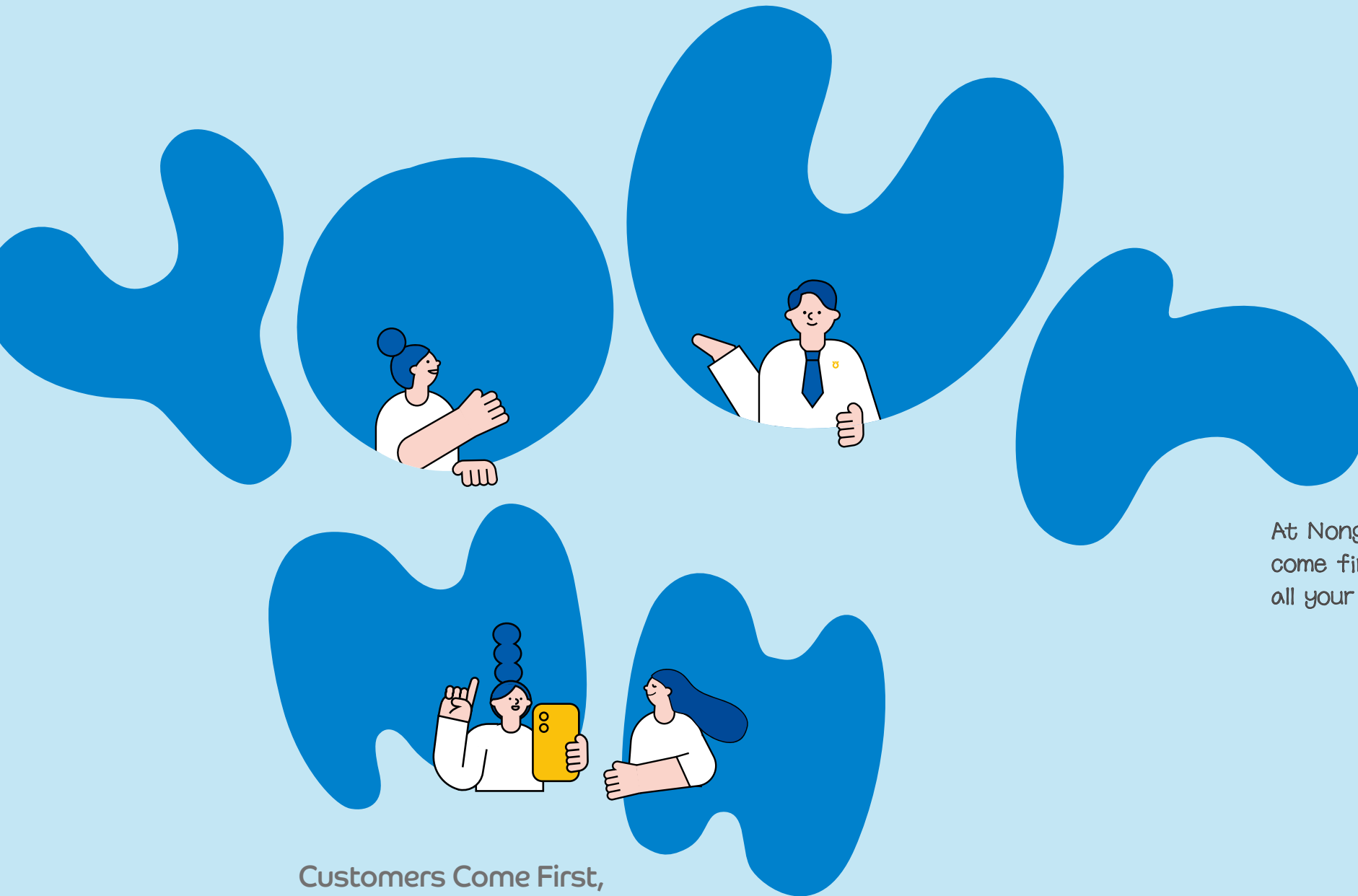


Customers Come First, **Your Bank**  **NH**



At NongHyup, customers always
come first—your go-to bank for
all your financial needs.

Customers Come First,
Your Bank ♥ NH

Contents

04 CEO MESSAGE

06 NONGHYUP BANK OVERVIEW

- 08 History
- 09 Company Overview
- 10 Vision and Management Strategy
- 12 Board of Directors
- 13 Executive Officers
- 14 Organizational Chart & Other General Status

16 BUSINESS AREA

- 18 Financial Management
- 20 Digital Strategy Business
- 22 Process Innovation
- 24 Data Business
- 26 NH Members Business
- 28 Retail Marketing
- 30 Corporate Marketing
- 32 Digital Platform
- 34 Corporate Digital Platform
- 36 International Banking Business
- 38 Investment Banking
- 40 Agricultural Finance
- 44 Agriculture & Food Investment
- 46 Public Sector Banking
- 48 Risk Management
- 50 Wealth Management
- 52 Trust Banking
- 54 Retirement Pension
- 56 Global Business
- 60 Consumer Protection
- 62 NH Card

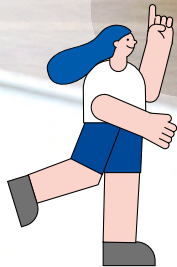
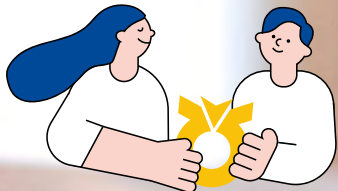
66 NONGHYUP BANK ESG

- 68 ESG Business

76 2023 FINANCIAL STATEMENTS

- 78 Independent Auditor's Report (Consolidated)
- 79 Consolidated Statements of Financial Position
- 80 Consolidated Statements of Profit or Loss and Other Comprehensive Income
- 81 Consolidated Statements of Changes in Equity
- 82 Consolidated Statements of Cash Flows
- 84 Independent Auditors' Report (Separate)
- 85 Separate Statements of Financial Position
- 86 Separate Statements of Profit or Loss and Other Comprehensive Income
- 87 Separate Statements of Changes in Equity
- 88 Separate Statements of Cash Flows

90 NETWORKS



First Bank

Go-to bank for all your financial

Customers' trust is the one thing that will never lose its value in the world of finance. NongHyup Bank will realign our fundamentals to gain trust, always placing customer satisfaction at the top of our agenda.



CEO Message



I would like to extend heartfelt gratitude for your constant love and support for NongHyup Bank. I wish you and your family good health and happiness.

Last year, despite rapid changes in the financial landscape, NongHyup Bank achieved stellar results while building a foundation for sustainable growth. We obtained the highest level of international credit rating in the banking sector. We also became the only bank to earn a 'Good' rating in the Financial Consumer Protection Evaluation, solidifying our position as a leader in consumer protection.

With various adverse conditions both at home and abroad, 2024 is shaping up to be another year of challenges and uncertainties for NongHyup Bank. A global recession looms in the aftermath of monetary tightening in major countries and escalating geopolitical tensions, while the domestic economy is expected to remain under the shadow of low growth with increasing household debts and slower consumption.

This year, we will prioritize gaining customers' trust, the one thing that will not lose its value in the financial world. We will strive to become a go-to bank for all your financial needs. To this end, we will focus on the following goals.

First, we will consolidate our ESG management framework and strengthen our preemptive risk management practices.

Only companies that are respected and loved by society can expect growth and longevity. To embrace ESG management, which emphasizes corporate responsibility for a sustainable environment and society, we will actively integrate ESG practices into our overall management. This includes launching ESG-specialized products and developing new business models. We will also proactively prepare for increased macroeconomic uncertainties and the increase in marginal companies by building a sophisticated risk management support system and thoroughly managing potential risks.

Second, we will enhance our future competitiveness by building a digital financial ecosystem.

For NongHyup Bank, enhanced digital competitiveness is crucial for our survival. We will lead the creation of a digital financial ecosystem through core initiatives such as advancing NH All-One Bank app as a super platform, strengthening data utilization, innovating work processes, and internalizing digital core technologies. Our goal is to transform NH All-One Bank app into a

comprehensive super platform that integrates daily life and finance, and to develop unique products and services using cutting-edge digital technologies like AI and blockchain.

Third, we will build core capabilities for distinguished competitiveness.

We will further strengthen our competitiveness in agricultural finance, public finance, and regional finance by actively pursuing digital transformation, expanding consulting services tailored to the agricultural sector, and developing specialized agri-food loan models. Additionally, we will enhance the competitiveness of our corporate finance offerings and the quality of our wealth management business by providing comprehensive asset management services centered on customer and market needs. In the retail finance sector, we aim to solidify our business foundation by providing sophisticated marketing and unique benefits for each customer group, based on data. Furthermore, we are expanding our customer base by promoting NongHyup Bank as their primary bank choice.

Lastly, we will undergo transformation and innovation.

The banking industry landscape is rapidly evolving due to advancements in digital technologies and shifts in the regulatory environment. We will break away from traditional conventions, redesign the bank from the ground up, and prepare for long-term future changes.

Dear NongHyup Bank customers! As we enter 2024, the path ahead for NongHyup Bank is anticipated to be filled with challenges and uncertainties. To navigate these turbulent times, we at NongHyup Bank are committed to refreshing our mindset and realigning our core values, with a steadfast focus on prioritizing customers. We believe that a clear path forward emerges when we adhere to our fundamental principles.

We pledge to remain by your side as a compassionate financial partner that serves as a vital link between rural and urban communities, and that extends warmth to all our fellow citizens. We deeply value your continued support and encouragement as we stride confidently into the future.

NongHyup Bank, President & CEO
Lee Seok Yong

이석용

2023 NongHyup Bank Overview



NongHyup Bank Overview



- 08 History
- 09 Company Overview
- 10 Vision and Management Strategy
- 12 Board of Directors
- 13 Executive Officers
- 14 Organizational Chart & Other General Status

History

- 1961** 08 National Agricultural Cooperative Federation (NACF) established
- 2009** 02 NongHyup Bank opens The Blue House Branch
11 NongHyup Card launches 「Chae-um」 Brand
- 2011** 03 The National Assembly passes the amended Agricultural Cooperative Act
06 Tops the credit card business category of the Korean Smart App Assessment Index (KSAAI)
- 2012** 03 **Launched NongHyup Bank**
Earns Korea's highest long-term grade of A1 from Moody's (the same as Korean government)
Earns Korea's highest long-term grade of A from S&Ps (the same as Korean government)
09 First bank to open a branch at the Central Government Complex in Sejong City
- 2013** 03 Open Hanoi Office in Vietnam
08 Open New York Branch in USA
09 Open Beijing Office in China
- 2014** 06 「NH Smart Banking」 service wins first prize in the financial category at the Mobile Awards Korea 2014
- 2015** 03 Winner of the STP (Straight Through Processing) Excellence Award by HSBC
06 「NH Smart Banking」 service wins the grand prize in the banking category at the 2015 Consumer's Choice Awards
10 Winner of the STP (Straight Through Processing) Excellence Award by Standard Chartered
- 2016** 04 Win the first prize in 「Retirement Pension Planning」 from the Korea Customer Surprise Brand Index (Korea Brand Management Association)
06 Open the New Delhi Office in India
12 Open the Hanoi branch in Vietnam
NongHyup Bank is selected as the best institution for bank frauderadication (Financial Supervisory Service)
- 2017** 02 「Financial Instruments of Excellence in Financial Education in 2016」 (Financial Supervisory Service)
10 Launch 「Cloud Branch」 to manage funds within the cloud (First in the Korean financial sector)
- 2018** 01 Awarded 2018 KCAB Korea Consumer Evaluation Best Brand Award
07 Selected as No. 1 social contribution in the banking sector for the seventh consecutive year
11 Opens the Ho Chi Minh City Office in Vietnam
- 2019** 04 Launch of 「P2P Financial Certificate Blockchain Service」 (first in the banking sector)
11 Awarded 2019 Korea Social Contribution Awards
- 2020** 10 Start using artificial intelligence to check incomplete sales (First in the Korean financial sector)
Open the Yangon Office in Myanmar
12 NH Card established the professional billiard team 「Green Force」
「The best financial company providing financial support for the working class」 (Financial Supervisory Service)
Acquisition of the ISO 14001 certification on environmental management
- 2021** 01 My Data acquired the main approval (Financial Services Commission)
04 Acquired final approval for the Hong Kong branch
05 Launched aircraft boarding service with biometric information authentication (first in the financial sector)
08 Opened the London office in the UK
Became a signatory to the Equator Principles
12 Acquired final approval for Beijing Branch in China
Received Presidential Citation for 「Financial Support for SMEs and Startups」
- 2022** 01 Acquired BM Patent for 「Automatic Loan Termination AI Counseling System」
04 Selected 5 consecutive years as 「Financial Instruments of Excellence in Financial Education」 (Financial Supervisory Service)
07 Opened real-time Virtual Asset Inquiry Service for NH My Data (first in the financial sector)
09 Opened the Sydney Branch
10 Acquired certification for Privacy and Personal Information Management System (ISMS-P)
12 Won the Excellent Award in the Inclusive Finance Category at the Financial Supervisory Service Awards for three consecutive years
- 2023** 03 Opened the Digital Loan Center
09 Launched Open Banking Safety Service (first in the financial sector)
10 Exceeded 10million users of NH All-One Bank app
11 Raised Moody's credit rating from A1 to Aa3
Obtained a comprehensive rating of "good" in the evaluation of financial consumer protection
12 Awarded the Excellence Award for "financial Inclusion" hosted by the Financial Supervisory Service
Won a 2023 Carbon Neutrality Competition award (Minister of Environment Award)

Profile

NongHyup Bank, a wholly national capital bank established with 100% domestic capital, boasts the largest branch network in Korea. We play a significant role in managing both government and local government finances, specializing in supporting government-related financial activities. As a key affiliate of NongHyup Financial Group, we are dedicated to enhancing your asset values through optimized portfolio management and earning public trust with our customer-centered approach. Importantly, we are committed to giving back to the community by reinvesting our profits to support rural areas. This dedication underscores NongHyup's commitment to co-existence and our leadership in improving the quality of life in the agricultural sector.

Credit Rating

Aa3
MOODY'S

A+
S&P

A
Fitch

Founded

August 1961

Separated as a corporation due to the amendment to the Agricultural Cooperative Act

March 2012

Number of Branches

1,110

Number of Employees

13,510

Management Ideology

Vision and Strategy

The Nation's No.1 Beloved Bank

Beloved Bank

A trustworthy bank loved not only by its customers and employees, but also by all people throughout the nation



Nation's Leading Bank

A respected bank that shares true values with the people, which was established with 100% domestic capital.

No. 1 Bank

A bank representing Korea that will pave the way in all aspects, including customer service, reliability, and social contribution



To earn stronger trust from customer and to bring about a world where farmers and people stand together, NongHyup Bank will continue to do its best.

Business Strategy and Goal

Go-To Bank for All Financial

Providing customer-centered services to excel as a bank that truly captivates customers

Priority Tasks

- 01** Enhance competitiveness in core businesses
- 02** Build a digital finance ecosystem
- 03** Create a profit structure for future growth
- 04** Secure a foundation for sustainable growth




Board Of Directors & Executive Officers

Board of Directors

(As of April 1, 2024)

Inside Director



President & CEO LEE, SEOK YONG

Current President & CEO
Chairman of Board Steering Committee

Former Director of Planning and Coordination at NACF
Head Of Seoul Regional Division

Outside Director

KO, IL YONG

Current
Audit Committee

Former
Audit Division of Lotte Card
Head of the bank list business office of FSS

Outside Director

Director
CHO, YONG HO

Current
Chair Professor at Konkuk University Law School

Former
Justice of Constitutional Court
Former President of Seoul High Court

Outside Director

Director
HAHM, YU KUN

Current
Professor of business administration, Konkuk University

Former
President of the Korea Bigdata Society
Consultant of the Korea Institute of Finance

Outside Director

Director
CHA, KYUNG WOOK

Current
Professor of department of consumer science and living culture industry, Sungshin University
President of Korean Academic Society Of Financial Planning

Former
Dean of International Affairs in of Sungshin University
Financial Dispute Resolution Board of FSS

Non-Executive Director

Director
BAN, CHAE WOON

Current
Risk Management Committee

Former
Chief Risk Officer(CRO)
General Manager of Planning & Co-ordination Dept

Non-Executive Director

Director
SEO, SEOK JO

Current
President of Buk-Yeongdeok Non-gHyup Association

Former
Delegate of National Agricultural Cooperative Federation

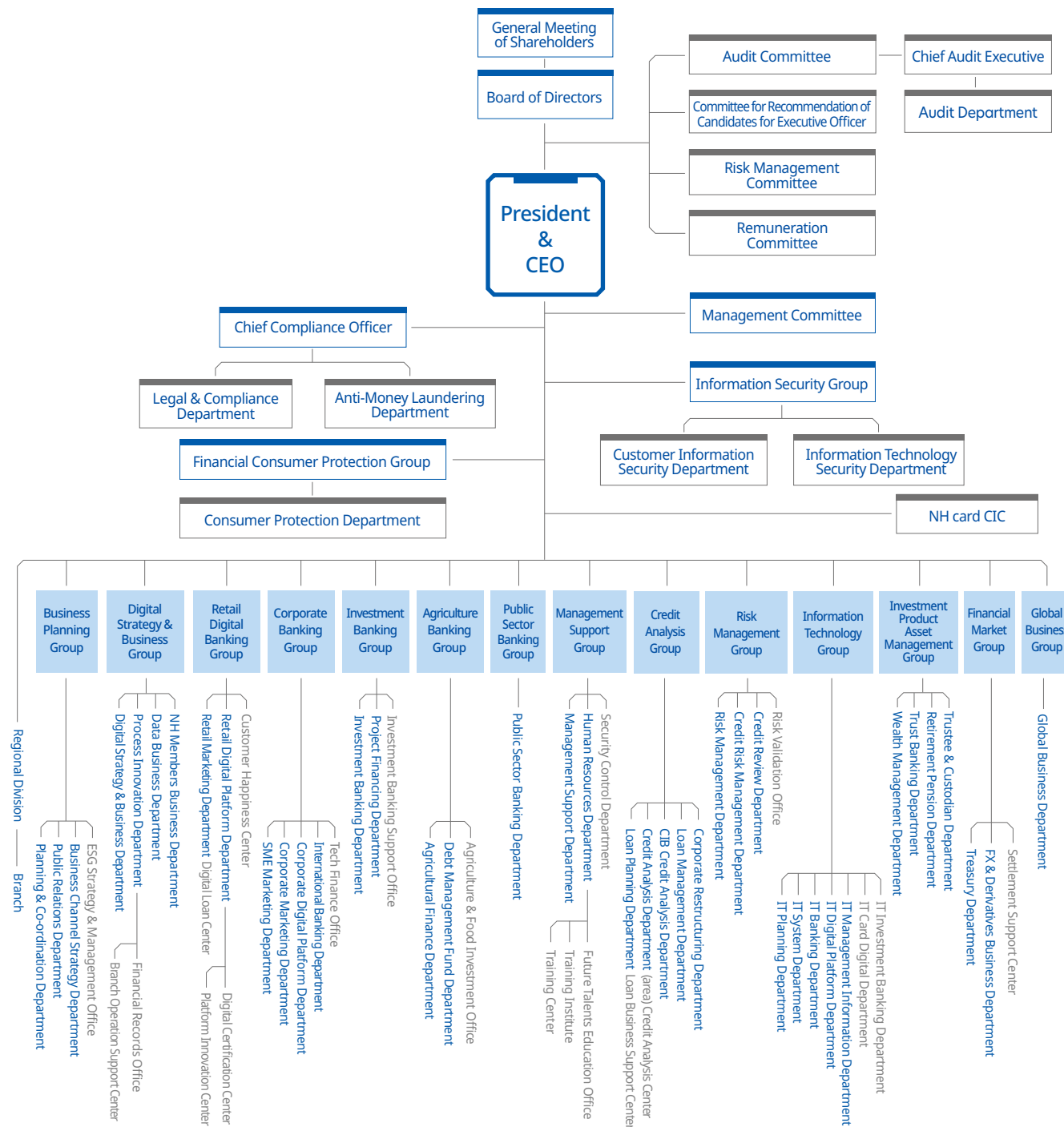
Executive Officers

(As of March 29, 2024)

<p>Business Planning Group</p> <p>Chief Executive Vice-President PARK, BYUNG KYU</p> <hr/> <p>Jurisdiction Planning & Co-ordination Department Public Relations Department Business Channel Strategy Department ESG Strategy & Management Office</p>	<p>Digital Strategy Business Group</p> <p>Executive Vice-President JEONG, JAE HO</p> <hr/> <p>Jurisdiction Digital Strategy & Business Department Process Innovation Department Data Business Department NH Members Business Department</p>	<p>Retail Digital Banking Group</p> <p>Executive Vice-President LEE, GANG YOUNG</p> <hr/> <p>Jurisdiction Retail Marketing Department Retail Digital Platform Department Customer Happiness Center</p>	<p>Corporate Banking Group</p> <p>Executive Vice-President CHOI, YOUNG SIK</p> <hr/> <p>Jurisdiction SME Marketing Department Corporate Marketing Department Corporate Digital Platform Department International Banking Department Tech Finance Office</p>
<p>Investment Banking Group Global Business Group</p> <p>Executive Vice-President SON, WEON YOUNG</p> <hr/> <p>Jurisdiction Investment Banking Department Project Financing Department Investment Banking Support Office Global Business Department</p>	<p>Agriculture Banking Group Public Sector Banking Group</p> <p>Executive Vice-President KEUM, DONG MYUNG</p> <hr/> <p>Jurisdiction Agricultural Finance Department Debt Management Fund Department Agriculture & Food Investment Office Public Sector Banking Department</p>	<p>Management Support Group</p> <p>Executive Vice-President JOO, YOUNG JUN</p> <hr/> <p>Jurisdiction Management Support Department Human Resources Department Security Control Department</p>	<p>Credit Analysis Group</p> <p>Executive Vice-President KIM, KIL SU</p> <hr/> <p>Jurisdiction Loan Planning Department Credit Analysis Department CIB Credit Analysis Department Loan Management Department Corporate Restructuring Department</p>
<p>Risk Management Group</p> <p>Executive Vice-President KANG, SHIN NOH</p> <hr/> <p>Jurisdiction Risk Management Department Credit Risk Management Department Credit Review Department Risk Validation Office</p>	<p>Investment Product · Asset Management Group</p> <p>Executive Vice-President KIM, YONG WOOK</p> <hr/> <p>Jurisdiction Wealth Management Department Trust Banking Department Retirement Pension Department Trustee & Custodian Department</p>	<p>Financial Market Group</p> <p>Executive Vice-President SEO, JUN HO</p> <hr/> <p>Jurisdiction Treasury Department FX & Derivatives Business Department Settlement Support Office</p>	<p>Information Security Group</p> <p>Executive Vice-President SHIN, HYOUNG CHUN</p> <hr/> <p>Jurisdiction Customer Information Security Department Information Technology Security Department</p>
<p>Financial Consumer Protection Group</p> <p>Executive Vice-President LEE, MIN KYUNG</p> <hr/> <p>Jurisdiction Consumer Protection Department</p>	<p>Information Technology Group</p> <p>Executive Vice-President HWANG, JAE HYUN</p> <hr/> <p>Jurisdiction IT Planning Department IT System Department IT Banking Department IT Management Information Department IT Digital Platform Department IT Investment Banking Department IT Card Digital Department</p>	<p>NH Card CIC CIC Head</p> <p>YOON, SEONG HOON</p> <hr/> <p>Jurisdiction Card Planning Department Card Digital Business Department Card Customer Acquisition Department Card Marketing Department Card Credit Management Department</p>	<p>Chief Compliance Officer(CCO)</p> <p>HONG MYUNG JONG</p> <hr/> <p>Jurisdiction Legal & Compliance Department Anti-Money Laundering Department</p>

Organization Chart & Other General Status

(As of February 29, 2024)



Other General Status

1. Major shareholder

(Unit : shares, %)

Shareholder	No. of shares	Ownership
NongHyup Financial Group Inc.	476,870,202	100.00

2. Capital Changes

(Unit : KRW 100 million, Share)

YY/MM/DD	Type of Shares	No. of issued shares	Increase in Amount	Type of capital increase	Capital after the increase	Remarks
2022.02.10	Ordinary Shares	28,571,428	1,429	paid-in capital increase	23,844	-

3. Issuance of Subordinated Bonds

(Unit : KRW 100 million, %)

Type of Bond	Date of issuance	Expiry Date	Issued Amount	Issued Rate	Credit rating	Remarks
Not Applicable						

4. Branch

(Unit : number)

Category	County Office and Branch	Sub-Branch	Business Office	Total
Domestic	812	288	-	1,100
Overseas	7	-	3	10
Total	819	288	3	1,110

※Note 1) The head office (sales department) is included in one branch in Korea.
 Note 2) Overseas : New York branch, Hanoi branch, Hong Kong branch, Beijing branch, Sydney branch, Noida branch, Ho Chi Minh City Office, Yangon Office, London Office, Mt. Geumgang branch(Business suspension in the year 2009)

5. ATM Installation Status

(Units : EA)

Category	2023	2022
CD	-	-
ATM	4,764	5,071
Video Terminal	20	20
Others	-	-
Total	4,784	5,091

6. No. of employees

(Units : People)

Classification	2023			2022			
	Domestic	Overseas	Total	Domestic	Overseas	Total	
Executives	Inside Directors	2	-	2	3	-	3
	Outside Directors	4	-	4	4	-	4
	Non-executive Directors	2	-	2	2	-	2
	Executive Officers	-	-	-	-	-	-
Employees	Management Directors	16	-	16	14	-	14
	General Position	13,295	33	13,328	13,313	33	13,346
	Position under an indefinite contract	158	-	158	157	-	157
Total	13,477	33	13,510	13,493	33	13,526	

2023 NongHyup Bank **Business Area**



NongHyup Bank Business Area

- 18 Financial Management
- 20 Digital Strategy Business
- 22 Process Innovation
- 24 Data Business
- 26 NH Members Business
- 28 Retail Marketing
- 30 Corporate Marketing
- 32 Digital Platform
- 34 Corporate Digital Platform
- 36 International Banking Business
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- 40 Agricultural Finance
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- 50 Wealth Management
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- 56 Global Business
- 60 Consumer Protection
- 62 NH Card

Financial Management

Despite difficult conditions in the rapidly changing financial environment, NongHyup Bank achieved solid growth in specialized businesses. This includes achieving a 100% contract rate in government coffers and launching NH Agrifood Company Loan. Additionally, the bank saw remarkable growth in other areas, such as exceeding KRW 100 trillion in corporate loans and recording the highest-ever profit in foreign exchange.

Profitability Sector

NongHyup Bank's total profit and loss in 2023 was KRW 7,995.7 billion, with sales and management costs amounting to KRW 3,563.0 billion. The net profit was KRW 1,778.3 billion (net profit before the burden of agricultural support project cost of KRW 2,021.6 billion).

(unit : KRW 100 million)

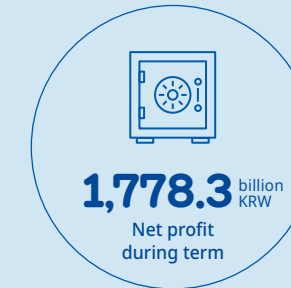
Classification	2023	2022
Gross profit and loss	79,957	68,861
Operating profit	27,548	27,861
Net profit during term	17,783(20,216)	17,972(20,326)

* Figures in () represent the values before the burden of agricultural support project cost.

(unit : %)

Classification	2023	2022
Return on assets (ROA)	0.45(0.51)	0.46(0.52)
Return on equity (ROE)	7.94(8.96)	8.77(9.84)
N.I.M	1.96	1.75

* Figures in () represent the values before the burden of agricultural support project cost.



Business Volume

NongHyup Bank's total assets reached KRW 454.3 trillion, an increase of KRW 15.2 trillion from the previous year. Total deposits amounted to KRW 352.7 trillion, up by KRW 5.6 trillion from the previous year, and total loans exceeded KRW 301.2 trillion.

(unit : KRW trillion, %p)

Classification	2023	2022	Increase Decrease	Increase Decrease rates
Total assets*	454.3	439.1	15.2	3.46
Total deposits	352.7	347.1	5.6	1.61
Total loans	301.2	293.1	8.1	2.76

*은행계정(397조 원) + 신탁계정(59.9조 원) - 상호거래(2.6조 원)

Asset Quality

Total loans stood at KRW 310 trillion and KRW 210.2 billion, with the fixed debt loans reaching KRW 1,107.9 billion, and non-performing loans amounting to KRW 768.2 billion.

(Unit : KRW 100 million, %, %p)

Classification	2023	2022	Increase Decrease rates
Total loans	3,012,102	2,931,219	80,883
Fixed debt loans	11,079	7,493	3,586
Fixed debt ratio	0.37	0.26	0.11
Non-performing loans	7,682	5,130	2,552
Non-performing loan ratio	0.26	0.18	0.08
Bad debts allowance ratio	282.27	271.74	10.53
Default rate based on total loan receivables	0.43	0.27	0.16

Digital Strategy Business


NongHyup Bank continuously innovates by developing digital strategies that create customer-centered value, aiming to become a hyper-connected digital bank. We actively identify and promote new digital businesses to preemptively respond to changes in the digital financial environment, including AI and blockchain. Our efforts to build a digital ecosystem include strategic digital investments and partnerships with innovative companies. By expanding the use of emerging technologies and enhancing collaboration, we strive to quickly adapt to rapid changes in the digital landscape and lead in customer-centered digital finance.

Status of Digital Strategy Business


To enhance our digital business initiatives and decision-making, we established a forum to discuss key digital issues. Topics include increasing the share of products sold through contactless channels and improving our robo-advisors from various perspectives, thereby strengthening our digital transformation capabilities. We also recognize the achievements of employees with Digital Finance In-

novation Awards to further accelerate transformation. Additionally, we run the Open Forum, a platform for spontaneous learning where employees engage with the latest trends in generative AI through lectures. Our training programs are designed to improve employees' work utilization skills, directly linking with their job functions.






AI Governance
The first bank to adopt AI risk prevention



AI & Blockchain
Introduced various services



External Digital Investment & Cooperation
Supporting growth of innovative companies

Wider Application of New Digital Technologies and Global PR Activities

For the first time in the banking industry, NongHyup Bank has established AI governance to mitigate AI risks, creating a management system to optimize AI usage and earn customer trust. We launched an e-wallet service for storing digital assets such as central bank digital currencies (CBDCs) and non-fungible tokens (NFTs). Additionally, we showcased the bank's digital business capabilities externally by hosting fintech expos, setting up digital PR booths, and introducing our new businesses and technologies, such as AI bankers and blockchain, to offer customers a glimpse into the future of finance.

External Digital Investment and Cooperation

We have invested in digitally innovative companies through the NH Digital Alliance Fund to enhance our collaboration network and support sustainable growth. We also hosted the NH Open Business Day event to promote open innovation, connecting technologies and services from various innovative companies. These include electric vehicle charging and test monitoring services utilizing facial recognition technologies, helping to build a digital ecosystem while fostering collaboration and diversifying new business ventures.

2023 Digital Strategy

We launched various AI and blockchain-based services, including an AI human portal and e-wallet. We also established an advanced, company-wide AI service management system by developing AI governance to mitigate AI risks, a first in the banking industry. Additionally, we facilitated external investment and collaboration with startups possessing innovative technologies to integrate financial with non-financial services. This integration significantly enhanced the customer experience, offering services such as electric vehicle charging payable with NH Points and tax accounting services for corporate NH card members.



Fintech Expo
Global PR of Digital Capabilities



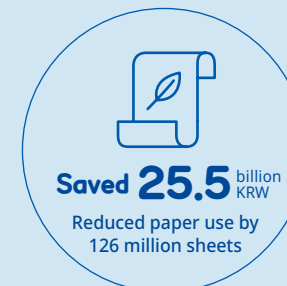
Process Innovation

NongHyup Bank has been actively promoting digital transformation (DT) and strengthening business process improvements to secure future growth engines. We enhance our process efficiency and marketing capabilities by streamlining business processes, improving work process efficiency, and centralizing back-office functions at branches. For example, we have digitalized internal tasks, launched paperless process reengineering (PPR), and enhanced central document management. In addition, we are expanding services powered by robotic process automation (RPA) to establish a foundation for ensuring efficient front-office tasks and promoting work automation. Through these efforts, we are enhancing our competitiveness in marketing and in-person transactions while taking the lead in ESG management by reducing paper use.

Status of Process Innovation

We supported the centralization of core branch-level works by digitalizing internal business. We digitalized 16 out of 32 tasks related to public finance paperwork and eliminated the other 16 to reduce the workload on branches and foster an environment where they can focus on core value-added tasks. Additionally, we implemented 42 new PPR and 51 revised PPR services, including nine mortgage and loan services, and 16 personal loan and contract services. By dig-

italizing internal business and promoting PPR, we reduced paper usage by 126 million sheets per year and saved KRW 25.5 billion, significantly contributing to improving branch productivity and practicing ESG management. By introducing user-centered RPA solutions and promoting the "RPA Big League" to build a foundation for a wider use of automation, we substituted around 840,000 hours of work time per year across 41 departments and 180 tasks as of 2023.



Facilitate Paperless Process Reengineering (PPR) to Improve In-person Transaction Competitiveness

We strengthened our competitiveness in in-person transactions by applying new electronic channel processes for retail loan services such as savings mortgage loans, and retail loan applications and contract services. We also improved user experience by developing new forms and refining processes. This helped us reduce costs by KRW 12.3 billion and cut paper use by 61 million sheets annually, contributing to ESG management practices.

Digitalize internal business to Focus on Core Tasks at Branches

We enhanced marketing competitiveness at branches by digitalizing internal business, public finance services such as local government contract loans, and GIRO (general interbank recurring order), and local tax services, and by digitalizing the management process for important documents, such as automating cashier's check management. We also eliminated unproductive tasks by abolishing unused documents, creating more time for branch employees to concentrate on their core tasks and high-value-added work. We achieved cost savings worth approximately KRW 1.7 billion by reducing yearly paper use by 8.45 million sheets.

Accelerate DT Across the Bank with Wider RPA Application

By introducing user-centered and intuitive solutions, we created an RPA environment led by those who "know the tasks the best," and built a foundation for more widespread work automation by hosting the "RPA Big League," a competition to facilitate the discovery of RPA tasks and building employees' digital transformation capabilities. As a result, we expedited DT by replacing approximately 840,000 hours of annual work time with automated processes for 180 tasks in 41 departments, including digital appraisal report management, as of 2023.

Enhance Central Document Management to Alleviate Branch Workload

We reduced branch workload by redirecting the scanning of new household loan documents to our archive, thereby enabling the archive to handle the scanning of new loan documents, averaging 490,000 documents per year (over the last three years), helping branches to increase their productivity.

(Unit : cases)

Classification	Financial Information	Seizure Management	Collateral Review	Follow-up Management of Guarantees	Appraisal	Banknote (1,000)
2023	179,067	859,037	1801	173,051	17,598	459,729
2022	163,007	718,516	757	73,391	15,926	383,807
Increase/Decrease	16,060	140,521	1,044	99,660	1,672	75,922

Data Business

NongHyup Bank continually innovates to strengthen its digital competitiveness by utilizing data, one of its core resources. In 2023, we established a next-generation information system and created a real-time data environment to facilitate timely work performance across all business areas. By expanding the availability of high-quality work data and supporting data-driven business execution and decision-making, we improved the efficiency of our internal business processes and enhanced customer value by providing hyper-personalized services. In addition, we expanded the value of data in the business world by discovering and promoting new data-driven businesses, such as diversifying data products and expanding distribution channels. We are also providing enticing digital experiences to customers through MyData, which enables us to understand customers more deeply and provide services that encompass both financial and non-financial aspects.

Data Business Status

Through our advanced data co-working, we derived analytical insights and supported data-driven decision-making, gaining insights for developing specialized credit products for professionals and revitalizing corporate e-finance. We

also continued to improve our big data product recommendation models to offer hyper-personalized product recommendations that align with customers' lifecycles and needs, thereby increasing customer satisfaction.





Introduced Marketing Hub System
Laid the foundation for customer-centered marketing



NH MyData
Launched new specialized services (Healthcare, Tax, DSR Calculator, Money Calendar)



Signed an MOU with the Korea Chamber of Commerce and Industry
Expanded distribution channels

Development of Marketing Hub with BI Portal Real Time Data Environment

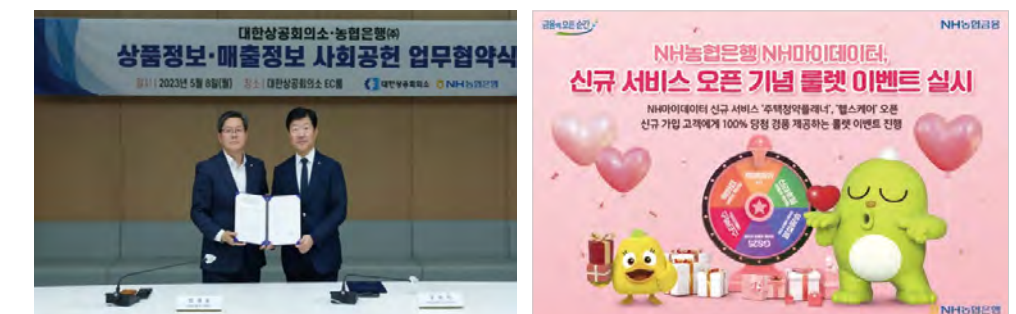
We implemented a data hub to ensure timely data availability and launched a Business Information (BI) portal—a user-centered integrated analysis environment. We established an infrastructure for real-time data collection and analysis, crucial for hyper-personalized marketing. Additionally, we introduced the Marketing Hub system, which offers comprehensive integrated marketing tools based on data, thereby laying the foundation for customer-centric marketing.

Identify and Engage in New Data-Based Industries

We diversified our data products and expanded distribution channels by integrating distribution data with existing financial data. We also generated profit and increased the value of our data by making it available to public institutions and private companies. Notably, we signed an MOU with the Korea Chamber of Commerce and Industry to promote social contribution projects using distribution data. This initiative provides de-identified sales information to support startups, manufacturers, and distributors in informing their new business models. We also regularly publish reports on the latest big data trends, titled "NH Trend+", to showcase NongHyup Bank's data expertise.

Provide Innovative Customer Experience with MyData

NH MyData has launched specialized services utilizing customers' diverse financial and non-financial data, including healthcare, a tax debt-service-ratio (DSR) calculator, and a money calendar. We have enhanced our customized consulting features, such as asset and pension diagnostics, recurring expenditure management, and consumption pattern briefings. These improvements aim to provide NH MyData service users with a new platform experience that integrates seamlessly into their daily lives.



NH Members Business

NongHyup Bank's NH Members business represents the inaugural joint project involving pan-NongHyup affiliates, with participation from 15 affiliates across finance and distribution sectors. This platform consolidates customer information and points, leveraging them for marketing purposes. Various NongHyup affiliates, including Hanaro Mart, NongHyup Gas Stations, and NongHyup Bank branches nationwide, offer NH point services and bolster the marketing efforts of NongHyup affiliates through robust information and marketing systems.

Status of NH Members Business

NACF(2) & Member cooperatives(1,113)	Agribusiness Sector(6)	Financial Sector(7)
Cooperative Banking NongHyup Networks Co., Ltd Local NongHyup Local livestock Cooperatives Item NongHyup	NongHyup Agribusiness Group NongHyup Hanaro Mart Inc. Korea Agricultural Cooperative Marketing Inc. NongHyup Red Ginseng Co., Ltd NongHyup Food Inc. NongHyup Moguchon Inc.	NongHyup Financial Group NongHyup Bank NongHyup Life Insurance Co., Ltd NongHyup Property & Casualty Insurance Co., Ltd NH Investment & Securities Co., Ltd NH Savings Bank NH Capital Co., Ltd



2023 NH Members Business

The NH Members business achieved a total of 29.78 million members, of which 20.5 million were valid members, and 13.62 million consented to marketing. We addressed the issue of hidden financial assets, such as expired points, by sending customers quarterly reminders to use their remaining points. For the first time in the points industry, we initiated a partnership with the Incheon Love Gift Certificate (E Um Card), the local currency of Incheon, to boost local consumption. These initiatives were highly effective, with the total value of NH points used in the previous year amounting to KRW 362.6 billion.

Annual Membership

(Unit : People)

Classification	2020	2021	2022	2023
Total Members	25,955,329	27,450,309	28,696,253	29,780,127
Valid Members	17,748,548	20,140,997	19,617,088	20,504,628
Marketing Consent	5,778,177	9,229,037	11,799,169	13,620,785



Opened 「NH Members Pot」 a NongHyup Cross-selling Platform

「NH Members Pot」 was developed to offer a range of benefits to all NongHyup members by consolidating various marketing services—including products, events, and coupons from NongHyup affiliates—into one convenient platform. 「NH Members Pot」 allows members to easily access and utilize events, coupons, and benefits from each distribution and financial affiliate in one place, using NH Points to sign up for financial products offered by any NongHyup affiliate.

「NH Members Pot」 Won the Outstanding Award at the NongHyup Bank Digital Finance Innovation Award (Platform Category)



The platform was honored with the Top Prize at the NongHyup Bank Digital Finance Innovation Award in the platform category. This recognition was earned through innovative integration of all NongHyup products, events, and coupons, enabling users to easily access these resources and sign up for products across any NongHyup affiliate app. This achievement was further enhanced by the API integration with 15 affiliate channels and the addition of 93 financial products, 24 events, and 11 coupons, significantly improving the user experience.

Retail Marketing

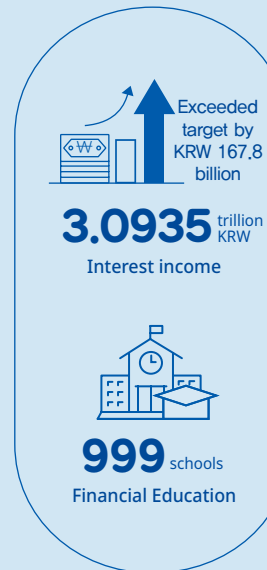
NongHyup Bank operates an Excellent Customer System that meets customer needs by analyzing individual customers and identifying trends and establishes a marketing strategy for personal deposits and household loans to promote business with branches throughout the company. Furthermore, we're committed to promoting social cooperation through the housing city fund project and by operating the 「Happy Chaeum Finance Class」.

Status of Retail Marketing

NongHyup Bank was able to contribute significantly to achieving its 2023 profit and loss target with stable management of core deposits and household loans despite difficult business conditions such as high interest rates, high prices, and prolonged COVID-19.

(Unit : KRW Billion)

Classification	2021	2022	2023
Main Deposit (average balance)	56,363.2	56,315.7	48,952.5
Household Budget (balance)	134,311.9	132,963.6	130,498.2



Re-signed as a Bank Entrusted with the Housing and Urban Fund

Since being selected in 2002, NongHyup Bank has solidified its position as a trustee bank for the Housing and Urban Fund, achieving an annual commission income of KRW 24.5 billion in 2023. With 5.05 million subscribers to housing subscription savings, the bank was re-signed in February 2023 and will continue its entrusted work until the end of March 2028.

Revitalize Digital Finance by Expanding Subscriptions to Contact-Free Products

We expanded the scope of performance and branch evaluation to increase digital sales. By establishing the Digital Loan Center in January 2023 and launching intensive contact-free loan services in March 2023, we have revitalized digital finance.

(Unit : %)

Classification	2022	2023	Growth Rate
Contact-Free Product Sales Rate	44.5	54.2	9.7



Selected as Financial Institutions of Excellence in Financial Education or seven consecutive years

NongHyup Bank was recognized as a 「Financial Institution of Excellence in Financial Education」 in 2023 and won the Financial Supervisory Service President Award for the seven consecutive year. This award highlights financial institutions that collaborate with elementary, middle, and high schools to provide various financial education programs as part of their social contribution.

Corporate Marketing

In a continuously changing internal and external environment, NongHyup Bank offers corporate financial services that reflect the varied financial needs of corporate clients. By offering new financial products and distinctive policy funds, it promotes the steady and ongoing expansion of corporate clients. To deliver top-notch corporate financial services through national retail networks, it also aims to enhance human skills by implementing a personnel education/evaluation/job competency level system for RM employees.

Status of Corporate Marketing

NongHyup Bank implements inclusive win-win financing strategies for small and medium-sized businesses and small company owners facing a challenging business environment due to rising interest rates and economic stagnation. We facilitated KRW 1.9 trillion in guaranteed loans under a business arrangement with a guarantee

agency to aid enterprise recovery. Meanwhile, our SOHO loans for small business owners saw a net increase of KRW 2.3 trillion, achieving the highest growth among all financial institutions in 2023. For companies that struggle with management, we also provide customer- and field-focused services like corporate management consulting.



Major Performance of Corporate Finance

Since its launch, NongHyup Bank has made impressive strides in corporate finance. The balance of general corporate loans increased by KRW 5.6 trillion annually, reaching KRW 104.2 trillion by the end of 2023, with the total corporate loans surpassing KRW 100 trillion. Additionally, the SOHO loan balance grew by KRW 40 trillion, reaching KRW 50 trillion in just two years.

Classification		2023		2022		2021	
Corporate credit (Balance)		KRW 104.2 trillion		KRW 98.6 trillion		KRW 87.2 trillion	
Net Increase	Growth Rate	KRW 5.6 trillion	5.7%	KRW 11.4 trillion	13.1%	KRW 8.3 trillion	9.4%
SOHO loan (Balance)		KRW 51.5 trillion		KRW 49.4 trillion		KRW 44.3 trillion	
Net Increase	Growth Rate	KRW 2.1 trillion	4.3%	KRW 5.3 trillion	11.5%	KRW 5 trillion	12.7%



Financial Supervisory Service's Inclusive Finance Award

Excellent Award for Supporting Small Business



Financial Supervisory Service's Inclusive Finance Award

Won Excellent Award for Financial Support for Ordinary People

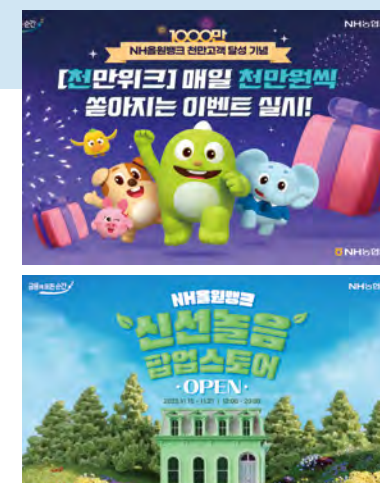
Digital Platform

NongHyup Bank has been continuously innovating to build a digital platform that integrates seamlessly into customers' daily lives. Since the launch of the 'comprehensive financial platform' in 2022, which provides core services from financial holding affiliates, our bank is committed to strengthening its status as a 'life finance platform' by expanding services that enhance customers' convenience. Our platform is customer-centered, offering services essential for everyday needs. We are committed to elevating customer experience by actively listening to feedback, responding promptly, and implementing systematic VOC management. Additionally, we strengthen our competitiveness by deploying advanced technologies for detecting anomalies in electronic financial transactions and providing state-of-the-art authentication services, ensuring robust protection of customers' financial assets.

Status of Private Digital Platforms

To enhance competitiveness, NongHyup Bank is developing a 'super platform' centered around the NH All-One Bank app, designed to meet all of customers' financial needs in one place. We aim to increase customer convenience by expanding our comprehensive banking services, including those offered by affiliated entities in securities, cards, and insurance.

In addition, we are broadening our scope to include daily and financial-related life services beyond traditional financial offerings. Our goal is to transform this into a life finance platform that integrates seamlessly with various industry-specific services, providing tangible benefits to our customers.



NH All-One Bank app

NH All-One Bank is the first banking app to adopt a PaaS-based cloud system, enhancing app speed and banking features significantly. We have integrated MyData services into the main menu for intuitive access to asset and consumption status across all financial institutions at a glance. We enhance the customer journey through a comprehensive marketplace that combines services such as 'Real Estate Newsletter' and 'Fractional Real Estate Investment', and we offer extensive content including newsletters on domestic and global issues, and financial and economic knowledge.

Developed and Operated 'NH Son-Hanaro Authentication Service,' a Biometric Payment System for the Korea Airports Corporation

We introduced innovative biometric authentication services, including palm and finger veins authentication, applied to NH Mobile Certificates and other services. For the first time in the financial sector, we launched a simplified boarding service using palm vein technology in partnership with the Korea Airports Corporation. We have also expanded finger vein authentication for employees in high-risk tasks to prevent financial accidents and strengthen internal control. In addition, the NH Mobile Certificate is used across NH Financial affiliates—such as NongHyup Life Insurance, NH Property and Casualty Insurance, NH Capital—and 181 major public channels.

Private Digital Platform Customers

(Unit : ten thousand people)

Classification	2021	2022	2023
NH All-One Bank app Customers	780	901	1,028
NH Smart Banking app Customers	1,033	1,090	1,109

*FDS accident prevention cases and amount: 1,290 cases per year, KRW 10,292 million (2023)

NH Smart Banking app

We offer NH Smart Banking services across all areas, including various reports and certifications, to help clients save the time and costs associated with visiting offline branches. We continue to offer 'Big-Font Size Banking Service' and various safety measures, including electronic financial fraud prevention and the refund of misdirected funds, for financially disadvantaged or digitally marginalized clients. Additionally, we are improving customer accessibility and experience with contactless channels such as 'Slow Speech Service' and app accessibility.

Finance Mall

To strengthen the competitiveness of our contactless products, we have expanded our product lineup to include over 370 general funds as well as savings, loans, and foreign exchange products. We revamped the main menu of the Finance Mall to be more customer-centered, enhancing the product search feature and visibility. We also launched various policy-driven products to promote community development and affordable finance and expanded dedicated financial products for specific customer groups such as Millennials, Generation Z (MZ) and small businesses.

Corporate Digital Platform

NongHyup Bank is committed to building a platform focused on corporate clients, guided by the core value of digital innovation. To that end, we are engaged in a wide range of efforts, including the development of customer-centered full-banking services and the expansion of public voucher services. We have also expanded our NH API partnership and maintain a Security Token Offering (STO) consortium led by NongHyup Bank. Furthermore, we are working on increasing our fee revenue, having earned KRW 183.8 billion in electronic financial commissions through the stable management of the payment and settlement business and fund management services.

Status of Corporate Digital Platforms

We have incorporated the needs of our corporate clients into the NH Corporate Internet Banking app and Corporate Smart Banking app platforms, enhancing their intuitiveness and user experience. Our reforms include redesigned corporate banking menus and main interfaces for improved

usability, and we now support SSO for more convenient access. Small business owners using NH Private Smart Banking app can now use corporate banking services without an additional login and without needing a business certificate.

Enhancement of Channel Competitiveness through Contactless Full-Banking Service Development

We have upgraded our corporate banking offerings to include expanded foreign exchange, card, and other services for corporate customers. Additionally, we launched open banking services based on open APIs to provide a more comprehensive set of contactless full-banking services. By enhancing the connection between retail and corporate bank-

ing channels, we have significantly improved the customer experience. We also increased our SOHO product offerings from one to eight products to enhance product competitiveness. Notably, we have integrated corporate smart banking app with business support services to create a specialized platform for SOHO clients.



Creating a Foundation for New Businesses through Strategic Partnerships with Simple Payment and Virtual Account Service Providers

To promote the use of firm banking services, we engaged in joint promotion campaigns with simple payment service providers, resulting in increased transaction volumes with Naver Pay and 11st Street by 13% and 31%, respectively. We also implemented measures to retain simple payment service providers nearing contract renewal (Kakao Pay, Naver Pay, and Coupang Pay) and prevent them from transitioning to open banking, leading to a year-over-year increase of KRW 2.8 billion in commission revenue. Additionally, we signed a contract for the provision of fixed virtual accounts with 11st Street and launched a virtual account service (G-banking) for local governments, expanding our business areas.

User-Centered UI/UX Improvement

We selected an external UI/UX firm to create a more user-centered interface. By conducting in-depth surveys and interviews, we identified users' needs and analyzed service use patterns and frequency. This informed the revamping of the main screen for corporate banking services and the redesign of the menu structure for easier access. We also upgraded our transfer services to enhance the customer experience. As a result, in a customer satisfaction survey of 3,869 customers, 82% of respondents gave positive feedback about the revamped UI/UX.

A Foundation for New Businesses Utilizing the Bank's APIs

Using the 25 NH APIs developed and launched in 2015, a first in the banking sector, we provide customized financial services to over 50 leading companies in various industries, including Kakao Pay, Korea Housing Management, and TESSA. In April 2023, we launched a new integrated deposit management API for prepayment businesses. Additionally, we signed a partnership agreement with a fractional investment platform planning to issue token securities and formed a banking STO consortium to secure leadership in new markets.

Expansion of Voucher Services and Other Public Services

The bank provides various types of voucher services, such as child meals, medical support, educational support, Hope Taxi, agricultural products, senior welfare, and employment support, to more than 150 organizations nationwide using our proprietary voucher platform. In 2023, the bank increased the number of organizations using the voucher service by 27 and introduced the 'Senior Meal Voucher' service. In addition, we strengthened our role as a local-friendly bank by expanding 'Jeju Transportation Welfare Card,' and 'Gyeonggi Bus Fare Payback Service,' for socially disadvantaged groups in Jeju Island, such as the elderly and people with disabilities.



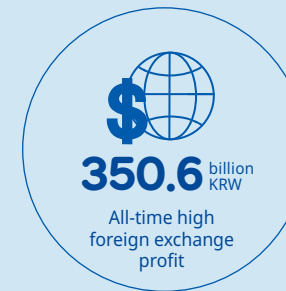
International Banking Business

NongHyup Bank has been engaged in the international banking business for over 55 years, since 1969, with more than 3,000 certified international banking professionals. We have established a global network by signing international banking contracts with 1,100 banks worldwide, actively supporting import and export financing for Korean companies in international markets through strategic business partnerships (MOUs) with major global banks. Additionally, we help customers comply with global regulations through prompt and accurate processing at the International Banking Support Center, which consists of more than 70 international banking experts. We provide customized solutions through one-on-one consultations on capital and import/export transactions via "Customer Visit Consulting," by international banking experts. Furthermore, we strive to promote the interests of agriculture and rural areas by providing overseas remittance services to agriculture and livestock cooperatives, enabling customers in rural areas to easily send money abroad.

Status of International Banking Business

Despite a decline in import and export volumes due to the global economic downturn, we achieved a profit of KRW 350.6 billion, reporting a 43.5% year-over-year growth. Moreover, we achieved 2.96 million foreign currency deposit accounts through intensive market efforts, representing a 35.3% increase year-on-year. This impressive growth was driven by targeted marketing initiatives, including CRM

campaigns for foreign currency deposit accounts, a campaign encouraging all employees to open foreign currency deposits using subscription URLs, the Family Month foreign currency deposit subscription campaign, and real-time EBM such as sending App Push notifications to customers with foreign currency deposits.



Building Foreign Exchange Business Capabilities with Field-oriented, Enterprise-Wide Support

By providing company-wide marketing support, we have strengthened our foreign exchange business capabilities. Our initiatives include accompanying companies to attract new foreign exchange transactions, providing on-the-job marketing training for sales branches, engaging in on-site management of sales branches, and inviting corporate customers to the "NH Foreign Exchange Academy." As a result, we attracted 215 new companies last year and provided USD 1.6 billion in import and export financing, securing stable revenue generation and growth engines for the international banking business.

"Currency Exchange" Ranked 1st in Customer Search Keywords through Increased PR of Foreign Exchange Services

We enhanced the promotion of our international banking business through various channels. We produced a video on affordable currency exchange starring the bank's brand ambassador, and YouTuber Seojun Mom, as well as a promotional video on overseas remittance for foreign workers and students. We also promoted our foreign exchange services via outdoor advertisements at baseball stadiums, created a promotional video for MZ customers with the university student volunteer group "N Dolphin," and organized a family month foreign currency gift event. As a result, "currency exchange" ranked 1st in customer search keywords on the bank's contactless channel.



Training of Foreign Exchange Professionals through Training Programs

By running various tailored education programs to foster foreign exchange professionals, including Foreign Exchange RMs for corporate finance, we have produced 2,365 foreign exchange experts as of the end of 2023. This included 333 Certified Documentary Credit Specialists (CDCS), 61 foreign exchange experts, and 304 individuals with other foreign exchange certificates.

Export Financing for Small, Medium and Middle-Standing Businesses

We implemented policies to encourage new transactions by offering preferential export and import fees for export-oriented or export-excellent small and medium-sized enterprises.

Sales Branch Capability Building through Digital Acceleration

We expanded the seamless experience of non-face-to-face transactions, bringing them closer to in-person encounters by expanding digital channels for foreign exchange products and applying head office-approved interest rates to these channels. We streamlined customer journey with the launch of Corporate Internet Banking's multi-transaction overseas remittance service.



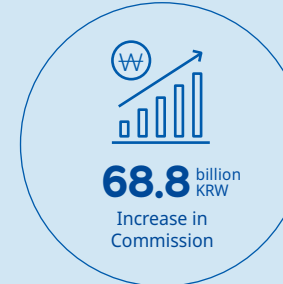
Investment Banking

NongHyup Bank's investment finance business is comprised of three divisions: IB Finance, Overseas Investment Finance, and Project Finance. The IB Finance division handles M&A finance, supporting corporate mergers and acquisitions, and structured finance, which raises funds (ABS, ABCP) in the capital market based on liquid assets and corporate credit reinforcement. It also includes indirect investment. The Overseas Investment Finance division manages infrastructure projects such as overseas road PPP projects, export terminals, and high-quality real estate projects focused on guaranteed loans and senior secured loans. It also handles overseas corporate credit and object finance (ship and aircraft finance). The Project Finance division includes real estate finance and infrastructure finance. Building on our extensive experiences and expertise in large-scale financing arrangements, we continue to expand our investment finance assets, focusing on high-performing assets both domestically and internationally. We strive to become a leader in investment financing through rigorous risk assessment and precise follow-up management.

Status of Investment Banking

We have been steadfastly building our financing arrangement track record, including the acquisition financing of Daeyung O&T totaling KRW 230 billion in December 2023. Additionally, we implemented foreign currency facility financing for various large enterprises in Korea and invested in overseas infrastructure assets, including the PF for Amazon data centers and a power transmission grid in New York. As a result, we signed new overseas investment agreements worth KRW 1.5 trillion in 2023 alone. Furthermore, we continued to invest in housing reconstruction and

redevelopment projects and invested in the Real Estate PF Normalization Fund, thereby contributing to resolving and stabilizing uncertainties in the domestic real estate market. We actively participated in building and improving national infrastructure by providing project financing in line with government policies. This includes investments in large-scale facilities such as the Dongbu Expressway undergrounding, renewable energy projects like photovoltaic and fuel cell initiatives, and the Green Smart School Project through build-transfer-lease (BTL) funds.



KRW 200 Billion in Revenue Achieved for the Fourth Consecutive Year

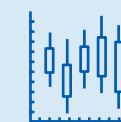
We have continued to expand our investment banking assets over the past four years, reaching approximately KRW 18.6 trillion by the end of 2023. In particular, we generated KRW 298.6 billion in profit in 2023 as a result of sustained growth in commission revenue. As a financier for domestic companies, we are actively expanding foreign currency loans to overseas subsidiaries of large enterprises to help them increase their international presence. We continue to participate in the primary collateralized bond obligation (P-CBO) project led by the Korea Credit Guarantee Fund to support SMEs, and we launched a new P-CBO project with the Korea SMEs and Startups Agency this year. Additionally, we are investing in venture capitals (VCs) to foster the growth of venture companies. Our investment portfolio includes housing maintenance projects with guarantees from policy guarantee agencies and credit enhancements from blue-chip constructors. Moreover, we contribute to NongHyup Bank's social responsibility activities through investments in large-scale government-led private investment projects, such as the GTX line project, and ESG-related investments.

(Unit : KRW hundred million)

Classification	2021	2022	2023
Total Assets	157,476	167,857	185,763
Total Revenue	3,385	2,385	2,986
Commission	568	617	688

2024 Investment Banking

With uncertainties in the global macro environment, a sluggish domestic economy, and increased concerns about poor real estate performance, the business environment in 2024 appears unfavorable for our investment banking business. Nevertheless, leveraging the investment banking capabilities we have developed over the years, we will focus on expanding blue-chip investment assets to generate stable returns and fulfill our role in the bank's pivotal non-interest business.



Track Record Building

Exclusive acquisition financing arranged



KRW 1.5 Trillion Reached

Expansion of international investment basis



Stabilization of the Domestic Real Estate Market

Contributed to the real estate PF normalization fund

Agricultural Finance

By supporting customized agricultural financial consulting in response to changes in the agricultural environment, NongHyup Bank strengthens its position as guiding finance to support successful farming and agricultural management and disburses agricultural policy loans to farmers and agricultural corporations on behalf of the government. In addition, as an agricultural finance bank, we work hard to increase the management effectiveness of funded companies by providing consulting services with a focus on agri-food companies. We also make our best effort to increase our own loan support for agri-food companies.

Status of Agricultural Finance

To ease the financial burden on farmers due to rising agricultural commodity prices and interest rates, we extended the redemption dates for agricultural policy loans worth KRW 119.2 billion in installment principals in 2023 (a total of 6,637 loans). We also significantly improved the lending

terms for the successor farming fund by extending the loan term (15 years to 25 years), lowering the interest rate (2.0% to 1.5%), and raising the loan limit (KRW 300 million to KRW 500 million) to strengthen start-up fund support for young farmers.



「NH Agri-Food Company Loan」 Launched as a Specialized Loan Product for Agricultural Food Companies

In 2023, in response to the government's 「Private Investment Revitalization Plan for the Agricultural Food Sector」, we launched the 「NH Agri-food Company Loan」 as a specialized product. We also applied our proprietary 「NH Excellent Agri-food Technology Success Index」 to increase support for agri-food companies with excellent technologies and growth potential. Additional loan limits and preferential interest rates (up to 2.0%) were provided to well-performing agri-food companies, resulting in KRW 765 billion in new support within six months from the product's launch.

「Our Farm Companion」

We selected and operated 「Our Farm Companion」 for excellent agri-food manufacturers that use our agricultural products. Companies selected as associate companies benefit from the bank's various preferential services such as preferential interest rates on loans, sales channel expansion, and charity events for the underprivileged through the purchase of products produced by the companion companies.

10th 「Proud Agri-food Company」 Awards

NongHyup Bank hosted an award ceremony to honor 10 outstanding agri-food companies that contribute to the development of the Korean agri-food industry. We are committed to promoting coexistence and shared growth between the bank, agri-food companies, and local economies through various preferential services such as better credit interest rates and priority PR consulting for agri-food companies.



Financial Support for Farmers and Agricultural Food Companies

NongHyup Bank has recently provided KRW 9.1737 trillion in agricultural policy funds to boost farmers' actual profits and offer timely support for farming funds. (At the end of 2023, the loan balance was KRW 23.7119 trillion.) In addition, compared to the previous year, we gave agri-food companies loans totaling an additional KRW 572.4 billion. (At the end of 2023, the loan balance was KRW 29.5731 trillion.)

(Unit : KRW hundred million)

Classification	2021	2022	2023
Agricultural and Food Business Loan (Balance)	272,219	290,007	295,731
Agricultural Policy Funds (New)	66,290	86,491	91,737



Support for Free Management Consulting for Farmers and Agri-Food Companies

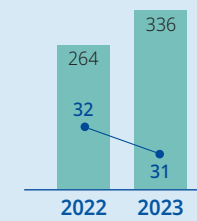
In 2023, we supported 336 consulting cases for farmers and 31 consulting cases for agri-food companies as part of our efforts to promote consulting for the sustainable growth of agricultural corporations. We provided customized finance consulting services linked to agricultural finance for each stage of farm growth and management consulting services for agri-food companies to diagnose overall management, identify issues, and propose solutions. Additionally, we continue to expand start-up consulting and training for prospective young farmers (trainees and graduates of agricultural colleges and youth startup incubation centers).

(Unit : cases)

Classification	2021	2022	2023
Farmer Consulting	270	264	336
Agri-Food Consulting	24	32	31

Consulting Support Performance

Farmer Consulting
Agri-Food Corporations Consulting



Expansion of Funds Eligible for Deferred Payment and Interest Reduction for Farmers Affected by Disasters

With the Korean government's enactment of the 'Agricultural Policy Funds for Indirect Support of Farmers Affected by Natural Disasters,' (Ministry of Agriculture, Food and Rural Affairs Public Notification No. 2022-120), we expanded the scope of repayment deferral and interest reduction from only four funds to all 54 funds for farmers (agricultural corporations). This initiative strengthens support for farmers experiencing difficulties brought on by disasters.



2024 Agricultural Finance

In 2024, NongHyup Bank will establish the Agricultural Finance Consulting Bureau, an organization dedicated to providing finance and management consulting services tailored to the needs of farmers and agri-food companies. We will enhance preliminary consulting for farmers to manage facility investment risks and introduce intensive consulting programs for agri-food companies to promote the sustainable growth of agriculture and rural areas.

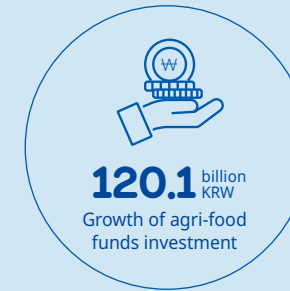
Agriculture & Food Investment

Through the operation of the agri-food fund (PEF), NongHyup Bank identifies and invests in promising venture agri-food companies that will lead the future agricultural sector. We have been expanding our agri-food funds since 2016, reaching a total worth of KRW 223.0 billion as of the end of 2023. We remain fully committed to our role as an agri-food fund management firm, actively discovering and investing in startups that enhance the competitiveness of the agriculture industry and boost the growth of the agri-food industry.

Status of Agri-Food Investments

Since establishing and managing agri-food funds, NongHyup Bank invested a record amount of KRW 31.0 billion in 2023, expanding its assets under management (AUM) to KRW 120.1 billion. In addition, the bank held Korea's first 'Agri & Food Tech Start-up Rising Expo,' to provide investment opportunities for agri-food startups that have been marginalized compared to other industries. This event

created a space for expanding the investment ecosystem for the agri-food sector. The success of the expo strengthened the bank's standing and helped us complete our tasks under the 'Private Investment Revitalization Plan for the Agricultural Food Sector,' announced by the Ministry of Agriculture, Food and Rural Affairs on June 21, 2023.



Agri & Food Tech Start-up Rising Expo (2023 AFRO) : Korea's First Agri-food Startup Expo

NongHyup Bank, in collaboration with the Korea Agriculture Technology Promotion Agency and COEX, hosted the 'Agri & Food Tech Start-up Rising Expo (2023 AFRO),' for three days from July 26 to 28, 2023. The event featured over 250 participants, including public institutions, large companies, investment firms, and startups focused on agri-food convergence innovation such as green bio and food/agtech. The expo attracted approximately 10,000 visitors, surpassing expectations by more than three times.

2024 Agri-Food Investment

In 2024, NongHyup Bank plans to establish new funds worth KRW 51.1 billion to drive the transformation and innovation of Korean agriculture by investing in and nurturing agricultural startups. As the leading operator in the agri-food sector, managing funds totaling KRW 274.1 billion, NongHyup Bank is committed to identifying and fostering future unicorn companies that will spearhead the agricultural industry.



Public Sector Banking

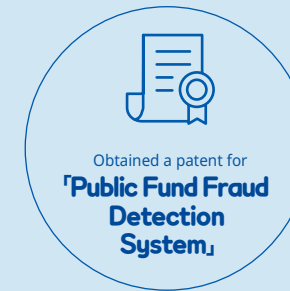
NongHyup Bank is Korea's No. 1 safe bank, known for its extensive presence in all government buildings and its management of most state coffers, including local government and education office treasuries. Demonstrating public interest and reliability, we engage in collaborative projects with local governments and support regional development as a cherished local-friendly bank.

Status of Public Sector Banking

Classification	Status
(Public funds)	Handle 182 vaults based on general accounting out of 260 local governments and education offices nationwide (70% occupancy)
(Institutions)	Perform main transactions and fund management of 1,103 institutions, including public institutions, local public enterprises, universities, divisions, and foundations
(Courts)	Manage the storage of deposits for 87 courts (54.7% occupancy) out of the 159 courts nationwide
(Public Retail Customer)	Serve 2.05 million customers from public officials and institutions, while functioning as the primary bank for 860,000 of them

BM Patent for 「Public Fund Fraud Detection System」

On June 26, 2023, we obtained a BM patent for the 「Public Fund Fraud Detection System」. This system monitors public fund transactions of local governments and other institutions to detect abnormal transactions based on transaction amounts and types.



Adoption of the First 「AI-based Revenue Processing Automation System for Handwritten Bills」

Around the end of November 2023, NongHyup Bank deployed the first automated revenue processing system for handwritten local government bills using artificial intelligence (AI), the first of its kind in Korea's financial sector. Developed in collaboration with the Ansan City Government, the system automatically reads unstructured documents using an intelligent document processing (IDP) system and extracts payment information from new, non-predefined documents through deep learning. With the introduction of this system, the period required for payment processing will decrease from 7 days to less than a day. The AI system is expected to benefit both citizens and public officials by reducing administrative costs and time.

2023 Public Finance

Business Field	Details on Performance
Public Funds	<p>100% sound profit-and-loss contracts</p> <p>Completed public fund contracts with 38 local governments and education offices despite increased competition</p> <p>Attracted new funds such as Integrated Finance Stabilization Fund and Hometown Love Fund</p>
Institutions	<p>Attracted institutional main transactions and expanded transactions</p> <p>Attracted 42 institutional main transactions, led by blue-chip institutions such as local public corporations</p> <p>Improved profitability by participating in cooperative projects such as the 「Local Government Daycare Center Management System」</p>
Courts	<p>Differentiated marketing for public officials to expand the customer base of ultra-blue chip civil servant customers</p> <p>Attracted 4,564 newly hired civil servants through digital marketing, etc.</p> <p>Enhanced competitiveness of financial products for civil servants by offering more preferential interest rates</p>
Public Finance DT	<p>Enhanced digital competitiveness to address the changing public finance landscape</p> <p>Increased competitiveness in public fund evaluation, including obtaining a BM patent for the Public Fund Fraud Detection System (FDS)</p> <p>Strengthened digital lock-in with the nationwide expansion of the 「NH Regional Development Fund Management System」</p>
ESG	<p>Engaged in corporate social responsibility activities and participated in government partnership projects</p> <p>Delivered 「Milk of Love」 to 11 juvenile protection facilities under the Ministry of Justice.</p> <p>Developed and supported co-projects such as the Ministry of the Interior and Safety's 「Dasan Mokmin Awards」 and 「Cheongbaek Volunteer Awards」</p>



Risk Management

NongHyup Bank controls and manages risks in all sectors that may arise during management activities, thereby improving management soundness and safety while establishing a sustainable management foundation. When creating a management plan, all potential risks are identified and measured at each stage, and the plan is developed with these risks in mind. To ensure capital adequacy and efficient capital allocation, we set and manage risk allowances, and establish the fund management limits divided by industries and sectors to systematically handle biased risks. Furthermore, to proactively respond to potential crises, we perform crisis situation analyses and implement step-by-step response plans to address any emergencies.

Status of Risk Management

We strengthened risk factor analysis and exposure management to prepare for vulnerabilities in high-interest rate sectors (such as individuals with low credit ratings and marginal companies). We also implemented timely portfolio adjustments to proactively respond to potential real estate losses both domestically and internationally. Specifically, we prevented possible portfolio quality deterioration by lowering the management rating for the post-construction industry. Additionally, we operated and oversaw the 「Risk-Weighted Asset Floor Task Force」 to ad-

dress the adoption of the risk-weighted asset limit floor regulation. We completed preemptive capital and asset management efforts, including profitability and BIS ratio improvements, and reduced risk-weighted assets and unused limits. Furthermore, we established a real-time deposit outflow and inflow monitoring system for early response to digital bank runs. This system is capable of monitoring daily and hourly deposit movements. We also applied emergency financing plans and self-normalization strategies to enhance our crisis response capabilities.



Preemptive Response to Capital Regulation through 「Risk-Weighted Asset Floor Task Force」

NongHyup Bank established and deployed a task force to prepare for the introduction of the risk-weighted asset floor regulation, which could significantly increase the risk-weighted assets the bank is required to manage. Specifically, we divided the relevant roles among the capital expansion team, the unused limit management team, the portfolio improvement team, and the regulatory response team. We completed the implementation of preemptive capital and asset management initiatives in preparation for the 2027 regulation, such as improving profitability and the BIS ratio and reducing risk-weighted assets.

Establishment of Real-time Deposit Outflow and Inflow Monitoring for Early Response to Digital Bank Runs

By developing a dashboard to monitor daily and hourly deposit outflows and inflows, we established a system capable of recognizing signs of digital bank runs in a timely manner. We also integrated these deposit outflow and inflow indicators into our emergency procurement plans and self-normalization strategies to enhance the Bank's crisis response capabilities.

Full Implementation of Basel III Operational Risk Regulation and Systematic Response to PSMOR Regulatory Reforms

We responded to Basel III external regulations by adopting a new standard method for measuring operational risks and establishing a system for calculating analyzing risk and crisis situations. In addition, we initiated projects and task forces to prepare for the implementation of the Principles for the Sound Management of Operational Risk (PSMOR) (enacted by the Basel Committee and scheduled for adoption in Korea in 2024). We plan to complete these initiatives by the end of 2024.

Strengthening Risk Management through More Competitive Credit Rating Models and Enhanced Risk Management

We have enhanced the competitiveness of our credit rating models to address the rapidly changing internal and external financial environments. To achieve this, we selected four key tasks: improving AI-based model performance, developing models for various internal use strategies, stabilizing regulatory model operation, and training and expanding a specialized workforce. These steps were taken to advance and upgrade the models incrementally.

Preemptive Response to Loss Risk in Domestic and International Real Estate Markets

We strategically responded to credit risks in vulnerable industries with timely portfolio adjustments in response to the construction market downturn. In particular, we lowered the industry management rating for construction back-end industries to eliminate the possibility of portfolio quality downgrades early on.

Wealth Management

NongHyup Bank constantly strives to enhance expertise and efficiency in comprehensive asset management, focusing on strengthening the competitiveness of investment products and asset management. Under the motto 「Implementing Asset Management for All」, which sets us apart from other banks, we established 49 specialized branches nationwide as of 2023. WM experts and staff at the head office collaborate to provide wealth management services to WM customers at branches nationwide, aiming to prevent financial marginalization. We also focus on maximizing the value of customers' assets through customized portfolio management, investment counseling, and financial planning, offering various investment products and wealth management services aligned with the latest market trends and customers' needs.

Status of WM Business

The establishment of a medium- to long-term foundation for WM workforce management has contributed to the sustainable growth and enhanced expertise of the WM division by strengthening expertise in investment products and wealth management. In addition, the expansion of field-oriented communication, training, and marketing support to revitalize the WM business has played an important role in further enhancing the capabilities of the

division. Moving forward, we will continue to effectively respond to customers' diverse needs based on the expertise and cooperation of each division in investment products and wealth management. We will also continue to strengthen our foundation and solidify our role as a leading player in wealth management through innovative workforce management and market response strategies.



Enhancement of Investment Product Competitiveness and Provision of Products Catering to Customer Needs

We expanded our product lineup to diversify our bancassurance and fund portfolios and implemented customer-centric marketing by offering products catering to customer needs.

Complete Sales Process for Financial Consumer Protection

We strengthened our work processes, training, and review systems to ensure the complete sales of investment products. We contributed to enhancing financial consumer protection by expanding the follow-up monitoring process for the adequacy of bancassurance document collection. Additionally, we improved our sales training program to prepare for mystery shopping by the Financial Supervisory Service, obtaining an overall rating of "Excellent" for variable life insurance. We also enhanced our process to prevent mis-selling by establishing a comprehensive inspection plan to thoroughly check and prevent the mis-selling of funds. This included introducing the latest technology to record the sales process to increase the transparency and accuracy.

Enhancing Digital Asset Management (DWM) with VIP Financial Consulting

Our VIP financial consulting is an innovative mobile video consulting program that combines the reliability of traditional in-person consulting with the convenience of digital technology. This makes it easy for customers to receive personalized one-on-one financial advice from experts anytime, anywhere. It focuses on increasing customer satisfaction by providing more diverse and flexible services, enabling customers to solve complex financial issues with in-depth advice from experts regardless of time and location.

2023 Wealth Management

To enhance the WM business, we built strong foundations in three major areas: wealth management, channel operations, and customer service. First, for workforce innovation, we introduced a WM workforce management system to establish a medium- to long-term foundation. By assigning WM job competency levels based on history, experience, education, and qualifications, we created an environment where talented individuals can grow and make long-term contributions in the WM field. This maximized the efficiency of WM workforce management and enabled us to proactively respond to market changes by strengthening their capabilities. Second, in terms of channel operations, we strengthened the brand of comprehensive wealth management centers through the solid operation of specialized stores. This included enhancing sales support for WM-related activities in specialized branches (with a total of 2,181 cases of WM sales support) and promoting the introduction of SI. Third, in the area of customer service, we provided customized services for major customers by expanding WM customer specialty services to improve service quality. To offer unique customer experiences, we organized seminars with major customers and conducted WM seminars for 59 major customers, including the Ministry of Foreign Affairs, enhancing customer satisfaction.



Trust Banking

The trust project at NongHyup Bank has established an independent decision-making system and plays an important role in the commission project by managing money and property trusts. We strive for continuous growth and competitiveness based on customer trust by developing new products, diversifying revenue sources, and fostering professionals to meet customer needs. Our goal is to become the best comprehensive asset management business through substantial business promotion and continuous profit growth, playing a pivotal role in new growth engine businesses.

Status of Trust Banking

NongHyup Bank's trust project focused on providing various customized products tailored to each customer's characteristics, releasing new products in response to market conditions, and managing state funds. The total depository at the end of 2023 was KRW 37.8405 trillion (based on balance). The total depository of money trusts was KRW 19.9140 trillion (52% of the total trust) and the

property trusts reached KRW 17.9265 trillion (47.4% of the total trust). Notably, property trusts reported an increase of KRW 3.7977 trillion from the previous year (26.9%). Additionally, we continue to protect customers' rights and interests through various efforts, including a campaign to help customers identify long-term non-traded trusts.



Consulting for the Development of a Next-Generation Trust Asset Management System

For the sustainable development of our trust business, we provided consulting on the development of a next-generation trust asset management system. By rebuilding the outdated system, we aim to increase convenience in operational management and implement an infrastructure for diversifying our business away from an unevenly distributed product structure. Based on the consulting results, we will improve work efficiency and expand the scope of our trust business further by laying the groundwork for a system to manage various assets in the medium- to long-term.

Depository

Total Depository	KRW 37.8405 trillion	
Money Trusts	KRW 19.9140 trillion	52.6% of total depository
Property Trusts	KRW 17.9265 trillion	47.4% of total depository

Systematic Response to the Introduction of New Supervisory Regulations

We will continue to monitor the changing market environment and strengthen product competitiveness by discovering and releasing products with high growth potential ahead of schedule. In response to the Financial Services Commission's recent 「Trust Industry Innovation Plan」 (announced on October 12, 2022), we will continue to monitor the reorganization of the trust system and review the launch of new products in preparation for the super-aging market. We will also take the lead in enhancing consumer protection through comprehensive sales implementation by improving sales staff training and monitoring compliance with standard sales procedures.



Retirement Pension

In line with the pension reform policy pursued by the Korean government as one of the three major reform tasks for 2023, NongHyup Bank carried out various activities to fulfill its social responsibilities as a retirement pension provider and help customers increase their assets to support a secure post-retirement life. With the commitment and active promotion efforts from all employees, we achieved remarkable results in the retirement pension default option (pre-designated portfolio management system) market and established a system to closely manage customer assets through the 「Retirement Pension Customer Management Center」. NongHyup Bank will continue to strive to become a trusted retirement pension provider and a reliable financial partner for customers' post-retirement life.

Status of Retirement Pension

2023 marked the full adoption of the pre-designated portfolio management system of retirement pensions, and we made dedicated efforts to ensure its stable deployment. To promote the pre-designated portfolio management system, we formed the 「Retirement Pension Rules Modification Support Task Force」 and established the 「Retirement Pension Rules Modification Support

Team」 to directly support 30% (10,154 cases) of all eligible accounts in modifying their rules. We expanded our marketing drive by supporting well-performing sales branches and providing benefits to employees. Additionally, we established a close field support system by designating persons in charge for each company type and region at the headquarters.



Retirement Savings to Grow by 13.1% in 2023, Surpassing KRW 20 trillion

With customer-tailored on-site support and systematic marketing development for different company types, NongHyup Bank's retirement pension reserves increased by 13.1% year over year to KRW 20.8493 trillion in 2023. In particular, retail IRP reserves increased by 24.7% year-on-year, driven by enhanced pension asset management functions and aggressive marketing. Retirement pension fee revenue reached KRW 78.6 billion, contributing significantly to our non-interest income business. Additionally, we established the 「Retirement Pension Customer」 Management Center and the 「Retirement Pension Support Center」, laying the groundwork for customer-centered business operations.

(Unit : KRW hundred million, people)

Classification	2020	2021	2022	2023
Retirement pensiondepository	139,478	159,315	184,265	208,493
Retirement pension subscribers	1,287,687	1,352,662	1,391,687	1,420,618

Creation and Distribution of Introductory Videos on Pre-Designated Portfolio Management and Enhancement of PR Activities

We produced and distributed a video on the pre-designated portfolio management system for corporate customers and uploaded a 「Default Option Quiz」 video featuring the bank's brand ambassador on NH Tube. As a result, we achieved the highest adoption rate of the pre-designated portfolio management system among all retirement pension providers, with a 98.4% modification rate and a 77.8% member designation rate, leading the successful deployment of the default option system.



Promotion of the Sound Growth of the Retirement Pension Business

NongHyup Bank signed the 「Business Agreement for Promotion of the IRP Project to Revitalize the Retirement Pension System」 with the Ministry of Employment and Labor, the Financial Services Commission, the Financial Supervisory Service, financial institutions, and related organizations on September 20, 2023. We cooperated to improve the system and promote it to the public. Additionally, we were designated as the secretariat organization for the banking industry within the 「Retirement Pension Development Council」 to actively fulfill the obligations of pension providers and promote the sound growth of the retirement pension business.

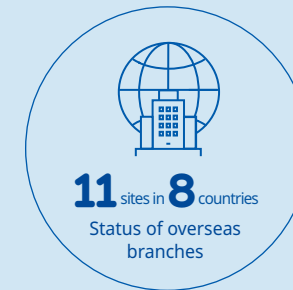
Global Business

Since establishing a dedicated organization to revitalize its global business in 2017, NongHyup Bank has been actively promoting overseas expansion. We continued to expand our global network in 2023, including opening a new branch in Noida, India. Currently, we have 11 global networks across the world with a total of 833 employees, including local recruitment staff at six branches in eight overseas countries, two local subsidiaries (52 branches), and three offices. We expand our business by developing models aligned with the characteristics of each country where we operate, with the ultimate goal of serving as a profit center to return our profits to rural villages, agriculture, and farmers. Additionally, we are engaged in a wide range of corporate social responsibility activities, which help us improve our brand's global status.

Status of Global Business

To enhance its global business, NongHyup Bank has established and promoted a customized business model by dividing its operations into three regions according to the characteristics of the countries where it operates. The New York, Hong Kong, and Sydney branches, located in developed financial markets, provide investment banking,

corporate banking, financing and management, and trade finance services. Meanwhile, the Hanoi, Beijing, and Noida branches focus on corporate banking, such as loan and deposit services for Korean branch companies and trade financing. The Cambodia and Myanmar subsidiaries are engaged in microloans to local retail customers.



Expanding Global Territories and Fortifying Business

NongHyup Bank opened the Noida branch in India in May as its sales center in Southwest Asia, targeting Korean and global companies operating in India through aggressive marketing and refined internal controls. In addition, we are positioning ourselves as a financial institution that contributes to the revitalization of the Indian economy by promoting credit to local blue-chip companies. We also plan to promote the London office to a branch in 2024 and establish a Singapore branch in 2025.

Overseas Branch status

Classification		Format	Entry Period	Main Duties	No. of Branches	People
US	New York	Branch	2013.08.	IB / Corporate Finance Fund Operation	1	21
Australia	Sydney	Branch	2022.09.	IB / Fund Operation	1	12
England	London	Office	2021.08.	Branch transition planned	1	1
China	Hong Kong	Branch	2021.11.	IB / Trade Finance Fund Operation	1	17
	Beijing	Branch	2013.09	Corporate Finance / Fund Operation	1	19
Vietnam	Hanoi	Branch	2016.12.	Corporate Finance / Fund Operation	1	30
	Ho Chi Minh	Office	2018.11.	Branch transition planned	1	3
India	Noida	Branch	2023.05	Corporate Finance / Fund Operation	1	16
Myanmar	Yangon	Corporate Office	2016.12.	Small loans for individuals	28	322
		Office	2020.10.	Sales organization establishment	1	1
Cambodia	Phnom Penh	Corporate Office	2018.09.	Small loans for individuals	24	364



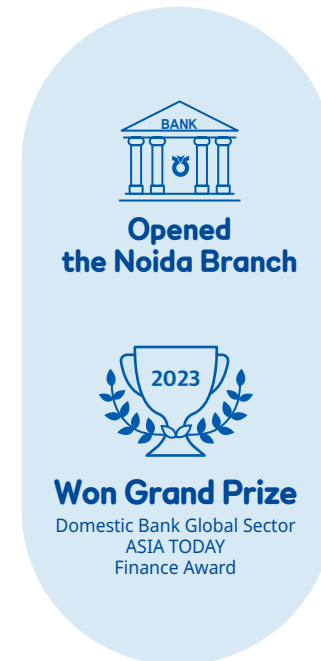
NH NongHyup Bank Opens Noida Branch, India

We accelerated the expansion of our global operations by opening branches, securing regional bases, and investing in promising local banks to strengthen our competitiveness. On May 10, 2023, we launched the Noida branch in India. Noida, an industrial hub in India's National Capital Region (NCR) along with Delhi and Gurugram, hosts factories run by Korean companies such as Samsung Electronics and LG Electronics, creating strong demand for corporate banking services. As NongHyup Bank's first branch in India, this branch holds great significance as a regional hub for South-west Asia. We currently have 16 employees (4 expatriates and 12 locally hired staff) with plans to hire more up to 19. NongHyup Bank aims to stabilize its global business by focusing on corporate banking services for Korean companies in the region. We will concentrate on corporate loans, PF, syndicate loans, inward/outward remittances, debt collection, corporate deposits, letters of credit, and reimbursement authorization business. Additionally, we will strengthen local networking in Southwest Asia using the Noida branch as our base of operations.



Internal Control System for Overseas Branches

NongHyup Bank responds proactively to calls for enhanced internal controls for overseas channels. In 2023, we strengthened cooperation between head office departments by operating the "Global Department Heads Meeting" to address global network issues. In the second half of the year, we organized a joint business trip to Cambodia and Myanmar to identify support needs from local subsidiaries and strengthen internal controls at overseas branches.



Upgrade of Global Workforce Management

NongHyup Bank implemented a workforce management program to build its global workforce and secure expatriate employees early on. We introduced a local expert system to dispatch new recruits specifically employed for global positions to overseas branches, training them into experts. We also operated an academy to enhance the global job skills of employees who aspire to work as expatriates in the future. Additionally, we are expanding support for expatriate employees and local staff by introducing online job training programs in local languages, enabling continuous learning and acquisition of job knowledge.



Bank President-Overseas Branch Video Conference Held

NongHyup Bank President Lee Seok Yong held a video conference with overseas branches to review business progress in each country and encourage employees. During the meeting, participants discussed global business revenue generation, including business models for overseas branches in operation and the early revitalization of businesses at the Hong Kong, Beijing, and Sydney branches, as well as the preparation status of the Noida branch in India, scheduled to open in May. President Lee expressed his gratitude to expatriate employees for their efforts in advancing NongHyup Bank's global business despite challenges in the business environment. He urged them to focus on creating a stable overseas business foundation and continuously expanding the network of global operations to ensure the bank's continued international growth. NongHyup Bank currently operates 11 overseas branches in 8 countries, including the U.S., China, and Vietnam, and plans to expand to more than 14 branches in 11 countries by 2025, targeting major Southeast Asian countries and global financial hubs.



Consumer Protection

NongHyup Bank strives to be the leading bank in protecting financial consumer rights by fully complying with the Financial Consumer Protection Act and improving consumer-centered products and services through promptly reflecting consumer feedback.

Status of Consumer Protection

To raise awareness of financial consumer protection and boost employee morale, NongHyup Bank held the first-ever 「Financial Consumer Protection Award Ceremony」 in the banking industry on March 22, 2023. In addition, NongHyup practiced 「participation-based financial consumer protection」 by awarding not only employees and offices but also customers with outstanding proposals. To safeguard customers' valuable financial assets, NongHyup

Bank was the first among financial institutions to adopt a 「24-Hour Monitoring System for Suspected Fake Bank Accounts」 and an 「Automated 112 Voice Phishing Reporting System for Sales Branches」. These systems have helped prevent incidents during vulnerable hours and preemptively mitigate voice phishing through faster reporting and police dispatch.



The Only Bank to Receive a "Good" Rating in the Financial Supervisory Service's Financial Consumer Protection Evaluation

NongHyup Bank has made extensive efforts to promote the rights and interests of financial consumers. It is the only bank to receive a "Good" rating in the Financial Supervisory Service's 「Financial Consumer Protection Evaluation」 in 2023, achieving high scores in areas such as the financial consumer protection education system, convenience for vulnerable groups, and damage prevention.

Classification	Bank	Life insurance	Non-life insurance	Cards & loans	Securities	Savings banks	Total
Good	NongHyup	—	DB	Woori Card	Mirae Asset	—	4
Fair	Jeonbuk IBK SC Korea	5 companies including Kyobo	Lotte Meritz Axa	Samsung Card Hana Capital	KB Hana	Acuon Welcome KB	18

Enhancement of Internal Control for Financial Consumer Protection Capability Building

NongHyup Financial Group established the first 「Internal Control Computer System」 in the Korean banking sector to monitor all stages from product/service development to follow-up management. This system ensures a robust response to policy implementation inspections by financial authorities. Additionally, we deployed the 「Product Sales Voice Recording Analysis System」 to enhance the prevention of mis-selling.

Customer-Centric and Field-Centric Financial Consumer Protection Activities

To strengthen communication with customers and reflect their diverse opinions, we actively utilized digital channels to analyze suggestions and complaints and incorporate them into our services. To improve employees' compliance awareness regarding the Financial Consumer Protection Act, we held the 「Financial Consumer Protection Charter Declaration Ceremony」 and conducted the 「Financial Consumer Protection Act Compliance Campaign」.

Lowest Fake Deposit Account Share Among Major Banks for 9 Consecutive Years

By adopting the 「24-Hour Monitoring System for Suspected Fake Bank Accounts」 and the 「Automated 112 Voice Phishing Reporting System for Sales Branches」, to preemptively respond to new financial frauds, we achieved the lowest fake deposit account share among six major banks (6.6%) for the 9th consecutive year, protecting a total of 2,259 customer assets worth KRW 27.2 billion as of the end of 2023.

NH Card

Despite business uncertainties such as prolonged high interest rates, weakened profit and loss due to rising delinquency rates, and intensified competition in the card industry, NH Card has actively developed new businesses, improved the efficiency of marketing expenditures, and reduced cost fees. Although interest and bad debt expenses increased significantly amid unprecedented financial tightening, we managed to minimize the impact of the external environment by increasing installment revenue and card loan revenue year over year, steadily improving our business conditions.

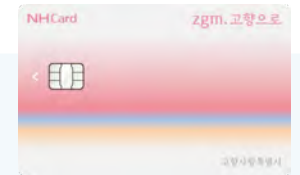
Status of NH Card

NongHyup Bank established its card business as the 「NongHyup Credit Card」 in 1983. The card business became as an agency business of the National Agricultural Cooperative Federation in 1993 and was reorganized into a spin-out named NH Card in 2008. In November 2009, NH Card launched its own brand, the 「NongHyup Chaem Card」. When the integrated brand was renamed NH Card in 2012, the unique brand was renamed 「NH Card (Chaem)」, and the 「BC Brand」 was renamed NH Card (BC). NH Card operates a credit card business as a dual credit

business operator under the Credit Finance Business Act. As its influence in the credit card industry grew, it became the first bank dual credit card company to become a quasi-member of the Credit Finance Association in February 2019. NH Card is run as a separate section of business within NongHyup Bank, rather than a separate corporation, consisting of one center, 33 teams, four bureaus (including the Card Customer Happiness Center), and five divisions, staffed by approximately 430 employees.



Launched 「Zgm. Hometown Card」 Specialized for the Hometown Love Donation Program



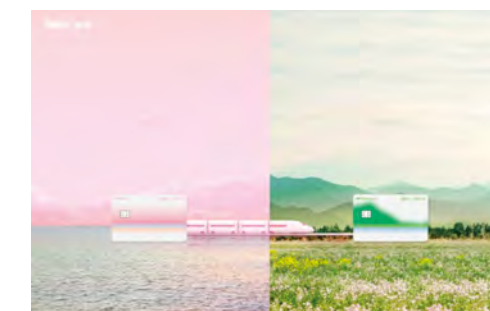
To support the successful consolidation of the Hometown Love Donation Program, first implemented in 2023, we released the 「Zgm. Hometown Card」 to connect residents in cities and rural areas (April 5, 2023). We held a launch ceremony for the 「Zgm. Hometown Card」 at the time of release. We engaged in intensive activities to establish the Hometown Love Donation Program, including a sign-up event for the 「Zgm. Hometown Card」 with So Byung-hoon, Chairman of the National Assembly's Agriculture, Food, Rural Affairs, Oceans & Fisheries Committee, an event in conjunction with the 「Hometown Love Festival」, and a business agreement for joint 「Hometown Love Festival」 marketing with Korail Tourism Development. As a result, the number of 「Zgm. Hometown Card」 accounts surpassed 280,000 by the end of 2023.

Fulfilled Public Finance Roles and Corporate Social Responsibility

Despite an unfavorable business environment, NongHyup Bank actively participated in public projects and fulfilled its role in public finance. We signed a business agreement with the Credit Counseling & Recovery Service to issue 「NH FIT Credit Repair Support Check Cards」 to debtors with good repayment performance. For the 「Botaem E-Card」 (a dedicated card for local subsidies) linked with the local subsidy management system, we became the first bank in the industry to complete the product launch with the 100th local government. To help commuters reduce transportation costs, we launched the 「Affordable Transportation Card」 in partnership with the Affordable Transportation Card Plus project run by the Ministry of Land, Infrastructure, and Transport.

2023 NH Card

In 2023, total card usage amounted to KRW 129.9 trillion with a total of 30.29 million members using NH Card. The number of credit card members reached 9.19 million, an increase of about 82% since the independent card launch (in 2009). NH Card ranked fifth in the industry with an 11.65% market share and overwhelmingly ranked first with a 30.03% share of check cards as of 2022. We released 「NAMUH NH Card」 as the industry's first PLCC product for finance and investment. By launching the first PLCC product in the securities sector, which provides cashbacks to NAMUH securities accounts of NH Investment & Securities as a key service, we set trends and created synergy within the group.



「NH PAY」 MAU Exceeds 2 Million for the First Time

We introduced 「My Catch」, a personalized benefit service that allows customers to choose the benefits they want, and provided various services that customers prefer within NH Pay, including additional discounts through a partnership with FITCOLLABO. On October 31, 2023, NH Pay MAU surpassed 2 million for the first time, driven by real-time marketing to encourage customers to use easy payment and the introduction of the 「Posting Room」, a service that provides various informative contents.

「NH PAY」 UI/UX Renewal

We redesigned the user interface (UI) and user experience (UX) of NH Pay by analyzing usage patterns and considering user feedback. We streamlined the sign-up process, removed and merged unnecessary screens, introduced new services, changed the menu structure and scrolling method, and updated the design tone and manner.

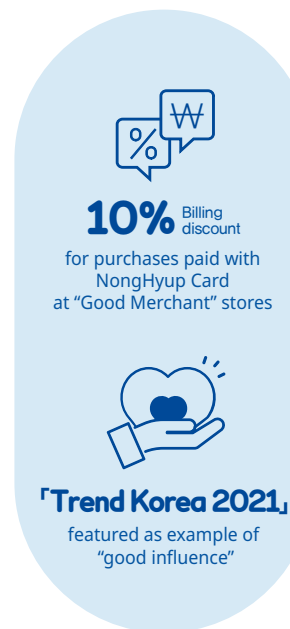


Rural Love Campaign Public Interest Funds for Rural Villages and Farmers

As part of our efforts to enhance welfare in rural areas, KRW 350 million in card public interest funds was delivered to the iFarm Love Head Office. The public interest fund was created by accumulating a certain percentage of the use of six cards, including the 「New Rural Love Check Card」, 「Olbareun NEW HAVE Card」, and 「BAZIC+ Card」. The public interest fund will be used in various rural love movements projects such as support for welfare promotion goods for the vulnerable in rural areas, rural value enhancement activities, and volunteering.

A Big Data Cooperation Agreement with BGF Retail

We built cooperation capabilities for data projects with the private sector by signing a big data cooperation agreement with BGF Retail. By combining sales data from customers visiting more than 17,000 CU convenience stores nationwide with NH Card customers' demographic data and consumption status, we established operational strategies for each convenience store to provide customized services to patrons.



Identification and Promotion of 「Good Merchant」 Stores as Part of ESG Management

Under the slogan of 「Right Life Card」, we planned the 「Be Myself and Use it Right」 campaign to contribute to the spread of positive influence. We supported the dissemination and marketing of this positive influence by discovering and promoting good merchants who offer services such as free meals for underfed children, support for abandoned dog adoption, and resource recycling.

Provided support for publicity by producing and sharing content featuring famous celebrities such as comedian Yang Se-hyung, Kim Min-kyung, Gangnam, Lee Chang-ho, and Youtuber Enjoycouple.

Featured as a 「Good Influence」 case in 「Trend Korea 2021」

A 10% discount is provided when using NH Card at stores selected as Good Merchant. Since the first store was designated in June 2020, a total of 13 stores have been selected and promoted.

Flip Flower and PLEATSMAMA newly selected and promoted in December 2023

Kind Stores	History of ESG Activities
Jinjja Pasta (Store 1)	Free meals for underfed children and firefighters
Dashi Sarang Batgae (Store 2)	Support for the protection and adoption of abandoned animals
Oppa Sushi (Store 3)	Free meal support and donation delivery for the underprivileged
Eunjujeong (Store 4)	Monthly delivery and scholarship donations to low-income households of 500kg
119 Leo (Store 5)	Selling upcycling waste fire wear, donating proceeds to firefighters
Paper Pop (Store 6)	Making furniture with eco-friendly paper and pursuing resource circulation
Almaeng Store (Store 7)	Sales of unpaved and de-plastic products that purchase only as much as necessary
Continue (Store 8)	Upcycling car seats, airbags, and marine waste
Wooriga Chamsundae (Store 9)	Regular Sundae Soup Sharing Event is held for the elderly living alone and the disabled
Donggubat (Store 10)	Employment of people with developmental disabilities and production and sale of eco-friendly products such as natural soap
Iar (Store 11)	Recycling plastic bottles and manufacturing and selling eco-friendly materials as fashion products such as shoes and bags
Flip Flower (Store 12)	Training deaf individuals as florists, hiring them, and using eco-friendly packaging
PLEATSMAMA (Store 13)	Making bags and pouches from recycled threads



(Store 1) Jinjja Pasta

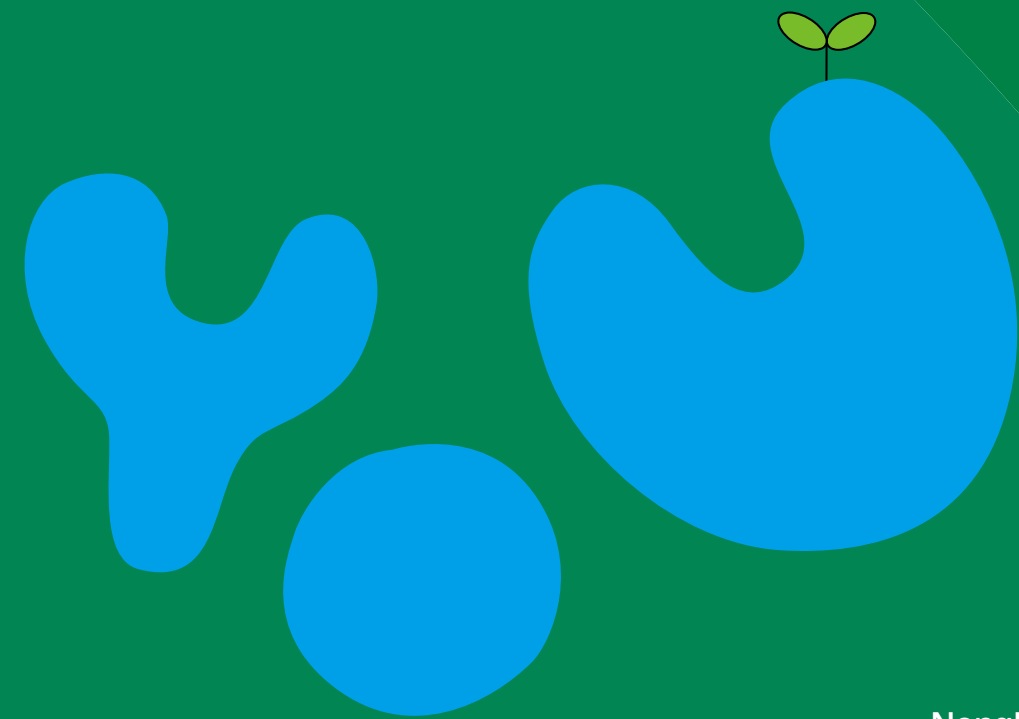
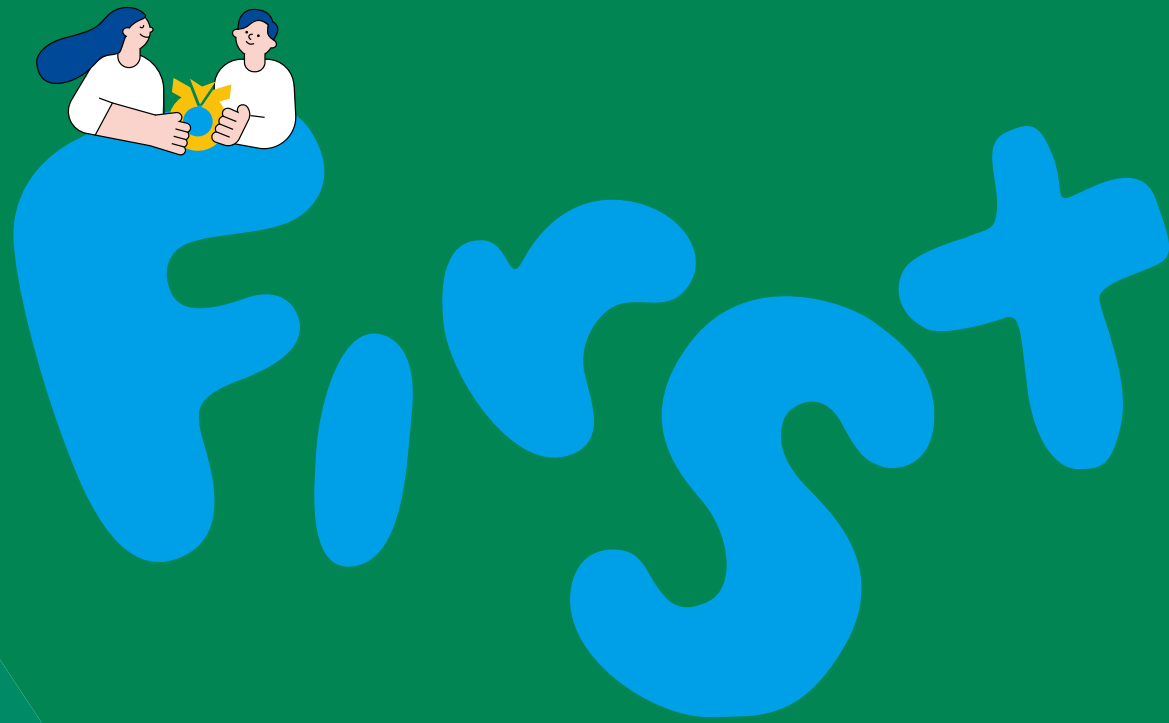


(Store 12) Flip Flower



(Store 13) Pleatsmama

2023 NongHyup Bank ESG



NongHyup Bank ESG

68 ESG Business



ESG Business

NongHyup Bank takes extensive efforts in promoting ESG management and contributing to the balanced development of the national economy, which is the very purpose of its foundation. This is achieved through communication and social contribution activities with various stakeholders, including agriculture and rural areas, local communities, financial consumers, and shareholders. Under the ESG vision of “the Beginning of Creating the Future, the Moment of Meeting NongHyup Financial”, we create management practices to make every moment that financial consumers interact with NongHyup Bank a promise for a beautiful future. Examples include greenhouse gas reduction activities to address the climate crisis, financial support and consulting for low-carbon transitions, expansion of renewable energy investments, fund sales from ESG-leading company portfolios, and sales of deposit products and credit cards that encourage ESG practices in daily life.

Status of ESG Business

To support the low-carbon transition and greenhouse gas reduction in the agricultural sector and farmers’ external business operations, we have established a process to support stable sales channels and income from external business emission credits. We provided free ESG consulting services to SMEs experiencing difficulties in ESG management adoption, launched the 「NH Carbon Reduction Leader Loan」 to finance low-carbon production facilities, and raised funds for low-carbon support by issuing green bonds. Additionally, to foster a culture of ESG practices

among employees, we conducted ESG training sessions on online platforms twice a year and continuously implemented monthly campaigns focused on various ESG practice themes. 2023 marks the first year of the Hometown Love Donation program. NongHyup Bank launched the NH Hometown Love Donation Deposit/Savings Accounts, offering preferential interest rates to consumers who make hometown love donations. We also introduced a Hometown Love-related credit card to help revitalize the local economy.



Establishing a Purchase Process for Farmers’ Emission Credits

By building a process for purchasing certified emissions trading business results (emissions credits) in the agricultural sector, we established a system that enables farmers to sell their credits in a stable manner. This creates a foundation for using the bank’s carbon emissions reduction measures to support farmers’ incomes.

Developing and Disseminating Eco-friendly Financial Products and Services

We launched the 「NH Carbon Reduction Leader Loan」 to support the government’s carbon neutrality and green growth policy projects, and the 「Anywhere Green Card」 for eco-friendly mobility. Through our core business activities, we supported the transition to a low-carbon society by providing financial support to carbon-reducing companies and expanding our financial product lineups to promote a low-carbon culture.



Participation in Government and Public Eco-friendly Campaigns and Launch of the Bank's Own Campaigns

We participated in the Ministry of Environment's Zero Disposable Challenge and designated the 10th of each month as a disposable-free day to spread a culture of ESG practices. We became the first company in Korea to host a Tumbler Day event in collaboration with the National Agricultural Cooperative Federation and the Seoul Metropolitan Government. Additionally, we participated in the Korea Energy Agency's Cool Korea Challenge to save cooling energy by having employees wear cool casual clothes, strengthening our role as a sustainable company.

Raising External Standing as an ESG Leader

NongHyup Bank earned the highest grade for four consecutive years in the evaluation of financial institutions' reinvestments for regional economic growth conducted by the Financial Services Commission. This achievement solidified our status as a leading ESG management company by earning an 'A' rating from the Korea Institute of Corporate Governance and Sustainability for three consecutive years.

Welfare Improvement for Agriculture and Rural Areas and Support for Low-Income and Marginalized Groups

NongHyup Bank, established with 100% domestic capital, is dedicated to creating a happy future for farmers and citizens. We have established ourselves as a strong partner for farmers and local communities by improving welfare for the agriculture sector and rural areas and engaging in projects across various areas such as education, culture, and environment. Additionally, to fulfill our social responsibility as a financial institution, we actively support low-income and marginalized groups in alignment with the government's financial policies. Moving forward, we will continue to prioritize the happiness of farmers and people in all areas related to finance.

NongHyup Bank, a CSR Leader

According to the 「2022 Bank Social Contribution Activity Report」 published by the Korea Federation of Banks in October 2023, NongHyup Bank is fulfilling its role as a corporate social responsibility (CSR) leader by spending KRW 108.6 billion on CSR activities and KRW 324.7 billion on rural support projects. We are committed to serving the public interest by providing affordable finance for the underprivileged and supporting local communities through disaster relief and various volunteer activities. We also run unique financial education programs for youths, promote culture, arts, and sports, and sponsor environmental protection and other global projects.



3 consecutive years

Rating **A**

Korea Institute of Corporate Governance and Sustainability, ESG Evaluating Agency

Green Ladder Camp

Mentoring program matching elementary school children with college students

Signed a Green Ladder MOU

for the credit support project

Award for the Best ESG Management Support

Economic Daily ESG Management Awards

A Credit Support Program for Rural Youths

In May 2023, NongHyup Bank signed an MOU with the Korea Scholarship Foundation and donated KRW 3 billion to provide meaningful financial support to young people in rural areas. The Green Ladder Credit Support project aims to help rural youths transition to wider society and achieve economic recovery by providing funds to repay outstanding debts (up to KRW 2 million per person) for long-term delinquents of rural student loans. We will support the early repayment of debts for around 3,500 individuals over three years. We fulfill our social responsibilities by helping underserved rural youths become self-reliant, enabling them to become valuable resources for our society.

Educational Support for Rural and Underprivileged Students

The 「Green Ladder Camp」 is our unique mentoring program for elementary and college students, carried out in collaboration with the Korea Scholarship Foundation. College students volunteer their talents to provide high-quality education to students in rural areas, thereby bridging the urban-rural education gap and offering opportunities for young people to understand the value of agriculture and rural life while fostering leadership capabilities. In total, 159 mentors and 247 mentees participated in the two winter/summer camps in 2023, which included career exploration activities, youth finance classes, musical theater visits, and more.



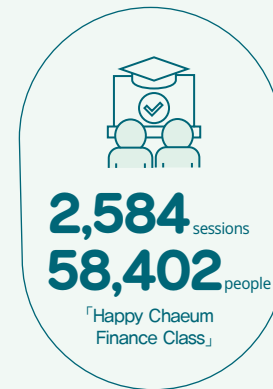
Continuous Support for Rural Workers and the Creation of Clean and Beautiful Rural Villages

In line with the slogan 「NongHyup Build Hopeful Agriculture and Happy Rural Communities,」 NongHyup Bank employees participate in company-wide volunteer activities for rural villages every year. In 2023, 5,304 employees dedicated 34,487 hours to various volunteer programs, including carrying rice seedbeds, harvesting crops and fruits, collecting agricultural waste, and cleaning rural villages.



Heart-Warming Sharing Activities for Faster Recovery from Disasters

NongHyup Bank created and donated 「NH Emergency Relief Kits」 for prompt response to ongoing disasters such as wildfires. These kits included NongHyup's own products made from home-grown produce, such as cup tteokguk (sliced rice cake soup) and cup nurungji (scorched rice), adding to their significance. In addition, NongHyup Bank designated the period from mid-July to early August 2023 as an intensive flood recovery period. Employees rolled up their sleeves for flood recovery work in 13 special disaster areas, including Chungcheongbuk-do, Chungcheongnam-do, Gyeongsangbuk-do, and Jeollabuk-do. A total of 612 employees donated 4,417 hours of their time to assist survivors by collecting flooded crops, removing damaged greenhouses, restoring farmlands, clearing oil and debris, and cleaning up damaged homes.



Conducting 「Mobile Financial Education」 to Tackle Rural Extinction Crises

The Mobile Financial Education program is NongHyup Bank's initiative to provide various educational programs and activities for youths in financially underserved areas and regions at risk of rural extinction. The aim is to help them explore career paths and build financial knowledge. The program offers a variety of engaging training and activities, including NH Wings, a specially designed bus/mobile bank that provides actual banking services, as well as board games on foreign exchange currency and one-day banker activities. In 2023, we provided customized on-site education to a total of 289 students in seven schools in areas facing the risk of rural extinction, including Gurye-gun in Jeollanam-do, Yeongyang-gun in Gyeongsangbuk-do, Goseong-gun in Gangwon-do, and Ganghwa-gun in Incheon. NongHyup Bank is committed to implementing the government's policy to overcome the rural extinction crisis and bridge the education gap for students in areas with limited access to financial education.



「Happy Chaem Finance Class」 : A Happy School to Foster Dreams and Talents

In line with its mission to promote a happy life through fulfilling the value of sharing, NongHyup Bank continues to host talent-sharing volunteer activities to create distinguished customer benefits and values and build a happy world with customers. As part of these efforts, NongHyup Bank operates the 「Happy Chaem Finance Class,」 a youth financial education and job experience program unique to NongHyup Bank. In 2023, we conducted educational programs for 58,402 youths across 2,584 sessions to foster their dreams of becoming financial professionals.



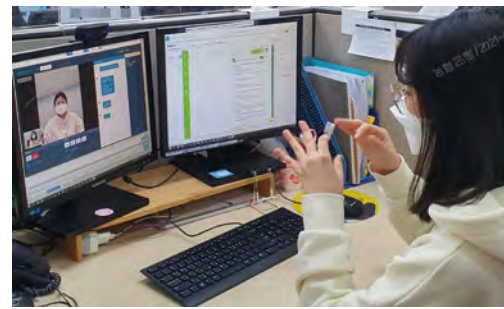
Promoting Philanthropy through Sports Talent Donations

The NongHyup Bank Sports Teams donated their talent to provide students in areas with limited access to sports infrastructure with opportunities to enjoy various sports. NongHyup Bank's tennis and soft tennis teams, renowned for their long history and tradition, shared dreams and hopes by giving one-point lessons to promising student athletes. In 2023, we sponsored a total of 68 elementary, middle, and high school students in Chungcheongbuk-do and Chungcheongnam-do through two programs, providing them with sports gear and lessons from active athletes.



Fostering Companionship by Providing Counseling Services for the Underprivileged

At NongHyup Bank, counselors proficient in sign language provide financial transaction and product counseling services to deaf customers. We also employ telephone counselors specifically for senior citizens to assist them with overall financial matters, including savings and loans, using friendly and simple language, and slow-spoken explanations. NongHyup Bank has been operating the "Malbot Service," for 16 years since 2008, in which counselors make weekly calls to provide companionship to senior citizens over 70 living in rural areas or alone (48,565 cases in 2023 alone). In addition to discussing everyday topics, they check on customers' health and issues and provide various information. Recently, the counselors have been providing information to prevent senior customers from being exposed to financial fraud, helping those with restricted access to information and preventing crimes.



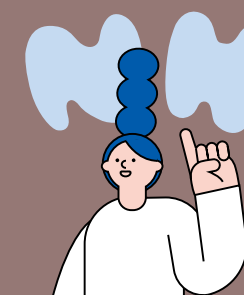
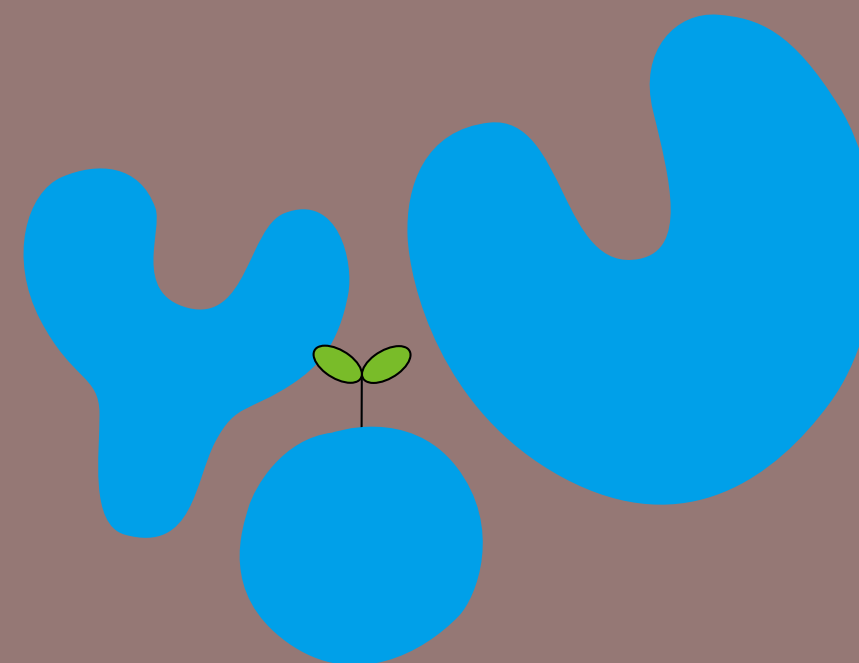
Sharing Activities for Global ESG Management

NongHyup Bank is actively engaged in CSR activities both in Korea and internationally through its overseas branches. To improve the learning environment for local students, we donated school supplies and daily necessities to a vocational school for women and children in Cambodia, and donated books, desk-chair sets, and textbooks to a school in rural New Delhi, India, along with providing scholarship grants for outstanding students. We also offer industry-academia cooperation opportunities (internship programs) to the Korean language department of Delhi University in India to promote co-existence and shared growth.



2023 NongHyup Bank Financial Statements

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NongHyup Bank Financial Statements

- 78 Independent Auditor's Report (Consolidated)
- 79 Consolidated Statements of Financial Position
- 80 Consolidated Statements of Profit or Loss and Other Comprehensive Income
- 81 Consolidated Statements of Changes in Equity
- 82 Consolidated Statements of Cash Flows
- 84 Independent Auditors' Report(Separate)
- 85 Separate Statements of Financial Position
- 86 Separate Statements of Profit or Loss and Other Comprehensive Income
- 87 Separate Statements of Changes in Equity
- 88 Separate Statements of Cash Flows

NETWORKS

Independent auditors' report(Consolidated)

The Shareholders and Board of Directors NongHyup Bank

Opinion

We have audited the accompanying consolidated financial statements of NongHyup Bank (the "Bank") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows, all expressed in Korean won, for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Korean International Financial Reporting Standards.

Basis for Audit Opinion

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

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Korean International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the 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, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

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Auditor's Responsibilities for the Audits 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 KGAAS 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 KGAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

March 7, 2024

Deloitte IDNJIA LLC

This audit report is effective as of March 7, 2024, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this report.

Consolidated statements of financial position

NongHyup Bank and its subsidiaries

As of December 31, 2023 and 2022
(Korean won in millions)

	Notes	December 31, 2023	December 31, 2022
Assets			
Cash and due from banks	5, 6, 35, 36, 39	₩ 11,211,845	₩ 14,912,464
Financial assets at fair value through profit or loss ("FVTPL")	5, 7, 35, 36	15,069,381	13,571,544
Derivative assets	5, 23, 35, 36	647,523	1,089,745
Financial assets at fair value through other comprehensive income ("FVTOCI")	5, 8, 35, 36	28,883,796	29,336,664
Securities at amortized cost	5, 9, 35, 36	18,011,648	15,490,104
Loans at amortized cost	5, 10, 35, 36	323,103,000	308,633,317
Investments in subsidiaries	11	105,712	91,556
Tangible assets	12, 15	2,895,113	2,920,768
Investment properties	13	606,601	575,436
Intangible assets	14	535,171	521,070
Deferred income tax assets	27	47,196	268,649
Other assets	16, 35, 36	192,526	148,130
Net defined benefit assets	24	15,866	108,250
Non-current assets classified as held for sale ("HFS")	13, 35	15	15
Total assets		₩ 401,325,393	₩ 387,667,712
Liabilities			
Deposits	17, 18, 35, 36	₩ 315,155,898	₩ 307,727,928
Derivative liabilities	17, 23, 35, 36	656,695	1,213,080
Borrowings	17, 19, 35, 36	14,990,518	17,213,232
Debentures	17, 20, 35, 36	23,655,817	21,121,965
Provisions	21, 38	726,137	351,762
Current income tax liabilities		304,997	226,847
Other liabilities	17, 22, 35, 36	22,798,151	18,259,913
Share capital repayable on demand		1,341	5
Total liabilities		₩ 378,289,554	₩ 366,114,732
Equity			
Controlling interests:			
Capital stock	25	2,384,351	2,384,351
Other paid-in capital	25	12,373,576	12,303,856
Retained earnings	25	8,834,336	7,919,227
(Regulatory reserves for bad debts as of December 31, 2023 and 2022, are ₩2,227,730 million and ₩2,173,304 million, respectively)			
(Regulatory reserves for bad debts to be reserved as of December 31, 2022, is ₩54,426 million)			
(Planned provision of regulatory reserves for bad debts as of December 31, 2022, is ₩54,426 million)			
Other components of equity	25	(556,424)	(1,054,454)
		23,035,839	21,552,980
Non-controlling interests		-	-
Total equity		23,035,839	21,552,980
Total liabilities and equity		₩ 401,325,393	₩ 387,667,712

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statements of profit or loss and other comprehensive income

NongHyup Bank and its subsidiaries

For the years ended December 31, 2023 and 2022
(Korean won in millions)

	Notes	For the year ended December 31, 2023	For the year ended December 31, 2022
Net interest income	4, 28		
Interest income:			
Interest income calculated using the effective interest method		₩ 16,498,729	₩ 11,248,906
Interest income on financial instruments at FVTPL		183,423	119,526
		16,682,152	11,368,432
Interest expenses		8,920,542	4,430,161
		7,761,610	6,938,271
Net commission income	4, 29		
Commission income		1,255,775	1,162,007
Commission expenses		507,802	453,677
		747,973	708,330
Gain on financial instruments at FVTPL, net	4, 28		
Gain on financial instruments at FVTPL		3,350,573	3,643,122
Loss on financial instruments at FVTPL		2,584,594	3,623,036
		765,979	20,086
Loss on financial assets at FVTOCI, net	4, 28		
Gain on financial assets at FVTOCI		11,639	8,343
Loss on financial assets at FVTOCI		72,779	49,920
		(61,140)	(41,577)
Loss on disposal of financial assets at amortized cost, net	4, 28		
Gain on disposal of financial assets at amortized cost		12,435	8,038
Loss on disposal of financial assets at amortized cost		40,583	5,982
		(28,148)	2,056
Other operating expenses, net	4, 30		
Other operating income		887,613	1,776,904
Other operating expenses		2,052,026	2,575,786
		(1,164,413)	(798,882)
Operating income before expected credit losses ("ECLs") and general and administrative expenses		8,021,861	6,828,284
Transfer in allowance for ECLs	4, 21, 28	1,684,321	670,560
Operating income before general and administrative expenses		₩ 6,337,540	₩ 6,157,724
General and administrative expenses	4		
Employee benefits	31	₩ 2,360,619	₩ 2,303,187
Depreciation and amortization expenses	12, 14, 15	468,411	449,791
Other selling and administrative expenses	32	746,186	686,149
		3,575,216	3,439,127
Operating income		2,762,324	2,718,597
Loss on valuation of equity method investments, net	11	(185)	(1,161)
Other expenses, net	4, 33	(375,170)	(321,398)
Income before income tax expenses		2,386,969	2,396,038
Income tax expenses	4, 27	606,481	677,804
Net income	25		
(Net income after the provision of regulatory reserve for bad debts for the years ended December 31, 2023 and 2022, is ₩1,780,488 million and ₩1,663,808 million, respectively)			
Controlling interests		1,780,488	1,718,234
Non-controlling interests		-	-
		1,780,488	1,718,234
Other comprehensive income (loss)			
Items not subsequently reclassified to profit or loss:			
Remeasurements of net defined benefit liabilities	24, 25	(95,446)	281,923
Gain (loss) on equity securities at FVTOCI	25	6,221	(9,744)
		(89,225)	272,179
Items subsequently reclassified to profit or loss:			
Gain (loss) on valuation of debt securities at FVTOCI	25	581,327	(570,847)
Exchange differences on translation of foreign operations	25	5,017	7,989
Share of other comprehensive loss of associates	25	(3)	-
		586,341	(562,858)
		497,116	(290,679)
Total comprehensive income			
Controlling interests		2,277,604	1,427,555
Non-controlling interests		-	-
		₩ 2,277,604	₩ 1,427,555
Earnings per share ("EPS")	34		
Basic and diluted EPS (Korean won)		₩ 3,623	₩ 3,549

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statements of changes in equity

NongHyup Bank and its subsidiaries

For the years ended December 31, 2023 and 2022
(Korean won in millions)

	Other paid-in capital					Retained earnings (deficit)	Other components of equity	Controlling interests	Non-controlling interests	Total
	Capital stock	Capital surplus	Capital adjustment	Hybrid equity securities						
Balance as of January 1, 2022	₩ 2,241,494	₩ 10,022,103	₩ (3,019)	₩ 798,968	₩ 6,940,836	₩ (765,982)	₩ 19,234,400	₩ -	₩ 19,234,400	
Issuance of capital stock	142,857	1,056,454	-	-	-	-	1,199,311	-	1,199,311	
Changes due to consolidated tax	-	-	-	-	39,663	-	39,663	-	39,663	
Total comprehensive income:										
Net income	-	-	-	-	1,718,234	-	1,718,234	-	1,718,234	
Other comprehensive income (loss):										
Remeasurements of net defined benefit liabilities	-	-	-	-	-	281,923	281,923	-	281,923	
Loss on valuation of debt securities at FVTOCI	-	-	-	-	-	(570,847)	(570,847)	-	(570,847)	
Loss on equity securities at FVTOCI	-	-	-	-	(2,207)	(7,537)	(9,744)	-	(9,744)	
Exchange differences on translation of foreign operations	-	-	-	-	-	7,989	7,989	-	7,989	
Issuance of hybrid equity securities	-	-	-	429,350	-	-	429,350	-	429,350	
Dividends on hybrid equity securities	-	-	-	-	(37,299)	-	(37,299)	-	(37,299)	
Dividends	-	-	-	-	(740,000)	-	(740,000)	-	(740,000)	
Balance as of December 31, 2022	₩ 2,384,351	₩ 11,078,557	₩ (3,019)	₩ 1,228,318	₩ 7,919,227	₩ (1,054,454)	₩ 21,552,980	₩ -	₩ 21,552,980	
	Other paid-in capital					Retained earnings (deficit)	Other components of equity	Controlling interests	Non-controlling interests	Total
	Capital stock	Capital surplus	Capital adjustment	Hybrid equity securities						
Balance as of January 1, 2023	₩ 2,384,351	₩ 11,078,557	₩ (3,019)	₩ 1,228,318	₩ 7,919,227	₩ (1,054,454)	₩ 21,552,980	₩ -	₩ 21,552,980	
Changes due to consolidated tax	-	-	-	-	53,528	-	53,528	-	53,528	
Total comprehensive income:										
Net income	-	-	-	-	1,780,488	-	1,780,488	-	1,780,488	
Other comprehensive income (loss):										
Remeasurements of net defined benefit liabilities	-	-	-	-	-	(95,446)	(95,446)	-	(95,446)	
Gain on valuation of debt securities at FVTOCI	-	-	-	-	-	581,327	581,327	-	581,327	
Gain (loss) on equity securities at FVTOCI	-	-	-	-	(914)	7,135	6,221	-	6,221	
Exchange differences on translation of foreign operations	-	-	-	-	-	5,017	5,017	-	5,017	
Share of other comprehensive loss of associates	-	-	-	-	-	(3)	(3)	-	(3)	
Issuance of hybrid equity securities	-	-	-	419,367	-	-	419,367	-	419,367	
Redemption of hybrid equity securities	-	-	-	(349,647)	-	-	(349,647)	-	(349,647)	
Dividends on hybrid equity securities	-	-	-	-	(52,993)	-	(52,993)	-	(52,993)	
Dividends	-	-	-	-	(865,000)	-	(865,000)	-	(865,000)	
Balance as of December 31, 2023	₩ 2,384,351	₩ 11,078,557	₩ (3,019)	₩ 1,298,038	₩ 8,834,336	₩ (556,424)	₩ 23,035,839	₩ -	₩ 23,035,839	

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statements of cash flows

NongHyup Bank and its subsidiaries

For the years ended December 31, 2023 and 2022
(Korean won in millions)

	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
Operating activities			
Net income	₩	1,780,488	₩ 1,718,234
Adjustments to reconcile income before income tax expenses to net cash provided by operating activities:			
Net interest income		(7,761,610)	(6,939,167)
Dividend income		(7,654)	(9,508)
Income tax expenses		606,481	677,804
(Gain) loss related to financial assets at FVTPL		(452,564)	96,670
(Gain) loss on valuation of trading derivatives		(74,878)	92,021
(Gain) loss on valuation of hedging derivatives		(2,177)	34,127
Loss (gain) on fair value hedge		15,529	(52,752)
Gain related to financial assets at FVTOCI		66,463	47,120
Loss (gain) related to financial assets at amortized cost		28,148	(2,056)
Loss on valuation of equity method investments		185	1,161
Depreciation and amortization		474,474	455,476
Loss (gain) on disposal of assets		6,829	(3,389)
Allowance for ECLs		1,684,321	670,560
Transfer (reversal) of provisions		254,800	(3,441)
Retirement expenses of net defined benefit liabilities		208,877	211,070
Loss (gain) on transaction of foreign exchange		61,289	(17,449)
Others		97,723	107,954
		<u>(4,793,764)</u>	<u>(4,633,799)</u>
Changes in operating assets and liabilities:			
Due from banks		64,614	88,176
Derivative assets		846,310	365,765
Financial assets at FVTPL		(652,602)	1,037,249
Loans at amortized cost		(15,582,797)	(12,368,146)
Other assets		(33,184)	15,687
Deposits		7,323,391	17,104,492
Derivative liabilities		(883,832)	(324,342)
Financial liabilities at FVTPL		-	(19,685)
Defined benefit obligations		(176,848)	(196,700)
Plan assets		(53,072)	(114,091)
Provisions		(23,715)	(9,924)
Other liabilities		3,083,099	1,909,972
		<u>(6,088,636)</u>	<u>7,488,453</u>
Cash received for interest		16,235,229	11,014,507
Payment of interest expenses		(7,443,476)	(3,581,368)
Cash received for dividend		7,619	9,372
Payment of income tax		(447,782)	(354,318)
Net cash (used in) provided by operating activities		<u>(750,322)</u>	<u>11,661,081</u>

(Continued)

Consolidated statements of cash flows (cont'd)

NongHyup Bank and its subsidiaries

For the years ended December 31, 2023 and 2022
(Korean won in millions)

	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
Investing activities			
Cash flows provided by investing activities:			
Disposal of financial assets at FVTPL	₩	13,193,180	₩ 22,890,340
Disposal or redemption of financial assets at FVTOCI		14,088,701	17,258,510
Disposal or redemption of securities at amortized cost		4,801,814	8,438,110
Disposal of tangible assets		1,768	18,274
Disposal of intangible assets		1,850	2,112
Disposal of investment properties		-	2
Disposal of investments in associates		5,439	5,782
Dividend of investments in associates		3,554	12,165
Changes in the scope of consolidated companies		311	-
		<u>32,096,617</u>	<u>48,625,295</u>
Cash flows used in investing activities:			
Purchase of financial assets at FVTPL		13,683,478	24,044,278
Purchase of financial assets at FVTOCI		12,759,902	21,034,013
Purchase of securities at amortized cost		7,231,249	8,579,788
Purchase of investment in associates		23,335	28,332
Purchase of tangible assets		188,839	214,076
Purchase of intangible assets		218,504	206,208
Purchase of investment properties		4,513	5,144
Purchase of right-of-use assets		11,367	12,627
		<u>(34,121,187)</u>	<u>(54,124,466)</u>
Net cash used in investing activities		<u>(2,024,570)</u>	<u>(5,499,171)</u>
Financing activities			
Cash flows provided by financing activities:			
Issuance of capital stock		-	1,199,312
Increase in borrowings, net		-	1,998,419
Increase in debentures		15,250,667	10,193,828
Issuance of hybrid equity securities		419,367	429,350
		<u>15,670,034</u>	<u>13,820,909</u>
Cash flows used in financing activities:			
Decrease in borrowings, net		2,477,692	-
Decrease in debentures		12,782,340	11,633,340
Dividends		917,993	777,299
Decrease in borrowings from trust accounts, net		349,647	-
Decrease in lease liabilities		83,355	77,171
		<u>(16,611,027)</u>	<u>(12,487,810)</u>
Net cash (used in) provided by financing activities		<u>(940,993)</u>	<u>1,333,099</u>
Net (decrease) increase in cash and cash equivalents		<u>(3,715,885)</u>	<u>7,495,009</u>
Cash and cash equivalents at the beginning of year		<u>14,546,263</u>	<u>7,045,897</u>
Effect of exchange rate changes on cash and cash equivalents		<u>11,585</u>	<u>5,357</u>
Cash and cash equivalents at the end of year	39	<u>₩ 10,841,963</u>	<u>₩ 14,546,263</u>

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.

Independent auditors' report(Separate)

The Shareholders and Board of Directors NongHyup Bank

Opinion

We have audited the accompanying separate financial statements of NongHyup Bank (the "Bank"), which comprise the separate statements of financial position as of December 31, 2023 and 2022, and the related separate statements of profit or loss and other comprehensive income, separate statements of changes in equity and separate statements of cash flows, all expressed in Korean won, for the years then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Korean International Financial Reporting Standards.

Basis for Audit Opinion

We conducted our audits in accordance with Korean Generally Accepted Auditing Standards ("KGAAS"). Our responsibilities under those standards are further described in Our Responsibilities for the Audits of the Separate Financial Statements section of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audits of the separate financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the separate financial statements, management is responsible for assessing the Bank'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 Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bank's financial reporting process.

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Our Responsibilities for the Audits of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 KGAAS 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 separate financial statements.

As part of an audit in accordance with KGAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank'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 separate 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

March 7, 2024

Deloitte IDNJIA LLC

This audit report is effective as of March 7, 2024, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying separate financial statements and may result in modifications to this report.

Separate statements of financial position

NongHyup Bank and its subsidiaries

As of December 31, 2023 and 2022
(Korean won in millions)

	Notes	December 31, 2023	December 31, 2022
Assets			
Cash and due from banks	5, 6, 35, 36, 39	₩ 10,906,824	₩ 14,514,717
Financial assets at fair value through profit or loss ("FVTPL")	5, 7, 35, 36	11,596,635	10,676,176
Derivative assets	5, 23, 35, 36	647,523	1,089,745
Financial assets at fair value through other comprehensive income ("FVTOCI")	5, 8, 35, 36	28,883,798	29,336,666
Securities at amortized cost	5, 9, 35, 36	18,011,648	15,490,104
Loans at amortized cost	5, 10, 35, 36	322,489,043	308,133,682
Investments in subsidiaries and associates	11	144,515	126,619
Tangible assets	12, 15	2,887,972	2,912,642
Investment properties	13	606,601	575,436
Intangible assets	14	529,871	515,966
Deferred income tax assets	27	79,476	299,245
Other assets	16, 35, 36	184,813	138,100
Net defined benefit assets	24	15,866	108,250
Non-current assets classified as held for sale ("HFS")	13, 35	15	15
Total assets		₩ 396,984,600	₩ 383,917,363
Liabilities			
Deposits	17, 18, 35, 36	₩ 311,972,655	₩ 304,423,645
Derivative liabilities	17, 23, 35, 36	658,346	1,216,456
Borrowings	17, 19, 35, 36	13,757,718	16,708,732
Debentures	17, 20, 35, 36	23,655,817	21,121,965
Provisions	21	725,857	351,533
Current income tax liabilities		305,405	227,303
Other liabilities	17, 22, 35, 36	22,898,386	18,336,119
Total liabilities		373,974,184	362,385,753
Equity			
Capital stock	25	2,384,351	2,384,351
Other paid-in capital	25	12,337,628	12,267,908
Retained earnings	25	8,845,185	7,932,224
Regulatory reserves for bad debts as of December 31, 2023 and 2022, are ₩2,227,682 million and ₩2,173,621 million, respectively			
Regulatory reserves for bad debts to be reserved as of December 31 2022, is ₩54,061 million.			
Planned provision of regulatory reserves for bad debts as of December 31 2022, is ₩54,061 million.			
Other components of equity	25	(556,748)	(1,052,873)
Total equity		23,010,416	21,531,610
Total liabilities and equity		₩ 396,984,600	₩ 383,917,363

The accompanying notes are an integral part of the separate financial statements.

Separate statements of profit or loss and other comprehensive income

NongHyup Bank and its subsidiaries

For the years ended December 31, 2023 and 2022
(Korean won in millions)

	Notes	For the year ended December 31, 2023	For the year ended December 31, 2022
Net interest income	4, 28		
Interest income:			
Interest income calculated using the effective interest method		₩ 16,443,464	₩ 11,203,558
Interest income on financial instruments at FVTPL		32,190	17,057
		<u>16,475,654</u>	<u>11,220,615</u>
Interest expenses		<u>8,787,822</u>	<u>4,394,991</u>
		7,687,832	6,825,624
Net commission income	4, 29		
Commission income		1,268,430	1,174,338
Commission expenses		<u>499,097</u>	<u>450,485</u>
		769,333	723,853
Gain on financial instruments at FVTPL, net	4, 28		
Gain on financial instruments at FVTPL		3,260,812	3,626,894
Loss on financial instruments at FVTPL		<u>2,552,581</u>	<u>3,373,986</u>
		708,231	252,908
Gain on financial assets at FVTOCI, net	4, 28		
Gain on financial assets at FVTOCI		11,639	8,343
Loss on financial assets at FVTOCI		<u>72,780</u>	<u>49,919</u>
		(61,141)	(41,576)
Loss on disposal of financial assets at amortized cost, net	4, 28		
Gain on disposal of financial assets at amortized cost		12,435	8,038
Loss on disposal of financial assets at amortized cost		<u>40,583</u>	<u>5,982</u>
		(28,148)	2,056
Other operating expenses, net	4, 30		
Other operating income		966,378	1,772,809
Other operating expenses		<u>2,046,751</u>	<u>2,649,537</u>
		(1,080,373)	(876,728)
Operating income before expected credit losses ("ECLs") and general and administrative expenses		7,995,734	6,886,137
Transfer in allowance for ECLs	4, 21, 28	<u>1,677,856</u>	<u>672,102</u>
Operating income before general and administrative expenses		₩ 6,317,878	₩ 6,214,035
General and administrative expenses	4		
Employee benefits	31	₩ 2,353,322	₩ 2,296,307
Depreciation and amortization expenses	12, 14, 15	466,122	448,031
Other selling and administrative expenses	32	<u>743,595</u>	<u>683,568</u>
		<u>3,563,039</u>	<u>3,427,906</u>
Operating income		<u>2,754,839</u>	<u>2,786,129</u>
Other expenses, net	4, 33	<u>(371,249)</u>	<u>(309,277)</u>
Income before income tax expenses		<u>2,383,590</u>	<u>2,476,852</u>
Income tax expenses	4, 27	<u>605,249</u>	<u>679,608</u>
Net income	4, 25	<u>1,778,341</u>	<u>1,797,244</u>
(Net income after the provision of regulatory reserve for bad debts for the years ended December 31, 2023 and 2022, is ₩1,778,341 million and ₩1,743,183 million, respectively)			
Other comprehensive income (loss)			
Items not subsequently reclassified to profit or loss:			
Remeasurements of net defined benefit liabilities	24, 25	(95,446)	281,923
Gain on equity securities at FVTOCI	25	<u>6,220</u>	<u>(9,744)</u>
		(89,226)	272,179
Items subsequently reclassified to profit or loss:			
Gain on valuation of debt securities at FVTOCI	25	581,328	(570,847)
Exchange differences on translation of foreign operations	25	<u>3,108</u>	<u>6,937</u>
		<u>584,436</u>	<u>(563,910)</u>
		495,210	(291,731)
Total comprehensive income		₩ <u>2,273,551</u>	₩ <u>1,505,513</u>
Earnings per share ("EPS")	34		
Basic and diluted EPS (Korean won)		₩ 3,618	₩ 3,716

The accompanying notes are an integral part of the separate financial statements.

Consolidated statements of changes in equity

NongHyup Bank and its subsidiaries

For the years ended December 31, 2023 and 2022
(Korean won in millions)

	Other paid-in capital					Retained earnings	Other components of equity	Total
	Capital stock	Capital surplus	Capital adjustment	Hybrid equity securities				
Balance as of January 1, 2022	₩ 2,241,494	₩ 9,986,155	₩ (3,019)	₩ 798,967	₩ 6,874,822	₩ (763,349)	₩ 19,135,070	
Issuance of capital stock	142,857	1,056,455	-	-	-	-	1,199,312	
Changes due to consolidated tax	-	-	-	-	39,663	-	39,663	
Total comprehensive income:								
Net income	-	-	-	-	1,797,244	-	1,797,244	
Other comprehensive income (loss):								
Remeasurements of net defined benefit liabilities	-	-	-	-	-	281,923	281,923	
Gain (loss) on valuation of debt securities at FVTOCI	-	-	-	-	-	(570,847)	(570,847)	
Gain (loss) on equity securities at FVTOCI	-	-	-	-	(2,207)	(7,537)	(9,744)	
Exchange differences on translation of foreign operations	-	-	-	-	-	6,937	6,937	
Issuance of hybrid equity securities	-	-	-	429,350	-	-	429,350	
Dividends on hybrid equity securities	-	-	-	-	(37,298)	-	(37,298)	
Dividends	-	-	-	-	(740,000)	-	(740,000)	
Balance as of December 31, 2022	₩ 2,384,351	₩ 11,042,610	₩ (3,019)	₩ 1,228,317	₩ 7,932,224	₩ (1,052,873)	₩ 21,531,610	
	Other paid-in capital					Retained earnings	Other components of equity	Total
	Capital stock	Capital surplus	Capital adjustment	Hybrid equity securities				
Balance as of January 1, 2023	₩ 2,384,351	₩ 11,042,610	₩ (3,019)	₩ 1,228,317	₩ 7,932,224	₩ (1,052,873)	₩ 21,531,610	
Changes due to consolidated tax	-	-	-	-	53,528	-	53,528	
Total comprehensive income:								
Net income	-	-	-	-	1,778,341	-	1,778,341	
Other comprehensive income (loss):								
Remeasurements of net defined benefit liabilities	-	-	-	-	-	(95,446)	(95,446)	
Gain (loss) on valuation of debt securities at FVTOCI	-	-	-	-	-	581,328	581,328	
Gain (loss) on equity securities at FVTOCI	-	-	-	-	(915)	7,135	6,220	
Exchange differences on translation of foreign operations	-	-	-	-	-	3,108	3,108	
Issuance of hybrid equity securities	-	-	-	419,367	-	-	419,367	
Redemption of hybrid equity securities	-	-	-	(349,647)	-	-	(349,647)	
Dividends on hybrid equity securities	-	-	-	-	(52,993)	-	(52,993)	
Dividends	-	-	-	-	(865,000)	-	(865,000)	
Balance as of December 31, 2023	₩ 2,384,351	₩ 11,042,610	₩ (3,019)	₩ 1,298,037	₩ 8,845,185	₩ (556,748)	₩ 23,010,416	

The accompanying notes are an integral part of the separate financial statements.

Separate statements of cash flows

NongHyup Bank and its subsidiaries

For the years ended December 31, 2023 and 2022
(Korean won in millions)

	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
Operating activities			
Net income	₩	1,778,341	₩ 1,797,244
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Net interest income		(7,687,832)	(6,825,624)
Dividend income		(11,162)	(20,378)
Tax expenses		605,249	679,608
Gain related to financial assets at FVTPL		(356,429)	(68,921)
Loss (gain) on valuation of trading derivatives		(76,188)	93,682
Loss (gain) on valuation of hedging derivatives		(2,177)	34,127
Loss (gain) on fair value hedge		15,529	(52,752)
Gain related to financial assets at FVTOCI		66,464	47,119
Loss (gain) on disposal of financial assets at amortized cost		28,148	(2,056)
Depreciation and amortization		472,185	453,716
Loss (gain) on disposal of assets		6,899	(3,398)
Allowance for ECLs		1,677,856	672,102
Transfer (reversal) of provisions		254,800	(3,441)
Retirement expenses of net defined benefit liabilities		208,877	211,070
Loss (gain) on transaction of foreign exchange		61,375	(17,186)
Others		17,789	185,695
		<u>(4,718,617)</u>	<u>(4,616,637)</u>
Changes in operating assets and liabilities:			
Due from banks		(7,156)	391,560
Derivative assets		846,724	362,228
Financial assets at FVTPL		(41,805)	227,930
Loans at amortized cost		(15,737,934)	(12,137,072)
Other assets		(37,235)	7,317
Deposits		7,443,865	17,193,769
Derivative liabilities		(884,247)	(320,616)
Defined benefit obligations		(176,848)	(196,700)
Plan assets		(53,072)	(114,091)
Provisions		(23,759)	(9,931)
Other liabilities		3,249,470	1,817,337
		<u>(5,421,997)</u>	<u>7,221,731</u>
Cash received for interest		16,040,927	10,866,552
Payment of interest expenses		(7,390,943)	(3,529,974)
Cash received for dividend		7,608	8,213
Payment of income tax		(447,547)	(352,820)
Net cash (used in) provided by operating activities	₩	<u>(152,228)</u>	₩ <u>11,394,309</u>

(Continued)

Separate statements of cash flows (cont'd)

NongHyup Bank and its subsidiaries

For the years ended December 31, 2023 and 2022
(Korean won in millions)

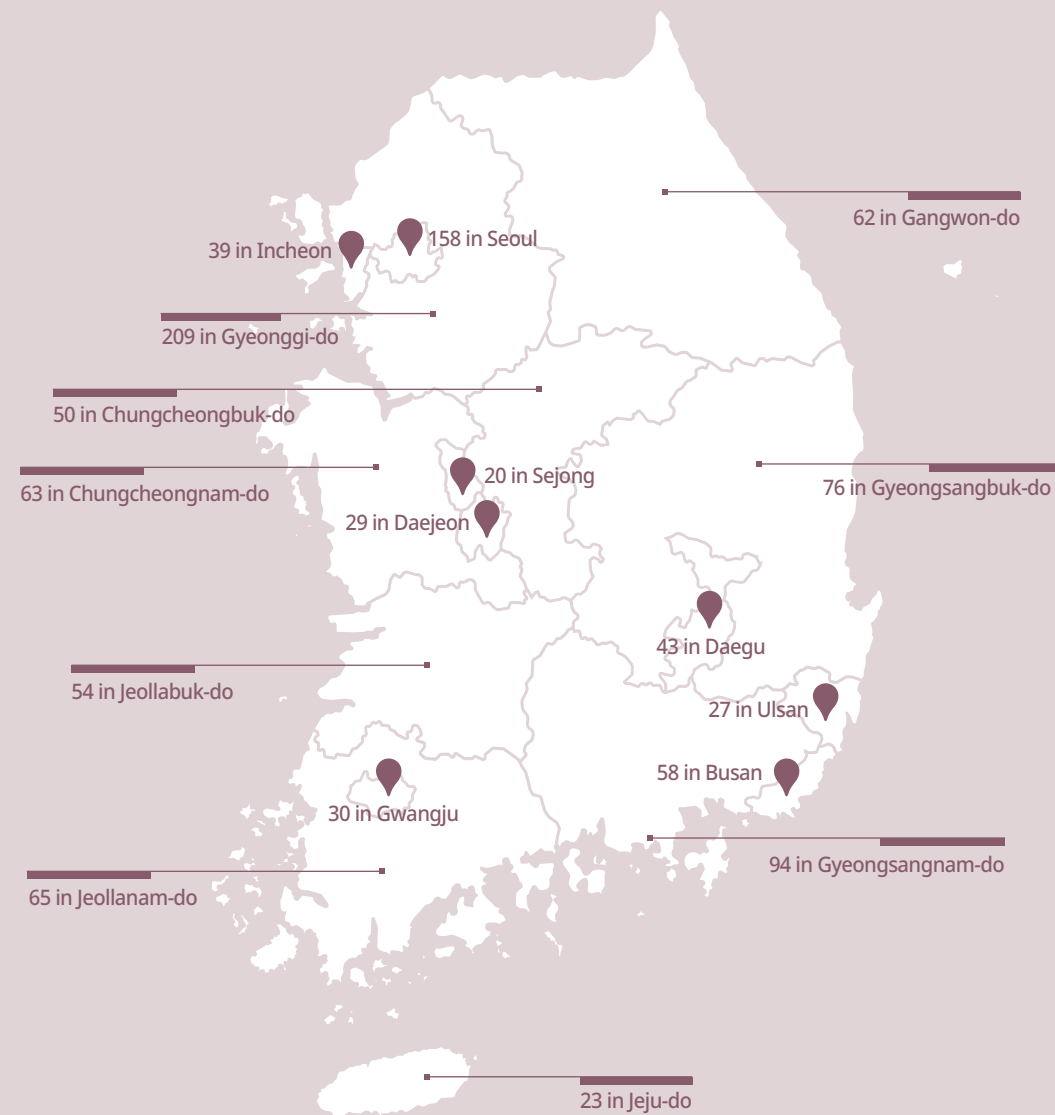
	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
Investing activities			
Cash flows provided by investing activities:			
Disposal of financial assets at FVTPL	₩	13,193,571	₩ 22,940,338
Disposal or redemption of financial assets at FVTOCI		14,088,701	17,258,510
Disposal or redemption of securities at amortized cost		4,801,814	8,438,110
Disposal of investment properties		-	2
Disposal of tangible assets		1,733	18,241
Disposal of intangible assets		1,850	2,112
Disposal of investments in associates		5,439	5,782
Dividend of investments in associates		3,554	12,165
		<u>32,096,662</u>	<u>48,675,260</u>
Cash flows used in investing activities:			
Purchase of financial assets at FVTPL		13,683,478	24,044,278
Purchase of financial assets at FVTOCI		12,759,902	21,034,013
Purchase of securities at amortized cost		7,231,249	8,579,788
Purchase of investment properties		4,513	5,144
Purchase of tangible assets		188,319	211,002
Purchase of right-of-use assets		11,106	12,387
Purchase of intangible assets		218,340	206,130
Purchase of investments in subsidiaries and associates		23,335	28,332
		<u>(34,120,242)</u>	<u>(54,121,074)</u>
Net cash used in investing activities		<u>(2,023,580)</u>	<u>(5,445,814)</u>
Financing activities			
Cash flows provided by financing activities:			
Issuance of capital stock		-	1,199,312
Increase in borrowings, net		-	2,261,825
Increase in debentures		15,250,667	10,193,828
Issuance of hybrid equity securities		419,367	429,350
		<u>15,670,034</u>	<u>14,084,315</u>
Cash flows used in financing activities:			
Decrease in borrowings, net		3,062,929	-
Decrease in debentures		12,782,340	11,633,340
Dividends		917,993	777,299
Decrease in lease liabilities		82,493	76,588
Redemption of hybrid equity securities		349,647	-
		<u>(17,195,402)</u>	<u>(12,487,227)</u>
Net cash (used in) provided by financing activities		<u>(1,525,368)</u>	<u>1,597,088</u>
Net (decrease) increase in cash and cash equivalents		<u>(3,701,176)</u>	<u>7,545,583</u>
Cash and cash equivalents at the beginning of year		<u>14,493,090</u>	<u>6,942,149</u>
Effect of exchange rate changes on cash and cash equivalents		<u>11,585</u>	<u>5,358</u>
Cash and cash equivalents at the end of year	39	₩ <u>10,803,499</u>	₩ <u>14,493,090</u>

(Concluded)

The accompanying notes are an integral part of the separate financial statements.

NongHyup Bank Networks

Domestic Branches



Number of branch offices

(Units : EA)

Location	Branch	Sub-branch	Office	Total
Korea	812	288	-	1,100

NongHyup Bank Networks

Overseas Branches



Number of overseas branch offices

(Units : EA)

Location	Branch	Office	Corporate office	Total
Overseas	6	3	2	11

*Mt. Geumgang branch(Business suspension in the year 2009)

NONGHYUP BANK

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