



Finance
with **Class,**
Prosperity for All

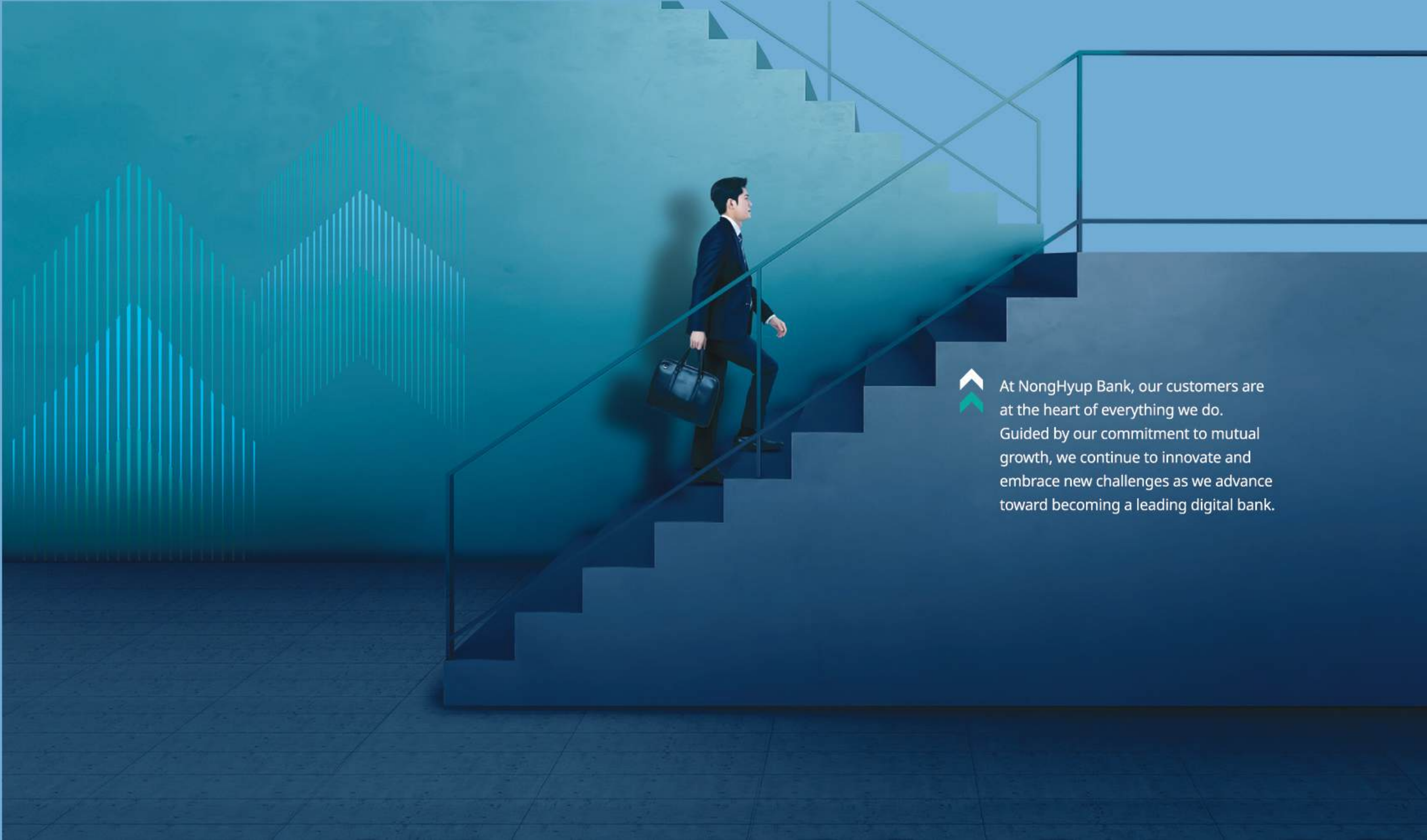


Finance with Class, Prosperity for All

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Finance with Class, **Prosperity for All**



At NongHyup Bank, our customers are at the heart of everything we do. Guided by our commitment to mutual growth, we continue to innovate and embrace new challenges as we advance toward becoming a leading digital bank.

CEO Message



I would like to extend my heartfelt gratitude to all our customers for your continued trust and support. I sincerely wish you and your families a year filled with health and happiness.

Over the past year, NongHyup Bank remained dedicated to becoming the “Go-to bank for all financial needs.” We proactively embraced change and pursued innovation relentlessly, launching AI-powered financial product recommendations and biometric airline ticketing services. Additionally, we achieved the highest rating for regional reinvestment for the fifth consecutive year. We also made significant progress in strengthening our future competitiveness and modernizing key systems, particularly in digital and corporate banking.

Looking ahead to 2025, NongHyup Bank faces an increasingly dynamic and uncertain landscape. Rapid digital transformation, the rise of internet-only banks, emerging technologies like artificial intelligence (AI) and blockchain, and evolving customer expectations are fundamentally reshaping the financial industry. At the same time, global and domestic uncertainties—including a new administration in the U.S. and domestic political instability—highlight the importance of proactive and robust risk management strategies more than ever.

In the year ahead, we will navigate these challenges with resilience and further strengthen our core identity, aligned with NongHyup’s vision of “A New NongHyup through Change and Innovation.” Guided by our goal of “Finance with Class, Prosperity for All,” we will uphold our principles and build deeper trust with our customers by focusing on the following key priorities.

First, we will achieve shared growth with our customers.

Finance is meaningful only when it supports the growth of our customers. Shared growth is the essence and core value of finance, and it will serve as the foundation for redefining NongHyup Bank’s role and direction. We will place the highest priority on customer value by offering personalized financial products and services, while transforming the customer experience through proactive problem-solving and continuous improvement.

Second, we will reaffirm our principles and standards.

We will move beyond outdated practices and establish a culture grounded in integrity and adherence to rules. This approach will help us earn the lasting trust of our customers. At the same time, we will redesign and standardize our processes to strengthen internal

controls and eliminate risks, ensuring a more robust and reliable financial environment.

Third, we will lead the shift in the financial paradigm and take a leap forward as a leading digital bank.

As the financial landscape evolves, we will accelerate our transformation into a leading digital bank. By embracing ongoing innovation and rising to new challenges, we will strengthen our digital capabilities. Our strategy will reflect the growing demand for digital platforms and non-face-to-face services, expanding access to convenient, personalized financial solutions. Through technologies such as AI, big data, and open innovation, we will drive automation, improve operational efficiency, and enhance customer satisfaction.

Lastly, we will lead the future of finance for a better tomorrow.

We will strengthen proactive risk management by developing and maintaining scenario-based plans for various crisis situations, enabling swift and effective responses to market volatility and potential threats. By improving asset efficiency and capital adequacy, we aim to build a solid, sustainable foundation for long-term growth. At the same time, we will make bold investments in future core businesses—such as corporate finance, wealth management, and digital services—while nurturing specialized talent to drive innovation. In addition, we will continue to fulfill our social responsibilities through diverse initiatives that support regional economic development and rural welfare.

Dear valued customers of NongHyup Bank,
The path of transformation and innovation we pursue this year will not be without its challenges. However, to grow and thrive in a rapidly evolving financial landscape, we must meet these challenges with resolve.

NongHyup Bank will embody “Finance with Class, Prosperity for All” as we strive to earn the lasting trust of our customers and the recognition of the market. We sincerely ask for your continued support and encouragement on this journey.
Thank you.

NongHyup Bank, President & CEO
Kang Tae Young

강태영

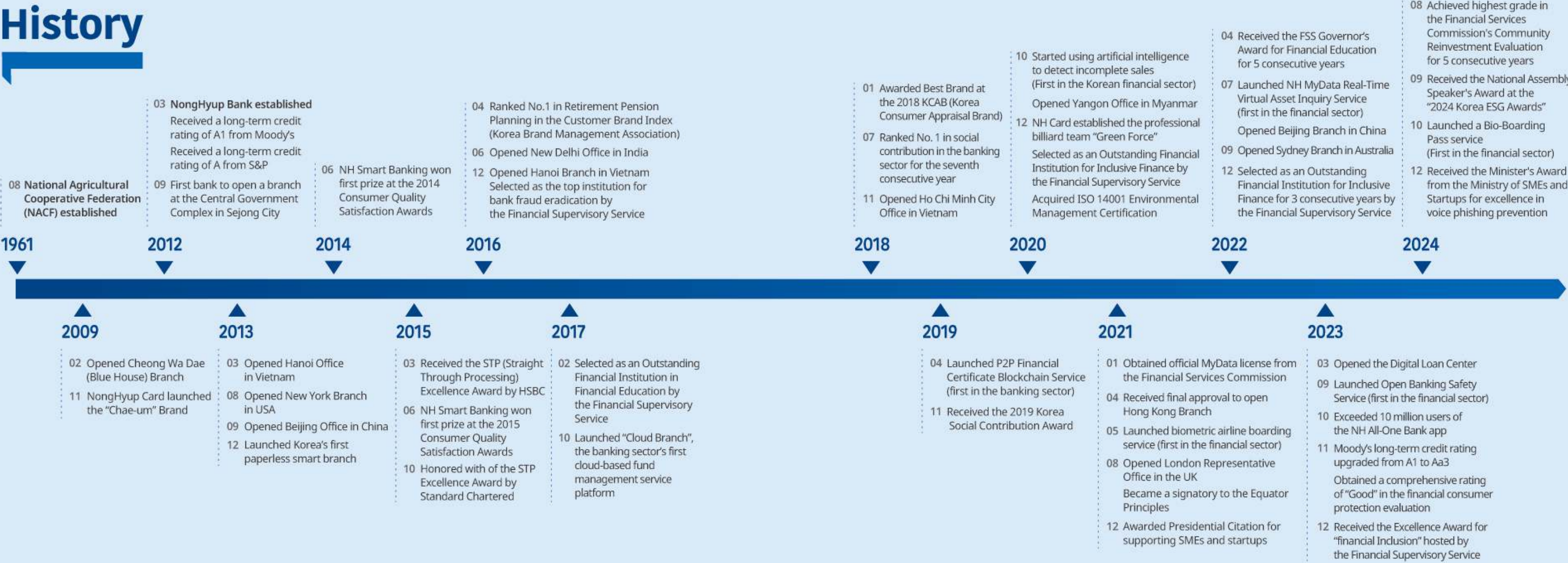
2024 NongHyup Bank Overview



NongHyup Bank Overview

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History



Profile

NongHyup Bank, a wholly domestically funded institution, was established with 100% national capital and operates the largest branch network in Korea. We play a vital role in managing finances for both central and local governments, with a strong focus on government-related financial services. As a core affiliate of NongHyup Financial Group, We are dedicated to enhancing customer asset values through optimized portfolio management and a customer-first philosophy that builds public trust. Equally important is our commitment to social responsibility. we reinvest profits to support rural communities, demonstrating NongHyup's dedication to mutual growth and leadership in improving quality of life in the agricultural sector.

Credit Rating

MOODY'S	Aa3	S&P	A+	Fitch	A
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Founded

August 1961

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

March 2012

Number of Branches

1,073

Number of Employees

13,548

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.



No. 1 Bank

A leading bank across all key areas—including customer service, financial soundness, and social responsibility—proudly representing the best of Korea.



Nation's Leading Bank


Established with 100% domestic capital, we strive to be a trusted institution that delivers true value to the people of Korea.

Business Strategy and Goals

Go-To Bank for All Financial

Strengthening our capabilities in platforms, corporate finance, and wealth management—while rigorously nurturing essential talents—to grow as a trusted, go-to bank

Strategic Initiatives



Deliver personalized services tailored to each customer



Lead in digital innovation



Build distinct and competitive business capabilities



Establish sustainable and trustworthy management practices

Board Of Directors & Executive Officers

Board of Directors

(As of January 1, 2025)

Executive Director

President & CEO **KANG, TAE YOUNG**

Chief Executive Officer
Current Chairman of Board Steering Committee

Vice President of NH Capital
Former Head of DT Division at NongHyup Bank



Outside Director

Chair **CHO, YONG HO**

Current
Chair Professor at Konkuk University Law School

Former
Justice of the Constitutional Court
Chief Justice of Seoul High Court

Standing Auditor

KO, IL YONG

Current
Audit Committee

Former
Chief Audit Executive of Lotte Card
Head of Bank List Business Office of FSS

Outside Director

Director **HAHM, YU KUN**

Current
Professor of Business Administration, Konkuk University

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

Non-Executive Director

Director **SEO, SEOK JO**

Current
President of Buk-Yeongdeok NongHyup Association

Former
Director at Nongmin Newspaper & NBS
Delegate of the National Agricultural Cooperative Federation

Outside Director

Director **CHA, KYUNG WOOK**

Current
Professor of Consumer Science and Living Culture Industry, Sungshin Women's University
President of the Korean Academic Society of Financial Planning

Former
Dean of International Affairs at Sungshin Women's University
Member of the Financial Dispute Resolution Committee 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.

Outside Director

Director **JANG, IN HWAN**

Current
Vice Chair of Planning & Public Relations, Hansun Foundation

Former
Administrator at the Office of Senior Presidential Secretary for Civil Affairs
Visiting Professor, Sungkyul University

Executive Officers

(As of March 10, 2025)

Business Planning Group

Executive Vice-President
CHOI, DONG HA

Oversight
Planning & Co-ordination Department
Public Relations Department
Business Channel Strategy Department
ESG Strategy & Management Office

Digital Strategy & Business Group

Executive Vice-President
CHOI, WOON JAE

Oversight
Digital Strategy & Business Department
Process Innovation Department
Data Business Department
NH Members Business Department

Retail Digital Banking Group

Executive Vice-President
PARK, NAE CHUN

Oversight
Retail Marketing Department
Retail Digital Platform Department
Customer Happiness Center

Corporate Banking Group

Executive Vice-President
EOM, EUL YONG

Oversight
SME Marketing Department
Corporate Marketing Department
Corporate Digital Platform Department
International Banking Department
Tech Finance Office

Investment Banking Group & Global Business Group

Executive Vice-President
LEE, CHUNG HOON

Oversight
Investment Banking Department
Project Financing Department
Investment Banking Support Office
Global Business Department

Agriculture Banking Group & Public Sector Banking Group

Executive Vice-President
BAEK, NAM SUNG

Oversight
Agricultural Finance Department
Debt Management Fund Department
Agriculture & Food Investment Office
Public Sector Banking Department

Management Support Group

Executive Vice-President
HWANG, JUN GU

Oversight
Management Support Department
Human Resources Department
Security Control Department

Credit Analysis Group

Executive Vice-President
KIM, SUNG HOON

Oversight
Loan Planning Department
Credit Analysis Department
CIB Credit Analysis Department
Loan Management Department
Corporate Restructuring Department

Risk Management Group

Executive Vice-President
YANG, JAE YOUNG

Oversight
Risk Management Department
Credit Risk Management Department
Credit Review Department
Risk Validation Office

Information Technology Group

Executive Vice-President
PARK, DO SEONG

Oversight
IT Planning Department
IT System Department
IT Banking Department
IT Management Information Department

Investment Product - Asset Management Group

Executive Vice-President
LEE, YOUNG WOO

Oversight
Wealth Management Department
Trust Banking Department
Retirement Pension Department
Trustee & Custodian Department

Financial Market Group

Executive Vice-President
SON, WEON YOUNG

Oversight
Treasury Department
FX & Derivatives Business Department
Settlement Support Office

Information Security Group

Executive Vice-President
JEONG, TAE YOUNG

Oversight
Customer Information Security Department
Information Technology Security Department

Financial Consumer Protection Group

Executive Vice-President
LEE, GANG YOUNG

Oversight
Consumer Protection Department

NH Card CIC

CIC Head
LEE, MIN KYUNG

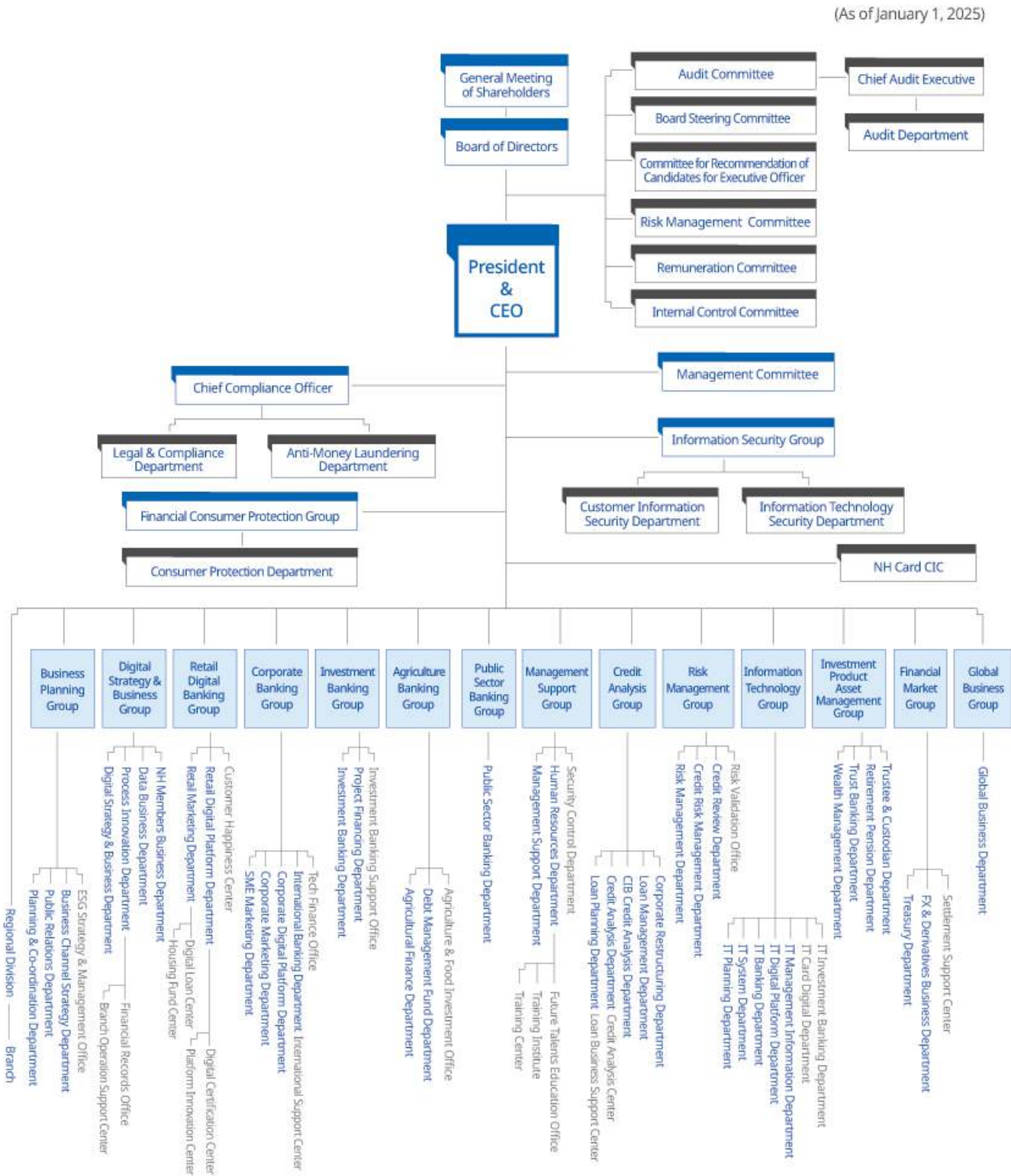
Oversight
Card Business Planning Department
Card Digital Business Department
Card Customer Value Innovation Department
Card Fostering Business Department
Card Risk Management Department

Chief Compliance Officer(CCO)

LEE, JAE HONG

Oversight
Legal & Compliance Department
Anti-Money Laundering Department

Organization Chart & Other General Status



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	776	287	-	1,063
Overseas	7	-	3	10
Total	783	287	3	1,073

※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	2024	2023
CD	-	-
ATM	4,435	4,764
Video Terminal	20	20
Others	-	-
Total	4,455	4,784

6. No. of employees

(Units: People)

Classification		2024			2023		
		Domestic	Overseas	Total	Domestic	Overseas	Total
Executives	Inside Directors	2	-	2	2	-	2
	Outside Directors	4	-	4	4	-	4
	Non-executive Directors	2	-	2	2	-	2
	Executive Officers	-	-	-	-	-	-
Employees	Management Directors	16	-	16	16	-	16
	General Position	13,339	34	13,373	13,295	33	13,328
	Position under an indefinite contract	151	-	151	158	-	158
	Total	13,514	34	13,548	13,477	33	13,510

2024 NongHyup Bank Business Area

NongHyup Bank
Business Area

- | | |
|-----------------------------------|----------------------------------|
| 18 Financial Management | 38 Agricultural Finance |
| 20 Digital Strategy Business | 40 Agriculture & Food Investment |
| 22 Process Innovation | 42 Public Sector Banking |
| 24 Data Business | 44 Risk Management |
| 26 NH Members Business | 46 Wealth Management |
| 28 Retail Marketing | 48 Trust Banking |
| 30 Corporate Marketing | 50 Retirement Pension |
| 32 Digital Platform | 52 Global Business |
| 34 Corporate Digital Platform | 54 Consumer Protection |
| 36 International Banking Business | 56 NH Card |
| 37 Investment Banking | |

Financial Management

Despite challenging economic conditions, NongHyup Bank continued to achieve steady growth across all business areas, achieving an average personal deposit balance of KRW 100 trillion and surpassing KRW 20 trillion in outstanding corporate loans. The bank also recorded notable growth in specialized business areas. Notably, the “Hope Agriculture Innovation Fund” reached a managed asset size of KRW 274.1 billion, contributing to the bank’s solid financial performance.



Profitability Sector

In 2024, NongHyup Bank recorded pre-provision operating profit of KRW 7,816.3 billion, with sales and management costs amounting to KRW 3,147 billion. The net profit was KRW 1,761.9 billion (net profit before the burden of agricultural support project cost of KRW 2,034.4 billion).

Classification	2024	2023
Gross profit and loss	78,163	79,957
Operating profit	30,147	27,548
Net profit during term	17,619(20,344)	17,783(20,216)

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

Classification	2024	2023
Return on assets (ROA)	0.43(0.50)	0.45(0.51)
Return on equity (ROE)	7.37(8.46)	7.94(8.96)
N.I.M	188	196

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

Business Volume

NongHyup Bank’s total assets reached KRW 463.0 trillion, an increase of KRW 8.7 trillion from the previous year. Total deposits amounted to KRW 363.2 trillion, up by KRW 10.5 trillion from the previous year, and total loans exceeded KRW 317.0 trillion.

Classification	2024	2023	YOY	YoY(%)
Total assets*	463.0	454.3	8.7	1.92
Total deposits	363.2	352.7	10.5	2.98
Total loans	317.0	301.2	15.8	5.24

* Bank accounts (412.8 trillion KRW) + trust accounts (54.5 trillion KRW) - mutual transactions (4.3 trillion KRW)

Asset Quality

Total loans stood at KRW 316.9993 trillion, with the fixed debt loans reaching KRW 1.6314 trillion, and non-performing loans amounting to KRW 1.1949 trillion.

Classification	2024	2023	YOY
Total loans	3,169,993	3,012,102	157,891
Fixed debt loans	16,314	11,079	5,235
Fixed debt ratio	0.51	0.37	0.14
Non-performing loans	11,949	7,682	4,267
Non-performing loan ratio	0.38	0.26	0.12
Bad debts allowance ratio	214.51	282.27	Δ67.76



Digital Strategy Business

Under the vision of “Digital for All,” NongHyup Bank is committed to leading the future of premium finance through continuous digital innovation. To maximize customer value by strengthening overall digital capabilities, we have established four strategic pillars: MORE ACTIVE (enhancing execution), MORE NATIVE (embedding digital DNA), MORE SMART (securing future capabilities), and MORE COLLABORATIVE (expanding strategic partnerships). Guided by these pillars, we are implementing customer-centric digital strategies, reinforcing collaboration between business and IT, and gradually expanding services powered by generative AI. At the same time, we are deepening partnerships with external innovation ecosystems and enhancing our digital competitiveness through the expansion of blockchain-based services and the advancement of lifestyle-oriented non-financial offerings. To discover new growth engines in digital finance, NongHyup Bank continues to explore the application of emerging technologies and develop innovative services through active collaboration with external partners—advancing not only the bank’s capabilities but also contributing to the broader financial ecosystem.



Status of Digital Strategy Business

To accelerate digital innovation in finance, NongHyup Bank is actively pursuing a wide range of initiatives leveraging emerging technologies such as generative AI and blockchain. Our generative AI-powered financial service has been designated as an Innovative Financial Service by the Financial Services Commission, and we are steadily expanding AI applications through the development of a comprehensive AI governance system. At the same time, we are exploring ways to enhance the reliability and efficiency of financial services through blockchain-based initiatives, including digital asset and security token offering (STO) businesses. To foster a digital-first culture within the organization, we hosted initiatives such as the “Generative AI Application Contest” and the “Digital Finance Innovation Awards.” Additionally, we established a Digital Strategy Advisory Committee comprised of experts in AI, IT, and law to further strengthen internal capabilities. Through open innovation efforts, we are expanding partnerships with external stakeholders to enhance our digital competitiveness.

Strengthening Digital Competitiveness and Expanding Partnerships with Innovative Companies

In 2024, NongHyup Bank implemented its “Top 10 Digital Innovation Strategies” to accelerate digital transformation and enhance the efficiency and competitiveness of its financial services. These strategies focused on improving organizational culture and workflows while integrating advanced digital technologies to increase customer convenience. Furthermore, we expanded our open innovation initiatives, actively seeking new business opportunities by combination finance with technology. Centered around the NH Open Business Hub, we collaborated with startups across various sectors—including generative AI, data, and financial services—and supported the broader startup ecosystem through investment and networking opportunities. Notably, in 2024, we launched a dedicated collaboration platform and signed 52 partnership agreements, marking a 2.6-fold increase in startup collaborations compared to the previous year.



Introducing AI-Powered Financial Services and Advancing Service Capabilities

In 2024, NongHyup Bank’s AI technology was officially designated as an Innovative Financial Service by the Financial Services Commission. In response, we established clear strategic directions for AI integration and began applying AI in areas such as investment portfolio analysis, credit screening, and fraud detection. These efforts are aimed at delivering personalized financial support, enhancing customer consultation services, and improving access to accurate financial information. We are also developing a Knowledge Information Search Service, enabling AI to analyze large volumes of financial data and retrieve relevant, trustworthy insights. In parallel, we have built a robust AI governance system to ensure the safety, reliability and risk management of AI-based services.

Driving Future Financial Innovation through Blockchain

To ensure safe and efficient financial services, NongHyup Bank is actively developing new offerings based on blockchain technology. In 2024, we expanded our blockchain initiatives in response to evolving digital asset regulations and took a leading role in the advancement of security token offerings (STO). As part of the Central Bank Digital Currency (CBDC) pilot program, we conducted experimental projects involving STO subscriptions and carbon credit trading, exploring the future potential of blockchain in financial infrastructure. We are also engaged in global collaboration initiatives to align with international financial trends and lead innovation in digital finance. These efforts aim to increase the practical use of digital assets and accelerate transformation across the financial market.



Process Innovation

To secure future growth drivers, NongHyup Bank is actively accelerating digital transformation (DT) and driving innovation across its work processes. Through initiatives such as the Smart Collaboration System, the rollout of Paperless Process Reengineering (PPR), the establishment of a Digital Document Archive, and enhanced document management efficiency, we are maximizing productivity and reducing operational burden throughout the organization. We are also expanding the use of Robotic Process Automation (RPA) to automate routine tasks, driving bank-wide process optimization and efficiency. These efforts have not only strengthened our competitiveness in marketing and face-to-face services but have also contributed to ESG management by significantly reducing paper usage.



Status of Process Innovation

To drive innovation in work practices, NongHyup Bank established the Smart Collaboration System, standardizing business execution processes and digitizing 12 manual tasks—such as interdepartmental collaboration requests and system access applications—resulting in annual time savings of 30,000 work hours. Additionally, the launch of a new RPA Portal allows all employees to easily implement task automation. Through the employee-led competition “RPA Big League,” RPA was applied to 202 tasks across 42 departments as of 2024, delivering annual time savings of 840,000 work hours and an estimated cost reduction of KRW 43.7 billion. NongHyup Bank also became the first in the Korean banking sector to pilot hyperautomation integrated with generative AI, further enhancing the digital work environment. In parallel, we expanded the application of Paperless Process Reengineering (PPR) to personal loan operations, significantly improving our competitiveness in face-to-face services. By digitizing the document submission process within PPR, repetitive tasks—such as printing and attaching documents—were reduced, resulting in the reduction of 78.23 million sheets of paper and KRW 15 billion in annual cost savings. These achievements have contributed to enhanced productivity and reinforced our commitment to ESG management.

Innovation in Work Practices through the Smart Collaboration System and Digital Document Archive

The Smart Collaboration System was introduced to standardize business processes and visualize project progress. Digitizing 12 previously manual workflows—such as interdepartmental cooperation and access requests—led to 30,000 work hours saved annually. The launch of NH Wiki, a collaborative knowledge-sharing platform, also fostered a culture of information sharing, enhancing internal efficiency. The newly established Digital Document Archive responded to the growing volume of non-face-to-face transactions and increasingly diverse document types by standardizing document management formats and procedures. This initiative significantly improved efficiency and laid the foundation for fully systematized digital document management across the organization.



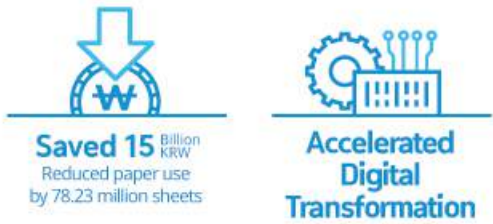
Advancing Bank-wide Digital Transformation through RPA Portal and Hyperautomation

NongHyup Bank established a new RPA Portal to empower all employees to automate routine workflows and increase operational efficiency. The employee-driven RPA Big League competition helped identify automation opportunities across the organization while strengthening digital transformation capabilities. As of 2024, 202 processes across 42 departments—including functions such as automated alerts for loan maturity dates—have been successfully automated, resulting in annual time savings of 840,000 work hours and significantly easing employee workloads. In a first for the domestic banking sector, NongHyup Bank also launched a pilot project for hyperautomation integrated with generative AI, marking a major step forward in enhancing the digital work environment.

Enhancing Marketing Focus through Business Process Reengineering (BPR)

To reduce the operational burden on branches, NongHyup Bank centralized 10 document-intensive processes—such as mandatory retirement pension forms and agricultural loan documentation—within the Digital Document Archive. We also optimized operations at the Task Support Center by applying RPA, further advancing our BPR efforts.

(Unit: KRW 100 million)



Category	End of 2023	End of 2024	Year-over-Year	
			Growth Volume	Growth Rate
Bank Reference Response	41,609	44,937	3,328	8.0
Financial Information Request Received	66,255	130,657	64,402	97.2
Financial Information Provided	28,068	43,100	15,032	53.56
Third-Party Debtor Statements	112,318	140,680	28,362	25.25

Data Business

In June 2024, NongHyup Bank became the first bank in Korea to launch a real-time deep learning-based AI product recommendation service. This proprietary system incorporates a Serendipity Score—developed in-house—to identify latent customer needs for financial products they may not have actively considered, such as foreign currency deposits, funds, ETFs, and savings-linked bancassurance products. This innovation addresses the traditional over-reliance on deposit-focused recommendations by offering optimized portfolio suggestions that also include loans and investment products. The recommendation model is powered by MLOps, which automates the entire process from development to deployment, enabling the bank to rapidly deliver the most relevant product offerings in a fast-changing market. To enhance transparency and trust, the model integrates XAI (Explainable AI) technology, helping customers understand the basis of each recommendation and improving overall satisfaction.



Status of Data Business

NongHyup Bank continues to drive innovation by leveraging data as a core asset to strengthen its core businesses and create new value through data commercialization. In 2024, the bank established an open-source-based big data analytics environment, enabling employees to easily access and utilize high-quality data in their daily work. This advancement has improved internal process efficiency, supported data-driven decision-making, and enabled the delivery of hyper-personalized services that enhance customer value. We also developed an in-house Financial Product Comparison Platform, which expands distribution channels for financial offerings and creates a new “playground” for diverse participants in the product brokerage market—further strengthening the bank’s platform competitiveness. Through MyData, NongHyup Bank deepened its understanding of customer needs and delivered refined, integrated financial and non-financial services to offer an enhanced customer experience.



Korea's First Real-Time Deep Learning-Based AI Product Recommendation Service

NongHyup Bank became the first in the Korean banking industry to launch a real-time AI product recommendation service powered by deep learning, capable of accurately predicting customer needs and suggesting the most appropriate financial products. This service achieved notable detection rates*: 68% for general personal loans, 82% for funds, and 81% for ETFs. The bank also developed a proprietary Serendipity Score to identify latent needs in customers who have no prior purchase history in specific asset management products (e.g., foreign currency deposits, funds, ETFs, savings-linked bancassurance). This has significantly strengthened the bank’s asset management capabilities by integrating investment products into its recommendation engine. Moreover, the system incorporates XAI (Explainable AI), which provides clear and understandable explanations for each recommendation—building greater consumer trust and satisfaction.

*Detection rate: The proportion of customers who actually purchased a product among those whom the AI model ranked highly as likely to do so.



MyData-Based Services Tailored to MZ Customers

In March 2024, NongHyup Bank introduced four MyData-based services specifically designed for Millennials and Gen Z (MZ generation): credit management, student loan tracking, early retirement planning, and card spending reports. These personalized services promote responsible spending and sound asset management during the critical early stages of wealth-building for younger generations. As a result, the share of MZ users increased by 4.9%p after the launch, significantly strengthening customer loyalty among younger demographics.



Launch of In-House Financial Product Comparison Platform and Loan Comparison Service

In April 2024, NongHyup Bank launched its Loan Comparison Service, allowing customers to conveniently compare loan limits and interest rates across 30 credit loan products from 12 partner financial institutions in one place. This service offers customers a wider range of options and helps them select the most favorable loan terms available.

NH Members Business

The NH Members initiative is NongHyup's first joint business project, with participation from 15 affiliates across finance, retail, and other sectors. Through the NH Members app and platform, we connect customers to the broader NongHyup network via the NH Point system. Customers can earn and redeem points at a wide range of affiliated locations, including Hanaro Mart, NongHyup gas stations, and NH NongHyup Bank branches. The business collects and utilizes NH Point data across affiliates to support marketing initiatives, strengthening synergy within the NongHyup group.

NACF and Member Cooperatives	Agribusiness Sector	Financial Sector
Cooperative Banking (Local NongHyup and Livestock Cooperatives) NongHyup Networks	NongHyup Agribusiness Group NongHyup Hanaro Mart Korea Agricultural Cooperative Marketing NongHyup Red Ginseng NongHyup Food NongHyup Moguchon	NongHyup Financial Group NongHyup Bank NongHyup Life Insurance NongHyup Property & Casualty Insurance NH Investment & Securities NH Savings Bank, NH Capital



Status of NH Members

As of the end of December 2024, NH Members reached a total membership of 30.86 million, including 20.97 million active users and 15.09 million members who consented to marketing communications. The annual volume of NH Point transactions—including both accumulation and redemption—totaled KRW 746.5 billion, with a remaining point balance of KRW 228.3 billion. NH Points can be earned and redeemed at 15 NongHyup affiliates and approximately 30,000 external partner merchants nationwide. Through continued expansion of strategic partnerships—such as a two-way point exchange agreement with Hyundai Department Store Group's H.Point and a top-up service collaboration with Gyeonggi Province's local currency program—the value and usability of NH Points continue to grow.



Creating Synergy Across the NongHyup Group through NH Members Data

By leveraging NH Members data, NongHyup Bank is enhancing group-wide synergy across various affiliates, including NongHyup Life Insurance, NongHyup Property & Casualty Insurance, NongHyup Agribusiness Group, NH Investment & Securities, NH Capital, and NongHyup Food. Through joint marketing efforts and data-driven collaboration, these affiliates are able to carry out more targeted and effective campaigns.



Enhancing the NH Members App into a Customer- and Affiliate-Friendly Platform

The NH Members app, a key communication channel between NongHyup Bank and its customers, was significantly upgraded to improve usability, convenience, and accessibility. The newly designed "One Screen" main page allows users to view a wide range of information at a glance, including NongHyup-wide events, coupons, NH Point balances, and personalized product and service recommendations. Login and registration have also been simplified through the introduction of biometric authentication, eliminating the need for ID and password input. To boost customer engagement, the app launched interactive features such as "Mission Pot," a daily mission-based reward system, and "Ad Pot," which allows users to earn NH Points by viewing advertising content. These enhancements have transformed the app into a benefits-driven platform that delivers increased value to both customers and affiliates.

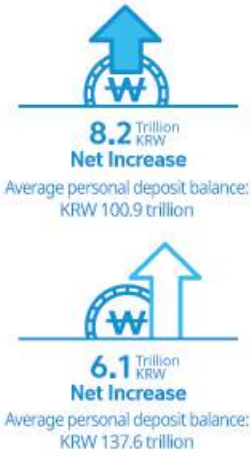
2025 NH Members

NongHyup Bank offers a wide range of NH Point-linked services across the broader NongHyup group. Key offerings include: “NH Step Counter” by NH NongHyup Property & Casualty Insurance; and “Deposit Refund for Returned Bottles” program at Hanaro Mart; Looking ahead to 2025, the bank plans to further expand NH Point integration with additional NongHyup affiliates, including NH Investment & Securities’ upcoming “Gift Stocks with NH Points” service and NongHyup Bank’s own “Loan Coupon” program. By broadening NH Point usage across more services, NongHyup Bank aims to strengthen group-wide synergy. In parallel, the bank will continue to expand external partnerships to increase the number of NH Point usage locations, further evolving the app into a more customer-centric platform that delivers meaningful value and convenience.



Retail Marketing

NongHyup Bank is committed to enhancing customer value by meeting the diverse financial needs of individual customers through a hyper-personalized marketing strategy aligned with emerging financial trends. This effort is supported by a comprehensive customer loyalty program designed to build long-term relationships and trust. We continue to diversify customer acquisition channels by launching digitally focused financial products and establishing strategic partnerships with external platform providers. Additionally, through active participation in the Housing and Urban Fund and inclusive finance initiatives, NongHyup Bank has strengthened its position as a socially responsible institution and a trusted financial partner for individuals and communities.



Status of Retail Marketing

Despite persistent challenges in 2024—such as high interest rates, inflation, and sluggish economic growth—NongHyup Bank achieved strong performance in its retail business. The year-end average personal deposit balance reached KRW 100.9 trillion, reflecting KRW 8.2 trillion increase from the previous year, driven by efforts to grow core deposits and primary transaction accounts. Household loans also saw solid internal growth, rising KRW 6.1 trillion year-over-year to reach KRW 137.6 trillion, supported by the establishment of refinancing infrastructure and improvements to digital loan processes. Additionally, the bank's premium customer base continued to expand, increasing by approximately 112,000 to a total of 4.35 million, thanks to the ongoing delivery of personalized, customer-focused financial services.

(Unit: KRW 100 million, thousand persons)

Classification	2022	2023	2024
Personal Deposits (Average Balance)	915,850	927,025	1,009,327
Household Loans (Outstanding Balance)	1,329,636	1,315,515	1,376,327
Hanaro Customers	4,106	4,236	4,348

Expansion of Non-Face-to-Face Loan Centers to Promote Contactless Loan Services

Since its launch in March 2023, NongHyup Bank's Digital Loan Center has delivered outstanding performance, executing approximately KRW 1 trillion in new loans in 2024—exceeding its target by 400%. In response to rising demand for digital financial services and to further enhance its competitiveness in the non-face-to-face lending space, the bank has been preparing to establish 17 Regional Digital Loan Centers nationwide, with a full rollout planned for 2025. All preparations are progressing smoothly and on schedule.



Launch of Digital-Specialized Products and Expansion of Customer Acquisition Channels through Platform and Big Tech Integration

To increase its digital sales share, NongHyup Bank has expanded its portfolio of digital-exclusive products, including the NH All-One e-Deposit and Savings, NH Pension Loan, and NH First Start Loan. The bank also enhanced customer acquisition by partnering with leading loan comparison platforms such as NAVER Pay, Kakao Pay, and Toss, while conducting targeted marketing campaigns linked to account openings through big tech platforms.

Customer Acquisition through Social Contribution Products

NongHyup Bank introduced a range of tailored financial products to serve specific customer groups, such as the NH All-One Teens Account for younger customers and the NH Win-Win + Happy Kids Savings designed to address Korea's low birth rate. The bank further fulfilled its role as a socially responsible financial institution by launching initiatives such as NH DdeunDdeun Bapsim Deposit, which promotes rice consumption and encourages charitable giving; NH Leap Plus Savings, which supports the younger generation; and Sunshine Loan 15, a loan program by the Korea Inclusive Finance Agency for low-income and low-credit individuals. These products were accompanied by social contribution campaigns, including rice donations and on-site customer engagement activities, which received highly positive feedback from the public.

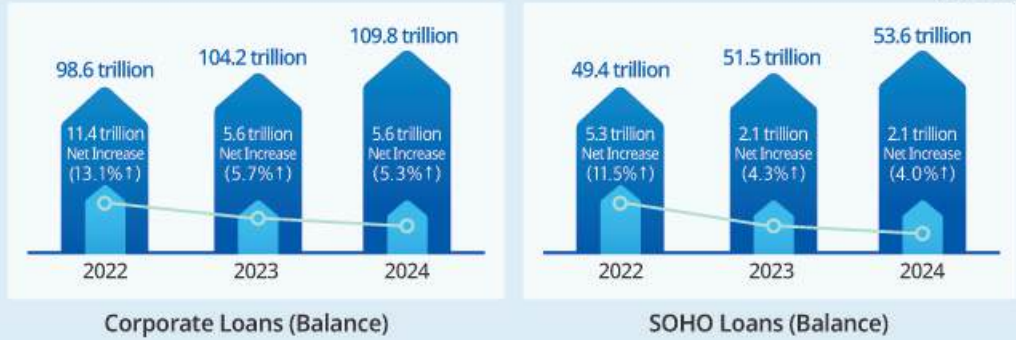
Corporate Marketing

NongHyup Bank continues to offer corporate banking services tailored to the diverse financial needs of its clients amid rapidly changing domestic and global environments. Through a broad portfolio of corporate deposit and loan products—as well as differentiated access to policy-based funding—we support the stable and sustainable growth of our corporate clients. We further enhance the quality of our corporate finance services by leveraging our nationwide branch network and strengthening human capital through specialized training, performance evaluations, and a competency-based system for relationship managers (RMs).



Status of Corporate Marketing

Since its foundation, NongHyup Bank has achieved remarkable growth in corporate banking. As of the end of 2024, the balance of general corporate loans stood at KRW 109.8 trillion, representing a net increase of KRW 5.6 trillion from the previous year—a growth of 5.3%. SOHO loan balances reached KRW 53.6 trillion, up from KRW 40 trillion just three years earlier.



Productive and Inclusive Financial Support for SMEs and Small Businesses

NongHyup Bank continues to practice inclusive and co-prosperous finance, supporting SMEs and small businesses affected by rising interest rates and economic downturns. In 2024, the bank facilitated KRW 2.1 trillion in guaranteed loans through agreements with guarantee institutions to aid corporate recovery. SOHO loans for small business owners also increased by KRW 2.1 trillion, bringing the total loan balance to KRW 53 trillion. In addition, the bank provided field-oriented services, including corporate management consulting, to assist business owners facing operational challenges.



External Agreements to Attract High-Quality Corporate Clients

Throughout 2024, NongHyup Bank's corporate banking division entered into a series of strategic external agreements aimed at attracting high-quality corporate clients. These included a special urban housing guarantee agreement—fully guaranteed by HUG—signed in partnership with Woori Bank. In addition, the bank renewed key partnerships with institutions such as INNOBIZ, MAINBiz, the Defense Acquisition Program Administration, and the National Health Insurance Service, reinforcing its collaborative corporate network.

Timely Launch of New Corporate Financial Products


NongHyup Bank launched several new corporate financial products in 2024. These include NH The First Corporate package for top-tier corporate clients, consisting of NH The First Corporate Loan and NH The First Corporate Account, which offer interest rate discounts of up to 2.5%p. For farmers, the Hopeful New Start Agricultural Loan offered a 2.4 %p discount. The NH SME/Mid-Sized Business Innovation Growth Loan supported innovation by offering an LTV limit 15% higher than previous standards. Additionally, the NH ESG Sustainability-Linked Loan provided a 0.9%p interest rate discount to companies committed to sustainable practices.



Digital Platform

NongHyup Bank is committed to continuous innovation in building a digital platform that integrates seamlessly into customers' daily lives. Since the launch of its Comprehensive Financial Platform in 2022—featuring core services from NongHyup Financial Group affiliates—the bank has steadily expanded its lineup of everyday convenience features, reinforcing its position as a lifestyle financial platform. By actively incorporating customer feedback, promptly addressing complaints, and systematically managing Voice of the Customer (VOC) data, the bank is focused on delivering an enhanced, customer-centric experience. In parallel, it is strengthening electronic fraud detection capabilities to protect customers' financial assets and rolling out more convenient and secure authentication and security services, further boosting its platform competitiveness in the digital era.




11.68 Million
NH All-One Bank users


11.48 Million
NH Smart Banking users


Fraud Detection Performance (FDS)
1,057 Cases Prevented
KRW 8,999 Billion

Status of Private Digital Platforms

To strengthen platform competitiveness, NongHyup Bank is developing a super-platform centered on NH All-One Bank, designed to meet all customer financial needs within a single app. In addition to full-service banking features, the platform now offers integrated financial services from NongHyup Financial Group affiliates—including securities, credit cards, and insurance. It also extends into daily life and lifestyle-related services, offering practical benefits through cross-industry partnerships. To enhance both security and convenience, the NH Mobile Certificate has been upgraded to support authentication not only within NongHyup's apps but also on external government platforms such as Hometax and Gov24. This expansion helps establish a trusted and seamless authentication system across a broad range of institutions.

NH All-One Bank: Evolving into a Super-Platform for Finance and Daily Life

NH All-One Bank is advancing as NongHyup's flagship digital platform that integrates financial and everyday services into a single, intuitive app. It now features eight MyData-powered specialized service areas, covering loans, investments, spending, real estate, mobility, and healthcare. From checking real estate market values and loan eligibility to verifying contract safety, conducting health assessments, and receiving personalized insurance recommendations, NH All-One Bank connects financial and non-financial services end-to-end, providing users with a comprehensive and seamless digital experience.



Upgraded NH Smart Banking to Enhance Contactless Banking Convenience

NH Smart Banking offers a full range of banking services, including reporting and certification features, tailored to support all users. To improve accessibility for financially vulnerable or digitally marginalized groups, the app includes features such as large-font mode, fraud prevention alerts, and services like mistaken remittance recovery. To further enhance usability, the platform continues to upgrade its remote banking channels—introducing services such as "Slow Speech" telebanking and ongoing app accessibility improvements.



Revamped Financial Product Mall for Improved Remote Enrollment

To strengthen its competitiveness in non-face-to-face financial services, NongHyup has significantly expanded its digital product lineup to over 490 offerings and restructured the entire customer journey—from product discovery to post-enrollment follow-up—around user experience. The revamped Financial Product Mall incorporates AI-based personalized recommendations, simplified input fields, and a convenient "resume later" function that allows users to continue the process without starting over. Customers can now complete tasks such as document submission within the same streamlined flow, greatly enhancing speed, convenience, and accessibility in remote product enrollment.


Grand Prize
in Comprehensive
Financial Platform
Korea Prestige Brand Awards


Best Bank
in Private Finance
Korea Best Banker Awards

Corporate Digital Platform

NongHyup Bank recognizes digital innovation as a core value and is actively enhancing its platform and payment system competitiveness for corporate clients. As part of these efforts, the bank has launched NH with CEO, a full-service corporate smart banking platform designed to support business operations. To strengthen the foundation for future growth, the bank is also expanding its NH API partnerships and broadening its reach in the public sector, notably through the extension of G-Banking services for government institutions. In 2024, these initiatives contributed to KRW 193.4 billion in electronic finance fee revenue, driven by the stable operation of payment systems and cash management services—significantly boosting the bank's non-interest income.

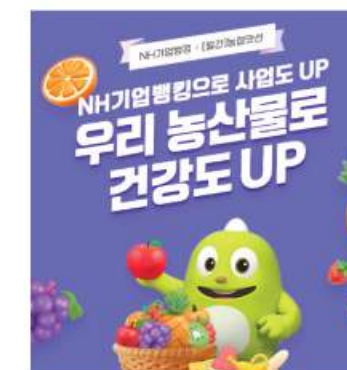


Status of Corporate Digital Platforms

Placing customer convenience at the forefront, NongHyup Bank has introduced a non-face-to-face onboarding process, enhanced platform competitiveness through annual corporate banking usability assessments, and expanded tailored support services for different business segments. The bank is also building a foundation to support public-sector services. The NH API has added new features, such as the Investment Partnership Fund Management API, and broadened its partnership network to include ERP solution providers, reinforcing the bank's foundation for new business development. Additionally, joint promotions with simplified payment providers like NAVER Pay and Toss have helped strengthen stable, non-interest income streams.

Enhancing a Customer-Centric Corporate Banking Platform

For individual business owners, the bank has launched a seamless, non-face-to-face onboarding process that includes integrated account openings within the digital application journey. User-friendly features such as private digital authentication and certificate transfer have been added to improve convenience. The unification of application procedures for corporate and personal banking products has optimized internal operations, while simplified processes—such as consolidated agreement confirmations and a resume-application feature—have made onboarding more customer-oriented.



Expansion of Business-Specific Support Services

NongHyup Bank has broadened its corporate banking offerings in collaboration with the NongHyup Agribusiness Group. Through the Corporate Banking × NH Monthly, the bank introduced a bulk agricultural gift purchase service, enabling business clients to access discounts and streamline large-volume purchases. Additionally, the bank launched NH with CEO, a service tailored for SOHO clients and designed to support each stage of the business lifecycle—startup, growth, maturity, and transformation—further enhancing its support framework through internal and external collaborations.

Expansion of NH API Partnerships with New Services

The bank introduced a new Investment Partnership Fund Management API, partnering with venture capital ERP provider Mira Partners to establish a transparent and secure fund management process for private investment associations. It also signed a service agreement with ERP provider Douzone Bizon to deliver financial APIs for ERP-integrated institutions. Ongoing collaboration is underway to expand these services beyond data retrieval, incorporating fund transfers and integration with financial products.

International Banking Business

Since launching its foreign exchange business in 1969, NongHyup Bank has built a global network through partnerships with over 1,100 banks worldwide. With 56 years of experience, the bank provides highly specialized FX services, supported by 307 CDCS-certified professionals (Certificate for Documentary Credit Specialists) and over 3,000 foreign exchange experts. A centralized FX support center enables accurate and efficient foreign exchange services at all NH NongHyup Bank branches nationwide. In addition, to extend bank-level FX services to local agricultural and livestock cooperatives, we signed a foreign exchange consignment agreement in 2015. This allows customers to access currency exchange, remittance, and fast-track remittance services equivalent to those provided by NongHyup Bank.



Status of International Banking Business

To better serve Korea's growing foreign resident population, NongHyup Bank established the Foreign Customer Bureau within its FX business unit and set up a dedicated organizational structure for foreign financial consumers. As competition among banks to attract foreign customers intensifies, the bank formed a Foreign Customer Expansion Task Force to develop customized products and services and strengthen related infrastructure across the organization. In support of local communities, the bank launched a foreign currency donation campaign and provided tailored financial services for seasonal foreign agricultural workers. These efforts earned the bank the 2024 NH NongHyup Financial Grand Prize in the ESG category.

Launching New Products That Reflect Customer Needs

Despite rising global uncertainties, including the prolonged Russia-Ukraine war and intensifying U.S.-China trade tensions, the FX division exceeded its 2024 performance targets for both business volume and profitability. Notably, the bank launched NH Travel Foreign Currency Deposit, a travel-focused product offering 100% exchange rate benefits, which quickly attracted over 100,000 accounts. To improve service for export-import companies, the bank introduced a new Remittance-Based Usance product and expanded its non-face-to-face capabilities with features such as electronic letter of guarantee, online submission of supporting documents, and improved EDI transaction processing.

Investment Banking

NongHyup Bank's investment banking operations comprise three main areas: IB Finance, Overseas IB Finance, and Project Finance. IB Finance includes M&A financing, structured finance (such as ABS and ABCP), and investment in domestic and global private equity and venture capital funds. Overseas IB Finance covers infrastructure projects like data centers and LNG terminals, prime collateral-based real estate finance, loans to overseas subsidiaries of major Korean firms, and object finance such as ship and aircraft financing. Project Finance includes real estate PF for domestic development and operations, as well as infrastructure finance for public facilities and renewable energy projects. With a solid track record and extensive experience in large-scale investment deals, NongHyup Bank continues to grow its portfolio of high-quality investment assets at home and abroad. Through rigorous risk management and diligent post-investment oversight, the bank aims to establish itself as a leader in the investment banking sector.



Status of Investment Banking

Leveraging its financial arrangement capabilities, NongHyup Bank co-led two large-scale deals exceeding KRW 1 trillion each, in partnership with its affiliate NH Investment & Securities. Working with its corporate finance centers and overseas branches, the bank has also provided foreign currency facility funding for major Korean corporations. Focusing on sectors such as energy, energy transition, and telecommunications infrastructure, the bank recorded approximately KRW 1.9 trillion in new overseas investment commitments in 2024. In support of the domestic property market, the bank contributed to real estate PF normalization funds, helping to stabilize market conditions. Additionally, the bank participated in major public-private partnership projects—such as the Dongbu Expressway underground development—and invested in solar and fuel cell power generation projects aligned with national renewable energy policies. These efforts contributed to the advancement of Korea's road and energy infrastructure.

Expanding Investment Assets and Driving Profitability

Over the past four years, NongHyup Bank has steadily grown its investment banking assets, reaching KRW 19.4 trillion by the end of 2024. Continued growth in commission-based income led to total profits of KRW 323.7 billion for the year.

(Unit: KRW 100 million)

Classification	2021	2022	2023	2024
Total Assets	157,476	167,857	185,763	196,465
Total Profits	3,385	2,385	2,986	3,237
Commission	568	617	688	793

Agricultural Finance

NongHyup Bank supports the competitiveness and sustainable growth of the agricultural sector by offering differentiated financial services tailored to farmers and agri-food businesses. Acting as an agent of the government, the bank provides agricultural policy loans to farmers and agricultural corporations. It also plays a pivotal role in financial guidance by offering customized agricultural finance consulting, helping farm enterprises adapt to a changing agricultural environment. In addition, the bank provides specialized consulting services to agri-food companies aimed at improving their business performance—reinforcing its position as a dedicated agricultural finance institution.





Expanded Customized Consulting
Established the Agricultural Finance Consulting Bureau



9.0264 Trillion KRW
in New Agricultural Policy Loans

Status of Agricultural Finance

To expand tailored consulting services that meet the evolving needs of farmers and agri-food businesses, NongHyup Bank established the Agricultural Finance Consulting Bureau. The bank signed a business agreement with the National Institute of Animal Science to support the next generation of young farmers, aiming to revitalize livestock operations and broaden consulting services. Pre-investment consulting was enhanced to help farmers mitigate risks associated with facility investments, while tax consulting was newly introduced for agri-food companies. In 2024, the bank provided KRW 9.0264 trillion in new agricultural policy loans, delivering timely financial support and tangible benefits to farmers. By the end of 2024, the total outstanding balance of agricultural policy loans reached KRW 25.6875 trillion. Lending to agri-food companies increased by KRW 107.4 billion compared to the previous year, with the total outstanding balance standing at KRW 29.6805 trillion as of year-end.

(Unit: KRW 100 million)

Classification	2022	2023	2024
Agri-food Company Loans (Balance)	290,007	295,731	296,805
Agricultural Policy Loans (New)	86,491	91,737	90,264

Reducing Financial Burden on Farmers

In cooperation with the government, NongHyup Bank improved the terms of agricultural policy loans to be more favorable for farmers. Key improvements included: raising the support limit for farmland purchase under the Comprehensive Agricultural Fund (from KRW 60,000 to KRW 100,000 per 3.305 m²), increasing the loan ceiling for rural housing improvement loans (from KRW 200 million to KRW 250 million), and extending the repayment period for working capital loans under the Rural Convergence Industry Fund (from 2 years to 5 years).





Youth Farmer Development Program



Our Farm Companion Program

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

To promote the long-term success of agricultural enterprises, the bank provided 311 agricultural finance consultations and 38 consultations for agri-food companies in 2024. Tailored financial consulting was offered based on each farm's stage of growth, while comprehensive management consulting was provided to agri-food businesses, including operational assessments and solution proposals. The bank also expanded consulting and training programs for aspiring and young farmers, including students at agricultural universities and participants in youth startup incubators.

(Unit: KRW 100 million)

Classification	2022	2023	2024
Agricultural Finance Consulting	264	336	311
Agri-Food Company Consulting	32	31	38

“Our Farm Companion” Program

NongHyup Bank operated the “Our Farm Companion” program to support agri-food manufacturers that use domestically sourced agricultural products. Selected companies received a range of preferential benefits, including discounted loan interest rates, expanded sales channels, and opportunities to participate in community donation campaigns using their products.

11th “Proud Agri-Food Company” Awards Ceremony

The bank hosted the 11th annual Proud Agri-Food Company Awards Ceremony, recognizing 10 outstanding agri-food companies for their contribution to the development of Korea's agri-food industry. Award recipients were offered preferential loan rates, marketing support, and priority access to consulting services, promoting mutual growth between NongHyup Bank, the agri-food sector, and local communities.

Agriculture & Food Investment

Through the operation of agri-food funds (PEFs), NongHyup Bank identifies and invests in promising companies poised to lead the future of the agricultural industry. Since being appointed as a fund manager for the government-backed Agri-Food Fund of Funds in 2016, the bank has jointly launched matching funds with the government, establishing a solid foundation for sustainable growth in agri-food investment. Beginning in 2022, the bank began independently launching agri-food funds, playing a greater role in mobilizing private capital and solidifying its position as Korea's largest agri-food fund operator. In particular, NongHyup Bank is actively investing in AgTech startups, which integrate digital technologies with agriculture. These investments aim to address rural challenges, such as aging populations and labor shortages, while promoting sustainable development in the agri-food sector.



Status of Agri-Food Investments

Since 2016, NongHyup Bank has established six agri-food funds, achieving a total of KRW 274.1 billion in assets under management. In 2024 alone, the bank invested KRW 30.1 billion in 12 companies, including AgTech startups, bringing its cumulative investment total to KRW 150.2 billion. The bank continues to foster innovative agri-food companies with strong technological capabilities. Since 2023, the bank has hosted the AFRO (Agri & Food Tech Startup Rising Expo), an event dedicated to supporting and promoting agri-food ventures and startups. This annual event helps connect businesses with marketing, investment, and distribution opportunities. In collaboration with the National Agricultural Cooperative Federation and NH Investment & Securities, we also operate the AgTech Youth Startup Campus, a training and incubation program for aspiring entrepreneurs in the agri-food sector.

Launched the 6th Agri-Food Fund: "Hopeful Agriculture Innovation Fund"

In April 2024, NongHyup Bank launched its sixth agri-food fund—the Hopeful Agriculture Innovation Fund—establishing a foundation for strengthening agricultural competitiveness. With a total fund size of KRW 51.1 billion, the fund targets investments in AgTech ventures and startups. The bank is taking a leading role in expanding the agri-food investment ecosystem by supporting high-potential companies developing technologies such as AI-powered robots and autonomous farming machinery—key enablers of automation, precision, and unmanned agriculture.



AFRO (Agri & Food Tech Startup Rising Expo) Held for Two Consecutive Years

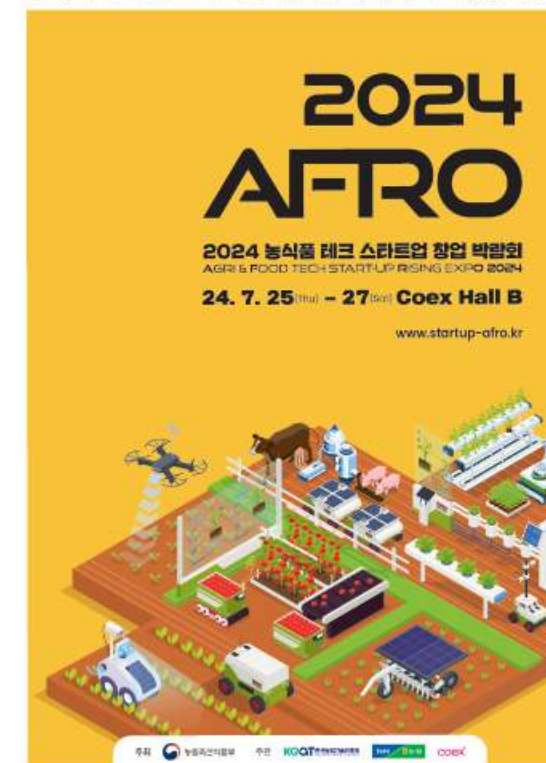
From July 25 to 27, 2024, NongHyup Bank co-hosted the 2024 AFRO (Agri & Food Tech Startup Rising Expo) alongside the Korea Agriculture Technology Promotion Agency (KOAT) and COEX. Now in its second year, the event has grown into the nation's largest agri-food tech startup expo. The event brought together more than 260 participants, including startups in green bio, AgTech, and FoodTech, as well as public institutions, large enterprises, and investors—drawing approximately 9,000 visitors. AFRO plays a key role in revitalizing entrepreneurship in the agri-food sector, which often receives less attention than other industries.

NongHyup Bank × KOAT IR Day

In November 2024, NongHyup Bank and KOAT jointly hosted an IR Day to identify and promote outstanding agri-business startups. A total of nine startups—focused on AgTech, smart agriculture, and ESG-based solutions—were selected to present. Around 50 attendees, including representatives from NongHyup affiliates, related institutions, and investment firms, participated in the event. The event fostered networking and collaboration between startups and NongHyup affiliates and served as a platform for connecting these ventures with fund investments and broader cooperative initiatives.

2025 Agri-Food Investment Outlook

Looking ahead to 2025, we will continue to lead the agricultural sector by preparing new fund launches and scaling up investment. As the nation's top agri-food fund manager, we remain committed to discovering future unicorns and fostering shared growth. Through consistent support for high-potential startups, we aim to drive innovation and transformation in Korean agriculture, paving the way for a sustainable and prosperous future.



Public Sector Banking

NongHyup Bank is Korea's undisputed No.1 treasury bank and a trusted partner in national finance. The bank operates branches in all government complexes and manages the treasuries of most national institutions, including local governments and educational offices across the country. Through collaborative projects with local governments and ongoing support for regional development, NongHyup Bank continues to demonstrate its public mission and reliability as a community-oriented institution.



Status of Public Sector Banking

By providing meticulous treasury management for public institutions, NongHyup Bank has further strengthened its market leadership in public finance, contributing to a stable and sustainable revenue model. As of 2024, the bank manages 182 general accounting treasuries across 260 local governments and educational offices. It also serves as the primary bank for 504 out of 1,593 major public institutions nationwide and provides escrow services for 87 of 159 courts across the country. Over 2.14 million civil servants and public institution employees bank with NongHyup Bank, and the number of core public-sector clients continues to grow.

100% Treasury Contract Renewal and New Acquisitions

As part of ongoing efforts to solidify its role as a specialized public finance institution, NongHyup Bank successfully renewed all 55 expiring treasury contracts with local governments and education offices in 2024—demonstrating strong trust in the bank's public finance capabilities. Additionally, the bank secured new contracts for special accounts and funds with Gwangju Metropolitan City's second treasury, further strengthening its position as Korea's leading treasury bank.

New Public Institution Clients and Custom System Development

Leveraging its expertise in treasury services, NongHyup Bank signed 52 new partnership contracts with institutions affiliated with local governments. In collaboration with the Seoul Agro-Fisheries & Food Corporation, the bank developed a settlement platform for agricultural and marine product payments, improving financial efficiency and delivering tangible benefits to agricultural producers.



Expansion of Customized Local Government Loan Agreements

In March 2024, NongHyup Bank became the first in the banking sector to surpass KRW 10 trillion in government-affiliated loan agreements by expanding tailored regional lending programs. The bank also signed an exclusive MOU with the Ministry of the Interior and Safety, implementing special guarantee programs to support businesses in population-declining areas—contributing to regional economic revitalization.

Expansion of Civil Servant and Institutional Client Base

Focusing on growing its public sector client base, the bank added 7,000 new civil servants and institutional employees in 2024, including 2,587 newly appointed teachers and 1,453 local government officials. These efforts have further solidified NongHyup Bank's position as a reliable financial partner to the public sector.

Strengthening Digital Competitiveness in Public Banking

To enhance its digital capabilities in public banking, NongHyup Bank completed the nationwide rollout of the NH Regional Development Fund Management System—the only proprietary system of its kind in Korea's banking sector—enabling more efficient fund operation and oversight. Furthermore, the bank expanded treasury services on NH Mobile G, improving accessibility and convenience for public finance clients. Through these initiatives, NongHyup Bank continues to drive innovation in public finance by using digital technologies, aiming to deliver reliable and efficient financial services to both clients and communities.



Risk Management

Since its inception, NongHyup Bank has achieved the highest level of capital adequacy ratios. In 2024, the bank maintained a top-tier BIS total capital ratio in the industry and recorded its highest simple Common Equity Tier 1 ratio in nine years. The bank also completed the development of an AI-based credit review system, enhancing its credit evaluation models and processes using machine learning and big data analytics. This advancement improved model accuracy, risk differentiation, and operational efficiency through greater automation. Additionally, the bank developed and implemented the NongHyup Warning Index (NHWI), a proprietary early warning indicator for liquidity risk. By enabling automated daily data collection and analysis, the NHWI supports proactive monitoring and timely response to potential liquidity crises—such as bank runs—strengthening the bank’s resilience against financial shocks.



Status of Risk Management

NongHyup Bank systematically manages all types of risk arising from its business activities to ensuring financial soundness, operational stability, and a foundation for sustainable growth. Potential risks are identified, quantified, and incorporated into strategic planning at each stage of operations. To secure capital adequacy and allocate capital efficiently, the bank sets risk limits and monitors sectoral and industry-specific exposures to prevent excessive concentration. In addition, scenario-based stress testing and crisis response plans are in place to ensure proactive decision-making in times of financial stress.

Achieved the Highest Capital Adequacy Ratio
Since The Bank's Founding

Developed AI-Based System
Advanced credit evaluation and review systems

Strengthened Credit Risk Management Amid Elevated Risk Potential

To prepare for a prolonged economic downturn, the bank strengthened its credit risk management framework. This included analyzing delinquency rate trends and developing corresponding response strategies. Specifically, we conducted gap analyses comparing the bank's delinquency rates with those of peer institutions, reviewed delinquent loans by loan type, collateral type, and industry. Additionally, we analyzed default rate trends and borrower distribution by PD (Probability of Default) bands within corporate asset portfolio.



Enhanced Operational Risk Management through PSMOR Implementation

The bank fully adopted PSMOR (Principles for the Sound Management of Operational Risk)—a global framework set forth by the Basel Committee and Korea's Financial Supervisory Service. Key actions included:

- ① Establishing an Operational Risk Management Committee.
- ② Implementing a Change Management Framework.
- ③ Establishing an ICT Risk Management System.
- ④ Building a Third-Party Risk Management Framework.

Stable Interest Rate Risk Management via Asset-Liability Maturity Matching

To address interest rate risk arising from asset-liability maturity mismatches, the bank implemented early-stage credit strategies to moderate asset maturity growth and pursued long-term funding efforts to counterbalance shortening liability maturities. It also enhanced monitoring by calculating key interest rate risk indicators on a daily basis and adjusting its portfolio strategy flexibly in response to market conditions.

Implementation of AI-Based Credit Review System

We optimized our default detection models and overhauled the credit review process through the introduction of an AI-based credit review system. This included the development of early warning indicators for potential defaults, leading to improved model accuracy. The system also provides support tools for branch RMs, such as risk dashboards and automated action plans, and has expanded the role of AI-driven credit review agents, increasing automation and operational efficiency in credit monitoring.

Stronger Credit Risk Management

Development of NHWI
Early warning indicators for financial markets

Wealth Management

NongHyup Bank is committed to strengthening the competitiveness of its investment products and asset management capabilities, continuously working to enhance both the expertise and efficiency of its comprehensive wealth management services. The bank offers a wide range of investment products supported by a solid risk management framework and provides integrated solutions for managing client assets. With a focus on differentiated, region-based asset management, NongHyup Bank had established 69 specialized wealth management (WM) branches nationwide as of 2024. WM consultants and regional WM teams collaborate to deliver asset management services across all branches, ensuring inclusive financial access and minimizing regional disparities. The bank remains focused on maximizing client asset value through customized portfolio management, investment consultations, and financial planning services, offering a variety of solutions aligned with current market trends and individual client needs.



Status of WM Business

The establishment of a mid- to long-term workforce management framework to strengthen expertise in investment products and asset management has contributed to the sustainable growth and specialization of the Wealth Management (WM) division. In addition, expanding on-site communication, training, and marketing support has played a vital role in enhancing the division's capabilities and activating WM business across the bank. Going forward, we will continue to effectively meet the diverse needs of our clients through close collaboration and specialization within each investment and asset management department.

Introducing Investment Advisory Services to Expand Comprehensive Wealth Management

In response to the increasing complexity and volatility of financial products, an aging population, and rising demand of professional wealth management, NongHyup Bank has begun preparing to launch investment advisory services. These services will provide tailored advice on the value and decision-making aspects of financial investment products—such as types, assets, acquisition, and disposal. This initiative supports long-term asset planning and marks a strategic transition toward a client-centered advisory model.



Tailored Products and a Culture of Responsible Sales

To better meet clients' investment needs, the bank has expanded its product lineup, particularly in bancassurance and fund portfolios, supported by demand-driven marketing strategies. Improvements to the investment product sales system are underway, including collecting client feedback to prevent mis-selling and promoting a culture of transparent and responsible sales.



On-Site Process Innovation to Enhance Operational Efficiency

To deliver improved wealth management services, the bank has upgraded internal systems used by front-line WM personnel. This includes enhancements to the WM system—used for client management and consultation preparation—and a redesigned fund information system that promotes responsible sales practices by providing real-time market insights and enhanced after-sales support. Additionally, paperless processing for bancassurance enrollment helps reduce the risk of mis-selling.



Building a Foundation for WM Business Growth

NongHyup Bank made notable progress in talent management, channel operations, and client service delivery to strengthen the WM business. First, to innovate workforce operations, the bank introduced a WM career tracking system that supports long-term professional development. By managing roles based on WM experience, credentials, education, and performance, the system fosters sustainable professional growth and boosts agility in responding to market shifts. Second, acknowledging the regionally diverse WM customer base, the bank enhanced its differentiated asset management channels. It launched the NH All100 Advisory Center in the Gyeongsang region and expanded NH All100 Comprehensive Wealth Management Centers to 69 locations nationwide as of year-end 2024, strengthening its foundation for regional wealth management. Third, the bank continued preparations to launch investment advisory services while enhancing internal systems to support advanced, client-focused WM services.

Trust Banking

NongHyup Bank's trust business plays a central role in customer asset management, operating with an independent decision-making structure and offering a wide range of services, including monetary and property trusts. Based on a foundation of trust and reliability, we are committed to meeting client needs through the development of new products, diversification of revenue sources, and the cultivation of professional talent. With the goal of sustainable growth and enhanced competitiveness, we aim to become a leading comprehensive asset management institution through sound business operations and stable profit growth—positioning trust banking as a core pillar of future growth.





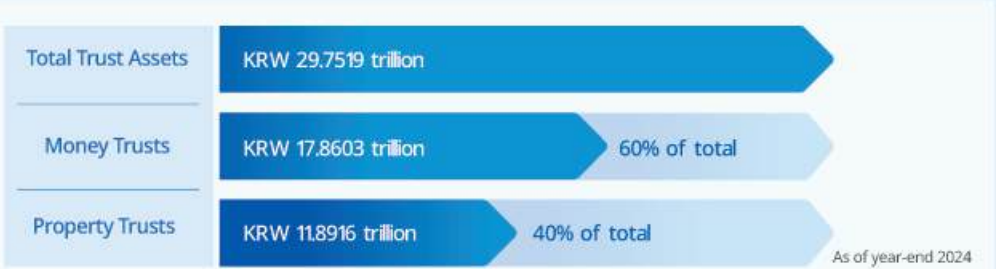
Customer Rights Protection
Campaign to Return Long-Inactive Trust Accounts



Reappointed as Investment Manager for Surplus Treasury Funds

Status of Trust Banking

NongHyup Bank has focused on offering customized trust products tailored to client needs, launching new products in response to market conditions, and efficiently managing treasury funds. As of the end of 2024, total assets under trust stood at KRW 29.7519 trillion, composed of monetary trusts at KRW 17.8603 trillion (60.0%) and property trusts at KRW 11.8916 trillion (40.0%). Additionally, the bank continues to promote client rights protection through initiatives such as its campaign to return long-inactive trust accounts.



Strengthening Financial Consumer Protection

NongHyup Bank places financial consumer protection as its top priority, striving to become a trusted financial partner. We have reinforced our product sales training to ensure all employees fully understand and comply with the Financial Consumer Protection Act and standardized sales procedures. This ensures sales practices are conducted with customer rights as the foremost consideration. In addition, an internal control system allows real-time monitoring of compliance with these procedures. We use AI-based voice recording analysis to detect anomalies and quickly implement corrective actions, preventing consumer harm in advance. Furthermore, the campaign to return long-inactive trust accounts helps clients reclaim forgotten assets and promotes consumer rights. Through these efforts, we continue to grow as a customer-centered, trusted institution, taking the lead in financial consumer protection and fulfilling our social responsibility.



Reappointment as Investment Manager of Surplus Treasury Funds

NongHyup Bank has been reappointed by the Ministry of Economy and Finance as one of three investment managers for surplus government and public funds. This reappointment underscores the government's continued trust in the bank's fund management capabilities and financial stability. Over the next three years, the bank will play a key role in managing these surplus funds, further strengthening its competitiveness and position within the industry. The efficient management of public funds is expected to support national fiscal operations while also positively contributing to the bank's profitability. This achievement reflects a comprehensive evaluation of the bank's expertise in fund management, risk control, and public-sector collaboration. Moving forward, NongHyup Bank will remain focused on enhancing the safety and returns of these funds, while contributing to the broader national economic agenda.



Real-Time Monitoring Internal Control System



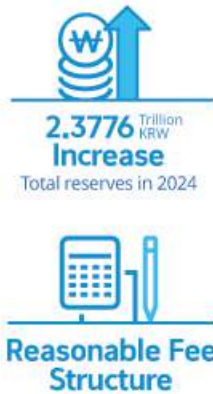
To Address the Needs of a Super-Aged Society

New Business Initiatives in Response to a Changing Market Environment

To address evolving market conditions, NongHyup Bank continues to monitor client needs and proactively introduces high-growth trust products, strengthening its position in the trust industry. The bank is closely monitoring regulatory developments, including the Financial Services Commission's Trust Business Innovation Roadmap, and is preparing to enter the comprehensive property trust market in response to Korea's rapidly aging society. As a client-centered asset management institution, we remain committed to adapting to a dynamic financial landscape and positioning ourselves as a reliable long-term financial partner.

Retirement Pension

NongHyup Bank's retirement pension business is advancing with the goal of achieving both quantitative and qualitative growth. In 2024, the bank achieved significant external growth, increasing total retirement pension reserves by KRW 2.3776 trillion, driven by a focus on building employee expertise through training and a career-tracking system. The retirement pension business continues to grow steadily and has emerged as a key pillar of the government's pension reform agenda. In line with this, we made efforts to enhance clients' real returns by reducing fees. Specifically, we introduced a reasonable fee structure by pension plan type, eliminated fees for customers receiving pension payments, offered fee discounts for SMEs, and expanded long-term contract discounts. Additionally, by expanding our lineup of principal-at-risk products, we broadened investment choices and improved customer satisfaction.



Status of Retirement Pension

As of year-end 2024, NongHyup Bank's total retirement pension reserves stood at KRW 23.2269 trillion, representing an 11.4% increase from the previous year. Notably, Individual Retirement Pension (IRP) reserves grew by 23.2% year-on-year, driven by aggressive marketing campaigns and customer engagement events. Fee revenue from retirement pensions reached KRW 81 billion, solidifying the business as a core contributor to the bank's fee-based income.

Classification	2022	2023	2024
Retirement Pension Reserves	184,265	208,493	232,269
Retirement Pension Subscribers	1,391,687	1,420,618	1,491,688

Securing Employee Expertise

With the introduction of in-kind transfers in 2024, the bank ramped up efforts to strengthen internal expertise. It conducted training programs for retirement pension professionals and implemented a career management system to develop specialized talent. To further promote internal engagement, the bank held the 2nd "Find the Hidden Retirement Pension Masters" contest, fostering greater staff interest and strengthening capabilities in retirement pension services.



Efforts to Enhance Customer Returns

To expand customer investment options and improve returns, the bank added 91 new principal-at-risk products, including 47 ETFs. It also signed a business agreement for the introduction of a discretionary robo-advisory service, scheduled to launch in the first half of 2025.

Responding to In-Kind Transfer Adoption

Following the introduction of the in-kind transfer system in 2024, we provided strategic guidance to branch personnel on implementation and customer marketing techniques. The bank also held default option registration events aimed at improving customer returns in response to the system changes. Additionally, we abolished all fees for IRP customers receiving pension payments and launched a special promotion to attract new IRP clients—conducting full-scale marketing efforts to expand the retirement pension customer base.

Enhancing Retirement Pension Brand Image

To raise awareness of its retirement pension services, NongHyup Bank launched the "Confidence at 55+" marketing campaign, featuring official brand ambassador actor Byeon Woo-seok. Advertisements were rolled out across multiple channels, including social media, cinemas, and radio, while large-scale customer events further boosted promotional impact.

2025 Retirement Pension Outlook

In 2025, we plan to expand our team of pension specialists through organizational restructuring. We will continue to focus on boosting customer returns by launching the discretionary robo-advisory service and further diversifying our product lineup. Additionally, we will reinforce post-retirement management and expand on-site consulting to serve as a reliable partner in managing clients' retirement assets.

Global Business

Since establishing a dedicated division in 2017 to drive global expansion, NongHyup Bank has actively pursued overseas growth. As of now, the bank operates 11 global networks across 8 countries, comprising 6 branches, 2 local subsidiaries (with 53 branches), and 3 representative offices. A total of 762 employees, including locally hired staff, support these global operations. We aim to expand our presence by developing business models tailored to each region, ultimately serving as a revenue center that contributes profits to Korea's agricultural sector. At the same time, we continue to enhance our global brand reputation through localized social contribution activities tailored to community needs.



Status of Global Business

To accelerate global growth, NongHyup Bank has categorized its international strategy into three regional business models. In advanced financial markets—such as New York, Hong Kong, and Sydney—the bank focuses on investment banking, corporate lending, and funding operations. In corporate finance regions—including Hanoi, Beijing, and Noida—the focus is on providing deposit, lending, and trade finance services to Korean corporations. In retail regions, such as Cambodia and Myanmar, the bank operates microfinance services targeting local individuals. Looking ahead, the London representative office is expected to convert into a full branch in 2025, with the opening of a Singapore branch planned for 2026.



Structured Global Management

In early 2024, a dedicated team was established within the Global Business Department to oversee KPIs by office, execute promotional initiatives, and reinforce profit- and finance-driven management. An internal oversight framework was also introduced to monitor underperforming branches, including those with persistent deficits or rapid loan growth. In addition, director-level meetings were launched to oversee and support overseas branches, while proactively addressing internal control needs amid the expanding global network.



Expansion of Global Credit Assets and Lending Efficiency

To enhance efficiency in loan origination and post-loan management, all corporate and investment loans overseas are now processed directly by international branches. This localized approach enables more precise credit risk management and supports rapid growth in overseas lending. Through closer collaboration between domestic and overseas branches, the bank continues to expand its global credit portfolio. A streamlined, expedited loan approval system has also been established to strategically scale global credit operations.

Progress Toward Opening of London Branch

As its first network in Europe, the bank completed key steps for launching the London branch—including securing a location, building IT infrastructure, and hiring staff—and successfully submitted its license application to UK regulators in November 2024. In the short term, the London branch aims to achieve operational self-sufficiency in funding and management. Over the mid- to long-term, it is expected to evolve into an advanced financial hub for the EMEA region (Europe, Middle East, and North Africa), covering investment banking, credit, and capital markets. The branch is expected to open in 2025, marking NongHyup Bank's official entry into advanced global financial markets and enabling rapid business expansion.



Advancing Global Talent Management

This includes matching individuals to the right functions and regions and continuously updating deployment readiness. To support this, we have established a new system that connects recruitment with international assignments, based on local talent strategies that leverage our global workforce. Additionally, the Expat Training Academy was launched to enhance the skills of employees interested in overseas assignments. These efforts support the development of talent with hands-on experience in local networks, helping drive our global strategy forward.



Consumer Protection

NongHyup Bank places the highest value on protecting the rights of financial consumers and is committed to being recognized by customers for its integrity and reliability. By delivering transparent services, enhancing internal controls, preventing financial fraud, and expanding customer communication through CS and complaint-handling channels, we strive to become the most trusted leader in consumer protection.



Status of Consumer Protection

Since 2023, NongHyup Bank has held the Financial Consumer Protection Awards—the first of its kind in the banking industry—to raise awareness and motivate top-performing employees. We also recognize customers who submit outstanding suggestions, setting ourselves apart with a customer participation-based model of financial consumer protection. To ensure full compliance with the Financial Consumer Protection Act and relevant regulations, we have expanded internal control checkpoints and strengthened monitoring criteria. Various initiatives have been introduced to prevent financial fraud, including the launch of a new Suspicious Account Monitoring System, free voice phishing insurance and training programs for women in agriculture, and public awareness campaigns in traditional markets.

Enhanced Internal Controls for Consumer Protection

To align with the Financial Consumer Protection Act and internal control standards, we have revised and expanded inspection criteria to fully reflect internal and external guidelines. The scope of monitoring for financial product sales has been broadened, and follow-up procedures have been reinforced, establishing a more practical and effective internal control framework.



New Customer Satisfaction Survey System for Improved Accessibility

We upgraded our customer satisfaction survey system from one-time ARS phone calls to a KakaoTalk-based format, allowing customers to respond at their convenience. The new system uses official communication channels to reduce fraud risk and includes newly developed evaluation scenarios for staff friendliness and expertise, along with an open-text feedback feature to gather more diverse customer input.



Proactive Response to Emerging Fraud with Suspicious Account Monitoring

The upgraded Suspicious Account Monitoring System is designed to detect evolving forms of fraud. It allows for immediate action, such as preemptive transaction suspensions in high-risk non-face-to-face transactions, to protect customers' assets.

Centralized Processing of Fraud Relief Applications

A dedicated team has been established to centralize the telecommunications fraud relief process, reducing delays and administrative errors. This initiative not only alleviates the burden on branches, but also improves the quality of financial consultations provided to customers.



Improving Infrastructure for Complaint Prevention and Management

To enhance customer convenience, NongHyup Bank has expanded its real-time communication channels (such as KakaoTalk) for complaint tracking. It also upgraded internal systems for faster resolution, established clear disclosure standards to ensure transparency. The bank also implemented diverse strategies for effective complaint management and continues to analyze customer feedback to provide customer-centered financial services. By increasing staff dedicated to complaint handling and improving related systems, the bank remains committed to protecting the rights of financial consumers.

Enhancing Consumer Rights through Comprehensive Fraud Prevention

In partnership with the Financial Supervisory Service and the Ministry of SMEs and Startups, the bank expanded its participation in the "Jang Geum On & On (traditional)" program to 17 markets across 11 regions. This initiative supports financial fraud prevention and better financial service environments for traditional market vendors. Additionally, in collaboration with the Women Farmer's Association, the bank provided free voice phishing insurance and financial education for women in rural areas—further strengthening consumer protection in agricultural communities.

NH Card

NH Card offers a wide range of financial services, including credit and debit card issuance and payments, card financing, and public-sector disbursement operations. With a convenient and secure payment infrastructure and a strong focus on digital financial innovation, NH Card delivers a customer-centric financial experience. In response to evolving consumer trends, NH Card provides distinctive brand value through a diverse lineup of card products and services—including zgm, which promotes a lifestyle-oriented brand experience, and All-Barun, which supports healthy financial habits through smart spending. NH Card also fulfills its social responsibility through various public-interest initiatives and plays an active role in revitalizing regional economies. In partnership with government agencies and local authorities, it delivers financial services for public vouchers, subsidies, and other disbursement programs. Looking ahead, NH Card will continue to expand its customer-first services and drive innovation for sustainable growth.



Status of NH Card

NongHyup Bank launched its card business in 1983 with the release of the "NongHyup Credit Card." In 1993, the business gained momentum through a strategic partnership with the National Agricultural Cooperative Federation (NACF), expanding card services across local agricultural cooperatives. In 2008, the card division was reorganized into a specialized business unit, and in November 2009, NH Card was launched as an independent brand with the release of its first product, the NH Chaeum Card. In 2012, the company rebranded under the integrated name NH Card, operating two distinct brand lines: NH Card (Chaeum) and NH Card (BC). As a combined financial service provider under the Specialized Credit Finance Business Act, the card business has continued to grow in influence. In February 2019, NH Card became the first bank-affiliated card company to be granted associate membership in the Credit Finance Association of Korea. Although NH Card is not a separate legal entity, it operates as an internal division of NongHyup Bank. The organization consists of 1 division, 5 departments, 1 bureau, 3 centers, and 32 teams, with approximately 410 employees.



Launch of Unified Digital Platform: New NH pay

New NH pay is a unified digital platform that brings all NH Card services into a single, easy-to-use interface. Built on the existing NH Pay platform and now integrated with the NH Card app, it enables users to navigate services quickly and conveniently. New features include Edge Panel Payment, which allows quick payments with a swipe from the phone's home screen; Finance Manager, which automatically notifies users of payment dates and upcoming bills; and Small Talk, which uses customer data to offer personalized financial service recommendations. Dedicated features for businesses and minors further enhance the overall quality and personalization of financial experience.



10 Consecutive Years of 1 Million New Cardholders

In October 2024, NH Card reached a major milestone—surpassing 1 million new credit cardholders annually for the tenth consecutive year. This achievement reflects the collective effort of employees across the company. NH Card responded to a shifting card issuance environment by streamlining its non-face-to-face application process and expanding employee benefits tied to digital customer acquisition, thereby improving the work environment at branches. It also improved internal strategies by updating the evaluation criteria for the Annual NH Card Awards based on field feedback and expanding training and incentive programs to boost employee motivation and performance.

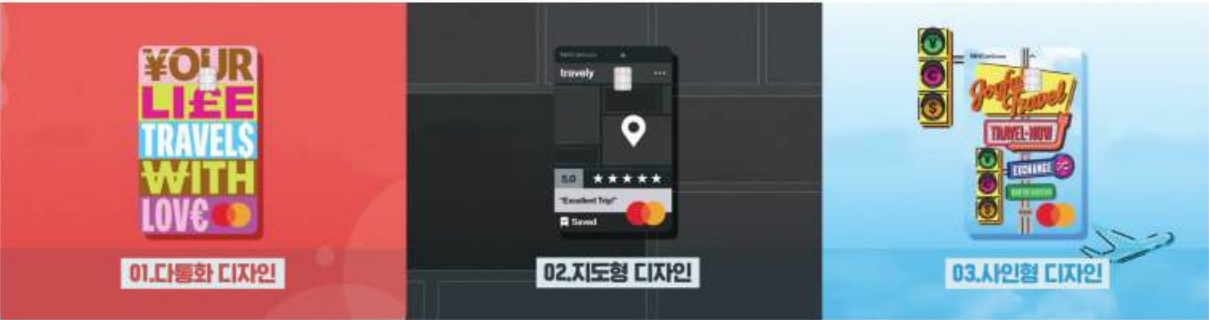
Launch of the NH Travelly Check Card

In July 2024, NH Card launched the Travelly Check Card, offering foreign Travelly Check Card allows cardholders to make payments and withdrawals directly in local currencies without converting from Korean won. When the foreign currency balance is insufficient, the card features an automatic top-up service that converts and transfers funds from the user's won account. Supporting 22 major currencies—including USD, JPY, and EUR—it is a practical choice for international travel and transactions. As a product linked to foreign currency deposits, the Travelly Check Card has facilitated cross-transactions among NongHyup's digital, deposit, FX, and card divisions, contributing to the group's overall growth.



2025 NH Card Outlook

As of 2024, NH Card recorded KRW 132.5 trillion in total card usage, serving a membership base of 30.32 million. The number of credit cardholders reached 9.17 million—an 82% increase since the launch of its independent card business in 2009. NH Card's market share stands at 11.5%, ranking fifth in the industry, while its check card market share remains dominant at 29.8%, securing the top position. Improvements in credit loan modeling helped reduce credit loss provisions, and streamlined transaction cost structures lowered commission expenses, enhancing overall operational efficiency. NH Card also restructured its business and marketing divisions around the customer, establishing a dedicated team for customer analytics to lay the foundation for a customer-centric management system. In addition to its business achievements, NH Card has actively contributed to social responsibility. The NH Card Volunteer Group regularly organizes outreach activities during holidays and family-focused events, reinforcing the bank's commitment to community engagement. Moving forward, NH Card will build a differentiated and integrated customer care framework grounded in a deep understanding of its customers. The company will continue to broaden its user base by targeting new customer segments, including foreign nationals, young customers, and VIP members.



“zgm.On Vacation Card” Wins Seven Global Design Awards

NH Card's “zgm.On Vacation Card” achieved a remarkable feat by winning seven honors across global design competitions. This travel-focused card, developed in partnership with a global accommodation booking platform, is the first of its kind in Korea and features a distinctive design that reflects its vacation theme.

Classification	Award Name	Award Segment	Date of Award
International	HKDA Brand Design Awards	Best Market Value Brand Award in the Financial Services and Wealth Management category	2024.03
	London Design Award	Platinum Winner in Communication Design	2024.02
	World Brand Design Society Awards	Bronze Winner in Graphic Design	2024.02
	Asia Design Prize	Finalist in Visual Design	2024.01
	A' Design Award & Competition	Iron Winner in Strategic Design	2024.04
	Sky Design Awards	Finalist in Graphics and Branding Design	2024.05
Korea	Korea Design Award	Finalist in Communication Design	2023.12



Promoting Ethical Merchants as Part of ESG Management

Under the slogan “Right Way of Living Card,” NH Card launched the “Be Myself. Use It Right.” campaign to promote positive social impact and the value of doing good. Through this campaign, NH Card identified and promoted ethical merchants—such as restaurants offering free meals to underprivileged children, organizations supporting stray dog adoptions, and companies engaged in resource recycling. By spotlighting these merchants, NH Card not only encouraged the spread of positive influence but also provided marketing support to expand their reach. To further promote responsible consumption and ESG management, NH Card continues to collaborate with local communities and actively seek out ethical merchants that contribute to eco-friendly practices and resource circulation. These merchants are highlighted and supported to encourage customers to participate in social contribution and environmental protection—simply by using their cards.



- Provided support for publicity by producing and sharing content featuring famous celebrities such as comedian Yang Se-hyung, Kim Min-kyung, Kangnam, Lee Changho, and YouTuber Enjoycouple.
- Featured as a case of “Good Influence” in Trend Korea 2021.
- A 10% discount is offered when using NH Card at stores selected as Ethical Merchants.
- Since the first designation in June 2020, a total of 15 stores have been selected and promoted.
- “Not Ours” and “Thank You, My Hero” were newly designated and promoted in November and December 2024, respectively.



Ethical Merchants	ESG Activities
Jinjja Pasta (Store 1)	Provides free meals for underfed children and firefighters
Dashi Sarang Batgae (Store 2)	Supports the protection and adoption of abandoned animals
Oppa Sushi (Store 3)	Supports free meals and delivers donations to the underprivileged
Eunjujeong (Store 4)	Donates 500kg of rice every month and offers scholarship to low-income households
119REO (Store 5)	Sells upcycled firefighter gear, donating proceeds to support firefighters
Paper Pop (Store 6)	Makes furniture with eco-friendly paper, pursuing resource circulation
Almang Market (Store 7)	Sells unpackaged and plastic-free products in quantities customers can purchase as needed
Continue (Store 8)	Sells upcycled products made from car seats, airbags, and marine waste
Wooriga Chamsundae (Store 9)	Hosts regular Sundae Soup Sharing events for the elderly living alone and people with disabilities
Donggubat (Store 10)	Employs individuals with developmental disabilities to produce and sell eco-friendly products such as natural soap
Iar (Store 11)	Recycles plastic bottles to manufacture and sell eco-friendly fashion items such as shoes and bags
Flip Flower (Store 12)	Trains and employs deaf individuals as florists, using eco-friendly packaging
PLEATSMAMA (Store 13)	Produce bags and pouches using recycled threads
Not Ours (Store 14)	Creates sustainable fashion accessories through resource recycling
Thank You, My Hero (Store 15)	Sells small items, such as phone cases made from recycled materials, with proceeds donated to children with pediatric cancer and underprivileged youth

2024 NongHyup Bank ESG



NongHyup Bank ESG

ESG Business

NongHyup Bank is strengthening its commitment to eco-friendly management under the goal of “establishing a sustainable management foundation through ESG integration.” We are actively promoting low-carbon operations, expanding green finance investments, and assisting companies in their transition toward lower carbon emissions. In addition to supporting agriculture and rural communities, we engage in a wide range of social contribution activities across education, culture, and the environment, working to foster mutual growth with local communities. We also offer tailored financial services to underserved populations, thereby creating diverse forms of social value. We will continue to lead in ESG by fostering meaningful value creation and advancing a more sustainable society.



Status of ESG Business

As global awareness of ESG management increases and the demand for stronger carbon regulation compliance intensifies, NongHyup Bank established the ESG Strategy Division as part of an organizational restructuring in 2024. The ESG Strategy Division is tasked with responding effectively to regulations such as the government's greenhouse gas target management system and the 2050 carbon neutrality initiative. To support this mission, it has developed an ESG management system to streamline ESG data collection and build a structured oversight framework. The Division is also working to reduce internal carbon emissions through activities such as expanding solar power facilities and installing regenerative elevator systems. At the same time, it is strengthening support for green finance by launching ESG-focused financial products that facilitate the transition to a low-carbon economy.

As part of fulfilling our social responsibility as a financial institution, NongHyup Bank supports underserved groups through inclusive finance and carries out community-focused initiatives such as disaster relief and volunteer work. We are also actively promoting youth financial education; cultural, artistic, and sports programs; environmental protection; and global sponsorship initiatives to help build a more inclusive and sustainable society.

Launch of ESG-Focused Financial Products

In July 2024, NongHyup Bank launched the “NH ESG Sustainability-Linked Loan (SLL)” to support the growth of ESG management among small and medium-sized enterprises. In collaboration with ESG evaluation agency eCredible, the bank offers loans with preferential loan limits and interest rates based on ESG ratings, following an assessment of a company's ESG performance. Clients can use the resulting ESG report to identify areas for improvement and develop more strategic ESG roadmaps. Additionally, in November 2024, the bank introduced the “NH Green Company Preferential Loan (Climate Response),” which provides favorable financing terms for projects aligned with the K-Taxonomy. These offerings have helped diversify NongHyup Bank's ESG financial products to better meet the needs of its clients and support the low-carbon transition.



Greenhouse Gas Reduction for Low-Carbon Transition

In 2024, we added two solar power systems and 18 regenerative elevator devices, while continuing to replace business vehicles with zero-emission electric cars. These efforts enhanced our renewable energy transition and helped reduce internal carbon emissions. We also strategically complied with the government's Greenhouse Gas Target Management System and actively participated in national green campaigns, including the Ministry of Environment's K-EV100 and the Ministry of Trade, Industry and Energy's K-RE100 initiatives. Monthly ESG campaigns were conducted to promote everyday sustainable practices among employees, fostering a stronger ESG-oriented corporate culture.

Development of an ESG Oversight System for Carbon Monitoring

To improve carbon management and ensure timely compliance with external regulations, we built an “ESG Oversight System.” By automating data collection, the system has significantly improved operational efficiency. Centralizing key data—such as carbon emissions and ESG-related financial performance—has enabled integrated management, strengthened data reliability, and enhanced overall ESG performance.

Enhancing Our Standing as a Leading ESG Bank

NongHyup Bank has received the highest rating for five consecutive years in the Regional Reinvestment Assessment, overseen by the Financial Services Commission, in recognition of its ongoing commitment to supporting local communities. Additionally, we earned an “A” rating for four consecutive years in ESG evaluations conducted by the Korea Institute of Corporate Governance and Sustainability (KCGS), further solidifying our status as a leading ESG-oriented financial institution.



“Green Ladder Camp” - Mentoring Program for Rural Elementary Students

Since signing an MOU with the Korea Student Aid Foundation in 2019, NongHyup Bank has sponsored and operated the “Green Ladder Camp,” a mentoring program for elementary school students in rural areas. During school vacations, college student mentors and elementary student mentees are grouped into teams for about 20 days to engage in academic tutoring, creative experiential learning, cultural programs, follow-up learning, and counseling sessions. Through this program, rural students are provided with diverse learning and communication opportunities to help them grow into future talents. College student mentors, in turn, are offered a chance to share the value of agriculture and rural life, develop leadership skills, and contribute to society through volunteer work. In 2024, a total of 223 university student mentors and 573 elementary student mentees participated in the summer and winter camps, helping to reduce the educational gap between urban and rural areas.



“Happy Sharing Financial Class” - Inclusive Financial Education

To create a happier world together with its customers, NongHyup Bank operates the “Happy Sharing Financial Class,” an ongoing financial education volunteer program. The bank runs 17 Youth Financial Education Centers—the largest number among financial institutions in Korea—where young people receive career and basic financial literacy education. In underserved regions, NongHyup Bank uses a mobile branch bus (NH WINGS) to deliver tailored financial education programs, including banking job experiences, fintech education, and economic literacy. In 2024, the bank held 3,018 educational sessions, reaching 71,844 students, fostering sound financial knowledge and nurturing the next generation of leaders. The bank will continue expanding access to financial education to help youth build healthy financial habits.



“Green Ladder Credit Recovery Program” - Helping Youth Restart Their Lives

NongHyup Bank also operates the “Green Ladder Credit Recovery Program”, supporting youth from farming and fishing communities who are delinquent on student loans but are making sincere efforts to repay them. In 2024, the bank provided KRW 1.1 billion in aid to 726 young individuals, helping them overcome financial hardship and continue pursuing their dreams. NongHyup Bank remains committed to supporting the economic recovery and stable social integration of young people across Korea, empowering them to pursue their aspirations.



Creating “Green Ladder × UJUSpace” Child Happiness Zones in Rural Schools

Through the “Green Ladder × UJUSpace Project,” NongHyup Bank is transforming unused spaces in rural elementary schools into child-friendly environments, providing children with spaces where they can grow freely and healthily. The first project was launched in 2024 at Hamtae Elementary School in Taebaek, Gangwon-do, and a second space is scheduled to open at Jungang Elementary School in Namwon, Jeollabuk-do in March 2025. This initiative not only supports the healthy development and well-being of rural children but also contributes to building a happier society for farmers and rural communities.

Ongoing Rural Volunteer Efforts and Beautiful Village Development

In 2024, a total of 5,136 employees volunteered 35,562 hours to support rural communities through activities such as farm labor assistance, disaster relief, and agricultural waste collection. These efforts helped alleviate labor shortages and contributed to the sustainable development of agriculture and rural areas. NongHyup Bank plans to continue organizing company-wide rural volunteer efforts annually, expanding cooperative programs that support farmers and promote mutual growth.

Talent Donations to Inspire Dreams

The NongHyup Bank Sports Teams are engaged in talent donation programs to provide students in underserved areas with meaningful sports experiences. In particular, the bank's tennis and soft tennis teams—known for their strong legacy—have conducted direct coaching sessions across the country, delivering programs filled with hope and encouragement. In 2024, five sessions were held for a total of 161 students, with athletes offering hands-on lessons and donating sports equipment to help students pursue their dreams in better environments. The NongHyup Bank Sports Teams will continue promoting youth development through ongoing support and sports education.



Expanding Global Social Contribution for Sustainable Growth

NongHyup Bank actively engages in global social contribution activities through its overseas branches. At a school in Noida, India, the bank donated uniforms and sneakers to help students focus on their studies in a stable environment. In Cambodia, it contributed educational materials and daily necessities to support the prevention of child trafficking and the protection of underprivileged women. The bank will continue to expand its social contribution efforts by carrying out diverse initiatives both in Korea and abroad, working toward the sustainable development of local and global communities.



2025 ESG Business Outlook

NongHyup Bank strengthened its response to the government's Greenhouse Gas Target Management System by building a structured carbon emissions management framework and expanding its use of renewable energy. The bank also promoted ESG-focused lending products to support ESG adoption by small and medium-sized enterprises. Internally, it launched monthly ESG campaigns to reinforce the foundation of ESG management across the organization. Furthermore, through the successful establishment of the "Chologsadali" project and the expansion of Happy Sharing Financial Classes, the bank has fulfilled its role as a leading institution in financial education. In 2025, it will continue reducing internal carbon emissions as part of its commitment to carbon neutrality and will build a green finance promotion system aligned with the Financial Supervisory Service's Guidelines for Managing Green Loans, laying the foundation for increased green lending. In addition, the bank will strengthen cooperative efforts with the agricultural sector, rural communities, and local society to foster a more inclusive and compassionate society, ultimately enhancing sustainability and creating greater social value through ESG management.



Highest ESG Ratings Among Korea's Top 5 Banks

NongHyup Bank was the only institution among Korea's top five banks to receive the highest ratings across all major external ESG evaluations. It earned the "Top" grade for five consecutive years in the Regional Reinvestment Evaluation conducted by the Financial Services Commission (FSC) and maintained an A grade for four consecutive years in the governance evaluation by the Korea Institute of Corporate Governance and Sustainability (KCGS). These achievements reaffirm NongHyup Bank's excellence in ESG management, solidifying its standing as the only top-five bank to receive top marks across all key ESG assessments.

Classification	2024	2023	2022	2021	2020
FSC	Best	Good	Good	Best	Good
KCGS	A	A	B+	B+	B+

2024 NongHyup Bank Financial Statements



NongHyup Bank Financial Statements

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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, 2024 and 2023, 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, 2024 and 2023, 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.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see <http://www.deloitte.com/about> to learn more.

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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 5, 2025 

This audit report is effective as of March 5, 2025, 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, 2024 and 2023
(Korean won in millions)

	Notes	December 31, 2024	December 31, 2023
Assets			
Cash and due from banks	5, 6, 35, 36, 39	₩ 26,330,260	₩ 11,211,845
Financial assets at fair value through profit or loss (“FVTPL”)	5, 7, 35, 36	13,529,919	15,069,381
Derivative assets	5, 23, 35, 36	1,915,804	647,523
Financial assets at fair value through other comprehensive income (“FVTOCI”)	5, 8, 35, 36	29,400,690	28,883,796
Securities at amortized cost	5, 9, 35, 36	18,829,582	18,011,648
Loans at amortized cost	5, 10, 35, 36	321,587,468	323,103,000
Investments in subsidiaries	11	134,280	105,712
Tangible assets	12, 15	3,007,521	2,895,113
Investment properties	13	611,310	606,601
Intangible assets	14	504,023	535,171
Deferred income tax assets	27	-	47,196
Other assets	16, 35, 36	298,449	192,526
Net defined benefit assets	24	-	15,866
Non-current assets classified as held for sale (“HFS”)	13, 35	15	15
Total assets		₩ 416,149,321	₩ 401,325,393
Liabilities			
Deposits	17, 18, 35, 36	₩ 325,226,050	₩ 315,155,898
Derivative liabilities	17, 23, 35, 36	1,828,080	656,695
Borrowings	17, 19, 35, 36	14,448,186	14,990,518
Debentures	17, 20, 35, 36	25,927,996	23,655,817
Provisions	21, 38	505,622	726,137
Current income tax liabilities		158,975	304,997
Deferred income tax liabilities	27	102,946	-
Net defined benefit liabilities	24	91,814	-
Other liabilities	17, 22, 35, 36	23,029,907	22,798,151
Share capital repayable on demand		1,596	1,341
Total liabilities		391,321,172	378,289,554
Equity			
Controlling interests:			
Capital stock	25	2,384,351	2,384,351
Other paid-in capital	25	12,972,671	12,373,576
Retained earnings	25	9,789,999	8,834,336
(Regulatory reserves for bad debts as of December 31, 2024 and 2023, are ₩2,227,730 million and ₩2,227,730 million, respectively)			
(Regulatory reserves for bad debts to be reserved as of December 31, 2024, is ₩66,005 million)			
(Planned provision of regulatory reserves for bad debts as of December 31, 2024, is ₩66,005 million)			
Other components of equity	25	(318,872)	(556,424)
		24,828,149	23,035,839
Non-controlling interests		-	-
Total equity		24,828,149	23,035,839
Total liabilities and equity		₩ 416,149,321	₩ 401,325,393

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, 2024 and 2023
(Korean won in millions)

	Notes	For the year ended December 31, 2024	For the year ended December 31, 2023
Net interest income	4, 28		
Interest income:			
Interest income calculated using the effective interest method		₩ 16,713,531	₩ 16,498,729
Interest income on financial instruments at FVTPL		208,491	183,423
		16,922,022	16,682,152
Interest expenses		9,264,169	8,920,542
		7,657,853	7,761,610
Net commission income	4, 29		
Commission income		1,226,225	1,255,775
Commission expenses		480,795	507,802
		745,430	747,973
Gain on financial instruments at FVTPL, net	4, 28		
Gain on financial instruments at FVTPL		5,007,939	3,350,573
Loss on financial instruments at FVTPL		4,419,332	2,584,594
		588,607	765,979
Loss on financial assets at FVTOCI, net	4, 28		
Gain on financial assets at FVTOCI		14,306	11,639
Loss on financial assets at FVTOCI		65,245	72,779
		(50,939)	(61,140)
Loss on disposal of financial assets at amortized cost, net	4, 28		
Gain on disposal of financial assets at amortized cost		1,117	12,435
Loss on disposal of financial assets at amortized cost		111,166	40,583
		(110,049)	(28,148)
Other operating expenses, net	4, 30		
Other operating income		3,123,214	887,613
Other operating expenses		4,084,241	2,052,026
		(961,027)	(1,164,413)
Operating income before expected credit losses ("ECLs") and general and administrative expenses		7,869,875	8,021,861
Transfer in allowance for ECLs	4, 21, 28	969,585	1,684,321
Operating income before general and administrative expenses		6,900,290	6,337,540
General and administrative expenses	4		
Employee benefits	31	₩ 2,586,289	₩ 2,360,619
Depreciation and amortization expenses	12, 14, 15	475,406	468,411
Other selling and administrative expenses	32	781,057	746,186
		3,842,752	3,575,216
Operating income		3,057,538	2,762,324
Loss on valuation of equity method investments, net	11	5,040	(185)
Other expenses, net	4, 33	(680,466)	(375,170)
Income before income tax expenses		2,382,112	2,386,969
Income tax expenses	4, 27	575,149	606,481
Net income	25		
(Net income after the provision of regulatory reserve for bad debts for the years ended December 31, 2024 and 2023, is ₩1,740,958 million and ₩1,780,488 million, respectively)			
Controlling interests		1,806,963	1,780,488
Non-controlling interests		-	-
		1,806,963	1,780,488
Other comprehensive income (loss)			
Items not subsequently reclassified to profit or loss:			
Remeasurements of net defined benefit liabilities	24, 25	(111,879)	(95,446)
Gain on equity securities at FVTOCI	25	24,286	6,221
		(87,593)	(89,225)
Items subsequently reclassified to profit or loss:			
Gain on valuation of debt securities at FVTOCI	25	288,596	581,327
Exchange differences on translation of foreign operations	25	50,412	5,017
Share of other comprehensive loss of associates	25	-	(3)
		339,008	586,341
		251,415	497,116
Total comprehensive income			
Controlling interests		2,058,378	2,277,604
Non-controlling interests		-	-
		₩ 2,058,378	₩ 2,277,604
Earnings per share ("EPS")	34		
Basic and diluted EPS (Korean won)		₩ 3,657	₩ 3,623

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, 2024 and 2023
(Korean won in millions)

	Capital stock	Capital surplus	Capital adjustment	Hybrid equity securities	Retained earnings (deficit)	Other components of equity	Controlling interests	Non-controlling interests	Total
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:	-	-	-	-	1,780,488	-	1,780,488	-	1,780,488
Net income	-	-	-	-	-	-	-	-	-
Other comprehensive income (loss):	-	-	-	-	-	(95,446)	(95,446)	-	(95,446)
Remeasurements of net defined benefit liabilities	-	-	-	-	-	581,327	581,327	-	581,327
Gain on valuation of debt securities at FVTOCI	-	-	-	-	(914)	7,135	6,221	-	6,221
Gain (loss) on equity securities at FVTOCI	-	-	-	-	-	-	-	-	-
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
	Capital stock	Capital surplus	Capital adjustment	Hybrid equity securities	Retained earnings (deficit)	Other components of equity	Controlling interests	Non-controlling interests	Total
Balance as of January 1, 2024	₩ 2,384,351	₩ 11,078,557	₩ (3,019)	₩ 1,298,038	₩ 8,834,336	₩ (556,424)	₩ 23,035,839	₩ -	₩ 23,035,839
Changes due to consolidated tax	-	-	-	-	67,736	-	67,736	-	67,736
Total comprehensive income:	-	-	-	-	1,806,963	-	1,806,963	-	1,806,963
Net income	-	-	-	-	-	-	-	-	-
Other comprehensive income (loss):	-	-	-	-	-	(111,879)	(111,879)	-	(111,879)
Remeasurements of net defined benefit liabilities	-	-	-	-	-	288,596	288,596	-	288,596
Gain on valuation of debt securities at FVTOCI	-	-	-	-	13,863	10,423	24,286	-	24,286
Gain on equity securities at FVTOCI	-	-	-	-	-	50,412	50,412	-	50,412
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-
Issuance of hybrid equity securities	-	-	-	599,095	-	-	599,095	-	599,095
Dividends on hybrid equity securities	-	-	-	-	(62,899)	-	(62,899)	-	(62,899)
Dividends	-	-	-	-	(870,000)	-	(870,000)	-	(870,000)
Balance as of December 31, 2024	₩ 2,384,351	₩ 11,078,557	₩ (3,019)	₩ 1,897,133	₩ 9,789,999	₩ (318,872)	₩ 24,828,149	₩ -	₩ 24,828,149

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, 2024 and 2023
(Korean won in millions)

	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
Operating activities			
Net income	₩	1,806,963	₩ 1,780,488
Adjustments to reconcile income before income tax expenses to net cash provided by operating activities:			
Net interest income		(7,657,853)	(7,761,610)
Dividend income		(10,973)	(7,654)
Income tax expenses		575,149	606,481
Gain related to financial assets at FVTPL		(345,500)	(452,564)
Gain on valuation of trading derivatives		(103,238)	(74,878)
Gain on valuation of hedging derivatives		(2,210)	(2,177)
Loss (gain) on fair value hedge		(13,889)	15,529
Loss related to financial assets at FVTOCI		58,861	66,463
Loss related to financial assets at amortized cost		110,049	28,148
Loss (gain) on valuation of equity method investments		(5,040)	185
Depreciation and amortization		481,770	474,474
Loss on disposal of assets		7,657	6,829
Allowance for ECLs		969,585	1,684,321
Transfer of provisions		49,367	254,800
Retirement expenses of net defined benefit liabilities		228,900	208,877
Loss (gain) on transaction of foreign exchange		(9,701)	61,289
		537	-
Others		102,777	97,723
		(5,563,752)	(4,793,764)
Changes in operating assets and liabilities:			
Due from banks		332,247	64,614
Derivative assets		531,230	846,310
Financial assets at FVTPL		1,186,338	(652,602)
Loans at amortized cost		1,206,742	(15,582,797)
Other assets		3,671	(33,184)
Deposits		8,983,481	7,323,391
Derivative liabilities		(524,328)	(883,832)
Defined benefit obligations		(200,902)	(176,848)
Plan assets		(72,223)	(53,072)
Provisions		(204,172)	(23,715)
Other liabilities		(97,985)	3,083,099
		11,144,099	(6,088,636)
Cash received for interest		16,896,923	16,235,229
Payment of interest expenses		(9,022,445)	(7,443,476)
Cash received for dividend		10,947	7,619
Payment of income tax		(572,991)	(447,782)
Net cash (used in) provided by operating activities		14,699,744	(750,322)

(Continued)

Consolidated statements of cash flows (cont'd)

NongHyup Bank and its subsidiaries

For the Years Ended December 31, 2024 and 2023
(Korean won in millions)

	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
Investing activities			
Cash flows provided by investing activities:			
Disposal of financial assets at FVTPL	₩	16,304,696	₩ 13,193,180
Disposal or redemption of financial assets at FVTOCI		27,643,095	14,088,701
Disposal or redemption of securities at amortized cost		2,926,359	4,801,814
Disposal of tangible assets		626	1,768
Disposal of intangible assets		1,254	1,850
Disposal of investment properties		3	-
Disposal of investments in associates		1,656	5,439
Dividend of investments in associates		1,648	3,554
Changes in the scope of consolidated companies		-	311
		46,879,337	32,096,617
Cash flows used in investing activities:			
Purchase of financial assets at FVTPL		15,393,222	13,683,478
Purchase of financial assets at FVTOCI		27,426,199	12,759,902
Purchase of securities at amortized cost		3,630,658	7,231,249
Purchase of investment in associates		26,832	23,335
Purchase of tangible assets		260,592	188,839
Purchase of intangible assets		170,593	218,504
Purchase of investment properties		3,053	4,513
Purchase of right-of-use assets		12,390	11,367
		(46,923,539)	(34,121,187)
Net cash used in investing activities		(44,202)	(2,024,570)
Financing activities			
Cash flows provided by financing activities:			
Issuance of capital stock		-	-
Increase in borrowings, net		-	-
Increase in debentures		10,726,621	15,250,667
Issuance of hybrid equity securities		599,095	419,367
		11,325,716	15,670,034
Cash flows used in financing activities:			
Decrease in borrowings, net		1,036,288	2,477,692
Decrease in debentures		8,968,424	12,782,340
Dividends		932,899	917,993
Decrease in borrowings from trust accounts, net		-	349,647
Decrease in lease liabilities		87,202	83,355
		(11,024,813)	(16,611,027)
Net cash (used in) provided by financing activities		300,903	(940,993)
Net (decrease) increase in cash and cash equivalents		14,956,445	(3,715,885)
Cash and cash equivalents at the beginning of year		10,841,963	14,546,263
Effect of exchange rate changes on cash and cash equivalents		50,101	11,585
Cash and cash equivalents at the end of year	39	₩ 25,848,509	₩ 10,841,963

(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, 2024 and 2023, 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, 2024 and 2023, 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.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see <http://www.deloitte.com/about> to learn more.

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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 5, 2025 

This audit report is effective as of March 5, 2025, 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, 2024 and 2023
(Korean won in millions)

	Notes	December 31, 2024	December 31, 2023
Assets			
Cash and due from banks	5, 6, 35, 36, 39	₩ 25,979,585	₩ 10,906,824
Financial assets at fair value through profit or loss (“FVTPL”)	5, 7, 35, 36	11,105,653	11,596,635
Derivative assets	5, 23, 35, 36	1,915,804	647,523
Financial assets at fair value through other comprehensive income (“FVTOCI”)	5, 8, 35, 36	29,400,691	28,883,798
Securities at amortized cost	5, 9, 35, 36	18,829,582	18,011,648
Loans at amortized cost	5, 10, 35, 36	320,985,086	322,489,043
Investments in subsidiaries and associates	11	169,691	144,515
Tangible assets	12, 15	3,000,474	2,887,972
Investment properties	13	611,310	606,601
Intangible assets	14	498,044	529,871
Deferred income tax assets	27	-	79,476
Other assets	16, 35, 36	292,724	184,813
Net defined benefit assets	24	-	15,866
Non-current assets classified as held for sale (“HFS”)	13, 35	15	15
Total assets		₩ 412,788,659	₩ 396,984,600
Liabilities			
Deposits	17, 18, 35, 36	₩ 322,162,122	₩ 311,972,655
Derivative liabilities	17, 23, 35, 36	1,828,080	658,346
Borrowings	17, 19, 35, 36	14,385,186	13,757,718
Debentures	17, 20, 35, 36	25,927,996	23,655,817
Provisions	21	505,204	725,857
Current income tax liabilities		158,975	305,405
Deferred income tax liabilities	27	70,088	-
Net defined benefit liabilities	24	91,814	-
Other liabilities	17, 22, 35, 36	22,910,833	22,898,386
Total liabilities		388,040,298	373,974,184
Equity			
Capital stock	25	2,384,351	2,384,351
Other paid-in capital	25	12,936,723	12,337,628
Retained earnings	25	9,755,808	8,845,185
Regulatory reserves for bad debts as of December 31, 2024 and 2023, are ₩2,227,682 million and ₩2,227,682 million, respectively			
Regulatory reserves for bad debts to be reserved as of December 31 2024, is ₩66,053 million.			
Planned provision of regulatory reserves for bad debts as of December 31 2024, is ₩66,053 million.			
Other components of equity	25	(328,521)	(556,748)
Total equity		24,748,361	23,010,416
Total liabilities and equity		₩ 412,788,659	₩ 396,984,600

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

or the Years Ended December 31, 2024 and 2023
(Korean won in millions)

	Notes	For the year ended December 31, 2024	For the year ended December 31, 2023
Net interest income	4, 28		
Interest income:			
Interest income calculated using the effective interest method		₩ 16,668,256	₩ 16,443,464
Interest income on financial instruments at FVTPL		28,159	32,190
		16,696,415	16,475,654
Interest expenses		9,134,395	8,787,822
		7,562,020	7,687,832
Net commission income	4, 29		
Commission income		1,243,860	1,268,430
Commission expenses		475,680	499,097
		768,180	769,333
Gain on financial instruments at FVTPL, net	4, 28		
Gain on financial instruments at FVTPL		4,991,433	3,260,812
Loss on financial instruments at FVTPL		4,388,746	2,552,581
		602,687	708,231
Loss on financial assets at FVTOCI, net	4, 28		
Gain on financial assets at FVTOCI		14,306	11,639
Loss on financial assets at FVTOCI		65,246	72,780
		(50,940)	(61,141)
Loss on disposal of financial assets at amortized cost, net	4, 28		
Gain on disposal of financial assets at amortized cost		1,117	12,435
Loss on disposal of financial assets at amortized cost		111,166	40,583
		(110,049)	(28,148)
Other operating expenses, net	4, 30		
Other operating income		3,123,213	966,378
Other operating expenses		4,078,836	2,046,751
		(955,623)	(1,080,373)
Operating income before expected credit losses ("ECLs") and general and administrative expenses		7,816,275	7,995,734
Transfer in allowance for ECLs	4, 21, 28	971,689	1,677,856
Operating income before general and administrative expenses		6,844,586	6,317,878
General and administrative expenses	4		
Employee benefits	31	₩ 2,578,779	₩ 2,353,322
Depreciation and amortization expenses	12, 14, 15	473,034	466,122
Other selling and administrative expenses	32	778,032	743,595
		3,829,845	3,563,039
		3,014,741	2,754,839
Operating income			
Other expenses, net	4, 33	(679,971)	(371,249)
Income before income tax expenses		2,334,770	2,383,590
Income tax expenses	4, 27	572,847	605,249
Net income	4, 25	1,761,923	1,778,341
(Net income after the provision of regulatory reserve for bad debts for the years ended December 31, 2024 and 2023, is ₩1,695,870 million and ₩1,778,341 million, respectively.)			
Other comprehensive income (loss)			
Items not subsequently reclassified to profit or loss:			
Remeasurements of net defined benefit liabilities	24, 25	(111,879)	(95,446)
Gain on equity securities at FVTOCI	25	24,286	6,220
		(87,593)	(89,226)
Items subsequently reclassified to profit or loss:			
Gain on valuation of debt securities at FVTOCI	25	288,596	581,328
Exchange differences on translation of foreign operations	25	41,087	3,108
		329,683	584,436
		242,090	495,210
Total comprehensive income		₩ 2,004,013	₩ 2,273,551
Earnings per share ("EPS")	34		
Basic and diluted EPS (Korean won)		₩ 3,563	₩ 3,618

(Concluded)

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, 2024 and 2023
(Korean won in millions)

	Capital stock	Capital surplus	Other paid-in capital Capital adjustment	Hybrid equity securities	Retained earnings	Other components of equity	Total
Balance as of January 1, 2023	₩ 2,384,351	₩ 11,042,610	₩ (3,019)	₩ 1,226,317	₩ 7,932,224	₩ (1,052,873)	₩ 21,531,610
Changes due to consolidated tax	-	-	-	-	53,528	-	53,528
Total comprehensive income:	-	-	-	-	1,778,341	-	1,778,341
Net income	-	-	-	-	1,778,341	-	1,778,341
Other comprehensive income (loss):							
Remeasurements of net defined benefit liabilities	-	-	-	-	-	(95,446)	(95,446)
Gain 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
	Capital stock	Capital surplus	Other paid-in capital Capital adjustment	Hybrid equity securities	Retained earnings	Other components of equity	Total
Balance as of January 1, 2024	₩ 2,384,351	₩ 11,042,610	₩ (3,019)	₩ 1,298,037	₩ 8,845,185	₩ (556,748)	₩ 23,010,416
Changes due to consolidated tax	-	-	-	-	67,736	-	67,736
Total comprehensive income:	-	-	-	-	1,761,923	-	1,761,923
Net income	-	-	-	-	1,761,923	-	1,761,923
Other comprehensive income (loss):							
Remeasurements of net defined benefit liabilities	-	-	-	-	-	(111,879)	(111,879)
Gain on valuation of debt securities at FVTOCI	-	-	-	-	-	288,596	288,596
Gain on equity securities at FVTOCI	-	-	-	-	13,863	10,423	24,286
Exchange differences on translation of foreign operations	-	-	-	-	-	41,087	41,087
Issuance of hybrid equity securities	-	-	-	599,095	-	-	599,095
Dividends on hybrid equity securities	-	-	-	-	(62,899)	-	(62,899)
Dividends	-	-	-	-	(870,000)	-	(870,000)
Balance as of December 31, 2024	₩ 2,384,351	₩ 11,042,610	₩ (3,019)	₩ 1,897,132	₩ 9,755,806	₩ (328,521)	₩ 24,748,361

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, 2024 and 2023
(Korean won in millions)

	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
Operating activities			
Net income		₩ 1,761,923	₩ 1,778,341
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Net interest income		(7,562,020)	(7,687,832)
Dividend income		(12,409)	(11,162)
Tax expenses		572,847	605,249
Gain related to financial assets at FVTPL		(308,010)	(356,429)
Gain on valuation of trading derivatives		(103,238)	(76,188)
Gain on valuation of hedging derivatives		(2,210)	(2,177)
Loss (gain) on fair value hedge		(13,889)	15,529
Loss related to financial assets at FVTOCI		58,861	66,464
Loss on disposal of financial assets at amortized cost		110,049	28,148
Depreciation and amortization		479,398	472,185
Impairment loss on intangible assets		537	-
Loss on disposal of assets		7,652	6,899
Allowance for ECLs		971,689	1,677,856
Transfer of provisions		49,367	254,800
Retirement expenses of net defined benefit liabilities		228,900	208,877
Loss (gain) on transaction of foreign exchange		(9,537)	61,375
Others		103,399	17,789
		(5,428,614)	(4,718,617)
Changes in operating assets and liabilities:			
Due from banks		355,616	(7,156)
Derivative assets		531,230	846,724
Financial assets at FVTPL		106,517	(41,805)
Loans at amortized cost		1,232,348	(15,737,934)
Other assets		3,157	(37,235)
Deposits		9,103,087	7,443,865
Derivative liabilities		(524,328)	(884,247)
Defined benefit obligations		(200,902)	(176,848)
Plan assets		(72,223)	(53,072)
Provisions		(204,265)	(23,759)
Other liabilities		(276,975)	3,249,470
		10,053,262	(5,421,997)
Cash received for interest		16,665,296	16,040,927
Payment of interest expenses		(8,953,352)	(7,390,943)
Cash received for dividend		10,761	7,608
Payment of income tax		(572,964)	(447,547)
Net cash (used in) provided by operating activities		13,536,312	(152,228)

(Continued)

Separate statements of cash flows (cont'd)

NongHyup Bank and its subsidiaries

for the years ended December 31, 2024 and 2023
(Korean won in millions)

	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
Investing activities			
Cash flows provided by investing activities:			
Disposal of financial assets at FVTPL		₩ 16,304,696	₩ 13,193,571
Disposal or redemption of financial assets at FVTOCI		27,643,095	14,088,701
Disposal or redemption of securities at amortized cost		2,926,359	4,801,814
Disposal of investment properties		3	-
Disposal of tangible assets		626	1,733
Disposal of intangible assets		1,254	1,850
Disposal of investments in associates		1,656	5,439
Dividend of investments in associates		1,648	3,554
		46,879,337	32,096,662
Cash flows used in investing activities:			
Purchase of financial assets at FVTPL		15,393,222	13,683,478
Purchase of financial assets at FVTOCI		27,426,199	12,759,902
Purchase of securities at amortized cost		3,630,658	7,231,249
Purchase of investment properties		3,053	4,513
Purchase of tangible assets		259,918	188,319
Purchase of right-of-use assets		12,072	11,106
Purchase of intangible assets		170,580	218,340
Purchase of investments in subsidiaries and associates		26,832	23,335
		(46,922,534)	(34,120,242)
Net cash used in investing activities		(43,197)	(2,023,580)
Financing activities			
Cash flows provided by financing activities:			
Increase in borrowings, net		100,632	-
Increase in debentures		10,726,621	15,250,667
Issuance of hybrid equity securities		599,095	419,367
		11,426,348	15,670,034
Cash flows used in financing activities:			
Decrease in borrowings, net		-	3,062,929
Decrease in debentures		8,968,424	12,782,340
Dividends		932,899	917,993
Decrease in lease liabilities		86,318	82,493
Redemption of hybrid equity securities		-	349,647
		(9,987,641)	(17,195,402)
Net cash (used in) provided by financing activities		1,438,707	(1,525,368)
Net (decrease) increase in cash and cash equivalents		14,931,822	(3,701,176)
Cash and cash equivalents at the beginning of year		10,803,499	14,493,090
Effect of exchange rate changes on cash and cash equivalents		49,781	11,585
Cash and cash equivalents at the end of year	39	₩ 25,785,102	₩ 10,803,499

(Concluded)

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

NongHyup Bank Networks

Domestic Branches

- 150 in Seoul
- 38 in Incheon
- 205 in Gyeonggi-do
- 61 in Gangwon-do
- 27 in Daejeon
- 19 in Sejong
- 48 in Chungcheongbuk-do
- 61 in Chungcheongnam-do
- 41 in Daegu
- 26 in Ulsan
- 74 in Gyeongsangbuk-do
- 55 in Busan
- 92 in Gyeongsangnam-do
- 28 in Gwangju
- 52 in Jeollabuk-do
- 64 in Jeollanam-do
- 22 in Jeju-do



Number of branch offices

(Units: EA)

Location	Branch	Sub-branch	Office	Total
Korea	776	287	-	1,063

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)

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