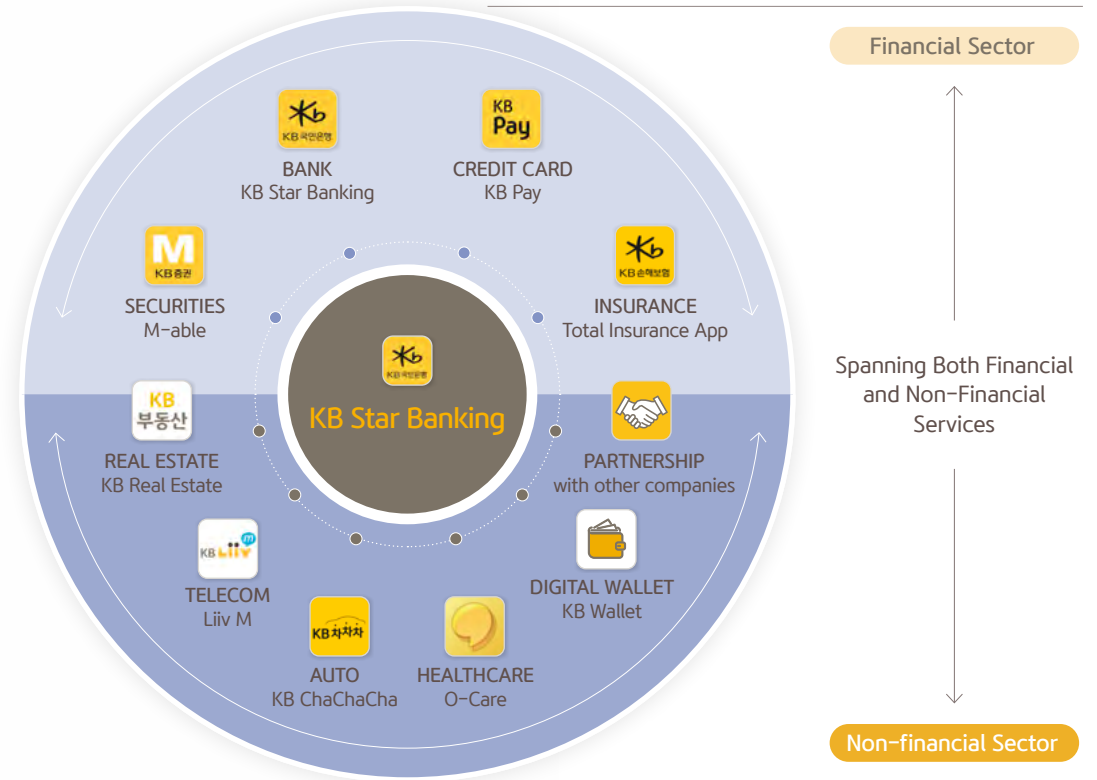


With the goal of emerging as the No.1 Digital Finance Group delivering an unparalleled customer experience, KB Financial Group is committed to bolstering its core competencies within its financial business. To that end, we are expanding our financial offerings to include integrated non-financial services that seamlessly blend into the everyday lives of our customers. Central to this strategy is the KB Star Banking platform, which was envisioned as a comprehensive super app integrating the key services from Group subsidiaries, including KB Pay from KB Kookmin Card and M-able from KB Securities. Furthermore, we strive to be a dependable companion in our customers' day-to-day lives, meeting their financial needs through our life-embedded services that encompass the four related non-financial sectors: real estate, automotive, healthcare, and telecommunications.

## STRATEGIC GOALS FOR EACH PLATFORM

KB Star Banking, the flagship app of KB Financial Group, has evolved into a super app offering core financial services and related non-financial public services from Group subsidiaries, thereby solidifying its status as the No.1 financial platform.

## No.1 Financial Platform



## Performance Results of KB Financial Group Platforms for 2023

### • KB Star Banking

As of the end of 2023, KB Financial Group’s super app, KB Star Banking, had surpassed 12.06 million monthly active users (MAU). In February 2023, KB Star Banking launched a new service allowing users to compare and apply for loan products offered by subsidiaries of the Group. Currently, the app provides comprehensive access to over 70 essential financial and non-financial services—spanning real estate, automotive, healthcare, and telecommunications—across six subsidiaries. As of July 2023, KB Star Banking introduced a new streamlined membership system that significantly simplifies the signup process. Users can now effortlessly join the KB Star Banking app without requiring any photo ID or the need to open a bank account. Additionally, the enhanced user interface features personalized home screen configuration options tailored to reflect the unique preferences and interests of each user.

### • KB Pay

KB Pay embodies a comprehensive financial platform, enriched with personal finance management (PFM) and open pay functionalities. It facilitates payment services compatible with credit cards from external issuers, significantly improving user convenience. Since December 2021, KB Pay has added the API-based financial MyData service, offering a unified view for managing users’ consumption data across various sources. The 2023 rollout of a shopping and travel lifestyle service marks KB Pay’s expansion into the non-financial domain. This development enhances the platform’s utility and appeal by offering users a broader array of services.

### • M-able

M-able is a platform dedicated to providing specialized, high-end PFM services, including fractional share trading for both international and Korean stocks. In April 2023, M-able introduced a personalized investment solution, Direct Indexing, tailored for customers eager to actively manage their investment portfolios, thereby enhancing their wealth management experience. Since January 2022, M-able has offered the MyData service, further enhancing its capability to optimize customer asset portfolios. The launch of M-able Wide (WTS) in October 2023 significantly expanded its digital platform offerings, strengthening M-able’s presence in the digital financial landscape.

## Four Specialized Non-Financial Platforms Offering Distinct Services

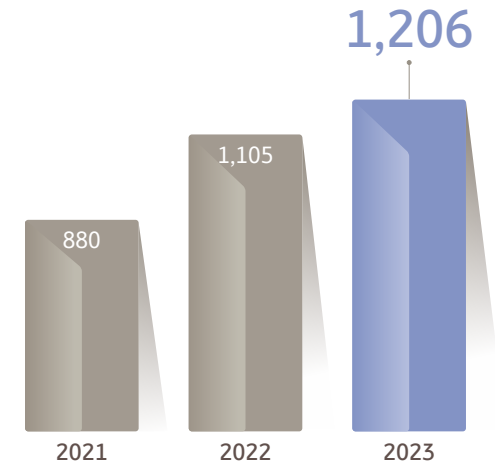
### • KB Real Estate

KB Real Estate has enhanced the convenience of the loan application process with its in-app offerings, including the KB Real Estate Online Loan Service. In May 2023, the launch of the My Home service enhanced the platform’s personalized real estate services, improving the reliability of the exchanged information. This enhancement coincides with users register their home addresses for authentication.

### • Liiv M

Liiv M has reached a significant milestone, maintaining 420,000 subscriptions and establishing itself as a pioneer in integrating financial services with telecommunications. Additionally, Liiv M has broadened the spectrum of customer choices, as it has secured alliances with all three major carriers: LGU+, KT, and SKT. The introduction of the exclusive KB Liiv Mobile app In April 2023, along with new services utilizing app-specific technologies like location-based services, has further enhanced user convenience. In April 2023, it obtained the final approval as a banking operation from the Financial Services Commission (FSC).

## Annual Trends for KB Star Banking MAUs (10,000 users)



## KB Liiv M

5 Years as Top MVNO



\* Consumer Insight’s Customer Satisfaction

## 12.1 M

KB Star Banking MAUs



• O-Care

O-Care is a comprehensive daily healthcare platform that delivers tailor-made health solutions based on individual health screening results. It is currently expanding its B2B operations, targeting corporate clients within the KB Financial Group, with plans to enter the B2C market in the future. O-Care is enhancing the synergies between healthcare and financial services, including insurance, through seamless integration of these services.

• KB ChaChaCha

In February 2023, KB ChaChaCha significantly improved customer engagement by introducing community services such as CarTalk and group purchases. A month earlier, it launched KB ChaChaCha LABS, introducing Korea’s first-ever used-car testing function, which includes vehicle displays, video inspections, and remote consultations. Later, in June 2023, KB ChaChaCha launched a new extended warranty product, KB Care, offering customers substantial advantages and benefits.

**5.2 M**

KB Wallet surpassed 5.17 million cumulative subscribers by December 2023



**Non-Account-Based KB Wallet Service for Attracting New Customers**

Launched in August 2022, KB Wallet is a digital wallet service that stores a broad range of personal information, including IDs, certifications, and licenses, as well as content that enhances daily convenience. It is accessible to non-account holders, enabling easy and hassle-free usage without the requirement to open an account with any Group subsidiary. Today, KB Wallet is broadening its services by forming partnerships with public organizations and third-party affiliates.

Among its many features, GoodPy, the Korean government’s virtual assistant service for citizens, stands out. Integrated with Gov24—the Korean government’s one-stop civil service portal—GoodPy enables users to access electronic certificates, administrative notifications, consultations, and tax payments on a single platform. Most notably, KB Wallet facilitates a mobile ID check by digitizing a user’s government-issued ID Card. Leveraging these integrated convenience features, KB Wallet surpassed 5.17 million cumulative subscribers by December 2023.

Looking ahead, we plan to further enhance KB Wallet’s offerings and reinforce its position as a leading lifestyle platform. This will be achieved by continuing to provide integrated convenience services and forming strategic alliances with competitive third-party providers.

**Support and Collaboration for Startup Incubation**

Since 2015, KB Financial Group has committed to fostering and expanding the fintech ecosystem through the KB Innovation HUB Center, an organization dedicated to nurturing and supporting startups. This center identifies promising early-stage startups and offers a range of support services, including office space, business mentoring, and investment opportunities.

In 2023, 53 promising startups with high growth potential were newly selected for incubation, bringing the total to 255 firms. Furthermore, these incubated companies have formed a total of 307 business partnerships with the Group’s subsidiaries. Utilizing the investment infrastructure of its corporate venture capital (CVC) funds and other subsidiaries, the Group has made investments totaling KRW 194.3 billion.

[📺 2023 HUB DAY Video Clip](#)

▶ Under the theme of ‘Creating the Future with KB’, we conducted presentations of excellent collaboration cases, panel discussions, and networking sessions.



# Digital Finance with Artificial Intelligence

## Financial AI Center: At the Vanguard of Financial Innovation

KB Kookmin Bank is dedicated not only to leveraging new technologies such as AI to enhance customer experiences but also to offering distinctive financial services beyond its traditional business domains. Through its Financial AI Center, the Group channels its efforts into all facets of AI, including strategizing, talent acquisition, and the deployment of cutting-edge AI technologies. We are committed to bolstering our competitive edge and securing long-term growth by actively embracing AI technologies, including generative AI and voice synthesis.

## KB's Focus on AI Technology Development

KB Kookmin Bank prioritizes customer engagement, focusing its efforts on developing technologies that enhance seeing, listening, talking, and understanding to foster better interactions with customers. The bank strategically adopts and integrates AI technologies considering trends in AI usage in the financial sector, technology maturity, and implementation outcomes.

The following outlines the key AI technologies currently being utilized and integrated into our operations.

- **Generative AI**

The ChatGPT from OpenAI, designed for chat interactions, has attracted significant attention from the general public and various industries as a tool to improve work efficiency and generate new business value. Financial AI Center has been actively conducting technical reviews to apply generative AI technologies in business operations. Building on current advancements, we plan to expand the business applications of this technology in 2024.

|   |  |
|---|--|
| <p><b>KB STA 3.0</b><br/>Natural Language Processing (NLP)</p>                              | <ul style="list-style-type: none"> <li>- Chatbot/Callbot support</li> <li>- One-KB search</li> <li>- News &amp; Issue Finder</li> <li>- Analysis of consensus on interest rates/FX rates/stock indices</li> <li>- Documentation and integration with other technologies</li> </ul>   |
| <p><b>KB AI-OCR</b><br/>Financially-specialized deep learning image recognition</p>         | <ul style="list-style-type: none"> <li>- Corporate/Retail customer due diligence (CDD)</li> <li>- Applications for foreign currency remittance and sanctions document inspection</li> <li>- Retirement pension subscriber registration</li> <li>- Automated paperwork for securities brokerage services</li> <li>- Account photo transfer, coupon OCR</li> </ul> |
| <p><b>Structured Data Analysis Modeling</b><br/>ML-based classification/forecast models</p> | <ul style="list-style-type: none"> <li>- ML-based BICS</li> <li>- Voice phishing (fake deposit accounts)</li> <li>- Automated STR (suspicious transaction report) checks</li> <li>- Internal control FDS (Abnormal Financial Transaction Detection System)</li> </ul>  |
| <p><b>KB AI Financial Assistant</b><br/>Virtual human-assisted financial services</p>       | <ul style="list-style-type: none"> <li>- (Step 1) Application at branch kiosks</li> <li>- (Step 2) Mobile application</li> </ul>   |
| <p><b>KB-GPT</b><br/>Financially-specialized generative AI</p>                              | <ul style="list-style-type: none"> <li>- Conducting PoC using generative AI</li> <li>- Reviewing generative AI technology and developing internalization plans</li> </ul>  |

• **KB-STA**

KB-STA (KB-State-of-the-Art Text Analytics) is an AI-driven Korean natural language processing (NLP) technology tailored for the financial industry. Developed in-house by the Financial AI Center, its notable strength lies in its accuracy in recognizing financial terms and providing precise responses, surpassing other NLP technology.

Leveraging these functions, KB-STA efficiently extracts significant events from economic news and reports and visually presents the collected data through graphs for wealth management systems. Additionally, it is utilized in AI callbots, chatbots, kiosk-based virtual consultations, and KB AI Financial Assistant services, emphasizing its versatility and utility across various platforms.

• **KB AI-OCR**

KB AI-OCR is an advanced image processing and analysis solution that uses AI neural networks to accurately distinguish text from images. Unlike traditional OCR technology, it can flexibly recognize images of varying locations and specifications for task processing. Currently, the technology is embedded in the KB Star Banking app as a photo capture function and for money transfer transactions. Additionally, foreign currency

remittance applications, sanction document inspections, and CDD (customer due diligence) processes utilize the KB AI-OCR technology.

• **Structured Data Analysis Modeling**

KB Kookmin Bank leverages its extensive data in holdings to apply machine learning-based AI technology across various business processes. The corporate loan review process involves analyzing various financial and non-financial data of potential borrowers using the machine learning-based BICS (Big Data CSS) to inform loan officers of the outcomes. Besides managing spreads for deposits and loans, this technology also protects customers from financial fraud by monitoring voice phishing attempts and using an FDS (Abnormal Financial Transaction Detection System) to scrutinize customer information and transaction histories.

• **KB AI Financial Assistant**

KB Kookmin Bank has successfully developed a virtual, human-like KB AI Financial Assistant service that operates beyond traditional location and channel constraints. The bank's ultimate goal is to offer customized financial services to each retail client, with the end goal being the provision of hyper-personalized KB AI Financial Assistant services.

Moving forward, the bank will continue to embrace AI technologies like generative AI and voice synthesis to drive digital financial innovation and broaden its application across various business sectors, thereby enhancing its competitiveness and ensuring sustained growth.

Furthermore, in conjunction with adopting AI technology, we are committed to establishing a comprehensive AI governance framework. This includes developing risk management policies to mitigate inherent AI risks and fostering an ethical corporate culture, ensuring the responsible and secure use of AI advancements.

KB State-of-the-Art Text Analytics



SPECIAL REPORT 3

# Global Business



KB Financial Group has embraced a Groupwide global expansion strategy as the linchpin for sustainable growth, moving beyond the confines of the maturing domestic market. Central to this initiative has been our two-track strategy that targets both the fast-growing markets of Southeast Asia as well as advanced economies known for their investment stability and high appeal among Korean offshore investors. Building upon this strategic base, KB Financial Group is set to advance this in what is dubbed a “3x3 strategy”, with the aim of broadening our geographical footprint and pivoting our investment strategies.

## GLOBAL BUSINESS STRATEGY

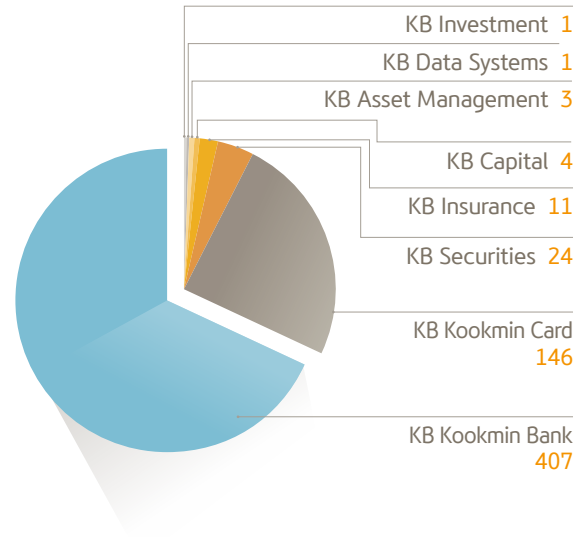
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This refined 3x3 strategy entails a deliberate expansion into three key markets: Southeast Asia, advanced economies, and untapped markets. In addition to the strategic investor-centric M&A activities aimed at securing management rights, the Group intends to shift its investment tactics towards building an investment portfolio as a financial investor through equity investments in and partnerships with local firms. This strategic change in investment approach underscores our commitment to refining global strategy to enhance sustainable growth momentum.

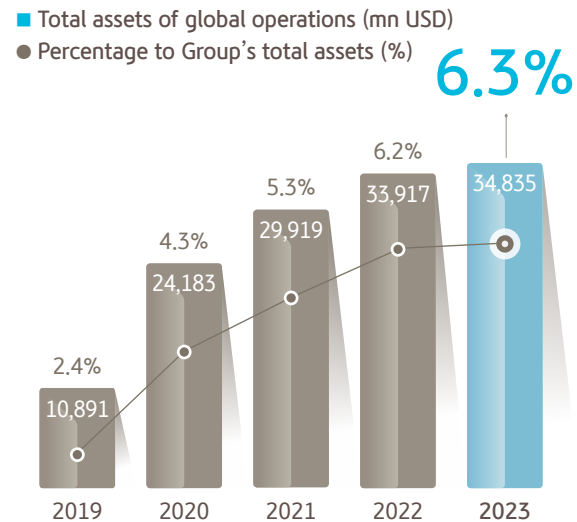
### Global 3x3 Strategy



## Overseas Network



## Total Assets of Global Operations



## Achievements & Plans

### Indonesia

After strengthening its management control by gaining seats on the management board of PT. Bank KB Bukopin, Tbk., KB Kookmin Bank has made consistent efforts to turn around the business through massive restructuring and by leveraging KB's core competencies.

The bank has its focus on attracting high-quality assets, particularly from large Korean corporate clients and local IB deals in Indonesia. Efforts are now underway to improve sales operations and management systems and to boost product competitiveness within the SME and retail sectors, with the ultimate goal of building a portfolio of high-quality assets. With the installation of a next-generation IT system slated for the latter half of 2024, PT. Bank KB Bukopin, Tbk. is set to upgrade its IT and digital capabilities to match those of leading Indonesian banks, thus preparing itself to offer superior financial services to local clients.

As of February 2022, KB Securities held a 65% stake in PT KB Valbury Sekuritas (KBVS), one of Indonesia's top 10 brokerage houses. In March 2023, the company successfully introduced a mobile trading system (MTS) to strengthen its position in the mobile trading market and attract mass customers. In the second half of 2023, KBVS further diversified its revenue streams by enhancing

its IB capabilities, a move which was facilitated by a significant organizational revamp and strategic personnel enhancements. KBVS also aims to increase its IB Desk's competitiveness and market stature through active deal sourcing and deal arrangements in capital markets for both its local subsidiaries and Indonesian companies.

Since its inception in 2020, KB Capital's Indonesian subsidiary, PT. Sunindo Kookmin Best Finance (SKBF), has maintained stable growth in its main business of auto financing. In 2023, the company expanded into the commercial vehicle financing business, partnering with prominent Korean manufacturers of construction machinery and heavy equipment. Furthermore, with plans now in place to grow its dominance in the Indonesian EV market, SKBF has ventured into the electric motorcycle finance sector through collaborations with a local EV bike manufacturer and a global AI firm. To further elevate its market competitiveness in the mobility market, SKBF is set to bolster collaborations with the Group's established Indonesian entities, such as PT. Bank KB Bukopin, Tbk. and PT. Kookmin Best Insurance Indonesia

### Cambodia

In August 2023, KB Kookmin Bank launched KB PRASAC Bank Plc., an integrated entity formed by merging its Cambodian subsidiary, Kookmin Bank Cambodia PLC, with Prasac Microfinance. The merger capitalizes on the former Prasac

Microfinance's 192 nationwide networks, aiming to heighten its distinct competitive edge in microfinance. Additionally, it sets the stage for the bank's transformation into a leading commercial bank in Cambodia, with a focus on enhancing the competitiveness of its commercial banking.

KB Kookmin Card is also pursuing a merger of i-Finance Leasing Plc (iFL), a Cambodian leasing company it acquired in 2022, with KDSB, which specializes in car installment financing in Cambodia, to secure new growth drivers in the local market. Upon completion in 2024, this merger will serve as part of a broader strategy to amplify KDSB's competitive edge in the Cambodian market by expanding the sales network and broadening the reach and diversity of its services and product offerings.

### Vietnam

KB Securities Vietnam Joint Stock Company (KBSV), a local subsidiary of KB Securities in Vietnam, acquired a local mid-sized securities company in November 2017, thereby strengthening its business competitiveness and demonstrating solid performance centered on retail brokerage. In order to respond to the large-scale capital expansion and aggressive marketing of local competitors, we continue expanding our customer base and strengthening our retail competitiveness by strengthening our new MTS given IT competitiveness, which we launched in December 2022 (KB Buddy):

for new investors entering the stock market) and December 2023 (KB Buddy Pro: for experienced investors), respectively.

- **Thailand**

KB Kookmin Card acquired a 49.99% stake in KB J Capital Co., Ltd (KBJC) (voting rights require a 50.99% share) in 2021. This made KB Kookmin Card the first Korean credit card issuer to enter the Thai market. After a notable capital increase in 2023, KB Kookmin Card raised its equity holding in KBJC to 77.4%. Through a strategic partnership with Samsung Thailand, the innovative Samsung SF+ product was successfully launched, paving the way for further revenue diversification via ongoing product development and expansion of distribution channels.

- **Laos**

KB Capital ventured into the Laotian market by establishing KB KOLAO Leasing Co., Ltd. (KKLS) in 2017, focusing on auto installment financing as its primary business. Since achieving profitability in March 2018, KKLS has demonstrated consistent growth. Despite the harsh conditions of the market slowdown stemming from the 2023 foreign exchange crisis and inflation, KKLS has preserved its position as the second-largest leasing company in Laos in terms of asset size through sales channel expansion and business diversification, launching new offerings in construction machinery and heavy equipment. Looking forward, KKLS is committed to

achieving profitable growth. The company plans to capitalize on the anticipated boom in Laos throughout several key sectors, such as tourism, resource development, and logistics. By focusing on the expansion of its market presence within the construction machinery and heavy equipment financing sector, KKLS aims to further solidify its position in Laos.

- **India**

KB Kookmin Bank obtained preliminary approval from the Reserve Bank of India in October 2023 to set up new branches in Chennai and Pune. This strategic move enables the bank to increase its presence in India to a total of three branches by September 2024, marking a significant in less than six years since the launch of its first branch in Gurugram in February 2019.

The anticipated synergies among these three branches will serve to broaden the bank's reach across key regions of the country: Northern (Gurugram), Western (Pune), and Southern (Chennai) India. This geographical diversification is expected to strengthen the bank's operational footprint, strengthening relationships with large corporations and their suppliers active in these regions, and making India the focal point of KB Kookmin Bank's operations in South Asian markets.

## 2024 Plans

In 2024, KB Financial Group is set to pursue more M&A opportunities across its subsidiaries, strategically manage its global business in alignment with the prevailing global macroeconomic landscape, and strive to generate stable global profits through the profitable growth of its existing network.

In Indonesia, home to the largest number of Group subsidiaries outside Korea, there is an ongoing evaluation for further expansion into untapped business areas. The focus will be on fostering synergies among its subsidiaries, including KB Kookmin Bank, KB Securities, KB Insurance, KB Kookmin Card, and KB Capital, and on achieving scalability within each sector. Specifically, for PT. Bank KB Bukopin, Tbk. swiftly achieving a business turnaround is the top priority. Efforts will be concentrated on accruing high-quality assets and improving the bank's financial soundness, rapidly expanding the retail and SME portfolios, and enhancing IT and digital capabilities based on a next-generation IT system.

KB PRASAC Bank Plc., in its transition into a full-fledged commercial bank, intends to expand its banking capabilities. This includes augmenting its loan and deposit product lineup by leveraging KB's expertise and value transfers, enhancing asset quality management, refining credit scoring models, and improving IT and digital capabilities.

Moreover, KB Financial Group plans to establish a Korea Desk in Poland in 2024 as part of its strategy to explore untapped markets. This move aims to actively explore the Eastern European market and extend its business coverage.



SPECIAL REPORT 4

# Risk Management

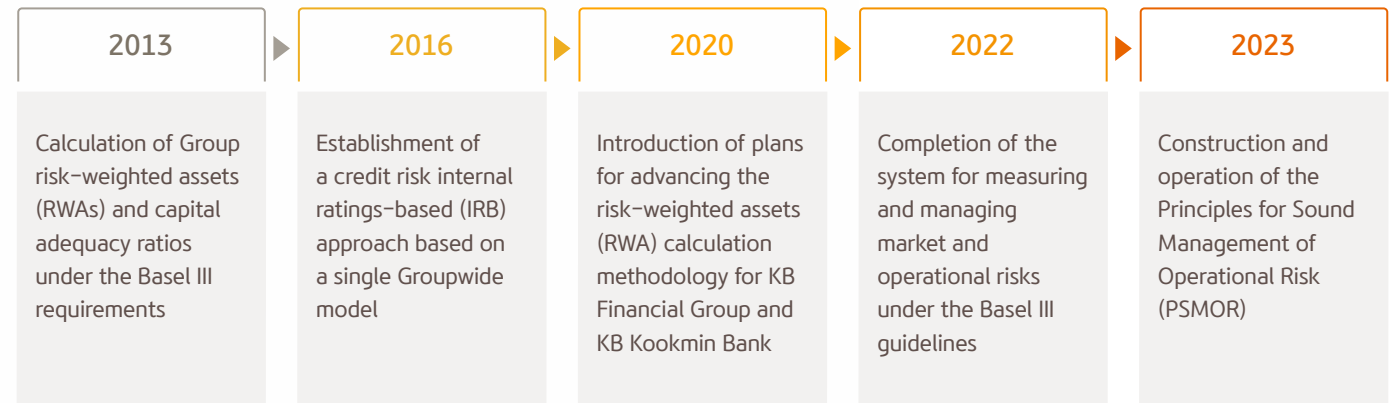


KB Financial Group maintains a preemptive risk management system at the Group level to respond to both the rapidly changing business environment as well as to the regulatory shifts and challenges in financial markets. The Group-level risk management system puts a priority on increasing the Group's risk transparency and preventing risk transfer among subsidiaries, while also supporting management's decision-making in comprehensive consideration of the Group's goals and strategies. We run biannual Groupwide stress testing to develop responsive measures by scenario and exhaustively monitor potential risk factors. The outcomes are also instrumental in determining the Group-level risk appetite and for making management decisions.

## RISK MANAGEMENT SYSTEM



## BASEL III TIMELINE AT KB FINANCIAL GROUP



## Risk Governance

In principle, all of KB Financial Group’s risk-related policies, regulations, management systems, and decision deliberations align with the risk management philosophy of pursuing stable and sustainable growth through a balance between risk, profit, and capital in our management activities. To implement risk management strategies in compliance with the aforementioned principle, we established a Group-wide risk management system for integrated risk monitoring at the Group level.

The Risk Management Committee is a subcommittee delegated by the Board of Directors (BOD) for risk management-related authorities. Accordingly, the committee sets Group-level risk management strategies, determines risk appetites, monitors risk management practices, and approves the system, methodology, and application of major improvements.

The Risk Management Council, which consists of risk management officers from the holding company and subsidiaries, deliberates on matters as delegated by the Risk Management Committee and consults on the details of all Group risk management issues.

The holding company’s risk management department sets the directions for Groupwide risk management policies and runs all relevant processes to monitor and control Groupwide risk positions and the limits of internal capital. We also have an established risk report system at each subsidiary.

Their risk management departments monitor risk types and/or any emerging developments around the clock and must report any untoward event to their immediate Chief Risk Officers (CROs) at each subsidiary and then to the Group’s CRO, eventually reaching the Group Risk Management Committee and the BOD.

## Risk Management Strategies

Our risk management strategies focus on improving Groupwide risk transparency, preventing risks from being transferred among subsidiaries, and efficiently supporting our mid- to long-term strategies and management decision-making through preemptive responses to the rapidly changing financial environment. The critical risk factors requiring a Groupwide approach to their control include credit, market, interest rates, liquidity, and operational risks. As a result, the Groupwide risk management strategies are set by risk type to determine risk tolerance. These risks are then measured and controlled using strategical techniques.

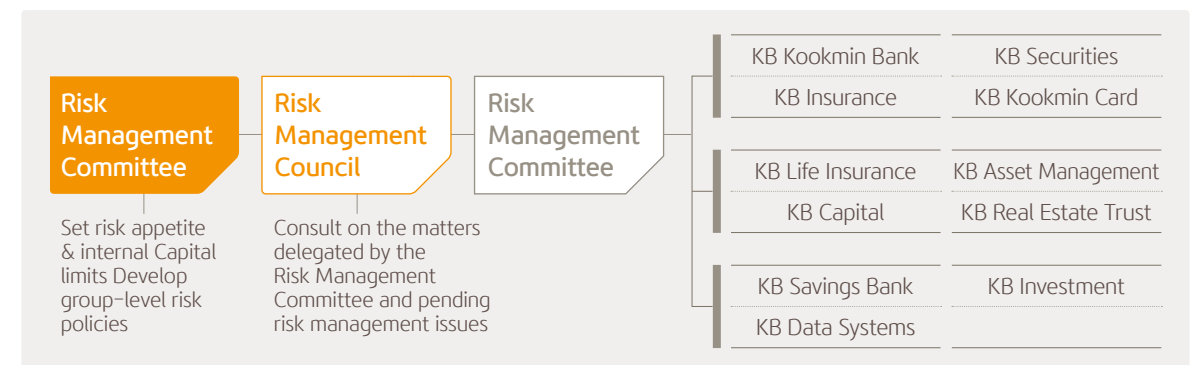
### • Stress Testing

KB Financial Group runs Groupwide stress testing at least twice a year. At these times, the business cycle and economic outlook are factored in to measure our potential vulnerabilities to exceptional but possible events. The stress testing process follows the steps of creating a test scenario, estimating the key risk factors by risk type and their impact on key management indicators by scenario, as well as evaluating capital

## Risk Management Strategies



## Group Risk Governance



adequacy by scenario and developing responsive measures. Based on probable risk factors that could gravely impact the business portfolio from risk factors recognized from the business analysis, stress testing scenarios are set in three stages according to their severity: Base, Medium, and Severe. We apply different stress testing models depending on the risk types. The analysis results concerning the impact of different risk types on profit/loss, capital adequacy by scenario are then reported to management and the Risk Management Committee to assist in the projection of their Groupwide risk appetite and management decision-making.

• **Recovery & Resolution Plans**

KB Financial Group annually formulates and implements a Recovery Plan to ensure a swift and effective response in the event of massive insolvency. This Recovery Plan serves as a set of preemptive, self-help plans prepared by financial institutions to restore financial stability before insolvency exacerbates. The Plan encompasses the core functions/businesses, governance structure, indicators/conditions for the Plan to be implemented, stress testing and recovery actions, and communication with both internal and public stakeholders. Updated yearly, these plans undergo

evaluation by the Financial Supervisory Service (FSS) and receive approval from the Financial Services Commission (FSC). Also, starting from 2023, KB Financial Group has begun executing measures to address any Expected Obstacles to Resolution as identified by resolution authorities, with outcomes reported to the FSC. The Group remains dedicated to continuously refining its risk management framework by enhancing the Recovery Plan and methodically tackling expected challenges during the implementation of the Resolution Plan.

• **Basel III Framework at KB Financial Group**

KB Financial Group’s preparation for the Basel III framework started in December 2013 when the Financial Services Commission (FSC) announced the mandatory adoption plan. Since then, we have aligned the Group’s risk-weighted assets (RWAs) and our capital adequacy ratio with the Basel III standards. To start, we helped subsidiaries improve their risk management levels, as they established and now operate their own credit risk IRB based on the Group Single Model, which won approval for use by the Financial Supervisory Service (FSS) after exhaustive examination. The IRB approach has been adopted for calculating the Group BIS ratio since the end of 2016. Specifically, with the comprehensive revision of the calculation methodology under the Basel III framework’s final reforms, the system was implemented for credit risk areas in September 2020, following FSS approval of its usage. The frameworks for measuring and managing market

and operational risks have been finalized and have been operational since January 2023.

In order to ensure the advanced management of market risks, we have reinforced our marketable asset portfolio management and diversified investment strategies, such as reviewing sensitivity-hedging investment strategies and improving the accuracy of product-specific information through DQM (data quality management) in step with the changes expected to take place in the market environment. At the same time, we are implementing a risk recognition/evaluation system and monitoring/reporting system in accordance with the Principles for the Sound Management of Operational Risk. KB Financial Group will strive to preserve a stable capital adequacy level through seamless operation of the regulated capital management system under the Basel III standards.

**Groupwide Stress Testing Process (at least twice a year)**



## Emerging Risk Management

KB Financial Group defines emerging risks as those arising from economic, environmental, and social changes that may have a significant long-term impact on the Group's business activities. An extensive, multifaceted analysis has been undertaken to discern emerging risks, revealing 911 distinct trends. This analysis aims to evaluate the impact of these trends across short-, mid-, and long-term horizons, pinpointing specific emerging risks that are particularly relevant to KB Financial Group. In response, we have formulated and implemented proactive strategies to address these risks, thereby systematically managing potential future risks.

In light of the business environment megatrends surrounding the Group, this report highlights two critical emerging risks. The first is global rebalancing: the transition from deglobalization to re-globalization. The second is the acceleration of technological innovation: the increase in cybercrime threats due to technological innovations like AI. The precise definition of these risks, their potential long-term impact on our businesses, and the countermeasures we plan are detailed herein.

### GLOBAL REBALANCING: The Transition from Deglobalization to Re-globalization

#### Definition

- Amidst escalating global conflicts, including tensions between the U.S. and China, the Ukraine-Russia war, and the Israel-Palestine conflict, alliances are being re-formed based on national interests. In an era marked by shifts towards a multipolar global power structure, significant transformations are underway in global governance and the global value chain (GVC).
- These alterations in the international order are heightening geopolitical risks, influencing significant developments in international politics, diplomacy, military security, economic trade, and monetary policies. Given Korea's considerable reliance on external circumstances, there is rising concern over political, economic, and social uncertainties within these environments.

#### Business Impact

- The intensification of international conflicts and the sporadic and serial formation of loose alliances based on ideological blocs are prompting major economies to adopt stringent protectionist trade policies to safeguard their national interests, leading to ongoing disruptions in the supply chain of raw materials and intermediate goods. These disturbances have caused production setbacks in key industries, imposed trade restrictions, and worsened the trading environment, raising the likelihood of extended economic slumps due to shifts in the monetary policies of leading nations.
- The enduring scenarios of a global economic downturn, inflation, and increased interest rate volatility, fueled by geopolitical risks, are placing both retail and corporate borrowers at increased risk of encountering credit challenges. In any of those cases, the credit crisis is anticipated to initially impact those with multiple debts and marginal borrowers, potentially spreading more broadly.

#### Countermeasures

- KB Financial Group has established 12 possible scenarios from a business environment perspective, while closely monitoring the worst-case scenarios and their ripple effects. Five of these scenarios are identified as geopolitical risks: the escalation of the Israel-Hamas conflict, the impact of the Ukraine-Russia war and the Russian elections, increased military tensions around Taiwan, any sudden changes in North Korea, and the impact of the U.S.-China power struggle on Southeast Asian markets. These scenarios were developed through collaboration and review by the Group's Risk Management Department and Financial Planning Department, along with the KB Financial Group Research Institute. We also plan to refine the crisis management system of the holding company and its subsidiaries by the first half of 2024. The finalized scenarios and their economic impact will then be shared across all subsidiaries within the Group. Guidance will subsequently be provided to assist each subsidiary's business unit in developing response measures for worst-case scenarios.

Furthermore, at the Group level, a system is being established whereby the Contingency Management Committee will act as a crisis response control tower in the event of a worst-case scenario.

- Through stress testing, the Group evaluates its Contingency Plan and establishes action plans tailored to various crisis scenarios, thus maintaining ongoing oversight of the Group’s crisis response capabilities. To facilitate a coordinated Groupwide reaction in the face of geopolitical risks, we have bolstered the uniformity of risk management systems across all subsidiaries. Additionally, we have implemented a management system designed to ensure the stable operation and timely execution of the Recovery Plan.
- In the realm of credit risk management, we have recalibrated high-risk segments to enable continuous monitoring, allowing for the early detection of potential risks. Pursuant to this approach, we have established specific management objectives to adeptly navigate these risks.

## ACCELERATION OF TECHNOLOGICAL INNOVATION: The Increase in Cybercrime Threats Due to Technological Innovations Like AI

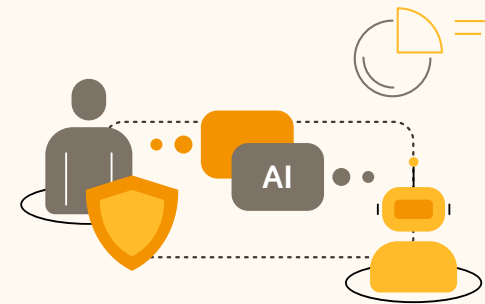
### Definition

- The emergence of artificial intelligence (AI), which leverages enormous amounts of online knowledge through machine learning, is acknowledged as a pivotal technology destined to profoundly shape the future of the world and humanity. Nevertheless, the possibility of its exploitation for hacking or cybercrime purposes poses a very real threat that could amplify attack severity, potentially culminating in severe cyber information security challenges, including data breaches and hacking incidents, in the foreseeable future.
- Moreover, the rapid increase in public accessibility to AI tools like ChatGPT engenders profound concerns over an escalation in AI-facilitated cybercrimes. Such incidents could undermine the information security frameworks of financial companies, precipitating widespread social and economic disruption and consequent damages.

### Business Impact

- The swift digitalization within the financial sector, aimed at boosting operational efficiency, has resulted in the centralized management of vital data, such as asset/liability details, customer data, and credit information. Despite financial firms’ active pursuit of digital transformation to enhance customer convenience, the surge in digital transactions and the recent trend towards remote work have amplified their vulnerability to cybercrimes.

In this context, there is a growing societal demand for the protection of customer information. The risk of increasingly organized and sophisticated cybercrimes poses a significant threat to the reputation of financial institutions. As a result, establishing robust and methodical security control is crucial for the survival of any financial company.



### Countermeasures

- KB Financial Group has established a dedicated organization to prevent information leakage, enhancing its data protection oversight through a unified information security platform and an all-encompassing personal data management system. Rigorous controls are enforced to thwart the unauthorized dissemination of sensitive data, such as customer information. These include compulsory X-ray screenings at data centers and headquarters, along with the obligatory formatting and security software installation on computers upon entry or exit.

KB Kookmin Bank, in particular, segregates all computers into internal and external network zones, prohibits internet usage on devices allocated to external staff, and ensures all files on computers are encrypted. To further secure database information, access is limited strictly to vetted employees through additional authentication procedures. In addition to these rigorous protocols, the Group has proactively acquired electronic financial transaction liability insurance to safeguard against potential financial liabilities resulting from data breaches. This coverage aims to mitigate any financial risks associated with reputation damage or potential collective lawsuits from customers seeking compensation for breaches.

## 2023 Achievements

In 2023, the global economy experienced a slowdown and a decrease in asset values due to complex crises sparked by global inflation, rapid financial tightening by leading economies, and geopolitical tensions from the Ukraine–Russia war and the U.S.–China power struggle.

In response, we enhanced our risk management for household loans by refining credit review strategies, intensifying the surveillance of high-risk assets, and crafting ML-based recovery models. We have also initiated a proactive risk management framework, one that especially targets high-risk corporate borrowers, which involves pinpointing and intensifying the surveillance of susceptible sectors and formulating detailed risk management strategies tailored to specific industries. Moreover, we have enhanced credit reviews for IB investment assets and refined the risk management system for assets held in overseas strategic hubs.

In preparation for macroeconomic shifts like rising interest rates and the pandemic’s transition to endemic status, we advanced our foreign currency liquidity risk management system. To counteract the challenging conditions in the capital and insurance markets and improve the insurance loss ratio, we strengthened our underwriting criteria. In light of the Basel III reforms concerning market and operational risks and the introduction of the K-ICS system in the insurance sector, we also updated our portfolio

management strategies and conducted targeted training for our staff in relevant tasks, ensuring a proactive stance towards regulatory changes.

To adeptly navigate alterations in sustainability reporting standards and regulations, we activated an ESG risk management enhancement task force team (TFT) to develop a climate risk scenario analysis framework. We have also instituted measures to bolster due diligence in client asset management, implementing evaluations for the appropriateness of sales limits for each product and establishing a limit management system. Furthermore, to preserve capital adequacy and ensure risk-weighted profitability, we have created and incorporated a RoRWA-based calculation system into our organizational evaluation system.

### • Establishment of a Climate Risk Scenario Analysis Framework

Committed to maintaining our leadership in the ESG sector, we have refined our scenario analysis methodology to reinforce the Group’s resilience and adeptness in managing climate risks. This climate risk scenario analysis enables the Group to pinpoint risks and opportunities tied to climate change and evaluate our business strategies’ resilience/recovery capacity against potential shifts. More precisely, we conduct assessments on the cost implications of carbon reduction for assets exposed to conversion risks, such as loans, bonds, and stocks, to understand their effects on

borrowers’ credit ratings. In addition, we project the likely devaluation resulting from natural disasters on assets carrying physical risks, such as mortgages and commercial real estate, aiming to quantify the potential collateral loss and gauge the fluctuation in the Group’s credit loss extent. Through the development of this climate risk scenario analysis framework, our goal is to align with stringent ESG management standards, including adherence to SEC climate regulations and ISSB S2 climate disclosure requirements.

### • Development of a Methodology for Recognizing Stranded Assets

To achieve net-zero emissions by 2050, KB Financial Group committed itself to financing industrial decarbonization in 2019 and formulated its Environmental and Social Risk Management Policy (ESRM Policy) in 2021. To accurately identify ESG-related risks within the Group, we have derived a methodology to recognize the scale of stranded assets, that is, assets at risk of failing to yield economic returns due to ESG-related shifts in market and regulatory landscapes. This approach is instrumental in pinpointing industries exposed to the low-carbon transition and analyzing the likelihood for assets to become stranded by examining critical reduction initiatives and procedural phases specific to each industry, thereby facilitating forecasts regarding potential key stranded assets and their estimated impact.

### • Adjusting Industry Outlooks According to Megatrend Impacts

As the uncertainty surrounding industry forecasts increases due to the influence of megatrends, there is an evident necessity for reevaluating industry outlooks at the Group level and adapting to industry policies based on megatrend analysis. In light of this, the Group Risk Management Department has initiated a working group that comprises industry experts from the Group’s Research Institute, the Bank’s Sector Analysis Team, and the KB Securities’ Research Center. This collaborative team has embarked on a comprehensive analysis of global megatrends and paradigm shifts, evaluated the repercussions of these megatrends on key industries, and formulated strategies for leveraging the findings of the industry outlooks.

To pinpoint overarching megatrends impacting various sectors, a comprehensive STEEP (society, technology, economy, ecology, and politics) analysis was employed, identifying six key megatrends. Following this, the working group undertook detailed analyses on the current industry status, key characteristics, and trends of 14 selected sub-sectors. The working group also performed quantitative assessments to project the revenue potential of each industry, taking into account the influence of these trends.

The advancement of these analytical techniques has significantly enhanced the Group's industry analysis capabilities and fine-tuned the establishment of industry policies by incorporating rapid changes in the business environment and the influence of megatrends beyond forecasts based solely on experts' experiences and historical data.

- **Improving Capital Efficiency and Strengthening Complex Risk Management**

Starting in 2023, KB Financial Group began incorporating RoRWA (return on risk-weighted assets) as a key performance indicator into its RAPM (risk-adjusted performance measures), supporting management's decision-making in portfolio management and rebalancing, with a focus on maintaining capital adequacy. This ultimately aims to enhance the efficiency of the Group's capital management.

Additionally, to proactively manage complex crises and strengthen crisis response capabilities, the Group established its Recovery Plan in October 2021. The update carried out in 2023 then diversified crisis scenario and honed the analysis of the effectiveness of recovery measures. The Group also conducted fire drills to improve the execution of the Recovery Plan. These efforts have culminated in a practical and cohesive risk management framework, one that is poised to facilitate prompt and effective Groupwide actions in the face of multifaceted crises, significantly enhancing the Group's risk management prowess.

## **2024 Plans**

Anticipating the ongoing effect of the aforementioned geopolitical risks (the Russia-Ukraine war, U.S.-China tensions, and the Israel-Palestine conflict), alongside persistent high oil prices, inflation, interest rates, and exchange rates fueling financial market volatility, our focus for 2024 is dedicated to preserving the Group's asset integrity and ensuring capital adequacy. This will be achieved through exhaustive risk assessments and deployment of comprehensive response mechanisms to major risk factors across Group businesses. As such, we will implement proactive and flexible risk management strategies tailored to specific vulnerable areas by borrower and sector. At the same time, we will enhance credit policies to maintain the soundness of IB and global operations, bolster risk management in capital markets and insurance sectors in response to shifts in market environments, and develop innovative risk management frameworks for customer assets, ICT, and risks associated with third-party outsourcing.

# Management's Discussion & Analysis

## Group Overview

The year 2023 was marked by a prolonged economic downturn, with decelerated growth in both the global and Korean economies.

KB Financial Group adeptly navigated the uncertainties in this challenging domestic and international environment. Its conservative approach to its provisioning for credit losses—aimed at hedging against market uncertainties—did not deter an increase in net interest income, which was fueled by improvements in the net interest margin (NIM) and growth in quality corporate loans. In addition, our strategic responses to capital market fluctuations and continuous efforts in cost reduction significantly enhanced our efficiency. These factors collectively contributed to an 11.5% increase in net profit over the previous year, reaching KRW 4,632 billion.

In detail, gross operating income rose by 17.8% year on year (YoY) to KRW 16,229 billion, driven by a balanced growth in both interest and non-interest income.

Interest income was bolstered by a 7.7% YoY growth in won-denominated corporate loans, securing a stable revenue base. This growth was further supported by the repricing effects of last year's

interest rate hikes, which led to an improved NIM. NIM contributions from non-banking subsidiaries, including KB Securities and KB Kookmin Card, also expanded, also expanded by 5.4% YoY to KRW 12,142 billion. Non-interest income significantly increased by KRW 1,822 billion over the previous year, driven by higher brokerage fees in securities and a 4.5% increase in net fee and commission income. Performance in securities, derivatives, and FX transactions also markedly improved, reflecting our timely responses to financial market fluctuations.

On the cost side, Group G&A expenses witnessed a marginal increase of 0.1% YoY, reflecting the success of the Group-wide cost-efficiency measures. The Group's cost-income ratio (CIR) achieved a record low of 41.0%.

Credit loss provisions amounted to KRW 3,146 billion, an increase of KRW 1,299 billion from the previous year. This proactive measure was taken in anticipation of future economic uncertainties and aligns with our conservative provisioning policy.

Regarding asset quality, the Group's non-performing loan (NPL) ratio stood at 0.57%, with an NPL Coverage Ratio of 174.5%. Although the NPL coverage ratio slightly declined from the previous year due to the conservative classification of assets

in sectors like real estate project financing (PFs) and overseas commercial real estate, the Group maintained an industry-leading total loss absorption capacity (TLAC).

Under Basel III standards, Group BIS ratio recorded a total capital ratio of 16.73% and a common

equity tier 1 (CET 1) ratio of 13.59%. These figures underscore our highest level of capital adequacy in the financial sector despite increased risk-weighted assets (RWA) from growth in corporate lending and the impact of year-end dividends.

## KEY FINANCIAL INDICATOR

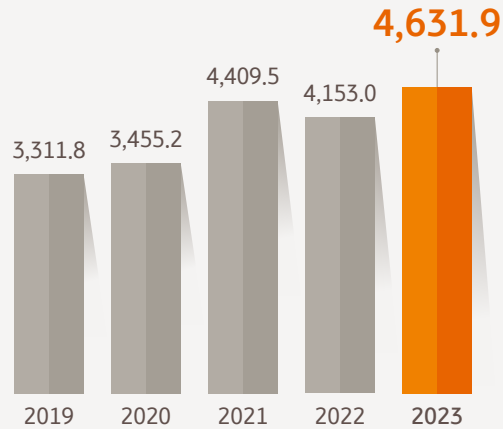
| (%, %p)                          | 2023   | 2022   | YoY    |
|----------------------------------|--------|--------|--------|
| ROA (%)                          | 0.65   | 0.57   | 0.08   |
| ROE (%) <sup>1)</sup>            | 9.18   | 8.83   | 0.35   |
| Basic EPS (KRW)                  | 11,580 | 10,334 | 1,245  |
| NIM (Bank+Card)                  | 2.08   | 1.96   | 0.12   |
| NIM (Bank)                       | 1.83   | 1.73   | 0.10   |
| Cost-Income Ratio (CIR)          | 41.0   | 48.2   | (7.2)  |
| Credit Cost Ratio (CCR)          | 0.67   | 0.43   | 0.24   |
| NPL Ratio <sup>2)</sup>          | 0.57   | 0.34   | 0.23   |
| NPL Coverage Ratio <sup>2)</sup> | 174.5  | 216.3  | (41.8) |
| BIS Ratio                        | 16.73  | 16.16  | 0.57   |
| CET1 Ratio                       | 13.59  | 13.24  | 0.35   |

1) Based on return on common equity

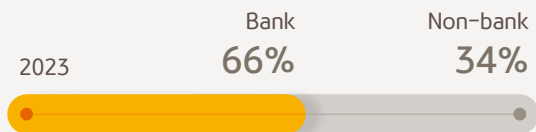
2) Based on a simple arithmetic sum of each subsidiary's figures (excl. overseas local subsidiaries, overseas equity investment, SPC, etc.)



### Group Net Profit (bn won)



### Contribution by bank vs. Non-bank



### Group Financial Position

As of the end of 2023, KB Financial Group’s total assets reached KRW 715.7 trillion, up KRW 27.0 trillion, or 3.9%, YoY. This increase was primarily driven by a KRW 11.8 trillion YoY expansion in loans and a KRW 6.7 trillion growth in investment banking assets, backed by a strategic focus on quality- and profit-driven corporate loan portfolio-building amidst constraints on household debt growth.

Specifically, household debts saw a modest increase of KRW 1.1 trillion, or 0.7% YoY, even amid rising interest rates and stricter government regulations. Corporate loans experienced significant growth of KRW 13.3 trillion, or 7.5%, with balanced increases across large corporations, SMEs, and SOHO sectors.

The group’s assets under management (AUM) totaled KRW 501.0 trillion, up 9.4% YoY, bolstered by increased WM financial product sales and funds in KB Asset Management’s AUMs. The Group’s total assets, including AUMs, amounted to KRW 1,216.7 trillion, a YoY increase of KRW 70.0 trillion.

### GROUP FINANCIAL POSITION

| (tn won, %)                            | 2023           | 2022    | YTD   |
|--|----------------|---------|-------|
| <b>Assets</b>                          | <b>715.7</b>   | 688.7   | 3.9   |
| Cash & Due from Financial Institutions | 29.8           | 32.5    | -8.3  |
| FVTPL <sup>1)</sup> Assets             | 77.0           | 70.1    | 9.8   |
| Financial Investments                  | 122.2          | 115.5   | 5.8   |
| Loans                                  | 444.8          | 433.0   | 2.7   |
| Property & Equipment                   | 9.3            | 8.4     | 10.7  |
| Other Assets                           | 32.6           | 29.2    | 11.6  |
| <b>Liabilities</b>                     | <b>656.8</b>   | 634.6   | 3.5   |
| FVTPL <sup>1)</sup> Liabilities        | 10.9           | 12.3    | -11.4 |
| Deposits                               | 406.5          | 393.9   | 3.2   |
| Debts                                  | 69.6           | 71.7    | -2.9  |
| Debentures                             | 69.2           | 68.7    | 0.7   |
| Other Liabilities                      | 100.6          | 88.0    | 14.3  |
| <b>Shareholder’s Equity</b>            | <b>58.9</b>    | 54.1    | 8.9   |
| Share Capital                          | 2.1            | 2.1     | -     |
| Hybrid Securities                      | 5.0            | 4.4     | 13.6  |
| Capital Surplus                        | 16.7           | 16.9    | -1.2  |
| Accumulated Other Comprehensive Income | 2.3            | 1.3     | 76.9  |
| Retained Earnings                      | 32.1           | 28.9    | 11.1  |
| Treasury Shares                        | (1.2)          | (0.8)   | N.A.  |
| Non-Controlling Interests              | 1.9            | 1.3     | 46.2  |
| <b>Group Total Assets<sup>2)</sup></b> | <b>1,216.7</b> | 1,146.7 | 6.1   |
| <b>AUM<sup>3)</sup></b>                | <b>501.0</b>   | 458.0   | 9.4   |

1) Fair value through profit or loss

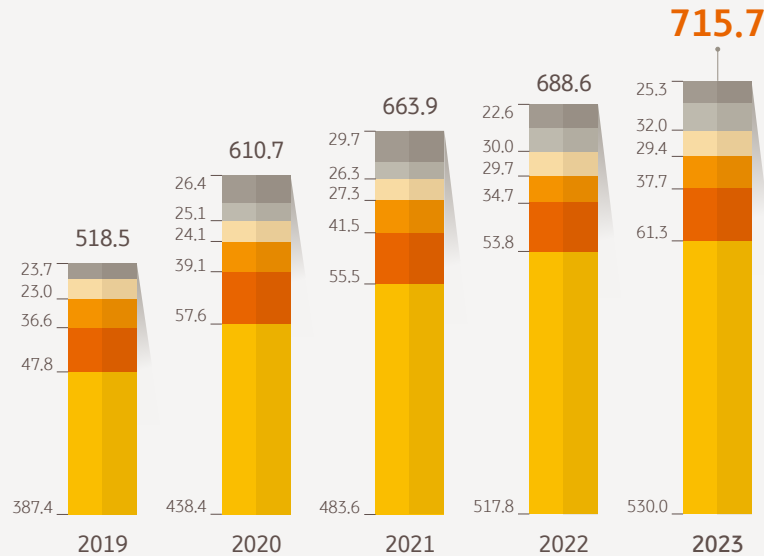
2) sum of assets of consolidated financial Statement and AUM

3) Including the Bank’s trust assets not subject to group reporting

### Group Total Assets

(tn won)

- KB Kookmin Bank
- KB Securities
- KB Insurance
- KB Kookmin Card
- KB Life Insurance
- Others  
(Incl. adjustment for consolidation)



1) Based on each subsidiary's total assets on the financial statements for group reporting

KB Kookmin Bank, the Group's flagship subsidiary, saw its total assets increase by KRW 12.2 trillion, or 2.4% YoY to KRW 530.0 trillion. Won-denominated loans grew by 4.0% to KRW 341.6 trillion. A sector-wise analysis reveals a reduction in unsecured household lending due to decreased demand amidst persistent high interest rates, although

mortgage lending, focused on actual demand, saw modest growth of 0.3%. On the corporate front, large corporate loans surged by 30.1% due to a contraction in the corporate bond issuance market, while loans to SMEs grew by 2.7%, contributing to an overall 7.7% growth in corporate lending YoY.

### KB KOOKMIN BANK LOANS IN WON

| (tn won, %)      | 2023         | 2022  | YTD  |
|------------------|--------------|-------|------|
| <b>Household</b> | <b>166.5</b> | 166.0 | 0.3  |
| Mortgage         | <b>94.3</b>  | 92.9  | 1.5  |
| General          | <b>72.2</b>  | 73.1  | -1.2 |
| <b>Corporate</b> | <b>175.1</b> | 162.6 | 7.7  |
| SME              | <b>136.6</b> | 133.0 | 2.7  |
| [SOHO]           | <b>89.0</b>  | 86.8  | 2.5  |
| Large Corp, etc. | <b>38.5</b>  | 29.6  | 30.1 |
| <b>Total</b>     | <b>341.6</b> | 328.6 | 4.0  |

### Profitability

In 2023, KB Financial Group reported a net profit of KRW 4,632 billion, up 11.5% YoY. Despite the global economic downturns and increased macroeconomic

uncertainties, the Group demonstrated robust fundamentals and earnings resilience. This achievement was underpinned by significant improvements in non-interest income and stable cost management.

### GROUP PROFITABILITY OVERVIEW

| (bn won, %)                                  | 2023            | 2022      | YoY  |
|--|-----------------|-----------|------|
| <b>Net Interest Income</b>                   | <b>12,141.7</b> | 11,515.3  | 5.4  |
| <b>Net Fee &amp; Commission Income</b>       | <b>3,673.5</b>  | 3,514.9   | 4.5  |
| <b>Other Operating Profit</b>                | <b>413.9</b>    | (1,249.6) | N.A. |
| <b>Gross Operating Income</b>                | <b>16,229.1</b> | 13,780.6  | 17.8 |
| <b>G&amp;A Expenses</b>                      | <b>6,647.4</b>  | 6,643.7   | 0.1  |
| <b>Provision for Credit Losses</b>           | <b>3,146.4</b>  | 1,847.7   | 70.3 |
| <b>Net Operating Profit</b>                  | <b>6,435.3</b>  | 5,289.2   | 21.7 |
| <b>Net Non-Operating Profit</b>              | <b>(264.9)</b>  | 160.6     | N.A. |
| <b>Profit for the Period</b>                 | <b>4,563.4</b>  | 3,931.4   | 16.1 |
| Profit attributable to controlling interests | <b>4,631.9</b>  | 4,153.0   | 11.5 |

1) The financial results for 2022 have been restated retrospectively under IFRS17

Group net interest income reached KRW 12,142 billion, a YoY increase of 5.4%, or KRW 626 billion. This increase was primarily fueled by a 4% growth in won-denominated loans, securing a stable revenue base, coupled with the effects of loan asset repricing following last year's interest rate increases, which contributed to a 12 basis point improvement in the net interest margin (NIM). In 2023, NIMs of both the Group and the bank stood at 2.08% and 1.83%, respectively, showing improvements of 12bp and 10bp from 2022.

The group's net fee & commission income amounted to KRW 3,674 billion, up 4.5%, or KRW 159 billion from the previous year. This expansion was primarily driven by robust increases in business fees from retail customer bases across credit cards, equities, and capital markets despite contractions in the WM products and real estate PF markets.

Other operating income improved significantly, increasing by KRW 1,664 billion to KRW 414 billion, a turnaround from the substantial losses recorded in the previous year. This recovery was driven by diversified asset management portfolios and timely market responses, leading to significant improvements in performance related to securities, derivatives, and FX. Insurance business income also grew by 8.5% YoY, continuing a strong performance trend.

Group G&A expenses totaled KRW 6,647 billion, reflecting a slight YoY increase of 0.1%, which highlights effective workforce restructuring and stringent cost management efforts across the organization.

The Group's credit loss provision in 2023 reached KRW 3,146 billion, an increase of KRW 1,299 billion YoY. This is part of preemptive risk management to conservatively account for future economic outlooks and prepare for potential increases in non-performing loans, particularly in real estate finance.

The Group's credit cost ratio (CCR) increased by 0.24%p to 0.67%, though it remains well-managed at a stable 0.40% on a non-recurring basis.

Among the subsidiaries, KB Kookmin Bank reported a net profit of KRW 3,262 billion; KB Securities, KRW 390 billion; KB Insurance, KRW 753 billion; KB Kookmin Card, KRW 351 billion; and KB Life Insurance, KRW 82 billion. These figures reflect ongoing efforts to stabilize earnings through diversification.

#### • KB Kookmin Bank

Specifically, KB Kookmin Bank's 2023 net profit of KRW 3,262 billion represents an 8.9% increase over the previous year, driven by growth in large corporate loans and an expanded NIM, despite conservative provisioning and support for retail finance. The bank's provisioning for credit losses was KRW 1,608 billion, indicating preemptive and conservative risk management. The bank's 2023

CCR was 0.30%, maintaining a low level due to growth in high-quality assets. The bank's G&A expenses decreased by KRW 176 billion YoY to KRW 4,522 billion due to workforce reductions and lower provisioning for severance benefits. The bank's cost-income ratio (CIR) for 2023 was 43.2%, demonstrating a continued downward stabilization trend, thanks to comprehensive cost management and workforce efficiency efforts.

#### KB KOOKMIN BANK PROFITABILITY OVERVIEW

| (bn won, %)                   | 2023     | 2022    | YoY  |
|-------------------------------|----------|---------|------|
| Net Interest Income           | 9,870.1  | 9,291.0 | 6.2  |
| Net Fee and Commission Income | 1,168.3  | 1,096.6 | 6.5  |
| Other Operating Profit        | (580.5)  | (733.5) | N.A. |
| Gross Operating Income        | 10,457.9 | 9,654.1 | 8.3  |
| G&A Expenses                  | 4,521.8  | 4,698.0 | -3.8 |
| Provision for Credit Losses   | 1,608.1  | 1,121.1 | 43.4 |
| Net Operating Profit          | 4,328.0  | 3,835.0 | 12.9 |
| Net Non-Operating Profit      | (98.2)   | (25.2)  | N.A. |
| Profit for the Period         | 3,261.5  | 2,996.0 | 8.9  |

### • KB Securities

In 2023, KB Securities achieved a net profit of KRW 390 billion, a YoY increase of KRW 202 billion. This performance was driven by strong fixed-income sales in the WM sector, leading to increased WM business revenue, significant deal closures in the investment banking (IB) division, and improved trading gains. Given the continued financial market uncertainties anticipated in 2024, KB Securities plans to reinforce a customer-centric philosophy in its WM operations, focus on sourcing quality deals based on risk management, and stabilize trading gains to establish a sustainable growth structure.

### • KB Insurance

KB Insurance recorded a net profit of KRW 753 billion in 2023, up 35.1% from KRW 557 billion in the previous year. This record-high performance was fueled by enhanced competitiveness and proactive market strategies, which led to a 1.5%p increase in the market share for long-term health insurance. The profit increase was also supported by stable loss ratios in long-term and auto insurance and gains from the valuation of beneficiary certificates due to market interest rate fluctuations. By the end of 2023, direct written premiums grew by 4.2% to KRW 12,752 billion, and the contractual services margin (CSM) balance stood at KRW 8.5 trillion.

### • KB Kookmin Card

KB Kookmin Card's net profit for 2023 was KRW 351 billion, down 7.3% from the previous year, impacted by increased provisioning due to rising funding costs, higher interest rates, and deteriorating asset quality. However, operating income before provisioning rose 21.3% YoY, driven by a 450,000 increase in active credit cardholders and a 7.1% increase in credit card transaction volume, focusing on profitable transactions and excluding low-profit sales (such as national and local taxes). Moving forward, the company aims to further strengthen its focus on profitability and soundness and enhance earnings power through company-wide process innovation and cost efficiency.

### • KB Life Insurance

KB Life Insurance reported a net profit of KRW 82 billion in 2023, primarily attributed to increased sales of short-payment permanent life insurance focusing on protection amid interest rate fluctuations, which significantly expanded the gains from fair value through profit or loss (FVPL) valuation. At the end of 2023, the CSM balance was KRW 3.0 trillion, and the K-ICS ratio was recorded at 308.0%, maintaining the highest level in the industry.

## NET PROFIT BY SUBSIDIARIES

| (bn won, %)                     | 2023    | 2022    | YoY   |
|---------------------------------|---------|---------|-------|
| Group Net Profit                | 4,631.9 | 4,153.0 | 11.5  |
| KB Kookmin Bank                 | 3,261.5 | 2,996.0 | 8.9   |
| KB Securities                   | 389.6   | 187.8   | 107.5 |
| KB Insurance                    | 752.9   | 557.2   | 35.1  |
| KB Kookmin Card <sup>1)</sup>   | 351.1   | 378.6   | -7.3  |
| KB Life Insurance <sup>2)</sup> | 82.2    | (83.4)  | N.A.  |
| KB Asset Management             | 61.5    | 59.3    | 3.7   |
| KB Capital                      | 186.5   | 217.1   | -14.1 |
| KB Real Estate Trust            | (84.1)  | 67.7    | N.A.  |
| KB Savings Bank                 | (90.6)  | 21.8    | N.A.  |
| KB Investment                   | 9.2     | 4.8     | 91.7  |
| KB Data Systems                 | 0.1     | 3.2     | -96.9 |

1) On June 30, 2023, KB Financial Group sold 100% of the shares of KB Credit Information to KB Kookmin Card, and KB Credit Information became a second-tier subsidiary of the Group. Accordingly, the total assets, total liabilities, and total equity of KB Credit Information have been fully consolidated to the consolidated financial statements of KB Kookmin Card as of June 30, 2023. Please note that KB Credit Information's net income attributable to KB Financial Group for 2023 is the amount for the six-month period ended before KB Financial Group's sale of the shares of KB Credit Information.

2) Prudential Life merged with KB Life and renamed as KB Life Insurance as of January 1, 2023

### Asset Quality

As of the end of 2023, the Group's NPL ratio, based on the simple sum of domestic subsidiaries, was stably managed at 0.57% despite the risks expanded by rising interest rates and economic downturn. The Group's NPL coverage ratio was 174.5%, and including allowance for credit losses,

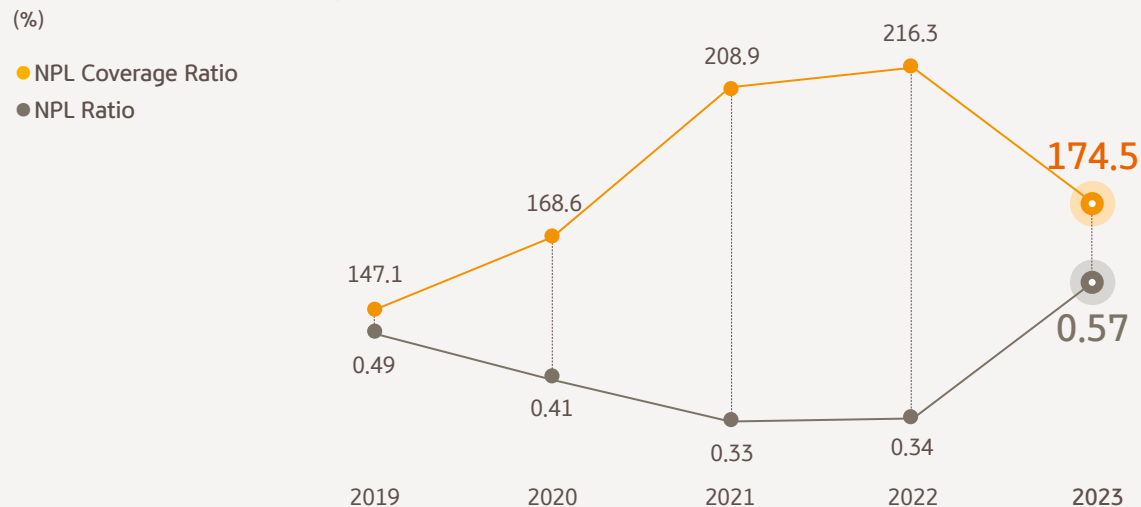
the NPL coverage ratio was 297.3%. Although there was a decline from the end of the previous year, these ratios remain well-managed at stable levels, securing the industry's highest level of loss absorption capacity in response to domestic and international macroeconomic uncertainties. The company will continue to advance its preemptive risk management efforts.

### GROUP ASSET QUALITY<sup>1)</sup>

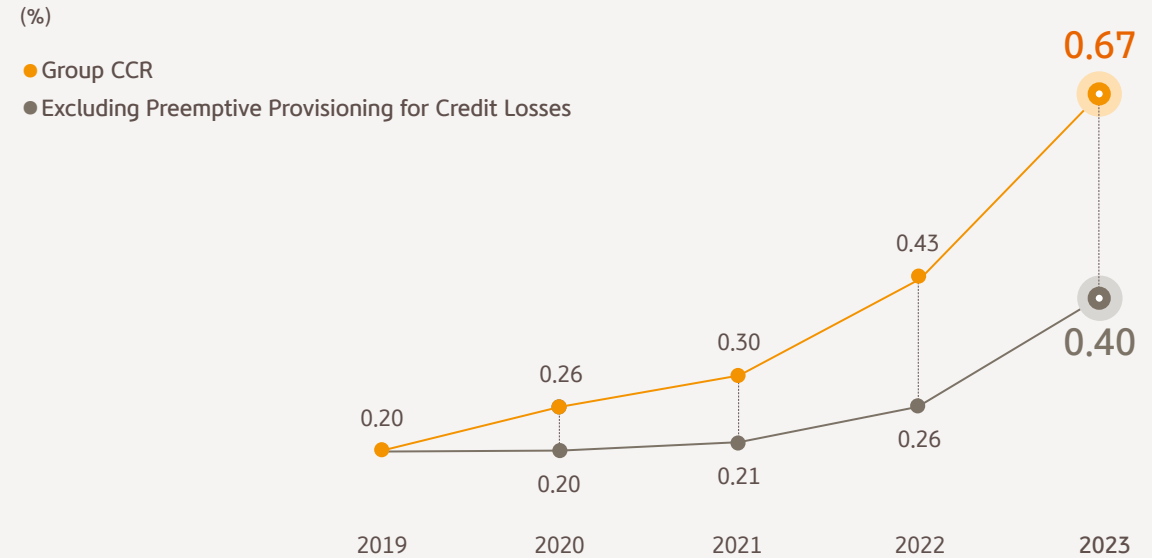
| (bn won, %)                       | 2023      | 2022      | YTD      |
|-----------------------------------|-----------|-----------|----------|
| Loans for NPL classification      | 436,542.0 | 424,436.6 | 2.9      |
| Precautionary                     | 4,521.0   | 3,238.4   | 39.6     |
| Substandard                       | 1,384.0   | 709.2     | 95.1     |
| Doubtful                          | 731.2     | 537.2     | 36.1     |
| Estimated Loss                    | 392.6     | 212.3     | 84.9     |
| Substandard & Below Loans(NPL)(A) | 2,507.8   | 1,458.7   | 71.9     |
| NPL Ratio                         | 0.57%     | 0.34%     | 0.23%p   |
| Loan Loss Reserves                | 4,377.4   | 3,155.6   | 38.7     |
| NPL Coverage Ratio I (B/A)        | 174.5%    | 216.3%    | -41.8%p  |
| Reserves for Credit Losses (C)    | 3,078.1   | 3,131.0   | -1.7     |
| NPL Coverage Ratio II [(B+C)/A]   | 297.3%    | 431.0%    | -133.7%p |

1) Based on a simple arithmetic sum of each subsidiary's figures (excl. overseas local subsidiaries, overseas equity investment, SPC, etc.)

### Group NPL & NPL Coverage Ratios



### Group Credit Cost Ratio



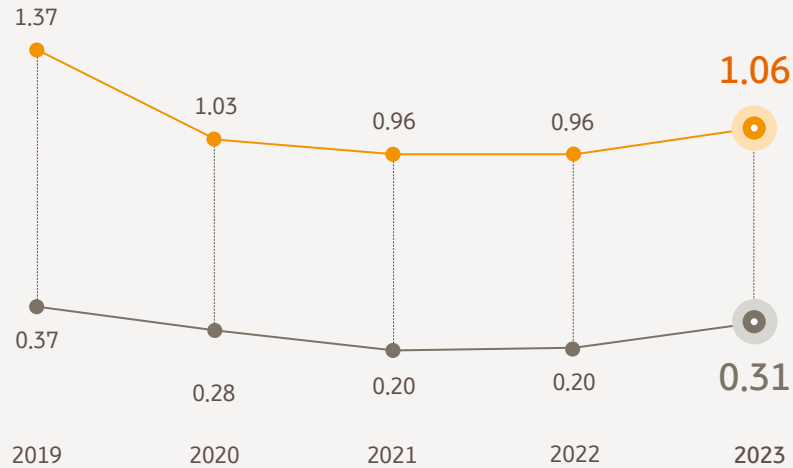
KB Kookmin Bank's delinquency ratio increased to 0.22%, up by 0.06%p from the end of the previous year, and the NPL ratio rose to 0.31%, an increase of 0.11%p. However, the NPL coverage ratio remains very high at 225.6%, ensuring robust loss absorption capacity in response to macroeconomic uncertainties.

KB Kookmin Card's delinquency ratio has risen to 1.03%, up by 0.11%p from the end of the previous year, and the NPL ratio has been maintained at 1.06% over the same period. The NPL coverage ratio is maintained at a high level of 347.5%, indicating stable asset quality management.

### NPL Ratio

(%)

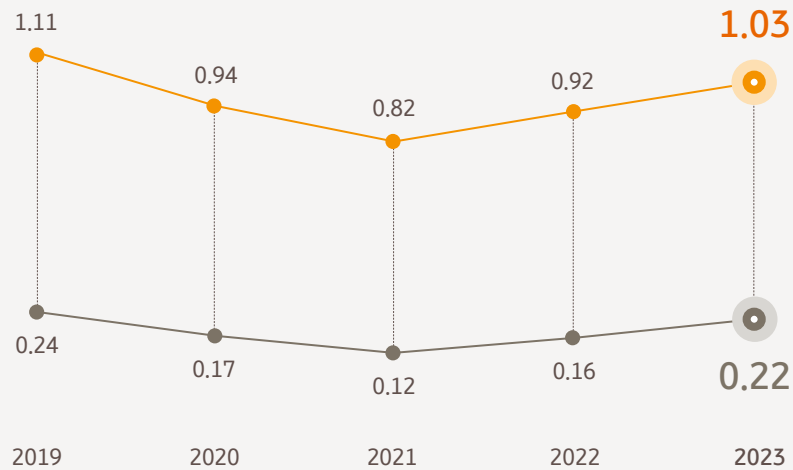
- KB Kookmin Card
- KB Kookmin Bank



### Delinquency Ratio

(%)

- KB Kookmin Card
- KB Kookmin Bank



### Capital Adequacy

As of the end of 2023, the Group's BIS capital adequacy ratio stood at 16.73%, and the common equity tier 1 (CET1) ratio was 13.59%. Owing to strategic capital management, the industry maintained its highest level of capital adequacy despite an increase in risk-weighted assets (RWA).

The bank's BIS ratio and CET1 ratio were recorded at 18.08% and 14.91%, respectively. Despite the growth centered on corporate lending and the increase in RWA due to factors such as currency appreciation and stock price declines, the bank has maintained stable levels above regulatory requirements through robust net profit growth and strategic capital management.

### GROUP CAPITAL POSITION

| (bn won)             | 2023      | 2022      | YTD    |
|----------------------|-----------|-----------|--------|
| BIS Capital          | 53,743.7  | 48,970.0  | 9.7    |
| Tier1 Capital        | 49,390.3  | 45,032.1  | 9.7    |
| CET1 Capital         | 43,663.8  | 40,103.7  | 8.9    |
| Tier2 Capital        | 4,353.4   | 3,937.9   | 10.6   |
| Risk-weighted Assets | 321,318.9 | 302,983.9 | 6.1    |
| BIS Ratio            | 16.73%    | 16.16%    | 0.57%p |
| Tier1 Ratio          | 15.37%    | 14.86%    | 0.51%p |
| CET1 Ratio           | 13.59%    | 13.24%    | 0.35%p |

### KB KOOKMIN BANK BIS RATIO

|             | 2023   | 2022   | YTD    |
|-------------|--------|--------|--------|
| BIS Ratio   | 18.08% | 17.46% | 0.62%p |
| Tier1 Ratio | 15.50% | 14.92% | 0.58%p |
| CET1 Ratio  | 14.91% | 14.50% | 0.41%p |

KB Financial Group is a comprehensive financial group with the largest customer base and network in Korea, comprising 11 major subsidiaries and a group network of 2,062 branches in 14 countries. Based on a balanced business portfolio across both banking and non-banking sectors, all subsidiaries are continually strengthening their business competitiveness and carrying out leading business activities. KB Financial Group provides distinctive products and services to customers, leveraging its strong capital base, expansive network, business expertise, and risk management capabilities developed over many years.

# OPERATION REVIEW

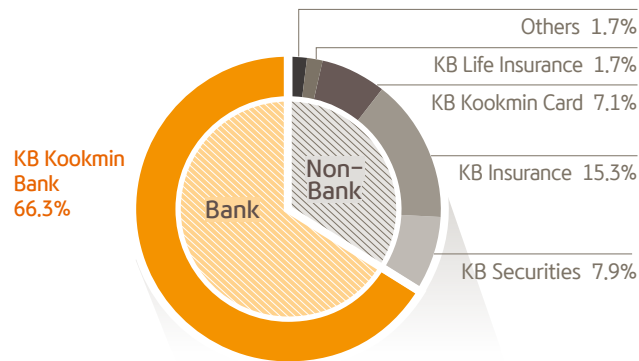
|    |                       |
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| 58 | Bank                  |
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# Bank

## — KB Kookmin Bank

As Korea’s leading bank—and with the nation’s largest customer base and branch network—the bank is also leading the digital finance era, providing differentiated financial products and services engineered by its innovative financial know-how.

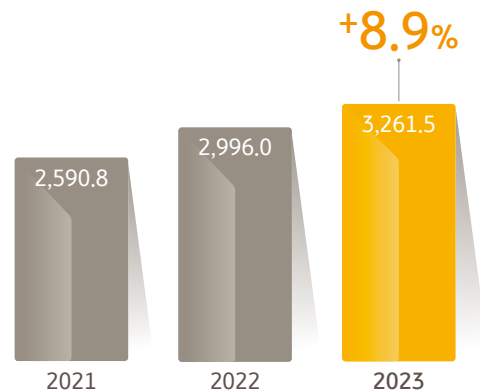
### Net Profit Contribution



## KB Kookmin Bank

Recognized as Korea’s premier bank, KB Kookmin Bank boasts the strongest brand power and best-in-class sales infrastructure in Korea. It also serves the nation’s largest number of customers through the most extensive channel network. Leveraging its solid business acumen, the bank leads the market in deposit-taking, won-denominated loan-making, and investment trust sales. In 2023, the bank recorded a net profit of KRW 3,261.5 billion, further cementing its legacy by securing top position in the banking sector of the National Customer Satisfaction Index (NCSI) for a 17th year, the most times any bank has accomplished this feat in Korea.

### Net Profit (bn won)



## Digital Finance

KB Kookmin Bank’s super app initiative aims at advancing its flagship platform, KB Star Banking, into a super app that incorporates life-embedded services offering non-financial services from Group subsidiaries as well as other affiliate services.

To enhance customers’ digital accessibility and convenience, the bank established a dedicated group in charge of digital platforms, including KB Star Banking and KB Real Estate, in 2024. Furthermore, to foster mutual growth with corporations and solidify its status as the No.1 financial platform company, a dedicated embedded banking division has been established to offer various banking services in collaboration with third-party platform companies.

### Lowering Barriers for New Customers to Become a Scalable Platform

By the end of 2023, KB Star Banking solidified its position as the leading platform among commercial banks, with over 12.06 million monthly active users (MAU)—an unrivaled achievement in the sector.

The boost in MAU was the result of streamlining its subscription process and making services accessible even without a KB account, significantly enhancing customer access. Additionally, the enhancement of the app’s UI/UX allows users to personalize the home screen according to their interests, while the search function was also refined, making the retrieval of information both swift and intuitive.

In 2024, the focus will be on bolstering the platform’s scalability and strengthening its role as KB Financial Group’s universal platform, with the ultimate goal of continuously generating new value for customers.



**Liiv Next: Tailored for the Next Generation**

Liiv Next, KB Kookmin Bank’s innovative financial platform launched in 2021, has been making strides in connecting with Gen Z through services specifically designed to meet their unique needs and preferences. In 2023, the app introduced a budget-friendly parcel delivery service and enhancements to the Liiv Next remittance function, making financial services more approachable and convenient for younger customers. In 2024, Liiv Next will evolve into a platform that appeals to Gen Alpha by uncovering a wide variety of services and content that cater to their interests.

**KB MyData Service: A Personalized Financial Experience**

The KB MyData service reached a new milestone in December 2023, with the number of its subscribers surpassing 6.61 million thanks to its commitment to providing a more user-friendly experience, bolstered security, and greater stability in its service. The introduction of the My Cash Flow feature, which offers a comprehensive analysis of transactions over time, signifies a notable expansion of the service’s capabilities. In 2024, we plan to enrich all MyData-based personalized services, aiming to introduce innovative financial solutions to customers.

**Establishment of AICC**



**KB Liiv M: A Fusion of Finance and Telecommunications**

Launched in December 2019 as the first mobile virtual network operator (MVNO) in the Korean financial sector, KB Liiv M surpassed 420,000 subscribers by the end of 2023. The service exemplifies the seamless integration of financial and telecommunications services, providing customers with a one-stop solution. This has been achieved through the launch of a dedicated app along with new features for subscription, activation, and inquiry transactions on KB Star Banking. Looking forward, KB Liiv M aims to continue offering unique telecommunications benefits as it contributes to the expansion of KB Kookmin Bank’s new business domains.

**KB Real Estate: The One Source for Comprehensive Real Estate Insight**

KB Kookmin Bank’s KB Real Estate platform delivers a comprehensive suite of real estate services, consolidating various price data onto a single interface, offering personalized property listings supported by multiple indicators, and facilitating related financial services, including real estate loan arrangements and tax calculation services. In 2024, we aim to expand our collaboration with external real estate IT research firms and further refine our market and statistical analyses to provide our clients with even more valuable real estate insight.

**AI(Artificial Intelligence)**

**Leading Financial Innovation with KB’s AI Financial Assistant Service**

KB Kookmin Bank is committed to improving the customer experience, offering distinctive financial services not only in traditional core business areas but also through new technologies such as artificial intelligence (AI).

Our key AI-engineered services include voice phishing monitoring, an automated corporate lending review system (ML Bics), KB AI Financial Assistant, and an AI financial consulting system, as well as the KB AI Translator. These services will help enhance operational efficiency while improving the speed and convenience of customer services. Notably, our industry’s first generative AI technology demo service, KB-GPT.com, recorded approximately 25,000 internal views over a period of eight months, familiarizing bank employees with the generative AI technology. In 2024, KB Kookmin Bank aims to lay the foundation for offering KB-specific generative AI services by applying generative AI technology in all internal business processes.

**Retail Banking**

**Enhancing Retail Banking Business Competencies**

In response to shifts in the financial market in 2023, including the domestic launch of Apple Pay and the expansion of big tech firms into the financial arena, KB Kookmin Bank unveiled a number of new products, bolstered total deposits by attracting payment-purpose funds, and strategically handled its range of investment products, while also revamping the KB Star Club system to elevate customer loyalty and more effectively manage premium customers.

In particular, the household loan sector established a foundation for evolution into an open platform, marked by the flexible adjustment of interest rates on key loan products and the introduction of cross-subsidiary loan arrangement services.

In 2024, the bank aims to actively lock in regular customers from across its subsidiaries through Group-wide collaboration efforts as it focuses on developing a practical system for non-face-to-face customer engagement.

## Corporate Banking

### Quality-Driven Expansion of the Customer Base

In anticipation of prolonged market uncertainties in 2023, KB Kookmin Bank continued to increase its proportion of prime-rated loans, which rose by 1.3%p to 86.0% at the end of the year.

In 2024, the bank will further strengthen its engagement with existing customers, with a particular focus on prime-rated customers. At the same time, and in consideration of factors such as a decrease in the base interest rate and the pace of economic recovery, the bank will actively seek to attract new customers to widen the gap in market share for SME loans among commercial banks.

### No.1 Corporate Finance Platform

KB Kookmin Bank is continuously improving its corporate banking services to create a convenient banking service environment that is highly practical for corporate management activities, reflecting the needs of both customers and the market. In 2023, we simplified the new account opening process using the Public MyData service and established a simple membership system that allows customers to join through an easy authentication process. The bank also unified the terminology and UI design of the corporate banking platform and made the app faster and more streamlined to reduce any lag time, striving to provide optimal banking services to corporate customers.

### Reinforcing Trade Finance Competitiveness

In 2023, KB Kookmin Bank enhanced the non-face-to-face process of Payment Usance, a strategic product for import companies, and increased the proportion of non-face-to-face usage to 86%. In addition, it opened a branch and currency exchange at Incheon International Airport, the main gateway to Korea, for the first time in ten years, so as to take full advantage of escalating post-pandemic travel demand.

In 2024, the bank plans to continue participating in the government-financial sector joint project for supporting import/export companies, expand the FX customer base through aggressive marketing and sales assistance, and improve non-face-to-face FX services to enhance the competitiveness of its trade finance and FX products and services.

## Wealth Management

### Product/Channel Sales of Customer-Centered Wealth Management

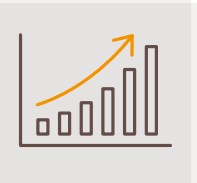
KB Kookmin Bank is actively transitioning its wealth management paradigm towards a portfolio-centric customer wealth management system. Through a newly built perpetual monitoring framework for customer assets and portfolios, this system allows customers to manage everything from asset allocation to portfolio diagnostics themselves, thereby helping them disperse the concentration of certain products/assets and enabling a robust portfolio-based approach to managing customer returns.

Following the successful launch of the KB GOLD & WISE the FIRST Center in September 2022—a specialized channel designed exclusively for UHNW clients—the bank has been offering its unique team-based personal finance management (PFM) services. These services are delivered on a collaborative basis by private bankers (PB) and investment consultants (IC\*), leveraging the comprehensive wealth management expertise of leading global financial institutions within the framework of private banking services.

In 2024, KB Kookmin Bank aims to significantly broaden the reach of its model portfolio-based PFM business model by expanding the GOLD & WISE the FIRST Center's team-based PFM services so that they can also be offered through STAR PB Centers and general PB Centers.

### Money Trust Deposits

41 tn won



### Expanding Product Supply to Meet Customer Needs

Prolonged uncertainties in global financial markets drove investor sentiment to flee towards principal-protective financial products and risk-free assets. In response, bond-type products suitable for risk-averse customers were expanded, along with redemption-guaranteed ELTs. Additionally, the ETF product lineup was expanded to align with the latest trends, notably semiconductors of late, and customer needs. As of the end of November 2023, the bank's money trust deposits stood at KRW 40.5 trillion, accounting for the highest portion of Korean banks' market share at 31.9%, and specific money trusts reached KRW 36.9 trillion, also ranking first with a market share of 31.4%.

In 2024, KB Kookmin Bank will concentrate on expanding investments in risk-free assets and sales of global investment ETFs to hedge against customer risks and market volatility. Additionally, the bank will actively pursue the growth of property trusts. Furthermore, hyper-personalized wealth management services, such as inheritance and gift trusts, will continue to be provided for UHNW clients.

\* IC (investment consultant): This title is reserved for experts specializing in portfolio management, based on collective insights and a strategic outlook of KB Financial Group, known as the House View.

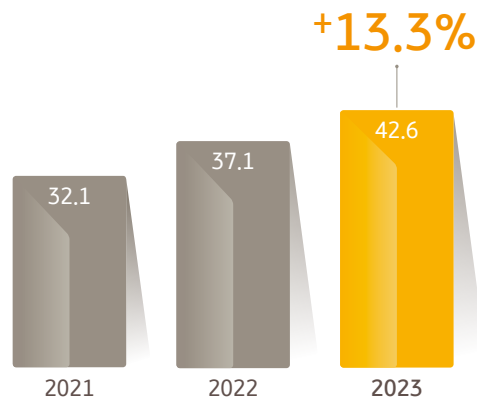
## Pensions

### Leading the Pension Market as the Top Bank in Pension Services

In a push to maintain its position as the top bank in pension services, KB Kookmin Bank is promoting its retirement pension business with the vision of becoming the most dependable partner for people’s affluent retirement life. In 2023, the bank became the first retirement pension provider to surpass KRW 40 trillion in retirement pension reserves, achieving a record-high annual net increase of KRW 5.6 trillion, solidifying its market-leading position in the Korean retirement pension market. In addition, KB Kookmin Bank’s default option products ranked first in the one-year return rate among all default option products.

To continue growing the individual retirement pension customer base in 2024, a digital marketing team will be established, and the enhancement of an organic marketing system between the front-office and back-office operations will be pursued to expand the base of corporate retirement pension customer transactions.

### Retirement Pension Reserves (tn won)



## Investment Banking

### Strengthening the Foundation for Growth through New Business Discovery

Despite expanding uncertainties in the market throughout 2023, the bank achieved robust growth through several big deals in the IB market, such as the Seoul Eastern Underground Expressway Project and the Hannam District 3 Residential Redevelopment Project. As a result, the CIB Business Group saw its operating profit surpass KRW 1 trillion for the first time since its commencement of operations.

In 2024, the bank will aim to navigate through market developments and strengthen its sustainable foundation for growth by diversifying portfolios across sectors, regions, and products, as well as by actively seeking out new business opportunities. To that end, the bank will begin by tailoring its sales strategies to meet the specific demands of each regional hub—specifically New York, London, Hong Kong, and Singapore—to enhance the success rate of local deals, while also pursuing stable growth through collaboration efforts with leading global general partner (GP) firms. Secondly, the bank will continue to pursue balanced growth in terms of stability and profitability by strategically employing a soundness-oriented sales strategy in the face of uncertain market conditions as it simultaneously manages various risks, with a focus on the return on risk-weighted assets (RoRWA).

## Capital Markets

### Securing a Stable Revenue Base through Agile Market Response Measures

In 2023, KB Kookmin Bank successfully capitalized on market volatility through rigorous risk management.

In particular, the bond issuance market contracted rapidly amid widespread anxiety over a potential financial system collapse that was triggered by the bankruptcy of Silicon Valley Bank in the U.S. and the sale of Credit Suisse. Despite these challenging market conditions, KB Kookmin Bank successfully issued USD 500 million in senior global bonds and €500 million in 3.5-year euro-denominated covered bonds (dual-recourse debt), a move backed by its outstanding sales performance and the highest credit rating among Korean commercial banks (Moody’s Aa3 Stable, S&P A+ Stable, Fitch A Stable).

In 2024, KB Kookmin Bank will focus on generating stable profits and qualitative growth in overseas earnings. Along with advancing the foreign exchange market, the bank will pursue diversification and enhancement of global revenue sources as it draws on the expertise of its Overseas Capital Markets Unit. Additionally, with the E-Capital Market business set to fully launch, the bank is gaining momentum in its pursuit of future growth engines in capital markets.

## Global Operations

### Portfolio Diversification to Raise the Profit Contribution from Global Operations

Adopting a two-track approach to its global business strategy, KB Kookmin Bank aims for rapid growth in Asia and emerging markets, leveraging its strengths in retail and digital banking, while seeking profits in advanced markets through expansion in corporate & investment banking (CIB) and capital markets. Now, the bank is considering widening regional coverage and diversifying investment approaches in line with the KBFG's global strategy, which is called '3x3 strategy'. In 2023, the bank inaugurated the new KB PRASAC Bank Plc. in Cambodia, becoming the fourth-largest commercial bank the country following the merger of Kookmin Bank Cambodia PLC. and Prasac Microfinance. In Indonesia, PT. Bank KB Bukopin, Tbk. is enhancing its IT infrastructure and improving business expertise, aiming to have it rank among the top 10 retail banks in the country.

In 2024, the bank plans to establish new branches in Chennai and Pune in India, since the launch of its first branch in Gurugram in 2019.

Meanwhile, the bank is actively considering new market entries. For 2024, plans include establishing a Korea Desk within Bank Pekao in Poland as a stepping stone to entering the Eastern European market.

## 2024 Plans

In 2024, KB Kookmin Bank has set a strategic goal to be a leading financial partner that prioritizes customer value through digital transformation as the leader in future finance. To this end, the bank is implementing four action plans as follows.

**First**, the bank aims to widen the gap of its unrivaled position in its core business. This involves enhancing competitiveness in deposit and loan operations and solidifying its market leadership. In addition, it targets both qualitative and quantitative growth in non-interest earnings in WM, CIB, and capital markets, establishing these services as the bank's core businesses.

**Second**, it will accelerate the pursuit of new business and global expansion initiatives to strengthen its bedrock for future growth. While expanding into non-financial businesses to secure a future growth foundation, the bank is enhancing its global business management system and will increase the profit contribution of its global operations through new investments and active market expansion in key countries.

**Third**, the bank will bolster its customer touchpoints. For digital channels, KB Star Banking—Korea's top financial super app—will become the Group's universal platform, while the bank will aim to dominate the embedded finance market through strategic alliances and financial services integration with the top non-financial platforms preferred by customers. Also, for in-person channels, the bank will boost employee capabilities, particularly in WM and RM, to realize customer-centered values.

**Finally**, KB Kookmin Bank will secure long-standing customer trust. It will accomplish this by building a swift response system for a wide range of risk factors that may emerge from market environment changes, applying advanced digital technologies like AI to sophisticate its internal control system, and putting special effort into heightening prevention systems against financial fraud, including voice phishing.

Global Business Strategy

# 3x3 Strategy



# Financial Investments

## — KB Securities

The company provides retail clients with optimal investment solutions to build financial assets and assists corporate clients to achieve successful growth through its main businesses of WM, IB, S&T, and wholesale.

## — KB Asset Management

Boasting the most diversified investment portfolio among domestic asset managers, the company provides clients with the best investment experience.

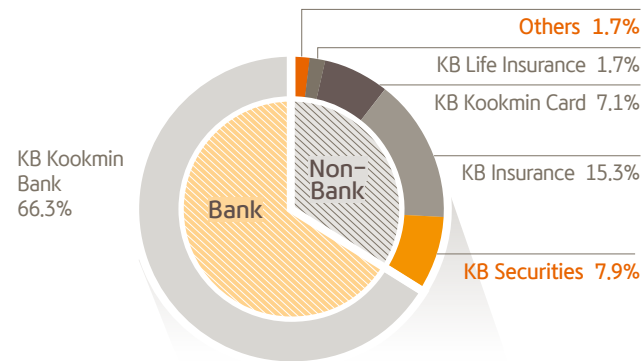
## — KB Real Estate Trust

Featuring a diverse portfolio of real estate development, urban redevelopment, and REITs, the company is a trusted provider of real estate financing services.

## — KB Investment

The company is Korea's leading venture investment firm that specializes in corporate investment, inducing the sustainable growth of its investee firms as a trusted investment partner.

### Net Profit Contribution

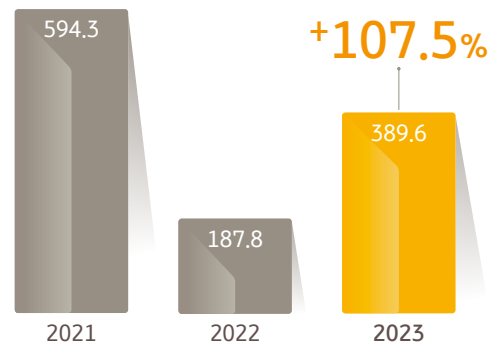


## KB Securities

KB Securities recorded a net income of KRW 389.6 billion in 2023. This robust performance was driven by increased revenue from the sale of bonds and other wealth management (WM) financial products, as well as by the sales & trading (S&T) division's enhanced return on investments in fixed income, effectively capitalizing on market interest rate fluctuations. Additionally, the company saw increased revenue from major investment banking (IB) acquisition finance deals.

In 2024, KB Securities aims to enhance risk management protocols for its core operations across all divisions, further develop its customer-centric management system, and expand its dominance in the digital platform-based WM market.

### Net Profit (bn won)



## Expanding WM AUM for Retail Customers

By closely following its WM transformation strategy, KB Securities has consistently been offering market-driven products, such as market-oriented funds and bonds. As a result, its WM assets under management (AUM) have grown fourfold, from KRW 12.6 trillion at its integrated corporate launch in 2017 to surpass KRW 50 trillion in 2023. Prioritizing a customer value-driven sales strategy, we have augmented retail customers' investment portfolios with an assortment of financial products, such as mutual funds, wraps, and ELSs, as well as retail fixed-income, while maximizing customer satisfaction with a variety of other offerings like services and events that reflect customer needs.

WM AUM surpasses

**50 tn won**



## Solidifying Our Market Position as Korea's Top IB House

In 2023, the IB Division realized industry-top revenue through some high-profile mega-deal closings and equity investments. The corporate finance sector maintained its stronghold in the DCM market while also issuing Korea's first sustainability-linked bonds (SLB), even amid unfavorable market conditions under a high interest rate regime. The project finance sector also successfully diversified its revenue sources based on stable profit generation from reputable construction companies and HUG-guaranteed projects.

In 2023, KB Securities secured a 19.7% share of the DCM market (according to Bloomberg), marking its 13th consecutive year at the top of the DCM league table since 2011. Notably, the firm led the issuance of Korea’s first sustainability-linked bonds (SLB), paving the way for growth in the domestic ESG market and contributing to the market development.

In the ECM, KB Securities captured a 13.8% market share in 2023, ranking third (according to The Bell). The firm managed diverse IPOs across various industries, including EcoEye, a pioneering carbon credit company; LS Materials, an energy storage device manufacturer; DS Danseok, a circular economy company; and Doosan Robotics, a total cooperative robot solutions provider. Taken together as a whole, these IPOs offered investors a wide range of lucrative investment opportunities.

Lastly, in acquisition finance, KB Securities led the significant domestic landmark deal for SK Shieldus, which was valued at KRW 2.35 trillion. Leveraging its domestic prowess, the firm expanded its capabilities into international markets, managing acquisition finances for entities such as VXI Global Solution and Simon & Schuster. This expansion resulted in remarkable underwriting performance, with KB Securities underwriting ten deals totaling KRW 3.3 trillion.

### Achieving Excellent ESG Ratings

KB Securities’ ESG financial product balance reached KRW 1.3 trillion in 2023, more than tripling over the past three years. Moreover, we maintained our leading position in the ESG bond market, claiming the industry’s largest market share of the ESG bond lead manager market and serving as the lead manager for Korea’s first KRW-denominated SLB.

Throughout this all, KB Securities’ ESG commitment has not gone unnoticed by major ESG raters. In 2023, we earned an A grade for the fourth consecutive year in the governance category from the Korea Institute for Corporate Governance and Sustainability (KCGS) and the highest A grade in the sector from Belgian-based SUSTINVEST’s ESG evaluation.

### ESG Ratings

|   |  |
|---|--|
|  <p><b>Governance Evaluation</b><br/>Sector-highest grade<br/>2022, 2023</p>  |  <p><b>ESG Evaluation</b><br/>Sector-highest grade<br/>2022, 2023</p>  |
|---|--|

### 2024 Plans

With the goal of emerging as a top financial investment company, earning a leading market position with the best financial solutions for the future of our customers, and creating distinctive social value, KB Securities is implementing the following agenda in 2024:

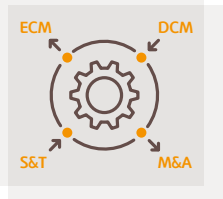
**First**, we will secure differentiated competitiveness through growth strategies in our super-core businesses, WM, IB, and S&T operations.

The WM sector will further strengthen its role as a main business through customer-centric WM operations. For its part, the IB sector will strategically expand its market dominance in corporate finance and expedite its strategic growth of M&A and acquisition finance, while the S&T sector will further enhance growth and revenue stability by maximizing operational and sales capabilities based on market insights.

**Second**, we will systematically nurture our global business and new growth businesses in pursuit of future growth drivers and diversified revenue models. In advanced markets like New York and Hong Kong, we will reinforce our competencies as a global player, particularly in global sales and IB. In the emerging markets of Indonesia and Vietnam, we will actively pursue growth strategies to become a leading digital brokerage house in each country by expanding our digital-based mass customer base and improving market share.

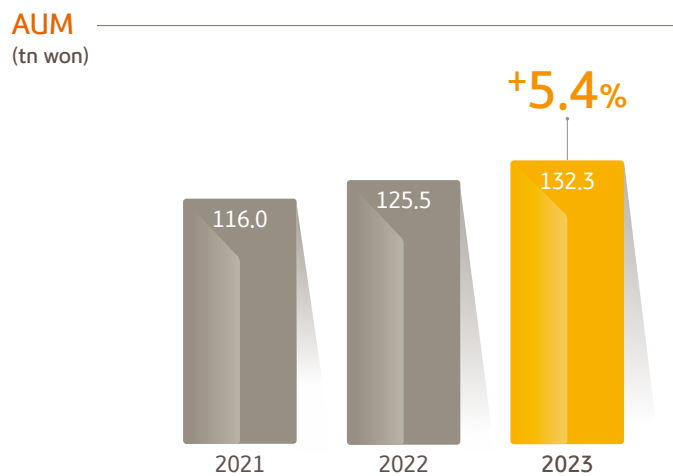
**Third**, we will solidify our sustainable management system through efforts to spread the value of ESG and enhance customer trust. We are also committing ourselves to practicing the value of mutual prosperity with customers and society by solidifying the foundation for sustainable growth through responsible ESG management practices.

## Growth Strategy in Super-core Businesses



## KB Asset Management

KB Asset Management (KBAM) operates various investment portfolios, ranging from traditional investments to alternative investments in real estate and infrastructure. In 2024, we will continue strengthening our leadership in ESG investments and our competitiveness as an asset management platform.



Industry's largest AUM size in alternative investment

# No.1



### Enhancing Customer Value to Become No.1 in the Industry by 2030

Through balanced portfolio management encompassing securities and alternative investments to liability-driven investments (LDI) for the Group's insurance subsidiaries, KBAM saw its AUM surpass KRW 132 trillion in 2023, firmly maintaining its third position in the industry. Particularly notable is our leadership in the alternative investment sector, where we manage the industry's largest AUM size of KRW 31 trillion. This achievement is founded on our ability to select prime assets and robust risk management skills.

### Progressive Competency-Building in the Pension Market in Response to Regulatory Shifts

To capitalize on the rapidly expanding pension funds market, driven by increasing demand for long-term investments, KBAM has launched a diverse array of pension and target-date fund (TDF) products. In 2023, we ascended to the third rank in the pension and TDF market (up from fourth in 2022), and we broadened our product lineup across different investment risk grades to take full advantage of the newly introduced Default option for pension products.

Through the continuous supply of pension/asset allocation products, we aim to take over second place in the pension market in 2024 while persisting in fostering co-prosperity with our customers and contributing to society through finance.

### Strengthening Our Market Position with ETF & DI-oriented Personalized Investment Solutions

KBAM is committed to enhancing the KB ETF brand's awareness and competitiveness through timely digital marketing strategies, including the provision of online investment content centered on customer

experience. Furthermore, our launch of direct indexing (DI)—a hyper-personalized investment tool—in May 2023 and the subsequent partnership with Kyobo Securities for the DI engine in November, we are pioneering the personalized solutions market.

### Taking a Long-Term Perspective to Enhance Accountable Management Practices

In order to deal with ongoing market uncertainties stemming from the divergence between market rates and base rates, along with persistent interest rate volatility due to the economic slowdown and inflation, KBAM is channeling its company-wide resources into advancing its proactive risk management system. We are advancing a robust compliance framework for internal control and risk management and developing AI-based novel risk management programs, to proactively mitigate potential operational risks.

### 2024 Plans

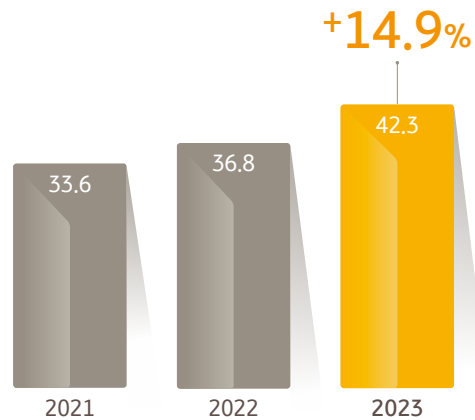
With its priority on delivering superior customer investment returns, KBAM will improve market forecasting through AI-enhanced research, optimize asset portfolios, and maintain periodic performance monitoring.

Aiming to become a leading platform company, we will continue refining our DI services to offer promising portfolios swiftly and efficiently to investors. Our strategy includes forging strategic partnerships and equity investments with top global investors to bolster our international management prowess. Lastly, we commit to rigorous risk verification in new investments, proactive monitoring for signs of insolvency, and continuous improvement of our risk management framework to systematically mitigate market risks.

## KB Real Estate Trust

In 2023, under the mission of “Beyond Real Estate Trust 2.0”, KB Real Estate Trust channeled its company-wide resources into defending against the challenges posed by the rapidly declining real estate market and uncertain external economic developments to maintain its profitability and asset quality. In 2024, we are committed to enhancing corporate profitability through business portfolio rebalancing and strengthened risk management to lay the foundation for a turnaround towards sustainable growth.

**AUM**  
(tn won)



Urban Redevelopment Project  
-New commitments

**21** bn won



### Business Portfolio Re-balancing

The real estate market started to deteriorate at the end of 2022 and began to show signs of a long-term downturn in 2023. Consequently, the trust market, which is heavily dependent on the real estate market, is also experiencing a significant slump. KB Real Estate Trust is optimizing its business portfolio to overcome this unfavorable market environment.

### Strengthening Urban Redevelopment Project Capabilities

As government policies continue to support urban redevelopment projects, leading to an increase in real estate supply, the market size is expanding. More importantly, a recent regulatory change shifted the project manager role from cooperatives to trust companies, opening up ample opportunities for trust companies. To take full advantage of these opportunities, KB Real Estate Trust has landed urban redevelopment projects in key areas of Seoul and the metropolitan region, with new commitments amounting to KRW 21.3 billion. Today, the company is establishing itself as a leader in the urban redevelopment market by discovering quality projects and subsequently signing related MOUs.

### Improving Profitability and Financial Structure

Efforts to boost sales in land trust projects with low pre-sale rates and the on-schedule completion of projects through the sale of completed projects, along with enhanced project management capabilities like the process management of constructors, are all playing an important role in defending against profitability declines.

In anticipation of the potential deterioration in its financial structure, KB Real Estate Trust has strengthened its capital reserves. Despite the liquidity crunch in the market, we have diversified funding sources through negotiations with commercial banks and securities firms, and have successfully established a KRW 505 billion fund through borrowing, commercial papers, and corporate bond issuances.

### ESG Management Achievements

As a leader in ESG management activities, KB Real Estate Trust continuously reaches out to the underprivileged and carries out environmental improvement projects. These commitments have led to some significant ESG management achievements, including the Red Cross Merit Medal and the Gangnam District Mayor’s commendation at the Gangnam District Volunteer Fair, contributing to enhancing the brand value of KB Financial Group.

### 2024 Plans

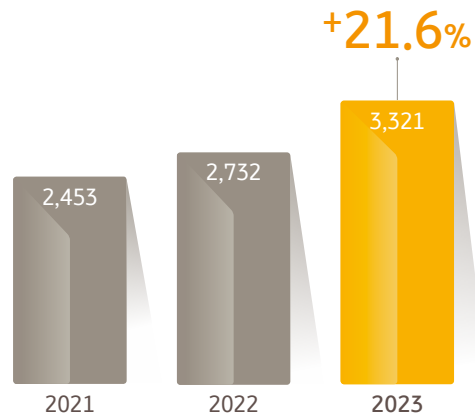
In 2024, KB Real Estate Trust plans to expand its market share, focusing on low-risk products to establish a stable revenue stream in several business areas. We intend to strengthen the core business in the trust business sector by enhancing management capabilities. We will also solidify our market position through customer-tailored services in urban redevelopment projects and maximize synergies throughout the Group. Furthermore, in the REITs business, we will concentrate on maximizing the value of assets under management and intensively manage potentially problematic assets to control risks more effectively.



## KB Investment

KB Investment is an industry-leading venture capital firm that contributes to discovering new growth engines for the national economy by incubating and accelerating tech-driven venture firms. In 2023, to overcome a liquidity crunch due to interest rate hikes, and to continuously build a profitable portfolio, we formed venture and PE funds totaling KRW 598.4 billion and executed investments that were the second largest in size among Korean VCs. In 2024, we plan to enhance our presence in key markets both domestically and internationally based on secured funds, thus building a sustainable growth model.

**AUM**  
(bn won)



Fundraising

**598** bn won



### Fine-Tuning Fundraising Strategies to Secure Higher AUMs

In 2023, KB Investment successfully raised KRW 598.4 billion through the formation of venture funds and PEFs. Today, we manage 39 venture funds and 7 PE funds, with the total managed fund assets amounting to KRW 3,320.7 billion.

### Expanding Our Mid- to Long-Term Global Expansion Strategy

KB Investment is establishing a leading position by building partnerships through the operation of Co-GP (general partner) funds with partners possessing local influence globally and the enhancement of our own investment capabilities in local markets. In 2023, we expanded the size of our global funds by forming new funds targeting emerging markets, such as our Global Platform II and Ascent Fund. Additionally, the establishment of a Boston office in the U.S. laid the groundwork for greater mid- to long-term global performance through a localization strategy in the bio sector. KB Investment plans to continue forming new offshore funds internationally to pursue a differentiated global growth strategy from its competitors.

### Expanding Investments in Promising Industries for the Future

In 2023, new investment amounted to KRW 292.3 billion, with 93% of this investment directed at sectors related to the Fourth Industrial Revolution, such as AI, robotics, and fintech. At the same time, we are continuously building a quality portfolio centered on new growth industry sectors, such as AR/VR, Edutech, and cloud services.

### 2024 Plans

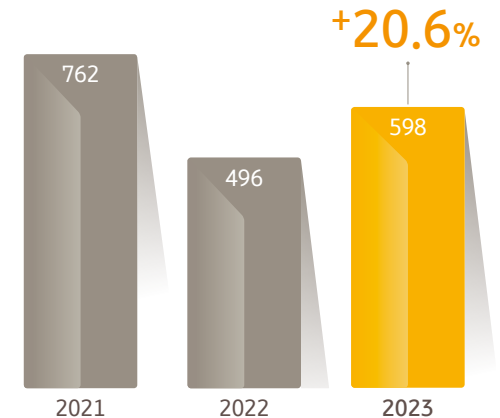
The venture capital market will face a number of challenges in 2024, notably high interest rates and inflation. KB Investment will seize investment and fundraising opportunities by aligning with government policies to energize the venture ecosystem. Moreover, we will intensify our efforts in comprehensive risk management to address startups' liquidity challenges in the venture investment market's downturn. As a leading VC, we are committed to reinforcing KB's brand positioning.

Net Profit in 2023

**9.2** bn won



**New Venture Funds Raised**  
(bn won)



# Insurance

## KB Insurance

The company provides various financial products and services via the Group's industry-leading digital capabilities, as well as optimal risk assurance and comprehensive financial consulting services.

## KB Life Insurance

KB Life Insurance was merged into Prudential Life Insurance in January 2023, and the surviving entity was renamed as KB Life Insurance. Its highly skilled expert groups provide customers with customized and comprehensive guarantee services.

### New Growth Engines

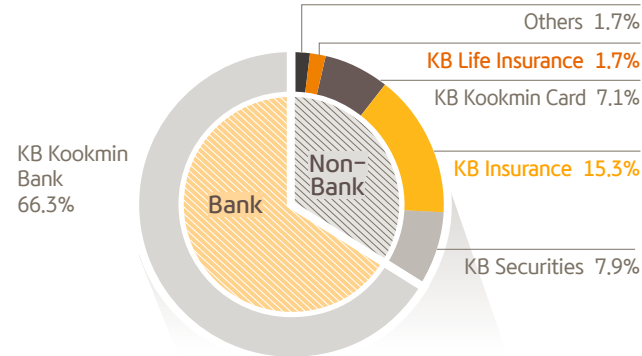
#### Healthcare | \* KB Healthcare

KB Insurance was the first Korean insurer to establish a healthcare subsidiary, KB Healthcare, in 2021. Based on its digital healthcare platform, KB Healthcare offers total life-embedded finance services that integrate financial services into healthcare.

#### Senior Care | \* KB Golden Life Care

KB Golden Life Care was established in 2016 as the first senior care service subsidiary of an insurer. Its premium elderly day care services and facilities contribute to the quality of Korea's care services.

### Net Profit Contribution



## KB Insurance

In 2023, much of the insurance industry had to deal with financial volatility stemming from the effectuation of IFRS17 as of January and the subsequent guidelines set by the financial authorities, coupled with the intensive competition for securing the contractual service margin (CSM) from new contracts. KB Insurance, however, still managed to sustain a respectable growth trajectory on its way to becoming the preferred insurance company of choice, offering optimal risk protection and comprehensive financial consulting services. Its outstanding financial position and business operations earned it an A credit rating from the globally renowned insurance rating agency AM Best and an A2 grade from Moody's, one of the world's top three credit rating agencies.

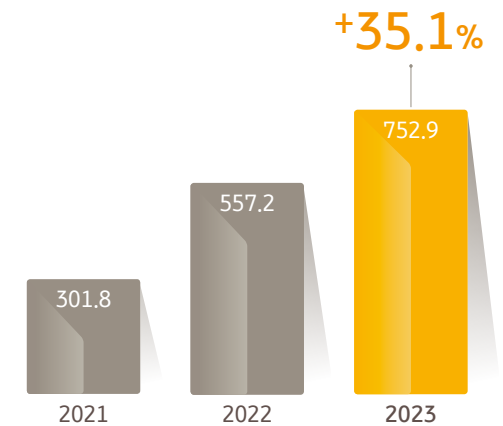
Furthermore, KB Insurance was the first Korean insurer to establish a healthcare subsidiary and the first non-life insurance company authorized for a MyData-linked business. In addition to its active pioneering into new business domains, KB Insurance has also been accelerating its digital innovation with a variety of customer experience enhancement strategies by leveraging artificial intelligence (AI) to recommend insurance products and digitizing the insurance claim process.

## Long-Term Insurance

The long-term insurance sector witnessed a 1.8%p increase year on year in new personal insurance sales in 2023, reaching a market share of 15.3%. This growth was driven by market-leading initiatives that enhanced our focus on customers and product competitiveness through expanded eligibility for child insurance and the latest recalibration of risk rates reflecting updated health and demographic statistics. The loss ratio was maintained at 87.7%, which could be attributed to our rigorous review of the loss ratio of non-reimbursed medical expenses.

## Net Profit

(bn won)



### Automobile Insurance

In 2023, automobile insurance sales exhibited favorable results, with a 4.3% increase from the previous year to KRW 2,938.3 billion to reach a market share of 14.0%. Notably, sales through the direct CM channel totaled KRW 1,210.8 billion, a growth of 14.8% compared to the previous year. The auto insurance loss ratio remained at the previous year's level of 80.2% despite the reduction in insurance premiums at the end of February and an increase in claims due to winter snowfall.

### Commercial Lines

Influenced by the withdrawal of the company's U.S. subsidiary and the decrease in sales of group accident/mobile phone insurance products, sales in KB Insurance's commercial lines amounted to KRW 1,249.3 billion in 2023, a 3.3% decrease year on year. The commercial lines' loss ratio reached 92.1%, reflecting a 7.4%p growth from the previous year, primarily due to large fire incidents under property insurance and temporary transactional costs associated with the U.S. subsidiary's withdrawal. However, the domestic business edged down by 2.4%p to 81.3%.

### Portfolio Management

Despite the challenges posed by the introduction of IFRS17 and increased financial market volatility in 2023, the portfolio management sector realized an investment return of KRW 959.9 billion and an investment yield of 2.89%, both of which benefited from interest rate arbitrage profit from selling bonds acquired at low yields during a period of rising interest rates, as well as increased dividends/valuation gains from alternative investments. Additionally, in response to rising interest rates and the contraction of global investment sentiment, a new investment yield of 5.13% was achieved by prioritizing investments in high-interest bonds and expanding alternative equity investments. Managed assets grew 7.9% from the previous year to KRW 34,949.5 billion.

### 2024 Plans

With a mid- to long-term vision of becoming the No.1 choice for customers in the non-life insurance sector, KB Insurance is poised to become the undisputed leader in the industry.

To realize this vision, we aim to grow our sales volume and expand the portfolio of quality contracts under a strategy to maximize the CSM in our long-term insurance operations.

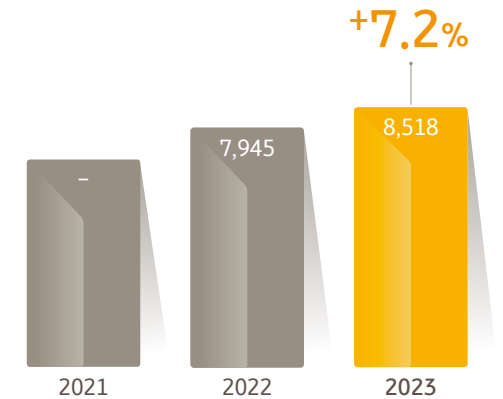
In order to achieve this, we intend to pioneer the market with innovative products that appeal to customers, thus steering clear of the industry's intense competition. Second, through comprehensive evaluation, we commit to providing reasonable prices and products to customers, many of whom are often neglected by insurance companies, as we move away from the blanket rejection of underwriting. Third, we pledge to protect honest customers by preventing claims leakage and combatting insurance fraud, ensuring our promises are met with swift and appropriate compensation.

In the automobile insurance segment, we aim to enhance the loss and expense ratios for cost reductions, secure competitive pricing to lay a foundation for profit and bolster our market standing by focusing on high-quality risks.

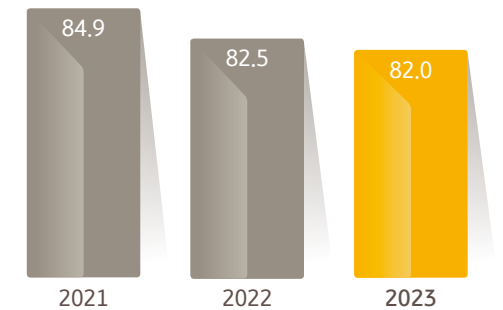
Moreover, we will proactively address emerging markets such as electric and autonomous vehicles by developing innovative products that anticipate future market shifts. In our commercial lines, amidst the heightened uncertainty in profitability caused by large accidents like major fires and natural disasters, our strategy is to drive sales growth centered on products with favorable loss ratios, thereby establishing a sustainable profit-generation model for non-life insurance. In addition, we plan to manage and mitigate our risk exposure through reinsurance and improvements in insurance conditions for large, albeit

rare, accidents. Lastly, we are committed to digitizing and automating all customer interaction processes as we continue to strengthen the competitiveness of our new healthcare ventures, allowing us to lead the way in non-financial new business sectors while securing future growth engines.

#### CSM (bn won)



#### Loss Ratio (%)

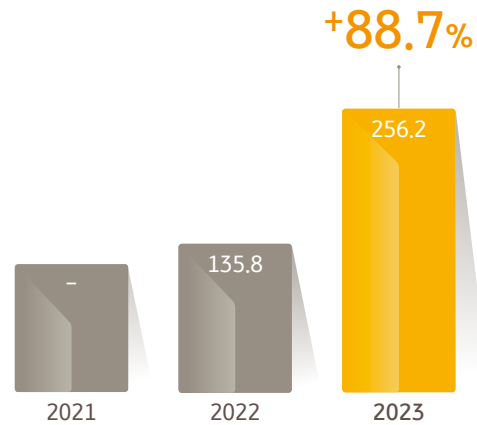


\* On the basis of the IFRS-4 standard

## KB Life Insurance

On January 1st, 2023, KB Life Insurance was formed through the merger of Prudential Life Insurance and KB Life with the mission of enhancing customer satisfaction and creating a better world through financial transformation. KB Life Insurance seeks to become one of the top 3 life insurance companies by 2030 through their core values of, “Beyond Insurance”, “Beyond Korea”, and “Beyond Business.”

**Net Profit**  
(bn won)



\* Figures on stand-alone basis. Figures will differ from consolidated group statements.

### Merger and Integration

While KB Life was heavily favored on the bancassurance channel of its parent company focused mainly on retirement and protection products, Prudential of Korea heavily favored the direct sales model, mainly selling protection products. Due to the complementary channel and products of the two companies, the newly merged KB Life Insurance is well balanced in terms of sales channel and product and is now a top 7 life insurance company by net profit, 8th in terms of total assets, 7th in CSM.

### Value-oriented sustainable growth by adapting to the market

In 2023, KB Life Insurance achieved an impressive 21.2% year-on-year(YoY) growth in converted monthly initial premiums (CMIP) for protection-type products, totaling KRW 45.1 billion despite intense market competition. KB Life Insurance also boasts a 330% K-ICS ratio under the new K-ICS solvency regime, demonstrating a fortress balance sheet relative to its peers. To enhance product competitiveness and expand the product portfolio, KB Life Insurance is collaborating with Group subsidiaries to create hybrid products and other services resulting in innovative products that meet diverse customer needs.

### Acquisition of a premium senior care facility, KB Golden Life Care

KB Life Insurance acquired KB Golden Life Care in September of 2023 to expand its business into the Korean senior retirement home market. KB Life Insurance will provide a differentiated high-quality, specialized senior care service based on our core values of safety, trust and hope. KB Life Insurance, under the umbrella of KB Financial Group, will lead the development of Korea’s senior care industry through our extensive experience, knowledge, and network in financial services.

### Improving Portfolio Management

By capitalizing on the financial market volatility of 2023, KB Life Insurance’s investment returns was KRW 119.2 billion with an annualized new investment yield of 4.35%. The Group’s insurance subsidiaries pooled their alternative investment resources and utilized group-wide integrated asset management to harness synergies and take advantage of economies of scale. Renewable energy has taken an even bigger share of portfolio of alternative investments, demonstrating the Group’s commitment toward sustainability.

### 2024 Plans

KB Life Insurance remains committed to evolve into a platform that offers the full range of financial services to everyone. As such, KB Life Insurance plans to prioritize the following strategies for 2024. First, adopt a CSM (Contractual Service Margin) centric business strategy. KB Life Insurance plans to offer a differentiated CSM-driven health product lineup that will be available through various channels. Collaboration within the Group, as well as KB Life Partners is the key competitive advantage that will enable KB Life Insurance to provide a wider range of financial services that our competitors simply cannot duplicate. Second, stabilize the revenue stream by enhancing asset-liability management(ALM) to reduce insurance liability fluctuations. Improving the investment return volatility management will also help mitigate the fluctuations in financial markets. Third enhancing customer’s digital experience. Innovate the customer experience through expanding one-stop insurance services within the KB Financial Group platform along with better accessibility features and improved digital service convenience. Finally, invest in new engines of future growth. KB Golden Life Care will enhance senior care services and evolve into the leading brand of high-quality seniors’ life care.

# Credit Finance

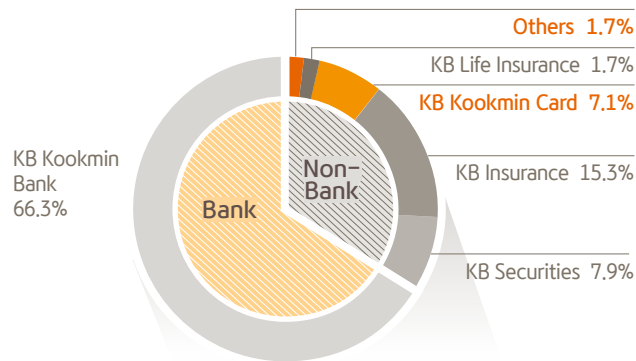
## — KB Kookmin Card

In addition to the comprehensive financial services of credit/debit cards and installment finance, the company is innovating its business into new areas, such as big data and blockchain, all of which will heighten the convenience of the customer experience.

## — KB Capital

As Korea's leading auto finance company, and boasting the second-largest asset size in the industry, the company is diversifying its portfolio and expanding into global markets for sustainable growth, while also developing its digital competitiveness based on its preowned automobile platform, KB ChaChaCha.

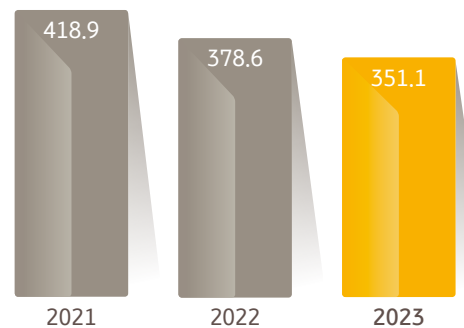
Net Profit Contribution



## KB Kookmin Card

KB Kookmin Card generated KRW 351.1 billion in net profit from processing credit card sales of KRW 174 trillion in 2023. This strong performance was the result of sustained efforts guided by the goal of bolstering our core customer base, enhancing the revenue base through the upgrading of new businesses, and reinforcing the strength of our platform for a more innovative customer experience. In terms of future growth, the company's flagship platform, KB Pay, incorporated the Mobile Home and Liiv Mate apps, significantly improving user convenience and offering enriched value as a premier financial platform. In a move to streamline credit management, KB Kookmin Card also completed the full acquisition of KB Credit Information Co., Ltd.

Net Profit (bn won)



## 2023 Highlights & Achievements

### Acquisition of KB Credit Information as a Subsidiary

In June 2023, KB Kookmin Card incorporated KB Credit Information as a subsidiary. Founded in 1999, KB Credit Information is a credit management specialist within the Group, managing 68% of delinquent debt as of 2022. This integration will not only enhance KB Kookmin Card's debt recovery capabilities but also serve to create excellent opportunities for mutual growth through synergies across various business areas.

### Issuance of Over 500,000 KB Kookmin WE:SH Cards

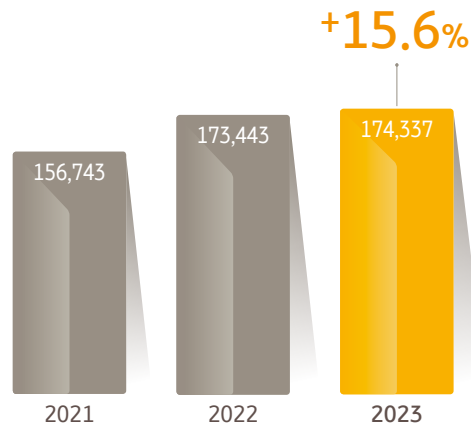
The flagship product of KB Kookmin Card, the KB Kookmin WE:SH Card, had issued more than 500,000 cards just 11 months after its launch, on December 26, 2022. Notably, the My WE:SH card has maintained the top spot for 46 consecutive weeks on the TOP 100 chart of Card-Gorilla, a credit card comparison platform, since March 2023.

### KB Pay Reaches 11 Million Users, Monthly Transaction Volume Exceeds KRW 1 Trillion

Launched in October 2020, the KB Pay app has evolved into an open, universal financial platform. Offering a broad range of services, the app enables payments at all on and offline merchants without the need for any physical payment method, such as using an actual credit or debit card. At the same time, it does not require a user to have a KB Bank account. The strategic addition of various services, such as payment with third-party cards and loan refinancing services within the KB Pay platform, has positioned it as a universal platform that seamlessly

integrates finance with everyday life. These efforts paid off as, the number of KB Pay users has grown from 6 million at the end of 2021 and 8.42 million at the end of 2022 to more than 10 million as of June 27, 2023. Furthermore, the platform is continuously expanding its high-quality, life-embedded content, with the promise of delivering an even more innovative customer experience moving forward.

**Total Transaction Volume**  
(bn won)



\*Credit card (lump sum + installment + cash advance) sales + debit card sales

**Awarded the Presidential Commendation Grand Prize at the 47th National Productivity Awards**

KB Kookmin Card was honored with the Presidential Commendation Grand Prize (corporation/group category) at the 47th National Productivity Awards hosted by the Ministry of Trade, Industry and Energy. In addition to its commitment to innovating the customer experience and providing convenient financial services through its comprehensive financial platform, KB Pay, KB Kookmin Card has been actively engaging in a wide array of corporate social responsibility

activities, such as digital education programs for youth in agricultural and fishery communities and Korean language education support for children from multicultural and North Korean defector families.

**Awarded for Excellence in Corporate Governance among Financial Companies in 2023 by KCGS**

In 2023, KB Kookmin Card achieved an A grade or higher for the fifth consecutive year in the ESG evaluation conducted by the Korea Institute for Corporate Governance and Sustainability (KCGS). The evaluation looked into the corporate governance of Korean financial companies based on criteria that included shareholder rights, board effectiveness, supervisory mechanisms, internal controls, and disclosure practices. KB Kookmin Card's proactive ESG management efforts, which contribute to the sustainable growth of capital markets, have been recognized across the industry, earning it the highly respected title of being an excellent ESG practitioner.

**Ranked No.1 in the NCSI's Credit Card Category for 3 Consecutive Years**

KB Kookmin Card topped the credit card company category of the 2023 National Customer Satisfaction Index (NCSI) survey for the third straight year since its first top-ranking in 2021. Under the slogan "Your best partner for a happy life", the company provides customers with differentiated services that encompass both financial and non-financial areas, with all of the services centered on its flagship platform, KB Pay, the industry's first SimplePay platform.

**2024 Plans**

In anticipation of another challenging business environment characterized by persistent high interest rates and reduced consumer spending, concerns have arisen that the profitability of credit card

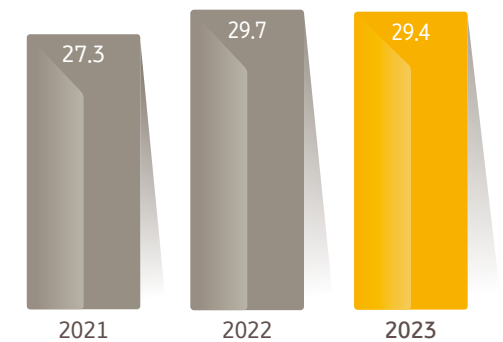
companies could be undermined by rising funding costs and possible credit quality issues. To counter these concerns, KB Kookmin Card is preparing to boost its subscriber revenue through efficient new subscriber acquisition and outperform the market in general sales growth, with a focus on the growth of financial assets for profit and the implementation of comprehensive cost-efficiency improvements.

**KB Pay Monthly Transaction Volume**

**1 tn won**



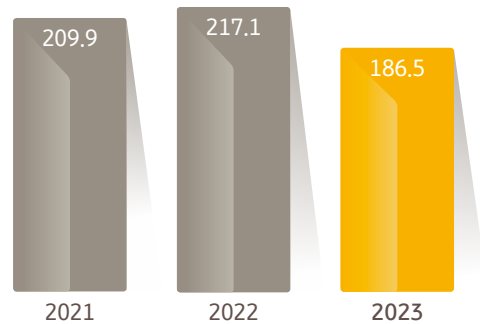
**Total Assets**  
(tn won)



## KB Capital

As of the end of 2023, KB Capital's total assets grew by 3.2% from the previous year to KRW 16,585.3 billion. This growth was sustained due in large measure to a diversified business portfolio. Net profit for 2023 was down 14.1% year on year to KRW 186.5 billion, with the number of registered used cars for sale through KB ChaChaCha exceeding 150,000 units.

### Net Profit (bn won)



\*Based on separate financial statement, which differs from the results for group reporting

Verified Pre-owned Car

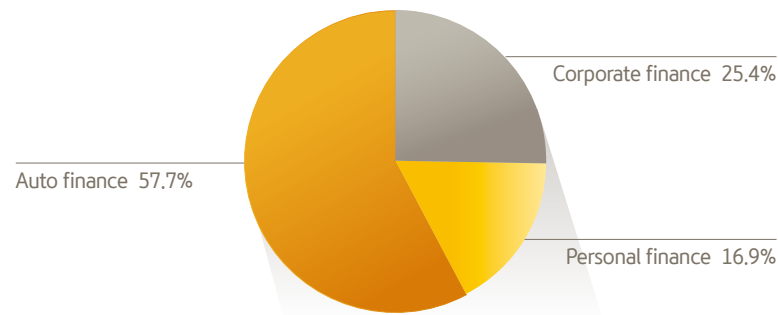
**30,000** units



### Successful Diversification of Our Business Portfolio

KB Capital has solidified its competitiveness in automobile finance and, through the expansion of personal and corporate finance, diversified its business portfolio. As a result, in 2023, the proportion of auto finance decreased by 3.1%p to 57.7% year on year, while personal finance and corporate finance went up by 0.1%p and 3.0%p, respectively, to make up 16.9% and 25.4% of overall profits. Specifically, personal finance saw an enhancement in mid-interest rate credit loans, with corporate finance strengthening its core business competitiveness by focusing on stability and profitability through an increase in prime corporate lending and an expansion of investment finance.

### Proportion of Business Portfolio



### Enhancement of the Digital Business Model

The year 2023 marked a year of reinforcing the inherent competitiveness of the ChaChaCha service by bolstering the overall service UX, laying the foundation to become a market-leading platform. Additionally, in response to the market entry of carmakers, KB Friends

Certification products were launched to secure competitiveness in premium used cars. At the same time, we expanded the proportion of verified preowned cars by 36% year on year to 30,000 units by the end of December 2023.

### Securing Mid- to Long-Term Growth Drivers through Global Business Expansion

Both overseas subsidiaries of KB Capital in Laos and Indonesia are generating stable results. Established in March 2017, KB KOLAO Leasing has successfully established itself in the Laotian auto finance market, ranking second among leasing companies in Laos by total assets. Our Indonesian subsidiary, PT. Sunindo Kookmin Best Finance (SKBF), became profitable on a monthly basis as of August 2021, just 14 months after commencing operations in June 2020. The company continues to grow steadily based on strategic partnerships with Hyundai InfraCore, Hyundai Construction Equipment, as well as other companies.

### 2024 PLANS

In 2024, KB Capital aims to lead the specialized lending industry by enhancing efficiency through digital innovation and the strengthening of smart workplace innovation as it increases its overall global competitiveness. While boosting competitiveness in the global and digital sectors, we will achieve sustainable management by improving productivity through the company-wide adoption of RPA (robotic process automation) and smart work environments. Furthermore, by actively responding to the market transition towards digital, mobile, and online-centered markets based on the differentiated competitiveness of our automobile service platforms, such as KB ChaChaCha and KB ChaEasy, we will further consolidate our sustainable growth foundation.

## Company Directory

### KB Financial Group Head Office (Holding Company)

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TEL. 82-2-2073-7114

### IR (Investor Relations)

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FAX. 82-2-2073-2848  
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### Global Planning Department

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TEL. 82-2-2073-0605  
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## Global Network

### KB KOOKMIN BANK

| Country     | Name                                      | Address  | Telephone       |
|-------------|---|--|-----------------|
| Cambodia    | KB Prasac Bank Plc                        | Building no 212, Street 271, Tuol Tumpung2, Chamkarmon, Phnom Penh, Cambodia   | 855-23-999-911  |
| China       | Kookmin Bank(China) Limited               | 23F, Tower 2, Prosper Center, No.5, Guanghai Road, Chaoyang District, Beijing, 100020, China                           | 86-10-5671-2801 |
|             | Kookmin Bank Hong Kong Branch             | Suite 1101 and 1106, 11F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong  | 852-2530-3633   |
| India       | Kookmin Bank Gurugram Branch              | Unit No.2B/2, 2nd Floor, Two Horizon Centre, Golf Course Road, DLF Phase 5, Sector 43, Gurugram, Haryana-122002, India | 91-124-453-2222 |
| Indonesia   | PT. Bank KB Bukopin, Tbk.                 | Gedung Bank Bukopin, Jl. MT. Haryono kav. 50-51 Jakarta 12770  | 62-21-798-8266  |
| Japan       | Kookmin Bank Tokyo Branch                 | 14F, Hibiya-dai Bldg. 1-2-2 Uchisaiwaicho, Chiyoda-ku, Tokyo 100-0011, Japan   | 81-3-5657-0550  |
| Myanmar     | KB Microfinance Myanmar Co., Ltd.         | 3F, University Avenue Street, No.104, Kamaryut Township, Yangon Region, Myanmar  | 95-1-7532-910   |
|             | KB BANK MYANMAR LTD                       | University Avenue Street, No.104, Kamaryut Township, Yangon Region, Myanmar  | 95-1-7532-900   |
| New Zealand | Kookmin Bank Auckland Branch              | Level 16, 88 Shortland Street, PO BOX 7506, Wellesley, Auckland, New Zealand 1142                                      | 64-9-366-1000   |
| Singapore   | KB Kookmin Bank Co., Ltd Singapore Branch | Level 9, Unit 01~05, Ocean Financial Centre, 10 Collyer Quay, Raffles Place, Singapore, 049315                         | 65-6309-7100    |
| U.K.        | Kookmin Bank London Branch                | 15F, Dashwood House, 69 Old Broad St, London EC2M 1QS, United Kingdom  | 44-20-7710-8300 |
| U.S.A.      | Kookmin Bank New York Branch              | 24F, 565 Fifth Avenue, 46 Street, New York, NY 10017, U.S.A.   | 1-212-697-6100  |
| Vietnam     | Kookmin Bank Ho Chi Minh City Branch      | 3F, Mplaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Hochiminh City, Vietnam                               | 84-28-3827-9000 |
|             | Kookmin Bank Hanoi Branch                 | 25F, Keangnam Hanoi Landmark Tower, E6 Cau Giay New Town, Me Tri, Nam Tu Liem, Hanoi, Vietnam                          | 84-24-3226-3377 |



## KB SECURITIES

| Country   | Name   | Address   | Telephone       |
|-----------|--|---|-----------------|
| China     | KB Securities Shanghai Representative Office | Room 1405, North Stock Exchange Tower, 528 South Pudong Road, Shanghai, China   | 86-21-6881-7007 |
|           | KB Securities Hong Kong Ltd.                 | Suite 1105, 11F, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong  | 852-2869-0559   |
| Indonesia | PT KB Valbury Sekuritas                      | Sahid Sudirman Center Lantai 41, Unit AC, Jalan Jendral Sudirman No 86, Desa/Kelurahan Karet Tengsin, Kec. Tanah Abang, Kota Adm. Jakarta Pusat, Provinsi DKI Jakarta | 62-21-2509-8300 |
| U.S.A.    | KBFG Securities America Inc.                 | Suite 1900, 1370 Avenue of the Americas, New York, NY 10019, U.S.A.   | 1-212-265-2333  |
| Vietnam   | KB Securities Vietnam Joint Stock Company    | Floor 16&17, Tower 02, Capital Place Building, 29 Lieu Giai, Ngoc Khanh Ward, Ba Dinh District, Hanoi City, Vietnam   | 84-24-7303-5333 |
|           | KB FINA Joint Stock Company                  | Unit 16, 17th floor, Charmvit Tower, No.117 Tran Duy Hung Street, Trung Hoa Ward, Cau Giay District, Hanoi City, Vietnam  | 84-24-7301-4628 |

## KB INSURANCE

| Country   | Name  | Address   | Telephone        |
|-----------|---|---|------------------|
| China     | KBFG Insurance (China) Co., Ltd.                              | 26F, No.2605 and 27F, No.2701-2703, Sunnyworld Center, 188, Lushan Road, Nanjing, Jiangsu Province, China | 86-25-8778-0888  |
| Indonesia | PT. Kookmin Best Insurance Indonesia                          | Sahid Sudirman Center, 53rd Floor Unit A, E & F, Jl. Jendral Sudirman Kav. 86, Jarkarta 10220             | 62-21-50-101-010 |
| U.S.A.    | Kookmin Best Insurance Co., Ltd., US Branch                   | 55 Challenger Road Suite #302, Ridgefield Park, NJ 07660  | 1-201-720-2100   |
|           | Leading Insurance Services, Inc.                              | 55 Challenger Road Suite #302, Ridgefield Park, NJ 07660  | 1-201-720-2100   |
| Vietnam   | KB Insurance Co., Ltd. Hanoi Representiative Office           | Rm. 801, Hanoi Tung Shing Square, 2 Ngo Quyen St., Hanoi, Vietnam   | 84-4-3935-0814   |
|           | KB Insurance Co., Ltd. Ho Chi Minh City Representative Office | Rm 5602, Bitexco Financial Tower, 2 Hai Trieu, Ben Nhge, Dist 1, HCMC, Vietnam                            | 84-8-3821-9968   |

## KB KOOKMIN CARD

| Country   | Name   | Address   | Telephone       |
|-----------|--|---|-----------------|
| Cambodia  | KB Daehan Specialized Bank PLC.                        | Building No.1, Street 360, Sangkat Boeung Keng Kang 1, Khan Boeung Keng Kang, Phnom Penh, Cambodia (Oval Office Tower, 7F, 21F and 22F) | 855-23-991-555  |
| Cambodia  | i-Finance Leasing Plc.                                 | City Tower Building, M Floor, Unit No M1 & M2B, Mao Tse Toung Blvd, Sangkat Phsar Depou Ti Muoy, Khan Toul Kork, Phnom Penh, Cambodia   | 855-81-761-111  |
| Indonesia | PT. KB Finansia Multi Finance                          | Office 8 Building, 15th Floor, Jl. Jend Sudirman Kav. 52-53, SCBD Lot 28 Jakarta, Indonesia   | 62-21-2933-3646 |
| Myanmar   | KB Kookmin Card Co., Ltd(Yangon Representative Office) | No.506, 5F, Crystal office, Kamaryut Township, Yangon, Myanmar  | 070-5214-1303   |
| Thailand  | KB J Capital Co., Ltd                                  | AIA Capital Center 3 Floor, 89 Ratchadapisek Road, Din Daeng, Bangkok   | 66-1258         |

## KB ASSET MANAGEMENT

| Country   | Name  | Address   | Telephone       |
|-----------|---|---|-----------------|
| China     | KBAM Shanghai Advisory Services Co., Ltd.         | 2205, No.161, Lujiazui East Road, Pudong New Area, Shanghai               | 86-21-5864-7156 |
| Singapore | KB Asset Management Singapore Pte. Ltd.           | 3 Church Street, #21-01 Samsung Hub, Singapore 049483                     | 65-6580-2660    |
| Vietnam   | KB Asset Management Vietnam Representative Office | Unit 702B, 37 Ton Duc Thang Street, District 1, Ho Chi Minh City, Vietnam | 84-90-988-5343  |

## KB CAPITAL

| Country   | Name                            | Address   | Telephone       |
|-----------|---------------------------------|---|-----------------|
| Indonesia | PT Sunindo Kookmin Best Finance | 50F, Sahid Sudirman center, Karet Tengsin, Tanah abang, Kota Jakarta Pusat DKI Jakarta, Indonesia | 62-21-2253-5098 |
| Laos      | KB KOLAO Leasing Co., Ltd       | 7F, Alounmai Tower 23 Singha Rd, Vientiane, Laos  | 856-21-417-900  |

## KB DATA SYSTEMS

| Country   | Name                         | Address   | Telephone       |
|-----------|------------------------------|---|-----------------|
| Indonesia | PT KB Data Systems Indonesia | L'Avenue Office 12E, Jl. Raya Pasar Minggu No.Kav.16, RT.7/RW.9, Pancoran, Kec. Pancoran, Kota Jakarta Selatan, Daerah Khusus Ibukota Jakarta | 62-21-8066-7239 |

## KB INVESTMENT

| Country | Name                          | Address   | Telephone      |
|---------|-------------------------------|---|----------------|
| U.S.A.  | KBFG Investment Boston Branch | 1 Main Street, Suite #1150, Cambridge, MA 02142 USA | 1-857-472-2096 |

# Disclaimer

## FINANCIAL AND OTHER INFORMATION

The financial statements included in this annual report are prepared in accordance with the Korean International Financial Reporting Standards, or K-IFRS. Unless expressly stated otherwise, all financial data included in this annual report are presented on a consolidated basis.

In this annual report:

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

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

## FORWARD-LOOKING STATEMENTS

Certain information set forth in this annual report contains “forward-looking information”, including “future-oriented financial information” and “financial outlook”, under applicable securities laws (collectively referred to herein as forward-looking statements). Except for statements of historical fact, the information contained herein constitutes forward-looking statements and includes, but is not limited to, the (i) projected financial performance of the Company; (ii) completion of, and the use of proceeds from, the sale of the shares being offered hereunder; (iii) the expected development of the Company’s business, projects, and joint ventures; (iv) execution of the Company’s vision and growth strategy, including with respect to future M&A activity and global growth; (v) sources and availability of third-party financing for the Company’s projects; (vi) completion of the Company’s projects that are currently underway, in development or otherwise under consideration; (vii) renewal of the Company’s current customer, supplier and other material agreements; and (viii) future liquidity, working capital, and capital requirements. Forward-looking statements are provided to allow potential investors the opportunity to understand management’s beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment.

These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements.

Although forward-looking statements contained in this annual report are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

# FINANCIAL SECTION

079 Consolidated Financial Statements

254 Separate Financial Statements



## Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

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

### Opinion

We have audited the accompanying consolidated financial statements of KB Financial Group Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

We also have audited, in accordance with Korean Standards on Auditing, the Company's Internal Control over Financial Reporting for consolidation purposes as of December 31, 2023, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*, and our report dated March 3, 2024 expressed an unqualified opinion.

### Basis for Opinion

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

### Key Audit Matters

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. Allowance for Expected Credit Losses on Loans Measured at Amortized Cost

*Reason why the matter was determined to be a Key Audit Matter:*

The impairment guidance under Korean IFRS No.1109 *Financial Instruments* requires the determination



of significant increases in credit risk and measurement of expected credit losses using forward-looking information and others. Accordingly, the Group developed a new measurement model utilizing various types of information, which requires a higher level of management's interpretation and judgment.

The Group measures expected credit losses on loans measured at amortized cost based on both individual and collective assessments. Individual assessment of expected credit losses is performed based on estimates of future forecast cash flow, and collective assessment of expected credit losses is involved with a variety and complex variable inputs and assumptions that requires management's estimates and judgments. Due to these facts, expected credit losses of loans measured at amortized costs are determined as a key audit matter.

As described in Note 10, loans measured at amortized cost subject to individual or collective assessments amount to ₩450,268,092 million, with allowances for credit losses of ₩5,462,805 million as of December 31, 2023.

*How our audit addressed the Key Audit Matter:*

#### (1) Assessment of expected credit losses on an individual basis

We obtained an understanding and validated the processes and controls relating to the assessment of expected credit losses on an individual basis. In particular, we focused on the reasonableness of the assumptions used in estimating future cash flows. We evaluated whether management's estimation was reasonable and we assessed the key assumptions in the cash flow projection including growth rate of entities subject to individual assessment and collateral valuation. As part of these procedures, we assessed whether sales growth rate, operating income ratio, and assumptions on investment activities were consistent with historical operating performance and current market conditions. Furthermore, we assessed the appropriateness of collateral valuation by conducting our own research on recent property prices and engaged independent appraisal specialists in assessing reasonableness of appraisal reports, models and methodologies used by management.

#### (2) Assessment of expected credit losses on a collective basis

We obtained an understanding and validated the processes and controls relating to management's calculation of expected credit losses on a collective basis in accordance with impairment requirements under Korean IFRS No.1109 *Financial Instruments*. As explained in Note 3(6) and 4, management assesses credit ratings to recognize lifetime expected credit losses on loans with significant increase in credit risk and impaired loans. Other than these cases, management recognizes 12-months of expected credit losses. To calculate all expected credit losses, management has applied forward-looking information, possible multiple scenarios, probability of default, loss given default and other assumptions estimated through its internal procedures and controls implemented for various assumptions.

We assessed the design and operating effectiveness of controls relating to credit ratings that reasonably reflect both qualitative and quantitative information. Our testing over the accuracy and reliability of the information included agreeing qualitative and quantitative information with relevant evidence.

We reviewed the appropriateness of management policies and procedures to determine significant increases in credit risk, and tested reasonableness of expected credit loss model applied by each of the three stages (Stage 1, 2 and 3) depending on how significantly credit risk was increased.

We used risk specialists in verifying the reasonableness and possibility of forward-looking information and multiple scenarios produced by management. Also, we used risk specialists to statistically analyze the correlation between forward-looking information and probability of default or loss given default. We assessed the appropriateness of methodologies for adjusting the probability of default and loss given default



to reflect forward-looking information on estimation of expected credit losses. We further tested the reasonableness and mathematical accuracy of the information through recalculation and inspection of supporting evidences.

We reviewed the methodologies used by management to verify that probability of default and loss given default were calibrated using sufficient and reasonable historical data. We determined that the default and loss data used were appropriately gathered and applied in accordance with internal control procedures. In addition, we assessed the reasonableness and accuracy of probability of default and loss given default through procedures including recalculation, and evaluated the accuracy of calculations regarding default and loss data used by management through agreeing them with relevant evidence.

## 2. Loss ratio assumptions used to estimate fulfilment cash flows of the insurance contracts

*Reason why the matter was determined to be a Key Audit Matter:*

Korean IFRS No.1117 *Insurance Contract* requires insurance liabilities to be measured by estimating all future cash flows of insurance contracts, and the estimates shall reflect conditions existing at the measurement date, including assumptions at that date about the future in a reasonable and unbiased way. The Group has developed a methodology for estimating future cash flows that uses a variety of information to make reasonable estimates of future cash flows, which requires high degree of management interpretation and judgment.

As described in Notes 2 and 3, management estimates future cash flows using various actuarial assumptions as inputs. Among the actuarial assumptions, the calculation of loss ratio assumptions includes various and complex inputs, including historical data, and management's estimates and judgment. Due to these facts, loss ratio assumptions are determined as a key audit matter.

As described in Notes 38, the net book value of the liability for remaining coverage was W43,929,240 million, which is presented as insurance contract liabilities, reinsurance contract liabilities, insurance contract assets, and reinsurance contract assets in the consolidated statement of financial position as of December 31, 2023.

*How our audit addressed the Key Audit Matter:*

We obtained an understanding of management's processes and validated controls related to loss ratio assumption. We assessed the methodology whether the loss ratio assumption is estimated based on sufficient and reasonable historical data, and evaluated the underlying information including historical data used in estimates was properly compiled and used in accordance with internal control procedures. Also, we obtained an understanding of the calculation of the loss ratio assumption, evaluated the reasonableness and accuracy of the loss ratio assumption by performing recalculations and other procedures, and tested the accuracy and completeness of the historical data used in management's estimates by reconciling the data to supporting documents. Actuarial specialists were involved in performing audit procedures above.

### Other Matters

The consolidated financial statements of the Group for the year ended December 31, 2022, were audited by another auditor who expressed an unqualified opinion on those statements on March 7, 2023. The consolidated financial statements audited by another auditor who expressed an unqualified opinion did not reflect the adjustments of Korean IFRS No.1117 *Insurance Contract* described in Note 2. The Group's consolidated financial statements for the year ended December 31, 2022 and consolidated statement of



financial position as of January 1, 2022, presented herein for comparative purposes, were restated to reflect this adjustment.

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations.

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

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Yeob Yu, Certified Public Accountant.

/s/ Samil PricewaterhouseCoopers  
Seoul, Korea  
March 6, 2024

This report is effective as at March 6, 2024, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

**KB Financial Group Inc. and Subsidiaries**  
**Consolidated Statements of Financial Position**  
**December 31, 2023 and 2022, and January 1, 2022**

(in millions of Korean won)

|   | Notes      | December 31, 2023    | December 31, 2022    | January 1, 2022      |
|---|------------|----------------------|----------------------|----------------------|
| <b>Assets</b>   |            |                      |                      |                      |
| Cash and due from financial institutions  | 4,6,7,8,39 | W 29,836,311         | W 32,474,750         | W 31,677,868         |
| Financial assets at fair value through profit or loss                                       | 4,6,8,12   | 77,038,267           | 70,092,497           | 71,656,497           |
| Derivative financial assets   | 4,6,9      | 6,157,628            | 9,446,580            | 3,721,370            |
| Loans measured at amortized cost  | 4,6,10,11  | 444,805,287          | 433,038,931          | 414,384,822          |
| Financial investments   | 4,6,8,12   | 122,199,529          | 115,452,659          | 107,691,616          |
| Investments in associates and joint ventures  | 13         | 722,222              | 682,669              | 448,718              |
| Insurance contract assets   | 38         | 229,640              | 83,304               | 4,672                |
| Reinsurance contract assets   | 38         | 1,655,168            | 1,495,966            | 1,646,494            |
| Property and equipment  | 14         | 4,945,699            | 4,991,467            | 5,239,898            |
| Investment property   | 14         | 4,109,784            | 3,148,340            | 2,514,944            |
| Intangible assets   | 15         | 1,950,858            | 1,858,470            | 1,786,812            |
| Net defined benefit assets  | 25         | 374,090              | 478,934              | 100,083              |
| Current income tax assets   |            | 244,317              | 204,690              | 98,798               |
| Deferred income tax assets  | 17,34      | 274,225              | 188,372              | 159,093              |
| Assets held for sale  | 18         | 208,230              | 211,758              | 237,318              |
| Assets of a disposal group held for sale  |            | -                    | -                    | 171,749              |
| Other assets  | 4,6,19     | 20,986,897           | 14,815,439           | 14,174,195           |
| <b>Total assets</b>   |            | <b>W 715,738,152</b> | <b>W 688,664,826</b> | <b>W 655,714,947</b> |
| <b>Liabilities</b>  |            |                      |                      |                      |
| Financial liabilities at fair value through profit or loss                                  | 4,6,20     | W 10,920,435         | W 12,271,604         | W 12,088,980         |
| Derivative financial liabilities  | 4,6,9      | 6,210,639            | 9,509,769            | 3,684,334            |
| Deposits  | 4,6,21     | 406,512,434          | 393,928,904          | 377,046,282          |
| Borrowings  | 4,6,22     | 69,583,561           | 71,717,366           | 56,912,374           |
| Debentures  | 4,6,23     | 69,176,668           | 68,698,203           | 67,430,188           |
| Insurance contract liabilities  | 38         | 50,308,552           | 45,969,434           | 54,446,927           |
| Reinsurance contract liabilities  | 38         | 36,030               | 31,728               | 41,377               |
| Provisions  | 24         | 1,444,418            | 933,701              | 777,590              |
| Net defined benefit liabilities   | 25         | 81,869               | 85,745               | 225,521              |
| Current income tax liabilities  |            | 145,335              | 998,681              | 663,506              |
| Deferred income tax liabilities   | 17,34      | 2,179,966            | 1,561,857            | 1,876,736            |
| Other liabilities   | 4,6,26     | 40,264,935           | 28,850,033           | 31,155,093           |
| <b>Total liabilities</b>  |            | <b>656,864,842</b>   | <b>634,557,025</b>   | <b>606,348,908</b>   |
| <b>Equity</b>   |            |                      |                      |                      |
| Share capital   |            | 2,090,558            | 2,090,558            | 2,090,558            |
| Hybrid securities   |            | 5,032,803            | 4,434,251            | 2,838,221            |
| Capital surplus   |            | 16,647,916           | 16,940,731           | 16,940,231           |
| Accumulated other comprehensive income (loss)   | 36         | 2,295,165            | 1,249,922            | 1,375,644            |
| Accumulated other comprehensive income relating to assets of a disposal group held for sale |            | -                    | -                    | 7,671                |
| Retained earnings   |            | 32,029,199           | 28,948,425           | 26,416,564           |
| Treasury shares   |            | (1,165,837)          | (836,188)            | (1,136,188)          |
| <b>Equity attributable to shareholders of the Parent Company</b>                            | 27         | <b>56,929,804</b>    | <b>52,827,699</b>    | <b>48,532,701</b>    |
| <b>Non-controlling interests</b>  |            | <b>1,943,506</b>     | <b>1,280,102</b>     | <b>833,338</b>       |
| <b>Total equity</b>   |            | <b>58,873,310</b>    | <b>54,107,801</b>    | <b>49,366,039</b>    |
| <b>Total liabilities and equity</b>   |            | <b>W 715,738,152</b> | <b>W 688,664,826</b> | <b>W 655,714,947</b> |

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

**KB Financial Group Inc. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**Years Ended December 31, 2023 and 2022**

(in millions of Korean won, except per share amounts)

|  | Notes           | 2023               | 2022               |
|--|-----------------|--------------------|--------------------|
| Interest income  |                 | ₩ 29,145,079       | ₩ 20,787,577       |
| Interest income from financial instruments at fair value through other comprehensive income and amortized cost |                 | 27,705,759         | 19,841,175         |
| Interest income from financial instruments at fair value through profit or loss                                |                 | 1,415,366          | 929,735            |
| Insurance finance interest income  |                 | 23,954             | 16,667             |
| Interest expense   |                 | (17,003,362)       | (9,272,252)        |
| Interest expense   |                 | (15,426,706)       | (7,776,631)        |
| Insurance finance interest expense   |                 | (1,576,656)        | (1,495,621)        |
| <b>Net interest income</b>   | 5,28            | <u>12,141,717</u>  | <u>11,515,325</u>  |
| Fee and commission income  |                 | 5,368,074          | 5,125,930          |
| Fee and commission expense   |                 | (1,694,550)        | (1,611,028)        |
| <b>Net fee and commission income</b>   | 5,29            | <u>3,673,524</u>   | <u>3,514,902</u>   |
| Insurance income   |                 | 10,978,808         | 10,072,490         |
| Insurance income   |                 | 10,295,693         | 9,550,101          |
| Reinsurance income   |                 | 683,115            | 522,389            |
| Insurance expense  |                 | (9,555,856)        | (8,761,399)        |
| Insurance service expense  |                 | (8,718,748)        | (7,989,645)        |
| Reinsurance expense  |                 | (837,108)          | (771,754)          |
| <b>Net insurance income</b>  | 5,38            | <u>1,422,952</u>   | <u>1,311,091</u>   |
| <b>Net gains (losses) on financial instruments at fair value through profit or loss</b>                        | 5,30            | <u>2,163,065</u>   | <u>(1,139,818)</u> |
| <b>Other insurance finance income (expenses)</b>   | 38              | <u>(459,135)</u>   | <u>841,227</u>     |
| <b>Net other operating expenses</b>  | 5,31            | <u>(2,712,989)</u> | <u>(2,262,123)</u> |
| <b>General and administrative expenses</b>   | 5,32            | <u>(6,647,406)</u> | <u>(6,643,654)</u> |
| <b>Operating income before provision for credit losses</b>   | 5               | <u>9,581,728</u>   | <u>7,136,950</u>   |
| <b>Provision for credit losses</b>   | 5,7,11,12,19,24 | <u>(3,146,409)</u> | <u>(1,847,775)</u> |
| <b>Net operating income</b>  |                 | <u>6,435,319</u>   | <u>5,289,175</u>   |
| Share of profit (loss) of associates and joint ventures  | 13              | 33,110             | (28,755)           |
| Net other non-operating income (expenses)  | 33              | (297,980)          | 189,324            |
| <b>Net non-operating income (expenses)</b>   |                 | <u>(264,870)</u>   | <u>160,569</u>     |
| <b>Profit before income tax expense</b>  |                 | 6,170,449          | 5,449,744          |
| <b>Income tax expense</b>  | 34              | <u>(1,607,018)</u> | <u>(1,518,343)</u> |
| <b>Profit for the year</b>   | 5               | <u>4,563,431</u>   | <u>3,931,401</u>   |

(in millions of Korean won, except per share amounts)

|  | Notes | 2023               | 2022               |
|--|-------|--------------------|--------------------|
| Items that will not be reclassified to profit or loss:   |       |                    |                    |
| Remeasurements of net defined benefit liabilities  | 25    | ₩ (72,170)         | ₩ 239,701          |
| Share of other comprehensive income (loss) of associates and joint ventures  |       | (2)                | 183                |
| Gains (losses) on equity securities at fair value through other comprehensive income                               |       | 69,605             | (932,058)          |
| Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk |       | (52,863)           | 38,855             |
|  |       | <u>(55,430)</u>    | <u>(653,319)</u>   |
| Items that may be reclassified subsequently to profit or loss:   |       |                    |                    |
| Currency translation differences   |       | 317                | 165,568            |
| Gains (losses) on debt securities at fair value through other comprehensive income                                 |       | 3,304,471          | (5,342,895)        |
| Share of other comprehensive income (loss) of associates and joint ventures  |       | 26                 | (545)              |
| Gains on cash flow hedging instruments   | 9     | 53,923             | 26,168             |
| Losses on hedging instruments of net investments in foreign operations   | 9     | (14,659)           | (79,085)           |
| Insurance finance income (expense)   | 38    | (2,222,024)        | 6,007,276          |
|  |       | <u>1,122,054</u>   | <u>776,487</u>     |
| <b>Other comprehensive income for the year, net of tax</b>   |       | <u>1,066,624</u>   | <u>123,168</u>     |
| <b>Total comprehensive income for the year</b>   |       | <u>₩ 5,630,055</u> | <u>₩ 4,054,569</u> |
| <b>Profit attributable to:</b>   | 5     |                    |                    |
| Shareholders of the Parent Company   |       | ₩ 4,631,932        | ₩ 4,152,992        |
| Non-controlling interests  |       | (68,501)           | (221,591)          |
|  |       | <u>₩ 4,563,431</u> | <u>₩ 3,931,401</u> |
| <b>Total comprehensive income for the year attributable to:</b>  |       |                    |                    |
| Shareholders of the Parent Company   |       | ₩ 5,704,929        | ₩ 4,262,621        |
| Non-controlling interests  |       | (74,874)           | (208,052)          |
|  |       | <u>₩ 5,630,055</u> | <u>₩ 4,054,569</u> |
| <b>Earnings per share</b>  | 37    |                    |                    |
| Basic earnings per share   |       | ₩ 11,580           | ₩ 10,334           |
| Diluted earnings per share   |       | 11,312             | 10,099             |



**KB Financial Group Inc. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**Years Ended December 31, 2023 and 2022**

(in millions of Korean won)

| Notes  | Equity attributable to shareholders of the Parent Company |                   |                 |  |   |                   |                 |                           |              |  |
|--|---|-------------------|-----------------|--|---|-------------------|-----------------|---------------------------|--------------|--|
|  | Share capital   | Hybrid securities | Capital surplus | Accumulated other comprehensive income | Accumulated other comprehensive income relating to assets of a disposal group held for sale | Retained earnings | Treasury shares | Non-controlling interests | Total equity |  |
| <b>Balance as of January 1, 2022 (After the restatement)</b>   | W 2,090,558   | W 2,838,221       | W 16,940,231    | W 1,047,274                            | W 7,671   | W 25,672,815      | W (1,136,188)   | W 833,338                 | W 48,293,920 |  |
| Changes in accounting policies   | -   | -                 | -               | 328,370                                | -   | 743,749           | -               | -                         | 1,072,119    |  |
| <b>Balance as of January 1, 2022 (After the restatement)</b>   | 2,090,558   | 2,838,221         | 16,940,231      | 1,375,644                              | 7,671   | 26,416,564        | (1,136,188)     | 833,338                   | 49,366,039   |  |
| <b>Comprehensive income for the year</b>   |   |                   |                 |  |   |                   |                 |                           |              |  |
| Profit (loss) for the year   | -   | -                 | -               | -                                      | -   | 4,152,992         | -               | (221,591)                 | 3,931,401    |  |
| Remeasurements of net defined benefit liabilities  | -   | -                 | -               | 239,623                                | -   | -                 | -               | 78                        | 239,701      |  |
| Currency translation differences   | -   | -                 | -               | 158,319                                | (7,671)   | -                 | -               | 14,920                    | 165,568      |  |
| Gains (losses) on financial instruments at fair value through other comprehensive income and transfer to retained earnings | -   | -                 | -               | (6,516,516)                            | -   | 243,022           | -               | (1,459)                   | (6,274,953)  |  |
| Share of other comprehensive loss of associates and joint ventures   | -   | -                 | -               | (362)                                  | -   | -                 | -               | -                         | (362)        |  |
| Gains on cash flow hedging instruments   | -   | -                 | -               | 26,168                                 | -   | -                 | -               | -                         | 26,168       |  |
| Losses on hedging instruments of net investments in foreign operations   | -   | -                 | -               | (79,085)                               | -   | -                 | -               | -                         | (79,085)     |  |
| Insurance finance income   | -   | -                 | -               | 6,007,276                              | -   | -                 | -               | -                         | 6,007,276    |  |
| Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk         | -   | -                 | -               | 38,855                                 | -   | -                 | -               | -                         | 38,855       |  |
| <b>Total comprehensive income (loss) for the year</b>  | -   | -                 | -               | (125,722)                              | (7,671)   | 4,396,014         | -               | (208,052)                 | 4,054,569    |  |
| <b>Transactions with shareholders</b>  |   |                   |                 |  |   |                   |                 |                           |              |  |
| Annual dividends paid to shareholders of the Parent Company  | -   | -                 | -               | -                                      | -   | (853,299)         | -               | -                         | (853,299)    |  |
| Quarterly dividends paid to shareholders of the Parent Company   | -   | -                 | -               | -                                      | -   | (584,452)         | -               | -                         | (584,452)    |  |
| Issuance of hybrid securities  | -   | 1,596,030         | -               | -                                      | -   | -                 | -               | 431,807                   | 2,027,837    |  |
| Dividends on hybrid securities   | -   | -                 | -               | -                                      | -   | (126,402)         | -               | (36,094)                  | (162,496)    |  |
| Retirement of treasury shares  | -   | -                 | -               | -                                      | -   | (300,000)         | 300,000         | -                         | -            |  |
| Others   | -   | -                 | 500             | -                                      | -   | -                 | -               | 259,103                   | 259,603      |  |
| <b>Total transactions with shareholders</b>  | -   | 1,596,030         | 500             | -                                      | -   | (1,864,153)       | 300,000         | 654,816                   | 687,193      |  |
| <b>Balance as of December 31, 2022</b>   | W 2,090,558   | W 4,434,251       | W 16,940,731    | W 1,249,922                            | W -   | W 28,948,425      | W (836,188)     | W 1,280,102               | W 54,107,801 |  |
| <b>Balance as of January 1, 2023</b>   | W 2,090,558   | W 4,434,251       | W 16,940,731    | W 1,249,922                            | W -   | W 28,948,425      | W (836,188)     | W 1,280,102               | W 54,107,801 |  |
| <b>Comprehensive income for the year</b>   |   |                   |                 |  |   |                   |                 |                           |              |  |
| Profit for the year  | -   | -                 | -               | -                                      | -   | 4,631,932         | -               | (68,501)                  | 4,563,431    |  |
| Remeasurements of net defined benefit liabilities  | -   | -                 | -               | (72,525)                               | -   | -                 | -               | 355                       | (72,170)     |  |
| Currency translation differences   | -   | -                 | -               | 7,306                                  | -   | -                 | -               | (6,989)                   | 317          |  |
| Gains on financial instruments at fair value through other comprehensive income and transfer to retained earnings          | -   | -                 | -               | 3,346,061                              | -   | 27,754            | -               | 261                       | 3,374,076    |  |
| Share of other comprehensive income of associates and joint ventures   | -   | -                 | -               | 24                                     | -   | -                 | -               | -                         | 24           |  |
| Gains on cash flow hedging instruments   | -   | -                 | -               | 53,923                                 | -   | -                 | -               | -                         | 53,923       |  |
| Losses on hedging instruments of net investments in foreign operations   | -   | -                 | -               | (14,659)                               | -   | -                 | -               | -                         | (14,659)     |  |
| Insurance finance expenses   | -   | -                 | -               | (2,222,024)                            | -   | -                 | -               | -                         | (2,222,024)  |  |
| Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk         | -   | -                 | -               | (52,863)                               | -   | -                 | -               | -                         | (52,863)     |  |
| <b>Total comprehensive income (loss) for the year</b>  | -   | -                 | -               | 1,045,243                              | -   | 4,659,686         | -               | (74,874)                  | 5,630,055    |  |
| <b>Transactions with shareholders</b>  |   |                   |                 |  |   |                   |                 |                           |              |  |
| Annual dividends paid to shareholders of the Parent Company  | -   | -                 | -               | -                                      | -   | (564,970)         | -               | -                         | (564,970)    |  |
| Quarterly dividends paid to shareholders of the Parent Company   | -   | -                 | -               | -                                      | -   | (586,931)         | -               | -                         | (586,931)    |  |
| Issuance of hybrid securities  | -   | 598,552           | -               | -                                      | -   | -                 | -               | 429,078                   | 1,027,630    |  |
| Dividends on hybrid securities   | -   | -                 | -               | -                                      | -   | (184,915)         | -               | (57,179)                  | (242,094)    |  |
| Acquisition of treasury shares   | -   | -                 | -               | -                                      | -   | -                 | (571,745)       | -                         | (571,745)    |  |
| Retirement of treasury shares  | -   | -                 | -               | -                                      | -   | (242,096)         | 242,096         | -                         | -            |  |
| Ownership changes in subsidiaries  | -   | -                 | (292,815)       | -                                      | -   | -                 | -               | 366,379                   | 73,564       |  |
| <b>Total transactions with shareholders</b>  | -   | 598,552           | (292,815)       | -                                      | -   | (1,578,912)       | (329,649)       | 738,278                   | (864,546)    |  |
| <b>Balance as of December 31, 2023</b>   | W 2,090,558   | W 5,032,803       | W 16,647,916    | W 2,295,165                            | W -   | W 32,029,199      | W (1,165,837)   | W 1,943,506               | W 58,873,310 |  |

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

**KB Financial Group Inc. and Subsidiaries**
**Consolidated Statements of Cash Flows**
**Years Ended December 31, 2023 and 2022**
*(in millions of Korean won)*

|   | Notes | 2023               | 2022               |
|---|-------|--------------------|--------------------|
| <b>Cash flows from operating activities</b>                                 |       |                    |                    |
| Profit for the year   | ₩     | 4,563,431          | ₩ 3,931,401        |
| Adjustment for non-cash items   |       |                    |                    |
| Net losses (gains) on financial assets at fair value through profit or loss |       | (1,793,351)        | 670,619            |
| Net losses on derivative financial instruments for hedging purposes         |       | 53,073             | 144,780            |
| Provision for credit losses   |       | 3,146,409          | 1,847,775          |
| Net losses on financial investments   |       | 255,989            | 309,868            |
| Share of loss (profit) of associates and joint ventures                     |       | (33,110)           | 28,758             |
| Depreciation and amortization expense                                       |       | 865,927            | 878,841            |
| Other net losses (gains) on property and equipment/intangible assets        |       | 131,270            | (251,858)          |
| Share-based payments  |       | 69,703             | 58,275             |
| Provision for policy reserves   |       | -                  | 326                |
| Post-employment benefits  |       | 155,720            | 249,874            |
| Net interest expense (income)   |       | 274,681            | (83,503)           |
| Gains on foreign currency translation                                       |       | 200,486            | 622,152            |
| Insurance finance income  |       | (7,781,283)        | (8,595,402)        |
| Reinsurance finance expense   |       | 1,317,524          | 1,267,839          |
| Other expenses  |       | 827,254            | 769,310            |
|   |       | <u>(2,309,708)</u> | <u>(2,082,346)</u> |
| Changes in operating assets and liabilities                                 |       |                    |                    |
| Financial asset at fair value through profit or loss                        |       | (6,247,689)        | 3,048,875          |
| Derivative financial instruments  |       | (152,753)          | 546,079            |
| Loans measured at fair value through other comprehensive income             |       | (252,695)          | (24,342)           |
| Loans measured at amortized cost  |       | (15,308,932)       | (21,154,500)       |
| Current income tax assets   |       | (39,627)           | (105,892)          |
| Deferred income tax assets  |       | (84,148)           | (28,716)           |
| Other assets  | 39    | (3,780,797)        | (1,521,781)        |
| Financial liabilities at fair value through profit or loss                  |       | (1,467,780)        | 1,252,549          |
| Deposits  |       | 12,195,807         | 16,566,047         |
| Current income tax liabilities  |       | (853,347)          | 335,175            |
| Deferred income tax liabilities   |       | 279,105            | (324,410)          |
| Other liabilities   |       | 9,952,434          | (2,535,624)        |
| Insurance contract assets   |       | (146,335)          | (78,630)           |
| Reinsurance contract assets   |       | (1,470,615)        | (1,281,089)        |
| Insurance contract liabilities  |       | 9,046,311          | 8,300,987          |
| Reinsurance contract liabilities  |       | 37,217             | (333)              |
| Investment contract liabilities   |       | 148,937            | (82,958)           |
|   |       | <u>1,855,093</u>   | <u>2,911,437</u>   |
| <b>Net cash inflow from operating activities</b>                            |       | <u>4,108,816</u>   | <u>4,760,492</u>   |

*(in millions of Korean won)*

|   | Notes | 2023                | 2022                |
|---|-------|---------------------|---------------------|
| <b>Cash flows from investing activities</b>                               |       |                     |                     |
| Net cash flows from derivative financial instruments for hedging purposes |       | (48,122)            | (168,551)           |
| Disposal of financial asset at fair value through profit or loss          |       | 12,389,938          | 9,279,702           |
| Acquisition of financial asset at fair value through profit or loss       |       | (11,312,232)        | (12,382,503)        |
| Disposal of financial investments   |       | 43,472,217          | 27,032,376          |
| Acquisition of financial investments                                      |       | (47,125,014)        | (44,228,971)        |
| Disposal of investments in associates and joint ventures                  |       | 99,834              | 167,690             |
| Acquisition of investments in associates and joint ventures               |       | (114,904)           | (430,400)           |
| Disposal of property and equipment  |       | 8,177               | 31,181              |
| Acquisition of property and equipment                                     |       | (350,138)           | (296,937)           |
| Disposal of investment property   |       | 3,669               | 1,292,114           |
| Acquisition of investment property  |       | (1,018,598)         | (649,961)           |
| Disposal of intangible assets   |       | 5,359               | 5,654               |
| Acquisition of intangible assets  |       | (330,427)           | (200,535)           |
| Net cash flows from changes in ownership of subsidiaries                  |       | 1,297,001           | 932,428             |
| Others  |       | (496,252)           | (19,166)            |
| <b>Net cash outflow from investing activities</b>                         |       | <u>(3,519,492)</u>  | <u>(19,635,879)</u> |
| <b>Cash flows from financing activities</b>                               |       |                     |                     |
| Net cash flows from derivative financial instruments for hedging purposes |       | (73,335)            | (105,017)           |
| Net increase (decrease) in borrowings                                     |       | (2,223,069)         | 14,669,649          |
| Increase in debentures  |       | 83,777,490          | 107,607,314         |
| Decrease in debentures  |       | (83,683,272)        | (106,631,213)       |
| Increase in other payables to trust accounts                              |       | 2,333,656           | -                   |
| Decrease in other payables to trust accounts                              |       | -                   | (1,225,402)         |
| Dividends paid to shareholders of the Parent Company                      |       | (1,151,900)         | (1,437,750)         |
| Issuance of hybrid securities   |       | 598,552             | 1,596,030           |
| Dividends paid on hybrid securities                                       |       | (184,915)           | (126,402)           |
| Acquisition of treasury shares  |       | (571,745)           | -                   |
| Redemption of principal of lease liabilities                              |       | (235,052)           | (257,570)           |
| Decrease in non-controlling interests                                     |       | 721,101             | 395,713             |
| Others  |       | (546,580)           | 694,472             |
| <b>Net cash inflow (outflow) from financing activities</b>                |       | <u>(1,239,069)</u>  | <u>15,179,824</u>   |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>       | 39    | <u>(58,465)</u>     | <u>197,199</u>      |
| <b>Net increase (decrease) in cash and cash equivalents</b>               |       | <u>(708,210)</u>    | <u>501,636</u>      |
| <b>Cash and cash equivalents at the beginning of the year</b>             | 39    | <u>26,534,798</u>   | <u>26,033,162</u>   |
| <b>Cash and cash equivalents at the end of the year</b>                   | 39    | <u>₩ 25,826,588</u> | <u>₩ 26,534,798</u> |

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

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

#### 1. The Parent Company

KB Financial Group Inc. (the "Parent Company") was incorporated on September 29, 2008, under the Financial Holding Companies Act of Korea. KB Financial Group Inc. and its subsidiaries (the "Group") derive substantially all of their revenue and income from providing a broad range of banking and related financial services to consumers and corporations. The Parent Company's main business purpose is to control subsidiaries that engage in the financial business or subsidiaries closely related to the financial business through the stock ownership. The Parent Company's headquarter is located at 26, Gukjegeumyung-ro 8-gil, Yeongdeungpo-gu, Seoul. In 2011, Kookmin Bank spun off its credit card business segment and established a new separate credit card company, KB Kookmin Card Co., Ltd. and KB Investment & Securities Co., Ltd. merged with KB Futures Co., Ltd. The Group established KB Savings Bank Co., Ltd. in January 2012, acquired Yehansoul Savings Bank Co., Ltd. in September 2013, and KB Savings Bank Co., Ltd. merged with Yehansoul Savings Bank Co., Ltd. in January 2014. In March 2014, the Group acquired Woori Financial Co., Ltd. and changed the name to KB Capital Co., Ltd. Meanwhile, the Group included LIG Insurance Co., Ltd. as an associate and changed the name to KB Insurance Co., Ltd. in June 2015, and KB Insurance Co., Ltd. became one of the subsidiaries through a tender offer in May 2017. Also, the Group included Hyundai Securities Co., Ltd. as an associate in June 2016 and included as a subsidiary in October 2016 by comprehensive exchange of shares. Hyundai Securities Co., Ltd. merged with KB Investment & Securities Co., Ltd. in December 2016 and changed its name to KB Securities Co., Ltd. in January 2017. In August 2020, the Group acquired Prudential Life Insurance Company of Korea Ltd. which was classified as a subsidiary and the name was changed to KB Life Insurance Co., Ltd. in December 2022. Then in January 2023, it merged with another existing KB Life Insurance Co., Ltd. The Parent Company sold 100% shares of KB Credit Information Co., Ltd. to KB Kookmin Card Co., Ltd. on June 30, 2023.

The Parent Company's share capital as of December 31, 2023, is W 2,090,558 million. The Parent Company has been listed on the Korea Exchange ("KRX") since October 10, 2008, and on the New York Stock Exchange ("NYSE") for its American Depositary Shares ("ADS") since September 29, 2008. Number of shares authorized in its Articles of Incorporation is 1,000 million.

#### 2. Basis of Preparation

##### 2.1 Application of Korean IFRS

The Group maintains its accounting records in Korean won and prepares statutory consolidated financial statements in the Korean language in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("Korean IFRS"). The accompanying consolidated financial statements have been translated into English from the Korean language consolidated financial statements.

The consolidated financial statements of the Group have been prepared in accordance with Korean IFRS. Korean IFRS are the standards and related interpretations issued by the International Accounting Standards Board ("IASB") that have been adopted by the Republic of Korea.

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. Management also needs to exercise judgment in applying the Group's accounting policies. The areas that require a more complex and higher level of judgment or areas that require significant assumptions and estimations are disclosed in Note 2.4.

2.1.1 The Group has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023.

##### - Amendments to Korean IFRS No.1117 Insurance Contract

###### 2.1.1.1 Major Accounting Policy Changes

Korean IFRS No.1117, '*Insurance Contracts*', which replaces Korean IFRS No.1104, '*Insurance Contracts*', is effective for fiscal years beginning on or after January 1, 2023. The main features of Korean IFRS No.1117 are the measurement of current value of insurance liabilities, recognition of insurance revenue on an accrual basis, and separation of investment components from host insurance contract. In other words, according to Korean IFRS No.1104, insurance liabilities are measured using past information (interest rates at the time of insurance sales, etc.), and when the company receives premiums, the premiums received are recognized as insurance revenue on a cash basis. On the other hand, according to Korean IFRS No.1117, insurance liabilities are measured at current value using a discount rate that reflects assumptions and risks at the present time (reporting time), and insurance revenue reflects services provided by insurance companies to policyholders for each fiscal year. Therefore, revenue is recognized on an accrual basis, and investment components are separated from host insurance contract. When an insurance company prepares financial statements by applying Korean IFRS No.1117, significant differences from the past financial statements are as follows.

(Measurement of Insurance liabilities, etc.)

Under Korean IFRS No.1117, the Group estimates all cash flows from insurance contracts and measures the insurance liabilities using discount rate that reflects assumptions and risks at the reporting date.

In detail, the Group identifies a group and portfolio of insurance contracts that are onerous based on the possibility of becoming onerous, similar risks and managed together. The possibility of becoming onerous of insurance contracts is determined by risk adjustment for non-financial risk and the ratio of contractual service margin at the initial recognition of the insurance contract. The Group determines the minimum level of group of insurance contracts at initial recognition as unit of account, and the level of the group determined is not reassessed subsequently. The Group does not include contracts issued more than one year apart within the same group of insurance contracts, except addressed in transition clauses.

The groups of insurance contracts are measured as the sum of the estimate of future cash flows (including cash flows related to policy loans and reflecting time value of money, etc.), risk adjustment, and the contractual service margin. With the adoption of Korean IFRS No.1117, account of the contractual service margin was introduced, which means unearned profit that would be recognized by providing insurance service in the future.

Meanwhile, reinsurance contracts mean insurance contracts issued by a reinsurance company to compensate claims arising from original insurance contracts issued by other insurance companies. The groups of insurance contracts also apply assumptions consistent with the groups of original insurance contracts when estimating the present value of future cash flows for the groups of insurance contracts ceded.

(Recognition and measurement of financial performance)

Under Korean IFRS No.1117, the Group recognizes insurance revenue on an accrual basis for services (insurance coverage) provided to the policyholder by each annual reporting period, excluding investment component (refunds due to termination and maturity) to be paid to the policyholder regardless of the insured event.

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

2.1.1 The Group has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023. (cont'd)

The Group also includes the time value of money, financial risk and effects of their fluctuations related to the group of insurance contracts and the Group has selected accounting policy whether the insurance finance income or expenses for the periods are disaggregated to profit or loss, or other comprehensive income.

(Accounting policy for transition of insurance contracts)

Under transition requirements of Korean IFRS No.1117, the Group shall adjust the original cost-based measurement to current measurement by applying the fully retrospective approach, modified retrospective approach or fair value approach, for the group of insurance contracts issued before the transition date (the beginning of the annual reporting period immediately preceding initial application date of January 1, 2022).

In principle, the Group shall identify, recognize and measure (the fully retrospective approach) each group of insurance contracts as if Korean IFRS No.1117 had always applied before the transition date. If this method is impracticable, the Group can apply the modified retrospective approach or the fair value approach. However, the fair value approach can be applied even though it is possible to apply the fully retrospective approach for the group of insurance contracts with direct participation features that meet specific requirements.

Meanwhile, the modified retrospective approach is a way to obtain results very close to the fully retrospective approach by using all reasonable and supportable information available without undue cost or effort. The fair value approach is a way to measure group of insurance contracts using fair value measurements based on Korean IFRS No.1113 *Fair Value Measurements*. When applying the fair value approach, contractual service margin or loss component of the liability for remaining coverage at the transition date are measured as the difference between the fair value of a group of insurance contracts at that date and the fulfilment cash flows measured at that date.

KB Life Insurance Co., Ltd. applied the fully retrospective approach for the group of insurance contracts issued within three years before the transition date as of January 1, 2022 (the contracts issued from 2019 to 2021); and applied the fair value approach for the group of insurance contracts issued three years before the transition date (the contracts issued before 2019). Especially, when applying the fully retrospective approach for the group of insurance contracts that former Prudential Life Insurance Company of Korea Ltd. had, the contractual service margin thereof for initial recognition was measured applying the fair value of the business combination in accordance with Korean IFRS No. 1117 paragraph for 'initial recognition of transfers of insurance contracts and business combinations'.

Additionally, KB Insurance Co., Ltd. applied the fully retrospective approach for the group of insurance contracts issued within four years before the transition date (the contracts issued from 2018 to 2021); and applied the fair value approach for the group of insurance contracts issued more than four years before the transition date (the contracts issued before 2018).

Under Korean IFRS No. 1117, the Group measures insurance liabilities at their present value using a discount rate that reflects assumptions and risks at current point in time (the reporting date). Generally, the general model is applied to general life insurance contracts, while the premium allocation approach is used for general non-life insurance contracts with a guaranteed period of one year or less at the initial recognition date.

2.1.1 The Group has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023. (cont'd)

Changes in major accounting policies following the application of Korean IFRS No.1117 are shown in the table below.

|  | Korean IFRS No.1104  | Korean IFRS No.1117  |
|--|--|--|
| Insurance contract liability measurement | Measured at cost using past information  | Measured at current value using information at the time of reporting<br>Necessary to select a Transition approach that adjusts the past group of insurance contracts to the current value at the date of transition.<br>(Fully/modified retrospective approach or fair value approach) |
| Recognition of insurance revenue         | Application of the cash basis in which premiums received are recognized as insurance revenue               | Recognition of revenue by reflecting services provided to policyholders by the Group for each fiscal year(accrual basis)   |
|  | Investment-type items such as cancellation and maturity refunds are also included in insurance income.     | Investment components (cancellation, maturity refund) are excluded from insurance income   |
| Policy loan                              | Recognized as a separate asset   | Recognition as included in insurance contract liabilities  |
| Deferred acquisition cost                | Deferred acquisition costs are recorded as a separate asset  | Deferred acquisition costs are not separately recognized.  |
|  | Insurance contract liabilities are evaluated based on net insurance premiums (excluding business expenses) | Insurance contract liabilities are evaluated based on operating insurance premiums (including business expenses)   |

(Changes in the consolidated statement of financial position and consolidated statement of comprehensive income)

The effect of the change in accounting policy following the initial application of Korean IFRS No.1117 to the consolidated statement of financial position as of December 31, 2022 and the consolidated statement of comprehensive income for the year ended December 31, 2022 is as follows.

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

2.1.1 The Group has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023. (cont'd)

1) Consolidated statement of financial position as of December 31, 2022

(In millions of Korean won)

| Korean IFRS No.1104                                   |                      | Korean IFRS No.1117                                   |                      | Net increase (decrease) |                     |
|---|----------------------|---|----------------------|-------------------------|---------------------|
| <b>Assets</b>   |                      |   |                      |                         |                     |
| Cash and due from financial institutions              | W 32,063,421         | Cash and due from financial institutions              | W 32,474,750         | W                       | 411,329             |
| Financial assets at fair value through profit or loss | 64,935,344           | Financial assets at fair value through profit or loss | 70,092,497           |                         | 5,157,153           |
| Derivative financial assets                           | 9,446,134            | Derivative financial assets                           | 9,446,580            |                         | 446                 |
| Loans measured at amortized cost                      | 436,530,502          | Loans measured at amortized cost                      | 433,038,931          |                         | (3,491,571)         |
| Financial investments                                 | 116,588,575          | Financial investments                                 | 115,452,659          |                         | (1,135,916)         |
| Investments in associates and joint ventures          | 682,670              | Investments in associates and joint ventures          | 682,669              |                         | (1)                 |
|   |                      | Insurance contract assets                             | 83,304               |                         | 83,304              |
|   |                      | Reinsurance contract assets                           | 1,495,966            |                         | 1,495,966           |
| Property and equipment                                | 4,991,467            | Property and equipment                                | 4,991,467            |                         | -                   |
| Investment properties                                 | 3,148,340            | Investment properties                                 | 3,148,340            |                         | -                   |
| Intangible assets                                     | 3,200,399            | Intangible assets                                     | 1,858,470            |                         | (1,341,929)         |
| Net defined benefit assets                            | 478,934              | Net defined benefit assets                            | 478,934              |                         | -                   |
| Current income tax assets                             | 204,690              | Current income tax assets                             | 204,690              |                         | -                   |
| Deferred income tax assets                            | 251,085              | Deferred income tax assets                            | 188,372              |                         | (62,713)            |
| Assets held for sale                                  | 211,758              | Assets held for sale                                  | 211,758              |                         | -                   |
| Other assets  | 28,437,529           | Other assets  | 14,815,439           |                         | (13,622,090)        |
| <b>Total assets</b>                                   | <b>W 701,170,848</b> | <b>Total assets</b>                                   | <b>W 688,664,826</b> | <b>W</b>                | <b>(12,506,022)</b> |

2.1.1 The Group has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023. (cont'd)

1) Consolidated statement of financial position as of December 31, 2022 (cont'd)

(In millions of Korean won)

| Korean IFRS No.1104  |                      | Korean IFRS No.1117  |                      | Net increase (decrease) |                     |
|--|----------------------|--|----------------------|-------------------------|---------------------|
| <b>Liabilities</b>   |                      |  |                      |                         |                     |
| Financial liabilities at fair value through profit or loss | W 12,271,604         | Financial liabilities at fair value through profit or loss | W 12,271,604         | W                       | -                   |
| Derivative financial liabilities                           | 9,506,709            | Derivative financial liabilities                           | 9,509,769            |                         | 3,060               |
| Deposits   | 388,888,452          | Deposits   | 393,928,904          |                         | 5,040,452           |
| Borrowings   | 71,717,366           | Borrowings   | 71,717,366           |                         | -                   |
| Debentures   | 68,698,203           | Debentures   | 68,698,203           |                         | -                   |
| Insurance contract liabilities                             | 58,230,303           | Insurance contract liabilities                             | 45,969,434           |                         | (12,260,869)        |
|  |                      | Reinsurance contract liabilities                           | 31,728               |                         | 31,728              |
| Provisions   | 968,819              | Provisions   | 933,701              |                         | (35,118)            |
| Net defined benefit liabilities                            | 85,745               | Net defined benefit liabilities                            | 85,745               |                         | -                   |
| Current income tax liabilities                             | 997,675              | Current income tax liabilities                             | 998,681              |                         | 1,006               |
| Deferred Income tax liabilities                            | 22,693               | Deferred Income tax liabilities                            | 1,561,857            |                         | 1,539,164           |
| Other liabilities  | 40,140,365           | Other liabilities  | 28,850,033           |                         | (11,290,332)        |
| <b>Total liabilities</b>                                   | <b>W 651,527,934</b> | <b>Total liabilities</b>                                   | <b>W 634,557,025</b> | <b>W</b>                | <b>(16,970,909)</b> |
| <b>Equity</b>  |                      |  |                      |                         |                     |
| Share capital  | W 2,090,558          | Share capital  | W 2,090,558          | W                       | -                   |
| Hybrid securities  | 4,434,251            | Hybrid securities  | 4,434,251            |                         | -                   |
| Capital surplus  | 16,940,731           | Capital surplus  | 16,940,731           |                         | -                   |
| Accumulated other comprehensive income                     | (2,713,053)          | Accumulated other comprehensive income                     | 1,249,922            |                         | 3,962,975           |
| Retained earnings  | 28,446,513           | Retained earnings  | 28,948,425           |                         | 501,912             |
| Treasury stock   | (836,188)            | Treasury stock   | (836,188)            |                         | -                   |
| Non-controlling interests                                  | 1,280,102            | Non-controlling interests                                  | 1,280,102            |                         | -                   |
| <b>Total equity</b>  | <b>W 49,642,914</b>  | <b>Total equity</b>  | <b>W 54,107,801</b>  | <b>W</b>                | <b>4,464,887</b>    |

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

2.1.1 The Group has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023. (cont'd)

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

(In millions of Korean won)

| Korean IFRS No.1104   |              | Korean IFRS No.1117  |              | Net increase<br>(decrease) |
|---|--------------|--|--------------|----------------------------|
| Net interest income   | W 13,112,934 | Net interest income*   | W 11,515,325 | W (1,597,609)              |
|   | 20,788,518   | Interest income  | 20,787,577   | (941)                      |
| Interest income on financial instruments measured at fair value through other comprehensive income and amortized cost | 19,912,128   | Interest income on financial instruments measured at fair value through profit or loss | 19,841,175   | (70,953)                   |
| Interest income on financial instruments measured at fair value through profit or loss                                | 876,390      | Insurance finance interest income  | 929,735      | 53,345                     |
|   |              | Interest expenses  | 16,667       | 16,667                     |
| Interest expenses   | (7,675,584)  | Interest expenses  | (9,272,252)  | (1,596,668)                |
| Interest expenses   | (7,675,584)  | Interest expenses  | (7,776,631)  | (101,047)                  |
|   |              | Insurance finance interest expense   | (1,495,621)  | (1,495,621)                |
| Net fee and commission income   | 3,321,632    | Net fee and commission income  | 3,514,902    | 193,270                    |
| Fee and commission income   | 5,121,520    | Fee and commission income  | 5,125,930    | 4,410                      |
| Fee and commission expense  | (1,799,888)  | Fee and commission expense   | (1,611,028)  | 188,860                    |
| Net insurance income  | 696,513      | Insurance service result   | 1,311,091    | 614,578                    |
| Insurance income  | 17,136,842   | Insurance income   | 10,072,490   | (7,064,352)                |
| Insurance income  | 17,136,842   | Insurance income   | 9,550,101    | (7,586,741)                |
|   |              | Reinsurance income   | 522,389      | 522,389                    |
| Insurance expense   | (16,440,329) | Insurance expense  | (8,761,399)  | 7,678,930                  |
| Insurance expense   | (16,440,329) | Insurance service expense  | (7,989,645)  | 8,450,684                  |
|   |              | Reinsurance expense  | (771,754)    | (771,754)                  |
| Net gains (losses) on financial instruments at fair value through profit or loss                                      | 247,357      | Net gains (losses) on financial instruments at fair value through profit or loss       | (1,139,818)  | (1,387,175)                |
|   |              | Other insurance finance income   | 841,227      | 841,227                    |
| Net other operating expenses  | (2,365,791)  | Net other operating expenses   | (2,262,123)  | 103,668                    |
| General and administrative expenses   | (7,537,802)  | General and administrative expenses  | (6,643,654)  | 894,148                    |
| Operating profit before credit loss allowance   | 7,474,843    | Operating profit before credit loss allowance  | 7,136,950    | (337,893)                  |
| Provision for credit losses   | (1,835,988)  | Provision for credit losses  | (1,847,775)  | (11,787)                   |
| Operating income  | 5,638,855    | Operating income   | 5,289,175    | (349,680)                  |

2.1.1 The Group has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023. (cont'd)

2) Consolidated statement of comprehensive income for the year ended December 31, 2022 (cont'd)

(In millions of Korean won)

| Korean IFRS No.1104  |             | Korean IFRS No.1117  |             | Net increase<br>(decrease) |
|--|-------------|--|-------------|----------------------------|
| Net non-operating income   | W 156,771   | Net non-operating income   | W 160,569   | W 3,798                    |
| Share of profit of associates and joint ventures   | (28,758)    | Share of profit of associates and joint ventures   | (28,755)    | 3                          |
| Net other non-operating income (expenses)  | 185,529     | Net other non-operating income (expenses)  | 189,324     | 3,795                      |
| Profit before income tax expense   | 5,795,626   | Profit before income tax expense   | 5,449,744   | (345,882)                  |
| Income tax expense   | (1,622,387) | Income tax expense   | (1,518,343) | 104,044                    |
| Profit for the year  | 4,173,239   | Profit for the year  | 3,931,401   | (241,838)                  |
| Other comprehensive income for the year, net of tax  | (3,511,437) | Other comprehensive income for the year, net of tax  | 123,168     | 3,634,605                  |
| Comprehensive income that will not be reclassified to profit or loss   | (652,979)   | Comprehensive income that will not be reclassified to profit or loss   | (653,319)   | (340)                      |
| Remeasurements of net defined benefit liabilities  | 239,702     | Remeasurements of net defined benefit liabilities  | 239,701     | (1)                        |
| Share of other comprehensive income of associates and joint ventures   | 183         | Share of other comprehensive income of associates and joint ventures   | 183         | -                          |
| Gains on equity securities at fair value through other comprehensive income  | (931,731)   | Gains on equity securities at fair value through other comprehensive income  | (932,058)   | (327)                      |
| Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk | 38,867      | Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk | 38,855      | (12)                       |
| Comprehensive income that may be reclassified subsequently to profit or loss                                       | (2,858,458) | Comprehensive income that may be reclassified subsequently to profit or loss                                       | 776,487     | 3,634,945                  |
| Currency translation differences   | 164,530     | Currency translation differences   | 165,568     | 1,038                      |
| Losses on debt securities at fair value through other comprehensive income   | (2,375,084) | Losses on debt securities at fair value through other comprehensive income   | (5,342,895) | (2,967,811)                |
| Share of other comprehensive income (loss) of associates and joint ventures  | (545)       | Share of other comprehensive income (loss) of associates and joint ventures  | (545)       | -                          |
| Gains (losses) on cash flow hedging instruments  | 31,474      | Gains (losses) on cash flow hedging instruments  | 26,168      | (5,306)                    |

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

2.1.1 The Group has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023. (cont'd)

2) Consolidated statement of comprehensive income for the year ended December 31, 2022 (cont'd)

(In millions of Korean won)

| Korean IFRS No.1104  | Korean IFRS No.1117  | Net increase<br>(decrease) |
|--|--|----------------------------|
| Gains (losses) on hedging instruments of net investments in foreign operations | Gains (losses) on hedging instruments of net investments in foreign operations |                            |
| (79,085)   | (79,085)   | -                          |
| Other comprehensive loss arising from separate account                         |  |                            |
| (159,619)  | -  | 159,619                    |
| Gains on overlay adjustment  |  |                            |
| (440,129)  | -  | 440,129                    |
|  | Insurance finance income(expense)  |                            |
|  | 6,007,276  | 6,007,276                  |
| Total comprehensive income for the year  | Total comprehensive income for the year  |                            |
| 661,802  | 4,054,569  | 3,392,767                  |
| Profit attributable to:  | Profit attributable to:  |                            |
| 4,173,239  | 3,931,401  | (241,838)                  |
| Shareholders of the Parent Company   | Shareholders of the Parent Company   |                            |
| 4,394,830  | 4,152,992  | (241,838)                  |
| Non-controlling interests  | Non-controlling interests  |                            |
| (221,591)  | (221,591)  | -                          |
| Total comprehensive income for the year attributable to:                       | Total comprehensive income for the year attributable to:                       |                            |
| 661,802  | 4,054,569  | 3,392,767                  |
| Shareholders of the Parent Company   | Shareholders of the Parent Company   |                            |
| 869,854  | 4,262,621  | 3,392,767                  |
| Non-controlling interests  | Non-controlling interests  |                            |
| (208,052)  | (208,052)  | -                          |

\* Includes insurance interest income and insurance interest expense on insurance contract assets and liabilities.

2.1.1 The Group has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023. (cont'd)

- Amendments to Korean IFRS No.1001 Presentation of Financial Statements – Accounting Policy Disclosure

The amendments require an entity to define and disclose their material accounting policy information. IFRS Practice Statement 2 *Making Materiality Judgements* was amended to explain and demonstrate how to apply the concept of materiality. These amendments do not have a significant impact on the consolidated financial statements.

- Amendments to Korean IFRS No.1008 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

The amendments introduce the definition of accounting estimates and clarify how to distinguish changes in accounting estimates from changes in accounting policies. These amendments do not have a significant impact on the consolidated financial statements.

- Amendments to Korean IFRS No.1012 Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

The amendments narrow the scope of the deferred tax recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. These amendments do not have a significant impact on the consolidated financial statements.

- Amendments to Korean IFRS No.1001 Presentation of Financial Statements - Disclosure of gains or losses on valuation of financial liabilities with exercise price adjustment conditions

The amendments require disclosures about gains or losses on valuation occurred for the reporting period (but are limited to those included in profit or loss) for the conversion options or warrants (or financial liabilities with warrants), if all or part of the financial instrument whose exercise price is adjusted due to the issuers' stock price fluctuations, are classified as financial liabilities according to paragraph 11 of Korean IFRS No.1032 *Financial Instruments: Presentation*. These amendments do not have a significant impact on the consolidated financial statements.

- Amendments to Korean IFRS No. 1012 Income Taxes – International Tax Reform: Pillar 2 Model Rules

The amendment reflects the enactment of laws reflecting the Pillar 2 Model Rules for International Tax Reform aimed at reforming international taxation for multinational enterprises. It temporarily relaxes the accounting treatment of deferred tax resulting from this law and requires disclosure of related current year income tax effects. The Group has applied a temporary exemption provision regarding the recognition and disclosure of deferred taxes related to the Pillar 2 rules. As this law is scheduled to be enacted on January 1, 2024, it will not have an impact on consolidated financial statements. Meanwhile, the Group is reviewing the impact of the global minimum tax.

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

2.1.2 The following new and amended standards have been published that are not mandatory for December 31, 2023 reporting period and have not been adopted by the Group.

- *Amendments to Korean IFRS No.1001 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise the right to defer settlement of the liability or the management's expectations thereof. Also, the settlement of liability includes the transfer of the entity's own equity instruments; however, it would be excluded if an option to settle the liability by the transfer of the entity's own equity instruments is recognized separately from the liability as an equity component of a compound financial instrument. The amendments should be applied for annual reporting periods beginning on or after January 1, 2023, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the consolidated financial statements.

- *Amendment of Korean IFRS No.1007 "Statements of Cash Flow" and Korean IFRS No.1107 "Financial Instruments: Disclosures" - Disclosure of Supplier Finance Arrangements*

The amendments require disclosure of the effects of supplier finance arrangements on the Group's liabilities, cash flows and exposure to liquidity risk. This amendment will be applied to the financial statements for the accounting year beginning on or after January 1, 2024. The Group expects that this amendment will not have a significant impact on the consolidated financial statements.

- *Amendment of Korean IFRS No.1116 "Leases" - Lease Liability in a Sale and Leaseback*

The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. This amendment will be applied to the financial statements for the accounting year beginning on or after January 1, 2024. The Group expects that this amendment will not have a significant impact on the consolidated financial statements.

- *Amendment of Korean IFRS No.1001 "Presentation of Financial Statements" - Disclosure of Virtual Asset*

The amendments require additional disclosure for virtual assets held by the Group, virtual assets entrusted by customers to the Group, and the issuance and transfer of virtual assets. This amendment will be applied to the financial statements for the accounting year beginning on or after January 1, 2024. The Group expects that this amendment will not have a significant impact on the consolidated financial statements.

#### 2.2 Measurement Basis

The consolidated financial statements have been prepared based on the historical cost accounting model unless otherwise specified.

#### 2.3 Functional and Presentation Currency

Items included in the financial statements of each entity of the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Korean won, which is the Parent Company's functional and presentation currency.

#### 2.4 Critical Accounting Estimates

The Group applies accounting policies and uses judgements, accounting estimates, and assumptions that may have a significant impact on the assets (liabilities) and incomes (expenses) in preparing the consolidated financial statements. Management's estimates of outcomes may differ from actual outcomes if management's estimates and assumptions based on management's best judgment are different from the actual environment.

Estimates and underlying assumptions are continually evaluated, and changes in accounting estimates are recognized in the period in which the estimates are changed and in any future periods affected.

Uncertainties in estimates and assumptions with significant risks that may result in material adjustments to the consolidated financial statements are as follows:

##### 2.4.1 Income taxes

As the income taxes on the Group's taxable income is calculated by applying the tax laws of various countries and the decisions of tax authorities, there is uncertainty in calculating the final tax effect.

If a certain portion of the taxable income is not used for investments, wages, etc. in accordance with the Korean regulation called 'Special Taxation for Facilitation of Investment and Mutually-beneficial Cooperation', the Group is liable to pay additional income tax calculated based on the tax laws. Therefore, the effect of recirculation of corporate income should be reflected in current and deferred income tax. As the Group's income tax is dependent on the actual investments, wages, etc. per each year, there are uncertainties in measuring the final tax effects during the period when the tax law is applied.

##### 2.4.2 Fair value of financial instruments

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available is determined by using valuation techniques. Financial instruments, which are not actively traded in the market and those with less transparent market prices, will have less objective fair values and require broad judgment on liquidity, concentration, uncertainty in market factors, assumptions in fair value determination, and other risks.

As described in the material accounting policies in Note 3.3 Recognition and Measurement of Financial Instruments, diverse valuation techniques are used to determine the fair value of financial instruments, from generally accepted market valuation models to internally developed valuation models that incorporate various types of assumptions and variables.

##### 2.4.3 Allowances and provisions for credit losses

The Group recognizes and measures allowances for credit losses of debt instruments measured at amortized cost, debt instruments measured at fair value through other comprehensive income, and lease receivables. Also, the Group recognizes and measures provisions for credit losses of acceptances and guarantees, and unused loan commitments. Accuracy of allowances and provisions for credit losses is dependent upon estimation of expected cash flows of the borrower subject to individual assessment of impairment, and upon assumptions and variables of model used in collective assessment of impairment and estimation of provisions for credit losses of acceptances and guarantees, and unused loan commitments.



## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

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#### 2.4.4 Measurement of net defined benefit assets(liabilities)

The present value of the net defined benefit assets(liabilities) is affected by changes in the various factors determined by the actuarial method.

#### 2.4.5 Impairment of goodwill

The recoverable amounts of cash-generating units are determined based on value-in-use calculations to test whether impairment of goodwill has occurred.

#### 2.4.6 The judgment and estimation uncertainty in measurement of insurance contracts

##### 2.4.6.1 Methods used to measure the future cash flows and estimation process of input variable

The estimated future cash flows are measured as the probability-weighted average of all possible outcomes, utilizing all reasonable and relevant information available without excessive cost or effort. Market and non-market variables are considered in measuring the cash flows within the boundary of the insurance contract. While deterministic scenarios (representing a range of probabilities) are typically used for calculating the probability-weighted average, probabilistic scenarios are employed when cash flows are influenced by complex underlying factors and nonlinear responses to economic conditions. The cash flows within the boundary of an insurance contract portfolio include both directly attributable cash flows and cash flows allocated from a higher level than the insurance contract portfolio. These cash flows are systematically and reasonably allocated, ensuring consistent methods are applied for similar types of cash flows.

The key assumptions used in estimating the future cash flows of the Group are as follows:

- Loss ratio: The loss ratio refers to the ratio of insurance claims paid to policyholders to the premiums received by the insurance company for providing risk coverage services to policyholders. The loss ratio, which is an estimation of future premiums and claims payable, is estimated based on objective and reliable data, using the best available methods to suit the intended application. Objective and reliable data refers to the most recent measured results made using the Group's experience statistics, insurance industry statistics, or national statistics, and others. It also means the best method that reasonably distinguishes characteristics such as the policyholder's gender, contract type, risk characteristics by distribution channel, and others.
- Expense ratio: Expense ratio refers to the costs incurred by insurance companies for the sale and management of insurance contracts. Expense ratio is calculated primarily considering the ongoing costs incurred by the insurance company, taking into account the going concern, and includes the allocation of both fixed and variable indirect expenses directly related to insurance contracts. Expense ratio also considers costs such as contract acquisition expense (regardless of whether premiums are paid or not), contract maintenance expense, and claims expense, distributed in order to manage cost by product and distribution channel.
- Lapse ratio: The lapse ratio is an estimate of future cancellations or lapses of insurance contracts among current customers of the insurance company. It is calculated for the purpose of predicting the level of future current premium payments and cancellation refunds. The statistics used for estimation primarily rely on experience statistics of the Group, and lapse ratio is calculated based on characteristics such as product type, distribution channel, payment method, and others, which can significantly affect lapse ratio.

##### 2.4.6.2 Estimation of Discretionary Cash Flows

Some contracts issued by the Group grant discretion to the Group regarding cash flows to be paid to policyholders. Changes in discretionary cash flows are considered related to future services, and adjust the contractual service margin. The Group identifies changes in discretionary cash flow by identifying assured cash flows at the initial recognition date of the contract. However, if it is not possible to distinguish between the portion considered assured and the portion considered discretionary, the profit within the estimated fulfillment cash flows is considered assured, and is updated to reflect current assumptions related to financial risk.

##### 2.4.6.3 Estimation of Risk Adjustment for Non-Financial Risk

Risk adjustment for non-financial risk is to adjust the present value estimates of future cash flows to reflect the compensation required by the Group for bearing the uncertainty about the amount and timing of cash flows arising from non-financial risk. This adjustment reflects the uncertainty of cash flows arising from all non-financial risks related to the insurance contracts and is estimated separately from all of the other estimates. The Group uses the confidence lever technique and the cost of capital methods for determining the risk adjustment for non-financial risk. Changes in risk adjustment for non-financial risk are disclosed separately for insurance service results and insurance finance income. The Group calculates this adjustment considering the diversification effect at the consolidated level and then allocated to individual contract units.

##### 2.4.6.4 Estimation of Discount Rate

The discount rate should only include relevant factors such as the time value of money, characteristics of cash flows from insurance contracts, and liquidity characteristics, and should be calculated using observable input variables to the maximum extent possible. The discount rate should also reflect all reasonable and supportable information on internal and external non-market variables available without undue cost or effort. The Group estimates the discount rate using a bottom-up approach. In the bottom-up approach, the discount rate is calculated using an unleveraged yield curve adjusted to reflect the characteristics of cash flows and liquidity of insurance contracts. To reflect the liquidity characteristics of insurance contracts, the risk-free yield curve is adjusted for illiquidity premium.

##### 2.4.6.5 Estimation of Investment Component

The investment component is the amount that the Group must repay to policyholders under insurance contracts in all circumstances, regardless of the occurrence of insurance events. The Group classifies cash outflows such as maturity refunds, cancellation refunds, annuity payments, and cash flows related to insurance policy loans as investment components.

##### 2.4.6.6 Estimation of Coverage Units

The quantity of insurance contract services provided is calculated based on the expected coverage period and maximum coverage amount (insurance amount), and for investment (related) services it is calculated based on the premium reserve (net of insurance policy loans). If insurance contracts within the group provide multiple services, weights are applied based on the total premium of each service. The quantity of services for each period and expected coverage period are calculated based on the expected persistency ratio applied in estimating the fulfillment cash flows, applied the present value effect.

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### 3. Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 3.1 Consolidation

##### 3.1.1 Subsidiaries

Subsidiaries are companies that are controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Also, the existence and effects of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls the investee. Subsidiaries are fully consolidated from the date when control is transferred to the Group and de-consolidated from the date when control is lost.

If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests, if any. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions (i.e., transactions with owners in their capacity as owners). The difference between fair value of any consideration paid and carrying amount of the subsidiary's net assets attributable to the additional interests acquired, is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group loses control, any investment retained in the former subsidiary is recognized at its fair value at the date when control is lost, with the resulting difference recognized in profit or loss. This fair value will be the fair value on initial recognition of a financial asset in accordance with Korean IFRS No.1109 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. In addition, all amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for on the same basis as would be required if the Group had directly disposed of the related assets or liabilities. Therefore, amounts previously recognized in other comprehensive income are reclassified to profit or loss.

The Group accounts for each business combination by applying the acquisition method. The consideration transferred is measured at fair value, and identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are initially measured at acquisition-date fair values. For each business combination, the Group measures non-controlling interests in the acquiree that entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation at either (a) fair value or (b) the proportionate share in the recognized amounts of the acquiree's identifiable net assets. Acquisition-related costs are expensed in the periods in which the costs are incurred.

##### 3.1.1 Subsidiaries (cont'd)

In a business combination achieved in stages, the Group shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate. In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognized in other comprehensive income shall be reclassified as profit or loss, or retained earnings, on the same basis as would be required if the Group had directly disposed of the previously held equity interest.

The Group applies the book-value method to account for business combinations of entities under common control. Identifiable assets acquired and liabilities assumed in a business combination are measured at their book value on the consolidated financial statements of the Group. In addition, the difference between (a) the sum of consolidated net book value of the assets and liabilities transferred and accumulated other comprehensive income and (b) the consideration paid, is recognized as capital surplus.

##### 3.1.2 Associates and joint ventures

Associates are entities over which the Group has significant influence over the financial and operating policy decisions. Generally, if the Group holds 20% or more of the voting power of the investee, it is presumed that the Group has significant influence.

Joint ventures are investments in which the Group has joint control over economic activities pursuant to contractual arrangement. Decisions about strategic financial and operating policies require unanimous consent of the parties sharing control.

Investments in associates and joint ventures are initially recognized at cost and equity method is applied after initial recognition. The carrying amount is increased or decreased to recognize the Group's share of the profit or loss of the investee and changes in the investee's equity after the date of acquisition. Distributions received from an investee reduce the carrying amount of the investment. Unrealized gains and losses resulting from transactions between the Group and associates are eliminated to the extent of the Group's share in associates. If unrealized losses are an indication of an impairment that requires recognition in the consolidated financial statements, those losses are recognized for the period.

If associates or joint ventures use accounting policies other than those of the Group for like transactions and events in similar circumstances, if necessary, adjustments shall be made to make the associates or joint ventures' accounting policies conform to those of the Group when the associates or joint ventures' financial statements are used by the Group in applying the equity method.

If the Group's share of losses of associates and joint ventures equals or exceeds its interest in the associates (including long-term interests that, in substance, form part of the Group's net investment in the associates), the Group discontinues recognizing its share of further losses. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee.

The Group determines at each reporting period whether there is any objective evidence that the investments in the associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying amount and recognizes the amount as non-operating expenses in the consolidated statement of comprehensive income.

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#### 3.1.3 Structured entity

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. When the Group decides whether it has power over the structured entities in which the Group has interests, it considers factors such as the purpose, the form, the substantive ability to direct the relevant activities of a structured entity, the nature of its relationship with a structured entity, and the amount of exposure to variable returns.

#### 3.1.4 Funds management

The Group manages and operates trust assets, collective investment, and other funds on behalf of investors. These trusts and funds are not consolidated, except for trusts and funds over which the Group has control.

#### 3.1.5 Intragroup transactions

Intragroup balances, income, expenses, and any unrealized gains and losses resulting from intragroup transactions are eliminated in full, in preparing the consolidated financial statements. If unrealized losses are an indication of an impairment that requires recognition in the consolidated financial statements, those losses are recognized for the period.

### 3.2 Foreign Currency

#### 3.2.1 Foreign currency transactions

A foreign currency transaction is recorded, at initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of each reporting period, foreign currency monetary items are translated using the closing rate which is the spot exchange rate at the end of the reporting period. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was measured and non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Except for the exchange differences for the net investment in a foreign operation and the financial liability designated as a hedging instrument of net investment, exchange differences arising on the settlement of monetary items or on translating monetary items are recognized in profit or loss. When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income, conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

#### 3.2.2 Foreign operations

The results and financial position of a foreign operation, whose functional currency differs from the Group's presentation currency, are translated into the Group's presentation currency based on the following procedures.

If the functional currency of a foreign operation is not the currency of a hyperinflationary economy, assets and liabilities for each statement of financial position presented (including comparatives) are translated at the closing rate at the end of the reporting period, income and expenses for each statement of comprehensive income presented (including comparatives) are translated using the average exchange rates for the period. All resulting exchange differences are recognized in other comprehensive income.

#### 3.2.2 Foreign operations (cont'd)

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation. Thus, they are expressed in the functional currency of the foreign operation and are translated into the presentation currency at the closing rate.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognized. On the partial disposal of a subsidiary that includes a foreign operation, the Group re-attributes the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income to the non-controlling interests in that foreign operation. In any other partial disposal of a foreign operation, the Group reclassifies to profit or loss only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income.

#### 3.2.3 Translation of the net investment in a foreign operation

A monetary item that is receivable from or payable to a foreign operation, for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the Group's net investment in that foreign operation, then foreign currency difference arising from that monetary item is recognized in the other comprehensive income and shall be reclassified to profit or loss on disposal of the net investment.

### 3.3 Recognition and Measurement of Financial Instruments

#### 3.3.1 Initial recognition

The Group recognizes a financial asset or a financial liability in its consolidated statement of financial position when the Group becomes party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets (a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned) is recognized and derecognized using trade date accounting.

For financial reporting purpose, the Group classifies (a) financial assets as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, or financial assets at amortized cost and (b) financial liabilities as financial liabilities at fair value through profit or loss, or other financial liabilities. These classifications are based on the business model for managing financial instruments and the contractual cash flow characteristics of the financial instrument at initial recognition.

At initial recognition, a financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value of a financial instrument on initial recognition is normally the transaction price (that is, the fair value of the consideration given or received) in an arm's length transaction.

#### 3.3.2 Subsequent measurement

After initial recognition, financial instruments are measured at amortized cost or fair value based on classification at initial recognition.

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##### 3.3.2.1 Amortized cost

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

##### 3.3.2.2 Fair value

The Group uses quoted price in an active market which is based on listed market price or dealer price quotations of financial instruments traded in an active market as best estimate of fair value. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

If there is no active market for a financial instrument, fair value is determined either by using a valuation technique or independent third-party valuation service. Valuation techniques include using recent arm's length market transactions between knowledgeable and willing parties, if available, referencing the current fair value of another instrument that is substantially the same, discounted cash flow analysis, and option pricing models.

The Group uses valuation models that are commonly used by market participants and customized for the Group to determine fair values of common over-the-counter ("OTC") derivatives such as options, interest rate swaps, and currency swaps which are based on the inputs observable in markets. However, for some complex financial instruments that require fair value measurement by valuation techniques based on certain assumptions because some or all inputs used in the model are not observable in the market, the Group uses internal valuation models developed from general valuation models or valuation results from independent external valuation institutions.

In addition, the fair value information recognized in the consolidated statement of financial position is classified into the following fair value hierarchy, reflecting the significance of the input variables used in the fair value measurement.

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 : Unobservable inputs for the asset or liability

The fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment using unobservable inputs, that measurement is a Level 3 measurement.

If the valuation technique does not reflect all factors which market participants would consider in pricing the asset or liability, the fair value is adjusted to reflect those factors. Those factors include counterparty credit risk, bid-ask spread, liquidity risk, and others.

##### 3.3.2.2 Fair value (cont'd)

The Group uses valuation technique which maximizes the use of market inputs and minimizes the use of entity-specific inputs. It incorporates all factors that market participants would consider in pricing the asset or liability and is consistent with economic methodologies applied for pricing financial instruments. Periodically, the Group calibrates the valuation technique and tests its validity using prices of observable current market transactions of the same instrument or based on other relevant observable market data.

##### 3.3.3 Derecognition

Derecognition is the removal of a previously recognized financial asset or financial liability from the consolidated statement of financial position. The derecognition criteria for financial assets and financial liabilities are as follows:

###### 3.3.3.1 Derecognition of financial assets

A financial asset is derecognized when the contractual rights to the cash flows from the financial assets expire or the Group transfers substantially all the risks and rewards of ownership of the financial asset, or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and the Group has not retained control. Therefore, if the Group does not transfer substantially all the risks and rewards of ownership of the financial asset, the Group continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

If the Group transfers the contractual rights to receive the cash flows of the financial asset but retains substantially all the risks and rewards of ownership of the financial asset, the Group continues to recognize the transferred asset in its entirety and recognize a financial liability for the consideration received.

The Group writes off a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. In general, the Group considers write-off when it is determined that the debtor does not have sufficient funds or income to cover the principal and interest. The write-off decision is made in accordance with internal regulations. After the write-off, the Group can continue to collect the written-off loans according to the internal policy. Recovered amounts from financial assets previously written-off are recognized in profit or loss.

###### 3.3.3.2 Derecognition of financial liabilities

A financial liability is derecognized from the consolidated statement of financial position when it is extinguished (i.e., the obligation specified in the contract is discharged, canceled or expires).

##### 3.3.4 Offsetting

A financial asset and a financial liability are offset, and the net amount is presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on a future event and must be legally enforceable in the normal course of business, the event of default, and the event of insolvency or bankruptcy of the Group and all of the counterparties.

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#### 3.4 Cash and Due from Financial Institutions

Cash and due from financial institutions include cash on hand, foreign currency, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and due from financial institutions. Cash and due from financial institutions are measured at amortized cost.

#### 3.5 Non-derivative Financial Assets

##### 3.5.1 Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss unless they are classified as financial assets at amortized cost or at fair value through other comprehensive income.

The Group may designate certain financial assets upon initial recognition as at fair value through profit or loss when the designation eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

After initial recognition, a financial asset at fair value through profit or loss is measured at fair value and gains or losses arising from a change in fair value are recognized in profit or loss. Interest income using the effective interest method and dividend income from financial assets at fair value through profit or loss are also recognized in profit or loss.

##### 3.5.2 Financial assets at fair value through other comprehensive income

The Group classifies below financial assets as financial assets at fair value through other comprehensive income:

- Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and where the assets' cash flows represent solely payments of principal and interest on the principal amount outstanding and;
- Equity instruments that are not held for short-term trading but held for strategic investment, and designated as financial assets at fair value through other comprehensive income

After initial recognition, a financial asset at fair value through other comprehensive income is measured at fair value. Gains or losses arising from a change in fair value, other than dividend income, interest income calculated using the effective interest method and exchange differences arising on monetary items which are recognized directly in profit or loss, are recognized in other comprehensive income in equity.

When the financial assets at fair value through other comprehensive income is disposed of, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. However, cumulative gain or loss of equity instruments designated at fair value through other comprehensive income is reclassified to retained earnings not to profit or loss at disposal.

A financial asset at fair value through other comprehensive income denominated in foreign currency is translated at the closing rate. Exchange differences resulting from changes in amortized cost are recognized in profit or loss, and other changes are recognized in equity.

##### 3.5.3 Financial assets at amortized cost

A financial asset, which is held within the business model whose objective is achieved by collecting contractual cash flows, and where the assets' cash flows represent solely payments of principal and interest on the principal amount outstanding, is classified as a financial asset at amortized cost. After initial recognition, a financial asset at amortized cost is measured at amortized cost using the effective interest method and interest income is calculated using the effective interest method.

#### 3.6 Expected Credit Losses of Financial Assets (Debt Instruments)

The Group recognizes loss allowances for expected credit losses at the end of the reporting period for financial assets at amortized cost and fair value through other comprehensive income except for financial assets at fair value through profit or loss.

Expected credit losses are estimated at present value of probability-weighted amount that is determined by evaluating a range of possible outcomes. The Group measures expected credit losses by reflecting all reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

The approaches of measuring expected credit losses in accordance with Korean IFRS are as follows:

- General approach: for financial assets and unused loan commitments not subject to the below 2 approaches
- Simplified approach: for trade receivables, contract assets, and lease receivables
- Credit-impaired approach: for financial assets that are credit-impaired at the time of acquisition

Application of general approach is differentiated depending on whether credit risk has increased significantly after initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures loss allowances for that financial instrument at an amount equal to 12-month expected credit losses, whereas if the credit risk on a financial instrument has increased significantly since initial recognition, the Group measures loss allowances for a financial instrument at an amount equal to the lifetime expected credit losses. Lifetime is the period until the contractual maturity date of financial instruments and means the expected life.

The Group assesses whether the credit risk has increased significantly using the following criteria, and if one or more of the following criteria are met, it is deemed as significant increase in credit risk. Criterion of more than 30 days past due is applied to all subsidiaries, and other criteria are applied selectively considering specific indicators of each subsidiary or additionally considering specific indicators of each subsidiary. If the contractual cash flows of a financial asset have been renegotiated or modified, the Group assesses whether the credit risk has increased significantly using the same following criteria.

- More than 30 days past due
- Decline in credit rating at the end of the reporting period by certain notches or more compared to the time of initial recognition
- Subsequent managing ratings below certain level in the early warning system
- Debt restructuring (except for impaired financial assets) and
- Credit delinquency information of Korea Federation of Banks, etc.

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#### 3.6 Expected Credit Losses of Financial Assets (Debt Instruments) (cont'd)

Under simplified approach, the Group always measures loss allowances at an amount equal to lifetime expected credit losses. Under credit-impaired approach, the Group only recognizes the cumulative changes in lifetime expected credit losses since initial recognition as loss allowances at the end of the reporting period. In assessing credit impairment, the Group uses definition of default as in the new Basel Accord which rules calculation of Capital Adequacy Ratio.

The Group generally considers the loan to be credit-impaired if one or more of the following criteria are met:

- 90 days or more past due
- Legal proceedings related to collection
- A borrower registered on the credit management list of Korea Federation of Banks
- A corporate borrower with the credit rating C and D
- Refinancing and
- Debt restructuring, etc.

##### 3.6.1 Forward-looking information

The Group uses forward-looking information, when determining whether credit risk has increased significantly and measuring expected credit losses.

The Group assumes that the risk components have a constant correlation with the economic cycle and uses statistical methodologies to estimate the relation between key macroeconomic variables and risk components for the expected credit losses.

The correlation between the major macroeconomic variables and the credit risk are as follows:

| Key macroeconomic variables   | Correlation between the major macroeconomic variables and the credit risk |
|---|---|
| Domestic GDP growth rate  | (-)   |
| Benchmark interest rate   | (+)   |
| Three-year yields of Korea treasury bond                                | (+)   |
| AA- rated corporate bond (3-year)                                       | (+)   |
| BBB- rated corporate bond (3-year)                                      | (+)   |
| Composite stock index   | (-)   |
| Rate of increase in housing transaction price index (Metropolitan Area) | (-)   |
| WTI crude oil price   | (+)   |
| Growth rate of construction investment                                  | (-)   |
| Current account balance   | (-)   |
| Unemployment rate   | (+)   |
| Rate of increase in housing transaction price index (Nationwide)        | (-)   |
| Total import  | (-)   |

##### 3.6.1 Forward-looking information (cont'd)

Forward-looking information used in calculation of expected credit losses is based on the macroeconomic forecasts utilized by management of the Group for its business plan considering reliable external agency's forecasts and others. The forward-looking information is generated by KB Research with a comprehensive approach to capture the possibility of various economic forecast scenarios that are derived from the internal and external viewpoints of the macroeconomic situation. The Group determines the macroeconomic variables to be used in forecasting future conditions of the economy, considering the direction of the forecast scenario and the significant relationship between macroeconomic variables and time series data. And there are some changes compared to the macroeconomic variables used in the previous year.

As of December 31, 2023, the Group measures expected credit losses to the financial assets by applying both the worse scenario and the crisis scenario, etc. taking into consideration the uncertain financial environment internally and externally and the potential credit risk resulting from the rapid economic recession.

##### 3.6.2 Measuring expected credit losses on financial assets at amortized cost

The expected credit losses of financial assets at amortized cost are measured as present value of the difference between the contractual cash flows to be received and the cash flows expected to be received. The Group estimates expected future cash flows for financial assets that are individually significant. The Group selects the individually significant financial assets by comprehensively considering quantitative and qualitative factors (such as debt restructuring or negative net assets, etc.) among financial assets with the credit risk has increased significantly or credit-impaired (individual assessment of impairment).

For financial assets that are not individually significant, the Group collectively estimates expected credit losses by grouping loans with a homogeneous credit risk profile (collective assessment of impairment).

##### 3.6.2.1 Individual assessment of impairment

Individual assessment of impairment losses is performed using management's best estimate on the present value of expected future cash flows. The Group uses all the available information including financial condition of the borrower such as operating cash flow and net realizable value of any collateral held.

##### 3.6.2.2 Collective assessment of impairment

Collective assessment of impairment losses is performed by using a methodology based on historical loss experience and reflecting forward-looking information. Such a process incorporates factors such as type of collateral, type of product, type of borrower, credit rating, size of portfolio, and recovery period and applies Probability of Default ("PD") on a group of assets and Loss Given Default ("LGD") by type of recovery method. Also, the Group applies certain assumptions to model expected credit losses assessment and to determine input based on loss experience and forward-looking information. These models and assumptions are periodically reviewed to reduce the gap between loss estimate and actual loss experience.

The lifetime expected credit losses are measured by applying the PD to the carrying amount calculated by deducting the expected principal repayment amount from the carrying amount as of the reporting date and the LGD adjusted to reflect changes in the carrying amount.

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#### 3.6.3 Measuring expected credit losses on financial assets at fair value through other comprehensive income

The Group measures expected credit losses on financial assets at fair value through other comprehensive income in a manner that is consistent with the requirements that are applicable to financial assets at amortized cost. However, loss allowances are recognized in other comprehensive income. Upon disposal or repayment of financial assets at fair value through other comprehensive income, the amount of loss allowances is reclassified from other comprehensive income to profit or loss.

### 3.7 Derivative Financial Instruments

The Group enters into numerous derivative financial instrument contracts such as currency forwards, interest rate swaps, currency swaps, and others for trading purposes or to manage its interest rate risk, currency risk, and others. The Group's derivative financial instruments business focuses on addressing the needs of the Group's corporate clients to hedge their risk exposure and to hedge the Group's risk exposure that results from such client contracts. These derivative financial instruments are presented as derivative financial instruments in the consolidated financial statements irrespective of transaction purpose and subsequent measurement requirement.

The Group designates certain derivative financial instruments as hedging instruments to hedge the risk of changes in fair value of a recognized asset or liability or of an unrecognized firm commitment (fair value hedge) and the risk of changes in cash flow (cash flow hedge). The Group designates certain derivative and non-derivative financial instruments as hedging instruments to hedge the currency risk of the net investment in a foreign operation (hedge of net investment).

At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. This documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, the inception date of hedging relationship and how the Group will assess the hedging instrument's effectiveness in offsetting the changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Derivative financial instruments are initially recognized at fair value. After initial recognition, derivative financial instruments are measured at fair value, and changes therein are accounted for as described below.

#### 3.7.1 Derivative financial instruments held for trading

All derivative financial instruments, except for derivatives that are designated and qualify for hedge accounting, are measured at fair value. Gains or losses arising from changes in fair value are recognized in profit or loss as part of net gains or losses on financial instruments at fair value through profit or loss.

#### 3.7.2 Derivative financial instruments for fair value hedges

If derivative financial instruments are designated and qualify for fair value hedges, changes in fair value of the hedging instrument and changes in fair value of the hedged item attributable to the hedged risk are recognized in profit or loss as part of other operating income or expenses. If the hedged items are equity instruments for which the Group has elected to present changes in fair value in other comprehensive income, changes in fair value of the hedging instrument and changes in fair value of the hedged item attributable to the hedged risk are recognized in other comprehensive income.

#### 3.7.2 Derivative financial instruments for fair value hedges(cont'd)

Fair value hedge accounting is discontinued prospectively if the hedging instrument expires or is sold, terminated or exercised, or the hedging relationship ceases to meet the qualifying criteria. Once fair value hedge accounting is discontinued, the adjustment to the carrying amount of a hedged item is amortized to profit or loss by the maturity of the financial instrument using the effective interest method.

#### 3.7.3 Derivative financial instruments for cash flow hedges

The effective portion of changes in fair value of derivative financial instruments that are designated and qualify for cash flow hedges is recognized in other comprehensive income, limited to the cumulative change in fair value (present value) of the hedged item (the present value of the cumulative change in the hedged expected future cash flows) from inception of the hedge. The ineffective portion is recognized in profit or loss as other operating income or expenses. The associated gains or losses that were previously recognized in other comprehensive income are reclassified from equity to profit or loss (other operating income or expenses) as a reclassification adjustment in the same period or periods during which the hedged forecast cash flows affect profit or loss. Cash flow hedge accounting is discontinued prospectively if the hedging instrument expires or is sold, terminated or exercised, or the hedging relationship ceases to meet the qualifying criteria. When the cash flow hedge accounting is discontinued, the cumulative gains or losses on the hedging instrument that have been recognized in other comprehensive income are reclassified to profit or loss over the period in which the forecast transaction occurs. If the forecast transaction is no longer expected to occur, the cumulative gains or losses that have been recognized in other comprehensive income are immediately reclassified to profit or loss.

#### 3.7.4 Derivative and non-derivative financial instruments designated for net investments hedges

If derivative and non-derivative financial instruments are designated and qualify for the net investment hedge, the effective portion of changes in fair value of the hedging instrument is recognized in other comprehensive income and the ineffective portion is recognized in profit or loss as other operating income or expenses. The cumulative gains or losses on the hedging instrument relating to the effective portion of the hedge that have been accumulated in other comprehensive income will be reclassified from other comprehensive income to profit or loss as a reclassification adjustment on the disposal or partial disposal of the foreign operation.

#### 3.7.5 Embedded derivatives

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if, (a) the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract, (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and (c) the hybrid contract contains a host that is not a financial asset and is not designated as at fair value through profit or loss. Gains or losses arising from a change in fair value of an embedded derivative separated from the host contract are recognized in profit or loss as part of net gains or losses on financial instruments at fair value through profit or loss.

#### 3.7.6 Day one gains or losses

If the Group uses a valuation technique that incorporates unobservable inputs for the fair value of the OTC derivatives at initial recognition, there may be a difference between the transaction price and the amount determined using that valuation technique. In these circumstances, the difference is not recognized in profit or loss but deferred and amortized using the straight-line method over the life of the financial instrument. If the fair value is subsequently determined using observable inputs, the remaining deferred amount is recognized in profit or loss as part of net gains or losses on financial instruments at fair value through profit or loss or other operating income or expenses.

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#### 3.8 Property and Equipment

##### 3.8.1 Recognition and measurement

Property and equipment that qualify for recognition as an asset are measured at cost and subsequently carried at its cost less any accumulated depreciation and any accumulated impairment losses.

The cost of property and equipment includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditures are capitalized only when they prolong the useful life or enhance values of the assets but the costs of the day-to-day servicing of the assets such as repair and maintenance costs are recognized in profit or loss as incurred. When part of an item of property and equipment has a useful life different from that of the entire asset, it is recognized as a separate asset.

##### 3.8.2 Depreciation

Land is not depreciated, whereas other property and equipment are depreciated using the method that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Group. The depreciable amount of an asset is determined after deducting its residual value.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method and estimated useful life of property and equipment are as follows:

| Property and equipment | Depreciation method              | Estimated useful life |
|------------------------|----------------------------------|-----------------------|
| Buildings              | Straight-line                    | 20~40 years           |
| Leasehold improvements | Declining-balance/ Straight-line | 4~15 years            |
| Equipment and vehicles | Declining-balance/ Straight-line | 3~15 years            |

The residual value, the useful life, and the depreciation method applied to an asset are reviewed at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

#### 3.9 Investment Properties

##### 3.9.1 Recognition and measurement

Properties held to earn rentals or for capital appreciation or both are classified as investment properties. Investment properties are measured initially at their cost and subsequently the cost model is used.

##### 3.9.2 Depreciation

Land is not depreciated, whereas other investment properties are depreciated using the method that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Group. The depreciable amount of an asset is determined after deducting its residual value.

The depreciation method and estimated useful life of investment properties are as follows:

| Investment properties | Depreciation method | Estimated useful life |
|-----------------------|---------------------|-----------------------|
| Buildings             | Straight-line       | 20~40 years           |

The residual value, the useful life, and the depreciation method applied to an asset are reviewed at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

#### 3.10 Intangible Assets

Intangible assets are measured initially at cost and subsequently carried at their cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets, except for goodwill and membership rights, are amortized using the straight-line or declining-balance method with no residual value over their estimated useful life since the assets are available for use.

| Intangible assets          | Amortization method               | Estimated useful life |
|----------------------------|-----------------------------------|-----------------------|
| Industrial property rights | Straight-line                     | 3 ~ 19 years          |
| Software                   | Straight-line                     | 3 ~ 5 years           |
| Others                     | Straight-line / Declining-balance | 1 ~ 13 years          |

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Where an intangible asset is not being amortized because its useful life is indefinite, the Group carries out a review in each accounting period to confirm whether events and circumstances still support an indefinite useful life assessment. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate.



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#### 3.10.1 Goodwill

##### 3.10.1.1 Recognition and measurement

Goodwill related to business combinations before January 1, 2010, is stated at its carrying amount, which was recognized under the Group's previous accounting policy, prior to the transition to Korean IFRS.

Goodwill acquired from business combinations after January 1, 2010, is initially measured as the excess of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, the difference is recognized in profit or loss.

For each business combination, the Group decides at the acquisition date whether the non-controlling interests in the acquiree are initially measured at fair value or at the non-controlling interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets.

Acquisition-related costs incurred to effect a business combination are charged to expenses in the periods in which the costs are incurred and the services are received, except for the costs to issue debt or equity securities.

##### 3.10.1.2 Additional acquisitions of non-controlling interests

Additional acquisitions of non-controlling interests are accounted for as equity transactions. Therefore, no additional goodwill is recognized.

##### 3.10.1.3 Subsequent measurement

Goodwill is not amortized and is stated at cost less accumulated impairment losses. However, goodwill that forms part of the carrying amount of an investment in associates is not separately recognized and an impairment loss recognized is not allocated to any asset, including goodwill, which forms part of the carrying amount of the investment in the associates.

#### 3.10.2 Subsequent expenditures

Subsequent expenditures are capitalized only when they enhance values of the assets. Internally generated intangible assets, such as goodwill and trade name, are not recognized as assets but expensed as incurred.

#### 3.11 Impairment of Non-financial Assets

The Group assesses at the end of each reporting period whether there is any indication that a non-financial asset, except for (a) deferred income tax assets, (b) assets arising from employee benefits and (c) non-current assets (or group of assets to be sold) classified as held for sale, may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. However, irrespective of whether there is any indication of impairment, the Group tests (a) goodwill acquired in a business combination, (b) intangible assets with an indefinite useful life and (c) intangible assets not yet available for use for impairment annually by comparing their carrying amount with their recoverable amount.

The recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit that are discounted by a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss and recognized immediately in profit or loss. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units that is expected to benefit from the synergies of the combination. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

An impairment loss recognized for goodwill is not reversed in a subsequent period. The Group assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset, other than goodwill, may no longer exist or may have decreased, and an impairment loss recognized in prior periods for an asset other than goodwill shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss cannot exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

#### 3.12 Non-current Assets Held for Sale

A non-current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition and its sale must be highly probable. A non-current asset (or disposal group) classified as held for sale is measured at the lower of (a) its carrying amount measured in accordance with the applicable Korean IFRS, immediately before the initial classification of the asset (or disposal group) as held for sale and (b) fair value less costs to sell.

A non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale is not depreciated (or amortized).

Impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. Gain is recognized for any subsequent increase in fair value less costs to sell of an asset, but not in excess of the cumulative impairment loss that has been recognized.

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#### 3.13 Financial Liabilities

The Group classifies financial liabilities into financial liabilities at fair value through profit or loss or other financial liabilities in accordance with the substance of the contractual arrangement and the definitions of financial liabilities. The Group recognizes financial liabilities in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the financial liability.

##### 3.13.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading or designated as such at initial recognition. After initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. At initial recognition, transaction costs that are directly attributable to the acquisition are recognized in profit or loss as incurred.

In relation to securities lending or borrowing transactions, when the Group borrows securities from the Korea Securities Depository and others, these transactions are managed as off-balance sheet items. The borrowed securities are treated as financial liabilities at fair value through profit or loss when they are sold. Changes in fair value at the end of the reporting period and difference between carrying amount at redemption and purchased amount are recognized in profit or loss.

In addition, the change in fair value of the financial liability designated at fair value through profit or loss that is attributable to change in the credit risk of that liability, the Group presents this change in other comprehensive income, and does not recycle this to profit or loss in accordance with Korean IFRS No.1109. However, if this treatment creates or enlarges an accounting mismatch, the Group recognizes this change in profit or loss.

##### 3.13.2 Other financial liabilities

Non-derivative financial liabilities other than financial liabilities at fair value through profit or loss are classified as other financial liabilities. Other financial liabilities include deposits, borrowings, debentures, and others. At initial recognition, other financial liabilities are measured at fair value minus transaction costs that are directly attributable to the acquisition. After initial recognition, other financial liabilities are measured at amortized cost, and its interest expense is recognized, using the effective interest method.

When an asset is sold under repurchase agreement, the Group continues to recognize the asset with the amount sold being accounted for as borrowings. The Group derecognizes a financial liability from the consolidated statement of financial position only when it is extinguished (i.e., when the obligation specified in the contract is discharged, canceled or expires).

#### 3.14 Insurance Contracts

KB Insurance Co., Ltd. and KB Life Insurance Co., Ltd., the subsidiaries of the Group, issue insurance contracts. The Group accounts for these contracts by applying Korean IFRS No.1117.

##### 3.14.1 Definition and classification of insurance contracts

Insurance contract is defined as a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. This assessment is carried out for each contract individually at the date of inception. The Group determined that the insurance risk related to the contract is significant if the issuer has to pay a significant additional benefits in any scenario that has commercial substance, even if the insured event is extremely unlikely, or even if the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

The Group issues insurance contracts that contain participation features, allowing policyholders to participate in the investment returns of the Group, in addition to being compensated for insurance risks. Contracts with participation features are classified as insurance contracts with direct participation features if they meet the following criteria. At the beginning of an insurance contract, the Group evaluates whether the contract meets the following criteria.

- The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items
- The Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items

Furthermore, the Group issues investment contracts with discretionary participation features, which are associated with groups of assets identical to those of insurance contracts and share similar economic characteristics with insurance contracts.

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#### 3.14.2 Level of aggregation

The Group identifies portfolios by aggregating insurance contracts subject to similar risks and managed together. Each portfolio is segmented into groups of insurance contracts applying the recognition and measurement requirements of IFRS 17. The Group distinguishes insurance contracts based on their issuance date at initial recognition. A cohort consists of contracts issued within a 12-month period, and is further segmented into three groups based on the possibility of becoming onerous.

- a group of contracts that are onerous at initial recognition
- a group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently
- a group of the remaining contracts in the portfolio

The possibility of insurance contracts, at the lowest level of group of contracts, becoming onerous is determined based on the expected cash flows (fulfillment cash flow decided based on probability weighting) at initial recognition. The Group does not reassess the composition of the groups decided at the initial recognition date subsequently.

#### 3.14.3 Recognition

The group recognizes a group of insurance contracts it issues from the earliest of the following:

- the beginning of the coverage period of the group of contracts
- the date when the first payment from a policyholder in the group becomes due
- for a group of onerous contracts, when the group becomes onerous.

The group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date that any underlying insurance contract is initially recognized, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

The group recognizes investment contracts with discretionary participation features at the date the Group becomes a party to the contract.

#### 3.14.4 Contract boundary

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

A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks
- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

The Group evaluates contract boundaries at initial recognition and each subsequent reporting date to reflect changes in circumstances affecting substantive rights and obligations.

#### 3.14.5 Measurement: Insurance contracts not applying the premium allocation approach

##### 3.14.5.1 Measurement on initial recognition

The group measures group of contracts as the sum of the fulfillment cash flows and the contractual service margin at the initial measurement. Fulfillment cash flows comprise estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks related to the future cash flows, and a risk adjustment for non-financial risk.

Estimates of future cash flows is calculated by the probability-weighted average of all possible outcomes using all reasonable and supportable information available without undue cost or effort, considering both market and non-market variables, for cash flows within the contract boundary. The Group updates the estimates using all new information available, including information about past trends and evidence.

The risk adjustment for non-financial risk represents a liability that reflects the compensation that the insurer requires for bearing the uncertainty about the amounts and timing of cash flows arising from non-financial risk. Non-financial risks that are the subject of risk adjustment include insurance risk and other non-financial risks (such as lapse risk and expense risk). The Group calculates the risk adjustment for non-financial risk using techniques such as the confidence level method and the cost of capital method. The Group calculates the risk adjustment for non-financial risk at the level of the company, and after considering diversification effects, allocates it to individual groups of insurance contracts.

Contractual service margin represents the unearned profit the entity will recognize as it provides insurance contract services in the future. The group measures the contractual service margin on initial recognition of a group of insurance contracts at an amount that results in no income or expenses if the fulfillment cash flows at the initial recognition are net inflows. On the other hand, if the fulfillment cash flows are net outflow at the initial recognition, the Group classifies the group of contracts as an onerous group, recognizes the expected net outflow as an expense and manages loss component for subsequent measurement.

##### 3.14.5.2 Subsequent measurement of the general measurement model

At the end of each reporting period, the carrying amount of group of contracts is the sum of estimated liability for incurred claims and liability for remaining coverage. Liability for remaining coverage comprises contractual service margin and expected fulfillment cash flows related to future services allocated to the group of contracts at the end of the reporting period. Liability for incurred claims comprises unpaid claims and insurance expenses, including reported but not yet paid claims, incurred but not reported claims, and dividends payable according to supervisory regulations.

The Group updates the fulfillment cash flows of both liability for incurred claims and liability for remaining coverage at each reporting date to reflect current estimates of the amounts, timing, and uncertainty of future cash flows, considering not only discount rates and other financial variables but also non-financial risk.

Experience adjustments is the differences between the following:

- The estimated expected cash flows at the beginning of reporting period and the actual cash flows received during the reporting period (including premiums received, cash flows related to insurance acquisition, and premium taxes paid)

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##### 3.14.5.2 Subsequent measurement of the general measurement model (cont'd)

- The estimated expected cash flows at the beginning of reporting period and the actual insurance service expenses incurred during the reporting period (excluding insurance acquisition costs)

Experience adjustments related to current or past services are recognized in profit or loss. For incurred claims (including those that have been incurred but not reported) and other incurred insurance service expenses, experience adjustments are always related to current or past services and are included as part of insurance service expenses in profit or loss. Changes in fulfillment cash flows related to future services are included in liability for remaining coverage by adjusting contractual service margin.

For insurance contracts without direct participation features, the carrying amount of the contractual service margin of a group of contracts at the end of the reporting period equals the carrying amount at the start of the reporting period adjusted for:

- the effect of any new contracts added to the group
- interest accreted on the carrying amount of the contractual service margin during the reporting period, measured at the discount rates determined at initial recognition
- the changes in fulfillment cash flows relating to future service, except to the extent that:
  - (i) such increases in the fulfillment cash flows exceed the carrying amount of the contractual service margin, giving rise to a loss
  - (ii) such decreases in the fulfillment cash flows are allocated to the loss component of the liability for remaining coverage
- the effect of any currency exchange differences on the contractual service margin
- the amount recognized as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the contractual service margin remaining at the end of the reporting period.

When fulfillment cash flows related to future services increase additionally, the cash flows result in an increase in the loss component of the group of contracts, and the increased loss component is recognized in profit or loss when the cash flows occur. Subsequently, decreases in fulfillment cash flows related to future services do not adjust contractual service margin until the loss component is fully recovered through profit or loss.

##### 3.14.5.3 Subsequent Measurement of the Variable Fee Approach

The Group issues insurance contracts with direct participation features that provide significant investment-related services. Except for the following, the Group applies the same accounting policy for measuring insurance contracts under the variable fee approach as for measuring insurance contracts under the general measurement model.

For insurance contracts with direct participation features, the carrying amount of the contractual service margin of a group of contracts at the end of the reporting period equals the carrying amount at the start of the reporting period adjusted for the amounts specified below:

- the effect of any new contracts added to the group
- the change in the amount of the Group's share of the fair value of the underlying items except to the extent that
  - (i) The amount of contractual service margin recognized in profit or loss due to the offsetting effect of risk mitigation instruments
  - (ii) the decrease in the amount of the Group's share of the fair value of the underlying items exceeding the carrying amount of the contractual service margin, giving rise to a loss
  - (iii) the increase in the amount of the Group's share of the fair value of the underlying items that causes reversal of loss component of an onerous group

##### 3.14.5.3 Subsequent Measurement of the Variable Fee Approach (cont'd)

- the changes in fulfillment cash flows relating to future service, except to the extent that:
  - (i) The amount of contractual service margin recognized in profit or loss due to the offsetting effect of risk mitigation instruments
  - (ii) The increases in the fulfillment cash flows that exceeds the carrying amount of the contractual service margin, giving rise to a loss
  - (iii) The decreases in the fulfillment cash flows that causes reversal of loss component of an onerous group
- the effect of any currency exchange differences arising on the contractual service margin
- the amount recognized as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the contractual service margin remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period

All adjustments to contractual service margins are measured, considering the present value of currency, which is currently measured, taking into account all financial variables that affect the fair value gains arising from the underlying items. When applying the variable fee approach, the changes in the fulfillment cash flows adjusting the contractual service margin is composed of changes in the Group's share of the fair value of the underlying items and the changes in the fulfillment cash flows that do not vary based on returns on the underlying items. The changes in the fulfillment cash flows that do not vary based on returns on the underlying items are as follows:

- changes in the effect of currency risk and the effect of financial risk not arising from underlying items, such as the impact of financial guarantees
- experience adjustments arising from premiums received during the period related to future services
- changes in estimated future cash flows of liability for remaining coverage
- differences in the payment timing of investment components
- changes in risk adjustment for non-financial risk related to future services

##### 3.14.5.4 Reinsurance contract

The Group applies the same accounting policy for measuring reinsurance contracts as for measuring insurance contracts, except for the following.

The Group includes all effects of risks related to the reinsurer's default (including effects from security and losses due to disputes) when measuring the reinsurance contract group. The Group remeasures the effects of the reinsurer's default risk at the end of each reporting period and recognizes the changes in the effects of default risk in profit or loss. The Group calculates the risk adjustment for non-financial risks to reflect the risks transferred to the reinsurer. Reinsurance contracts are not classified as onerous groups and do not recognize in profit or loss the expected outflows at the initial recognition, even if the fulfillment cash flows at initial recognition are outflows, considering the nature of reinsurance. However, if the net cost of purchasing reinsurance coverage is related to events that have occurred before the reinsurance contract is purchased, such costs are recognized as expenses immediately.

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##### 3.14.5.5 Insurance revenue

The Group recognizes insurance revenue as the amount the Group expects to be entitled in exchange for provision of services arising from group of insurance contracts. Total insurance revenue for group of contracts is the amount received in premiums for the contracts, adjusted for financial effects and excluding all investment elements.

The amount of contractual service margin recognized as insurance revenue during the reporting period is determined by allocating the unamortized contractual service margin at the end of the reporting period for each unit of coverage provided during the reporting period and expected to be provided in the future. The number of coverage units in a group of contracts is the quantity of insurance contract services provided from insurance contracts within the group, and is determined based on the number of benefits provided and the expected duration of coverage under each contract.

Insurance acquisition cash flows are systematically allocated over each reporting period, recognized in equal amounts of insurance revenue and insurance expenses.

Loss component is allocated systematically, and the total amount allocated to the loss component becomes zero by the end of the coverage period of group of contracts. The portion of the allocated loss component for the reporting period is excluded from recognition in both insurance revenue and insurance expenses.

##### 3.14.5.6 Insurance finance income or expenses

Insurance finance income consists of changes in the carrying amount of the groups of insurance contracts and reinsurance contracts arising from the effect of the time value of money and financial risk. The Group decides whether to disaggregate insurance finance income or expenses for the period between profit or loss and other comprehensive income for each portfolio. Systematic allocation involves allocating the expected total insurance finance income or expenses over the duration of the group of contracts, and recognizing the portion attributed to the reporting period in profit or loss and the remaining portion in other comprehensive income.

For insurance contracts where changes in financial risk related assumptions significantly impact the amounts paid to policyholders, the Group uses a single discount rate to allocate the modified expected insurance finance income or expenses for the remaining coverage period of the group of contracts. Otherwise, the Group calculates insurance finance income or expenses using the discount rate determined at the date of initial recognition.

Insurance finance income or expenses arising from contractual service margin is systematically allocated using the discount rate determined at the date of initial recognition.

When the Group transfers insurance contracts to a third party or derecognize them due to changes in insurance contract terms, the accumulated other comprehensive income related to those insurance contracts is reclassified to profit or loss.

##### 3.14.5.7 Reinsurance revenue and expenses

The Group recognizes separately the amounts recovered from reinsurers and the allocation of reinsurance premiums paid in reinsurance contracts. Changes in the carrying amount of reinsurance assets for remaining coverage resulting from the reinsurance services received are recognized as reinsurance expenses, while amounts recovered from reinsurers are recognized as reinsurance income.

##### 3.14.6 Premium allocation approach

###### 3.14.6.1 Underlying insurance

For general insurance and automobile insurance, if the coverage period of each contract within the group of contracts (including insurance contract services within the contract boundary) is less than one year or if the premium allocation approach is reasonably expected to measure the liability for remaining coverage for the group without significant differences from the application of the general model requirements, the premium allocation approach is applied to simplify the measurement of the group of insurance contracts.

The carrying amount of the liability for remaining coverage at the time of initial recognition of each group of contract is calculated by deducting the insurance acquisition cash flows allocated to the group of insurance at the acquisition date from the premium receipts at the time of initial recognition, and adding or subtracting the amount resulting from removing previously recognized assets or liabilities for cash flows related to the group of contract at the time of initial recognition.

Subsequently, the carrying amount of the liability for remaining coverage is calculated by adding the received premiums and the amortization of the insurance acquisition cash flows, and deducting the insurance acquisition cash flows and the amount recognized as insurance revenue for services provided. However, if the insurance acquisition cash flows recognized as expenses when it incurs those costs because the coverage period of each contract in the group at initial recognition is no more than one year, the insurance acquisition cash flow is not considered for calculating the liability for remaining coverage.

If at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the difference between the carrying amount of the liability for remaining coverage and the current estimate of the fulfillment cash flows related is calculated, added to the liability for remaining coverage, and recognized as a loss in profit or loss.

The Group determines that the liability for remaining coverage subject to the insurance premium allocation approach do not have significant financial elements, and therefore does not adjust the carrying amount of the liability for remaining coverage for reflecting the effect of the time value of money and financial risk.

###### 3.14.6.2 Reinsurance

The Group applies the same accounting policy for measuring reinsurance contracts applying the premium allocation approach (general reinsurance, automobile reinsurance, and long-term non-proportional reinsurance) as for measuring insurance contracts with the exception of the following: The Group includes all effects of risks related to the reinsurer's default (including effects from security and losses due to disputes) when measuring the reinsurance contract group. The Group remeasures the effects of the reinsurer's default risk at the end of each reporting period and recognizes the changes in the effects of default risk in profit or loss. Reinsurance contracts are not classified as onerous groups and do not recognize in profit or loss the expected outflows at the initial recognition, even if the fulfillment cash flows at initial recognition are outflows, considering the nature of reinsurance. However, if the net cost of purchasing reinsurance coverage is related to events that have occurred before the reinsurance contract is purchased, such costs are recognized as expenses immediately.

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#### 3.14.7 Modification and derecognition

The Group derecognizes an insurance contract when the insurance contract is extinguished because of reasons such as obligation specified in the insurance contract having been expired, discharged or cancelled. Additionally, if the conditions of the contract have changed to such an extent that the accounting treatment of the contract would have been significantly different had the new conditions existed from the beginning, the Group derecognizes the existing contract and recognizes it as a new contract. If the change in contract conditions is not significant, the Group accounts for it as a change in the estimate of fulfillment cash flows.

#### 3.15 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Inevitable risks and uncertainties surrounding related events and circumstances are considered in measuring the best estimate of the provisions, and where the effect of the time value of money is material, the amount of provisions is the present value of the expenditures expected to be required to settle the obligation.

Provisions for confirmed and unconfirmed acceptances and guarantees, and unused credit lines of consumer and corporate loans are recognized using a valuation model that applies the credit conversion factor, PD, and LGD.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it. If the Group has a contract that is onerous, the present obligation under the contract is recognized and measured as provisions.

#### 3.16 Financial Guarantee Contracts

Financial guarantee contracts require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognized at fair value and classified as other liabilities and are amortized over the contractual term. After initial recognition, financial guarantee contracts are measured at the higher of:

- The amount determined in accordance with Korean IFRS No.1109 *Financial Instruments* and
- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with Korean IFRS No.1115 *Revenue from Contracts with Customers*.

#### 3.17 Equity Instrument Issued by the Group

An equity instrument is any contract or agreement that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

##### 3.17.1 Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or the exercise of stock option are deducted from the equity, net of any tax effects.

##### 3.17.2 Hybrid securities

The financial instruments can be classified as either financial liabilities or equity in accordance with the terms of the contract. The Group classifies hybrid securities as an equity if the Group has the unconditional right to avoid any contractual obligation to deliver cash or another financial asset in relation to the financial instruments. However, hybrid securities issued by subsidiaries are classified as non-controlling interests, dividends are recognized in the consolidated statement of comprehensive income as profit attributable to non-controlling interests.

##### 3.17.3 Treasury shares

If the Group acquires its own equity instruments, these are accounted for as treasury shares and are deducted directly from equity. No gains or losses are recognized in profit or loss on the purchase, sale, issue or retirement of own equity instruments. If an entity within the Group acquires and retains treasury shares, the consideration paid or received is directly recognized in equity.

##### 3.17.4 Compound financial instruments

A compound financial instrument is classified as a financial liability or an equity instrument depending on the substance of the contractual arrangement of such financial instrument. The liability component of the compound financial instrument is measured at fair value of the similar liability without conversion option at initial recognition and subsequently measured at amortized cost using effective interest method until it is extinguished by conversion or matured. Equity component is initially measured at fair value of compound financial instrument in its entirety less fair value of liability component net of tax effect, and it is not remeasured subsequently.

## KB Financial Group Inc. and Subsidiaries

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#### 3.18 Revenue Recognition

The Group recognizes revenues in accordance with the following steps determined in accordance with Korean IFRS No.1115 *Revenue from Contracts with Customers*.

- Step 1: Identify the contract with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

##### 3.18.1 Interest income and expense

Interest income and expense on debt securities at fair value through profit or loss (excluding beneficiary certificates, equity investments, and other debt instruments), loans, financial instruments at amortized cost, and debt securities at fair value through other comprehensive income are recognized in the consolidated statement of comprehensive income using the effective interest method in accordance with Korean IFRS No.1109 *Financial Instruments*. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, where appropriate, a shorter period, to the gross carrying amount of a financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates expected cash flows by considering all contractual terms of the financial instrument but does not consider expected credit losses. The calculation includes all fees and points paid (main components of effective interest rate only) or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. In those rare cases when it is not possible to reliably estimate the cash flows and the expected life of a financial instrument, the Group uses the contractual cash flows over the full contractual term of the financial instrument.

Interest income on impaired financial assets is recognized using the interest rate used to discount the expected cash flows for the purpose of measuring the impairment loss.

Interest income on debt securities at fair value through profit or loss is also classified as interest income in the consolidated statement of comprehensive income.

##### 3.18.2 Fee and commission income

The Group recognizes financial service fees in accordance with the purpose of charging the fees and the accounting standards of the financial instrument related to the fees earned.

##### 3.18.2.1 Fees that are an integral part of the effective interest of a financial instrument

Such fees are generally treated as adjustments of effective interest rate. Such fees may include compensation for activities such as evaluating the borrower's financial condition, evaluating and recording guarantees, collateral and other security arrangements, negotiating the terms of the instrument, preparing and processing documents, and closing the transaction and origination fees received on issuing financial liabilities at amortized cost. However, fees relating to the creation or acquisition of a financial instrument at fair value through profit or loss are recognized as revenue immediately.

##### 3.18.2.2 Fees related to performance obligations satisfied over time

If the control of a good or service is transferred over time, the Group recognizes revenue related to performance obligations over the period of performance obligations. Fees charged in return for the services for a certain period of time, such as asset management fees, consignment business fees, etc. are recognized over the period of performance obligations.

##### 3.18.2.3 Fees related to performance obligations satisfied at a point in time

Fees earned at a point in time are recognized as revenue when a customer obtains controls of a promised good or service and the Group satisfies a performance obligation.

Commission on negotiation or participation in negotiation for the third party such as trading stocks or other securities, arranging merger and acquisition of business, is recognized as revenue when the transaction has been completed.

If the Group arranges a syndicated loan but does not participate in the syndicated loan or participates in the syndicated loan with the same effective profit as other participants, a syndication arrangement fee is recognized as revenue at the completion of the syndication service.

##### 3.18.3 Net gains or losses on financial instruments at fair value through profit or loss

Net gains or losses on financial instruments at fair value through profit or loss (including changes in fair value, dividends, and gains or losses from foreign currency translation) include gains or losses on financial instruments as follows:

- Gains or losses relating to financial instruments at fair value through profit or loss (excluding interest income using the effective interest rate method)
- Gains or losses relating to derivative financial instruments for trading (including derivative financial instruments for hedging purpose but do not qualify for hedge accounting)

##### 3.18.4 Dividend income

Dividend income is recognized in profit or loss when the right to receive payment is established. Dividend income is recognized as net gains or losses on financial instruments at fair value through profit or loss or other operating income depending on the classification of equity securities.

## KB Financial Group Inc. and Subsidiaries

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#### 3.19 Employee Compensation and Benefits

##### 3.19.1 Post-employment benefits

###### 3.19.1.1 Defined contribution plans

When an employee has rendered service to the Group during a period, the Group recognizes the contribution payable to a defined contribution plan in exchange for that service as post-employment benefits for the period.

###### 3.19.1.2 Defined benefit plans

All post-employment benefits, other than defined contribution plans, are classified as defined benefit plans. The amount recognized as a net defined benefit liability is the present value of the defined benefit obligation less the fair value of plan assets at the end of the reporting period.

The present value of the defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The currency and term of the corporate bonds are consistent with the currency and estimated term of the post-employment benefit obligations. Actuarial gains and losses resulted from changes in actuarial assumptions and experience adjustments are recognized in other comprehensive income.

When the present value of the defined benefit obligation minus the fair value of plan assets results in an asset, it is recognized to the extent of the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from the introduction or changes to a defined benefit plan. Such past service cost is immediately recognized as an expense for the period.

##### 3.19.2 Short-term employee benefits

Short-term employee benefits are employee benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. When an employee has rendered service to the Group during an accounting period, the Group recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense for the period.

The expected cost of profit-sharing and bonus payments is recognized as liabilities when the Group has a present legal or constructive obligation to make payments as a result of past events, such as service rendered by employees, and a reliable estimate of the obligation can be made.

##### 3.19.3 Share-based payment

The Group provides its executives and employees with stock grants, mileage stock, and long-term share-based payments programs. When stock grants are exercised, the Group can either select to distribute newly issued shares or treasury shares or compensate in cash based on the share price. When mileage stock and long-term share-based payments are exercised, the Group pays the amount equivalent to share price of KB Financial Group Inc. in cash.

##### 3.19.3 Share-based payment (cont'd)

For a share-based payment transaction in which the terms of the arrangement provide the Group with the choice of whether to settle in cash or by issuing equity instruments, the Group accounts for the transaction in accordance with the requirements applying to cash-settled share-based payment transactions because the Group determines that it has a present obligation to settle in cash based on a past practice and a stated policy of settling in cash. Therefore, the Group measures the liability incurred as consideration for the service received at fair value and recognizes related expense and accrued expense over the vesting periods. For mileage stock and long-term share-based payments program, the Group accounts for the transaction in accordance with the requirements applying to cash-settled share-based payment transactions, which are recognized as expense and accrued expenses at the time of vesting.

Until the liability is settled, the Group remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss as share-based payments.

##### 3.19.4 Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The Group recognizes a liability and expense for termination benefits at the earlier of the following dates; when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring that is within the scope of Korean IFRS No.1037 and involves the payment of termination benefits. If the termination benefits are not expected to be settled wholly before twelve months after the end of the annual reporting period, then the termination benefits are discounted to present value.

#### 3.20 Income Tax Expense

Income tax expense comprises current tax expense and deferred income tax expense. Current and deferred income tax are recognized as income or expense and included in profit or loss for the period, except to the extent that the tax arises from (a) a transaction or event which is recognized, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity and (b) a business combination.

##### 3.20.1 Current income tax

Current income tax is the amount of income tax payable (recoverable) in respect of the taxable profit (tax loss) for a period. A difference between the taxable profit and accounting profit may arise when income or expense is included in accounting profit in one period but is included in taxable profit in a different period. Differences may also arise if there is revenue that is exempt from taxation, or expense that is not deductible in determining taxable profit (loss). Current income tax liabilities for the current and prior periods are measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

The Group offsets current income tax assets and current income tax liabilities if, and only if, the Group (a) has a legally enforceable right to set off the recognized amounts and (b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.



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#### 3.20.2 Deferred income tax

Deferred income tax is recognized, using the asset-liability method, on temporary differences arising between the tax-based amount of assets and liabilities and their carrying amount in the financial statements. Deferred income tax liabilities are recognized for all taxable temporary differences and deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax assets and liabilities are not recognized if they arise from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting nor taxable profit or loss.

The Group recognizes a deferred income tax liability for all taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, except to the extent that the Group is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of a deferred income tax asset is reviewed at the end of each reporting period. The Group reduces the carrying amount of a deferred income tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred income tax liabilities and deferred income tax assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

#### 3.20.3 Uncertain tax positions

Uncertain tax positions arise from tax treatments applied by the Group which may be challenged by the tax authorities due to the complexity of the transaction or different interpretation of the tax laws, such as a claim for rectification, a claim for a refund related to additional tax or a tax investigation by the tax authorities. The Group recognizes its uncertain tax positions in the consolidated financial statements in accordance with Korean IFRS No.1012 and Interpretation of Korean IFRS No.2123. The income tax asset is recognized if a tax refund is probable for taxes levied by the tax authority, and the amount to be paid as a result of the tax investigation and others is recognized as the current tax payable. However, penalty tax and additional refund on tax are regarded as penalty or interest and are accounted for in accordance with Korean IFRS No.1037.

#### 3.21 Earnings per Share

The Group calculates basic earnings per share amounts and diluted earnings per share amounts for profit or loss attributable to ordinary equity holders of the Parent Company and presents them in the consolidated statement of comprehensive income. Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the profit or loss attributable to ordinary equity holders of the Parent Company and weighted average number of shares outstanding, taking into account all potential dilution effects, such as exchangeable bonds and share-based payments given to employees.

#### 3.22 Lease

The Group as a lessor recognizes lease payments from operating leases as income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated statement of financial position based on their nature.

A lessee is required to recognize a right-of-use asset (lease assets) representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Assets and liabilities arising from a lease are initially measured at the present value.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, which is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs incurred by the lessee, and
- An estimate of restoration costs

However, the Group can elect not to apply the requirements of Korean IFRS No.1116 to short-term lease (lease that, at the commencement date, has a lease term of 12 months or less) and leases for which the underlying asset is of low value (for example, underlying leased asset under USD 5,000).

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

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#### 3.22 Lease (cont'd)

The right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

For sale and leaseback transactions, the Group applies the requirements of Korean IFRS No.1115 *Revenue from Contracts with Customers*, to determine whether the transfer of an asset is accounted for as a sale of that asset.

#### 3.23 Operating Segments

The Group identifies its operating segments based on internal reports which are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

Segment information includes items which are directly attributable and can be allocated to the segment on a reasonable basis.

#### 4. Financial Risk Management

##### 4.1 Summary

##### 4.1.1 Overview of financial risk management policy

The financial risks that the Group is exposed to are credit risk, market risk, liquidity risk, operational risk, and others.

This note regarding financial risk management provides information about the risks that the Group is exposed to and about its objectives, policies, risk assessment and management procedures, and capital management. Additional quantitative information is disclosed throughout the consolidated financial statements.

The Group's risk management system focuses on efficiently supporting long-term strategy and management decisions of the Group by increasing risk transparency, preventing risk transfer between subsidiaries and preemptive response to rapidly changing financial environments. Credit risk, market risk, operational risk, interest rate risk, insurance risk, liquidity risk, credit concentration risk, strategy risk, and reputation risk are recognized as the Group's significant risks and measured and managed according to regulatory capital and internal capital standards.

##### 4.1.2 Risk management organization

##### 4.1.2.1 Risk Management Committee

The Risk Management Committee, as the ultimate decision-making body, deals with risk-related issues, such as establishing risk management strategies in accordance with the strategic direction determined by the board of directors, determining the affordable level of risk appetite, reviewing the level of risk and the status of risk management activities, approving the application of risk management systems, methodologies, and major improvements, and establishing and approving risk management policies and procedures to timely recognize, measure, monitor, and control risks arising from various transactions by the Group.

##### 4.1.2.2 Risk Management Council

The Risk Management Council is responsible for consulting on matters delegated by the Risk Management Committee and requests for review by the Management Executive Committee, consulting on details of each subsidiary's risk management policies and procedures, monitoring the Group's risk management status, and establishing and implementing necessary measures.

##### 4.1.2.3 Risk Management Department

The Risk Management Department performs the Group's risk management detailed policies, procedures, and business processes, and is responsible for calculating the Group's risk-weighted assets, monitoring and managing internal capital limits.

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#### 4.2 Credit Risk

##### 4.2.1 Overview of credit risk

Credit risk is the risk of loss from the portfolio of assets held due to the counterparty's default, breach of contract, and deterioration of credit quality. For risk management reporting purposes, the Group considers all factors of credit risk exposure, such as default risk of individual borrowers, country risk, and risk of specific sectors in an integrated way.

##### 4.2.2 Credit risk management

The Group measures the expected loss and economic capital for the assets subject to credit risk management, including on-balance and off-balance assets, and uses them as management indicators. The Group allocates and manages credit risk economic capital limits.

In addition, to prevent excessive concentration of exposures by borrower and industry, the total exposure limit at the Group level is introduced, applied, and managed to control the credit concentration risk.

All of the Kookmin Bank's loan customers (individuals and corporates) are assigned a credit rating and managed by a comprehensive internal credit evaluation system. For individuals, the credit rating is evaluated by utilizing personal information, income and job information, asset information, and bank transaction information. For corporates, the credit rating is evaluated by analyzing and utilizing financial and non-financial information which measures current and future corporate value and ability to repay the debt. Also, the extent to which corporates have the ability to meet debt obligations is comprehensively considered.

The credit rating, once assigned, serves as the fundamental instrument in Kookmin Bank's credit risk management, and is applied in a wide range of credit risk management processes, including credit approval, credit limit management, loan pricing, and assessment of allowances for credit losses. For corporates, Kookmin Bank conducts a regular credit evaluation at least once a year, and the review and supervision departments regularly validate the adequacy of credit ratings to manage credit risks.

KB Kookmin Card Co., Ltd.'s credit scoring system is divided into Application Scoring System ("ASS") and Behavior Scoring System ("BSS"). For applications that meet the eligibility criteria for card issuance, the card will be issued only if the ASS credit rating is above the standard. KB Kookmin Card Co., Ltd.'s internal information, external information from the credit bureau company and others, and personal information on the application are used to calculate the ASS credit rating. The BSS, which is recalculated on a weekly basis, predicts the delinquency probability of cardholders, and utilizes it to monitor cardholders and portfolio risk.

In order to establish a credit risk management system, the Group manages credit risk by forming a separate risk management organization. In particular, independently of the Sales Group, the Credit Management & Analysis Group of Kookmin Bank, a subsidiary, is in charge of loan policy, loan system, credit rating, credit analysis, follow-up management, and corporate restructuring. The Risk Management Group of Kookmin Bank is responsible for establishing policies on credit risk management, measuring and limiting internal capital of credit risk, setting credit limits, credit review, and verification of credit rating models.

##### 4.2.3 Maximum exposure to credit risk

The Group's maximum exposures to credit risk without consideration of collateral values in relation to financial instruments other than equity securities as of December 31, 2023 and 2022, are as follows:

| <i>(In millions of Korean won)</i>  | December 31,<br>2023 |             | December 31,<br>2022 |             |
|---|----------------------|-------------|----------------------|-------------|
| <b>Financial assets</b>   |                      |             |                      |             |
| Due from financial institutions measured at amortized cost *                  | W                    | 27,579,279  | W                    | 29,912,097  |
| Financial assets at fair value through profit or loss:                        |                      |             |                      |             |
| Due from financial institutions measured at fair value through profit or loss |                      | 79,811      |                      | 69,469      |
| Securities measured at fair value through profit or loss                      |                      | 72,658,432  |                      | 65,899,397  |
| Loans measured at fair value through profit or loss                           |                      | 183,726     |                      | 493,562     |
| Financial instruments indexed to the price of gold                            |                      | 93,743      |                      | 90,006      |
| Derivatives   |                      | 6,157,628   |                      | 9,446,580   |
| Loans measured at amortized cost *  |                      | 444,805,287 |                      | 433,038,931 |
| Financial investments:  |                      |             |                      |             |
| Securities measured at fair value through other comprehensive income          |                      | 78,926,437  |                      | 76,648,353  |
| Securities measured at amortized cost *                                       |                      | 39,701,389  |                      | 35,919,241  |
| Loans measured at fair value through other comprehensive income               |                      | 801,050     |                      | 549,272     |
| Other financial assets *  |                      | 16,544,513  |                      | 10,718,383  |
|   |                      | 687,531,295 |                      | 662,785,291 |
| <b>Off-balance sheet items</b>  |                      |             |                      |             |
| Acceptances and guarantees contracts  |                      | 13,763,222  |                      | 12,425,753  |
| Financial guarantee contracts   |                      | 7,828,205   |                      | 8,297,042   |
| Commitments   |                      | 203,906,179 |                      | 188,295,902 |
|   |                      | 225,497,606 |                      | 209,018,697 |
|   | W                    | 913,028,901 | W                    | 871,803,988 |

\* After netting of allowance

##### 4.2.4 Credit risk of loans

The Group maintains allowances for loan losses associated with credit risk of loans to manage its credit risk.

The Group assesses expected credit losses and recognizes loss allowances of financial assets at amortized cost and financial assets at fair value through other comprehensive income. Financial assets at fair value through profit or loss are excluded. Expected credit losses are a probability-weighted estimate of possible credit losses occurring in a certain range by reflecting reasonable and supportable information that is reasonably available at the end of the reporting period without undue cost or effort, including information about past events, current conditions, and forecasts of future economic conditions. The Group measures the expected credit losses of loans classified as financial assets at amortized cost, by deducting allowances for credit losses. The expected credit losses of loans classified as financial assets at fair value through other comprehensive income are presented in other comprehensive income in the consolidated financial statements.

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#### 4.2.4.1 Credit risk exposure

Credit qualities of loans as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023    |                                 |                    |                 |                      |
|--|----------------------|---------------------------------|--------------------|-----------------|----------------------|
|  | 12-month             | Lifetime expected credit losses |                    | Not applying    | Total                |
|  | expected credit      | Non-impaired                    | Impaired           | expected credit |                      |
| losses   |                      |                                 | losses             |                 |                      |
| <b>Loans measured at amortized cost *</b>                              |                      |                                 |                    |                 |                      |
| <b>Corporate</b>   |                      |                                 |                    |                 |                      |
| Grade 1  | W 142,216,615        | W 6,765,165                     | W 2,122            | W -             | W 148,983,902        |
| Grade 2  | 65,606,587           | 10,632,633                      | 40,942             | -               | 76,280,162           |
| Grade 3  | 3,547,489            | 3,964,877                       | 8,231              | -               | 7,520,597            |
| Grade 4  | 654,654              | 1,285,650                       | 31,645             | -               | 1,971,949            |
| Grade 5  | 16,188               | 581,524                         | 2,871,510          | -               | 3,469,222            |
|  | <u>212,041,533</u>   | <u>23,229,849</u>               | <u>2,954,450</u>   | <u>-</u>        | <u>238,225,832</u>   |
| <b>Retail</b>  |                      |                                 |                    |                 |                      |
| Grade 1  | 165,579,777          | 4,147,682                       | 11,945             | -               | 169,739,404          |
| Grade 2  | 7,133,302            | 3,664,451                       | 30,019             | -               | 10,827,772           |
| Grade 3  | 4,941,476            | 1,614,245                       | 26,804             | -               | 6,582,525            |
| Grade 4  | 258,300              | 375,964                         | 24,908             | -               | 659,172              |
| Grade 5  | 42,561               | 776,597                         | 1,064,258          | -               | 1,883,416            |
|  | <u>177,955,416</u>   | <u>10,578,939</u>               | <u>1,157,934</u>   | <u>-</u>        | <u>189,692,289</u>   |
| <b>Credit card</b>   |                      |                                 |                    |                 |                      |
| Grade 1  | 10,776,164           | 253,905                         | -                  | -               | 11,030,069           |
| Grade 2  | 5,854,931            | 936,657                         | -                  | -               | 6,791,588            |
| Grade 3  | 1,645,099            | 1,416,715                       | -                  | -               | 3,061,814            |
| Grade 4  | 7,827                | 431,083                         | -                  | -               | 438,910              |
| Grade 5  | 2,432                | 229,439                         | 795,719            | -               | 1,027,590            |
|  | <u>18,286,453</u>    | <u>3,267,799</u>                | <u>795,719</u>     | <u>-</u>        | <u>22,349,971</u>    |
|  | <u>408,283,402</u>   | <u>37,076,587</u>               | <u>4,908,103</u>   | <u>-</u>        | <u>450,268,092</u>   |
| <b>Loans measured at fair value through other comprehensive income</b> |                      |                                 |                    |                 |                      |
| <b>Corporate</b>   |                      |                                 |                    |                 |                      |
| Grade1   | 762,041              | -                               | -                  | -               | 762,041              |
| Grade2   | 39,009               | -                               | -                  | -               | 39,009               |
| Grade3   | -                    | -                               | -                  | -               | -                    |
| Grade4   | -                    | -                               | -                  | -               | -                    |
| Grade5   | -                    | -                               | -                  | -               | -                    |
|  | <u>801,050</u>       | <u>-</u>                        | <u>-</u>           | <u>-</u>        | <u>801,050</u>       |
|  | <u>801,050</u>       | <u>-</u>                        | <u>-</u>           | <u>-</u>        | <u>801,050</u>       |
|  | <u>W 409,084,452</u> | <u>W 37,076,587</u>             | <u>W 4,908,103</u> | <u>W -</u>      | <u>W 451,069,142</u> |

#### 4.2.4.1 Credit risk exposure (cont'd)

(In millions of Korean won)

|  | December 31, 2022    |                                 |                    |                 |                      |
|--|----------------------|---------------------------------|--------------------|-----------------|----------------------|
|  | 12-month             | Lifetime expected credit losses |                    | Not applying    | Total                |
|  | expected credit      | Non-impaired                    | Impaired           | expected credit |                      |
| losses   |                      |                                 | losses             |                 |                      |
| <b>Loans measured at amortized cost *</b>                              |                      |                                 |                    |                 |                      |
| <b>Corporate</b>   |                      |                                 |                    |                 |                      |
| Grade 1  | W 134,819,382        | W 5,877,660                     | W 3,372            | W -             | W 140,700,414        |
| Grade 2  | 65,653,118           | 8,585,346                       | 4,480              | -               | 74,242,944           |
| Grade 3  | 4,054,714            | 3,221,267                       | 14,694             | -               | 7,290,675            |
| Grade 4  | 570,671              | 922,748                         | 34,298             | -               | 1,527,717            |
| Grade 5  | 11,909               | 419,058                         | 1,959,706          | -               | 2,390,673            |
|  | <u>205,109,794</u>   | <u>19,026,079</u>               | <u>2,016,550</u>   | <u>-</u>        | <u>226,152,423</u>   |
| <b>Retail</b>  |                      |                                 |                    |                 |                      |
| Grade 1  | 164,125,295          | 4,240,281                       | 11,287             | -               | 168,376,863          |
| Grade 2  | 8,100,613            | 3,846,756                       | 32,878             | -               | 11,980,247           |
| Grade 3  | 4,320,640            | 1,477,297                       | 25,600             | -               | 5,823,537            |
| Grade 4  | 306,655              | 315,357                         | 32,330             | -               | 654,342              |
| Grade 5  | 26,013               | 742,720                         | 834,178            | -               | 1,602,911            |
|  | <u>176,879,216</u>   | <u>10,622,411</u>               | <u>936,273</u>     | <u>-</u>        | <u>188,437,900</u>   |
| <b>Credit card</b>   |                      |                                 |                    |                 |                      |
| Grade 1  | 11,547,014           | 1,316,136                       | -                  | -               | 12,863,150           |
| Grade 2  | 4,390,211            | 1,214,946                       | -                  | -               | 5,605,157            |
| Grade 3  | 1,142,362            | 1,925,145                       | -                  | -               | 3,067,507            |
| Grade 4  | 2,227                | 302,736                         | -                  | -               | 304,963              |
| Grade 5  | 666                  | 173,049                         | 595,101            | -               | 768,816              |
|  | <u>17,082,480</u>    | <u>4,932,012</u>                | <u>595,101</u>     | <u>-</u>        | <u>22,609,593</u>    |
|  | <u>399,071,490</u>   | <u>34,580,502</u>               | <u>3,547,924</u>   | <u>-</u>        | <u>437,199,916</u>   |
| <b>Loans measured at fair value through other comprehensive income</b> |                      |                                 |                    |                 |                      |
| <b>Corporate</b>   |                      |                                 |                    |                 |                      |
| Grade1   | 489,445              | -                               | -                  | -               | 489,445              |
| Grade2   | 59,827               | -                               | -                  | -               | 59,827               |
| Grade3   | -                    | -                               | -                  | -               | -                    |
| Grade4   | -                    | -                               | -                  | -               | -                    |
| Grade5   | -                    | -                               | -                  | -               | -                    |
|  | <u>549,272</u>       | <u>-</u>                        | <u>-</u>           | <u>-</u>        | <u>549,272</u>       |
|  | <u>549,272</u>       | <u>-</u>                        | <u>-</u>           | <u>-</u>        | <u>549,272</u>       |
|  | <u>W 399,620,762</u> | <u>W 34,580,502</u>             | <u>W 3,547,924</u> | <u>W -</u>      | <u>W 437,749,188</u> |

\* Before netting of allowance

**KB Financial Group Inc. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023 and 2022**

4.2.4.1 Credit risk exposure (cont'd)

Credit qualities of loans graded according to internal credit ratings as of December 31, 2023 and 2022, are as follows:

|         | Range of probability of default (%) | Retail            | Corporate   |
|---------|-------------------------------------|-------------------|-------------|
| Grade 1 | 0.0 ~ 1.0                           | 1 ~ 5 grade       | AAA ~ BBB+  |
| Grade 2 | 1.0 ~ 5.0                           | 6 ~ 8 grade       | BBB ~ BB    |
| Grade 3 | 5.0 ~ 15.0                          | 9 ~ 10 grade      | BB- ~ B     |
| Grade 4 | 15.0 ~ 30.0                         | 11 grade          | B- ~ CCC    |
| Grade 5 | 30.0 ~                              | 12 grade or under | CC or under |

4.2.4.2 Quantification of the extent to which collateral and other credit enhancements mitigate credit risk of loans as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                        | December 31, 2023               |              |                                 |               |
|------------------------|---------------------------------|--------------|---------------------------------|---------------|
|                        | 12-month expected credit losses |              | Lifetime expected credit losses |               |
|                        | Non-impaired                    | Impaired     | Non-impaired                    | Impaired      |
| Guarantees             | ₩ 114,669,115                   | ₩ 7,639,754  | ₩ 425,696                       | ₩ 122,734,565 |
| Deposits and savings   | 2,461,434                       | 129,853      | 15,176                          | 2,606,463     |
| Property and equipment | 15,121,688                      | 1,109,156    | 442,084                         | 16,672,928    |
| Real estate            | 196,412,901                     | 19,374,276   | 2,893,235                       | 218,680,412   |
|                        | ₩ 328,665,138                   | ₩ 28,253,039 | ₩ 3,776,191                     | ₩ 360,694,368 |

(In millions of Korean won)

|                        | December 31, 2022               |              |                                 |               |
|------------------------|---------------------------------|--------------|---------------------------------|---------------|
|                        | 12-month expected credit losses |              | Lifetime expected credit losses |               |
|                        | Non-impaired                    | Impaired     | Non-impaired                    | Impaired      |
| Guarantees             | ₩ 100,429,157                   | ₩ 7,060,738  | ₩ 301,688                       | ₩ 107,791,583 |
| Deposits and savings   | 1,855,720                       | 141,016      | 46,984                          | 2,043,720     |
| Property and equipment | 14,648,523                      | 1,002,291    | 180,103                         | 15,830,917    |
| Real estate            | 191,121,014                     | 15,793,644   | 1,708,145                       | 208,622,803   |
|                        | ₩ 308,054,414                   | ₩ 23,997,689 | ₩ 2,236,920                     | ₩ 334,289,023 |

4.2.5 Credit risk of securities

Credit qualities of securities exposed to credit risk other than equity securities among financial investments as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023               |                                 |          |                                     |               |
|---|---------------------------------|---------------------------------|----------|-------------------------------------|---------------|
|   | 12-month expected credit losses | Lifetime expected credit losses |          | Not applying expected credit losses | Total         |
|   |                                 | Non-impaired                    | Impaired |                                     |               |
| <b>Securities measured at amortized cost *</b>                              |                                 |                                 |          |                                     |               |
| Grade 1   | ₩ 35,812,502                    | ₩ -                             | ₩ -      | ₩ -                                 | ₩ 35,812,502  |
| Grade 2   | 3,907,307                       | -                               | -        | -                                   | 3,907,307     |
| Grade 3   | 852                             | -                               | -        | -                                   | 852           |
| Grade 4   | -                               | -                               | -        | -                                   | -             |
| Grade 5   | -                               | -                               | -        | -                                   | -             |
|   | ₩ 39,720,661                    | -                               | -        | -                                   | ₩ 39,720,661  |
| <b>Securities measured at fair value through other comprehensive income</b> |                                 |                                 |          |                                     |               |
| Grade 1   | 72,574,183                      | -                               | -        | -                                   | 72,574,183    |
| Grade 2   | 6,326,108                       | -                               | -        | -                                   | 6,326,108     |
| Grade 3   | 26,146                          | -                               | -        | -                                   | 26,146        |
| Grade 4   | -                               | -                               | -        | -                                   | -             |
| Grade 5   | -                               | -                               | -        | -                                   | -             |
|   | ₩ 78,926,437                    | -                               | -        | -                                   | ₩ 78,926,437  |
|   | ₩ 118,647,098                   | ₩ -                             | ₩ -      | ₩ -                                 | ₩ 118,647,098 |

(In millions of Korean won)

|   | December 31, 2022               |                                 |          |                                     |               |
|---|---------------------------------|---------------------------------|----------|-------------------------------------|---------------|
|   | 12-month expected credit losses | Lifetime expected credit losses |          | Not applying expected credit losses | Total         |
|   |                                 | Non-impaired                    | Impaired |                                     |               |
| <b>Securities measured at amortized cost *</b>                              |                                 |                                 |          |                                     |               |
| Grade 1   | ₩ 34,211,405                    | ₩ -                             | ₩ -      | ₩ -                                 | ₩ 34,211,405  |
| Grade 2   | 1,713,414                       | -                               | -        | -                                   | 1,713,414     |
| Grade 3   | -                               | -                               | -        | -                                   | -             |
| Grade 4   | -                               | -                               | -        | -                                   | -             |
| Grade 5   | -                               | -                               | -        | -                                   | -             |
|   | ₩ 35,924,819                    | -                               | -        | -                                   | ₩ 35,924,819  |
| <b>Securities measured at fair value through other comprehensive income</b> |                                 |                                 |          |                                     |               |
| Grade 1   | 70,830,502                      | -                               | -        | -                                   | 70,830,502    |
| Grade 2   | 5,669,442                       | 53,861                          | -        | -                                   | 5,723,303     |
| Grade 3   | 66,797                          | 9,169                           | -        | -                                   | 75,966        |
| Grade 4   | 13,942                          | 4,640                           | -        | -                                   | 18,582        |
| Grade 5   | -                               | -                               | -        | -                                   | -             |
|   | ₩ 76,580,683                    | ₩ 67,670                        | -        | -                                   | ₩ 76,648,353  |
|   | ₩ 112,505,502                   | ₩ 67,670                        | ₩ -      | ₩ -                                 | ₩ 112,573,172 |

\* Before netting of allowance

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

#### 4.2.5 Credit risk of securities (cont'd)

Credit qualities of securities other than equity securities, according to the credit ratings by external credit rating agencies as of December 31, 2023 and 2022, are as follows:

| Credit quality | Domestic     |              |              |                | Foreign      |              |              |
|----------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|
|                | KIS          | NICE P&I     | KAP          | FnPricing Inc. | S&P          | Fitch-IBCA   | Moody's      |
| Grade 1        | AA0 to AAA   | AA0 to AAA   | AA0 to AAA   | AA0 to AAA     | A- to AAA    | A- to AAA    | A3 to Aaa    |
| Grade 2        | A- to AA-    | A- to AA-    | A- to AA-    | A- to AA-      | BBB- to BBB+ | BBB- to BBB+ | Baa3 to Baa1 |
| Grade 3        | BBB0 to BBB+ | BBB0 to BBB+ | BBB0 to BBB+ | BBB0 to BBB+   | BB to BB+    | BB to BB+    | Ba2 to Ba1   |
| Grade 4        | BB0 to BBB-  | BB0 to BBB-  | BB0 to BBB-  | BB0 to BBB-    | B+ to BB-    | B+ to BB-    | B1 to Ba3    |
| Grade 5        | BB- or under | BB- or under | BB- or under | BB- or under   | B or under   | B or under   | B2 or under  |

Credit qualities of debt securities denominated in Korean won are based on the lowest credit rating by the domestic credit rating agencies above, and those denominated in foreign currencies are based on the lowest credit rating by the foreign credit rating agencies above.

#### 4.2.6 Credit risk of due from financial institutions

Credit qualities of due from financial institutions as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023               |              |                                 |        |                                     |              |
|---|---------------------------------|--------------|---------------------------------|--------|-------------------------------------|--------------|
|   | 12-month expected credit losses |              | Lifetime expected credit losses |        | Not applying expected credit losses |              |
|   | losses                          | Non-impaired | Impaired                        | losses | Impaired                            | Total        |
| <b>Due from financial institutions measured at amortized cost *</b> |                                 |              |                                 |        |                                     |              |
| Grade 1   | ₩ 26,279,729                    | ₩ -          | ₩ -                             | ₩ -    | ₩ -                                 | ₩ 26,279,729 |
| Grade 2   | 503,794                         | -            | -                               | -      | -                                   | 503,794      |
| Grade 3   | 108,290                         | -            | -                               | -      | -                                   | 108,290      |
| Grade 4   | -                               | -            | -                               | -      | -                                   | -            |
| Grade 5   | 688,487                         | -            | -                               | -      | -                                   | 688,487      |
|   | ₩ 27,580,300                    | ₩ -          | ₩ -                             | ₩ -    | ₩ -                                 | ₩ 27,580,300 |

(In millions of Korean won)

|   | December 31, 2022               |              |                                 |        |                                     |              |
|---|---------------------------------|--------------|---------------------------------|--------|-------------------------------------|--------------|
|   | 12-month expected credit losses |              | Lifetime expected credit losses |        | Not applying expected credit losses |              |
|   | losses                          | Non-impaired | Impaired                        | losses | Impaired                            | Total        |
| <b>Due from financial institutions measured at amortized cost *</b> |                                 |              |                                 |        |                                     |              |
| Grade 1   | ₩ 28,023,879                    | ₩ -          | ₩ -                             | ₩ -    | ₩ -                                 | ₩ 28,023,879 |
| Grade 2   | 1,428,663                       | -            | -                               | -      | -                                   | 1,428,663    |
| Grade 3   | -                               | -            | -                               | -      | -                                   | -            |
| Grade 4   | -                               | -            | -                               | -      | -                                   | -            |
| Grade 5   | 462,298                         | -            | -                               | -      | -                                   | 462,298      |
|   | ₩ 29,914,840                    | ₩ -          | ₩ -                             | ₩ -    | ₩ -                                 | ₩ 29,914,840 |

\* Before netting of allowance

The classification criteria of the credit qualities of due from financial institutions as of December 31, 2023 and 2022, are the same as the criteria for securities other than equity securities.

#### 4.2.7 Credit risk mitigation of derivative financial instruments

Quantification of the extent to which collateral mitigates credit risk of derivative financial instruments as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023 |           | December 31, 2022 |           |
|---|-------------------|-----------|-------------------|-----------|
| Deposits, savings, securities, and others | ₩                 | 1,471,117 | ₩                 | 2,966,923 |

#### 4.2.8 Credit risk concentration analysis

4.2.8.1 Classifications of loans by country as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|               | December 31, 2023 * |               |              |               |        |               |                 |
|---------------|---------------------|---------------|--------------|---------------|--------|---------------|-----------------|
|               | Retail              | Corporate     | Credit card  | Total         | %      | Allowances    | Carrying amount |
| Korea         | ₩ 184,016,939       | ₩ 210,306,079 | ₩ 22,304,522 | ₩ 416,627,540 | 92.33  | ₩ (4,013,937) | ₩ 412,613,603   |
| Europe        | -                   | 4,611,356     | -            | 4,611,356     | 1.02   | (29,267)      | 4,582,089       |
| China         | 73,105              | 7,048,870     | 537          | 7,122,512     | 1.58   | (37,624)      | 7,084,888       |
| Japan         | -                   | 912,224       | 92           | 912,316       | 0.20   | (2,072)       | 910,244         |
| United States | -                   | 5,985,577     | -            | 5,985,577     | 1.33   | (168,487)     | 5,817,090       |
| Cambodia      | 3,466,607           | 3,931,738     | 1,097        | 7,399,442     | 1.64   | (243,544)     | 7,155,898       |
| Indonesia     | 1,474,419           | 3,216,033     | 38,198       | 4,728,650     | 1.05   | (765,195)     | 3,963,455       |
| Others        | 661,219             | 3,198,731     | 5,525        | 3,865,475     | 0.85   | (202,679)     | 3,662,796       |
|               | ₩ 189,692,289       | ₩ 239,210,608 | ₩ 22,349,971 | ₩ 451,252,868 | 100.00 | ₩ (5,462,805) | ₩ 445,790,063   |

(In millions of Korean won)

|               | December 31, 2022 * |               |              |               |        |               |                 |
|---------------|---------------------|---------------|--------------|---------------|--------|---------------|-----------------|
|               | Retail              | Corporate     | Credit card  | Total         | %      | Allowances    | Carrying amount |
| Korea         | ₩ 183,102,083       | ₩ 199,258,559 | ₩ 22,562,372 | ₩ 404,923,014 | 92.40  | ₩ (3,033,033) | ₩ 401,889,981   |
| Europe        | -                   | 4,694,011     | -            | 4,694,011     | 1.07   | (25,696)      | 4,668,315       |
| China         | 140,060             | 6,901,682     | 363          | 7,042,105     | 1.61   | (39,025)      | 7,003,080       |
| Japan         | -                   | 1,150,151     | 46           | 1,150,197     | 0.26   | (1,755)       | 1,148,442       |
| United States | -                   | 5,130,629     | -            | 5,130,629     | 1.17   | (18,229)      | 5,112,400       |
| Cambodia      | 2,610,472           | 3,768,170     | -            | 6,378,642     | 1.46   | (73,723)      | 6,304,919       |
| Indonesia     | 1,735,571           | 2,896,037     | 43,023       | 4,674,631     | 1.07   | (795,309)     | 3,879,322       |
| Others        | 849,713             | 3,396,018     | 3,789        | 4,249,520     | 0.96   | (174,213)     | 4,075,307       |
|               | ₩ 188,437,899       | ₩ 227,195,257 | ₩ 22,609,593 | ₩ 438,242,749 | 100.00 | ₩ (4,160,983) | ₩ 434,081,766   |

\* Amount includes loans measured at fair value through profit or loss, other comprehensive income, and amortized cost.

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

4.2.8.2 Classifications of corporate loans by industry as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                        | December 31, 2023 |        |               |                 |
|------------------------|-------------------|--------|---------------|-----------------|
|                        | Loans             | %      | Allowances    | Carrying amount |
| Financial institutions | ₩ 25,194,810      | 10.53  | ₩ (147,964)   | ₩ 25,046,846    |
| Manufacturing          | 51,666,785        | 21.60  | (619,644)     | 51,047,141      |
| Service                | 106,907,060       | 44.69  | (1,247,642)   | 105,659,418     |
| Wholesale and retail   | 29,904,053        | 12.50  | (502,211)     | 29,401,842      |
| Construction           | 7,047,906         | 2.95   | (280,598)     | 6,767,308       |
| Public sector          | 2,259,364         | 0.94   | (83,029)      | 2,176,335       |
| Others                 | 16,230,630        | 6.79   | (276,811)     | 15,953,819      |
|                        | ₩ 239,210,608     | 100.00 | ₩ (3,157,899) | ₩ 236,052,709   |

(In millions of Korean won)

|                        | December 31, 2022 |        |               |                 |
|------------------------|-------------------|--------|---------------|-----------------|
|                        | Loans             | %      | Allowances    | Carrying amount |
| Financial institutions | ₩ 23,832,403      | 10.49  | ₩ (52,250)    | ₩ 23,780,153    |
| Manufacturing          | 53,293,160        | 23.46  | (575,186)     | 52,717,974      |
| Service                | 98,549,099        | 43.38  | (479,709)     | 98,069,390      |
| Wholesale and retail   | 29,712,579        | 13.08  | (352,208)     | 29,360,371      |
| Construction           | 6,906,750         | 3.04   | (228,782)     | 6,677,968       |
| Public sector          | 1,940,133         | 0.85   | (84,436)      | 1,855,697       |
| Others                 | 12,961,133        | 5.70   | (213,205)     | 12,747,928      |
|                        | ₩ 227,195,257     | 100.00 | ₩ (1,985,776) | ₩ 225,209,481   |

4.2.8.3 Classifications of retail loans and credit card receivables as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|              | December 31, 2023 |        |               |                 |
|--------------|-------------------|--------|---------------|-----------------|
|              | Loans             | %      | Allowances    | Carrying amount |
| Housing loan | ₩ 97,142,065      | 45.81  | ₩ (227,758)   | ₩ 96,914,307    |
| General loan | 92,550,224        | 43.65  | (1,141,322)   | 91,408,902      |
| Credit card  | 22,349,971        | 10.54  | (935,826)     | 21,414,145      |
|              | ₩ 212,042,260     | 100.00 | ₩ (2,304,906) | ₩ 209,737,354   |

(In millions of Korean won)

|              | December 31, 2022 |        |               |                 |
|--------------|-------------------|--------|---------------|-----------------|
|              | Loans             | %      | Allowances    | Carrying amount |
| Housing loan | ₩ 94,767,212      | 44.90  | ₩ (163,348)   | ₩ 94,603,864    |
| General loan | 93,670,687        | 44.38  | (1,174,018)   | 92,496,669      |
| Credit card  | 22,609,593        | 10.72  | (837,842)     | 21,771,751      |
|              | ₩ 211,047,492     | 100.00 | ₩ (2,175,208) | ₩ 208,872,284   |

4.2.8.4 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by industry as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023 |        |            |                 |
|--|-------------------|--------|------------|-----------------|
|  | Amount            | %      | Allowances | Carrying amount |
| <b>Due from financial institutions measured at amortized cost</b>                    |                   |        |            |                 |
| Finance and insurance  | ₩ 27,580,300      | 100.00 | ₩ (1,021)  | ₩ 27,579,279    |
|  | 27,580,300        | 100.00 | (1,021)    | 27,579,279      |
| <b>Due from financial institutions measured at fair value through profit or loss</b> |                   |        |            |                 |
| Finance and insurance  | 79,811            | 100.00 | -          | 79,811          |
|  | 79,811            | 100.00 | -          | 79,811          |
| <b>Securities measured at fair value through profit or loss</b>                      |                   |        |            |                 |
| Government and government funded institutions  |                   |        |            |                 |
|  | 21,022,824        | 28.94  | -          | 21,022,824      |
| Finance and insurance  | 37,426,249        | 51.51  | -          | 37,426,249      |
| Others   | 14,209,359        | 19.55  | -          | 14,209,359      |
|  | 72,658,432        | 100.00 | -          | 72,658,432      |
| <b>Derivative financial assets</b>   |                   |        |            |                 |
| Government and government funded institutions  |                   |        |            |                 |
|  | 52,508            | 0.85   | -          | 52,508          |
| Finance and insurance  | 5,785,110         | 93.95  | -          | 5,785,110       |
| Others   | 320,010           | 5.20   | -          | 320,010         |
|  | 6,157,628         | 100.00 | -          | 6,157,628       |
| <b>Securities measured at fair value through other comprehensive income</b>          |                   |        |            |                 |
| Government and government funded institutions  |                   |        |            |                 |
|  | 44,790,264        | 56.75  | -          | 44,790,264      |
| Finance and insurance  | 21,546,428        | 27.30  | -          | 21,546,428      |
| Others   | 12,589,745        | 15.95  | -          | 12,589,745      |
|  | 78,926,437        | 100.00 | -          | 78,926,437      |
| <b>Securities measured at amortized cost</b>   |                   |        |            |                 |
| Government and government funded institutions  |                   |        |            |                 |
|  | 16,391,846        | 41.27  | (655)      | 16,391,191      |
| Finance and insurance  | 22,960,878        | 57.80  | (17,965)   | 22,942,913      |
| Others   | 367,937           | 0.93   | (652)      | 367,285         |
|  | 39,720,661        | 100.00 | (19,272)   | 39,701,389      |
|  | ₩ 225,123,269     |        | ₩ (20,293) | ₩ 225,102,976   |

## KB Financial Group Inc. and Subsidiaries

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#### December 31, 2023 and 2022

4.2.8.4 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by industry as of December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  | December 31, 2022 |        |            |                 |
|--|-------------------|--------|------------|-----------------|
|  | Amount            | %      | Allowances | Carrying amount |
| <b>Due from financial institutions measured at amortized cost</b>                    |                   |        |            |                 |
| Finance and insurance  | ₩ 29,914,840      | 100.00 | ₩ (2,743)  | ₩ 29,912,097    |
|  | 29,914,840        | 100.00 | (2,743)    | 29,912,097      |
| <b>Due from financial institutions measured at fair value through profit or loss</b> |                   |        |            |                 |
| Finance and insurance  | 69,469            | 100.00 | -          | 69,469          |
|  | 69,469            | 100.00 | -          | 69,469          |
| <b>Securities measured at fair value through profit or loss</b>                      |                   |        |            |                 |
| Government and government funded institutions  | 16,556,811        | 25.12  | -          | 16,556,811      |
| Finance and insurance  | 37,674,363        | 57.17  | -          | 37,674,363      |
| Others   | 11,668,223        | 17.71  | -          | 11,668,223      |
|  | 65,899,397        | 100.00 | -          | 65,899,397      |
| <b>Derivative financial assets</b>   |                   |        |            |                 |
| Government and government funded institutions  | 58,060            | 0.61   | -          | 58,060          |
| Finance and insurance  | 8,988,025         | 95.15  | -          | 8,988,025       |
| Others   | 400,495           | 4.24   | -          | 400,495         |
|  | 9,446,580         | 100.00 | -          | 9,446,580       |
| <b>Securities measured at fair value through other comprehensive income</b>          |                   |        |            |                 |
| Government and government funded institutions  | 41,566,376        | 54.23  | -          | 41,566,376      |
| Finance and insurance  | 22,463,066        | 29.31  | -          | 22,463,066      |
| Others   | 12,618,911        | 16.46  | -          | 12,618,911      |
|  | 76,648,353        | 100.00 | -          | 76,648,353      |
| <b>Securities measured at amortized cost</b>   |                   |        |            |                 |
| Government and government funded institutions  | 16,984,957        | 47.28  | (3)        | 16,984,954      |
| Finance and insurance  | 18,368,966        | 51.13  | (5,212)    | 18,363,754      |
| Others   | 570,896           | 1.59   | (363)      | 570,533         |
|  | 35,924,819        | 100.00 | (5,578)    | 35,919,241      |
| ₩  | 217,903,458       |        | ₩ (8,321)  | ₩ 217,895,137   |

4.2.8.5 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by country as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023 |        |            |                 |
|--|-------------------|--------|------------|-----------------|
|  | Amount            | %      | Allowances | Carrying amount |
| <b>Due from financial institutions measured at amortized cost</b>                    |                   |        |            |                 |
| Korea  | ₩ 19,763,609      | 71.65  | ₩ (229)    | ₩ 19,763,380    |
| United States  | 3,021,300         | 10.95  | (88)       | 3,021,212       |
| Others   | 4,795,391         | 17.40  | (704)      | 4,794,687       |
|  | 27,580,300        | 100.00 | (1,021)    | 27,579,279      |
| <b>Due from financial institutions measured at fair value through profit or loss</b> |                   |        |            |                 |
| Korea  | 79,811            | 100.00 | -          | 79,811          |
|  | 79,811            | 100.00 | -          | 79,811          |
| <b>Securities measured at fair value through profit or loss</b>                      |                   |        |            |                 |
| Korea  | 65,460,878        | 90.09  | -          | 65,460,878      |
| United States  | 3,260,968         | 4.49   | -          | 3,260,968       |
| Others   | 3,936,586         | 5.42   | -          | 3,936,586       |
|  | 72,658,432        | 100.00 | -          | 72,658,432      |
| <b>Derivative financial assets</b>   |                   |        |            |                 |
| Korea  | 2,931,376         | 47.61  | -          | 2,931,376       |
| United States  | 1,008,296         | 16.37  | -          | 1,008,296       |
| France   | 863,376           | 14.02  | -          | 863,376         |
| Singapore  | 141,696           | 2.30   | -          | 141,696         |
| Japan  | 326,585           | 5.30   | -          | 326,585         |
| Others   | 886,299           | 14.40  | -          | 886,299         |
|  | 6,157,628         | 100.00 | -          | 6,157,628       |
| <b>Securities measured at fair value through other comprehensive income</b>          |                   |        |            |                 |
| Korea  | 73,226,955        | 92.78  | -          | 73,226,955      |
| United States  | 2,354,107         | 2.99   | -          | 2,354,107       |
| Others   | 3,345,375         | 4.23   | -          | 3,345,375       |
|  | 78,926,437        | 100.00 | -          | 78,926,437      |
| <b>Securities measured at amortized cost</b>   |                   |        |            |                 |
| Korea  | 35,344,575        | 88.99  | (14,648)   | 35,329,927      |
| United States  | 1,159,699         | 2.92   | (1,070)    | 1,158,629       |
| Others   | 3,216,387         | 8.09   | (3,554)    | 3,212,833       |
|  | 39,720,661        | 100.00 | (19,272)   | 39,701,389      |
| ₩  | 225,123,269       |        | ₩ (20,293) | ₩ 225,102,976   |



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4.2.8.5 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by country as of December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  | December 31, 2022 |        |            |                 |
|--|-------------------|--------|------------|-----------------|
|  | Amount            | %      | Allowances | Carrying amount |
| <b>Due from financial institutions measured at amortized cost</b>                    |                   |        |            |                 |
| Korea  | ₩ 22,156,154      | 74.06  | ₩ (484)    | ₩ 22,155,670    |
| United States  | 2,267,982         | 7.58   | (28)       | 2,267,954       |
| Others   | 5,490,704         | 18.36  | (2,231)    | 5,488,473       |
|  | 29,914,840        | 100.00 | (2,743)    | 29,912,097      |
| <b>Due from financial institutions measured at fair value through profit or loss</b> |                   |        |            |                 |
| Korea  | 69,469            | 100.00 | -          | 69,469          |
|  | 69,469            | 100.00 | -          | 69,469          |
| <b>Securities measured at fair value through profit or loss</b>                      |                   |        |            |                 |
| Korea  | 60,061,811        | 91.14  | -          | 60,061,811      |
| United States  | 3,227,851         | 4.90   | -          | 3,227,851       |
| Others   | 2,609,735         | 3.96   | -          | 2,609,735       |
|  | 65,899,397        | 100.00 | -          | 65,899,397      |
| <b>Derivative financial assets</b>   |                   |        |            |                 |
| Korea  | 4,831,012         | 51.14  | -          | 4,831,012       |
| United States  | 1,351,969         | 14.31  | -          | 1,351,969       |
| France   | 1,281,270         | 13.56  | -          | 1,281,270       |
| Singapore  | 212,710           | 2.25   | -          | 212,710         |
| Japan  | 435,592           | 4.61   | -          | 435,592         |
| Others   | 1,334,027         | 14.13  | -          | 1,334,027       |
|  | 9,446,580         | 100.00 | -          | 9,446,580       |
| <b>Securities measured at fair value through other comprehensive income</b>          |                   |        |            |                 |
| Korea  | 70,803,558        | 92.37  | -          | 70,803,558      |
| United States  | 2,419,242         | 3.17   | -          | 2,419,242       |
| Others   | 3,425,553         | 4.46   | -          | 3,425,553       |
|  | 76,648,353        | 100.00 | -          | 76,648,353      |
| <b>Securities measured at amortized cost</b>   |                   |        |            |                 |
| Korea  | 30,551,451        | 85.05  | (3,885)    | 30,547,566      |
| United States  | 2,880,918         | 8.02   | (949)      | 2,879,969       |
| Others   | 2,492,449         | 6.93   | (743)      | 2,491,706       |
|  | 35,924,818        | 100    | (5,577)    | 35,919,241      |
|  | ₩ 217,903,457     |        | ₩ (8,320)  | ₩ 217,895,137   |

Due from financial institutions, financial instruments at fair value through profit or loss linked to gold price, and derivative financial instruments are mostly related to the finance and insurance industry with high credit ratings.

## 4.3 Liquidity Risk

### 4.3.1 Overview of liquidity risk

Liquidity risk is a risk that the Group becomes insolvent due to the mismatch between the inflow and outflow of funds, unexpected cash outflows, or a risk of loss due to financing funds at a high interest rate or disposing of securities at an unfavorable price due to lack of available funds. The Group manages its liquidity risk through analysis of the contractual maturity of interest-bearing assets and liabilities, assets and liabilities related to the other inflows and outflows of funds, and off-balance sheet items related to the inflows and outflows of funds such as currency derivative instruments and others.

### 4.3.2 Liquidity risk management and indicator

The liquidity risk is managed by risk management policies and liquidity risk management guidelines set forth in these policies that apply to all risk management policies and procedures that may arise throughout the overall business of the Group.

The Group calculates and manages cumulative liquidity gap, liquidity ratio and others for all transactions and off-balance transactions related to liquidity, that affect the cash flows in Korean won and foreign currency funds raised and operated for the management of liquidity risks and periodically reports them to the Risk Management Council and the Risk Management Committee.

### 4.3.3 Analysis of remaining contractual maturity of financial liabilities

The cash flows disclosed in the maturity analysis are undiscounted contractual amounts including principal and future interest payments; as such, amounts in the table below do not match with those in the consolidated statements of financial position which are based on discounted cash flows. The future interest payments for floating-rate liabilities are calculated on the assumption that the current interest rate is the same until maturity.

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4.3.3.1 Remaining contractual maturity of financial liabilities other than derivatives held for cash flow hedge, and off-balance sheet items as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023 |             |               |            |            |            |             |             |           |            |              |           |       |             |
|--|-------------------|-------------|---------------|------------|------------|------------|-------------|-------------|-----------|------------|--------------|-----------|-------|-------------|
|  | On demand         |             | Up to 1 month |            | 1-3 months |            | 3-12 months |             | 1-5 years |            | Over 5 years |           | Total |             |
| <b>Financial liabilities</b>   |                   |             |               |            |            |            |             |             |           |            |              |           |       |             |
| Financial liabilities at fair value through profit or loss <sup>1</sup>            | W                 | 2,953,472   | W             | -          | W          | -          | W           | -           | W         | -          | W            | -         | W     | 2,953,472   |
| Financial liabilities designated at fair value through profit or loss <sup>1</sup> |                   | 7,966,963   |               | -          |            | -          |             | -           |           | -          |              | -         |       | 7,966,963   |
| Derivatives held for trading <sup>1</sup>  |                   | 5,966,512   |               | -          |            | -          |             | -           |           | -          |              | -         |       | 5,966,512   |
| Derivatives held for hedging <sup>2</sup>  |                   | 7,856       |               | 11,887     |            | 16,968     |             | 48,476      |           | 50,888     |              | (4,255)   |       | 131,820     |
| Deposits <sup>3</sup>  |                   | 175,103,423 |               | 35,688,530 |            | 55,092,937 |             | 131,347,718 |           | 17,325,661 |              | 1,764,854 |       | 416,323,123 |
| Borrowings   |                   | 10,729,326  |               | 18,654,410 |            | 6,594,666  |             | 21,356,372  |           | 12,432,385 |              | 1,195,946 |       | 70,963,105  |
| Debentures   |                   | 10,077      |               | 3,843,626  |            | 5,556,957  |             | 21,137,247  |           | 37,653,013 |              | 5,727,779 |       | 73,928,699  |
| Lease liabilities  |                   | 243         |               | 27,478     |            | 43,005     |             | 172,528     |           | 366,002    |              | 34,804    |       | 644,060     |
| Other financial liabilities  |                   | 875,267     |               | 25,693,343 |            | 166,001    |             | 331,289     |           | 1,128,101  |              | 264,861   |       | 28,458,862  |
|  | W                 | 203,613,139 | W             | 83,919,274 | W          | 67,470,534 | W           | 174,393,630 | W         | 68,956,050 | W            | 8,983,989 | W     | 607,336,616 |
| <b>Off-balance sheet items</b>   |                   |             |               |            |            |            |             |             |           |            |              |           |       |             |
| Commitments <sup>4</sup>   | W                 | 203,906,179 | W             | -          | W          | -          | W           | -           | W         | -          | W            | -         | W     | 203,906,179 |
| Acceptances and guarantees contracts   |                   | 13,763,222  |               | -          |            | -          |             | -           |           | -          |              | -         |       | 13,763,222  |
| Financial guarantee contracts <sup>5</sup>   |                   | 7,828,205   |               | -          |            | -          |             | -           |           | -          |              | -         |       | 7,828,205   |
|  | W                 | 225,497,606 | W             | -          | W          | -          | W           | -           | W         | -          | W            | -         | W     | 225,497,606 |

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4.3.3.1 Remaining contractual maturity of financial liabilities other than derivatives held for cash flow hedge, and off-balance sheet items as of December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  | December 31, 2022 |               |              |               |              |              |               |
|--|-------------------|---------------|--------------|---------------|--------------|--------------|---------------|
|  | On demand         | Up to 1 month | 1-3 months   | 3-12 months   | 1-5 years    | Over 5 years | Total         |
| <b>Financial liabilities</b>   |                   |               |              |               |              |              |               |
| Financial liabilities at fair value through profit or loss <sup>1</sup>            | ₩ 2,193,210       | ₩ -           | ₩ -          | ₩ -           | ₩ -          | ₩ -          | ₩ 2,193,210   |
| Financial liabilities designated at fair value through profit or loss <sup>1</sup> | 10,078,394        | -             | -            | -             | -            | -            | 10,078,394    |
| Derivatives held for trading <sup>1</sup>  | 9,209,537         | -             | -            | -             | -            | -            | 9,209,537     |
| Derivatives held for hedging <sup>2</sup>  | -                 | 11,106        | 8,886        | 39,174        | 221,551      | 3,502        | 284,219       |
| Deposits <sup>3</sup>  | 175,530,178       | 29,911,835    | 45,245,496   | 131,765,097   | 17,979,299   | 1,129,024    | 401,560,929   |
| Borrowings   | 7,831,474         | 23,821,330    | 7,676,952    | 19,120,861    | 12,839,302   | 1,159,432    | 72,449,351    |
| Debentures   | 11,117            | 4,011,679     | 8,353,663    | 20,995,587    | 33,216,320   | 6,485,136    | 73,073,502    |
| Lease liabilities  | 164               | 28,079        | 45,200       | 171,449       | 376,159      | 2,839        | 623,890       |
| Other financial liabilities  | 179,241           | 17,938,781    | 368,218      | 447,898       | 907,643      | 428,310      | 20,270,091    |
|  | ₩ 205,033,315     | ₩ 75,722,810  | ₩ 61,698,415 | ₩ 172,540,066 | ₩ 65,540,274 | ₩ 9,208,243  | ₩ 589,743,123 |
| <b>Off-balance sheet items</b>   |                   |               |              |               |              |              |               |
| Commitments <sup>4</sup>   | ₩ 188,295,902     | ₩ -           | ₩ -          | ₩ -           | ₩ -          | ₩ -          | ₩ 188,295,902 |
| Acceptances and guarantees contracts   | 12,425,753        | -             | -            | -             | -            | -            | 12,425,753    |
| Financial guarantee contracts <sup>5</sup>   | 8,297,042         | -             | -            | -             | -            | -            | 8,297,042     |
|  | ₩ 209,018,697     | ₩ -           | ₩ -          | ₩ -           | ₩ -          | ₩ -          | ₩ 209,018,697 |

<sup>1</sup> Financial liabilities measured or designated at fair value through profit or loss and derivatives held for trading are not managed by contractual maturity because they are expected to be traded or redeemed before maturity. Therefore, the carrying amounts of those financial instruments are included in the 'On demand' category.

<sup>2</sup> Cash flows of derivatives held for hedging are shown at net amount of cash inflows and outflows by remaining contractual maturity.

<sup>3</sup> Deposits that are contractually repayable on demand or on short notice are included in the 'On demand' category.

<sup>4</sup> Commitments are included in the 'On demand' category because payments can be requested at any time.

<sup>5</sup> Cash flows under financial guarantee contracts are classified based on the earliest period that the contract can be executed.

4.3.3.2 Contractual cash flows of derivatives held for cash flow hedge as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023 |            |             |             |              |             |
|--|-------------------|------------|-------------|-------------|--------------|-------------|
|  | Up to 1 month     | 1-3 months | 3-12 months | 1-5 years   | Over 5 years | Total       |
| Cash flow to be received (paid) of net-settled derivatives | ₩ 1,605           | ₩ 9,596    | ₩ 28,260    | ₩ 76,704    | ₩ 802        | ₩ 116,967   |
| Cash flow to be received of gross-settled derivatives      | 35,052            | 86,391     | 331,383     | 2,723,781   | -            | 3,176,607   |
| Cash flow to be paid of gross-settled derivatives          | (35,871)          | (92,640)   | (488,194)   | (3,272,506) | -            | (3,889,211) |

(In millions of Korean won)

|  | December 31, 2022 |            |             |             |              |             |
|--|-------------------|------------|-------------|-------------|--------------|-------------|
|  | Up to 1 month     | 1-3 months | 3-12 months | 1-5 years   | Over 5 years | Total       |
| Cash flow to be received (paid) of net-settled derivatives | ₩ 1,534           | ₩ 10,994   | ₩ 25,749    | ₩ 119,179   | ₩ 3,526      | ₩ 160,982   |
| Cash flow to be received of gross-settled derivatives      | 10,932            | 30,311     | 1,003,755   | 2,894,502   | -            | 3,939,500   |
| Cash flow to be paid of gross-settled derivatives          | (10,357)          | (54,794)   | (1,007,950) | (2,255,613) | -            | (3,328,714) |

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#### 4.4 Market Risk

##### 4.4.1 Concept

Market risk refers to risks that can result in losses due to changes in market factors such as interest rate, stock price, and foreign exchange rate, etc., which arise from securities, derivatives, and others. The most significant risks associated with trading positions are interest rate risk, currency risk, and additional risks include stock price risk. The non-trading position is also exposed to interest rate risk. The Group manages the market risks by dividing them into those arising from the trading position and those arising from the non-trading position.

##### 4.4.2 Risk management

The Group sets and monitors internal capital limits for market risk and interest rate risk to manage the risks of trading and non-trading positions. In order to manage market risk efficiently, the Group maintains risk management systems and procedures such as trading policies and procedures, market risk management guidelines for trading positions, and interest rate risk management guidelines for non-trading positions. The entire process is carried out through consultation with the Risk Management Council and approval by the Risk Management Committee of the Group. However, insurance companies that are engaged in the insurance business are not subject to these guidelines and are monitored by setting internal capital limits for market risk and interest rate risk based on K-ICS.

In the case of Kookmin Bank, a major subsidiary, the Risk Management Council establishes and enforces overall market risk management policies for market risk management and decides to establish position limits, loss limits, VaR limits, and approves non-standard new products. In addition, the Market Risk Management Subcommittee, chaired by Chief Risk Officer ("CRO"), is a practical decision-making body for market risk management and determines position limits, loss limits, VaR limits, sensitivity limits, and scenario loss limits for each department of the business group.

Kookmin Bank's Asset-Liability Management Committee ("ALCO") determines interest rate and commission operating standards and Asset Liability Management ("ALM") operation policies and enacts and revises relevant guidelines. The Risk Management Committee and the Risk Management Council monitor the establishment and enforcement of ALM risk management policies and enact and revise ALM risk management guidelines. Interest rate risk limits are set based on future asset and liability positions and expected interest rate volatility, which reflect annual business plans. The Financial Planning Department and the Risk Management Department regularly measure and monitor interest rate risk and report the status and limit of interest rate risk including changes in Economic Value of Equity (" $\Delta$ EVE"), changes in Net Interest Income (" $\Delta$ NII"), and duration gap to the ALCO and the Risk Management Council on a monthly basis, and to the Risk Management Committee on a quarterly basis. To ensure the adequacy of interest rate risk and liquidity risk management, the Risk Management Department assigns the limits, monitors and reviews the procedures and tasks of ALM operations conducted by the ALM department, and reports related matters to the management independently.

Kookmin Bank is closely monitoring the outputs of various industry groups and markets that manage the transition to the new interest rate benchmark, including announcements by LIBOR regulation authority and various consultative bodies related to the transition to alternative interest rate. In response to these announcements, Kookmin Bank has completed most of the transition and replacement plans according to LIBOR transition programs and plans consisting of major business areas such as finance, accounting, tax, legal, IT, and risk. The program is under the control of the CFO and related matters are reported to the board of directors and consultative bodies with senior management as members. Kookmin Bank continues its efforts as a market participant to actively express opinions so that the index interest rate benchmark reform can be carried out in the direction of minimizing the financial and non-financial impacts and operational risks and minimizing confusion among stakeholders.

##### 4.4.3 Trading position

###### 4.4.3.1 Definition of a trading position

The trading position, which is subject to market risk management, is the trading position defined in "Trading Policy and Guidelines" and the basic requirements for the trading position are as follows:

The target position should be made daily fair value assessment and should have no legal constrictions on sale and hedging.

- The target position has no restrictions on the sale, and the daily fair value assessment should be made, and the embedded significant risk can be hedged in the market.
- The trading position classification criteria should be clearly defined in the Trading Policy and Guidelines, and the trading position should be managed by a separate trading department.
- The target position must be operated according to the documented trading strategy and the management of position limit must be carried out.
- The specialized dealer or operating department shall have the authority to execute the transaction without prior approval from the Risk Management Department, etc. within the predetermined limits of the target position.
- The target positions should be periodically reported to management for risk management of the Group.

###### 4.4.3.2 Observation method of market risk arising from trading positions

From January 2023, Subsidiaries of the Group use the Basel III standardized approach to measure market risk and manage it at the portfolio level (Prior to January 2023, Basel II standardized approach or Basel II internal models such as VaR). In addition, the Group controls and manages the risk of derivative financial instrument transactions in accordance with the Financial Supervisory Service regulations and guidelines.

###### 4.4.3.3 Basel III standardized approach

Market risk regulatory capital is calculated as the sum of (a) sensitivities-based risk, (b) default risk, and (c) residual risk according to the Basel III standardized approach introduced in January 2023.

(a) Sensitivities-based risk, which is the basis of the Basel III standardized approach for market risk, calculates the expected loss for each risk factor by applying the risk weights and correlation parameter specified by the Basel Committee and summing them.

(b) Default risk is the risk from default of issuer of securities and derivatives and is calculated by applying risk weights based on the issuer's credit rating.

(c) Residual risk is the risk imposed on atypical underlying instruments and is calculated by applying a certain percentage specified by the Basel Committee to the par value.

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4.4.3.3 Basel III standardized approach (cont'd)

(Basel III standardized approach definitions by risk type)

|                          |                             |      |  |
|--------------------------|-----------------------------|------|--|
| Sensitivities-based risk | Interest rate risk group    | GIRR | The risk associated with risk-free interest rates (typically OIS rates) defined by currency and maturity.  |
|                          |                             | CSR  | The risk associated with the issuer's interest rate credit spread, defined by creditworthiness and sector. |
|                          | Equity risk group           |      | The risk factors associated with equity, defined by market capitalization, economic conditions, and sector |
|                          | Foreign exchange risk group |      | The risk factors associated with exchange rate, defined by currency pairs                                  |
|                          | Commodity risk group        |      | The risk factors associated with commodities, defined by commodity types.                                  |
| Default risk             |                             |      | Issuer default risk in securities (bonds, etc.) and derivatives.   |
| Residual risk            |                             |      | Additional risks imposed on non-standard underlying asset products, etc.                                   |

Required equity capital of subsidiaries according to Basel III standardized approach for the year ended December 31, 2023 and according to Basel II standardized approach for the year ended 2022, are as follows:

**Kookmin Bank**

(In millions of Korean won)

| 2023                     |              |               |               |   |     |   |         |
|--------------------------|--------------|---------------|---------------|---|-----|---|---------|
| Sensitivities-based risk | Default risk | Residual risk | Dec. 31, 2023 |   |     |   |         |
| ₩                        | 479,174      | ₩             | 85,375        | ₩ | 862 | ₩ | 565,411 |

(In millions of Korean won)

| 2022                   |         |         |               |        |   |        |   |         |
|------------------------|---------|---------|---------------|--------|---|--------|---|---------|
| Average                | Minimum | Maximum | Dec. 31, 2022 |        |   |        |   |         |
| Interest rate risk     | ₩       | 34,923  | ₩             | 16,541 | ₩ | 64,356 | ₩ | 47,093  |
| Stock price risk       |         | 8,606   |               | 5,142  |   | 11,061 |   | 9,407   |
| Currency risk          |         | 24,054  |               | 14,428 |   | 41,815 |   | 41,189  |
| Diversification effect |         |         |               |        |   |        |   | (5,140) |
| Total VaR              | ₩       | 49,701  | ₩             | 22,144 | ₩ | 99,436 | ₩ | 92,549  |

Meanwhile, required equity capital for the positions which are measured according to Basel II standardized approach, and not measured by VaR as of December 31, 2022 are as follows:

(In millions of Korean won)

| 2022               |                  |               |               |   |        |   |        |
|--------------------|------------------|---------------|---------------|---|--------|---|--------|
| Interest rate risk | Stock price risk | Currency risk | Dec. 31, 2022 |   |        |   |        |
| ₩                  | 18,545           | ₩             | 4,686         | ₩ | 70,757 | ₩ | 93,988 |

4.4.3.3 Basel III standardized approach (cont'd)

**KB Securities Co., Ltd.**

(In millions of Korean won)

| 2023                     |              |               |               |   |       |   |           |
|--------------------------|--------------|---------------|---------------|---|-------|---|-----------|
| Sensitivities-based risk | Default risk | Residual risk | Dec. 31, 2023 |   |       |   |           |
| ₩                        | 736,052      | ₩             | 307,681       | ₩ | 7,454 | ₩ | 1,051,187 |

(In millions of Korean won)

| 2022               |                  |               |                           |               |        |   |    |   |         |
|--------------------|------------------|---------------|---------------------------|---------------|--------|---|----|---|---------|
| Interest rate risk | Stock price risk | Currency risk | Finance instrument s risk | Dec. 31, 2022 |        |   |    |   |         |
| ₩                  | 755,379          | ₩             | 171,592                   | ₩             | 34,109 | ₩ | 41 | ₩ | 961,121 |

**KB Kookmin Card Co., Ltd.**

(In millions of Korean won)

| 2023                     |              |               |               |   |   |   |        |
|--------------------------|--------------|---------------|---------------|---|---|---|--------|
| Sensitivities-based risk | Default risk | Residual risk | Dec. 31, 2023 |   |   |   |        |
| ₩                        | 43,029       | ₩             | -             | ₩ | - | ₩ | 43,029 |

(In millions of Korean won)

| 2022               |                  |               |                           |               |        |   |    |   |        |
|--------------------|------------------|---------------|---------------------------|---------------|--------|---|----|---|--------|
| Interest rate risk | Stock price risk | Currency risk | Finance instrument s risk | Dec. 31, 2022 |        |   |    |   |        |
| ₩                  | -                | ₩             | -                         | ₩             | 21,341 | ₩ | 41 | ₩ | 21,341 |

**KB Asset Management Co., Ltd.**

(In millions of Korean won)

| 2023                     |              |               |               |   |   |   |       |
|--------------------------|--------------|---------------|---------------|---|---|---|-------|
| Sensitivities-based risk | Default risk | Residual risk | Dec. 31, 2023 |   |   |   |       |
| ₩                        | 3,658        | ₩             | -             | ₩ | - | ₩ | 3,658 |

(In millions of Korean won)

| 2022               |                  |               |                           |               |       |   |   |   |       |
|--------------------|------------------|---------------|---------------------------|---------------|-------|---|---|---|-------|
| Interest rate risk | Stock price risk | Currency risk | Finance instrument s risk | Dec. 31, 2022 |       |   |   |   |       |
| ₩                  | -                | ₩             | -                         | ₩             | 2,455 | ₩ | - | ₩ | 2,455 |

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4.4.3.3 Basel III standardized approach (cont'd)

**KB Capital Co., Ltd.**

(In millions of Korean won)

| 2023 |                          |              |               |               |
|------|--------------------------|--------------|---------------|---------------|
|      | Sensitivities-based risk | Default risk | Residual risk | Dec. 31, 2023 |
| ₩    | 11,127                   | ₩ -          | ₩ -           | ₩ 11,127      |

(In millions of Korean won)

| 2022 |                    |                  |               |                           |               |
|------|--------------------|------------------|---------------|---------------------------|---------------|
|      | Interest rate risk | Stock price risk | Currency risk | Finance instrument s risk | Dec. 31, 2022 |
| ₩    | -                  | ₩ -              | ₩ 2,045       | ₩ -                       | ₩ 2,045       |

**KB Investment Co., Ltd.**

(In millions of Korean won)

| 2023 |                          |              |               |               |
|------|--------------------------|--------------|---------------|---------------|
|      | Sensitivities-based risk | Default risk | Residual risk | Dec. 31, 2023 |
| ₩    | 74,408                   | ₩ 7,135      | ₩ -           | ₩ 81,543      |

(In millions of Korean won)

| 2022 |                    |                  |               |                           |               |
|------|--------------------|------------------|---------------|---------------------------|---------------|
|      | Interest rate risk | Stock price risk | Currency risk | Finance instrument s risk | Dec. 31, 2022 |
| ₩    | -                  | ₩ 8,438          | ₩ 21,727      | ₩ -                       | ₩ 30,165      |

**KB Data System Co., Ltd.**

(In millions of Korean won)

| 2023 |                          |              |               |               |
|------|--------------------------|--------------|---------------|---------------|
|      | Sensitivities-based risk | Default risk | Residual risk | Dec. 31, 2023 |
| ₩    | 325                      | ₩ -          | ₩ -           | ₩ 325         |

(In millions of Korean won)

| 2022 |                    |                  |               |                           |               |
|------|--------------------|------------------|---------------|---------------------------|---------------|
|      | Interest rate risk | Stock price risk | Currency risk | Finance instrument s risk | Dec. 31, 2022 |
| ₩    | -                  | ₩ -              | ₩ 155         | ₩ -                       | ₩ 155         |

4.4.3.4 Details of risk factors

(a) Interest rate risk

Interest rate risk for trading positions usually arises from debt securities. The Group's trading strategy is to gain short-term trading gains from interest rate fluctuations. The Group manages interest rate risk associated with trading portfolios using sensitivity analysis (Price Value of a Basis Point: PVBP).

(b) Stock price risk

Stock price risk usually arises from the portfolio of trading stocks. The portfolio of trading stocks consists of stocks listed on the exchange and derivatives linked to stocks, collective investment securities and others.

(c) Currency risk

Currency risk arises from holding assets and liabilities which are denominated in foreign currency, and currency-related derivatives. Most of the net foreign currency exposures occur in the US dollars, the Chinese Yuan and the Indonesian Rupiah.

4.4.4 Non-trading position (Interest Rate Risk of Banking Book ("IRRBB"))

4.4.4.1 Qualitative disclosure

(a) Definition of interest rate risk for risk management and measurement purposes

Interest rate risk is a change in equity and earnings due to the changes in value of interest-sensitive assets and liabilities, etc., and is measured by ΔEVE and ΔNII.

(b) Overall interest rate risk management and mitigation strategy

The interest rate risk management department establishes and sets interest rate risk management policies and limit once a year by a resolution of the Risk Management Council considering the mid to long-term management strategy and macroeconomic status. The interest rate risk management department analyzes interest rate risk crisis situations assuming abnormal interest rate fluctuations and reports the results to the Risk Management Council and observes changes in interest rate risk and compliance with risk limits to devise timely countermeasures and reports the management status regularly and frequently to the Risk Management Council. The interest rate risk model adequacy test is carried out regularly at least once a year by the verification department independent of the management department.

(c) Specific methodologies used to calculate interest rate risk measurement cycles and sensitivity

In order to measure the sensitivity of the economic value and earnings to changes in interest rates, the Group calculates monthly interest rate gap and duration gap for assets and liabilities.

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#### 4.4.4.1 Qualitative disclosure (cont'd)

(d) Interest rate shock and stress scenarios used to estimate changes in the economic value and in earnings

The Group calculates  $\Delta$ EVE by applying following six interest rate shock and stress scenarios, and  $\Delta$ NII by applying parallel shock up and parallel shock down scenarios.

- Scenario 1 : Parallel shock up
- Scenario 2 : Parallel shock down
- Scenario 3 : Steepener shock (short rates down and long rates up)
- Scenario 4 : Flattener shock (short rates up and long rates down)
- Scenario 5 : Short rates shock up
- Scenario 6 : Short rates shock down

(e) Key modeling assumptions used to measure interest rate risk for internal management purposes

The Group measures unfavorable changes in economic value resulting from changes in interest rates, following the interest rate risk calculation standards set by the Financial Supervisory Service.

(f) Interest rate risk hedging methodology and related accounting

Subsidiaries which are subject to interest rate risk measurement hedges interest rate risk through back-to-back interest rate swap transactions, which are the same as interest payment cash flows and officially document and manage the risk management strategy for hedge accounting, risk management objectives, hedging relationship, and assessment method for hedge effectiveness.

(g) Key modeling and parametric assumptions used in calculating  $\Delta$ EVE and  $\Delta$ NII

Subsidiaries which are subject to interest rate risk measurement calculate interest rate risk, including all cash flow of interest-sensitive assets and liabilities, and off-balance sheet items. The main assumptions of the IRRBB standard method for calculating  $\Delta$ EVE,  $\Delta$ NII are as follows:

(Classification of time buckets of cash flows (19 buckets in total))

|                   | Time bucket intervals (D:Day M:Months Y:Years t <sup>cf</sup> :Repricing date) |                               |                               |                                 |                                 |                               |                              |                              |
|-------------------|--|-------------------------------|-------------------------------|---------------------------------|---------------------------------|-------------------------------|------------------------------|------------------------------|
|                   | 1D<br>(0.0028Y)  | 1D< t <sup>cf</sup><br>≤1M    | 1M< t <sup>cf</sup><br>≤3M    | 3M< t <sup>cf</sup><br>≤6M      | 6M< t <sup>cf</sup><br>≤9M      | 9M< t <sup>cf</sup><br>≤1Y    | 1Y< t <sup>cf</sup><br>≤1.5Y | 1.5Y< t <sup>cf</sup><br>≤2Y |
| Short-term rates  |  | (0.0417Y)                     | (0.1667Y)                     | (0.375Y)                        | (0.625Y)                        | (0.875Y)                      | (1.25Y)                      | (1.75Y)                      |
| Medium-term rates | 2Y< t <sup>cf</sup><br>(2.5Y)  | 3Y< t <sup>cf</sup><br>(3.5Y) | 4Y< t <sup>cf</sup><br>(4.5Y) | 5Y< t <sup>cf</sup><br>(5.5Y)   | 6Y< t <sup>cf</sup><br>(6.5Y)   |                               |                              |                              |
| Long-term rates   | 7Y< t <sup>cf</sup><br>(7.5Y)  | 8Y< t <sup>cf</sup><br>(8.5Y) | 9Y< t <sup>cf</sup><br>(9.5Y) | 10Y< t <sup>cf</sup><br>(12.5Y) | 15Y< t <sup>cf</sup><br>(17.5Y) | t <sup>cf</sup> >20Y<br>(25Y) |                              |                              |

\* The number in brackets is the time bucket's midpoint.

#### 4.4.4.1 Qualitative disclosure (cont'd)

(Caps on core deposit and average maturity by category for non-maturity deposits)

|                          | Cap on proportion of core deposits (%) | Cap on average maturity of core deposits (years) |
|--------------------------|--|--|
| Retail/transactional     | 90                                     | 5  |
| Retail/non-transactional | 70                                     | 4.5  |
| Wholesale                | 50                                     | 4  |

#### 4.4.4.2 Quantitative disclosure

The average repricing maturity of non-maturity deposits is 2.5 years for core deposits, 1 day for non-core deposits, and the longest repricing maturity is five years.

(a) Kookmin Bank

$\Delta$ EVE is calculated by applying six interest rate shock and stress scenarios, and  $\Delta$ NII is calculated by applying parallel shock up and parallel shock down scenarios. Results as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023                               |   | December 31, 2022                               |   |
|--|---|---|---|---|
|  | changes in the economic value of equity capital |   | changes in the economic value of equity capital |   |
|  | $\Delta$ EVE                                    | Changes in net interest income $\Delta$ NII | $\Delta$ EVE                                    | Changes in net interest income $\Delta$ NII |
| Scenario 1 (Parallel shock up)               | ₩ 1,211,285                                     | 494,957                                     | ₩ 165,634                                       | 162,959                                     |
| Scenario 2 (Parallel shock down)             | -   | -   | 290,330   | -   |
| Scenario 3 (Short rates down, long rates up) | 338,439   |   | 266,737   |   |
| Scenario 4 (Short rates up, long rates down) | 620,553   |   | 268,261   |   |
| Scenario 5 (Short rates shock up)            | 901,087   |   | 288,737   |   |
| Scenario 6 (Short rates shock down)          | 90,869  |   | 132,998   |   |
| Maximum out of six scenarios                 | 1,211,285                                       | 494,957                                     | 290,330   | 162,959                                     |
| Basic capital                                | 33,478,665                                      |   | 30,963,124                                      |   |

(b) Non-bank subsidiaries

$\Delta$ EVE is maximum out of six interest rate shock and stress scenarios, and  $\Delta$ NII is maximum of parallel shock up and parallel shock down scenarios. Results as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                           | December 31, 2023 |              | December 31, 2022 |              |
|---------------------------|-------------------|--------------|-------------------|--------------|
|                           | $\Delta$ EVE      | $\Delta$ NII | $\Delta$ EVE      | $\Delta$ NII |
| KB Securities Co., Ltd.   | ₩ 38,694          | ₩ 419,121    | ₩ 37,498          | ₩ 242,200    |
| KB Kookmin Card Co., Ltd. | 42,562            | 221,049      | 96,282            | 244,602      |
| KB Capital Co., Ltd.      | 206,305           | 40,167       | 126,535           | ₩ 50,800     |
| KB Savings Bank Co., Ltd. | 14,855            | 156          | 5,320             | 14,976       |

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4.4.5 Financial assets and liabilities denominated in foreign currencies

Details of financial instruments denominated in foreign currencies and translated into Korean won as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023   |                    |                    |                    |                    |                     |                     | Total |
|---|---------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|-------|
|   | USD                 | JPY                | EUR                | GBP                | CNY                | Others              |                     |       |
| <b>Financial assets</b>   |                     |                    |                    |                    |                    |                     |                     |       |
| Cash and due from financial institutions                          | ₩ 6,651,597         | ₩ 579,744          | ₩ 363,520          | ₩ 52,992           | ₩ 408,390          | ₩ 1,644,720         | ₩ 9,700,963         |       |
| Financial assets at fair value through profit or loss             | 7,594,682           | 2,320              | 699,951            | 119,801            | 1,799              | 348,919             | 8,767,472           |       |
| Derivatives held for trading                                      | 399,244             | 374                | 22,395             | 4,012              | 1,173              | 52,026              | 479,224             |       |
| Derivatives held for hedging                                      | 166,801             | -                  | 225                | 4                  | -                  | 4,313               | 171,343             |       |
| Loans measured at amortized cost                                  | 32,119,823          | 785,006            | 2,866,108          | 979,163            | 1,648,885          | 7,093,058           | 45,492,043          |       |
| Financial assets at fair value through other comprehensive income | 6,076,271           | -                  | 288,852            | 4,591              | 654,436            | 1,063,371           | 8,087,521           |       |
| Financial assets at amortized cost                                | 2,730,263           | -                  | 41,406             | 199,589            | 32,579             | 1,850,922           | 4,854,759           |       |
| Other financial assets  | 3,395,714           | 100,822            | 85,263             | 36,929             | 515,278            | 630,366             | 4,764,372           |       |
|   | <u>₩ 59,134,395</u> | <u>₩ 1,468,266</u> | <u>₩ 4,367,720</u> | <u>₩ 1,397,081</u> | <u>₩ 3,262,540</u> | <u>₩ 12,687,695</u> | <u>₩ 82,317,697</u> |       |
| <b>Financial liabilities</b>                                      |                     |                    |                    |                    |                    |                     |                     |       |
| Financial liabilities at fair value through profit or loss        | ₩ 1,123,670         | ₩ -                | ₩ -                | ₩ -                | ₩ -                | ₩ -                 | ₩ 1,123,670         |       |
| Derivatives held for trading                                      | 735,627             | 4,566              | 45,359             | 108                | 11                 | 206,546             | 992,217             |       |
| Derivatives held for hedging                                      | 154,120             | -                  | 1,246              | 252                | -                  | 2,314               | 157,932             |       |
| Deposits  | 25,777,256          | 1,763,971          | 1,822,443          | 761,371            | 1,787,865          | 4,200,321           | 36,113,227          |       |
| Borrowings  | 15,895,866          | 743,356            | 944,944            | 314,177            | 506,248            | 2,726,591           | 21,131,182          |       |
| Debentures  | 8,412,413           | -                  | 2,959,534          | -                  | -                  | 1,008,961           | 12,380,908          |       |
| Other financial liabilities                                       | 4,773,601           | 91,519             | 840,629            | 8,995              | 545,722            | 119,055             | 6,379,521           |       |
|   | <u>₩ 56,872,553</u> | <u>₩ 2,603,412</u> | <u>₩ 6,614,155</u> | <u>₩ 1,084,903</u> | <u>₩ 2,839,846</u> | <u>₩ 8,263,788</u>  | <u>₩ 78,278,657</u> |       |



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4.4.5 Financial assets and liabilities denominated in foreign currencies (cont'd)

(In millions of Korean won)

|   | December 31, 2022   |                    |                    |                  |                    |                     |                     |
|---|---------------------|--------------------|--------------------|------------------|--------------------|---------------------|---------------------|
|   | USD                 | JPY                | EUR                | GBP              | CNY                | Others              | Total               |
| <b>Financial assets</b>   |                     |                    |                    |                  |                    |                     |                     |
| Cash and due from financial institutions                          | ₩ 6,353,315         | ₩ 461,826          | ₩ 456,888          | ₩ 97,502         | ₩ 645,271          | ₩ 2,324,691         | ₩ 10,339,493        |
| Financial assets at fair value through profit or loss             | 7,323,969           | 2,443              | 595,384            | 59,263           | 7,110              | 330,779             | 8,318,948           |
| Derivatives held for trading                                      | 636,456             | 159                | 10,412             | 10               | 19,053             | 167,796             | 833,886             |
| Derivatives held for hedging                                      | 274,662             | -                  | 382                | -                | -                  | 35,149              | 310,193             |
| Loans measured at amortized cost                                  | 32,980,619          | 683,705            | 2,813,855          | 755,912          | 1,944,500          | 6,596,283           | 45,774,874          |
| Financial assets at fair value through other comprehensive income | 6,521,435           | -                  | 236,352            | 5,677            | 556,052            | 1,012,665           | 8,332,181           |
| Financial assets at amortized cost                                | 4,196,436           | -                  | -                  | 37,816           | 60,013             | 1,051,467           | 5,345,732           |
| Other financial assets  | 1,806,272           | 292,703            | 360,120            | 25,046           | 97,916             | 360,277             | 2,942,334           |
|   | <u>₩ 60,093,164</u> | <u>₩ 1,440,836</u> | <u>₩ 4,473,393</u> | <u>₩ 981,226</u> | <u>₩ 3,329,915</u> | <u>₩ 11,879,107</u> | <u>₩ 82,197,641</u> |
| <b>Financial liabilities</b>                                      |                     |                    |                    |                  |                    |                     |                     |
| Financial liabilities at fair value through profit or loss        | ₩ 1,143,413         | ₩ -                | ₩ -                | ₩ -              | ₩ -                | ₩ -                 | ₩ 1,143,413         |
| Derivatives held for trading                                      | 893,781             | 9,016              | 81,119             | 17,072           | 6,868              | 264,833             | 1,272,689           |
| Derivatives held for hedging                                      | 161,785             | -                  | -                  | -                | -                  | 202                 | 161,987             |
| Deposits  | 25,706,363          | 1,339,119          | 1,429,567          | 344,824          | 2,307,068          | 5,238,485           | 36,365,426          |
| Borrowings  | 19,700,038          | 458,856            | 446,968            | 588,324          | 266,727            | 2,442,313           | 23,903,226          |
| Debentures  | 7,771,068           | -                  | 2,041,517          | -                | 36,288             | 975,891             | 10,824,764          |
| Other financial liabilities                                       | 3,540,468           | 266,505            | 188,435            | 14,321           | 101,048            | 429,577             | 4,540,354           |
|   | <u>₩ 58,916,916</u> | <u>₩ 2,073,496</u> | <u>₩ 4,187,606</u> | <u>₩ 964,541</u> | <u>₩ 2,717,999</u> | <u>₩ 9,351,301</u>  | <u>₩ 78,211,859</u> |

## KB Financial Group Inc. and Subsidiaries

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#### 4.5 Operational Risk

##### 4.5.1 Concept

Operational risk of the Group refers to the risk of loss that may occur due to improper or incorrect internal procedures, personnel, systems or external events. Operational risk management plays a role in enhancing the stability and soundness of financial institutions by managing the appropriate level of capital and supplementing the internal control system.

##### 4.5.2 Risk management

The purpose of operational risk management is not only to comply with supervisory and regulatory requirements, but also to spread risk management culture, strengthen internal control, improve processes, and provide timely feedback to management and all employees. The Parent Company manages the Group's overall operational risk, and each subsidiary establishes and implements operational risk management policies according to its own risk level and implements and operates related systems. The Group Risk Management Committee establishes and allocates risk capital of operational risk for each subsidiary, and subsidiaries manage operational risks at an appropriate level within the allocated risk capital.

#### 4.6 Capital Management

The Group complies with the capital adequacy standard established by the financial supervisory authority. This capital adequacy standard is based on Basel III revised by Basel Committee on Banking Supervision in Bank for International Settlements ("BIS") in June 2011 and was implemented in Korea in December 2013. According to this standard, the Group is required to maintain a minimum capital adequacy ratio to risk-weighted assets (Common Equity Tier 1 Capital ratio of 8.0%, Tier 1 Capital ratio of 9.5%, and Total Capital ratio of 11.5%) as of December 31, 2023.

The Group's capital is classified into three categories in accordance with the Detailed Regulations on Supervision of Financial Holding Companies as follows:

- Common Equity Tier 1 Capital: Common equity Tier 1 Capital is the first to take losses of the Group and is the last to be compensated in liquidation of the Group and not repaid except for liquidation. It includes capital, capital surplus, retained earnings, non-controlling interests of the consolidated subsidiaries, accumulated other comprehensive income, and other capital surplus, etc.
- Additional Tier 1 Capital: Additional Tier 1 Capital includes capital, capital surplus, etc. related to the issuance of capital securities of a permanent nature that meets the conditional capital securities requirements.
- Tier 2 Capital: Tier 2 Capital means capital that can compensate for losses of the Group upon liquidation, including (a) the amount of subordinated bonds with maturity of not less than 5 years that meet the conditional capital securities requirements, and (b) the allowances for credit losses accumulated on the loans which are classified as normal or precautionary in accordance with Regulations on Supervision of Financial Holding Companies, and others.

The risk-weighted assets are the magnitude of the amount of risk inherent in the total asset held by the Group. The Group calculates risk-weighted assets by each risk (credit risk, market risk, and operational risk) based on the Detailed Regulations on Supervision of Financial Holding Companies and uses them to calculate capital adequacy ratio.

#### 4.6 Capital Management (cont'd)

The Group evaluates and manages capital adequacy through separate internal policies. The evaluation of capital adequacy compares the size of available capital (the actual amount of available capital) to the size of internal capital (the amount of capital required to cover all the significant risks faced by the Group under its target credit rating), which monitors financial soundness and provides a risk-adjusted performance measurement basis.

Internal capital refers to the capital required to prevent the insolvency from future unexpected losses. The Group operates a system to measure, allocate, and manage internal capital to major subsidiaries by risk type.

The Risk Management Committee of the Group determines the risk appetite of the Group, allocates internal capital by risk type and major subsidiaries, and major subsidiaries operate capital efficiently within the range of the allocated internal capital. The Risk Management Department of the Group monitors internal capital limit management and reports it to management and the Risk Management Committee. If the limit of internal capital is expected to be exceeded due to new businesses or business expansion, the Group's capital adequacy management is carried out through review and approval by the Risk Management Committee in advance.

Details of the Group's capital adequacy ratio in accordance with Basel III requirements as of December 31, 2023 and 2022, are as follows:

| <i>(In millions of Korean won)</i>     | December 31, |             | December 31, |             |
|--|--------------|-------------|--------------|-------------|
|  |              | 2023        |              | 2022        |
| Total Capital:                         | ₩            | 53,743,658  | ₩            | 48,969,952  |
| Tier 1 Capital                         |              | 49,390,274  |              | 45,032,020  |
| Common Equity Tier 1 Capital           |              | 43,663,753  |              | 40,103,660  |
| Additional Tier 1 Capital              |              | 5,726,521   |              | 4,928,360   |
| Tier 2 Capital                         |              | 4,353,384   |              | 3,937,932   |
| Risk-Weighted Assets:                  |              | 321,318,905 |              | 302,983,943 |
| Total Capital ratio (%):               |              | 16.73       |              | 16.16       |
| Tier 1 Capital ratio (%)               |              | 15.37       |              | 14.86       |
| Common Equity Tier 1 Capital ratio (%) |              | 13.59       |              | 13.24       |

#### 5. Segment Information

##### 5.1 Overall Segment Information and Business Segments

The Group classifies reporting segments based on the nature of the products and services provided, the type of customer, and the Group's management organization.

|                                    |   |
|------------------------------------|---|
| <b>Corporate banking</b>           | Loans, deposit products, and other related financial services to large, small and medium-sized enterprises and SOHOs  |
| <b>Banking business</b>            | <b>Retail banking</b> Loans, deposit products, and other related financial services to individuals and households<br><b>Other banking services</b> Trading activities in securities and derivatives, funding, and other supporting activities |
| <b>Securities business</b>         | Investment banking, brokerage services, and other supporting activities   |
| <b>Non-life insurance business</b> | Non-life insurance and other supporting activities  |
| <b>Credit card business</b>        | Credit sale, cash advance, card loan, and other supporting activities   |
| <b>Life insurance business</b>     | Life insurance and other supporting activities  |

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#### 5.1 Overall Segment Information and Business Segments (cont'd)

Financial information by business segment as of and for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023              |                |                        |              |             |                    |             |                |             |                           |              |
|---|-------------------|----------------|------------------------|--------------|-------------|--------------------|-------------|----------------|-------------|---------------------------|--------------|
|   | Banking business  |                |                        |              | Securities  | Non-life insurance | Credit card | Life insurance | Others      | Consolidation adjustments | Total        |
|   | Corporate banking | Retail banking | Other banking services | Sub-total    |             |                    |             |                |             |                           |              |
| Net operating revenues(expenses) from external customers                        | ₩ 5,640,663       | ₩ 4,443,943    | ₩ 30,910               | ₩ 10,115,516 | ₩ 1,667,041 | ₩ 1,173,901        | ₩ 2,026,032 | ₩ 187,650      | ₩ 1,058,994 | ₩ -                       | ₩ 16,229,134 |
| Intersegment net operating revenues(expenses)                                   | 116,967           | -              | 225,401                | 342,368      | 52,940      | (17,993)           | (147,290)   | 16,209         | 348,113     | (594,347)                 | -            |
|   | ₩ 5,757,630       | ₩ 4,443,943    | ₩ 256,311              | ₩ 10,457,884 | ₩ 1,719,981 | ₩ 1,155,908        | ₩ 1,878,742 | ₩ 203,859      | ₩ 1,407,107 | ₩ (594,347)               | ₩ 16,229,134 |
| Net interest income(expenses)   | ₩ 5,645,899       | ₩ 3,397,242    | ₩ 826,926              | ₩ 9,870,067  | ₩ 614,140   | ₩ (166,932)        | ₩ 1,639,486 | ₩ (298,507)    | ₩ 659,052   | ₩ (175,589)               | ₩ 12,141,717 |
| Interest income   | 11,687,624        | 7,723,196      | 2,936,303              | 22,347,123   | 1,763,009   | 811,572            | 2,343,014   | 582,241        | 1,407,564   | (109,444)                 | 29,145,079   |
| Interest expense  | (6,041,725)       | (4,325,954)    | (2,109,377)            | (12,477,056) | (1,148,869) | (978,504)          | (703,528)   | (880,748)      | (748,512)   | (66,145)                  | (17,003,362) |
| Net fee and commission income(expenses)   | 427,004           | 252,118        | 489,161                | 1,168,283    | 742,613     | (34,468)           | 613,721     | (7,636)        | 1,213,154   | (22,143)                  | 3,673,524    |
| Fee and commission income   | 612,643           | 403,042        | 587,135                | 1,602,820    | 981,954     | 20,658             | 1,740,517   | 5,478          | 1,364,830   | (348,183)                 | 5,368,074    |
| Fee and commission expense  | (185,639)         | (150,924)      | (97,974)               | (434,537)    | (239,341)   | (55,126)           | (1,126,796) | (13,114)       | (151,676)   | 326,040                   | (1,694,550)  |
| Net insurance income(expenses)  | -                 | -              | -                      | -            | -           | 961,338            | 9,539       | 421,902        | -           | 30,173                    | 1,422,952    |
| Insurance income  | -                 | -              | -                      | -            | -           | 10,088,869         | 19,000      | 907,002        | -           | (36,063)                  | 10,978,808   |
| Insurance expense   | -                 | -              | -                      | -            | -           | (9,127,531)        | (9,461)     | (485,100)      | -           | 66,236                    | (9,555,856)  |
| Net gains(losses) on financial instruments at fair value through profit or loss | (6,449)           | -              | 766,434                | 759,985      | 356,837     | 454,729            | 6,915       | 658,530        | 283,591     | (357,522)                 | 2,163,065    |
| Net other insurance finance expense   | -                 | -              | -                      | -            | -           | (25,841)           | -           | (433,294)      | -           | -                         | (459,135)    |
| Net other operating income(expenses)  | (308,824)         | 794,583        | (1,826,210)            | (1,340,451)  | 6,391       | (32,918)           | (390,919)   | (137,136)      | (748,690)   | (69,266)                  | (2,712,989)  |

**KB Financial Group Inc. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023 and 2022**

5.1 Overall Segment Information and Business Segments (cont'd)

(In millions of Korean won)

|   | 2023              |                |                        |               |             |                    |             |                |             |                           |               |
|---|-------------------|----------------|------------------------|---------------|-------------|--------------------|-------------|----------------|-------------|---------------------------|---------------|
|   | Banking business  |                |                        |               | Securities  | Non-life insurance | Credit card | Life insurance | Others      | Consolidation adjustments | Total         |
|   | Corporate banking | Retail banking | Other banking services | Sub-total     |             |                    |             |                |             |                           |               |
| General and administrative expenses                             | ₩ (1,959,016)     | ₩ (1,952,434)  | ₩ (610,316)            | ₩ (4,521,766) | ₩ (903,329) | ₩ (142,165)        | ₩ (624,628) | ₩ (99,663)     | ₩ (483,366) | ₩ 127,511                 | ₩ (6,647,406) |
| Operating income(expenses) before provision for credit losses   | 3,798,614         | 2,491,509      | (354,005)              | 5,936,118     | 816,652     | 1,013,743          | 1,254,114   | 104,196        | 923,741     | (466,836)                 | 9,581,728     |
| Reversal(provision) of credit losses                            | (1,563,255)       | (92,464)       | 47,591                 | (1,608,128)   | (144,016)   | (13,988)           | (826,922)   | (2,190)        | (554,176)   | 3,011                     | (3,146,409)   |
| Net operating income(expenses)                                  | 2,235,359         | 2,399,045      | (306,414)              | 4,327,990     | 672,636     | 999,755            | 427,192     | 102,006        | 369,565     | (463,825)                 | 6,435,319     |
| Share of profit(loss) of associates and joint ventures          | -                 | -              | 117                    | 117           | 2,898       | 2,440              | 1,049       | (135)          | 11,386      | 15,355                    | 33,110        |
| Net other non-operating income(expenses)                        | (14,754)          | -              | (83,576)               | (98,330)      | (190,199)   | 15,235             | 44,310      | 4,700          | (11,162)    | (62,534)                  | (297,980)     |
| Segment profit(loss) before income tax expense                  | 2,220,605         | 2,399,045      | (389,873)              | 4,229,777     | 485,335     | 1,017,430          | 472,551     | 106,571        | 369,789     | (511,004)                 | 6,170,449     |
| Income tax benefit(expense)                                     | (633,917)         | (633,348)      | 187,440                | (1,079,825)   | (102,705)   | (264,250)          | (121,333)   | (24,338)       | (64,432)    | 49,865                    | (1,607,018)   |
| Profit(loss) for the year                                       | ₩ 1,586,688       | ₩ 1,765,697    | ₩ (202,433)            | ₩ 3,149,952   | ₩ 382,630   | ₩ 753,180          | ₩ 351,218   | ₩ 82,233       | ₩ 305,357   | ₩ (461,139)               | ₩ 4,563,431   |
| Profit(loss) attributable to shareholders of the Parent Company | ₩ 1,612,409       | ₩ 1,765,697    | ₩ (116,607)            | ₩ 3,261,499   | ₩ 389,618   | ₩ 752,901          | ₩ 351,133   | ₩ 82,233       | ₩ 303,578   | ₩ (509,030)               | ₩ 4,631,932   |
| Profit(loss) attributable to non-controlling interests          | (25,721)          | -              | (85,826)               | (111,547)     | (6,988)     | 279                | 85          | -              | 1,779       | 47,891                    | (68,501)      |
| Total assets *  | 221,851,975       | 165,821,667    | 142,339,211            | 530,012,853   | 61,266,989  | 37,729,688         | 29,365,575  | 31,953,218     | 63,413,640  | (38,003,811)              | 715,738,152   |
| Total liabilities *   | 201,871,592       | 203,560,029    | 88,032,505             | 493,464,126   | 54,967,833  | 31,474,133         | 24,545,751  | 27,823,185     | 25,562,612  | (972,798)                 | 656,864,842   |

**KB Financial Group Inc. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023 and 2022**

5.1 Overall Segment Information and Business Segments (cont'd)

(In millions of Korean won)

|   | 2022              |                |                        |             |             |                    |             |                |             |                           |              |
|---|-------------------|----------------|------------------------|-------------|-------------|--------------------|-------------|----------------|-------------|---------------------------|--------------|
|   | Banking business  |                |                        |             | Securities  | Non-life insurance | Credit card | Life insurance | Others      | Consolidation adjustments | Total        |
|   | Corporate banking | Retail banking | Other banking services | Sub-total   |             |                    |             |                |             |                           |              |
| Net operating revenues(expenses) from external customers                | ₩ 4,994,409       | ₩ 4,472,888    | ₩ (188,422)            | ₩ 9,278,875 | ₩ 1,124,822 | ₩ 737,135          | ₩ 1,785,413 | ₩ (59,645)     | ₩ 914,004   | ₩ -                       | ₩ 13,780,604 |
| Intersegment net operating revenues(expenses)                           | 3,659             | -              | 371,576                | 375,235     | (36,806)    | (60,610)           | (154,740)   | (22,761)       | 204,208     | (304,526)                 | -            |
|   | ₩ 4,998,068       | ₩ 4,472,888    | ₩ 183,154              | ₩ 9,654,110 | ₩ 1,088,016 | ₩ 676,525          | ₩ 1,630,673 | ₩ (82,406)     | ₩ 1,118,212 | ₩ (304,526)               | ₩ 13,780,604 |
| Net interest income(expenses)   | ₩ 4,720,718       | ₩ 3,936,872    | ₩ 633,431              | ₩ 9,291,021 | ₩ 538,275   | ₩ (77,278)         | ₩ 1,474,209 | ₩ (271,951)    | ₩ 559,468   | ₩ 1,581                   | ₩ 11,515,325 |
| Interest income   | 7,831,383         | 5,763,852      | 1,763,466              | 15,358,701  | 1,156,586   | 709,224            | 1,983,828   | 573,663        | 1,064,529   | (58,954)                  | 20,787,577   |
| Interest expense  | (3,110,665)       | (1,826,980)    | (1,130,035)            | (6,067,680) | (618,311)   | (786,502)          | (509,619)   | (845,614)      | (505,061)   | 60,535                    | (9,272,252)  |
| Net fee and commission income(expenses)                                 | 385,884           | 261,350        | 449,374                | 1,096,608   | 784,748     | (26,396)           | 519,502     | (2,003)        | 1,145,308   | (2,865)                   | 3,514,902    |
| Fee and commission income   | 546,634           | 415,858        | 567,666                | 1,530,158   | 979,215     | 23,282             | 1,617,446   | 7,270          | 1,301,764   | (333,205)                 | 5,125,930    |
| Fee and commission expense  | (160,750)         | (154,508)      | (118,292)              | (433,550)   | (194,467)   | (49,678)           | (1,097,944) | (9,273)        | (156,456)   | 330,340                   | (1,611,028)  |
| Net Insurance income(expenses)  | -                 | -              | -                      | -           | -           | 990,971            | 10,593      | 309,316        | -           | 211                       | 1,311,091    |
| Insurance income  | -                 | -              | -                      | -           | -           | 9,271,948          | 19,702      | 817,486        | -           | (36,646)                  | 10,072,490   |
| Insurance expense   | -                 | -              | -                      | -           | -           | (8,280,977)        | (9,109)     | (508,170)      | -           | 36,857                    | (8,761,399)  |
| Net gains on financial instruments at fair value through profit or loss | 73,680            | -              | 136,901                | 210,581     | (210,589)   | (133,456)          | 1,725       | (887,876)      | 21,844      | (142,047)                 | (1,139,818)  |
| Net other insurance finance expense                                     | -                 | -              | -                      | -           | -           | 4,411              | -           | 836,816        | -           | -                         | 841,227      |
| Net other operating income(expenses)                                    | (182,214)         | 274,666        | (1,036,552)            | (944,100)   | (24,418)    | (81,727)           | (375,356)   | (66,708)       | (608,408)   | (161,406)                 | (2,262,123)  |

**KB Financial Group Inc. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023 and 2022**

5.1 Overall Segment Information and Business Segments (cont'd)

(In millions of Korean won)

|   | 2022             |                        |             |               |             |                    |             |                |             |                           |               |
|---|------------------|------------------------|-------------|---------------|-------------|--------------------|-------------|----------------|-------------|---------------------------|---------------|
|   | Banking business |                        |             |               | Securities  | Non-life insurance | Credit card | Life insurance | Others      | Consolidation adjustments | Total         |
| Corporate banking   | Retail banking   | Other banking services | Sub-total   |               |             |                    |             |                |             |                           |               |
| General and administrative expenses                             | ₩ (1,972,147)    | ₩ (2,092,770)          | ₩ (633,034) | ₩ (4,697,951) | ₩ (822,409) | ₩ (134,380)        | ₩ (597,159) | ₩ (45,892)     | ₩ (466,509) | ₩ 120,646                 | ₩ (6,643,654) |
| Operating income(expenses) before provision for credit losses   | 3,025,921        | 2,380,118              | (449,880)   | 4,956,159     | 265,607     | 542,145            | 1,033,514   | (128,298)      | 651,703     | (183,880)                 | 7,136,950     |
| Reversal(provision) of credit losses                            | (778,260)        | (281,868)              | (61,042)    | (1,121,170)   | (28,425)    | (17,978)           | (500,453)   | 1,392          | (178,173)   | (2,968)                   | (1,847,775)   |
| Net operating income(expenses)                                  | 2,247,661        | 2,098,250              | (510,922)   | 3,834,989     | 237,182     | 524,167            | 533,061     | (126,906)      | 473,530     | (186,848)                 | 5,289,175     |
| Share of profit (loss) of associates and joint ventures         | -                | -                      | 12,666      | 12,666        | 3,039       | 1,104              | 1,582       | -              | (7,965)     | (39,181)                  | (28,755)      |
| Net other non-operating income(expenses)                        | (13,317)         | -                      | (24,548)    | (37,865)      | 12,994      | 190,466            | (7,197)     | 3,213          | (4,717)     | 32,430                    | 189,324       |
| Segment profit (loss) before income tax expense                 | 2,234,344        | 2,098,250              | (522,804)   | 3,809,790     | 253,215     | 715,737            | 527,446     | (123,693)      | 460,848     | (193,599)                 | 5,449,744     |
| Income tax benefit(expense)                                     | (732,211)        | (522,478)              | 173,206     | (1,081,483)   | (64,300)    | (158,169)          | (144,443)   | 40,315         | (113,458)   | 3,195                     | (1,518,343)   |
| Profit (loss) for the year                                      | ₩ 1,502,133      | ₩ 1,575,772            | ₩ (349,598) | ₩ 2,728,307   | ₩ 188,915   | ₩ 557,568          | ₩ 383,003   | ₩ (83,378)     | ₩ 347,390   | ₩ (190,404)               | ₩ 3,931,401   |
| Profit(loss) attributable to shareholders of the Parent Company | ₩ 1,505,240      | 1,575,772              | ₩ (84,997)  | 2,996,015     | ₩ 187,784   | ₩ 557,219          | ₩ 378,592   | ₩ (83,378)     | ₩ 343,859   | ₩ (227,099)               | ₩ 4,152,992   |
| Profit(loss) attributable to non-controlling interests          | (3,107)          | -                      | (264,601)   | (267,708)     | 1,131       | 349                | 4,411       | -              | 3,531       | 36,695                    | (221,591)     |
| Total assets *  | 211,989,036      | 165,273,848            | 140,506,628 | 517,769,512   | 53,824,245  | 34,743,259         | 29,721,017  | 29,989,683     | 60,219,661  | (37,602,551)              | 688,664,826   |
| Total liabilities *   | 205,382,625      | 191,786,626            | 86,877,002  | 484,046,253   | 47,946,933  | 29,017,685         | 24,998,214  | 26,172,406     | 25,973,897  | (3,598,363)               | 634,557,025   |

\* Assets and liabilities of the reporting segments are amounts before intersegment transactions.

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

#### 5.2 Services and Geographical Segments

##### 5.2.1 Services information

Net operating revenues from external customers by service for the years ended December 31, 2023 and 2022, are as follows:

|                             | 2023 |                   | 2022 |                   |
|-----------------------------|------|-------------------|------|-------------------|
|                             | ₩    |                   | ₩    |                   |
| (In millions of Korean won) |      |                   |      |                   |
| Banking service             | ₩    | 10,115,516        | ₩    | 9,278,875         |
| Securities service          |      | 1,667,041         |      | 1,124,822         |
| Non-life insurance service  |      | 1,173,901         |      | 737,135           |
| Credit card service         |      | 2,026,032         |      | 1,785,413         |
| Life insurance service      |      | 187,650           |      | (59,645)          |
| Others                      |      | 1,058,994         |      | 914,004           |
|                             | ₩    | <u>16,229,134</u> | ₩    | <u>13,780,604</u> |

##### 5.2.2 Geographical information

Geographical net operating revenues from external customers for the years ended December 31, 2023 and 2022, and major non-current assets as of December 31, 2023 and 2022, are as follows:

|                             | Net operating revenues from external customers |                   |      |                   | Major non-current assets |                   |                   |                  |
|-----------------------------|--|-------------------|------|-------------------|--------------------------|-------------------|-------------------|------------------|
|                             | 2023   |                   | 2022 |                   | December 31, 2023        |                   | December 31, 2022 |                  |
|                             | ₩  |                   | ₩    |                   | ₩                        |                   | ₩                 |                  |
| (In millions of Korean won) |  |                   |      |                   |                          |                   |                   |                  |
| Domestic                    | ₩  | 14,813,546        | ₩    | 12,563,066        | ₩                        | 9,851,765         | ₩                 | 8,355,707        |
| United States               |  | 75,944            |      | 101,726           |                          | 55,125            |                   | 55,257           |
| New Zealand                 |  | 12,611            |      | 12,378            |                          | 1,051             |                   | 1,382            |
| China                       |  | 177,175           |      | 170,239           |                          | 21,138            |                   | 19,715           |
| Cambodia                    |  | 572,858           |      | 546,258           |                          | 53,322            |                   | 46,060           |
| United Kingdom              |  | 52,372            |      | 31,685            |                          | 4,616             |                   | 5,808            |
| Indonesia                   |  | 327,599           |      | 231,694           |                          | 418,115           |                   | 421,982          |
| Others                      |  | 197,029           |      | 123,558           |                          | 32,405            |                   | 536,794          |
| Consolidation adjustments   |  | -                 |      | -                 |                          | 568,804           |                   | 555,572          |
|                             | ₩  | <u>16,229,134</u> | ₩    | <u>13,780,604</u> | ₩                        | <u>11,006,341</u> | ₩                 | <u>9,998,277</u> |

#### 6. Financial Assets and Financial Liabilities

##### 6.1 Classification and Fair Value of Financial Instruments

6.1.1 Carrying amount and fair value of financial assets and liabilities by category as of December 31, 2023 and 2022, are as follows:

|   | December 31, 2023 |                    |            |                    |
|---|-------------------|--------------------|------------|--------------------|
|   | Carrying amount   |                    | Fair value |                    |
|   | ₩                 |                    | ₩          |                    |
| (In millions of Korean won)   |                   |                    |            |                    |
| <b>Financial assets</b>   |                   |                    |            |                    |
| Cash and due from financial institutions                              | ₩                 | 29,836,311         | ₩          | 29,833,886         |
| Financial assets at fair value through profit or loss:                |                   |                    |            |                    |
| Due from financial institutions                                       |                   | 77,038,267         |            | 77,038,267         |
| Debt securities   |                   | 79,811             |            | 79,811             |
| Equity securities   |                   | 72,658,432         |            | 72,658,432         |
| Loans   |                   | 4,022,555          |            | 4,022,555          |
| Others  |                   | 183,726            |            | 183,726            |
| Derivatives held for trading  |                   | 93,743             |            | 93,743             |
| Derivatives held for hedging  |                   | 5,777,682          |            | 5,777,682          |
| Loans measured at amortized cost                                      |                   | 379,946            |            | 379,946            |
| Securities measured at amortized cost                                 |                   | 444,805,287        |            | 445,144,428        |
| Financial assets at fair value through other comprehensive income:    |                   |                    |            |                    |
| Debt securities   |                   | 39,701,389         |            | 38,763,702         |
| Equity securities   |                   | 82,498,140         |            | 82,498,140         |
| Loans   |                   | 78,926,437         |            | 78,926,437         |
| Other financial assets  |                   | 2,770,653          |            | 2,770,653          |
|   |                   | 801,050            |            | 801,050            |
|   |                   | 16,544,513         |            | 16,544,513         |
|   | ₩                 | <u>696,581,535</u> | ₩          | <u>695,980,564</u> |
| <b>Financial liabilities</b>  |                   |                    |            |                    |
| Financial liabilities at fair value through profit or loss            | ₩                 | 2,953,472          | ₩          | 2,953,472          |
| Financial liabilities designated at fair value through profit or loss |                   | 7,966,963          |            | 7,966,963          |
| Derivatives held for trading  |                   | 5,966,512          |            | 5,966,512          |
| Derivatives held for hedging  |                   | 244,127            |            | 244,127            |
| Deposits  |                   | 406,512,434        |            | 406,711,081        |
| Borrowings  |                   | 69,583,561         |            | 69,390,346         |
| Debentures  |                   | 69,176,668         |            | 68,975,750         |
| Other financial liabilities   |                   | 37,416,916         |            | 37,416,916         |
|   | ₩                 | <u>599,820,653</u> | ₩          | <u>599,625,167</u> |

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

6.1.1 Carrying amount and fair value of financial assets and liabilities by category as of December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|   | December 31, 2022 |             |            |             |
|---|-------------------|-------------|------------|-------------|
|   | Carrying amount   |             | Fair value |             |
| <b>Financial assets</b>   |                   |             |            |             |
| Cash and due from financial institutions                              | ₩                 | 32,474,750  | ₩          | 32,403,730  |
| Financial assets at fair value through profit or loss:                |                   |             |            |             |
| Due from financial institutions                                       |                   | 70,092,497  |            | 70,092,497  |
| Debt securities   |                   | 69,469      |            | 69,469      |
| Equity securities   |                   | 65,899,397  |            | 65,899,397  |
| Loans   |                   | 3,540,063   |            | 3,540,063   |
| Others  |                   | 493,562     |            | 493,562     |
| Derivatives held for trading  |                   | 90,006      |            | 90,006      |
| Derivatives held for hedging  |                   | 8,984,171   |            | 8,984,171   |
| Loans measured at amortized cost                                      |                   | 462,409     |            | 462,409     |
| Securities measured at amortized cost                                 |                   | 433,038,931 |            | 430,396,089 |
| Financial assets at fair value through other comprehensive income:    |                   |             |            |             |
| Debt securities   |                   | 79,533,418  |            | 79,533,418  |
| Equity securities   |                   | 76,648,353  |            | 76,648,353  |
| Loans   |                   | 2,335,793   |            | 2,335,793   |
| Other financial assets  |                   | 549,272     |            | 549,272     |
|   | ₩                 | 10,718,383  | ₩          | 10,718,383  |
|   | ₩                 | 671,223,800 | ₩          | 666,183,928 |
| <b>Financial liabilities</b>  |                   |             |            |             |
| Financial liabilities at fair value through profit or loss            | ₩                 | 2,193,210   | ₩          | 2,193,210   |
| Financial liabilities designated at fair value through profit or loss |                   |             |            |             |
| Derivatives held for trading  |                   | 10,078,394  |            | 10,078,394  |
| Derivatives held for hedging  |                   | 9,209,537   |            | 9,209,537   |
| Deposits  |                   | 300,232     |            | 300,232     |
| Borrowings  |                   | 393,928,904 |            | 393,458,279 |
| Debentures  |                   | 71,717,366  |            | 71,187,130  |
| Other financial liabilities   |                   | 68,698,203  |            | 67,036,661  |
|   |                   | 26,163,138  |            | 26,163,138  |
|   | ₩                 | 582,288,984 | ₩          | 579,626,581 |

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Group discloses the fair value of each class of assets and liabilities in a way that permits it to be compared with its carrying amount at the end of each reporting period. The best evidence of fair value of financial instruments is a quoted price in an active market.

6.1.1 Carrying amount and fair value of financial assets and liabilities by category as of December 31, 2023 and 2022, are as follows: (cont'd)

Methods of determining fair value of financial instruments are as follows:

|   |  |
|---|--|
| <b>Cash and due from financial institutions</b>                                   | Fair value of cash is same as carrying amount. Carrying amount of demand deposit and settlement deposit is a reasonable approximation of fair value because these financial instruments do not have a fixed maturity and are receivable on demand. Fair value of general deposit is measured using Discounted Cash Flow ("DCF") Model.   |
| <b>Securities</b>   | Fair value of securities and others that are traded in an active market is determined using the quoted prices. If there is no quoted price, fair value is determined using external professional valuation institutions. The institutions use one or more valuation techniques that are deemed appropriate considering the characteristics of the financial instruments among DCF Model, Free Cash Flow to Equity Model, Comparable Company Analysis, Dividend Discount Model, Risk Adjusted Discount Rate Method, and Net Asset Value Method.   |
| <b>Loans</b>  | Fair value of loans is determined using DCF Model discounting the expected cash flows, which are contractual cash flows adjusted by the expected prepayment rate, at an appropriate discount rate.   |
| <b>Derivatives and financial instruments at fair value through profit or loss</b> | Fair value of exchange traded derivatives is determined using quoted price in an active market, and fair value of OTC derivatives is determined using valuation techniques. The Group uses internally developed valuation models that are widely used by market participants to determine fair value of plain vanilla OTC derivatives including options, interest rate swaps, and currency swaps, based on observable market parameters. However, some complex financial instruments are valued using appropriate models developed from generally accepted market valuation models including Finite Difference Method ("FDM"), MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Closed Form, and Tree Model or valuation results from independent external professional valuation institutions. |
| <b>Deposits</b>   | Carrying amount of demand deposits is a reasonable approximation of fair value because they do not have a fixed maturity and are payable on demand. Fair value of time deposits is determined using DCF Model discounting the expected cash flows, which are contractual cash flows adjusted by the expected prepayment rate, at an appropriate discount rate.   |
| <b>Borrowings</b>   | Carrying amount of overdrafts in foreign currency is a reasonable approximation of fair value because they do not have a fixed maturity and are payable on demand. Fair value of other borrowings is determined using DCF Model.   |
| <b>Debentures</b>   | Fair value is determined using valuation results of external professional valuation institutions, which are calculated using market inputs.  |
| <b>Other financial assets and other financial liabilities</b>                     | Carrying amount is a reasonable approximation of fair value because other financial assets and other financial liabilities are temporary accounts used for other various transactions and their maturities are relatively short or not defined.  |



## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

#### 6.1.2 Fair value hierarchy

The Group believes that valuation techniques used for measuring the fair value of financial instruments are reasonable and that the fair value recognized in the consolidated statement of financial position is appropriate. However, the fair value of the financial instruments recognized in the consolidated statement of financial position may be different if other valuation techniques or assumptions are used. Additionally, as there are a variety of valuation techniques and assumptions used in measuring fair value, it may be difficult to reasonably compare the fair value with that of other financial institutions.

The Group classifies and discloses fair value of the financial instruments into the three fair value levels as follows:

Level 1: The fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: The fair values are based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: The fair values are based on unobservable inputs for the asset or liability.

The fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorized within Level 3 of the fair value hierarchy.

#### 6.1.2.1 Fair value hierarchy of financial assets and liabilities at fair value in the consolidated statements of financial position

Fair value hierarchy of financial assets and liabilities at fair value in the consolidated statements of financial position as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023    |              |              |               |
|---|----------------------|--------------|--------------|---------------|
|   | Fair value hierarchy |              |              | Total         |
|   | Level 1              | Level 2      | Level 3 *    |               |
| <b>Financial assets</b>   |                      |              |              |               |
| Financial assets at fair value through profit or loss:                | ₩ 20,695,760         | ₩ 38,118,478 | ₩ 18,224,029 | ₩ 77,038,267  |
| Due from financial institutions                                       | -                    | 26,020       | 53,791       | 79,811        |
| Debt securities   | 18,541,335           | 37,663,855   | 16,453,242   | 72,658,432    |
| Equity securities   | 2,060,682            | 428,367      | 1,533,506    | 4,022,555     |
| Loans   | -                    | 236          | 183,490      | 183,726       |
| Others  | 93,743               | -            | -            | 93,743        |
| Derivatives held for trading  | 58,948               | 5,624,691    | 94,043       | 5,777,682     |
| Derivatives held for hedging  | -                    | 379,946      | -            | 379,946       |
| Financial assets at fair value through other comprehensive income:    | 38,630,447           | 42,416,785   | 1,450,908    | 82,498,140    |
| Debt securities   | 37,921,922           | 41,004,515   | -            | 78,926,437    |
| Equity securities   | 708,525              | 611,220      | 1,450,908    | 2,770,653     |
| Loans   | -                    | 801,050      | -            | 801,050       |
|   | ₩ 59,385,155         | ₩ 86,539,900 | ₩ 19,768,980 | ₩ 165,694,035 |
| <b>Financial liabilities</b>  |                      |              |              |               |
| Financial liabilities at fair value through profit or loss            | ₩ 2,953,472          | ₩ -          | ₩ -          | ₩ 2,953,472   |
| Financial liabilities designated at fair value through profit or loss | 56,686               | 881,791      | 7,028,486    | 7,966,963     |
| Derivatives held for trading  | 104,866              | 5,100,869    | 760,777      | 5,966,512     |
| Derivatives held for hedging  | -                    | 244,127      | -            | 244,127       |
|   | ₩ 3,115,024          | ₩ 6,226,787  | ₩ 7,789,263  | ₩ 17,131,074  |

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#### December 31, 2023 and 2022

6.1.2.1 Fair value hierarchy of financial assets and liabilities at fair value in the consolidated statements of financial position (cont'd)

(In millions of Korean won)

|   | December 31, 2022    |              |              |               |
|---|----------------------|--------------|--------------|---------------|
|   | Fair value hierarchy |              |              | Total         |
|   | Level 1              | Level 2      | Level 3 *    |               |
| <b>Financial assets</b>   |                      |              |              |               |
| Financial assets at fair value through profit or loss:                | ₩ 18,209,969         | ₩ 35,208,843 | ₩ 16,673,685 | ₩ 70,092,497  |
| Due from financial institutions                                       | -                    | 24,444       | 45,025       | 69,469        |
| Debt securities   | 16,240,223           | 34,425,619   | 15,233,555   | 65,899,397    |
| Equity securities   | 1,879,740            | 414,291      | 1,246,032    | 3,540,063     |
| Loans   | -                    | 344,489      | 149,073      | 493,562       |
| Others  | 90,006               | -            | -            | 90,006        |
| Derivatives held for trading  | 182,019              | 8,678,896    | 123,256      | 8,984,171     |
| Derivatives held for hedging  | -                    | 462,409      | -            | 462,409       |
| Financial assets at fair value through other comprehensive income:    | 32,141,450           | 45,933,688   | 1,458,280    | 79,533,418    |
| Debt securities   | 31,528,524           | 45,119,829   | -            | 76,648,353    |
| Equity securities   | 612,926              | 264,587      | 1,458,280    | 2,335,793     |
| Loans   | -                    | 549,272      | -            | 549,272       |
|   | ₩ 50,533,438         | ₩ 90,283,836 | ₩ 18,255,221 | ₩ 159,072,495 |
| <b>Financial liabilities</b>  |                      |              |              |               |
| Financial liabilities at fair value through profit or loss            | ₩ 2,193,210          | ₩ -          | ₩ -          | ₩ 2,193,210   |
| Financial liabilities designated at fair value through profit or loss | 35,687               | 1,811,404    | 8,231,303    | 10,078,394    |
| Derivatives held for trading  | 442,042              | 7,984,424    | 783,071      | 9,209,537     |
| Derivatives held for hedging  | -                    | 300,232      | -            | 300,232       |
|   | ₩ 2,670,939          | ₩ 10,096,060 | ₩ 9,014,374  | ₩ 21,781,373  |

\* Includes KB Securities Co., Ltd.'s OTC derivatives consisting of ₩ 696,910 million and ₩ 404,334 million of financial assets at fair value through profit or loss (debt instruments), ₩ 7,037,371 and ₩ 8,241,509 million of financial liabilities designated at fair value through profit or loss, ₩ 91,629 and ₩ 120,775 million of derivative financial assets, and ₩ 755,554 and ₩ 777,542 million of derivative financial liabilities as of December 31, 2023 and 2022.

6.1.2.1 Fair value hierarchy of financial assets and liabilities at fair value in the consolidated statements of financial position (cont'd)

Valuation techniques and inputs of financial assets and liabilities classified as Level 2 and measured at fair value in the consolidated statements of financial position as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023 |  |   |
|---|-------------------|--|---|
|   | Fair value        | Valuation techniques   | Inputs  |
| <b>Financial assets</b>   |                   |  |   |
| Financial assets at fair value through profit or loss:                | ₩ 38,118,478      |  |   |
| Due from financial institutions                                       | 26,020            | DCF Model, Hull-white Model  | Projected cash flow, Discount rate, Volatility, Correlation coefficient   |
| Debt securities   | 37,663,855        | DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Net Asset Value Method, Binomial Model, and others | Projected cash flow, Fair value of underlying asset, Dividend yield, Price of underlying asset, Interest rate, Discount rate, Volatility, Correlation coefficient, and others |
| Equity securities   | 428,367           | DCF Model  | Interest rate, Discount rate, and others  |
| Loans   | 236               | DCF Model  | Interest rate, Discount rate, and others  |
| Derivatives held for trading  | 5,624,691         | DCF Model, Closed Form, FDM, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Binomial Model, Option Model, and others      | Price of underlying asset, Underlying asset index, Interest rate, Dividend yield, Volatility, Foreign exchange rate, Discount rate, and others                                |
| Derivatives held for hedging  | 379,946           | DCF Model, Closed Form, FDM  | Projected cash flow, Discount rate, Forward foreign exchange rate, Volatility, Foreign exchange rate, CRS interest rate, and others   |
| Financial assets at fair value through other comprehensive income:    | 42,416,785        |  |   |
| Debt securities   | 41,004,515        | DCF Model, Option Model  | Underlying asset index, Discount rate, and others   |
| Equity securities   | 611,220           | DCF Model  | Discount rate   |
| Loans   | 801,050           | DCF Model  | Discount rate   |
|   | ₩ 86,539,900      |  |   |
| <b>Financial liabilities</b>  |                   |  |   |
| Financial liabilities designated at fair value through profit or loss | ₩ 881,791         | DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Binomial Model, Net Asset Value Method             | Price of underlying asset, Interest rate, Dividend yield, Volatility, Discount rate, Foreign exchange rate  |
| Derivatives held for trading  | 5,100,869         | DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Binomial Model, and others                         | Interest rate, Price of underlying asset, Foreign exchange rate, Credit spread, Discount rate, Volatility, and others   |
| Derivatives held for hedging  | 244,127           | DCF Model, Closed Form, FDM  | Projected cash flow, Discount rate, Forward foreign exchange rate, Volatility, Foreign exchange rate, Risk free interest rate, and others                                     |
|   | ₩ 6,226,787       |  |   |

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#### December 31, 2023 and 2022

6.1.2.1 Fair value hierarchy of financial assets and liabilities at fair value in the consolidated statements of financial position (cont'd)

(In millions of Korean won)

|   | December 31, 2022 |  |   |
|---|-------------------|--|---|
|   | Fair value        | Valuation techniques   | Inputs  |
| <b>Financial assets</b>   |                   |  |   |
| Financial assets at fair value through profit or loss:                | ₩ 35,208,843      |  |   |
| Due from financial institutions                                       | 24,444            | DCF Model, Hull-white Model  | Projected cash flow, Discount rate, Volatility, Correlation coefficient   |
| Debt securities   | 34,425,619        | DCF Model, Hull-white Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Net Asset Value Method, Binomial Model, and others | Projected cash flow, Fair value of underlying asset, Dividend yield, Price of underlying asset, Interest rate, Discount rate, Volatility, Correlation coefficient, and others |
| Equity securities   | 414,291           | DCF Model  | Interest rate, Discount rate, and others  |
| Loans   | 344,489           | DCF Model  | Interest rate, Discount rate, and others  |
| Derivatives held for trading  | 8,678,896         | DCF Model, Closed Form, FDM, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Binomial Model, and others                    | Interest rate, Price of underlying asset, Foreign exchange rate, Credit spread, Discount rate, Volatility, and others   |
| Derivatives held for hedging  | 462,409           | DCF Model, Closed Form, FDM  | Projected cash flow, Discount rate, Forward foreign exchange rate, Volatility, Foreign exchange rate, and others  |
| Financial assets at fair value through other comprehensive income:    | 45,933,688        |  |   |
| Debt securities   | 45,119,829        | DCF Model, Market Value Approach, Option Model   | Underlying asset index, Interest rate, Discount rate, and others  |
| Equity securities   | 264,587           | DCF Model  | Discount rate   |
| Loans   | 549,272           | DCF Model  | Discount rate   |
|   | ₩ 90,283,836      |  |   |
| <b>Financial liabilities</b>  |                   |  |   |
| Financial liabilities designated at fair value through profit or loss | ₩ 1,811,404       | DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Binomial Model, Net Asset Value Method             | Price of underlying asset, Interest rate, Dividend yield, Volatility, Discount rate, Foreign exchange rate  |
| Derivatives held for trading  | 7,984,424         | DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Binomial Model, and others                         | Interest rate, Price of underlying asset, Foreign exchange rate, Credit spread, Discount rate, Volatility, and others   |
| Derivatives held for hedging  | 300,232           | DCF Model, Closed Form, FDM  | Projected cash flow, Discount rate, Forward foreign exchange rate, Volatility, Foreign exchange rate, Risk free interest rate and others                                      |
|   | ₩ 10,096,060      |  |   |

6.1.2.2 Fair value hierarchy of financial assets and liabilities whose fair value is disclosed

Fair value hierarchy of financial assets and liabilities whose fair value is disclosed as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023    |               |               |               |
|---|----------------------|---------------|---------------|---------------|
|   | Fair value hierarchy |               |               | Total         |
|   | Level 1              | Level 2       | Level 3       |               |
| <b>Financial assets</b>                               |                      |               |               |               |
| Cash and due from financial institutions <sup>1</sup> | ₩ 2,775,618          | ₩ 24,501,232  | ₩ 2,557,036   | ₩ 29,833,886  |
| Loans measured at amortized cost                      | -                    | 145,330       | 444,999,098   | 445,144,428   |
| Securities measured at amortized cost <sup>2</sup>    | 4,328,010            | 34,410,808    | 24,884        | 38,763,702    |
| Other financial assets <sup>2</sup>                   | -                    | -             | 16,544,513    | 16,544,513    |
|   | ₩ 7,103,628          | ₩ 59,057,370  | ₩ 464,125,531 | ₩ 530,286,529 |
| <b>Financial liabilities</b>                          |                      |               |               |               |
| Deposits <sup>1</sup>                                 | ₩ -                  | ₩ 167,135,143 | ₩ 239,575,938 | ₩ 406,711,081 |
| Borrowings <sup>3</sup>                               | -                    | 5,835,132     | 63,555,214    | 69,390,346    |
| Debentures  | -                    | 61,678,464    | 7,297,286     | 68,975,750    |
| Other financial liabilities <sup>2</sup>              | -                    | -             | 37,416,916    | 37,416,916    |
|   | ₩ -                  | ₩ 234,648,739 | ₩ 347,845,354 | ₩ 582,494,093 |

(In millions of Korean won)

|   | December 31, 2022    |               |               |               |
|---|----------------------|---------------|---------------|---------------|
|   | Fair value hierarchy |               |               | Total         |
|   | Level 1              | Level 2       | Level 3       |               |
| <b>Financial assets</b>                               |                      |               |               |               |
| Cash and due from financial institutions <sup>1</sup> | ₩ 2,517,470          | ₩ 27,145,486  | ₩ 2,740,774   | ₩ 32,403,730  |
| Loans measured at amortized cost                      | -                    | 63,784        | 430,332,305   | 430,396,089   |
| Securities measured at amortized cost <sup>2</sup>    | 5,253,835            | 28,320,106    | 19,290        | 33,593,231    |
| Other financial assets <sup>2</sup>                   | -                    | -             | 10,718,383    | 10,718,383    |
|   | ₩ 7,771,305          | ₩ 55,529,376  | ₩ 443,810,752 | ₩ 507,111,433 |
| <b>Financial liabilities</b>                          |                      |               |               |               |
| Deposits <sup>1</sup>                                 | ₩ -                  | ₩ 168,920,439 | ₩ 224,537,840 | ₩ 393,458,279 |
| Borrowings <sup>3</sup>                               | -                    | 6,088,123     | 65,099,007    | 71,187,130    |
| Debentures  | -                    | 59,272,727    | 7,763,934     | 67,036,661    |
| Other financial liabilities <sup>2</sup>              | -                    | -             | 26,163,138    | 26,163,138    |
|   | ₩ -                  | ₩ 234,281,289 | ₩ 323,563,919 | ₩ 557,845,208 |

<sup>1</sup> The amounts included in Level 2 are the carrying amounts which are reasonable approximations of fair value.

<sup>2</sup> The amounts included in Level 3 are the carrying amounts which are reasonable approximations of fair value.

<sup>3</sup> Borrowings of ₩ 38,191 million and ₩ 18,266 million included in Level 2 are the carrying amounts which are reasonable approximations of fair value as of December 31, 2023 and 2022, respectively.

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#### December 31, 2023 and 2022

#### 6.1.2.2 Fair value hierarchy of financial assets and liabilities whose fair value is disclosed (cont'd)

For financial assets and liabilities whose carrying amount is a reasonable approximation of fair value, valuation techniques and inputs are not disclosed.

Valuation techniques and inputs of financial assets and liabilities classified as Level 2, and whose fair value is disclosed as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                       | December 31, 2023   |                                  |                              |
|---------------------------------------|---------------------|----------------------------------|------------------------------|
|                                       | Fair value          | Valuation techniques             | Inputs                       |
| <b>Financial assets</b>               |                     |                                  |                              |
| Loans measured at amortized cost      | ₩ 145,330           | DCF Model                        | Discount rate                |
| Securities measured at amortized cost | 34,410,808          | DCF Model, MonteCarlo Simulation | Discount rate, Interest rate |
|                                       | <u>₩ 34,556,138</u> |                                  |                              |
| <b>Financial liabilities</b>          |                     |                                  |                              |
| Borrowings                            | ₩ 5,796,941         | DCF Model                        | Discount rate                |
| Debentures                            | 61,678,464          | DCF Model                        | Discount rate                |
|                                       | <u>₩ 67,475,405</u> |                                  |                              |

(In millions of Korean won)

|                                       | December 31, 2022   |                                  |                              |
|---------------------------------------|---------------------|----------------------------------|------------------------------|
|                                       | Fair value          | Valuation techniques             | Inputs                       |
| <b>Financial assets</b>               |                     |                                  |                              |
| Loans measured at amortized cost      | ₩ 63,784            | DCF Model                        | Discount rate                |
| Securities measured at amortized cost | 28,320,106          | DCF Model, MonteCarlo Simulation | Discount rate, Interest rate |
|                                       | <u>₩ 28,383,890</u> |                                  |                              |
| <b>Financial liabilities</b>          |                     |                                  |                              |
| Borrowings                            | ₩ 6,069,857         | DCF Model                        | Discount rate                |
| Debentures                            | 59,272,727          | DCF Model                        | Discount rate                |
|                                       | <u>₩ 65,342,584</u> |                                  |                              |

#### 6.1.2.2 Fair value hierarchy of financial assets and liabilities whose fair value is disclosed (cont'd)

Valuation techniques and inputs of financial assets and liabilities classified as Level 3, and whose fair value is disclosed as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023    |                      |   |
|--|----------------------|----------------------|---|
|  | Fair value           | Valuation techniques | Inputs  |
| <b>Financial assets</b>                  |                      |                      |   |
| Cash and due from financial institutions | ₩ 2,557,036          | DCF Model            | Credit spread, Other spread, Interest rate                  |
| Loans measured at amortized cost         | 444,999,098          | DCF Model            | Credit spread, Other spread, Prepayment rate, Interest rate |
|  | <u>₩ 447,556,134</u> |                      |   |
| <b>Financial liabilities</b>             |                      |                      |   |
| Deposits                                 | ₩ 239,575,938        | DCF Model            | Other spread, Prepayment rate, Interest rate                |
| Borrowings                               | 63,555,214           | DCF Model            | Other spread, Interest rate                                 |
| Debentures                               | 7,297,286            | DCF Model            | Other spread, Interest rate                                 |
|  | <u>₩ 310,428,438</u> |                      |   |

(In millions of Korean won)

|  | December 31, 2022    |                      |   |
|--|----------------------|----------------------|---|
|  | Fair value           | Valuation techniques | Inputs  |
| <b>Financial assets</b>                  |                      |                      |   |
| Cash and due from financial institutions | ₩ 2,740,774          | DCF Model            | Credit spread, Other spread, Interest rate                  |
| Loans measured at amortized cost         | 430,332,305          | DCF Model            | Credit spread, Other spread, Prepayment rate, Interest rate |
|  | <u>₩ 433,073,079</u> |                      |   |
| <b>Financial liabilities</b>             |                      |                      |   |
| Deposits                                 | ₩ 224,537,840        | DCF Model            | Other spread, Prepayment rate, Interest rate                |
| Borrowings                               | 65,099,007           | DCF Model            | Other spread, Interest rate                                 |
| Debentures                               | 7,763,934            | DCF Model            | Other spread, Interest rate                                 |
|  | <u>₩ 297,400,781</u> |                      |   |

#### 6.2 Disclosure of Fair Value Hierarchy Level 3

##### 6.2.1 Valuation policy and process of Level 3 fair value

The Group uses external, independent and qualified valuation service in addition to internal valuation models to determine the fair value of financial instruments at the end of every reporting period.

If the changes in situation and events which cause transfers between the fair value hierarchy level for a financial asset or liability occur, the Group's policy is to recognize such transfers as having occurred at the beginning of the reporting period.

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**Notes to the Consolidated Financial Statements**  
**December 31, 2023 and 2022**

6.2.2 Changes in fair value (Level 3) measured using valuation technique based on unobservable inputs in the market

6.2.2.1 Changes in financial instruments classified as Level 3 of the fair value hierarchy for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                   | 2023  |  |   |   |   |   |                                      |  |
|-----------------------------------|---|--|---|---|---|---|--------------------------------------|--|
|                                   | Financial assets at fair value through profit or loss                         |  |   | Financial investments   |   | Financial liabilities at fair value through profit or loss            | Net derivative financial instruments |  |
|                                   | Due from financial institutions measured at fair value through profit or loss | Securities measured at fair value through profit or loss | Loans measured at fair value through profit or loss | Equity securities measured at fair value through other comprehensive income | Loans measured at fair value through other comprehensive income | Financial liabilities designated at fair value through profit or loss | Derivatives held for trading         |  |
| Beginning                         | ₩ 45,025  | ₩ 16,479,588   | ₩ 149,074   | ₩ 1,458,280   | ₩ -   | ₩ (8,231,303)   | ₩ (659,816)                          |  |
| Total gains or losses:            |   |  |   |   |   |   |                                      |  |
| Profit or loss                    | 8,766   | 347,251  | (11,954)  | -   | -   | (338,726)   | (74,870)                             |  |
| Other comprehensive income (loss) | -   | -  | -   | (65,983)  | -   | (32,370)  | -                                    |  |
| Purchases                         | -   | 3,448,093  | 50,435  | 98,697  | -   | -   | 11,646                               |  |
| Sales                             | -   | (2,222,518)  | (4,065)   | (40,086)  | -   | -   | (6,654)                              |  |
| Issues                            | -   | -  | -   | -   | -   | (4,431,945)   | (6,275)                              |  |
| Settlements                       | -   | -  | -   | -   | -   | 6,005,858   | 69,235                               |  |
| Transfers into Level 3 *          | -   | 13,027   | -   | -   | -   | -   | -                                    |  |
| Transfers out of Level 3 *        | -   | (78,693)   | -   | -   | -   | -   | -                                    |  |
| Ending                            | ₩ 53,791  | ₩ 17,986,748   | ₩ 183,490   | ₩ 1,450,908   | ₩ -   | ₩ (7,028,486)   | ₩ (666,734)                          |  |

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6.2.2.1 Changes in financial instruments classified as Level 3 of the fair value hierarchy for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|                                   | 2022  |   |   |   |   |   |                                      |  |
|-----------------------------------|---|---|---|---|---|---|--------------------------------------|--|
|                                   | Financial assets at fair value through profit or loss |   |   | Financial investments   |   | Financial liabilities at fair value through profit or loss            | Net derivative financial instruments |  |
|                                   | Due from financial institutions                       | Securities                                    | Loans   | Equity securities measured at fair value through other comprehensive income | Loans measured at fair value through other comprehensive income | Financial liabilities designated at fair value through profit or loss | Derivatives held for trading         |  |
|                                   | measured at fair value through profit or loss         | measured at fair value through profit or loss | measured at fair value through profit or loss | measured at fair value through other comprehensive income                   | measured at fair value through other comprehensive income       | measured at fair value through profit or loss                         |                                      |  |
| Beginning                         | ₩ 72,016  | ₩ 13,677,260                                  | ₩ 93,929                                      | ₩ 1,444,435   | ₩ 13,970  | ₩ (7,817,514)   | ₩ 35,405                             |  |
| Total gains or losses:            |   |   |   |   |   |   |                                      |  |
| Profit or loss                    | (6,991)   | (164,646)                                     | 20,306  | -   | -   | 561,996   | (663,229)                            |  |
| Other comprehensive income (loss) | -   | (56,502)                                      | -   | (3,457)   | 130   | 60,520  | -                                    |  |
| Purchases                         | -   | 4,519,870                                     | 45,486  | 46,041  | -   | -   | 23,526                               |  |
| Sales                             | (20,000)  | (1,373,459)                                   | (10,647)                                      | (28,739)  | (14,100)  | -   | (59,178)                             |  |
| Issues                            | -   | -   | -   | -   | -   | (5,222,820)   | (14,796)                             |  |
| Settlements                       | -   | (61,055)                                      | -   | -   | -   | 4,186,515   | 18,456                               |  |
| Transfers into Level 3 *          | -   | 27,120  | -   | -   | -   | -   | -                                    |  |
| Transfers out of Level 3 *        | -   | (89,000)                                      | -   | -   | -   | -   | -                                    |  |
| Ending                            | ₩ 45,025  | ₩ 16,479,588                                  | ₩ 149,074                                     | ₩ 1,458,280   | ₩ -   | ₩ (8,231,303)   | ₩ (659,816)                          |  |

\* Transfers into or out of Level 3 of the fair value hierarchy occurred due to the change in the availability of observable market data.

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6.2.2.2 In relation to changes in financial instruments classified as Level 3 of the fair value hierarchy, total gains or losses recognized in profit or loss for the period, and total gains or losses recognized in profit or loss from financial instruments held at the end of the reporting period for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023  |                        |                     | 2022  |                        |                     |
|--|---|------------------------|---------------------|---|------------------------|---------------------|
|  | Net gains on financial instruments at fair value through profit or loss | Other operating income | Net interest income | Net gains on financial instruments at fair value through profit or loss | Other operating income | Net interest income |
| Total gains (losses) recognized in profit or loss for the period   | W (107,729)   | W 38,196               | W -                 | W (376,605)   | W 124,041              | W -                 |
| Total gains (losses) recognized in profit or loss from financial instruments held at the end of the reporting period | 267,666   | 56,810                 | -                   | (210,742)   | 73,711                 | -                   |

6.2.3 Sensitivity analysis of changes in unobservable inputs

6.2.3.1 Information about fair value measurements using unobservable inputs as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023 |   |   |                                  |   |
|--|-------------------|---|---|----------------------------------|---|
|  | Fair value        | Valuation techniques  | Unobservable inputs                               | Range of unobservable inputs (%) | Relationship of unobservable inputs to fair value                             |
| <b>Financial assets</b>                                |                   |   |   |                                  |   |
| Financial assets at fair value through profit or loss: |                   |   |   |                                  |   |
| Due from financial institutions                        | W 53,791          | Hull-white Model  | Interest rate                                     | 3.20                             | The lower the interest rate, the higher the fair value                        |
| Debt securities  | 16,453,242        | DCF Model, Closed Form, FDM, MonteCarlo Simulation, Hull-white Model, Black-Scholes Model, Option Model, Binomial Model, Net Asset Value Method, Milestone Method, Income Approach, Market Value Approach, and others     | Growth rate                                       | 1.00 ~ 3.00                      | The higher the growth rate, the higher the fair value                         |
|  |                   |   | Volatility  | 14.01 ~ 76.22                    | The higher the volatility, the higher the fair value fluctuation              |
|  |                   |   | Discount rate                                     | 2.48 ~ 16.27                     | The lower the discount rate, the higher the fair value                        |
|  |                   |   | Volatility of Stock price                         | 10.00 ~ 32.55                    | The higher the volatility, the higher the fair value fluctuation              |
|  |                   |   | Correlation coefficient between underlying assets | -60.02 ~ 89.73                   | The higher the correlation coefficient, the higher the fair value fluctuation |
|  |                   |   | Liquidation value                                 | -1.00 ~ 1.00                     | The higher the liquidation value, the higher the fair value                   |
|  |                   |   | Recovery rate                                     | 40.00                            | The higher the recovery rate, the higher the fair value                       |
|  |                   |   | Rate of real estate price fluctuation             | -1.00 ~ 1.00                     | The higher the sale price of real estate, the higher the fair value           |
| Equity securities                                      | 1,533,506         | Income Approach, Market Value Approach, Asset Value Approach, DCF Model, Comparable Company Analysis, Risk Adjusted Discount Rate Method, Dividend Discount Model, Usage of Past Transactions, Binomial Model, and others | Growth rate                                       | 0.00 ~ 1.00                      | The higher the growth rate, the higher the fair value                         |
|  |                   |   | Discount rate                                     | 2.15 ~ 38.00                     | The lower the discount rate, the higher the fair value                        |
|  |                   |   | Volatility  | 0.51 ~ 45.50                     | The higher the volatility, the higher the fair value fluctuation              |
| Loans  | 183,490           | DCF Model   | Discount rate                                     | 9.87                             | The lower the discount rate, the higher the fair value                        |

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6.2.3.1 Information about fair value measurements using unobservable inputs as of December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  |                     | December 31, 2023   |   |  |   |  |
|--|---------------------|---|---|--|---|--|
|  | Fair value          | Valuation techniques  | Unobservable inputs                                       | Range of unobservable inputs (%)             | Relationship of unobservable inputs to fair value   |  |
| Derivatives held for trading:                                      |                     |   |   |  |   |  |
| Stock and index  | ₩ 72,540            | DCF Model, Closed Form, MonteCarlo Simulation, Hull-white Model, Black-Scholes Model, Binomial Model, Net Asset Value Method                                      | Volatility of underlying asset<br>Correlation coefficient | 13.79 ~ 52.45<br>-60.02 ~ 77.96              | The higher the volatility, the higher the fair value fluctuation<br>The higher the correlation coefficient, the higher the fair value fluctuation                                   |  |
| Currency, interest rate, and others                                | 21,503              | DCF Model, Hull-white Model, MonteCarlo Simulation, Closed Form   | Volatility<br>Correlation coefficient                     | 9.10 ~ 107.11<br>60.17 ~ 78.88               | The higher the volatility, the higher the fair value fluctuation<br>The higher the correlation coefficient, the higher the fair value fluctuation                                   |  |
| Financial assets at fair value through other comprehensive income: |                     |   |   |  |   |  |
| Equity securities  | 1,450,908           | DCF Model, Comparable Company Analysis, Risk Adjusted Discount Rate Method, IMV Model, Income Approach, Net Asset Value Method, Market Value Approach, and others | Growth rate<br>Discount rate<br>Volatility                | 0.00 ~ 2.00<br>8.83 ~ 19.90<br>20.60 ~ 27.96 | The higher the growth rate, the higher the fair value<br>The lower the discount rate, the higher the fair value<br>The higher the volatility, the higher the fair value fluctuation |  |
|  | <u>₩ 19,768,980</u> |   |   |  |   |  |

6.2.3.1 Information about fair value measurements using unobservable inputs as of December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  |                    | December 31, 2023  |  |  |   |  |
|--|--------------------|--|--|--|---|--|
|  | Fair value         | Valuation techniques   | Unobservable inputs  | Range of unobservable inputs (%)               | Relationship of unobservable inputs to fair value   |  |
| <b>Financial liabilities</b>   |                    |  |  |  |   |  |
| Financial liabilities designated at fair value through profit or loss: |                    |  |  |  |   |  |
| Derivative-linked securities   | ₩ 7,028,486        | DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Net Asset Value Method, and others | Volatility of underlying asset<br>Correlation coefficient  | 1.00 ~ 107.11<br>-60.02 ~ 89.73                | The higher the volatility, the higher the fair value fluctuation<br>The higher the correlation coefficient, the higher the fair value fluctuation   |  |
| Derivatives held for trading:  |                    |  |  |  |   |  |
| Stock and index  | 437,662            | DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Net Asset Value Method, and others | Volatility of underlying asset<br>Correlation coefficient  | 13.79 ~ 52.45<br>-60.02 ~ 77.96                | The higher the volatility, the higher the fair value fluctuation<br>The higher the correlation coefficient, the higher the fair value fluctuation   |  |
| Others   | 323,115            | DCF Model, Hull-white Model, MonteCarlo Simulation, Closed Form  | Discount rate<br>Volatility of underlying asset<br>Correlation coefficient between underlying assets | 5.07 ~ 5.19<br>4.49 ~ 107.11<br>-60.02 ~ 89.73 | The lower the discount rate, the higher the fair value<br>The higher the volatility, the higher the fair value fluctuation<br>The higher the correlation coefficient, the higher the fair value fluctuation |  |
|  | <u>₩ 7,789,263</u> |  |  |  |   |  |



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6.2.3.1 Information about fair value measurements using unobservable inputs as of December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  |   | December 31, 2022 |   |   |                                  |   |
|--|---|-------------------|---|---|----------------------------------|---|
|  |   | Fair value        | Valuation techniques  | Unobservable inputs                               | Range of unobservable inputs (%) | Relationship of unobservable inputs to fair value                             |
| <b>Financial assets</b>                                |   |                   |   |   |                                  |   |
| Financial assets at fair value through profit or loss: |   |                   |   |   |                                  |   |
| Due from financial institutions                        | ₩ | 45,025            | Hull-white Model  | Interest rate                                     | 0.86                             | The lower the interest rate, the higher the fair value                        |
| Debt securities  |   | 15,233,555        | DCF Model, Closed Form, MonteCarlo Simulation, Hull-white Model, Black-Scholes Model, Option Model, Binomial Model, Net Asset Value Method, Milestone Method, Income Approach, Market Value Approach, and others          | Growth rate                                       | 0.00 ~ 3.00                      | The higher the growth rate, the higher the fair value                         |
|  |   |                   |   | Volatility  | 0.24 ~ 37.39                     | The higher the volatility, the higher the fair value fluctuation              |
|  |   |                   |   | Discount rate                                     | 1.54 ~15.75                      | The lower the discount rate, the higher the fair value                        |
|  |   |                   |   | Correlation coefficient between underlying assets | -60.10 ~ 93.32                   | The higher the correlation coefficient, the higher the fair value fluctuation |
|  |   |                   |   | Liquidation value                                 | -1.00 ~ 1.00                     | The higher the liquidation value, the higher the fair value                   |
|  |   |                   |   | Recovery rate                                     | 40.00                            | The higher the recovery rate, the higher the fair value                       |
|  |   |                   |   | Rate of real estate price fluctuation             | -1.00 ~ 1.00                     | The higher the sale price of real estate, the higher the fair value           |
|  |   |                   |   | Volatility of Stock price                         | 18.87 ~ 19.48                    | The higher the volatility, the higher the fair value fluctuation              |
| Equity securities                                      |   | 1,246,032         | Income Approach, Market Value Approach, Asset Value Approach, DCF Model, Comparable Company Analysis, Risk Adjusted Discount Rate Method, Dividend Discount Model, Usage of Past Transactions, Binomial Model, and others | Growth rate                                       | 0.00 ~ 4.00                      | The higher the growth rate, the higher the fair value                         |
|  |   |                   |   | Discount rate                                     | 8.00 ~ 23.00                     | The lower the discount rate, the higher the fair value                        |
|  |   |                   |   | Volatility  | 16.80 ~ 25.50                    | The higher the volatility, the higher the fair value fluctuation              |
| Loans  |   | 149,073           | DCF Model   | Discount rate                                     | 9.91                             | The lower the discount rate, the higher the fair value                        |

6.2.3.1 Information about fair value measurements using unobservable inputs as of December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  |   | December 31, 2022 |  |                                |                                  |   |
|--|---|-------------------|--|--------------------------------|----------------------------------|---|
|  |   | Fair value        | Valuation techniques   | Unobservable inputs            | Range of unobservable inputs (%) | Relationship of unobservable inputs to fair value                             |
| Derivatives held for trading:                                      |   |                   |  |                                |                                  |   |
| Stock and index  | ₩ | 79,297            | DCF Model, Closed Form, MonteCarlo Simulation, Hull-white Model, Black-Scholes Model, Binomial Model   | Volatility of underlying asset | 10.00 ~ 58.84                    | The higher the volatility, the higher the fair value fluctuation              |
|  |   |                   |  | Correlation coefficient        | -60.10 ~ 79.72                   | The higher the correlation coefficient, the higher the fair value fluctuation |
| Currency, interest rate, and others                                |   | 43,959            | DCF Model, Hull-white Model, MonteCarlo Simulation, Closed Form  | Volatility                     | 9.77 ~ 32.92                     | The higher the volatility, the higher the fair value fluctuation              |
|  |   |                   |  | Correlation coefficient        | 8.42 ~ 93.32                     | The higher the correlation coefficient, the higher the fair value fluctuation |
| Financial assets at fair value through other comprehensive income: |   |                   |  |                                |                                  |   |
| Equity securities  |   | 1,458,280         | Risk Adjusted Discount Rate Method, IMV Model, DCF Model, Comparable Company Analysis, Net Asset Value Method, Market Value Approach, and others | Growth rate                    | 0.00 ~2.00                       | The higher the growth rate, the higher the fair value                         |
|  |   |                   |  | Discount rate                  | 7.96 ~ 19.14                     | The lower the discount rate, the higher the fair value                        |
|  |   |                   |  | Volatility of Stock price      | 23.36 ~25.49                     | The higher the volatility, the higher the fair value fluctuation              |
|  |   |                   |  | Volatility of interest rate    | 56.32~121.17                     | The higher the volatility, the higher the fair value fluctuation              |
|  |   |                   |  | <u>₩ 18,255,221</u>            |                                  |   |

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6.2.3.1 Information about fair value measurements using unobservable inputs as of December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  |             | December 31, 2022  |  |  |   |
|--|-------------|--|--|--|---|
|  | Fair value  | Valuation techniques   | Unobservable inputs  | Range of unobservable inputs (%)               | Relationship of unobservable inputs to fair value   |
| <b>Financial liabilities</b>   |             |  |  |  |   |
| Financial liabilities designated at fair value through profit or loss: |             |  |  |  |   |
| Derivative-linked securities   | ₩ 8,231,303 | DCF Model, Closed Form, MonteCarlo Simulation, Hull-white Model, Black-Scholes Model, Net Asset Value Method, and others | Volatility of underlying asset<br>Correlation coefficient between underlying assets                  | 1.00 ~ 119.27<br>-60.10 ~ 93.32                | The higher the volatility, the higher the fair value fluctuation<br>The higher the correlation coefficient, the higher the fair value fluctuation   |
| Derivatives held for trading:  |             |  |  |  |   |
| Stock and index  | 370,093     | DCF Model, Closed Form, MonteCarlo Simulation, Hull-white Model, Black-Scholes Model, Net Asset Value Method, and others | Volatility of underlying asset<br>Correlation coefficient between underlying assets                  | 0.09 ~ 119.27<br>-60.10 ~ 79.72                | The higher the volatility, the higher the fair value fluctuation<br>The higher the correlation coefficient, the higher the fair value fluctuation   |
| Others   | 412,978     | DCF Model, Hull-white Model, MonteCarlo Simulation, Closed Form  | Discount rate<br>Volatility of underlying asset<br>Correlation coefficient between underlying assets | 4.83 ~ 6.85<br>8.68 ~ 119.27<br>-50.43 ~ 93.32 | The lower the discount rate, the higher the fair value<br>The higher the volatility, the higher the fair value fluctuation<br>The higher the correlation coefficient, the higher the fair value fluctuation |
|  |             | <u>₩ 9,014,374</u>   |  |  |   |

6.2.3.2 Sensitivity analysis of changes in unobservable inputs

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in fair value of financial instruments which are affected by unobservable parameters, using a statistical technique. When the fair value is affected by more than one input parameter, the amounts represent the most favorable or most unfavorable outcome. Level 3 financial instruments subject to sensitivity analysis are (a) equity-related derivatives, currency-related derivatives, and interest rate related derivatives whose fair value changes are recognized in profit or loss, (b) financial liabilities designated at fair value through profit or loss, and (c) due from financial institutions, debt securities (including beneficiary certificates), equity securities, and loans whose fair value changes are recognized in profit or loss or other comprehensive income or loss.

Results of the sensitivity analysis of changes in unobservable inputs as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  |   | December 31, 2023 |                     |                                    |                     |
|--|---|-------------------|---------------------|------------------------------------|---------------------|
|  |   | Profit or loss    |                     | Other comprehensive income or loss |                     |
|  |   | Favorable changes | Unfavorable changes | Favorable changes                  | Unfavorable changes |
| <b>Financial assets</b>  |   |                   |                     |                                    |                     |
| Financial assets at fair value through profit or loss: <sup>1</sup>                |   |                   |                     |                                    |                     |
| Due from financial institutions  | ₩ | 211               | ₩ (224)             | ₩                                  | -                   |
| Debt securities <sup>4</sup>   |   | 94,310            | (94,063)            |                                    | -                   |
| Equity securities <sup>3</sup>   |   | 25,683            | (17,107)            |                                    | -                   |
| Loans <sup>5</sup>   |   | 2,218             | (2,010)             |                                    | -                   |
| Derivatives held for trading <sup>2</sup>  |   | 8,150             | (8,723)             |                                    | -                   |
| Financial assets at fair value through other comprehensive income:                 |   |                   |                     |                                    |                     |
| Equity securities <sup>3</sup>   |   | -                 | -                   | 95,829                             | (56,625)            |
|  | ₩ | 130,572           | ₩ (122,127)         | ₩ 95,829                           | ₩ (56,625)          |
| <b>Financial liabilities</b>   |   |                   |                     |                                    |                     |
| Financial liabilities designated at fair value through profit or loss <sup>1</sup> |   |                   |                     |                                    |                     |
|  | ₩ | 43,114            | ₩ (42,487)          | ₩                                  | -                   |
| Derivatives held for trading <sup>2</sup>  |   | 17,983            | (19,125)            |                                    | -                   |
|  | ₩ | 61,097            | ₩ (61,612)          | ₩                                  | -                   |

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#### 6.2.3.2 Sensitivity analysis of changes in unobservable inputs (cont'd)

(In millions of Korean won)

|  | December 31, 2022 |                     |                                    |                     |
|--|-------------------|---------------------|------------------------------------|---------------------|
|  | Profit or loss    |                     | Other comprehensive income or loss |                     |
|  | Favorable changes | Unfavorable changes | Favorable changes                  | Unfavorable changes |
| <b>Financial assets</b>  |                   |                     |                                    |                     |
| Financial assets at fair value through profit or loss: <sup>1</sup>                |                   |                     |                                    |                     |
| Due from financial institutions  | ₩ 221             | ₩ (247)             | ₩ -                                | ₩ -                 |
| Debt securities <sup>4</sup>   | 19,034            | (19,765)            | -                                  | -                   |
| Equity securities <sup>3</sup>   | 34,564            | (25,586)            | -                                  | -                   |
| Loans <sup>5</sup>   | 2,276             | (2,055)             | -                                  | -                   |
| Derivatives held for trading <sup>2</sup>  | 18,076            | (19,034)            | -                                  | -                   |
| Financial assets at fair value through other comprehensive income:                 |                   |                     |                                    |                     |
| Equity securities <sup>3</sup>   | -                 | -                   | 179,307                            | (82,595)            |
|  | ₩ 74,171          | ₩ (66,687)          | ₩ 179,307                          | ₩ (82,595)          |
| <b>Financial liabilities</b>   |                   |                     |                                    |                     |
| Financial liabilities designated at fair value through profit or loss <sup>1</sup> |                   |                     |                                    |                     |
| Derivatives held for trading <sup>2</sup>  | ₩ 94,001          | ₩ (97,663)          | ₩ -                                | ₩ -                 |
|  | ₩ 48,768          | ₩ (46,427)          | -                                  | -                   |
|  | ₩ 142,769         | ₩ (144,090)         | ₩ -                                | ₩ -                 |

<sup>1</sup> For financial instruments at fair value through profit or loss, changes in fair value are calculated by shifting principal unobservable input parameters such as discount rate, recovery rate, liquidation value by  $\pm 1\%$  and volatility of underlying asset, growth rate by  $\pm 1\%$  or  $\pm 10\%$  and correlation coefficient by  $\pm 10\%$ .

<sup>2</sup> For derivative financial instruments, changes in fair value are calculated by shifting principal unobservable input parameters such as price of underlying asset and volatility by  $\pm 10\%$ .

<sup>3</sup> For equity securities, changes in fair value are calculated by shifting principal unobservable input parameters such as correlation between discount rate ( $-1\%$ ~ $1\%$ ) and growth rate ( $-1\%$ ~ $1\%$ ).

<sup>4</sup> For beneficiary certificates, it is practically impossible to analyze sensitivity of changes in unobservable inputs. However, for beneficiary certificates whose underlying assets are real estates, changes in fair value are calculated by shifting rate of real estate price fluctuation by  $-1\%$ ~ $1\%$ , and for beneficiary certificates whose underlying assets are equity investments, changes in fair value are calculated by shifting principal unobservable input parameters such as liquidation value by  $-1\%$ ~ $1\%$  and discount rate by  $-1\%$ ~ $1\%$ . There is no significant correlation among major unobservable inputs.

<sup>5</sup> For loans, changes in fair value are calculated by shifting principal unobservable input parameters such as discount rate by  $-1\%$ ~ $1\%$ .

#### 6.2.4 Day one gains or losses

When the Group measures the fair value of OTC derivatives using inputs that are not based on observable market data, there could be a difference between the transaction price and the amount determined using that valuation technique. In these circumstances, the fair value of financial instruments is recognized as the transaction price, and the difference is not recognized in profit or loss but deferred and amortized using the straight-line method over the life of the financial instrument. When the fair value of the financial instruments is subsequently determined using observable market inputs, the remaining deferred amount is recognized in profit or loss.

Changes in deferred day one gains or losses for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                      | 2023 |           | 2022 |           |
|--------------------------------------|------|-----------|------|-----------|
| Balance at the beginning of the year | ₩    | 71,504    | ₩    | 77,208    |
| New transactions                     |      | 85,920    |      | 113,504   |
| Changes during the year              |      | (133,994) |      | (119,208) |
| Balance at the end of the year       | ₩    | 23,430    | ₩    | 71,504    |

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#### 6.3 Carrying Amount of Financial Instruments by Category

Financial assets and liabilities are measured at fair value or amortized cost. Carrying amount of financial assets and liabilities by category as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023  |  |   |   |                              |                      |
|---|--|--|---|---|------------------------------|----------------------|
|   | Financial instruments at fair value through profit or loss | Financial instruments at fair value through other comprehensive income | Financial instruments designated at fair value through other comprehensive income | Financial instruments at amortized cost | Derivatives held for hedging | Total                |
| <b>Financial assets</b>                               |  |  |   |   |                              |                      |
| Cash and due from financial institutions              | W  | -  | W   | -                                       | W                            | 29,836,311           |
| Financial assets at fair value through profit or loss | 77,038,267   | -  | -   | -                                       | -                            | 77,038,267           |
| Derivative financial assets                           | 5,777,682  | -  | -   | -                                       | 379,946                      | 6,157,628            |
| Loans measured at amortized cost                      | -  | -  | -   | 444,805,287                             | -                            | 444,805,287          |
| Financial investments                                 | -  | 79,727,487   | 2,770,653   | 39,701,389                              | -                            | 122,199,529          |
| Other financial assets                                | -  | -  | -   | 16,544,513                              | -                            | 16,544,513           |
|   | <u>W 82,815,949</u>  | <u>W 79,727,487</u>  | <u>W 2,770,653</u>  | <u>W 530,887,500</u>                    | <u>W 379,946</u>             | <u>W 696,581,535</u> |

(In millions of Korean won)

|  | December 31, 2023  |   |   |                              |                      |             |
|--|--|---|---|------------------------------|----------------------|-------------|
|  | Financial instruments at fair value through profit or loss | Financial instruments designated at fair value through profit or loss | Financial instruments at amortized cost | Derivatives held for hedging | Total                |             |
| <b>Financial liabilities</b>                               |  |   |   |                              |                      |             |
| Financial liabilities at fair value through profit or loss | W  | 2,953,472   | W                                       | 7,966,963                    | W                    | -           |
| Derivative financial liabilities                           | 5,966,512  | -   | -                                       | 244,127                      | -                    | 6,210,639   |
| Deposits   | -  | -   | 406,512,434                             | -                            | -                    | 406,512,434 |
| Borrowings   | -  | -   | 69,583,561                              | -                            | -                    | 69,583,561  |
| Debentures   | -  | -   | 69,176,668                              | -                            | -                    | 69,176,668  |
| Other financial liabilities*                               | -  | -   | 37,416,916                              | -                            | -                    | 37,416,916  |
|  | <u>W 8,919,984</u>   | <u>W 7,966,963</u>  | <u>W 582,689,579</u>                    | <u>W 244,127</u>             | <u>W 599,820,653</u> |             |

#### 6.3 Carrying Amount of Financial Instruments by Category (cont'd)

(In millions of Korean won)

|   | December 31, 2022  |  |   |   |                              |                      |
|---|--|--|---|---|------------------------------|----------------------|
|   | Financial instruments at fair value through profit or loss | Financial instruments at fair value through other comprehensive income | Financial instruments designated at fair value through other comprehensive income | Financial instruments at amortized cost | Derivatives held for hedging | Total                |
| <b>Financial assets</b>                               |  |  |   |   |                              |                      |
| Cash and due from financial institutions              | W  | -  | W   | -                                       | W                            | 32,474,750           |
| Financial assets at fair value through profit or loss | 70,092,497   | -  | -   | -                                       | -                            | 70,092,497           |
| Derivative financial assets                           | 8,984,171  | -  | -   | -                                       | 462,409                      | 9,446,580            |
| Loans measured at amortized cost                      | -  | -  | -   | 433,038,931                             | -                            | 433,038,931          |
| Financial investments                                 | -  | 77,197,625   | 2,335,793   | 35,919,241                              | -                            | 115,452,659          |
| Other financial assets                                | -  | -  | -   | 10,718,383                              | -                            | 10,718,383           |
|   | <u>W 79,076,668</u>  | <u>W 77,197,625</u>  | <u>W 2,335,793</u>  | <u>W 512,151,305</u>                    | <u>W 462,409</u>             | <u>W 671,223,800</u> |

(In millions of Korean won)

|  | December 31, 2022  |   |   |                              |                      |             |
|--|--|---|---|------------------------------|----------------------|-------------|
|  | Financial instruments at fair value through profit or loss | Financial instruments designated at fair value through profit or loss | Financial instruments at amortized cost | Derivatives held for hedging | Total                |             |
| <b>Financial liabilities</b>                               |  |   |   |                              |                      |             |
| Financial liabilities at fair value through profit or loss | W  | 2,193,210   | W                                       | 10,078,394                   | W                    | -           |
| Derivative financial liabilities                           | 9,209,537  | -   | -                                       | 300,232                      | -                    | 9,509,769   |
| Deposits   | -  | -   | 393,928,904                             | -                            | -                    | 393,928,904 |
| Borrowings   | -  | -   | 71,717,366                              | -                            | -                    | 71,717,366  |
| Debentures   | -  | -   | 68,698,203                              | -                            | -                    | 68,698,203  |
| Other financial liabilities*                               | -  | -   | 26,163,138                              | -                            | -                    | 26,163,138  |
|  | <u>W 11,402,747</u>  | <u>W 10,078,394</u>   | <u>W 560,507,611</u>                    | <u>W 300,232</u>             | <u>W 582,288,984</u> |             |

\* Other financial liabilities include lease liabilities that are not included in the category of financial instruments measured at amortized cost.

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

#### 6.4 Transfer of Financial Assets

##### 6.4.1 Transferred financial assets that are derecognized in their entirety

The Group transferred loans and other financial assets to companies specialized in asset-backed securitization and derecognized them from the consolidated financial statement, while the maximum exposure to loss (carrying amount) from its continuing involvement and fair value of its continuing involvement of the derecognized financial assets as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

| December 31, 2023  |                                |   |   |                                      |
|--|--------------------------------|---|---|--------------------------------------|
|  | Type of continuing involvement | Classification of financial instruments               | Carrying amount of continuing involvement | Fair value of continuing involvement |
| Discovery 2 <sup>nd</sup> Securitization Specialty Co., Ltd. | Subordinated bond              | Financial assets at fair value through profit or loss | ₩ 564                                     | ₩ 564                                |
| AP 4D ABS Ltd.   | Subordinated bond              | Financial assets at fair value through profit or loss | 257                                       | 257                                  |
|  |                                |   | ₩ 821                                     | ₩ 821                                |

(In millions of Korean won)

| December 31, 2022  |                                |   |   |                                      |
|--|--------------------------------|---|---|--------------------------------------|
|  | Type of continuing involvement | Classification of financial instruments               | Carrying amount of continuing involvement | Fair value of continuing involvement |
| Discovery 2 <sup>nd</sup> Securitization Specialty Co., Ltd. | Subordinated bond              | Financial assets at fair value through profit or loss | ₩ 564                                     | ₩ 564                                |
| AP 4D ABS Ltd.   | Subordinated bond              | Financial assets at fair value through profit or loss | 541                                       | 541                                  |
|  |                                |   | ₩ 1,105                                   | ₩ 1,105                              |

##### 6.4.2 Transferred financial assets that are not derecognized in their entirety

The Group issued securitized debentures using loans as underlying assets. Details of underlying assets and senior debentures in relation to securitization as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

| December 31, 2023  |                                      |                                 |                                      |                                 |  |  |
|--|--------------------------------------|---------------------------------|--------------------------------------|---------------------------------|--|--|
|  | Carrying amount of underlying assets | Fair value of underlying assets | Carrying amount of senior debentures | Fair value of senior debentures |  |  |
| KB Kookmin Card 8 <sup>th</sup> Securitization Co., Ltd. <sup>1</sup>  | ₩ 487,532                            | ₩ 485,230                       | ₩ 299,913                            | ₩ 287,628                       |  |  |
| KB Kookmin Card 9 <sup>th</sup> Securitization Co., Ltd. <sup>1</sup>  | 541,645                              | 538,984                         | 349,842                              | 358,616                         |  |  |
| KB Kookmin Card 10 <sup>th</sup> Securitization Co., Ltd. <sup>1</sup> | 919,380                              | 914,470                         | 513,232                              | 491,656                         |  |  |
| KB Kookmin Card 11 <sup>th</sup> Securitization Co., Ltd. <sup>1</sup> | 701,955                              | 698,248                         | 399,890                              | 375,738                         |  |  |
| KB Kookmin Card 12 <sup>th</sup> Securitization Co., Ltd. <sup>1</sup> | 1,234,204                            | 1,227,724                       | 641,079                              | 607,621                         |  |  |
| KB Auto Fifth Asset Securitization Specialty Co., Ltd. <sup>2</sup>    | 415,041                              | 388,008                         | 286,906                              | 284,351                         |  |  |
|  | ₩ 4,299,757                          | ₩ 4,252,664                     | ₩ 2,490,862                          | ₩ 2,405,610                     |  |  |

(In millions of Korean won)

| December 31, 2022  |                                      |                                 |                                      |                                 |  |  |
|--|--------------------------------------|---------------------------------|--------------------------------------|---------------------------------|--|--|
|  | Carrying amount of underlying assets | Fair value of underlying assets | Carrying amount of senior debentures | Fair value of senior debentures |  |  |
| KB Kookmin Card 7 <sup>th</sup> Securitization Co., Ltd. <sup>1</sup>  | ₩ 963,756                            | ₩ 958,207                       | ₩ 641,780                            | ₩ 628,274                       |  |  |
| KB Kookmin Card 8 <sup>th</sup> Securitization Co., Ltd. <sup>1</sup>  | 556,487                              | 553,729                         | 299,878                              | 285,111                         |  |  |
| KB Kookmin Card 9 <sup>th</sup> Securitization Co., Ltd. <sup>1</sup>  | 615,565                              | 612,543                         | 349,829                              | 372,724                         |  |  |
| KB Kookmin Card 10 <sup>th</sup> Securitization Co., Ltd. <sup>1</sup> | 1,138,578                            | 1,132,170                       | 503,392                              | 503,644                         |  |  |
| KB Auto Fifth Asset Securitization Specialty Co., Ltd. <sup>2</sup>    | 441,080                              | 429,626                         | 299,705                              | 299,705                         |  |  |
|  | ₩ 3,715,466                          | ₩ 3,686,275                     | ₩ 2,094,584                          | ₩ 2,089,458                     |  |  |

<sup>1</sup> The Group has an obligation to early redeem the securitized debentures in the event of situations prescribed by the asset securitization contract, such as the remaining balance of the eligible underlying assets in trust-type asset securitization is below the solvency ratio (minimum ratio: 104.5%) of the beneficiary interest in the trust. To avoid such early redemption, the Group entrusts credit card accounts and deposits in addition to the previously entrusted credit card accounts.

<sup>2</sup> The Group has an obligation to early redeem the securitized debentures in the event of situations prescribed by the asset securitization contract, such as when the trusted assets do not meet the eligibility requirements.

## KB Financial Group Inc. and Subsidiaries

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#### December 31, 2023 and 2022

#### 6.4.3 Bonds sold under repurchase agreements and loaned securities

The Group continues to recognize the financial assets related to bonds sold under repurchase agreements and securities lending transactions in the consolidated statement of financial position since those transactions are not qualified for derecognition even though the Group transfers the financial assets. Bonds sold under repurchase agreements are sold on the condition that they will be repurchased at a fixed price and loaned securities will be returned at the expiration of the loan period. Thus, the Group retains substantially all the risks and rewards of ownership of the financial assets.

The carrying amount of transferred assets and related liabilities as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023                     |  |
|--|---------------------------------------|--|
|  | Carrying amount of transferred assets | Carrying amount of related liabilities |
| Bonds sold under repurchase agreements * | ₩ 12,888,189                          | ₩ 12,107,718                           |
| Loaned securities:                       |                                       |  |
| Government and public bonds              | 3,395,703                             | -                                      |
| Stock                                    | 30,025                                | -                                      |
| Others                                   | 70,513                                | -                                      |
|  | ₩ 16,384,430                          | ₩ 12,107,718                           |

(In millions of Korean won)

|  | December 31, 2022                     |  |
|--|---------------------------------------|--|
|  | Carrying amount of transferred assets | Carrying amount of related liabilities |
| Bonds sold under repurchase agreements * | ₩ 11,418,820                          | ₩ 10,610,882                           |
| Loaned securities:                       |                                       |  |
| Government and public bonds              | 1,639,034                             | -                                      |
| Stock                                    | 52,098                                | -                                      |
| Others                                   | 82,658                                | -                                      |
|  | ₩ 13,192,610                          | ₩ 10,610,882                           |

\* Bonds sold under repurchase agreements using borrowed securities as collateral amount to ₩ 3,020,934 million and ₩ 100,768 million as of December 31, 2023 and 2022, respectively.

#### 6.4.4 Purchase commitments of securitized debentures

The Group provided additional credit enhancement, such as purchase commitments, for the underlying assets of subsidiaries established for asset-backed securitization. Details of carrying amounts of the underlying assets and the associated liabilities as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                        |   | December 31, | December 31, |
|------------------------|---|--------------|--------------|
|                        |   | 2023         | 2022         |
| Underlying assets      | Financial assets at fair value through profit or loss | ₩ 391,581    | ₩ 324,456    |
|                        | Loans measured at amortized cost *                    | 2,595,344    | 3,050,471    |
|                        |   | ₩ 2,986,925  | ₩ 3,374,927  |
| Associated liabilities | Debentures  | ₩ 2,944,753  | ₩ 3,222,237  |

\* Before netting of allowance

#### 6.5 Offsetting Financial Assets and Financial Liabilities

The Group enters into International Swaps and Derivatives Association ("ISDA") master netting agreements and other similar arrangements with the Group's OTC derivative and spot exchange counterparties. Similar netting agreements are also entered into with the Group's (a) sales or purchases of bonds under repurchase agreements and (b) securities lending and borrowing transactions, etc. Pursuant to these agreements, in the event of default by one party, contracts are to be terminated and receivables and payables are to be offset. Domestic exchange settlement debits and domestic exchange settlement credits are recognized in its net settlement balance in the consolidated statement of financial position because the Group has the legal right of offset and settles in net amount.

6.5.1 Details of financial assets subject to enforceable master netting agreements or similar arrangements as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023 |                          |   |                       |                 |             |
|---|-------------------|--------------------------|---|-----------------------|-----------------|-------------|
|   | Gross assets      | Gross liabilities offset | Net amount in the statement of financial position | Financial instruments | Cash collateral | Net amount  |
| Derivatives held for trading and derivative-linked securities | ₩ 6,025,704       | ₩ -                      | ₩ 6,025,704                                       |                       |                 |             |
| Derivatives held for hedging                                  | 379,945           | -                        | 379,945   | ₩ (4,904,616)         | ₩ (203,414)     | ₩ 1,297,619 |
| Unsettled spot exchange receivable                            | 7,125,645         | -                        | 7,125,645   | (6,838,231)           | -               | 287,414     |
| Bonds purchased under repurchase agreements                   | 3,948,358         | -                        | 3,948,358   | (3,927,790)           | -               | 20,568      |
| Securities borrowing agreements                               | 165,842           | -                        | 165,842   | (165,842)             | -               | -           |
| Domestic exchange settlement debits                           | 63,223,652        | (62,396,548)             | 827,104   | -                     | -               | 827,104     |
| Other financial instruments                                   | 2,885,128         | (2,859,006)              | 26,122  | -                     | -               | 26,122      |
|   | ₩ 83,754,274      | ₩ (65,255,554)           | ₩ 18,498,720                                      | ₩ (15,836,479)        | ₩ (203,414)     | ₩ 2,458,827 |

(In millions of Korean won)

|   | December 31, 2022 |                          |   |                       |                 |             |
|---|-------------------|--------------------------|---|-----------------------|-----------------|-------------|
|   | Gross assets      | Gross liabilities offset | Net amount in the statement of financial position | Financial instruments | Cash collateral | Net amount  |
| Derivatives held for trading and derivative-linked securities | ₩ 9,380,420       | ₩ -                      | ₩ 9,380,420                                       | ₩ (7,710,599)         | ₩ (195,224)     | ₩ 1,937,007 |
| Derivatives held for hedging                                  | 462,410           | -                        | 462,410   |                       |                 |             |
| Unsettled spot exchange receivable                            | 3,374,369         | -                        | 3,374,369   | (3,360,673)           | -               | 13,696      |
| Bonds purchased under repurchase agreements                   | 3,451,157         | -                        | 3,451,157   | (3,328,657)           | -               | 122,500     |
| Domestic exchange settlement debits                           | 55,491,085        | (54,611,238)             | 879,847   | -                     | -               | 879,847     |
| Other financial instruments                                   | 2,006,234         | (1,912,964)              | 93,270  | -                     | -               | 93,270      |
|   | ₩ 74,165,675      | ₩ (56,524,202)           | ₩ 17,641,473                                      | ₩ (14,399,929)        | ₩ (195,224)     | ₩ 3,046,320 |

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6.5.2 Details of financial liabilities subject to enforceable master netting agreements or similar arrangements as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023 |             |                     |              |   |            |                       |              |            |          |   |           |
|---|-------------------|-------------|---------------------|--------------|---|------------|-----------------------|--------------|------------|----------|---|-----------|
|   | Gross liabilities |             | Gross assets offset |              | Net amount in the statement of financial position |            | Non-offsetting amount |              | Net amount |          |   |           |
|   |                   |             |                     |              |   |            |                       |              |            |          |   |           |
| Derivatives held for trading and derivative-linked securities | ₩                 | 6,817,326   | ₩                   | -            | ₩   | 6,817,326  |                       |              |            |          |   |           |
| Derivatives held for hedging                                  |                   | 244,128     |                     | -            |   | 244,128    | ₩                     | (5,519,403)  | ₩          | (75,882) | ₩ | 1,466,169 |
| Unsettled spot exchange payable                               |                   | 7,124,998   |                     | -            |   | 7,124,998  |                       | (6,838,231)  |            | -        |   | 286,767   |
| Bonds sold under repurchase agreements *                      |                   | 15,645,498  |                     | -            |   | 15,645,498 |                       | (15,645,498) |            | -        |   | -         |
| Securities borrowing agreements                               |                   | 2,860,034   |                     | -            |   | 2,860,034  |                       | (2,860,034)  |            | -        |   | -         |
| Domestic exchange settlement credits                          |                   | 65,260,751  |                     | (62,396,548) |   | 2,864,203  |                       | (2,864,203)  |            | -        |   | -         |
| Other financial instruments                                   |                   | 3,090,690   |                     | (2,859,006)  |   | 231,684    |                       | -            |            | -        |   | 231,684   |
|   | ₩                 | 101,043,425 | ₩                   | (65,255,554) | ₩   | 35,787,871 | ₩                     | (33,727,369) | ₩          | (75,882) | ₩ | 1,984,620 |

(In millions of Korean won)

|   | December 31, 2022 |            |                     |              |   |            |                       |              |            |          |   |           |
|---|-------------------|------------|---------------------|--------------|---|------------|-----------------------|--------------|------------|----------|---|-----------|
|   | Gross liabilities |            | Gross assets offset |              | Net amount in the statement of financial position |            | Non-offsetting amount |              | Net amount |          |   |           |
|   |                   |            |                     |              |   |            |                       |              |            |          |   |           |
| Derivatives held for trading and derivative-linked securities | ₩                 | 10,500,353 | ₩                   | -            | ₩   | 10,500,353 |                       |              |            |          |   |           |
| Derivatives held for hedging                                  |                   | 300,232    |                     | -            |   | 300,232    | ₩                     | (2,302,250)  | ₩          | (83,837) | ₩ | 8,414,498 |
| Unsettled spot exchange payable                               |                   | 3,374,230  |                     | -            |   | 3,374,230  |                       | (3,360,673)  |            | -        |   | 13,557    |
| Bonds sold under repurchase agreements *                      |                   | 11,769,694 |                     | -            |   | 11,769,694 |                       | (11,769,694) |            | -        |   | -         |
| Securities borrowing agreements                               |                   | 2,102,537  |                     | -            |   | 2,102,537  |                       | (2,102,537)  |            | -        |   | -         |
| Domestic exchange settlement credits                          |                   | 56,349,727 |                     | (54,611,238) |   | 1,738,489  |                       | (1,738,489)  |            | -        |   | -         |
| Other financial instruments                                   |                   | 1,969,954  |                     | (1,912,964)  |   | 56,990     |                       | -            |            | -        |   | 56,990    |
|   | ₩                 | 86,366,727 | ₩                   | (56,524,202) | ₩   | 29,842,525 | ₩                     | (21,273,643) | ₩          | (83,837) | ₩ | 8,485,045 |

\* Includes bonds sold under repurchase agreements to customers.

**7. Due from Financial Institutions Measured at Amortized Cost**

7.1 Details of due from financial institutions as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   |                                      | Financial institutions                                      | Interest rate (%) as of |                   |                   |            |                   |            |
|---|--------------------------------------|---|-------------------------|-------------------|-------------------|------------|-------------------|------------|
|   |                                      |   | December 31, 2023       | December 31, 2023 | December 31, 2022 |            |                   |            |
| Due from financial institutions in Korean won         | Due from the Bank of Korea           | The Bank of Korea   | -                       | ₩                 | 13,731,708        | ₩          | 15,169,704        |            |
|   | Due from banks                       | Hana Bank and others  | 0.00 ~ 5.60             |                   | 3,953,940         |            | 3,941,987         |            |
|   | Due from others                      | Samsung securities and others                               | 0.00 ~ 4.65             |                   | 1,030,310         |            | 1,509,698         |            |
|   |                                      |   |                         |                   | <u>18,715,958</u> |            | <u>20,621,389</u> |            |
| Due from financial institutions in foreign currencies | Due from banks in foreign currencies | CITI Bank N.A. and others                                   | 0.00 ~ 5.16             |                   | 6,210,917         |            | 5,653,587         |            |
|   | Time deposits in foreign currencies  | Bank of Communications Seoul Branch and others              | 0.00 ~ 9.50             |                   | 442,122           |            | 573,493           |            |
|   | Due from others                      | State Street Bank and Trust Company Seoul Branch and others | 0.00 ~ 10.70            |                   | 2,211,303         |            | 3,066,370         |            |
|   |                                      |   |                         |                   | <u>8,864,342</u>  |            | <u>9,293,450</u>  |            |
|   |                                      |   |                         |                   | ₩                 | 27,580,300 | ₩                 | 29,914,839 |

\* Before netting of allowance

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7.2 Details of restricted due from financial institutions as of December 31, 2023 and 2022, are as follows:

| <i>(In millions of Korean won)</i>                    |                                      | Financial institutions                                      | December 31, 2023   | December 31, 2022   | Reasons of restriction                       |
|---|--------------------------------------|---|---------------------|---------------------|--|
| Due from financial institutions in Korean won         | Due from the Bank of Korea           | The Bank of Korea   | ₩ 13,731,708        | ₩ 15,169,704        | Bank of Korea Act                            |
|   | Due from banks                       | Shinhan Bank and others                                     | 40,721              | 522,306             | Net settlement and others                    |
|   | Due from others                      | NH Investment & Securities Co., Ltd. and others             | 799,361             | 1,113,712           | Derivatives margin account and others        |
|   |                                      |   | <u>14,571,790</u>   | <u>16,805,722</u>   |  |
| Due from financial institutions in foreign currencies | Due from banks in foreign currencies | The Bank of Korea and others                                | 1,630,348           | 2,350,933           | Bank of Korea Act and others                 |
|   | Time deposits in foreign currencies  | Bank of Communications Co. Ltd. New York Branch and others  | 86,406              | 72,437              | Bank Act of the State of New York and others |
|   | Due from others                      | State Street Bank and Trust Company Seoul Branch and others | 1,689,065           | 2,092,655           | Derivatives margin account and others        |
|   |                                      |   | <u>3,405,819</u>    | <u>4,516,025</u>    |  |
|   |                                      |   | <u>₩ 17,977,609</u> | <u>₩ 21,321,747</u> |  |

\* Before netting of allowance.

7.3 Changes in allowances for credit losses of due from financial institutions for the years ended December 31, 2023 and 2022, are as follows:

| <i>(In millions of Korean won)</i>          | 2023                            |                                 |            |
|---|---------------------------------|---------------------------------|------------|
|   | 12-month expected credit losses | Lifetime expected credit losses |            |
|   |                                 | Non-impaired                    | Impaired   |
| Beginning                                   | ₩ 2,743                         | ₩ -                             | ₩ -        |
| Transfer between stages:                    |                                 |                                 |            |
| Transfer to 12-month expected credit losses | -                               | -                               | -          |
| Transfer to lifetime expected credit losses | -                               | -                               | -          |
| Impairment                                  | -                               | -                               | -          |
| Provision (reversal) of credit losses       | (1,724)                         | -                               | -          |
| Business Combination                        | 6                               | -                               | -          |
| Others                                      | (4)                             | -                               | -          |
| Ending                                      | <u>₩ 1,021</u>                  | <u>₩ -</u>                      | <u>₩ -</u> |
|   |                                 |                                 |            |
| <i>(In millions of Korean won)</i>          | 2022                            |                                 |            |
|   | 12-month expected credit losses | Lifetime expected credit losses |            |
|   |                                 | Non-impaired                    | Impaired   |
| Beginning                                   | ₩ 2,969                         | ₩ -                             | ₩ -        |
| Transfer between stages:                    |                                 |                                 |            |
| Transfer to 12-month expected credit losses | -                               | -                               | -          |
| Transfer to lifetime expected credit losses | -                               | -                               | -          |
| Impairment                                  | -                               | -                               | -          |
| Provision (reversal) of credit losses       | (392)                           | -                               | -          |
| Others                                      | 166                             | -                               | -          |
| Ending                                      | <u>₩ 2,743</u>                  | <u>₩ -</u>                      | <u>₩ -</u> |



## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

#### 8. Assets Pledged as Collateral

8.1 Details of assets pledged as collateral as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

| Assets pledged  | Pledgee                                    | December 31, 2023   |                                      |
|---|--|---------------------|--------------------------------------|
|   |  | Carrying amount     | Reasons of pledge                    |
| Due from financial institutions                                   | KEB Hana Bank and others                   | ₩ 822,407           | Borrowings from bank and others      |
| Financial assets at fair value through profit or loss             | The Korea Securities Depository and others | 10,150,629          | Repurchase agreements                |
|   | The Korea Securities Depository and others | 1,556,234           | Securities borrowing transactions    |
|   | The Bank of Korea                          | 266,576             | Settlement risk of the Bank of Korea |
|   | Samsung Futures Inc. and others            | 3,200,511           | Derivatives transactions             |
|   |  | <u>15,173,950</u>   |                                      |
| Financial assets at fair value through other comprehensive income | The Bank of Korea and others               | 7,502,666           | Repurchase agreements                |
|   | The Korea Securities Depository and others | 167,879             | Securities borrowing transactions    |
|   | The Bank of Korea                          | 527,494             | Borrowings from the Bank of Korea    |
|   | MUFG Bank and others                       | 830,504             | Settlement risk of the Bank of Korea |
|   | Samsung Futures Inc. and others            | 4,215,092           | Derivatives transactions             |
|   |  | <u>13,243,635</u>   |                                      |
| Securities measured at amortized cost                             | The Bank of Korea and others               | 625,003             | Repurchase agreements                |
|   | The Bank of Korea                          | 2,357,018           | Borrowings from the Bank of Korea    |
|   | The Bank of Korea                          | 6,746,440           | Settlement risk of the Bank of Korea |
|   | Samsung Futures Inc. and others            | 344,432             | Derivatives transactions             |
|   | The Bank of Korea and others               | 1,623,715           | Others                               |
|   |  | <u>11,696,608</u>   |                                      |
| Loans   | KEB Hana Bank and Others                   | 13,733,820          | Covered bond and others              |
| Real estate   | Capital LLC and others                     | 628,619             | Borrowings from bank and others      |
|   |  | <u>₩ 55,299,039</u> |                                      |

8.1 Details of assets pledged as collateral as of December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

| Assets pledged  | Pledgee                                    | December 31, 2023   |                                      |
|---|--|---------------------|--------------------------------------|
|   |  | Carrying amount     | Reasons of pledge                    |
| Due from financial institutions                                   | KEB Hana Bank and others                   | ₩ 1,263,167         | Borrowings from bank and others      |
| Financial assets at fair value through profit or loss             | The Korea Securities Depository and others | 3,841,536           | Repurchase agreements                |
|   | The Korea Securities Depository and others | 7,063,541           | Securities borrowing transactions    |
|   | The Bank of Korea                          | 34,071              | Borrowings from the Bank of Korea    |
|   | The Bank of Korea                          | 236,832             | Settlement risk of the Bank of Korea |
|   | Samsung Futures Inc. and others            | 1,131,217           | Derivatives transactions             |
|   |  | <u>12,307,197</u>   |                                      |
| Financial assets at fair value through other comprehensive income | MERITZ Securities Co., LTD and others      | 5,625,270           | Repurchase agreements                |
|   | The Korea Securities Depository and others | 1,592,460           | Securities borrowing transactions    |
|   | The Bank of Korea                          | 5,495,686           | Borrowings from the Bank of Korea    |
|   | The Bank of Korea                          | 1,782,507           | Settlement risk of the Bank of Korea |
|   | Samsung Futures Inc. and others            | 1,581,129           | Derivatives transactions             |
|   |  | <u>16,077,052</u>   |                                      |
| Securities measured at amortized cost                             | The Korea Securities Depository and others | 2,307,499           | Repurchase agreements                |
|   | The Bank of Korea                          | 4,020,539           | Borrowings from the Bank of Korea    |
|   | The Bank of Korea                          | 5,047,277           | Settlement risk of the Bank of Korea |
|   | Samsung Futures Inc. and others            | 327,684             | Derivatives transactions             |
|   | Korea Exchange and others                  | 391,429             | Others                               |
|   |  | <u>12,094,428</u>   |                                      |
| Loans   | Others                                     | 12,863,079          | Covered bond and others              |
| Real estate   | LGIM COMMERCIAL LENDING Ltd. and others    | 834,003             | Borrowings from bank and others      |
|   |  | <u>₩ 55,438,926</u> |                                      |

In addition, the Group provided ₩ 7,916,155 million and ₩ 4,986,339 million of debt securities among its borrowed securities and other assets held as collateral to Korea Securities Finance Corporation and others as collateral as of December 31, 2023 and 2022, respectively.

## KB Financial Group Inc. and Subsidiaries

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#### December 31, 2023 and 2022

8.2 Fair value of collateral available to sell or repledge, and collateral sold or repledged, regardless of debtor's default as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|            | December 31, 2023             |  |             |
|------------|-------------------------------|--|-------------|
|            | Fair value of collateral held | Fair value of collateral sold or repledged | Total       |
| Securities | ₩ 3,892,709                   | ₩ -  | ₩ 3,892,709 |

(In millions of Korean won)

|            | December 31, 2022             |  |             |
|------------|-------------------------------|--|-------------|
|            | Fair value of collateral held | Fair value of collateral sold or repledged | Total       |
| Securities | ₩ 3,344,424                   | ₩ -  | ₩ 3,344,424 |

### 9. Derivative Financial Instruments and Hedge Accounting

The Group's derivative operations focus on addressing the needs of the Group's corporate clients to hedge their risk exposure and hedging the Group's risk exposure that results from such client contracts. The Group also engages in derivative trading activities to hedge the interest rate risk and currency risk arising from the Group's own assets and liabilities. In addition, the Group engages in proprietary trading of derivatives within the predetermined transaction limit.

The Group provides and trades a range of derivative financial instruments, including:

- Interest rate swaps relating to interest rate risk in Korean won
- Cross-currency swaps, forwards, and options relating to currency risk
- Stock index options linked with the Korea Composite Stock Price Index ("KOSPI")

In particular, the Group applies fair value hedge accounting using interest rate swaps, currency forwards, and others to hedge the risk of changes in fair value due to the changes in interest rate and foreign exchange rate of structured debentures in Korean won, debentures in foreign currencies, structured deposits in foreign currencies, and others. The Group applies cash flow hedge accounting using interest rate swaps, currency swaps, and others to hedge the risk of changes in cash flows of floating rate debt securities in Korean won, borrowings in foreign currencies, group of loans measured at amortized cost, and others. In addition, the Group applies net investments in foreign operations hedge accounting by designating debentures in foreign currencies and cross currency forwards as hedging instruments to hedge the currency risk of net investments in foreign operations.

9.1 Details of derivative financial instruments held for trading as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                        | December 31, 2023 |             |             | December 31, 2022 |             |             |
|------------------------|-------------------|-------------|-------------|-------------------|-------------|-------------|
|                        | Notional amount   | Assets      | Liabilities | Notional amount   | Assets      | Liabilities |
| <b>Interest rate</b>   |                   |             |             |                   |             |             |
| Forwards               | ₩ 14,872,481      | ₩ 488,542   | ₩ 465,983   | ₩ 8,261,663       | ₩ 821,603   | ₩ 431,002   |
| Futures *              | 5,398,495         | 6,226       | 4,576       | 4,450,505         | 765         | 256         |
| Swaps                  | 416,613,927       | 556,985     | 574,865     | 359,581,194       | 859,670     | 694,713     |
| Options                | 9,384,000         | 203,718     | 208,277     | 10,508,000        | 274,596     | 272,284     |
|                        | 446,268,903       | 1,255,471   | 1,253,701   | 382,801,362       | 1,956,634   | 1,398,255   |
| <b>Currency</b>        |                   |             |             |                   |             |             |
| Forwards               | 136,805,906       | 1,316,968   | 1,273,558   | 115,682,577       | 2,813,603   | 2,472,119   |
| Futures *              | 576,730           | 696         | 989         | 413,960           | 36          | 2,364       |
| Swaps                  | 84,027,181        | 2,731,314   | 2,426,152   | 91,646,725        | 3,525,458   | 4,049,390   |
| Options                | 1,238,475         | 7,668       | 4,713       | 1,852,065         | 27,258      | 13,025      |
|                        | 222,648,292       | 4,056,646   | 3,705,412   | 209,595,327       | 6,366,355   | 6,536,898   |
| <b>Stock and index</b> |                   |             |             |                   |             |             |
| Futures *              | 1,352,920         | 11,179      | 13,232      | 1,828,302         | 37,455      | 89,624      |
| Swaps                  | 5,165,523         | 330,132     | 493,475     | 6,649,735         | 377,840     | 492,275     |
| Options                | 4,880,805         | 80,576      | 240,274     | 7,257,715         | 168,311     | 359,274     |
|                        | 11,399,248        | 421,887     | 746,981     | 15,735,752        | 583,606     | 941,173     |
| <b>Credit</b>          |                   |             |             |                   |             |             |
| Swaps                  | 2,864,357         | 17,799      | 8,695       | 3,006,114         | 32,860      | 17,468      |
|                        | 2,864,357         | 17,799      | 8,695       | 3,006,114         | 32,860      | 17,468      |
| <b>Commodity</b>       |                   |             |             |                   |             |             |
| Futures *              | 26,037            | 1,305       | 106         | 28,577            | 1,970       | 941         |
| Swaps                  | 31,635            | 4,348       | 4,352       | -                 | -           | -           |
| Options                | 100,484           | 1,091       | 1,147       | 131,500           | 887         | 885         |
|                        | 158,156           | 6,744       | 5,605       | 160,077           | 2,857       | 1,826       |
| <b>Others</b>          | 788,841           | 19,135      | 246,118     | 1,003,301         | 41,859      | 313,917     |
|                        | ₩ 684,127,797     | ₩ 5,777,682 | ₩ 5,966,512 | ₩ 612,301,933     | ₩ 8,984,171 | ₩ 9,209,537 |

\* Gains or losses arising from some daily mark-to-market futures are reflected in the margin accounts.

**KB Financial Group Inc. and Subsidiaries**  
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9.2 Average price conditions of future nominal cash flows by type of hedge accounting as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023 |             |             |             |           |                 |              |
|---|-------------------|-------------|-------------|-------------|-----------|-----------------|--------------|
|   | 1 year            | 2 years     | 3 years     | 4 years     | 5 years   | Over<br>5 years | Total        |
| <b>Fair value hedge</b>                               |                   |             |             |             |           |                 |              |
| Nominal amount of the hedging instrument              | ₩ 2,998,238       | ₩ 3,555,510 | ₩ 1,667,087 | ₩ 349,482   | ₩ 267,778 | ₩ 2,304,270     | ₩ 11,142,365 |
| Average price condition (%)                           | 4.77              | 4.86        | 5.18        | 5.23        | 5.73      | 4.93            | 4.95         |
| Average price condition (KRW/USD)                     | 1,257.22          | 1,277.42    | 1,242.04    | -           | -         | -               | 1,257.90     |
| Average price condition (KRW/EUR)                     | 1,373.58          | 1,427.96    | 1,436.77    | -           | -         | -               | 1,404.28     |
| Average price condition (KRW/AUD)                     | 872.12            | 840.73      | -           | -           | -         | -               | 869.67       |
| Average price condition (KRW/GBP)                     | -                 | 1,536.92    | -           | -           | -         | -               | 1,536.92     |
| <b>Cash flow hedge</b>                                |                   |             |             |             |           |                 |              |
| Nominal amount of the hedging instrument              | ₩ 1,651,669       | ₩ 2,035,885 | ₩ 1,994,375 | ₩ 1,364,708 | ₩ 154,813 | ₩ 160,000       | ₩ 7,361,450  |
| Average price condition (%)                           | 4.60              | 3.05        | 11.94       | 7.98        | 2.67      | 3.11            | 10.68        |
| Average price condition (KRW/USD)                     | 1,220.93          | 1,221.93    | 1,230.48    | 1,325.04    | 1,147.95  | -               | 1,235.39     |
| Average price condition (KRW/EUR)                     | 1,364.00          | 1,374.73    | -           | -           | 1,392.00  | -               | 1,372.29     |
| Average price condition (KRW/AUD)                     | 856.40            | 851.50      | 889.00      | -           | -         | -               | 866.92       |
| <b>Hedge of net investments in foreign operations</b> |                   |             |             |             |           |                 |              |
| Nominal amount of the hedging instrument              | ₩ 31,332          | ₩ -         | ₩ 207,593   | ₩ -         | ₩ -       | ₩ -             | ₩ 238,925    |
| Average price condition (KRW/USD)                     | 1,071.00          | -           | 1,178.92    | -           | -         | -               | 1,164.76     |

(In millions of Korean won)

|   | December 31, 2022 |             |             |             |             |                 |              |
|---|-------------------|-------------|-------------|-------------|-------------|-----------------|--------------|
|   | 1 year            | 2 years     | 3 years     | 4 years     | 5 years     | Over<br>5 years | Total        |
| <b>Fair value hedge</b>                               |                   |             |             |             |             |                 |              |
| Nominal amount of the hedging instrument              | ₩ 5,677,321       | ₩ 1,921,072 | ₩ 2,701,675 | ₩ 1,883,332 | ₩ 426,551   | ₩ 2,147,845     | ₩ 14,757,796 |
| Average price condition (%)                           | 4.17              | 4.52        | 4.64        | 4.56        | 4.36        | 4.64            | 4.43         |
| Average price condition (KRW/USD)                     | 1,197.01          | 1,262.56    | 1,276.70    | -           | -           | -               | 1,240.59     |
| Average price condition (KRW/EUR)                     | 1,363.42          | 1,373.32    | -           | 1,436.86    | -           | -               | 1,387.71     |
| Average price condition (KRW/AUD)                     | 886.23            | 895.76      | -           | -           | -           | -               | 890.17       |
| Average price condition (KRW/GBP)                     | 1,617.02          | -           | 1,535.25    | -           | -           | -               | 1,537.85     |
| <b>Cash flow hedge</b>                                |                   |             |             |             |             |                 |              |
| Nominal amount of the hedging instrument              | ₩ 3,033,420       | ₩ 892,720   | ₩ 1,846,139 | ₩ 771,585   | ₩ 1,078,676 | ₩ 210,000       | ₩ 7,832,540  |
| Average price condition (%)                           | 2.90              | 2.60        | 4.42        | 4.62        | 4.95        | 3.99            | 3.54         |
| Average price condition (KRW/USD)                     | 1,178.13          | 1,196.80    | 1,166.24    | 1,225.35    | 1,252.61    | -               | 1,202.02     |
| Average price condition (KRW/EUR)                     | 1,321.00          | 1,364.00    | 1,374.73    | -           | -           | -               | 1,362.51     |
| Average price condition (KRW/AUD)                     | -                 | 856.40      | 851.50      | -           | -           | -               | 853.40       |
| Average price condition (KRW/SGD)                     | 866.14            | -           | -           | -           | -           | -               | 866.14       |
| <b>Hedge of net investments in foreign operations</b> |                   |             |             |             |             |                 |              |
| Nominal amount of the hedging instrument              | ₩ 65,012          | ₩ 27,499    | ₩ -         | ₩ -         | ₩ -         | ₩ -             | ₩ 92,511     |
| Average price condition (KRW/USD)                     | 1,071.00          | -           | -           | -           | -           | -               | 1,071.00     |
| Average price condition (KRW/GBP)                     | -                 | 1,465.26    | -           | -           | -           | -               | 1,465.26     |

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

#### 9.3 Fair Value Hedge

9.3.1 Details of fair value hedged items as of December 31, 2023 and 2022 and changes in fair value for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                         |                                       | December 31, 2023  |                    |   |                    | 2023                  |
|-------------------------|---------------------------------------|--------------------|--------------------|---|--------------------|-----------------------|
|                         |                                       | Carrying amount    |                    | Accumulated amount of hedge adjustments |                    | Changes in fair value |
|                         |                                       | Assets             | Liabilities        | Assets                                  | Liabilities        |                       |
| <b>Hedge accounting</b> |                                       |                    |                    |   |                    |                       |
| <b>Interest rate</b>    | Debt securities in Korean won         | ₩ 1,975,442        | ₩ -                | ₩ (50,746)                              | ₩ -                | ₩ 49,323              |
|                         | Debt securities in foreign currencies | 2,585,073          | -                  | (111,902)                               | -                  | 74,080                |
|                         | Deposits in Korean won                | -                  | 49,985             | -                                       | (15)               | 15                    |
|                         | Deposits in foreign currencies        | -                  | 32,016             | -                                       | (6,667)            | (1,924)               |
|                         | Debentures in Korean won              | -                  | 5,678,927          | -                                       | (141,073)          | (94,418)              |
|                         | Debentures in foreign currencies      | -                  | 1,310,952          | -                                       | (68,706)           | (27,159)              |
|                         |                                       |                    | <u>₩ 4,560,515</u> | <u>₩ 7,071,880</u>                      | <u>₩ (162,648)</u> | <u>₩ (216,461)</u>    |
| <b>Currency</b>         | Debt securities in foreign currencies | 1,525,072          | -                  | 140,391                                 | -                  | 40,857                |
|                         |                                       | <u>1,525,072</u>   | <u>-</u>           | <u>140,391</u>                          | <u>-</u>           | <u>40,857</u>         |
|                         |                                       | <u>₩ 6,085,587</u> | <u>₩ 7,071,880</u> | <u>₩ (22,257)</u>                       | <u>₩ (216,461)</u> | <u>₩ 40,774</u>       |

(In millions of Korean won)

|                         |                                       | December 31, 2022  |                    |   |                    | 2022                  |
|-------------------------|---------------------------------------|--------------------|--------------------|---|--------------------|-----------------------|
|                         |                                       | Carrying amount    |                    | Accumulated amount of hedge adjustments |                    | Changes in fair value |
|                         |                                       | Assets             | Liabilities        | Assets                                  | Liabilities        |                       |
| <b>Hedge accounting</b> |                                       |                    |                    |   |                    |                       |
| <b>Interest rate</b>    | Debt securities in Korean won         | ₩ 2,467,171        | ₩ -                | ₩ (107,444)                             | ₩ -                | ₩ (86,757)            |
|                         | Debt securities in foreign currencies | 3,142,973          | -                  | (232,085)                               | -                  | (215,183)             |
|                         | Deposits in foreign currencies        | -                  | 29,429             | -                                       | (8,591)            | 6,976                 |
|                         | Debentures in Korean won              | -                  | 5,690,371          | -                                       | (249,629)          | 171,841               |
|                         | Debentures in foreign currencies      | -                  | 1,196,781          | -                                       | (95,865)           | 123,817               |
|                         |                                       | <u>₩ 5,610,144</u> | <u>₩ 6,916,581</u> | <u>₩ (339,529)</u>                      | <u>₩ (354,085)</u> | <u>₩ 694</u>          |
| <b>Currency</b>         | Debt securities in foreign currencies | 1,651,268          | -                  | (86,778)                                | -                  | 152,893               |
|                         |                                       | <u>1,651,268</u>   | <u>-</u>           | <u>(86,778)</u>                         | <u>-</u>           | <u>152,893</u>        |
|                         |                                       | <u>₩ 7,261,412</u> | <u>₩ 6,916,581</u> | <u>₩ (426,307)</u>                      | <u>₩ (354,085)</u> | <u>₩ 153,587</u>      |

9.3.2 Details of derivative instruments designated as fair value hedge as of December 31, 2023 and 2022 and changes in fair value for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                      |          | December 31, 2023   |                  |                  | 2023                  |
|----------------------|----------|---------------------|------------------|------------------|-----------------------|
|                      |          | Notional amount     | Assets           | Liabilities      | Changes in fair value |
| <b>Interest rate</b> | Swaps    | ₩ 9,654,617         | ₩ 111,360        | ₩ 75,776         | ₩ (15,927)            |
|                      |          |                     |                  |                  |                       |
| <b>Currency</b>      | Forwards | 1,487,748           | 18,916           | 28,793           | (42,969)              |
|                      |          | <u>₩ 11,142,365</u> | <u>₩ 130,276</u> | <u>₩ 104,569</u> | <u>₩ (58,896)</u>     |

(In millions of Korean won)

|                      |          | December 31, 2022   |                  |                  | 2022                  |
|----------------------|----------|---------------------|------------------|------------------|-----------------------|
|                      |          | Notional amount     | Assets           | Liabilities      | Changes in fair value |
| <b>Interest rate</b> | Swaps    | ₩ 13,290,183        | ₩ 186,258        | ₩ 104,856        | ₩ (1,244)             |
|                      |          |                     |                  |                  |                       |
| <b>Currency</b>      | Forwards | 1,467,613           | 37,015           | 29,069           | (132,524)             |
|                      |          | <u>₩ 14,757,796</u> | <u>₩ 223,273</u> | <u>₩ 133,925</u> | <u>₩ (133,768)</u>    |

9.3.3 Details of hedge ineffectiveness recognized in profit or loss on derivative instruments designated as fair value hedge for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                         | 2023           | 2022            |
|-------------------------|----------------|-----------------|
| <b>Hedge accounting</b> |                |                 |
| Interest rate           | ₩ 6,513        | ₩ (550)         |
| Currency                | (2,112)        | 20,369          |
|                         | <u>₩ 4,401</u> | <u>₩ 19,819</u> |

9.3.4 Gains or losses on fair value hedging instruments and hedged items attributable to the hedged risk for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023             | 2022            |
|--|------------------|-----------------|
| Gains (losses) on hedging instruments                          | ₩ (36,372)       | ₩ (104,354)     |
| Gains (losses) on hedged items attributable to the hedged risk | 35,011           | 124,142         |
|  | <u>₩ (1,361)</u> | <u>₩ 19,788</u> |

**KB Financial Group Inc. and Subsidiaries**  
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9.4 Cash Flow Hedge

9.4.1 Details of cash flow hedged items as of December 31, 2023 and 2022 and changes in fair value for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                         | Cash flow hedge reserve |                   | Changes in fair value |             |
|-------------------------|-------------------------|-------------------|-----------------------|-------------|
|                         | December 31, 2023       | December 31, 2022 | 2023                  | 2022        |
| <b>Hedge accounting</b> |                         |                   |                       |             |
| Interest rate risk      | ₩ 113,361               | ₩ 46,234          | ₩ (89,536)            | ₩ (107,134) |
| Currency risk           | (39,806)                | (26,602)          | 68,868                | 14,289      |
|                         | ₩ 73,555                | ₩ 19,632          | ₩ (20,668)            | ₩ (92,845)  |

9.4.2 Details of derivative instruments designated as cash flow hedge as of December 31, 2023 and 2022 and changes in fair value for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                      | December 31, 2023 |           |             | 2023                  |
|----------------------|-------------------|-----------|-------------|-----------------------|
|                      | Notional amount   | Assets    | Liabilities | Changes in fair value |
| <b>Interest rate</b> |                   |           |             |                       |
| Forwards             | ₩ 750,396         | ₩ 105,124 | ₩ 7,856     | ₩ 57,623              |
| Swaps                | 3,115,818         | 59,376    | 3,547       | (40,188)              |
| <b>Currency</b>      |                   |           |             |                       |
| Swaps                | 3,495,236         | 85,170    | 122,848     | (8,604)               |
|                      | ₩ 7,361,450       | ₩ 249,670 | ₩ 134,251   | ₩ 8,831               |

(In millions of Korean won)

|                      | December 31, 2022 |           |             | 2022                  |
|----------------------|-------------------|-----------|-------------|-----------------------|
|                      | Notional amount   | Assets    | Liabilities | Changes in fair value |
| <b>Interest rate</b> |                   |           |             |                       |
| Forwards             | ₩ 1,079,652       | ₩ 20,200  | ₩ 56,753    | ₩ (36,553)            |
| Swaps                | 3,231,288         | 101,975   | 124         | 111,902               |
| <b>Currency</b>      |                   |           |             |                       |
| Swaps                | 3,521,600         | 116,961   | 98,237      | 1,042                 |
|                      | ₩ 7,832,540       | ₩ 239,136 | ₩ 155,114   | ₩ 76,391              |

9.4.3 Gains or losses on cash flow hedging instruments and hedged items attributable to the hedged risk for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023    | 2022     |
|---|---------|----------|
| Gains (losses) on hedging instruments:  | ₩ 8,831 | ₩ 76,391 |
| Effective portion of gains (losses) on cash flow hedging instruments (recognized in other comprehensive income or loss) | 7,328   | 71,754   |
| Ineffective portion of gains (losses) on cash flow hedging instruments (recognized in profit or loss)                   | 1,503   | 4,637    |

9.4.4 Amounts recognized in other comprehensive income (loss) and reclassified from equity to profit or loss related to derivative instruments designated as cash allow hedge for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                    | 2023     | 2022     |
|------------------------------------|----------|----------|
| Other comprehensive income (loss)  | ₩ 7,328  | ₩ 71,754 |
| Reclassification to profit or loss | 48,508   | (20,537) |
| Income tax effect                  | (1,913)  | (25,049) |
|                                    | ₩ 53,923 | ₩ 26,168 |

9.5 Hedge of Net Investments in Foreign Operations

9.5.1 Details of net investments in foreign operations hedged items as of December 31, 2023 and 2022 and changes in fair value for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                         | Foreign currency translation reserve |                   | Changes in fair value |           |
|-------------------------|--------------------------------------|-------------------|-----------------------|-----------|
|                         | December 31, 2023                    | December 31, 2022 | 2023                  | 2022      |
| <b>Hedge accounting</b> |                                      |                   |                       |           |
| Currency risk           | ₩ (129,401)                          | ₩ (114,742)       | ₩ 19,590              | ₩ 104,021 |

**KB Financial Group Inc. and Subsidiaries**  
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9.5.2 Details of financial instruments designated as hedge of net investments in foreign operations as of December 31, 2023 and 2022 and changes in fair value for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                  | December 31, 2023 |        |             | 2023                  |          |
|----------------------------------|-------------------|--------|-------------|-----------------------|----------|
|                                  | Notional amount   | Assets | Liabilities | Changes in fair value |          |
| <b>Currency</b>                  |                   |        |             |                       |          |
| Forwards                         | ₩ 31,332          | ₩ -    | ₩ 5,307     | ₩                     | 6,923    |
| Debentures in foreign currencies | 1,435,817         | -      | 1,435,817   |                       | (26,513) |
|                                  | ₩ 1,467,149       | ₩ -    | ₩ 1,441,124 | ₩                     | (19,590) |

(In millions of Korean won)

|                                  | December 31, 2022 |        |             | 2022                  |           |
|----------------------------------|-------------------|--------|-------------|-----------------------|-----------|
|                                  | Notional amount   | Assets | Liabilities | Changes in fair value |           |
| <b>Currency</b>                  |                   |        |             |                       |           |
| Forwards                         | ₩ 92,511          | ₩ -    | ₩ 11,194    | ₩                     | (16,168)  |
| Debentures in foreign currencies | 1,361,080         | -      | 1,361,080   |                       | (87,853)  |
|                                  | ₩ 1,453,591       | ₩ -    | ₩ 1,372,274 | ₩                     | (104,021) |

9.5.3 Fair value of non-derivative financial instruments designated as hedge of net investments in foreign operations as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                  | December 31, 2023 | December 31, 2022 |
|----------------------------------|-------------------|-------------------|
| Debentures in foreign currencies | ₩ 1,509,978       | ₩ 1,211,215       |

9.5.4 Gains or losses on net investments in foreign operations hedging instruments and hedged items attributable to the hedged risk for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023       | 2022        |
|--|------------|-------------|
| Gains (losses) on hedging instruments:   | ₩ (19,590) | ₩ (104,021) |
| Effective portion of gains (losses) on hedge of net investments in foreign operations (recognized in other comprehensive income or loss) | (19,590)   | (104,021)   |
| Ineffective portion of gains (losses) on hedge of net investments in foreign operations (recognized in profit or loss)                   | -          | -           |

9.5.5 Effective portion of gains or losses on net investments in foreign operations hedging instruments recognized in other comprehensive income (loss) for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                    | 2023       | 2022        |
|------------------------------------|------------|-------------|
| Other comprehensive income (loss)  | ₩ (19,590) | ₩ (104,021) |
| Reclassification to profit or loss | -          | -           |
| Income tax effect                  | 4,931      | 24,936      |
|                                    | ₩ (14,659) | ₩ (79,085)  |

**10. Loans Measured at Amortized Cost**

10.1 Details of loans as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023 | December 31, 2022 |
|--|-------------------|-------------------|
| Loans measured at amortized cost         | ₩ 449,676,848     | ₩ 436,647,081     |
| Deferred loan origination fees and costs | 591,244           | 552,834           |
| Less: Allowances for credit losses       | (5,462,805)       | (4,160,984)       |
|  | ₩ 444,805,287     | ₩ 433,038,931     |

10.2 Details of loans to banks as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                    | December 31, 2023 | December 31, 2022 |
|------------------------------------|-------------------|-------------------|
| Loans measured at amortized cost   | ₩ 11,569,466      | ₩ 9,751,737       |
| Less: Allowances for credit losses | (20,429)          | (1,951)           |
|                                    | ₩ 11,549,037      | ₩ 9,749,786       |

### KB Financial Group Inc. and Subsidiaries Notes to the Consolidated Financial Statements December 31, 2023 and 2022

10.3 Details of loan types and customer types of loans to customers other than banks as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023    |                      |                     |                      |
|---|----------------------|----------------------|---------------------|----------------------|
|   | Retail               | Corporate            | Credit card         | Total                |
| Loans in Korean won                                 | ₩ 178,476,837        | ₩ 190,160,636        | ₩ -                 | ₩ 368,637,473        |
| Loans in foreign currencies                         | 4,859,698            | 25,449,011           | -                   | 30,308,709           |
| Domestic import usance bills                        | -                    | 3,398,981            | -                   | 3,398,981            |
| Off-shore funding loans                             | -                    | 507,683              | -                   | 507,683              |
| Call loans  | -                    | 269,198              | -                   | 269,198              |
| Bills bought in Korean won                          | -                    | 1,861                | -                   | 1,861                |
| Bills bought in foreign currencies                  | -                    | 1,276,579            | -                   | 1,276,579            |
| Guarantee payments under acceptances and guarantees | -                    | 20,085               | -                   | 20,085               |
| Credit card receivables in Korean won               | -                    | -                    | 22,304,522          | 22,304,522           |
| Credit card receivables in foreign currencies       | -                    | -                    | 45,449              | 45,449               |
| Bonds purchased under repurchase agreements         | -                    | 3,633,073            | -                   | 3,633,073            |
| Privately placed bonds                              | -                    | 901,609              | -                   | 901,609              |
| Factored receivables                                | 70                   | 99                   | -                   | 169                  |
| Lease receivables                                   | 447,494              | 337,407              | -                   | 784,901              |
| Loans for installment credit                        | 5,908,190            | 700,144              | -                   | 6,608,334            |
|   | <u>189,692,289</u>   | <u>226,656,366</u>   | <u>22,349,971</u>   | <u>438,698,626</u>   |
| Proportion (%)                                      | 43.24                | 51.67                | 5.09                | 100.00               |
| Less: Allowances for credit losses                  | (1,369,081)          | (3,137,470)          | (935,825)           | (5,442,376)          |
|   | <u>₩ 188,323,208</u> | <u>₩ 223,518,896</u> | <u>₩ 21,414,146</u> | <u>₩ 433,256,250</u> |

(In millions of Korean won)

|   | December 31, 2022    |                      |                     |                      |
|---|----------------------|----------------------|---------------------|----------------------|
|   | Retail               | Corporate            | Credit card         | Total                |
| Loans in Korean won                                 | ₩ 177,278,504        | ₩ 177,766,170        | ₩ -                 | ₩ 355,044,674        |
| Loans in foreign currencies                         | 4,667,895            | 26,052,080           | -                   | 30,719,975           |
| Domestic import usance bills                        | -                    | 4,499,072            | -                   | 4,499,072            |
| Off-shore funding loans                             | -                    | 908,266              | -                   | 908,266              |
| Call loans  | -                    | 119,066              | -                   | 119,066              |
| Bills bought in Korean won                          | -                    | 285,727              | -                   | 285,727              |
| Bills bought in foreign currencies                  | -                    | 1,780,874            | -                   | 1,780,874            |
| Guarantee payments under acceptances and guarantees | 1                    | 18,459               | -                   | 18,460               |
| Credit card receivables in Korean won               | -                    | -                    | 22,562,217          | 22,562,217           |
| Credit card receivables in foreign currencies       | -                    | -                    | 47,376              | 47,376               |
| Bonds purchased under repurchase agreements         | -                    | 3,151,157            | -                   | 3,151,157            |
| Privately placed bonds                              | -                    | 719,079              | -                   | 719,079              |
| Factored receivables                                | 111                  | 5                    | -                   | 116                  |
| Lease receivables                                   | 576,165              | 558,318              | -                   | 1,134,483            |
| Loans for installment credit                        | 5,915,223            | 542,413              | -                   | 6,457,636            |
|   | <u>188,437,899</u>   | <u>216,400,686</u>   | <u>22,609,593</u>   | <u>427,448,178</u>   |
| Proportion (%)                                      | 44.08                | 50.63                | 5.29                | 100.00               |
| Less: Allowances for credit losses                  | (1,337,366)          | (1,983,825)          | (837,842)           | (4,159,033)          |
|   | <u>₩ 187,100,533</u> | <u>₩ 214,416,861</u> | <u>₩ 21,771,751</u> | <u>₩ 423,289,145</u> |

10.4 Changes in deferred loan origination fees and costs for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023             |                  |                    |                  |                  |
|--|------------------|------------------|--------------------|------------------|------------------|
|  | Beginning        | Increase         | Decrease           | Others           | Ending           |
| <b>Deferred loan origination costs</b> |                  |                  |                    |                  |                  |
| Loans in Korean won                    | ₩ 594,509        | ₩ 416,003        | ₩ (387,019)        | ₩ -              | ₩ 623,493        |
| Others <sup>1</sup>                    | 68,167           | 53,006           | (43,812)           | (364)            | 76,997           |
|  | <u>662,676</u>   | <u>469,009</u>   | <u>(430,831)</u>   | <u>(364)</u>     | <u>700,490</u>   |
| <b>Deferred loan origination fees</b>  |                  |                  |                    |                  |                  |
| Loans in Korean won                    | 42,835           | 11,859           | (17,692)           | -                | 37,002           |
| Others <sup>2</sup>                    | 67,007           | 9,255            | (7,597)            | 3,579            | 72,244           |
|  | <u>109,842</u>   | <u>21,114</u>    | <u>(25,289)</u>    | <u>3,579</u>     | <u>109,246</u>   |
|  | <u>₩ 552,834</u> | <u>₩ 447,895</u> | <u>₩ (405,542)</u> | <u>₩ (3,943)</u> | <u>₩ 591,244</u> |

(In millions of Korean won)

|  | 2022             |                  |                    |                  |                  |
|--|------------------|------------------|--------------------|------------------|------------------|
|  | Beginning        | Increase         | Decrease           | Others           | Ending           |
| <b>Deferred loan origination costs</b> |                  |                  |                    |                  |                  |
| Loans in Korean won                    | ₩ 675,090        | ₩ 281,111        | ₩ (361,692)        | ₩ -              | ₩ 594,509        |
| Others <sup>1</sup>                    | 76,696           | 38,913           | (47,446)           | 4                | 68,167           |
|  | <u>751,786</u>   | <u>320,024</u>   | <u>(409,138)</u>   | <u>4</u>         | <u>662,676</u>   |
| <b>Deferred loan origination fees</b>  |                  |                  |                    |                  |                  |
| Loans in Korean won                    | 23,996           | 36,240           | (17,401)           | -                | 42,835           |
| Others <sup>2</sup>                    | 53,029           | 49,245           | (37,730)           | 2,463            | 67,007           |
|  | <u>77,025</u>    | <u>85,485</u>    | <u>(55,131)</u>    | <u>2,463</u>     | <u>109,842</u>   |
|  | <u>₩ 674,761</u> | <u>₩ 234,539</u> | <u>₩ (354,007)</u> | <u>₩ (2,459)</u> | <u>₩ 552,834</u> |

<sup>1</sup> Includes deferred loan origination costs related to credit card receivables, loans for installment credit, and finance lease receivables.

<sup>2</sup> Includes deferred loan origination fees related to loans in foreign currencies.

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

#### 11. Allowances for Credit Losses

11.1 Changes in allowances for credit losses of loans measured at amortized cost for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023                            |                                 |           |                                 |                                 |             |                                 |                                 |           |
|---|---------------------------------|---------------------------------|-----------|---------------------------------|---------------------------------|-------------|---------------------------------|---------------------------------|-----------|
|   | Retail                          |                                 |           | Corporate                       |                                 |             | Credit card                     |                                 |           |
|   | 12-month expected credit losses | Lifetime expected credit losses |           | 12-month expected credit losses | Lifetime expected credit losses |             | 12-month expected credit losses | Lifetime expected credit losses |           |
|   |                                 | Non-impaired                    | Impaired  |                                 | Non-impaired                    | Impaired    |                                 | Non-impaired                    | Impaired  |
| Beginning   | ₩ 602,037                       | ₩ 284,816                       | ₩ 450,513 | ₩ 522,552                       | ₩ 561,936                       | ₩ 901,288   | ₩ 163,185                       | ₩ 354,315                       | ₩ 320,342 |
| Transfer between stages:                              |                                 |                                 |           |                                 |                                 |             |                                 |                                 |           |
| Transfer to 12-month expected credit losses           | 153,560                         | (141,775)                       | (11,785)  | 123,441                         | (119,940)                       | (3,501)     | 78,420                          | (75,980)                        | (2,440)   |
| Transfer to lifetime expected credit losses           | (118,734)                       | 145,827                         | (27,093)  | (121,027)                       | 155,094                         | (34,067)    | (20,898)                        | 24,754                          | (3,856)   |
| Impairment  | (9,672)                         | (72,265)                        | 81,937    | (8,864)                         | (95,732)                        | 104,596     | (2,592)                         | (25,843)                        | 28,435    |
| Write-offs  | -                               | 14                              | (657,670) | -                               | 9                               | (436,246)   | -                               | -                               | (664,027) |
| Sales   | (1,126)                         | (631)                           | (13,346)  | -                               | (315)                           | (31,716)    | -                               | -                               | -         |
| Provision (reversal) for credit losses <sup>1,2</sup> | (45,014)                        | 67,219                          | 679,687   | 429,706                         | 435,633                         | 779,310     | (11,611)                        | 50,867                          | 766,581   |
| Others (exchange differences, etc.)                   | 3,599                           | 177                             | (1,194)   | (6,168)                         | (970)                           | 2,880       | 21                              | 39                              | (43,887)  |
| Ending  | ₩ 584,650                       | ₩ 283,382                       | ₩ 501,049 | ₩ 939,640                       | ₩ 935,715                       | ₩ 1,282,544 | ₩ 206,525                       | ₩ 328,152                       | ₩ 401,148 |

(In millions of Korean won)

|   | 2022                            |                                 |           |                                 |                                 |           |                                 |                                 |           |
|---|---------------------------------|---------------------------------|-----------|---------------------------------|---------------------------------|-----------|---------------------------------|---------------------------------|-----------|
|   | Retail                          |                                 |           | Corporate                       |                                 |           | Credit card                     |                                 |           |
|   | 12-month expected credit losses | Lifetime expected credit losses |           | 12-month expected credit losses | Lifetime expected credit losses |           | 12-month expected credit losses | Lifetime expected credit losses |           |
|   |                                 | Non-impaired                    | Impaired  |                                 | Non-impaired                    | Impaired  |                                 | Non-impaired                    | Impaired  |
| Beginning   | ₩ 474,475                       | ₩ 242,819                       | ₩ 288,912 | ₩ 448,084                       | ₩ 477,993                       | ₩ 960,964 | ₩ 175,168                       | ₩ 322,649                       | ₩ 294,327 |
| Transfer between stages:                              |                                 |                                 |           |                                 |                                 |           |                                 |                                 |           |
| Transfer to 12-month expected credit losses           | 130,189                         | (123,154)                       | (7,035)   | 127,679                         | (120,619)                       | (7,060)   | 57,128                          | (50,836)                        | (6,292)   |
| Transfer to lifetime expected credit losses           | (103,028)                       | 122,874                         | (19,846)  | (93,169)                        | 125,031                         | (31,862)  | (23,042)                        | 24,324                          | (1,282)   |
| Impairment  | (6,042)                         | (52,151)                        | 58,193    | (13,524)                        | (48,220)                        | 61,744    | (2,129)                         | (19,219)                        | 21,348    |
| Write-offs  | -                               | (1)                             | (448,362) | -                               | (3)                             | (617,332) | -                               | -                               | (450,389) |
| Sales   | (810)                           | (163)                           | (5,689)   | (103)                           | (145)                           | (70,603)  | -                               | -                               | -         |
| Provision (reversal) for credit losses <sup>1,2</sup> | 108,585                         | 95,239                          | 595,784   | 49,883                          | 126,786                         | 690,534   | (43,497)                        | 77,418                          | 480,849   |
| Others (exchange differences, etc.)                   | (1,332)                         | (647)                           | (11,444)  | 3,702                           | 1,113                           | (85,097)  | (443)                           | (21)                            | (18,219)  |
| Ending  | ₩ 602,037                       | ₩ 284,816                       | ₩ 450,513 | ₩ 522,552                       | ₩ 561,936                       | ₩ 901,288 | ₩ 163,185                       | ₩ 354,315                       | ₩ 320,342 |

<sup>1</sup> Provision for credit losses in the consolidated statements of comprehensive income also includes provision (reversal) for credit losses of due from financial institutions (Note 7.3), provision (reversal) for credit losses of financial investments (Note 12.5), provision (reversal) for credit losses of unused commitments, acceptances and guarantees (Note 24.2), provision (reversal) for credit losses of financial guarantee contracts (Note 24.3), and provision (reversal) for credit losses of other financial assets (Note 19.2).

<sup>2</sup> Includes ₩ 289,139 million and ₩ 415,998 million of collections from written-off loans for the years ended December 31, 2023 and 2022, respectively.

The amount of financial assets that the Group wrote off during the current year but is continuing recovery activities is ₩ 1,757,920 million. Also, the Group manages the written-off loans that their legal extinctive prescriptions have not been completed, and that have not been collected. The balances of those loans are ₩ 10,301,118 million and ₩ 9,830,171 million as of December 31, 2023 and 2022, respectively.



## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

11.2 Changes in gross carrying amount of loans for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023                            |              |                                 |              |   |             |
|--|---------------------------------|--------------|---------------------------------|--------------|---|-------------|
|  | 12-month expected credit losses |              | Lifetime expected credit losses |              |   |             |
|  |                                 |              | Non-impaired                    | Impaired     |   |             |
| Beginning  | ₩                               | 399,089,134  | ₩                               | 34,563,171   | ₩ | 3,547,610   |
| Transfer between stages:                                   |                                 |              |                                 |              |   |             |
| Transfer to 12-month expected credit losses                |                                 | 35,319,563   |                                 | (34,990,464) |   | (329,099)   |
| Transfer to lifetime expected credit losses (non-impaired) |                                 | (42,180,074) |                                 | 42,841,909   |   | (661,835)   |
| Transfer to lifetime expected credit losses (impaired)     |                                 | (1,808,878)  |                                 | (2,785,016)  |   | 4,593,894   |
| Write-offs   |                                 | -            |                                 | 23           |   | (1,757,943) |
| Sales  |                                 | (3,256,122)  |                                 | (38,205)     |   | (429,916)   |
| Net increase (decrease) (execution, repayment, and others) |                                 | 21,119,779   |                                 | (2,514,831)  |   | (54,608)    |
| Ending   | ₩                               | 408,283,402  | ₩                               | 37,076,587   | ₩ | 4,908,103   |

(In millions of Korean won)

|  | 2022                            |              |                                 |              |   |             |
|--|---------------------------------|--------------|---------------------------------|--------------|---|-------------|
|  | 12-month expected credit losses |              | Lifetime expected credit losses |              |   |             |
|  |                                 |              | Non-impaired                    | Impaired     |   |             |
| Beginning  | ₩                               | 381,796,028  | ₩                               | 32,788,361   | ₩ | 3,485,825   |
| Transfer between stages:                                   |                                 |              |                                 |              |   |             |
| Transfer to 12-month expected credit losses                |                                 | 34,470,129   |                                 | (34,307,805) |   | (162,324)   |
| Transfer to lifetime expected credit losses (non-impaired) |                                 | (38,501,544) |                                 | 38,923,474   |   | (421,930)   |
| Transfer to lifetime expected credit losses (impaired)     |                                 | (1,124,233)  |                                 | (1,479,780)  |   | 2,604,013   |
| Write-offs   |                                 | -            |                                 | (4)          |   | (1,516,083) |
| Sales  |                                 | (3,182,474)  |                                 | (15,961)     |   | (270,541)   |
| Net increase (decrease) (execution, repayment, and others) |                                 | 25,626,228   |                                 | (1,340,114)  |   | (171,350)   |
| Ending   | ₩                               | 399,084,134  | ₩                               | 34,568,171   | ₩ | 3,547,610   |

## 12. Financial Assets at Fair Value through Profit or Loss and Financial Investments

12.1 Details of financial assets at fair value through profit or loss and financial investments as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023 |             | December 31, 2022 |             |
|---|-------------------|-------------|-------------------|-------------|
| <b>Financial assets at fair value through profit or loss</b>      |                   |             |                   |             |
| Debt securities:  |                   |             |                   |             |
| Government and public bonds                                       | ₩                 | 10,100,109  | ₩                 | 9,310,991   |
| Financial bonds   |                   | 12,793,559  |                   | 12,509,496  |
| Corporate bonds   |                   | 6,677,388   |                   | 4,983,552   |
| Asset-backed securities   |                   | 68,093      |                   | 164,543     |
| Beneficiary certificates  |                   | 20,511,995  |                   | 19,838,465  |
| Derivative-linked securities                                      |                   | 2,197,575   |                   | 1,625,950   |
| Other debt securities   |                   | 20,309,713  |                   | 17,466,400  |
| Equity securities:  |                   |             |                   |             |
| Stocks  |                   | 3,498,880   |                   | 2,926,094   |
| Other equity securities   |                   | 523,675     |                   | 613,969     |
| Loans:  |                   |             |                   |             |
| Privately placed bonds  |                   | 150,208     |                   | 158,731     |
| Other loans   |                   | 33,518      |                   | 334,831     |
| Due from financial institutions:                                  |                   |             |                   |             |
| Other due from financial institutions                             |                   | 79,811      |                   | 69,469      |
| Others  |                   | 93,743      |                   | 90,006      |
|   | ₩                 | 77,038,267  | ₩                 | 70,092,497  |
| <b>Financial investments</b>                                      |                   |             |                   |             |
| Financial assets at fair value through other comprehensive income |                   |             |                   |             |
| Debt securities:  |                   |             |                   |             |
| Government and public bonds                                       | ₩                 | 33,455,476  | ₩                 | 29,556,711  |
| Financial bonds   |                   | 20,898,723  |                   | 22,009,492  |
| Corporate bonds   |                   | 22,492,869  |                   | 24,134,382  |
| Asset-backed securities   |                   | 1,963,242   |                   | 662,791     |
| Other debt securities   |                   | 116,127     |                   | 284,977     |
| Equity securities:  |                   |             |                   |             |
| Stocks  |                   | 1,951,150   |                   | 1,907,737   |
| Equity investments  |                   | 9,560       |                   | 17,096      |
| Other equity securities   |                   | 809,943     |                   | 410,960     |
| Loans:  |                   |             |                   |             |
| Privately placed bonds  |                   | 801,050     |                   | 549,272     |
|   |                   | 82,498,140  |                   | 79,533,418  |
| Financial assets at amortized cost                                |                   |             |                   |             |
| Debt securities:  |                   |             |                   |             |
| Government and public bonds                                       |                   | 6,507,625   |                   | 6,520,633   |
| Financial bonds   |                   | 14,257,747  |                   | 10,965,141  |
| Corporate bonds   |                   | 9,368,943   |                   | 10,642,200  |
| Asset-backed securities   |                   | 9,418,498   |                   | 7,432,860   |
| Other debt securities   |                   | 167,848     |                   | 363,985     |
| Less: Allowances for credit losses                                |                   | (19,272)    |                   | (5,578)     |
|   |                   | 39,701,389  |                   | 35,919,241  |
|   | ₩                 | 122,199,529 | ₩                 | 115,452,659 |

**KB Financial Group Inc. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023 and 2022**

12.2 Dividend income from equity securities designated at fair value through other comprehensive income for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023                                    |                                 | 2022                                    |                                 |
|--|---|---------------------------------|---|---------------------------------|
|  | From the equity securities derecognized | From the equity securities held | From the equity securities derecognized | From the equity securities held |
| Equity securities measured at fair value through other comprehensive income: |   |                                 |   |                                 |
| Stocks Listed  | W -                                     | W 1,999                         | W -                                     | W 409                           |
| Unlisted   | -                                       | 14,498                          | -                                       | 20,972                          |
| Equity investments   | -                                       | 110                             | -                                       | 252                             |
| Other equity securities  | 2,774                                   | 28,388                          | -                                       | 15,491                          |
|  | <u>W 2,774</u>                          | <u>W 44,995</u>                 | <u>W -</u>                              | <u>W 37,124</u>                 |

12.3 Derecognized equity securities measured at fair value through other comprehensive income for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023             |   | 2022             |  |
|--|------------------|---|------------------|--|
|  | Disposal price   | Accumulated other comprehensive income (loss) as of disposal date | Disposal price   | Accumulated other comprehensive income as of disposal date |
| Equity securities measured at fair value through other comprehensive income: |                  |   |                  |  |
| Stocks Listed  | W 36,877         | W 36,739  | W 425,736        | W 335,203  |
| Unlisted   | -                | (758)   | -                | -  |
| Other equity securities  | 71,470           | (3,680)   | -                | -  |
|  | <u>W 108,347</u> | <u>W 32,301</u>   | <u>W 425,736</u> | <u>W 335,203</u>   |

12.4 Provision (reversal) for credit losses of financial investments for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023            |                  |                 |
|--|-----------------|------------------|-----------------|
|  | Provision       | Reversal         | Total           |
| Securities measured at fair value through other comprehensive income | W 17,104        | W (2,547)        | W 14,557        |
| Loans measured at fair value through other comprehensive income      | 920             | (3)              | 917             |
| Securities measured at amortized cost                                | 15,184          | (1,475)          | 13,709          |
|  | <u>W 33,208</u> | <u>W (4,025)</u> | <u>W 29,183</u> |

(In millions of Korean won)

|  | 2022           |                  |                  |
|--|----------------|------------------|------------------|
|  | Provision      | Reversal         | Total            |
| Securities measured at fair value through other comprehensive income | W 1,026        | W (4,808)        | W (3,782)        |
| Loans measured at fair value through other comprehensive income      | 83             | (460)            | (377)            |
| Securities measured at amortized cost                                | 2,808          | (740)            | 2,068            |
|  | <u>W 3,917</u> | <u>W (6,008)</u> | <u>W (2,091)</u> |

12.5 Changes in allowances for credit losses of financial investments for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023                            |                                 |             |
|---|---------------------------------|---------------------------------|-------------|
|   | 12-month expected credit losses | Lifetime expected credit losses |             |
|   |                                 | Non-impaired                    | Impaired    |
| Beginning                                   | W 16,343                        | W 270                           | W 76        |
| Transfer between stages:                    |                                 |                                 |             |
| Transfer to 12-month expected credit losses | -                               | -                               | -           |
| Transfer to lifetime expected credit losses | -                               | -                               | -           |
| Sales                                       | (532)                           | (270)                           | -           |
| Provision (reversal) for credit losses      | 29,182                          | -                               | 1           |
| Others (exchange differences, etc.)         | (528)                           | -                               | -           |
| Ending                                      | <u>W 44,465</u>                 | <u>W -</u>                      | <u>W 77</u> |

(In millions of Korean won)

|   | 2022                            |                                 |             |
|---|---------------------------------|---------------------------------|-------------|
|   | 12-month expected credit losses | Lifetime expected credit losses |             |
|   |                                 | Non-impaired                    | Impaired    |
| Beginning                                   | W 18,952                        | W 28                            | W 76        |
| Transfer between stages:                    |                                 |                                 |             |
| Transfer to 12-month expected credit losses | -                               | -                               | -           |
| Transfer to lifetime expected credit losses | -                               | -                               | -           |
| Sales                                       | (533)                           | (21)                            | -           |
| Provision (reversal) for credit losses      | (2,354)                         | 263                             | -           |
| Others (exchange differences, etc.)         | 278                             | -                               | -           |
| Ending                                      | <u>W 16,343</u>                 | <u>W 270</u>                    | <u>W 76</u> |

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

#### 13. Investments in Associates and Joint Ventures

13.1 Details of investments in associates and joint ventures as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023 |                  |                           |                 |  |          |
|---|-------------------|------------------|---------------------------|-----------------|--|----------|
|   | Ownership (%)     | Acquisition cost | Share of net asset amount | Carrying amount | Industry                                     | Location |
| KB-KDBC Pre-IPO New Technology Business Investment Fund <sup>2</sup>              | 66.66             | ₩ 3,601          | ₩ 6,063                   | ₩ 6,063         | Investment finance                           | Korea    |
| Balhae Infrastructure Company <sup>1</sup>  | 12.61             | 95,437           | 93,803                    | 93,766          | Investment finance                           | Korea    |
| Aju Good Technology Venture Fund  | 38.46             | 343              | 14,296                    | 14,296          | Investment finance                           | Korea    |
| Incheon Bridge Co., Ltd. <sup>1</sup>   | 14.99             | 9,158            | (12,640)                  | -               | Operation of highways and related facilities | Korea    |
| Big Dipper Co., Ltd. <sup>1</sup>   | 17.77             | 440              | 94                        | 94              | Research, consulting, and big data           | Korea    |
| Food Factory Co., Ltd. <sup>4</sup>   | 22.22             | 1,000            | 654                       | 1,483           | Farm product distribution                    | Korea    |
| KBSP Private Equity Fund No.4 <sup>1</sup>  | 14.95             | 6,100            | 2,494                     | 2,494           | Investment finance                           | Korea    |
| Korea Credit Bureau Co., Ltd. <sup>1</sup>  | 9.00              | 4,500            | 5,617                     | 5,617           | Credit information                           | Korea    |
| KB Social Impact Investment Fund  | 30.00             | 4,500            | 4,853                     | 4,853           | Investment finance                           | Korea    |
| KB-Solidus Global Healthcare Fund <sup>2</sup>                                    | 43.33             | 17,217           | 17,789                    | 18,485          | Investment finance                           | Korea    |
| POSCO-KB Shipbuilding Fund  | 31.25             | 1,826            | 4,738                     | 4,738           | Investment finance                           | Korea    |
| KB-TS Technology Venture Private Equity Fund <sup>2</sup>                         | 56.00             | 9,072            | 12,372                    | 12,372          | Investment finance                           | Korea    |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund <sup>2</sup>     | 42.55             | -                | 6,145                     | 5,395           | Investment finance                           | Korea    |
| KB-SJ Tourism Venture Fund <sup>1</sup>   | 18.52             | 4,599            | 3,242                     | 3,242           | Investment finance                           | Korea    |
| UNION Media Commerce Fund   | 28.99             | 1,000            | 952                       | 952             | Investment finance                           | Korea    |
| KB-Stonebridge Secondary Private Equity Fund <sup>1</sup>                         | 14.56             | 16,837           | 18,885                    | 18,885          | Investment finance                           | Korea    |
| KB SPROTT Renewable Private Equity Fund No.1 <sup>2</sup>                         | 37.69             | 17,566           | 15,946                    | 15,910          | Investment finance                           | Korea    |
| KB-UTC Inno-Tech Venture Fund <sup>2</sup>  | 44.29             | 19,124           | 15,680                    | 17,977          | Investment finance                           | Korea    |
| WJ Private Equity Fund No.1   | 26.95             | 10,000           | 9,482                     | 9,482           | Investment finance                           | Korea    |
| All Together Korea Fund No.2 <sup>5</sup>   | 99.99             | 10,000           | 10,541                    | 10,541          | Asset management                             | Korea    |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund <sup>1</sup> | 12.00             | 9,572            | 17,810                    | 17,810          | Asset management                             | Korea    |

13.1 Details of investments in associates and joint ventures as of December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  | December 31, 2023 |                  |                           |                 |  |          |
|--|-------------------|------------------|---------------------------|-----------------|--|----------|
|  | Ownership (%)     | Acquisition cost | Share of net asset amount | Carrying amount | Industry                                   | Location |
| 2020 KB Fintech Renaissance Fund <sup>1</sup>                            | 5.05              | ₩ 550            | ₩ 1,041                   | ₩ 1,041         | Investment finance                         | Korea    |
| KB Material and Parts No.1 PEF <sup>1</sup>                              | 14.47             | 3,400            | 3,300                     | 3,300           | Investment finance                         | Korea    |
| FineKB Private Equity Fund No.1  | 25.00             | 10,650           | 7,697                     | 7,697           | Investment finance                         | Korea    |
| G payment Joint Stock Company  | 43.84             | 8,950            | 3,319                     | 8,966           | Investment advisory and securities trading | Vietnam  |
| KB-GeneN Medical Venture Fund No.1                                       | 22.52             | 2,000            | 1,923                     | 1,923           | Investment finance                         | Korea    |
| KB-BridgePole Venture Investment Fund <sup>1</sup>                       | 6.30              | 136              | 863                       | 863             | Investment finance                         | Korea    |
| KB-Kyobo New Mobility Power Fund   | 28.57             | 3,000            | 2,622                     | 2,622           | Investment finance                         | Korea    |
| DA-Friend New Technology Investment Fund No.2                            | 27.40             | 988              | 928                       | 928             | Investment finance                         | Korea    |
| Cornerstone Pentastone Fund No.4   | 21.05             | 818              | 775                       | 775             | Investment finance                         | Korea    |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | 26.24             | 46,700           | 27,213                    | -               | Real estate investment                     | Korea    |
| KB-Badgers Future Mobility ESG Fund No.1                                 | 40.91             | 7,675            | 6,105                     | 6,105           | Investment finance                         | Korea    |
| JS Private Equity Fund No.3  | 20.48             | 1,700            | 1,862                     | 1,862           | Investment finance                         | Korea    |
| Mirae Asset Mobility Investment Fund No.1                                | 22.99             | 2,000            | 1,949                     | 1,949           | Investment finance                         | Korea    |
| KB-FT 1st Green Growth Investment Fund <sup>1</sup>                      | 10.34             | 2,000            | 1,928                     | 1,928           | Investment finance                         | Korea    |
| Glenwood Credit Private Equity Fund No.2                                 | 29.89             | 42,000           | 43,922                    | 43,922          | Investment finance                         | Korea    |
| THE CHAEUL FUND NO.1   | 31.25             | 1,000            | 972                       | 972             | Investment finance                         | Korea    |
| Smart Korea KB Future9-Sejong Venture Fund                               | 38.46             | 2,366            | 2,398                     | 2,398           | Investment finance                         | Korea    |
| KB-KTB Technology Venture Fund <sup>2</sup>                              | 50.90             | 22,401           | 21,391                    | 21,391          | Investment finance                         | Korea    |
| KB-SOLIDUS Healthcare Investment Fund <sup>2</sup>                       | 90.40             | 42,540           | 41,326                    | 40,172          | Investment finance                         | Korea    |
| Paramark KB Fund No.1 <sup>1</sup>                                       | 17.34             | 15,541           | 13,645                    | 13,645          | Investment finance                         | Korea    |
| KB Co-Investment Private Equity Fund No.1 <sup>1</sup>                   | 7.12              | 9,476            | 9,477                     | 9,376           | Investment finance                         | Korea    |
| POSITIVE Sobujang Venture Fund No.1                                      | 44.00             | 2,000            | 1,965                     | 1,965           | Investment finance                         | Korea    |

### KB Financial Group Inc. and Subsidiaries Notes to the Consolidated Financial Statements December 31, 2023 and 2022

13.1 Details of investments in associates and joint ventures as of December 31, 2023 and 2022, are as follows:  
(cont'd)

(In millions of Korean won)

|   | December 31, 2023 |                     |                                 |         |   |          |
|---|-------------------|---------------------|---------------------------------|---------|---|----------|
|   | Owners<br>hip (%) | Acquisition<br>cost | Share of net<br>asset<br>amount |         | Carrying<br>amount  | Industry |
| History 2022 Fintech Fund   | 34.80             | ₩ 2,000             | ₩ 1,938                         | ₩ 1,938 | Investment<br>finance   | Korea    |
| KB-NP Green ESG New<br>Technology Venture Capital Fund                          | 29.85             | 20,449              | 19,429                          | 19,429  | Investment<br>finance   | Korea    |
| TMAP Mobility Co., Ltd. <sup>1</sup>  | 8.25              | 199,981             | 51,866                          | 183,572 | Application<br>software<br>development<br>and supply<br>finance | Korea    |
| Nextrade Co., Ltd. <sup>1</sup>   | 6.64              | 9,700               | 9,225                           | 9,225   | Investment<br>finance   | Korea    |
| Shinhan Global Mobility Fund No.1   | 24.56             | 1,345               | 1,324                           | 1,324   | Investment<br>finance   | Korea    |
| SKB Next Unicorn K-Battery Fund<br>No.1   | 24.84             | 1,908               | 1,890                           | 1,890   | Investment<br>finance   | Korea    |
| Lakewood-AVES Fund No.1   | 39.06             | 2,000               | 1,977                           | 1,977   | Investment<br>finance   | Korea    |
| MW-Pyco NewWave New<br>Technology Investment Fund 4 <sup>2</sup>                | 51.30             | 2,000               | 1,965                           | 1,965   | Investment<br>finance   | Korea    |
| Bitgoeul Cheomdan Green 1st Co.,<br>Ltd. <sup>1</sup>                           | 19.00             | 190                 | 165                             | 165     | Electricity   | Korea    |
| KB-SUSUNG 1st Investment Fund<br><sup>1</sup>                                   | 15.00             | 3,000               | 2,953                           | 2,953   | Investment<br>finance   | Korea    |
| KAELEEWALEE GLOBAL<br>SAELAENJINSAMO<br>INVESTMENT JE2HO LIMITED<br>PARTNERSHIP | 20.43             | 27,034              | 26,969                          | 26,969  | Investment<br>finance   | Korea    |
| Friend 55 New Technology<br>Business Investment Fund <sup>2</sup>               | 53.30             | 1,200               | 1,182                           | 1,182   | Investment<br>finance   | Korea    |
| DSIP-Pharos Bioenergy Fund  | 34.10             | 4,000               | 16,458                          | 16,458  | Investment<br>finance   | Korea    |
| Shinhan-Eco Venture Fund 2nd  | 20.00             | 1,825               | 1,800                           | 1,800   | Investment<br>finance   | Korea    |
| Leading H2O Fund 1  | 48.20             | 1,500               | 1,489                           | 1,489   | Investment<br>finance   | Korea    |
| 2023 JB Newtech No.2 Fund   | 25.70             | 1,800               | 1,786                           | 1,786   | Investment<br>finance   | Korea    |
| U-KB Credit No.1S Private Equity  | 33.33             | 6,900               | 6,850                           | 6,850   | Investment<br>finance   | Korea    |
| KB-BridgePole Venture Investment<br>Fund No.2 <sup>1</sup>                      | 14.29             | 1,500               | 1,494                           | 1,494   | Investment<br>finance   | Korea    |
| Sirius Silicon Valley I New<br>Technology Fund                                  | 20.43             | 500                 | 485                             | 485     | Investment<br>finance   | Korea    |
| Others  |                   | 1,978               | 1,731                           | 1,016   |   |          |
|   |                   | 760,593             | 598,413                         | 722,222 |   |          |

13.1 Details of investments in associates and joint ventures as of December 31, 2023 and 2022, are as follows:  
(cont'd)

(In millions of Korean won)

|   | December 31, 2022 |                     |                                 |         |  |          |
|---|-------------------|---------------------|---------------------------------|---------|--|----------|
|   | Ownership<br>(%)  | Acquisition<br>cost | Share of net<br>asset<br>amount |         | Carrying<br>amount                                 | Industry |
| KB-KDBC Pre-IPO New<br>Technology Business<br>Investment Fund <sup>2</sup>          | 66.66             | ₩ 3,601             | ₩ 5,978                         | ₩ 5,978 | Investment<br>finance                              | Korea    |
| Balhae Infrastructure Company <sup>1</sup>  | 12.61             | 96,516              | 90,653                          | 90,617  | Investment<br>finance                              | Korea    |
| Aju Good Technology Venture<br>Fund   | 38.47             | 8,143               | 19,840                          | 19,836  | Investment<br>finance                              | Korea    |
| KG Capital Co., Ltd.  | 49.00             | 9,800               | 20,250                          | 19,162  | Auto loans   | Korea    |
| Incheon Bridge Co., Ltd. <sup>1</sup>   | 14.99             | 9,158               | (15,963)                        | -       | Operation of<br>highways and<br>related facilities | Korea    |
| Big Dipper Co., Ltd. <sup>1</sup>   | 17.86             | 440                 | 60                              | 60      | Research,<br>consulting, and<br>big data           | Korea    |
| Paycoms Co., Ltd. <sup>3</sup>  | 12.24             | 800                 | 201                             | 213     | System software<br>publishing                      | Korea    |
| Food Factory Co., Ltd. <sup>4</sup>   | 22.22             | 1,000               | 696                             | 1,399   | Farm product<br>distribution                       | Korea    |
| KBSP Private Equity Fund No.4<br><sup>1</sup>                                       | 14.95             | 6,100               | 1,892                           | 1,892   | Investment<br>finance                              | Korea    |
| Korea Credit Bureau Co., Ltd. <sup>1</sup>  | 9.00              | 4,500               | 4,959                           | 4,959   | Credit<br>information                              | Korea    |
| KB Social Impact Investment<br>Fund   | 30.00             | 4,500               | 4,266                           | 4,266   | Investment<br>finance                              | Korea    |
| KB-Solidus Global Healthcare<br>Fund <sup>2</sup>                                   | 43.33             | 25,927              | 21,735                          | 22,432  | Investment<br>finance                              | Korea    |
| POSCO-KB Shipbuilding Fund  | 31.25             | 1,826               | 4,798                           | 4,798   | Investment<br>finance                              | Korea    |
| KB-TS Technology Venture<br>Private Equity Fund <sup>2</sup>                        | 56.00             | 9,744               | 13,794                          | 13,794  | Investment<br>finance                              | Korea    |
| KB-Brain KOSDAQ Scale-up<br>New Technology Business<br>Investment Fund <sup>2</sup> | 42.55             | 12,450              | 17,801                          | 17,051  | Investment<br>finance                              | Korea    |
| KB-SJ Tourism Venture Fund <sup>1</sup>   | 18.52             | 4,599               | 3,773                           | 3,773   | Investment<br>finance                              | Korea    |
| UNION Media Commerce Fund   | 28.99             | 1,000               | 957                             | 957     | Investment<br>finance                              | Korea    |
| KB-Stonebridge Secondary<br>Private Equity Fund <sup>1</sup>                        | 14.56             | 23,801              | 25,144                          | 25,144  | Investment<br>finance                              | Korea    |
| KB SPROTT Renewable Private<br>Equity Fund No.1 <sup>2</sup>                        | 37.69             | 18,041              | 16,539                          | 16,539  | Investment<br>finance                              | Korea    |
| KB-UTC Inno-Tech Venture<br>Fund <sup>2</sup>                                       | 44.29             | 21,375              | 19,180                          | 19,180  | Investment<br>finance                              | Korea    |
| WJ Private Equity Fund No.1   | 26.95             | 10,000              | 9,542                           | 9,542   | Investment<br>finance                              | Korea    |
| All Together Korea Fund No.2 <sup>5</sup>   | 99.99             | 10,000              | 10,244                          | 10,244  | Asset<br>management                                | Korea    |

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

13.1 Details of investments in associates and joint ventures as of December 31, 2023 and 2022, are as follows:  
(cont'd)

(In millions of Korean won)

|   | Ownership (%) | December 31, 2022 |                 | Share of net |  | Industry | Location |
|---|---------------|-------------------|-----------------|--------------|--|----------|----------|
|   |               | Acquisition cost  | Carrying amount | asset amount | Carrying amount                            |          |          |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund <sup>1</sup> | 12.00         | ₩ 10,006          | ₩ 12,554        | ₩ 12,554     | Asset management                           | Korea    |          |
| December & Company Inc. <sup>1</sup>  | 16.78         | 29,951            | 3,735           | 16,029       | Investment finance                         | Korea    |          |
| 2020 KB Fintech Renaissance Fund <sup>1</sup>                                     | 5.05          | 550               | 630             | 630          | Investment finance                         | Korea    |          |
| KB Material and Parts No.1 PEF <sup>1</sup>                                       | 14.47         | 3,400             | 3,321           | 3,321        | Investment finance                         | Korea    |          |
| FineKB Private Equity Fund No.1   | 25.00         | 12,775            | 10,483          | 10,483       | Investment finance                         | Korea    |          |
| G payment Joint Stock Company   | 43.84         | 9,029             | 2,917           | 9,281        | Investment advisory and securities trading | Vietnam  |          |
| KB-GeneN Medical Venture Fund No.1  | 22.52         | 2,000             | 1,965           | 1,965        | Investment finance                         | Korea    |          |
| KB-BridgePole Venture Investment Fund <sup>1</sup>                                | 6.30          | 850               | 835             | 835          | Investment finance                         | Korea    |          |
| KB-Kyobo New Mobility Power Fund  | 28.57         | 3,000             | 2,826           | 2,826        | Investment finance                         | Korea    |          |
| DA-Friend New Technology Investment Fund No.2                                     | 27.06         | 988               | 949             | 949          | Investment finance                         | Korea    |          |
| Cornerstone Pentastone Fund No.4  | 21.52         | 818               | 792             | 792          | Investment finance                         | Korea    |          |
| SKS-VLP New Technology Investment Fund No.2                                       | 23.11         | 1,156             | 1,121           | 1,121        | Investment finance                         | Korea    |          |
| Star-Lord General Investors Private Real Estate Investment Company No.10          | 26.24         | 46,700            | 45,157          | -            | Real estate investment                     | Korea    |          |
| KB-Badgers Future Mobility ESG Fund No.1  | 40.91         | 2,137             | 1,475           | 1,475        | Investment finance                         | Korea    |          |
| JS Private Equity Fund No.3   | 20.48         | 1,700             | 1,664           | 1,664        | Investment finance                         | Korea    |          |
| Mirae Asset Mobility Investment Fund No.1   | 22.99         | 2,000             | 1,979           | 1,979        | Investment finance                         | Korea    |          |
| KB-FT 1st Green Growth Investment Fund <sup>1</sup>                               | 10.34         | 2,000             | 1,970           | 1,970        | Investment finance                         | Korea    |          |
| Glenwood Credit Private Equity Fund No.2  | 29.89         | 42,000            | 43,468          | 43,468       | Investment finance                         | Korea    |          |
| THE CHAEUL FUND NO.1  | 31.25         | 1,000             | 989             | 989          | Investment finance                         | Korea    |          |
| Smart Korea KB Future9-Sejong Venture Fund  | 38.46         | 2,000             | 1,870           | 1,870        | Investment finance                         | Korea    |          |
| KB-KTB Technology Venture Fund <sup>2</sup>                                       | 50.90         | 16,800            | 16,256          | 16,256       | Investment finance                         | Korea    |          |

13.1 Details of investments in associates and joint ventures as of December 31, 2023 and 2022, are as follows:  
(cont'd)

(In millions of Korean won)

|   | Ownership (%) | December 31, 2022 |                 | Share of net |   | Industry | Location |
|---|---------------|-------------------|-----------------|--------------|---|----------|----------|
|   |               | Acquisition cost  | Carrying amount | asset amount | Carrying amount                             |          |          |
| KB-SOLIDUS Healthcare Investment Fund <sup>2</sup>              | 88.23         | ₩ 19,800          | ₩ 18,651        | ₩ 18,651     | Investment finance                          | Korea    |          |
| Paramark KB Fund No.1 <sup>1</sup>                              | 17.34         | 12,199            | 10,966          | 10,966       | Investment finance                          | Korea    |          |
| KB Co-Investment Private Equity Fund No.1 <sup>1</sup>          | 7.12          | 7,268             | 7,269           | 7,233        | Investment finance                          | Korea    |          |
| POSITIVE Sobujang Venture Fund No.1                             | 43.96         | 2,000             | 1,977           | 1,977        | Investment finance                          | Korea    |          |
| History 2022 Fintech Fund                                       | 34.78         | 2,000             | 1,981           | 1,981        | Investment finance                          | Korea    |          |
| PEBBLES-MW M.C.E New Technology Investment Fund 1 <sup>st</sup> | 23.26         | 2,000             | 1,982           | 1,982        | Investment finance                          | Korea    |          |
| KB-NP Green ESG New Technology Venture Capital Fund             | 29.85         | 9,350             | 9,043           | 9,043        | Investment finance                          | Korea    |          |
| TMAP Mobility Co., Ltd. <sup>1</sup>                            | 8.25          | 200,000           | 61,518          | 194,455      | Application software development and supply | Korea    |          |
| Nextrade Co., Ltd. <sup>1</sup>                                 | 6.64          | 9,700             | 9,700           | 9,700        | Investment finance                          | Korea    |          |
| Shinhan Global Mobility Fund No.1                               | 24.56         | 1,345             | 1,345           | 1,345        | Investment finance                          | Korea    |          |
| SKB Next Unicorn K-Battery Fund No.1                            | 24.84         | 1,995             | 1,995           | 1,995        | Investment finance                          | Korea    |          |
| Others  |               | 2,029             | (741)           | 1,049        |   |          |          |
|   |               | ₩ 743,867         | ₩ 558,981       | ₩ 682,670    |   |          |          |

<sup>1</sup> As of December 31, 2023 and 2022, the Group can exercise significant influence on the decision-making processes of the associate's financial and business policies through participation in governing bodies.

<sup>2</sup> In order to direct relevant activities, it is necessary to obtain the consent of the two co-operative members; the Group has applied the equity method as the Group cannot control the investee by itself.

<sup>3</sup> The ownership of Paycoms Co., Ltd. would be 21.68% as of December 31, 2022, considering the potential voting rights of convertible bonds.

<sup>4</sup> The ownership of Food Factory Co., Ltd. would be 30.00% and 30.00% as of December 31, 2023 and 2022, respectively, considering the potential voting rights of convertible bonds.

<sup>5</sup> As of December 31, 2023 and 2022, the Group participates in the investment management committee but cannot exercise control.

In accordance with Korean IFRS No.1028 *Investments in Associates and Joint Ventures*, the Group elected an exemption from applying the equity method for 57 companies including Banksalad Co., Ltd. and classified them as financial assets at fair value through profit or loss.

Although the Group holds 20% or more of the ownership, investment trusts with limited influence on related activities according to trust contracts, and companies with limited influence on related activities due to bankruptcy and corporate rehabilitation proceedings are excluded from associates.

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates and joint ventures as of and for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023 * |                   |                 |          |                           |                                      |                              |  |
|--|---------------------|-------------------|-----------------|----------|---------------------------|--------------------------------------|------------------------------|--|
|  | Total assets        | Total liabilities | Paid-in capital | Equity   | Share of net asset amount | Unrealized gains (losses) and others | Consolidated carrying amount |  |
| KB-KDBC Pre-IPO New Technology Business Investment Fund          | W 9,095             | W 1               | W 5,400         | W 9,094  | W 6,062                   | W 1                                  | W 6,063                      |  |
| Balhae Infrastructure Company                                    | 818,545             | 74,665            | 794,860         | 743,880  | 93,803                    | (37)                                 | 93,766                       |  |
| Aju Good Technology Venture Fund                                 | 37,569              | 395               | 900             | 37,174   | 14,297                    | (1)                                  | 14,296                       |  |
| Incheon Bridge Co., Ltd.   | 518,134             | 602,460           | 61,096          | (84,326) | (12,640)                  | 12,640                               | -                            |  |
| Big Dipper Co., Ltd.   | 813                 | 285               | 495             | 528      | 94                        | -                                    | 94                           |  |
| Food Factory Co., Ltd.   | 9,138               | 6,196             | 450             | 2,942    | 654                       | 829                                  | 1,483                        |  |
| KBSP Private Equity Fund No.4                                    | 16,807              | 571               | 39,700          | 16,236   | 2,495                     | (1)                                  | 2,494                        |  |
| Korea Credit Bureau Co., Ltd.                                    | 131,164             | 68,756            | 10,000          | 62,408   | 5,617                     | -                                    | 5,617                        |  |
| KB Social Impact Investment Fund                                 | 16,440              | 263               | 15,000          | 16,177   | 4,853                     | -                                    | 4,853                        |  |
| KB-Solidus Global Healthcare Fund                                | 41,567              | 517               | 3,000           | 41,050   | 17,789                    | 696                                  | 18,485                       |  |
| POSCO-KB Shipbuilding Fund                                       | 16,520              | 1,357             | 5,840           | 15,163   | 4,738                     | -                                    | 4,738                        |  |
| KB-TS Technology Venture Private Equity Fund                     | 28,233              | 6,139             | 16,200          | 22,094   | 12,372                    | -                                    | 12,372                       |  |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund | 14,441              | -                 | -               | 14,441   | 6,145                     | (750)                                | 5,395                        |  |
| KB-SJ Tourism Venture Fund                                       | 18,003              | 498               | 24,840          | 17,505   | 3,242                     | -                                    | 3,242                        |  |
| UNION Media Commerce Fund  | 3,318               | 32                | 3,450           | 3,286    | 952                       | -                                    | 952                          |  |
| KB-Stonebridge Secondary Private Equity Fund                     | 129,860             | 205               | 115,598         | 129,655  | 18,885                    | -                                    | 18,885                       |  |
| KB SPROTT Renewable Private Equity Fund No.1                     | 42,868              | 379               | 46,868          | 42,489   | 15,946                    | (36)                                 | 15,910                       |  |
| KB-UTC Inno-Tech Venture Fund                                    | 35,978              | 573               | 43,180          | 35,405   | 15,680                    | 2,297                                | 17,977                       |  |
| WJ Private Equity Fund No.1                                      | 35,342              | 161               | 37,100          | 35,181   | 9,483                     | (1)                                  | 9,482                        |  |

13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates and joint ventures as of and for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  | December 31, 2023 * |                   |                 |          |                           |                                      |                              |  |
|--|---------------------|-------------------|-----------------|----------|---------------------------|--------------------------------------|------------------------------|--|
|  | Total assets        | Total liabilities | Paid-in capital | Equity   | Share of net asset amount | Unrealized gains (losses) and others | Consolidated carrying amount |  |
| All Together Korea Fund No.2   | W 10,543            | W 1               | W 10,001        | W 10,542 | W 10,541                  | W -                                  | W 10,541                     |  |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund     | 145,519             | 474               | 76,400          | 145,045  | 17,810                    | -                                    | 17,810                       |  |
| 2020 KB Fintech Renaissance Fund   | 20,664              | 38                | 10,900          | 20,626   | 1,041                     | -                                    | 1,041                        |  |
| KB Material and Parts No.1 PEF   | 22,808              | 2                 | 23,500          | 22,806   | 3,300                     | -                                    | 3,300                        |  |
| FineKB Private Equity Fund No.1  | 30,930              | 141               | 42,600          | 30,789   | 7,697                     | -                                    | 7,697                        |  |
| G payment Joint Stock Company  | 10,018              | 2,386             | 2,950           | 7,632    | 3,319                     | 5,647                                | 8,966                        |  |
| KB-GeneN Medical Venture Fund No.1                                       | 8,583               | 48                | 8,880           | 8,535    | 1,922                     | 1                                    | 1,923                        |  |
| KB-BridgePole Venture Investment Fund                                    | 13,781              | 72                | 2,160           | 13,709   | 863                       | -                                    | 863                          |  |
| KB-Kyobo New Mobility Power Fund   | 9,216               | 40                | 10,500          | 9,176    | 2,622                     | -                                    | 2,622                        |  |
| DA-Friend New Technology Investment Fund No.2                            | 3,502               | 74                | 3,650           | 3,428    | 927                       | 1                                    | 928                          |  |
| Cornerstone Pentastone Fund No.4   | 3,623               | 22                | 3,800           | 3,601    | 775                       | -                                    | 775                          |  |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | 522,947             | 419,224           | 178,000         | 103,723  | 27,213                    | (27,213)                             | -                            |  |
| KB-Badgers Future Mobility ESG Fund No.1                                 | 15,600              | 672               | 18,766          | 14,928   | 6,106                     | (1)                                  | 6,105                        |  |
| JS Private Equity Fund No.3  | 9,090               | 1                 | 8,300           | 9,089    | 1,862                     | -                                    | 1,862                        |  |
| Mirae Asset Mobility Investment Fund No.1                                | 8,551               | 74                | 8,700           | 8,477    | 1,949                     | -                                    | 1,949                        |  |
| KB-FT 1st Green Growth Investment Fund 1                                 | 18,649              | -                 | 19,345          | 18,649   | 1,928                     | -                                    | 1,928                        |  |

### KB Financial Group Inc. and Subsidiaries Notes to the Consolidated Financial Statements December 31, 2023 and 2022

13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates and joint ventures as of and for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|   | December 31, 2023 * |                   |                 |           |                           |                                      |                              |  |
|---|---------------------|-------------------|-----------------|-----------|---------------------------|--------------------------------------|------------------------------|--|
|   | Total assets        | Total liabilities | Paid-in capital | Equity    | Share of net asset amount | Unrealized gains (losses) and others | Consolidated carrying amount |  |
| Glenwood Credit Private Equity Fund No.2            | W 147,385           | W 455             | W 140,500       | W 146,930 | W 43,922                  | W -                                  | W 43,922                     |  |
| THE CHAEUL FUND NO.1                                | 3,111               | -                 | 3,200           | 3,111     | 972                       | -                                    | 972                          |  |
| Smart Korea KB Future9-Sejong Venture Fund          | 6,314               | 81                | 6,152           | 6,233     | 2,398                     | -                                    | 2,398                        |  |
| KB-KTB Technology Venture Fund                      | 42,263              | 246               | 44,000          | 42,017    | 21,389                    | 2                                    | 21,391                       |  |
| KB-SOLIDUS Healthcare Investment Fund               | 44,875              | 330               | 47,190          | 44,545    | 41,326                    | (1,154)                              | 40,172                       |  |
| Paramark KB Fund No.1                               | 78,715              | 28                | 89,441          | 78,687    | 13,645                    | -                                    | 13,645                       |  |
| KB Co-Investment Private Equity Fund No.1           | 131,929             | 257               | 133,075         | 131,672   | 9,477                     | (101)                                | 9,376                        |  |
| POSITIVE Sobujang Venture Fund No.1                 | 4,494               | 23                | 4,550           | 4,471     | 1,965                     | -                                    | 1,965                        |  |
| History 2022 Fintech Fund                           | 5,611               | 39                | 5,750           | 5,572     | 1,938                     | -                                    | 1,938                        |  |
| KB-NP Green ESG New Technology Venture Capital Fund | 68,228              | 1,193             | 70,557          | 67,035    | 19,429                    | -                                    | 19,429                       |  |
| TMAP Mobility Co., Ltd.                             | 849,894             | 220,824           | 8,680           | 629,070   | 51,866                    | 131,706                              | 183,572                      |  |
| Nextrade Co., Ltd.                                  | 139,245             | 296               | 146,100         | 138,949   | 9,225                     | -                                    | 9,225                        |  |
| Shinhan Global Mobility Fund No.1                   | 5,389               | 1                 | 5,700           | 5,388     | 1,324                     | -                                    | 1,324                        |  |
| SKB Next Unicorn K-Battery Fund No.1                | 7,609               | -                 | 7,700           | 7,609     | 1,890                     | -                                    | 1,890                        |  |
| Lakewood-AVES Fund No.1                             | 5,065               | 4                 | 5,120           | 5,061     | 1,977                     | -                                    | 1,977                        |  |
| MW-Pyco NewWave New Technology Investment Fund 4th  | 3,832               | -                 | 3,900           | 3,832     | 1,965                     | -                                    | 1,965                        |  |
| Bitgoeul Cheomdan Green 1st Co., Ltd                | 877                 | 6                 | 1,000           | 871       | 165                       | -                                    | 165                          |  |
| KB-SUSUNG 1st Investment Fund                       | 19,690              | -                 | 20,000          | 19,690    | 2,953                     | -                                    | 2,953                        |  |

13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates and joint ventures as of and for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

|   | December 31, 2023 * |                   |                 |         |                           |                                      |                              |
|---|---------------------|-------------------|-----------------|---------|---------------------------|--------------------------------------|------------------------------|
|   | Total assets        | Total liabilities | Paid-in capital | Equity  | Share of net asset amount | Unrealized gains (losses) and others | Consolidated carrying amount |
| Friend 55 New Technology Business Investment Fund | 2,220               | 3                 | 2,250           | 2,217   | 1,182                     | -                                    | 1,182                        |
| KAELEEWALEE GLOBAL SAELEENJINSAM O INVESTMENT     |                     |                   |                 |         |                           |                                      |                              |
| JE2HO LIMITED PARTNERSHIP                         | 132,025             | 11                | 132,331         | 132,014 | 26,969                    | -                                    | 26,969                       |
| DSIP-Pharos Bioenergy Fund                        | 48,307              | 44                | 11,730          | 48,263  | 16,458                    | -                                    | 16,458                       |
| Shinhan-Eco Venture Fund 2nd                      | 9,067               | 66                | 9,125           | 9,001   | 1,800                     | -                                    | 1,800                        |
| Leading H2O Fund 1                                | 3,088               | 1                 | 3,110           | 3,087   | 1,489                     | -                                    | 1,489                        |
| 2023 JB Newtech No.2 Fund                         | 6,946               | 2                 | 7,000           | 6,944   | 1,786                     | -                                    | 1,786                        |
| U-KB Credit No.1 Private Equity                   | 20,557              | 6                 | 20,700          | 20,551  | 6,851                     | (1)                                  | 6,850                        |
| KB-BridgePole Venture Investment Fund No.2        | 10,502              | 41                | 10,500          | 10,461  | 1,494                     | -                                    | 1,494                        |
| Sirius Silicon Valley I New Technology Fund       | 2,040               | 2                 | 2,100           | 2,038   | 485                       | -                                    | 485                          |

### KB Financial Group Inc. and Subsidiaries Notes to the Consolidated Financial Statements December 31, 2023 and 2022

13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates and joint ventures as of and for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  | 2023 *            |                   |                                   |                                   |           |
|--|-------------------|-------------------|-----------------------------------|-----------------------------------|-----------|
|  | Operating revenue | Net profit (loss) | Other comprehensive income (loss) | Total comprehensive income (loss) | Dividends |
| KB-KDBC Pre-IPO New Technology Business Investment Fund                  | W -               | W (12)            | W -                               | W (12)                            | W -       |
| Balhae Infrastructure Company  | 126,682           | 121,783           | -                                 | 121,783                           | 9,582     |
| Aju Good Technology Venture Fund   | 20,386            | 15,176            | -                                 | 15,176                            | 3,577     |
| Incheon Bridge Co., Ltd.   | 128,860           | 22,110            | -                                 | 22,110                            | -         |
| Big Dipper Co., Ltd.   | 324               | (242)             | -                                 | (242)                             | -         |
| Food Factory Co., Ltd.   | 10,283            | (89)              | -                                 | (89)                              | -         |
| KBSP Private Equity Fund No.4  | 3,894             | 4,073             | -                                 | 4,073                             | -         |
| Korea Credit Bureau Co., Ltd.  | 163,707           | 8,012             | -                                 | 8,012                             | 90        |
| KB Social Impact Investment Fund   | 2,230             | 1,958             | -                                 | 1,958                             | -         |
| KB-Solidus Global Healthcare Fund  | 42,005            | 36,193            | -                                 | 36,193                            | 10,920    |
| POSCO-KB Shipbuilding Fund   | 709               | (191)             | -                                 | (191)                             | -         |
| KB-TS Technology Venture Private Equity Fund                             | 836               | 362               | -                                 | 362                               | -         |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund         | 7,610             | 2,302             | -                                 | 2,302                             | -         |
| KB-SJ Tourism Venture Fund   | 664               | (2,870)           | -                                 | (2,870)                           | -         |
| UNION Media Commerce Fund  | -                 | (16)              | -                                 | (16)                              | -         |
| KB-Stonebridge Secondary Private Equity Fund                             | 9,698             | 7,558             | -                                 | 7,558                             | 396       |
| KB SPROTT Renewable Private Equity Fund No.1                             | 26                | (689)             | -                                 | (689)                             | -         |
| KB-UTC Inno-Tech Venture Fund  | 758               | (5,024)           | 2,208                             | (2,816)                           | 3         |
| WJ Private Equity Fund No.1  | 430               | (218)             | -                                 | (218)                             | -         |
| All Together Korea Fund No.2   | 303               | 297               | -                                 | 297                               | -         |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund     | 58,734            | 47,415            | -                                 | 47,415                            | -         |
| 2020 KB Fintech Renaissance Fund   | 8,289             | 8,134             | -                                 | 8,134                             | -         |
| KB Material and Parts No.1 PEF   | 451               | 90                | -                                 | 90                                | 34        |
| FineKB Private Equity Fund No.1  | 820               | (2,578)           | -                                 | (2,578)                           | 16        |
| G payment Joint Stock Company  | 11,434            | (539)             | -                                 | (539)                             | -         |
| KB-GeneN Medical Venture Fund No.1                                       | -                 | (187)             | -                                 | (187)                             | -         |
| KB-BridgePole Venture Investment Fund                                    | 22,202            | 21,916            | -                                 | 21,916                            | 638       |
| KB-Kyobo New Mobility Power Fund   | 1                 | (715)             | -                                 | (715)                             | -         |
| DA-Friend New Technology Investment Fund No.2                            | -                 | (78)              | -                                 | (78)                              | -         |
| Cornerstone Pentastone Fund No.4   | -                 | (81)              | -                                 | (81)                              | -         |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | 33,947            | (55,599)          | -                                 | (55,599)                          | -         |
| KB-Badgers Future Mobility ESG Fund No.1                                 | 150               | (2,219)           | -                                 | (2,219)                           | -         |
| JS Private Equity Fund No.3  | 1,135             | 963               | -                                 | 963                               | -         |
| Mirae Asset Mobility Investment Fund No.1                                | 19                | (133)             | -                                 | (133)                             | -         |
| KB-FT 1st Green Growth Investment Fund 1                                 | 3                 | (402)             | -                                 | (402)                             | -         |
| Glenwood Credit Private Equity Fund No.2                                 | 10,374            | 9,611             | -                                 | 9,611                             | 2,428     |
| THE CHAEUL FUND NO.1   | 1                 | (55)              | -                                 | (55)                              | -         |

13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates and joint ventures as of and for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  | 2023 *            |                   |                                   |                                   |           |
|--|-------------------|-------------------|-----------------------------------|-----------------------------------|-----------|
|  | Operating revenue | Net profit (loss) | Other comprehensive income (loss) | Total comprehensive income (loss) | Dividends |
| Smart Korea KB Future9-Sejong Venture Fund                             | W 667             | W 391             | W -                               | W 391                             | W -       |
| KB-KTB Technology Venture Fund   | 166               | (917)             | -                                 | (917)                             | -         |
| KB-SOLIDUS Healthcare Investment Fund                                  | 16                | (1,344)           | -                                 | (1,344)                           | -         |
| Paramark KB Fund No.1  | 1,085             | (3,824)           | -                                 | (3,824)                           | -         |
| KB Co-Investment Private Equity Fund No.1                              | 21                | (908)             | -                                 | (908)                             | -         |
| POSITIVE Sobujang Venture Fund No.1                                    | 75                | (28)              | -                                 | (28)                              | -         |
| History 2022 Fintech Fund  | 1                 | (123)             | -                                 | (123)                             | -         |
| KB-NP Green ESG New Technology Venture Capital Fund                    | 21                | (2,463)           | -                                 | (2,463)                           | -         |
| TMAP Mobility Co., Ltd.  | 294,016           | (100,432)         | -                                 | (100,432)                         | -         |
| Nextrade Co., Ltd.   | -                 | (7,150)           | -                                 | (7,150)                           | -         |
| Shinhan Global Mobility Fund No.1                                      | -                 | (115)             | -                                 | (115)                             | -         |
| SKB Next Unicorn K-Battery Fund No.1                                   | 123               | (87)              | -                                 | (87)                              | -         |
| Lakewood-AVES Fund No.1  | -                 | (60)              | -                                 | (60)                              | -         |
| MW-Pyco NewWave New Technology Investment Fund 4th                     | 1                 | (68)              | -                                 | (68)                              | -         |
| Bitgoeul Cheomdan Green 1st Co., Ltd.                                  | -                 | (124)             | -                                 | (124)                             | -         |
| KB-SUSUNG 1st Investment Fund  | 47                | (310)             | -                                 | (310)                             | -         |
| Friend 55 New Technology Business Investment Fund                      | 3                 | (33)              | -                                 | (33)                              | -         |
| KAELEEWALEE GLOBAL SAELAENJINSAMO INVESTMENT JE2HO LIMITED PARTNERSHIP | -                 | (225)             | (93)                              | (318)                             | -         |
| DSIP-Pharos Bioenergy Fund   | 36,813            | 36,533            | -                                 | 36,533                            | -         |
| Shinhan-Eco Venture Fund 2nd   | 2                 | (125)             | -                                 | (125)                             | -         |
| Leading H2O Fund 1   | 5                 | (23)              | -                                 | (23)                              | -         |
| 2023 JB Newtech No.2 Fund  | 2                 | (56)              | -                                 | (56)                              | -         |
| U-KB Credit No.1 Private Equity  | 345               | (149)             | -                                 | (149)                             | -         |
| KB-BridgePole Venture Investment Fund No.2                             | 2                 | (39)              | -                                 | (39)                              | -         |
| Sirius Silicon Valley I New Technology Fund                            | 1                 | (62)              | -                                 | (62)                              | -         |



### KB Financial Group Inc. and Subsidiaries

#### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates and joint ventures as of and for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2022 * |                   |                 |           |                           |                                      |         | Consolidated carrying amount |
|--|---------------------|-------------------|-----------------|-----------|---------------------------|--------------------------------------|---------|------------------------------|
|  | Total assets        | Total liabilities | Paid-in capital | Equity    | Share of net asset amount | Unrealized gains (losses) and others |         |                              |
| KB-KDBC Pre-IPO New Technology Business Investment Fund          | W 9,226             | W 260             | W 5,400         | W 8,966   | W 5,978                   | W -                                  | W 5,978 |                              |
| Balhae Infrastructure Company                                    | 781,317             | 62,422            | 765,686         | 718,895   | 90,653                    | (36)                                 | 90,617  |                              |
| Aju Good Technology Venture Fund                                 | 58,749              | 7,171             | 21,180          | 51,578    | 19,840                    | (4)                                  | 19,836  |                              |
| KG Capital Co., Ltd.   | 85,077              | 43,749            | 20,000          | 41,328    | 20,250                    | (1,088)                              | 19,162  |                              |
| Incheon Bridge Co., Ltd.   | 554,738             | 661,227           | 61,096          | (106,489) | (15,963)                  | 15,963                               | -       |                              |
| Big Dipper Co., Ltd.   | 642                 | 308               | 493             | 334       | 60                        | -                                    | 60      |                              |
| Paycoms Co., Ltd.  | 3,781               | 2,032             | 926             | 1,749     | 201                       | 12                                   | 213     |                              |
| Food Factory Co., Ltd.   | 8,599               | 5,468             | 450             | 3,131     | 696                       | 703                                  | 1,399   |                              |
| KBSP Private Equity Fund No.4                                    | 13,432              | 776               | 40,800          | 12,656    | 1,892                     | -                                    | 1,892   |                              |
| Korea Credit Bureau Co., Ltd.                                    | 155,165             | 100,065           | 10,000          | 55,100    | 4,959                     | -                                    | 4,959   |                              |
| KB Social Impact Investment Fund                                 | 14,658              | 439               | 15,000          | 14,219    | 4,266                     | -                                    | 4,266   |                              |
| KB-Solidus Global Healthcare Fund                                | 50,796              | 639               | 23,100          | 50,157    | 21,735                    | 697                                  | 22,432  |                              |
| POSCO-KB Shipbuilding Fund                                       | 15,675              | 321               | 5,840           | 15,354    | 4,798                     | -                                    | 4,798   |                              |
| KB-TS Technology Venture Private Equity Fund                     | 30,346              | 5,714             | 17,400          | 24,632    | 13,794                    | -                                    | 13,794  |                              |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund | 42,538              | 705               | 31,020          | 41,833    | 17,801                    | (750)                                | 17,051  |                              |
| KB-SJ Tourism Venture Fund                                       | 20,926              | 551               | 24,840          | 20,375    | 3,773                     | -                                    | 3,773   |                              |
| UNION Media Commerce Fund  | 3,319               | 18                | 3,450           | 3,301     | 957                       | -                                    | 957     |                              |
| KB-Stonebridge Secondary Private Equity Fund                     | 172,979             | 349               | 163,413         | 172,630   | 25,144                    | -                                    | 25,144  |                              |
| KB SPROTT Renewable Private Equity Fund No.1                     | 44,880              | 996               | 47,868          | 43,884    | 16,539                    | -                                    | 16,539  |                              |

13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates and joint ventures as of and for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  | December 31, 2022 * |                   |                 |          |                           |                                      |          | Consolidated carrying amount |
|--|---------------------|-------------------|-----------------|----------|---------------------------|--------------------------------------|----------|------------------------------|
|  | Total assets        | Total liabilities | Paid-in capital | Equity   | Share of net asset amount | Unrealized gains (losses) and others |          |                              |
| KB-UTC Inno-Tech Venture Fund  | W 44,111            | W 809             | W 48,260        | W 43,302 | W 19,180                  | W -                                  | W 19,180 |                              |
| WJ Private Equity Fund No.1  | 35,561              | 161               | 37,100          | 35,400   | 9,542                     | -                                    | 9,542    |                              |
| All Together Korea Fund No.2   | 10,246              | 1                 | 10,001          | 10,245   | 10,244                    | -                                    | 10,244   |                              |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund     | 102,827             | 498               | 81,100          | 102,329  | 12,554                    | -                                    | 12,554   |                              |
| December & Company Inc.  | 35,602              | 13,271            | 37,367          | 22,331   | 3,735                     | 12,294                               | 16,029   |                              |
| 2020 KB Fintech Renaissance Fund   | 12,529              | 38                | 10,900          | 12,491   | 630                       | -                                    | 630      |                              |
| KB Material and Parts No.1 PEF   | 22,953              | 2                 | 23,500          | 22,951   | 3,321                     | -                                    | 3,321    |                              |
| FineKB Private Equity Fund No.1  | 43,759              | 1,828             | 51,100          | 41,931   | 10,483                    | -                                    | 10,483   |                              |
| G payment Joint Stock Company  | 10,177              | 3,523             | 2,950           | 6,654    | 2,917                     | 6,364                                | 9,281    |                              |
| KB-GenE Medical Venture Fund No.1  | 8,770               | 48                | 8,880           | 8,722    | 1,965                     | -                                    | 1,965    |                              |
| KB-BridgePole Venture Investment Fund                                    | 13,331              | 73                | 13,500          | 13,258   | 835                       | -                                    | 835      |                              |
| KB-Kyobo New Mobility Power Fund   | 9,932               | 40                | 10,500          | 9,892    | 2,826                     | -                                    | 2,826    |                              |
| DA-Friend New Technology Investment Fund No.2                            | 3,527               | 21                | 3,650           | 3,506    | 949                       | -                                    | 949      |                              |
| Cornerstone Pentastone Fund No.4   | 3,704               | 23                | 3,800           | 3,681    | 792                       | -                                    | 792      |                              |
| SKS-VLP New Technology Investment Fund No.2                              | 4,855               | 2                 | 5,001           | 4,853    | 1,121                     | -                                    | 1,121    |                              |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | 585,401             | 413,283           | 178,000         | 172,118  | 45,157                    | (45,157)                             | -        |                              |
| KB-Badgers Future Mobility ESG Fund No.1                                 | 3,607               | -                 | 5,225           | 3,607    | 1,475                     | -                                    | 1,475    |                              |

### KB Financial Group Inc. and Subsidiaries Notes to the Consolidated Financial Statements December 31, 2023 and 2022

13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates and joint ventures as of and for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|   | December 31, 2022 * |                   |                 |         |                           |                                      |                              |         |   |        |   |         |   |         |
|---|---------------------|-------------------|-----------------|---------|---------------------------|--------------------------------------|------------------------------|---------|---|--------|---|---------|---|---------|
|   | Total assets        | Total liabilities | Paid-in capital | Equity  | Share of net asset amount | Unrealized gains (losses) and others | Consolidated carrying amount |         |   |        |   |         |   |         |
| JS Private Equity Fund No.3                         | W                   | 8,126             | W               | 1       | W                         | 8,300                                | W                            | 8,125   | W | 1,664  | W | -       | W | 1,664   |
| Mirae Asset Mobility Investment Fund No.1           |                     | 8,683             |                 | 73      |                           | 8,700                                |                              | 8,610   |   | 1,979  |   | -       |   | 1,979   |
| KB-FT 1st Green Growth Investment Fund 1            |                     | 19,051            |                 | -       |                           | 19,345                               |                              | 19,051  |   | 1,970  |   | -       |   | 1,970   |
| Glenwood Credit Private Equity Fund No.2            |                     | 145,787           |                 | 376     |                           | 140,500                              |                              | 145,411 |   | 43,468 |   | -       |   | 43,468  |
| THE CHAEUL FUND NO.1                                |                     | 3,166             |                 | -       |                           | 3,200                                |                              | 3,166   |   | 989    |   | -       |   | 989     |
| Smart Korea KB Future9-Sejong Venture Fund          |                     | 4,862             |                 | -       |                           | 5,200                                |                              | 4,862   |   | 1,870  |   | -       |   | 1,870   |
| KB-KTB Technology Venture Fund                      |                     | 32,214            |                 | 280     |                           | 33,000                               |                              | 31,934  |   | 16,256 |   | -       |   | 16,256  |
| KB-SOLIDUS Healthcare Investment Fund               |                     | 21,483            |                 | 345     |                           | 22,440                               |                              | 21,138  |   | 18,651 |   | -       |   | 18,651  |
| Paramark KB Fund No.1                               |                     | 63,260            |                 | 22      |                           | 70,169                               |                              | 63,238  |   | 10,966 |   | -       |   | 10,966  |
| KB Co-Investment Private Equity Fund No.1           |                     | 101,771           |                 | 198     |                           | 102,067                              |                              | 101,573 |   | 7,269  |   | (36)    |   | 7,233   |
| POSITIVE Sobujang Venture Fund No.1                 |                     | 4,521             |                 | 23      |                           | 4,550                                |                              | 4,498   |   | 1,977  |   | -       |   | 1,977   |
| History 2022 Fintech Fund                           |                     | 5,695             |                 | -       |                           | 5,750                                |                              | 5,695   |   | 1,981  |   | -       |   | 1,981   |
| PEBBLES-MW M.C.E New Technology Investment Fund 1st |                     | 8,562             |                 | 40      |                           | 8,600                                |                              | 8,522   |   | 1,982  |   | -       |   | 1,982   |
| KB-NP Green ESG New Technology Venture Capital Fund |                     | 31,838            |                 | 638     |                           | 32,260                               |                              | 31,200  |   | 9,043  |   | -       |   | 9,043   |
| TMAP Mobility Co., Ltd.                             |                     | 920,597           |                 | 174,696 |                           | 8,677                                |                              | 745,901 |   | 61,518 |   | 132,937 |   | 194,455 |
| Nextrade Co., Ltd.                                  |                     | 146,100           |                 | -       |                           | 146,100                              |                              | 146,100 |   | 9,700  |   | -       |   | 9,700   |
| Shinhan Global Mobility Fund No.1                   |                     | 5,474             |                 | -       |                           | 5,700                                |                              | 5,474   |   | 1,345  |   | -       |   | 1,345   |
| SKB Next Unicorn K-Battery Fund No.1                |                     | 5,705             |                 | 14      |                           | 5,691                                |                              | 5,691   |   | 1,995  |   | -       |   | 1,995   |

13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates and joint ventures as of and for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  | 2022 *            |                   |                                   |                                   |           |       |   |   |
|--|-------------------|-------------------|-----------------------------------|-----------------------------------|-----------|-------|---|---|
|  | Operating revenue | Net profit (loss) | Other comprehensive income (loss) | Total comprehensive income (loss) | Dividends |       |   |   |
| KB-KDBC Pre-IPO New Technology Business Investment Fund                  | W                 | 1,699             | W                                 | (917)                             | W         | (917) | W | - |
| Balhae Infrastructure Company  | 100,720           | 133,964           | -                                 | 133,964                           | 16,646    |       |   |   |
| Aju Good Technology Venture Fund   | 22,381            | 6,018             | -                                 | 6,018                             | 1,200     |       |   |   |
| KG Capital Co., Ltd.   | 11,569            | 474               | 374                               | 848                               | -         |       |   |   |
| Incheon Bridge Co., Ltd.   | 130,456           | 23,754            | -                                 | 23,754                            | -         |       |   |   |
| Big Dipper Co., Ltd.   | 834               | (672)             | -                                 | (672)                             | -         |       |   |   |
| Paycoms Co., Ltd.  | 1,266             | 399               | -                                 | 399                               | -         |       |   |   |
| Food Factory Co., Ltd.   | 9,059             | 605               | -                                 | 605                               | -         |       |   |   |
| KBSP Private Equity Fund No.4  | 6                 | (24,985)          | -                                 | (24,985)                          | -         |       |   |   |
| Korea Credit Bureau Co., Ltd.  | 144,906           | 13,809            | -                                 | 13,809                            | -         |       |   |   |
| KB Social Impact Investment Fund   | 240               | (55)              | -                                 | (55)                              | -         |       |   |   |
| KB-Solidus Global Healthcare Fund  | 2,952             | (15,775)          | -                                 | (15,775)                          | -         |       |   |   |
| POSCO-KB Shipbuilding Fund   | 1,721             | 1,072             | -                                 | 1,072                             | -         |       |   |   |
| KB-TS Technology Venture Private Equity Fund                             | 1,043             | 2,682             | -                                 | 2,682                             | -         |       |   |   |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund         | 11,851            | 1,541             | -                                 | 1,541                             | -         |       |   |   |
| KB-SJ Tourism Venture Fund   | 719               | 145               | -                                 | 145                               | -         |       |   |   |
| UNION Media Commerce Fund  | -                 | (8)               | -                                 | (8)                               | -         |       |   |   |
| KB-Stonebridge Secondary Private Equity Fund                             | 22,445            | 20,887            | -                                 | 20,887                            | 2,006     |       |   |   |
| KB SPROTT Renewable Private Equity Fund No.1                             | -                 | (1,020)           | -                                 | (1,020)                           | -         |       |   |   |
| KB-UTC Inno-Tech Venture Fund  | -                 | (905)             | (1,647)                           | (2,552)                           | -         |       |   |   |
| WJ Private Equity Fund No.1  | 430               | (229)             | -                                 | (229)                             | -         |       |   |   |
| All Together Korea Fund No.2   | 179               | 173               | -                                 | 173                               | -         |       |   |   |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund     | 21,470            | 5,713             | -                                 | 5,713                             | -         |       |   |   |
| December & Company Inc.  | 868               | (32,002)          | -                                 | (32,002)                          | -         |       |   |   |
| 2020 KB Fintech Renaissance Fund   | 395               | 243               | -                                 | 243                               | -         |       |   |   |
| KB Material and Parts No.1 PEF   | 451               | 83                | -                                 | 83                                | 34        |       |   |   |
| FineKB Private Equity Fund No.1  | 14,244            | (7,938)           | -                                 | (7,938)                           | -         |       |   |   |
| G payment Joint Stock Company  | 3,401             | (831)             | -                                 | (831)                             | -         |       |   |   |
| KB-GeneN Medical Venture Fund No.1                                       | 1                 | (158)             | -                                 | (158)                             | -         |       |   |   |
| KB-BridgePole Venture Investment Fund                                    | 4                 | (242)             | -                                 | (242)                             | -         |       |   |   |
| KB-Kyobo New Mobility Power Fund   | 2                 | (608)             | -                                 | (608)                             | -         |       |   |   |
| DA-Friend New Technology Investment Fund No.2                            | -                 | (144)             | -                                 | (144)                             | -         |       |   |   |
| Cornerstone Pentastone Fund No.4   | -                 | (119)             | -                                 | (119)                             | -         |       |   |   |
| SKS-VLP New Technology Investment Fund No.2                              | 1                 | (148)             | -                                 | (148)                             | -         |       |   |   |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | 16,792            | (4,254)           | -                                 | (4,254)                           | -         |       |   |   |
| KB-Badgers Future Mobility ESG Fund No.1                                 | -                 | (1,618)           | -                                 | (1,618)                           | -         |       |   |   |
| JS Private Equity Fund No.3  | -                 | (175)             | -                                 | (175)                             | -         |       |   |   |

### KB Financial Group Inc. and Subsidiaries Notes to the Consolidated Financial Statements December 31, 2023 and 2022

13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates and joint ventures as of and for the years ended December 31, 2023 and 2022, are as follows:  
(cont'd)

(In millions of Korean won)

|   | 2022 *            |         |                   |           |                                   |   |                                   |           |           |   |
|---|-------------------|---------|-------------------|-----------|-----------------------------------|---|-----------------------------------|-----------|-----------|---|
|   | Operating revenue |         | Net profit (loss) |           | Other comprehensive income (loss) |   | Total comprehensive income (loss) |           | Dividends |   |
|   | ₩                 | 9       | ₩                 | (90)      | ₩                                 | - | ₩                                 | (90)      | ₩         | - |
| Mirae Asset Mobility Investment Fund No.1                       |                   |         |                   |           |                                   |   |                                   |           |           |   |
| KB-FT 1st Green Growth Investment Fund 1                        |                   | 5       |                   | (294)     |                                   | - |                                   | (294)     |           | - |
| Glenwood Credit Private Equity Fund No.2                        |                   | 5,286   |                   | 4,911     |                                   | - |                                   | 4,911     |           | - |
| THE CHAEUL FUND NO.1  |                   | -       |                   | (34)      |                                   | - |                                   | (34)      |           | - |
| Smart Korea KB Future9-Sejong Venture Fund                      |                   | 13      |                   | (236)     |                                   | - |                                   | (236)     |           | - |
| KB-KTB Technology Venture Fund                                  |                   | 134     |                   | (973)     |                                   | - |                                   | (973)     |           | - |
| KB-SOLIDUS Healthcare Investment Fund                           |                   | 14      |                   | (1,302)   |                                   | - |                                   | (1,302)   |           | - |
| Paramark KB Fund No.1   |                   | 581     |                   | (6,010)   |                                   | - |                                   | (6,010)   |           | - |
| KB Co-Investment Private Equity Fund No.1                       |                   | 14      |                   | (494)     |                                   | - |                                   | (494)     |           | - |
| POSITIVE Sobujang Venture Fund No.1                             |                   | 1       |                   | (52)      |                                   | - |                                   | (52)      |           | - |
| History 2022 Fintech Fund                                       |                   | -       |                   | (55)      |                                   | - |                                   | (55)      |           | - |
| PEBBLES-MW M.C.E New Technology Investment Fund 1 <sup>st</sup> |                   | -       |                   | (78)      |                                   | - |                                   | (78)      |           | - |
| KB-NP Green ESG New Technology Venture Capital Fund             |                   | 19      |                   | (1,059)   |                                   | - |                                   | (1,059)   |           | - |
| TMAP Mobility Co., Ltd.   |                   | 139,792 |                   | (132,476) |                                   | - |                                   | (132,476) |           | - |
| Nexttrade Co., Ltd.   |                   | -       |                   | -         |                                   | - |                                   | -         |           | - |
| Shinhan Global Mobility Fund No.1                               |                   | -       |                   | (226)     |                                   | - |                                   | (226)     |           | - |
| SKB Next Unicom K-Battery Fund No.1                             |                   | 1       |                   | -         |                                   | - |                                   | -         |           | - |

\* The condensed financial information of the associates and joint ventures is adjusted to reflect adjustments, such as fair value adjustments recognized at the time of acquisition and adjustments for differences in accounting policies.

13.3 Changes in carrying amount of investments in associates and joint ventures for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023 *    |        |                        |       |                     |          |           |          |  |        |                                   |     |        |          |        |        |
|--|-----------|--------|------------------------|-------|---------------------|----------|-----------|----------|--|--------|-----------------------------------|-----|--------|----------|--------|--------|
|  | Beginning |        | Acquisition and others |       | Disposal and others |          | Dividends |          | Gains (losses) on equity-method accounting |        | Other comprehensive income (loss) |     | Others |          | Ending |        |
|  | ₩         | 5,978  | ₩                      | -     | ₩                   | -        | ₩         | -        | ₩  | 85     | ₩                                 | -   | ₩      | -        | ₩      | 6,063  |
| KB-KDBC Pre-IPO New Technology Business Investment Fund          |           |        |                        |       |                     |          |           |          |  |        |                                   |     |        |          |        |        |
| Balhae Infrastructure Company                                    |           | 90,617 |                        | -     |                     | (1,079)  |           | (9,582)  |  | 13,810 |                                   | -   |        | -        |        | 93,766 |
| Hahn & Company No. 4-3 Private Equity Fund                       |           | -      |                        | 8,188 |                     | (7,253)  |           | -        |  | (935)  |                                   | -   |        | -        |        | -      |
| Aju Good Technology Venture Fund                                 |           | 19,836 |                        | -     |                     | (7,800)  |           | (3,577)  |  | 5,837  |                                   | -   |        | -        |        | 14,296 |
| SY Auto Capital Co., Ltd.  |           | 19,162 |                        | -     |                     | -        |           | -        |  | 252    |                                   | (2) |        | (19,412) |        | -      |
| Big Dipper Co., Ltd.   |           | 60     |                        | -     |                     | -        |           | -        |  | 17     |                                   | 17  |        | -        |        | 94     |
| Paycoms Co., Ltd.  |           | 213    |                        | -     |                     | -        |           | -        |  | (57)   |                                   | -   |        | (156)    |        | -      |
| Food Factory Co., Ltd.   |           | 1,399  |                        | -     |                     | -        |           | -        |  | 83     |                                   | 1   |        | -        |        | 1,483  |
| KBSP Private Equity Fund No.4                                    |           | 1,892  |                        | -     |                     | -        |           | -        |  | 509    |                                   | 93  |        | -        |        | 2,494  |
| Korea Credit Bureau Co., Ltd.                                    |           | 4,959  |                        | -     |                     | -        |           | (90)     |  | 748    |                                   | -   |        | -        |        | 5,617  |
| KB Social Impact Investment Fund                                 |           | 4,266  |                        | -     |                     | -        |           | -        |  | 587    |                                   | -   |        | -        |        | 4,853  |
| KB-Solidus Global Healthcare Fund                                |           | 22,432 |                        | -     |                     | (8,710)  |           | (10,920) |  | 15,683 |                                   | -   |        | -        |        | 18,485 |
| POSCO-KB Shipbuilding Fund                                       |           | 4,798  |                        | -     |                     | -        |           | -        |  | (60)   |                                   | -   |        | -        |        | 4,738  |
| KB-TS Technology Venture Private Equity Fund                     |           | 13,794 |                        | -     |                     | (672)    |           | -        |  | (750)  |                                   | -   |        | -        |        | 12,372 |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund |           | 17,051 |                        | -     |                     | (13,200) |           | -        |  | 1,544  |                                   | -   |        | -        |        | 5,395  |
| KB-SJ Tourism Venture Fund                                       |           | 3,773  |                        | -     |                     | -        |           | -        |  | (531)  |                                   | -   |        | -        |        | 3,242  |
| UNION Media Commerce Fund  |           | 957    |                        | -     |                     | -        |           | -        |  | (5)    |                                   | -   |        | -        |        | 952    |
| KB-Stonebridge Secondary Private Equity Fund                     |           | 25,144 |                        | -     |                     | (6,964)  |           | (396)    |  | 1,101  |                                   | -   |        | -        |        | 18,885 |
| KB SPROTT Renewable Private Equity Fund No.1                     |           | 16,539 |                        | -     |                     | (475)    |           | -        |  | (154)  |                                   | -   |        | -        |        | 15,910 |
| KB-UTC Inno-Tech Venture Fund                                    |           | 19,180 |                        | -     |                     | (2,251)  |           | (3)      |  | 399    |                                   | 652 |        | -        |        | 17,977 |
| WJ Private Equity Fund No.1                                      |           | 9,542  |                        | -     |                     | -        |           | -        |  | (60)   |                                   | -   |        | -        |        | 9,482  |
| All Together Korea Fund No.2                                     |           | 10,244 |                        | -     |                     | -        |           | -        |  | 297    |                                   | -   |        | -        |        | 10,541 |

### KB Financial Group Inc. and Subsidiaries Notes to the Consolidated Financial Statements December 31, 2023 and 2022

13.3 Changes in carrying amount of investments in associates and joint ventures for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  | 2023 *    |                        |                     |           |  |                                   |        |          |
|--|-----------|------------------------|---------------------|-----------|--|-----------------------------------|--------|----------|
|  | Beginning | Acquisition and others | Disposal and others | Dividends | Gains (losses) on equity-method accounting | Other comprehensive income (loss) | Others | Ending   |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund December & Company Inc. | W 12,554  | W 1,800                | W (2,234)           | W -       | W 5,690                                    | W -                               | W -    | W 17,810 |
| 2020 KB Fintech Renaissance Fund   | 630       | -                      | -                   | -         | 411  | -                                 | -      | 1,041    |
| KB Material and Parts No.1 PEF   | 3,321     | -                      | -                   | (34)      | 13   | -                                 | -      | 3,300    |
| FineKB Private Equity Fund No.1  | 10,483    | -                      | (2,125)             | (16)      | (645)                                      | -                                 | -      | 7,697    |
| G payment Joint Stock Company  | 9,281     | -                      | (79)                | -         | (236)                                      | -                                 | -      | 8,966    |
| KB-GeneN Medical Venture Fund No.1   | 1,965     | -                      | -                   | -         | (42)                                       | -                                 | -      | 1,923    |
| KB-BridgePole Venture Investment Fund  | 835       | -                      | (714)               | (638)     | 1,380                                      | -                                 | -      | 863      |
| KB-Kyobo New Mobility Power Fund   | 2,826     | -                      | -                   | -         | (204)                                      | -                                 | -      | 2,622    |
| DA-Friend New Technology Investment Fund No.2  | 949       | -                      | -                   | -         | (21)                                       | -                                 | -      | 928      |
| Cornerstone Pentastone Fund No.4   | 792       | -                      | -                   | -         | (17)                                       | -                                 | -      | 775      |
| SKS-VLP New Technology Investment Fund No.2  | 1,121     | -                      | (1,121)             | -         | -  | -                                 | -      | -        |
| KB-Badgers Future Mobility ESG Fund No.1   | 1,475     | 5,538                  | -                   | -         | (908)                                      | -                                 | -      | 6,105    |
| JS Private Equity Fund No.3  | 1,664     | -                      | -                   | -         | 198  | -                                 | -      | 1,862    |
| Mirae Asset Mobility Investment Fund No.1  | 1,979     | -                      | -                   | -         | (30)                                       | -                                 | -      | 1,949    |
| KB-FT 1st Green Growth Investment Fund 1   | 1,970     | -                      | -                   | -         | (42)                                       | -                                 | -      | 1,928    |
| Glenwood Credit Private Equity Fund No.2   | 43,468    | -                      | -                   | (2,428)   | 2,882                                      | -                                 | -      | 43,922   |
| THE CHAEUL FUND NO.1   | 989       | -                      | -                   | -         | (17)                                       | -                                 | -      | 972      |
| Smart Korea KB Future9-Sejong Venture Fund   | 1,870     | 1,000                  | (634)               | -         | 162  | -                                 | -      | 2,398    |
| KB-KTB Technology Venture Fund   | 16,256    | 5,601                  | -                   | -         | (466)                                      | -                                 | -      | 21,391   |

13.3 Changes in carrying amount of investments in associates and joint ventures for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  | 2023 *    |                        |                     |           |  |                                   |        |          |
|--|-----------|------------------------|---------------------|-----------|--|-----------------------------------|--------|----------|
|  | Beginning | Acquisition and others | Disposal and others | Dividends | Gains (losses) on equity-method accounting | Other comprehensive income (loss) | Others | Ending   |
| KB-SOLIDUS Healthcare Investment Fund                                  | W 18,651  | W 22,752               | W (12)              | W -       | W (1,219)                                  | W -                               | W -    | W 40,172 |
| Paramark KB Fund No.1  | 10,966    | 3,342                  | -                   | -         | (663)                                      | -                                 | -      | 13,645   |
| KB Co-Investment Private Equity Fund No.1                              | 7,233     | 2,208                  | -                   | -         | (65)                                       | -                                 | -      | 9,376    |
| POSITIVE Sobujang Venture Fund No.1                                    | 1,977     | -                      | -                   | -         | (12)                                       | -                                 | -      | 1,965    |
| History 2022 Fintech Fund  | 1,981     | -                      | -                   | -         | (43)                                       | -                                 | -      | 1,938    |
| PEBBLES-MW M.C.E New Technology Investment Fund 1st                    | 1,982     | -                      | (1,982)             | -         | -  | -                                 | -      | -        |
| KB-NP Green ESG New Technology Venture Capital Fund                    | 9,043     | 11,099                 | -                   | -         | (713)                                      | -                                 | -      | 19,429   |
| TMAP Mobility Co., Ltd.  | 194,455   | -                      | (19)                | -         | (11,893)                                   | 1,029                             | -      | 183,572  |
| Nextrade Co., Ltd.   | 9,700     | -                      | -                   | -         | (475)                                      | -                                 | -      | 9,225    |
| Shinhan Global Mobility Fund No.1                                      | 1,345     | -                      | -                   | -         | (21)                                       | -                                 | -      | 1,324    |
| SKB Next Unicorn K-Battery Fund No.1                                   | 1,995     | -                      | (87)                | -         | (18)                                       | -                                 | -      | 1,890    |
| Lakewood-AVES Fund No.1  | -         | 2,000                  | -                   | -         | (23)                                       | -                                 | -      | 1,977    |
| MW-Pyco NewWave New Technology Investment Fund 4th                     | -         | 2,000                  | -                   | -         | (35)                                       | -                                 | -      | 1,965    |
| Bitgoeul Cheomdan Green 1st Co., Ltd.                                  | -         | 190                    | -                   | -         | (24)                                       | (1)                               | -      | 165      |
| KB-SUSUNG 1st Investment Fund  | -         | 3,000                  | -                   | -         | (47)                                       | -                                 | -      | 2,953    |
| Friend 55 New Technology Business Investment Fund                      | -         | 1,200                  | -                   | -         | (18)                                       | -                                 | -      | 1,182    |
| KAELEEWALEE GLOBAL SAELAENJINSAMO INVESTMENT JE2HO LIMITED PARTNERSHIP | -         | 27,034                 | -                   | -         | (46)                                       | (19)                              | -      | 26,969   |
| DSIP-Pharos Bioenergy Fund   | -         | 4,000                  | -                   | -         | 12,458                                     | -                                 | -      | 16,458   |
| Shinhan-Eco Venture Fund 2nd   | -         | 1,825                  | -                   | -         | (25)                                       | -                                 | -      | 1,800    |
| Leading H2O Fund 1   | -         | 1,500                  | -                   | -         | (11)                                       | -                                 | -      | 1,489    |
| 2023 JB Newtech No.2 Fund  | -         | 1,800                  | -                   | -         | (14)                                       | -                                 | -      | 1,786    |

**KB Financial Group Inc. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023 and 2022**

13.3 Changes in carrying amount of investments in associates and joint ventures for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|   | 2023 *           |                        |                     |                   |  |                                   |                   |                  |
|---|------------------|------------------------|---------------------|-------------------|--|-----------------------------------|-------------------|------------------|
|   | Beginning        | Acquisition and others | Disposal and others | Dividends         | Gains (losses) on equity-method accounting | Other comprehensive income (loss) | Others            | Ending           |
| U-KB Credit No.1 Private Equity             | ₩ -              | ₩ 6,900                | ₩ -                 | ₩ -               | ₩ (50)                                     | ₩ -                               | ₩ -               | ₩ 6,850          |
| KB-BridgePole Venture Investment Fund No.2  | -                | 1,500                  | -                   | -                 | (6)  | -                                 | -                 | 1,494            |
| Sirius Silicon Valley I New Technology Fund | -                | 500                    | -                   | -                 | (15)                                       | -                                 | -                 | 485              |
| Others                                      | 1,049            | 15                     | (208)               | -                 | 1,899                                      | (1,739)                           | -                 | 1,016            |
|   | <u>₩ 682,670</u> | <u>₩ 114,992</u>       | <u>₩ (72,483)</u>   | <u>₩ (27,684)</u> | <u>₩ 45,429</u>                            | <u>₩ 31</u>                       | <u>₩ (20,733)</u> | <u>₩ 722,222</u> |

13.3 Changes in carrying amount of investments in associates and joint ventures for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  | 2022 *    |                        |                     |           |  |                                   |        |  |
|--|-----------|------------------------|---------------------|-----------|--|-----------------------------------|--------|--|
|  | Beginning | Acquisition and others | Disposal and others | Dividends | Gains (losses) on equity-method accounting | Other comprehensive income (loss) | Ending |  |
| KB Pre IPO Secondary Venture Fund No.1                           | ₩ 1,622   | ₩ -                    | ₩ (1,429)           | ₩ -       | ₩ (193)                                    | ₩ -                               | ₩ -    |  |
| KB-KDBC Pre-IPO New Technology Business Investment Fund          | 11,789    | -                      | (5,200)             | -         | (611)                                      | -                                 | 5,978  |  |
| KB Star Office Private Real Estate Master Fund No.1              | 26,240    | -                      | (5,960)             | (20,280)  | -  | -                                 | -      |  |
| Balhae Infrastructure Company                                    | 99,785    | -                      | (9,408)             | (16,646)  | 16,886                                     | -                                 | 90,617 |  |
| Aju Good Technology Venture Fund                                 | 22,921    | -                      | (4,200)             | (1,200)   | 2,315                                      | -                                 | 19,836 |  |
| KG Capital Co., Ltd.   | 18,222    | -                      | -                   | -         | 757  | 183                               | 19,162 |  |
| Big Dipper Co., Ltd.   | -         | 291                    | -                   | -         | (231)                                      | -                                 | 60     |  |
| Paycoms Co., Ltd.  | 525       | -                      | -                   | -         | (312)                                      | -                                 | 213    |  |
| Food Factory Co., Ltd.   | 1,320     | -                      | -                   | -         | 132  | (53)                              | 1,399  |  |
| KBSP Private Equity Fund No.4                                    | 5,628     | -                      | -                   | -         | (3,736)                                    | -                                 | 1,892  |  |
| Korea Credit Bureau Co., Ltd.                                    | 4,497     | -                      | -                   | -         | 462  | -                                 | 4,959  |  |
| KB Social Impact Investment Fund                                 | 4,282     | -                      | -                   | -         | (16)                                       | -                                 | 4,266  |  |
| KB-Solidus Global Healthcare Fund                                | 48,898    | -                      | (19,630)            | -         | (6,836)                                    | -                                 | 22,432 |  |
| POSCO-KB Shipbuilding Fund                                       | 5,413     | -                      | (950)               | -         | 335  | -                                 | 4,798  |  |
| KB-TS Technology Venture Private Equity Fund                     | 16,828    | -                      | (4,536)             | -         | 1,502                                      | -                                 | 13,794 |  |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund | 28,919    | -                      | (12,800)            | -         | 932  | -                                 | 17,051 |  |
| KB-SJ Tourism Venture Fund                                       | 4,146     | -                      | (400)               | -         | 27   | -                                 | 3,773  |  |
| UNION Media Commerce Fund  | 959       | -                      | -                   | -         | (2)  | -                                 | 957    |  |
| KB-Stonebridge Secondary Private Equity Fund                     | 21,948    | 4,370                  | (2,210)             | (2,006)   | 3,042                                      | -                                 | 25,144 |  |
| KB SPROTT Renewable Private Equity Fund No.1                     | 4,680     | 12,246                 | -                   | -         | (387)                                      | -                                 | 16,539 |  |
| KB-UTC Inno-Tech Venture Fund                                    | 20,972    | -                      | -                   | -         | (1,306)                                    | (486)                             | 19,180 |  |

### KB Financial Group Inc. and Subsidiaries Notes to the Consolidated Financial Statements December 31, 2023 and 2022

13.3 Changes in carrying amount of investments in associates and joint ventures for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

|  | 2022 *    |                        |                     |           |  |                                   |         |
|--|-----------|------------------------|---------------------|-----------|--|-----------------------------------|---------|
|  | Beginning | Acquisition and others | Disposal and others | Dividends | Gains (losses) on equity-method accounting | Other comprehensive income (loss) | Ending  |
| WJ Private Equity Fund No.1  | W 9,604   | W -                    | W -                 | W -       | W (62)                                     | W -                               | W 9,542 |
| All Together Korea Fund No.2   | 10,070    | -                      | -                   | -         | 174  | -                                 | 10,244  |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund     | 15,254    | 1,320                  | (4,706)             | -         | 686  | -                                 | 12,554  |
| Project Vanilla Co., Ltd. December & Company Inc.                        | 21,388    | -                      | (49)                | -         | (5,353)                                    | 43                                | 16,029  |
| 2020 KB Fintech Renaissance Fund   | 618       | -                      | -                   | -         | 12   | -                                 | 630     |
| KB Material and Parts No.1 PEF   | 3,343     | -                      | -                   | (34)      | 12   | -                                 | 3,321   |
| FineKB Private Equity Fund No.1  | 8,067     | 7,500                  | (3,100)             | -         | (1,984)                                    | -                                 | 10,483  |
| KB Bio Private Equity No.3 Ltd.  | 9,950     | -                      | (3,922)             | (6,028)   | -  | -                                 | -       |
| G payment Joint Stock Company  | 9,350     | 295                    | -                   | -         | (364)                                      | -                                 | 9,281   |
| Apollo REIT PropCo LLC   | -         | 19,968                 | (19,968)            | -         | -  | -                                 | -       |
| KB-GeneN Medical Venture Fund No.1                                       | -         | 2,000                  | -                   | -         | (35)                                       | -                                 | 1,965   |
| KB-BridgePole Venture Investment Fund                                    | -         | 850                    | -                   | -         | (15)                                       | -                                 | 835     |
| KB-Kyobo New Mobility Power Fund   | -         | 3,000                  | -                   | -         | (174)                                      | -                                 | 2,826   |
| DA-Friend New Technology Investment Fund No.2                            | -         | 988                    | -                   | -         | (39)                                       | -                                 | 949     |
| Cornerstone Pentastone Fund No.4   | -         | 818                    | -                   | -         | (26)                                       | -                                 | 792     |
| SKS-VLP New Technology Investment Fund No.2                              | -         | 1,156                  | -                   | -         | (35)                                       | -                                 | 1,121   |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | -         | 46,700                 | -                   | -         | (46,700)                                   | -                                 | -       |
| KB-Badgers Future Mobility ESG Fund No.1                                 | -         | 2,137                  | -                   | -         | (662)                                      | -                                 | 1,475   |
| JS Private Equity Fund No.3  | -         | 1,700                  | -                   | -         | (36)                                       | -                                 | 1,664   |

13.3 Changes in carrying amount of investments in associates and joint ventures for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

|  | 2022 *           |                        |                     |                   |  |                                   |                  |
|--|------------------|------------------------|---------------------|-------------------|--|-----------------------------------|------------------|
|  | Beginning        | Acquisition and others | Disposal and others | Dividends         | Gains (losses) on equity-method accounting | Other comprehensive income (loss) | Ending           |
| Mirae Asset Mobility Investment Fund No.1              | -                | 2,000                  | -                   | -                 | (21)                                       | -                                 | 1,979            |
| KB-FT 1st Green Growth Investment Fund <sup>1</sup>    | -                | 2,000                  | -                   | -                 | (30)                                       | -                                 | 1,970            |
| Glenwood Credit Private Equity Fund No.2               | -                | 42,000                 | -                   | -                 | 1,468                                      | -                                 | 43,468           |
| THE CHAEUL FUND NO.1                                   | -                | 1,000                  | -                   | -                 | (11)                                       | -                                 | 989              |
| Smart Korea KB Future9-Sejong Venture Fund             | 962              | 1,000                  | -                   | -                 | (92)                                       | -                                 | 1,870            |
| KB-KTB Technology Venture Fund                         | 5,554            | 11,200                 | -                   | -                 | (498)                                      | -                                 | 16,256           |
| KB-SOLIDUS Healthcare Investment Fund                  | 1,800            | 18,000                 | -                   | -                 | (1,149)                                    | -                                 | 18,651           |
| Paramark KB Fund No.1                                  | 1,850            | 12,444                 | (2,285)             | -                 | (1,043)                                    | -                                 | 10,966           |
| KB Co-Investment Private Equity Fund No.1 <sup>1</sup> | -                | 7,268                  | -                   | -                 | (35)                                       | -                                 | 7,233            |
| POSITIVE Sobujang Venture Fund No.1                    | -                | 2,000                  | -                   | -                 | (23)                                       | -                                 | 1,977            |
| History 2022 Fintech Fund                              | -                | 2,000                  | -                   | -                 | (19)                                       | -                                 | 1,981            |
| PEBBLES-MW M.C.E New Technology Investment Fund 1st    | -                | 2,000                  | -                   | -                 | (18)                                       | -                                 | 1,982            |
| KB-NP Green ESG New Technology Venture Capital Fund    | -                | 9,350                  | -                   | -                 | (307)                                      | -                                 | 9,043            |
| TMAP Mobility Co., Ltd. <sup>1</sup>                   | -                | 200,000                | -                   | -                 | (5,797)                                    | 252                               | 194,455          |
| Nexttrade Co., Ltd. <sup>1</sup>                       | -                | 9,700                  | -                   | -                 | -  | -                                 | 9,700            |
| Shinhan Global Mobility Fund No.1                      | -                | 1,345                  | -                   | -                 | -  | -                                 | 1,345            |
| SKB Next Unicorn K-Battery Fund No.1                   | -                | 1,995                  | -                   | -                 | -  | -                                 | 1,995            |
| Others   | 789              | 50                     | (43)                | -                 | 75   | 178                               | 1,049            |
|  | <u>W 448,718</u> | <u>W 430,691</u>       | <u>W (101,321)</u>  | <u>W (46,194)</u> | <u>W (49,341)</u>                          | <u>W 117</u>                      | <u>W 682,670</u> |

\* Gains on disposal of investments in associates and joint ventures amount to W 6,853 million W 20,585 million for the years ended December 31, 2023 and 2022, respectively.

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

13.4 Unrecognized share of losses of investments in associates and joint ventures due to the discontinuation of recognizing share of losses, for the years ended December 31, 2023 and 2022, and accumulated amount of unrecognized losses as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | Unrecognized losses (gains)<br>for the period |         | Accumulated<br>unrecognized losses |              |
|--|---|---------|------------------------------------|--------------|
|  |   |         | December 31,                       | December 31, |
|  | 2023  | 2022    | 2023                               | 2022         |
| DSMETAL Co., Ltd.  | ₩ -   | ₩ -     | ₩ 103                              | ₩ 103        |
| Incheon Bridge Co., Ltd.   | (3,323)                                       | (3,518) | 12,640                             | 15,963       |
| Jungdong Steel Co., Ltd.   | -   | -       | 489                                | 489          |
| Shinla Construction Co., Ltd.  | -   | -       | 183                                | 183          |
| Jaeyang Industry Co., Ltd.   | -   | -       | 30                                 | 30           |
| Terra Corporation  | -   | -       | 14                                 | 14           |
| Jungdo Co., Ltd.   | (120)   | (8)     | 423                                | 543          |
| Jinseung Tech Co., Ltd.  | (18)  | -       | -                                  | 18           |
| Korea NM Tech Co., Ltd.  | 3   | 3       | 34                                 | 31           |
| Chongil Machine & Tools Co., Ltd.  | -   | 7       | 75                                 | 75           |
| Skydigital Inc.  | 20  | 3       | 197                                | 177          |
| Imt Technology Co., Ltd.   | -   | -       | -                                  | -            |
| Jo Yang Industrial Co., Ltd.   | 36  | 8       | 149                                | 113          |
| IDTECK Co., Ltd.   | -   | (144)   | -                                  | -            |
| MJT&I Corp.  | (1)   | 1       | 152                                | 153          |
| Dae-A Leisure Co., Ltd.  | 87  | 310     | 599                                | 512          |
| Il-Kwang Electronic Materials Co., Ltd.  | -   | (2)     | 158                                | 158          |
| Dongjo Co., Ltd.   | (147)   | 696     | 549                                | 696          |
| Iwon Alloy Co., Ltd.   | (1)   | 19      | 18                                 | 19           |
| Chunsung-meat co., ltd.  | 9   | 24      | 33                                 | 24           |
| ALTSCS CO., LTD.   | 395   | 1       | 396                                | 1            |
| RAND Bio Science Co., Ltd.   | 187   | 231     | 727                                | 540          |
| Star-Lord General Investors Private<br>Real Estate Investment Company<br>No.10 | 7,691   | 9,741   | 17,432                             | 9,741        |
|  | ₩ 4,818                                       | ₩ 7,372 | ₩ 34,401                           | ₩ 29,583     |

## 14. Property and Equipment, and Investment Properties

### 14.1 Property and Equipment

14.1.1 Details of property and equipment as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                          | December 31, 2023   |                             |                                     |                    |
|--------------------------|---------------------|-----------------------------|-------------------------------------|--------------------|
|                          | Acquisition<br>cost | Accumulated<br>depreciation | Accumulated<br>impairment<br>losses | Carrying<br>amount |
|                          |                     |                             |                                     |                    |
| Land                     | ₩ 2,442,186         | ₩ -                         | ₩ (4)                               | ₩ 2,442,182        |
| Buildings                | 2,449,394           | (899,839)                   | (5,747)                             | 1,543,808          |
| Leasehold improvements   | 1,052,550           | (976,520)                   | -                                   | 76,030             |
| Equipment and vehicles   | 2,027,842           | (1,774,850)                 | -                                   | 252,992            |
| Construction in-progress | 56,971              | -                           | -                                   | 56,971             |
| Right-of-use assets      | 1,608,541           | (1,034,825)                 | -                                   | 573,716            |
|                          | ₩ 9,637,484         | ₩ (4,686,034)               | ₩ (5,751)                           | ₩ 4,945,699        |

(In millions of Korean won)

|                          | December 31, 2022   |                             |                                     |                    |
|--------------------------|---------------------|-----------------------------|-------------------------------------|--------------------|
|                          | Acquisition<br>cost | Accumulated<br>depreciation | Accumulated<br>impairment<br>losses | Carrying<br>amount |
|                          |                     |                             |                                     |                    |
| Land                     | ₩ 2,416,730         | ₩ -                         | ₩ (4)                               | ₩ 2,416,726        |
| Buildings                | 2,426,317           | (839,137)                   | (5,747)                             | 1,581,433          |
| Leasehold improvements   | 1,020,095           | (943,711)                   | -                                   | 76,384             |
| Equipment and vehicles   | 2,070,374           | (1,766,036)                 | -                                   | 304,338            |
| Construction in-progress | 28,045              | -                           | -                                   | 28,045             |
| Right-of-use assets      | 1,440,686           | (856,145)                   | -                                   | 584,541            |
|                          | ₩ 9,402,247         | ₩ (4,405,029)               | ₩ (5,751)                           | ₩ 4,991,467        |

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

14.1.2 Changes in property and equipment for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                          | 2023        |             |                       |             |                           |                      |             |             |  |
|--------------------------|-------------|-------------|-----------------------|-------------|---------------------------|----------------------|-------------|-------------|--|
|                          | Beginning   | Acquisition | Transfer <sup>1</sup> | Disposal    | Depreciation <sup>2</sup> | Business combination | Others      | Ending      |  |
| Land                     | ₩ 2,416,726 | ₩ 51,324    | ₩ 3,501               | ₩ (2,074)   | ₩ -                       | ₩ 6,585              | ₩ (33,880)  | ₩ 2,442,182 |  |
| Buildings                | 1,581,433   | 28,344      | 22,976                | (543)       | (66,062)                  | 677                  | (23,017)    | 1,543,808   |  |
| Leasehold improvements   | 76,384      | 8,390       | 41,522                | (170)       | (52,555)                  | 2                    | 2,457       | 76,030      |  |
| Equipment and vehicles   | 304,338     | 113,823     | (14)                  | (1,217)     | (164,724)                 | 3,206                | (2,420)     | 252,992     |  |
| Construction in-progress | 28,045      | 143,439     | (89,168)              | -           | -                         | -                    | (25,345)    | 56,971      |  |
| Right-of-use assets      | 584,541     | 556,043     | (9,735)               | (239,365)   | (299,599)                 | 672                  | (18,841)    | 573,716     |  |
|                          | ₩ 4,991,467 | ₩ 901,363   | ₩ (30,918)            | ₩ (243,369) | ₩ (582,940)               | ₩ 11,142             | ₩ (101,046) | ₩ 4,945,699 |  |

(In millions of Korean won)

|                          | 2022        |             |                       |             |                           |                      |           |             |  |
|--------------------------|-------------|-------------|-----------------------|-------------|---------------------------|----------------------|-----------|-------------|--|
|                          | Beginning   | Acquisition | Transfer <sup>1</sup> | Disposal    | Depreciation <sup>2</sup> | Business combination | Others    | Ending      |  |
| Land                     | ₩ 2,548,181 | ₩ 678       | ₩ (117,290)           | ₩ (7,223)   | ₩ -                       | ₩ -                  | ₩ (7,620) | ₩ 2,416,726 |  |
| Buildings                | 1,676,657   | 12,867      | (39,460)              | (7,860)     | (66,044)                  | -                    | 5,273     | 1,581,433   |  |
| Leasehold improvements   | 88,251      | 12,533      | 36,379                | (455)       | (60,129)                  | 8                    | (203)     | 76,384      |  |
| Equipment and vehicles   | 311,183     | 159,109     | 1,899                 | (1,795)     | (170,529)                 | 30                   | 4,441     | 304,338     |  |
| Construction in-progress | 39,579      | 110,378     | (121,306)             | (397)       | -                         | -                    | (209)     | 28,045      |  |
| Right-of-use assets      | 576,047     | 682,393     | (2,640)               | (416,712)   | (296,509)                 | -                    | 41,962    | 584,541     |  |
|                          | ₩ 5,239,898 | ₩ 977,958   | ₩ (242,418)           | ₩ (434,442) | ₩ (593,211)               | ₩ 38                 | ₩ 43,644  | ₩ 4,991,467 |  |

<sup>1</sup> Includes transfers with investment properties and assets held for sale.

<sup>2</sup> Includes depreciation expenses amounting to ₩ 62,098 million and ₩ 62,256 million recorded as insurance service expenses, other operating expenses and others for the years ended December 31, 2023 and 2022, respectively.

14.1.3 Changes in accumulated impairment losses of property and equipment for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023      |            |          |                     |           |
|---|-----------|------------|----------|---------------------|-----------|
|   | Beginning | Impairment | Reversal | Disposal and others | Ending    |
| Accumulated impairment losses of property and equipment | ₩ (5,751) | ₩ -        | ₩ -      | ₩ -                 | ₩ (5,751) |

(In millions of Korean won)

|   | 2022      |            |          |                     |           |
|---|-----------|------------|----------|---------------------|-----------|
|   | Beginning | Impairment | Reversal | Disposal and others | Ending    |
| Accumulated impairment losses of property and equipment | ₩ (5,751) | ₩ -        | ₩ -      | ₩ -                 | ₩ (5,751) |

14.2 Investment Properties

14.2.1 Details of investment properties as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|           | December 31, 2023 |                          |                               |                 |
|-----------|-------------------|--------------------------|-------------------------------|-----------------|
|           | Acquisition cost  | Accumulated depreciation | Accumulated impairment losses | Carrying amount |
| Land      | ₩ 2,237,030       | ₩ -                      | ₩ (486)                       | ₩ 2,236,544     |
| Buildings | 2,027,919         | (149,390)                | (5,289)                       | 1,873,240       |
|           | ₩ 4,264,949       | ₩ (149,390)              | ₩ (5,775)                     | ₩ 4,109,784     |

(In millions of Korean won)

|           | December 31, 2022 |                          |                               |                 |
|-----------|-------------------|--------------------------|-------------------------------|-----------------|
|           | Acquisition cost  | Accumulated depreciation | Accumulated impairment losses | Carrying amount |
| Land      | ₩ 1,496,007       | ₩ -                      | ₩ (478)                       | ₩ 1,495,529     |
| Buildings | 1,783,438         | (125,428)                | (5,199)                       | 1,652,811       |
|           | ₩ 3,279,445       | ₩ (125,428)              | ₩ (5,677)                     | ₩ 3,148,340     |

14.2.2 Valuation techniques and inputs used to measure the fair value of investment properties as of December 31, 2023, are as follows:

(In millions of Korean won)

|                    | December 31, 2023 |                             |  |
|--------------------|-------------------|-----------------------------|--|
|                    | Fair value        | Valuation techniques        | Inputs   |
| Land and buildings | ₩ 214,067         | Cost approach method        | - Price per square meter<br>- Replacement cost   |
|                    | 2,463,969         | Market comparison method    | - Price per square meter   |
|                    | 686,260           | Discounted cash flow method | - Prospective rental market growth rate<br>- Period of vacancy<br>- Rental ratio<br>- Discount rate and others |
|                    | 237,900           | Income approach method      | - Discount rate<br>- Capitalization rate<br>- Vacancy rate   |

Fair value of investment properties amounts to ₩ 3,602,196 million and ₩ 2,712,402 million as of December 31, 2023 and 2022, respectively. Investment properties are measured by qualified independent appraisers with recent experience in valuing similar properties in the same area. In addition, all investment properties are classified as Level 3 in accordance with fair value hierarchy in Note 6.1.2.

Rental income from above investment properties amounts to ₩ 134,250 million and ₩ 136,493 million for the years ended December 31, 2023 and 2022, respectively.



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14.2.3 Changes in investment properties for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|           | 2023        |             |            |             |              |            |             |
|-----------|-------------|-------------|------------|-------------|--------------|------------|-------------|
|           | Beginning   | Acquisition | Transfer * | Disposal    | Depreciation | Others     | Ending      |
| Land      | ₩ 1,495,529 | ₩ 1,062,748 | ₩ (3,080)  | ₩ (268,800) | ₩ -          | ₩ (49,853) | ₩ 2,236,544 |
| Buildings | ₩ 1,652,811 | ₩ 456,680   | ₩ 1,190    | ₩ (162,854) | ₩ (48,790)   | ₩ (25,797) | ₩ 1,873,240 |
|           | ₩ 3,148,340 | ₩ 1,519,428 | ₩ (1,890)  | ₩ (431,654) | ₩ (48,790)   | ₩ (75,650) | ₩ 4,109,784 |

(In millions of Korean won)

|           | 2022        |             |             |             |              |          |             |
|-----------|-------------|-------------|-------------|-------------|--------------|----------|-------------|
|           | Beginning   | Acquisition | Transfer *  | Disposal    | Depreciation | Others   | Ending      |
| Land      | ₩ 1,577,353 | ₩ 387,282   | ₩ (64,630)  | ₩ (414,335) | ₩ -          | ₩ 9,859  | ₩ 1,495,529 |
| Buildings | ₩ 937,591   | ₩ 880,545   | ₩ (62,186)  | ₩ (153,562) | ₩ (38,156)   | ₩ 88,579 | ₩ 1,652,811 |
|           | ₩ 2,514,944 | ₩ 1,267,827 | ₩ (126,816) | ₩ (567,897) | ₩ (38,156)   | ₩ 98,438 | ₩ 3,148,340 |

\* Includes transfers with property and equipment and assets held for sale.

## 15. Intangible Assets

15.1 Details of intangible assets as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                         | December 31, 2023 |                          |                               |          |                 |
|-------------------------|-------------------|--------------------------|-------------------------------|----------|-----------------|
|                         | Acquisition cost  | Accumulated amortization | Accumulated impairment losses | Others   | Carrying amount |
| Goodwill                | ₩ 918,913         | ₩ -                      | ₩ (76,785)                    | ₩ 24,846 | ₩ 866,974       |
| Other intangible assets | ₩ 3,572,298       | ₩ (2,456,769)            | ₩ (31,645)                    | ₩ -      | ₩ 1,083,884     |
|                         | ₩ 4,491,211       | ₩ (2,456,769)            | ₩ (108,430)                   | ₩ 24,846 | ₩ 1,950,858     |

(In millions of Korean won)

|                         | December 31, 2022 |                          |                               |          |                 |
|-------------------------|-------------------|--------------------------|-------------------------------|----------|-----------------|
|                         | Acquisition cost  | Accumulated amortization | Accumulated impairment losses | Others   | Carrying amount |
| Goodwill                | ₩ 903,003         | ₩ -                      | ₩ (70,517)                    | ₩ 12,669 | ₩ 845,155       |
| Other intangible assets | ₩ 3,142,544       | ₩ (2,096,463)            | ₩ (32,766)                    | ₩ -      | ₩ 1,013,315     |
|                         | ₩ 4,045,547       | ₩ (2,096,463)            | ₩ (103,283)                   | ₩ 12,669 | ₩ 1,858,470     |

15.2 Details of goodwill as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023 |                              | December 31, 2022 |                              |
|---|-------------------|------------------------------|-------------------|------------------------------|
|   | Acquisition cost  | Carrying amount <sup>1</sup> | Acquisition cost  | Carrying amount <sup>1</sup> |
| Housing & Commercial Bank                         | ₩ 65,288          | ₩ 65,288                     | ₩ 65,288          | ₩ 65,288                     |
| Kookmin Bank Cambodia PLC.                        | -                 | -                            | ₩ 1,202           | -                            |
| KB Securities Co., Ltd.                           | ₩ 70,265          | ₩ 58,889                     | ₩ 70,265          | ₩ 58,889                     |
| KB Capital Co., Ltd.                              | ₩ 79,609          | ₩ 79,609                     | ₩ 79,609          | ₩ 79,609                     |
| KB Savings Bank Co., Ltd.                         | ₩ 115,343         | ₩ 57,403                     | ₩ 115,343         | ₩ 57,404                     |
| KB Securities Vietnam Joint Stock Company         | ₩ 13,092          | ₩ 13,820                     | ₩ 13,092          | ₩ 13,947                     |
| KB Daehan Specialized Bank Plc. <sup>2</sup>      | ₩ 6,189           | -                            | ₩ 1,515           | ₩ 1,712                      |
| KB PRASAC Bank Plc. <sup>3</sup>                  | ₩ 398,144         | ₩ 422,575                    | -                 | -                            |
| PRASAC Microfinance Institution Plc. <sup>3</sup> | -                 | -                            | ₩ 396,942         | ₩ 415,332                    |
| PT Sunindo Kookmin Best Finance                   | ₩ 2,963           | ₩ 2,911                      | ₩ 2,963           | ₩ 2,817                      |
| PT Bank KB Bukopin Tbk                            | ₩ 89,220          | ₩ 86,410                     | ₩ 89,220          | ₩ 83,619                     |
| PT. KB Finansia Multi Finance                     | ₩ 51,820          | ₩ 53,089                     | ₩ 51,820          | ₩ 51,376                     |
| PT. KB Valbury Sekurita                           | ₩ 11,070          | ₩ 11,070                     | ₩ 11,070          | ₩ 10,713                     |
| Teamwink Inc.                                     | ₩ 15,910          | ₩ 15,910                     | -                 | -                            |
| I-Finance Leasing <sup>2</sup>                    | -                 | -                            | ₩ 4,674           | ₩ 4,449                      |
|   | ₩ 918,913         | ₩ 866,974                    | ₩ 903,003         | ₩ 845,155                    |

<sup>1</sup> Includes the effect of exchange differences and others.

<sup>2</sup> As of December 31, 2023, calculated by summing up KB Daehan Specialized Bank Plc. and I-Finance Leasing due to planning to merge in 2024.

<sup>3</sup> Kookmin Bank Cambodia PLC. merged with KB PRASAC BANK PLC. on September 1, 2023.

15.3 Changes in accumulated impairment losses of goodwill for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023       |            |        |            |
|---|------------|------------|--------|------------|
|   | Beginning  | Impairment | Others | Ending     |
| Accumulated impairment losses of goodwill | ₩ (70,517) | ₩ (6,268)  | ₩ -    | ₩ (76,785) |

(In millions of Korean won)

|   | 2022       |            |        |            |
|---|------------|------------|--------|------------|
|   | Beginning  | Impairment | Others | Ending     |
| Accumulated impairment losses of goodwill | ₩ (70,517) | ₩ -        | ₩ -    | ₩ (70,517) |

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15.4 Details of goodwill allocation to cash-generating units and related information for impairment testing as of December 31, 2023 are as follows:

(In millions of Korean won)

|  |                   | December 31, 2023           |   |                   |                           |
|--|-------------------|-----------------------------|---|-------------------|---------------------------|
|  |                   | Carrying amount of goodwill | Recoverable amount exceeding carrying amount <sup>1</sup> | Discount rate (%) | Permanent growth rate (%) |
| Housing & Commercial Bank                                      | Retail banking    | ₩ 49,315                    | ₩ 5,740,481   | 14.72             | 1.00                      |
|  | Corporate banking | 15,973                      | 13,290,555  | 14.32             | 1.00                      |
| KB Securities Co., Ltd.  |                   | 58,889                      | 295,887   | 17.03             | 1.00                      |
| KB Capital Co., Ltd.   |                   | 79,609                      | 807,090   | 14.96             | 1.00                      |
| KB Savings Bank Co., Ltd. and Yehansoul Savings Bank Co., Ltd. |                   | 57,403                      | 440,659   | 13.00             | 1.00                      |
| KB Securities Vietnam Joint Stock Company                      |                   | 13,820                      | 3,869   | 18.43             | 1.00                      |
| KB Daehan Specialized Bank Plc.                                |                   | -                           | (6,652)   | 22.30             | 1.00                      |
| PT Bank KB Bukopin Tbk   |                   | 86,410                      | 513,845   | 23.58             | 3.00                      |
| KB PRASAC Bank Plc.  |                   | 422,575                     | 76,653  | 26.74             | 3.00                      |
| PT Sunindo Kookmin Best Finance                                |                   | 2,911                       | 4,147   | 17.53             | -                         |
| PT. KB Finansia Multi Finance                                  |                   | 53,089                      | 5,956   | 14.24             | 1.00                      |
| PT. KB Valbury Sekurita  |                   | 11,070                      | 21,764  | 12.16             | 1.00                      |
| Teamwink Inc. <sup>2</sup>                                     |                   | 15,910                      | -   | -                 | -                         |
|  |                   | ₩ 866,974                   | ₩ 21,194,254  |                   |                           |

<sup>1</sup> The recoverable amount exceeding carrying amount is the amount at the time of impairment testing.

<sup>2</sup> In December 2023, KB Capital Co., Ltd. incorporated Teamwink Inc. as a subsidiary, and did not conduct a goodwill impairment test.

For impairment testing, goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the business combination, and cash-generating units consist of an operating segment or units which are not larger than an operating segment.

Cash-generating units to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit including the goodwill with the recoverable amount of the unit.

The recoverable amount of a cash-generating unit is measured at the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal is the amount obtainable from the disposal in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal. If it is difficult to measure the amount obtainable from the disposal of the cash-generating unit, the disposal amount of a similar cash-generating unit in the past transaction is used by reflecting the characteristics of the cash-generating unit to be measured. If it is not possible to obtain reliable information to measure the fair value less costs of disposal, the Group uses the asset's value in use as its recoverable amount. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. The estimated future cash flows are based on the most recent financial budget approved by management with maximum period of 5 years. In relation to subsequent cash flows, it is assumed that cash flows will grow at a certain permanent growth rate. The key assumptions used for the estimation of the future cash flows are based on the market size and the Group's market share. The discount rate is a pre-tax rate that reflects assumptions regarding risk-free interest rate, market risk premium, and the risks specific to the cash-generating unit.

15.5 Details of intangible assets other than goodwill as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                            |  | December 31, 2023 |                          |                               |                 |
|----------------------------|--|-------------------|--------------------------|-------------------------------|-----------------|
|                            |  | Acquisition cost  | Accumulated amortization | Accumulated impairment losses | Carrying amount |
| Industrial property rights |  | ₩ 4,541           | ₩ (2,740)                | ₩ (715)                       | ₩ 1,086         |
| Software                   |  | 2,503,883         | (1,936,689)              | (840)                         | 566,354         |
| Other intangible assets    |  | 1,028,747         | (483,808)                | (30,090)                      | 514,849         |
| Right-of-use assets        |  | 35,127            | (33,532)                 | -                             | 1,595           |
|                            |  | ₩ 3,572,298       | (2,456,769)              | (31,645)                      | 1,083,884       |

(In millions of Korean won)

|                            |  | December 31, 2022 |                          |                               |                 |
|----------------------------|--|-------------------|--------------------------|-------------------------------|-----------------|
|                            |  | Acquisition cost  | Accumulated amortization | Accumulated impairment losses | Carrying amount |
| Industrial property rights |  | ₩ 4,740           | ₩ (2,913)                | ₩ (716)                       | ₩ 1,111         |
| Software                   |  | 2,260,879         | (1,640,631)              | -                             | 620,248         |
| Other intangible assets    |  | 841,785           | (420,381)                | (32,050)                      | 389,354         |
| Right-of-use assets        |  | 35,140            | (32,538)                 | -                             | 2,602           |
|                            |  | ₩ 3,142,544       | ₩ (2,096,463)            | ₩ (32,766)                    | ₩ 1,013,315     |

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15.6 Changes in intangible assets other than goodwill for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                      | 2023        |                        |           |                           |                      |            |             |
|--------------------------------------|-------------|------------------------|-----------|---------------------------|----------------------|------------|-------------|
|                                      | Beginning   | Acquisition & transfer | Disposal  | Amortization <sup>1</sup> | Business combination | Others     | Ending      |
| Industrial property rights           | ₩ 1,111     | ₩ 243                  | ₩ -       | ₩ (268)                   | ₩ -                  | ₩ -        | ₩ 1,086     |
| Software                             | 620,248     | 238,191                | -         | (291,422)                 | 23                   | (686)      | 566,354     |
| Other intangible assets <sup>2</sup> | 389,354     | 239,749                | (7,761)   | (96,674)                  | 4,991                | (14,810)   | 514,849     |
| Right-of-use assets                  | 2,602       | -                      | -         | (1,007)                   | -                    | -          | 1,595       |
|                                      | ₩ 1,013,315 | ₩ 478,183              | ₩ (7,761) | ₩ (389,371)               | ₩ 5,014              | ₩ (15,496) | ₩ 1,083,884 |

(In millions of Korean won)

|                                      | 2022      |                        |            |                           |           |             |
|--------------------------------------|-----------|------------------------|------------|---------------------------|-----------|-------------|
|                                      | Beginning | Acquisition & transfer | Disposal   | Amortization <sup>1</sup> | Others    | Ending      |
| Industrial property rights           | ₩ 1,103   | ₩ 254                  | ₩ -        | ₩ (246)                   | ₩ -       | ₩ 1,111     |
| Software                             | 578,941   | 290,229                | (332)      | (249,050)                 | 460       | 620,248     |
| Other intangible assets <sup>2</sup> | 396,747   | 69,596                 | (10,192)   | (62,270)                  | (4,527)   | 389,354     |
| Right-of-use assets                  | 3,614     | -                      | -          | (1,012)                   | -         | 2,602       |
|                                      | ₩ 980,405 | ₩ 360,079              | ₩ (10,524) | ₩ (312,578)               | ₩ (4,067) | ₩ 1,013,315 |

<sup>1</sup> Includes ₩ 44,286 million and ₩ 26,692 million recorded as insurance service expenses, other operating expenses and others for the years ended December 31, 2023 and 2022, respectively.

<sup>2</sup> Impairment losses for membership right with indefinite useful life among other intangible assets are recognized when its recoverable amount is lower than its carrying amount, and reversal of impairment losses are recognized when its recoverable amount is higher than its carrying amount.

15.7 Changes in accumulated impairment losses of other intangible assets for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023       |            |          |                     |            |  |
|--|------------|------------|----------|---------------------|------------|--|
|  | Beginning  | Impairment | Reversal | Disposal and others | Ending     |  |
| Accumulated impairment losses of other intangible assets | ₩ (32,766) | ₩ (12,876) | ₩ 2,119  | ₩ 11,878            | ₩ (31,645) |  |

(In millions of Korean won)

|  | 2022       |            |          |                     |            |  |
|--|------------|------------|----------|---------------------|------------|--|
|  | Beginning  | Impairment | Reversal | Disposal and others | Ending     |  |
| Accumulated impairment losses of other intangible assets | ₩ (34,887) | ₩ (1,301)  | ₩ 425    | ₩ 2,997             | ₩ (32,766) |  |

**16. Leases**

16.1 The Group as a Lessee

16.1.1 Amounts recognized in the consolidated statements of financial position related to lease as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023 |           | December 31, 2022 |           |
|--|-------------------|-----------|-------------------|-----------|
| Right-of-use property and equipment: * |                   |           |                   |           |
| Real estate                            | ₩                 | 548,308   | ₩                 | 557,122   |
| Vehicles                               |                   | 21,030    |                   | 20,281    |
| Others                                 |                   | 4,378     |                   | 7,138     |
|  |                   | ₩ 573,716 |                   | ₩ 584,541 |
| Right-of-use intangible assets *       |                   | 1,595     |                   | 2,602     |
|  | ₩                 | ₩ 575,311 | ₩                 | ₩ 587,143 |
| Lease liabilities *                    | ₩                 | 588,803   | ₩                 | 592,697   |

\* Included in property and equipment, intangible assets, and other liabilities.

16.1.2 Amounts recognized in the consolidated statements of comprehensive income related to lease for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023 |           | 2022 |           |
|---|------|-----------|------|-----------|
| Depreciation and amortization of right-of-use assets:   |      |           |      |           |
| Real estate   | ₩    | 243,893   | ₩    | 271,703   |
| Vehicles  |      | 18,710    |      | 17,661    |
| Others  |      | 2,748     |      | 7,145     |
| Intangible assets   |      | 1,008     |      | 1,012     |
|   | ₩    | ₩ 266,359 | ₩    | ₩ 297,521 |
| Interest expenses on the lease liabilities  | ₩    | 21,699    | ₩    | 17,849    |
| Expense relating to short-term lease  |      | 4,427     |      | 4,388     |
| Expense relating to lease of low-value assets that are not short-term lease   |      | 5,141     |      | 10,089    |
| Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses) |      | 165       |      | 3         |

Total cash outflows for lease for the years ended December 31, 2023 and 2022 are ₩ 244,785 million and ₩ 272,050 million, respectively.

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#### 16.2 The Group as a Lessor

##### 16.2.1 The Group as a finance lessor

16.2.1.1 Gross investment in the lease and present value of minimum lease payments as of December 31, 2023 and 2022, are as follows:

|              | December 31, 2023             |   | December 31, 2022             |   |
|--------------|-------------------------------|---|-------------------------------|---|
|              | Gross investment in the lease | Present value of minimum lease payments | Gross investment in the lease | Present value of minimum lease payments |
| Up to 1 year | ₩ 368,316                     | ₩ 269,111                               | ₩ 509,316                     | ₩ 363,085                               |
| 1-5 years    | 465,321                       | 364,770                                 | 679,773                       | 516,701                                 |
| Over 5 years | 1,250                         | 1,250                                   | 10,166                        | 10,167                                  |
|              | ₩ 834,887                     | ₩ 635,131                               | ₩ 1,199,255                   | ₩ 889,953                               |

16.2.1.2 Unearned finance income on finance lease as of December 31, 2023 and 2022, are as follows:

|  | December 31, 2023 | December 31, 2022 |
|--|-------------------|-------------------|
| Gross investment in the lease                | ₩ 834,887         | ₩ 1,199,255       |
| Net investment in the lease:                 |                   |                   |
| Present value of minimum lease payments      | 635,131           | 889,953           |
| Present value of unguaranteed residual value | 141,969           | 232,047           |
|  | 777,100           | 1,122,000         |
| Unearned finance income                      | ₩ 57,787          | ₩ 77,255          |

##### 16.2.2 The Group as an operating lessor

Future minimum lease payments to be received from the non-cancellable lease contracts as of December 31, 2023 and 2022, are as follows:

|  | December 31, 2023 | December 31, 2022 |
|--|-------------------|-------------------|
| Minimum lease payments to be received: |                   |                   |
| Up to 1 year                           | ₩ 934,238         | ₩ 919,299         |
| 1-5 years                              | 1,827,136         | 1,576,352         |
| Over 5 years                           | 262,157           | 227,946           |
|  | ₩ 3,023,531       | ₩ 2,723,597       |

#### 17. Deferred Income Tax Assets and Liabilities

17.1 Details of deferred income tax assets and liabilities as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023 |               |               |
|--|-------------------|---------------|---------------|
|  | Assets            | Liabilities   | Net amount    |
| Other provisions   | ₩ 317,698         | ₩ -           | ₩ 317,698     |
| Allowances for credit losses                             | 29,768            | -             | 29,768        |
| Impairment losses of property and equipment              | 8,516             | (1,407)       | 7,109         |
| Share-based payments                                     | 24,326            | -             | 24,326        |
| Provisions for acceptances and guarantees                | 48,917            | -             | 48,917        |
| Gains or losses on valuation of derivatives              | 238,875           | (184,469)     | 54,406        |
| Present value discount                                   | 14,471            | (13)          | 14,458        |
| Gains or losses on fair value hedge                      | -                 | (57,146)      | (57,146)      |
| Accrued interest   | 146               | (213,708)     | (213,562)     |
| Deferred loan origination fees and costs                 | 14,593            | (179,868)     | (165,275)     |
| Advanced depreciation provision                          | -                 | (4,003)       | (4,003)       |
| Gains or losses on revaluation                           | 313               | (290,547)     | (290,234)     |
| Investments in subsidiaries and others                   | 56,338            | (216,908)     | (160,570)     |
| Gains or losses on valuation of security investment      | 912,706           | (354,353)     | 558,353       |
| Defined benefit liabilities                              | 575,599           | (26)          | 575,573       |
| Accrued expenses   | 323,229           | -             | 323,229       |
| Retirement insurance expense                             | -                 | (627,556)     | (627,556)     |
| Adjustments to the prepaid contributions                 | -                 | (33,005)      | (33,005)      |
| Derivative-linked securities                             | 5,735             | (262,523)     | (256,788)     |
| Others *   | 1,091,821         | (3,143,260)   | (2,051,439)   |
|  | 3,663,051         | (5,568,792)   | (1,905,741)   |
| Offsetting of deferred income tax assets and liabilities | (3,388,826)       | 3,388,826     | -             |
|  | ₩ 274,225         | ₩ (2,179,966) | ₩ (1,905,741) |

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

17.1 Details of deferred income tax assets and liabilities as of December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  | December 31, 2022 |               |               |
|--|-------------------|---------------|---------------|
|  | Assets            | Liabilities   | Net amount    |
| Other provisions   | ₩ 195,191         | ₩ -           | ₩ 195,191     |
| Allowances for credit losses                             | 2,139             | (12,259)      | (10,120)      |
| Impairment losses of property and equipment              | 6,088             | (1,476)       | 4,612         |
| Share-based payments                                     | 21,406            | -             | 21,406        |
| Provisions for acceptances and guarantees                | 39,787            | -             | 39,787        |
| Gains or losses on valuation of derivatives              | 135,985           | (207,778)     | (71,793)      |
| Present value discount                                   | 20,247            | (2,571)       | 17,676        |
| Gains or losses on fair value hedge                      | -                 | (93,833)      | (93,833)      |
| Accrued interest   | -                 | (168,068)     | (168,068)     |
| Deferred loan origination fees and costs                 | 13,675            | (185,723)     | (172,048)     |
| Advanced depreciation provision                          | -                 | (4,018)       | (4,018)       |
| Gains or losses on revaluation                           | 315               | (292,373)     | (292,058)     |
| Investments in subsidiaries and others                   | 48,694            | (203,131)     | (154,437)     |
| Gains or losses on valuation of security investment      | 2,084,855         | (46,552)      | 2,038,303     |
| Defined benefit liabilities                              | 497,982           | (799)         | 497,183       |
| Accrued expenses   | 268,529           | -             | 268,529       |
| Retirement insurance expense                             | -                 | (583,156)     | (583,156)     |
| Adjustments to the prepaid contributions                 | -                 | (27,986)      | (27,986)      |
| Derivative-linked securities                             | 10,103            | (283,840)     | (273,737)     |
| Others *   | 919,570           | (3,524,488)   | (2,604,918)   |
|  | 4,264,566         | (5,638,051)   | (1,373,485)   |
| Offsetting of deferred income tax assets and liabilities | (4,076,194)       | 4,076,194     | -             |
|  | ₩ 188,372         | ₩ (1,561,857) | ₩ (1,373,485) |

\* Includes Purchase Price Allocation ("PPA") amount arising from the acquisition of KB Life Insurance Co., Ltd., KB Insurance Co., Ltd..

#### 17.2 Unrecognized Deferred Income Tax Assets

17.2.1 No deferred income tax assets have been recognized for the deductible temporary differences of ₩ 2,948,424 million associated with investments in associates, subsidiaries and others as of December 31, 2023, because it is not probable that these temporary differences will reverse in the foreseeable future.

17.2.2 No deferred income tax assets have been recognized for the deductible temporary differences of ₩ 85,346 million associated with others as of December 31, 2023, due to the uncertainty that these temporary differences will be realized in the future.

#### 17.3 Unrecognized Deferred Income Tax Liabilities

17.3.1 No deferred income tax liabilities have been recognized for the taxable temporary differences of ₩ 1,220,925 million associated with investments in associate, subsidiaries and others as of December 31, 2023, due to the following reasons:

- The Group is able to control the timing of the reversal of the temporary differences.

- It is probable that these temporary differences will not reverse in the foreseeable future.

17.3.2 No deferred income tax liabilities have been recognized as of December 31, 2023, for the taxable temporary differences of ₩ 65,288 million related to the initial recognition of goodwill arising from the merger of Housing and Commercial Bank in 2001.

17.4 Changes in cumulative temporary differences for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023          |              |              |               |
|---|---------------|--------------|--------------|---------------|
|   | Beginning     | Decrease     | Increase     | Ending        |
| <b>Deductible temporary differences</b>             |               |              |              |               |
| Other provisions                                    | ₩ 739,371     | ₩ 710,907    | ₩ 1,174,261  | ₩ 1,202,725   |
| Allowances for credit losses                        | 748           | 275          | 112,684      | 113,157       |
| Impairment losses of property and equipment         | 22,975        | 19,765       | 27,564       | 30,774        |
| Deferred loan origination fees and costs            | 51,605        | 12,445       | 16,118       | 55,278        |
| Share-based payments                                | 80,777        | 71,512       | 82,881       | 92,146        |
| Provisions for acceptances and guarantees           | 150,140       | 150,140      | 185,290      | 185,290       |
| Gains or losses on valuation of derivatives         | 513,151       | 513,151      | 904,830      | 904,830       |
| Present value discount                              | 76,399        | 76,398       | 54,814       | 54,815        |
| Investments in subsidiaries and others              | 1,324,236     | 26,849       | 1,815,232    | 3,112,619     |
| Gains or losses on valuation of security investment | 7,811,132     | 7,807,818    | 3,453,142    | 3,456,456     |
| Defined benefit liabilities                         | 2,027,346     | 310,440      | 457,821      | 2,174,727     |
| Accrued expenses                                    | 1,013,323     | 1,027,723    | 1,240,097    | 1,225,697     |
| Derivative-linked securities                        | 38,123        | 38,123       | 21,725       | 21,725        |
| Others <sup>1</sup>                                 | 2,650,802     | 1,209,861    | 1,737,848    | 3,178,789     |
|   | 16,500,128    | 11,975,407   | 11,284,307   | 15,809,028    |
| <b>Unrecognized deferred income tax assets</b>      |               |              |              |               |
| Other provisions                                    | 3,880         |              |              | 404           |
| Investments in subsidiaries and others              | 1,154,111     |              |              | 2,948,424     |
| Others  | 95,274        |              |              | 85,346        |
|   | 15,246,863    |              |              | 12,774,854    |
| Tax rate (%) <sup>2</sup>                           | 26.5          |              |              | 26.4          |
| <b>Total deferred income tax assets</b>             | ₩ 4,264,566   |              |              | ₩ 3,663,051   |
| <b>Taxable temporary differences</b>                |               |              |              |               |
| Gains or losses on fair value hedge                 | ₩ (354,085)   | ₩ (354,085)  | ₩ (216,460)  | ₩ (216,460)   |
| Accrued interest                                    | (634,218)     | (576,037)    | (751,320)    | (809,501)     |
| Allowances for credit losses                        | (46,262)      | (46,262)     | -            | -             |
| Impairment losses of property and equipment         | (3,448)       | (160)        | -            | (3,288)       |
| Deferred loan origination fees and costs            | (690,979)     | (690,979)    | (666,878)    | (666,878)     |
| Advanced depreciation provision                     | (15,163)      | (9,097)      | (9,097)      | (15,163)      |
| Gains or losses on valuation of derivatives         | (755,541)     | (756,668)    | (699,872)    | (698,745)     |
| Present value discount                              | (9,703)       | (9,703)      | (2,745)      | (2,745)       |
| Goodwill arising from the merger                    | (65,288)      | -            | -            | (65,288)      |
| Gains or losses on revaluation                      | (1,103,292)   | (40,475)     | (37,738)     | (1,100,555)   |
| Investments in subsidiaries and others              | (1,311,712)   | (153,737)    | (976,380)    | (2,134,355)   |
| Gains or losses on valuation of security investment | (117,696)     | (100,797)    | (1,265,976)  | (1,282,875)   |
| Defined benefit liabilities                         | (3,014)       | (2,917)      | -            | (97)          |
| Retirement insurance expense                        | (2,193,624)   | (104,668)    | (282,579)    | (2,371,535)   |
| Adjustments to the prepaid contributions            | (105,608)     | (105,608)    | (125,019)    | (125,019)     |
| Derivative-linked securities                        | (1,071,093)   | (1,071,093)  | (994,405)    | (994,405)     |
| Others <sup>1</sup>                                 | (13,178,298)  | (10,755,666) | (9,038,329)  | (11,460,961)  |
|   | (21,659,024)  | (14,777,952) | (15,066,798) | (21,947,870)  |
| <b>Unrecognized deferred income tax liabilities</b> |               |              |              |               |
| Goodwill arising from the merger                    | (65,288)      |              |              | (65,288)      |
| Investments in subsidiaries and others              | (560,489)     |              |              | (1,220,925)   |
| Others  | (446)         |              |              | (446)         |
|   | (21,032,801)  |              |              | (20,661,211)  |
| Tax rate (%) <sup>2</sup>                           | 26.5          |              |              | 26.4          |
| <b>Total deferred income tax liabilities</b>        | ₩ (5,638,051) |              |              | ₩ (5,568,792) |

<sup>1</sup> Includes PPA amount arising from the acquisition of KB Life Insurance Co., Ltd., KB Insurance Co., Ltd..

<sup>2</sup> The corporate tax rate was changed due to the amendment of corporate tax law in 2023. Accordingly, the rate of 26.4% has been applied for the deferred tax assets and liabilities expected to be utilized in periods after December 31, 2023.

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

17.4 Changes in cumulative temporary differences for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|   | 2022          |             |              |               |
|---|---------------|-------------|--------------|---------------|
|   | Beginning     | Decrease    | Increase     | Ending        |
| <b>Deductible temporary differences</b>             |               |             |              |               |
| Other provisions                                    | ₩ 649,447     | ₩ 642,294   | ₩ 732,218    | ₩ 739,371     |
| Allowances for credit losses                        | 100,116       | 99,650      | 282          | 748           |
| Impairment losses of property and equipment         | 33,445        | 22,725      | 12,255       | 22,975        |
| Deferred loan origination fees and costs            | 38,086        | 19,556      | 33,075       | 51,605        |
| Share-based payments                                | 85,308        | 74,120      | 69,589       | 80,777        |
| Provisions for acceptances and guarantees           | 120,332       | 120,332     | 150,140      | 150,140       |
| Gains or losses on valuation of derivatives         | 149,817       | 149,817     | 513,151      | 513,151       |
| Present value discount                              | 51,832        | 51,831      | 76,398       | 76,399        |
| Investments in subsidiaries and others              | 520,362       | 59,444      | 863,318      | 1,324,236     |
| Gains or losses on valuation of security investment | 853,110       | 853,110     | 7,811,132    | 7,811,132     |
| Defined benefit liabilities                         | 2,376,629     | 467,589     | 118,306      | 2,027,346     |
| Accrued expenses                                    | 1,026,651     | 1,026,591   | 1,013,263    | 1,013,323     |
| Derivative-linked securities                        | 8,147         | 8,147       | 38,123       | 38,123        |
| Others <sup>1</sup>                                 | 2,102,362     | 1,215,486   | 1,763,926    | 2,650,802     |
|   | 8,115,644     | 4,810,692   | 13,195,176   | 16,500,128    |
| <b>Unrecognized deferred income tax assets</b>      |               |             |              |               |
| Other provisions                                    | 404           |             |              | 3,880         |
| Investments in subsidiaries and others              | 378,432       |             |              | 1,154,111     |
| Others  | 105,591       |             |              | 95,274        |
|   | 7,631,217     |             |              | 15,246,863    |
| Tax rate (%) <sup>2</sup>                           | 27.5          |             |              | 26.5          |
| <b>Total deferred income tax assets</b>             | 2,243,558     |             |              | ₩ 4,264,566   |
| <b>Taxable temporary differences</b>                |               |             |              |               |
| Gains or losses on fair value hedge                 | (53,243)      | ₩ (53,243)  | ₩ (354,085)  | ₩ (354,085)   |
| Accrued interest                                    | (512,188)     | (475,840)   | (597,870)    | (634,218)     |
| Allowances for credit losses                        | (10,939)      | (10,939)    | (46,262)     | (46,262)      |
| Impairment losses of property and equipment         | (3,731)       | (283)       | -            | (3,448)       |
| Deferred loan origination fees and costs            | (802,237)     | (802,237)   | (690,979)    | (690,979)     |
| Advanced depreciation provision                     | (6,192)       | (126)       | (9,097)      | (15,163)      |
| Gains or losses on valuation of derivatives         | (506,476)     | (498,609)   | (747,674)    | (755,541)     |
| Present value discount                              | (21,469)      | (21,469)    | (9,703)      | (9,703)       |
| Goodwill arising from the merger                    | (65,288)      | -           | -            | (65,288)      |
| Gains or losses on revaluation                      | (1,158,322)   | (92,944)    | (37,914)     | (1,103,292)   |
| Investments in subsidiaries and others              | (964,530)     | (87,129)    | (434,311)    | (1,311,712)   |
| Gains or losses on valuation of security investment | (3,447,751)   | (3,444,020) | (113,965)    | (117,696)     |
| Defined benefit liabilities                         | -             | -           | (3,014)      | (3,014)       |
| Retirement insurance expense                        | (2,080,645)   | (324,513)   | (437,492)    | (2,193,624)   |
| Adjustments to the prepaid contributions            | (106,446)     | (106,446)   | (105,608)    | (105,608)     |
| Derivative-linked securities                        | (170,526)     | (170,526)   | (1,071,093)  | (1,071,093)   |
| Others <sup>*</sup>                                 | (4,780,197)   | (1,561,172) | (9,959,273)  | (13,178,298)  |
|   | (14,690,180)  | (7,649,496) | (14,618,340) | (21,659,024)  |
| <b>Unrecognized deferred income tax liabilities</b> |               |             |              |               |
| Goodwill arising from the merger                    | (65,288)      |             |              | (65,288)      |
| Investments in subsidiaries and others              | (399,601)     |             |              | (560,489)     |
| Others  | (446)         |             |              | (446)         |
|   | (14,224,845)  |             |              | (21,032,801)  |
| Tax rate (%) <sup>2</sup>                           | 27.5          |             |              | 26.50         |
| <b>Total deferred income tax liabilities</b>        | ₩ (3,961,201) |             |              | ₩ (5,638,051) |

<sup>1</sup> Includes PPA amount arising from the acquisition of KB Life Insurance Co., Ltd., KB Insurance Co., Ltd.

<sup>2</sup> The corporate tax rate was changed due to the amendment of corporate tax law in 2023. Accordingly, the rate of 26.5% has been applied for the deferred tax assets and liabilities expected to be utilized in periods after December 31, 2023.

## 18. Assets Held for Sale

18.1 Details of assets held for sale as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                            | December 31, 2023             |                               |                 |                               |
|----------------------------|-------------------------------|-------------------------------|-----------------|-------------------------------|
|                            | Acquisition cost <sup>*</sup> | Accumulated impairment losses | Carrying amount | Fair value less costs to sell |
| Land held for sale         | ₩ 107,452                     | ₩ (21,604)                    | ₩ 85,848        | ₩ 104,024                     |
| Buildings held for sale    | 162,004                       | (41,390)                      | 120,614         | 134,801                       |
| Other assets held for sale | 3,432                         | (1,664)                       | 1,768           | 1,768                         |
|                            | ₩ 272,888                     | ₩ (64,658)                    | ₩ 208,230       | ₩ 240,593                     |

(In millions of Korean won)

|                            | December 31, 2022             |                               |                 |                               |
|----------------------------|-------------------------------|-------------------------------|-----------------|-------------------------------|
|                            | Acquisition cost <sup>*</sup> | Accumulated impairment losses | Carrying amount | Fair value less costs to sell |
| Land held for sale         | ₩ 106,349                     | ₩ (20,395)                    | ₩ 85,954        | ₩ 104,990                     |
| Buildings held for sale    | 162,973                       | (38,869)                      | 124,104         | 137,706                       |
| Other assets held for sale | 4,547                         | (2,847)                       | 1,700           | 1,699                         |
|                            | ₩ 273,869                     | ₩ (62,111)                    | ₩ 211,758       | ₩ 244,395                     |

\* Acquisition cost of buildings held for sale is net of accumulated depreciation amount immediately before the initial classification of the assets as held for sale.

18.2 Valuation techniques and inputs used to measure the fair value of assets held for sale as of December 31, 2023 are as follows:

(In millions of Korean won)

|                    | Fair value | December 31, 2023                    |                                  |  | Effect of unobservable inputs to fair value        |
|--------------------|------------|--------------------------------------|----------------------------------|--|--|
|                    |            | Valuation techniques <sup>1</sup>    | Unobservable inputs <sup>2</sup> | Estimated range of unobservable inputs (%) |  |
|                    |            | Sales comparison approach and others |                                  |  | Fair value increases as the adjustment index rises |
| Land and buildings | ₩ 240,593  |                                      | Adjustment index                 | 0.54~2.18                                  |  |

<sup>1</sup> The appraisal value is adjusted by the adjustment ratio in the event the public sale is unsuccessful.

<sup>2</sup> Adjustment index is calculated using the time factor correction or local factors or individual factors.

Among assets held for sale, real estate was measured by independent appraisers with professional qualifications and recent experience in evaluating similar properties in the area of the property to be assessed. All assets held for sale are classified as Level 3 in accordance with fair value hierarchy in Note 6.1.2.

## KB Financial Group Inc. and Subsidiaries

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#### December 31, 2023 and 2022

18.3 Changes in accumulated impairment losses of assets held for sale for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023       |           |          |         |            |
|---|------------|-----------|----------|---------|------------|
|   | Beginning  | Provision | Reversal | Others  | Ending     |
| Accumulated impairment losses of assets held for sale | ₩ (62,111) | ₩ (5,660) | ₩ -      | ₩ 3,113 | ₩ (64,658) |

(In millions of Korean won)

|   | 2022       |           |          |         |            |
|---|------------|-----------|----------|---------|------------|
|   | Beginning  | Provision | Reversal | Others  | Ending     |
| Accumulated impairment losses of assets held for sale | ₩ (58,815) | ₩ (7,587) | ₩ 242    | ₩ 4,049 | ₩ (62,111) |

18.4 As of December 31, 2023, assets held for sale consist of 22 real estates of closed offices, 1 real estate of Orient Kwang-yang Co., Ltd., and 430 foreclosure assets on loans of PT Bank KB Bukopin Tbk, which were determined to sell by management, but not yet sold as of December 31, 2023. The remaining 453 assets are being actively marketed.

## 19. Other Assets

19.1 Details of other assets as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                     | December 31, 2023 |                   | December 31, 2022 |                   |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Other financial assets</b>       |                   |                   |                   |                   |
| Other receivables                   | ₩                 | 11,068,486        | ₩                 | 6,138,764         |
| Accrued income                      |                   | 3,130,004         |                   | 2,506,467         |
| Guarantee deposits                  |                   | 946,356           |                   | 984,160           |
| Domestic exchange settlement debits |                   | 827,104           |                   | 879,847           |
| Others                              |                   | 887,661           |                   | 352,955           |
| Less: Allowances for credit losses  |                   | (304,567)         |                   | (136,075)         |
| Less: Present value discount        |                   | (10,530)          |                   | (7,735)           |
|                                     |                   | <u>16,544,514</u> |                   | <u>10,718,383</u> |
| <b>Other non-financial assets</b>   |                   |                   |                   |                   |
| Other receivables                   |                   | 1,407             |                   | 5,653             |
| Prepaid expenses                    |                   | 626,922           |                   | 471,955           |
| Guarantee deposits                  |                   | 4,776             |                   | 3,173             |
| Others                              |                   | 3,822,047         |                   | 3,634,805         |
| Less: Allowances for credit losses  |                   | (12,769)          |                   | (18,530)          |
|                                     |                   | <u>4,442,383</u>  |                   | <u>4,097,056</u>  |
|                                     | ₩                 | <u>20,986,897</u> | ₩                 | <u>14,815,439</u> |

19.2 Changes in allowances for credit losses of other assets for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                      | 2023                   |                            |           |
|----------------------|------------------------|----------------------------|-----------|
|                      | Other financial assets | Other non-financial assets | Total     |
| Beginning            | ₩ 136,075              | ₩ 18,530                   | ₩ 154,605 |
| Write-offs           | (8,292)                | (5,911)                    | (14,203)  |
| Provision (reversal) | 188,279                | (1,450)                    | 186,829   |
| Business combination | 108                    | -                          | 108       |
| Others               | (11,603)               | 1,600                      | (10,003)  |
| Ending               | ₩ 304,567              | ₩ 12,769                   | ₩ 317,336 |

(In millions of Korean won)

|                      | 2022                   |                            |           |
|----------------------|------------------------|----------------------------|-----------|
|                      | Other financial assets | Other non-financial assets | Total     |
| Beginning            | ₩ 110,220              | ₩ 16,172                   | ₩ 126,392 |
| Write-offs           | (10,028)               | (70)                       | (10,098)  |
| Provision (reversal) | 26,971                 | 2,182                      | 29,153    |
| Business combination | 267                    | -                          | 267       |
| Others               | 8,645                  | 246                        | 8,891     |
| Ending               | ₩ 136,075              | ₩ 18,530                   | ₩ 154,605 |

## 20. Financial Liabilities at Fair Value through Profit or Loss

20.1 Details of financial liabilities at fair value through profit or loss and financial liabilities designated at fair value through profit or loss as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023 |                   | December 31, 2022 |                   |
|--|-------------------|-------------------|-------------------|-------------------|
| <b>Financial liabilities at fair value through profit or loss</b>            |                   |                   |                   |                   |
| Borrowed securities sold   | ₩                 | 2,860,034         | ₩                 | 2,102,537         |
| Others   |                   | 93,438            |                   | 90,673            |
|  |                   | <u>2,953,472</u>  |                   | <u>2,193,210</u>  |
| <b>Financial liabilities designated at fair value through profit or loss</b> |                   |                   |                   |                   |
| Derivative-linked securities   |                   | 7,966,963         |                   | 10,078,394        |
|  |                   | <u>7,966,963</u>  |                   | <u>10,078,394</u> |
|  | ₩                 | <u>10,920,435</u> | ₩                 | <u>12,271,604</u> |

## KB Financial Group Inc. and Subsidiaries

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20.2 Difference between the amount contractually required to pay at maturity and carrying amount of financial liabilities designated at fair value through profit or loss as of December 31, 2023 and 2022, are as follows:

|  | (In millions of Korean won) |                      |
|--|-----------------------------|----------------------|
|  | December 31,<br>2023        | December 31,<br>2022 |
| Amount contractually required to pay at maturity | ₩ 7,871,014                 | ₩ 9,973,340          |
| Carrying amount                                  | 7,966,963                   | 10,078,394           |
| Difference                                       | ₩ (95,949)                  | ₩ (105,054)          |

#### 21. Deposits

Details of deposits as of December 31, 2023 and 2022, are as follows:

|   | (In millions of Korean won) |                      |
|---|-----------------------------|----------------------|
|   | December 31,<br>2023        | December 31,<br>2022 |
| <b>Demand deposits</b>  |                             |                      |
| Demand deposits in Korean won   | ₩ 151,836,599               | ₩ 152,079,457        |
| Demand deposits in foreign currencies   | 11,517,076                  | 12,844,385           |
|   | 163,353,675                 | 164,923,842          |
| <b>Time deposits</b>  |                             |                      |
| Time deposits in Korean won   | 201,194,217                 | 194,117,692          |
| Fair value adjustments of fair value hedged time deposits in Korean won         | (15)                        | -                    |
|   | 201,194,202                 | 194,117,692          |
| Time deposits in foreign currencies   | 24,602,818                  | 23,529,633           |
| Fair value adjustments of fair value hedged time deposits in foreign currencies | (6,667)                     | (8,591)              |
|   | 24,596,151                  | 23,521,042           |
|   | 225,790,353                 | 217,638,734          |
|   | 12,145,510                  | 6,325,876            |
| <b>Certificates of deposits</b>   | 5,222,896                   | 5,040,452            |
| <b>Investment contract liabilities</b>  | ₩ 406,512,434               | ₩ 393,928,904        |

#### 22. Borrowings

22.1 Details of borrowings as of December 31, 2023 and 2022, are as follows:

|   | (In millions of Korean won) |                      |
|---|-----------------------------|----------------------|
|   | December 31,<br>2023        | December 31,<br>2022 |
| General borrowings                                | ₩ 50,675,884                | ₩ 55,789,869         |
| Bonds sold under repurchase agreements and others | 15,652,135                  | 11,773,494           |
| Call money  | 3,255,542                   | 4,154,003            |
|   | ₩ 69,583,561                | ₩ 71,717,366         |

22.2 Details of general borrowings as of December 31, 2023 and 2022, are as follows:

|   |  | (In millions of Korean won)                     |            | Interest rate (%) as of |                      |
|---|--|---|------------|-------------------------|----------------------|
|   |  |   |            | December 31,<br>2023    | December 31,<br>2022 |
|   |  | Lenders   |            | December 31,<br>2023    | December 31,<br>2022 |
| <b>Borrowings in Korean won</b>         | Borrowings from the Bank of Korea                  | The Bank of Korea                               | 2.00       | ₩ 2,520,472             | ₩ 8,282,289          |
|   | Borrowings from the government                     | SEMAS and others                                | 0.00~3.41  | 2,500,160               | 2,670,867            |
|   | Borrowings from banks                              | Shinhan Bank and others                         | 2.49~7.15  | 1,764,900               | 914,360              |
|   | Borrowings from non-banking financial institutions | Korea Securities Finance Corporation and others | 1.68~6.96  | 2,780,823               | 2,189,510            |
| <b>Other borrowings</b>                 | The Korea Development Bank and others              |   | 0.00~7.73  | 22,645,638              | 19,806,869           |
|   |  |   |            | ₩ 32,211,993            | ₩ 33,863,895         |
| <b>Borrowings in foreign currencies</b> | Due to banks                                       | KEB Hana Bank and others                        | -          | 38,191                  | 18,266               |
|   | Borrowings from banks                              | Citicorp International Ltd. And others          | 0.00~13.50 | 15,437,388              | 16,296,725           |
|   | Borrowings from other financial institutions       | The Export-Import Bank of Korea and others      | 5.89~6.07  | 24,662                  | 38,249               |
|   | Other borrowings                                   | Standard Chartered Bank and others              | 0.00~12.00 | 2,963,650               | 5,572,734            |
|   |  |   |            | ₩ 18,463,891            | ₩ 21,925,974         |
|   |  |   |            | ₩ 50,675,884            | ₩ 55,789,869         |



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22.3 Details of bonds sold under repurchase agreements and others as of December 31, 2023 and 2022, are as follows:

|  | Lenders                               | Interest rate (%)<br>as of |                      |                      |
|--|---------------------------------------|----------------------------|----------------------|----------------------|
|  |                                       | December 31,<br>2023       | December 31,<br>2023 | December 31,<br>2022 |
| Bonds sold under repurchase agreements | Individuals, groups, and corporations | 0.00~9.75                  | ₩ 15,645,498         | ₩ 11,769,694         |
| Bills sold                             | Counter sale                          | 1.80~2.20                  | 6,637                | 3,800                |
|  |                                       |                            | ₩ 15,652,135         | ₩ 11,773,494         |

22.4 Details of call money as of December 31, 2023 and 2022, are as follows:

|                                  | Lenders                             | Interest rate (%)<br>as of |                      |                      |
|----------------------------------|-------------------------------------|----------------------------|----------------------|----------------------|
|                                  |                                     | December 31,<br>2023       | December 31,<br>2023 | December 31,<br>2022 |
| Call money in Korean won         | Samsung Asset Management and others | 3.30~4.22                  | ₩ 1,540,000          | ₩ 2,943,500          |
| Call money in foreign currencies | BANK CIMB NIAGA and others          | 0.15~6.05                  | 1,715,542            | 1,210,503            |
|                                  |                                     |                            | ₩ 3,255,542          | ₩ 4,154,003          |

**23. Debentures**

23.1 Details of debentures as of December 31, 2023 and 2022, are as follows:

|  | Interest rate (%)<br>as of |                      |                      |
|--|----------------------------|----------------------|----------------------|
|  |                            | December 31,<br>2023 | December 31,<br>2022 |
| <b>Debentures in Korean won</b>  |                            |                      |                      |
| Structured debentures  | 4.25~8.62                  | ₩ 90,640             | ₩ 710                |
| Exchangeable bonds *   | -                          | 240,000              | 240,000              |
| Subordinated fixed rate debentures   | 2.02~7.86                  | 4,453,970            | 5,354,890            |
| Fixed rate debentures  | 1.18~13.70                 | 45,624,127           | 45,424,094           |
| Floating rate debentures   | 3.51~6.17                  | 5,410,000            | 5,455,000            |
|  |                            | 55,818,737           | 56,474,694           |
| Fair value adjustments of fair value hedged debentures in Korean won         |                            | (141,073)            | (249,629)            |
| Less: Discount on debentures in Korean won                                   |                            | (29,670)             | (29,166)             |
| Less: Adjustment for exchange right of exchangeable bonds in Korean won      |                            | (5,104)              | (8,435)              |
|  |                            | 55,642,890           | 56,187,464           |
| <b>Debentures in foreign currencies</b>                                      |                            |                      |                      |
| Floating rate debentures   | 3.94~6.94                  | 2,532,921            | 2,168,341            |
| Fixed rate debentures  | 0.05~12.00                 | 11,109,296           | 10,482,244           |
|  |                            | 13,642,217           | 12,650,585           |
| Fair value adjustments of fair value hedged debentures in foreign currencies |                            | (68,706)             | (95,865)             |
| Less: Discount on debentures in foreign currencies                           |                            | (39,733)             | (43,981)             |
|  |                            | 13,533,778           | 12,510,739           |
|  |                            | ₩ 69,176,668         | ₩ 68,698,203         |

\* Fair value of the liability component of exchangeable bonds is calculated by using market interest rate of bonds under the same conditions without the exchange right. The residual amount after deducting the liability component from the issuance amount, represents the value of the exchange right and is recorded in equity. Shares to be exchanged are 5 million treasury shares of KB Financial Group Inc. with the exchange price of ₩ 48,000. Exchange rights were fully exercised on February 14, 2024.

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23.2 Changes in debentures based on par value for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023                |                     |                       |                  |                     |
|---|---------------------|---------------------|-----------------------|------------------|---------------------|
|   | Beginning           | Issue               | Repayment             | Others           | Ending              |
| <b>Debentures in Korean won</b>         |                     |                     |                       |                  |                     |
| Structured debentures                   | ₩ 710               | ₩ 90,000            | ₩ (70)                | ₩ -              | ₩ 90,640            |
| Exchangeable bonds                      | 240,000             | -                   | -                     | -                | 240,000             |
| Subordinated fixed rate debentures      | 5,354,890           | -                   | (900,920)             | -                | 4,453,970           |
| Fixed rate debentures                   | 45,424,094          | 74,530,666          | (74,330,633)          | -                | 45,624,127          |
| Floating rate debentures                | 5,455,000           | 4,470,000           | (4,515,000)           | -                | 5,410,000           |
|   | <u>56,474,694</u>   | <u>79,090,666</u>   | <u>(79,746,623)</u>   | <u>-</u>         | <u>55,818,737</u>   |
| <b>Debentures in foreign currencies</b> |                     |                     |                       |                  |                     |
| Floating rate debentures                | 2,168,341           | 1,673,645           | (1,349,020)           | 39,955           | 2,532,921           |
| Fixed rate debentures                   | 10,482,244          | 2,963,436           | (2,587,629)           | 251,245          | 11,109,296          |
|   | <u>12,650,585</u>   | <u>4,637,081</u>    | <u>(3,936,649)</u>    | <u>291,200</u>   | <u>13,642,217</u>   |
|   | <u>₩ 69,125,279</u> | <u>₩ 83,727,747</u> | <u>₩ (83,683,272)</u> | <u>₩ 291,200</u> | <u>₩ 69,460,954</u> |

(In millions of Korean won)

|   | 2022                |                      |                        |                  |                     |
|---|---------------------|----------------------|------------------------|------------------|---------------------|
|   | Beginning           | Issue                | Repayment              | Others           | Ending              |
| <b>Debentures in Korean won</b>         |                     |                      |                        |                  |                     |
| Structured debentures                   | ₩ 910               | ₩ -                  | ₩ (200)                | ₩ -              | ₩ 710               |
| Exchangeable bonds                      | 240,000             | -                    | -                      | -                | 240,000             |
| Subordinated fixed rate debentures      | 6,241,957           | 286,000              | (1,173,067)            | -                | 5,354,890           |
| Fixed rate debentures                   | 44,124,235          | 96,782,415           | (95,482,556)           | -                | 45,424,094          |
| Floating rate debentures                | 6,893,782           | 5,350,000            | (6,788,782)            | -                | 5,455,000           |
|   | <u>57,500,884</u>   | <u>102,418,415</u>   | <u>(103,444,605)</u>   | <u>-</u>         | <u>56,474,694</u>   |
| <b>Debentures in foreign currencies</b> |                     |                      |                        |                  |                     |
| Floating rate debentures                | 2,749,174           | 1,286,016            | (2,072,615)            | 205,766          | 2,168,341           |
| Fixed rate debentures                   | 7,312,966           | 3,940,693            | (1,113,993)            | 342,578          | 10,482,244          |
|   | <u>10,062,140</u>   | <u>5,226,709</u>     | <u>(3,186,608)</u>     | <u>548,344</u>   | <u>12,650,585</u>   |
|   | <u>₩ 67,563,024</u> | <u>₩ 107,645,124</u> | <u>₩ (106,631,213)</u> | <u>₩ 548,344</u> | <u>₩ 69,125,279</u> |

**24. Provisions**

24.1 Details of provisions as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023  | December 31, 2022 |
|---|--------------------|-------------------|
| Provisions for credit losses of unused loan commitments       | ₩ 379,666          | ₩ 342,182         |
| Provisions for credit losses of acceptances and guarantees    | 183,454            | 153,529           |
| Provisions for credit losses of financial guarantee contracts | 6,500              | 2,955             |
| Provisions for restoration costs                              | 155,214            | 159,033           |
| Others  | 719,584            | 276,002           |
|   | <u>₩ 1,444,418</u> | <u>₩ 933,701</u>  |

24.2 Changes in provisions for credit losses of unused loan commitments, and acceptances and guarantees for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023  |                                 |                 |  |                                 |                |
|---|---|---------------------------------|-----------------|--|---------------------------------|----------------|
|   | Provisions for credit losses of unused loan commitments |                                 |                 | Provisions for credit losses of acceptances and guarantees |                                 |                |
|   | 12-month expected credit losses                         | Lifetime expected credit losses | Impaired        | 12-month expected credit losses                            | Lifetime expected credit losses | Impaired       |
| Beginning                                   | ₩ 179,885   | ₩ 151,067                       | ₩ 11,230        | ₩ 26,906   | ₩ 118,724                       | ₩ 7,899        |
| Transfer between stages:                    |   |                                 |                 |  |                                 |                |
| Transfer to 12-month expected credit losses | 60,499  | (58,210)                        | (2,289)         | (3,573)  | (421)                           | 3,994          |
| Transfer to lifetime expected credit losses | (17,814)  | 18,142                          | (328)           | (356)  | 457                             | (101)          |
| Impairment                                  | (476)   | (2,177)                         | 2,653           | -  | (113)                           | 113            |
| Provision (reversal) for credit losses      | 8,946   | 26,988                          | (553)           | 7,708  | 28,401                          | (7,603)        |
| Others (exchange differences, etc.)         | 1,634   | 508                             | (39)            | 164  | 1,149                           | 106            |
| Ending                                      | <u>₩ 232,674</u>  | <u>₩ 136,318</u>                | <u>₩ 10,674</u> | <u>₩ 30,849</u>  | <u>₩ 148,197</u>                | <u>₩ 4,408</u> |

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24.2 Changes in provisions for credit losses of unused loan commitments, and acceptances and guarantees for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|   | 2022  |                                 |          |  |                                 |          |
|---|---|---------------------------------|----------|--|---------------------------------|----------|
|   | Provisions for credit losses of unused loan commitments |                                 |          | Provisions for credit losses of acceptances and guarantees |                                 |          |
|   | 12-month expected credit losses                         | Lifetime expected credit losses |          | 12-month expected credit losses                            | Lifetime expected credit losses |          |
|   | Non-impaired  | Non-impaired                    | Impaired | Non-impaired   | Non-impaired                    | Impaired |
| Beginning                                   | ₩ 153,997   | ₩ 146,619                       | ₩ 8,024  | ₩ 27,397   | ₩ 82,170                        | ₩ 11,537 |
| Transfer between stages:                    |   |                                 |          |  |                                 |          |
| Transfer to 12-month expected credit losses | 41,314  | (40,375)                        | (939)    | 1,144  | (1,144)                         | -        |
| Transfer to lifetime expected credit losses | (19,232)  | 19,848                          | (616)    | (355)  | 1,016                           | (661)    |
| Impairment                                  | (338)   | (1,705)                         | 2,043    | (9)  | (142)                           | 151      |
| Provision (reversal) for credit losses      | 2,587   | 25,743                          | 2,738    | (1,689)  | 33,983                          | (3,262)  |
| Others (exchange differences, etc.)         | 1,557   | 937                             | (20)     | 418  | 2,841                           | 134      |
| Ending                                      | ₩ 179,885   | ₩ 151,067                       | ₩ 11,230 | ₩ 26,906   | ₩ 118,724                       | ₩ 7,899  |

24.3 Changes in provisions for credit losses of financial guarantee contracts for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                      | 2023    | 2022    |
|----------------------|---------|---------|
| Beginning            | ₩ 2,955 | ₩ 5,351 |
| Provision (reversal) | 3,545   | (2,396) |
| Others               | -       | -       |
| Ending               | ₩ 6,500 | ₩ 2,955 |

24.4 Changes in provisions for restoration costs for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                    | 2023 |          | 2022 |          |
|------------------------------------|------|----------|------|----------|
| Beginning                          | ₩    | 159,033  | ₩    | 152,186  |
| Provision                          |      | 6,885    |      | 17,270   |
| Reversal                           |      | (3,681)  |      | 210      |
| Used                               |      | (14,534) |      | (23,916) |
| Unwinding of discount              |      | 6,177    |      | 2,725    |
| Effect of changes in discount rate |      | 1,334    |      | 10,558   |
| Ending                             | ₩    | 155,214  | ₩    | 159,033  |

Provisions for restoration costs are the present value of estimated costs to be incurred for the restoration of the leased properties. The expenditure of the restoration cost will be incurred at the end of each lease contract, and the lease period is used to reasonably estimate the time of expenditure. Also, the average restoration expense based on actual three-year historical data and three-year historical average inflation rate are used to estimate the present value of estimated costs.

24.5 Changes in other provisions for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|           | 2023                       |                  |             |           |           |
|-----------|----------------------------|------------------|-------------|-----------|-----------|
|           | Membership rewards program | Dormant accounts | Litigations | Others *  | Total     |
| Beginning | ₩ 46                       | ₩ 2,794          | ₩ 113,527   | ₩ 159,635 | ₩ 276,002 |
| Increase  | 64                         | 4,686            | 78,392      | 391,849   | 474,991   |
| Decrease  | (63)                       | (4,121)          | (10,358)    | (19,602)  | (34,144)  |
| Others    | -                          | -                | 4,106       | (1,371)   | 2,735     |
| Ending    | ₩ 47                       | ₩ 3,359          | ₩ 185,667   | ₩ 530,511 | ₩ 719,584 |

\* Includes other provisions of ₩ 333,290 million related to the Livelihood finance support program as of December 31, 2023

(In millions of Korean won)

|           | 2022                       |                  |             |           |           |
|-----------|----------------------------|------------------|-------------|-----------|-----------|
|           | Membership rewards program | Dormant accounts | Litigations | Others    | Total     |
| Beginning | ₩ 22,902                   | ₩ 3,062          | ₩ 55,168    | ₩ 109,174 | ₩ 190,306 |
| Increase  | 84                         | 2,666            | 62,611      | 56,798    | 122,159   |
| Decrease  | (22,940)                   | (2,934)          | (4,252)     | (6,337)   | (36,463)  |
| Ending    | ₩ 46                       | ₩ 2,794          | ₩ 113,527   | ₩ 159,635 | ₩ 276,002 |

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#### 25. Net Defined Benefit Liabilities

##### 25.1 Defined Benefit Plan

The Group operates defined benefit plans which have the following characteristics:

- The Group has the obligation to pay the agreed benefits to all its current and former employees.
- The Group assumes actuarial risk (that benefits will cost more than expected) and investment risk.

The net defined benefit liabilities recognized in the consolidated statement of financial position are calculated by the independent actuary in accordance with actuarial valuation method. The defined benefit obligation is calculated using the projected unit credit method. Assumptions based on market data and historical data such as discount rate, future salary increase rate, mortality, and consumer price index are used which are updated annually.

Actuarial assumptions may differ from actual results, due to changes in the market conditions, economic trends, and mortality trends which may affect net defined benefit liabilities and future payments. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in the period incurred through other comprehensive income.

25.2 Changes in net defined benefit liabilities for the years ended December 31, 2023 and 2022, are as follows:

|   | 2023  |                           |   |
|---|---|---------------------------|---|
|   | Present value of defined benefit obligation | Fair value of plan assets | Net defined benefit liabilities(assets) |
| <i>(In millions of Korean won)</i>                                    |   |                           |   |
| Beginning   | ₩ 2,215,330                                 | ₩ (2,608,519)             | ₩ (393,189)                             |
| Current service cost  | 199,882                                     | -                         | 199,882                                 |
| Past service cost   | -   | -                         | -                                       |
| Gains on settlement   | 55  | -                         | 55                                      |
| Interest expense (income)   | 107,586                                     | (130,632)                 | (23,046)                                |
| Remeasurements:   |   |                           |   |
| Actuarial gains and losses by changes in demographic assumptions      | (3,950)                                     | -                         | (3,950)                                 |
| Actuarial gains and losses by changes in financial assumptions        | 123,238                                     | -                         | 123,238                                 |
| Actuarial gains and losses by experience adjustments                  | 1,558                                       | -                         | 1,558                                   |
| Return on plan assets (excluding amounts included in interest income) | -   | (18,228)                  | (18,228)                                |
| Contributions by the Group  | -   | (121,799)                 | (121,799)                               |
| Payments from plans (settlement)                                      | (6,755)                                     | 6,755                     | -                                       |
| Payments from plans (benefit payments)                                | (217,031)                                   | 217,031                   | -                                       |
| Payments from the Group   | (53,606)                                    | -                         | (53,606)                                |
| Transfer in (out)   | 457   | 202                       | 659                                     |
| Effect of exchange differences  | (3,450)                                     | (177)                     | (3,627)                                 |
| Effect of business acquisition and disposal                           | (309)                                       | -                         | (309)                                   |
| Others  | (53)  | 194                       | 141                                     |
| Ending *  | ₩ 2,362,952                                 | ₩ (2,655,173)             | ₩ (292,221)                             |

25.2 Changes in net defined benefit liabilities for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

|   | 2022  |                           |   |
|---|---|---------------------------|---|
|   | Present value of defined benefit obligation | Fair value of plan assets | Net defined benefit liabilities(assets) |
| <i>(In millions of Korean won)</i>                                    |   |                           |   |
| Beginning   | ₩ 2,572,517                                 | ₩ (2,447,079)             | ₩ 125,438                               |
| Current service cost  | 249,099                                     | -                         | 249,099                                 |
| Past service cost   | 3,669                                       | -                         | 3,669                                   |
| Gains on settlement   | (1,859)                                     | -                         | (1,859)                                 |
| Interest expense (income)   | 65,357                                      | (62,872)                  | 2,485                                   |
| Remeasurements:   |   |                           |   |
| Actuarial gains and losses by changes in demographic assumptions      | 33,078                                      | -                         | 33,078                                  |
| Actuarial gains and losses by changes in financial assumptions        | (479,797)                                   | -                         | (479,797)                               |
| Actuarial gains and losses by experience adjustments                  | 47,086                                      | -                         | 47,086                                  |
| Return on plan assets (excluding amounts included in interest income) | -   | 68,550                    | 68,550                                  |
| Contributions by the Group  | -   | (400,689)                 | (400,689)                               |
| Payments from plans (settlement)                                      | (78)  | -                         | (78)                                    |
| Payments from plans (benefit payments)                                | (234,192)                                   | 232,994                   | (1,198)                                 |
| Payments from the Group   | (43,763)                                    | 494                       | (43,269)                                |
| Transfer in   | 13,982                                      | (13,285)                  | 697                                     |
| Transfer out  | (13,340)                                    | 13,299                    | (41)                                    |
| Effect of exchange differences  | 1,218                                       | 69                        | 1,287                                   |
| Effect of business acquisition and disposal                           | 2,635                                       | -                         | 2,635                                   |
| Others  | (282)                                       | -                         | (282)                                   |
| Ending *  | ₩ 2,215,330                                 | ₩ (2,608,519)             | ₩ (393,189)                             |

\*The net defined benefit assets of ₩ 292,221 million is calculated by subtracting ₩ 81,869 million of net defined benefit liabilities from ₩ 374,090 million of net defined benefit assets as of December 31, 2023. The net defined benefit liabilities of ₩ 393,189 million is calculated by subtracting ₩ 85,745 million of net defined benefit assets from ₩ 478,934 million of net defined benefit liabilities as of December 31, 2022.

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25.3 Details of net defined benefit liabilities as of December 31, 2023 and 2022, are as follows:

| (In millions of Korean won)                 | December 31, |             | December 31, |             |
|---|--------------|-------------|--------------|-------------|
|   | 2023         |             | 2022         |             |
| Present value of defined benefit obligation | ₩            | 2,362,952   | ₩            | 2,215,330   |
| Fair value of plan assets                   |              | (2,655,173) |              | (2,608,519) |
| Net defined benefit liabilities             | ₩            | (292,221)   | ₩            | (393,189)   |

25.4 Details of post-employment benefits recognized in profit or loss for the years ended December 31, 2023 and 2022, are as follows:

| (In millions of Korean won)                             | 2023                 |          | 2022    |         |
|---|----------------------|----------|---------|---------|
|   | Current service cost | ₩        | 199,882 | ₩       |
| Past service cost                                       |                      | -        |         | 3,669   |
| Net interest expense on net defined benefit liabilities |                      | (23,046) |         | 2,485   |
| Gains on settlement                                     |                      | 55       |         | (1,859) |
| Post-employment benefits *                              | ₩                    | 176,891  | ₩       | 253,394 |

\* Includes post-employment benefits amounting to ₩ 18,308 million recognized as insurance service expenses, ₩ 2,824 million recognized as other operating expenses and ₩ 189 million recognized as prepayment for the year ended December 31, 2023, and post-employment benefits amounting to ₩ 27,486 recognized as insurance service expenses and ₩ 3,520 million recognized as other operating expenses for the year ended December 31, 2022.

25.5 Details of remeasurements of net defined benefit liabilities recognized in other comprehensive income (loss) for the years ended December 31, 2023 and 2022, are as follows:

| (In millions of Korean won)   | 2023            |           | 2022 |          |
|---|-----------------|-----------|------|----------|
|   | Remeasurements: |           |      |          |
| Return on plan assets (excluding amounts included in interest income) | ₩               | 18,228    | ₩    | (68,550) |
| Actuarial gains and losses  |                 | (120,846) |      | 399,633  |
| Income tax effect   |                 | 25,895    |      | (91,150) |
| Effect of exchange differences  |                 | 4,553     |      | (231)    |
| Remeasurements after income tax expense                               | ₩               | (72,170)  | ₩    | 239,702  |

25.6 Details of fair value of plan assets as of December 31, 2023 and 2022, are as follows:

| (In millions of Korean won)              | December 31, 2023                 |                                       |             |
|--|-----------------------------------|---------------------------------------|-------------|
|  | Assets quoted in an active market | Assets not quoted in an active market | Total       |
| Cash and due from financial institutions | ₩ -                               | ₩ 2,604,272                           | ₩ 2,604,272 |
| Debt securities                          | -                                 | 45,833                                | 45,833      |
| Investment fund                          | -                                 | 5,068                                 | 5,068       |
|  | ₩ -                               | ₩ 2,655,173                           | ₩ 2,655,173 |

| (In millions of Korean won)              | December 31, 2022                 |                                       |             |
|--|-----------------------------------|---------------------------------------|-------------|
|  | Assets quoted in an active market | Assets not quoted in an active market | Total       |
| Cash and due from financial institutions | ₩ -                               | ₩ 2,571,508                           | ₩ 2,571,508 |
| Derivative instruments                   | -                                 | 33,434                                | 33,434      |
| Investment fund                          | -                                 | 3,577                                 | 3,577       |
|  | ₩ -                               | ₩ 2,608,519                           | ₩ 2,608,519 |

25.7 Details of significant actuarial assumptions used as of December 31, 2023 and 2022, are as follows:

|                          | December 31, 2023 | December 31, 2022 |
|--------------------------|-------------------|-------------------|
| Discount rate (%)        | 3.80~4.40         | 4.90~5.20         |
| Salary increase rate (%) | 0.00~7.00         | 0.00~7.00         |
| Turnover rate (%)        | 0.00~38.60        | 0.00~38.60        |

Mortality assumptions are based on the experience-based mortality table issued by Korea Insurance Development Institute in 2019.

25.8 Results of sensitivity analysis of significant actuarial assumptions as of December 31, 2023, are as follows:

|                      | Changes in assumptions | Effect on defined benefit obligation |                         |
|----------------------|------------------------|--------------------------------------|-------------------------|
|                      |                        | Increase in assumptions              | Decrease in assumptions |
| Discount rate        | 0.5%p                  | 3.26% decrease                       | 3.47% increase          |
| Salary increase rate | 0.5%p                  | 3.42% increase                       | 3.24% decrease          |
| Turnover rate        | 0.5%p                  | 0.03% decrease                       | 0.03% increase          |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. The sensitivity of the defined benefit obligation to changes in significant actuarial assumptions is calculated using the same projected unit credit method used in calculating the defined benefit obligation recognized in the consolidated statement of financial position.

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25.9 Expected maturity analysis of undiscounted pension benefit payments (including expected future benefit) as of December 31, 2023, are as follows:

(In millions of Korean won)

|                    | Up to<br>1 year | 1~2 years | 2~5 years | 5~10 years  | Over<br>10 years | Total       |
|--------------------|-----------------|-----------|-----------|-------------|------------------|-------------|
| Pension benefits * | ₩ 219,733       | ₩ 267,842 | ₩ 868,378 | ₩ 1,281,094 | ₩ 3,709,873      | ₩ 6,346,920 |

\* Amount determined under the promotion compensation type defined contribution plan is excluded.

The weighted average duration of the defined benefit obligation is 1 ~ 11 years.

25.10 Reasonable estimation of expected contribution to plan assets for the next annual reporting period after December 31, 2023 is ₩ 145,160 million.

#### 26. Other Liabilities

Details of other liabilities as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31,<br>2023 | December 31,<br>2022 |
|--|----------------------|----------------------|
| <b>Other financial liabilities</b>             |                      |                      |
| Other payables                                 | ₩ 17,953,030         | ₩ 11,263,263         |
| Prepaid card and debit card payables           | 36,005               | 35,259               |
| Accrued expenses                               | 5,592,853            | 3,875,939            |
| Financial guarantee contracts liabilities      | 47,199               | 46,467               |
| Deposits for letter of guarantees and others   | 1,226,095            | 1,762,482            |
| Domestic exchange settlement credits           | 2,864,203            | 1,738,489            |
| Foreign exchange settlement credits            | 215,730              | 250,138              |
| Borrowings of other accounting businesses      | 2,793                | -                    |
| Due to trust accounts                          | 8,142,102            | 5,808,446            |
| Liabilities incurred from agency relationships | 514,642              | 513,621              |
| Account for agency business                    | 249,379              | 241,910              |
| Dividend payables                              | 7,455                | 3,425                |
| Lease liabilities                              | 588,803              | 592,697              |
| Others   | (23,373)             | 31,124               |
|  | <u>37,416,916</u>    | <u>26,163,260</u>    |
| <b>Other non-financial liabilities</b>         |                      |                      |
| Other payables                                 | 353,074              | 400,525              |
| Unearned revenue                               | 351,677              | 520,465              |
| Accrued expenses                               | 961,464              | 900,141              |
| Deferred revenue on credit card points         | 242,346              | 243,131              |
| Withholding taxes                              | 306,709              | 228,195              |
| Others   | 632,749              | 394,316              |
|  | <u>2,848,019</u>     | <u>2,686,773</u>     |
|  | <u>₩ 40,264,935</u>  | <u>₩ 28,850,033</u>  |

#### 27. Equity

##### 27.1 Share Capital

27.1.1 Details of share capital as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won and in number of shares)

|                                     | December 31,<br>2023 | December 31,<br>2022 |
|-------------------------------------|----------------------|----------------------|
| Type of share                       | Ordinary share       | Ordinary share       |
| Number of authorized shares         | 1,000,000,000        | 1,000,000,000        |
| Par value per share (In Korean won) | ₩ 5,000              | ₩ 5,000              |
| Number of issued shares             | 403,511,072          | 408,897,068          |
| Share capital *                     | ₩ 2,090,558          | ₩ 2,090,558          |

\* Due to the retirement of shares deducted through retained earnings, it is different from the total par value of the shares issued.

27.1.2 Changes in outstanding shares for the years ended December 31, 2023 and 2022, are as follows:

(In number of shares)

|           | 2023               | 2022               |
|-----------|--------------------|--------------------|
| Beginning | 389,634,335        | 389,634,335        |
| Increase  | -                  | -                  |
| Decrease  | (10,970,510)       | -                  |
| Ending    | <u>378,663,825</u> | <u>389,634,335</u> |

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#### 27.2 Hybrid Securities

Details of hybrid securities classified as equity as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

| Hybrid securities      | Issuance date | Maturity       | Interest rate (%)       | December 31, |             |
|------------------------|---------------|----------------|-------------------------|--------------|-------------|
|                        |               |                | as of December 31, 2023 | 2023         | 2022        |
| The 1-1 <sup>st</sup>  | May 2, 2019   | Perpetual bond | 3.23                    | ₩ 349,309    | ₩ 349,309   |
| The 1-2 <sup>nd</sup>  | May 2, 2019   | Perpetual bond | 3.44                    | 49,896       | 49,896      |
| The 2-1 <sup>st</sup>  | May 8, 2020   | Perpetual bond | 3.30                    | 324,099      | 324,099     |
| The 2-2 <sup>nd</sup>  | May 8, 2020   | Perpetual bond | 3.43                    | 74,812       | 74,812      |
| The 3-1 <sup>st</sup>  | Jul. 14, 2020 | Perpetual bond | 3.17                    | 369,099      | 369,099     |
| The 3-2 <sup>nd</sup>  | Jul. 14, 2020 | Perpetual bond | 3.38                    | 29,922       | 29,922      |
| The 4-1 <sup>st</sup>  | Oct. 20, 2020 | Perpetual bond | 3.00                    | 433,996      | 433,996     |
| The 4-2 <sup>nd</sup>  | Oct. 20, 2020 | Perpetual bond | 3.28                    | 64,855       | 64,855      |
| The 5-1 <sup>st</sup>  | Feb. 19, 2022 | Perpetual bond | 2.67                    | 419,071      | 419,071     |
| The 5-2 <sup>nd</sup>  | Feb. 19, 2022 | Perpetual bond | 2.87                    | 59,862       | 59,862      |
| The 5-3 <sup>rd</sup>  | Feb. 19, 2022 | Perpetual bond | 3.28                    | 119,727      | 119,727     |
| The 6-1 <sup>st</sup>  | May 28, 2022  | Perpetual bond | 3.20                    | 165,563      | 165,563     |
| The 6-2 <sup>nd</sup>  | May 28, 2022  | Perpetual bond | 3.60                    | 109,708      | 109,708     |
| The 7-1 <sup>st</sup>  | Oct. 8, 2022  | Perpetual bond | 3.57                    | 208,468      | 208,468     |
| The 7-2 <sup>nd</sup>  | Oct. 8, 2022  | Perpetual bond | 3.80                    | 59,834       | 59,834      |
| The 8-1 <sup>st</sup>  | Feb. 16, 2023 | Perpetual bond | 4.00                    | 442,970      | 442,970     |
| The 8-2 <sup>nd</sup>  | Feb. 16, 2023 | Perpetual bond | 4.30                    | 155,626      | 155,626     |
| The 9-1 <sup>st</sup>  | May 12, 2023  | Perpetual bond | 4.68                    | 478,829      | 478,829     |
| The 9-2 <sup>nd</sup>  | May 12, 2023  | Perpetual bond | 4.97                    | 19,906       | 19,906      |
| The 10-1 <sup>st</sup> | Aug. 26, 2023 | Perpetual bond | 4.90                    | 407,936      | 407,936     |
| The 10-2 <sup>nd</sup> | Aug. 26, 2023 | Perpetual bond | 5.15                    | 70,819       | 70,819      |
| The 10-3 <sup>rd</sup> | Aug. 26, 2023 | Perpetual bond | 5.30                    | 19,944       | 19,944      |
| The 11-1 <sup>st</sup> | Feb. 03, 2023 | Perpetual bond | 4.90                    | 548,681      | -           |
| The 11-2 <sup>nd</sup> | Feb. 03, 2023 | Perpetual bond | 5.03                    | 49,871       | -           |
|                        |               |                |                         | ₩ 5,032,803  | ₩ 4,434,251 |

The above hybrid securities are early redeemable by the Group after 5 or 7 or 10 years from the issuance date. On the other hand, hybrid securities of ₩ 1,282,993 million issued by Kookmin Bank, hybrid securities of ₩ 102,673 million issued by KB Securities Co., Ltd. and hybrid securities of ₩ 49,800 million issued by KB Life Insurance Co., Ltd. are recognized as non-controlling interests and are early redeemable after 5 years from the issuance date and each interest payment date thereafter.

#### 27.3 Capital Surplus

Details of capital surplus as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023 | December 31, 2022 |
|--|-------------------|-------------------|
| Paid-in capital in excess of par value                 | ₩ 13,190,274      | ₩ 13,190,274      |
| Losses on sales of treasury shares                     | (481,332)         | (481,332)         |
| Other capital surplus                                  | 3,927,041         | 4,219,856         |
| Consideration for exchange right of exchangeable bonds | 11,933            | 11,933            |
|  | ₩ 16,647,916      | ₩ 16,940,731      |

#### 27.4 Accumulated Other Comprehensive Income

Details of accumulated other comprehensive income as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023 | December 31, 2022 |
|--|-------------------|-------------------|
| Remeasurements of net defined benefit liabilities  | ₩ (161,295)       | ₩ (88,770)        |
| Currency translation differences   | 261,752           | 254,446           |
| Gains (losses) on financial instruments at fair value through other comprehensive income                           | (2,735,499)       | (6,081,560)       |
| Share of other comprehensive loss of associates and joint ventures   | (3,318)           | (3,342)           |
| Gains (losses) on cash flow hedging instruments  | 73,555            | 19,632            |
| Losses on hedging instruments of net investments in foreign operations   | (129,401)         | (114,742)         |
| Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk | (11,800)          | 41,063            |
| Finance gains or losses on insurance contract assets (liabilities)   | 5,001,171         | 7,223,195         |
|  | ₩ 2,295,165       | ₩ 1,249,922       |

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#### 27.5 Retained Earnings

27.5.1 Details of retained earnings as of December 31, 2023 and 2022, are as follows:

|   | December 31,        |                     |
|---|---------------------|---------------------|
|   | 2023                | 2022                |
| <i>(In millions of Korean won)</i>            |                     |                     |
| Legal reserves <sup>1</sup>                   | ₩ 1,007,686         | ₩ 839,235           |
| Voluntary reserves                            | 982,000             | 982,000             |
| Unappropriated retained earnings <sup>2</sup> | 30,039,513          | 27,127,190          |
|   | <u>₩ 32,029,199</u> | <u>₩ 28,948,425</u> |

<sup>1</sup> With respect to the allocation of net profit earned in a fiscal term, the Parent Company must set aside in its legal reserve an amount equal to at least 10% of its profit after tax as reported in the financial statements, each time it pays dividends on its net profits earned until its legal reserve reaches the aggregate amount of its paid-in capital in accordance with Article 53 of the Financial Holding Company Act. This reserve is not available for the payment of cash dividends, but may be transferred to share capital, or used to reduce accumulated deficit.

<sup>2</sup> The regulatory reserve for credit losses the Group appropriated in retained earnings is ₩ 4,320,506 million and ₩ 4,355,734 million for the years ended December 31, 2023 and 2022, respectively.

#### 27.5.2 Regulatory reserve for credit losses

Measurement and disclosure of regulatory reserve for credit losses are required in accordance with Articles 26 through 28 of Regulations on Supervision of Financial Holding Companies.

27.5.2.1 Details of regulatory reserve for credit losses as of December 31, 2023 and 2022, are as follows:

|   | December 31, 2023                  |                  | December 31, 2022 |                  |
|---|------------------------------------|------------------|-------------------|------------------|
|   | <i>(In millions of Korean won)</i> |                  |                   |                  |
| Regulatory reserve for credit losses attributable to: |                                    |                  |                   |                  |
| Shareholders of the Parent Company                    | ₩                                  | 4,320,506        | ₩                 | 4,355,734        |
| Non-controlling interests                             |                                    | 173,393          |                   | 89,214           |
|   | <u>₩</u>                           | <u>4,493,899</u> | <u>₩</u>          | <u>4,444,948</u> |

27.5.2.2 Regulatory reserve for credit losses estimated to be appropriated and adjusted profit after provision of regulatory reserve for credit losses for the years ended December 31, 2023 and 2022, are as follows:

|  | 2023  |           | 2022 |           |
|--|---|-----------|------|-----------|
|  | <i>(In millions of Korean won, except for earnings per share)</i> |           |      |           |
| Provision of regulatory reserve for credit losses  | ₩   | (35,228)  | ₩    | 239,155   |
| Adjusted profit after provision of regulatory reserve for credit losses <sup>1,2</sup>                   |   | 4,482,245 |      | 3,787,435 |
| Adjusted basic earnings per share after provision of regulatory reserve for credit losses <sup>1</sup>   |   | 11,672    |      | 9,720     |
| Adjusted diluted earnings per share after provision of regulatory reserve for credit losses <sup>1</sup> |   | 11,402    |      | 9,500     |

<sup>1</sup> Adjusted profit after provision of regulatory reserve for credit losses is not based on Korean IFRS. It is calculated by reflecting provision of regulatory reserve for credit losses before tax to the net profit attributable to shareholders of the Parent Company.

<sup>2</sup> After deducting dividends on hybrid securities

#### 27.6 Treasury Shares

Changes in treasury shares for the years ended December 31, 2023 and 2022, are as follows:

|  | 2023       |             |             |             |
|--|------------|-------------|-------------|-------------|
|  | Beginning  | Acquisition | Disposal    | Ending      |
| <i>(In millions of Korean won and in number of shares)</i> |            |             |             |             |
| Number of treasury shares *                                | 19,262,733 | 10,970,510  | (5,385,996) | 24,847,247  |
| Carrying amount  | ₩ 836,188  | ₩ 571,745   | ₩ (242,096) | ₩ 1,165,837 |

|  | 2022        |             |             |            |
|--|-------------|-------------|-------------|------------|
|  | Beginning   | Acquisition | Disposal    | Ending     |
| <i>(In millions of Korean won and in number of shares)</i> |             |             |             |            |
| Number of treasury shares *                                | 26,173,585  | -           | (6,910,852) | 19,262,733 |
| Carrying amount  | ₩ 1,136,188 | ₩ -         | ₩ (300,000) | ₩ 836,188  |

\* 5 million treasury shares are deposited at the Korea Securities Depository for the exchange of exchangeable bonds.

In accordance with the resolution of the Board of Directors on July 25, 2023, the Group acquired 5,584,514 shares (₩ 300,000 million) and plans to retire of treasury stocks by July 31, 2024.



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#### 28. Net Interest Income

Details of interest income, interest expense, and net interest income for the years ended December 31, 2023 and 2022, are as follows:

| <i>(In millions of Korean won)</i>  | <b>2023</b> |                   | <b>2022</b> |                   |
|---|-------------|-------------------|-------------|-------------------|
| <b>Interest income</b>  |             |                   |             |                   |
| Due from financial institutions measured at fair value through profit or loss | ₩           | 1,746             | ₩           | 3,186             |
| Securities measured at fair value through profit or loss                      |             | 1,400,912         |             | 913,617           |
| Loans measured at fair value through profit or loss                           |             | 12,708            |             | 12,932            |
| Securities measured at fair value through other comprehensive income          |             | 2,225,549         |             | 1,629,157         |
| Loans measured at fair value through other comprehensive income               |             | 39,084            |             | 17,429            |
| Due from financial institutions measured at amortized cost                    |             | 351,797           |             | 165,948           |
| Securities measured at amortized cost   |             | 1,123,957         |             | 659,549           |
| Loans measured at amortized cost  |             | 23,439,034        |             | 17,018,242        |
| Insurance finance income  |             | 23,954            |             | 16,667            |
| Others  |             | 526,338           |             | 350,850           |
|   |             | <u>29,145,079</u> |             | <u>20,787,577</u> |
| <b>Interest expense</b>   |             |                   |             |                   |
| Deposits  |             | 10,052,830        |             | 4,637,420         |
| Borrowings  |             | 2,519,463         |             | 1,291,380         |
| Debentures  |             | 2,306,823         |             | 1,640,773         |
| Insurance finance expense   |             | 1,576,656         |             | 1,495,621         |
| Others  |             | 547,590           |             | 207,058           |
|   |             | <u>17,003,362</u> |             | <u>9,272,252</u>  |
| <b>Net interest income</b>  | ₩           | <u>12,141,717</u> | ₩           | <u>11,515,325</u> |

Interest income recognized on impaired loans is ₩ 73,543 million and ₩ 53,215 million for the years ended December 31, 2023 and 2022, respectively.

#### 29. Net Fee and Commission Income

Details of fee and commission income, fee and commission expense, and net fee and commission income for the years ended December 31, 2023 and 2022, are as follows:

| <i>(In millions of Korean won)</i>               | <b>2023</b> |                  | <b>2022</b> |                  |
|--|-------------|------------------|-------------|------------------|
| <b>Fee and commission income</b>                 |             |                  |             |                  |
| Banking activity fees                            | ₩           | 181,841          | ₩           | 180,749          |
| Lending activity fees                            |             | 96,469           |             | 80,871           |
| Credit card and debit card related fees          |             | 1,598,964        |             | 1,491,666        |
| Agent activity fees                              |             | 198,402          |             | 243,740          |
| Trust and other fiduciary fees                   |             | 375,007          |             | 337,171          |
| Fund management related fees                     |             | 133,027          |             | 130,629          |
| Acceptances and guarantees fees                  |             | 77,291           |             | 66,827           |
| Foreign currency related fees                    |             | 308,747          |             | 285,575          |
| Securities agency fees                           |             | 113,476          |             | 124,771          |
| Other business account commission on consignment |             | 33,873           |             | 36,211           |
| Commissions received on securities business      |             | 656,424          |             | 628,449          |
| Lease fees                                       |             | 1,096,933        |             | 1,004,670        |
| Others   |             | 497,620          |             | 514,601          |
|  |             | <u>5,368,074</u> |             | <u>5,125,930</u> |
| <b>Fee and commission expense</b>                |             |                  |             |                  |
| Trading activity related fees *                  |             | 56,331           |             | 40,768           |
| Lending activity fees                            |             | 34,040           |             | 42,086           |
| Credit card and debit card related fees          |             | 861,639          |             | 815,252          |
| Outsourcing related fees                         |             | 167,927          |             | 183,124          |
| Foreign currency related fees                    |             | 93,277           |             | 70,053           |
| Others   |             | 481,336          |             | 459,745          |
|  |             | <u>1,694,550</u> |             | <u>1,611,028</u> |
| <b>Net fee and commission income</b>             | ₩           | <u>3,673,524</u> | ₩           | <u>3,514,902</u> |

\* Fees from financial instruments at fair value through profit or loss

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#### 30. Net Gains or Losses on Financial Instruments at Fair Value through Profit or Loss

##### 30.1 Net Gains or Losses on Financial Instruments at Fair Value through Profit or Loss

Net gains or losses on financial instruments at fair value through profit or loss include dividend income, gains or losses arising from changes in fair value, and gains or losses arising from sales and redemptions. Details of net gains or losses on financial instruments at fair value through profit or loss for the years ended December 31, 2023 and 2022, are as follows:

| <i>(In millions of Korean won)</i>   | <b>2023</b>        | <b>2022</b>          |
|--|--------------------|----------------------|
| <b>Gains on financial instruments at fair value through profit or loss</b>             |                    |                      |
| Financial assets at fair value through profit or loss:                                 |                    |                      |
| Debt securities  | ₩ 3,904,088        | ₩ 2,237,037          |
| Equity securities  | 818,610            | 536,059              |
|  | <u>4,722,698</u>   | <u>2,773,096</u>     |
| Derivatives held for trading:  |                    |                      |
| Interest rate  | 7,195,387          | 11,772,928           |
| Currency   | 9,230,401          | 15,006,105           |
| Stock or stock index   | 2,027,294          | 1,986,668            |
| Credit   | 41,234             | 78,638               |
| Commodity  | 30,829             | 33,576               |
| Others   | 173,215            | 199,022              |
|  | <u>18,698,360</u>  | <u>29,076,937</u>    |
| Financial liabilities at fair value through profit or loss                             | 192,334            | 114,526              |
| Other financial instruments  | 502                | 252                  |
|  | <u>23,613,894</u>  | <u>31,964,811</u>    |
| <b>Losses on financial instruments at fair value through profit or loss</b>            |                    |                      |
| Financial assets at fair value through profit or loss:                                 |                    |                      |
| Debt securities  | 1,106,981          | 3,987,760            |
| Equity securities  | 372,969            | 895,208              |
|  | <u>1,479,950</u>   | <u>4,882,968</u>     |
| Derivatives held for trading:  |                    |                      |
| Interest rate  | 7,439,802          | 10,747,221           |
| Currency   | 9,271,983          | 15,154,428           |
| Stock or stock index   | 2,164,455          | 2,485,340            |
| Credit   | 44,971             | 68,324               |
| Commodity  | 42,150             | 30,167               |
| Others   | 166,403            | 430,069              |
|  | <u>19,129,764</u>  | <u>28,915,549</u>    |
| Financial liabilities at fair value through profit or loss                             | 509,835            | 63,571               |
| Other financial instruments  | 387                | 206                  |
|  | <u>21,119,936</u>  | <u>33,862,294</u>    |
| <b>Net gains(losses) on financial instruments at fair value through profit or loss</b> | <u>₩ 2,493,958</u> | <u>₩ (1,897,483)</u> |

##### 30.2 Net Gains or Losses on Financial Instruments Designated at Fair Value through Profit or Loss

Net gains or losses on financial instruments designated at fair value through profit or loss include gains or losses arising from changes in fair value, and gains or losses arising from sales and redemptions. Details of net gains or losses on financial instruments designated at fair value through profit or loss for the years ended December 31, 2023 and 2022, are as follows:

| <i>(In millions of Korean won)</i>  | <b>2023</b>        | <b>2022</b>      |
|---|--------------------|------------------|
| <b>Gains on financial instruments designated at fair value through profit or loss</b>             |                    |                  |
| Financial liabilities designated at fair value through profit or loss                             | ₩ 726,277          | ₩ 1,186,908      |
|   | <u>726,277</u>     | <u>1,186,908</u> |
| <b>Losses on financial instruments designated at fair value through profit or loss</b>            |                    |                  |
| Financial liabilities designated at fair value through profit or loss                             | 1,057,170          | 429,243          |
|   | <u>1,057,170</u>   | <u>429,243</u>   |
| <b>Net gains(losses) on financial instruments designated at fair value through profit or loss</b> | <u>₩ (330,893)</u> | <u>₩ 757,665</u> |

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#### 31. Net Other Operating Income and Expenses

Details of other operating income and expenses for the years ended December 31, 2023 and 2022, are as follows:

| <i>(In millions of Korean won)</i>  | 2023              | 2022              |
|---|-------------------|-------------------|
| <b>Other operating income</b>   |                   |                   |
| Gains on securities at fair value through other comprehensive income:               |                   |                   |
| Gains on redemption of securities at fair value through other comprehensive income  | W 7,326           | W 24              |
| Gains on disposal of securities at fair value through other comprehensive income    | 59,666            | 24,795            |
|   | <u>66,992</u>     | <u>24,819</u>     |
| Gains on financial assets at amortized cost:  |                   |                   |
| Gains on sale of loans measured at amortized cost                                   | 99,942            | 83,552            |
| Gains on disposal of securities measured at amortized cost                          | 174               | 27                |
|   | <u>100,116</u>    | <u>83,579</u>     |
| Gains on hedge accounting   | 361,281           | 861,263           |
| Gains on foreign exchange transactions  | 6,480,621         | 11,578,501        |
| Dividend income   | 47,769            | 37,125            |
| Others  | 593,871           | 497,827           |
|   | <u>7,650,650</u>  | <u>13,083,114</u> |
| <b>Other operating expenses</b>   |                   |                   |
| Losses on securities at fair value through other comprehensive income:              |                   |                   |
| Losses on redemption of securities at fair value through other comprehensive income | 8                 | 3,049             |
| Losses on disposal of securities at fair value through other comprehensive income   | 323,147           | 331,665           |
|   | <u>323,155</u>    | <u>334,714</u>    |
| Losses on financial assets at amortized cost:                                       |                   |                   |
| Losses on sale of loans measured at amortized cost                                  | 49,534            | 78,089            |
|   | <u>49,534</u>     | <u>78,089</u>     |
| Losses on hedge accounting  | 379,343           | 874,704           |
| Losses on foreign exchange transactions   | 6,130,076         | 11,159,131        |
| Deposit insurance fee   | 570,465           | 538,016           |
| Credit guarantee fund fee   | 327,764           | 283,912           |
| Depreciation expenses of operating lease assets                                     | 713,056           | 682,783           |
| Others  | 1,870,246         | 1,393,888         |
|   | <u>10,363,639</u> | <u>15,345,237</u> |
| <b>Net other operating expenses</b>   | W (2,712,989)     | W (2,262,123)     |

#### 32. General and Administrative Expenses

32.1 Details of general and administrative expenses for the years ended December 31, 2023 and 2022, are as follows:

| <i>(In millions of Korean won)</i>                    | 2023               | 2022               |
|---|--------------------|--------------------|
| <b>Expenses related to employee</b>                   |                    |                    |
| Employee benefits - salaries                          | W 2,621,008        | W 2,639,569        |
| Employee benefits - others                            | 860,038            | 897,559            |
| Post-employment benefits - defined benefit plans      | 155,720            | 222,388            |
| Post-employment benefits - defined contribution plans | 32,160             | 32,743             |
| Termination benefits                                  | 275,632            | 312,980            |
| Share-based payments                                  | 69,703             | 51,756             |
|   | <u>4,014,261</u>   | <u>4,156,995</u>   |
|   | <u>865,927</u>     | <u>816,841</u>     |
| <b>Depreciation and amortization</b>                  |                    |                    |
| <b>Other general and administrative expenses</b>      |                    |                    |
| Rental expense  | 100,761            | 98,346             |
| Tax and dues  | 303,987            | 254,749            |
| Communication   | 48,704             | 51,136             |
| Electricity and utilities                             | 45,255             | 32,954             |
| Publication   | 9,263              | 10,435             |
| Repairs and maintenance                               | 51,202             | 50,828             |
| Vehicle   | 18,015             | 18,308             |
| Travel  | 18,177             | 16,680             |
| Training  | 44,275             | 41,114             |
| Service fees  | 233,403            | 242,762            |
| Electronic data processing expenses                   | 354,842            | 310,000            |
| Advertising   | 230,192            | 236,957            |
| Others  | 309,142            | 305,549            |
|   | <u>1,767,218</u>   | <u>1,669,818</u>   |
|   | <u>W 6,647,406</u> | <u>W 6,643,654</u> |

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

#### 32.2 Share-based Payments

##### 32.2.1 Stock grants

The Group changed the scheme of share-based payments awarded to executives and employees from stock options to stock grants in November 2007. The stock grants award program is an incentive plan that sets on grant date, the maximum number of shares that can be awarded. Actual shares to be granted is determined in accordance with achievement of pre-set performance targets over the vesting period.

32.2.1.1 Details of stock grants linked to long-term performance as of December 31, 2023, are as follows:

| (In number of shares)          | Grant date    | Number of granted shares <sup>1</sup> | Vesting conditions <sup>2</sup>  |
|--------------------------------|---------------|---------------------------------------|--|
| <b>KB Financial Group Inc.</b> |               |                                       |  |
| Series 30                      | Apr. 1, 2021  | 3,070                                 | Services fulfillment, market performance <sup>3</sup> 30%, and non-market performance <sup>4</sup> 70%       |
| Series 33                      | Jan. 1, 2022  | 55,868                                | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 34                      | Feb. 1, 2022  | 654                                   | Services fulfillment, market performance <sup>3</sup> 30%, and non-market performance <sup>4</sup> 70%       |
| Series 35                      | May 27, 2022  | 5,067                                 | Services fulfillment, market performance <sup>3</sup> 30%, and non-market performance <sup>4</sup> 70%       |
| Series 36                      | Jan. 1, 2023  | 55,645                                | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 38                      | Nov. 21, 2023 | 55,547                                | Services fulfillment, market performance <sup>3</sup> 30%, and non-market performance <sup>4</sup> 70%       |
| Deferred grant in 2015         |               | 3,183                                 | Satisfied  |
| Deferred grant in 2016         |               | 943                                   | Satisfied  |
| Deferred grant in 2018         |               | 884                                   | Satisfied  |
| Deferred grant in 2020         |               | 9,493                                 | Satisfied  |
| Deferred grant in 2021         |               | 18,105                                | Satisfied  |
| Deferred grant in 2022         |               | 38,277                                | Satisfied  |
| Deferred grant in 2023         |               | 40,881                                | Satisfied  |
|                                |               | <u>287,617</u>                        |  |
| <b>Kookmin Bank</b>            |               |                                       |  |
| Series 83                      | Apr. 1, 2021  | 14,972                                | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 85                      | Jan. 1, 2022  | 259,752                               | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 86                      | Feb. 1, 2022  | 1,525                                 | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 88                      | Mar. 14, 2022 | 5,179                                 | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 90                      | Jul. 18, 2022 | 3,716                                 | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 91                      | Aug. 24, 2022 | 7,277                                 | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |

32.2.1.1 Details of stock grants linked to long-term performance as of December 31, 2023, are as follows: (cont'd)

| (In number of shares)     | Grant date    | Number of granted shares <sup>1</sup> | Vesting conditions <sup>2</sup>  |
|---------------------------|---------------|---------------------------------------|--|
| Series 92                 | Jan. 1, 2023  | 187,802                               | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 93                 | Mar. 15, 2023 | 585                                   | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 94                 | Apr. 1, 2023  | 8,794                                 | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 95                 | Oct. 5, 2023  | 126                                   | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Deferred grant in 2016    |               | 799                                   | Satisfied  |
| Deferred grant in 2017    |               | 893                                   | Satisfied  |
| Deferred grant in 2018    |               | 1,145                                 | Satisfied  |
| Deferred grant in 2020    |               | 26,763                                | Satisfied  |
| Deferred grant in 2021    |               | 104,643                               | Satisfied  |
| Deferred grant in 2022    |               | 87,342                                | Satisfied  |
| Deferred grant in 2023    |               | 3,611                                 | Satisfied  |
|                           |               | <u>714,924</u>                        | Satisfied  |
| <b>Other subsidiaries</b> |               |                                       |  |
| Stock granted in 2010     |               | 106                                   |  |
| Stock granted in 2011     |               | 146                                   |  |
| Stock granted in 2012     |               | 420                                   |  |
| Stock granted in 2013     |               | 544                                   |  |
| Stock granted in 2014     |               | 1,028                                 |  |
| Stock granted in 2015     |               | 2,014                                 |  |
| Stock granted in 2016     |               | 936                                   |  |
| Stock granted in 2017     |               | 9,162                                 | Services fulfillment, market performance <sup>3</sup> 0~50%, and non-market performance <sup>4</sup> 50~100% |
| Stock granted in 2018     |               | 19,861                                |  |
| Stock granted in 2019     |               | 23,789                                |  |
| Stock granted in 2020     |               | 94,348                                |  |
| Stock granted in 2021     |               | 120,615                               |  |
| Stock granted in 2022     |               | 392,509                               |  |
| Stock granted in 2023     |               | 368,112                               |  |
|                           |               | <u>1,033,590</u>                      |  |
|                           |               | <u>2,036,131</u>                      |  |

<sup>1</sup> Granted shares represent the total number of shares initially granted to executives and employees who have residual shares as of December 31, 2023 (Deferred grants are residual shares vested as of December 31, 2023).

<sup>2</sup> Executives and employees were given the right of choice about the timing of the deferred payment (after the date of retirement), payment ratio, and payment period. Accordingly, a certain percentage of the granted shares is deferred for up to five years after the date of retirement after the deferred grant has been confirmed.

<sup>3</sup> Relative TSR (Total Shareholder Return): [(Fair value at the end of the contract - Fair value at the beginning of the contract) + (Total amount of dividend per share paid during the contract period)] / Fair value at the beginning of the contract

<sup>4</sup> Performance results of company and employee

<sup>5</sup> EPS, Asset Quality

## KB Financial Group Inc. and Subsidiaries

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#### December 31, 2023 and 2022

32.2.1.2 Details of stock grants linked to short-term performance as of December 31, 2023, are as follows:

| (In number of shares)          | Estimated number of vested shares * | Vesting conditions             |
|--------------------------------|-------------------------------------|--------------------------------|
| <b>KB Financial Group Inc.</b> |                                     |                                |
| Stock granted in 2015          | 2,097                               | Satisfied                      |
| Stock granted in 2016          | 3,034                               | Satisfied                      |
| Stock granted in 2017          | 306                                 | Satisfied                      |
| Stock granted in 2018          | 380                                 | Satisfied                      |
| Stock granted in 2020          | 10,514                              | Satisfied                      |
| Stock granted in 2021          | 23,677                              | Satisfied                      |
| Stock granted in 2022          | 45,115                              | Satisfied                      |
| Stock granted in 2023          | 46,045                              | Proportional to service period |
| <b>Kookmin Bank</b>            |                                     |                                |
| Stock granted in 2015          | 419                                 | Satisfied                      |
| Stock granted in 2016          | 2,135                               | Satisfied                      |
| Stock granted in 2017          | 535                                 | Satisfied                      |
| Stock granted in 2018          | 739                                 | Satisfied                      |
| Stock granted in 2020          | 44,890                              | Satisfied                      |
| Stock granted in 2021          | 86,235                              | Satisfied                      |
| Stock granted in 2022          | 164,595                             | Satisfied                      |
| Stock granted in 2023          | 133,455                             | Proportional to service period |
| <b>Other subsidiaries</b>      |                                     |                                |
| Stock granted in 2015          | 4,048                               | Satisfied                      |
| Stock granted in 2016          | 18,144                              | Satisfied                      |
| Stock granted in 2017          | 35,359                              | Satisfied                      |
| Stock granted in 2018          | 82,096                              | Satisfied                      |
| Stock granted in 2019          | 91,957                              | Satisfied                      |
| Stock granted in 2020          | 262,023                             | Satisfied                      |
| Stock granted in 2021          | 461,736                             | Satisfied                      |
| Stock granted in 2022          | 511,024                             | Satisfied                      |
| Stock granted in 2023          | 307,631                             | Proportional to service period |
|                                | 2,338,189                           |                                |

\* Executives and employees were given the right of choice about the timing of the deferred payment (after the date of retirement), payment ratio, and payment period. Accordingly, a certain percentage of the granted shares is deferred for up to five years after the date of retirement after the deferred grant has been confirmed.

32.2.1.3 Stock grants are measured at fair value using the MonteCarlo simulation model and assumptions used in measuring the fair value as of December 31, 2023, are as follows:

| (In Korean won)                        | Risk-free rate (%) | Fair value (market performance condition) | Fair value (non-market performance condition) |
|--|--------------------|---|---|
| <b>Linked to long-term performance</b> |                    |   |   |
| <b>(KB Financial Group Inc.)</b>       |                    |   |   |
| Series 30                              | 3.43               | 43,098~48,307                             | 47,066~52,755                                 |
| Series 33                              | 3.43               | 41,446~51,061                             | 47,066~52,755                                 |
| Series 34                              | 3.43               | 39,972~46,008                             | 44,873~51,649                                 |
| Series 35                              | 3.43               | 44,392~49,758                             | 47,066~52,755                                 |
| Series 36                              | 3.43               | 44,873~52,755                             | 44,873~52,755                                 |
| Series 38                              | 3.43               | 35,080~40,381                             | 41,090~47,300                                 |
| Deferred grant in 2015                 | 3.43               | -   | 49,315~52,755                                 |
| Deferred grant in 2016                 | 3.43               | -   | 52,755  |
| Deferred grant in 2018                 | 3.43               | -   | 52,755  |
| Deferred grant in 2020                 | 3.43               | -   | 49,315~52,755                                 |
| Deferred grant in 2021                 | 3.43               | -   | 51,649~52,755                                 |
| Deferred grant in 2022                 | 3.43               | -   | 49,315~52,755                                 |
| Deferred grant in 2023                 | 3.43               | -   | 47,300~51,931                                 |
| <b>(Kookmin Bank)</b>                  |                    |   |   |
| Series 83                              | 3.43               | 42,053~48,307                             | 47,066~52,755                                 |
| Series 85                              | 3.43               | 38,623~48,102                             | 47,066~52,755                                 |
| Series 86                              | 3.43               | 39,972~46,008                             | 44,873~51,649                                 |
| Series 88                              | 3.43               | 41,215~47,439                             | 44,873~51,649                                 |
| Series 90                              | 3.43               | 42,737~49,190                             | 44,873~51,649                                 |
| Series 91                              | 3.43               | 42,750~49,206                             | 44,873~51,649                                 |
| Series 92                              | 3.43               | 44,873~52,755                             | 44,873~52,755                                 |
| Series 93                              | 3.43               | 47,066~52,755                             | 47,066~52,755                                 |
| Series 94                              | 3.43               | 42,787~52,755                             | 42,787~52,755                                 |
| Series 95                              | 3.43               | 43,187~48,407                             | 47,066~52,755                                 |
| Grant deferred in 2016                 | 3.43               | -   | 52,755  |
| Grant deferred in 2017                 | 3.43               | -   | 52,755  |
| Grant deferred in 2018                 | 3.43               | -   | 52,755  |
| Grant deferred in 2020                 | 3.43               | -   | 52,755  |
| Grant deferred in 2021                 | 3.43               | -   | 51,649~52,755                                 |
| Grant deferred in 2022                 | 3.43               | -   | 44,873~52,755                                 |
| Grant deferred in 2023                 | 3.43               | -   | 48,939~53,705                                 |
| <b>(Other subsidiaries)</b>            |                    |   |   |
| Stock granted in 2010                  | 3.43               | -   | 52,755  |
| Stock granted in 2011                  | 3.43               | -   | 52,755  |
| Stock granted in 2012                  | 3.43               | -   | 49,315~52,755                                 |
| Stock granted in 2013                  | 3.43               | -   | 49,315~52,755                                 |
| Stock granted in 2014                  | 3.43               | -   | 49,315~52,755                                 |
| Stock granted in 2015                  | 3.43               | -   | 47,066~52,755                                 |
| Stock granted in 2016                  | 3.43               | -   | 51,649~52,755                                 |
| Stock granted in 2017                  | 3.43               | -   | 42,787~52,755                                 |
| Stock granted in 2018                  | 3.43               | -   | 40,891~56,379                                 |
| Stock granted in 2019                  | 3.43               | -   | 42,787~56,379                                 |

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32.2.1.3 Stock grants are measured at fair value using the MonteCarlo simulation model and assumptions used in measuring the fair value as of December 31, 2023, are as follows: (cont'd)

| (In Korean won)                         | Risk-free rate (%) | Fair value (market performance condition) | Fair value (non-market performance condition) |
|---|--------------------|---|---|
| <b>Linked to long-term performance</b>  |                    |   |   |
| Stock granted in 2020                   | 3.43               | -   | 44,873~56,379                                 |
| Stock granted in 2021                   | 3.43               | 40,108~52,755                             | 42,787~56,379                                 |
| Stock granted in 2022                   | 3.43               | 38,994~52,549                             | 44,873~53,544                                 |
| Stock granted in 2023                   | 3.43               | 39,278~52,755                             | 42,787~52,755                                 |
| <b>Linked to short-term performance</b> |                    |   |   |
| (KB Financial Group Inc.)               |                    |   |   |
| Stock granted in 2015                   | 3.43               | -   | 49,315~52,755                                 |
| Stock granted in 2016                   | 3.43               | -   | 44,873~52,755                                 |
| Stock granted in 2017                   | 3.43               | -   | 52,755  |
| Stock granted in 2018                   | 3.43               | -   | 52,755  |
| Stock granted in 2020                   | 3.43               | -   | 49,315~52,755                                 |
| Stock granted in 2021                   | 3.43               | -   | 51,649~52,755                                 |
| Stock granted in 2022                   | 3.43               | -   | 49,315~52,755                                 |
| Stock granted in 2023                   | 3.43               | -   | 47,066~51,931                                 |
| (Kookmin Bank)                          |                    |   |   |
| Stock granted in 2015                   | 3.43               | -   | 52,755  |
| Stock granted in 2016                   | 3.43               | -   | 51,649~52,755                                 |
| Stock granted in 2017                   | 3.43               | -   | 52,755  |
| Stock granted in 2018                   | 3.43               | -   | 52,755  |
| Stock granted in 2020                   | 3.43               | -   | 52,755  |
| Stock granted in 2021                   | 3.43               | -   | 51,649~52,755                                 |
| Stock granted in 2022                   | 3.43               | -   | 44,873~52,755                                 |
| Stock granted in 2023                   | 3.43               | -   | 47,066~53,705                                 |
| (Other subsidiaries)                    |                    |   |   |
| Stock granted in 2015                   | 3.43               | -   | 42,787~52,755                                 |
| Stock granted in 2016                   | 3.43               | -   | 42,787~52,755                                 |
| Stock granted in 2017                   | 3.43               | -   | 40,891~52,755                                 |
| Stock granted in 2018                   | 3.43               | -   | 40,891~56,379                                 |
| Stock granted in 2019                   | 3.43               | -   | 42,787~56,379                                 |
| Stock granted in 2020                   | 3.43               | -   | 42,787~56,379                                 |
| Stock granted in 2021                   | 3.43               | -   | 42,787~56,379                                 |
| Stock granted in 2022                   | 3.43               | -   | 42,787~53,558                                 |
| Stock granted in 2023                   | 3.43               | -   | 42,787~53,581                                 |

The Group uses the volatility of the stock price over the previous year as the expected volatility, and uses the arithmetic mean of the price-dividend ratio of one year before, two years before, and three years before the base year as the dividend yield and uses one-year risk-free rate of Korea Treasury Bond in order to measure the fair value.

32.2.1.4 The accrued expenses for share-based payments related to stock grants are ₩ 202,243 million and ₩ 186,908 million as of December 31, 2023 and 2022, respectively, and the compensation costs amounting to ₩ 77,932 million and ₩ 58,340 million were recognized for the years ended December 31, 2023 and 2022, respectively.

32.2.2 Mileage stock

32.2.2.1 Details of mileage stock as of December 31, 2023, are as follows:

| (In number of shares)        | Grant date    | Number of granted shares <sup>1</sup> | Expected exercise period (years) <sup>2</sup> | Remaining shares |
|------------------------------|---------------|---------------------------------------|---|------------------|
| <i>Stock granted in 2019</i> |               |                                       |   |                  |
|                              | Nov. 1, 2019  | 119                                   | 0.00~0.83                                     | 48               |
|                              | Nov. 8, 2019  | 14                                    | 0.00~0.85                                     | 6                |
|                              | Dec. 5, 2019  | 56                                    | 0.00~0.93                                     | 39               |
|                              | Dec. 6, 2019  | 84                                    | 0.00~0.93                                     | 38               |
|                              | Dec. 31, 2019 | 87                                    | 0.00~1.00                                     | 22               |
| <i>Stock granted in 2020</i> |               |                                       |   |                  |
|                              | Jan. 18, 2020 | 28,645                                | 0.00~1.05                                     | 13,953           |
|                              | May 12, 2020  | 46                                    | 0.00~1.36                                     | 43               |
|                              | Jun. 30, 2020 | 206                                   | 0.00~1.50                                     | 147              |
|                              | Aug. 26, 2020 | 40                                    | 0.00~1.65                                     | 27               |
|                              | Oct. 29, 2020 | 160                                   | 0.00~1.83                                     | 107              |
|                              | Nov. 6, 2020  | 45                                    | 0.00~1.85                                     | 37               |
|                              | Nov. 30, 2020 | 35                                    | 0.00~1.92                                     | 29               |
|                              | Dec. 2, 2020  | 57                                    | 0.00~1.92                                     | 26               |
|                              | Dec. 4, 2020  | 154                                   | 0.00~1.93                                     | 79               |
|                              | Dec. 30, 2020 | 88                                    | 0.00~2.00                                     | 51               |
| <i>Stock granted in 2021</i> |               |                                       |   |                  |
|                              | Jan. 15, 2021 | 28,156                                | 0.00~2.04                                     | 16,045           |
|                              | Apr. 5, 2021  | 89                                    | 0.00~2.26                                     | 53               |
|                              | Jul. 1, 2021  | 54                                    | 0.00~2.50                                     | 36               |
|                              | Jul. 2, 2021  | 11                                    | 0.00~2.50                                     | 11               |
|                              | Jul. 27, 2021 | 70                                    | 0.00~2.57                                     | 63               |
|                              | Nov. 1, 2021  | 71                                    | 0.00~2.84                                     | 71               |
|                              | Nov. 16, 2021 | 53                                    | 0.00~2.88                                     | 13               |
|                              | Dec. 3, 2021  | 91                                    | 0.00~2.92                                     | 74               |
|                              | Dec. 6, 2021  | 87                                    | 0.00~2.93                                     | 76               |
|                              | Dec. 30, 2021 | 76                                    | 0.00~3.00                                     | 76               |
| <i>Stock granted in 2022</i> |               |                                       |   |                  |
|                              | Jan. 14, 2022 | 20,909                                | 0.00~3.04                                     | 16,253           |
|                              | Apr. 4, 2022  | 65                                    | 0.00~3.26                                     | 65               |
|                              | Apr. 19, 2022 | 33                                    | 0.00~3.30                                     | 29               |
|                              | Jul. 1, 2022  | 62                                    | 0.00~3.50                                     | 21               |
|                              | Aug. 3, 2022  | 62                                    | 0.00~3.59                                     | 15               |
|                              | Aug. 9, 2022  | 80                                    | 0.00~3.61                                     | 60               |
|                              | Oct. 19, 2022 | 55                                    | 0.00~3.80                                     | 23               |
|                              | Nov. 1, 2022  | 177                                   | 0.00~3.84                                     | 159              |
|                              | Dec. 1, 2022  | 49                                    | 0.00~3.92                                     | 49               |
|                              | Dec. 2, 2022  | 42                                    | 0.00~3.92                                     | 30               |
|                              | Dec. 6, 2022  | 88                                    | 0.00~3.93                                     | 70               |
|                              | Dec. 12, 2022 | 114                                   | 0.00~3.95                                     | 114              |
|                              | Dec. 15, 2022 | 42                                    | 0.00~3.96                                     | 42               |
|                              | Dec. 30, 2022 | 114                                   | 0.00~4.00                                     | 114              |

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

32.2.2.1 Details of mileage stock as of December 31, 2023, are as follows: (cont'd)

(In number of shares)

| Grant date                   | Number of granted shares <sup>1</sup> | Expected exercise period (years) <sup>2</sup> | Remaining shares |
|------------------------------|---------------------------------------|---|------------------|
| <i>Stock granted in 2023</i> |                                       |   |                  |
| Jan. 9, 2023                 | 23,071                                | 0.00~4.02                                     | 22,084           |
| Jan. 14, 2023                | 742                                   | 0.00~4.04                                     | 688              |
| Mar. 7, 2023                 | 58                                    | 0.00~4.18                                     | 58               |
| Mar. 27, 2023                | 58                                    | 0.00~4.24                                     | 58               |
| Mar. 31, 2023                | 97                                    | 0.00~4.25                                     | 97               |
| May 4, 2023                  | 105                                   | 0.00~4.34                                     | 105              |
| Jul. 3, 2023                 | 63                                    | 0.00~4.50                                     | 63               |
| Jul. 26, 2023                | 38                                    | 0.00~4.57                                     | 38               |
| Jul. 31, 2023                | 220                                   | 0.00~4.58                                     | 220              |
| Oct. 20, 2023                | 80                                    | 0.00~4.80                                     | 80               |
| Nov. 1, 2023                 | 78                                    | 0.00~4.84                                     | 78               |
| Dec. 1, 2023                 | 49                                    | 0.00~4.92                                     | 49               |
| Dec. 13, 2023                | 115                                   | 0.00~4.95                                     | 115              |
| Dec. 14, 2023                | 57                                    | 0.00~4.95                                     | 57               |
| Dec. 27, 2023                | 19                                    | 0.00~4.99                                     | 19               |
| Dec. 28, 2023                | 162                                   | 0.00~4.99                                     | 162              |
| Dec. 29, 2023                | 95                                    | 0.00~4.99                                     | 95               |
|                              | 105,593                               |   | 72,280           |

<sup>1</sup> Mileage stock is exercisable for four years after one year from the grant date at the closing price of the end of the previous month. However, mileage stock can be exercised at the closing price of the end of the previous month on the date of occurrence of retirement or transfer despite a one-year grace period.

<sup>2</sup> Assessed based on the stock price as of December 31, 2023. These shares are vested immediately at grant date.

32.2.2.2 The accrued expenses for share-based payments related to mileage stock are ₩ 3,910 million and ₩ 2,738 million as of December 31, 2023 and 2022, respectively. The compensation costs amounting to ₩ 1,645 million and ₩ 870 million were recognized as expenses for the years ended December 31, 2023 and 2022, respectively.

32.2.3 Long-term share-based payments

The Group calculates the short-term performance bonus of executives of KB Life Insurance Co., Ltd. based on the result of performance evaluation as of the grant date and defers the bonus for three years and pays it in cash reflecting the stock price of KB Financial Group Inc. at that time.

32.2.3.1 Details of long-term share-based payments as of December 31, 2023, are as follows:

(In number of shares)

|                 | Grant date | Vested shares | Expected exercise period (years) | Vesting condition    |
|-----------------|------------|---------------|----------------------------------|----------------------|
| Granted in 2020 | 2020       | 13,402        | -                                | Services fulfillment |

32.2.3.2 Long-term share-based payments are measured at fair value using the MonteCarlo simulation model and assumptions used in measuring the fair value as of December 31, 2023, are as follows:

(In Korean won)

|                 | Risk-free rate (%) | Fair value (market performance condition) | Fair value (non-market performance condition) |
|-----------------|--------------------|---|---|
| Granted in 2020 | 3.43               | -   | 52,755  |

The Group uses the volatility of the stock price over the previous year as the expected volatility, and uses the arithmetic mean of the price-dividend ratio of one year before, two years before, and three years before the base year as the dividend yield and uses one-year risk-free rate of Korea Treasury Bond in order to measure the fair value.

32.2.3.3 The accrued expenses for long-term share-based payments are ₩ 707 million and ₩ 625 million as of December 31, 2023 and 2022, respectively. The compensation costs amounting to ₩ 82 million and ₩ 65 million were recognized as expenses for the years ended December 31, 2023 and 2022, respectively.

## KB Financial Group Inc. and Subsidiaries

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### 33. Net Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for the years ended December 31, 2023 and 2022, are as follows:

| <i>(In millions of Korean won)</i>               | 2023 |                  | 2022 |                |
|--|------|------------------|------|----------------|
| <b>Other non-operating income</b>                |      |                  |      |                |
| Gains on disposal of property and equipment      | ₩    | 1,790            | ₩    | 155,177        |
| Rental income                                    |      | 23,682           |      | 26,176         |
| Others   |      | 131,995          |      | 283,991        |
|  |      | <u>157,467</u>   |      | <u>465,344</u> |
| <b>Other non-operating expenses</b>              |      |                  |      |                |
| Losses on disposal of property and equipment     |      | 1,839            |      | 2,164          |
| Donation   |      | 120,560          |      | 94,771         |
| Restoration costs                                |      | 3,642            |      | 2,857          |
| Management cost for written-off loans            |      | 3,769            |      | 4,296          |
| Impairment losses on goodwill                    |      | 6,268            |      | -              |
| Others   |      | 319,369          |      | 171,932        |
|  |      | <u>455,447</u>   |      | <u>276,020</u> |
| <b>Net other non-operating income (expenses)</b> | ₩    | <u>(297,980)</u> | ₩    | <u>189,324</u> |

### 34. Income Tax Expense

34.1 Details of income tax expense for the years ended December 31, 2023 and 2022, are as follows:

| <i>(In millions of Korean won)</i>   | 2023 |                  | 2022 |                  |
|--|------|------------------|------|------------------|
| <b>Income tax payable</b>  |      |                  |      |                  |
| Current income tax expense   | ₩    | 1,468,269        | ₩    | 1,984,075        |
| Adjustments of income tax of prior years recognized in current tax   |      | (35,326)         |      | (122,385)        |
|  |      | <u>1,432,943</u> |      | <u>1,861,690</u> |
| <b>Changes in deferred income tax assets and liabilities *</b>   |      | <u>532,256</u>   |      | <u>(344,157)</u> |
| <b>Income tax recognized directly in equity and others</b>   |      |                  |      |                  |
| Remeasurements of net defined benefit liabilities  |      | 25,895           |      | (91,150)         |
| Currency translation differences   |      | (11,866)         |      | (15,059)         |
| Net gains or losses on financial assets at fair value through other comprehensive income                           |      | (1,198,075)      |      | 2,344,582        |
| Share of other comprehensive income or loss of associates and joint ventures                                       |      | (7)              |      | 44               |
| Gains or losses on cash flow hedging instruments   |      | (1,913)          |      | (25,049)         |
| Gains or losses on hedging instruments of net investments in foreign operations                                    |      | 4,931            |      | 24,936           |
| Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk |      | 19,038           |      | (14,009)         |
| Finance gains or losses on insurance contract assets (liabilities)   |      | 810,383          |      | (2,143,070)      |
|  |      | <u>(351,614)</u> |      | <u>81,225</u>    |
| <b>Others</b>  |      | <u>(6,567)</u>   |      | <u>(80,415)</u>  |
| <b>Income tax expense</b>  | ₩    | <u>1,607,018</u> | ₩    | <u>1,518,343</u> |

34.2 Analysis of the relationship between net profit before income tax expense and income tax expense for the years ended December 31, 2023 and 2022, are as follows:

| <i>(In millions of Korean won)</i>                           | 2023         |                    | 2022         |                    |
|--|--------------|--------------------|--------------|--------------------|
|  | Tax rate (%) | Amount             | Tax rate (%) | Amount             |
| <b>Profit before income tax expense</b>                      |              | ₩ 6,170,449        |              | ₩ 5,449,744        |
| Income tax at the applicable tax rate *                      | 26.23        | 1,618,637          | 27.31        | 1,488,318          |
| Non-taxable income   | (0.71)       | (44,083)           | (1.05)       | (57,320)           |
| Non-deductible expenses                                      | 0.34         | 21,133             | 0.42         | 22,661             |
| Tax credit and tax exemption                                 | (0.03)       | (2,006)            | (0.04)       | (2,380)            |
| Temporary difference for which no deferred tax is recognized | (0.07)       | (4,312)            | 2.49         | 135,694            |
| Changes in recognition and measurement of deferred tax       | 1.11         | 68,362             | 0.90         | 49,262             |
| Income tax refund for tax of prior years                     | (0.70)       | (42,952)           | (2.54)       | (138,314)          |
| Income tax expense of overseas branches                      | 0.91         | 56,285             | 0.57         | 31,270             |
| Tax rate change effect                                       | 0.01         | 622                | 0.05         | 2,714              |
| Others   | (1.05)       | (64,668)           | (0.25)       | (13,562)           |
| <b>Average effective tax rate and income tax expense</b>     | 26.04        | <u>₩ 1,607,018</u> | 27.86        | <u>₩ 1,518,343</u> |

\* Applicable income tax rate for ₩ 200 million and below is 9.9%, for over ₩ 200 million to ₩ 20,000 million is 20.9%, for over ₩ 20,000 million to ₩ 300,000 million is 23.1% and for over ₩ 300,000 million is 26.4% for the years ended December 31, 2023.

\* Applicable income tax rate for ₩ 200 million and below is 11%, for over ₩ 200 million to ₩ 20,000 million is 22%, for over ₩ 20,000 million to ₩ 300,000 million is 24.2% and for over ₩ 300,000 million is 27.5% for the years ended December 31, 2022.

### 35. Dividends

The annual dividends to the shareholders of the Parent Company for the year ended December 31, 2022, amounting to ₩ 564,070 million (₩ 1,450 per share) were declared at the annual general shareholders' meeting on March 24, 2023 and paid in April 10, 2023.

According to the resolution of the board of directors on April 27, 2023, the quarterly dividend amounting to ₩ 195,966 million (₩ 510 per share) with dividend record date of March 31, 2023 were paid on May 11, 2023; according to the resolution of the board of directors on July 25, 2023, the quarterly dividend amounting to ₩ 195,966 million (₩ 510 per share) with dividend record date of June 30, 2023 were paid on August 8, 2023; and according to the resolution of the board of directors on October 24, 2023, the quarterly dividend amounting to ₩ 194,998 million (₩ 510 per share) with dividend record date of September 30, 2023 were paid on November 8, 2023. The annual dividends to the shareholders of the Company for the year ended December 31, 2023, amounting to ₩ 587,006 million (₩ 1,530 per share) is to be proposed at the general shareholders' meeting scheduled for March 22, 2024. The Company's financial statements as of and for the year ended December 31, 2023, do not reflect this dividend payable.

Meanwhile, the annual dividends and quarterly dividends paid in 2022 were ₩ 853,299 million (₩ 2,190 per share) and ₩ 584,452 million (₩ 500 per share), respectively.



**KB Financial Group Inc. and Subsidiaries**  
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**36. Accumulated Other Comprehensive Income (Loss)**

Changes in accumulated other comprehensive income (loss) for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | <b>2023</b>        |  |   |                                   |                    |                    |
|--|--------------------|--|---|-----------------------------------|--------------------|--------------------|
|  | <b>Beginning</b>   | <b>Changes<br/>except for<br/>reclassification</b> | <b>Reclassification<br/>to profit or loss</b> | <b>Transfer<br/>within equity</b> | <b>Tax effect</b>  | <b>Ending</b>      |
| Remeasurements of net defined benefit liabilities  | ₩ (88,770)         | ₩ (98,420)   | ₩ -   | ₩ -                               | ₩ 25,895           | ₩ (161,295)        |
| Currency translation differences   | 254,446            | 42,925   | (23,753)                                      | -                                 | (11,866)           | 261,752            |
| Gains (losses) on financial instruments at fair value through other comprehensive income                           | (6,081,560)        | 4,299,541  | 281,849                                       | (37,254)                          | (1,198,075)        | (2,735,499)        |
| Share of other comprehensive income (loss) of associates and joint ventures  | (3,342)            | 31   | -   | -                                 | (7)                | (3,318)            |
| Gains (losses) on cash flow hedging instruments  | 19,632             | 7,328  | 48,508  | -                                 | (1,913)            | 73,555             |
| Gains (losses) on hedging instruments of net investments in foreign operations                                     | (114,742)          | (19,590)   | -   | -                                 | 4,931              | (129,401)          |
| Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk | 41,063             | (71,901)   | -   | -                                 | 19,038             | (11,800)           |
| Finance gains or losses on insurance contract assets (liabilities)   | 7,223,195          | (3,032,407)  | -   | -                                 | 810,383            | 5,001,171          |
|  | <u>₩ 1,249,922</u> | <u>₩ 1,127,507</u>                                 | <u>₩ 306,604</u>                              | <u>₩ (37,254)</u>                 | <u>₩ (351,614)</u> | <u>₩ 2,295,165</u> |

**KB Financial Group Inc. and Subsidiaries**  
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**36. Accumulated Other Comprehensive Income (Loss) (cont'd)**

(In millions of Korean won)

|  | <b>2022</b>        |  |   |                                   |                   |                    |
|--|--------------------|--|---|-----------------------------------|-------------------|--------------------|
|  | <b>Beginning</b>   | <b>Changes<br/>except for<br/>reclassification</b> | <b>Reclassification<br/>to profit or loss</b> | <b>Transfer<br/>within equity</b> | <b>Tax effect</b> | <b>Ending</b>      |
| Remeasurements of net defined benefit liabilities  | ₩ (328,392)        | ₩ 330,772  | ₩ -   | ₩ -                               | ₩ (91,150)        | ₩ (88,770)         |
| Currency translation differences   | 96,129             | 173,376  | -   | -                                 | (15,059)          | 254,446            |
| Gains on financial instruments at fair value through other comprehensive income                                    | 434,956            | (8,873,141)  | 347,246                                       | (335,203)                         | 2,344,582         | (6,081,560)        |
| Share of other comprehensive income (loss) of associates and joint ventures  | (2,980)            | (406)  | -   | -                                 | 44                | (3,342)            |
| Losses on cash flow hedging instruments  | (6,535)            | 71,753   | (20,537)                                      | -                                 | (25,049)          | 19,632             |
| Gains (losses) on hedging instruments of net investments in foreign operations                                     | (35,658)           | (104,020)  | -   | -                                 | 24,936            | (114,742)          |
| Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk | 2,208              | 52,864   | -   | -                                 | (14,009)          | 41,063             |
| Assets of a disposal group held for sale   | 7,671              | (7,671)  | -   | -                                 | -                 | -                  |
| Finance gains or losses on insurance contract assets (liabilities)   | 1,215,916          | 8,150,349  | -   | -                                 | (2,143,070)       | 7,223,195          |
|  | <u>₩ 1,383,315</u> | <u>₩ (206,124)</u>                                 | <u>₩ 326,709</u>                              | <u>₩ (335,203)</u>                | <u>₩ 81,225</u>   | <u>₩ 1,249,922</u> |

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

#### 37. Earnings per Share

##### 37.1 Basic Earnings per Share

Basic earnings per share is calculated by dividing profit attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding.

##### 37.1.1 Weighted average number of ordinary shares outstanding

| (In number of shares)                                  | 2023             |                              | 2022             |                              |
|--|------------------|------------------------------|------------------|------------------------------|
|  | Number of shares | Accumulated number of shares | Number of shares | Accumulated number of shares |
| Number of issued ordinary shares                       | 403,511,072      | 147,787,824,904              | 408,897,068      | 150,138,929,728              |
| Number of treasury shares *                            | (24,847,247)     | (7,617,096,867)              | (19,262,733)     | (7,922,397,453)              |
| Average number of ordinary shares outstanding          | 378,663,825      | 140,170,728,037              | 389,634,335      | 142,216,532,275              |
| Number of days   |                  | 365                          |                  | 365                          |
| Weighted average number of ordinary shares outstanding |                  | 384,029,392                  |                  | 389,634,335                  |

\* Treasury stock retired during the year ended December 31, 2023 and 2022 were deducted from April 4, 2023 and February 14, 2022, respectively.

##### 37.1.2 Basic earnings per share

| (In Korean won and in number of shares)                                  | 2023 |                   | 2022 |                   |
|--|------|-------------------|------|-------------------|
| Profit attributable to shareholders of the Parent Company                | ₩    | 4,631,932,222,629 | ₩    | 4,152,991,586,688 |
| Deduction: Dividends on hybrid securities                                |      | (184,915,050,000) |      | (126,402,175,000) |
| Profit attributable to ordinary equity holders of the Parent Company (A) |      | 4,447,017,172,629 |      | 4,026,589,411,688 |
| Weighted average number of ordinary shares outstanding (B)               |      | 384,029,392       |      | 389,634,335       |
| Basic earnings per share (A/B)   | ₩    | 11,580            | ₩    | 10,334            |

##### 37.2 Diluted Earnings per Share

Diluted earnings per share is calculated through increasing the weighted average number of ordinary shares outstanding by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares such as stock grants and ordinary share exchange right of exchangeable bonds.

A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price for the year) based on the monetary value of stock grants. The number of shares calculated above is compared with the number of shares that would have been issued assuming the settlement of stock grants.

Exchangeable bonds are included in potential ordinary shares from the exercisable date of the exchange right, and interest expense after tax for the period is added to profit for diluted earnings per share.

##### 37.2.1 Adjusted profit for diluted earnings per share

| (In Korean won)  | 2023 |                   | 2022 |                   |
|--|------|-------------------|------|-------------------|
| Profit attributable to shareholders of the Parent Company            | ₩    | 4,631,932,222,629 | ₩    | 4,152,991,586,688 |
| Deduction: Dividends on hybrid securities                            |      | (184,915,050,000) |      | (126,402,175,000) |
| Profit attributable to ordinary equity holders of the Parent Company |      | 4,447,017,172,629 |      | 4,026,589,411,688 |
| Adjustments: Interest expense on exchangeable bonds                  |      | 2,451,851,049     |      | 2,380,953,816     |
| Adjusted profit for diluted earnings per share                       | ₩    | 4,449,469,023,678 | ₩    | 4,028,970,365,504 |

##### 37.2.2 Weighted average number of ordinary shares outstanding for diluted earnings per share

| (In number of shares)  | 2023 |             | 2022 |             |
|--|------|-------------|------|-------------|
| Weighted average number of ordinary shares outstanding   |      | 384,029,392 |      | 389,634,335 |
| Adjustment:  |      |             |      |             |
| Stock grants   |      | 4,300,774   |      | 4,306,711   |
| Exchangeable bonds   |      | 5,000,000   |      | 5,000,000   |
| Adjusted weighted average number of ordinary shares outstanding for diluted earnings per share |      | 393,330,166 |      | 398,941,046 |

##### 37.2.3 Diluted earnings per share

| (In Korean won and in number of shares)  | 2023 |                   | 2022 |                   |
|--|------|-------------------|------|-------------------|
| Adjusted profit for diluted earnings per share   | ₩    | 4,449,469,023,678 | ₩    | 4,028,970,365,504 |
| Adjusted weighted average number of ordinary shares outstanding for diluted earnings per share |      | 393,330,166       |      | 398,941,046       |
| Diluted earnings per share   | ₩    | 11,312            | ₩    | 10,099            |

**KB Financial Group Inc. and Subsidiaries**  
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**38. Insurance Contracts**

38.1 Details of insurance contract assets and insurance contract liabilities as of December 31, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023   |                   |                    |                    |                |                     |                    |                    |                  |  |
|--|---------------------|-------------------|--------------------|--------------------|----------------|---------------------|--------------------|--------------------|------------------|--|
|  | Life insurance      |                   |                    |                    |                | Non-life insurance  |                    |                    |                  |  |
|  | Death               | Health            | Pension            | Variables          | Compound       | Long-term           | General            | Automobile         | Overseas         |  |
| Insurance contract assets                            | ₩ -                 | ₩ -               | ₩ -                | ₩ -                | ₩ -            | ₩ 219,782           | ₩ 9,858            | ₩ -                | ₩ -              |  |
| Insurance contract liabilities                       | 12,184,805          | 449,459           | 6,992,772          | 6,256,123          | -              | 20,429,882          | 1,505,850          | 2,224,924          | 264,737          |  |
| <b>Net insurance contract liabilities</b>            | <b>₩ 12,184,805</b> | <b>₩ 449,459</b>  | <b>₩ 6,992,772</b> | <b>₩ 6,256,123</b> | <b>₩ -</b>     | <b>₩ 20,210,100</b> | <b>₩ 1,495,992</b> | <b>₩ 2,224,924</b> | <b>₩ 264,737</b> |  |
| Reinsurance contract assets                          | ₩ 365               | ₩ -               | ₩ -                | ₩ -                | ₩ 5,545        | ₩ 455,016           | ₩ 957,040          | ₩ 10,513           | ₩ 226,689        |  |
| Reinsurance contract liabilities                     | 14,913              | 17,275            | -                  | -                  | -              | -                   | 3,842              | -                  | -                |  |
| <b>Net reinsurance contract assets (liabilities)</b> | <b>₩ (14,548)</b>   | <b>₩ (17,275)</b> | <b>₩ -</b>         | <b>₩ -</b>         | <b>₩ 5,545</b> | <b>₩ 455,016</b>    | <b>₩ 953,198</b>   | <b>₩ 10,513</b>    | <b>₩ 226,689</b> |  |

(In millions of Korean won)

|  | December 31, 2022   |                   |                    |                    |                |                     |                    |                    |                  |  |
|--|---------------------|-------------------|--------------------|--------------------|----------------|---------------------|--------------------|--------------------|------------------|--|
|  | Life insurance      |                   |                    |                    |                | Non-life insurance  |                    |                    |                  |  |
|  | Death               | Health            | Pension            | Variables          | Compound       | Long-term           | General            | Automobile         | Overseas         |  |
| Insurance contract assets                            | ₩ -                 | ₩ -               | ₩ -                | ₩ -                | ₩ -            | ₩ 78,687            | ₩ 4,617            | ₩ -                | ₩ -              |  |
| Insurance contract liabilities                       | 10,523,709          | 331,137           | 7,337,627          | 5,716,165          | -              | 18,195,275          | 1,470,773          | 2,172,574          | 222,174          |  |
| <b>Net insurance contract liabilities</b>            | <b>₩ 10,523,709</b> | <b>₩ 331,137</b>  | <b>₩ 7,337,627</b> | <b>₩ 5,716,165</b> | <b>₩ -</b>     | <b>₩ 18,116,588</b> | <b>₩ 1,466,156</b> | <b>₩ 2,172,574</b> | <b>₩ 222,174</b> |  |
| Reinsurance contract assets                          | ₩ 837               | ₩ -               | ₩ -                | ₩ -                | ₩ 3,827        | ₩ 381,733           | ₩ 1,014,265        | ₩ 31,750           | ₩ 63,554         |  |
| Reinsurance contract liabilities                     | 12,008              | 16,572            | -                  | -                  | -              | -                   | 3,148              | -                  | -                |  |
| <b>Net reinsurance contract assets (liabilities)</b> | <b>₩ (11,171)</b>   | <b>₩ (16,572)</b> | <b>₩ -</b>         | <b>₩ -</b>         | <b>₩ 3,827</b> | <b>₩ 381,733</b>    | <b>₩ 1,011,117</b> | <b>₩ 31,750</b>    | <b>₩ 63,554</b>  |  |

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38.2 Changes in insurance and reinsurance contract liabilities

38.2.1 Changes in insurance contract assets and insurance contract liabilities not applying the premium allocation approach for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023                             |                |                               |              |
|--|----------------------------------|----------------|-------------------------------|--------------|
|  | Liability for Remaining Coverage |                | Liability for Incurred Claims | Total        |
|  | Other than Loss Component        | Loss Component |                               |              |
| Beginning  | ₩ 39,761,867                     | ₩ 282,070      | ₩ 1,981,290                   | ₩ 42,025,227 |
| Insurance revenue  | (6,205,472)                      | -              | -                             | (6,205,472)  |
| Insurance service expenses                                   |                                  |                |                               |              |
| Insurance claims and expenses                                | -                                | (18,741)       | 4,505,137                     | 4,486,396    |
| Amortization of insurance acquisition cash flows             | 206,367                          | -              | -                             | 206,367      |
| Changes in fulfilment cash flows relating to incurred claims | -                                | -              | (47,991)                      | (47,991)     |
| Losses on onerous contracts and reversals                    | -                                | 279,130        | -                             | 279,130      |
| Other insurance service expenses                             | 3,791                            | -              | -                             | 3,791        |
| Insurance service result                                     | (5,995,314)                      | 260,389        | 4,457,146                     | (1,277,779)  |
| Insurance finance income and expenses                        | 5,005,784                        | 5,595          | 50,296                        | 5,061,675    |
| Investment components  | (5,233,167)                      | -              | 5,233,167                     | -            |
| Cashflow   |                                  |                |                               |              |
| Premiums received  | 12,118,916                       | -              | -                             | 12,118,916   |
| Insurance acquisition cash flows                             | (2,243,231)                      | -              | -                             | (2,243,231)  |
| Incurred claims and expenses                                 | -                                | -              | (6,796,305)                   | (6,796,305)  |
| Other cashflow   | -                                | -              | (2,795,316)                   | (2,795,316)  |
| Total cashflow   | 9,875,685                        | -              | (9,591,621)                   | 284,064      |
| Other  | 72                               | -              | -                             | 72           |
| Ending   | ₩ 43,414,927                     | ₩ 548,054      | ₩ 2,130,278                   | ₩ 46,093,259 |

38.2.1 Changes in insurance contract assets and insurance contract liabilities not applying the premium allocation approach for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  | 2022                             |                |                               |              |
|--|----------------------------------|----------------|-------------------------------|--------------|
|  | Liability for Remaining Coverage |                | Liability for Incurred Claims | Total        |
|  | Other than Loss Component        | Loss Component |                               |              |
| Beginning  | ₩ 48,565,160                     | ₩ 151,369      | ₩ 2,041,937                   | ₩ 50,758,466 |
| Insurance revenue  | (5,567,717)                      | -              | -                             | (5,567,717)  |
| Insurance service expenses                                   |                                  |                |                               |              |
| Insurance claims and expenses                                | -                                | (7,714)        | 4,101,680                     | 4,093,966    |
| Amortization of insurance acquisition cash flows             | 205,489                          | -              | -                             | 205,489      |
| Changes in fulfilment cash flows relating to incurred claims | -                                | -              | (113,284)                     | (113,284)    |
| Losses on onerous contracts and reversals                    | -                                | 135,992        | -                             | 135,992      |
| Other insurance service expenses                             | 1,670                            | -              | -                             | 1,670        |
| Insurance service result                                     | (5,360,558)                      | 128,278        | 3,988,396                     | (1,243,884)  |
| Insurance finance income and expenses                        | (7,590,060)                      | 2,423          | 23,863                        | (7,563,774)  |
| Investment components  | (6,373,789)                      | -              | 6,373,789                     | -            |
| Cashflow   |                                  |                |                               |              |
| Premiums received  | 12,396,650                       | -              | -                             | 12,396,650   |
| Insurance acquisition cash flows                             | (1,873,773)                      | -              | -                             | (1,873,773)  |
| Incurred claims and expenses                                 | -                                | -              | (6,904,161)                   | (6,904,161)  |
| Other cashflow   | -                                | -              | (3,540,943)                   | (3,540,943)  |
| Total cashflow   | 10,522,877                       | -              | (10,445,104)                  | 77,773       |
| Other  | (1,763)                          | -              | (1,591)                       | (3,354)      |
| Ending   | ₩ 39,761,867                     | ₩ 282,070      | ₩ 1,981,290                   | ₩ 42,025,227 |

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38.2.2 Changes in insurance contract assets and insurance contract liabilities applying the premium allocation approach for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023                             |                |  |                                    |   |             |
|--|----------------------------------|----------------|--|------------------------------------|---|-------------|
|  | Liability for Remaining Coverage |                | Liability for Incurred Claims              |                                    |   | Total       |
|  | Other than Loss Component        | Loss Component | Present value of estimated future cashflow | Risk                               |   |             |
|  |                                  |                |  | adjustment for non-financial risks |   |             |
| Beginning  | ₩ 1,839,419                      | ₩ 1,300        | ₩ 1,941,475                                | ₩ 78,709                           | ₩ | 3,860,903   |
| Insurance revenue  | (4,090,221)                      | -              | -  | -                                  | - | (4,090,221) |
| Insurance service expenses                                   | -                                | -              | 3,545,909                                  | 55,663                             | - | 3,601,572   |
| Insurance claims and expenses                                | -                                | -              | -  | -                                  | - | -           |
| Amortization of insurance acquisition cash flows             | 449,062                          | -              | -  | -                                  | - | 449,062     |
| Changes in fulfilment cash flows relating to incurred claims | -                                | -              | (226,333)                                  | (39,009)                           | - | (265,342)   |
| Losses on onerous contracts and reversals                    | -                                | 807            | -  | -                                  | - | 807         |
| Other insurance service expenses                             | 4,956                            | -              | -  | -                                  | - | 4,956       |
| Insurance service result                                     | (3,636,203)                      | 807            | 3,319,576                                  | 16,654                             | - | (299,166)   |
| Insurance finance income and expenses                        | (2,047)                          | -              | 13,943                                     | 1,005                              | - | 12,901      |
| Investment components  | -                                | -              | -  | -                                  | - | -           |
| Cashflow   |                                  |                |  |                                    |   |             |
| Premiums received  | 4,176,452                        | -              | -  | -                                  | - | 4,176,452   |
| Insurance acquisition cash flows                             | (455,528)                        | -              | -  | -                                  | - | (455,528)   |
| Incurred claims and expenses                                 | -                                | -              | (3,323,187)                                | -                                  | - | (3,323,187) |
| Other cashflow   | -                                | -              | -  | -                                  | - | -           |
| Total cashflow   | 3,720,924                        | -              | (3,323,187)                                | -                                  | - | 397,737     |
| Other  | 11,238                           | -              | 1,973                                      | 67                                 | - | 13,278      |
| Ending   | ₩ 1,933,331                      | ₩ 2,107        | ₩ 1,953,780                                | ₩ 96,435                           | ₩ | 3,985,653   |

38.2.2 Changes in insurance contract assets and insurance contract liabilities applying the premium allocation approach for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  | 2022                             |                |  |                                    |   |             |
|--|----------------------------------|----------------|--|------------------------------------|---|-------------|
|  | Liability for Remaining Coverage |                | Liability for Incurred Claims              |                                    |   | Total       |
|  | Other than Loss Component        | Loss Component | Present value of estimated future cashflow | Risk                               |   |             |
|  |                                  |                |  | adjustment for non-financial risks |   |             |
| Beginning  | ₩ 1,754,875                      | ₩ 311          | ₩ 1,792,381                                | ₩ 136,222                          | ₩ | 3,683,789   |
| Insurance revenue  | (3,982,384)                      | -              | -  | -                                  | - | (3,982,384) |
| Insurance service expenses                                   | -                                | -              | 3,301,371                                  | 44,497                             | - | 3,345,868   |
| Insurance claims and expenses                                | -                                | -              | -  | -                                  | - | -           |
| Amortization of insurance acquisition cash flows             | 426,638                          | -              | -  | -                                  | - | 426,638     |
| Changes in fulfilment cash flows relating to incurred claims | -                                | -              | (9,854)                                    | (101,987)                          | - | (111,841)   |
| Losses on onerous contracts and reversals                    | -                                | 989            | -  | -                                  | - | 989         |
| Other insurance service expenses                             | 4,158                            | -              | -  | -                                  | - | 4,158       |
| Insurance service result                                     | (3,551,588)                      | 989            | 3,291,517                                  | (57,490)                           | - | (316,572)   |
| Insurance finance income and expenses                        | 3,378                            | -              | 14,915                                     | (164)                              | - | 18,129      |
| Investment components  | (14,179)                         | -              | 14,179                                     | -                                  | - | -           |
| Cashflow   |                                  |                |  |                                    |   |             |
| Premiums received  | 4,069,236                        | -              | -  | -                                  | - | 4,069,236   |
| Insurance acquisition cash flows                             | (435,775)                        | -              | -  | -                                  | - | (435,775)   |
| Incurred claims and expenses                                 | -                                | -              | (3,181,702)                                | -                                  | - | (3,181,702) |
| Other cashflow   | -                                | -              | -  | -                                  | - | -           |
| Total cashflow   | 3,633,461                        | -              | (3,181,702)                                | -                                  | - | 451,759     |
| Other  | 13,472                           | -              | 10,186                                     | 140                                | - | 23,798      |
| Ending   | ₩ 1,839,419                      | ₩ 1,300        | ₩ 1,941,476                                | ₩ 78,708                           | ₩ | 3,860,903   |

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38.2.3 Changes in reinsurance contract assets and reinsurance contract liabilities not applying the premium allocation approach for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023                             |                |                               |           |
|--|----------------------------------|----------------|-------------------------------|-----------|
|  | Liability for Remaining Coverage |                | Liability for Incurred Claims | Total     |
|  | Other than Loss Component        | Loss Component |                               |           |
| Beginning  | ₩ 10,055                         | ₩ 24,149       | ₩ 320,357                     | ₩ 354,561 |
| Allocation of Reinsurance Premiums                           | (157,755)                        | -              | -                             | (157,755) |
| Reinsurance Recoverables                                     |                                  |                |                               |           |
| Reinsurance claims and expenses                              | -                                | (2,554)        | 129,701                       | 127,147   |
| Changes in fulfilment cash flows relating to incurred claims | -                                | -              | 4,519                         | 4,519     |
| Recovery from loss recovery component and reversals          | -                                | 51,439         | -                             | 51,439    |
| Reinsurance service result                                   | (157,755)                        | 48,885         | 134,220                       | 25,350    |
| Reinsurance finance income and expenses                      | 44,161                           | 788            | 2,764                         | 47,713    |
| Effect of changes in exchange rate                           | 4                                | (1)            | -                             | 3         |
| Effect of changes in credit default risk of reinsurer        | 161                              | -              | 138                           | 299       |
| Total reinsurance finance income and expenses                | 44,326                           | 787            | 2,902                         | 48,015    |
| Investment components  | (435,701)                        | -              | 435,701                       | -         |
| Cashflow   |                                  |                |                               |           |
| Reinsurance Premiums Paid                                    | 498,995                          | -              | -                             | 498,995   |
| Amounts recovered from reinsurer                             | -                                | -              | (501,074)                     | (501,074) |
| Total cashflow   | 498,995                          | -              | (501,074)                     | (2,079)   |
| Other  | -                                | -              | -                             | -         |
| Ending   | ₩ (40,080)                       | ₩ 73,821       | ₩ 392,106                     | ₩ 425,847 |

38.2.3 Changes in reinsurance contract assets and reinsurance contract liabilities not applying the premium allocation approach for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  | 2022                             |                |                               |           |
|--|----------------------------------|----------------|-------------------------------|-----------|
|  | Liability for Remaining Coverage |                | Liability for Incurred Claims | Total     |
|  | Other than Loss Component        | Loss Component |                               |           |
| Beginning  | ₩ 68,343                         | ₩ 18,559       | ₩ 305,754                     | ₩ 392,656 |
| Allocation of Reinsurance Premiums                           | (132,741)                        | -              | -                             | (132,741) |
| Reinsurance Recoverables                                     |                                  |                |                               |           |
| Reinsurance claims and expenses                              | -                                | (2,250)        | 124,436                       | 122,186   |
| Changes in fulfilment cash flows relating to incurred claims | -                                | -              | (7,588)                       | (7,588)   |
| Recovery from loss recovery component and reversals          | -                                | 7,358          | -                             | 7,358     |
| Reinsurance service result                                   | (132,741)                        | 5,108          | 116,848                       | (10,785)  |
| Reinsurance finance income and expenses                      | (58,406)                         | 483            | 4,824                         | (53,099)  |
| Effect of changes in exchange rate                           | (33)                             | (1)            | 36                            | 2         |
| Effect of changes in credit default risk of reinsurer        | 748                              | -              | (44)                          | 704       |
| Total reinsurance finance income and expenses                | (57,691)                         | 482            | 4,816                         | (52,393)  |
| Investment components  | (394,698)                        | -              | 394,698                       | -         |
| Cashflow   |                                  |                |                               |           |
| Reinsurance Premiums Paid                                    | 526,842                          | -              | -                             | 526,842   |
| Amounts recovered from reinsurer                             | -                                | -              | (501,759)                     | (501,759) |
| Total cashflow   | 526,842                          | -              | (501,759)                     | 25,083    |
| Other  | -                                | -              | -                             | -         |
| Ending   | ₩ 10,055                         | ₩ 24,149       | ₩ 320,357                     | ₩ 354,561 |

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38.2.4 Changes in reinsurance contract assets and reinsurance contract liabilities applying the premium allocation approach for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023                             |                |  |   |   |           |   |          |   |           |
|--|----------------------------------|----------------|--|---|---|-----------|---|----------|---|-----------|
|  | Liability for Remaining Coverage |                | Liability for Incurred Claims              |   |   | Total     |   |          |   |           |
|  | Other than Loss Component        | Loss Component | Present value of estimated future cashflow | Risk adjustment for non-financial risks |   |           |   |          |   |           |
| Beginning  | ₩                                | 12,516         | ₩  | 229                                     | ₩ | 1,066,910 | ₩ | 30,022   | ₩ | 1,109,677 |
| Reinsurance service income                                   |                                  | (679,353)      |  | -                                       |   | -         |   | -        |   | (679,353) |
| Reinsurance service expenses                                 |                                  |                |  |   |   |           |   |          |   |           |
| Reinsurance claims and expenses                              |                                  | 4,485          |  | -                                       |   | 665,538   |   | 29,797   |   | 699,820   |
| Changes in fulfilment cash flows relating to incurred claims |                                  | -              |  | -                                       |   | (187,486) |   | (12,475) |   | (199,961) |
| Recovery from loss recovery component and reversals          |                                  | -              |  | 151                                     |   | -         |   | -        |   | 151       |
| Reinsurance service result                                   |                                  | (674,868)      |  | 151                                     |   | 478,052   |   | 17,322   |   | (179,343) |
| Reinsurance finance income and expenses                      |                                  | 750            |  | -                                       |   | (4,247)   |   | (455)    |   | (3,952)   |
| Effect of changes in exchange rate                           |                                  | (1,736)        |  | -                                       |   | 6,033     |   | -        |   | 4,297     |
| Effect of changes in credit default risk of reinsurer        |                                  | (43)           |  | -                                       |   | (20,273)  |   | -        |   | (20,316)  |
| Total reinsurance finance income and expenses                |                                  | (1,029)        |  | -                                       |   | (18,487)  |   | (455)    |   | (19,971)  |
| Investment components  |                                  | (3,723)        |  | -                                       |   | 3,723     |   | -        |   | -         |
| Cashflow   |                                  |                |  |   |   |           |   |          |   |           |
| Reinsurance Premiums Paid                                    |                                  | 785,809        |  | -                                       |   | -         |   | -        |   | 785,809   |
| Amounts recovered from reinsurer                             |                                  | -              |  | -                                       |   | (496,962) |   | -        |   | (496,962) |
| Total cashflow   |                                  | 785,809        |  | -                                       |   | (496,962) |   | -        |   | 288,847   |
| Other  |                                  | (6,171)        |  | -                                       |   | 365       |   | (113)    |   | (5,919)   |
| Ending   | ₩                                | 112,534        | ₩  | 380                                     | ₩ | 1,033,601 | ₩ | 46,776   | ₩ | 1,193,291 |

38.2.4 Changes in reinsurance contract assets and reinsurance contract liabilities applying the premium allocation approach for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  | 2022                             |                |  |   |   |           |   |          |   |           |
|--|----------------------------------|----------------|--|---|---|-----------|---|----------|---|-----------|
|  | Liability for Remaining Coverage |                | Liability for Incurred Claims              |   |   | Total     |   |          |   |           |
|  | Other than Loss Component        | Loss Component | Present value of estimated future cashflow | Risk adjustment for non-financial risks |   |           |   |          |   |           |
| Beginning  | ₩                                | 60,635         | ₩  | 50                                      | ₩ | 1,060,490 | ₩ | 91,286   | ₩ | 1,212,461 |
| Reinsurance service income                                   |                                  | (639,013)      |  | -                                       |   | -         |   | -        |   | (639,013) |
| Reinsurance service expenses                                 |                                  |                |  |   |   |           |   |          |   |           |
| Reinsurance claims and expenses                              |                                  | 3,673          |  | -                                       |   | 442,566   |   | 14,955   |   | 461,194   |
| Changes in fulfilment cash flows relating to incurred claims |                                  | -              |  | -                                       |   | 15,632    |   | (76,572) |   | (60,940)  |
| Recovery from loss recovery component and reversals          |                                  | -              |  | 179                                     |   | -         |   | -        |   | 179       |
| Reinsurance service result                                   |                                  | (635,340)      |  | 179                                     |   | 458,198   |   | (61,617) |   | (238,580) |
| Reinsurance finance income and expenses                      |                                  | (391)          |  | -                                       |   | 4,121     |   | 380      |   | 4,110     |
| Effect of changes in exchange rate                           |                                  | 2,036          |  | -                                       |   | 15,753    |   | 10       |   | 17,799    |
| Effect of changes in credit default risk of reinsurer        |                                  | 112            |  | -                                       |   | (3,645)   |   | -        |   | (3,533)   |
| Total reinsurance finance income and expenses                |                                  | 1,757          |  | -                                       |   | 16,229    |   | 390      |   | 18,376    |
| Investment components  |                                  | (13,773)       |  | -                                       |   | 13,773    |   | -        |   | -         |
| Cashflow   |                                  |                |  |   |   |           |   |          |   |           |
| Reinsurance Premiums Paid                                    |                                  | 598,817        |  | -                                       |   | -         |   | -        |   | 598,817   |
| Amounts recovered from reinsurer                             |                                  | -              |  | -                                       |   | (483,571) |   | -        |   | (483,571) |
| Total cashflow   |                                  | 598,817        |  | -                                       |   | (483,571) |   | -        |   | 115,246   |
| Other  |                                  | 420            |  | -                                       |   | 1,791     |   | (37)     |   | 2,174     |
| Ending   | ₩                                | 12,516         | ₩  | 229                                     | ₩ | 1,066,910 | ₩ | 30,022   | ₩ | 1,109,677 |



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38.3 Changes in components of insurance and reinsurance Liability

38.3.1 Changes in components of insurance contract assets and insurance contract liabilities not applying the premium allocation approach for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023                                       |   |                            |              |
|---|--|---|----------------------------|--------------|
|   | Present value of estimated future cashflow | Risk adjustment for non-financial risks | Contractual service margin | Total        |
| Beginning   | W 27,291,670                               | W 1,475,440                             | W 13,258,117               | W 42,025,227 |
| Future service related changes:   |  |   |                            |              |
| Changes in estimations adjusting contractual service margin                       | 1,379,799                                  | 19,649                                  | (1,399,448)                | -            |
| Losses on onerous contracts and reversals   | 218,190                                    | 27,454                                  | -                          | 245,644      |
| Effect of new contracts   | (2,690,035)                                | 251,886                                 | 2,471,636                  | 33,487       |
| Current period service related changes:   |  |   |                            |              |
| Contractual service margin recognized in profit or loss for the services provided | -  | -                                       | (1,245,076)                | (1,245,076)  |
| Changes in risk adjustment due to release of risk                                 | -  | (186,989)                               | -                          | (186,989)    |
| Experience adjustment   | (76,855)                                   | -                                       | -                          | (76,855)     |
| Past period service related changes:  |  |   |                            |              |
| Changes in fulfilment cash flows relating to incurred claims                      | (15,528)                                   | (32,462)                                | -                          | (47,990)     |
| Insurance service result  | (1,184,429)                                | 79,538                                  | (172,888)                  | (1,277,779)  |
| Insurance finance income and expenses   | 4,479,170                                  | 118,749                                 | 463,756                    | 5,061,675    |
| Cashflow for the period:  |  |   |                            |              |
| Premiums received   | 12,118,916                                 | -                                       | -                          | 12,118,916   |
| Insurance acquisition cash flows  | (2,243,231)                                | -                                       | -                          | (2,243,231)  |
| Incurring claims and expenses   | (6,796,305)                                | -                                       | -                          | (6,796,305)  |
| Other cashflow  | (2,795,316)                                | -                                       | -                          | (2,795,316)  |
| Total cashflow  | 284,064                                    | -                                       | -                          | 284,064      |
| Other   | 72   | -                                       | -                          | 72           |
| Ending  | W 30,870,547                               | W 1,673,727                             | W 13,548,985               | W 46,093,259 |

38.3.1 Changes in components of insurance contract assets and insurance contract liabilities not applying the premium allocation approach for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|   | 2022                                       |   |                            |              |
|---|--|---|----------------------------|--------------|
|   | Present value of estimated future cashflow | Risk adjustment for non-financial risks | Contractual service margin | Total        |
| Beginning   | W 37,934,612                               | W 1,496,778                             | W 11,327,076               | W 50,758,466 |
| Future service related changes:   |  |   |                            |              |
| Changes in estimations adjusting contractual service margin                       | (410,556)                                  | (863)                                   | 411,419                    | -            |
| Losses on onerous contracts and reversals   | 105,287                                    | 6,833                                   | -                          | 112,120      |
| Effect of new contracts   | (2,435,217)                                | 225,100                                 | 2,233,988                  | 23,871       |
| Current period service related changes:   |  |   |                            |              |
| Contractual service margin recognized in profit or loss for the services provided | -  | -                                       | (1,094,390)                | (1,094,390)  |
| Changes in risk adjustment due to release of risk                                 | -  | (166,128)                               | -                          | (166,128)    |
| Experience adjustment   | (6,933)                                    | -                                       | -                          | (6,933)      |
| Others  | 860  | -                                       | -                          | 860          |
| Past period service related changes:  |  |   |                            |              |
| Changes in fulfilment cash flows relating to incurred claims                      | (81,492)                                   | (31,792)                                | -                          | (113,284)    |
| Insurance service result  | (2,828,051)                                | 33,150                                  | 1,551,017                  | (1,243,884)  |
| Insurance finance income and expenses   | (7,889,310)                                | (54,488)                                | 380,024                    | (7,563,774)  |
| Cashflow for the period:  |  |   |                            |              |
| Premiums received   | 12,396,650                                 | -                                       | -                          | 12,396,650   |
| Insurance acquisition cash flows  | (1,873,773)                                | -                                       | -                          | (1,873,773)  |
| Incurring claims and expenses   | (6,904,161)                                | -                                       | -                          | (6,904,161)  |
| Other cashflow  | (3,540,943)                                | -                                       | -                          | (3,540,943)  |
| Total cashflow  | 77,773                                     | -                                       | -                          | 77,773       |
| Other   | (3,354)                                    | W -                                     | W -                        | W (3,354)    |
| Ending  | W 27,291,670                               | W 1,475,440                             | W 13,258,117               | W 42,025,227 |

**KB Financial Group Inc. and Subsidiaries**  
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**December 31, 2023 and 2022**

38.3.2 Changes in components of reinsurance contract assets and reinsurance contract liabilities not applying the premium allocation approach for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023                                       |   |                            |           |
|---|--|---|----------------------------|-----------|
|   | Present value of estimated future cashflow | Risk adjustment for non-financial risks | Contractual service margin | Total     |
|   | ₩  | ₩                                       | ₩                          | ₩         |
| Beginning   | 369,776                                    | 69,907                                  | (85,122)                   | 354,561   |
| Future service related changes  |  |   |                            |           |
| Changes in estimations adjusting contractual service margin                       | (119,906)                                  | (19,901)                                | 139,807                    | -         |
| Losses on onerous contracts and reversals   | 39,189                                     | 12,007                                  | -                          | 51,196    |
| Effect of new contracts   | 24,733                                     | 10,910                                  | (35,401)                   | 242       |
| Current period service related changes  |  |   |                            |           |
| Contractual service margin recognized in profit or loss for the services provided | -  | -                                       | (99)                       | (99)      |
| Changes in risk adjustment due to release of risk                                 | -  | (5,353)                                 | -                          | (5,353)   |
| Experience adjustment   | (25,153)                                   | -                                       | -                          | (25,153)  |
| Past period service related changes   |  |   |                            |           |
| Changes in fulfilment cash flows relating to incurred claims                      | 7,598                                      | (3,081)                                 | -                          | 4,517     |
| Reinsurance service result  | (73,539)                                   | (5,418)                                 | 104,307                    | 25,350    |
| Reinsurance finance income and expenses   | 41,043                                     | 8,908                                   | (2,238)                    | 47,713    |
| Effect of changes in exchange rate  | (5)  | -                                       | 8                          | 3         |
| Effect of changes in credit default risk of reinsurer                             | 299  | -                                       | -                          | 299       |
| Total reinsurance finance income and expenses                                     | 41,337                                     | 8,908                                   | (2,230)                    | 48,015    |
| Cashflow for the period   |  |   |                            |           |
| Reinsurance Premiums Paid   | 498,995                                    | -                                       | -                          | 498,995   |
| Amounts recovered from reinsurer  | (501,074)                                  | -                                       | -                          | (501,074) |
| Other cashflow  | -  | -                                       | -                          | -         |
| Total cashflow  | (2,079)                                    | -                                       | -                          | (2,079)   |
| Other   | -  | -                                       | -                          | -         |
| Ending  | ₩ 335,495                                  | ₩ 73,397                                | ₩ 16,955                   | ₩ 425,847 |

38.3.2 Changes in components of reinsurance contract assets and reinsurance contract liabilities not applying the premium allocation approach for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|   | 2022                                       |   |                            |           |
|---|--|---|----------------------------|-----------|
|   | Present value of estimated future cashflow | Risk adjustment for non-financial risks | Contractual service margin | Total     |
|   | ₩  | ₩                                       | ₩                          | ₩         |
| Beginning   | 328,510                                    | 51,658                                  | 12,488                     | 392,656   |
| Future service related changes  |  |   |                            |           |
| Changes in estimations adjusting contractual service margin                       | 53,503                                     | 26,699                                  | (80,202)                   | -         |
| Losses on onerous contracts and reversals   | 5,704                                      | 1,519                                   | -                          | 7,223     |
| Effect of new contracts   | 6,675                                      | 4,491                                   | (11,030)                   | 136       |
| Current period service related changes  |  |   |                            |           |
| Contractual service margin recognized in profit or loss for the services provided | -  | -                                       | (6,440)                    | (6,440)   |
| Changes in risk adjustment due to release of risk                                 | -  | (3,226)                                 | -                          | (3,226)   |
| Experience adjustment   | (890)                                      | -                                       | -                          | (890)     |
| Past period service related changes   |  |   |                            |           |
| Changes in fulfilment cash flows relating to incurred claims                      | (4,507)                                    | (3,081)                                 | -                          | (7,588)   |
| Reinsurance service result  | 60,485                                     | 26,402                                  | (97,672)                   | (10,785)  |
| Reinsurance finance income and expenses   | (45,182)                                   | (8,161)                                 | 244                        | (53,099)  |
| Effect of changes in exchange rate  | 176  | 8                                       | (182)                      | 2         |
| Effect of changes in credit default risk of reinsurer                             | 704  | -                                       | -                          | 704       |
| Total reinsurance finance income and expenses                                     | (44,302)                                   | (8,153)                                 | 62                         | (52,393)  |
| Cashflow for the period   |  |   |                            |           |
| Reinsurance Premiums Paid   | 526,842                                    | -                                       | -                          | 526,842   |
| Amounts recovered from reinsurer  | (501,759)                                  | -                                       | -                          | (501,759) |
| Other cashflow  | -  | -                                       | -                          | -         |
| Total cashflow  | 25,083                                     | -                                       | -                          | 25,083    |
| Other   | -  | -                                       | -                          | -         |
| Ending  | ₩ 369,776                                  | ₩ 69,907                                | ₩ (85,122)                 | ₩ 354,561 |

**KB Financial Group Inc. and Subsidiaries**  
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**December 31, 2023 and 2022**

38.4 Details of insurance service results for the year ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023               |                   |                   |                   |            |                      |                    |                      |                    |            |                      |
|---|--------------------|-------------------|-------------------|-------------------|------------|----------------------|--------------------|----------------------|--------------------|------------|----------------------|
|   | Life insurance     |                   |                   |                   |            | Non-life insurance   |                    |                      |                    | Total      |                      |
|   | Death              | Health            | Pension           | Variables         | Compound   | Long-term            | General            | Automobile           | Overseas           |            |                      |
| <b>Insurance revenue:</b>   |                    |                   |                   |                   |            |                      |                    |                      |                    |            |                      |
| Insurance contracts not applying the premium allocation approach:                               |                    |                   |                   |                   |            |                      |                    |                      |                    |            |                      |
| Expected insurance claims and expenses  | ₩ 254,876          | ₩ 33,177          | ₩ 35,907          | ₩ 85,464          | ₩ -        | ₩ 4,138,267          | ₩ -                | ₩ -                  | ₩ -                | ₩ -        | ₩ 4,547,691          |
| Changes in risk adjustment due to release of risk   | 18,099             | 2,846             | 4,720             | 4,992             | -          | 184,724              | -                  | -                    | -                  | -          | 215,381              |
| Contractual service margin recognized in profit or loss for the services provided               | 287,724            | 19,960            | 35,629            | 89,669            | -          | 812,094              | -                  | -                    | -                  | -          | 1,245,076            |
| Experience adjustments on premium related to current and past services                          | -                  | -                 | -                 | -                 | -          | -                    | -                  | -                    | -                  | -          | -                    |
| Recovery of insurance acquisition cash flows  | 18,996             | 2,835             | 6,167             | 5,339             | -          | 170,819              | -                  | -                    | -                  | -          | 204,156              |
| Other insurance revenues  | (3,444)            | (228)             | (2,409)           | (752)             | -          | -                    | -                  | -                    | -                  | -          | (6,833)              |
| Insurance revenue for insurance contracts not applying the premium allocation approach          | 576,251            | 58,590            | 80,014            | 184,712           | -          | 5,305,904            | -                  | -                    | -                  | -          | 6,205,471            |
| Insurance revenue for insurance contracts applying the premium allocation approach              | -                  | -                 | -                 | -                 | -          | -                    | 1,291,887          | 2,714,975            | 83,360             | -          | 4,090,222            |
| <b>Total insurance revenue</b>  | <b>₩ 576,251</b>   | <b>₩ 58,590</b>   | <b>₩ 80,014</b>   | <b>₩ 184,712</b>  | <b>₩ -</b> | <b>₩ 5,305,904</b>   | <b>₩ 1,291,887</b> | <b>₩ 2,714,975</b>   | <b>₩ 83,360</b>    | <b>₩ -</b> | <b>₩ 10,295,693</b>  |
| <b>Insurance service expenses:</b>  |                    |                   |                   |                   |            |                      |                    |                      |                    |            |                      |
| Incurred claims and expenses  | ₩ (255,897)        | ₩ (36,962)        | ₩ (36,344)        | ₩ (89,211)        | ₩ -        | ₩ (4,074,815)        | ₩ (1,058,394)      | ₩ (2,388,765)        | ₩ (159,369)        | ₩ -        | ₩ (8,099,757)        |
| Amortization of insurance acquisition cash flows  | (18,996)           | (2,835)           | (6,167)           | (5,339)           | -          | (173,030)            | (131,289)          | (314,720)            | (3,054)            | -          | (655,430)            |
| Changes in fulfillment cash flows relating to incurred claims                                   | 12,947             | (650)             | (1,595)           | 1,823             | -          | 35,466               | 204,283            | 61,059               | -                  | -          | 313,333              |
| Losses on onerous contracts and reversals   | (10,570)           | (13,678)          | (9,537)           | 7,624             | -          | (246,136)            | (807)              | -                    | -                  | -          | (273,104)            |
| Other insurance service expenses  | 2,359              | 79                | (4,453)           | (1,775)           | -          | -                    | -                  | -                    | -                  | -          | (3,790)              |
| Insurance service expenses for insurance contracts not applying the premium allocation approach | (270,157)          | (54,046)          | (58,096)          | (86,878)          | -          | (4,458,515)          | -                  | -                    | -                  | -          | (4,927,692)          |
| Insurance service expenses for insurance contracts applying the premium allocation approach     | -                  | -                 | -                 | -                 | -          | -                    | (986,207)          | (2,642,426)          | (162,423)          | -          | (3,791,056)          |
| <b>Total insurance service expenses</b>   | <b>₩ (270,157)</b> | <b>₩ (54,046)</b> | <b>₩ (58,096)</b> | <b>₩ (86,878)</b> | <b>₩ -</b> | <b>₩ (4,458,515)</b> | <b>₩ (986,207)</b> | <b>₩ (2,642,426)</b> | <b>₩ (162,423)</b> | <b>₩ -</b> | <b>₩ (8,718,748)</b> |

**KB Financial Group Inc. and Subsidiaries**  
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**December 31, 2023 and 2022**

38.4 Details of insurance service results for the year ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|   | 2023             |                |                 |                 |                |                    |                  |                 |                   |                    |  |  |  |  |  |
|---|------------------|----------------|-----------------|-----------------|----------------|--------------------|------------------|-----------------|-------------------|--------------------|--|--|--|--|--|
|   | Life insurance   |                |                 |                 |                | Non-life insurance |                  |                 |                   | Total              |  |  |  |  |  |
|   | Death            | Health         | Pension         | Variables       | Compound       | Long-term          | General          | Automobile      | Overseas          |                    |  |  |  |  |  |
| <b>Reinsurance income:</b>  |                  |                |                 |                 |                |                    |                  |                 |                   |                    |  |  |  |  |  |
| Recovery of incurred reinsurance claims and expenses                                      | ₩ 437            | ₩ 1,759        | ₩ -             | ₩ -             | ₩ 2,233        | ₩ 127,608          | ₩ 566,668        | ₩ 825           | ₩ 128,534         | ₩ 828,064          |  |  |  |  |  |
| Changes in fulfilment cash flows relating to incurred claims                              | (203)            | (198)          | -               | -               | 410            | 1,979              | (196,236)        | (1,193)         | -                 | (195,441)          |  |  |  |  |  |
| Recognition and reversal of loss-recovery component                                       | 242              | 148            | -               | -               | 1,651          | 48,300             | 151              | -               | -                 | 50,492             |  |  |  |  |  |
| Other reinsurance income  | -                | -              | -               | -               | -              | -                  | -                | -               | -                 | -                  |  |  |  |  |  |
| Reinsurance income for reinsurance contracts not applying the premium allocation approach | 476              | 1,709          | -               | -               | 4,294          | 176,626            | -                | -               | -                 | 183,105            |  |  |  |  |  |
| Reinsurance income for reinsurance contracts applying the premium allocation approach     | -                | -              | -               | -               | -              | 1,261              | 370,583          | (368)           | 128,534           | 500,010            |  |  |  |  |  |
| <b>Total reinsurance income</b>   | <b>₩ 476</b>     | <b>₩ 1,709</b> | <b>₩ -</b>      | <b>₩ -</b>      | <b>₩ 4,294</b> | <b>₩ 177,887</b>   | <b>₩ 370,583</b> | <b>₩ (368)</b>  | <b>₩ 128,534</b>  | <b>₩ 683,115</b>   |  |  |  |  |  |
| <b>Reinsurance expense:</b>   |                  |                |                 |                 |                |                    |                  |                 |                   |                    |  |  |  |  |  |
| Reinsurance contracts not applying the premium allocation approach:                       |                  |                |                 |                 |                |                    |                  |                 |                   |                    |  |  |  |  |  |
| Expected recovery of incurred claims and expenses   | ₩ (951)          | ₩ (2,081)      | ₩ -             | ₩ -             | ₩ (1,318)      | ₩ (146,243)        | ₩ -              | ₩ -             | ₩ -               | ₩ (150,593)        |  |  |  |  |  |
| Changes in risk adjustment due to release of risk   | (126)            | (120)          | -               | -               | (47)           | (7,865)            | -                | -               | -                 | (8,158)            |  |  |  |  |  |
| Contractual service margin recognized in profit or loss for the services received         | (1,280)          | (369)          | -               | -               | (2,784)        | 4,332              | -                | -               | -                 | (101)              |  |  |  |  |  |
| Experience adjustments on reinsurance premium related to current and past services        | -                | -              | -               | -               | -              | -                  | -                | -               | -                 | -                  |  |  |  |  |  |
| Other reinsurance expenses  | 14               | 8              | -               | -               | 1,075          | -                  | -                | -               | -                 | 1,097              |  |  |  |  |  |
|   | (2,343)          | (2,562)        | -               | -               | (3,074)        | (149,776)          | -                | -               | -                 | (157,755)          |  |  |  |  |  |
| Reinsurance expenses for reinsurance contracts applying the premium allocation approach   | -                | -              | -               | -               | -              | (1,812)            | (602,472)        | (9,478)         | (65,591)          | (679,353)          |  |  |  |  |  |
| <b>Total reinsurance expense</b>  | <b>(2,343)</b>   | <b>(2,562)</b> | <b>-</b>        | <b>-</b>        | <b>(3,074)</b> | <b>(151,588)</b>   | <b>(602,472)</b> | <b>(9,478)</b>  | <b>(65,591)</b>   | <b>(837,108)</b>   |  |  |  |  |  |
| <b>Total insurance service result</b>   | <b>₩ 304,227</b> | <b>₩ 3,691</b> | <b>₩ 21,918</b> | <b>₩ 97,834</b> | <b>₩ 1,220</b> | <b>₩ 873,688</b>   | <b>₩ 73,791</b>  | <b>₩ 62,703</b> | <b>₩ (16,120)</b> | <b>₩ 1,422,952</b> |  |  |  |  |  |

**KB Financial Group Inc. and Subsidiaries**  
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38.4 Details of insurance service results for the year ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|   | 2022               |                   |                   |                    |            |                      |                      |                      |                   |            |            |            |                      |
|---|--------------------|-------------------|-------------------|--------------------|------------|----------------------|----------------------|----------------------|-------------------|------------|------------|------------|----------------------|
|   | Life insurance     |                   |                   |                    |            | Non-life insurance   |                      |                      |                   | Total      |            |            |                      |
|   | Death              | Health            | Pension           | Variables          | Compound   | Long-term            | General              | Automobile           | Overseas          |            |            |            |                      |
| <b>Insurance revenue:</b>   |                    |                   |                   |                    |            |                      |                      |                      |                   |            |            |            |                      |
| Insurance contracts not applying the premium allocation approach:                               |                    |                   |                   |                    |            |                      |                      |                      |                   |            |            |            |                      |
| Expected insurance claims and expenses  | ₩ 249,018          | ₩ 29,396          | ₩ 37,311          | ₩ 79,863           | ₩ -        | ₩ 3,724,523          | ₩ -                  | ₩ -                  | ₩ -               | ₩ -        | ₩ -        | ₩ -        | ₩ 4,120,111          |
| Changes in risk adjustment due to release of risk   | 8,610              | 8,931             | 15,545            | (5,363)            | -          | 169,001              | -                    | -                    | -                 | -          | -          | -          | 196,724              |
| Contractual service margin recognized in profit or loss for the services provided               | 234,725            | 17,078            | 32,547            | 83,919             | -          | 726,120              | -                    | -                    | -                 | -          | -          | -          | 1,094,389            |
| Experience adjustments on premium related to current and past services                          | -                  | -                 | -                 | -                  | -          | -                    | -                    | -                    | -                 | -          | -          | -          | -                    |
| Recovery of insurance acquisition cash flows  | 12,277             | 1,319             | 4,269             | 4,948              | -          | 135,421              | -                    | -                    | -                 | -          | -          | -          | 158,234              |
| Other insurance revenues  | (643)              | (256)             | (188)             | (654)              | -          | -                    | -                    | -                    | -                 | -          | -          | -          | (1,741)              |
| Insurance revenue for insurance contracts not applying the premium allocation approach          | 503,987            | 56,468            | 89,484            | 162,713            | -          | 4,755,065            | -                    | -                    | -                 | -          | -          | -          | 5,567,717            |
| Insurance revenue for insurance contracts applying the premium allocation approach              | -                  | -                 | -                 | -                  | -          | -                    | 1,299,905            | 2,566,770            | 115,709           | -          | -          | -          | 3,982,384            |
| <b>Total insurance revenue</b>  | <b>₩ 503,987</b>   | <b>₩ 56,468</b>   | <b>₩ 89,484</b>   | <b>₩ 162,713</b>   | <b>₩ -</b> | <b>₩ 4,755,065</b>   | <b>₩ 1,299,905</b>   | <b>₩ 2,566,770</b>   | <b>₩ 115,709</b>  | <b>₩ -</b> | <b>₩ -</b> | <b>₩ -</b> | <b>₩ 9,550,101</b>   |
| <b>Insurance service expenses:</b>  |                    |                   |                   |                    |            |                      |                      |                      |                   |            |            |            |                      |
| Incurred claims and expenses  | ₩ (273,796)        | ₩ (33,206)        | ₩ (37,624)        | ₩ (87,844)         | ₩ -        | ₩ (3,663,261)        | ₩ (1,001,488)        | ₩ (2,267,353)        | ₩ (81,186)        | ₩ -        | ₩ -        | ₩ -        | ₩ (7,445,758)        |
| Amortization of insurance acquisition cash flows  | (12,277)           | (1,319)           | (4,269)           | (4,948)            | -          | (182,676)            | (124,077)            | (300,181)            | (2,380)           | -          | -          | -          | (632,127)            |
| Changes in fulfilment cash flows relating to incurred claims                                    | 13,809             | 1,690             | 6,159             | 4,756              | -          | 86,871               | 87,603               | 24,238               | -                 | -          | -          | -          | 225,126              |
| Losses on onerous contracts and reversals   | 5,957              | (3,044)           | (16,648)          | (60,085)           | -          | (61,430)             | (989)                | -                    | -                 | -          | -          | -          | (136,239)            |
| Other insurance service expenses  | (780)              | 66                | 421               | (354)              | -          | -                    | -                    | -                    | -                 | -          | -          | -          | (647)                |
| Insurance service expenses for insurance contracts not applying the premium allocation approach | (267,087)          | (35,813)          | (51,961)          | (148,475)          | -          | (3,820,496)          | -                    | -                    | -                 | -          | -          | -          | (4,323,832)          |
| Insurance service expenses for insurance contracts applying the premium allocation approach     | -                  | -                 | -                 | -                  | -          | -                    | (1,038,951)          | (2,543,296)          | (83,566)          | -          | -          | -          | (3,665,813)          |
| <b>Total insurance service expenses</b>   | <b>₩ (267,087)</b> | <b>₩ (35,813)</b> | <b>₩ (51,961)</b> | <b>₩ (148,475)</b> | <b>₩ -</b> | <b>₩ (3,820,496)</b> | <b>₩ (1,038,951)</b> | <b>₩ (2,543,296)</b> | <b>₩ (83,566)</b> | <b>₩ -</b> | <b>₩ -</b> | <b>₩ -</b> | <b>₩ (7,989,645)</b> |

**KB Financial Group Inc. and Subsidiaries**  
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**December 31, 2023 and 2022**

38.4 Details of insurance service results for the year ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|   | 2022             |                 |                 |                 |                |                    |                  |                 |                   |          | Total              |  |
|---|------------------|-----------------|-----------------|-----------------|----------------|--------------------|------------------|-----------------|-------------------|----------|--------------------|--|
|   | Life insurance   |                 |                 |                 |                | Non-life insurance |                  |                 |                   |          |                    |  |
|   | Death            | Health          | Pension         | Variables       | Compound       | Long-term          | General          | Automobile      | Overseas          |          |                    |  |
| <b>Reinsurance income:</b>  |                  |                 |                 |                 |                |                    |                  |                 |                   |          |                    |  |
| Recovery of incurred reinsurance claims and expenses                                      | ₩ 849            | ₩ 1,510         | ₩ -             | ₩ -             | ₩ 3,362        | ₩ 119,913          | ₩ 461,449        | ₩ 20,594        | ₩ (23,682)        | ₩        | ₩ 583,995          |  |
| Changes in fulfilment cash flows relating to incurred claims                              | (230)            | (409)           | -               | -               | (914)          | (8,785)            | (59,767)         | 1,576           | -                 |          | (68,529)           |  |
| Recognition and reversal of loss-recovery component                                       | (223)            | 97              | -               | -               | 74             | 6,977              | 179              | -               | -                 |          | 7,104              |  |
| Other reinsurance income  | (4)              | (8)             | -               | -               | (169)          | -                  | -                | -               | -                 |          | (181)              |  |
| Reinsurance income for reinsurance contracts not applying the premium allocation approach | 392              | 1,190           | -               | -               | 2,353          | 118,019            | -                | -               | -                 |          | 121,954            |  |
| Reinsurance income for reinsurance contracts applying the premium allocation approach     | -                | -               | -               | -               | -              | 86                 | 401,861          | 22,170          | (23,682)          |          | 400,435            |  |
| <b>Total reinsurance income</b>   | <b>₩ 392</b>     | <b>₩ 1,190</b>  | <b>₩ -</b>      | <b>₩ -</b>      | <b>₩ 2,353</b> | <b>₩ 118,105</b>   | <b>₩ 401,861</b> | <b>₩ 22,170</b> | <b>₩ (23,682)</b> | <b>₩</b> | <b>₩ 522,389</b>   |  |
| <b>Reinsurance expense:</b>   |                  |                 |                 |                 |                |                    |                  |                 |                   |          |                    |  |
| Reinsurance contracts not applying the premium allocation approach:                       |                  |                 |                 |                 |                |                    |                  |                 |                   |          |                    |  |
| Expected recovery of incurred claims and expenses   | ₩ (965)          | ₩ (1,691)       | ₩ -             | ₩ -             | ₩ (1,223)      | ₩ (116,943)        | ₩ -              | ₩ -             | ₩ -               | ₩ -      | ₩ (120,822)        |  |
| Changes in risk adjustment due to release of risk   | (75)             | (174)           | -               | -               | (43)           | (5,802)            | -                | -               | -                 |          | (6,094)            |  |
| Contractual service margin recognized in profit or loss for the services received         | 69               | (347)           | -               | -               | (1,000)        | (5,162)            | -                | -               | -                 |          | (6,440)            |  |
| Experience adjustments on reinsurance premium related to current and past services        | -                | -               | -               | -               | -              | -                  | -                | -               | -                 |          | -                  |  |
| Other reinsurance expenses  | 438              | 8               | -               | -               | 169            | -                  | -                | -               | -                 |          | 615                |  |
|   | (533)            | (2,204)         | -               | -               | (2,097)        | (127,907)          | -                | -               | -                 |          | (132,741)          |  |
| Reinsurance expenses for reinsurance contracts applying the premium allocation approach   | -                | -               | -               | -               | -              | (1,285)            | (602,496)        | (8,304)         | (26,928)          |          | (639,013)          |  |
| <b>Total reinsurance expense</b>  | <b>(533)</b>     | <b>(2,204)</b>  | <b>-</b>        | <b>-</b>        | <b>(2,097)</b> | <b>(129,192)</b>   | <b>(602,496)</b> | <b>(8,304)</b>  | <b>(26,928)</b>   | <b>₩</b> | <b>(771,754)</b>   |  |
| <b>Total insurance service result</b>   | <b>₩ 236,759</b> | <b>₩ 19,641</b> | <b>₩ 37,523</b> | <b>₩ 14,238</b> | <b>₩ 256</b>   | <b>₩ 923,482</b>   | <b>₩ 60,319</b>  | <b>₩ 37,340</b> | <b>₩ (18,467)</b> | <b>₩</b> | <b>₩ 1,311,091</b> |  |

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38.5 The effect of new insurance contracts not applying the premium allocation approach for the year ended December 31, 2023 and 2022, are as follows:

38.5.1 Insurance contract

(In millions of Korean won)

|  | 2023                        |                  |              |
|--|-----------------------------|------------------|--------------|
|  | Issued contract             |                  |              |
|  | Other than onerous contract | Onerous contract | Total        |
| Estimated Present Value of Future Cash Outflows                    | ₩ 11,999,588                | ₩ 467,686        | ₩ 12,467,274 |
| Insurance Acquisition Cash Flow                                    | 2,354,262                   | 80,797           | 2,435,059    |
| Insurance Claims and Service Expenses                              | 9,645,326                   | 386,889          | 10,032,215   |
| Estimated Present Value of Future Cash Inflows                     | (14,716,101)                | (441,208)        | (15,157,309) |
| Risk Adjustment for Non-Financial Risks                            | 244,877                     | 7,009            | 251,886      |
| Contractual service margin   | 2,471,636                   | -                | 2,471,636    |
| Effect on financial statements of initial recognition of contracts | ₩ -                         | ₩ 33,487         | ₩ 33,487     |

(In millions of Korean won)

|  | 2022                        |                  |              |
|--|-----------------------------|------------------|--------------|
|  | Issued contract             |                  |              |
|  | Other than onerous contract | Onerous contract | Total        |
| Estimated Present Value of Future Cash Outflows                    | ₩ 10,718,344                | ₩ 569,496        | ₩ 11,287,840 |
| Insurance Acquisition Cash Flow                                    | 1,819,665                   | 87,760           | 1,907,425    |
| Insurance Claims and Service Expenses                              | 8,898,679                   | 481,736          | 9,380,415    |
| Estimated Present Value of Future Cash Inflows                     | (13,171,925)                | (551,132)        | (13,723,057) |
| Risk Adjustment for Non-Financial Risks                            | 219,593                     | 5,507            | 225,100      |
| Contractual service margin   | 2,233,988                   | -                | 2,233,988    |
| Effect on financial statements of initial recognition of contracts | ₩ -                         | ₩ 23,871         | ₩ 23,871     |

38.5.2 Reinsurance contract

(In millions of Korean won)

|  | 2023               |                   |           |
|--|--------------------|-------------------|-----------|
|  | Purchased contract |                   |           |
|  | Net cost contract  | Net gain contract | Total     |
| Estimated Present Value of Future Cash Inflows                     | ₩ 50,455           | ₩ 948,180         | ₩ 998,635 |
| Estimated Present Value of Future Cash Outflows                    | (52,749)           | (921,153)         | (973,902) |
| Risk Adjustment for Non-Financial Risks                            | 532                | 10,378            | 10,910    |
| Contractual service margin   | 2,004              | (37,405)          | (35,401)  |
| Effect on financial statements of initial recognition of contracts | ₩ 242              | ₩ -               | ₩ 242     |

(In millions of Korean won)

|  | 2022               |                   |           |
|--|--------------------|-------------------|-----------|
|  | Purchased contract |                   |           |
|  | Net cost contract  | Net gain contract | Total     |
| Estimated Present Value of Future Cash Inflows                     | ₩ 58,068           | ₩ 582,353         | ₩ 640,421 |
| Estimated Present Value of Future Cash Outflows                    | (66,905)           | (566,841)         | (633,746) |
| Risk Adjustment for Non-Financial Risks                            | 889                | 3,602             | 4,491     |
| Contractual service margin   | 8,084              | (19,114)          | (11,030)  |
| Effect on financial statements of initial recognition of contracts | ₩ 136              | ₩ -               | ₩ 136     |

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38.6 The annual expected amortization schedule of contractual service margin of insurance contracts and reinsurance contracts not applying the premium allocation approach as of December 31, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

|                                 |           | December 31, 2023 |             |             |             |             |              |               |               |               |
|---------------------------------|-----------|-------------------|-------------|-------------|-------------|-------------|--------------|---------------|---------------|---------------|
|                                 |           | Less than a year  | 1 ~ 2 years | 2 ~ 3 years | 3 ~ 4 years | 4 ~ 5 years | 5 ~ 10 years | 10 ~ 20 years | 20 ~ 30 years | Over 30 years |
| Insurance contract issued       |           |                   |             |             |             |             |              |               |               |               |
|                                 | Death     | ₩ 236,323         | ₩ 215,942   | ₩ 199,712   | ₩ 184,953   | ₩ 171,431   | ₩ 665,906    | ₩ 822,117     | ₩ 451,691     | ₩ 293,496     |
| Life insurance                  | Health    | 17,918            | 16,121      | 14,586      | 13,283      | 12,126      | 44,083       | 43,608        | 20,913        | 20,140        |
|                                 | Pension   | 33,910            | 30,602      | 27,735      | 25,600      | 23,797      | 94,360       | 118,308       | 54,580        | 22,581        |
|                                 | Variables | 84,188            | 78,083      | 72,584      | 67,631      | 63,069      | 245,804      | 287,816       | 155,736       | 100,329       |
| Non-life insurance              |           | 766,180           | 704,554     | 642,277     | 592,651     | 551,089     | 2,182,217    | 2,708,480     | 367,995       | 2,480         |
| Total insurance contract issued |           | ₩ 1,138,519       | ₩ 1,045,302 | ₩ 956,894   | ₩ 884,118   | ₩ 821,512   | ₩ 3,232,370  | ₩ 3,980,329   | ₩ 1,050,915   | ₩ 439,026     |
| Reinsurance contract held       |           |                   |             |             |             |             |              |               |               |               |
|                                 | Death     | ₩ 2,131           | ₩ 1,793     | ₩ 1,548     | ₩ 1,348     | ₩ 1,181     | ₩ 3,888      | ₩ 2,155       | ₩ 1,123       | ₩ 640         |
| Life insurance                  | Health    | (299)             | (278)       | (266)       | (278)       | (314)       | (1,553)      | (2,578)       | (1,612)       | (1,802)       |
|                                 | Compound  | 1,136             | 501         | 416         | 353         | 302         | 924          | 935           | 512           | 318           |
| Non-life insurance              |           | (3,169)           | (2,994)     | (2,465)     | (1,934)     | (1,593)     | (8,206)      | 2,165         | 8,672         | 14,255        |
| Total reinsurance contract held |           | ₩ (201)           | ₩ (978)     | ₩ (767)     | ₩ (511)     | ₩ (424)     | ₩ (4,947)    | ₩ 2,677       | ₩ 8,695       | ₩ 13,411      |

(In millions of Korean won)

|                                 |           | December 31, 2022 |             |             |             |             |              |               |               |               |
|---------------------------------|-----------|-------------------|-------------|-------------|-------------|-------------|--------------|---------------|---------------|---------------|
|                                 |           | Less than a year  | 1 ~ 2 years | 2 ~ 3 years | 3 ~ 4 years | 4 ~ 5 years | 5 ~ 10 years | 10 ~ 20 years | 20 ~ 30 years | Over 30 years |
| Insurance contract issued       |           |                   |             |             |             |             |              |               |               |               |
|                                 | Death     | ₩ 264,108         | ₩ 243,645   | ₩ 225,339   | ₩ 208,911   | ₩ 193,751   | ₩ 752,438    | ₩ 886,420     | ₩ 428,872     | ₩ 211,872     |
| Life insurance                  | Health    | 16,624            | 15,214      | 14,010      | 12,969      | 12,073      | 47,228       | 56,227        | 31,533        | 30,559        |
|                                 | Pension   | 33,757            | 31,591      | 29,519      | 27,562      | 25,591      | 99,212       | 110,919       | 48,345        | 26,468        |
|                                 | Variables | 86,630            | 80,721      | 75,325      | 70,312      | 65,733      | 259,099      | 313,790       | 172,119       | 104,449       |
| Non-life insurance              |           | 718,139           | 657,436     | 599,796     | 551,952     | 512,352     | 2,030,614    | 2,508,514     | 365,526       | 853           |
| Total insurance contract issued |           | ₩ 1,119,258       | ₩ 1,028,607 | ₩ 943,989   | ₩ 871,706   | ₩ 809,500   | ₩ 3,188,591  | ₩ 3,875,870   | ₩ 1,046,395   | ₩ 374,201     |
| Reinsurance contract held       |           |                   |             |             |             |             |              |               |               |               |
|                                 | Death     | ₩ 927             | ₩ 868       | ₩ 810       | ₩ 742       | ₩ 679       | ₩ 2,577      | ₩ 3,377       | ₩ 2,066       | ₩ 1,149       |
| Life insurance                  | Health    | 277               | 193         | 133         | 86          | 50          | (303)        | (2,238)       | (1,424)       | (1,623)       |
|                                 | Compound  | 672               | 444         | 370         | 313         | 267         | 584          | 224           | 134           | 79            |
| Non-life insurance              |           | (11,054)          | (9,487)     | (7,940)     | (6,783)     | (5,954)     | (24,352)     | (22,685)      | (6,906)       | (1,394)       |
| Total reinsurance contract held |           | ₩ (9,178)         | ₩ (7,982)   | ₩ (6,627)   | ₩ (5,642)   | ₩ (4,958)   | ₩ (21,494)   | ₩ (21,322)    | ₩ (6,130)     | ₩ (1,789)     |



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38.7 The details and fair value of the underlying items of insurance contracts with direct participation features as of December 31, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

|                                    | 2023 |           | 2022 |           |
|------------------------------------|------|-----------|------|-----------|
| Underlying items held by the Group |      |           |      |           |
| Cash and cash equivalents          | ₩    | 122,467   | ₩    | 188,934   |
| Equity securities                  |      | 750,765   |      | 628,864   |
| Debt securities                    |      | 1,167,554 |      | 1,210,947 |
| Beneficiary certificates           |      | 1,271,117 |      | 1,022,401 |
| Other securities                   |      | 446,193   |      | 481,122   |
| Loans                              |      | 23,346    |      | 76,892    |
| Others                             |      | 16,366    |      | 13,857    |
| Total                              | ₩    | 3,797,808 | ₩    | 3,623,017 |

38.8 The relationship between investment income(expenses) and insurance financial income(expenses) for the year ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023           |           |        |                    |                        |           |        |           |   |          |   |         |   |          |   |           |
|---|----------------|-----------|--------|--------------------|------------------------|-----------|--------|-----------|---|----------|---|---------|---|----------|---|-----------|
|   | Life insurance |           |        | Non-life insurance |                        |           |        | Total     |   |          |   |         |   |          |   |           |
|   | Retirement     | Variables | Others | Long-term          | General and Automobile | Overseas  | Others |           |   |          |   |         |   |          |   |           |
| <b>Investment income (expenses)</b>                                   |                |           |        |                    |                        |           |        |           |   |          |   |         |   |          |   |           |
| Investment income (expenses) recognized in profit or loss:            |                |           |        |                    |                        |           |        |           |   |          |   |         |   |          |   |           |
| Net Interest Income (Expense)   | ₩              | 10,394    | ₩      | 71,348             | ₩                      | 497,110   | ₩      | 514,745   | ₩ | 129,246  | ₩ | 7,017   | ₩ | (79,289) | ₩ | 1,150,571 |
| Dividend income   |                | 450       |        | 33,520             |                        | 8,965     |        | 4,210     |   | 29,316   |   | 2       |   | 1,851    |   | 78,314    |
| Gains (losses) on valuation and disposal of securities                |                | (3,375)   |        | 446,698            |                        | (129,888) |        | 24,789    |   | 48,870   |   | (9,160) |   | 8,895    |   | 386,829   |
| Gains (losses) on valuation and disposal of loans and receivables     |                | -         |        | -                  |                        | -         |        | 1,563     |   | (10,400) |   | -       |   | 1,671    |   | (7,166)   |
| Gains (losses) on derivatives   |                | (2,269)   |        | (9,153)            |                        | (34,523)  |        | (80,755)  |   | (44,211) |   | -       |   | -        |   | (170,911) |
| Gains (losses) on investments in subsidiaries                         |                | -         |        | -                  |                        | (135)     |        | 999       |   | -        |   | -       |   | -        |   | 864       |
| Foreign exchange gains (losses)                                       |                | 1,518     |        | 14,633             |                        | 34,594    |        | 60,644    |   | 31,552   |   | (47)    |   | -        |   | 142,894   |
| Other investment income (expenses)                                    |                | (26,831)  |        | 23,874             |                        | 93,458    |        | (48,446)  |   | 198,876  |   | (1,162) |   | 66,718   |   | 306,487   |
|   |                | (20,113)  |        | 580,920            |                        | 469,581   |        | 477,749   |   | 383,249  |   | (3,350) |   | (154)    |   | 1,887,882 |
| Investment income (expenses) recognized in other comprehensive income |                | 30,623    |        | -                  |                        | 1,831,878 |        | 1,517,293 |   | 129,012  |   | 9,947   |   | 154,660  |   | 3,673,413 |
| <b>Total investment income (expenses)</b>                             | ₩              | 10,510    | ₩      | 580,920            | ₩                      | 2,301,459 | ₩      | 1,995,042 | ₩ | 512,261  | ₩ | 6,597   | ₩ | 154,506  | ₩ | 5,561,295 |

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38.8 The relationship between investment income(expenses) and insurance financial income(expenses) for the year ended December 31, 2023 and 2022, are as follows:  
(cont'd)

(In millions of Korean won)

|   | 2023           |           |        |                    |                        |             |        |             |   |          |   |       |   |             |   |         |
|---|----------------|-----------|--------|--------------------|------------------------|-------------|--------|-------------|---|----------|---|-------|---|-------------|---|---------|
|   | Life insurance |           |        | Non-life insurance |                        |             |        | Total       |   |          |   |       |   |             |   |         |
|   | Retirement     | Variables | Others | Long-term          | General and Automobile | Overseas    | Others |             |   |          |   |       |   |             |   |         |
| <b>Insurance finance income (expenses)</b>  |                |           |        |                    |                        |             |        |             |   |          |   |       |   |             |   |         |
| Insurance finance income (expenses) recognized in profit or loss:   |                |           |        |                    |                        |             |        |             |   |          |   |       |   |             |   |         |
| Net Interest Income (Expense)   | ₩              | -         | ₩      | (92,048)           | ₩                      | (744,571)   | ₩      | (726,365)   | ₩ | (3,875)  | ₩ | -     | ₩ | (1,566,859) |   |         |
| Effect of changes in discount rates and financial assumptions   |                | -         |        | (106,375)          |                        | 30,743      |        | -           |   | -        |   | -     |   | (75,632)    |   |         |
| Effect of exchange rate fluctuations  |                | -         |        | (2,792)            |                        | (1,702)     |        | -           |   | (5,416)  |   | -     |   | (9,910)     |   |         |
| Changes in the fair value of the underlying assets of insurance contract with direct participation features |                | -         |        | (352,888)          |                        | -           |        | -           |   | -        |   | -     |   | (352,888)   |   |         |
| Other insurance finance income (expenses)   |                | -         |        | -                  |                        | 4,229       |        | (686)       |   | (41)     |   | -     |   | 3,502       |   |         |
|   |                | -         |        | (554,103)          |                        | (715,530)   |        | (722,136)   |   | (9,977)  |   | (41)  |   | (2,001,787) |   |         |
| Insurance finance income (expenses) recognized in other comprehensive income                                |                | -         |        | (63,785)           |                        | (1,323,613) |        | (1,682,508) |   | (2,882)  |   | -     |   | (3,072,788) |   |         |
| <b>Total insurance finance income (expenses)</b>  | ₩              | -         | ₩      | (617,888)          | ₩                      | (2,039,143) | ₩      | (2,404,644) | ₩ | (12,859) | ₩ | (41)  | ₩ | (5,074,575) |   |         |
| <b>Reinsurance finance income (expenses)</b>  |                |           |        |                    |                        |             |        |             |   |          |   |       |   |             |   |         |
| Reinsurance finance income (expenses) recognized in profit or loss:   |                |           |        |                    |                        |             |        |             |   |          |   |       |   |             |   |         |
| Net Interest Income (Expense)   | ₩              | -         | ₩      | -                  | ₩                      | (1,031)     | ₩      | 12,629      | ₩ | 2,558    | ₩ | -     | ₩ | 14,156      |   |         |
| Effect of changes in discount rates and financial assumptions   |                | -         |        | -                  |                        | (270)       |        | -           |   | -        |   | -     |   | (270)       |   |         |
| Effect of exchange rate fluctuations  |                | -         |        | -                  |                        | (8)         |        | -           |   | 4,297    |   | -     |   | 4,289       |   |         |
| Other reinsurance finance income (expenses)   |                | -         |        | -                  |                        | (3)         |        | 359         |   | (28,312) |   | (269) |   | (28,225)    |   |         |
|   |                | -         |        | -                  |                        | (1,312)     |        | 12,988      |   | (21,457) |   | (269) |   | (10,050)    |   |         |
| Reinsurance finance income (expenses) recognized in other comprehensive income                              |                | -         |        | -                  |                        | (3,041)     |        | 39,381      |   | 1,755    |   | -     |   | 38,095      |   |         |
| <b>Total reinsurance finance income (expenses)</b>  |                | -         |        | -                  |                        | (4,353)     |        | 52,369      |   | (19,702) |   | (269) |   | 28,045      |   |         |
| <b>Net investment income (expenses)</b>   | ₩              | 10,510    | ₩      | (36,968)           | ₩                      | 257,963     | ₩      | (357,233)   | ₩ | 479,700  | ₩ | 6,287 | ₩ | 154,506     | ₩ | 514,765 |

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38.8 Details of other insurance finance income and expenses for the year ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|   | 2022           |             |               |                    |                        |           |             |               |  |  |
|---|----------------|-------------|---------------|--------------------|------------------------|-----------|-------------|---------------|--|--|
|   | Life insurance |             |               | Non-life insurance |                        |           |             | Total         |  |  |
|   | Retirement     | Variables   | Others        | Long-term          | General and Automobile | Overseas  | Others      |               |  |  |
| <b>Investment income (expenses)</b>   |                |             |               |                    |                        |           |             |               |  |  |
| Investment income (expenses) recognized in profit or loss:  |                |             |               |                    |                        |           |             |               |  |  |
| Net Interest Income (Expense)   | ₩ 26,007       | ₩ 59,664    | ₩ 519,848     | ₩ 511,878          | ₩ 112,397              | ₩ 7,615   | ₩ 19,479    | ₩ 1,256,888   |  |  |
| Dividend income   | 3,329          | 31,155      | 70,083        | 554                | 34,276                 | 2         | 285         | 139,684       |  |  |
| Gains (losses) on valuation and disposal of securities  | (34,287)       | (830,878)   | (332,183)     | (224,117)          | (315,133)              | 202       | (60,062)    | (1,796,458)   |  |  |
| Gains (losses) on valuation and disposal of loans and receivables   | -              | -           | -             | (16,345)           | (5,430)                | (3)       | (1,002)     | (22,780)      |  |  |
| Gains (losses) on derivatives   | (3,073)        | (17,071)    | (120,356)     | (141,842)          | (69,675)               | -         | -           | (352,017)     |  |  |
| Gains (losses) on investments in subsidiaries   | -              | -           | -             | (18,001)           | -                      | -         | -           | (18,001)      |  |  |
| Foreign exchange gains (losses)   | 3,650          | 67,569      | 64,493        | 136,255            | 82,974                 | 94        | -           | 355,035       |  |  |
| Other investment income (expenses)  | (5,032)        | (63)        | 97,061        | (11,501)           | 173,663                | (997)     | 41,102      | 294,233       |  |  |
|   | (9,406)        | (689,624)   | 298,946       | 236,881            | 13,072                 | 6,913     | (198)       | (143,416)     |  |  |
| Investment income (expenses) recognized in other comprehensive income                                       | (48,682)       | -           | (3,230,491)   | (2,949,143)        | (262,195)              | (14,132)  | (171,628)   | (6,676,271)   |  |  |
| <b>Total investment income (expenses)</b>   | ₩ (58,088)     | ₩ (689,624) | ₩ (2,931,545) | ₩ (2,712,262)      | ₩ (249,123)            | ₩ (7,219) | ₩ (171,826) | ₩ (6,819,687) |  |  |
| <b>Insurance finance income (expenses)</b>  |                |             |               |                    |                        |           |             |               |  |  |
| Insurance finance income (expenses) recognized in profit or loss:   |                |             |               |                    |                        |           |             |               |  |  |
| Net Interest Income (Expense)   | ₩ -            | ₩ (85,614)  | ₩ (718,823)   | ₩ (684,645)        | ₩ (4,134)              | ₩ -       | ₩ -         | ₩ (1,493,216) |  |  |
| Effect of changes in discount rates and financial assumptions   | -              | 267,304     | 87,422        | -                  | -                      | -         | -           | 354,726       |  |  |
| Effect of exchange rate fluctuations  | -              | (49,771)    | (5,191)       | -                  | (19,970)               | -         | -           | (74,932)      |  |  |
| Changes in the fair value of the underlying assets of insurance contract with direct participation features | -              | 537,304     | -             | -                  | -                      | -         | -           | 537,304       |  |  |
| Other insurance finance income (expenses)   | -              | -           | -             | (2,558)            | 1,379                  | (1,867)   | -           | (3,046)       |  |  |
|   | -              | 669,223     | (636,592)     | (687,203)          | (22,725)               | (1,867)   | -           | (679,164)     |  |  |
| Insurance finance income (expenses) recognized in other comprehensive income                                | -              | 126,971     | 3,891,544     | 4,199,832          | 6,463                  | -         | -           | 8,224,810     |  |  |
| <b>Total insurance finance income (expenses)</b>  | ₩ -            | ₩ 796,194   | ₩ 3,254,952   | ₩ 3,512,629        | ₩ (16,262)             | ₩ (1,867) | ₩ -         | ₩ 7,545,646   |  |  |
| <b>Reinsurance finance income (expenses)</b>  |                |             |               |                    |                        |           |             |               |  |  |
| Reinsurance finance income (expenses) recognized in profit or loss:   |                |             |               |                    |                        |           |             |               |  |  |
| Net Interest Income (Expense)   | ₩ -            | ₩ -         | ₩ (990)       | ₩ 12,741           | ₩ 2,512                | ₩ -       | ₩ -         | ₩ 14,263      |  |  |
| Effect of changes in discount rates and financial assumptions   | -              | -           | (251)         | -                  | -                      | -         | -           | (251)         |  |  |
| Effect of exchange rate fluctuations  | -              | -           | 2             | -                  | 17,799                 | -         | -           | 17,801        |  |  |
| Other reinsurance finance income (expenses)   | -              | -           | (4)           | 5,800              | 2,094                  | 1,734     | -           | 9,624         |  |  |
|   | -              | -           | (1,243)       | 18,541             | 22,405                 | 1,734     | -           | 41,437        |  |  |
| Reinsurance finance income (expenses) recognized in other comprehensive income                              | -              | -           | 10,384        | (80,075)           | (5,764)                | -         | -           | (75,455)      |  |  |
| <b>Total reinsurance finance income (expenses)</b>  | -              | -           | 9,141         | (61,534)           | 16,641                 | 1,734     | -           | (34,018)      |  |  |
| <b>Net investment income (expenses)</b>   | ₩ (58,088)     | ₩ 106,570   | ₩ 332,548     | ₩ 738,833          | ₩ (248,744)            | ₩ (7,352) | ₩ (171,826) | ₩ 691,941     |  |  |

### KB Financial Group Inc. and Subsidiaries Notes to the Consolidated Financial Statements December 31, 2023 and 2022

38.9 Insurance income and changes in contractual service margin of insurance contracts not applying the premium allocation approach by transition approaches for the year ended December 31, 2023 and 2022, are as follows:

#### 38.9.1 Insurance contract

(In millions of Korean won)

|   | 2023                                       |                     |              |
|---|--|---------------------|--------------|
|   | Contracts applying the fair value approach | All other contracts | Total        |
| Insurance income  | ₩ 2,778,549                                | ₩ 3,426,923         | ₩ 6,205,472  |
| Beginning contractual service margin                        | 2,324,962                                  | 10,933,155          | 13,258,117   |
| Current period service related changes                      |  |                     |              |
| Profit or loss recognized related to service provided       | (203,155)                                  | (1,041,921)         | (1,245,076)  |
| Future service related changes                              |  |                     |              |
| Changes in estimations adjusting contractual service margin | 626,984                                    | (2,026,432)         | (1,399,448)  |
| Effect of new contracts                                     | -  | 2,471,636           | 2,471,636    |
| Insurance service result                                    | 423,829                                    | (596,717)           | (172,888)    |
| Insurance finance income and expenses                       | 82,383                                     | 381,373             | 463,756      |
| Ending contractual service margin                           | ₩ 2,831,174                                | ₩ 10,717,811        | ₩ 13,548,985 |

(In millions of Korean won)

|   | 2022                                       |                     |              |
|---|--|---------------------|--------------|
|   | Contracts applying the fair value approach | All other contracts | Total        |
| Insurance income  | ₩ 2,660,459                                | ₩ 2,907,258         | ₩ 5,567,717  |
| Beginning contractual service margin                        | 2,308,718                                  | 9,018,358           | 11,327,076   |
| Current period service related changes                      |  |                     |              |
| Profit or loss recognized related to service provided       | (180,297)                                  | (914,093)           | (1,094,390)  |
| Future service related changes                              |  |                     |              |
| Changes in estimations adjusting contractual service margin | 119,825                                    | 291,595             | 411,420      |
| Effect of new contracts                                     | -  | 2,233,988           | 2,233,988    |
| Insurance service result                                    | (60,472)                                   | 1,611,490           | 1,551,018    |
| Insurance finance income and expenses                       | 76,715                                     | 303,308             | 380,023      |
| Ending contractual service margin                           | ₩ 2,324,961                                | ₩ 10,933,156        | ₩ 13,258,117 |

#### 38.9.2 Reinsurance contract

(In millions of Korean won)

|   | 2023                                       |                     |             |
|---|--|---------------------|-------------|
|   | Contracts applying the fair value approach | All other contracts | Total       |
| Allocation of Reinsurance Premiums                          | ₩ (65,600)                                 | ₩ (92,155)          | ₩ (157,755) |
| Beginning contractual service margin                        | 95,645                                     | (180,767)           | (85,122)    |
| Current period service related changes                      |  |                     |             |
| Profit or loss recognized related to service received       | (13,832)                                   | 13,732              | (100)       |
| Future service related changes                              |  |                     |             |
| Changes in estimations adjusting contractual service margin | 84,818                                     | 54,990              | 139,808     |
| Effect of new contracts                                     | -  | (35,400)            | (35,400)    |
| Reinsurance service result                                  | 70,986                                     | 33,322              | 104,308     |
| Reinsurance finance income and expenses                     | 4,265                                      | (6,496)             | (2,231)     |
| Ending contractual service margin                           | ₩ 170,896                                  | ₩ (153,941)         | ₩ 16,955    |

(In millions of Korean won)

|   | 2022                                       |                     |             |
|---|--|---------------------|-------------|
|   | Contracts applying the fair value approach | All other contracts | Total       |
| Allocation of Reinsurance Premiums                          | ₩ (65,299)                                 | ₩ (67,442)          | ₩ (132,741) |
| Beginning contractual service margin                        | 57,423                                     | (44,935)            | 12,488      |
| Current period service related changes                      |  |                     |             |
| Profit or loss recognized related to service received       | (7,547)                                    | 1,107               | (6,440)     |
| Future service related changes                              |  |                     |             |
| Changes in estimations adjusting contractual service margin | 44,191                                     | (124,393)           | (80,202)    |
| Effect of new contracts                                     | -  | (11,030)            | (11,030)    |
| Reinsurance service result                                  | 36,644                                     | (134,316)           | (97,672)    |
| Reinsurance finance income and expenses                     | 1,578                                      | (1,516)             | 62          |
| Ending contractual service margin                           | ₩ 95,645                                   | ₩ (180,767)         | ₩ (85,122)  |

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

38.10 Changes in other comprehensive income of financial instruments related to insurance contract groups that applied the modified retrospective approach or the fair value approach at the transition date

Changes in other comprehensive income of financial instruments related to insurance contract groups for the year ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023 |           | 2022 |             |
|---|------|-----------|------|-------------|
| Beginning   | ₩    | (965,165) | ₩    | 132,695     |
| Changes due to fair value measurement             |      | 533,590   |      | (1,507,494) |
| Changes due to reclassification to profit or loss |      | 38,216    |      | 11,317      |
| Income tax effect                                 |      | (152,270) |      | 398,317     |
| Ending  | ₩    | (545,629) | ₩    | (965,165)   |

38.11 Risk Management of KB Insurance Co., Ltd.

38.11.1 Overview of insurance risk

Insurance risk is the risk that arises from a primary operation of insurance companies that is associated with underwriting of insurance contracts and payment of claims, which has the risk of greater loss incurring than anticipated by the Group. The Group manages insurance risk in different categories of long-term insurance, general insurance, and automobile insurance.

38.11.1.1 Key items of Long-term insurance

|                                |  |
|--------------------------------|--|
| Mortality Risk                 | Risk of unexpected losses due to premature death compared to the insured's expectations.   |
| Longevity Risk                 | Risk of unexpected losses due to delayed death compared to the insured's expectations.   |
| Disability/Illness Risk        | Risk of unexpected losses related to the insured's disability and illness.   |
| Long-term Property/Other Risks | Risk of unexpected losses related to property, expenses, indemnities, and other collateral in long-term insurance.                         |
| Termination Risk               | Risk of losses due to unexpected exercise of legal rights or contractual options by policyholders.   |
| Expense Risk                   | Risk of losses due to fluctuations in future costs and expenditure variations caused by inflation in relation to insurance contract costs. |
| Catastrophic Risk              | Risk of extreme, exceptional losses (e.g., epidemics, major accidents) not considered in mortality risk, etc.                              |

38.11.1.2 Key items of general and automobile insurance

|                   |  |
|-------------------|--|
| Price Risk        | Risk of losses exceeding the expected mortality rate and expense ratio calculated when determining insurance premiums. |
| Reserve Risk      | Risk of being unable to cover future insurance payments reserved for incurred but not reported insurance accidents.    |
| Catastrophic Risk | Risk of losses due to extreme, exceptional risks not considered in insurance price risk and reserve risk.              |

38.11.2 Purposes, policies, and procedures to manage risk arising from insurance contracts

The risks associated with insurance contracts that the Group faces are insurance actuarial risk and underwriting risk. Each risk occurs due to insurance contract's pricing and conditions of underwriting. In order to minimize the possibility of acquiring a bad contract, the Group has established and operated detailed underwriting guidelines and underwriting procedures by insurance type that specify detailed underwriting conditions according to the type of risk covered through pre-analysis of insured property. In addition, the Group is making efforts to reduce insurance actuarial risk by follow-up measures such as adjustments of premium rate, changes of sales conditions, termination of selling specific product, development of new product, and others through comparing and analyzing the expected risk level at the date of pricing and actual risk level after the acceptance. The Group has prepared a process to minimize management risk other than insurance actuarial risk and underwriting risk by operating a committee that shares opinions on underwriting policies and premium rate policies and decides important matters.

In addition, by establishing a reinsurance operating strategy according to the reinsurance operating standards, the Group is preparing for the possibility of incurring high claim expenses at once due to unexpected catastrophic accidents while maintaining an appropriate holding level considering the solvency of the Group. The Group supports the protection and stable interests of policyholders, and comprehensively manages risks to maximize corporate value in the mid to long term.

38.11.3 Concentration of insurance risk

The Group is selling various insurance contracts such as general non-life insurances (fire, maritime, injury, technology, liability, package, title, guarantee, and other special type insurances), automobile insurances (for private use, for business use, for commercial use, bicycle, and others), long-term insurances (long-term non-life, property damage, injury, driver, savings, illness, nursing, and pension), and others. The Group's risk is distributed through reinsurance, joint acceptance, and sales of diversified insurance products. In addition, insurances such as storm and flood insurance, which have a very low probability of occurrence but cover severe levels of risk, are controlled through acceptance limit and joint acquisition.

**KB Financial Group Inc. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
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38.11.3.1 Before reinsurance mitigation

(In millions of Korean won)

|                               | December 31, 2023 |               |          |          |
|-------------------------------|-------------------|---------------|----------|----------|
|                               | Domestic          | United States | China    | Others   |
| General insurance             |                   |               |          |          |
| Fire                          | ₩ 8,422           | ₩ -           | ₩ -      | ₩ -      |
| Maritime                      | 56,463            | -             | -        | -        |
| Others                        | 1,447,462         | 151,891       | 86,167   | 26,679   |
| Long-term insurance           |                   |               |          |          |
| Injury, illness, and property | 15,215,463        | -             | -        | -        |
| Pension                       | 5,211,720         | -             | -        | -        |
| Others                        | (217,084)         | -             | -        | -        |
| Automobile insurance          | 2,224,924         | -             | -        | -        |
| Total                         | ₩ 23,947,370      | ₩ 151,891     | ₩ 86,167 | ₩ 26,679 |

(In millions of Korean won)

|                               | December 31, 2022 |               |          |          |
|-------------------------------|-------------------|---------------|----------|----------|
|                               | Domestic          | United States | China    | Others   |
| General insurance             |                   |               |          |          |
| Fire                          | ₩ 7,658           | ₩ -           | ₩ -      | ₩ -      |
| Maritime                      | 46,183            | -             | -        | -        |
| Others                        | 1,430,584         | 174,591       | 30,666   | 16,917   |
| Long-term insurance           |                   |               |          |          |
| Injury, illness, and property | 12,558,723        | -             | -        | -        |
| Pension                       | 5,630,085         | -             | -        | -        |
| Others                        | (72,220)          | -             | -        | -        |
| Automobile insurance          | 2,172,574         | -             | -        | -        |
| Total                         | ₩ 21,773,587      | ₩ 174,591     | ₩ 30,666 | ₩ 16,917 |

38.11.3.2 After reinsurance mitigation

(In millions of Korean won)

|                               | December 31, 2023 |               |          |         |
|-------------------------------|-------------------|---------------|----------|---------|
|                               | Domestic          | United States | China    | Others  |
| General insurance             |                   |               |          |         |
| Fire                          | ₩ 12,258          | ₩ -           | ₩ -      | ₩ -     |
| Maritime                      | 29,637            | -             | -        | -       |
| Others                        | 520,007           | 3,455         | 26,526   | 8,067   |
| Long-term insurance           |                   |               |          |         |
| Injury, illness, and property | 14,760,447        | -             | -        | -       |
| Pension                       | 5,211,720         | -             | -        | -       |
| Others                        | (217,084)         | -             | -        | -       |
| Automobile insurance          | 2,214,411         | -             | -        | -       |
| Total                         | ₩ 22,531,396      | ₩ 3,455       | ₩ 26,526 | ₩ 8,067 |

(In millions of Korean won)

|                               | December 31, 2022 |               |          |         |
|-------------------------------|-------------------|---------------|----------|---------|
|                               | Domestic          | United States | China    | Others  |
| General insurance             |                   |               |          |         |
| Fire                          | ₩ 10,805          | ₩ -           | ₩ -      | ₩ -     |
| Maritime                      | 29,743            | -             | -        | -       |
| Others                        | 435,808           | 132,953       | 20,689   | 4,978   |
| Long-term insurance           |                   |               |          |         |
| Injury, illness, and property | 12,176,990        | -             | -        | -       |
| Pension                       | 5,630,085         | -             | -        | -       |
| Others                        | (72,220)          | -             | -        | -       |
| Automobile insurance          | 2,140,824         | -             | -        | -       |
| Total                         | ₩ 20,352,035      | ₩ 132,953     | ₩ 20,689 | ₩ 4,978 |

**KB Financial Group Inc. and Subsidiaries**  
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38.11.4 Claims development tables

The Group verifies and evaluates the adequacy of reserve for outstanding claims for general, automobile, and long-term insurance with methods such as paid loss development trend and incurred loss development trend. If the individually estimated claims are insufficient, the Group recognizes additional reserves. Claims development tables as of December 31, 2023 and 2022, are as follows:

38.11.4.1 Claims development tables as of December 31, 2023

38.11.4.1.1 Before reinsurance mitigation

**General Insurance**

(In millions of Korean won)

| Estimated final loss undiscounted                           | Accident year |             |             |             |             |             |     | Total       |
|---|---------------|-------------|-------------|-------------|-------------|-------------|-----|-------------|
|   | 2018          | 2019        | 2020        | 2021        | 2022        | 2023        |     |             |
| <b>Development year</b>                                     |               |             |             |             |             |             |     |             |
| 1 year  | W 513,396     | W 559,484   | W 839,279   | W 926,787   | W 918,732   | W 984,418   | W   | -           |
| 2 years   | 545,691       | 567,735     | 1,035,332   | 923,424     | 846,577     | -           | -   | -           |
| 3 years   | 543,816       | 592,403     | 954,050     | 834,723     | -           | -           | -   | -           |
| 4 years   | 565,489       | 598,698     | 970,065     | -           | -           | -           | -   | -           |
| 5 years   | 570,120       | 587,100     | -           | -           | -           | -           | -   | -           |
| 6 years   | 563,739       | -           | -           | -           | -           | -           | -   | -           |
| Estimated final loss  | W 563,739     | W 587,100   | W 970,065   | W 834,723   | W 846,577   | W 984,418   | W   | -           |
| <b>Gross cumulative claim payments</b>                      |               |             |             |             |             |             |     |             |
| Total gross cumulative claim payments                       | W (558,954)   | W (557,309) | W (779,235) | W (694,815) | W (655,922) | W (430,284) | W   | -           |
| Difference between estimated final loss and claim payments. | 4,785         | 29,791      | 190,830     | 139,908     | 190,655     | 554,134     |     | 1,110,103   |
| Estimated claim handling costs and expected indemnity       | -             | -           | -           | -           | -           | -           | -   | 41,413      |
| Incurred claims over 6 years ago                            | -             | -           | -           | -           | -           | -           | -   | 42,564      |
| Incurred claims settled but not yet paid                    | -             | -           | -           | -           | -           | -           | -   | (52,545)    |
| Discount rate effect  | -             | -           | -           | -           | -           | -           | -   | (8,539)     |
| Risk adjustment   | -             | -           | -           | -           | -           | -           | -   | 75,116      |
| Others  | -             | -           | -           | -           | -           | -           | -   | 213,113     |
| <b>Liability for incurred claims book value</b>             | W -           | W -         | W -         | W -         | W -         | W -         | W - | W 1,421,225 |

38.11.4.1.1 Before reinsurance mitigation (cont'd)

**Automobile Insurance**

(In millions of Korean won)

| Estimated final loss undiscounted                           | Accident year |               |               |               |               |               | Total     |
|---|---------------|---------------|---------------|---------------|---------------|---------------|-----------|
|   | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          |           |
| <b>Development year</b>                                     |               |               |               |               |               |               |           |
| 1 year  | W 1,504,699   | W 1,626,553   | W 1,639,258   | W 1,758,406   | W 1,853,766   | W 1,958,153   | W -       |
| 2 years   | 1,491,522     | 1,639,692     | 1,645,744     | 1,766,713     | 1,865,422     | -             | -         |
| 3 years   | 1,490,896     | 1,645,194     | 1,642,418     | 1,754,773     | -             | -             | -         |
| 4 years   | 1,495,058     | 1,648,516     | 1,633,491     | -             | -             | -             | -         |
| 5 years   | 1,497,956     | 1,642,245     | -             | -             | -             | -             | -         |
| 6 years   | 1,492,463     | -             | -             | -             | -             | -             | -         |
| Estimated final loss  | W 1,492,463   | W 1,642,245   | W 1,633,491   | W 1,754,773   | W 1,865,422   | W 1,958,153   | W -       |
| <b>Gross cumulative claim payments</b>                      |               |               |               |               |               |               |           |
| Total gross cumulative claim payments                       | W (1,480,005) | W (1,621,917) | W (1,608,054) | W (1,714,365) | W (1,796,293) | W (1,629,354) | W -       |
| Difference between estimated final loss and claim payments. | 12,458        | 20,328        | 25,437        | 40,408        | 69,129        | 328,799       | 496,559   |
| Estimated claim handling costs and expected indemnity       | -             | -             | -             | -             | -             | -             | 22,411    |
| Incurred claims over 6 years ago                            | -             | -             | -             | -             | -             | -             | 35,670    |
| Incurred claims settled but not yet paid                    | -             | -             | -             | -             | -             | -             | 42,136    |
| Discount rate effect  | -             | -             | -             | -             | -             | -             | 5,219     |
| Risk adjustment   | -             | -             | -             | -             | -             | -             | 21,318    |
| Others  | -             | -             | -             | -             | -             | -             | 5,677     |
| <b>Liability for incurred claims book value</b>             | W -           | W -           | W -           | W -           | W -           | W -           | W 628,990 |

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38.11.4.1.1 Before reinsurance mitigation (cont'd)

**Long-term Insurance**

|   | Accident year |               |               |               |               |               |             |
|---|---------------|---------------|---------------|---------------|---------------|---------------|-------------|
|   | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          | Total       |
| <i>(In millions of Korean won)</i>                          |               |               |               |               |               |               |             |
| <b>Estimated final loss undiscounted</b>                    |               |               |               |               |               |               |             |
| <b>Development year</b>                                     |               |               |               |               |               |               |             |
| 1 year  | W 1,937,997   | W 2,314,936   | W 2,593,514   | W 3,003,522   | W 3,159,835   | W 3,485,979   | W -         |
| 2 years   | 1,958,540     | 2,322,571     | 2,551,274     | 2,965,954     | 3,180,537     | -             | -           |
| 3 years   | 1,966,566     | 2,332,331     | 2,554,205     | 2,972,948     | -             | -             | -           |
| 4 years   | 1,978,019     | 2,339,839     | 2,557,951     | -             | -             | -             | -           |
| 5 years   | 1,979,283     | 2,339,712     | -             | -             | -             | -             | -           |
| 6 years   | 1,977,945     | -             | -             | -             | -             | -             | -           |
| Estimated final loss  | W 1,977,945   | W 2,339,712   | W 2,557,951   | W 2,972,948   | W 3,180,537   | W 3,485,979   | W -         |
| <b>Gross cumulative claim payments</b>                      |               |               |               |               |               |               |             |
| Total gross cumulative claim payments                       | W (1,971,631) | W (2,327,124) | W (2,533,413) | W (2,912,534) | W (3,016,892) | W (2,379,992) | W -         |
| Difference between estimated final loss and claim payments. | 6,314         | 12,588        | 24,538        | 60,414        | 163,645       | 1,105,987     | 1,373,486   |
| Estimated claim handling costs and expected indemnity       | -             | -             | -             | -             | -             | -             | 52,983      |
| Incurring claims over 6 years ago                           | -             | -             | -             | -             | -             | -             | 7,786       |
| Incurring claims settled but not yet paid                   | -             | -             | -             | -             | -             | -             | 480,297     |
| Discount rate effect  | -             | -             | -             | -             | -             | -             | (35,235)    |
| Risk adjustment   | -             | -             | -             | -             | -             | -             | 26,924      |
| Others  | -             | -             | -             | -             | -             | -             | 50          |
| <b>Liability for incurred claims book value</b>             | W -           | W -           | W -           | W -           | W -           | W -           | W 1,906,291 |

38.11.4.1.2 After reinsurance mitigation

**General Insurance**

|   | Accident year |             |             |             |             |             |           |
|---|---------------|-------------|-------------|-------------|-------------|-------------|-----------|
|   | 2018          | 2019        | 2020        | 2021        | 2022        | 2023        | Total     |
| <i>(In millions of Korean won)</i>                          |               |             |             |             |             |             |           |
| <b>Estimated final loss undiscounted</b>                    |               |             |             |             |             |             |           |
| <b>Development year</b>                                     |               |             |             |             |             |             |           |
| 1 year  | W 290,681     | W 304,171   | W 332,137   | W 463,207   | W 512,812   | W 501,574   | W -       |
| 2 years   | 299,745       | 308,785     | 344,149     | 449,737     | 499,457     | -           | -         |
| 3 years   | 291,075       | 316,601     | 343,707     | 447,047     | -           | -           | -         |
| 4 years   | 296,824       | 321,173     | 347,312     | -           | -           | -           | -         |
| 5 years   | 300,125       | 320,026     | -           | -           | -           | -           | -         |
| 6 years   | 302,451       | -           | -           | -           | -           | -           | -         |
| Estimated final loss  | W 302,451     | W 320,026   | W 347,312   | W 447,047   | W 499,457   | W 501,574   | W -       |
| <b>Gross cumulative claim payments</b>                      |               |             |             |             |             |             |           |
| Total gross cumulative claim payments                       | W (300,196)   | W (310,243) | W (320,544) | W (386,251) | W (395,065) | W (251,845) | W -       |
| Difference between estimated final loss and claim payments. | 2,255         | 9,783       | 26,768      | 60,796      | 104,392     | 249,729     | 453,723   |
| Estimated claim handling costs and expected indemnity       | -             | -           | -           | -           | -           | -           | 28,327    |
| Incurring claims over 6 years ago                           | -             | -           | -           | -           | -           | -           | 22,798    |
| Incurring claims settled but not yet paid                   | -             | -           | -           | -           | -           | -           | (188,877) |
| Discount rate effect  | -             | -           | -           | -           | -           | -           | (1,904)   |
| Risk adjustment   | -             | -           | -           | -           | -           | -           | 28,338    |
| Others  | -             | -           | -           | -           | -           | -           | 12,360    |
| <b>Liability for incurred claims book value</b>             | W -           | W -         | W -         | W -         | W -         | W -         | W 354,765 |



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38.11.4.1.2 After reinsurance mitigation (cont'd)

**Automobile Insurance**

(In millions of Korean won)

|   | Accident year |               |               |               |               |               |           |
|---|---------------|---------------|---------------|---------------|---------------|---------------|-----------|
|   | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          | Total     |
| <b>Estimated final loss undiscounted</b>                    |               |               |               |               |               |               |           |
| <b>Development year</b>                                     |               |               |               |               |               |               |           |
| 1 year  | W 1,463,857   | W 1,581,086   | W 1,615,387   | W 1,745,376   | W 1,849,405   | W 1,958,153   | W -       |
| 2 years   | 1,450,943     | 1,594,400     | 1,621,647     | 1,753,171     | 1,861,151     | -             | -         |
| 3 years   | 1,450,102     | 1,599,550     | 1,618,230     | 1,741,566     | -             | -             | -         |
| 4 years   | 1,454,108     | 1,602,565     | 1,609,312     | -             | -             | -             | -         |
| 5 years   | 1,456,542     | 1,596,518     | -             | -             | -             | -             | -         |
| 6 years   | 1,451,085     | -             | -             | -             | -             | -             | -         |
| Estimated final loss  | W 1,451,085   | W 1,596,518   | W 1,609,312   | W 1,741,566   | W 1,861,151   | W 1,958,153   | W -       |
| <b>Gross cumulative claim payments</b>                      |               |               |               |               |               |               |           |
| Total gross cumulative claim payments                       | W (1,439,301) | W (1,576,896) | W (1,584,585) | W (1,701,673) | W (1,792,264) | W (1,629,354) | W -       |
| Difference between estimated final loss and claim payments. | 11,784        | 19,622        | 24,727        | 39,893        | 68,887        | 328,799       | 493,712   |
| Estimated claim handling costs and expected indemnity       | -             | -             | -             | -             | -             | -             | 22,283    |
| Incurring claims over 6 years ago                           | -             | -             | -             | -             | -             | -             | 33,999    |
| Incurring claims settled but not yet paid                   | -             | -             | -             | -             | -             | -             | 40,875    |
| Discount rate effect  | -             | -             | -             | -             | -             | -             | 5,219     |
| Risk adjustment   | -             | -             | -             | -             | -             | -             | 21,318    |
| Others  | -             | -             | -             | -             | -             | -             | 575       |
| <b>Liability for incurred claims book value</b>             | W -           | W -           | W -           | W -           | W -           | W -           | W 617,981 |

38.11.4.1.2 After reinsurance mitigation (cont'd)

**Long-term Insurance**

(In millions of Korean won)

|   | Accident year |               |               |               |               |               |             |
|---|---------------|---------------|---------------|---------------|---------------|---------------|-------------|
|   | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          | Total       |
| <b>Estimated final loss undiscounted</b>                    |               |               |               |               |               |               |             |
| <b>Development year</b>                                     |               |               |               |               |               |               |             |
| 1 year  | W 1,637,680   | W 1,957,373   | W 2,182,836   | W 2,529,760   | W 2,680,155   | W 2,951,334   | W -         |
| 2 years   | 1,652,893     | 1,954,261     | 2,136,381     | 2,494,050     | 2,690,877     | -             | -           |
| 3 years   | 1,659,135     | 1,961,975     | 2,138,283     | 2,499,511     | -             | -             | -           |
| 4 years   | 1,668,516     | 1,968,459     | 2,141,462     | -             | -             | -             | -           |
| 5 years   | 1,669,653     | 1,968,485     | -             | -             | -             | -             | -           |
| 6 years   | 1,668,426     | -             | -             | -             | -             | -             | -           |
| Estimated final loss  | W 1,668,426   | W 1,968,485   | W 2,141,462   | W 2,499,511   | W 2,690,877   | W 2,951,334   | W -         |
| <b>Gross cumulative claim payments</b>                      |               |               |               |               |               |               |             |
| Total gross cumulative claim payments                       | W (1,662,887) | W (1,957,612) | W (2,120,429) | W (2,448,085) | W (2,550,761) | W (2,003,225) | W -         |
| Difference between estimated final loss and claim payments. | 5,539         | 10,873        | 21,033        | 51,426        | 140,116       | 948,109       | 1,177,096   |
| Estimated claim handling costs and expected indemnity       | -             | -             | -             | -             | -             | -             | 46,664      |
| Incurring claims over 6 years ago                           | -             | -             | -             | -             | -             | -             | 6,776       |
| Incurring claims settled but not yet paid                   | -             | -             | -             | -             | -             | -             | 299,202     |
| Discount rate effect  | -             | -             | -             | -             | -             | -             | (30,585)    |
| Risk adjustment   | -             | -             | -             | -             | -             | -             | 23,722      |
| Others  | -             | -             | -             | -             | -             | -             | (2,767)     |
| <b>Liability for incurred claims book value</b>             | W -           | W -           | W -           | W -           | W -           | W -           | W 1,520,108 |

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38.11.4.2 Claims development tables as of December 31, 2022

38.11.4.2.1 Before reinsurance mitigation

**General Insurance**

(In millions of Korean won)

|   | Accident year |             |             |             |             |             |             |
|---|---------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   | 2017          | 2018        | 2019        | 2020        | 2021        | 2022        | Total       |
| <b>Estimated final loss undiscounted</b>                    |               |             |             |             |             |             |             |
| <b>Development year</b>                                     |               |             |             |             |             |             |             |
| 1 year  | W 645,886     | W 513,396   | W 559,484   | W 839,279   | W 926,787   | W 918,732   | W -         |
| 2 years   | 804,327       | 545,691     | 567,735     | 1,035,332   | 923,424     | -           | -           |
| 3 years   | 793,670       | 543,816     | 592,403     | 954,050     | -           | -           | -           |
| 4 years   | 623,519       | 565,489     | 598,698     | -           | -           | -           | -           |
| 5 years   | 651,294       | 570,120     | -           | -           | -           | -           | -           |
| 6 years   | 654,480       | -           | -           | -           | -           | -           | -           |
| Estimated final loss  | W 654,480     | W 570,120   | W 598,698   | W 954,050   | W 923,424   | W 918,732   | W -         |
| <b>Gross cumulative claim payments</b>                      |               |             |             |             |             |             |             |
| Total gross cumulative claim payments                       | W (648,276)   | W (552,271) | W (550,636) | W (690,899) | W (635,141) | W (433,386) | W -         |
| Difference between estimated final loss and claim payments. | 6,204         | 17,849      | 48,062      | 263,151     | 288,283     | 485,346     | 1,108,895   |
| Estimated claim handling costs and expected indemnity       | -             | -           | -           | -           | -           | -           | 50,051      |
| Incurred claims over 6 years ago                            | -             | -           | -           | -           | -           | -           | 35,340      |
| Incurred claims settled but not yet paid                    | -             | -           | -           | -           | -           | -           | (55,391)    |
| Discount rate effect  | -             | -           | -           | -           | -           | -           | (12,867)    |
| Risk adjustment   | -             | -           | -           | -           | -           | -           | 57,433      |
| Others  | -             | -           | -           | -           | -           | -           | 175,476     |
| <b>Liability for incurred claims book value</b>             | W -           | W -         | W -         | W -         | W -         | W -         | W 1,358,937 |

38.11.4.2.1 Before reinsurance mitigation (cont'd)

**Automobile Insurance**

(In millions of Korean won)

|   | Accident year |               |               |               |               |               |           |
|---|---------------|---------------|---------------|---------------|---------------|---------------|-----------|
|   | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          | Total     |
| <b>Estimated final loss undiscounted</b>                    |               |               |               |               |               |               |           |
| <b>Development year</b>                                     |               |               |               |               |               |               |           |
| 1 year  | W 1,364,244   | W 1,504,699   | W 1,626,553   | W 1,639,258   | W 1,758,406   | W 1,853,766   | W -       |
| 2 years   | 1,367,854     | 1,491,522     | 1,639,692     | 1,645,744     | 1,766,713     | -             | -         |
| 3 years   | 1,369,260     | 1,490,896     | 1,645,194     | 1,642,418     | -             | -             | -         |
| 4 years   | 1,370,962     | 1,495,058     | 1,648,516     | -             | -             | -             | -         |
| 5 years   | 1,375,469     | 1,497,956     | -             | -             | -             | -             | -         |
| 6 years   | 1,375,480     | -             | -             | -             | -             | -             | -         |
| Estimated final loss  | W 1,375,480   | W 1,497,956   | W 1,648,516   | W 1,642,418   | W 1,766,713   | W 1,853,766   | W -       |
| <b>Gross cumulative claim payments</b>                      |               |               |               |               |               |               |           |
| Total gross cumulative claim payments                       | W (1,361,232) | W (1,476,781) | W (1,614,015) | W (1,595,586) | W (1,684,092) | W (1,516,007) | W -       |
| Difference between estimated final loss and claim payments. | 14,248        | 21,175        | 34,501        | 46,832        | 82,621        | 337,759       | 537,136   |
| Estimated claim handling costs and expected indemnity       | -             | -             | -             | -             | -             | -             | 25,138    |
| Incurred claims over 6 years ago                            | -             | -             | -             | -             | -             | -             | 32,860    |
| Incurred claims settled but not yet paid                    | -             | -             | -             | -             | -             | -             | 34,796    |
| Discount rate effect  | -             | -             | -             | -             | -             | -             | 2,445     |
| Risk adjustment   | -             | -             | -             | -             | -             | -             | 21,276    |
| Others  | -             | -             | -             | -             | -             | -             | 7,596     |
| <b>Liability for incurred claims book value</b>             | W -           | W -           | W -           | W -           | W -           | W -           | W 661,247 |

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38.11.4.2.1 Before reinsurance mitigation (cont'd)

**Long-term Insurance**

(In millions of Korean won)

|   | Accident year |               |               |               |               |               |                    |
|---|---------------|---------------|---------------|---------------|---------------|---------------|--------------------|
|   | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          | Total              |
| <b>Estimated final loss undiscounted</b>                    |               |               |               |               |               |               |                    |
| <b>Development year</b>                                     |               |               |               |               |               |               |                    |
| 1 year  | W 1,664,747   | W 1,937,997   | W 2,314,936   | W 2,593,514   | W 3,003,522   | W 3,159,835   | W -                |
| 2 years   | 1,675,583     | 1,958,540     | 2,322,571     | 2,551,274     | 2,965,954     | -             | -                  |
| 3 years   | 1,690,408     | 1,966,566     | 2,332,331     | 2,554,205     | -             | -             | -                  |
| 4 years   | 1,699,075     | 1,978,019     | 2,339,839     | -             | -             | -             | -                  |
| 5 years   | 1,702,342     | 1,979,283     | -             | -             | -             | -             | -                  |
| 6 years   | 1,702,858     | -             | -             | -             | -             | -             | -                  |
| Estimated final loss  | W 1,702,858   | W 1,979,283   | W 2,339,839   | W 2,554,205   | W 2,965,954   | W 3,159,835   | W -                |
| <b>Gross cumulative claim payments</b>                      |               |               |               |               |               |               |                    |
| Total gross cumulative claim payments                       | W (1,696,309) | W (1,967,095) | W (2,316,174) | W (2,503,490) | W (2,818,514) | W (2,168,677) | W -                |
| Difference between estimated final loss and claim payments. | 6,549         | 12,188        | 23,665        | 50,715        | 147,440       | 991,158       | 1,231,715          |
| Estimated claim handling costs and expected indemnity       | -             | -             | -             | -             | -             | -             | 47,563             |
| Incurring claims over 6 years ago                           | -             | -             | -             | -             | -             | -             | 8,827              |
| Incurring claims settled but not yet paid                   | -             | -             | -             | -             | -             | -             | 464,689            |
| Discount rate effect  | -             | -             | -             | -             | -             | -             | (35,313)           |
| Risk adjustment   | -             | -             | -             | -             | -             | -             | 30,388             |
| Others  | -             | -             | -             | -             | -             | -             | -                  |
| <b>Liability for incurred claims book value</b>             | <b>W -</b>    | <b>W -</b>    | <b>W -</b>    | <b>W -</b>    | <b>W -</b>    | <b>W -</b>    | <b>W 1,747,869</b> |

38.11.4.2.2 After reinsurance mitigation

**General Insurance**

(In millions of Korean won)

|   | Accident year |             |             |             |             |             |                  |
|---|---------------|-------------|-------------|-------------|-------------|-------------|------------------|
|   | 2017          | 2018        | 2019        | 2020        | 2021        | 2022        | Total            |
| <b>Estimated final loss undiscounted</b>                    |               |             |             |             |             |             |                  |
| <b>Development year</b>                                     |               |             |             |             |             |             |                  |
| 1 year  | W 302,465     | W 290,681   | W 304,171   | W 332,137   | W 463,207   | W 512,812   | W -              |
| 2 years   | 339,141       | 299,745     | 308,785     | 344,149     | 449,737     | -           | -                |
| 3 years   | 328,713       | 291,075     | 316,601     | 343,707     | -           | -           | -                |
| 4 years   | 281,281       | 296,824     | 321,173     | -           | -           | -           | -                |
| 5 years   | 287,136       | 300,125     | -           | -           | -           | -           | -                |
| 6 years   | 288,358       | -           | -           | -           | -           | -           | -                |
| Estimated final loss  | W 288,358     | W 300,125   | W 321,173   | W 343,707   | W 449,737   | W 512,812   | W -              |
| <b>Gross cumulative claim payments</b>                      |               |             |             |             |             |             |                  |
| Total gross cumulative claim payments                       | W (288,514)   | W (296,282) | W (306,897) | W (304,202) | W (348,301) | W (261,829) | W -              |
| Difference between estimated final loss and claim payments. | (156)         | 3,843       | 14,276      | 39,505      | 101,436     | 250,983     | 409,887          |
| Estimated claim handling costs and expected indemnity       | -             | -           | -           | -           | -           | -           | 28,878           |
| Incurring claims over 6 years ago                           | -             | -           | -           | -           | -           | -           | 13,397           |
| Incurring claims settled but not yet paid                   | -             | -           | -           | -           | -           | -           | (205,328)        |
| Discount rate effect  | -             | -           | -           | -           | -           | -           | (1,524)          |
| Risk adjustment   | -             | -           | -           | -           | -           | -           | 27,458           |
| Others  | -             | -           | -           | -           | -           | -           | 24,787           |
| <b>Liability for incurred claims book value</b>             | <b>W -</b>    | <b>W -</b>  | <b>W -</b>  | <b>W -</b>  | <b>W -</b>  | <b>W -</b>  | <b>W 297,555</b> |

## KB Financial Group Inc. and Subsidiaries

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38.11.4.2.2 After reinsurance mitigation (cont'd)

**Automobile Insurance**

|   | Accident year |               |               |               |               |               |           |
|---|---------------|---------------|---------------|---------------|---------------|---------------|-----------|
|   | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          | Total     |
| <i>(In millions of Korean won)</i>                          |               |               |               |               |               |               |           |
| <b>Estimated final loss undiscounted</b>                    |               |               |               |               |               |               |           |
| <b>Development year</b>                                     |               |               |               |               |               |               |           |
| 1 year  | W 1,337,010   | W 1,463,857   | W 1,581,086   | W 1,615,387   | W 1,745,376   | W 1,849,405   | W -       |
| 2 years   | 1,337,572     | 1,450,943     | 1,594,400     | 1,621,647     | 1,753,171     | -             | -         |
| 3 years   | 1,338,266     | 1,450,102     | 1,599,550     | 1,618,230     | -             | -             | -         |
| 4 years   | 1,339,196     | 1,454,108     | 1,602,565     | -             | -             | -             | -         |
| 5 years   | 1,343,612     | 1,456,542     | -             | -             | -             | -             | -         |
| 6 years   | 1,343,363     | -             | -             | -             | -             | -             | -         |
| Estimated final loss  | W 1,343,363   | W 1,456,542   | W 1,602,565   | W 1,618,230   | W 1,753,171   | W 1,849,405   | W -       |
| <b>Gross cumulative claim payments</b>                      |               |               |               |               |               |               |           |
| Total gross cumulative claim payments                       | W (1,330,190) | W (1,436,359) | W (1,569,236) | W (1,572,372) | W (1,672,087) | W (1,512,367) | W -       |
| Difference between estimated final loss and claim payments. | 13,173        | 20,183        | 33,329        | 45,858        | 81,084        | 337,038       | 530,665   |
| Estimated claim handling costs and expected indemnity       | -             | -             | -             | -             | -             | -             | 24,853    |
| Incurring claims over 6 years ago                           | -             | -             | -             | -             | -             | -             | 31,248    |
| Incurring claims settled but not yet paid                   | -             | -             | -             | -             | -             | -             | 18,177    |
| Discount rate effect  | -             | -             | -             | -             | -             | -             | 2,449     |
| Risk adjustment   | -             | -             | -             | -             | -             | -             | 21,227    |
| Others  | -             | -             | -             | -             | -             | -             | 350       |
| <b>Liability for incurred claims book value</b>             | W -           | W -           | W -           | W -           | W -           | W -           | W 628,969 |

38.11.4.2.2 After reinsurance mitigation (cont'd)

**Long-term Insurance**

|   | Accident year |               |               |               |               |               |             |
|---|---------------|---------------|---------------|---------------|---------------|---------------|-------------|
|   | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          | Total       |
| <i>(In millions of Korean won)</i>                          |               |               |               |               |               |               |             |
| <b>Estimated final loss undiscounted</b>                    |               |               |               |               |               |               |             |
| <b>Development year</b>                                     |               |               |               |               |               |               |             |
| 1 year  | W 1,414,636   | W 1,637,680   | W 1,957,373   | W 2,182,836   | W 2,529,760   | W 2,680,155   | W -         |
| 2 years   | 1,418,815     | 1,652,893     | 1,954,261     | 2,136,381     | 2,494,050     | -             | -           |
| 3 years   | 1,431,799     | 1,659,135     | 1,961,975     | 2,138,283     | -             | -             | -           |
| 4 years   | 1,439,216     | 1,668,516     | 1,968,459     | -             | -             | -             | -           |
| 5 years   | 1,442,007     | 1,669,653     | -             | -             | -             | -             | -           |
| 6 years   | 1,442,582     | -             | -             | -             | -             | -             | -           |
| Estimated final loss  | W 1,442,582   | W 1,669,653   | W 1,968,459   | W 2,138,283   | W 2,494,050   | W 2,680,155   | W -         |
| <b>Gross cumulative claim payments</b>                      |               |               |               |               |               |               |             |
| Total gross cumulative claim payments                       | W (1,436,690) | W (1,658,943) | W (1,947,950) | W (2,094,566) | W (2,367,783) | W (1,830,875) | W -         |
| Difference between estimated final loss and claim payments. | 5,892         | 10,710        | 20,509        | 43,717        | 126,267       | 849,280       | 1,056,375   |
| Estimated claim handling costs and expected indemnity       | -             | -             | -             | -             | -             | -             | 42,150      |
| Incurring claims over 6 years ago                           | -             | -             | -             | -             | -             | -             | 7,656       |
| Incurring claims settled but not yet paid                   | -             | -             | -             | -             | -             | -             | 332,497     |
| Discount rate effect  | -             | -             | -             | -             | -             | -             | (30,786)    |
| Risk adjustment   | -             | -             | -             | -             | -             | -             | 26,932      |
| Others  | -             | -             | -             | -             | -             | -             | (3,039)     |
| <b>Liability for incurred claims book value</b>             | W -           | W -           | W -           | W -           | W -           | W -           | W 1,431,785 |

**KB Financial Group Inc. and Subsidiaries**  
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38.11.5 Sensitivity analysis of insurance risk

The Group manages insurance risk by performing sensitivity analysis based on loss ratio, expense ratio, discount rate, and others which are considered to have significant influence on future cash flow, timing, and uncertainty.

(In millions of Korean won)

|                | December 31, 2023             |                              |                               |                              |                               |                              |
|----------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|
|                | CSM                           |                              | Profit or loss                |                              | Equity                        |                              |
|                | Before reinsurance mitigation | After reinsurance mitigation | Before reinsurance mitigation | After reinsurance mitigation | Before reinsurance mitigation | After reinsurance mitigation |
| Loss ratio:    |                               |                              |                               |                              |                               |                              |
| 10% increase   | ₩ (3,017,035)                 | ₩ (2,804,994)                | ₩ (204,679)                   | ₩ (204,326)                  | ₩ 8,646                       | ₩ 12,914                     |
| 10% decrease   | 3,040,917                     | 2,876,110                    | 134,965                       | 181,803                      | (76,125)                      | (44,685)                     |
| Lapse ratio:   |                               |                              |                               |                              |                               |                              |
| 10% increase   | (408,771)                     | (415,121)                    | (21,694)                      | (9,028)                      | (126,774)                     | (122,230)                    |
| 10% decrease   | 458,382                       | 471,873                      | 7,578                         | 13,170                       | 120,771                       | 122,364                      |
| Expense ratio: |                               |                              |                               |                              |                               |                              |
| 10% increase   | (628,400)                     | (622,522)                    | (34,425)                      | (27,321)                     | 17,560                        | 18,788                       |
| 10% decrease   | 633,238                       | 632,892                      | 29,588                        | 40,332                       | (22,397)                      | (18,107)                     |

(In millions of Korean won)

|                | December 31, 2022             |                              |                               |                              |                               |                              |
|----------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|
|                | CSM                           |                              | Profit or loss                |                              | Equity                        |                              |
|                | Before reinsurance mitigation | After reinsurance mitigation | Before reinsurance mitigation | After reinsurance mitigation | Before reinsurance mitigation | After reinsurance mitigation |
| Loss ratio:    |                               |                              |                               |                              |                               |                              |
| 10% increase   | ₩ (2,901,957)                 | ₩ (2,668,976)                | ₩ (71,203)                    | ₩ (71,191)                   | ₩ 344,552                     | ₩ 371,702                    |
| 10% decrease   | 2,912,747                     | 2,709,476                    | 39,698                        | 58,413                       | (375,968)                     | (386,452)                    |
| Lapse ratio:   |                               |                              |                               |                              |                               |                              |
| 10% increase   | (359,264)                     | (370,940)                    | (8,068)                       | (814)                        | (167,701)                     | (167,249)                    |
| 10% decrease   | 389,089                       | 408,833                      | 7,048                         | 9,954                        | 176,746                       | 183,228                      |
| Expense ratio: |                               |                              |                               |                              |                               |                              |
| 10% increase   | (580,442)                     | (571,270)                    | (11,460)                      | (8,628)                      | 73,058                        | 75,299                       |
| 10% decrease   | 581,002                       | 577,478                      | 10,900                        | 17,454                       | (73,618)                      | (70,238)                     |

38.11.6 Liquidity risk of insurance contracts

Liquidity risk arising from insurance contracts arises from the increase in refunds at maturity caused by concentrations of maturity, the excessive increase in surrender values caused by unexpected mass cancellation, and the increase in payments of claims caused by major accidents. The Group manages payment of refunds at maturity by analyzing remaining maturity of insurance contracts.

38.11.6.1 Maturity structure of insurance contract group and reinsurance contract group as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                    | December 31, 2023 |                 |                 |                 |                 |                  |               | Total        |
|------------------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|------------------|---------------|--------------|
|                                    | 1 year            | 1 year ~ 2years | 2years ~ 3years | 3years ~ 4years | 4years ~ 5years | 5years ~ 10years | Over 10 years |              |
| Net insurance contract liabilities | ₩ 1,637,409       | ₩ (1,369,600)   | ₩ (1,001,841)   | ₩ (674,656)     | ₩ (700,585)     | ₩ (648,167)      | ₩ 51,524,781  | ₩ 48,767,341 |
| Net reinsurance contract assets    | (1,390,791)       | (3,892)         | 11,622          | 8,801           | 3,709           | (3,614)          | 446,099       | (928,066)    |

(In millions of Korean won)

|                                    | December 31, 2022 |                 |                 |                 |                 |                  |               | Total        |
|------------------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|------------------|---------------|--------------|
|                                    | 1 year            | 1 year ~ 2years | 2years ~ 3years | 3years ~ 4years | 4years ~ 5years | 5years ~ 10years | Over 10 years |              |
| Net insurance contract liabilities | ₩ 1,487,772       | ₩ (1,310,285)   | ₩ (1,098,012)   | ₩ (736,720)     | ₩ (398,949)     | ₩ (946,928)      | ₩ 52,162,988  | ₩ 49,159,866 |
| Net reinsurance contract assets    | (1,267,940)       | 1,635           | 6,764           | 9,638           | 4,556           | 11,372           | 535,249       | (698,726)    |

The net outflow amount is represented as positive numbers, while the net inflow amount is represented as negative numbers.

38.11.6.2 The amount payable upon demand as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                   | December 31, 2023 |              |
|-------------------|-------------------|--------------|
|                   | Amount payable    | Book value   |
| General           | ₩ 472,238         | ₩ 1,512,347  |
| Long-term         | 26,415,292        | 20,210,100   |
| Automobile        | 1,604,163         | 2,224,924    |
| Overseas branches | 39,116            | 264,736      |
| Total             | ₩ 28,530,809      | ₩ 24,212,107 |

(In millions of Korean won)

|                   | December 31, 2022 |              |
|-------------------|-------------------|--------------|
|                   | Amount payable    | Book value   |
| General           | ₩ 449,914         | ₩ 1,484,425  |
| Long-term         | 25,413,387        | 18,116,588   |
| Automobile        | 1,519,713         | 2,172,574    |
| Overseas branches | 62,658            | 222,173      |
| Total             | ₩ 27,445,672      | ₩ 21,995,760 |

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38.11.7 Credit risk of insurance contract

Credit risk of an insurance contract refers to economic losses in which the reinsurer, the counterparty, is unable to fulfil its contract obligations due to a decline in credit ratings or default or others. Through an internal review, only the insurers rated BBB- or higher of S&P rating or corresponding rating are selected as reinsurance companies.

38.11.7.1 Concentration and credit ratings for top three reinsurance companies as of December 31, 2023, are as follows:

| Reinsurance company | Ratio  | Credit rating |
|---------------------|--------|---------------|
| KOREAN RE           | 32.75% | AA            |
| MUNICH RE           | 8.78%  | AAA           |
| HISCOX              | 3.51%  | AA+           |

38.11.7.2 Details of reinsurance contract assets (liabilities) the Group holds by credit rating of reinsurance companies as of December 31, 2023, are as follows:

(In millions of Korean won)

|                                  | December 31, 2023 |           |           |           |           |             |  |
|----------------------------------|-------------------|-----------|-----------|-----------|-----------|-------------|--|
|                                  | AAA-AA+           | AA-A+     | A-BBB+    | Below BBB | No rating | Total       |  |
| Reinsurance contract assets      | ₩ 14,027          | ₩ 665,375 | ₩ 928,430 | ₩ 1       | ₩ 38,673  | ₩ 1,646,506 |  |
| Reinsurance contract liabilities | -                 | (1)       | 481       | -         | 3,362     | 3,842       |  |

(In millions of Korean won)

|                                  | December 31, 2022 |           |           |           |           |             |  |
|----------------------------------|-------------------|-----------|-----------|-----------|-----------|-------------|--|
|                                  | AAA-AA+           | AA-A+     | A-BBB+    | Below BBB | No rating | Total       |  |
| Reinsurance contract assets      | ₩ 7,489           | ₩ 609,334 | ₩ 867,454 | ₩ 120     | ₩ 3,856   | ₩ 1,488,253 |  |
| Reinsurance contract liabilities | -                 | (1)       | 77        | -         | 3,072     | 3,148       |  |

38.11.8 Interest rate risk of insurance contract

The Group measures interest rate risk for insurance contract liabilities exposed to interest rate risk, which include long-term, automobile, and general insurance.

The Group calculates the exposure of insurance contract liabilities for long-term liability for remaining coverage and liability for incurred claims that apply the general model in accordance with IFRS. The interest rate risk exposure as of December 31, 2023 is as follows:

38.11.8.1 Status of interest rate risk exposure of insurance contract

(In millions of Korean won)

|                                    | December 31, 2023 |            | December 31, 2022 |            |
|------------------------------------|-------------------|------------|-------------------|------------|
| Net insurance contract liabilities | ₩                 | 22,259,522 | ₩                 | 20,136,772 |
| Net reinsurance contract assets    |                   | 1,533,562  |                   | 1,475,409  |
| Net asset effect                   | ₩                 | 20,725,960 | ₩                 | 18,661,363 |

38.11.8.2 Interest rate Sensitivities

(In millions of Korean won)

|                                    | December 31, 2023 |           |              |             |
|------------------------------------|-------------------|-----------|--------------|-------------|
|                                    | Equity            |           |              |             |
|                                    | 10% increase      |           | 10% decrease |             |
| Net insurance contract liabilities | ₩                 | 2,190,531 | ₩            | (2,714,587) |
| Net reinsurance contract assets    |                   | (33,033)  |              | 38,849      |
| Net asset effect                   | ₩                 | 2,157,498 | ₩            | (2,675,738) |

(In millions of Korean won)

|                                    | December 31, 2023 |           |              |             |
|------------------------------------|-------------------|-----------|--------------|-------------|
|                                    | Equity            |           |              |             |
|                                    | 10% increase      |           | 10% decrease |             |
| Net insurance contract liabilities | ₩                 | 2,190,531 | ₩            | (2,714,587) |
| Net reinsurance contract assets    |                   | (33,033)  |              | 38,849      |
| Net asset effect                   | ₩                 | 2,157,498 | ₩            | (2,675,738) |

38.12 Risk Management of KB Life Insurance Co., Ltd.

38.12.1 Risk Management of insurance risk

The Group sells life insurance products including death, health, pension, asset-linked, and variable contracts. Along with the sale of various products, the Group also diversifies risk through reinsurance cessions.

Insurance risk exposure of insurance contracts and reinsurance contracts as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                       | Exposure          |            |                   |            |
|-----------------------|-------------------|------------|-------------------|------------|
|                       | December 31, 2023 |            | December 31, 2022 |            |
| Insurance contracts   | ₩                 | 20,356,903 | ₩                 | 18,049,198 |
| Death                 |                   | 8,785,488  |                   | 6,953,754  |
| Health                |                   | 128,659    |                   | (48,153)   |
| Pension               |                   | 6,351,320  |                   | 6,663,112  |
| Asset-linked          |                   | 40,605     |                   | 43,932     |
| Variable death        |                   | 1,527,905  |                   | 1,157,036  |
| Variable pension      |                   | 3,522,926  |                   | 3,279,517  |
| Reinsurance contracts |                   | (41,032)   |                   | (37,402)   |
| Total                 | ₩                 | 20,315,871 | ₩                 | 18,011,796 |

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38.12.2 Claims development tables

Claims development tables of the Group as of December 31, 2023 and 2022, are as follows:

| Development year  | December 31, 2023 |             |             |             |             |        |           |
|---|-------------------|-------------|-------------|-------------|-------------|--------|-----------|
|   | Accident year     |             |             |             |             |        |           |
|   | 2019              | 2020        | 2021        | 2022        | 2023        | Total  |           |
| <b>Estimated final loss undiscounted</b>                    | W 188,067         | W 180,238   | W 203,710   | W 209,891   | W 212,680   | W -    | -         |
| Current year  | (153,837)         | (147,254)   | (167,874)   | (173,926)   | (175,467)   | -      | -         |
| After 1 year  | (26,840)          | (26,346)    | (28,097)    | (28,181)    | -           | -      | -         |
| After 2 years   | (4,024)           | (3,291)     | (4,152)     | -           | -           | -      | -         |
| After 3 years   | (1,316)           | (1,439)     | -           | -           | -           | -      | -         |
| After 4 years   | (613)             | -           | -           | -           | -           | -      | -         |
| Total gross cumulative claim payments                       | W (186,630)       | W (178,330) | W (200,123) | W (202,107) | W (175,467) | W -    | -         |
| Difference between estimated final loss and claim payments. | 1,437             | 1,908       | 3,587       | 7,784       | 37,213      | 51,929 | (2,970)   |
| Discount rate effect  | -                 | -           | -           | -           | -           | -      | 90        |
| Future claims expense                                       | -                 | -           | -           | -           | -           | -      | -         |
| Incurred claims settled but not yet paid                    | -                 | -           | -           | -           | -           | -      | 163,949   |
| Risk adjustment   | -                 | -           | -           | -           | -           | -      | 10,988    |
| Reinsurance effects *                                       | -                 | -           | -           | -           | -           | -      | (8,833)   |
| <b>Total Liability for incurred claims</b>                  | W -               | W -         | W -         | W -         | W -         | W -    | W 215,153 |

| Development year  | December 31, 2022 |             |             |             |             |        |           |
|---|-------------------|-------------|-------------|-------------|-------------|--------|-----------|
|   | Accident year     |             |             |             |             |        |           |
|   | 2018              | 2019        | 2020        | 2021        | 2022        | Total  |           |
| <b>Estimated final loss undiscounted</b>                    | W 180,410         | W 188,215   | W 180,992   | W 204,156   | W 211,404   | W -    | -         |
| Current year  | (150,348)         | (153,820)   | (147,921)   | (168,207)   | (174,686)   | -      | -         |
| After 1 year  | (24,130)          | (26,723)    | (26,238)    | (28,583)    | -           | -      | -         |
| After 2 years   | (2,653)           | (4,122)     | (3,472)     | -           | -           | -      | -         |
| After 3 years   | (1,275)           | (1,330)     | -           | -           | -           | -      | -         |
| After 4 years   | (579)             | -           | -           | -           | -           | -      | -         |
| Total gross cumulative claim payments                       | W (178,985)       | W (185,995) | W (177,631) | W (196,790) | W (174,686) | W -    | -         |
| Difference between estimated final loss and claim payments. | 1,425             | 2,220       | 3,361       | 7,366       | 36,718      | 51,090 | (3,249)   |
| Discount rate effect  | -                 | -           | -           | -           | -           | -      | 126       |
| Future claims expense                                       | -                 | -           | -           | -           | -           | -      | -         |
| Incurred claims settled but not yet paid                    | -                 | -           | -           | -           | -           | -      | 175,415   |
| Risk adjustment   | -                 | -           | -           | -           | -           | -      | 10,038    |
| Reinsurance effects *                                       | -                 | -           | -           | -           | -           | -      | (7,547)   |
| <b>Total Liability for incurred claims</b>                  | W -               | W -         | W -         | W -         | W -         | W -    | W 225,873 |

\* Decided to display reinsurance effects in one line.

38.12.3 Sensitivity analysis of insurance risk

The Group manages insurance risk by performing sensitivity analysis based on loss ratio, expense ratio, discount rate, and others which are considered to have significant influence on future cash flow, timing, and uncertainty.

The result of sensitivity analysis for the years ended December 31, 2023 and 2022, are as follows:

|                | Assumption change | December 31, 2023             |                              |                               |                              |
|----------------|-------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|
|                |                   | Effect on                     |                              |                               |                              |
|                |                   | Equity                        |                              | Profit or loss                |                              |
|                |                   | Before reinsurance mitigation | After reinsurance mitigation | Before reinsurance mitigation | After reinsurance mitigation |
| Lapse ratio    | 10%               | W 3,321                       | W 2,597                      | W (21,454)                    | W (21,810)                   |
| Lapse ratio    | -10%              | 1,355                         | 1,494                        | 7,252                         | 7,335                        |
| Loss ratio (*) | 10%               | 90,861                        | 88,899                       | (13,476)                      | (14,294)                     |
| Loss ratio (*) | -10%              | (95,788)                      | (93,886)                     | 11,279                        | 12,001                       |
| Expense ratio  | 10%               | 15,523                        | 15,242                       | (12,296)                      | (12,677)                     |
| Expense ratio  | -10%              | (15,823)                      | (15,549)                     | 12,959                        | 13,332                       |

|               | Assumption change | December 31, 2022             |                              |                               |                              |
|---------------|-------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|
|               |                   | Effect on                     |                              |                               |                              |
|               |                   | Equity                        |                              | Profit or loss                |                              |
|               |                   | Before reinsurance mitigation | After reinsurance mitigation | Before reinsurance mitigation | After reinsurance mitigation |
| Lapse ratio   | 10%               | W 20,135                      | W 19,250                     | W (39,955)                    | W (40,324)                   |
| Lapse ratio   | -10%              | (28,234)                      | (27,448)                     | 34,296                        | 34,488                       |
| Loss ratio *  | 10%               | 124,000                       | 121,882                      | (6,863)                       | (6,997)                      |
| Loss ratio *  | -10%              | (129,109)                     | (127,052)                    | 5,444                         | 5,528                        |
| Expense ratio | 10%               | 22,483                        | 22,432                       | (14,667)                      | (14,724)                     |
| Expense ratio | -10%              | (21,772)                      | (21,738)                     | 16,006                        | 16,064                       |

\* Includes mortality, longevity, and disability/illness risks

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38.12.4 Liquidity risk of insurance contracts

Liquidity risk arising from insurance contracts arises from the increase in refunds at maturity caused by concentrations of maturity, the excessive increase in surrender values caused by unexpected mass cancellation, and the increase in payments of claims caused by major accidents. The Group manages payment of refunds at maturity by analysing remaining maturity of insurance contracts.

Maturity structure of insurance contract liabilities (assets) based on net cashflows as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                       | December 31, 2023 |                 |                 |                 |                 |                  |                   |               |
|-----------------------|-------------------|-----------------|-----------------|-----------------|-----------------|------------------|-------------------|---------------|
|                       | 1 year            | 1 year ~ 2years | 2years ~ 3years | 3years ~ 4years | 4years ~ 5years | 5years ~ 10years | 10years ~ 20years | Over 20 years |
| Insurance contracts   | ₩ (364,422)       | ₩ (243,265)     | ₩ (41,810)      | ₩ 279,853       | ₩ 631,806       | ₩ 4,849,035      | ₩ 12,457,375      | ₩ 38,335,547  |
| Assets portfolio      | -                 | -               | -               | -               | -               | -                | -                 | -             |
| Liabilities portfolio | (364,422)         | (243,265)       | (41,810)        | 279,853         | 631,806         | 4,849,035        | 12,457,375        | 38,335,547    |
| Reinsurance contracts | (5,667)           | 3,095           | 3,378           | 2,705           | 2,414           | 9,629            | 17,415            | 60,794        |
| Assets portfolio      | (2,571)           | 691             | 908             | 465             | 387             | 744              | 35                | 131           |
| Liabilities portfolio | (3,096)           | 2,404           | 2,470           | 2,240           | 2,026           | 8,885            | 17,381            | 60,663        |

(In millions of Korean won)

|                       | December 31, 2022 |                 |                 |                 |                 |                  |                   |               |
|-----------------------|-------------------|-----------------|-----------------|-----------------|-----------------|------------------|-------------------|---------------|
|                       | 1 year            | 1 year ~ 2years | 2years ~ 3years | 3years ~ 4years | 4years ~ 5years | 5years ~ 10years | 10years ~ 20years | Over 20 years |
| Insurance contracts   | ₩ (324,634)       | ₩ (255,444)     | ₩ 32,474        | ₩ 202,786       | ₩ 555,048       | ₩ 4,306,398      | ₩ 12,620,485      | ₩ 38,139,531  |
| Assets portfolio      | -                 | -               | -               | -               | -               | -                | -                 | -             |
| Liabilities portfolio | (324,634)         | (255,444)       | 32,474          | 202,786         | 555,048         | 4,306,398        | 12,620,485        | 38,139,531    |
| Reinsurance contracts | (6,225)           | 1,452           | 721             | 555             | 671             | 5,431            | 18,021            | 54,508        |
| Assets portfolio      | (4,255)           | 390             | (149)           | (147)           | (89)            | (161)            | 56                | 128           |
| Liabilities portfolio | (1,969)           | 1,061           | 870             | 702             | 760             | 5,592            | 17,966            | 54,380        |

38.12.5 The amount payable upon demand as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                     | December 31, 2023 |              |
|---------------------|-------------------|--------------|
|                     | Amount payable    | Book value   |
| Insurance contracts |                   |              |
| Death               | ₩ 13,007,313      | ₩ 12,105,279 |
| Health              | 699,541           | 437,536      |
| Pension             | 7,008,436         | 6,840,937    |
| Asset-linked        | 43,654            | 42,761       |
| Variable death      | 2,382,968         | 2,576,135    |
| Variable pension    | 3,807,587         | 3,656,532    |
|                     | ₩ 26,949,499      | ₩ 25,659,180 |

(In millions of Korean won)

|                     | December 31, 2022 |            |            |            |
|---------------------|-------------------|------------|------------|------------|
|                     | Amount payable    |            | Book value |            |
| Insurance contracts |                   |            |            |            |
| Death               | ₩                 | 11,993,173 | ₩          | 10,438,653 |
| Health              |                   | 619,290    |            | 322,705    |
| Pension             |                   | 7,629,313  |            | 7,159,848  |
| Asset-linked        |                   | 47,117     |            | 45,747     |
| Variable death      |                   | 2,122,858  |            | 2,254,931  |
| Variable pension    |                   | 3,529,512  |            | 3,454,283  |
|                     | ₩                 | 25,941,263 | ₩          | 23,676,167 |

38.12.6 Credit risk of reinsurance contract assets (liabilities)

Credit risk exposure of reinsurance contract assets and reinsurance contract liabilities as of December 31, 2023 and 2022, are as follows

(In millions of Korean won)

|                                  | December 31, 2023 |          |          |           |           |          |
|----------------------------------|-------------------|----------|----------|-----------|-----------|----------|
|                                  | Credit ratings    |          |          |           |           |          |
|                                  | AAA ~ AA+         | AA ~ A+  | A ~ BBB+ | Below BBB | No rating | Total    |
| Reinsurance contract assets      | ₩ 2,816           | ₩ 4,157  | ₩ -      | ₩ -       | ₩ -       | ₩ 6,973  |
| Reinsurance contract liabilities | (11,522)          | (11,871) | (3,556)  | -         | -         | (26,949) |

(In millions of Korean won)

|                                  | December 31, 2022 |          |          |           |           |          |
|----------------------------------|-------------------|----------|----------|-----------|-----------|----------|
|                                  | Credit ratings    |          |          |           |           |          |
|                                  | AAA ~ AA+         | AA ~ A+  | A ~ BBB+ | Below BBB | No rating | Total    |
| Reinsurance contract assets      | ₩ 4,305           | ₩ 360    | ₩ -      | ₩ -       | ₩ -       | ₩ 4,664  |
| Reinsurance contract liabilities | (10,325)          | (11,987) | (3,964)  | -         | -         | (26,276) |

38.12.7 Market risk of insurance contracts

38.12.7.1 The sensitivity analysis of market risk to changes in economic assumptions as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|               | Assumption change | December 31, 2023 |                          | December 31, 2022 |                          |
|---------------|-------------------|-------------------|--------------------------|-------------------|--------------------------|
|               |                   | Effect on Equity  | Effect on Profit or loss | Effect on Equity  | Effect on Profit or loss |
| Exchange rate | ₩100              | ₩ (24,530)        | ₩ (31,299)               | ₩ (16,195)        | ₩ (17,042)               |
| Exchange rate | -₩100             | 24,530            | 31,299                   | 16,224            | 17,090                   |
| Discount rate | 1%p               | 2,093,890         | -                        | 1,678,796         | -                        |
| Discount rate | -1%p              | (2,918,559)       | -                        | (2,348,470)       | -                        |
| Stock price   | 10%               | (136,859)         | (190,338)                | (125,211)         | (176,718)                |
| Stock price   | -10%              | 135,687           | 188,637                  | 122,553           | 172,853                  |

\* Effect on profit or loss is the amount before-tax.



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38.12.7.2 Interest rate risk exposure of insurance contracts and reinsurance contracts as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                  | Exposure          |            |                   |            |
|----------------------------------|-------------------|------------|-------------------|------------|
|                                  | December 31, 2023 |            | December 31, 2022 |            |
| Insurance contract liabilities   | ₩                 | 20,356,903 | ₩                 | 18,049,198 |
| Interest rate fixed contracts    |                   | 10,206,298 |                   | 8,121,476  |
| Interest rate linked contracts   |                   | 5,099,774  |                   | 5,491,169  |
| Variable contracts               |                   | 5,050,831  |                   | 4,436,552  |
| Reinsurance contract liabilities |                   | (41,032)   |                   | (37,402)   |
| Total                            | ₩                 | 20,315,871 | ₩                 | 18,011,795 |

38.12.7.3 Stock price risk exposure of insurance contracts as of December 31, 2023, and 2022, are as follows:

(In millions of Korean won)

|                                | Exposure          |           |                   |           |
|--------------------------------|-------------------|-----------|-------------------|-----------|
|                                | December 31, 2023 |           | December 31, 2022 |           |
| Insurance contract liabilities | ₩                 | 5,050,831 | ₩                 | 4,436,552 |

38.12.7.4 Currency risk exposure of insurance contracts as of December 31, 2023, and 2022, are as follows:

(In millions of Korean won)

|                                | Exposure          |         |                   |         |
|--------------------------------|-------------------|---------|-------------------|---------|
|                                | December 31, 2023 |         | December 31, 2022 |         |
| Insurance contract liabilities | ₩                 | 455,738 | ₩                 | 305,074 |

39. Statement of Cash Flows

39.1 Details of cash and cash equivalents as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023 |             | December 31, 2022 |             |
|---|-------------------|-------------|-------------------|-------------|
| Cash  | ₩                 | 2,114,596   | ₩                 | 2,439,490   |
| Checks issued by other banks  |                   | 142,437     |                   | 123,163     |
| Due from the Bank of Korea  |                   | 15,362,056  |                   | 17,520,636  |
| Due from other financial institutions   |                   | 12,217,222  |                   | 12,391,461  |
|   |                   | 29,836,311  |                   | 32,474,750  |
| Due from financial institutions measured at fair value through profit or loss |                   | 79,810      |                   | 69,469      |
|   |                   | 29,916,121  |                   | 32,544,219  |
| Deduction:  |                   |             |                   |             |
| Restricted due from financial institutions *                                  |                   | (3,273,428) |                   | (4,893,839) |
| Due from financial institutions with original maturities over three months    |                   | (816,105)   |                   | (1,115,582) |
|   |                   | (4,089,533) |                   | (6,009,421) |
|   | ₩                 | 25,826,588  | ₩                 | 26,534,798  |

\* Items meeting the definition of cash are excluded.

Items meeting the definition of cash among due from financial institutions with restriction to use as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   |  | December 31, 2023      |            | December 31, 2022 |            |
|---|--|------------------------|------------|-------------------|------------|
|   |  | Financial institutions |            |                   |            |
| Due from financial institutions in Korean won         | Due from the Bank of Korea                 | ₩                      | 13,731,708 | ₩                 | 15,169,703 |
|   | Due from Korea Development Bank and others |                        | 27,556     |                   | 39,358     |
| Due from financial institutions in foreign currencies | Due from banks in foreign currencies       |                        | 944,917    |                   | 1,218,847  |
|   |  | ₩                      | 14,704,181 | ₩                 | 16,427,908 |

39.2 Significant non-cash transactions for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023 |           | 2022 |             |
|--|------|-----------|------|-------------|
| Write-offs of loans  | ₩    | 1,757,920 | ₩    | 1,516,087   |
| Changes in accumulated other comprehensive income from valuation of financial instruments at fair value through other comprehensive income |      | 3,346,010 |      | (6,516,502) |
| Changes in accumulated other comprehensive income from valuation of investments in associates  |      | 24        |      | (362)       |

39.3 Cash inflows and outflows from income tax, interest, and dividends for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                    | Activities | 2023 |            | 2022 |            |
|--------------------|------------|------|------------|------|------------|
| Income tax paid    | Operating  | ₩    | 2,189,111  | ₩    | 1,524,025  |
| Interest received  | Operating  |      | 28,550,486 |      | 20,369,575 |
| Interest paid      | Operating  |      | 13,119,057 |      | 6,356,269  |
| Dividends received | Operating  |      | 330,350    |      | 399,984    |
| Dividends paid     | Financing  |      | 1,336,816  |      | 1,564,153  |

**KB Financial Group Inc. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023 and 2022**

39.4 Changes in liabilities arising from financing activities for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                | 2023      |                |                        |                      |                       |              |        |          |   |          |   |         |   |           |   |             |
|--------------------------------|-----------|----------------|------------------------|----------------------|-----------------------|--------------|--------|----------|---|----------|---|---------|---|-----------|---|-------------|
|                                |           |                | Non-cash changes       |                      |                       |              |        |          |   |          |   |         |   |           |   |             |
|                                | Beginning | Net cash flows | Acquisition (disposal) | Exchange differences | Changes in fair value | Subsidiaries | Others | Ending   |   |          |   |         |   |           |   |             |
| Derivatives held for hedging * | ₩         | (4,822)        | ₩                      | (73,335)             | ₩                     | -            | ₩      | (84,429) | ₩ | (36,123) | ₩ | -       | ₩ | 105,706   | ₩ | (93,003)    |
| Borrowings and debentures      |           | 140,415,569    |                        | (2,128,851)          |                       | -            |        | 616,459  |   | 121,577  |   | 114,904 |   | (379,429) |   | 138,760,229 |
| Due to trust accounts          |           | 5,808,446      |                        | 2,333,656            |                       | -            |        | -        |   | -        |   | -       |   | -         |   | 8,142,102   |
| Non-controlling interests      |           | 1,280,102      |                        | 721,101              |                       | -            |        | -        |   | -        |   | 496     |   | (58,193)  |   | 1,943,506   |
| Others                         |           | 1,695,821      |                        | (781,632)            |                       | 152,344      |        | -        |   | -        |   | -       |   | 83,054    |   | 1,149,587   |
|                                | ₩         | 149,195,116    | ₩                      | 70,939               | ₩                     | 152,344      | ₩      | 532,030  | ₩ | 85,454   | ₩ | 115,400 | ₩ | (248,862) | ₩ | 149,902,421 |

(In millions of Korean won)

|                                | 2022      |                |                        |                      |                       |              |        |           |   |           |   |        |   |           |   |             |
|--------------------------------|-----------|----------------|------------------------|----------------------|-----------------------|--------------|--------|-----------|---|-----------|---|--------|---|-----------|---|-------------|
|                                |           |                | Non-cash changes       |                      |                       |              |        |           |   |           |   |        |   |           |   |             |
|                                | Beginning | Net cash flows | Acquisition (disposal) | Exchange differences | Changes in fair value | Subsidiaries | Others | Ending    |   |           |   |        |   |           |   |             |
| Derivatives held for hedging * | ₩         | (22,780)       | ₩                      | (105,017)            | ₩                     | -            | ₩      | 161,798   | ₩ | 7,156     | ₩ | -      | ₩ | (45,979)  | ₩ | (4,822)     |
| Borrowings and debentures      |           | 124,342,562    |                        | 15,645,750           |                       | -            |        | 895,758   |   | (297,468) |   | 81,268 |   | (252,301) |   | 140,415,569 |
| Due to trust accounts          |           | 7,033,849      |                        | (1,225,403)          |                       | -            |        | -         |   | -         |   | -      |   | -         |   | 5,808,446   |
| Non-controlling interests      |           | 833,338        |                        | 395,713              |                       | -            |        | -         |   | -         |   | 752    |   | 50,299    |   | 1,280,102   |
| Others                         |           | 985,854        |                        | 436,902              |                       | 154,004      |        | 199       |   | -         |   | -      |   | 118,862   |   | 1,695,821   |
|                                | ₩         | 133,172,823    | ₩                      | 15,147,945           | ₩                     | 154,004      | ₩      | 1,057,755 | ₩ | (290,312) | ₩ | 82,020 | ₩ | (129,119) | ₩ | 149,195,116 |

\* Derivatives held for hedging purposes are the net amount after offsetting liabilities and assets.

39.5 The net cash flow associated with the changes in the subsidiaries for the years ended December 31, 2023 and 2022 are ₩ 1,297,001 million of cash inflow and ₩ 932,428 million of cash inflow, respectively.

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

#### 40. Contingent Liabilities and Commitments

40.1 Details of acceptances and guarantees as of December 31, 2023 and 2022, are as follows:

| (In millions of Korean won)                                 | December 31, 2023 |                   | December 31, 2022 |                   |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>Confirmed acceptances and guarantees</b>                 |                   |                   |                   |                   |
| Confirmed acceptances and guarantees in Korean won:         |                   |                   |                   |                   |
| Acceptances and guarantees for KB purchasing loan           | ₩                 | 148,786           | ₩                 | 167,538           |
| Others  |                   | 945,027           |                   | 918,670           |
|   |                   | <u>1,093,813</u>  |                   | <u>1,086,208</u>  |
| Confirmed acceptances and guarantees in foreign currencies: |                   |                   |                   |                   |
| Acceptances of letter of credit                             |                   | 277,370           |                   | 502,217           |
| Letter of guarantees  |                   | 47,665            |                   | 78,414            |
| Bid bond  |                   | 12,549            |                   | 19,998            |
| Performance bond  |                   | 1,111,589         |                   | 976,008           |
| Refund guarantees   |                   | 3,561,227         |                   | 1,705,796         |
| Others  |                   | 3,572,149         |                   | 3,485,842         |
|   |                   | <u>8,582,549</u>  |                   | <u>6,768,275</u>  |
| Financial guarantee contracts:                              |                   |                   |                   |                   |
| Acceptances and guarantees for issuance of debentures       |                   | -                 |                   | 5,040             |
| Acceptances and guarantees for mortgage                     |                   | 94,027            |                   | 94,861            |
| Overseas debt guarantees                                    |                   | 470,579           |                   | 509,157           |
| International financing guarantees in foreign currencies    |                   | 616,554           |                   | 181,241           |
|   |                   | <u>1,181,160</u>  |                   | <u>790,299</u>    |
|   |                   | <u>10,857,522</u> |                   | <u>8,644,782</u>  |
| <b>Unconfirmed acceptances and guarantees</b>               |                   |                   |                   |                   |
| Guarantees of letter of credit                              |                   | 2,785,484         |                   | 3,042,911         |
| Refund guarantees   |                   | 1,301,376         |                   | 1,528,359         |
|   |                   | <u>4,086,860</u>  |                   | <u>4,571,270</u>  |
|   | ₩                 | <u>14,944,382</u> | ₩                 | <u>13,216,052</u> |

40.2 Credit qualities of acceptances and guarantees as of December 31, 2023 and 2022, are as follows:

|   | December 31, 2023               |                                 |                 |                     |
|---|---------------------------------|---------------------------------|-----------------|---------------------|
|   | 12-month expected credit losses | Lifetime expected credit losses |                 | Total               |
|   |                                 | Non-impaired                    | Impaired        |                     |
| <b>Confirmed acceptances and guarantees</b>   |                                 |                                 |                 |                     |
| Grade 1                                       | ₩ 8,485,824                     | ₩ 170,322                       | ₩ -             | ₩ 8,656,146         |
| Grade 2                                       | 1,763,259                       | 22,065                          | -               | 1,785,324           |
| Grade 3                                       | 40,595                          | 7,368                           | -               | 47,963              |
| Grade 4                                       | 67,729                          | 294,635                         | 457             | 362,821             |
| Grade 5                                       | -                               | 1,182                           | 4,086           | 5,268               |
|   | <u>10,357,407</u>               | <u>495,572</u>                  | <u>4,543</u>    | <u>10,857,522</u>   |
| <b>Unconfirmed acceptances and guarantees</b> |                                 |                                 |                 |                     |
| Grade 1                                       | 3,071,076                       | -                               | -               | 3,071,076           |
| Grade 2                                       | 734,886                         | 19,210                          | -               | 754,096             |
| Grade 3                                       | 8,600                           | 10,692                          | -               | 19,292              |
| Grade 4                                       | 1,828                           | 237,200                         | -               | 239,028             |
| Grade 5                                       | -                               | -                               | 3,368           | 3,368               |
|   | <u>3,816,390</u>                | <u>267,102</u>                  | <u>3,368</u>    | <u>4,086,860</u>    |
|   | ₩ <u>14,173,797</u>             | ₩ <u>762,674</u>                | ₩ <u>7,911</u>  | ₩ <u>14,944,382</u> |
|   |                                 |                                 |                 |                     |
|   | December 31, 2022               |                                 |                 |                     |
|   | 12-month expected credit losses | Lifetime expected credit losses |                 | Total               |
|   |                                 | Non-impaired                    | Impaired        |                     |
| <b>Confirmed acceptances and guarantees</b>   |                                 |                                 |                 |                     |
| Grade 1                                       | ₩ 5,939,025                     | ₩ 1,140                         | ₩ -             | ₩ 5,940,165         |
| Grade 2                                       | 1,882,080                       | 10,474                          | -               | 1,892,554           |
| Grade 3                                       | 494,924                         | 18,649                          | -               | 513,573             |
| Grade 4                                       | 63,689                          | 215,382                         | 442             | 279,513             |
| Grade 5                                       | -                               | 4,130                           | 14,847          | 18,977              |
|   | <u>8,379,718</u>                | <u>249,775</u>                  | <u>15,289</u>   | <u>8,644,782</u>    |
| <b>Unconfirmed acceptances and guarantees</b> |                                 |                                 |                 |                     |
| Grade 1                                       | 3,232,325                       | 844                             | -               | 3,233,169           |
| Grade 2                                       | 1,040,908                       | 36,879                          | -               | 1,077,787           |
| Grade 3                                       | 4,685                           | 13,308                          | -               | 17,993              |
| Grade 4                                       | 1,265                           | 236,687                         | 5               | 237,957             |
| Grade 5                                       | -                               | 199                             | 4,165           | 4,364               |
|   | <u>4,279,183</u>                | <u>287,917</u>                  | <u>4,170</u>    | <u>4,571,270</u>    |
|   | ₩ <u>12,658,901</u>             | ₩ <u>537,692</u>                | ₩ <u>19,459</u> | ₩ <u>13,216,052</u> |

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

40.3 Classifications of acceptances and guarantees by counterparty as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                  | December 31, 2023    |                        |              |                |
|----------------------------------|----------------------|------------------------|--------------|----------------|
|                                  | Confirmed guarantees | Unconfirmed guarantees | Total        | Proportion (%) |
| Large companies                  | ₩ 9,988,889          | ₩ 3,397,689            | ₩ 13,386,578 | 89.58          |
| Small and medium-sized companies | 736,810              | 454,574                | 1,191,384    | 7.97           |
| Public sector and others         | 131,823              | 234,597                | 366,420      | 2.45           |
|                                  | ₩ 10,857,522         | ₩ 4,086,860            | ₩ 14,944,382 | 100            |

(In millions of Korean won)

|                                  | December 31, 2022    |                        |              |                |
|----------------------------------|----------------------|------------------------|--------------|----------------|
|                                  | Confirmed guarantees | Unconfirmed guarantees | Total        | Proportion (%) |
| Large companies                  | ₩ 7,530,546          | ₩ 3,810,565            | ₩ 11,341,111 | 85.81          |
| Small and medium-sized companies | 718,722              | 496,709                | 1,215,431    | 9.20           |
| Public sector and others         | 395,514              | 263,996                | 659,510      | 4.99           |
|                                  | ₩ 8,644,782          | ₩ 4,571,270            | ₩ 13,216,052 | 100.00         |

40.4 Classifications of acceptances and guarantees by industry as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                        | December 31, 2023    |                        |              |                |
|------------------------|----------------------|------------------------|--------------|----------------|
|                        | Confirmed guarantees | Unconfirmed guarantees | Total        | Proportion (%) |
| Financial institutions | ₩ 1,263,253          | ₩ 591                  | ₩ 1,263,844  | 8.46           |
| Manufacturing          | 5,527,285            | 3,109,100              | 8,636,385    | 57.79          |
| Service                | 788,908              | 102,028                | 890,936      | 5.96           |
| Wholesale and retail   | 2,297,162            | 614,053                | 2,911,215    | 19.48          |
| Construction           | 363,517              | 116,950                | 480,467      | 3.22           |
| Public sector          | 31,732               | 62,440                 | 94,172       | 0.63           |
| Others                 | 585,665              | 81,698                 | 667,363      | 4.46           |
|                        | ₩ 10,857,522         | ₩ 4,086,860            | ₩ 14,944,382 | 100            |

(In millions of Korean won)

|                        | December 31, 2022    |                        |              |                |
|------------------------|----------------------|------------------------|--------------|----------------|
|                        | Confirmed guarantees | Unconfirmed guarantees | Total        | Proportion (%) |
| Financial institutions | ₩ 462,657            | ₩ 2,012                | ₩ 464,669    | 3.52           |
| Manufacturing          | 3,851,832            | 3,589,948              | 7,441,780    | 56.31          |
| Service                | 751,846              | 31,465                 | 783,311      | 5.93           |
| Wholesale and retail   | 2,181,469            | 658,875                | 2,840,344    | 21.49          |
| Construction           | 420,937              | 47,465                 | 468,402      | 3.54           |
| Public sector          | 32,635               | 81,607                 | 114,242      | 0.86           |
| Others                 | 943,406              | 159,898                | 1,103,304    | 8.35           |
|                        | ₩ 8,644,782          | ₩ 4,571,270            | ₩ 13,216,052 | 100.00         |

40.5 Details of commitments as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                      | December 31, 2023 | December 31, 2022 |
|--------------------------------------|-------------------|-------------------|
| <b>Commitments</b>                   |                   |                   |
| Corporate loan commitments           | ₩ 55,688,438      | ₩ 51,871,280      |
| Retail loan commitments              | 56,142,850        | 51,241,471        |
| Credit line of credit cards          | 83,325,862        | 77,825,953        |
| Purchase of other securities         | 8,749,029         | 7,357,198         |
|                                      | 203,906,179       | 188,295,902       |
| <b>Financial guarantee contracts</b> |                   |                   |
| Credit line                          | 5,901,644         | 7,135,542         |
| Purchase of securities               | 745,401           | 371,201           |
|                                      | 6,647,045         | 7,506,743         |
|                                      | ₩ 210,553,224     | ₩ 195,802,645     |

40.6 Other Matters (including litigation)

a) The Group has 115 pending lawsuits as a plaintiff (excluding simple lawsuits related to the collection or management of loans), with aggregate claims amount of ₩ 1,893,443 million, and 344 pending lawsuits as a defendant (excluding simple lawsuits related to the collection or management of loans) with aggregate claims amount of ₩ 1,312,052 million, which arose in the normal course of the business, as of December 31, 2023. Details of major pending lawsuits in which the Group is a defendant are as follows:

(In number of cases, in millions of Korean won)

| Company      | Lawsuits                                  | No. of cases | Amount   | Description of the lawsuits  | Status of the lawsuits  |
|--------------|---|--------------|----------|--|---|
| Kookmin Bank | Request for a return of redemption amount | 1            | ₩ 54,168 | Kookmin Bank invested the assets entrusted by OO Asset Management and OO Investment Trust Management in the Fairfield Sentry Limited(the Fairfield Sentry Limited reinvested the assets in Bernard L. Madoff Investment Securities LLC managed by Bernard Madoff) and then redeemed them and returned them to the beneficiaries. Bernard L. Madoff Investment Securities LLC is in the liquidation process due to Ponzi scheme fraud-related losses. Bankruptcy trustee of Bernard L. Madoff Investment Securities LLC filed a lawsuit against Kookmin Bank seeking to return the amount of redemptions received by Kookmin Bank through Fairfield Sentry Limited. | Application for dismissal by the defendant has been denied, and further proceedings are scheduled. [Related litigation is in progress at the New York Southern District Federal Bankruptcy Court (10-3777) at the written complaint review stage] |

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

#### 40.6 Other Matters (including litigation) (cont'd)

(In number of cases, in millions of Korean won)

| Company      | Lawsuits                                    | No. of cases | Amount  | Description of the lawsuits  | Status of the lawsuits  |
|--------------|---|--------------|---------|--|---|
| Kookmin Bank | Expropriation of long-term leasehold rights | 1            | 322,350 | Kookmin Bank invested assets entrusted by OO Asset Management Co., Ltd. in loans that are directly or indirectly collateralized by long-term leasehold rights of the building and land leasehold rights (hereinafter referred to as "the real estate in this case") of Union Station in Washington, D.C., the United States. The Plaintiff, who is the operator of the railway facility, filed this lawsuit against those concerned with the real estate in this case, including Kookmin Bank, to expropriate the real estate in this case and determine indemnity.  | Kookmin Bank submitted the response letter and will proceed with the process in the future.           |
|              | Return of unjust enrichment                 | 1            | 140,860 | As Russia's ○○○ Bank, which was trading with the bank through a foreign exchange account, was listed on the SDN (Specifically Designated Nationals) list of the Office of Foreign Assets Control (OFAC) under the U.S. Treasury Department, the bank froze the foreign currency account in the name of the ○○○ Bank. Accordingly, Russia's ○○○ Bank filed a lawsuit seeking the return of the account balance to the Moscow City Commercial Court in Russia.   | Responding to local court trial schedule  |
|              | Claim for damages                           | 1            | 90,435  | PT Bank KB Bukopin Tbk requested an auction of TMJ's shares in order to collect the loan to TMJ (a distressed company); NKLI won the auction and then received a loan from the bank for the purpose of purchasing TMJ shares. NKLI's intention was to take control over TMJ and launch mining business; however, NKLI was unable to take control and launch the business due to legal disputes with the bankruptcy trustee of TMJ and court-appointed mine management company, and also lost a lawsuit against the mine management company. As a result, NKLI filed a legal suit to PT Bank KB Bukopin Tbk stating that the bank's recommendation to purchase TMJ's shares was inappropriate since the bank did not intentionally share the legal issues and associated risks thereof. | A legal representative has been appointed to handle the case, and the legal proceedings will proceed. |

#### 40.6 Other Matters (including litigation) (cont'd)

(In number of cases, in millions of Korean won)

| Company                 | Lawsuits   | No. of cases | Amount | Description of the lawsuits   | Status of the lawsuits   |
|-------------------------|--|--------------|--------|---|--|
| KB Securities Co., Ltd. | Request for a return of transaction amount (Australian fund) | 1            | 34,453 | The plaintiffs OOOO Securities and OOOO Life Insurance filed lawsuits, claiming that the KB Securities Co., Ltd. provided false information on major matters in the product description while selling JB Australia NDIS Private Fund No.1 (on April 25, 2019, plaintiffs invested ₩ 50 billion each) (a) (Primary claim) requesting KB Securities Co., Ltd. to return unjust enrichment of ₩ 100 billion for cancelation of sales contracts of beneficiary certificates due to an error or termination of the contract due to default, (b) (Secondary claim) requesting for compensation for damages in investments amounting to ₩ 100 billion due to violation of the investor protection obligation and fraudulent transactions of KB Securities Co., Ltd. and OOO Asset Management. The Plaintiff's complaint price was changed to ₩ 34.45 billion due to the Plaintiff's request to change the purpose and cause of the claim on November 13, 2023. | First trial is in progress (The pleading was closed on January 24, 2024, the judgement date is February 14, 2024 and appeal period is until March 6, 2024) |

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

#### 40.6 Other Matters (including litigation) (cont'd)

b) On April 7, 2023, Kookmin Bank entered into a new share subscription agreement with STIC Eugene Star Holdings Inc. (hereinafter referred to as STIC\*), under which STIC will acquire 31,900,000,000 shares at a price of IDR 3.19 trillion, of which Kookmin Bank's subsidiary, PT Bank KB Bukopin Tbk, will issue. As a result of the agreement, Kookmin Bank will hold a call option to purchase the shares held by the STIC, starting from 2 years and 6 months after the date of acquisition, for a period of 6 months. If Kookmin Bank does not exercise the call option during the designated period, STIC will have the right to sell the acquired shares back to the bank, also known as holding a put option right, within 1 year after the expiration of the call option period.

c) Kookmin Bank is currently undergoing an inspection by the Financial Supervisory Service regarding equity-linked securities (ELS), and the requested actions based on the inspection results are currently unpredictable.

d) Kookmin Bank is currently under investigation by the Fair Trade Commission regarding the possibility of unfair joint actions by commercial banks. It is impossible to predict the outcome of the investigation.

e) In June 2013, KB Kookmin Card Co., Ltd. had an accident in which cardholders' personal information was stolen (hereinafter referred to as "accident") due to illegal activities by employees of personal credit information company in charge of development of the system upgrading to prevent fraudulent use of credit card. As a result, KB Kookmin Card Co., Ltd. was notified by the Financial Services Commission of the suspension of some new business for 3 months as of February 16, 2014. In respect of the accident, the Group faces 1 legal claim filed as a defendant, with an aggregate claim amount of ₩ 51 million as of December 31, 2023.

f) As of December 31, 2023, KB KOLAO Leasing Co., Ltd. is selling LVMC Holdings (formerly Kolao Holdings) allied receivables that are overdue by three months or more to Lanexang Leasing Co., Ltd. in accordance with the agreement.

g) As of December 31, 2023, KB Capital Co., Ltd. and PT Sunindo Primasura are required to hold the shares of PT Sunindo Kookmin Best Finance for five years after May 18, 2020, when the purchase of shares was completed. If one party is going to sell all or part of the shares, provide them as collateral, trade or dispose of them, it should give the opportunity to exercise preemption to the other party by providing written proposal including transfer price, payment method, and others.

h) KB Securities Co., Ltd., as an investment broker, managed the sale of private equity funds and trusts amounting to ₩ 326,500 million, which lends to corporations (borrowers) that invest in apartment rental businesses for the disabled in Australia, to individuals and institutional investors. However, management of the fund has been suspended due to the breach of contract by local borrowers in Australia; therefore there is a possibility of losses of principal to these funds subscribers. In this regard, there are three lawsuits in which the Group is a defendant as of December 31, 2023. In one of them, the first trial ruling ordered the payment of ₩ 29,800 million in investment principal and delayed interest on February 7, 2023, but the second trial on January 29, 2024 ruled against the conclusion, ordering the payment of ₩ 12,000 million in investment principal and delayed interest thereon. Another case was ruled in October, ordering the payment of ₩ 8,460 million in remaining principal and interest, along with delayed interest on ₩ 8,290 million principal. However, the judgment may be changed at the higher court. The other case is still in the first trial.

#### 40.6 Other Matters (including litigation) (cont'd)

i) In relation to Lime Asset Management, KB Securities Co., Ltd. has a PIS (Portfolio Index Swap) contract, as of December 31, 2023, associated with 'Lime Thetis Qualified Investor Private Investment Trust No.2' and 'Lime Pluto FI Qualified Investor Private Investment Trust No.D-1' whose redemption were suspended during the fourth quarter of 2019. The notional amount of the underlying assets of the PIS contract is ₩ 146,300 million. Meanwhile, the Group sold ₩ 68,100 million of feeder funds of aforementioned redemption-suspended funds. On October 20, 2020, Lime Asset Management's license as a fund manager was revoked by the Financial Supervisory Service's sanctions review committee, and most of its redemption-suspended funds and normal funds have been transferred to Wellbridge Asset Management (the bridge management company) to continue to collect and distribute investments. It is difficult to predict whether and when the aforementioned redemption-suspended funds will be redeemed. In this regard, KB Securities Co., Ltd. faces four claims filed as a defendant as of December 31, 2023. The Group has accounted for the estimated loss due to the possibility of additional lawsuits in the future as a provision for litigations.

j) As of December 31, 2023, KB Real Estate Trust Co., Ltd. may lend ₩ 3,627,400 million to the trust accounts, which is part of the total project cost related to borrowing-type land trust contracts (including maintenance projects). Whether or not KB Real Estate Trust Co., Ltd. will lend to a trust account is not an unconditional payment obligation, and it is judged by considering all matters such as the fund balance plan of its own account and trust business.

k) KB Real Estate Trust Co., Ltd. is carrying out the completion guarantee management-type land trust project (72 cases, including Gonghang-dong Airport City, excluding construction project), that bears responsibility for the completion guarantee when the construction company fails to fulfill responsibility for the completion guarantee and bears responsibility for compensating for damages to lending financial institutions as of December 31, 2023. The total credit line of PF loan related to the completion guarantee management-type land trust project is ₩ 5,620,600 million, and the used credit line is ₩ 4,002,000 million as of December 31, 2023. The amount of compensation for damages charged to KB Real Estate Trust Co., Ltd. is measured after determining whether the damage occurred due to KB Real Estate Trust Co., Ltd.'s failure to the completion guarantee. Since the amount of loss cannot be measured reliably, this impact was not reflected in the financial statements at the end of the current period. The Group plans to continuously monitor the process progress at each business site.

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

#### 41. Subsidiaries

41.1 Details of major consolidated subsidiaries as of December 31, 2023, are as follows:

| Investor   | Investee                                 | Ownership (%)                    | Location  | Date of financial statements             | Industry                                   |  |
|--|--|----------------------------------|-----------|--|--|--|
| KB Financial Group Inc.  | Kookmin Bank                             | 100.00                           | Korea     | Dec. 31                                  | Banking and foreign exchange transaction   |  |
|  | KB Securities Co., Ltd.                  | 100.00                           | Korea     | Dec. 31                                  | Financial investment                       |  |
|  | KB Insurance Co., Ltd.                   | 100.00                           | Korea     | Dec. 31                                  | Non-life insurance                         |  |
|  | KB Kookmin Card Co., Ltd.                | 100.00                           | Korea     | Dec. 31                                  | Credit card and installment financing      |  |
|  | KB Life Insurance Co., Ltd. <sup>1</sup> | 100.00                           | Korea     | Dec. 31                                  | Life insurance                             |  |
|  | KB Asset Management Co., Ltd.            | 100.00                           | Korea     | Dec. 31                                  | Collective investment and advisory         |  |
|  | KB Capital Co., Ltd.                     | 100.00                           | Korea     | Dec. 31                                  | Financial Leasing                          |  |
|  | KB Real Estate Trust Co., Ltd.           | 100.00                           | Korea     | Dec. 31                                  | Real estate trust management               |  |
|  | KB Savings Bank Co., Ltd.                | 100.00                           | Korea     | Dec. 31                                  | Savings banking                            |  |
|  | KB Investment Co., Ltd.                  | 100.00                           | Korea     | Dec. 31                                  | Capital investment                         |  |
|  | KB Data System Co., Ltd.                 | 100.00                           | Korea     | Dec. 31                                  | Software advisory, development, and supply |  |
|  | Kookmin Bank                             | KB PRASAC Bank Plc. <sup>3</sup> | 100.00    | Cambodia                                 | Dec. 31                                    | Banking and foreign exchange transaction |
|  |  | Kookmin Bank (China) Ltd.        | 100.00    | China                                    | Dec. 31                                    | Banking and foreign exchange transaction |
| KB Microfinance Myanmar Co., Ltd.  |  | 100.00                           | Myanmar   | Dec. 31                                  | Microfinance services                      |  |
| PT Bank Syariah Bukopin  |  | 95.92                            | Indonesia | Dec. 31                                  | Banking                                    |  |
| PT Bukopin Finance   |  | 99.24                            | Indonesia | Dec. 31                                  | Installment financing                      |  |
| KB Bank Myanmar Co., Ltd.  | 100.00                                   | Myanmar                          | Dec. 31   | Banking and foreign exchange transaction |  |  |
| Kookmin Bank, KB Kookmin Card Co., Ltd., KB Securities Co., Ltd., KB Insurance Co., Ltd., KB Capital Co., Ltd. | PT Bank KB Bukopin, Tbk.                 | 67.57 <sup>2</sup>               | Indonesia | Dec. 31                                  | Banking and foreign exchange transaction   |  |

41.1 Details of major consolidated subsidiaries as of December 31, 2023, are as follows: (cont'd)

| Investor                                       | Investee                                   | Ownership (%)                    | Location      | Date of financial statements | Industry                                   |   |
|--|--|----------------------------------|---------------|------------------------------|--|---|
| KB Securities Co., Ltd.                        | KBFG Securities America Inc.               | 100.00                           | United States | Dec. 31                      | Investment advisory and securities trading |   |
|  | KB Securities Hong Kong Ltd.               | 100.00                           | China         | Dec. 31                      | Investment advisory and securities trading |   |
|  | KB Securities Vietnam Joint Stock Company  | 99.81                            | Vietnam       | Dec. 31                      | Investment advisory and securities trading |   |
|  | KB FINA Joint Stock Company                | 77.82                            | Vietnam       | Dec. 31                      | Investment advisory and securities trading |   |
|  | PT KB VALBURY SEKURITAS                    | 65.00                            | Indonesia     | Dec. 31                      | Investment advisory and securities trading |   |
|  | PT.KB Valbury Capital Management           | 79.00                            | Indonesia     | Dec. 31                      | Financial investment                       |   |
|  | KB Insurance Co., Ltd.                     | Leading Insurance Services, Inc. | 100.00        | United States                | Dec. 31                                    | Management service                                |
|  |  | KBFG Insurance(China) Co., Ltd.  | 100.00        | China                        | Dec. 31                                    | Non-life insurance                                |
|  |  | PT. KB Insurance Indonesia       | 70.00         | Indonesia                    | Dec. 31                                    | Non-life insurance                                |
|  |  | KB Claims Survey & Adjusting     | 100.00        | Korea                        | Dec. 31                                    | Claim service                                     |
| KB Life Insurance Co., Ltd. <sup>1</sup>       | KB Sonbo CNS                               | 100.00                           | Korea         | Dec. 31                      | Management service                         |   |
|  | KB Healthcare Co., Ltd.                    | 100.00                           | Korea         | Dec. 31                      | Information and communication              |   |
|  | KB Life Partners Co., Ltd.                 | 100.00                           | Korea         | Dec. 31                      | Insurance agent                            |   |
|  | KB Golden Life Care Co., Ltd. <sup>4</sup> | 100.00                           | Korea         | Dec. 31                      | Service                                    |   |
|  | KB Kookmin Card Co., Ltd.                  | KB Credit Information Co., Ltd.  | 100.00        | Korea                        | Dec. 31                                    | Collection of receivables or credit investigation |
| KB Daehan Specialized Bank Plc.                |  | 97.45                            | Cambodia      | Dec. 31                      | Auto Installment finance                   |   |
| PT. KB Finansia Multi Finance                  |  | 80.00                            | Indonesia     | Dec. 31                      | Auto Installment finance                   |   |
| KB J Capital Co., Ltd.                         |  | 77.40                            | Thailand      | Dec. 31                      | Service                                    |   |
| KB Capital Co., Ltd.                           | i-Finance Leasing Plc.                     | 100.00                           | Cambodia      | Dec. 31                      | Leasing                                    |   |
|  | PT Sunindo Kookmin Best Finance            | 85.00                            | Indonesia     | Dec. 31                      | Auto Installment finance                   |   |
| KB Kookmin Card Co., Ltd. KB Capital Co., Ltd. | Teamwink Inc.                              | 95.95                            | Korea         | Dec. 31                      | E-commerce                                 |   |
|  | KB KOLAO Leasing Co., Ltd.                 | 80.00                            | Laos          | Dec. 31                      | Auto Installment finance                   |   |

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

41.1 Details of major consolidated subsidiaries as of December 31, 2023, are as follows: (cont'd)

| Investor                               | Investee                                  | Ownership (%) | Location  | Date of financial statements | Industry              |
|--|---|---------------|-----------|------------------------------|-----------------------|
| Kookmin Bank, KB Data System Co., Ltd. | PT KB Data Systems Indonesia              | 100.00        | Indonesia | Dec. 31                      | Service               |
| KB Asset Management Co., Ltd.          | KBAM Shanghai Advisory Services Co., Ltd. | 100.00        | China     | Dec. 31                      | General advisory      |
|  | KB Asset Management Singapore PTE. LTD.   | 100.00        | Singapore | Dec. 31                      | Collective investment |

<sup>1</sup> Prudential Life Insurance Company of Korea Ltd. has changed its name into KB Life Insurance Co., Ltd.

<sup>2</sup> Among the ownership in PT Bank KB Bukopin, Tbk., 0.05% (100,000,000 shares) is no-voting shares with no-dividends.

<sup>3</sup> On September 1, 2023, PRASAC Microfinance Institution PLC.(merging entity), a subsidiary of Kookmin Bank Co., Ltd., merged with Kookmin Bank Cambodia PLC.(merged entity), issuing 20,272,296 shares in exchange for the transfer consideration. The official name of PRASAC Microfinance Institution PLC.(merging entity) has changed to KB PRASAC BANK PLC.

<sup>4</sup> In October 2023, KB Golden Life Care Co., Ltd. was changed from a subsidiary of KB Insurance Co., Ltd. to a subsidiary of KB Life Insurance Co., Ltd.

41.2 Details of consolidated structured entities as of December 31, 2023, are as follows:

|                             | Consolidated structured entities                | Reasons for consolidation   |
|-----------------------------|---|---|
| Trusts                      | Kookmin Bank (development trust) and 10 others  | The Group controls the trust because it has power to determine management performance of the trust and is significantly exposed to variable returns that absorb losses through the guarantees of payment of principal, or payment of principal and fixed rate of return.                                      |
| Asset-backed securitization | Taejon Samho The First Co., Ltd. and 105 others | The Group controls these investees because it has power over relevant activities in the event of default, is significantly exposed to variable returns by providing lines of credit, ABCP purchase commitments or acquisition of subordinated debt and has ability to affect those returns through its power. |
| Investment funds and others | KB Global Platform Fund No.2 and 207 others     | Funds are consolidated if the Group, as a collective investor or operating manager (member), etc., can manage fund assets on behalf of other investors, or dismiss the collective investor and operating manager, and is substantially exposed to significant variable returns or has such rights.            |

If the Group holds more than half of the ownership interests but does not have the power over relevant activities of structured entities in accordance with agreements with trust and other related parties, those structured entities are excluded from the consolidation.



### KB Financial Group Inc. and Subsidiaries Notes to the Consolidated Financial Statements December 31, 2023 and 2022

41.3 Condensed financial information of major subsidiaries as of and for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023 |               |              | 2023              |  |  |
|--|-------------------|---------------|--------------|-------------------|--|--|
|  | Assets            | Liabilities   | Equity       | Operating revenue | Profit (loss) attributable to shareholders of the Parent Company | Total comprehensive income (loss) attributable to shareholders of the Parent Company |
| Kookmin Bank <sup>1</sup>                      | W 530,012,853     | W 493,464,126 | W 36,548,727 | W 45,032,120      | W 3,261,499  | W 3,889,625  |
| KB Securities Co., Ltd. <sup>1,2</sup>         | 61,266,990        | 54,967,833    | 6,299,157    | 11,580,526        | 389,618  | 389,602  |
| KB Insurance Co., Ltd. <sup>1,2</sup>          | 37,729,688        | 31,474,132    | 6,255,556    | 11,864,879        | 752,901  | 879,534  |
| KB Kookmin Card Co., Ltd. <sup>1</sup>         | 29,365,575        | 24,545,752    | 4,819,823    | 4,205,146         | 351,133  | 307,336  |
| KB Life Insurance Co., Ltd. <sup>1,2,3,4</sup> | 31,953,218        | 27,823,185    | 4,130,033    | 2,628,109         | 82,233   | 432,188  |
| KB Asset Management Co., Ltd. <sup>1</sup>     | 377,919           | 109,645       | 268,274      | 204,202           | 61,525   | 61,756   |
| KB Capital Co., Ltd. <sup>1,2</sup>            | 16,560,800        | 14,300,771    | 2,260,029    | 2,295,471         | 186,505  | 182,075  |
| KB Real Estate Trust Co., Ltd. <sup>1</sup>    | 859,408           | 573,348       | 286,060      | 148,763           | (84,073)   | (84,476)   |
| KB Savings Bank Co., Ltd.                      | 2,661,999         | 2,468,223     | 193,776      | 234,197           | (90,568)   | (90,430)   |
| KB Investment Co., Ltd. <sup>1</sup>           | 1,544,836         | 1,265,361     | 279,475      | 154,287           | 9,187  | 9,188  |
| KB Data System Co., Ltd. <sup>1</sup>          | 61,508            | 40,616        | 20,892       | 230,825           | 125  | (1,594)  |

41.3 Condensed financial information of major subsidiaries as of and for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

|  | December 31, 2022 |               |              | 2022              |  |  |
|--|-------------------|---------------|--------------|-------------------|--|--|
|  | Assets            | Liabilities   | Equity       | Operating revenue | Profit (loss) attributable to shareholders of the Parent Company | Total comprehensive income (loss) attributable to shareholders of the Parent Company |
| Kookmin Bank <sup>1</sup>                      | W 517,769,512     | W 484,046,253 | W 33,723,259 | W 49,436,046      | W 2,996,015  | W 1,856,632  |
| KB Securities Co., Ltd. <sup>1,2</sup>         | 53,824,246        | 47,946,933    | 5,877,313    | 14,264,399        | 187,784  | 263,605  |
| KB Insurance Co., Ltd. <sup>1,2</sup>          | 34,743,259        | 29,017,684    | 5,725,575    | 11,119,856        | 557,219  | 1,097,725  |
| KB Kookmin Card Co., Ltd. <sup>1</sup>         | 29,721,017        | 24,998,215    | 4,722,802    | 3,694,352         | 378,592  | 412,208  |
| KB Life Insurance Co., Ltd. <sup>1,2,3,4</sup> | 20,924,583        | 17,728,052    | 3,196,531    | 2,063,884         | (120,448)  | 765,785  |
| KB Life Insurance Co., Ltd. <sup>3</sup>       | 9,065,100         | 8,444,355     | 620,745      | 898,808           | 37,070   | (281,849)  |
| KB Asset Management Co., Ltd. <sup>1</sup>     | 369,488           | 102,970       | 266,518      | 233,293           | 59,345   | 59,367   |
| KB Capital Co., Ltd. <sup>1,2</sup>            | 16,053,026        | 13,946,800    | 2,106,226    | 1,906,694         | 217,139  | 209,808  |
| KB Real Estate Trust Co., Ltd.                 | 518,980           | 113,444       | 405,536      | 152,686           | 67,723   | 68,714   |
| KB Savings Bank Co., Ltd.                      | 3,138,543         | 2,854,549     | 283,994      | 191,337           | 21,814   | 21,897   |
| KB Investment Co., Ltd. <sup>1</sup>           | 1,378,550         | 1,108,264     | 270,286      | 161,210           | 4,807  | 4,805  |
| KB Data System Co., Ltd. <sup>1</sup>          | 63,645            | 40,570        | 23,075       | 233,320           | 3,162  | 4,546  |
| KB Credit Information Co., Ltd. <sup>5</sup>   | 42,219            | 24,923        | 17,296       | 36,469            | 484  | 924  |

<sup>1</sup> Financial information is based on its consolidated financial statements.

<sup>2</sup> Includes fair value adjustments arising from the acquisition.

<sup>3</sup> Prudential Life Insurance Company of Korea Ltd. and KB Life Insurance Co., Ltd, which were subsidiary companies, have merged in January 2023.

<sup>4</sup> Prudential Life Insurance Company of Korea Ltd. changed the name to KB Life Insurance Co., Ltd.

<sup>5</sup> The Parent Company sold 100% shares of KB Credit Information Co., Ltd. to KB Kookmin Card Co., Ltd. on June 30, 2023.

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

#### 41.4 The Characteristics of Risks Associated with Consolidated Structured Entities

The terms of contractual arrangements to provide financial support to consolidated structured entities are as follows:

41.4.1 The Group has provided payment guarantees of W 3,664,224 million to K plus 1st L.L.C and other consolidated structured entities.

41.4.2 The Group has provided capital commitment to 57 consolidated structured entities including KB Sinansan Line Private Special Asset Fund (SOC). The unexecuted amount of the capital commitment is W 1,630,316 million. Based on the capital commitment, the Group is subject to increase its investment upon the request of the asset management company or the additional agreement among investors.

41.4.3 The Group has provided the guarantees of payment of principal, or principal and fixed rate of return in case the operating results of the trusts are less than the guaranteed principal, or principal and fixed rate of return.

#### 41.5 Changes in Subsidiaries

41.5.1 Subsidiaries newly included in consolidation for the year ended December 31, 2023, are as follows:

| Company  | Reasons of obtaining control   |
|--|--|
| Teamwink Inc. and 12 others                              | Holds more than half of the ownership interests  |
| KB Liiv DS 1st L.L.C. and 32 others                      | Holds the power in the event of default and is exposed to significant variable returns by providing lines of credit, ABCP purchase commitments or acquisition of subordinated debt |
| KB Global Private Real Estate Debt Fund 29 and 19 others | Holds the power to determine the operation of the funds and is exposed to variable returns by holding significant amount of ownership interests                                    |
| KB Global Platform Fund No.2 and 3 others                | Holds the power as a general partner and is exposed to variable returns by holding significant amount of ownership interests   |

41.5.2 Subsidiaries excluded from consolidation for the year ended December 31, 2023, are as follows:

| Company  | Reasons of losing control                             |
|--|---|
| KB Cheongra Hill Co., Ltd. and 45 others   | Termination of the commitments                        |
| KB Life Insurance Co., Ltd. and 18 others  | Liquidation   |
| KB KBSTAR Treasury Futures 3 Year ETF Trust (Bond-Derivative) and 7 others               | Disposal  |
| KB Global Dynamic Securities Master Investment Trust (Equity-Indirect Type) and 5 others | Decrease in ownership interests to less than majority |

#### 42. Unconsolidated Structured Entities

42.1 Nature, purpose, and activities of the unconsolidated structured entities and how the structured entities are financed, are as follows:

| Nature                      | Purpose  | Activity   | Method of financing   |
|-----------------------------|--|--|---|
| Structured financing        | Granting PF loans to SOC and real estate<br>Granting loans to ships/aircrafts SPC  | Construction of SOC and real estate<br>Building ships, construction and purchase of aircrafts  | Loan commitments through credit line, providing credit line, and investment agreements                |
| Investment funds            | Investment in beneficiary certificates<br>Investment in PEF and partnerships   | Management of fund assets<br>Payment of fund fees and allocation of fund profits   | Sales of beneficiary certificate instruments<br>Investment from general partners and limited partners |
| Trusts                      | Management of financial trusts;<br>-Development trust<br>-General unspecified money trust<br>- Trust whose principal is not guaranteed<br>-Other trusts              | Management of trusted financial assets<br>Payment of trust fees and allocation of trust profits.   | Sales of trusted financial assets   |
| Asset-backed securitization | Early cash generation through transfer of securitized assets<br>Fees earned through services to SPC, such as providing lines of credit and ABCP purchase commitments | Fulfillment of asset-backed securitization plan<br>Purchase and collection of securitized assets<br>Issuance and repayment of ABS and ABCP | Issuance of ABS and ABCP based on securitized assets  |

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

42.2 Details of scale of unconsolidated structured entities and nature of the risks associated with the Group's interests in unconsolidated structured entities as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023   |  |   |   |                     |
|---|---|--|---|---|---------------------|
|   | Structured financing  | Investment funds                             | Trusts  | Asset-backed securitization and others  | Total               |
| <b>Total assets of unconsolidated structured entities Carrying amount in the financial statements</b> | ₩ 114,891,212   | ₩ 593,418,756                                | ₩ 4,893,076   | ₩ 142,477,227   | ₩ 855,680,271       |
| Assets:   |   |  |   |   |                     |
| Financial assets at fair value through profit or loss   | ₩ 98,771  | ₩ 15,553,522                                 | ₩ 7,249   | ₩ 4,895,929   | ₩ 20,555,471        |
| Loans measured at amortized cost  | 11,487,358  | 580,121                                      | 112,867   | 2,959,032   | 15,139,378          |
| Financial investments   | -   | -  | -   | 10,382,744  | 10,382,744          |
| Investments in associates   | -   | 418,484                                      | -   | -   | 418,484             |
| Other assets  | 7,823   | 1,919  | 686,208   | 11,969  | 707,919             |
|   | <u>₩ 11,593,952</u>   | <u>₩ 16,554,046</u>                          | <u>₩ 806,324</u>  | <u>₩ 18,249,674</u>   | <u>₩ 47,203,996</u> |
| Liabilities:  |   |  |   |   |                     |
| Deposits  | ₩ 2,202,888   | ₩ 52,921                                     | ₩ -   | ₩ 359,418   | ₩ 2,615,227         |
| Derivative financial liabilities  | -   | 288  | -   | -   | 288                 |
| Other liabilities   | 4,442   | 43   | 57  | 2,082   | 6,624               |
|   | <u>₩ 2,207,330</u>  | <u>₩ 53,252</u>                              | <u>₩ 57</u>   | <u>₩ 361,500</u>  | <u>₩ 2,622,139</u>  |
| <b>Maximum exposure *</b>   |   |  |   |   |                     |
| Assets held   | ₩ 11,593,952  | ₩ 16,554,046                                 | ₩ 806,324   | ₩ 18,249,674  | ₩ 47,203,996        |
| Purchase and investment commitments   | 471,052   | 6,138,638                                    | 10,250  | 1,183,800   | 7,803,740           |
| Unused credit   | 1,406,447   | -  | 36,672  | 5,006,963   | 6,450,082           |
| Acceptances and guarantees and loan commitments   | 792,848   | -  | -   | 15,405  | 808,253             |
|   | <u>₩ 14,264,299</u>   | <u>₩ 22,692,684</u>                          | <u>₩ 853,246</u>  | <u>₩ 24,455,842</u>   | <u>₩ 62,266,071</u> |
| Methods of determining the maximum exposure   | Loan commitments /investment agreements / purchase commitments and acceptances and guarantees | Investments /loans and investment agreements | Trust paying dividends by results: Total amount of trust exposure | Providing credit lines/ purchase commitments/ loan commitments and acceptances and guarantees |                     |

42.2 Details of scale of unconsolidated structured entities and nature of the risks associated with the Group's interests in unconsolidated structured entities as of December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|   | December 31, 2022   |  |   |   |                     |
|---|---|--|---|---|---------------------|
|   | Structured financing  | Investment funds                             | Trusts  | Asset-backed securitization and others  | Total               |
| <b>Total assets of unconsolidated structured entities Carrying amount in the financial statements</b> | ₩ 110,862,054   | ₩ 455,292,775                                | ₩ 5,516,039   | ₩ 144,018,286   | ₩ 715,689,154       |
| Assets:   |   |  |   |   |                     |
| Financial assets at fair value through profit or loss   | ₩ 105,637   | ₩ 13,462,390                                 | ₩ 298,169   | ₩ 3,566,948   | ₩ 17,433,144        |
| Loans measured at amortized cost  | 8,829,758   | 469,777                                      | 163,220   | 3,037,020   | 12,499,775          |
| Financial investments   | 1,012   | -  | -   | 7,893,604   | 7,894,616           |
| Investments in associates   | -   | 335,746                                      | -   | -   | 335,746             |
| Other assets  | 6,663   | 1,504  | 242,853   | 5,950   | 256,970             |
|   | <u>₩ 8,943,070</u>  | <u>₩ 14,269,417</u>                          | <u>₩ 704,242</u>  | <u>₩ 14,503,522</u>   | <u>₩ 38,420,251</u> |
| Liabilities:  |   |  |   |   |                     |
| Deposits  | ₩ 1,596,011   | ₩ 41,288                                     | ₩ -   | ₩ 219,641   | ₩ 1,856,940         |
| Derivative financial liabilities  | 437   | 2,102  | -   | 698   | 3,237               |
| Other liabilities   | 3,044   | 11   | -   | 54,425  | 57,480              |
|   | <u>₩ 1,599,492</u>  | <u>₩ 43,401</u>                              | <u>₩ -</u>  | <u>₩ 274,764</u>  | <u>₩ 1,917,657</u>  |
| <b>Maximum exposure *</b>   |   |  |   |   |                     |
| Assets held   | ₩ 8,943,070   | ₩ 14,269,417                                 | ₩ 704,242   | ₩ 14,503,522  | ₩ 38,420,251        |
| Purchase and investment commitments   | 227,098   | 6,301,588                                    | 144,269   | 678,564   | 7,351,519           |
| Unused credit   | 1,380,348   | -  | 8,547   | 6,161,171   | 7,550,066           |
| Acceptances and guarantees and loan commitments   | 1,015,619   | -  | -   | 20,000  | 1,035,619           |
|   | <u>₩ 11,566,135</u>   | <u>₩ 20,571,005</u>                          | <u>₩ 857,058</u>  | <u>₩ 21,363,257</u>   | <u>₩ 54,357,455</u> |
| Methods of determining the maximum exposure   | Loan commitments /investment agreements / purchase commitments and acceptances and guarantees | Investments /loans and investment agreements | Trust paying dividends by results: Total amount of trust exposure | Providing credit lines/ purchase commitments/ loan commitments and acceptances and guarantees |                     |

\* Maximum exposure includes the asset amounts, after deducting loss (provisions for credit losses, impairment losses, and others), recognized in the consolidated financial statements of the Group.

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

#### 43. Related Party Transactions

According to Korean IFRS No.1024, the Group includes investments in associates, key management personnel (including family members), and post-employment benefit plans of the Group and its related party companies in the scope of related parties. The Group discloses balances (receivables and payables) and other amounts arising from transactions with related parties in the notes to the consolidated financial statements. Refer to Note 13 for details of investments in associates and joint ventures.

43.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  |  | 2023 |        | 2022 |       |
|--|--|------|--------|------|-------|
| <b>Associates and joint ventures</b>                                     |  |      |        |      |       |
| Balhae Infrastructure Company  | Fee and commission income  | ₩    | 5,101  | ₩    | 5,194 |
| Korea Credit Bureau Co., Ltd.  | Interest expense   |      | 1      |      | 1     |
|  | Fee and commission income  |      | 776    |      | 649   |
|  | Fee and commission expense   |      | 8,444  |      | 3,973 |
|  | Insurance income   |      | 3      |      | 4     |
|  | Provision for credit losses  |      | 1      |      | -     |
|  | Other operating expenses   |      | 15     |      | 15    |
| Incheon Bridge Co., Ltd.   | Interest income  |      | 10,420 |      | 7,516 |
|  | Interest expense   |      | 979    |      | 517   |
|  | Fee and commission income  |      | 28     |      | 23    |
|  | Fee and commission expense   |      | 7      |      | 6     |
|  | Insurance income   |      | 219    |      | 212   |
|  | Gains on financial instruments at fair value through profit or loss  |      | 334    |      | -     |
|  | Losses on financial instruments at fair value through profit or loss |      | -      |      | 4,434 |
|  | Reversal of credit losses  |      | -      |      | 28    |
|  | Provision for credit losses  |      | 54     |      | 9     |
|  | Other non-operating expenses   |      | -      |      | 3     |
| Kendai Co.,Ltd.  | Interest expense   |      | 111    |      | 108   |
| Aju Good Technology Venture Fund   |  |      |        |      |       |
| Taeyoungjungkong Co.,Ltd.  | Interest income  |      | 2      |      | -     |
| KB Star Office Private Real Estate Master Fund No.1*                     | Interest expense   |      | -      |      | 2     |
|  | Fee and commission income  |      | -      |      | 276   |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | Insurance income   |      | 137    |      | 97    |
|  | Interest income  |      | 5,934  |      | 3,098 |
|  | Interest expense   |      | 543    |      | 413   |
|  | Fee and commission income  |      | 20     |      | -     |
|  | Provision for credit losses  |      | 4      |      | 1     |
|  | General and administrative expenses                                  |      | 9,720  |      | 5,562 |

43.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|   |   | 2023 |      | 2022 |       |
|---|---|------|------|------|-------|
| KG Capital Co., Ltd. *                                  | Interest income   | ₩    | 293  | ₩    | 889   |
|   | Fee and commission income   |      | 18   |      | 47    |
|   | Fee and commission expense  |      | 1    |      | 10    |
|   | Insurance income  |      | 13   |      | 43    |
|   | Other operating income  |      | -    |      | 487   |
|   | Other operating expenses  |      | 11   |      | 32    |
|   | Reversal of credit losses   |      | 55   |      | -     |
|   | Provision for credit losses   |      | -    |      | 9     |
| Food Factory Co., Ltd.                                  | Interest income   |      | 62   |      | 80    |
|   | Interest expense  |      | 1    |      | 6     |
|   | Insurance income  |      | 9    |      | 10    |
|   | Fee and commission income   |      | -    |      | 1     |
|   | Gains on financial instruments at fair value through profit or loss |      | 43   |      | 33    |
|   | Reversal of credit losses   |      | 2    |      | 1     |
|   | Fee and commission income   |      | -    |      | 1,204 |
| KB Pre IPO Secondary Venture Fund No.1 *                |   |      |      |      |       |
| Acts Co., Ltd. *  | Insurance income  |      | -    |      | 2     |
| Dongjo Co., Ltd.  | Interest income   |      | 36   |      | 9     |
| POSCO-KB Shipbuilding Fund                              | Fee and commission income   |      | (99) |      | 177   |
| Paycoms Co., Ltd. *                                     | Interest income   |      | 154  |      | 7     |
|   | Gains on financial instruments at fair value through profit or loss |      | -    |      | 39    |
| Big Dipper Co., Ltd.                                    | Interest expense  |      | -    |      | 1     |
|   | Fee and commission expense  |      | 266  |      | 393   |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | Interest expense  |      | -    |      | 1     |
|   | Fee and commission income   |      | -    |      | 129   |
| KB-TS Technology Venture Private Equity Fund            | Fee and commission income   |      | 324  |      | 185   |
| KB-SJ Tourism Venture Fund                              | Fee and commission income   |      | 312  |      | 209   |
|   | Fee and commission income   |      | 37   |      | 36    |
|   | Fee and commission expense  |      | 11   |      | 17    |
| Iwon Alloy Co., Ltd.                                    | Insurance income  |      | 1    |      | 1     |
| RMGP Bio-Pharma Investment Fund, L.P.                   | Fee and commission income   |      | 40   |      | 43    |
| KB-MDI Centauri Fund LP                                 | Fee and commission income   |      | 491  |      | 487   |
| Hibiscus Fund L.P.                                      | Fee and commission income   |      | 928  |      | 524   |
| RMG-KB BioAccess Fund L.P.                              | Fee and commission income   |      | 326  |      | 325   |
| S&E Bio Co., Ltd.                                       | Interest expense  |      | 43   |      | 2     |

### KB Financial Group Inc. and Subsidiaries Notes to the Consolidated Financial Statements December 31, 2023 and 2022

43.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  |  | 2023 |       | 2022 |       |
|--|--|------|-------|------|-------|
|  |  | ₩    |       | ₩    |       |
| Contents First Inc.  | Interest income  |      | 346   |      | 128   |
|  | Interest expense   |      | 73    |      | 34    |
|  | Fee and commission income  |      | 2     |      | 1     |
|  | Provision for credit losses  |      | 8     |      | 1     |
| December & Company Inc. *  | Insurance income   |      | 187   |      | 174   |
| GENINUS Inc. *   | Interest expense   |      | -     |      | 12    |
| Pin Therapeutics Inc.  | Interest expense   |      | 101   |      | 110   |
| Wyatt Co., Ltd.  | Insurance income   |      | 102   |      | 142   |
| KB-Brain KOSDAQ Scale-up<br>New Technology Business<br>Investment Fund | Interest expense   |      | 4     |      | 6     |
|  | Fee and commission income  |      | 209   |      | 423   |
| Spark Biopharma Inc.   | Interest expense   |      | 468   |      | 272   |
| Skydigital Inc.  | Fee and commission income  |      | 3     |      | 3     |
| II-Kwang Electronic Materials<br>Co., Ltd.                             | Other non-operating expenses   |      | -     |      | 1     |
| SO-MYUNG Recycling Co.,<br>Ltd.  | Other non-operating expenses   |      | -     |      | 2     |
| KB No.17 Special Purpose<br>Acquisition Company *                      | Interest expense   |      | -     |      | 1     |
| KB No.18 Special Purpose<br>Acquisition Company *                      | Interest expense   |      | -     |      | 5     |
| KB No.19 Special Purpose<br>Acquisition Company *                      | Interest expense   |      | -     |      | 5     |
| KB No.20 Special Purpose<br>Acquisition Company *                      | Interest expense   |      | -     |      | 22    |
| KB No.21 Special Purpose<br>Acquisition Company                        | Fee and commission income  |      | -     |      | 263   |
|  | Gains on financial instruments at<br>fair value through profit or loss |      | 28    |      | 1,469 |
|  | Interest expense   |      | 68    |      | 30    |
| KB No.22 Special Purpose<br>Acquisition Company                        | Fee and commission income  |      | -     |      | 175   |
|  | Gains on financial instruments at<br>fair value through profit or loss |      | 1,013 |      | 982   |
|  | Interest expense   |      | 2     |      | 1     |

43.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|   |  | 2023 |       | 2022 |       |
|---|--|------|-------|------|-------|
|   |  | ₩    |       | ₩    |       |
| KB No.23 Special Purpose<br>Acquisition Company * | Gains on financial instruments<br>at fair value through profit or<br>loss  |      | -     |      | 1,476 |
|   | Losses on financial instruments<br>at fair value through profit or<br>loss |      | 1,483 |      | -     |
|   | Interest expense   |      | 46    |      | 23    |
| KB No.24 Special Purpose<br>Acquisition Company * | Interest expense   |      | 7     |      | 1     |
| KB No.25 Special Purpose<br>Acquisition Company   | Interest expense   |      | 39    |      | -     |
|   | Gains on financial instruments<br>at fair value through profit or<br>loss  |      | 1,130 |      | -     |
| KB No.26 Special Purpose<br>Acquisition Company   | Interest expense   |      | 38    |      | -     |
|   | Gains on financial instruments<br>at fair value through profit or<br>loss  |      | 1,209 |      | -     |
| KB No.27 Special Purpose<br>Acquisition Company   | Interest expense   |      | 65    |      | -     |
|   | Gains on financial instruments<br>at fair value through profit or<br>loss  |      | 3,059 |      | -     |
| KB SPROTT Renewable<br>Private Equity Fund No.1   | Fee and commission income  |      | 320   |      | 345   |
| KB-Stonebridge Secondary<br>Private Equity Fund   | Fee and commission income  |      | 582   |      | 706   |
|   | Other operating income   |      | 113   |      | -     |
| COSES GT Co., Ltd.                                | Losses on financial instruments<br>at fair value through profit or<br>loss |      | 4,910 |      | -     |
|   | Interest income  |      | 30    |      | 23    |
|   | Interest expense   |      | -     |      | 1     |
|   | Provision for credit losses  |      | -     |      | 3     |
|   | Reversal of credit losses  |      | 5     |      | -     |
| TeamSparta Inc.                                   | Fee and commission income  |      | 11    |      | -     |
|   | Interest expense   |      | 212   |      | 19    |
|   | Provision for credit losses  |      | 2     |      | -     |
| Mantisco Co., Ltd.                                | Interest expense   |      | -     |      | 1     |
| SuperNGine Co., Ltd.                              | Interest income  |      | 25    |      | -     |
|   | Fee and commission income  |      | 1     |      | -     |
|   | Provision for credit losses  |      | 6     |      | -     |

### KB Financial Group Inc. and Subsidiaries Notes to the Consolidated Financial Statements December 31, 2023 and 2022

43.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  |                             | 2023  | 2022 |
|--|-----------------------------|-------|------|
| Desilo Inc.  | Interest income             | W 13  | W 9  |
|  | Provision for credit losses | 3     | -    |
| Turing Co., Ltd.   | Interest expense            | 7     | 1    |
|  | Interest income             | 24    | -    |
|  | Provision for credit losses | 14    | -    |
| IGGYMOB Co., Ltd.  | Interest expense            | -     | 1    |
| Kukka Co., Ltd.  | Interest expense            | -     | 2    |
| ZIPDOC Inc.  | Interest expense            | -     | 1    |
|  | Reversal of credit losses   | -     | 3    |
| Grinergy Co., Ltd.   | Provision for credit losses | 1     | -    |
|  | Interest expense            | 1     | -    |
| Chabot Mobility Co., Ltd.  | Interest expense            | -     | 1    |
|  | Fee and commission expense  | 2,154 | 824  |
| Wemade Connect Co., Ltd.   | Insurance income            | 2     | 3    |
|  | Interest expense            | 316   | 81   |
|  | Reversal of credit losses   | -     | 1    |
|  | Provision for credit losses | 9     | -    |
| TMAP Mobility Co., Ltd.  | Interest expense            | 1,460 | 226  |
|  | Fee and commission income   | 2     | -    |
|  | Fee and commission expense  | 998   | 78   |
|  | Reversal of credit losses   | 9     | -    |
|  | Insurance income            | 209   | -    |
| Nextrade Co., Ltd.   | Interest expense            | 2,911 | 263  |
| WJ Private Equity Fund No.1  | Fee and commission income   | 7     | 7    |
| UPRISE, Inc.   | Interest income             | -     | 3    |
| Channel Corporation  | Interest expense            | 67    | 43   |
| CWhy Inc.  | Insurance income            | 2     | 2    |
| KB Social Impact Investment Fund                                     | Fee and commission income   | 284   | 286  |
| KB-UTC Inno-Tech Venture Fund  | Fee and commission income   | 431   | 449  |
|  | Other operating income      | 3     | -    |
| KBSP Private Equity Fund No.4  | Fee and commission income   | -     | 211  |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund | Fee and commission income   | 1,052 | 561  |
| 2020 KB Fintech Renaissance Fund                                     | Fee and commission income   | 147   | 147  |

43.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  |  | 2023  | 2022  |
|--|--|-------|-------|
| KB Material and Parts No.1 PEF             | Fee and commission income  | W 705 | W 353 |
|  | Other operating income   | 34    | -     |
| FineKB Private Equity Fund No.1            | Fee and commission income  | 378   | 641   |
|  | Gains on financial instruments at fair value through profit or loss  | 16    | -     |
| Paramark KB Fund No.1                      | Fee and commission income  | 129   | 356   |
| KB-Badgers Future Mobility ESG Fund No.1   | Fee and commission income  | 1,300 | 905   |
| KB Bio Private Equity No.3 Ltd. *          | Fee and commission income  | -     | 4,035 |
| KB-KTB Technology Venture Fund             | Fee and commission income  | 669   | 600   |
| THE CHAEUL FUND NO.1                       | Fee and commission income  | -     | 82    |
| KB-Solidus Global Healthcare Fund          | Fee and commission income  | 284   | 350   |
|  | Gains on financial instruments at fair value through profit or loss  | 8,400 | -     |
| SwatchOn Inc. *                            | Fee and commission income  | -     | 5     |
|  | Interest expense   | -     | 5     |
| Gomi corporation Inc.                      | Interest income  | 88    | 61    |
|  | Interest expense   | -     | 2     |
|  | Fee and commission income  | 1     | 1     |
|  | Insurance income   | 1     | -     |
|  | Provision for credit losses  | 49    | 3     |
| KB Cape No.1 Private Equity Fund           | Fee and commission income  | 217   | 72    |
|  | Losses on financial instruments at fair value through profit or loss | 16    | -     |
| KB-GeneN Medical Venture Fund No.1         | Fee and commission income  | 89    | 76    |
| KB-BridgePole Venture Investment Fund      | Fee and commission income  | 135   | 118   |
|  | Other operating income   | 638   | -     |
| KB-BridgePole Venture Investment Fund No.2 | Fee and commission income  | 20    | -     |
| KB-Kyobo New Mobility Power Fund           | Fee and commission income  | 79    | 69    |

**KB Financial Group Inc. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023 and 2022**

43.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  |                             | 2023 |       | 2022 |       |
|--|-----------------------------|------|-------|------|-------|
|  |                             | ₩    |       | ₩    |       |
| KB Co-Investment Private Equity Fund No.1  | Fee and commission income   |      | 904   |      | 483   |
| KB-NP Green ESG New Technology Venture Capital Fund  | Fee and commission income   |      | 1,173 |      | 435   |
| KB-FT Green Growth No.1 New Technology Business Investment Association                                 | Fee and commission income   |      | 135   |      | -     |
|  | Interest expense            |      | 14    |      | -     |
| KB-SUSUNG 1st Investment Fund  | Fee and commission income   |      | 129   |      | -     |
| Youngwon Corporation *   | Insurance income            |      | 1     |      | -     |
| Seokwang T&I Co., Ltd  | Insurance income            |      | 1     |      | -     |
| 3D Interactive Co., Ltd.   | Fee and commission income   |      | 7     |      | -     |
|  | Interest expense            |      | 10    |      | -     |
|  | Provision for credit losses |      | 2     |      | -     |
| Bigwave Robotics Crop.   | Interest income             |      | (1)   |      | -     |
|  | Interest expense            |      | 1     |      | -     |
| U-KB Credit No.1 Private Equity KAELEEWALEE GLOBAL SAELEENJINSAMO INVESTMENT JE2HO LIMITED PARTNERSHIP | Fee and commission income   |      | 228   |      | -     |
|  | Interest expense            |      | 42    |      | -     |
| <b>Others</b>  |                             |      |       |      |       |
| Retirement pension   | Fee and commission income   |      | 1,567 |      | 1,352 |
|  | Interest expense            |      | 27    |      | 39    |

\*Excluded from the Group's related party as of December 31, 2023.

Meanwhile, the Group purchased installment financial assets, etc. from KG Capital Co., Ltd. amounting to ₩ 373,044 million and ₩ 486,586 million for the years ended December 31, 2023 and 2022, respectively.

Also, the Group recognized ₩ 58,304 million in non-operating income for the year ended December 31, 2023, which was confirmed in the lawsuit for damage against Korea Credit Bureau Co., Ltd..

43.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  |   | December 31, 2023 |         | December 31, 2022 |         |
|--|---|-------------------|---------|-------------------|---------|
|  |   | ₩                 |         | ₩                 |         |
| <b>Associates and joint ventures</b>                                     |   |                   |         |                   |         |
| Balhae Infrastructure Company  | Other assets  |                   | 1,304   |                   | 1,306   |
| Korea Credit Bureau Co., Ltd.  | Loans measured at amortized cost (gross amount)       |                   | 37      |                   | 38      |
|  | Deposits  |                   | 17,003  |                   | 27,889  |
|  | Provisions  |                   | 2       |                   | 2       |
|  | Insurance liabilities                                 |                   | 1       |                   | 1       |
| Incheon Bridge Co., Ltd.   | Financial assets at fair value through profit or loss |                   | 33,282  |                   | 32,948  |
|  | Loans measured at amortized cost (gross amount)       |                   | 80,512  |                   | 95,211  |
|  | Allowances for credit losses                          |                   | 38      |                   | 12      |
|  | Other assets  |                   | 528     |                   | 615     |
|  | Deposits  |                   | 40,992  |                   | 48,639  |
|  | Provisions  |                   | 45      |                   | 18      |
|  | Insurance liabilities                                 |                   | 87      |                   | 89      |
|  | Other liabilities                                     |                   | 504     |                   | 446     |
| Jungdo Co., Ltd.   | Deposits  |                   | 4       |                   | 4       |
| Dae-A Leisure Co., Ltd.  | Deposits  |                   | 150     |                   | 154     |
| Aju Good Technology Venture Fund   | Deposits  |                   | 1,202   |                   | 7,222   |
|  | Other liabilities                                     |                   | 1       |                   | 73      |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | Loans measured at amortized cost (gross amount)       |                   | 149,590 |                   | 149,294 |
|  | Allowances for credit losses                          |                   | 5       |                   | 1       |
|  | Property and equipment                                |                   | 5,615   |                   | 9,915   |
|  | Other assets  |                   | 8,689   |                   | 8,591   |
|  | Insurance liabilities                                 |                   | 44      |                   | 46      |
|  | Other liabilities                                     |                   | 8,245   |                   | 14,227  |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund         | Deposits  |                   | -       |                   | 1,526   |
|  | Other liabilities                                     |                   | -       |                   | 1       |
| WJ Private Equity Fund No.1  | Other assets  |                   | 2       |                   | 2       |
|  | Deposits  |                   | 103     |                   | 221     |
| KB Cape No.1 Private Equity Fund   | Financial assets at fair value through profit or loss |                   | 1,935   |                   | 2,017   |
|  | Other assets  |                   | 73      |                   | -       |
|  | Deposits  |                   | 4       |                   | 3       |
|  | Loans measured at amortized cost (gross amount)       |                   | 1       |                   | -       |
| RAND Bio Science Co., Ltd.   | Loans measured at amortized cost (gross amount)       |                   | -       |                   | 40,040  |
|  | Allowances for credit losses                          |                   | -       |                   | 55      |
|  | Other assets  |                   | -       |                   | 63      |
|  | Deposits  |                   | -       |                   | 10      |
|  | Insurance liabilities                                 |                   | -       |                   | 14      |
|  | Other liabilities                                     |                   | -       |                   | 5       |
| KG Capital Co., Ltd. *   |   |                   |         |                   |         |

### KB Financial Group Inc. and Subsidiaries Notes to the Consolidated Financial Statements December 31, 2023 and 2022

43.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2023 and 2022, are as follows: (cont'd)

| (In millions of Korean won)                             |   | December 31, |        |
|---|---|--------------|--------|
|   |   | 2023         | 2022   |
| Food Factory Co., Ltd.                                  | Financial assets at fair value through profit or loss | ₩ 738        | ₩ 696  |
|   | Loans measured at amortized cost (gross amount)       | 2,137        | 3,345  |
|   | Allowances for credit losses                          | 2            | 4      |
|   | Other assets  | 5            | 4      |
|   | Deposits  | 629          | 664    |
|   | Insurance liabilities                                 | 2            | 8      |
|   | Other liabilities                                     | 1            | 1      |
| POSCO-KB Shipbuilding Fund                              | Other assets  | 678          | 177    |
| Paycoms Co., Ltd. *                                     | Financial assets at fair value through profit or loss | -            | 1,172  |
|   | Deposits  | -            | 1      |
| Big Dipper Co., Ltd.                                    | Loans measured at amortized cost (gross amount)       | 14           | 18     |
|   | Deposits  | 40           | 19     |
|   | Other liabilities                                     | 8            | -      |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | Deposits  | 46           | 317    |
| Iwon Alloy Co., Ltd.                                    | Deposits  | 1            | 1      |
|   | Insurance liabilities                                 | -            | 1      |
| Computerlife Co., Ltd.                                  | Deposits  | -            | 3      |
| RMGP Bio-Pharma Investment Fund, L.P.                   | Financial assets at fair value through profit or loss | 5,938        | 6,384  |
|   | Other liabilities                                     | 62           | 36     |
| RMGP Bio-Pharma Investment, L.P.                        | Financial assets at fair value through profit or loss | 20           | 17     |
| Wyatt Co., Ltd.   | Financial assets at fair value through profit or loss | 6,000        | 6,000  |
|   | Deposits  | 1            | 1      |
|   | Insurance liabilities                                 | 73           | 75     |
| Skydigital Inc.   | Deposits  | 65           | 10     |
| Banksalad Co., Ltd.                                     | Financial assets at fair value through profit or loss | 9,148        | 10,470 |
| Spark Biopharma Inc.                                    | Financial assets at fair value through profit or loss | 7,450        | 7,450  |
|   | Loans measured at amortized cost (gross amount)       | 17           | 17     |
|   | Deposits  | 11,419       | 17,534 |
|   | Other liabilities                                     | 90           | 91     |
| UPRISE, Inc.  | Financial assets at fair value through profit or loss | 5,710        | 5,248  |
|   | Deposits  | -            | 27     |
| Stratio, Inc.   | Financial assets at fair value through profit or loss | 1,000        | 1,000  |
| Honest Fund, Inc.                                       | Financial assets at fair value through profit or loss | 3,999        | 3,999  |

43.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2023 and 2022, are as follows: (cont'd)

| (In millions of Korean won)                    |   | December 31, |         |
|--|---|--------------|---------|
|  |   | 2023         | 2022    |
| CellinCells Co., Ltd.                          | Financial assets at fair value through profit or loss | ₩ 2,000      | ₩ 2,000 |
|  | Loans measured at amortized cost (gross amount)       | 3            | 7       |
|  | Deposits  | 37           | 37      |
| Channel Corporation                            | Financial assets at fair value through profit or loss | 16,906       | 18,099  |
|  | Deposits  | 2,030        | 3,000   |
|  | Other liabilities                                     | 11           | 21      |
| KB No.21 Special Purpose Acquisition Company   | Financial assets at fair value through profit or loss | 2,987        | 2,959   |
|  | Deposits  | 2,261        | 2,263   |
|  | Other liabilities                                     | 38           | 29      |
| KB No.22 Special Purpose Acquisition Company   | Financial assets at fair value through profit or loss | 2,985        | 1,972   |
|  | Deposits  | 1,848        | 1,948   |
| KB No.23 Special Purpose Acquisition Company * | Financial assets at fair value through profit or loss | 1,489        | 2,971   |
|  | Deposits  | -            | 2,205   |
|  | Other liabilities                                     | -            | 22      |
| KB No.24 Special Purpose Acquisition Company * | Financial assets at fair value through profit or loss | -            | 6,975   |
|  | Deposits  | -            | 9,983   |
|  | Other liabilities                                     | -            | 1       |
| KB No.25 Special Purpose Acquisition Company   | Financial assets at fair value through profit or loss | 2,025        | -       |
|  | Deposits  | 1,586        | -       |
|  | Other liabilities                                     | 39           | -       |
| KB No.26 Special Purpose Acquisition Company   | Financial assets at fair value through profit or loss | 2,204        | -       |
|  | Deposits  | 1,761        | -       |
|  | Other liabilities                                     | 37           | -       |
| KB No.27 Special Purpose Acquisition Company   | Financial assets at fair value through profit or loss | 6,054        | -       |
|  | Deposits  | 4,497        | -       |
|  | Other liabilities                                     | 65           | -       |
| COSES GT Co., Ltd.                             | Financial assets at fair value through profit or loss | -            | 4,930   |
|  | Loans measured at amortized cost (gross amount)       | 1            | 506     |
|  | Allowances for credit losses                          | -            | 4       |
|  | Other assets  | -            | 2       |
|  | Deposits  | 1            | 1,213   |
| Bomapp Inc. *                                  | Financial assets at fair value through profit or loss | -            | 1       |
| MitoImmune Therapeutics                        | Financial assets at fair value through profit or loss | 7,000        | 7,000   |



### KB Financial Group Inc. and Subsidiaries Notes to the Consolidated Financial Statements December 31, 2023 and 2022

43.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|                                   |   | December 31,<br>2023 | December 31,<br>2022 |
|-----------------------------------|---|----------------------|----------------------|
| KB-Solidus Global Healthcare Fund | Other assets  | ₩ 284                | ₩ 350                |
| Bioprotect Ltd.                   | Financial assets at fair value through profit or loss | 4,474                | 3,802                |
| Gomi corporation Inc.             | Financial assets at fair value through profit or loss | 4,000                | 4,000                |
|                                   | Loans measured at amortized cost (gross amount)       | 2,155                | 2,234                |
|                                   | Allowances for credit losses                          | 62                   | 17                   |
|                                   | Other assets  | 5                    | 5                    |
|                                   | Deposits  | 78                   | 915                  |
|                                   | Other liabilities                                     | 1                    | 1                    |
|                                   | Provisions  | 3                    | -                    |
| Go2joy Co., Ltd.                  | Financial assets at fair value through profit or loss | 1,200                | 1,200                |
| ClavisTherapeutics, Inc.          | Financial assets at fair value through profit or loss | -                    | 2,000                |
| S&E Bio Co., Ltd.                 | Financial assets at fair value through profit or loss | 4,000                | 4,000                |
|                                   | Loans measured at amortized cost (gross amount)       | 13                   | 10                   |
|                                   | Deposits  | 2,342                | 6,419                |
|                                   | Other liabilities                                     | 13                   | -                    |
| Bluepointpartners Inc.            | Financial assets at fair value through profit or loss | 1,874                | 2,133                |
| 4N Inc.                           | Financial assets at fair value through profit or loss | -                    | 200                  |
|                                   | Deposits  | 49                   | 5                    |
| Xenohelix Co., Ltd.               | Financial assets at fair value through profit or loss | 3,100                | 2,100                |
|                                   | Deposits  | 904                  | -                    |
| Contents First Inc.               | Financial assets at fair value through profit or loss | 7,277                | 7,277                |
|                                   | Loans measured at amortized cost (gross amount)       | 10,365               | 10,017               |
|                                   | Allowances for credit losses                          | 7                    | 1                    |
|                                   | Other assets  | 4                    | 2                    |
|                                   | Deposits  | 1,072                | 5,010                |
|                                   | Provisions  | 1                    | -                    |
|                                   | Other liabilities                                     | 6                    | 21                   |
| KB-MDI Centauri Fund LP           | Financial assets at fair value through profit or loss | 18,993               | 17,471               |
|                                   | Other assets  | 221                  | 470                  |
| 2020 KB Fintech Renaissance Fund  | Other assets  | 37                   | 37                   |
| OKXE Inc.                         | Financial assets at fair value through profit or loss | 800                  | 800                  |

43.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|                       |   | December 31,<br>2023 | December 31,<br>2022 |
|-----------------------|---|----------------------|----------------------|
| Mantisco Co., Ltd.    | Loans measured at amortized cost (gross amount)       | ₩ 13                 | ₩ 15                 |
|                       | Financial assets at fair value through profit or loss | 3,000                | 3,000                |
|                       | Deposits  | 46                   | 623                  |
| Pin Therapeutics Inc. | Loans measured at amortized cost (gross amount)       | 11                   | 13                   |
|                       | Financial assets at fair value through profit or loss | 5,000                | 5,000                |
|                       | Deposits  | 265                  | 6,033                |
|                       | Other liabilities                                     | -                    | 18                   |
| IMBiologics Corp.     | Loans measured at amortized cost (gross amount)       | 5                    | 4                    |
|                       | Financial assets at fair value through profit or loss | 7,000                | 5,000                |
| SuperNGine Co., Ltd.  | Loans measured at amortized cost (gross amount)       | 603                  | 6                    |
|                       | Deposits  | 69                   | 17                   |
|                       | Allowances for credit losses                          | 6                    | -                    |
|                       | Other assets  | 1                    | -                    |
|                       | Financial assets at fair value through profit or loss | 1,996                | 1,996                |
| Desilo Inc.           | Financial assets at fair value through profit or loss | 3,168                | 3,168                |
|                       | Loans measured at amortized cost (gross amount)       | 300                  | 300                  |
|                       | Allowances for credit losses                          | 5                    | 2                    |
|                       | Deposits  | 3                    | 1                    |
| Turing Co., Ltd.      | Financial assets at fair value through profit or loss | 3,000                | 3,000                |
|                       | Loans measured at amortized cost (gross amount)       | 1,901                | -                    |
|                       | Allowances for credit losses                          | 14                   | -                    |
|                       | Other assets  | 11                   | -                    |
|                       | Deposits  | 1,726                | 2,788                |
|                       | Other liabilities                                     | 6                    | -                    |
| IGGYMOB Co., Ltd.     | Financial assets at fair value through profit or loss | 5,000                | 5,000                |
|                       | Loans measured at amortized cost (gross amount)       | 7                    | 15                   |
|                       | Deposits  | -                    | 254                  |
| Kukka Co., Ltd.       | Financial assets at fair value through profit or loss | 2,490                | 2,490                |
| ZIPDOC Inc.           | Financial assets at fair value through profit or loss | 2,000                | 2,000                |
|                       | Deposits  | 181                  | 915                  |

### KB Financial Group Inc. and Subsidiaries Notes to the Consolidated Financial Statements December 31, 2023 and 2022

43.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2023 and 2022, are as follows: (cont'd)

| <i>(In millions of Korean won)</i> |   | December 31,<br>2023 | December 31,<br>2022 |
|------------------------------------|---|----------------------|----------------------|
| TeamSparta Inc.                    | Loans measured at amortized cost (gross amount)       | ₩ 307                | ₩ -                  |
|                                    | Financial assets at fair value through profit or loss | 4,001                | 4,001                |
|                                    | Allowances for credit losses                          | 1                    | -                    |
|                                    | Provisions  | 1                    | -                    |
|                                    | Deposits  | 7,672                | 12,502               |
|                                    | Other liabilities                                     | 62                   | 6                    |
| Chabot Mobility Co., Ltd.          | Financial assets at fair value through profit or loss | 2,000                | 2,000                |
|                                    | Deposits  | 164                  | 86                   |
| Wemade Connect Co., Ltd.           | Financial assets at fair value through profit or loss | 12,293               | 12,000               |
|                                    | Loans measured at amortized cost (gross amount)       | 44                   | 52                   |
|                                    | Allowances for credit losses                          | 6                    | -                    |
|                                    | Provisions  | 8                    | 2                    |
|                                    | Deposits  | 8,843                | 10,370               |
|                                    | Insurance liabilities                                 | 1                    | 2                    |
|                                    | Other liabilities                                     | 53                   | 28                   |
| Nextrade Co., Ltd.                 | Deposits  | 56,203               | 56,202               |
|                                    | Other liabilities                                     | 3,174                | 263                  |
| TMAP Mobility Co., Ltd.            | Loans measured at amortized cost (gross amount)       | 106                  | -                    |
|                                    | Allowances for credit losses                          | 1                    | -                    |
|                                    | Deposits  | 80,016               | 30,000               |
|                                    | Other liabilities                                     | 763                  | 76                   |
|                                    | Provisions  | 2                    | -                    |
| FutureConnect Co., Ltd.            | Financial assets at fair value through profit or loss | 1,499                | 1,499                |
| Gushcloud Talent Agency            | Financial assets at fair value through profit or loss | 3,688                | 4,165                |
| Grinery Co., Ltd.                  | Financial assets at fair value through profit or loss | 6,486                | 2,500                |
|                                    | Provisions  | 1                    | -                    |
| NexThera Co., Ltd.                 | Financial assets at fair value through profit or loss | 3,000                | 2,000                |
| FineKB Private Equity Fund No.1    | Other assets  | 13                   | 160                  |
| Paramark KB Fund No.1              | Other liabilities                                     | 34                   | 34                   |
| December & Company Inc. *          | Deposits  | -                    | 1                    |
|                                    | Insurance liabilities                                 | -                    | 9                    |
| KB Social Impact Investment Fund   | Other assets  | 260                  | 436                  |
| Checkmate Therapeutics Inc.        | Financial assets at fair value through profit or loss | 3,200                | 3,200                |
|                                    | Insurance liabilities                                 | -                    | 3                    |
| G1 Playground Co., Ltd.            | Financial assets at fair value through profit or loss | -                    | 1,000                |

43.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2023 and 2022, are as follows: (cont'd)

| <i>(In millions of Korean won)</i>                                     |   | December 31,<br>2023 | December 31,<br>2022 |
|--|---|----------------------|----------------------|
| Hibiscus Fund L.P.   | Financial assets at fair value through profit or loss | ₩ 12,915             | ₩ 10,221             |
|  | Other assets  | 258                  | -                    |
|  | Other liabilities                                     | -                    | 257                  |
| RMG-KB BioAccess Fund L.P.   | Financial assets at fair value through profit or loss | 5,036                | 2,753                |
| RMG-KB BP Management Ltd.  | Financial assets at fair value through profit or loss | 174                  | 77                   |
| KB Co-Investment Private Equity Fund No.1                              | Other assets  | 255                  | 191                  |
| Spoon Radio Co., Ltd.  | Financial assets at fair value through profit or loss | 19,506               | -                    |
| Neuroptika Inc.  | Financial assets at fair value through profit or loss | 5,879                | -                    |
| Bitgoeul Cheomdan Green 1st Co., Ltd.                                  | Deposits  | 833                  | -                    |
| KB-FT Green Growth No.1 New Technology Business Investment Association | Deposits  | 700                  | -                    |
|  | Other liabilities                                     | 8                    | -                    |
| KAELEEWALEE GLOBAL   | Deposits  | 3,790                | -                    |
| SAELAENJINSAMO INVESTMENT JE2HO LIMITED PARTNERSHIP                    | Other liabilities                                     | 42                   | -                    |
| Bigwave Robotics Corp.   | Loans measured at amortized cost (gross amount)       | 31                   | -                    |
|  | Financial assets at fair value through profit or loss | 2,750                | -                    |
|  | Deposits  | 4                    | -                    |
| Blinkers Inc.  | Financial assets at fair value through profit or loss | 999                  | -                    |
| 3D Interactive Co., Ltd.   | Loans measured at amortized cost (gross amount)       | 42                   | -                    |
|  | Allowances for credit losses                          | 2                    | -                    |
|  | Financial assets at fair value through profit or loss | 2,300                | -                    |
|  | Deposits  | 1,501                | -                    |
| XL8 INC.   | Financial assets at fair value through profit or loss | 5,148                | -                    |
| Elev8-Capital Fund I   | Financial assets at fair value through profit or loss | 6,656                | -                    |
| New Daegu Busan Expressway Co., Ltd.                                   | Loans measured at amortized cost (gross amount)       | 72,742               | -                    |
|  | Allowances for credit losses                          | 4                    | -                    |
|  | Other assets  | 57                   | -                    |
|  | Deposits  | 146,169              | -                    |
|  | Other liabilities                                     | 1,891                | -                    |

### KB Financial Group Inc. and Subsidiaries Notes to the Consolidated Financial Statements December 31, 2023 and 2022

43.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|                                 |   | December 31, |        | December 31, |        |
|---------------------------------|---|--------------|--------|--------------|--------|
|                                 |   | 2023         |        | 2022         |        |
|                                 |   | ₩            |        | ₩            |        |
| AIM FUTURE, Inc.                | Financial assets at fair value through profit or loss |              | 2,000  |              | -      |
|                                 | Loans measured at amortized cost (gross amount)       |              | 900    |              | -      |
|                                 | Allowances for credit losses                          |              | 2      |              | -      |
|                                 | Other assets  |              | 1      |              | -      |
|                                 | Deposits  |              | 3,393  |              | -      |
|                                 | Other liabilities                                     |              | 48     |              | -      |
| Novorex Inc.                    | Financial assets at fair value through profit or loss |              | 2,000  |              | -      |
|                                 | Deposits  |              | 7      |              | -      |
| Seokwang T&I Co., Ltd           | Insurance liabilities                                 |              | 2      |              | -      |
| <b>Key management personnel</b> | Loans measured at amortized cost (gross amount)       |              | 5,490  |              | 6,299  |
|                                 | Allowances for credit losses                          |              | 5      |              | 3      |
|                                 | Other assets  |              | 7      |              | 7      |
|                                 | Deposits  |              | 15,902 |              | 17,618 |
|                                 | Provisions  |              | 2      |              | 1      |
|                                 | Insurance liabilities                                 |              | 2,293  |              | 2,374  |
|                                 | Other liabilities                                     |              | 429    |              | 387    |
| <b>Others</b>                   |   |              |        |              |        |
| Retirement pension              | Other assets  |              | 364    |              | 778    |
|                                 | Other liabilities                                     |              | 606    |              | 10,141 |

\* Excluded from the Group's related party as of December 31, 2023, therefore, the remaining outstanding balances with those entities are not disclosed.

43.3 Details of significant lending transactions with related parties for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  |  | 2023      |       |            |         |
|--|--|-----------|-------|------------|---------|
|  |  | Beginning | Loan  | Collection | Ending  |
| <b>Associates and joint ventures</b>                                     |  |           |       |            |         |
| Korea Credit Bureau Co., Ltd.  |  | ₩ 38      | ₩ 37  | ₩ (38)     | ₩ 37    |
| Incheon Bridge Co., Ltd.   |  | 128,159   | 346   | (14,711)   | 113,794 |
| Star-Lord General Investors Private Real Estate Investment Company No.10 |  | 149,294   | 296   | -          | 149,590 |
| KB Cape No.1 Private Equity Fund   |  | 2,017     | -     | (82)       | 1,935   |
| RAND Bio Science Co., Ltd.   |  | -         | 1     | -          | 1       |
| KG Capital Co., Ltd. *   |  | 40,040    | -     | (40,040)   | -       |
| Food Factory Co., Ltd.   |  | 4,041     | 446   | (1,612)    | 2,875   |
| Paycoms Co., Ltd. *  |  | 1,172     | -     | (1,172)    | -       |
| Big Dipper Co., Ltd.   |  | 18        | 14    | (18)       | 14      |
| RMGP Bio-Pharma Investment Fund, L.P.                                    |  | 6,384     | -     | (446)      | 5,938   |
| RMGP Bio-Pharma Investment, L.P.   |  | 17        | 3     | -          | 20      |
| Wyatt Co., Ltd.  |  | 6,000     | -     | -          | 6,000   |
| Banksalad Co., Ltd.  |  | 10,470    | -     | (1,322)    | 9,148   |
| UPRISE, Inc.   |  | 5,248     | 462   | -          | 5,710   |
| Stratio, Inc.  |  | 1,000     | -     | -          | 1,000   |
| Honest Fund, Inc.  |  | 3,999     | -     | -          | 3,999   |
| CellinCells Co., Ltd.  |  | 2,007     | 3     | (7)        | 2,003   |
| KB No.21 Special Purpose Acquisition Company                             |  | 2,959     | 28    | -          | 2,987   |
| KB No.22 Special Purpose Acquisition Company                             |  | 1,972     | 1,013 | -          | 2,985   |
| KB No.23 Special Purpose Acquisition Company *                           |  | 2,971     | -     | (1,482)    | 1,489   |
| KB No.24 Special Purpose Acquisition Company *                           |  | 6,975     | -     | (6,975)    | -       |
| KB No.25 Special Purpose Acquisition Company                             |  | -         | 2,025 | -          | 2,025   |
| KB No.26 Special Purpose Acquisition Company                             |  | -         | 2,204 | -          | 2,204   |
| KB No.27 Special Purpose Acquisition Company                             |  | -         | 6,054 | -          | 6,054   |
| COSES GT Co., Ltd.   |  | 5,436     | 1     | (5,436)    | 1       |
| Channel Corporation  |  | 18,099    | -     | (1,193)    | 16,906  |
| Mitolimmune Therapeutics   |  | 7,000     | -     | -          | 7,000   |
| Bioprotect Ltd.  |  | 3,802     | 672   | -          | 4,474   |
| Gomi corporation Inc.  |  | 6,234     | 5     | (84)       | 6,155   |
| Go2Joy Co., Ltd.   |  | 1,200     | -     | -          | 1,200   |
| ClavisTherapeutics, Inc.   |  | 2,000     | -     | (2,000)    | -       |

### KB Financial Group Inc. and Subsidiaries

#### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

43.3 Details of significant lending transactions with related parties for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|                                      | 2023         |              |                |              |
|--------------------------------------|--------------|--------------|----------------|--------------|
|                                      | Beginning    | Loan         | Collection     | Ending       |
| S&E Bio Co., Ltd.                    | ₩ 4,010      | ₩ 13         | ₩ (10)         | ₩ 4,013      |
| Bluepointpartners Inc.               | 2,133        | -            | (259)          | 1,874        |
| 4N Inc.                              | 200          | -            | (200)          | -            |
| Xenohelix Co., Ltd.                  | 2,100        | 1,000        | -              | 3,100        |
| Contents First Inc.                  | 17,294       | 365          | (17)           | 17,642       |
| KB-MDI Centauri Fund LP              | 17,471       | 1,522        | -              | 18,993       |
| OKXE Inc.                            | 800          | -            | -              | 800          |
| Checkmate Therapeutics Inc.          | 3,200        | -            | -              | 3,200        |
| Mantisco Co., Ltd.                   | 3,015        | 13           | (15)           | 3,013        |
| IMBiologics Corp.                    | 5,004        | 2,005        | (4)            | 7,005        |
| Spark Biopharma Inc.                 | 7,467        | 17           | (17)           | 7,467        |
| G1 Playground Co., Ltd.              | 1,000        | -            | (1,000)        | -            |
| Pin Therapeutics Inc.                | 5,013        | 11           | (13)           | 5,011        |
| Hibiscus Fund L.P.                   | 10,221       | 2,694        | -              | 12,915       |
| SuperNGine Co., Ltd.                 | 2,002        | 603          | (6)            | 2,599        |
| Desilo Inc.                          | 3,468        | -            | -              | 3,468        |
| RMG-KB BioAccess Fund L.P.           | 2,753        | 2,283        | -              | 5,036        |
| RMG-KB BP Management Ltd.            | 77           | 97           | -              | 174          |
| IGGYMOB Co., Ltd.                    | 5,015        | 7            | (15)           | 5,007        |
| Turing Co., Ltd.                     | 3,000        | 1,901        | -              | 4,901        |
| Kukka Co., Ltd.                      | 2,490        | -            | -              | 2,490        |
| ZIPDOC Inc.                          | 2,000        | -            | -              | 2,000        |
| Gushcloud Talent Agency              | 4,165        | -            | (477)          | 3,688        |
| Grinergy Co., Ltd.                   | 2,500        | 3,986        | -              | 6,486        |
| NexThera Co., Ltd.                   | 2,000        | 1,000        | -              | 3,000        |
| Chabot Mobility Co., Ltd.            | 2,000        | -            | -              | 2,000        |
| TeamSparta Inc.                      | 4,001        | 307          | -              | 4,308        |
| FutureConnect Co., Ltd.              | 1,499        | -            | -              | 1,499        |
| Wemade Connect Co., Ltd.             | 12,052       | 337          | (52)           | 12,337       |
| TMAP Mobility Co., Ltd.              | -            | 106          | -              | 106          |
| Taeyoungjungkong Co.,Ltd.            | -            | 46           | (46)           | -            |
| Spoon Radio Co., Ltd.                | -            | 19,506       | -              | 19,506       |
| Neuroptika Inc.                      | -            | 5,879        | -              | 5,879        |
| Youngwon Corporation *               | -            | 4,793        | (4,793)        | -            |
| Bigwave Robotics Crop.               | -            | 2,781        | -              | 2,781        |
| Blinkers Inc.                        | -            | 999          | -              | 999          |
| 3D Interactive Co., Ltd.             | -            | 2,342        | -              | 2,342        |
| XL8 INC.                             | -            | 5,148        | -              | 5,148        |
| Elev8-Capital Fund I                 | -            | 6,656        | -              | 6,656        |
| AIM FUTURE, Inc.                     | -            | 2,900        | -              | 2,900        |
| New Daegu Busan Expressway Co., Ltd. | -            | 72,742       | -              | 72,742       |
| Novorex Inc.                         | -            | 2,000        | -              | 2,000        |
| <b>Key management personnel</b>      | <b>6,299</b> | <b>3,368</b> | <b>(4,177)</b> | <b>5,490</b> |

43.3 Details of significant lending transactions with related parties for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|  | 2022      |         |            |         |
|--|-----------|---------|------------|---------|
|  | Beginning | Loan    | Collection | Ending  |
| <b>Associates and joint ventures</b>                                     |           |         |            |         |
| Korea Credit Bureau Co., Ltd.  | ₩ 36      | ₩ 38    | ₩ (36)     | ₩ 38    |
| Incheon Bridge Co., Ltd.   | 151,489   | 11      | (23,341)   | 128,159 |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | -         | 150,000 | (706)      | 149,294 |
| KB Star Office Private Real Estate Master Fund No.1 *                    | 10,000    | -       | (10,000)   | -       |
| KB Cape No.1 Private Equity Fund   | 1,591     | 426     | -          | 2,017   |
| RAND Bio Science Co., Ltd.   | 1         | -       | (1)        | -       |
| KG Capital Co., Ltd. *   | 40,074    | 40      | (74)       | 40,040  |
| Food Factory Co., Ltd.   | 4,216     | 1,541   | (1,716)    | 4,041   |
| Paycoms Co., Ltd. *  | 1,269     | -       | (97)       | 1,172   |
| Big Dipper Co., Ltd.   | 17        | 18      | (17)       | 18      |
| RMGP Bio-Pharma Investment Fund, L.P.                                    | 5,423     | 961     | -          | 6,384   |
| RMGP Bio-Pharma Investment, L.P.   | 14        | 3       | -          | 17      |
| Wyatt Co., Ltd.  | 6,000     | -       | -          | 6,000   |
| Banksalad Co., Ltd.  | 9,090     | 1,380   | -          | 10,470  |
| UPRISE, Inc.   | 1,250     | 3,998   | -          | 5,248   |
| Stratio, Inc.  | 1,000     | -       | -          | 1,000   |
| Honest Fund, Inc.  | 3,999     | -       | -          | 3,999   |
| CellinCells Co., Ltd.  | 2,006     | 7       | (6)        | 2,007   |
| KB No.17 Special Purpose Acquisition Company *                           | 1,301     | -       | (1,301)    | -       |
| KB No.18 Special Purpose Acquisition Company *                           | 3,881     | -       | (3,881)    | -       |
| KB No.19 Special Purpose Acquisition Company *                           | 2,091     | -       | (2,091)    | -       |
| KB No.20 Special Purpose Acquisition Company *                           | 3,135     | -       | (3,135)    | -       |
| KB No.21 Special Purpose Acquisition Company                             | -         | 2,959   | -          | 2,959   |
| KB No.22 Special Purpose Acquisition Company                             | -         | 1,972   | -          | 1,972   |
| KB No.23 Special Purpose Acquisition Company *                           | -         | 2,971   | -          | 2,971   |
| KB No.24 Special Purpose Acquisition Company *                           | -         | 6,975   | -          | 6,975   |
| COSES GT Co., Ltd.   | 5,445     | 6       | (15)       | 5,436   |
| Bomapp Inc. *  | 19        | -       | (19)       | -       |
| Channel Corporation  | 14,551    | 3,548   | -          | 18,099  |

### KB Financial Group Inc. and Subsidiaries

#### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

43.3 Details of significant lending transactions with related parties for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|                                      | 2022         |              |                |              |
|--------------------------------------|--------------|--------------|----------------|--------------|
|                                      | Beginning    | Loan         | Collection     | Ending       |
| <b>Associates and joint ventures</b> |              |              |                |              |
| MitolImmune Therapeutics             | ₩ 7,000      | ₩ -          | ₩ -            | ₩ 7,000      |
| Bioprotect Ltd.                      | 3,557        | 245          | -              | 3,802        |
| Gomi corporation Inc.                | 4,733        | 1,534        | (33)           | 6,234        |
| Copin Communications, Inc. *         | 4,801        | -            | (4,801)        | -            |
| Go2Joy Co., Ltd.                     | 1,200        | -            | -              | 1,200        |
| ClavisTherapeutics, Inc.             | 2,000        | -            | -              | 2,000        |
| S&E Bio Co., Ltd.                    | 2,000        | 2,010        | -              | 4,010        |
| Bluepointpartners Inc.               | 2,278        | -            | (145)          | 2,133        |
| 4N Inc.                              | 200          | -            | -              | 200          |
| Xenohelix Co., Ltd.                  | 2,100        | -            | -              | 2,100        |
| Contents First Inc.                  | 7,277        | 10,017       | -              | 17,294       |
| KB-MDI Centauri Fund LP              | 9,633        | 7,838        | -              | 17,471       |
| SwatchOn Inc. *                      | 3,418        | -            | (3,418)        | -            |
| OKXE Inc.                            | 800          | -            | -              | 800          |
| GENINUS Inc. *                       | 5,872        | -            | (5,872)        | -            |
| Checkmate Therapeutics Inc.          | 2,200        | 1,000        | -              | 3,200        |
| Mantisco Co., Ltd.                   | 3,001        | 15           | (1)            | 3,015        |
| IMBiologics Corp.                    | 5,004        | 4            | (4)            | 5,004        |
| Spark Biopharma Inc.                 | 4,967        | 2,517        | (17)           | 7,467        |
| G1 Playground Co., Ltd.              | 1,000        | -            | -              | 1,000        |
| Pin Therapeutics Inc.                | 3,000        | 2,013        | -              | 5,013        |
| Hibiscus Fund L.P.                   | 4,731        | 5,490        | -              | 10,221       |
| SuperNGine Co., Ltd.                 | 1,998        | 6            | (2)            | 2,002        |
| Desilo Inc.                          | 3,469        | -            | (1)            | 3,468        |
| RMG-KB BioAccess Fund L.P.           | 353          | 2,400        | -              | 2,753        |
| RMG-KB BP Management Ltd.            | 7            | 70           | -              | 77           |
| IGGYMOB Co., Ltd.                    | 5,006        | 15           | (6)            | 5,015        |
| Turing Co., Ltd.                     | 3,000        | -            | -              | 3,000        |
| Kukka Co., Ltd.                      | -            | 2,490        | -              | 2,490        |
| ZIPDOC Inc.                          | -            | 2,000        | -              | 2,000        |
| Gushcloud Talent Agency              | -            | 4,165        | -              | 4,165        |
| Grinergy Co., Ltd.                   | -            | 2,500        | -              | 2,500        |
| NexThera Co., Ltd.                   | -            | 2,000        | -              | 2,000        |
| Chabot Mobility Co., Ltd.            | -            | 2,000        | -              | 2,000        |
| TeamSparta Inc.                      | -            | 4,001        | -              | 4,001        |
| FutureConnect Co., Ltd.              | -            | 1,499        | -              | 1,499        |
| Wemade Connect Co., Ltd.             | -            | 12,052       | -              | 12,052       |
| <b>Key management personnel</b>      | <b>4,591</b> | <b>4,527</b> | <b>(2,819)</b> | <b>6,299</b> |

\* Excluded from the Group's related party as of December 31, 2022.

43.4 Details of significant borrowing transactions with related parties for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023      |           |           |                     |          |
|--|-----------|-----------|-----------|---------------------|----------|
|  | Beginning | Borrowing | Repayment | Others <sup>1</sup> | Ending   |
| <b>Associates and joint ventures</b>                             |           |           |           |                     |          |
| Korea Credit Bureau Co., Ltd.                                    | ₩ 27,889  | ₩ -       | ₩ -       | ₩ (10,886)          | ₩ 17,003 |
| Incheon Bridge Co., Ltd.   | 48,639    | 67,100    | (76,017)  | 1,270               | 40,992   |
| Jungdo Co., Ltd.   | 4         | -         | -         | -                   | 4        |
| Dae-A Leisure Co., Ltd.  | 154       | -         | -         | (4)                 | 150      |
| Iwon Alloy Co., Ltd.   | 1         | -         | -         | -                   | 1        |
| Computerlife Co., Ltd.   | 3         | -         | -         | (3)                 | -        |
| Skydigital Inc.  | 10        | -         | -         | 55                  | 65       |
| Aju Good Technology Venture Fund                                 | 7,222     | 1,323     | (7,900)   | 557                 | 1,202    |
| KB-KDBC Pre-IPO New Technology Business Investment Fund          | 317       | -         | -         | (271)               | 46       |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund | 1,526     | -         | -         | (1,526)             | -        |
| WJ Private Equity Fund No.1                                      | 221       | -         | -         | (118)               | 103      |
| KG Capital Co., Ltd. <sup>2</sup>                                | 10        | -         | -         | (10)                | -        |
| KB No.21 Special Purpose Acquisition Company                     | 2,263     | 2,050     | (2,000)   | (52)                | 2,261    |
| KB No.22 Special Purpose Acquisition Company                     | 1,948     | -         | -         | (100)               | 1,848    |
| KB No.23 Special Purpose Acquisition Company <sup>2</sup>        | 2,205     | 2,089     | (4,223)   | (71)                | -        |
| KB No.24 Special Purpose Acquisition Company <sup>2</sup>        | 9,983     | -         | -         | (9,983)             | -        |
| KB No.25 Special Purpose Acquisition Company                     | -         | 1,500     | -         | 86                  | 1,586    |
| KB No.26 Special Purpose Acquisition Company                     | -         | 1,670     | -         | 91                  | 1,761    |
| KB No.27 Special Purpose Acquisition Company                     | -         | 4,390     | -         | 107                 | 4,497    |
| RAND Bio Science Co., Ltd.                                       | 3         | -         | -         | 1                   | 4        |
| Food Factory Co., Ltd.   | 664       | -         | -         | (35)                | 629      |
| Paycoms Co., Ltd. <sup>2</sup>                                   | 1         | -         | -         | (1)                 | -        |
| Big Dipper Co., Ltd.   | 19        | -         | -         | 21                  | 40       |
| Wyatt Co., Ltd.  | 1         | -         | -         | -                   | 1        |
| UPRISE, Inc.   | 27        | -         | -         | (27)                | -        |

### KB Financial Group Inc. and Subsidiaries

#### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

43.4 Details of significant borrowing transactions with related parties for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|   | 2023      |           |           |                     |         |
|---|-----------|-----------|-----------|---------------------|---------|
|   | Beginning | Borrowing | Repayment | Others <sup>1</sup> | Ending  |
| <b>Associates and joint ventures</b>  |           |           |           |                     |         |
| CellinCells Co., Ltd.   | W 37      | W -       | W -       | W -                 | W 37    |
| COSES GT Co., Ltd.  | 1,213     | -         | -         | (1,212)             | 1       |
| Gomi corporation Inc.   | 915       | -         | -         | (837)               | 78      |
| S&E Bio Co., Ltd.   | 6,419     | 2,500     | (2,000)   | (4,577)             | 2,342   |
| 4N Inc.   | 5         | -         | -         | 44                  | 49      |
| Contents First Inc.   | 5,010     | 6,000     | (10,000)  | 62                  | 1,072   |
| December & Company Inc.<br><sup>2</sup>   | 1         | -         | -         | (1)                 | -       |
| Mantisco Co., Ltd.  | 623       | -         | -         | (577)               | 46      |
| Pin Therapeutics Inc.   | 6,033     | 7,217     | (12,017)  | (968)               | 265     |
| Spark Biopharma Inc.  | 17,534    | 26,369    | (30,779)  | (1,705)             | 11,419  |
| SuperNGine Co., Ltd.  | 17        | -         | -         | 52                  | 69      |
| Desilo Inc.   | 1         | 1         | -         | 1                   | 3       |
| Turing Co., Ltd.  | 2,788     | 700       | -         | (1,762)             | 1,726   |
| IGGYMOB Co., Ltd.   | 254       | -         | -         | (254)               | -       |
| TMAP Mobility Co., Ltd.   | 30,000    | 170,000   | (120,000) | 16                  | 80,016  |
| KAELEEWALEE GLOBAL<br>SAELAENJINSAMO<br>INVESTMENT JE2HO<br>LIMITED PARTNERSHIP | -         | 3,983     | -         | (193)               | 3,790   |
| Nextrade Co., Ltd.  | 56,202    | -         | -         | 1                   | 56,203  |
| ZIPDOC Inc.   | 915       | -         | -         | (734)               | 181     |
| TeamSparta Inc.   | 12,502    | 7,000     | (8,000)   | (3,830)             | 7,672   |
| Chabot Mobility Co., Ltd.   | 86        | -         | -         | 78                  | 164     |
| Wemade Connect Co., Ltd.  | 10,370    | 31,000    | (30,217)  | (2,310)             | 8,843   |
| Channel Corporation   | 3,000     | 7,000     | (8,000)   | 30                  | 2,030   |
| Bitgoeul Cheomdan Green<br>1st Co., Ltd.  | -         | -         | -         | 833                 | 833     |
| KB-FT Green Growth No.1<br>New Technology Business<br>Investment Association    | -         | 700       | -         | -                   | 700     |
| Bigwave Robotics Crop.  | -         | -         | -         | 4                   | 4       |
| 3D Interactive Co., Ltd.  | -         | 2,000     | (2,000)   | 1,501               | 1,501   |
| AIM FUTURE, Inc.  | -         | 3,000     | -         | 393                 | 3,393   |
| New Daegu Busan<br>Expressway Co., Ltd.   | -         | -         | -         | 146,169             | 146,169 |
| Novorex Inc.  | -         | -         | -         | 7                   | 7       |
| Xenohelix Co., Ltd.   | -         | -         | -         | 904                 | 904     |
| <b>Key management<br/>personnel</b>   | 17,619    | 22,358    | (20,389)  | (3,686)             | 15,902  |

43.4 Details of significant borrowing transactions with related parties for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|   | 2022      |           |           |                     |          |
|---|-----------|-----------|-----------|---------------------|----------|
|   | Beginning | Borrowing | Repayment | Others <sup>1</sup> | Ending   |
| <b>Associates and joint ventures</b>                                    |           |           |           |                     |          |
| Korea Credit Bureau Co.,<br>Ltd.  | W 10,200  | W -       | W -       | W 17,689            | W 27,889 |
| Incheon Bridge Co., Ltd.  | 35,487    | 29,217    | (15,000)  | (1,065)             | 48,639   |
| Jungdo Co., Ltd.  | 4         | -         | -         | -                   | 4        |
| Dae-A Leisure Co., Ltd.   | 17        | -         | -         | 137                 | 154      |
| Iwon Alloy Co., Ltd.  | -         | -         | -         | 1                   | 1        |
| Computerlife Co., Ltd.  | -         | -         | -         | 3                   | 3        |
| Skydigital Inc.   | 85        | -         | -         | (75)                | 10       |
| Jo Yang Industrial Co., Ltd.  | 1         | -         | -         | (1)                 | -        |
| Aju Good Technology<br>Venture Fund                                     | 6,286     | 6,577     | (3,840)   | (1,801)             | 7,222    |
| KB-KDBC Pre-IPO New<br>Technology Business<br>Investment Fund           | 904       | -         | -         | (587)               | 317      |
| KB-Brain KOSDAQ Scale-<br>up New Technology<br>Business Investment Fund | 1,524     | -         | -         | 2                   | 1,526    |
| WJ Private Equity Fund<br>No.1  | 260       | -         | -         | (39)                | 221      |
| KB Star Office Private Real<br>Estate Master Fund No.1 <sup>2</sup>     | 2,578     | -         | (2,578)   | -                   | -        |
| KG Capital Co., Ltd. <sup>2</sup>                                       | 17        | -         | -         | (7)                 | 10       |
| KB No.17 Special Purpose<br>Acquisition Company <sup>2</sup>            | 1,687     | -         | (1,546)   | (141)               | -        |
| KB No.18 Special Purpose<br>Acquisition Company <sup>2</sup>            | 2,077     | -         | (2,016)   | (61)                | -        |
| KB No.19 Special Purpose<br>Acquisition Company <sup>2</sup>            | 1,013     | -         | (1,000)   | (13)                | -        |
| KB No.20 Special Purpose<br>Acquisition Company <sup>2</sup>            | 1,681     | -         | (1,534)   | (147)               | -        |
| KB No.21 Special Purpose<br>Acquisition Company                         | -         | 2,000     | -         | 263                 | 2,263    |
| KB No.22 Special Purpose<br>Acquisition Company                         | -         | -         | -         | 1,948               | 1,948    |
| KB No.23 Special Purpose<br>Acquisition Company <sup>2</sup>            | -         | 2,133     | -         | 72                  | 2,205    |
| KB No.24 Special Purpose<br>Acquisition Company <sup>2</sup>            | -         | -         | -         | 9,983               | 9,983    |
| RAND Bio Science Co.,<br>Ltd.   | 443       | -         | -         | (440)               | 3        |
| Food Factory Co., Ltd.  | 839       | 511       | (1,018)   | 332                 | 664      |
| Acts Co., Ltd. <sup>2</sup>   | 154       | -         | -         | (154)               | -        |
| Paycoms Co., Ltd. <sup>2</sup>  | 1         | -         | -         | -                   | 1        |

## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

43.4 Details of significant borrowing transactions with related parties for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

|   | 2022      |           |           |                     |        |
|---|-----------|-----------|-----------|---------------------|--------|
|   | Beginning | Borrowing | Repayment | Others <sup>1</sup> | Ending |
| <b>Associates and joint ventures</b>                |           |           |           |                     |        |
| Big Dipper Co., Ltd.                                | ₩ -       | ₩ 300     | ₩ (300)   | ₩ 19                | ₩ 19   |
| Wyatt Co., Ltd.                                     | 1         | -         | -         | -                   | 1      |
| UPRISE, Inc.  | 4,001     | -         | -         | (3,974)             | 27     |
| CellinCells Co., Ltd.                               | 38        | -         | -         | (1)                 | 37     |
| COSES GT Co., Ltd.                                  | 1,939     | -         | -         | (726)               | 1,213  |
| SwatchOn Inc. <sup>2</sup>                          | 686       | -         | -         | (686)               | -      |
| Gomi corporation Inc.                               | 3,188     | -         | -         | (2,273)             | 915    |
| S&E Bio Co., Ltd.                                   | 263       | 50        | -         | 6,106               | 6,419  |
| KB Pre IPO Secondary Venture Fund No.1 <sup>2</sup> | 103       | -         | -         | (103)               | -      |
| 4N Inc.   | 39        | -         | -         | (34)                | 5      |
| Contents First Inc.                                 | 12,650    | 10,000    | (16,000)  | (1,640)             | 5,010  |
| December & Company Inc. <sup>2</sup>                | 1         | -         | -         | -                   | 1      |
| GENINUS Inc. <sup>2</sup>                           | 34,415    | -         | -         | (34,415)            | -      |
| Mantisco Co., Ltd.                                  | 386       | -         | -         | 237                 | 623    |
| Pin Therapeutics Inc.                               | -         | 21,000    | (16,200)  | 1,233               | 6,033  |
| Spark Biopharma Inc.                                | 6,015     | 41,165    | (27,539)  | (2,107)             | 17,534 |
| G1 Playground Co., Ltd.                             | 354       | -         | -         | (354)               | -      |
| SuperNGine Co., Ltd.                                | 944       | -         | -         | (927)               | 17     |
| Desilo Inc.   | 168       | -         | -         | (167)               | 1      |
| Turing Co., Ltd.                                    | 1,054     | -         | -         | 1,734               | 2,788  |
| IGGYMOB Co., Ltd.                                   | 2,938     | -         | -         | (2,684)             | 254    |
| TMAP Mobility Co., Ltd.                             | -         | 80,000    | (50,000)  | -                   | 30,000 |
| Nextrade Co., Ltd.                                  | -         | 56,200    | -         | 2                   | 56,202 |
| Kukka Co., Ltd.                                     | -         | -         | -         | -                   | -      |
| ZIPDOC Inc.   | -         | -         | -         | 915                 | 915    |
| TeamSparta Inc.                                     | -         | 9,000     | (4,000)   | 7,502               | 12,502 |
| Chabot Mobility Co., Ltd.                           | -         | -         | -         | 86                  | 86     |
| Wemade Connect Co., Ltd.                            | -         | 11,010    | (3,267)   | 2,627               | 10,370 |
| Wise Asset Management Co., Ltd. <sup>2</sup>        | -         | 6         | (6)       | -                   | -      |
| Channel Corporation                                 | -         | 6,000     | (3,000)   | -                   | 3,000  |
| <b>Key management personnel</b>                     | 16,996    | 20,855    | (17,189)  | (3,043)             | 17,619 |

<sup>1</sup> Transactions between related parties, such as settlements arising from operating activities and deposits, are expressed in net amount.

<sup>2</sup> Excluded from the Group's related party as of December 31, 2023.

43.5 Details of significant investment and withdrawal transactions with related parties for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023                         |                       | 2022                         |                       |
|--|------------------------------|-----------------------|------------------------------|-----------------------|
|  | Equity investment and others | Withdrawal and others | Equity investment and others | Withdrawal and others |
| Balhae Infrastructure Company  | ₩ -                          | ₩ 10,661              | ₩ -                          | ₩ 26,054              |
| KoFC POSCO Hanwha KB Shared Growth Private Equity Fund No.2 *            | -                            | -                     | -                            | 5                     |
| POSCO-KB Shipbuilding Fund *   | -                            | -                     | -                            | 950                   |
| KB Pre IPO Secondary Venture Fund No.1 *                                 | -                            | -                     | -                            | 1,429                 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund                  | -                            | -                     | -                            | 5,200                 |
| KB-SJ Tourism Venture Fund   | -                            | -                     | -                            | 400                   |
| Korea Credit Bureau Co., Ltd.  | -                            | 90                    | -                            | -                     |
| KB-UTC Inno-Tech Venture Fund  | -                            | 2,250                 | -                            | -                     |
| KB-Solidus Global Healthcare Fund  | -                            | 16,440                | -                            | 19,630                |
| KB-Stonebridge Secondary Private Equity Fund                             | -                            | 7,191                 | 4,369                        | 4,216                 |
| KB Star Office Private Real Estate Master Fund No.1 *                    | -                            | -                     | -                            | 26,240                |
| KB SPROTT Renewable Private Equity Fund No.1                             | -                            | 476                   | 12,247                       | -                     |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund     | 1,800                        | 2,572                 | 1,320                        | 4,706                 |
| KB Bio Private Equity No.3 Ltd. *  | -                            | -                     | -                            | 10,000                |
| Project Vanilla Co., Ltd. *  | -                            | -                     | -                            | 525                   |
| KB-TS Technology Venture Private Equity Fund                             | -                            | 672                   | -                            | 4,536                 |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund         | -                            | 12,500                | -                            | 12,800                |
| Aju Good Technology Venture Fund   | -                            | 11,377                | -                            | 5,400                 |
| 498/7 Owners LLC *   | -                            | -                     | -                            | 166,851               |
| KB-KTB Technology Venture Fund   | 5,600                        | -                     | 11,200                       | -                     |
| KB-SOLIDUS Healthcare Investment Fund                                    | 21,861                       | -                     | 18,000                       | -                     |
| Paramark KB Fund No.1  | 3,342                        | -                     | 12,444                       | 2,285                 |
| FineKB Private Equity Fund No.1  | -                            | 2,125                 | 7,500                        | 3,100                 |
| KB-GeneN Medical Venture Fund No.1                                       | -                            | -                     | 2,000                        | -                     |
| KB-BridgePole Venture Investment Fund                                    | -                            | 714                   | 850                          | -                     |
| KB-Kyobo New Mobility Power Fund   | -                            | -                     | 3,000                        | -                     |
| DA-Friend New Technology Investment Fund No.2                            | -                            | -                     | 988                          | -                     |
| Cornerstone Pentastone Fund No.4   | -                            | -                     | 818                          | -                     |
| SKS-VLP New Technology Investment Fund No.2 *                            | -                            | 1,156                 | 1,156                        | -                     |
| JS Private Equity Fund No.3  | -                            | -                     | 1,700                        | -                     |
| Mirae Asset Mobility Investment Fund No.1                                | -                            | -                     | 2,000                        | -                     |
| KB-FT 1st Green Growth Investment Fund                                   | -                            | -                     | 2,000                        | -                     |
| THE CHAEUL FUND NO.1   | -                            | -                     | 1,000                        | -                     |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | -                            | -                     | 46,700                       | 10                    |
| KB Co-Investment Private Equity Fund No.1                                | 2,208                        | -                     | 7,268                        | -                     |
| Glenwood Credit Private Equity Fund No.2                                 | -                            | -                     | 42,000                       | -                     |
| Apollo REIT PropCo LLC *   | -                            | -                     | 19,968                       | 19,968                |

**KB Financial Group Inc. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023 and 2022**

43.5 Details of significant investment and withdrawal transactions with related parties for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

| (In millions of Korean won)  | 2023                         |                       | 2022                         |                       |
|--|------------------------------|-----------------------|------------------------------|-----------------------|
|  | Equity investment and others | Withdrawal and others | Equity investment and others | Withdrawal and others |
| TMAP Mobility Co., Ltd.  | ₩ -                          | ₩ -                   | ₩ 200,000                    | ₩ -                   |
| POSITIVE Sobujang Venture Fund No.1                                    | -                            | -                     | 2,000                        | -                     |
| History 2022 Fintech Fund  | -                            | -                     | 2,000                        | -                     |
| PEBBLES-MW M.C.E New Technology Investment Fund 1st*                   | -                            | 2,000                 | 2,000                        | -                     |
| KB-NP Green ESG New Technology Venture Capital Fund                    | 9,075                        | -                     | 9,350                        | -                     |
| Nextrade Co., Ltd.   | -                            | -                     | 9,700                        | -                     |
| KB-Badgers Future Mobility ESG Fund No.1                               | 5,540                        | -                     | 2,137                        | -                     |
| Shinhan Global Mobility Fund No.1                                      | -                            | -                     | 1,345                        | -                     |
| SKB Next Unicorn K-Battery Fund No.1                                   | -                            | -                     | 1,995                        | -                     |
| Lakewood-AVES Fund No.1  | 2,000                        | -                     | -                            | -                     |
| MW-Pyco NewWave New Technology Investment Fund 4th                     | 2,000                        | -                     | -                            | -                     |
| KB No.23 Special Purpose Acquisition Company *                         | -                            | 5                     | -                            | -                     |
| KB No.24 Special Purpose Acquisition Company *                         | 25                           | 25                    | -                            | -                     |
| KB No.25 Special Purpose Acquisition Company                           | 5                            | -                     | -                            | -                     |
| KB No.26 Special Purpose Acquisition Company                           | 5                            | -                     | -                            | -                     |
| Bitgoeul Cheomdan Green 1st Co., Ltd.                                  | 190                          | -                     | -                            | -                     |
| KB-SUSUNG 1st Investment Fund  | 2,000                        | -                     | -                            | -                     |
| Friend 55 New Technology Business Investment Fund                      | 1,200                        | -                     | -                            | -                     |
| Hahn & Company No. 4-3 Private Equity Fund *                           | 7,183                        | 32                    | -                            | -                     |
| KB No.27 Special Purpose Acquisition Company                           | 5                            | -                     | -                            | -                     |
| DSIP-Pharos Bioenergy Fund   | 4,000                        | -                     | -                            | -                     |
| Shinhan-Eco Venture Fund 2nd   | 1,825                        | -                     | -                            | -                     |
| Leading H2O Fund 1   | 1,500                        | -                     | -                            | -                     |
| 2023 JB Newtech No.2 Fund  | 1,800                        | -                     | -                            | -                     |
| KAELEEWALEE GLOBAL SAELAENJINSAMO INVESTMENT JE2HO LIMITED PARTNERSHIP | 27,034                       | -                     | -                            | -                     |
| U-KB Credit No.1 Private Equity  | 6,419                        | -                     | -                            | -                     |
| KB-BridgePole Venture Investment Fund No.2                             | 1,500                        | -                     | -                            | -                     |
| Sirius Silicon Valley I New Technology Fund                            | 500                          | -                     | -                            | -                     |

\* Excluded from the Group's related party as of December 31, 2023.

43.6 Unused commitments provided to related parties as of December 31, 2023 and 2022, are as follows:

| (In millions of Korean won or in a US Dollar or Malaysian ringgit or the Indonesian Rupiah) | December 31, 2023 | December 31, 2022 |
|---|-------------------|-------------------|
| <b>Associates and joint ventures</b>  |                   |                   |
| Balhae Infrastructure Company   | ₩ 6,154           | ₩ 6,154           |
| Korea Credit Bureau Co., Ltd.   | 563               | 562               |
| Incheon Bridge Co., Ltd.  | 20,000            | 20,000            |
| TeamSparta Inc.   | 1,000             | -                 |
| 3D Interactive Co., Ltd.  | 88                | 89                |
| KG Capital Co., Ltd. *  | 633               | -                 |
| Food Factory Co., Ltd.  | 8                 | -                 |
| KB No.23 Special Purpose Acquisition Company *  | -                 | 110               |
| CellinCells Co., Ltd.   | 55                | 52                |
| RAND Bio Science Co., Ltd.  | -                 | 12                |
| Big Dipper Co., Ltd.  | 21                | 17                |
| Gomi corporation Inc.   | 24                | 25                |
| COSES GT Co., Ltd.  | 31                | 27                |
| Spark Biopharma Inc.  | 45                | 16                |
| Mantisco Co., Ltd.  | 29                | 24                |
| IMBiologics Corp.   | 33                | 33                |
| SuperNGine Co., Ltd.  | 17                | 15                |
| IGGYMOB Co., Ltd.   | 18                | 18                |
| Pin Therapeutics Inc.   | 37                | 14                |
| Grinerly Co., Ltd.  | 43                | 35                |
| S&E Bio Co., Ltd.   | 39                | 37                |
| Wemade Connect Co., Ltd.  | 10                | 10                |
| TMAP Mobility Co., Ltd.   | 37                | 40                |
| Contents First Inc.   | 156               | 148               |
| Bigwave Robotics Crop.  | 710               | -                 |
| KB-TS Technology Venture Private Equity Fund  | 135               | -                 |
| KB SPROTT Renewable Private Equity Fund No.1  | 69                | -                 |
| KB-Stonebridge Secondary Private Equity Fund  | 110               | 110               |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund                        | -                 | 5,140             |
| All Together Korea Fund No.2  | 864               | 864               |
| KB-KTB Technology Venture Fund  | 13,488            | 15,288            |
|   | 990,000           | 990,000           |
|   | 5,600             | 11,200            |



## KB Financial Group Inc. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2023 and 2022

43.6 Unused commitments provided to related parties as of December 31, 2023 and 2022, are as follows: (cont'd)

| <i>(In millions of Korean won or in a US Dollar or Malaysian ringgit or the Indonesian Rupiah)</i> |   | December 31,<br>2023 | December 31,<br>2022 |
|--|---|----------------------|----------------------|
| KB-SOLIDUS Healthcare Investment Fund  | Purchase of securities  | ₩ 46,884             | ₩ 70,200             |
| KB Co-Investment Private Equity Fund No.1  | Purchase of securities  | 13,524               | 15,732               |
| KB-Badgers Future Mobility ESG Fund No.1   | Purchase of securities  | 37,323               | 42,863               |
| U-KB Credit No.1 Private Equity  | Purchase of securities  | 8,395                | -                    |
| KB-NP Green ESG New Technology Venture Capital Fund  | Purchase of securities  | 29,550               | 40,650               |
| FineKB Private Equity Fund No.1  | Purchase of securities  | 9,125                | 9,125                |
| FineKB Private Equity Fund No.2  | Purchase of securities  | 500                  | -                    |
| KB-Solidus Global Healthcare Fund  | Purchase of securities<br>Commitments on loss absorption priority | 2,120<br>4,500       | 2,120<br>4,500       |
| Paramark KB Fund No.1  | Purchase of securities  | 14,490               | 17,832               |
| Smart Korea KB Future9-Sejong Venture Fund   | Purchase of securities  | 2,000                | -                    |
| Shinhan-Eco Venture Fund 2nd   | Purchase of securities  | 675                  | -                    |
| RMGP Bio-Pharma Investment Fund, L.P.  | Purchase of securities  | USD 3,622,333        | USD 4,094,487        |
| RMGP Bio-Pharma Investment, L.P.   | Purchase of securities  | USD 10,027           | USD 10,731           |
| KB-MDI Centauri Fund LP  | Purchase of securities  | -                    | USD 1,744,518        |
| Hibiscus Fund L.P.   | Purchase of securities  | -                    | MYR 16,666,667       |
| RMG-KB BP Management Ltd.  | Purchase of securities  | USD 630,679          | USD 699,733          |
| RMG-KB BioAccess Fund L.P.   | Purchase of securities  | USD 24,722,014       | USD 27,428,899       |
| Elev8-Capital Fund I   | Purchase of securities  | IDR 2,445,497,800    | -                    |
| Ascent Global Fund III   | Purchase of securities  | USD 35,000,000       | -                    |
| <b>Key management personnel</b>  | Loan commitments in Korean won                                    | 2,666                | 2,354                |

\* Excluded from the Group's related party as of December 31, 2023.

43.7 Details of compensation to key management personnel for the years ended December 31, 2023 and 2022, are as follows:

|                                      | 2023                         |                          |                      |          |
|--------------------------------------|------------------------------|--------------------------|----------------------|----------|
|                                      | Short-term employee benefits | Post-employment benefits | Share-based payments | Total    |
| Registered directors (executive)     | ₩ 7,874                      | ₩ 930                    | ₩ 8,654              | ₩ 17,458 |
| Registered directors (non-executive) | 1,092                        | -                        | -                    | 1,092    |
| Non-registered directors             | 18,087                       | 707                      | 15,816               | 34,610   |
|                                      | ₩ 27,053                     | ₩ 1,637                  | ₩ 24,470             | ₩ 53,160 |

|                                      | 2022                         |                          |                      |          |
|--------------------------------------|------------------------------|--------------------------|----------------------|----------|
|                                      | Short-term employee benefits | Post-employment benefits | Share-based payments | Total    |
| Registered directors (executive)     | ₩ 8,725                      | ₩ 863                    | ₩ 7,487              | ₩ 17,075 |
| Registered directors (non-executive) | 1,058                        | -                        | -                    | 1,058    |
| Non-registered directors             | 16,756                       | 484                      | 12,432               | 29,672   |
|                                      | ₩ 26,539                     | ₩ 1,347                  | ₩ 19,919             | ₩ 47,805 |

43.8 Details of collateral provided by related parties as of December 31, 2023 and 2022, are as follows:

| Key management personnel | Assets held as collateral | December 31, 2023        | December 31, 2022 |
|--------------------------|---------------------------|--------------------------|-------------------|
|                          |                           | Time deposits and others | ₩ 638             |
|                          | Real estate               | 6,326                    | 7,483             |

As of December 31, 2023, Incheon Bridge Co., Ltd. a related party, provides fund management account, civil engineering works insurance, and management and operations rights as senior collateral amounting to ₩ 611,000 million to the project financing group consisting of the Group and 5 other institutions, and as subordinated collateral amounting to ₩ 384,800 million to subordinated debt holders consisting of the Group and 2 other institutions. Also, it provides certificate of credit guarantee amounting to ₩ 400,000 million as collateral to the project financing group consisting of the Group and 5 other institutions.

## KB Financial Group Inc. and Subsidiaries Notes to the Consolidated Financial Statements December 31, 2023 and 2022

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### 44. Events after the reporting period

The Group plans to acquire ₩ 320,000 million of its own shares and retire the treasury shares by August 7, 2024 pursuant to board resolutions dated February 7, 2024.

### 45. Approval of Issuance of the Consolidated Financial Statements

The issuance of the Group's consolidated financial statements as of and for the year ended December 31, 2023, was initially approved on February 7, 2024 and re-approved due to revision on March 5, 2024 by the Board of Directors.



## Independent Auditor's Report on Internal Control over Financial Reporting for Consolidation Purposes

(English Translation of a Report Originally Issued in Korean)

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

### Opinion on Internal Control over Financial Reporting for Consolidation Purposes

We have audited Internal Control over Financial Reporting (ICFR) of KB Financial Group Co., Ltd. and its subsidiaries (collectively referred to as the "Group") for consolidation purposes as at December 31, 2023, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*.

In our opinion, the Group maintained, in all material respects, effective ICFR for consolidation purposes as at December 31, 2023, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*.

We also have audited, in accordance with Korean Standards on Auditing, the consolidated financial statements of the Group, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements including material accounting policy information, and our report dated March 6, 2024 expressed an unqualified opinion.

### Basis for Opinion on Internal Control over Financial Reporting for Consolidation Purposes

We conducted our audit in accordance with Korean Standards on Auditing. Our responsibility under these standards are further described in the *Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting for consolidation purposes section of our report*. We are independent of the Group in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of ICFR for consolidation purposes and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management and Those Charged with Governance for Internal Control over Financial Reporting for Consolidation Purposes

Management is responsible for designing, implementing and maintaining effective ICFR for consolidation purposes, and for its assessment about the effectiveness of ICFR for consolidation purposes, included in the accompanying 'Operating Status Report of Internal Control over Financial Reporting for Consolidation Purposes'.

Those charged with governance have the responsibilities for overseeing ICFR for consolidation purposes.

### Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting for Consolidation Purposes

Our responsibility is to express an opinion on ICFR for consolidation purposes of the Group based on our audit. We conducted the audit in accordance with Korean Standards on Auditing. Those standards require



that we plan and perform the audit to obtain reasonable assurance about whether effective ICFR for consolidation purposes was maintained in all material respects.

An audit of ICFR for consolidation purposes 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. An audit includes obtaining an understanding of ICFR for consolidation purposes and testing and evaluating the design and operating effectiveness of ICFR for consolidation purposes based on the assessed risk.

#### **Definition and Inherent Limitations of Internal Control over Financial Reporting for Consolidation Purposes**

An entity's ICFR for consolidation purposes is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea. An entity's ICFR for consolidation purposes 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 entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, ICFR for consolidation purposes may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The engagement partner on the audit resulting in this independent auditor's report is Yeob Yu, Certified Public Accountant.

/s/ Samil PricewaterhouseCoopers  
Seoul, Korea  
March 6, 2024

This report is effective as at March 6, 2024, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the Group's ICFR for consolidation purposes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

### **Operating Status Report of the Internal Control over Financial Reporting for Consolidation Purposes**

To the Shareholder, Board of Directors and Audit Committee of KB Financial Group Inc..

We, as the Chief Executive Officer and the Internal Accounting Manager of of KB 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, 2023.

Design and operation of ICFR is the responsibility of the Company's management, including the Chief Executive Officer and the Internal Accounting Manager (collectively, "We", "Our" or "Us").

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, 2023, 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.

March 5, 2024

Jong Hee Yang,  
Chief Executive Officer

Jae Kwan Kim,  
Internal Accounting Manager



## Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

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

### Opinion

We have audited the accompanying separate financial statements of KB Financial Group Inc. (the Company), which comprise the separate statement of financial position as at December 31, 2023, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2023, and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

We also have audited, in accordance with Korean Standards on Auditing, the Company's Internal Control over Financial Reporting as of December 31, 2023, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*, and our report dated March 6, 2024 expressed an unqualified opinion.

### Basis for Opinion

We conducted our audit in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Key Audit Matters

There is no key audit matter identified to be described in this audit report.

### Other Matters

The separate financial statements of the Company for the year ended December 31, 2022, were audited by another auditor who expressed an unqualified opinion on those statements on March 7, 2023.

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



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

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The engagement partner on the audit resulting in this independent auditor's report is Yeob Yu, Certified Public Accountant.

/s/ Samil PricewaterhouseCoopers  
Seoul, Korea  
March 6, 2024

This report is effective as of March 6, 2024, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying separate financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

**KB Financial Group Inc.**  
**Separate Statements of Financial Position**  
**December 31, 2023 and 2022**

(In millions of Korean won)

|   | Notes    | December 31, 2023   | December 31, 2022   |
|---|----------|---------------------|---------------------|
| <b>Assets</b>   |          |                     |                     |
| Cash and due from financial institutions              | 4,5,6,29 | ₩ 256,337           | ₩ 351,056           |
| Financial assets at fair value through profit or loss | 4,5,7    | 1,376,423           | 1,522,314           |
| Loans measured at amortized cost                      | 4,5,8    | 608,286             | 522,326             |
| Investments in subsidiaries                           | 9        | 26,717,817          | 26,741,438          |
| Property and equipment                                | 10       | 3,080               | 3,552               |
| Intangible assets                                     | 11       | 15,954              | 16,752              |
| Net defined benefit assets                            | 17       | 3,694               | 4,288               |
| Deferred income tax assets                            | 13       | 4,492               | 19,904              |
| Other assets  | 4,5,14   | 542,815             | 1,272,197           |
| <b>Total assets</b>                                   |          | <b>₩ 29,528,898</b> | <b>₩ 30,453,827</b> |
| <b>Liabilities</b>                                    |          |                     |                     |
| Borrowings  | 4,5,15   | 100,000             | -                   |
| Debentures  | 4,5,16   | 3,871,820           | 4,956,949           |
| Current income tax liabilities                        |          | 104,299             | 926,573             |
| Other liabilities                                     | 4,5,18   | 410,704             | 338,489             |
| <b>Total liabilities</b>                              |          | <b>4,486,823</b>    | <b>6,222,011</b>    |
| <b>Equity</b>   |          |                     |                     |
|   | 19       |                     |                     |
| Share capital   |          | 2,090,558           | 2,090,558           |
| Hybrid securities                                     |          | 5,032,518           | 4,433,981           |
| Capital surplus                                       |          | 14,754,747          | 14,754,747          |
| Accumulated other comprehensive loss                  |          | (6,809)             | (5,847)             |
| Retained earnings                                     |          | 4,336,898           | 3,794,565           |
| Treasury shares                                       |          | (1,165,837)         | (836,188)           |
| <b>Total equity</b>                                   |          | <b>25,042,075</b>   | <b>24,231,816</b>   |
| <b>Total liabilities and equity</b>                   |          | <b>₩ 29,528,898</b> | <b>₩ 30,453,827</b> |

**KB Financial Group Inc.**  
**Separate Statements of Comprehensive Income**  
**Years Ended December 31, 2023 and 2022**

(In millions of Korean won, except per share amounts)

|   | Notes | 2023               | 2022               |
|---|-------|--------------------|--------------------|
| Interest income   |       | ₩ 35,127           | ₩ 19,402           |
| Interest income from financial instruments at amortized cost                            |       | 31,932             | 16,525             |
| Interest income from financial instruments at fair value through profit or loss         |       | 3,195              | 2,877              |
| Interest expense  |       | (99,980)           | (112,353)          |
| <b>Net interest expense</b>   | 21    | <u>(64,853)</u>    | <u>(92,951)</u>    |
| Fee and commission income   |       | 2,585              | 3,399              |
| Fee and commission expense  |       | (12,972)           | (12,085)           |
| <b>Net fee and commission expense</b>   | 22    | <u>(10,387)</u>    | <u>(8,686)</u>     |
| <b>Net gains (losses) on financial instruments at fair value through profit or loss</b> | 23    | <u>108,399</u>     | <u>(11,794)</u>    |
| <b>Net other operating income</b>   | 24    | <u>2,192,385</u>   | <u>1,871,224</u>   |
| General and administrative expenses   | 25    | (92,603)           | (89,149)           |
| <b>Operating income before provision for credit losses</b>                              |       | 2,132,941          | 1,668,644          |
| Provision for credit losses   |       | (546)              | (303)              |
| <b>Net operating income</b>   |       | 2,132,395          | 1,668,341          |
| Net non-operating income  | 26    | 4,606              | 908                |
| <b>Profit before tax</b>  |       | 2,137,001          | 1,669,249          |
| Income tax benefit (expense)  | 27    | (15,757)           | 15,263             |
| <b>Profit for the year</b>  |       | <u>2,121,244</u>   | <u>1,684,512</u>   |
| <b>Items that will not be reclassified to profit or loss:</b>                           |       |                    |                    |
| Remeasurements of net defined benefit liabilities                                       |       | (962)              | 2,483              |
| <b>Other comprehensive income(loss) for the year, net of tax</b>                        |       | <u>(962)</u>       | <u>2,483</u>       |
| <b>Total comprehensive income for the year</b>  |       | <u>₩ 2,120,282</u> | <u>₩ 1,686,995</u> |
| <b>Earnings per share</b>   | 28    |                    |                    |
| Basic earnings per share  |       | ₩ 5,042            | ₩ 3,999            |
| Diluted earnings per share  |       | 4,929              | 3,912              |

**KB Financial Group Inc.**  
**Separate Statements of Changes in Equity**  
**Years Ended December 31, 2023 and 2022**

(In millions of Korean won)

|   | Share capital | Hybrid securities | Capital surplus | Accumulated other comprehensive income | Retained earnings | Treasury shares | Total equity |
|---|---------------|-------------------|-----------------|--|-------------------|-----------------|--------------|
| <b>Balance as of January 1, 2022</b>              | ₩ 2,090,558   | ₩ 2,837,981       | ₩ 14,754,747    | ₩ (8,330)                              | ₩ 3,974,206       | ₩ (1,136,188)   | ₩ 22,512,974 |
| <b>Comprehensive income for the year</b>          |               |                   |                 |  |                   |                 |              |
| Profit for the year                               | -             | -                 | -               | -                                      | 1,684,512         | -               | 1,684,512    |
| Remeasurements of net defined benefit liabilities | -             | -                 | -               | 2,483                                  | -                 | -               | 2,483        |
| <b>Total comprehensive income for the year</b>    | -             | -                 | -               | 2,483                                  | 1,684,512         | -               | 1,686,995    |
| <b>Transactions with shareholders</b>             |               |                   |                 |  |                   |                 |              |
| Annual dividends                                  | -             | -                 | -               | -                                      | (853,299)         | -               | (853,299)    |
| Quarterly dividends                               | -             | -                 | -               | -                                      | (584,452)         | -               | (584,452)    |
| Retirement of treasury shares                     | -             | -                 | -               | -                                      | (300,000)         | 300,000         | -            |
| Issuance of hybrid securities                     | -             | 1,596,000         | -               | -                                      | -                 | -               | 1,596,000    |
| Dividends on hybrid securities                    | -             | -                 | -               | -                                      | (126,402)         | -               | (126,402)    |
| <b>Total transactions with shareholders</b>       | -             | 1,596,000         | -               | -                                      | (1,864,153)       | 300,000         | 31,847       |
| <b>Balance as of December 31, 2022</b>            | ₩ 2,090,558   | ₩ 4,433,981       | ₩ 14,754,747    | ₩ (5,847)                              | ₩ 3,794,565       | ₩ (836,188)     | ₩ 24,231,816 |
| <b>Balance as of January 1, 2023</b>              | ₩ 2,090,558   | ₩ 4,433,981       | ₩ 14,754,747    | ₩ (5,847)                              | ₩ 3,794,565       | ₩ (836,188)     | ₩ 24,231,816 |
| <b>Comprehensive income for the year</b>          |               |                   |                 |  |                   |                 |              |
| Profit for the year                               | -             | -                 | -               | -                                      | 2,121,244         | -               | 2,121,244    |
| Remeasurements of net defined benefit liabilities | -             | -                 | -               | (962)                                  | -                 | -               | (962)        |
| <b>Total comprehensive income for the year</b>    | -             | -                 | -               | (962)                                  | 2,121,244         | -               | 2,120,282    |
| <b>Transactions with shareholders</b>             |               |                   |                 |  |                   |                 |              |
| Annual dividends                                  | -             | -                 | -               | -                                      | (564,970)         | -               | (564,970)    |
| Quarterly dividends                               | -             | -                 | -               | -                                      | (586,931)         | -               | (586,931)    |
| Acquisition of treasury shares                    | -             | -                 | -               | -                                      | -                 | (571,745)       | (571,745)    |
| Retirement of treasury shares                     | -             | -                 | -               | -                                      | (242,096)         | 242,096         | -            |
| Issuance of hybrid securities                     | -             | 598,537           | -               | -                                      | -                 | -               | 598,537      |
| Dividends on hybrid securities                    | -             | -                 | -               | -                                      | (184,914)         | -               | (184,914)    |
| <b>Total transactions with shareholders</b>       | -             | 598,537           | -               | -                                      | (1,578,911)       | (329,649)       | (1,310,023)  |
| <b>Balance as of December 31, 2023</b>            | ₩ 2,090,558   | ₩ 5,032,518       | ₩ 14,754,747    | ₩ (6,809)                              | ₩ 4,336,898       | ₩ (1,165,837)   | ₩ 25,042,075 |

**KB Financial Group Inc.**  
**Separate Statements of Cash Flows**  
**Years Ended December 31, 2023 and 2022**

(In millions of Korean won)

|   | Notes | 2023               | 2022               |
|---|-------|--------------------|--------------------|
| <b>Cash flows from operating activities</b>                                       |       |                    |                    |
| Profit for the year   |       | ₩ 2,121,244        | ₩ 1,684,512        |
| Adjustment for non-cash items   |       |                    |                    |
| Depreciation and amortization expense   |       | 5,630              | 6,245              |
| Provision for credit losses   |       | 546                | 303                |
| Share-based payments  |       | 8,551              | 5,801              |
| Net interest expense  |       | 4,187              | 3,289              |
| Valuation losses (gains) on financial assets at fair value through profit or loss |       | (52,472)           | 50,002             |
| Disposal gains of subsidiaries  |       | (3,917)            | -                  |
| Net other income (expense)  |       | 1,857              | 2,140              |
|   |       | <u>(35,618)</u>    | <u>67,780</u>      |
| Changes in operating assets and liabilities                                       |       |                    |                    |
| Due from financial institutions   |       | (20,000)           | (30,000)           |
| Deferred income tax assets  |       | 15,757             | (15,263)           |
| Other assets  |       | (13,379)           | 7,011              |
| Other liabilities   |       | (13,025)           | (21,721)           |
|   |       | <u>(30,647)</u>    | <u>(59,973)</u>    |
| <b>Net cash inflow from operating activities</b>                                  |       | <u>2,054,979</u>   | <u>1,692,319</u>   |
| <b>Cash flows from investing activities</b>                                       |       |                    |                    |
| Acquisition of financial assets at fair value through profit or loss              |       | (100,000)          | (1,330,000)        |
| Disposal of financial assets at fair value through profit or loss                 |       | 300,000            | 200,000            |
| Disposal of subsidiaries  |       | 27,539             | -                  |
| Increase in loans measured at amortized cost                                      |       | (100,000)          | (273,500)          |
| Decrease in loans measured at amortized cost                                      |       | 13,500             | -                  |
| Acquisition of property and equipment   |       | (455)              | (1,690)            |
| Acquisition of intangible assets  |       | (3,229)            | (1,178)            |
| Disposal of intangible assets   |       | 1,277              | 20                 |
| Net increase in guarantee deposits paid   |       | (7,747)            | (2,325)            |
| Other investing activities  |       | (52)               | (827)              |
| <b>Net cash inflow (outflow) from investing activities</b>                        |       | <u>130,833</u>     | <u>(1,409,500)</u> |
| <b>Cash flows from financing activities</b>                                       |       |                    |                    |
| Increase in borrowings  |       | 100,000            | -                  |
| Increase in debentures  |       | -                  | 498,898            |
| Decrease in debentures  |       | (1,090,000)        | (1,100,000)        |
| Dividends paid to shareholders  |       | (1,151,901)        | (1,437,751)        |
| Redemption of principal of lease liabilities                                      |       | (617)              | (584)              |
| Acquisition of treasury shares  |       | (571,745)          | -                  |
| Issuance of hybrid securities   |       | 598,537            | 1,596,000          |
| Dividends paid on hybrid securities   |       | (184,914)          | (126,402)          |
| Other financing activities  |       | 109                | -                  |
| <b>Net cash outflow from financing activities</b>                                 |       | <u>(2,300,531)</u> | <u>(569,839)</u>   |
| <b>Net increase (decrease) in cash and cash equivalents</b>                       |       | <u>(114,719)</u>   | <u>(287,020)</u>   |
| <b>Cash and cash equivalents at the beginning of the year</b>                     | 28    | <u>231,053</u>     | <u>518,073</u>     |
| <b>Cash and cash equivalents at the end of the year</b>                           | 28    | <u>₩ 116,334</u>   | <u>₩ 231,053</u>   |

**KB Financial Group Inc.**  
**Notes to the Separate Financial Statements**  
**December 31, 2023 and 2022**

**1. The Company**

KB Financial Group Inc. (the "Company"), in accordance with Financial Holding Companies Act, was established on September 29, 2008, through stock transfers with the former shareholders of Kookmin Bank, KB Investment & Securities Co., Ltd., KB Asset Management Co., Ltd., KB Real Estate Trust Co., Ltd., KB Investment Co., Ltd., KB Futures Co., Ltd., KB Credit Information Co., Ltd., and KB Data Systems Co., Ltd., and the Company's main business purpose is to control subsidiaries that engage in the financial business or subsidiaries closely related to the financial business through the stock ownership. The headquarter is located at 26, Gukjegeumyung-ro 8-gil, Yeongdeungpo-gu, Seoul. The Company's share capital as of December 31, 2023, is ₩ 2,090,558 million. In 2011, Kookmin Bank spun off its credit card business segment and established a new separate credit card company, KB Kookmin Card Co., Ltd., and KB Investment & Securities Co., Ltd. merged with KB Futures Co., Ltd. The Company established KB Savings Bank Co., Ltd. in January 2012, acquired Yehansoul Savings Bank Co., Ltd. in September 2013, and KB Savings Bank Co., Ltd. merged with Yehansoul Savings Bank Co., Ltd. in January 2014. In March 2014, the Company acquired Woori Financial Co., Ltd. and changed the name to KB Capital Co., Ltd. Meanwhile, the Company included LIG Insurance Co., Ltd. as an associate and changed the name to KB Insurance Co., Ltd. in June 2015, and KB Insurance Co., Ltd. became one of the subsidiaries through a tender offer in May 2017. Also, the Company included Hyundai Securities Co., Ltd. as an associate in June 2016 and included as a subsidiary in October 2016 by comprehensive exchange of shares. Hyundai Securities Co., Ltd. merged with KB Investment & Securities Co., Ltd. in December 2016 and changed its name to KB Securities Co., Ltd. in January 2017. In August 2020, the Group acquired Prudential Life Insurance Company of Korea Ltd. which was classified as a subsidiary and the name was changed to KB Life Insurance Co., Ltd. in December 2022. Then in January 2023, it merged with another existing KB Life Insurance Co., Ltd. The Company sold 100% shares of KB Credit Information Co., Ltd. to KB Kookmin Card Co., Ltd. on June 30, 2023.

The Company has been listed on the Korea Exchange ("KRX") since October 10, 2008, and on the New York Stock Exchange ("NYSE") for its American Depositary Shares ("ADS") since September 29, 2008. Number of shares authorized on its Articles of Incorporation is 1,000 million.

**2. Basis of Preparation**

**2.1 Application of Korean IFRS**

The Company maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("Korean IFRS"). The accompanying separate financial statements have been translated into English from the Korean language separate financial statements.

The separate financial statements of the Company have been prepared in accordance with Korean IFRS. Korean IFRS are the standards and related interpretations issued by the International Accounting Standards Board ("IASB") that have been adopted by the Republic of Korea.

The preparation of separate financial statements requires the use of certain critical accounting estimates. Management also needs to exercise judgment in applying the Company's accounting policies. The areas that require a more complex and higher level of judgment or areas that require significant assumptions and estimations are disclosed in Note 2.4.

The separate financial statements have been prepared in accordance with Korean IFRS No.1027 *Separate Financial Statements*.

## KB Financial Group Inc. Notes to the Separate Financial Statements December 31, 2023 and 2022

2.1.1 The Company has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023.

### - Issuance of Korean IFRS No.1117 Insurance Contracts

Korean IFRS No.1117 *Insurance Contracts* replaced Korean IFRS No.1104 *Insurance Contracts*. This standard requires an entity to estimate future cash flows of an insurance contract and measure insurance liabilities using discount rates applied with assumptions and risks at the measurement date and recognize insurance revenue on an accrual basis including services (insurance coverage) provided to the policyholder by each annual reporting period. In addition, investment components (refunds due to termination and maturity) repaid to a policyholder even if an insured event does not occur, are excluded from insurance revenue. These amendments do not have a significant impact on the financial statements.

### - Amendments to Korean IFRS No.1001 Presentation of Financial Statements – Accounting Policy Disclosure

The amendments require an entity to define and disclose their material accounting policy information. IFRS Practice Statement 2 *Making Materiality Judgements* was amended to explain and demonstrate how to apply the concept of materiality. These amendments do not have a significant impact on the financial statements.

### - Amendments to Korean IFRS No.1008 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

The amendments introduce the definition of accounting estimates and clarify how to distinguish changes in accounting estimates from changes in accounting policies. These amendments do not have a significant impact on the financial statements.

### - Amendments to Korean IFRS No.1012 Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

The amendments narrow the scope of the deferred tax recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. These amendments do not have a significant impact on the financial statements.

### - Amendments to Korean IFRS No.1001 Presentation of Financial Statements - Disclosure of gains or losses on valuation of financial liabilities subject to exercise price adjustment conditions

The amendments require disclosures about gains or losses on valuation occurred for the reporting period (but are limited to those included in profit or loss) for the conversion options or warrants (or financial liabilities with warrants), if all or part of the financial instrument whose exercise price is adjusted due to the issuers' stock price fluctuations, are classified as financial liabilities according to paragraph 11 of Korean IFRS No.1032 *Financial Instruments: Presentation*. These amendments do not have a significant impact on the financial statements.

### - Amendments to Korean IFRS No.1012 Income Taxes – International Tax Reform: Pillar 2 Model Rules

The amendment reflects the enactment of laws reflecting the Pillar 2 Model Rules for International Tax Reform aimed at reforming international taxation for multinational enterprises. It temporarily relaxes the accounting treatment of deferred tax resulting from this law and requires disclosure of related current year income tax effects. The Company has applied a temporary exemption provision regarding the recognition and disclosure of deferred taxes related to the Pillar 2 rules. As this law is scheduled to be enacted on January 1, 2024, it will not have an impact on consolidated financial statements. Meanwhile, the Company is reviewing the impact of the global minimum tax.

## KB Financial Group Inc. Notes to the Separate Financial Statements December 31, 2023 and 2022

2.1.2 The following are the accounting standards that have been established or announced but have not yet been implemented, which the Company has not applied.

### - Amendment of Korean IFRS No.1001 "Presentation of Financial Statements" - Classification of Liabilities into Current and Non-Current

Liabilities are classified as current or non-current based on their substantive rights existing at the end of the reporting period, without considering the possibility of exercising the right to delay the payment or the management's expectations. Also, if the transfer of equity instruments is included in the payment of liabilities, it is excluded if the option to pay with equity instruments is recognized separately from the liability in a compound financial instrument and meets the definition of equity instruments. This amendment will be applied to the financial statements for the accounting year beginning on or after January 1, 2024. The Company expects that this amendment will not have a significant impact on the financial statements.

### - Amendment of Korean IFRS No.1007 "Statement of Cash Flows" and No.1107 "Financial Instruments: Disclosures" – Disclosure of Supplier Finance Arrangements

The amendments require disclosure of the effects of supplier finance arrangements on the Company's liabilities, cash flows and exposure to liquidity risk. This amendment will be applied to the financial statements for the accounting year beginning on or after January 1, 2024. the Company expects that this amendment will not have a significant impact on the financial statements

### - Amendment of Korean IFRS No.1116 "Leases" - Lease Liability in a Sale and Leaseback

The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. This amendment will be applied to the financial statements for the accounting year beginning on or after January 1, 2024. The Company expects that this amendment will not have a significant impact on the financial statements.

### - Amendment of Korean IFRS No.1001 "Presentation of Financial Statements" – Disclosure of Virtual Asset

The amendments require additional disclosure for virtual assets held by the Company, virtual assets entrusted by customers to the Company, and the issuance and transfer of virtual assets. This amendment will be applied to the financial statements for the accounting year beginning on or after January 1, 2024. The Company expects that this amendment will not have a significant impact on the financial statements.

## 2.2 Measurement Basis

The separate financial statements have been prepared under the historical cost convention unless otherwise specified.

## 2.3 Functional and Presentation Currency

Items included in the separate financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The separate financial statements are presented in Korean won, which is the Company's functional and presentation currency.



## KB Financial Group Inc.

### Notes to the Separate Financial Statements

#### December 31, 2023 and 2022

#### 2.4 Critical Accounting Estimates

The Company applies accounting policies and uses judgements, accounting estimates, and assumptions that may have a significant impact on the assets (liabilities) and incomes (expenses) in preparing the separate financial statements. Management's estimates of outcomes may differ from actual outcomes if management's estimates and assumptions based on management's best judgment are different from the actual environment.

Estimates and underlying assumptions are continually evaluated, and changes in accounting estimates are recognized in the period in which the estimates are changed and in any future periods affected.

Uncertainties in estimates and assumptions with significant risks that may result in material adjustments to the separate financial statements are as follows:

##### 2.4.1 Income taxes

As the income taxes on the Company's taxable income is calculated by applying the tax laws of various countries and the decisions of tax authorities, there is uncertainty in calculating the final tax effect.

If a certain portion of the taxable income is not used for investments, wages, etc. in accordance with the Korean regulation called 'Special Taxation for Facilitation of Investment and Mutually-beneficial Cooperation', the Company is liable to pay additional income tax calculated based on the tax laws. Therefore, the effect of recirculation of corporate income should be reflected in current and deferred income tax. As the Company's income tax is dependent on the actual investments, wages, etc. per each year, there are uncertainties in measuring the final tax effects during the period when the tax law is applied.

##### 2.4.2 Fair value of financial instruments

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available is determined by using valuation techniques. Financial instruments, which are not actively traded in the market and those with less transparent market prices, will have less objective fair values and require broad judgment on liquidity, concentration, uncertainty in market factors, assumptions in fair value determination, and other risks.

As described in the significant accounting policies in Note 3.1 Recognition and Measurement of Financial Instruments, diverse valuation techniques are used to determine the fair value of financial instruments, from generally accepted market valuation models to internally developed valuation models that incorporate various types of assumptions and variables.

##### 2.4.3 Net defined benefit liability

The present value of the net defined benefit liability is affected by changes in the various factors determined by the actuarial method.

#### 3. Material Accounting Policies

The principal accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### 3.1 Recognition and Measurement of Financial Instruments

###### 3.1.1 Initial recognition

The Company recognizes a financial asset or a financial liability in its statement of financial position when the Company becomes party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets (a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned) is recognized and derecognized using trade date accounting.

For financial reporting purpose, the Company classifies (a) financial assets as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, or financial assets at amortized cost and (b) financial liabilities as financial liabilities at fair value through profit or loss, or other financial liabilities. These classifications are based on the business model for managing financial instruments and the contractual cash flow characteristics of the financial instrument at initial recognition.

At initial recognition, a financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value of a financial instrument on initial recognition is normally the transaction price (that is, the fair value of the consideration given or received) in an arm's length transaction.

###### 3.1.2 Subsequent measurement

After initial recognition, financial instruments are measured at amortized cost or fair value based on classification at initial recognition.

###### 3.1.2.1 Amortized cost

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

###### 3.1.2.2 Fair value

The Company uses quoted price in an active market which is based on listed market price or dealer price quotations of financial instruments traded in an active market as best estimate of fair value. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

If there is no active market for a financial instrument, fair value is determined either by using a valuation technique or independent third-party valuation service. Valuation techniques include using recent arm's length market transactions between knowledgeable and willing parties, if available, referencing the current fair value of another instrument that is substantially the same, discounted cash flow analysis, and option pricing models.

## KB Financial Group Inc.

### Notes to the Separate Financial Statements

#### December 31, 2023 and 2022

##### 3.1.2.2 Fair value (cont'd)

The Company uses valuation models that are commonly used by market participants and customized for the Company to determine fair values of common over-the-counter (OTC) derivatives such as options, interest rate swaps, and currency swaps which are based on the inputs observable in markets. However, for some complex financial instruments that require fair value measurement by valuation techniques based on certain assumptions because some or all inputs used in the model are not observable in the market, the Company uses internal valuation models developed from general valuation models or valuation results from independent external valuation institutions.

In addition, the fair value information recognized in the statement of financial position is classified into the following fair value hierarchy, reflecting the significance of the input variables used in the fair value measurement.

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 : Unobservable inputs for the asset or liability

The fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment using unobservable inputs, that measurement is a Level 3 measurement.

If the valuation technique does not reflect all factors which market participants would consider in pricing the asset or liability, the fair value is adjusted to reflect those factors. Those factors include counterparty credit risk, liquidity risk, and others.

The Company uses valuation technique which maximizes the use of market inputs and minimizes the use of entity-specific inputs. It incorporates all factors that market participants would consider in pricing the asset or liability and is consistent with economic methodologies applied for pricing financial instruments. Periodically, the Company calibrates the valuation technique and tests its validity using prices of observable current market transactions of the same instrument or based on other relevant observable market data.

##### 3.1.3 Derecognition

Derecognition is the removal of a previously recognized financial asset or financial liability from the statement of financial position. The derecognition criteria for financial assets and financial liabilities are as follows:

###### 3.1.3.1 Derecognition of financial assets

A financial asset is derecognized when the contractual rights to the cash flows from the financial assets expire or the Company transfers substantially all the risks and rewards of ownership of the financial asset, or the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and the Company has not retained control. Therefore, if the Company does not transfer substantially all the risks and rewards of ownership of the financial asset, the Company continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

If the Company transfers the contractual rights to receive the cash flows of the financial asset but retains substantially all the risks and rewards of ownership of the financial asset, the Company continues to recognize the transferred asset in its entirety and recognize a financial liability for the consideration received.

The Company writes off a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. In general, the Company considers write-off when it is determined that the debtor does not have sufficient funds or income to cover the principal and interest. The write-off decision is made in accordance with internal regulations. After the write-off, the Company can collect the written-off loans continuously according to the internal policy. Recovered amounts from financial assets previously written-off are recognized in profit or loss.

###### 3.1.3.2 Derecognition of financial liabilities

A financial liability is derecognized from the statement of financial position when it is extinguished (i.e., the obligation specified in the contract is discharged, canceled or expires).

###### 3.1.4 Offsetting

A financial asset and a financial liability are offset, and the net amount is presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on a future event and must be legally enforceable in the normal course of business, the event of default, and the event of insolvency or bankruptcy of the Company and all of the counterparties.

## 3.2 Cash and Due from Financial Institutions

Cash and due from financial institutions include cash on hand, foreign currency, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and due from financial institutions. Cash and due from financial institutions are measured at amortized cost.

## KB Financial Group Inc. Notes to the Separate Financial Statements December 31, 2023 and 2022

### 3.3 Non-derivative Financial Assets

#### 3.3.1 Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss unless they are classified as financial assets at amortized cost or at fair value through other comprehensive income.

The Company may designate certain financial assets upon initial recognition as at fair value through profit or loss when the designation eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

After initial recognition, a financial asset at fair value through profit or loss is measured at fair value and gains or losses arising from a change in fair value are recognized in profit or loss. Interest income using the effective interest method and dividend income from financial assets at fair value through profit or loss are also recognized in profit or loss.

#### 3.3.2 Financial assets at fair value through other comprehensive income

The Company classifies below financial assets as financial assets at fair value through other comprehensive income:

- Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and where the assets' cash flows represent solely payments of principal and interest on the principal amount outstanding and;
- Equity instruments that are not held for short-term trading but held for strategic investment, and designated as financial assets at fair value through other comprehensive income

After initial recognition, a financial asset at fair value through other comprehensive income is measured at fair value. Gains or losses arising from a change in fair value, other than dividend income, interest income calculated using the effective interest method and exchange differences arising on monetary items which are recognized directly in profit or loss, are recognized in other comprehensive income in equity.

When the financial assets at fair value through other comprehensive income is disposed of, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. However, cumulative gain or loss of equity instruments designated at fair value through other comprehensive income is reclassified to retained earnings not to profit or loss at disposal.

A financial asset at fair value through other comprehensive income denominated in foreign currency is translated at the closing rate. Exchange differences resulting from changes in amortized cost are recognized in profit or loss, and other changes are recognized in equity.

#### 3.3.3 Financial assets at amortized cost

A financial asset, which is held within the business model whose objective is achieved by collecting contractual cash flows, and where the assets' cash flows represent solely payments of principal and interest on the principal amount outstanding, is classified as a financial asset at amortized cost. After initial recognition, a financial asset at amortized cost is measured at amortized cost using the effective interest method and interest income is calculated using the effective interest method.

### 3.4 Expected Credit Losses of Financial Assets (Debt Instruments)

The Company recognizes loss allowances for expected credit losses at the end of the reporting period for financial assets at amortized cost and fair value through other comprehensive income except for financial assets at fair value through profit or loss.

Expected credit losses are estimated at present value of probability-weighted amount that is determined by evaluating a range of possible outcomes. The Company measures expected credit losses by reflecting all reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

The approaches of measuring expected credit losses in accordance with Korean IFRS are as follows:

- General approach: for financial assets and unused loan commitments not subject to the below 2 approaches
- Simplified approach: for trade receivables, contract assets, and lease receivables
- Credit-impaired approach: for financial assets that are credit-impaired at the time of acquisition

Application of general approach is differentiated depending on whether credit risk has increased significantly after initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures loss allowances for that financial instrument at an amount equal to 12-month expected credit losses, whereas if the credit risk on a financial instrument has increased significantly since initial recognition, the Company measures loss allowances for a financial instrument at an amount equal to the lifetime expected credit losses. Lifetime is the period until the contractual maturity date of financial instruments and means the expected life.

The Company assesses whether the credit risk has increased significantly using the following criteria, and if one or more of the following criteria are met, it is deemed as significant increase in credit risk. If the contractual cash flows of a financial asset have been renegotiated or modified, the Company assesses whether the credit risk has increased significantly using the same following criteria.

- More than 30 days past due
- Decline in credit rating at the end of the reporting period by certain notches or more compared to the time of initial recognition
- Debt restructuring (except for impaired financial assets) and
- Credit delinquency information of Korea Federation of Banks, etc.

Under simplified approach, the Company always measures loss allowances at an amount equal to lifetime expected credit losses. Under credit-impaired approach, the Company only recognizes the cumulative changes in lifetime expected credit losses since initial recognition as loss allowances at the end of the reporting period.

The Company generally considers the loan to be credit-impaired if one or more of the following criteria are met:

- 90 days or more past due
- Legal proceedings related to collection
- A borrower registered on the credit management list of Korea Federation of Banks
- A corporate borrower with the credit rating C and D
- Debt restructuring, etc.

## KB Financial Group Inc. Notes to the Separate Financial Statements December 31, 2023 and 2022

### 3.4.1 Forward-looking information

The Company uses forward-looking information, when determining whether credit risk has increased significantly and measuring expected credit losses.

The Company assumes that the risk components have a constant correlation with the economic cycle and uses statistical methodologies to estimate the relation between key macroeconomic variables and risk components for the expected credit losses.

The correlation between the major macroeconomic variables and the credit risk are as follows:

| Key macroeconomic variables   | Correlation between the major macroeconomic variables and the credit risk |
|---|---|
| Domestic GDP growth rate  | (-)   |
| Benchmark interest rate   | (+)   |
| Three-year yields of Korea treasury bond                                | (+)   |
| AA- rated corporate bond (3-year)                                       | (+)   |
| BBB- rated corporate bond (3-year)                                      | (+)   |
| Composite stock index   | (-)   |
| Rate of increase in housing transaction price index (Metropolitan Area) | (-)   |
| WTI crude oil price   | (+)   |
| Growth rate of construction investment                                  | (-)   |
| Current account balance   | (-)   |

Forward-looking information used in calculation of expected credit losses is based on the macroeconomic forecasts utilized by management of the Company for its business plan considering reliable external agency's forecasts and others. The forward-looking information is generated by KB Research with a comprehensive approach to capture the possibility of various economic forecast scenarios that are derived from the internal and external viewpoints of the macroeconomic situation. The Company determines the macroeconomic variables to be used in forecasting future conditions of the economy, considering the direction of the forecast scenario and the significant relationship between macroeconomic variables and time series data. And there are some changes compared to the macroeconomic variables used in the previous year.

### 3.4.2 Measuring expected credit losses on financial assets at amortized cost

The expected credit losses of financial assets at amortized cost are measured as present value of the difference between the contractual cash flows to be received and the cash flows expected to be received. The Company estimates expected future cash flows for financial assets that are individually significant. The Company selects the individually significant financial assets by comprehensively considering quantitative and qualitative factors (such as debt restructuring or negative net assets, etc.) among financial assets with the credit risk has increased significantly or credit-impaired (individual assessment of impairment).

For financial assets that are not individually significant, the Company collectively estimates expected credit losses by grouping loans with a homogeneous credit risk profile (collective assessment of impairment).

#### 3.4.2.1 Individual assessment of impairment

Individual assessment of impairment losses is performed using management's best estimate on the present value of expected future cash flows. The Company uses all the available information including financial condition of the borrower such as operating cash flow and net realizable value of any collateral held.

#### 3.4.2.2 Collective assessment of impairment

Collective assessment of impairment losses is performed by using a methodology based on historical loss experience and reflecting forward-looking information. Such a process incorporates factors such as type of collateral, type of product, type of borrower, credit rating, size of portfolio, and recovery period and applies Probability of Default ("PD") on a group of assets and Loss Given Default ("LGD") by type of recovery method. Also, the Company applies certain assumptions to model expected credit losses assessment and to determine input based on loss experience and forward-looking information. These models and assumptions are periodically reviewed to reduce the gap between loss estimate and actual loss experience.

The lifetime expected credit losses are measured by applying the PD to the carrying amount calculated by deducting the expected principal repayment amount from the carrying amount as of the reporting date and the LGD adjusted to reflect changes in the carrying amount.

### 3.4.3 Measuring expected credit losses on financial assets at fair value through other comprehensive income

The Company measures expected credit losses on financial assets at fair value through other comprehensive income in a manner that is consistent with the requirements that are applicable to financial assets at amortized cost. However, loss allowances are recognized in other comprehensive income. Upon disposal or repayment of financial assets at fair value through other comprehensive income, the amount of loss allowances is reclassified from other comprehensive income to profit or loss.

## 3.5 Revenue Recognition

The Company recognizes revenues in accordance with the following steps determined in accordance with Korean IFRS No.1115 *Revenue from Contracts with Customers*.

- Step 1: Identify the contract with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

### 3.5.1 Interest income and expense

Interest income and expense on debt securities at fair value through profit or loss (excluding beneficiary certificates, equity investments, and other debt securities), loans, financial instruments at amortized cost, and debt securities at fair value through other comprehensive income are recognized in the statement of comprehensive income using the effective interest method in accordance with Korean IFRS No.1109 *Financial Instruments*. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, where appropriate, a shorter period, to the gross carrying amount of a financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates expected cash flows by considering all contractual terms of the financial instrument but does not consider expected credit losses. The calculation includes all fees and points paid (main components of effective interest rate only) or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. In those rare cases when it is not possible to reliably estimate the cash flows and the expected life of a financial instrument, the Company uses the contractual cash flows over the full contractual term of the financial instrument.

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3.5.1 Interest income and expense (cont'd)

Interest income on impaired financial assets is recognized using the interest rate used to discount the expected cash flows for the purpose of measuring the impairment loss.

Interest income on debt securities at fair value through profit or loss is also classified as interest income in the statement of comprehensive income.

3.5.2 Fee and commission income

The Company recognizes financial service fees in accordance with the purpose of charging the fees and the accounting standards of the financial instrument related to the fees earned.

3.5.2.1 Fees that are an integral part of the effective interest of a financial instrument

Such fees are generally treated as adjustments of effective interest rate. Such fees may include compensation for activities such as evaluating the borrower's financial condition, evaluating and recording guarantees, collateral and other security arrangements, negotiating the terms of the instrument, preparing and processing documents, and closing the transaction and origination fees received on issuing financial liabilities at amortized cost. However, fees relating to the creation or acquisition of a financial instrument at fair value through profit or loss are recognized as revenue immediately.

3.5.2.2 Fees related to performance obligations satisfied over time

If the control of a good or service is transferred over time, the Company recognizes revenue related to performance obligations over the period of performance obligations. Fees charged in return for the services for a certain period of time, such as asset management fees, consignment business fees, etc. are recognized over the period of performance obligations.

3.5.2.3 Fees related to performance obligations satisfied at a point in time

Fees earned at a point in time are recognized as revenue when a customer obtains controls of a promised good or service and the Company satisfies a performance obligation.

3.5.3 Net gains/losses on financial instruments at fair value through profit or loss

Net gains or losses on financial instruments at fair value through profit or loss (including changes in fair value, dividends, and gains or losses from foreign currency translation) include gains or losses on financial instruments as follows:

- Gains or losses relating to financial instruments at fair value through profit or loss (excluding interest income using the effective interest rate method)
- Gains or losses relating to derivative financial instruments for trading (including derivative financial instruments for hedging purpose but do not qualify for hedge accounting)

3.5.4 Dividend income

Dividend income is recognized in profit or loss when the right to receive payment is established. Dividend income is recognized as net gains or losses on financial instruments at fair value through profit or loss or other operating income depending on the classification of equity securities.

3.6 Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are accounted at cost method in accordance with Korean IFRS No.1027. The Company determines at each reporting period whether there is any objective evidence that the investments in the subsidiaries and associates are impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiaries or associates and its carrying value.

3.7 Property and Equipment

3.7.1 Recognition and measurement

Property and equipment that qualify for recognition as an asset are measured at cost and subsequently carried at its cost less any accumulated depreciation and any accumulated impairment losses.

The cost of property and equipment includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditures are capitalized only when they prolong the useful life or enhance values of the assets but the costs of the day-to-day servicing of the assets such as repair and maintenance costs are recognized in profit or loss as incurred. When part of an item of property and equipment has a useful life different from that of the entire asset, it is recognized as a separate asset.

3.7.2 Depreciation

Land is not depreciated, whereas other property and equipment are depreciated using the method that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Company. The depreciable amount of an asset is determined after deducting its residual value.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method and estimated useful life of property and equipment are as follows:

| Property and equipment | Depreciation method | Estimated useful life |
|------------------------|---------------------|-----------------------|
| Leasehold improvements | Declining-balance   | 4 years               |
| Equipment and vehicles | Declining-balance   | 4 years               |

The residual value, the useful life, and the depreciation method applied to an asset are reviewed at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

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**3.8 Intangible Assets**

Intangible assets are measured initially at cost and subsequently carried at their cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets, except for membership rights, are amortized using the straight-line method with no residual value over their estimated useful life since the assets are available for use.

| Intangible assets | Amortization method | Estimated useful life |
|-------------------|---------------------|-----------------------|
| Software          | Straight-line       | 4 years               |
| Others            | Straight-line       | 4 ~ 19 years          |

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Where an intangible asset is not being amortized because its useful life is indefinite, the Company carries out a review in each accounting period to confirm whether events and circumstances still support an indefinite useful life assessment. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate.

**3.9 Impairment of Non-financial Assets**

The Company assesses at the end of each reporting period whether there is any indication that a non-financial asset, except for (a) deferred income tax assets, (b) assets arising from employee benefits and (c) non-current assets (or group of assets to be sold) classified as held for sale, may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

The recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company determines the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit that are discounted by a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss and recognized immediately in profit or loss.

**3.10 Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Inevitable risks and uncertainties surrounding related events and circumstances are considered in measuring the best estimate of the provisions, and where the effect of the time value of money is material, the amount of provisions is the present value of the expenditures expected to be required to settle the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

**3.11 Equity Instrument Issued by the Company**

An equity instrument is any contract or agreement that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

**3.11.1 Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or the exercise of stock option are deducted from the equity, net of any tax effects.

**3.11.2 Hybrid securities**

The financial instruments can be classified as either financial liabilities or equity in accordance with the terms of the contract. The Company classifies hybrid securities as an equity if the Company has the unconditional right to avoid any contractual obligation to deliver cash or another financial asset in relation to the financial instruments.

**3.12 Employee Compensation and Benefits**

**3.12.1 Post-employment benefits**

**3.12.1.1 Defined contribution plans**

When an employee has rendered service to the Company during a period, the Company recognizes the contribution payable to a defined contribution plan in exchange for that service as post-employment benefits for the period.

**3.12.1.2 Defined benefit plans**

All post-employment benefits, other than defined contribution plans, are classified as defined benefit plans. The amount recognized as a net defined benefit liability is the present value of the defined benefit obligation less the fair value of plan assets at the end of the reporting period.

The present value of the defined benefit obligation is calculated annually by independent actuaries using the Projected Unit Credit method. The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The currency and term of the corporate bonds are consistent with the currency and estimated term of the post-employment benefit obligations. Actuarial gains and losses resulted from changes in actuarial assumptions and experience adjustments are recognized in other comprehensive income.

When the present value of the defined benefit obligation minus the fair value of plan assets results in an asset, it is recognized to the extent of the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from the introduction or changes to a defined benefit plan. Such past service cost is immediately recognized as an expense for the period.

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### 3.12.2 Short-term employee benefits

Short-term employee benefits are employee benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. When an employee has rendered service to the Company during an accounting period, the Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense for the period.

The expected cost of profit-sharing and bonus payments is recognized as liabilities when the Company has a present legal or constructive obligation to make payments as a result of past events, such as service rendered by employees, and a reliable estimate of the obligation can be made.

### 3.12.3 Share-based payment

The Company provides stock grants program to executives and employees of the Company and its subsidiaries. When stock grants are exercised, the Company can either select to distribute newly issued shares or treasury shares or compensate in cash based on the share price.

For a share-based payment transaction in which the terms of the arrangement provide the Company with the choice of whether to settle in cash or by issuing equity instruments, the Company accounts for the transaction in accordance with the requirements applying to cash-settled share-based payment transactions because the Company determines that it has a present obligation to settle in cash based on a past practice and a stated policy of settling in cash.

Therefore, the Company measures the liability incurred as consideration for the service received at fair value and recognizes related expense and accrued expense over the vesting periods. Until the liability is settled, the Company remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss as share-based payments.

### 3.12.4 Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The Company recognizes a liability and expense for termination benefits at the earlier of the following dates; when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring that is within the scope of Korean IFRS No.1037 and involves the payment of termination benefits. If the termination benefits are not expected to be settled wholly before twelve months after the end of the annual reporting period, then the termination benefits are discounted to present value.

### 3.13 Income Tax Expense

Income tax expense comprises current tax expense and deferred income tax expense. Current and deferred income tax are recognized as income or expense and included in profit or loss for the period, except to the extent that the tax arises from (a) a transaction or event which is recognized, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity and (b) a business combination.

#### 3.13.1 Current income tax

Current income tax is the amount of income tax payable (recoverable) in respect of the taxable profit (tax loss) for a period. A difference between the taxable profit and accounting profit may arise when income or expense is included in accounting profit in one period but is included in taxable profit in a different period. Differences may also arise if there is revenue that is exempt from taxation, or expense that is not deductible in determining taxable profit (loss). Current income tax liabilities for the current and prior periods are measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

The Company offsets current income tax assets and current income tax liabilities if, and only if, the Company (a) has a legally enforceable right to set off the recognized amounts and (b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### 3.13.2 Deferred income tax

Deferred income tax is recognized, using the asset-liability method, on temporary differences arising between the tax-based amount of assets and liabilities and their carrying amount in the financial statements. Deferred income tax liabilities are recognized for all taxable temporary differences and deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax assets and liabilities are not recognized if they arise from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting nor taxable profit or loss.

The carrying amount of a deferred income tax asset is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred income tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred income tax liabilities and deferred income tax assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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3.13.3 Uncertain tax positions

Uncertain tax positions arise from tax treatments applied by the Company which may be challenged by the tax authorities due to the complexity of the transaction or different interpretation of the tax laws, such as a claim for rectification, a claim for a refund related to additional tax or a tax investigation by the tax authorities. The Company recognizes its uncertain tax positions in the financial statements in accordance with Korean IFRS No.1012 and Interpretation of Korean IFRS No.2123. The income tax asset is recognized if a tax refund is probable for taxes levied by the tax authority, and the amount to be paid as a result of the tax investigation and others is recognized as the current tax payable. However, penalty tax and additional refund on tax are regarded as penalty or interest and are accounted for in accordance with Korean IFRS No.1037.

**3.14 Earnings per Share**

The Company calculates basic earnings per share amounts and diluted earnings per share amounts for profit or loss for the period and presents them in the statement of comprehensive income. Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the profit or loss attributable to ordinary equity holders of the Parent Company and weighted average number of shares outstanding, taking into account all potential dilution effects, such as exchangeable bonds and share-based payments given to employees.

**3.15 Lease**

The Company as a lessor recognizes lease payments from operating leases as income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

A lessee is required to recognize a right-of-use asset (lease assets) representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Assets and liabilities arising from a lease are initially measured at the present value.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, which is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

**3.15 Lease (cont'd)**

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs incurred by the lessee, and
- An estimate of restoration costs

However, the Company can elect not to apply the requirements of Korean IFRS No.1116 to short-term lease (lease that, at the commencement date, has a lease term of 12 months or less) and leases for which the underlying asset is of low value (for example, underlying leased asset under \$ 5,000).

The right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

For sale and leaseback transactions, the Company applies the requirements of Korean IFRS No.1115 *Revenue from Contracts with Customers*, to determine whether the transfer of an asset is accounted for as a sale of that asset.



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#### 4. Financial Risk Management

##### 4.1 Summary

##### 4.1.1 Overview of financial risk management policy

The financial risks that the Company is exposed to are credit risk, market risk, liquidity risk, operational risk and others.

This note regarding financial risk management provides information about the risks that the Company is exposed to and about its objectives, policies, risk assessment and management procedures, and capital management. Additional quantitative information is disclosed throughout the separate financial statements.

The Company's risk management system focuses on efficiently supporting long-term strategy and management decisions of the Company by increasing risk transparency, preventing risk transfer between subsidiaries and preemptive response to rapidly changing financial environments. Credit risk, market risk, liquidity risk, operational risk, interest rate risk, insurance risk, credit concentration risk, strategy risk, and reputation risk are recognized as significant risks.

##### 4.1.2 Risk management organization

##### 4.1.2.1 Risk Management Committee

The Risk Management Committee, as the ultimate decision-making body, deals with risk-related issues, such as establishing risk management strategies in accordance with the strategic direction determined by the board of directors, determining the affordable level of risk appetite, reviewing the level of risk and the status of risk management activities, approving the application of risk management systems, methodologies, and major improvements, and establishing and approving risk management policies and procedures to timely recognize, measure, monitor, and control risks arising from various transactions by the Company and subsidiaries (the "Group").

##### 4.1.2.2 Risk Management Council

The Risk Management Council is responsible for consulting on matters delegated by the Risk Management Committee and requests for review by the Group Management Executive Committee, consulting on details of each subsidiary's risk management policies and procedures, monitoring the Group's risk management status, and establishing and implementing necessary measures.

##### 4.1.2.3 Risk Management Department

The Risk Management Department performs the Company's risk management detailed policies, procedures, and business processes, and is responsible for calculating the Group's risk-weighted assets, monitoring and managing internal capital limits.

#### 4.2 Credit Risk

##### 4.2.1 Overview of credit risk

Credit risk is the risk of loss from the portfolio of assets held due to the counterparty's default, breach of contract, and deterioration of credit quality. For risk management purposes, the Company considers default risk of individual borrowers.

##### 4.2.2 Credit risk management

The Company measures the expected losses of assets subject to credit risk management and uses them as a management indicator.

##### 4.2.3 Maximum exposure to credit risk

The Company's maximum exposures to credit risk without consideration of collateral values in relation to financial instruments other than equity securities as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023 |         | December 31, 2022 |           |
|---|-------------------|---------|-------------------|-----------|
| Due from financial institutions                     | ₩                 | 256,337 | ₩                 | 351,056   |
| Loans measured at amortized cost *                  |                   | 608,286 |                   | 522,326   |
| Loans measured at fair value through profit or loss |                   | 48,981  |                   | 343,525   |
| Other financial assets *                            |                   | 57,562  |                   | 44,841    |
|   | ₩                 | 971,166 | ₩                 | 1,261,748 |

\* After netting of allowance

##### 4.2.4 Credit risk of loans

The Company maintains allowances for loan losses associated with credit risk of loans to manage its credit risk.

The Company assesses expected credit losses and recognizes loss allowances of financial assets at amortized cost and financial asset at fair value through other comprehensive income. Financial assets at fair value through profit or loss are excluded. Expected credit losses are a probability-weighted estimate of possible credit losses occurring in a certain range by reflecting reasonable and supportable information that is reasonably available at the end of the reporting period without undue cost or effort, including information about past events, current conditions, and forecasts of future economic conditions. The Company measures the expected credit losses on loans classified as financial assets at amortized cost, by deducting allowances for credit losses. The expected credit losses of loans classified as financial assets at fair value through other comprehensive income are presented in other comprehensive income in the financial statements.

Credit qualities of loans measured at amortized cost as of December 31, 2023 and 2022, are classified as follows:

(In millions of Korean won)

|   | December 31, 2023               |                                 |          |                                     |           |
|---|---------------------------------|---------------------------------|----------|-------------------------------------|-----------|
|   | 12-month expected credit losses | Lifetime expected credit losses |          | Not applying expected credit losses | Total     |
|   |                                 | Non-impaired                    | Impaired |                                     |           |
| <b>Loans measured at amortized cost *</b> |                                 |                                 |          |                                     |           |
| <b>Corporate</b>                          |                                 |                                 |          |                                     |           |
| Grade 1                                   | ₩ 610,000                       | ₩ -                             | ₩ -      | ₩ -                                 | ₩ 610,000 |
| Grade 2                                   | -                               | -                               | -        | -                                   | -         |
| Grade 3                                   | -                               | -                               | -        | -                                   | -         |
| Grade 4                                   | -                               | -                               | -        | -                                   | -         |
| Grade 5                                   | -                               | -                               | -        | -                                   | -         |
|   | ₩ 610,000                       | ₩ -                             | ₩ -      | ₩ -                                 | ₩ 610,000 |

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4.2.4 Credit risk of loans (cont'd)

(In millions of Korean won)

|   | December 31, 2022               |                                 |          |                                     |       |   |   |         |
|---|---------------------------------|---------------------------------|----------|-------------------------------------|-------|---|---|---------|
|   | 12-month expected credit losses | Lifetime expected credit losses |          | Not applying expected credit losses | Total |   |   |         |
|   |                                 | Non-impaired                    | Impaired |                                     |       |   |   |         |
| <b>Loans measured at amortized cost *</b> |                                 |                                 |          |                                     |       |   |   |         |
| <b>Corporate</b>                          |                                 |                                 |          |                                     |       |   |   |         |
| Grade 1                                   | W                               | 523,500                         | W        | -                                   | W     | - | W | 523,500 |
| Grade 2                                   |                                 | -                               |          | -                                   |       | - |   | -       |
| Grade 3                                   |                                 | -                               |          | -                                   |       | - |   | -       |
| Grade 4                                   |                                 | -                               |          | -                                   |       | - |   | -       |
| Grade 5                                   |                                 | -                               |          | -                                   |       | - |   | -       |
|   | W                               | 523,500                         | W        | -                                   | W     | - | W | 523,500 |

\* Before netting of allowance

Credit qualities of loans graded according to the probability of default as December 31, 2023 and 2022, are as follows:

|         | Range of probability of default (%) |
|---------|-------------------------------------|
| Grade 1 | 0.0 ~ 1.0                           |
| Grade 2 | 1.0 ~ 5.0                           |
| Grade 3 | 5.0 ~ 15.0                          |
| Grade 4 | 15.0 ~ 30.0                         |
| Grade 5 | 30.0 ~                              |

4.2.5 Credit risk of due from financial institutions

Credit qualities of due from financial institutions as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023               |                                 |          |                                     |       |   |   |         |
|---|---------------------------------|---------------------------------|----------|-------------------------------------|-------|---|---|---------|
|   | 12-month expected credit losses | Lifetime expected credit losses |          | Not applying expected credit losses | Total |   |   |         |
|   |                                 | Non-impaired                    | Impaired |                                     |       |   |   |         |
| <b>Due from financial institutions measured at amortized cost</b> |                                 |                                 |          |                                     |       |   |   |         |
| Grade 1   | W                               | 256,337                         | W        | -                                   | W     | - | W | 256,337 |
| Grade 2   |                                 | -                               |          | -                                   |       | - |   | -       |
| Grade 3   |                                 | -                               |          | -                                   |       | - |   | -       |
| Grade 4   |                                 | -                               |          | -                                   |       | - |   | -       |
| Grade 5   |                                 | -                               |          | -                                   |       | - |   | -       |
|   | W                               | 256,337                         | W        | -                                   | W     | - | W | 256,337 |

4.2.5 Credit risk of due from financial institutions (cont'd)

(In millions of Korean won)

|   | December 31, 2022               |                                 |          |                                     |       |   |   |         |
|---|---------------------------------|---------------------------------|----------|-------------------------------------|-------|---|---|---------|
|   | 12-month expected credit losses | Lifetime expected credit losses |          | Not applying expected credit losses | Total |   |   |         |
|   |                                 | Non-impaired                    | Impaired |                                     |       |   |   |         |
| <b>Due from financial institutions measured at amortized cost</b> |                                 |                                 |          |                                     |       |   |   |         |
| Grade 1   | W                               | 351,056                         | W        | -                                   | W     | - | W | 351,056 |
| Grade 2   |                                 | -                               |          | -                                   |       | - |   | -       |
| Grade 3   |                                 | -                               |          | -                                   |       | - |   | -       |
| Grade 4   |                                 | -                               |          | -                                   |       | - |   | -       |
| Grade 5   |                                 | -                               |          | -                                   |       | - |   | -       |
|   | W                               | 351,056                         | W        | -                                   | W     | - | W | 351,056 |

4.2.6 Credit risk concentration analysis

4.2.6.1 Classifications of loans by country as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|       | December 31, 2023 |         |            |                 |   |         |
|-------|-------------------|---------|------------|-----------------|---|---------|
|       | Corporate loans * | %       | Allowances | Carrying amount |   |         |
| Korea | W                 | 658,981 | 100.00     | W (1,174)       | W | 657,267 |

(In millions of Korean won)

|       | December 31, 2022 |         |            |                 |   |         |
|-------|-------------------|---------|------------|-----------------|---|---------|
|       | Corporate loans * | %       | Allowances | Carrying amount |   |         |
| Korea | W                 | 867,025 | 100.00     | W (1,174)       | W | 865,851 |

\* Amount includes loans measured at fair value through profit or loss and amortized cost.

4.2.6.2 Classifications of corporate loans by industry as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                        | December 31, 2023 |         |            |                 |   |         |
|------------------------|-------------------|---------|------------|-----------------|---|---------|
|                        | Corporate loans * | %       | Allowances | Carrying amount |   |         |
| Financial institutions | W                 | 658,981 | 100.00     | W (1,174)       | W | 657,267 |

(In millions of Korean won)

|                        | December 31, 2022 |         |            |                 |   |         |
|------------------------|-------------------|---------|------------|-----------------|---|---------|
|                        | Corporate loans * | %       | Allowances | Carrying amount |   |         |
| Financial institutions | W                 | 867,025 | 100.00     | W (1,174)       | W | 865,851 |

\* Amount includes loans measured at fair value through profit or loss and amortized cost.

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4.2.6.3 Classifications of due from financial institutions by industry as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023 |        |            |                 |
|---|-------------------|--------|------------|-----------------|
|   | Amount            | %      | Allowances | Carrying amount |
| <b>Due from financial institutions measured at amortized cost</b> |                   |        |            |                 |
| Financial institutions  | ₩ 256,337         | 100.00 | ₩ -        | ₩ 256,337       |

(In millions of Korean won)

|   | December 31, 2022 |        |            |                 |
|---|-------------------|--------|------------|-----------------|
|   | Amount            | %      | Allowances | Carrying amount |
| <b>Due from financial institutions measured at amortized cost</b> |                   |        |            |                 |
| Financial institutions  | ₩ 351,056         | 100.00 | ₩ -        | ₩ 351,056       |

4.2.6.4 Classifications of due from financial institutions by country as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023 |        |            |                 |
|---|-------------------|--------|------------|-----------------|
|   | Amount            | %      | Allowances | Carrying amount |
| <b>Due from financial institutions measured at amortized cost</b> |                   |        |            |                 |
| Korea   | ₩ 256,337         | 100.00 | ₩ -        | ₩ 256,337       |

(In millions of Korean won)

|   | December 31, 2022 |        |            |                 |
|---|-------------------|--------|------------|-----------------|
|   | Amount            | %      | Allowances | Carrying amount |
| <b>Due from financial institutions measured at amortized cost</b> |                   |        |            |                 |
| Korea   | ₩ 351,056         | 100.00 | ₩ -        | ₩ 351,056       |

4.3 Liquidity Risk

4.3.1 Overview of liquidity risk

Liquidity risk is a risk that the Company becomes insolvent due to the mismatch between the inflow and outflow of funds, unexpected cash outflows, or a risk of loss due to financing funds at a high interest rate or disposing of securities at an unfavorable price due to lack of available funds. The Company manages its liquidity risk through analysis of the contractual maturity of all financial assets and liabilities and discloses in six categories such as on demand, less than one month, between one month to three months, between three months to one year, between one year to five years, and over five years.

4.3.2. Liquidity risk management

The liquidity risk is managed by risk management policies and liquidity risk management guidelines set forth in these policies that apply to all risk management policies and procedures that may arise throughout the overall business of the Company.

4.3.3. Analysis of remaining contractual maturity of financial liabilities

The cash flows disclosed in the maturity analysis are undiscounted contractual amounts including principal and future interest payments; as such, amounts in the table below do not match with those in the statements of financial position which are based on discounted cash flows. The future interest payments for floating-rate liabilities are calculated on the assumption that the current interest rate is the same until maturity.

Remaining contractual maturity of financial liabilities as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                              | December 31, 2023 |               |            |             |             |              |             |
|------------------------------|-------------------|---------------|------------|-------------|-------------|--------------|-------------|
|                              | On Demand         | Up to 1 month | 1-3 months | 3-12 months | 1-5 years   | Over 5 years | Total       |
| <b>Financial liabilities</b> |                   |               |            |             |             |              |             |
| Borrowings                   | ₩ -               | ₩ -           | ₩ -        | ₩ 100,000   | ₩ -         | ₩ -          | ₩ 100,000   |
| Debentures                   | -                 | 3,074         | 388,246    | 757,507     | 1,880,375   | 1,115,241    | 4,144,443   |
| Lease liabilities            | -                 | 50            | 62         | 256         | 245         | -            | 613         |
| Other financial liabilities  | -                 | 2,063         | -          | -           | -           | -            | 2,063       |
|                              | ₩ -               | ₩ 5,187       | ₩ 388,308  | ₩ 857,763   | ₩ 1,880,620 | ₩ 1,115,241  | ₩ 4,247,119 |

(In millions of Korean won)

|                              | December 31, 2022 |               |            |             |             |              |             |
|------------------------------|-------------------|---------------|------------|-------------|-------------|--------------|-------------|
|                              | On Demand         | Up to 1 month | 1-3 months | 3-12 months | 1-5 years   | Over 5 years | Total       |
| <b>Financial liabilities</b> |                   |               |            |             |             |              |             |
| Debentures                   | ₩ -               | ₩ 275,723     | ₩ 160,712  | ₩ 756,380   | ₩ 2,863,695 | ₩ 1,330,748  | ₩ 5,387,258 |
| Lease liabilities            | -                 | 49            | 88         | 381         | 330         | -            | 848         |
| Other financial liabilities  | -                 | 1,620         | -          | -           | -           | -            | 1,620       |
|                              | ₩ -               | ₩ 277,392     | ₩ 160,800  | ₩ 756,761   | ₩ 2,864,025 | ₩ 1,330,748  | ₩ 5,389,726 |

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### 4.4 Market Risk

#### 4.4.1 Concept

Market risk refers to risks that can result in losses due to changes in market factors such as interest rate, stock price, and foreign exchange rate, etc. The Company manages the market risks by dividing them into those arising from the trading position and those arising from the non-trading position.

#### 4.4.2 Trading position

In accordance with Financial Holding Companies Act, the Company's main business is to control financial companies or companies closely related to the financial service. And the Company cannot perform any other business other than managing activities as a holding company, therefore there is no risk of trading position.

#### 4.4.3 Non-trading position

Non-trading position refers to the part except trading position, and the main risk the Company is managing is interest rate risk.

##### 4.4.3.1 Interest rate risk

###### (a) Definition of interest rate risk

Interest rate risk refers to the risk of changes in the value (fair value) of the items in the statement of financial position due to changes in interest rate and the risk of changes in cash flows related to interest income and interest expense arising from investment and financing activities.

###### (b) Observation method and management indicator on interest rate risk

The main objective of interest rate risk management is to protect the value changes from interest rate fluctuations. The Company applies the Interest Rate Risk in the Banking Book ("IRRB") standard methodology required for disclosure to measure interest rate risk.

###### (c) Changes in Economic Value of Equity ("ΔEVE") and Changes in Net Interest Income ("ΔNII")

ΔEVE means changes in equity and earnings due to the changes in value of interest-sensitive assets and liabilities, etc. when interest rate changes, and ΔNII means changes in net interest income. The Company calculates ΔEVE by applying following six interest rate shock and stress scenarios, and ΔNII by applying parallel shock up and parallel shock down scenarios. The interest rate risk for the interest rate shock and stress scenario is calculated only when the risk for each scenario is a loss.

- Scenario 1 : Parallel shock up
- Scenario 2 : Parallel shock down
- Scenario 3 : Steepener shock (short rates down and long rates up)
- Scenario 4 : Flatten shock (short rates up and long rates down)
- Scenario 5 : Short rates shock up
- Scenario 6 : Short rates shock down

##### 4.4.3.1 Interest rate risk (cont'd)

ΔEVE is maximum out of six interest rate shock and stress scenarios, and ΔNII is maximum of parallel shock up and parallel shock down scenarios. Results as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|      | December 31, 2023 |         | December 31, 2022 |         |
|------|-------------------|---------|-------------------|---------|
|      | ₩                 | 728,072 | ₩                 | 819,850 |
| ΔEVE |                   |         |                   |         |
| ΔNII |                   | 3,820   |                   | 9,484   |

#### 4.5 Capital Management

The Company as a financial holding company under the Financial Holding Companies Act, complies with the consolidated capital adequacy standard established by the financial supervisory authority. This capital adequacy standard is based on Basel III revised by Basel Committee on Banking Supervision in Bank for International Settlements ("BIS") in June 2011 and was implemented in Korea in December 2013. According to this standard, the Group is required to maintain a minimum capital adequacy ratio to risk-weighted assets (Common Equity Tier 1 Capital ratio of 8.0%, Tier 1 Capital ratio of 9.5%, and Total Capital ratio of 11.5%) as of December 31, 2023.

The Group's capital is classified into three categories in accordance with the Detailed Regulations on Supervision of Financial Holding Companies as follows:

- Common Equity Tier 1 Capital: Common equity Tier 1 Capital is the first to take losses of the Group and is the last to be compensated in liquidation of the Group and not repaid except for liquidation. It includes capital, capital surplus, retained earnings, non-controlling interests of the consolidated subsidiaries, accumulated other comprehensive income, and other capital surplus, etc.

- Additional Tier 1 Capital: Additional Tier 1 Capital includes capital, capital surplus, etc. related to the issuance of capital securities of a permanent nature that meets the conditional capital securities requirements.

- Tier 2 Capital: Tier 2 Capital means capital that can compensate for losses of the Group upon liquidation, including (a) the amount of subordinated bonds with maturity of not less than 5 years that meet the conditional capital securities requirements, and (b) the allowances for credit losses accumulated on the loans which are classified as normal or precautionary in accordance with Regulations on Supervision of Financial Holding Companies, and others.

The risk-weighted assets are the magnitude of the amount of risk inherent in the total asset held by the Group. The Group calculates risk-weighted assets by each risk (credit risk, market risk, and operational risk) based on the Detailed Regulations on Supervision of Financial Holding Companies and uses them to calculate capital adequacy ratio.

The Group evaluates and manages capital adequacy through separate internal policies. The evaluation of capital adequacy compares the size of available capital (the amount of capital actually available) to the size of internal capital (the amount of capital required to cover all the significant risks faced by the Group under its target credit rating), which monitors financial soundness and provides a risk-adjusted performance measurement basis.

Internal capital refers to the capital required to prevent the Group's insolvency from future unexpected losses. The Group operates a system to measure, allocate and manage internal capital to major subsidiaries by risk type.

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4.5 Capital Management (cont'd)

The Risk Management Committee of the Company determines the risk appetite of the Group, allocates internal capital by risk type and major subsidiaries, and major subsidiaries operate capital efficiently within the range of the allocated internal capital. The Risk Management Department of the Group monitors internal capital limit management and reports it to management and the Risk Management Committee. If the limit of internal capital is expected to be exceeded due to new businesses or business expansion, the Group's capital adequacy management is carried out through review and approval by the Risk Management Committee in advance.

Details of the Company's capital adequacy ratio in accordance with Basel III requirements as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31,<br>2023 | December 31,<br>2022 |
|--|----------------------|----------------------|
| Total Capital:                         | ₩ 53,743,658         | ₩ 48,969,952         |
| Tier 1 Capital                         | 49,390,274           | 45,032,020           |
| Common Equity Tier 1 Capital           | 43,663,753           | 40,103,660           |
| Additional Tier 1 Capital              | 5,726,521            | 4,928,360            |
| Tier 2 Capital                         | 4,353,384            | 3,937,932            |
| Risk-Weighted Assets:                  | 321,318,905          | 302,983,943          |
| Total Capital ratio (%):               | 16.73                | 16.16                |
| Tier 1 Capital ratio (%)               | 15.37                | 14.86                |
| Common Equity Tier 1 Capital ratio (%) | 13.59                | 13.24                |

**5. Financial Assets and Financial Liabilities**

5.1 Classification and Fair Value of Financial Instruments

5.1.1 Carrying amount and fair value of financial assets and liabilities by category as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023  |                    |
|--|--------------------|--------------------|
|  | Carrying amount    | Fair value         |
| <b>Financial assets</b>                                      |                    |                    |
| <b>Financial assets at fair value through profit or loss</b> |                    |                    |
| Hybrid securities  | ₩ 1,011,362        | ₩ 1,011,362        |
| Beneficiary certificates                                     | 316,080            | 316,080            |
| Loans  | 48,981             | 48,981             |
| <b>Financial assets at amortized cost</b>                    |                    |                    |
| Due from financial institutions                              | 256,337            | 256,337            |
| Loans  | 608,286            | 608,286            |
| Other financial assets                                       | 57,562             | 57,562             |
|  | <u>₩ 2,298,608</u> | <u>₩ 2,298,608</u> |
| <b>Financial liabilities</b>                                 |                    |                    |
| <b>Financial liabilities at amortized cost</b>               |                    |                    |
| Borrowings   | ₩ 100,000          | ₩ 100,000          |
| Debentures   | 3,871,820          | 3,715,939          |
| Other financial liabilities                                  | 10,381             | 10,381             |
|  | <u>₩ 3,982,201</u> | <u>₩ 3,826,320</u> |

(In millions of Korean won)

|  | December 31, 2022  |                    |
|--|--------------------|--------------------|
|  | Carrying amount    | Fair value         |
| <b>Financial assets</b>                                      |                    |                    |
| <b>Financial assets at fair value through profit or loss</b> |                    |                    |
| Hybrid securities  | ₩ 874,171          | ₩ 874,171          |
| Beneficiary certificates                                     | 304,618            | 304,618            |
| Loans  | 343,525            | 343,525            |
| <b>Financial assets at amortized cost</b>                    |                    |                    |
| Due from financial institutions                              | 351,056            | 351,056            |
| Loans  | 522,326            | 522,326            |
| Other financial assets                                       | 44,841             | 44,841             |
|  | <u>₩ 2,440,537</u> | <u>₩ 2,440,537</u> |
| <b>Financial liabilities</b>                                 |                    |                    |
| <b>Financial liabilities at amortized cost</b>               |                    |                    |
| Debentures   | ₩ 4,956,949        | ₩ 4,576,973        |
| Other financial liabilities                                  | 13,331             | 13,331             |
|  | <u>₩ 4,970,280</u> | <u>₩ 4,590,304</u> |

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Company discloses the fair value of each class of assets and liabilities in a way that permits it to be compared with its carrying amount at the end of each reporting period. The best evidence of fair value of financial instruments is quoted price in an active market.

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5.1.1 Carrying amount and fair value of financial assets and liabilities by category as of December 31, 2023 and 2022, are as follows: (cont'd)

Methods of determining fair value of financial instruments are as follows:

|   |   |
|---|---|
| <b>Cash and due from financial institutions</b>               | Fair value of cash is same as carrying amount. Carrying amount of demand deposit and settlement deposit is a reasonable approximation of fair value because these financial instruments do not have a fixed maturity and are receivable on demand. Fair value of general deposit is measured using Discounted Cash Flow ("DCF") Model.  |
| <b>Securities</b>   | Fair value of financial instruments that are quoted in an active market is determined using the quoted prices. If there is no quoted price, fair value is determined using external professional valuation institutions. The institutions use one or more valuation techniques that are deemed appropriate considering the characteristics of the financial instruments among DCF Model, Imputed Market Value Model, Free Cash Flow to Equity Model, Dividend Discount Model, Risk Adjusted Discount Rate Method, and Net Asset Value Method.   |
| <b>Derivatives</b>  | Fair value of exchange traded derivatives is determined using quoted price in an active market, and fair value of OTC derivatives is determined using valuation techniques. The Company uses internally developed valuation models that are widely used by market participants to determine fair value of plain vanilla OTC derivatives including options, interest rate swaps, and currency swaps, based on observable market parameters. However, some complex financial instruments are valued using appropriate models developed from generally accepted market valuation models including the Finite Difference Method ("FDM"), and the MonteCarlo Simulation or valuation results from independent external professional valuation institution. |
| <b>Loans</b>  | Fair value of loans is determined using DCF model discounting the expected cash flows, which are contractual cash flows adjusted by the expected prepayment rate, at an appropriate discount rate.  |
| <b>Borrowings</b>   | DCF model is used to determine the fair value of borrowings, but in the case of short-term maturity, carrying amount is a reasonable approximation of fair value.   |
| <b>Debentures</b>   | Fair value is determined by using valuation results of external professional valuation institutions, which are calculated using market inputs.  |
| <b>Other financial assets and other financial liabilities</b> | Carrying amount is a reasonable approximation of fair value because other financial assets and other financial liabilities are temporary accounts used for other various transactions and their maturities are relatively short or not defined.   |

5.1.2 Fair value hierarchy

The Company believes that valuation techniques used for measuring the fair value of financial instruments are reasonable and that the fair value recognized in the statements of financial position is appropriate. However, the fair value of the financial instruments recognized in the statements of financial position may be different if other valuation techniques or assumptions are used. Additionally, as there are a variety of valuation techniques and assumptions used in measuring fair value, it may be difficult to reasonably compare the fair value with that of other financial institutions.

The Company classifies and discloses fair value of the financial instruments into the three fair value levels as follows:

- Level 1 : The fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 : The fair values are based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : The fair values are based on unobservable inputs for the asset or liability.

The fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorized within Level 3 of the fair value hierarchy.

5.1.2.1 Fair value hierarchy of financial assets and liabilities at fair value in the statements of financial position

Fair value hierarchy of financial assets at fair value in the statements of financial position as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  |         | December 31, 2023    |   |           |             |
|--|---------|----------------------|---|-----------|-------------|
|  |         | Fair value hierarchy |   |           | Total       |
| Level 1  | Level 2 | Level 3              |   |           |             |
| <b>Financial assets</b>                                |         |                      |   |           |             |
| Financial assets at fair value through profit or loss: |         |                      |   |           |             |
| Hybrid securities                                      | W       | -                    | W | 1,011,362 | W 1,011,362 |
| Beneficiary certificates                               | -       | 316,080              | - | -         | 316,080     |
| Loans  | -       | 48,981               | - | -         | 48,981      |
|  | W       | -                    | W | 365,061   | W 1,011,362 |
|  |         |                      |   |           | W 1,376,423 |

(In millions of Korean won)

|  |         | December 31, 2022    |   |         |             |
|--|---------|----------------------|---|---------|-------------|
|  |         | Fair value hierarchy |   |         | Total       |
| Level 1  | Level 2 | Level 3              |   |         |             |
| <b>Financial assets</b>                                |         |                      |   |         |             |
| Financial assets at fair value through profit or loss: |         |                      |   |         |             |
| Hybrid securities                                      | W       | -                    | W | 874,171 | W 874,171   |
| Beneficiary certificates                               | -       | 304,618              | - | -       | 304,618     |
| Loans  | -       | 343,525              | - | -       | 343,525     |
|  | W       | -                    | W | 648,143 | W 874,171   |
|  |         |                      |   |         | W 1,522,314 |

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5.1.2.1 Fair value hierarchy of financial assets and liabilities at fair value in the statements of financial position (cont'd)

Valuation techniques and inputs of financial assets and liabilities classified as Level 2 and measured at fair value in the statements of financial position as of December 31, 2023 and 2022, are as follows:

| (In millions of Korean won)                            | December 31, 2023 |                      |                                    |  |
|--|-------------------|----------------------|------------------------------------|--|
|  | Fair value        | Valuation techniques | Inputs                             |  |
| <b>Financial assets</b>                                |                   |                      |                                    |  |
| Financial assets at fair value through profit or loss: |                   |                      |                                    |  |
| Beneficiary certificates                               | ₩ 316,080         | DCF model            | Interest rate, Discount rate, etc. |  |
| Loans  | 48,981            | DCF model            | Interest rate, Discount rate, etc. |  |
|  | <u>₩ 365,061</u>  |                      |                                    |  |

| (In millions of Korean won)                            | December 31, 2022 |                      |                                    |  |
|--|-------------------|----------------------|------------------------------------|--|
|  | Fair value        | Valuation techniques | Inputs                             |  |
| <b>Financial assets</b>                                |                   |                      |                                    |  |
| Financial assets at fair value through profit or loss: |                   |                      |                                    |  |
| Beneficiary certificates                               | ₩ 304,618         | DCF model            | Interest rate, Discount rate, etc. |  |
| Loans  | 343,525           | DCF model            | Interest rate, Discount rate, etc. |  |
|  | <u>₩ 648,143</u>  |                      |                                    |  |

5.1.2.2 Fair value hierarchy of financial assets and liabilities whose fair value is disclosed.

Fair value hierarchy of financial assets and liabilities whose fair value is disclosed as of December 31, 2023 and 2022, are as follows:

| (In millions of Korean won)                           | December 31, 2023    |                    |                  |            |                    |
|---|----------------------|--------------------|------------------|------------|--------------------|
|   | Fair value hierarchy |                    |                  |            |                    |
|   | Level 1              | Level 2            | Level 3          | Total      |                    |
| <b>Financial assets</b>                               |                      |                    |                  |            |                    |
| Cash and due from financial institutions <sup>1</sup> | ₩ -                  | ₩ 256,337          | ₩ -              | ₩ -        | ₩ 256,337          |
| Loans measured at amortized cost <sup>2</sup>         | -                    | -                  | 608,286          | -          | 608,286            |
| Other financial assets <sup>3</sup>                   | -                    | -                  | 57,562           | -          | 57,562             |
|   | <u>₩ -</u>           | <u>₩ 256,337</u>   | <u>₩ 665,848</u> | <u>₩ -</u> | <u>₩ 922,185</u>   |
| <b>Financial liabilities</b>                          |                      |                    |                  |            |                    |
| Borrowings  | ₩ -                  | ₩ 100,000          | ₩ -              | ₩ -        | ₩ 100,000          |
| Debentures  | -                    | 3,715,939          | -                | -          | 3,715,939          |
| Other financial liabilities <sup>3</sup>              | -                    | -                  | 10,381           | -          | 10,381             |
|   | <u>₩ -</u>           | <u>₩ 3,815,939</u> | <u>₩ 10,381</u>  | <u>₩ -</u> | <u>₩ 3,826,320</u> |

5.1.2.2 Fair value hierarchy of financial assets and liabilities whose fair value is disclosed (cont'd)

| (In millions of Korean won)                           | December 31, 2022    |                    |                  |            |                    |
|---|----------------------|--------------------|------------------|------------|--------------------|
|   | Fair value hierarchy |                    |                  |            |                    |
|   | Level 1              | Level 2            | Level 3          | Total      |                    |
| <b>Financial assets</b>                               |                      |                    |                  |            |                    |
| Cash and due from financial institutions <sup>1</sup> | ₩ -                  | ₩ 351,056          | ₩ -              | ₩ -        | ₩ 351,056          |
| Loans measured at amortized cost <sup>2</sup>         | -                    | -                  | 522,326          | -          | 522,326            |
| Other financial assets <sup>3</sup>                   | -                    | -                  | 44,841           | -          | 44,841             |
|   | <u>₩ -</u>           | <u>₩ 351,056</u>   | <u>₩ 567,167</u> | <u>₩ -</u> | <u>₩ 918,223</u>   |
| <b>Financial liabilities</b>                          |                      |                    |                  |            |                    |
| Debentures  | ₩ -                  | ₩ 4,576,973        | ₩ -              | ₩ -        | ₩ 4,576,973        |
| Other financial liabilities <sup>3</sup>              | -                    | -                  | 13,331           | -          | 13,331             |
|   | <u>₩ -</u>           | <u>₩ 4,576,973</u> | <u>₩ 13,331</u>  | <u>₩ -</u> | <u>₩ 4,590,304</u> |

<sup>1</sup> For cash and due from financial institutions classified as level 2, carrying amount is a reasonable approximation of fair value.

<sup>2</sup> Because loans measured at amortized cost classified as level 3 are loans with residual maturity of less than one year, carrying amounts are reasonable approximations of fair values.

<sup>3</sup> For other financial assets and other financial liabilities classified as level 3, carrying amounts are reasonable approximations of fair values.

<sup>4</sup> For borrowings classified as level 2, carrying amount is reasonable approximations of fair value.

Financial assets and liabilities whose carrying amount is a reasonable approximation of fair value, valuation techniques and inputs are not disclosed.

Valuation techniques and inputs of financial liabilities classified as Level 2, and whose fair value is disclosed as of December 31, 2023 and 2022, are as follows:

| (In millions of Korean won)  | Fair value        |                   |                      |               |
|------------------------------|-------------------|-------------------|----------------------|---------------|
|                              | December 31, 2023 | December 31, 2022 | Valuation techniques | Inputs        |
| <b>Financial liabilities</b> |                   |                   |                      |               |
| Debentures                   | ₩ 3,715,939       | ₩ 4,576,973       | DCF model            | Discount rate |

5.2 Disclosure of Fair Value Hierarchy Level 3

5.2.1 Valuation policy and process of Level 3 fair value

The Company uses external, independent and qualified valuation service to determine the fair value of financial instruments at the end of every reporting period.

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5.2.2 Changes in fair value (Level 3) measured using valuation technique based on unobservable inputs in the market

5.2.2.1 Changes in financial instruments classified as Level 3 of the fair value hierarchy for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                              | 2023  |           | 2022  |          |
|------------------------------|---|-----------|---|----------|
|                              | Financial assets at fair value through profit or loss |           | Financial assets at fair value through profit or loss |          |
| Beginning                    | W   | 874,171   | W   | 389,606  |
| Total gains or losses:       |   |           |   |          |
| - Profit or loss             |   | 37,191    |   | (45,435) |
| - Other comprehensive income |   | -         |   | -        |
| Purchases                    |   | 100,000   |   | 530,000  |
| Sales                        |   | -         |   | -        |
| Issues                       |   | -         |   | -        |
| Settlements                  |   | -         |   | -        |
| Transfers into Level 3       |   | -         |   | -        |
| Transfers out of Level 3     |   | -         |   | -        |
| Ending                       | W   | 1,011,362 | W   | 874,171  |

5.2.2.2 In relation to changes in financial instruments classified as Level 3 of the fair value hierarchy, total gains or losses recognized in profit or loss for the period, and total gains or losses recognized in profit or loss from financial instruments held at the end of the reporting period for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023   |                        |                     | 2022  |                        |                     |
|--|--|------------------------|---------------------|---|------------------------|---------------------|
|  | Losses on financial instruments at fair value through profit or loss | Other operating income | Net interest income | Gains on financial instruments at fair value through profit or loss | Other operating income | Net interest income |
| Total gains (losses) included in profit or loss for the period   | W 37,191   | W -                    | W -                 | W (45,435)  | W -                    | W -                 |
| Total gains (losses) for the period included in profit or loss for financial instruments held at the end of the reporting period | 37,191   | -                      | -                   | (45,435)  | -                      | -                   |

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5.2.3 Sensitivity analysis of changes in unobservable inputs

5.2.3.1 Information about fair value measurements using unobservable inputs as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

| Financial assets                                       | December 31, 2023 |   |   |  |                                  |  |
|--|-------------------|---|---|--|----------------------------------|--|
|  | Fair value        | Valuation techniques                        | Inputs  | Unobservable inputs                          | Range of unobservable inputs (%) | Relationship of unobservable inputs to fair value  |
| Financial assets at fair value through profit or loss: |                   |   |   |  |                                  |  |
| Hybrid securities                                      | ₩1,011,362        | Hull and White Model, MonteCarlo Simulation | Matrix YTM, Additional spread by grade, Risk spread of company, Valid credit rating, Disclosed information of securities, Estimated volatility of Interest rate | Discount rate<br>Volatility of interest rate | 5.05 ~ 6.30<br>0.61              | The lower the discount rate, the higher the fair value<br>The higher the volatility, the higher the fair value fluctuation |

(In millions of Korean won)

| Financial assets                                       | December 31, 2022 |   |   |  |                                  |  |
|--|-------------------|---|---|--|----------------------------------|--|
|  | Fair value        | Valuation techniques                        | Inputs  | Unobservable inputs                          | Range of unobservable inputs (%) | Relationship of unobservable inputs to fair value  |
| Financial assets at fair value through profit or loss: |                   |   |   |  |                                  |  |
| Hybrid securities                                      | ₩ 874,171         | Hull and White Model, MonteCarlo Simulation | Matrix YTM, Additional spread by grade, Risk spread of company, Valid credit rating, Disclosed information of securities, Estimated volatility of Interest rate | Discount rate<br>Volatility of interest rate | 5.54 ~ 7.05<br>0.64              | The lower the discount rate, the higher the fair value<br>The higher the volatility, the higher the fair value fluctuation |



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5.2.3.2 Sensitivity analysis of changes in unobservable inputs

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in fair value of financial instruments which are affected by unobservable parameters, using a statistical technique. When the fair value is affected by more than one input parameter, the amounts represent the most favorable or most unfavorable outcome. There are hybrid securities whose fair value changes are recognized in profit or loss.

Results of the sensitivity analysis of changes in unobservable inputs as of December 31, 2023 and 2022, are as follows:

| (In millions of Korean won) | December 31, 2023 |                     |                                    |                     |
|-----------------------------|-------------------|---------------------|------------------------------------|---------------------|
|                             | Profit or loss    |                     | Other comprehensive income or loss |                     |
|                             | Favorable changes | Unfavorable changes | Favorable changes                  | Unfavorable changes |

**Financial assets**

Financial assets at fair value through profit or loss:

|                     |   |       |   |         |   |   |   |   |
|---------------------|---|-------|---|---------|---|---|---|---|
| Hybrid securities * | ₩ | 6,866 | ₩ | (6,746) | ₩ | - | ₩ | - |
|---------------------|---|-------|---|---------|---|---|---|---|

\* The changes in fair value are calculated by increasing or decreasing discount rates (5.05% ~ 6.30%) by 1%p, which are principal unobservable input parameters.

| (In millions of Korean won) | December 31, 2022 |                     |                                    |                     |
|-----------------------------|-------------------|---------------------|------------------------------------|---------------------|
|                             | Profit or loss    |                     | Other comprehensive income or loss |                     |
|                             | Favorable changes | Unfavorable changes | Favorable changes                  | Unfavorable changes |

**Financial assets**

Financial assets at fair value through profit or loss:

|                     |   |        |   |          |   |   |   |   |
|---------------------|---|--------|---|----------|---|---|---|---|
| Hybrid securities * | ₩ | 10,460 | ₩ | (10,199) | ₩ | - | ₩ | - |
|---------------------|---|--------|---|----------|---|---|---|---|

\* The changes in fair value are calculated by increasing or decreasing discount rates (5.54% ~ 7.05%) by 1%p, which are principal unobservable input parameters.

**6. Due from Financial Institutions**

6.1 Details of due from financial institutions as of December 31, 2023 and 2022, are as follows:

| (In millions of Korean won)                   | Financial Institution     | Interest rate (%) as of | December 31, 2023 |         | December 31, 2022 |         |
|---|---------------------------|-------------------------|-------------------|---------|-------------------|---------|
|   |                           |                         | ₩                 |         | ₩                 |         |
| Due from financial institutions in Korean won | Kookmin Bank              | 0.00 ~ 1.20             | ₩                 | 114,336 | ₩                 | 231,056 |
|   | KB Savings Bank Co., Ltd. | 2.50 ~ 2.65             |                   | 140,000 |                   | 120,000 |
|   | Standard Chartered Bank   | 3.15                    |                   | 2,001   |                   | -       |
|   |                           |                         | ₩                 | 256,337 | ₩                 | 351,056 |

6.2 Details of a maturity analysis of due from financial institutions other than restricted due from financial institutions, as of December 31, 2023 and 2022, are as follows:

| Due from financial institutions in Korean won | December 31, 2023 |            |             |           |              |       |   |   |         |
|---|-------------------|------------|-------------|-----------|--------------|-------|---|---|---------|
|   | Up to 3 months    | 3~6 months | 6~12 months | 1~3 years | Over 3 years | Total |   |   |         |
| ₩   | 146,334           | ₩          | 80,000      | ₩         | 30,000       | ₩     | - | ₩ | 256,334 |

(In millions of Korean won)

| Due from financial institutions in Korean won | December 31, 2022 |            |             |           |              |       |        |   |   |   |         |
|---|-------------------|------------|-------------|-----------|--------------|-------|--------|---|---|---|---------|
|   | Up to 3 months    | 3~6 months | 6~12 months | 1~3 years | Over 3 years | Total |        |   |   |   |         |
| ₩   | 231,053           | ₩          | 30,000      | ₩         | 60,000       | ₩     | 30,000 | ₩ | - | ₩ | 351,053 |

6.3 Details of restricted due from financial institution as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

| Due from financial institutions in Korean won | Financial Institution | December 31, 2023 |   | December 31, 2022 |   | Reasons of restriction                          |
|---|-----------------------|-------------------|---|-------------------|---|---|
|   |                       | ₩                 |   | ₩                 |   |   |
|   | Kookmin Bank          | ₩                 | 3 | ₩                 | 3 | Pledged as collateral for the overdraft account |

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**7. Financial Assets at Fair Value through Profit or Loss**

Details of financial assets at fair value through profit or loss as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023 |           | December 31, 2022 |           |
|--|-------------------|-----------|-------------------|-----------|
| Financial assets at fair value through profit or loss: |                   |           |                   |           |
| Hybrid securities                                      | ₩                 | 1,011,362 | ₩                 | 874,171   |
| Beneficiary certificates                               |                   | 316,080   |                   | 304,618   |
| Loans  |                   | 48,981    |                   | 343,525   |
|  | ₩                 | 1,376,423 | ₩                 | 1,522,314 |

**8. Loans Measured at Amortized Cost**

8.1 Details of loans measured at amortized cost as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                  | December 31, 2023 |         | December 31, 2022 |         |
|----------------------------------|-------------------|---------|-------------------|---------|
| Loans measured at amortized cost | ₩                 | 610,000 | ₩                 | 523,500 |
| Less: Allowances for loan losses |                   | (1,714) |                   | (1,174) |
|                                  | ₩                 | 608,286 | ₩                 | 522,326 |

8.2 Details of loan types and customer types of loans to customers other than banks, as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                  | December 31, 2023 |           |             |           |
|------------------|-------------------|-----------|-------------|-----------|
|                  | Retail            | Corporate | Credit card | Total     |
| Loans            | ₩ -               | ₩ 610,000 | ₩ -         | ₩ 610,000 |
| Proportion (%)   | -                 | 100.00    | -           | 100.00    |
| Less: Allowances | -                 | (1,714)   | -           | (1,714)   |
|                  | ₩ -               | ₩ 608,286 | ₩ -         | ₩ 608,286 |

(In millions of Korean won)

|                  | December 31, 2022 |           |             |           |
|------------------|-------------------|-----------|-------------|-----------|
|                  | Retail            | Corporate | Credit card | Total     |
| Loans            | ₩ -               | ₩ 523,500 | ₩ -         | ₩ 523,500 |
| Proportion (%)   | -                 | 100.00    | -           | 100.00    |
| Less: Allowances | -                 | (1,174)   | -           | (1,174)   |
|                  | ₩ -               | ₩ 522,326 | ₩ -         | ₩ 522,326 |

**9. Investments in Subsidiaries**

9.1 Details of subsidiaries as of December 31, 2023, are as follows:

| Name of subsidiaries           | Industry                                       | Location |
|--------------------------------|--|----------|
| Kookmin Bank                   | Banking and foreign exchange transaction       | Korea    |
| KB Securities Co., Ltd.        | Financial investment                           | Korea    |
| KB Insurance Co., Ltd.         | Non-life insurance                             | Korea    |
| KB Kookmin Card Co., Ltd.      | Credit card and installment financial business | Korea    |
| KB Life Insurance Co., Ltd.    | Life insurance                                 | Korea    |
| KB Asset Management Co., Ltd.  | Investment advisory and investment trust       | Korea    |
| KB Capital Co., Ltd.           | Financial leasing                              | Korea    |
| KB Real Estate Trust Co., Ltd. | Real estate trust management                   | Korea    |
| KB Savings Bank Co., Ltd.      | Savings banking                                | Korea    |
| KB Investment Co., Ltd.        | Capital investment                             | Korea    |
| KB Data System Co., Ltd.       | System software, development and supply        | Korea    |

9.2 Details of investments in subsidiaries as of December 31, 2023 and 2022, are as follows:  
(In millions of Korean won, except for shares)

| Name of subsidiaries                         | As of December 31, 2023 |               | Carrying amount   |                   |
|--|-------------------------|---------------|-------------------|-------------------|
|  | Number of issued shares | Ownership (%) | December 31, 2023 | December 31, 2022 |
|  |                         |               | ₩                 | ₩                 |
| Kookmin Bank                                 | 404,379,116             | 100.00        | ₩ 14,821,721      | ₩ 14,821,721      |
| KB Securities Co., Ltd.                      | 298,620,424             | 100.00        | 3,342,391         | 3,342,391         |
| KB Insurance Co., Ltd.                       | 66,500,000              | 100.00        | 2,375,430         | 2,375,430         |
| KB Kookmin Card Co., Ltd.                    | 92,000,000              | 100.00        | 1,953,175         | 1,953,175         |
| KB Life Insurance Co., Ltd. <sup>1</sup>     | 16,201,518              | 100.00        | 2,795,367         | 2,310,054         |
| KB Asset Management Co., Ltd.                | 7,667,550               | 100.00        | 96,312            | 96,312            |
| KB Capital Co., Ltd.                         | 32,175,147              | 100.00        | 873,811           | 873,811           |
| KB Life Insurance Co., Ltd. <sup>1</sup>     | -                       | -             | -                 | 485,314           |
| KB Real Estate Trust Co., Ltd.               | 16,000,000              | 100.00        | 121,553           | 121,553           |
| KB Savings Bank Co., Ltd.                    | 8,001,912               | 100.00        | 176,813           | 176,813           |
| KB Investment Co., Ltd.                      | 22,525,328              | 100.00        | 154,910           | 154,910           |
| KB Data System Co., Ltd.                     | 800,000                 | 100.00        | 6,334             | 6,334             |
| KB Credit Information Co., Ltd. <sup>2</sup> | -                       | -             | -                 | 23,620            |
|  |                         |               | ₩ 26,717,817      | ₩ 26,741,438      |

<sup>1</sup> KB Life Insurance Co., Ltd. (former Prudential Life Insurance Company of Korea Ltd.) merged with another existing KB Life Insurance Co., Ltd. on January 2, 2023, and issued 1,201,518 shares as the consideration.

<sup>2</sup> On June 30, 2023, the Company sold its 100% shares of KB Credit Information Co., Ltd. to KB Kookmin Card Co., Ltd. As of the date of disposal, the carrying amount of investments in KB Credit Information Co., Ltd. recorded by the Company was ₩ 23,620 million. The difference between the carrying amount and the consideration transferred (amounted ₩ 27,635 million), excluding disposal related costs, was recognized as gains on the disposal of investments in subsidiaries (amounted ₩ 3,917 million)

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9.3 Changes in accumulated impairment losses of investments in subsidiaries for the years ended December 31, 2023 and 2022, are as follows:

| (In millions of Korean won)                                  | 2023       |            |          |            |
|--|------------|------------|----------|------------|
|  | Beginning  | Impairment | Reversal | Ending     |
| Accumulated impairment losses of investments in subsidiaries | ₩ (51,742) | ₩ -        | ₩ -      | ₩ (51,742) |

| (In millions of Korean won)                                  | 2022       |            |          |            |
|--|------------|------------|----------|------------|
|  | Beginning  | Impairment | Reversal | Ending     |
| Accumulated impairment losses of investments in subsidiaries | ₩ (51,742) | ₩ -        | ₩ -      | ₩ (51,742) |

**10. Property and Equipment**

10.1 Details of property and equipment as of December 31, 2023 and 2022, are as follows:

| (In millions of Korean won)     | December 31, 2023 |                          |                               |                 |
|---------------------------------|-------------------|--------------------------|-------------------------------|-----------------|
|                                 | Acquisition cost  | Accumulated depreciation | Accumulated impairment losses | Carrying amount |
| Leasehold improvements          | ₩ 7,838           | ₩ (7,222)                | ₩ -                           | ₩ 616           |
| Equipment and others            | 8,215             | (7,238)                  | -                             | 977             |
| Right-of-use assets (buildings) | 3,613             | (2,527)                  | -                             | 1,086           |
| Right-of-use assets (vehicles)  | 2,052             | (1,697)                  | -                             | 355             |
| Right-of-use assets (others)    | 252               | (206)                    | -                             | 46              |
|                                 | ₩ 21,970          | ₩ (18,890)               | ₩ -                           | ₩ 3,080         |

| (In millions of Korean won)     | December 31, 2022 |                          |                               |                 |
|---------------------------------|-------------------|--------------------------|-------------------------------|-----------------|
|                                 | Acquisition cost  | Accumulated depreciation | Accumulated impairment losses | Carrying amount |
| Leasehold improvements          | ₩ 7,768           | ₩ (6,424)                | ₩ -                           | ₩ 1,344         |
| Equipment and others            | 7,857             | (6,511)                  | -                             | 1,346           |
| Right-of-use assets (buildings) | 1,981             | (1,620)                  | -                             | 361             |
| Right-of-use assets (vehicles)  | 2,052             | (1,592)                  | -                             | 460             |
| Right-of-use assets (others)    | 197               | (156)                    | -                             | 41              |
|                                 | ₩ 19,855          | ₩ (16,303)               | ₩ -                           | ₩ 3,552         |

10.2 Changes in property and equipment for the years ended December 31, 2023 and 2022, are as follows:

| (In millions of Korean won)     | 2023      |             |          |              |         |
|---------------------------------|-----------|-------------|----------|--------------|---------|
|                                 | Beginning | Acquisition | Disposal | Depreciation | Ending  |
| Leasehold improvements          | ₩ 1,344   | ₩ 70        | ₩ -      | ₩ (798)      | ₩ 616   |
| Equipment and others            | 1,346     | 384         | -        | (753)        | 977     |
| Right-of-use assets (buildings) | 361       | 1,641       | -        | (916)        | 1,086   |
| Right-of-use assets (vehicles)  | 460       | 401         | (49)     | (457)        | 355     |
| Right-of-use assets (others)    | 41        | 55          | -        | (50)         | 46      |
|                                 | ₩ 3,552   | ₩ 2,551     | ₩ (49)   | ₩ (2,974)    | ₩ 3,080 |

| (In millions of Korean won)     | 2022      |             |          |              |         |
|---------------------------------|-----------|-------------|----------|--------------|---------|
|                                 | Beginning | Acquisition | Disposal | Depreciation | Ending  |
| Leasehold improvements          | ₩ 1,761   | ₩ 912       | ₩ -      | ₩ (1,329)    | ₩ 1,344 |
| Equipment and others            | 1,738     | 778         | -        | (1,170)      | 1,346   |
| Right-of-use assets (buildings) | 529       | 296         | -        | (464)        | 361     |
| Right-of-use assets (vehicles)  | 377       | 704         | (13)     | (608)        | 460     |
| Right-of-use assets (others)    | 39        | 54          | -        | (52)         | 41      |
|                                 | ₩ 4,444   | ₩ 2,744     | ₩ (13)   | ₩ (3,623)    | ₩ 3,552 |

**11. Intangible Assets**

11.1 Details of intangible assets as of December 31, 2023 and 2022, are as follows:

| (In millions of Korean won) | December 31, 2023 |                          |                               |                 |
|-----------------------------|-------------------|--------------------------|-------------------------------|-----------------|
|                             | Acquisition cost  | Accumulated amortization | Accumulated impairment losses | Carrying amount |
| Software                    | ₩ 6,251           | ₩ (5,558)                | ₩ -                           | ₩ 693           |
| Membership rights           | 11,697            | -                        | (858)                         | 10,839          |
| Other intangible assets     | 14,060            | (9,638)                  | -                             | 4,422           |
|                             | ₩ 32,008          | ₩ (15,196)               | ₩ (858)                       | ₩ 15,954        |

| (In millions of Korean won) | December 31, 2022 |                          |                               |                 |
|-----------------------------|-------------------|--------------------------|-------------------------------|-----------------|
|                             | Acquisition cost  | Accumulated amortization | Accumulated impairment losses | Carrying amount |
| Software                    | ₩ 5,819           | ₩ (5,044)                | ₩ -                           | ₩ 775           |
| Membership rights           | 10,743            | -                        | (792)                         | 9,951           |
| Other intangible assets     | 13,523            | (7,497)                  | -                             | 6,026           |
|                             | ₩ 30,085          | ₩ (12,541)               | ₩ (792)                       | ₩ 16,752        |

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11.2 Changes in intangible assets for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                         | 2023      |             |           |              |                          |          |
|-------------------------|-----------|-------------|-----------|--------------|--------------------------|----------|
|                         | Beginning | Acquisition | Disposal  | Amortization | Reversal of impairment * | Ending   |
| Software                | ₩ 775     | ₩ 432       | ₩ -       | ₩ (514)      | ₩ -                      | ₩ 693    |
| Membership rights       | 9,951     | 2,259       | (1,277)   | -            | (94)                     | 10,839   |
| Other intangible assets | 6,026     | 537         | -         | (2,141)      | -                        | 4,422    |
|                         | ₩ 16,752  | ₩ 3,228     | ₩ (1,277) | ₩ (2,655)    | ₩ (94)                   | ₩ 15,954 |

(In millions of Korean won)

|                         | 2022      |             |          |              |                          |          |
|-------------------------|-----------|-------------|----------|--------------|--------------------------|----------|
|                         | Beginning | Acquisition | Disposal | Amortization | Reversal of impairment * | Ending   |
| Software                | ₩ 1,321   | ₩ 103       | ₩ -      | ₩ (649)      | ₩ -                      | ₩ 775    |
| Membership rights       | 9,952     | 19          | (20)     | -            | -                        | 9,951    |
| Other intangible assets | 5,400     | 2,597       | -        | (1,971)      | -                        | 6,026    |
|                         | ₩ 16,673  | ₩ 2,719     | ₩ (20)   | ₩ (2,620)    | ₩ -                      | ₩ 16,752 |

\* Impairment losses for membership rights of other intangible assets with indefinite useful life are recognized when its recoverable amount is lower than its carrying amount, and reversal of impairment losses are recognized when its recoverable amount is higher than its carrying amount.

11.3 Changes in accumulated impairment losses of intangible assets for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023      |            |                        |                     |         |
|--|-----------|------------|------------------------|---------------------|---------|
|  | Beginning | Impairment | Reversal of impairment | Disposal and others | Ending  |
| Accumulated impairment losses of intangible assets | ₩ (792)   | ₩ (94)     | ₩ -                    | ₩ 28                | ₩ (858) |

(In millions of Korean won)

|  | 2022      |            |                        |                     |         |
|--|-----------|------------|------------------------|---------------------|---------|
|  | Beginning | Impairment | Reversal of impairment | Disposal and others | Ending  |
| Accumulated impairment losses of intangible assets | ₩ (792)   | ₩ (2)      | ₩ 2                    | ₩ -                 | ₩ (792) |

**12. Lease**

12.1 Amounts Recognized in the Statements of Financial Position

Amounts recognized in the statements of financial position related to lease as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023 |       | December 31, 2022 |     |
|---|-------------------|-------|-------------------|-----|
| Right-of-use property and equipment: <sup>1</sup> |                   |       |                   |     |
| Real estate                                       | ₩                 | 1,086 | ₩                 | 361 |
| Vehicles  |                   | 355   |                   | 460 |
| Others  |                   | 46    |                   | 41  |
|   | ₩                 | 1,487 | ₩                 | 862 |
| Lease liabilities <sup>2</sup>                    | ₩                 | 589   | ₩                 | 828 |

<sup>1</sup> Included in property and equipment.

<sup>2</sup> Included in other liabilities.

12.2 Amounts Recognized in the Statements of Comprehensive Income

Amounts recognized in the statements of comprehensive income related to lease for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023 |       | 2022 |       |
|---|------|-------|------|-------|
| Depreciation and amortization of right-of-use assets:                       |      |       |      |       |
| Real estate   | ₩    | 916   | ₩    | 464   |
| Vehicles  |      | 457   |      | 608   |
| Others  |      | 50    |      | 52    |
|   | ₩    | 1,423 | ₩    | 1,124 |
| Interest expenses on the lease liabilities                                  | ₩    | 24    | ₩    | 18    |
| Expense relating to short-term lease  |      | 23    |      | 28    |
| Expense relating to lease of low-value assets that are not short-term lease |      | 1     |      | 2     |

12.3 Total cash outflows for lease for the years ended December 31, 2023 and 2022 are ₩ 641 million and ₩ 614 million, respectively.

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**13. Deferred Income Tax Assets and Liabilities**

13.1 Details of deferred income tax assets and liabilities as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023 |             |            |
|--|-------------------|-------------|------------|
|  | Assets            | Liabilities | Net amount |
| Share-based payments   | ₩ 4,704           | ₩ -         | ₩ 4,704    |
| Membership rights  | 227               | -           | 227        |
| Defined benefit obligation   | 2,369             | -           | 2,369      |
| Plan assets  | -                 | (2,369)     | (2,369)    |
| Short-term employee benefits   | 403               | -           | 403        |
| Losses on valuation of financial assets at fair value through profit or loss | 675               | -           | 675        |
| Others   | 2,159             | (3,676)     | (1,517)    |
|  | 10,537            | (6,045)     | 4,492      |
| Offsetting of deferred tax assets and liabilities                            | (6,045)           | 6,045       | -          |
|  | ₩ 4,492           | ₩ -         | ₩ 4,492    |

(In millions of Korean won)

|  | December 31, 2022 |             |            |
|--|-------------------|-------------|------------|
|  | Assets            | Liabilities | Net amount |
| Share-based payments   | ₩ 4,502           | ₩ -         | ₩ 4,502    |
| Membership rights  | 210               | -           | 210        |
| Defined benefit obligation   | 3,226             | -           | 3,226      |
| Plan assets  | -                 | (3,393)     | (3,393)    |
| Short-term employee benefits   | 650               | -           | 650        |
| Losses on valuation of financial assets at fair value through profit or loss | 14,795            | -           | 14,795     |
| Others   | 3,233             | (3,319)     | (86)       |
|  | 26,616            | (6,712)     | 19,904     |
| Offsetting of deferred tax assets and liabilities                            | (6,712)           | 6,712       | -          |
|  | ₩ 19,904          | ₩ -         | ₩ 19,904   |

**13.2 Unrecognized Deferred Income Tax Assets**

No deferred income tax assets have been recognized for the deductible temporary differences of ₩ 2,896,164 million and ₩ 51,742 million associated with investments in subsidiaries and impairment losses on investments in subsidiaries, respectively, as of December 31, 2023, due to the uncertainty that these temporary differences will be realized in the future. And no deferred income tax assets have been recognized for the deductible temporary differences of ₩ 15,296 million associated subordinated bond as of December 31, 2023, as they affect neither accounting profit nor taxable profit (tax loss) at the time of the transaction.

**13.3 Unrecognized Deferred Income Tax Liabilities**

No deferred income tax liabilities have been recognized for the taxable temporary differences of ₩ 2,415,073 million associated with investments in subsidiaries as of December 31, 2023, due to the following reasons:

- The Company is able to control the timing of the reversal of the temporary differences.
- It is probable that these temporary differences will not reverse in the foreseeable future.

13.4 Changes in cumulative temporary differences for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023          |          |          |               |
|--|---------------|----------|----------|---------------|
|  | Beginning     | Decrease | Increase | Ending        |
| <b>Deductible temporary differences</b>                                      |               |          |          |               |
| Share-based payments   | ₩ 16,990      | ₩ 7,725  | ₩ 8,551  | ₩ 17,816      |
| Membership rights  | 792           | -        | 68       | 860           |
| Investments in subsidiaries  | 2,896,164     | -        | -        | 2,896,164     |
| Defined benefit obligation   | 12,173        | 7,418    | 4,218    | 8,973         |
| Short-term employee benefits   | 2,455         | 2,454    | 1,526    | 1,527         |
| Impairment losses of investments in subsidiaries                             | 51,742        | -        | -        | 51,742        |
| Losses on valuation of financial assets at fair value through profit or loss | 55,829        | -        | (53,272) | 2,557         |
| Others   | 29,132        | 2,503    | (3,153)  | 23,476        |
|  | 3,065,277     | 20,100   | (42,062) | 3,003,115     |
| <b>Unrecognized deferred income tax assets:</b>                              |               |          |          |               |
| Investments in subsidiaries  | 2,896,164     |          |          | 2,896,164     |
| Impairment losses of investments in subsidiaries                             | 51,742        |          |          | 51,742        |
| Others   | 16,934        |          |          | 15,296        |
|  | 100,437       |          |          | 39,913        |
| Tax rate (%) *   | 26.5          |          |          | 26.4          |
| <b>Total deferred income tax assets</b>                                      | ₩ 26,616      |          |          | ₩ 10,537      |
| <b>Taxable temporary differences</b>   |               |          |          |               |
| Investments in subsidiaries  | ₩ (2,415,073) | ₩ -      | ₩ -      | ₩ (2,415,073) |
| Plan assets  | (12,804)      | (7,418)  | (3,587)  | (8,973)       |
| Others   | (12,525)      | (7,421)  | (8,820)  | (13,924)      |
|  | (2,440,402)   | (14,839) | (12,407) | (2,437,970)   |
| <b>Unrecognized deferred income tax liabilities:</b>                         |               |          |          |               |
| Investments in subsidiaries  | (2,415,073)   |          |          | (2,415,073)   |
|  | (25,329)      |          |          | (22,897)      |
| Tax rate (%) *   | 26.5          |          |          | 26.4          |
| <b>Total deferred income tax liabilities</b>                                 | ₩ (6,712)     |          |          | ₩ (6,045)     |

\* The rate of 26.4% has been applied for the deferred tax assets and liabilities expected to be utilized in periods after December 31, 2023.

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(In millions of Korean won)

|  | 2022               |                |                |                    |
|--|--------------------|----------------|----------------|--------------------|
|  | Beginning          | Decrease       | Increase       | Ending             |
| <b>Deductible temporary differences</b>                                      |                    |                |                |                    |
| Share-based payments   | ₩ 16,314           | ₩ 5,124        | ₩ 5,800        | ₩ 16,990           |
| Membership rights  | 792                | -              | -              | 792                |
| Investments in subsidiaries  | 2,896,164          | -              | -              | 2,896,164          |
| Defined benefit obligation   | 11,595             | 2,206          | 2,784          | 12,173             |
| Short-term employee benefits   | 2,937              | 2,876          | 2,394          | 2,455              |
| Impairment losses of investments in subsidiaries                             | 51,742             | -              | -              | 51,742             |
| Losses on valuation of financial assets at fair value through profit or loss | 10,394             | -              | 45,435         | 55,829             |
| Others   | 21,259             | 2,155          | 10,028         | 29,132             |
|  | <u>3,011,197</u>   | <u>12,361</u>  | <u>66,441</u>  | <u>3,065,277</u>   |
| <b>Unrecognized deferred income tax assets:</b>                              |                    |                |                |                    |
| Investments in subsidiaries  | 2,896,164          |                |                | 2,896,164          |
| Impairment losses of investments in subsidiaries                             | 51,742             |                |                | 51,742             |
| Others   | 18,490             |                |                | 16,934             |
|  | <u>44,801</u>      |                |                | <u>100,437</u>     |
| Tax rate (%)   | 27.5               |                |                | 26.5               |
| <b>Total deferred income tax assets</b>                                      | <u>₩ 12,320</u>    |                |                | <u>₩ 26,616</u>    |
| <b>Taxable temporary differences</b>   |                    |                |                |                    |
| Investments in subsidiaries  | ₩ (2,415,073)      | ₩ -            | ₩ -            | ₩ (2,415,073)      |
| Plan assets  | (11,595)           | (2,206)        | (3,415)        | (12,804)           |
| Others   | (12,902)           | (4,467)        | (4,090)        | (12,525)           |
|  | <u>(2,439,570)</u> | <u>(6,673)</u> | <u>(7,505)</u> | <u>(2,440,402)</u> |
| <b>Unrecognized deferred income tax liabilities:</b>                         |                    |                |                |                    |
| Investments in subsidiaries  | (2,415,073)        |                |                | (2,415,073)        |
|  | <u>(24,497)</u>    |                |                | <u>(25,329)</u>    |
| Tax rate (%)   | 27.5               |                |                | 26.5               |
| <b>Total deferred income tax liabilities</b>                                 | <u>₩ (6,737)</u>   |                |                | <u>₩ (6,712)</u>   |

\* The corporate tax rate was changed due to the amendment of corporate tax law in 2022. Accordingly, the rate of 26.5% has been applied for the deferred tax assets and liabilities expected to be utilized in periods after December 31, 2022.

**14. Other Assets**

14.1 Details of other assets as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                    | December 31, 2023 |                | December 31, 2022 |                  |
|------------------------------------|-------------------|----------------|-------------------|------------------|
| <b>Other financial assets</b>      |                   |                |                   |                  |
| Accrued income                     | ₩                 | 17,352         | ₩                 | 11,556           |
| Guarantee deposits                 |                   | 40,227         |                   | 33,297           |
| Less: Allowances for credit losses |                   | (17)           |                   | (12)             |
|                                    |                   | <u>57,562</u>  |                   | <u>44,841</u>    |
| <b>Other non-financial assets</b>  |                   |                |                   |                  |
| Receivables                        |                   | 482,009        |                   | 1,226,359        |
| Prepaid expenses                   |                   | 3,140          |                   | 946              |
| Advanced payments                  |                   | 104            |                   | 51               |
|                                    |                   | <u>485,253</u> |                   | <u>1,227,356</u> |
|                                    | ₩                 | <u>542,815</u> | ₩                 | <u>1,272,197</u> |

14.2 Changes in allowances for credit losses of other assets for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|           | 2023                   |                            |          |           |
|-----------|------------------------|----------------------------|----------|-----------|
|           | Other financial assets | Other non-financial assets | Total    |           |
| Beginning | ₩ 12                   | ₩ -                        | ₩        | 12        |
| Provision | 5                      | -                          |          | 5         |
| Ending    | <u>₩ 17</u>            | <u>₩ -</u>                 | <u>₩</u> | <u>17</u> |
|           |                        |                            |          |           |
|           | 2022                   |                            |          |           |
|           | Other financial assets | Other non-financial assets | Total    |           |
| Beginning | ₩ 10                   | ₩ -                        | ₩        | 10        |
| Provision | 2                      | -                          |          | 2         |
| Ending    | <u>₩ 12</u>            | <u>₩ -</u>                 | <u>₩</u> | <u>12</u> |

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**15. Borrowings**

15.1 Details of borrowings as of December 31, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

|            | December 31, 2023 |         | December 31, 2022 |   |
|------------|-------------------|---------|-------------------|---|
| Borrowings | ₩                 | 100,000 | ₩                 | - |

15.2 Details of borrowings as of December 31, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

|                          | Other borrowings | Lenders                              | Borrowing date | Maturity date | Interest rate (%) as of |                   |                   |
|--------------------------|------------------|--------------------------------------|----------------|---------------|-------------------------|-------------------|-------------------|
|                          |                  |                                      |                |               | December 31, 2023       | December 31, 2023 | December 31, 2022 |
| Borrowings in Korean won |                  | HI INVESTMENT & SECURITIES co., Ltd. | Jul. 21, 2023  | Jul. 19, 2024 | 4.15                    | ₩ 100,000         | ₩ -               |

15.3 Maturities of borrowings as of December 31, 2023 are as follows:

(In millions of Korean won)

|                          | December 31, 2023 |            |             |           |              |             |
|--------------------------|-------------------|------------|-------------|-----------|--------------|-------------|
|                          | Up to 3 months    | 3~6 months | 6~12 months | 1~3 years | Over 3 years | Total       |
| Borrowings in Korean won | ₩                 | - ₩        | - ₩         | 100,000 ₩ | - ₩          | - ₩ 100,000 |

**16. Debentures**

16.1 Details of debentures as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                 | Issuance date | Maturity date | Interest rate (%) as of |                   |                   |
|---------------------------------|---------------|---------------|-------------------------|-------------------|-------------------|
|                                 |               |               | December 31, 2023       | December 31, 2023 | December 31, 2022 |
| Unguaranteed debentures No.15-3 | May 12, 2016  | May 12, 2026  | 2.01                    | ₩ 200,000         | ₩ 200,000         |
| Unguaranteed debentures No.16-3 | May 27, 2016  | May 27, 2023  | -                       | -                 | 150,000           |
| Unguaranteed debentures No.18-3 | Jul. 25, 2016 | Jul. 25, 2026 | 1.69                    | 80,000            | 80,000            |
| Unguaranteed debentures No.19-3 | Aug. 25, 2016 | Aug. 25, 2026 | 1.69                    | 120,000           | 120,000           |
| Unguaranteed debentures No.25-4 | May 24, 2017  | May 24, 2027  | 2.62                    | 80,000            | 80,000            |
| Unguaranteed debentures No.26-2 | Jun. 27, 2017 | Jun. 27, 2024 | 2.34                    | 200,000           | 200,000           |
| Unguaranteed debentures No.27   | Jul. 19, 2017 | Jul. 19, 2024 | 2.41                    | 100,000           | 100,000           |
| Unguaranteed debentures No.28-2 | Aug. 30, 2017 | Aug. 30, 2024 | 2.43                    | 30,000            | 30,000            |
| Unguaranteed debentures No.28-3 | Aug. 30, 2017 | Aug. 30, 2027 | 2.60                    | 60,000            | 60,000            |
| Unguaranteed debentures No.29-2 | Sep. 19, 2017 | Sep. 19, 2024 | 2.44                    | 110,000           | 110,000           |
| Unguaranteed debentures No.31-2 | Feb. 28, 2018 | Feb. 28, 2023 | -                       | -                 | 50,000            |
| Unguaranteed debentures No.31-3 | Feb. 28, 2018 | Feb. 28, 2028 | 3.02                    | 60,000            | 60,000            |
| Unguaranteed debentures No.32-2 | Apr. 6, 2018  | Apr. 6, 2023  | -                       | -                 | 80,000            |
| Unguaranteed debentures No.32-3 | Apr. 6, 2018  | Apr. 6, 2028  | 2.86                    | 20,000            | 20,000            |
| Unguaranteed debentures No.33-1 | Jun. 12, 2018 | Jun. 12, 2023 | -                       | -                 | 100,000           |
| Unguaranteed debentures No.33-2 | Jun. 12, 2018 | Jun. 12, 2028 | 2.92                    | 30,000            | 30,000            |
| Unguaranteed debentures No.34-2 | Jul. 25, 2018 | Jul. 25, 2023 | -                       | -                 | 70,000            |
| Unguaranteed debentures No.34-3 | Jul. 25, 2018 | Jul. 25, 2025 | 2.71                    | 20,000            | 20,000            |
| Unguaranteed debentures No.34-4 | Jul. 25, 2018 | Jul. 25, 2028 | 2.76                    | 20,000            | 20,000            |
| Unguaranteed debentures No.35   | Oct. 5, 2018  | Oct. 5, 2023  | -                       | -                 | 120,000           |
| Unguaranteed debentures No.36-2 | Feb. 22, 2019 | Feb. 22, 2024 | 2.11                    | 230,000           | 230,000           |
| Unguaranteed debentures No.36-3 | Feb. 22, 2019 | Feb. 22, 2029 | 2.22                    | 60,000            | 60,000            |
| Unguaranteed debentures No.37-1 | Mar. 15, 2019 | Mar. 15, 2024 | 2.06                    | 140,000           | 140,000           |
| Unguaranteed debentures No.37-2 | Mar. 15, 2019 | Mar. 15, 2029 | 2.16                    | 70,000            | 70,000            |
| Unguaranteed debentures No.38-1 | Jun. 19, 2019 | Jun. 19, 2026 | 1.73                    | 80,000            | 80,000            |
| Unguaranteed debentures No.38-2 | Jun. 19, 2019 | Jun. 19, 2029 | 1.77                    | 120,000           | 120,000           |
| Unguaranteed debentures No.39-1 | Oct. 15, 2019 | Oct. 15, 2024 | 1.60                    | 80,000            | 80,000            |
| Unguaranteed debentures No.39-2 | Oct. 15, 2019 | Oct. 15, 2029 | 1.67                    | 40,000            | 40,000            |
| Unguaranteed debentures No.40-1 | Dec. 4, 2019  | Dec. 4, 2024  | 1.76                    | 70,000            | 70,000            |
| Unguaranteed debentures No.40-2 | Dec. 4, 2019  | Dec. 4, 2029  | 1.87                    | 30,000            | 30,000            |
| Unguaranteed debentures No.41-1 | Jan. 16, 2020 | Jan. 16, 2023 | -                       | -                 | 110,000           |
| Unguaranteed debentures No.41-2 | Jan. 16, 2020 | Jan. 16, 2025 | 1.74                    | 100,000           | 100,000           |
| Unguaranteed debentures No.41-3 | Jan. 16, 2020 | Jan. 16, 2030 | 1.88                    | 40,000            | 40,000            |
| Subordinated debentures No.1-1  | Feb. 18, 2020 | Feb. 18, 2030 | 2.21                    | 370,000           | 370,000           |
| Subordinated debentures No.1-2  | Feb. 18, 2020 | Feb. 18, 2035 | 2.26                    | 30,000            | 30,000            |
| Unguaranteed debentures No.42-1 | May 13, 2020  | May 13, 2025  | 1.59                    | 130,000           | 130,000           |
| Unguaranteed debentures No.42-2 | May 13, 2020  | May 13, 2030  | 1.78                    | 70,000            | 70,000            |
| Unguaranteed debentures No.43-1 | Jun. 16, 2020 | Jun. 16, 2023 | -                       | -                 | 50,000            |
| Unguaranteed debentures No.43-2 | Jun. 16, 2020 | Jun. 16, 2025 | 1.44                    | 110,000           | 110,000           |
| Unguaranteed debentures No.43-3 | Jun. 16, 2020 | Jun. 16, 2030 | 1.63                    | 50,000            | 50,000            |
| Exchangeable bonds No.1 *       | Jun. 30, 2020 | Jun. 30, 2025 | -                       | 240,000           | 240,000           |

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16.1 Details of debentures as of December 31, 2023 and 2022, are as follows: (cont'd)

|                                    | Issuance date | Maturity date | Interest rate<br>(%) as of         |                      |                      |
|------------------------------------|---------------|---------------|------------------------------------|----------------------|----------------------|
|                                    |               |               | December 31,<br>2023               | December 31,<br>2023 | December 31,<br>2022 |
| <i>(In millions of Korean won)</i> |               |               |                                    |                      |                      |
| Unguaranteed debentures No.44-2    | Aug. 11, 2020 | Aug. 11, 2023 | -                                  | ₩ -                  | ₩ 50,000             |
| Unguaranteed debentures No.44-3    | Aug. 11, 2020 | Aug. 9, 2024  | 1.18                               | 30,000               | 30,000               |
| Unguaranteed debentures No.44-4    | Aug. 11, 2020 | Aug. 11, 2027 | 1.39                               | 20,000               | 20,000               |
| Unguaranteed debentures No.45      | Nov. 23, 2020 | Nov. 23, 2023 | -                                  | -                    | 60,000               |
| Unguaranteed debentures No.46-1    | Jan. 14, 2021 | Jan. 13, 2023 | -                                  | -                    | 160,000              |
| Unguaranteed debentures No.46-2    | Jan. 14, 2021 | Jan. 14, 2026 | 1.43                               | 30,000               | 30,000               |
| Unguaranteed debentures No.46-3    | Jan. 14, 2021 | Jan. 14, 2028 | 1.62                               | 10,000               | 10,000               |
| Unguaranteed debentures No.46-4    | Jan. 14, 2021 | Jan. 14, 2031 | 1.84                               | 100,000              | 100,000              |
| Unguaranteed debentures No.47      | Feb. 24, 2021 | Feb. 24, 2023 | -                                  | -                    | 90,000               |
| Unguaranteed debentures No.48-1    | Jun. 16, 2022 | Jun. 16, 2024 | 4.15                               | 85,000               | 85,000               |
| Unguaranteed debentures No.48-2    | Jun. 16, 2022 | Jun. 16, 2025 | 4.27                               | 240,000              | 240,000              |
| Unguaranteed debentures No.48-3    | Jun. 16, 2022 | Jun. 16, 2027 | 4.34                               | 80,000               | 80,000               |
| Unguaranteed debentures No.48-4    | Jun. 16, 2022 | Jun. 16, 2032 | 4.40                               | 95,000               | 95,000               |
|                                    |               |               |                                    | 3,880,000            | 4,970,000            |
|                                    |               |               | Less: Bond Discounts               | (3,076)              | (4,616)              |
|                                    |               |               | Less: adjustment on exchange right | (5,104)              | (8,435)              |
|                                    |               |               |                                    | ₩ 3,871,820          | ₩ 4,956,949          |

\* Fair value of the liability component of exchangeable bonds is calculated by using market interest rate of bonds under the same conditions without the exchange right. The residual amount, after deducting liability component from the issuance amount, represents the value of exchange right and is recorded in equity. Shares to be exchanged are 5 million treasury shares of KB Financial Group Inc. with the exchange price of ₩ 48,000. Exchange rights were fully exercised on February 14, 2024.

16.2 Maturities of debentures as of December 31, 2023 and 2022, are as follows:

|                                    | December 31, 2023 |               |                |              |                 |             |
|------------------------------------|-------------------|---------------|----------------|--------------|-----------------|-------------|
|                                    | Up to<br>3 months | 3~6<br>months | 6~12<br>months | 1~3<br>years | Over<br>3 years | Total       |
| <i>(In millions of Korean won)</i> |                   |               |                |              |                 |             |
| Debentures in                      |                   |               |                |              |                 |             |
| Korean won                         | ₩ 370,000         | ₩ 285,000     | ₩ 420,000      | ₩ 1,350,000  | ₩ 1,455,000     | ₩ 3,880,000 |

|                                    | December 31, 2022 |               |                |              |                 |             |
|------------------------------------|-------------------|---------------|----------------|--------------|-----------------|-------------|
|                                    | Up to<br>3 months | 3~6<br>months | 6~12<br>months | 1~3<br>years | Over<br>3 years | Total       |
| <i>(In millions of Korean won)</i> |                   |               |                |              |                 |             |
| Debentures in                      |                   |               |                |              |                 |             |
| Korean won                         | ₩ 410,000         | ₩ 380,000     | ₩ 300,000      | ₩ 1,915,000  | ₩ 1,965,000     | ₩ 4,970,000 |

16.3 Changes in debentures based on par value for the years ended December 31, 2023 and 2022, are as follows:

|                                    | 2023        |       |               |             |
|------------------------------------|-------------|-------|---------------|-------------|
|                                    | Beginning   | Issue | Repayment     | Ending      |
| <i>(In millions of Korean won)</i> |             |       |               |             |
| Debentures in Korean won           | ₩ 4,970,000 | ₩ -   | ₩ (1,090,000) | ₩ 3,880,000 |

|                                    | 2022        |           |               |             |
|------------------------------------|-------------|-----------|---------------|-------------|
|                                    | Beginning   | Issue     | Repayment     | Ending      |
| <i>(In millions of Korean won)</i> |             |           |               |             |
| Debentures in Korean won           | ₩ 5,570,000 | ₩ 500,000 | ₩ (1,100,000) | ₩ 4,970,000 |

## 17. Net Defined Benefit Liabilities(Assets)

### 17.1 Defined Benefit Plan

The Company operates defined benefit plans which have the following characteristics:

- The Company has the obligation to pay the agreed benefits to all its current and former employees.
- The Company assumes actuarial risk (that benefits will cost more than expected) and investment risk.

The net defined benefit liabilities recognized in the statements of financial position are calculated in accordance with actuarial valuation method using assumptions based on market data and historical data such as discount rate, future salary increase rate, and mortality. Actuarial assumptions may differ from actual results, due to changes in the market conditions, economic trends, and mortality trends.



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17.2 Changes in net defined benefit liabilities for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023  |                           |  |
|---|---|---------------------------|--|
|   | Present value of defined benefit obligation | Fair value of plan assets | Net defined benefit liabilities (assets) |
| Beginning   | ₩ 17,973                                    | ₩ (22,261)                | ₩ (4,288)                                |
| Current service cost  | 2,041                                       | -                         | 2,041                                    |
| Interest expense (income)   | 929   | (1,152)                   | (223)                                    |
| Remeasurements:   |   |                           |  |
| Actuarial gains and losses by changes in demographic assumptions      | -   | -                         | -  |
| Actuarial gains and losses by changes in financial assumptions        | 1,218                                       | -                         | 1,218                                    |
| Actuarial gains and losses by experience adjustments                  | 31  | -                         | 31                                       |
| Return on plan assets (excluding amounts included in interest income) | -   | 58                        | 58                                       |
| Contributions by the Company  | -   | (2,292)                   | (2,292)                                  |
| Payments from plans (benefit payments)                                | (3,296)                                     | 3,296                     | -  |
| Payments from the Company   | (262)                                       | -                         | (262)                                    |
| Transfer in (out)   | 1,005                                       | (982)                     | 23                                       |
| Ending  | ₩ 19,639                                    | ₩ (23,333)                | ₩ (3,694)                                |

(In millions of Korean won)

|   | 2022  |                           |  |
|---|---|---------------------------|--|
|   | Present value of defined benefit obligation | Fair value of plan assets | Net defined benefit liabilities (assets) |
| Beginning   | ₩ 22,557                                    | ₩ (22,778)                | ₩ (221)                                  |
| Current service cost  | 2,200                                       | -                         | 2,200                                    |
| Interest expense (income)   | 584   | (590)                     | (6)                                      |
| Remeasurements:   |   |                           |  |
| Actuarial gains and losses by changes in demographic assumptions      | -   | -                         | -  |
| Actuarial gains and losses by changes in financial assumptions        | (4,510)                                     | -                         | (4,510)                                  |
| Actuarial gains and losses by experience adjustments                  | 388   | -                         | 388                                      |
| Return on plan assets (excluding amounts included in interest income) | -   | 698                       | 698                                      |
| Contributions by the Company  | -   | (2,655)                   | (2,655)                                  |
| Payments from plans (benefit payments)                                | (2,206)                                     | 2,206                     | -  |
| Payments from the Company   | (207)                                       | -                         | (207)                                    |
| Transfer in   | 3,211                                       | (3,186)                   | 25                                       |
| Transfer out  | (4,044)                                     | 4,044                     | -  |
| Ending  | ₩ 17,973                                    | ₩ (22,261)                | ₩ (4,288)                                |

17.3 Details of the net defined benefit liabilities as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023 |          | December 31, 2022 |          |
|---|-------------------|----------|-------------------|----------|
| Present value of defined benefit obligation | ₩                 | 19,639   | ₩                 | 17,973   |
| Fair value of plan assets                   |                   | (23,333) |                   | (22,261) |
| Net defined benefit liabilities (assets)    | ₩                 | (3,694)  | ₩                 | (4,288)  |

17.4 Details of post-employment benefits recognized in profit or loss for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023 |       | 2022 |       |
|---|------|-------|------|-------|
| Current service cost  | ₩    | 2,041 | ₩    | 2,200 |
| Net interest expense(income) on net defined benefit liabilities |      | (223) |      | (6)   |
| Post-employment benefits  | ₩    | 1,818 | ₩    | 2,194 |

(\*) The gains or losses related to the defined benefit pension plan is fully included in general administrative expenses.

17.5 Details of remeasurements of net defined benefit liabilities recognized in other comprehensive income for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023 |         | 2022 |       |
|---|------|---------|------|-------|
| Remeasurements:   |      |         |      |       |
| Return on plan assets (excluding amounts included in interest income) | ₩    | (58)    | ₩    | (698) |
| Actuarial gains or losses   |      | (1,249) |      | 4,122 |
| Income tax effect   |      | 345     |      | (941) |
| Remeasurements after income tax expense                               | ₩    | (962)   | ₩    | 2,483 |

17.6 Details of fair value of plan assets as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023                 |                                       |          |
|--|-----------------------------------|---------------------------------------|----------|
|  | Assets quoted in an active market | Assets not quoted in an active market | Total    |
| Cash and due from financial institutions | ₩ -                               | ₩ 23,333                              | ₩ 23,333 |

(In millions of Korean won)

|  | December 31, 2022                 |                                       |          |
|--|-----------------------------------|---------------------------------------|----------|
|  | Assets quoted in an active market | Assets not quoted in an active market | Total    |
| Cash and due from financial institutions | ₩ -                               | ₩ 22,261                              | ₩ 22,261 |

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17.7 Details of significant actuarial assumptions used as of December 31, 2023 and 2022, are as follows:

|                                 | December 31, 2023 | December 31, 2022 |
|---------------------------------|-------------------|-------------------|
| Discount rate (%)               | 4.30              | 5.20              |
| Future salary increase rate (%) | 4.00              | 4.20              |
| Turnover rate (%)               | 1.00              | 1.00              |

Mortality assumptions are based on the experience-based mortality table issued by Korea Insurance Development Institute in 2019.

17.8 Results of sensitivity analysis of significant actuarial assumptions as of December 31, 2023, are as follows:

|                          | Changes in assumptions | Effect on defined benefit obligation |                         |
|--------------------------|------------------------|--------------------------------------|-------------------------|
|                          |                        | Increase in assumptions              | Decrease in assumptions |
| Discount rate (%)        | 0.5%p                  | 4.49% decrease                       | 4.78% increase          |
| Salary increase rate (%) | 0.5%p                  | 4.77% increase                       | 4.52% decrease          |
| Turnover rate (%)        | 0.5%p                  | 0.16% increase                       | 0.17% decrease          |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. The sensitivity of the defined benefit obligation to changes in significant actuarial assumptions is calculated using the same projected unit credit method used in calculating the defined benefit obligation recognized in the statement of financial position.

17.9 Expected maturity analysis of undiscounted pension benefit payments (including expected future benefits) as of December 31, 2023, are as follows:

(In millions of Korean won)

|                  | Up to 1 year |     | 1 ~ 2 years |     | 2 ~ 5 years |       | 5 ~ 10 years |        | Over 10 years |        | Total    |
|------------------|--------------|-----|-------------|-----|-------------|-------|--------------|--------|---------------|--------|----------|
| Pension benefits | ₩            | 223 | ₩           | 501 | ₩           | 4,701 | ₩            | 11,829 | ₩             | 40,383 | ₩ 57,637 |

The weighted average duration of the defined benefit obligation is 9.70 years.

17.10 Reasonable estimation of expected contribution to plan assets for the next annual reporting period after December 31, 2023 is ₩ 1,800 million.

**18. Other Liabilities**

Details of other liabilities as of December 31, 2023 and 2022, are as follows:

| (In millions of Korean won)            | December 31, 2023 |         | December 31, 2022 |         |
|--|-------------------|---------|-------------------|---------|
| <b>Other financial liabilities</b>     |                   |         |                   |         |
| Payables                               | ₩                 | 1,082   | ₩                 | 881     |
| Accrued expenses                       |                   | 8,710   |                   | 11,622  |
| Lease liabilities                      |                   | 589     |                   | 828     |
|  |                   | 10,381  |                   | 13,331  |
| <b>Other non-financial liabilities</b> |                   |         |                   |         |
| Payables                               |                   | 192,936 |                   | 133,741 |
| Accrued expenses                       |                   | 205,991 |                   | 190,759 |
| Withholding taxes                      |                   | 1,396   |                   | 658     |
|  |                   | 400,323 |                   | 325,158 |
|  | ₩                 | 410,704 | ₩                 | 338,489 |

**19. Equity**

19.1 Share Capital

19.1.1 Details of share capital as of December 31, 2023 and 2022, are as follows:

| (In millions of Korean won)         | December 31, 2023 |               | December 31, 2022 |               |
|-------------------------------------|-------------------|---------------|-------------------|---------------|
| Type of share                       |                   |               |                   |               |
| Ordinary share                      |                   |               |                   |               |
| Number of authorized shares         |                   | 1,000,000,000 |                   | 1,000,000,000 |
| Par value per share (In Korean won) | ₩                 | 5,000         | ₩                 | 5,000         |
| Number of issued shares             |                   | 403,511,072   |                   | 408,897,068   |
| Share capital *                     | ₩                 | 2,090,558     | ₩                 | 2,090,558     |

\* Due to the retirement of shares deducted through retained earnings, it is different from the total par value of the shares issued.

19.1.2 Changes in shares for the years ended December 31, 2023 and 2022, are as follows:

| (In number of shares) | 2023 |              | 2022 |             |
|-----------------------|------|--------------|------|-------------|
| Beginning             |      | 389,634,335  |      | 389,634,335 |
| Increase              |      | -            |      | -           |
| Decrease              |      | (10,970,510) |      | -           |
| Ending                |      | 378,663,825  |      | 389,634,335 |

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19.2 Hybrid Securities

Details of hybrid securities classified as equity as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

| Hybrid securities      | Issuance date | Maturity       | Interest rate (%)       |                   |                   |
|------------------------|---------------|----------------|-------------------------|-------------------|-------------------|
|                        |               |                | as of December 31, 2023 | December 31, 2023 | December 31, 2022 |
| The 1-1 <sup>st</sup>  | May 2, 2019   | Perpetual bond | 3.23                    | ₩ 349,204         | ₩ 349,204         |
| The 1-2 <sup>nd</sup>  | May 2, 2019   | Perpetual bond | 3.44                    | 49,881            | 49,881            |
| The 2-1 <sup>st</sup>  | May 8, 2020   | Perpetual bond | 3.30                    | 324,099           | 324,099           |
| The 2-2 <sup>nd</sup>  | May 8, 2020   | Perpetual bond | 3.43                    | 74,812            | 74,812            |
| The 3-1 <sup>st</sup>  | Jul. 14, 2020 | Perpetual bond | 3.17                    | 369,099           | 369,099           |
| The 3-2 <sup>nd</sup>  | Jul. 14, 2020 | Perpetual bond | 3.38                    | 29,922            | 29,922            |
| The 4-1 <sup>st</sup>  | Oct. 20, 2020 | Perpetual bond | 3.00                    | 433,918           | 433,918           |
| The 4-2 <sup>nd</sup>  | Oct. 20, 2020 | Perpetual bond | 3.28                    | 64,843            | 64,843            |
| The 5-1 <sup>st</sup>  | Feb. 19, 2021 | Perpetual bond | 2.67                    | 419,056           | 419,056           |
| The 5-2 <sup>nd</sup>  | Feb. 19, 2021 | Perpetual bond | 2.87                    | 59,862            | 59,862            |
| The 5-3 <sup>rd</sup>  | Feb. 19, 2021 | Perpetual bond | 3.28                    | 119,727           | 119,727           |
| The 6-1 <sup>st</sup>  | May 28, 2021  | Perpetual bond | 3.20                    | 165,563           | 165,563           |
| The 6-2 <sup>nd</sup>  | May 28, 2021  | Perpetual bond | 3.60                    | 109,708           | 109,708           |
| The 7-1 <sup>st</sup>  | Oct. 8, 2021  | Perpetual bond | 3.57                    | 208,453           | 208,453           |
| The 7-2 <sup>nd</sup>  | Oct. 8, 2021  | Perpetual bond | 3.80                    | 59,834            | 59,834            |
| The 8-1 <sup>st</sup>  | Feb. 16, 2022 | Perpetual bond | 4.00                    | 442,955           | 442,955           |
| The 8-2 <sup>nd</sup>  | Feb. 16, 2022 | Perpetual bond | 4.30                    | 155,626           | 155,626           |
| The 9-1 <sup>st</sup>  | May 12, 2022  | Perpetual bond | 4.68                    | 478,814           | 478,814           |
| The 9-2 <sup>nd</sup>  | May 12, 2022  | Perpetual bond | 4.97                    | 19,906            | 19,906            |
| The 10-1 <sup>st</sup> | Aug. 26, 2022 | Perpetual bond | 4.90                    | 407,936           | 407,936           |
| The 10-2 <sup>nd</sup> | Aug. 26, 2022 | Perpetual bond | 5.15                    | 70,819            | 70,819            |
| The 10-3 <sup>rd</sup> | Aug. 26, 2022 | Perpetual bond | 5.30                    | 19,944            | 19,944            |
| The 11-1 <sup>st</sup> | Feb. 03, 2023 | Perpetual bond | 4.90                    | 548,666           | -                 |
| The 11-2 <sup>nd</sup> | Feb. 03, 2023 | Perpetual bond | 5.03                    | 49,871            | -                 |
|                        |               |                |                         | ₩ 5,032,518       | ₩ 4,433,981       |

The above hybrid securities are early redeemable by the Company after 5 or 7 or 10 years from the issuance date.

19.3 Capital Surplus

Details of capital surplus as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31, 2023 |            | December 31, 2022 |            |
|--|-------------------|------------|-------------------|------------|
| Paid-in capital in excess of par value                 | ₩                 | 13,190,275 | ₩                 | 13,190,275 |
| Other capital surplus                                  |                   | 1,465,893  |                   | 1,465,893  |
| Gains on sales of treasury shares                      |                   | 86,646     |                   | 86,646     |
| Consideration for exchange right of exchangeable bonds |                   | 11,933     |                   | 11,933     |
|  | ₩                 | 14,754,747 | ₩                 | 14,754,747 |

19.4 Accumulated Other Comprehensive Income (Loss)

19.4.1 Details of accumulated other comprehensive income (loss) as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023 |         | December 31, 2022 |         |
|---|-------------------|---------|-------------------|---------|
| Remeasurements of net defined benefit liabilities | ₩                 | (6,809) | ₩                 | (5,847) |

19.4.2 Changes in accumulated other comprehensive income (loss) for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023      |           |            |           |
|---|-----------|-----------|------------|-----------|
|   | Beginning | Changes   | Tax effect | Ending    |
| Remeasurements of net defined benefit liabilities | ₩ (5,847) | ₩ (1,307) | ₩ 345      | ₩ (6,809) |

(In millions of Korean won)

|   | 2022      |         |            |           |
|---|-----------|---------|------------|-----------|
|   | Beginning | Changes | Tax effect | Ending    |
| Remeasurements of net defined benefit liabilities | ₩ (8,330) | ₩ 3,424 | ₩ (941)    | ₩ (5,847) |

19.5 Retained Earnings

19.5.1 Details of retained earnings as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                      | December 31, 2023 |           | December 31, 2022 |           |
|--------------------------------------|-------------------|-----------|-------------------|-----------|
| Legal reserves                       | ₩                 | 1,007,686 | ₩                 | 839,235   |
| Voluntary reserves                   |                   | 982,000   |                   | 982,000   |
| Regulatory reserve for credit losses |                   | 9,340     |                   | 4,490     |
| Unappropriated retained earnings     |                   | 2,337,872 |                   | 1,968,840 |
|                                      | ₩                 | 4,336,898 | ₩                 | 3,794,565 |

With respect to the allocation of net profit earned in a fiscal term, the Company must set aside in its legal reserve an amount equal to at least 10% of its profit after tax as reported in the financial statements, each time it pays dividends on its net profits earned until its legal reserve reaches the aggregate amount of its paid-in capital in accordance with Article 53 of the Financial Holding Company Act. The reserve is not available for the payment of cash dividends, but may be transferred to share capital, or used to reduce accumulated deficit.

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19.5.2 Statement of appropriation of retained earnings

(Expected date of appropriation for 2023: March 22, 2024)  
(Date of appropriation for 2022: March 24, 2023)

(In millions of Korean won)

|  | 2023 |                  | 2022 |                  |
|--|------|------------------|------|------------------|
| <b>Unappropriated retained earnings</b>                        |      |                  |      |                  |
| Unappropriated retained earnings carried over from prior years | ₩    | 1,230,569        | ₩    | 1,295,182        |
| Profit for the year  |      | 2,121,244        |      | 1,684,512        |
| Quarterly dividends  |      | (586,931)        |      | (584,452)        |
| Dividends on hybrid securities                                 |      | (184,914)        |      | (126,402)        |
| Retirement of shares   |      | (242,096)        |      | (300,000)        |
|  |      | <u>2,337,872</u> |      | <u>1,968,840</u> |
| <b>Transfer from voluntary reserves and others</b>             |      |                  |      |                  |
| Regulatory reserve for credit losses                           |      | 5,279            |      | -                |
|  |      | <u>5,279</u>     |      | <u>-</u>         |
| <b>Appropriation of retained earnings</b>                      |      |                  |      |                  |
| Legal reserves   |      | 212,124          |      | 168,451          |
| Regulatory reserve for credit losses                           |      | -                |      | 4,850            |
| Cash dividends:  |      | 587,006          |      | 564,970          |
| (Dividends (rate) per share: ₩ 1,530 (30.6%) in 2023)          |      |                  |      |                  |
| (Dividends (rate) per share: ₩ 1,450 (29.0%) in 2022)          |      |                  |      |                  |
|  |      | <u>799,130</u>   |      | <u>738,271</u>   |
| <b>Unappropriated retained earnings to be carried forward</b>  | ₩    | <u>1,544,021</u> | ₩    | <u>1,230,569</u> |

19.5.3 Regulatory reserve for credit losses

Measurement and disclosure of regulatory reserve for credit losses are required in accordance with Articles 26 through 28 of the Regulations on Supervision of Financial Holding Companies.

19.5.3.1 Details of regulatory reserve for credit losses as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | December 31, 2023 |              | December 31, 2022 |              |
|---|-------------------|--------------|-------------------|--------------|
| Amounts before appropriation                    | ₩                 | 9,340        | ₩                 | 4,490        |
| Amounts estimated to be appropriated (reversed) |                   | (5,279)      |                   | 4,850        |
|   | ₩                 | <u>4,061</u> | ₩                 | <u>9,340</u> |

19.5.3.2 Regulatory reserve for credit losses estimated to be appropriated (reversed) and adjusted profit after provision (reversal) of regulatory reserve for credit losses for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won, except for per share amounts)

|   | 2023 |           | 2022 |           |
|---|------|-----------|------|-----------|
| Regulatory reserve for credit losses estimated to be appropriated (reversed)  | ₩    | (5,279)   | ₩    | 4,850     |
| Adjusted profit after provision (reversal) of regulatory reserve for credit losses <sup>1,2</sup>                   |      | 1,941,608 |      | 1,553,261 |
| Adjusted basic earnings per share after provision (reversal) of regulatory reserve for credit losses <sup>1</sup>   |      | 5,056     |      | 3,986     |
| Adjusted diluted earnings per share after provision (reversal) of regulatory reserve for credit losses <sup>1</sup> |      | 4,943     |      | 3,899     |

<sup>1</sup> Adjusted profit after provision (reversal) of regulatory reserve for credit losses is not based on Korean IFRS. It is calculated by reflecting provision (reversal) of regulatory reserve for credit losses before tax to the net profit for the period.

<sup>2</sup> After deducting dividends on hybrid securities

19.6 Treasury Shares

Changes in treasury shares for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won and in number of shares)

|                             | 2023       |             |             |             |
|-----------------------------|------------|-------------|-------------|-------------|
|                             | Beginning  | Acquisition | Retirement  | Ending      |
| Number of treasury shares * | 19,262,733 | 10,970,510  | (5,385,996) | 24,847,247  |
| Carrying amount             | ₩ 836,188  | ₩ 571,745   | ₩ (242,096) | ₩ 1,165,837 |

(In millions of Korean won and in number of shares)

|                             | 2022        |             |             |            |
|-----------------------------|-------------|-------------|-------------|------------|
|                             | Beginning   | Acquisition | Retirement  | Ending     |
| Number of treasury shares * | 26,173,585  | -           | (6,910,852) | 19,262,733 |
| Carrying amount             | ₩ 1,136,188 | ₩ -         | ₩ (300,000) | ₩ 836,188  |

\* 5 million treasury shares are deposited at the Korea Securities Depository for the exchange of exchangeable bonds.

In accordance with the resolution of the Board of Directors on July 25, 2023, the Company acquired 5,584,514 shares (₩ 300,000 million) and plans to retire of treasury stocks by July 31, 2024.

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**20. Dividends**

The annual dividends to the shareholders of the Company for the year ended December 31, 2022, amounting to ₩ 564,070 million (₩ 1,450 per share) were declared at the annual general shareholders' meeting on March 24, 2023 and paid in April 10, 2023.

According to the resolution of the board of directors on April 27, 2023, the quarterly dividend amounting to ₩ 195,966 million (₩ 510 per share) with dividend record date of March 31, 2023 were paid on May 11, 2023; according to the resolution of the board of directors on July 25, 2023, the quarterly dividend amounting to ₩ 195,966 million (₩ 510 per share) with dividend record date of June 30, 2023 were paid on August 8, 2023; and according to the resolution of the board of directors on October 24, 2023, the quarterly dividend amounting to ₩ 194,998 million (₩ 510 per share) with dividend record date of September 30, 2023 were paid on November 8, 2023. The annual dividends to the shareholders of the Company for the year ended December 31, 2023, amounting to ₩ 587,006 million (₩ 1,530 per share) is to be proposed at the general shareholders' meeting scheduled for March 22, 2024. The Company's financial statements as of and for the year ended December 31, 2023, do not reflect this dividend payable.

Meanwhile, the annual dividends and quarterly dividends paid in 2022 were ₩ 853,299 million (₩ 2,190 per share) and ₩ 584,452 million (₩ 500 per share), respectively.

**21. Net Interest Expense**

Details of interest income, interest expense, and net interest expense for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023 |                 | 2022 |                 |
|---|------|-----------------|------|-----------------|
| <b>Interest income</b>                              |      |                 |      |                 |
| Due from financial institutions                     | ₩    | 16,380          | ₩    | 9,019           |
| Loans measured at amortized cost                    |      | 14,736          |      | 7,073           |
| Loans measured at fair value through profit or loss |      | 3,195           |      | 2,877           |
| Others  |      | 816             |      | 433             |
|   |      | <u>35,127</u>   |      | <u>19,402</u>   |
| <b>Interest expense</b>                             |      |                 |      |                 |
| Borrowings  |      | 1,853           |      | -               |
| Debentures  |      | 98,102          |      | 112,334         |
| Others  |      | 25              |      | 19              |
|   |      | <u>99,980</u>   |      | <u>112,353</u>  |
| <b>Net interest expense</b>                         | ₩    | <u>(64,853)</u> | ₩    | <u>(92,951)</u> |

**22. Net Fee and Commission Expense**

Details of fee and commission income, fee and commission expense, and net fee and commission expense for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                       | 2023 |                 | 2022 |                |
|---------------------------------------|------|-----------------|------|----------------|
| <b>Fee and commission income</b>      |      |                 |      |                |
| Fees earned in Korean won             | ₩    | 2,585           | ₩    | 3,399          |
| <b>Fee and commission expense</b>     |      |                 |      |                |
| Fees paid in Korean won               |      | 12,602          |      | 11,655         |
| Fees paid in foreign currency         |      | 370             |      | 430            |
|                                       |      | <u>12,972</u>   |      | <u>12,085</u>  |
| <b>Net fee and commission expense</b> | ₩    | <u>(10,387)</u> | ₩    | <u>(8,686)</u> |

**23. Net Gains or Losses on Financial Instruments at Fair value through Profit or Loss**

Net gains or losses on financial instruments at fair value through profit or loss include dividend income, gains or losses arising from changes in fair value, and gains or losses arising from sales and redemptions. Details of net gains or losses on financial assets at fair value through profit or loss for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023 |                | 2022 |                 |
|---|------|----------------|------|-----------------|
| <b>Gains on financial instruments at fair value through profit or loss</b>              |      |                |      |                 |
| Dividend income from financial assets at fair value through profit or loss              | ₩    | 52,546         | ₩    | 36,409          |
| Gains on valuation of financial assets at fair value through profit or loss             |      | 52,472         |      | 7,067           |
| Gains on disposal of financial assets at fair value through profit or loss              |      | 3,381          |      | 1,799           |
|   |      | <u>108,399</u> |      | <u>45,275</u>   |
| <b>Losses on financial instruments at fair value through profit or loss</b>             |      |                |      |                 |
| Losses on valuation of financial assets at fair value through profit or loss            |      | -              |      | 57,069          |
|   |      | <u>-</u>       |      | <u>57,069</u>   |
| <b>Net gains (losses) on financial instruments at fair value through profit or loss</b> | ₩    | <u>108,399</u> | ₩    | <u>(11,794)</u> |

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**24. Net Other Operating Income and Expenses**

Details of other operating income and expenses for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                   | 2023 |           | 2022 |           |
|-----------------------------------|------|-----------|------|-----------|
| <b>Other operating income</b>     |      |           |      |           |
| Dividend income from subsidiaries | W    | 2,192,380 | W    | 1,871,223 |
| Others                            |      | 5         |      | 1         |
| <b>Net other operating income</b> | W    | 2,192,385 | W    | 1,871,224 |

**25. General and Administrative Expenses**

25.1 Details of general and administrative expenses for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023 |        | 2022 |        |
|---|------|--------|------|--------|
| <b>Expenses related to employee</b>                   |      |        |      |        |
| Employee benefits - salaries                          | W    | 32,965 | W    | 36,254 |
| Employee benefits - others                            |      | 6,062  |      | 5,847  |
| Post-employment benefits - defined benefit plans      |      | 1,818  |      | 2,194  |
| Post-employment benefits - defined contribution plans |      | 596    |      | 621    |
| Share-based payments                                  |      | 8,551  |      | 5,801  |
|   |      | 49,992 |      | 50,717 |
| <b>Depreciation and amortization</b>                  |      | 5,630  |      | 6,245  |
| <b>Other general and administrative expenses</b>      |      |        |      |        |
| Travel  |      | 1,446  |      | 1,115  |
| Communications  |      | 1,138  |      | 1,030  |
| Tax and dues  |      | 522    |      | 478    |
| Publication   |      | 412    |      | 345    |
| Rental expense  |      | 2,295  |      | 1,876  |
| Vehicle   |      | 164    |      | 173    |
| Service fees  |      | 18,080 |      | 15,441 |
| Advertising   |      | 1,091  |      | 1,017  |
| Training  |      | 1,360  |      | 1,297  |
| Others  |      | 10,473 |      | 9,415  |
|   |      | 36,981 |      | 32,187 |
|   | W    | 92,603 | W    | 89,149 |

**25.2 Share-based Payments**

Share-based payments plan for executives and employees of the Company and its subsidiaries as of December 31, 2023, are as follows:

**25.2.1 Stock grants linked to long-term performance**

(In number of shares)

|                                | Grant date    | Number of granted shares <sup>1</sup> | Vesting conditions <sup>2</sup>  |
|--------------------------------|---------------|---------------------------------------|--|
| <b>KB Financial Group Inc.</b> |               |                                       |  |
| Series 30                      | Apr. 1, 2021  | 3,070                                 | Services fulfillment, market performance <sup>3</sup> 30%, and non-market performance <sup>4</sup> 70%       |
| Series 33                      | Jan. 1, 2022  | 55,868                                | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 34                      | Feb. 1, 2022  | 654                                   | Services fulfillment, market performance <sup>3</sup> 30%, and non-market performance <sup>4</sup> 70%       |
| Series 35                      | May 27, 2022  | 5,067                                 | Services fulfillment, market performance <sup>3</sup> 30%, and non-market performance <sup>4</sup> 70%       |
| Series 36                      | Jan. 1, 2023  | 55,645                                | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 38                      | Nov. 21, 2023 | 55,547                                | Services fulfillment, market performance <sup>3</sup> 30%, and non-market performance <sup>4</sup> 70%       |
| Deferred grant in 2015         |               | 3,183                                 | Satisfied  |
| Deferred grant in 2016         |               | 943                                   | Satisfied  |
| Deferred grant in 2018         |               | 884                                   | Satisfied  |
| Deferred grant in 2020         |               | 9,493                                 | Satisfied  |
| Deferred grant in 2021         |               | 18,105                                | Satisfied  |
| Deferred grant in 2022         |               | 38,277                                | Satisfied  |
| Deferred grant in 2023         |               | 40,881                                | Satisfied  |
|                                |               | 287,617                               |  |
| <b>Kookmin Bank</b>            |               |                                       |  |
| Series 83                      | Apr. 1, 2021  | 14,972                                | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 85                      | Jan. 1, 2022  | 259,752                               | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
|                                |               |                                       | Services fulfillment, market performance <sup>3</sup> 30%, and EPS & Asset Quality <sup>5</sup> 70%          |
| Series 86                      | Feb. 1, 2022  | 1,525                                 | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 88                      | Mar. 14, 2022 | 5,179                                 | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 90                      | Jul. 18, 2022 | 3,716                                 | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 91                      | Aug. 24, 2022 | 7,277                                 | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 92                      | Jan. 1, 2023  | 187,802                               | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 93                      | Mar. 15, 2023 | 585                                   | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 94                      | Apr. 1, 2023  | 8,794                                 | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |
| Series 95                      | Oct. 5, 2023  | 126                                   | Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% |

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25.2.1 Stock grants linked to long-term performance (cont'd)

| (In number of shares)     | Grant date | Number of granted shares <sup>1</sup> | Vesting conditions <sup>2</sup>                                  |
|---------------------------|------------|---------------------------------------|--|
| Deferred grant in 2016    |            | 799                                   | Satisfied  |
| Deferred grant in 2017    |            | 893                                   | Satisfied  |
| Deferred grant in 2018    |            | 1,145                                 | Satisfied  |
| Deferred grant in 2020    |            | 26,763                                | Satisfied  |
| Deferred grant in 2021    |            | 104,643                               | Satisfied  |
| Deferred grant in 2022    |            | 87,342                                | Satisfied  |
| Deferred grant in 2023    |            | 3,611                                 | Satisfied  |
|                           |            | <u>714,924</u>                        |  |
| <b>Other subsidiaries</b> |            |                                       |  |
| Stock granted in 2010     |            | 106                                   |  |
| Stock granted in 2011     |            | 146                                   |  |
| Stock granted in 2012     |            | 420                                   |  |
| Stock granted in 2013     |            | 544                                   |  |
| Stock granted in 2014     |            | 1,028                                 |  |
| Stock granted in 2015     |            | 2,014                                 |  |
| Stock granted in 2016     |            | 936                                   |  |
| Stock granted in 2017     |            | 9,162                                 | Services fulfillment, market performance <sup>3</sup> 0~50%, and |
| Stock granted in 2018     |            | 19,861                                | non-market performance <sup>4</sup> 50~100%                      |
| Stock granted in 2019     |            | 23,789                                |  |
| Stock granted in 2020     |            | 94,348                                |  |
| Stock granted in 2021     |            | 120,615                               |  |
| Stock granted in 2022     |            | 392,509                               |  |
| Stock granted in 2023     |            | 368,112                               |  |
|                           |            | <u>1,033,590</u>                      |  |
|                           |            | <u>2,036,131</u>                      |  |

<sup>1</sup> Granted shares represent the total number of shares initially granted to executives and employees who have residual shares as of December 31, 2023 (Deferred grants are residual shares vested as of December 31, 2023).

<sup>2</sup> Executives and employees were given the right of choice about the timing of the deferred payment (after the date of retirement), payment ratio, and payment period. Accordingly, a certain percentage of the granted shares is deferred for up to five years after the date of retirement after the deferred grant has been confirmed.

<sup>3</sup> Relative TSR (Total Shareholder Return): [(Fair value at the end of the contract - Fair value at the beginning of the contract) + (Total amount of dividend per share paid during the contract period)] / Fair value at the beginning of the contract

<sup>4</sup> Performance results of company and employee

<sup>5</sup> EPS, Asset Quality

The stock grant linked to long-term performance is an incentive plan that sets, on grant date, the maximum number of shares that can be awarded. Actual shares to be granted is determined in accordance with achievement of pre-set performance targets over the vesting period.

25.2.2 Stock grants linked to short-term performance

| (In number of shares)          | Estimated number of vested shares <sup>*</sup> | Vesting conditions             |
|--------------------------------|--|--------------------------------|
| <b>KB Financial Group Inc.</b> |  |                                |
| Stock granted in 2015          | 2,097  | Satisfied                      |
| Stock granted in 2016          | 3,034  | Satisfied                      |
| Stock granted in 2017          | 306  | Satisfied                      |
| Stock granted in 2018          | 380  | Satisfied                      |
| Stock granted in 2020          | 10,514   | Satisfied                      |
| Stock granted in 2021          | 23,677   | Satisfied                      |
| Stock granted in 2022          | 45,115   | Satisfied                      |
| Stock granted in 2023          | 46,045   | Proportional to service period |
| <b>Kookmin Bank</b>            |  |                                |
| Stock granted in 2015          | 419  | Satisfied                      |
| Stock granted in 2016          | 2,135  | Satisfied                      |
| Stock granted in 2017          | 535  | Satisfied                      |
| Stock granted in 2018          | 739  | Satisfied                      |
| Stock granted in 2020          | 44,890   | Satisfied                      |
| Stock granted in 2021          | 86,235   | Satisfied                      |
| Stock granted in 2022          | 164,595  | Satisfied                      |
| Stock granted in 2023          | 133,455  | Proportional to service period |
| <b>Other subsidiaries</b>      |  |                                |
| Stock granted in 2015          | 4,048  | Satisfied                      |
| Stock granted in 2016          | 18,144   | Satisfied                      |
| Stock granted in 2017          | 35,359   | Satisfied                      |
| Stock granted in 2018          | 82,096   | Satisfied                      |
| Stock granted in 2019          | 91,957   | Satisfied                      |
| Stock granted in 2020          | 262,023  | Satisfied                      |
| Stock granted in 2021          | 461,736  | Satisfied                      |
| Stock granted in 2022          | 511,024  | Satisfied                      |
| Stock granted in 2023          | 307,631  | Proportional to service period |
|                                | <u>2,338,189</u>                               |                                |

<sup>\*</sup> Executives and employees were given the right of choice about the timing of the deferred payment (after the date of retirement), payment ratio, and payment period. Accordingly, a certain percentage of the granted shares is deferred for up to five years after the date of retirement after the deferred grant has been confirmed.

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25.2.3 Stock grants are measured at fair value using the MonteCarlo simulation model and assumptions used in measuring the fair value as of December 31, 2023, are as follows:

| (In Korean won)                        | Risk-free rate (%) | Fair value (market performance condition) | Fair value (non-market performance condition) |
|--|--------------------|---|---|
| <b>Linked to long-term performance</b> |                    |   |   |
| (KB Financial Group Inc.)              |                    |   |   |
| Series 30                              | 3.43               | 43,098~48,307                             | 47,066~52,755                                 |
| Series 33                              | 3.43               | 41,446~51,061                             | 47,066~52,755                                 |
| Series 34                              | 3.43               | 39,972~46,008                             | 44,873~51,649                                 |
| Series 35                              | 3.43               | 44,392~49,758                             | 47,066~52,755                                 |
| Series 36                              | 3.43               | 44,873~52,755                             | 44,873~52,755                                 |
| Series 38                              | 3.43               | 35,080~40,381                             | 41,090~47,300                                 |
| Deferred grant in 2015                 | 3.43               | -   | 49,315~52,755                                 |
| Deferred grant in 2016                 | 3.43               | -   | 52,755  |
| Deferred grant in 2018                 | 3.43               | -   | 52,755  |
| Deferred grant in 2020                 | 3.43               | -   | 49,315~52,755                                 |
| Deferred grant in 2021                 | 3.43               | -   | 51,649~52,755                                 |
| Deferred grant in 2022                 | 3.43               | -   | 49,315~52,755                                 |
| Deferred grant in 2023                 | 3.43               | -   | 47,300~51,931                                 |
| (Kookmin Bank)                         |                    |   |   |
| Series 83                              | 3.43               | 42,053~48,307                             | 47,066~52,755                                 |
| Series 85                              | 3.43               | 38,623~48,102                             | 47,066~52,755                                 |
| Series 86                              | 3.43               | 39,972~46,008                             | 44,873~51,649                                 |
| Series 88                              | 3.43               | 41,215~47,439                             | 44,873~51,649                                 |
| Series 90                              | 3.43               | 42,737~49,190                             | 44,873~51,649                                 |
| Series 91                              | 3.43               | 42,750~49,206                             | 44,873~51,649                                 |
| Series 92                              | 3.43               | 44,873~52,755                             | 44,873~52,755                                 |
| Series 93                              | 3.43               | 47,066~52,755                             | 47,066~52,755                                 |
| Series 94                              | 3.43               | 42,787~52,755                             | 42,787~52,755                                 |
| Series 95                              | 3.43               | 43,187~48,407                             | 47,066~52,755                                 |
| Grant deferred in 2016                 | 3.43               | -   | 52,755  |
| Grant deferred in 2017                 | 3.43               | -   | 52,755  |
| Grant deferred in 2018                 | 3.43               | -   | 52,755  |
| Grant deferred in 2020                 | 3.43               | -   | 52,755  |
| Grant deferred in 2021                 | 3.43               | -   | 51,649~52,755                                 |
| Grant deferred in 2022                 | 3.43               | -   | 44,873~52,755                                 |
| Grant deferred in 2023                 | 3.43               | -   | 48,939~53,705                                 |
| (Other subsidiaries)                   |                    |   |   |
| Stock granted in 2010                  | 3.43               | -   | 52,755  |
| Stock granted in 2011                  | 3.43               | -   | 52,755  |
| Stock granted in 2012                  | 3.43               | -   | 49,315~52,755                                 |
| Stock granted in 2013                  | 3.43               | -   | 49,315~52,755                                 |
| Stock granted in 2014                  | 3.43               | -   | 49,315~52,755                                 |
| Stock granted in 2015                  | 3.43               | -   | 47,066~52,755                                 |
| Stock granted in 2016                  | 3.43               | -   | 51,649~52,755                                 |
| Stock granted in 2017                  | 3.43               | -   | 42,787~52,755                                 |
| Stock granted in 2018                  | 3.43               | -   | 40,891~56,379                                 |
| Stock granted in 2019                  | 3.43               | -   | 42,787~56,379                                 |
| Stock granted in 2020                  | 3.43               | -   | 44,873~56,379                                 |
| Stock granted in 2021                  | 3.43               | 40,108~52,755                             | 42,787~56,379                                 |
| Stock granted in 2022                  | 3.43               | 38,994~52,549                             | 44,873~53,544                                 |
| Stock granted in 2023                  | 3.43               | 39,278~52,755                             | 42,787~52,755                                 |

25.2.3 Stock grants are measured at fair value using the MonteCarlo simulation model and assumptions used in measuring the fair value as of December 31, 2023, are as follows: (cont'd)

| (In Korean won)                         | Risk-free rate (%) | Fair value (market performance condition) | Fair value (non-market performance condition) |
|---|--------------------|---|---|
| <b>Linked to short-term performance</b> |                    |   |   |
| (KB Financial Group Inc.)               |                    |   |   |
| Stock granted in 2015                   | 3.43               | -   | 49,315~52,755                                 |
| Stock granted in 2016                   | 3.43               | -   | 44,873~52,755                                 |
| Stock granted in 2017                   | 3.43               | -   | 52,755  |
| Stock granted in 2018                   | 3.43               | -   | 52,755  |
| Stock granted in 2020                   | 3.43               | -   | 49,315~52,755                                 |
| Stock granted in 2021                   | 3.43               | -   | 51,649~52,755                                 |
| Stock granted in 2022                   | 3.43               | -   | 49,315~52,755                                 |
| Stock granted in 2023                   | 3.43               | -   | 47,066~51,931                                 |
| (Kookmin Bank)                          |                    |   |   |
| Stock granted in 2015                   | 3.43               | -   | 52,755  |
| Stock granted in 2016                   | 3.43               | -   | 51,649~52,755                                 |
| Stock granted in 2017                   | 3.43               | -   | 52,755  |
| Stock granted in 2018                   | 3.43               | -   | 52,755  |
| Stock granted in 2020                   | 3.43               | -   | 52,755  |
| Stock granted in 2021                   | 3.43               | -   | 51,649~52,755                                 |
| Stock granted in 2022                   | 3.43               | -   | 44,873~52,755                                 |
| Stock granted in 2023                   | 3.43               | -   | 47,066~53,705                                 |
| (Other subsidiaries)                    |                    |   |   |
| Stock granted in 2015                   | 3.43               | -   | 42,787~52,755                                 |
| Stock granted in 2016                   | 3.43               | -   | 42,787~52,755                                 |
| Stock granted in 2017                   | 3.43               | -   | 40,891~52,755                                 |
| Stock granted in 2018                   | 3.43               | -   | 40,891~56,379                                 |
| Stock granted in 2019                   | 3.43               | -   | 42,787~56,379                                 |
| Stock granted in 2020                   | 3.43               | -   | 42,787~56,379                                 |
| Stock granted in 2021                   | 3.43               | -   | 42,787~56,379                                 |
| Stock granted in 2022                   | 3.43               | -   | 42,787~53,558                                 |
| Stock granted in 2023                   | 3.43               | -   | 42,787~53,581                                 |

The Company use the volatility of the stock price over the previous year as the expected volatility, and uses the arithmetic mean of the price-dividend ratio of one year before, two years before, and three years before the base year as the dividend yield and uses one-year risk-free rate of Korea Treasury Bond in order to measure the fair value.

Share-based payments arrangement for subsidiaries was transferred to the Company in 2010, and the related compensation cost paid to the executives and employees of subsidiaries is reimbursed by subsidiaries. The accrued expenses for share-based payments as of December 31, 2023 and 2022, are ₩ 202,249 million and ₩ 186,908 million, respectively, and the receivables to be reimbursed by subsidiaries for the compensation costs as of December 31, 2023 and 2022, are ₩ 184,433 million and ₩ 169,918 million, respectively. And compensation costs from share-based payments amounting to ₩ 8,551 million and ₩ 5,801 million were recognized for the years ended December 31, 2023 and 2022, respectively.



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**26. Net Other Non-Operating Income and Expenses**

Details of other non-operating income and expenses for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023           |          | 2022         |
|--|----------------|----------|--------------|
| <b>Other non-operating income</b>                  |                |          |              |
| Reversal of impairment losses of intangible assets | ₩ -            | ₩        | 2            |
| Others   | 5,841          |          | 2,008        |
|  | <u>5,841</u>   |          | <u>2,010</u> |
| <b>Other non-operating expenses</b>                |                |          |              |
| Impairment losses of intangible assets             | 94             |          | 2            |
| Donation   | 1,140          |          | 1,097        |
| Others   | 1              |          | 3            |
|  | <u>1,235</u>   |          | <u>1,102</u> |
| <b>Net other non-operating income</b>              | <u>₩ 4,606</u> | <u>₩</u> | <u>908</u>   |

**27. Income Tax Benefit (Expense)**

27.1 Details of income tax benefit (expense) for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|   | 2023              |          | 2022          |
|---|-------------------|----------|---------------|
| <b>Income tax payable</b>                             | ₩ -               | ₩        | -             |
| <b>Changes in deferred tax assets and liabilities</b> | (15,412)          |          | 14,321        |
| Origination and reversal of temporary differences     | (15,412)          |          | 14,321        |
| <b>Income tax recognized directly in equity</b>       | (345)             |          | 942           |
| Remeasurements of net defined benefit liabilities     | (345)             |          | 942           |
| <b>Income tax benefit (Expense)</b>                   | <u>₩ (15,757)</u> | <u>₩</u> | <u>15,263</u> |

27.2 Analysis of the relationship between net profit before income tax expense and income tax benefit (expense) for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023          |                   | 2022         |                 |
|--|---------------|-------------------|--------------|-----------------|
|  | Tax rate (%)  | Amount            | Tax rate (%) | Amount          |
| Profit before income tax expense                                   |               | ₩ 2,137,001       |              | ₩ 1,669,249     |
| Income tax at the applicable tax rate *                            | (25.92)       | (553,806)         | (26.88)      | (448,682)       |
| Non-taxable income   | 25.86         | 552,531           | 29.21        | 487,657         |
| Non-deductible expenses  | (0.06)        | (1,364)           | (0.05)       | (882)           |
| Tax rate change effect   | -             | -                 | (0.04)       | (751)           |
| Consolidated tax return effect                                     | (0.60)        | (12,772)          | (1.38)       | (23,021)        |
| Others   | (0.02)        | (346)             | 0.06         | 942             |
| <b>Average effective tax rate and income tax benefit (expense)</b> | <u>(0.74)</u> | <u>₩ (15,757)</u> | <u>0.91</u>  | <u>₩ 15,263</u> |

\* For the year ended December 31 2023, applicable income tax rate for ₩ 200 million and below is 9.9%, for over ₩ 200 million to ₩ 20,000 million is 20.9%, for over ₩ 20,000 to ₩ 300,000 million is 23.1%, for over ₩ 300,000 is 26.4%.

\* For the year ended December 31 2022, applicable income tax rate for ₩ 200 million and below is 11%, for over ₩ 200 million to ₩ 20,000 million is 22%, for over ₩ 20,000 to ₩ 300,000 million is 24.2%, for over ₩ 300,000 is 27.5%.

**28. Earnings per Share**

28.1 Basic Earnings per Share

Basic earnings per share is calculated from the earnings attributable to ordinary shares.

28.1.1 Weighted average number of ordinary shares outstanding

(In number of shares)

|  | 2023               |                              | 2022               |                              |
|--|--------------------|------------------------------|--------------------|------------------------------|
|  | Number of shares   | Accumulated number of shares | Number of shares   | Accumulated number of shares |
| Number of issued ordinary shares                       | 403,511,072        | 147,787,824,904              | 408,897,068        | 150,138,929,728              |
| Number of treasury shares *                            | (24,847,247)       | (7,617,096,867)              | (19,262,733)       | (7,922,397,453)              |
| Average number of ordinary shares outstanding          | <u>378,663,825</u> | <u>140,170,728,037</u>       | <u>389,634,335</u> | <u>142,216,532,275</u>       |
| Number of days   |                    | 365                          |                    | 365                          |
| Weighted average number of ordinary shares outstanding |                    | 384,029,392                  |                    | 389,634,335                  |

\* Treasury stock retired during the year ended December 31, 2023 and 2022 were deducted from April 4, 2023 and February 14, 2022, respectively.

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28.1.2 Basic earnings per share

(In Korean won and in number of shares)

|  | 2023                | 2022                |
|--|---------------------|---------------------|
| Profit for the period                                      | ₩ 2,121,243,990,198 | ₩ 1,684,512,284,129 |
| Deduction: Dividends on hybrid securities                  | (184,915,050,000)   | (126,402,175,000)   |
| Profit attributable to ordinary equity holders (A)         | 1,936,328,940,198   | 1,558,110,109,129   |
| Weighted average number of ordinary shares outstanding (B) | 384,029,392         | 389,634,335         |
| Basic earnings per share (A/B)                             | ₩ 5,042             | ₩ 3,999             |

28.2 Diluted Earnings per Share

Diluted earnings per share is calculated through increasing the weighted average number of ordinary shares outstanding by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares such as stock grants and ordinary share exchange right of exchangeable bonds.

A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price for the year) based on the monetary value of stock grants. The number of shares calculated above is compared with the number of shares that would have been issued assuming the settlement of stock grants.

Exchangeable bonds are included in potential ordinary shares from the exercisable date of the exchange right, and interest expense after tax for the period is added to profit for diluted earnings per share.

28.2.1 Adjusted profit for diluted earnings per share

(In Korean won)

|  | 2023                | 2022                |
|--|---------------------|---------------------|
| Profit attributable to the ordinary equity holders * | ₩ 1,936,328,940,198 | ₩ 1,558,110,109,129 |
| Adjustment:  |                     |                     |
| Interest expense on exchangeable bonds               | 2,451,851,049       | 2,380,953,816       |
| Adjusted profit for diluted earnings per share       | ₩ 1,938,780,791,247 | ₩ 1,560,491,062,945 |

\* The amount is after deducting dividends on hybrid securities.

28.2.2 Weighted average number of ordinary shares outstanding for diluted earnings per share

(In number of shares)

|  | 2023        | 2022        |
|--|-------------|-------------|
| Weighted average number of ordinary shares outstanding   | 384,029,392 | 389,634,335 |
| Adjustment:  |             |             |
| Stock grants   | 4,300,774   | 4,306,711   |
| Exchangeable bonds   | 5,000,000   | 5,000,000   |
| Adjusted weighted average number of ordinary shares outstanding for diluted earnings per share | 393,330,166 | 398,941,046 |

28.2.3 Diluted earnings per share

(In Korean won and in number of shares)

|  | 2023                | 2022                |
|--|---------------------|---------------------|
| Adjusted profit for diluted earnings per share   | ₩ 1,938,780,791,247 | ₩ 1,560,491,062,945 |
| Adjusted weighted average number of ordinary shares outstanding for diluted earnings per share | 393,330,166         | 398,941,046         |
| Diluted earnings per share   | ₩ 4,929             | ₩ 3,912             |

29. Statement of Cash Flows

29.1 Details of cash and cash equivalents as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | December 31,<br>2023 |           | December 31,<br>2022 |           |
|--|----------------------|-----------|----------------------|-----------|
| Due from financial institutions  | ₩                    | 256,337   | ₩                    | 351,056   |
| Deduction:   |                      | 256,337   |                      | 351,056   |
| Restricted due from financial institutions                                 |                      | (3)       |                      | (3)       |
| Due from financial institutions with original maturities over three months |                      | (140,000) |                      | (120,000) |
|  |                      | (140,003) |                      | (120,003) |
|  | ₩                    | 116,334   | ₩                    | 231,053   |

29.2 Significant non-cash transactions for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|  | 2023 |         | 2022 |         |
|--|------|---------|------|---------|
| Changes in receivables and payables from consolidated tax return | ₩    | 297,486 | ₩    | 485,720 |
| Changes in receivables and payables related to stock grants      |      | 14,516  |      | (6,791) |

29.3 Cash inflows and outflows from income tax, interest, and dividends for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                    | Activity  | 2023 |           | 2022 |           |
|--------------------|-----------|------|-----------|------|-----------|
| Income tax paid    | Operating | ₩    | 5,242     | ₩    | 3,887     |
| Interest received  | Operating |      | 30,837    |      | 14,229    |
| Interest paid      | Operating |      | 100,634   |      | 107,924   |
| Dividends received | Operating |      | 2,240,975 |      | 1,904,586 |
| Dividends paid     | Financing |      | 1,336,816 |      | 1,564,153 |

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29.4 Changes in liabilities arising from financing activities for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|            | 2023        |                |                  |           |
|------------|-------------|----------------|------------------|-----------|
|            | Beginning   | Net cash flows | Non-cash changes | Ending    |
| Borrowings | ₩ -         | ₩ 100,000      | ₩ -              | ₩ 100,000 |
| Debentures | 4,956,949   | (1,089,891)    | 4,762            | 3,871,820 |
|            | ₩ 4,956,949 | (989,891)      | 4,762            | 3,971,820 |

(In millions of Korean won)

|            | 2022        |                |                  |             |
|------------|-------------|----------------|------------------|-------------|
|            | Beginning   | Net cash flows | Non-cash changes | Ending      |
| Debentures | ₩ 5,552,791 | ₩ (601,102)    | ₩ 5,260          | ₩ 4,956,949 |

**30. Contingent Liabilities and Commitments**

30.1 Commitments made with financial institutions as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                            | December 31, 2023     |                 | December 31, 2022     |                 |
|----------------------------|-----------------------|-----------------|-----------------------|-----------------|
|                            | Amount of commitments | Amount borrowed | Amount of commitments | Amount borrowed |
| General loan Hana Bank     | ₩ 200,000             | ₩ -             | ₩ 200,000             | ₩ -             |
| General loan Shinhan Bank  | 200,000               | -               | -                     | -               |
| General loan NongHyup Bank | 300,000               | -               | -                     | -               |

30.2 Other Matters (including litigation)

The Company has 1 pending lawsuit as a defendant with aggregate claims amount of ₩0.1 million, which arose in the normal course of the management activities, as of December 31, 2023.

**31. Related Party Transactions**

According to Korean IFRS No.1024, the Company includes subsidiaries and key management personnel (including family members) in the scope of related parties. The Company discloses balances (receivables and payables) and other amounts arising from transactions with related parties in the notes to the financial statements. Refer to Note 9 for details of subsidiaries. Key management personnel include the executives of the Company, their close family members, and the companies where the executives and/or their close family members have control or joint control.

31.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

| Subsidiaries                    | Profit or loss  | 2023      | 2022      |
|---------------------------------|---|-----------|-----------|
| Kookmin Bank                    | Interest income   | ₩ 12,010  | ₩ 6,247   |
|                                 | Fee and commission income   | 1,259     | 1,262     |
|                                 | Net other operating income <sup>1</sup>                                     | 1,346,588 | 1,031,167 |
|                                 | General and administrative expenses   | 12,601    | 11,351    |
| KB Securities Co., Ltd.         | Interest expense  | -         | 15        |
|                                 | Fee and commission income   | 88        | 119       |
|                                 | Net gains (losses) on financial assets at fair value through profit or loss | 46,168    | (18,596)  |
|                                 | Net other operating income <sup>1</sup>                                     | 100,000   | 400,000   |
| KB Insurance Co., Ltd.          | General and administrative expenses   | 296       | 440       |
|                                 | Fee and commission income   | 138       | 170       |
|                                 | General and administrative expenses   | 1,502     | 1,631     |
|                                 | Net other operating income <sup>1</sup>                                     | 349,990   | -         |
| KB Kookmin Card Co., Ltd.       | Fee and commission income   | 33        | 39        |
|                                 | Net other operating income <sup>1</sup>                                     | 200,008   | 250,056   |
|                                 | General and administrative expenses   | 414       | 92        |
|                                 | Net non-operating income <sup>2</sup>                                       | 3,922     | 6         |
| KB Life Insurance Co., Ltd.     | Fee and commission income   | 45        | 29        |
|                                 | Net other operating income <sup>1</sup>                                     | 100,000   | 100,000   |
|                                 | General and administrative expenses   | 958       | 572       |
| KB Asset Management Co., Ltd.   | Net other operating income <sup>1</sup>                                     | 60,000    | 40,000    |
|                                 | General and administrative expenses   | 2         | -         |
| KB Capital Co., Ltd             | Interest income   | 4,830     | 487       |
|                                 | Fee and commission income   | 16        | 17        |
|                                 | Net gains on financial assets at fair value through profit or loss          | 43,570    | 9,570     |
|                                 | General and administrative expenses   | -         | 40        |
| KB Life Insurance Co., Ltd.     | Provision for credit losses   | 289       | 234       |
|                                 | Fee and commission income   | -         | 24        |
|                                 | General and administrative expenses   | -         | 346       |
| KB Real Estate Trust. Co., Ltd. | Interest income   | 943       | -         |
|                                 | Net other operating income <sup>1</sup>                                     | 35,000    | 40,000    |
|                                 | Provision for credit losses   | 133       | -         |
| KB Savings Bank Co., Ltd.       | Interest income   | 4,777     | 3,990     |
|                                 | Fee and commission income   | 2         | 1         |
|                                 | Net gains (losses) on financial assets at fair value through profit or loss | 3,818     | (9,185)   |

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31.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

| Subsidiaries                                    | Profit or loss                          | 2023    | 2022    |
|---|---|---------|---------|
| KB Investment Co., Ltd.                         | Interest income                         | ₩ 8,697 | ₩ 6,537 |
|   | Net other operating income <sup>1</sup> | -       | 10,000  |
|   | Provision for credit losses             | 140     | 53      |
| KB Data Systems Co., Ltd.                       | General and administrative expenses     | 2,914   | 2,653   |
|   | Net other operating income <sup>1</sup> | 600     | -       |
| Other related parties                           |   | 2023    | 2022    |
| KB Credit Information Co., Ltd.<br><sup>3</sup> | Interest income                         | ₩ 227   | ₩ 49    |
|   | Net other operating income <sup>1</sup> | 200     | -       |
|   | Reversal (Provision) for credit losses  | 16      | (16)    |

<sup>1</sup> Net other operating income includes dividend income from subsidiaries.

<sup>2</sup> Includes ₩ 3,917 million of gains on disposal of investments in KB Credit Information Co., Ltd.

<sup>3</sup> The Company sold the 100% shares of KB Credit Information Co., Ltd. to Kookmin Card Co., Ltd. on June 30, 2023.

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

| Subsidiaries                  | Assets or liabilities                                 | December 31, 2023 | December 31, 2022 |
|-------------------------------|---|-------------------|-------------------|
| Kookmin Bank                  | Cash and due from financial institutions              | ₩ 114,336         | ₩ 231,056         |
|                               | Other assets  | 308,475           | 828,505           |
|                               | Other liabilities                                     | 45                | 97                |
|                               | Property and equipment                                | 1,055             | 357               |
| KB Securities Co., Ltd.       | Financial assets at fair value through profit or loss | 523,188           | 401,732           |
|                               | Other assets  | 92,212            | 66,162            |
|                               | Other liabilities                                     | 1                 | 116,503           |
| KB Insurance Co., Ltd.        | Other assets  | 21,170            | 111,433           |
|                               | Other liabilities                                     | 42,956            | 47                |
| KB Kookmin Card Co., Ltd.     | Other assets  | 56,852            | 88,968            |
|                               | Other liabilities                                     | 730               | 755               |
| KB Life Insurance Co., Ltd.   | Other assets  | 9,552             | 70,534            |
|                               | Other liabilities                                     | 132,548           | 67                |
| KB Asset Management Co., Ltd. | Other assets  | 11,508            | 21,033            |
|                               | Financial assets at fair value through profit or loss | 488,175           | 472,439           |
| KB Capital Co., Ltd.          | Loans measured at amortized cost (gross amount)       | 200,000           | 200,000           |
|                               | Allowances for credit losses                          | 522               | 234               |
|                               | Other assets  | 19,364            | 52,941            |
|                               | Other liabilities                                     | -                 | 9,188             |
| KB Life Insurance Co., Ltd.   | Other assets  | -                 | 4,655             |
|                               | Other liabilities                                     | -                 | 9,188             |

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

| Subsidiaries                    | Assets or liabilities                                 | December 31, 2023 | December 31, 2022 |
|---------------------------------|---|-------------------|-------------------|
| KB Real Estate Trust Co., Ltd.  | Loans measured at amortized cost (gross amount)       | ₩ 50,000          | ₩ -               |
|                                 | Allowances for credit losses                          | 131               | -                 |
|                                 | Other assets  | 3,949             | 8,860             |
|                                 | Other liabilities                                     | 8,910             | -                 |
| KB Savings Bank Co., Ltd.       | Cash and due from financial institutions              | 140,000           | 120,000           |
|                                 | Financial assets at fair value through profit or loss | 48,980            | 43,524            |
|                                 | Other assets  | 4,729             | 7,280             |
|                                 | Other liabilities                                     | 2,599             | 67                |
| KB Investment Co., Ltd.         | Loans measured at amortized cost (gross amount)       | 360,000           | 310,000           |
|                                 | Allowances for credit losses                          | 1,061             | 924               |
|                                 | Other assets  | 8,579             | 5,943             |
|                                 | Other liabilities                                     | 331               | 1,716             |
| KB Data Systems Co., Ltd.       | Intangible assets                                     | 331               | 1,716             |
|                                 | Other assets  | 1,972             | 3,456             |
|                                 | Other liabilities                                     | 1,118             | 208               |
| Other related parties           |   | December 31, 2023 | December 31, 2022 |
| KB Credit Information Co., Ltd. | Loans measured at amortized cost (gross amount)       | -                 | 13,500            |
|                                 | Allowances for credit losses                          | -                 | 16                |
|                                 | Other assets  | 996               | 1,054             |
|                                 | Other liabilities                                     | 94                | 61                |

<sup>1</sup> The Company sold the 100% shares of KB Credit Information Co., Ltd. to Kookmin Card Co., Ltd. on June 30, 2023.

31.3 Right-of-use assets and lease liabilities with related parties as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

| Subsidiary | Kookmin Bank | Right-of-use assets | December 31, 2023 | December 31, 2022 |
|------------|--------------|---------------------|-------------------|-------------------|
|            |              |                     | ₩ 1,055           | ₩ 357             |

31.4 Unused commitments provided from related parties as of December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

| Subsidiary | KB Kookmin Card Co., Ltd. | Unused lines of credit for credit card | December 31, 2023 | December 31, 2022 |
|------------|---------------------------|--|-------------------|-------------------|
|            |                           |  | ₩ 2,270           | ₩ 2,245           |

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31.5 Share transactions with related parties for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                     |                                 | 2023 |         | 2022 |         |
|---------------------|---------------------------------|------|---------|------|---------|
| Subsidiary          | KB Capital Co., Ltd.            | W    | -       | W    | 100,000 |
|                     | KB Securities Co., Ltd.         |      | 100,000 |      | 430,000 |
| Other related party | KB Credit Information Co., Ltd. |      | 23,620  |      | -       |

31.6 Details of significant lending transactions with related parties for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                     |  | 2023      |          |            |           |
|---------------------|--|-----------|----------|------------|-----------|
|                     |  | Beginning | Loan     | Collection | Ending    |
| Subsidiary          | KB Investment Co., Ltd.                      | W 310,000 | W 50,000 | W -        | W 360,000 |
|                     | KB Capital Co., Ltd.                         | 200,000   | -        | -          | 200,000   |
|                     | KB Savings Bank Co., Ltd. <sup>1</sup>       | 70,000    | -        | -          | 70,000    |
|                     | KB Real Estate Trust Co., Ltd.               | -         | 50,000   | -          | 50,000    |
| Other related party | KB Credit Information Co., Ltd. <sup>2</sup> | 13,500    | -        | (13,500)   | -         |

<sup>1</sup> Par value of subordinated bond issued by KB Savings Bank Co., Ltd. The difference between par value and fair value at the acquisition date was accounted for as investments in subsidiaries.

<sup>2</sup> The Company sold the 100% shares of KB Credit Information Co., Ltd. to Kookmin Card Co., Ltd. on June 30, 2023.

(In millions of Korean won)

|            |  | 2022      |          |            |           |
|------------|--|-----------|----------|------------|-----------|
|            |  | Beginning | Loan     | Collection | Ending    |
| Subsidiary | KB Investment Co., Ltd.                      | W 250,000 | W 60,000 | W -        | W 310,000 |
|            | KB Credit Information Co., Ltd. <sup>1</sup> | -         | 13,500   | -          | 13,500    |
|            | KB Capital Co., Ltd.                         | -         | 200,000  | -          | 200,000   |
|            | KB Savings Bank Co., Ltd. <sup>2</sup>       | 70,000    | -        | -          | 70,000    |

<sup>1</sup> The Company sold the 100% shares of KB Credit Information Co., Ltd. to Kookmin Card Co., Ltd. on June 30, 2023

<sup>2</sup> Par value of subordinated bond issued by KB Savings Bank Co., Ltd. The difference between par value and fair value at the acquisition date was accounted for as investments in subsidiaries.

31.7 Details of compensation to key management personnel for the years ended December 31, 2023 and 2022, are as follows:

(In millions of Korean won)

|                                      |  | 2023                         |                          |                      |          |
|--------------------------------------|--|------------------------------|--------------------------|----------------------|----------|
|                                      |  | Short-term employee benefits | Post-employment benefits | Share-based payments | Total    |
| Registered directors (executive)     |  | W 1,286                      | W 65                     | W 1,850              | W 3,201  |
| Registered directors (non-executive) |  | 676                          | -                        | -                    | 676      |
| Non-registered directors             |  | 6,768                        | 263                      | 6,701                | 13,732   |
|                                      |  | W 8,730                      | W 328                    | W 8,551              | W 17,609 |

(In millions of Korean won)

|                                      |  | 2022                         |                          |                      |          |
|--------------------------------------|--|------------------------------|--------------------------|----------------------|----------|
|                                      |  | Short-term employee benefits | Post-employment benefits | Share-based payments | Total    |
| Registered directors (executive)     |  | W 1,100                      | W 33                     | W 932                | W 2,065  |
| Registered directors (non-executive) |  | 638                          | -                        | -                    | 638      |
| Non-registered directors             |  | 6,955                        | 140                      | 4,869                | 11,964   |
|                                      |  | W 8,693                      | W 173                    | W 5,801              | W 14,667 |

31.8 The Company paid W 15 million and W 45 million to KB Securities Co., Ltd., a subsidiary, for the underwriting and arrangement of debentures and hybrid securities for the years ended December 31, 2023 and 2022, respectively.

### 32. Events after the reporting period

The Company plans to acquire W 320,000 million of its own shares and retire the treasury shares by August 7, 2024 pursuant to board resolutions dated February 7, 2024.

### 33. Approval of Issuance of the Financial Statements

The issuance of the Company's separate financial statements as of and for the year ended December 31, 2023, was initially approved on February 7, 2024 and re-approved due to revision on March 5, 2024 by the Board of Directors.



**Independent Auditor's Report on  
Internal Control over Financial Reporting**

(English Translation of a Report Originally Issued in Korean)

**To Shareholders and the Board of Directors of KB Financial Group Inc.**

**Opinion on Internal Control over Financial Reporting**

We have audited KB Financial Group Inc.'s (the Company) Internal Control over Financial Reporting as at December 31, 2023, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2023, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*.

We also have audited, in accordance with Korean Standards on Auditing, the separate financial statements of the Company, which comprise the separate statement of financial position as at December 31, 2023, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flow for the year then ended, and notes to the separate financial statements including material accounting policy information, and our report dated March 6, 2024 expressed an unqualified opinion.

**Basis for Opinion on Internal Control over Financial Reporting**

We conducted our audit in accordance with Korean Standards on Auditing. Our responsibility under these standards are further described in the *Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting* section of our report. We are independent of the Company in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of internal control over financial reporting and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management and Those Charged with Governance for Internal Control over Financial Reporting**

Management is responsible for designing, implementing and maintaining effective internal control over financial reporting, and for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying *Operating Status Report of Internal Control over Financial Reporting*.

Those charged with governance have the responsibilities for overseeing internal control over financial reporting.

**Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting**

Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We conducted the audit in accordance with Korean Standards on Auditing. 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.

An 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. An 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 based on the assessed risk.

**Definition and Inherent Limitations of Internal Control over Financial Reporting**

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with International Financial Reporting



Standards as adopted by the Republic of Korea. An entity'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 entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The engagement partner on the audit resulting in this independent auditor's report is Yeob Yu, Certified Public Accountant.

/s/ Samil PricewaterhouseCoopers  
Seoul, Korea  
March 6, 2024

This report is effective as at March 6, 2024, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the Company's internal control over financial reporting thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

### **Operating Status Report of the Internal Control over Financial Reporting**

To the Shareholder, Board of Directors and Audit Committee of KB Financial Group Inc..

We, as the Chief Executive Officer and the Internal Accounting Manager of of KB Financial Group Inc. ("the Company"), assessed operating status of the Company's Internal Control over Financial Reporting ("ICFR") for the year ending December 31, 2023.

Design and operation of ICFR is the responsibility of the Company's management, including the Chief Executive Officer and the Internal Accounting Manager (collectively, "We", "Our" or "Us").

We evaluated whether the Company effectively designed and operated its ICFR to prevent and detect errors or frauds which may cause a misstatement in financial statements to ensure preparation and disclosure of reliable 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, 2023, 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.

March 5, 2024

Jong Hee Yang,  
Chief Executive Officer

Jae Kwan Kim,  
Internal Accounting Manager



 **KB Financial Group**